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PROOF OF PUBLICATION

STATE OF NEVADA
COUNTY OF WASHOE

ss. Tana Ciccotti

being duly sworn, deposes and says:
That as legal clerk of the RENO GAZETTE-JOURNAL, a daily newspaper published in Reno, Washoe County, State of Nevada, that the notice:

Ordinance No. 925

NOTICE OF COUNTY ORDINANCE NO. 925
NOTICE IS HEREBY GIVEN that ORDINANCE NO. 925, Bill No. 1100, entitled AN ORDINANCE INITIATING THE MERGER OF THE CRYSTAL BAY GENERAL IMPROVEMENT DISTRICT INTO THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT; PROVIDING FOR WRITTEN NOTICE OF THE PROPOSED MERGER TOGETHER WITH THE TIME AND PLACE FOR A HEARING ON THE MERGER was adopted on JANUARY 10, 1995, by Commissioners Joanne Bond, Steve Bradhurst, Mike Mouliot, Grant Sims, and Jim Shaw and will become effective on JANUARY 23, 1995. Typewritten copies of the ordinance are available for inspection by all interested persons at the office of the County Clerk at the County Courthouse, Virginia and Court Streets, Reno, Nevada. Judi Bailey, County Clerk No. 229 Jan 16, 23, 1005

of which a copy is hereto attached, has been published in each regular and entire issue of said newspaper on the following dates to wit:

Jan. 16, 23, 1995

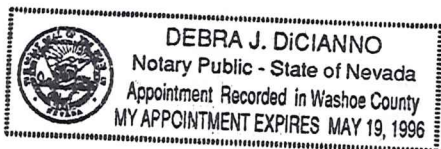
Signed

Tana Ciccotti

Subscribed and sworn to before me on 01/23/95

Notary Public

Debra J. DiCianno



P.O. BOX 22000. RENO. NEVADA 89520
(702) 788-6200



925 ✓

SUMMARY: An ordinance initiating the merger of Crystal Bay General Improvement District into the Incline Village General Improvement District

BILL NO. 1100

ORDINANCE NO. 925

AN ORDINANCE INITIATING THE MERGER OF THE CRYSTAL BAY GENERAL IMPROVEMENT DISTRICT INTO THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT; PROVIDING FOR WRITTEN NOTICE OF THE PROPOSED MERGER TOGETHER WITH THE TIME AND PLACE FOR A HEARING ON THE MERGER.

WHEREAS, the Incline Village General Improvement District (hereinafter "IVGID"), is a general improvement district formed under Nevada Revised Statute Chapter 318, created by the Board of County Commissioners of Washoe County on May 21, 1961, through Washoe County Ordinance No. 97 (as amended); and,

WHEREAS, IVGID's powers and purposes include, but are not limited to, the following: to grade and regrade streets, and to acquire street improvements; to construct, reconstruct, improve, extend or better sanitary sewer systems; to construct, reconstruct, replace or extend storm sewer and other drainage facilities; to acquire, construct, reconstruct, improve, extend or better water facilities, and to make distribution thereof; to operate, maintain and repair improvements; to acquire, construct, reconstruct, improve, extend or better a system or facilities for electric light and power (by Washoe County Ordinance, amending Ordinance No. 97); to provide garbage/refuse operations or leasing out of same; and, to acquire, construct, reconstruct, improve, extend and better lands, works, systems and facilities for public recreation (by Washoe County Ordinance, amending Ordinance No. 97); and,

WHEREAS, the Crystal Bay General Improvement District (hereinafter "CBGID") is a general improvement district formed under Nevada Revised Statute Chapter 318, created by the Board of County Commissioners of Washoe County on December 6, 1972, through Washoe County Ordinance No. 199; and

WHEREAS, CBGID's powers and purposes include, but are not limited to, the following: to acquire lands and rights necessary for the construction use and supply, operation, maintenance, repair and improvement for the production, transmission or distribution of electric energy; to furnish, deliver and sell heat, light and power; to take necessary steps for the extermination of mosquitoes, flies, other insects, and rats and the like; to abate nuisances, subject to paramount County jurisdiction; to build, construct repair and maintain necessary dikes, levees, cuts, channels, canals or ditches, including the acquisition of rights-of-way, and

easements; to levy annually a general, ad valorem, property tax and additional taxes under NRS 318.119, and to exercise any other powers provided for in subsections 2, 3, 4, 5, 6, and 7 of NRS 318.118; to levy special assessments and to fix tolls, rates and other service or use charges as provided for in NRS 318.1192; to provide sanitary sewer systems; and, to supply, store and distribute water for private and public purposes; and

WHEREAS, IVGID has adopted a Resolution titled: "A Resolution Initiating Process for the Merger of Crystal Bay General Improvement District into Incline Village General Improvement District; Providing a Public Hearing Thereon; Providing Public Notice Thereof; and, Providing Other Matters Properly Relating Thereto", which Resolution No. 1651 was adopted on August 11, 1994, and which Resolution set August 25, 1994, as a date for a public hearing on such merger, which Resolution is attached hereto as Exhibit "A"; and

WHEREAS, on August 25, 1994, following a hearing on the proposed merger, IVGID adopted Resolution No. 1652 titled: "A Final Resolution Merging the Proposed Dissolved Crystal Bay General Improvement District Into Incline Village General Improvement District; Providing for the Assumption and/or Satisfactory Resolution of All Outstanding Indebtedness of All Kinds and of All Functions of Said Merged District, Declaring and Emergency; and, Providing Other Matters Property Relating Thereto", which Resolution is attached hereto as Exhibit "B"; and

WHEREAS, on August 16, 1994, CBGID adopted a Resolution initiating and approving the merger of CBGID into IVGID, which resolution is attached hereto as Exhibit "C"; and

WHEREAS, IVGID and CBGID have executed a Merger Agreement, the purpose of which is to agree to the merger of the two districts, with IVGID as the surviving district, and which sets forth the proposed resolution of all outstanding indebtedness and bonds of all kinds of CBGID, which Merger Agreement is attached hereto as Exhibit "D"; and

WHEREAS, NRS 318.490 to 318.510, inclusive and NRS 309.500 to 309.540, inclusive provide that Washoe County has the authority to effect the merger of CBGID, with IVGID as the surviving district, after notice and public hearing, providing the County can make the following findings:

(a) All outstanding indebtedness and bonds of all kinds of the CBGID have been paid or will be assumed or paid by IVGID; and

(b) The services of CBGID are no longer needed or can be more effectively performed by IVGID.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS OF THE COUNTY OF WASHOE, STATE OF NEVADA, DO ORDAIN:

SECTION 1.

Proceedings are hereby initiated for the merger of Crystal Bay General Improvement District into Incline Village General Improvement District, with IVGID being the surviving district, pursuant to the provisions of NRS 318.490 to 318.510, inclusive, and NRS 309.500 to 309.540, inclusive.

SECTION 2.

That upon completion of the merger the surviving district will be known as the "Incline Village General Improvement District."

SECTION 3.

The basic powers of IVGID following the merger shall be all those powers of IVGID provided in Ordinance No. 97, as amended, and those power granted to CBGID in Ordinance No. 199.

SECTION 4.

That upon the effective date of the merger, the boundaries of IVGID shall become and be inclusive of all lands heretofore within the boundaries of CBGID.

SECTION 5.

Based upon the Merger Agreement adopted by CBGID and IVGID, the Board of Commissioners of Washoe County hereby finds that all outstanding indebtedness and bonds of all kinds of CBGID have been paid or will be assumed or paid by IVGID.

SECTION 6.

For the reasons set forth in Resolution No. 1651 and Resolution No. 1652, both resolutions of IVGID, and for the reasons set forth in Resolution No. 94-1, a Resolution of CBGID, and for the reasons set forth in the Merger Agreement signed by IVGID and CBGID, the Board of Commissioners of Washoe County hereby adopts and incorporates by reference the statements and findings contained in those resolutions and in the Merger Agreement and finds that the services of CBGID can more effectively be performed by IVGID.

SECTION 7.

That upon the adoption of this ordinance, the Board of Commissioners of Washoe County hereby directs the County Clerk of Washoe County:

1. To certify a copy of this ordinance to the Board of Trustees of IVGID and the Board of Trustees of CBGID;
2. To mail written notice to all property owners within IVGID and CBGID. Said notice shall contain the following information:

- (a) That this ordinance has been adopted on the 10th day of January, 1995;
- (b) The determination by the Board of County Commissioners of Washoe County that CBGID should be merged into IVGID, with IVGID as the surviving district; and
- (c) The fact that on the 14th day of February, 1995, the Board of Commissioners of Washoe County shall hold a public hearing at the hour of 6:00 p.m. on the proposed merger.
- (d) Further, that on or before the date fixed for the public hearing, persons who own property which is located within IVGID boundaries or CBGID boundaries may protest against the merger of CBGID into IVGID. Such protest must be in writing and filed with the County Clerk of Washoe County, at Washoe County Courthouse, 75 Court Street, Reno, Nevada; or if mailed, addressed to the Washoe County Clerk, P. O. Box 11130, Reno, Nevada, 89520.

SECTION 8.

This ordinance shall be in full force and effect from and after its passage, approval and publication as prescribed by NRS 244.100.

Proposed on the 27TH day of DECEMBER, 1994.
 Proposed by Commissioner STEVE BRADHURST.
 Passed on the 10TH day of JANUARY, 1995.

Vote:

Ayes: Commissioners: JOANNE BOND, STEVE BRADHURST,
 MIKE MOULIOT, JIM SHAW, and GRANT SIMS
 Nays: Commissioners:
 Absent: Commissioners:

Jim Shaw
 Chairman of the Board

JUDIE BAILEY
 ATTEST:
 By Judie Bailey Chief Deputy
 County Clerk

This ordinance shall be in force and effect from and after the 23RD day of JANUARY, 1995.

EXHIBIT A

Boundaries of Incline Village General Improvement District (IVGID)
following the merger of Crystal Bay General Improvement District into IVGID

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Parcel No. 1:

All that certain real property being a portion of T16N, R18E, M.D.B.&M., Washoe County, Nevada, more particularly described as follows:

Beginning at the Northeast section corner of Section 1, T16N, R18E; thence Southerly to the Southeast section corner of said Section 1; then Westerly to the Northeast corner of the West one-half of the East one-half of Section 12, T16N, R18E; thence Southerly to the Southeast corner of said West one-half of the East one-half of Section 12; thence Easterly to the Northeast section corner of Section 13, T16N, R18E; thence Southerly to the Southeast section corner of said Section 13; thence Westerly to the Northeast corner of the West one-half of the Northeast one-quarter of Section 24, T16N, R18E; thence Southerly to the Southeast corner of the said West one-half of the Northeast one-quarter of Section 24; thence Westerly to the center of said Section 24; thence Southerly to the Northwest corner of the South one-half of the Southeast one-quarter of said Section 24; thence Easterly to the Northeast corner of the said South one-half of the Southeast one-quarter of Section 24; thence Southerly to the Southeast section corner of said Section 24; thence Westerly to the Southeast section corner of Section 23, T16N, R18E; thence Westerly along the South line of said Section 23 to the Easterly boundary of State Highway No. 28; thence Southerly along said Easterly boundary of said State Highway to the North boundary of Rocky Point Subdivision Amended; thence Easterly along the North line of said Rocky Point Subdivision Amended, to the centerline of 3rd Street, extended; thence Southerly along the centerline of said 3rd Street to the Southerly boundary of said Rocky Point Subdivision Amended; thence Westerly along the South boundary of said Rocky Point Subdivision Amended to the shoreline of Lake Tahoe; thence Northerly, Northeasterly along Lake Tahoe to the North boundary of said Rocky Point Subdivision Amended; thence Easterly along the North boundary of said Rocky Point Subdivision Amended to the Westerly boundary of said State Highway No. 28; thence Northerly along said Westerly boundary of said State Highway No. 28 to the South line of said Section 23, T16N, R18E; thence Westerly along the South line of said Section 23 to the shoreline of Lake Tahoe; thence Northwesterly, Westerly and Southwesterly along Lake Tahoe to the South line of Section 18, T16N, R18E; thence Westerly to the Southwest corner of the West one-half of the Southeast one-quarter of said Section 18; thence Northerly to the Northwest corner of the Northeast one-quarter of said Section 18; thence Easterly to the Southwest section corner of Section 8, T16N, R18E; thence Northerly to the Northwest corner of the South one-half of said Section 8; thence Easterly to the Northeast corner of said South one-half of Section 8; thence Northerly to the Northwest section corner of Section 9, T16N, R18E; thence Easterly to the Southwest section corner of Section 3, T16N, R18E; thence Northerly to the Northwest section corner of said Section 3; thence Easterly to the Northwest section corner of Section 2, T16N, R18E; thence Easterly to the Northwest section corner of said Section 1; thence Easterly to the said Northeast section corner of Section 1 and the true point of beginning of this description.

Excepting the following parcels:

Assessor's Parcel No. 130-332-01
Assessor's Parcel No. 130-332-03
Assessor's Parcel No. 122-181-38
Assessor's Parcel No. 130-241-06

Assessor's Parcel No. 130-241-07
Assessor's Parcel No. 130-241-37
Assessor's Parcel No. 130-242-04
Assessor's Parcel No. 130-312-14

Parcel No. 2:

A portion of Sections 19 and 30, Township 16 North, Range 18 East, M.D.M., County of Washoe, State of Nevada.

Beginning at a point identified as U.S. Government corner being on the boundary line common to the State of Nevada and the State of California at which point the said boundary line intersects the section line common to Sections 19 and 30, Township 16 North, Range 18 East, M.D.M., Washoe County, Nevada; thence leaving said point of beginning and said U.S. Government corner and traversing Northerly along the boundary line common to said states of Nevada and California for a distance of 1340.00 feet more or less to the Northwest corner of Lot 4 of said Section 19; thence leaving the boundary line common to said states of Nevada and California and traversing North $89^{\circ}05'50''$ East for a distance of 541.14 feet more or less along the North lines of Lot 4 and Lot III to the Southwest corner of Lot 1 in Block 1 of Crystal Bay Park (a subdivision of Portions of Lots 1, 2, II, 3 and III of said Section 19); thence North $14^{\circ}16'00''$ East along the Westerly line of Lots 1, 2 and 3 in Block 1 of said Crystal Bay Park for a distance of 155.40 feet to the Northwest corner of Lot 3 in Block 1 of said Crystal Bay Park; thence diagonally across Lot 3 in Block 1 of said Crystal Bay Park for a distance of 152.73 feet to the Northeast corner of Lot 2 in Block 1 of said Crystal Bay Park; thence South $14^{\circ}16'00''$ West for a distance of 103.60 feet to the Southeast corner of Lot 1 in Block 1 of said Crystal Bay Park; thence North $89^{\circ}05'50''$ East across Nevada State Highway No. 28 and along the North line of its Easterly projection of Lot IV of said Section 19 to its intersection with the normal low water line of Lake Tahoe; thence Southerly and Westerly along said low water line of Lake Tahoe to its intersection with the boundary line common to said states of Nevada and California; thence Northerly along the boundary line common to said states of Nevada and California for a distance of 350.00 feet more or less to 191 Mile Post (from Oregon); thence continuing Northerly along the boundary line common to said states of Nevada and California for a distance of 816.06 feet to a point on the centerline of State Line Road; thence south $89^{\circ}30'$ East for a distance of 20.00 feet to a point on the Easterly line of said State Line Road; thence Northerly along the Easterly line of said State Line Road for a distance of 440.00 feet to its intersection with the Southerly line of Calaneva Drive; thence North $24^{\circ}14'$ East across Calaneva Drive and along the Northeasterly line of said State Line Road for a distance of 163.92 feet to its intersection with the Southeasterly line of Nevada State Highway No. 28; thence across Nevada State Highway No. 28 North $53^{\circ}15'48''$ West a distance of 85.48 feet to the point of intersection of the Northwesterly line of Nevada State Highway No. 28 with the Easterly line of State Line Road; thence across said State Line Road along the Southwesterly projection of the Northwesterly line of said Nevada State Highway No. 28 for a distance of 47.43 feet to a point on the Westerly line of said State Line Road, being also a point of the boundary line common to said states of Nevada and California; thence Northerly along the Westerly line of said State Line Road and the boundary line common to the states of Nevada and California for a distance of 679.42 feet to the true point of beginning for this description.

Parcel No. 3:

All that certain tract, piece or parcel of land situate, lying and being in Section 19, T16N, R18E, M.D.B.&M., and more particularly described as follows, to-wit:

Beginning at the point where the Easterly right-of-way line of Nevada State Route 28 intersects the North line of Lot 3, Block H, as shown on the map of Nevada Vista Subdivision, Filing No. 37826 recorded August 26, 1926, in the office of the Washoe County Recorder, Reno, Nevada, the true point of beginning; thence N 88°58'00" E along the North line of the said Lot 3 to Lake Tahoe; thence Northerly and Northeasterly along Lake Tahoe to an intersection with the section line common to Sections 18 and 19, T16N, R18E, M.D.B.&M.; thence Westerly along the said section line to a point of intersection with the West right-of-way line of said Nevada State Highway Route 28; thence Southwesterly along the said West right-of-way line to a point of intersection with the Northeasterly line of Borrow Pit No. 1 as shown on the map of Crystal Bay Park Unit No. 2, filed and recorded August 20, 1948, in the Office of the Washoe County Recorder under File No. 166565; thence N 47°35' W 150 feet to the most Northerly corner of the said Borrow Pit No. 1; thence S 42°25' W 200 feet along the Northwesterly line of the said Borrow Pit No. 1 and Borrow Pit No. 2 to the most Westerly corner of Borrow Pit No. 2 as shown on the said map of Crystal Bay Park Unit No. 2; thence Southwesterly to the Northerly most corner of Lot 13, Block 10, as shown on the said map of Crystal Bay Park Unit No. 2 and the map of Crystal Bay Park Subdivision (unofficial) on file in the Office of the Washoe County Engineer; thence S 38°20' W 25.00 feet along the Westerly line of the said Lot 13 to its intersection with the right-of-way line of the cul de sac at the North end of Amagosa Road; thence on a curve to the left along the said cul de sac to its intersection with the Northerly line of Borrow Pit No. 3 as shown on the said map of Crystal Bay Park Unit No. 2; thence N 72°57' W 200 feet along the said Northerly line to the Northwesterly corner of the said Borrow Pit No. 3; thence S 17°03' W 100 feet along the West line of the said Borrow Pit No. 3 to the southwest corner of the said Borrow Pit No. 3, the said point also being the northwesterly corner of Borrow Pit No. 4, as shown on the said map of Crystal Bay Park Unit No. 2; thence S 02° 39'53" E 75.69 feet to the Northeasterly corner of Lot 11 as shown on the plat of Cal-Neva Highlands Subdivision No. 1, filed and recorded March 15, 1963, in the Office of the Washoe County Recorder, under file No. 379954, the said point also being on the West right-of-way line of Goshute Road; thence N 80°00'00" W 341.63 feet to a point on the Westerly right-of-way line of Wellesley Way and the Westerly boundary of the said subdivision; thence West 301.58 feet along the North line of Parcel 2 as described in Exhibit "A" of Deed 179073 recorded in the Office of the Washoe County Recorder, July 14, 1970, Book 475, Page 722, to the Northwest corner of said parcel 2; thence South 197.02 feet to the southwest corner of the said Parcel 2; thence Westerly to the Northeast corner of Parcel 1 as described in the said Exhibit "A" of the said Deed 179073; thence West 281 feet, more or less, along the Northerly line of the said Parcel 1 to a point of intersection on the California-Nevada State Boundary Line; thence S 0°30'00" W along the said State Boundary Line to the intersection with the line common to the Matt Green Subdivision (unofficial subdivision) and the Crystal Bay park Subdivision (unofficial subdivision), the said intersection being further described as lying N 0° 30'00" E 1337.77 feet from the intersection of the south line of the said Section 19 and the said State Boundary Line; thence N 89°13'00" E 685.90 feet to the West right-of-way line of Nevada State Highway Route 28; thence continuing N 89°13'00" E 82.86 feet to the East right-of-way line of the said Nevada State Highway Route 28; thence along the said East right-of-way line S 14°19'00" W 340.41 feet; thence S 74°41'00" E 15.00 feet to a point on a curve to the left having a central angle of 5°41'56" and a radius of 1945.00 feet; thence along the curve a distance of 193.46 feet; thence N 81° 22'56" W 15.00 feet to a point on a curve to the left having a central angle of 8°01'04" and a radius of 1960.00 feet; thence along the curve a distance of 274.28 feet; thence S 00°36'00" W 500.00 feet to the true point of beginning.

RESOLUTION INITIATING CBGID MERGER PROCESS

RESOLUTION NO. 1651

A RESOLUTION INITIATING PROCESS FOR THE MERGER OF
CRYSTAL BAY GENERAL IMPROVEMENT DISTRICT INTO
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT;
PROVIDING A PUBLIC HEARING THEREON;
PROVIDING PUBLIC NOTICE THEREOF; AND,
PROVIDING OTHER MATTERS PROPERLY RELATING THERETO.

WHEREAS, the Incline Village General Improvement District (hereinafter, "IVGID"), is a political subdivision of the State of Nevada, formed under Nevada Revised Statute 318, created on May 20, 1961, through Washoe County Ordinance No. 97 (as amended), having substantially all of the statutory powers/purposes authorized by the Legislature to be exercised by general improvement districts within this State, under NRS 318.080; and,

WHEREAS, IVGID's powers and purposes include, but are not limited to, the following: to grade, regrade, and acquire streets; to acquire and construct sewer systems, operations and drainage facilities; to acquire, construct and operate water facilities, and to make distribution thereof; to operate, construct and repair improvements; to provide electric light and power (by Washoe County Ordinance, amending Ordinance No. 97); to provide garbage/refuse operations or leasing out of same; and, to provide public recreation facilities; and,

WHEREAS, the Crystal Bay General Improvement District (hereinafter, "CBGID") is a political subdivision of the State of Nevada, formed under NRS 318, created on the 6th day of December, 1972, through Washoe County Ordinance No. 199, and having the following statutory powers and purposes vested in it, but not limited thereto: to acquire lands and to make improvements thereon for governmental purposes, including for the provision of electric energy; to furnish heat, light and power service; to exterminate mosquitoes, flies, other insects, rats and the like; to abate nuisances, subject to paramount County jurisdiction; to build, construct, repair and maintain dikes, levees, cuts and the like, including the acquisition of rights-of-way, and the like; to sell or lease land, rights-of-way, easements; to levy annually a general (ad valorem) property tax and additional taxes under NRS 318.119, and to exercise any other powers provided for in subsections 2, 3, 4, 5 and 6 of NRS 318.118; to levy special assessments and to fix tolls, rates and other service or use charges as provided for in NRS 318.1192; to provide sanitary sewer systems; and, to supply, store and distribute water for private and public purposes; and,

WHEREAS, for several months last past, CBGID and IVGID, by and through their respective Board of Trustees and staff, including but not limited to consulting attorneys, have investigated and considered the feasibility of merging the two (2) districts, it being contemplated that CBGID would dissolve and merge into IVGID, that IVGID would be the surviving entity thereof, and that IVGID would continue on with the administration and operation of the then larger, combined, single district; and,

WHEREAS, assuming that this Board of Trustees and the CBGID Board of Trustees ultimately adopt resolutions in favor of merging the two (2) governmental entities, with CBGID presumably dissolving, it is the intention of this Board to then request the Washoe County Commission to initiate proceedings for the merger of these Districts; and,

WHEREAS, assuming that this Board votes to adopt the ultimate merger resolution, this Board recognizes that it must address the matter of any and all outstanding indebtedness, of any and all kinds, of CBGID, as well as the possible need for establishing a special assessment district or other means for satisfying any existing or impending CBGID indebtedness; that, this Board notes that all outstanding indebtedness and bonds of any and all kinds of CBGID must either be paid prior to merger or assumed by IVGID at the time of any actual merger, if such occurs; and,

WHEREAS, subsequent to the November, 1993, declaration of CBGID's and IVGID's Boards of their mutual intent to merge, IVGID's staff has been pursuing the design and financing of the proposed merger, focusing on the CBGID and IVGID water systems, with IVGID having obtained the commitment of a probable grant from the State of Nevada through its Division of Water Planning, in the gross sum of \$893,760.00, same falling short of the presently estimated project costs in the vicinity of \$1,500,000.00 for the proposed water interties and related improvements and repairs, allocable to the CBGID system, which overall improvements will be of assistance to both CBGID and IVGID; that the total project cost is estimated to be in excess of \$2,000,000.00, with costs for Phase 1 of the project presently estimated at \$190,000.00; that Phase 1 will be for the primary benefit of CBGID, with the exception of the intertie with Washoe 1, which will result in an estimated benefit to IVGID, probably not exceeding the equivalent of \$20,000.00; that Phase 1 must be substantially completed in 1994, for the additional reason of compliance with the significant concerns of the Nevada Consumer Health Protection Services; and,

WHEREAS, given the estimated cost of initially improving CBGID's water system is \$190,000.00, CBGID must reimburse IVGID

the full amount of any advance which IVGID may have to make relative to the estimated \$190,000.00 expenditure; that the balance of the total costs for the entire water system improvements shall be shared on the basis of the proportionate benefit received by each District, as set forth in the proposed merger agreement, together with the Attachments thereto, a copy of which is attached hereto and incorporated by reference herein; and,

WHEREAS, in the event of a merger, pursuant to NRS 318.510: all property and funds remaining in the treasury of CBGID shall be transferred to IVGID, except that any outstanding and unpaid tax sales, levies and special assessment liens of CBGID shall be payable into the general fund of Washoe County; and IVGID shall assume CBGID's then outstanding obligations and current functions; and,

WHEREAS, it is clear that the proposed merger would be of greater assistance to CBGID, as, financially, CBGID would otherwise probably find it infeasible to comply with the applicable surface water treatment requirements of the Federal Environmental Agency's Safe Drinking Water Act ("SDWA"); CBGID is presently not in compliance; however, if the merger is approved, CBGID will fall under IVGID's extension to December 31, 1994; and that the CBGID system must also be brought up to IVGID's requirements and specifications for like water facilities located within IVGID's water system; and,

WHEREAS, the construction of the proposed improvements to CBGID's water system are considered to be a condition precedent to any merger between these two (2) governmental entities; and that, it appears, the full execution of an agreement to merge between the two (2) governments would be sufficient to meet the Division of Water Planning's grant conditions for the above-referenced funds; and,

WHEREAS, it is imperative that the interties and other water system improvements be made as soon as practicable, in that it is the desire of both governments, and especially CBGID, that the Phase 1 Project improvements should be in place prior to October 15, 1994, the applicable construction deadline under the Tahoe Regional Planning Agency's Ordinances; that, in a legal sense, the referenced improvements constitute an emergency situation, of which the Washoe County Commission may take note; and,

WHEREAS, it is believed by all affected that, by such a merger, the water systems of CBGID and IVGID will operate with greater efficiency thereafter; and,

WHEREAS, due to the necessity of immediately providing for a public hearing to disapprove or approve such merger, this Board

determines that a hearing must occur very soon, so that the ultimate, prospective merger resolution may be sent to the Washoe County Commission with dispatch;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT DOES RESOLVE:

1. This Board does hereby initiate the process for the merger of CBGID into IVGID, pursuant to Chapter 318, Title 25, of the Nevada Revised Statutes.
2. This Board hereby finds and determines that:
 - (a) The responsibility for, and, where applicable, the manner of satisfaction of, CBGID's outstanding indebtedness of all kinds shall be addressed by this Board during the public hearing on this matter, and shall be appropriately contained in any merger agreement discussed and potentially acted upon by this Board; and that this Board recognizes and acknowledges that, before any merger agreement is executed by it, any and all outstanding indebtedness of all kinds of CBGID must either have been paid or assumed by IVGID, excepting special assessment bonds, if any; and,
 - (b) The water services which CBGID heretofore provided can be more effectively performed by IVGID.
3. Such merger is in the best interests of IVGID and, to the extent that this Board is able to say at this time, also in the best interests of CBGID.
4. Thursday, the 25th of August, 1994, at the hour of 6:30 o'clock p.m., in the Incline Village General Improvement District's boardroom, at 893 Southwood Boulevard, Incline Village, Washoe County, Nevada, 89451, are fixed as the date, time and place when and where this Board shall hold a public hearing on such merger and when and where all persons interested therein may be heard.
5. Any taxpaying elector within IVGID's jurisdiction may, on or before the date fixed for public hearing, protest such merger by written comment filed with the District, at 893 Southwood Boulevard, Incline Village, Nevada, and/or by verbal/oral protest expressed at said hearing.
6. The Secretary of IVGID's Board of Trustees shall give notice of the adoption of this Resolution, of the proposed determination of this Board that CBGID should

be merged into IVGID, and of the date, time and place for the public hearing on such merger, which notice shall set forth the foregoing and be published in the North Lake Tahoe Bonanza, as well as the Reno Gazette Journal, each being a newspaper of general circulation within the jurisdiction of IVGID and each being a newspaper which will most likely give notice to persons interested in this matter, publication to occur at least once, with such notice occurring at least five (5) days prior to the date fixed for said hearing; that, notice shall also be posted in compliance with NRS 241.020, as is done and required regarding other like matters.

7. A public health and safety emergency exists and this Board urges the Washoe County Commission to expedite the passage of the ultimate merger resolution, provided, of course, that this Board adopts same and that all conditions precedent to such have occurred or, within reasonable certainty, will occur. The facts constituting such emergency are as follows:

From a health and general welfare standpoint, it is imperative that the water systems intertie and other water system improvements be made as soon as is practicable, in that the interties and incidental water provision and water treatment facilities are required to meet the SDWA requirements; and that, from a water safety standpoint, certain of these improvements, namely those improvements referred to above as Phase 1 improvements, should be constructed and installed prior to October 15, 1994, the construction deadline made applicable under the Tahoe Regional Planning Agency's Ordinances.

Without these facilities, CBGID will particularly suffer, due to the danger present to the health, safety and general welfare of the inhabitants of that District.

The IVGID Board of Trustees has undertaken a program/project to provide improved water service facilities to its inhabitants, as well as to the inhabitants of CBGID, and IVGID is rapidly approaching the time when the construction contract award should be made and construction commenced. If the merger of CBGID into IVGID is expedited, the IVGID Board can include the CBGID water system improvements within the IVGID water quality improvement program on or before the Tahoe Regional Planning Agency's October 15, 1994, construction deadline.

- 8. The Secretary of IVGID's Board of Trustees shall cause the title of this Resolution, together with the name of each Trustee voting for or against its passage and a separate statement to the effect that copies of this Resolution, in its entirety, are available for inspection at the office of the District's Secretary, to be published in the North Lake Tahoe Bonanza and the Reno Gazette Journal; additionally, the Secretary shall cause same to be posted at the other prominent locations where the IVGID's meeting agendas are typically posted. Publication shall precede, by at least five (5) days, the August 25, 1994, 6:30 o'clock p.m., hearing.
- 9. IVGID's Secretary shall transmit a certified copy of the present Resolution, as well as a certified copy of the ultimate merger resolution, should this Board adopt same, to the Secretary of the Washoe County Commission.

I hereby certify that the foregoing is a true and correct copy of the resolution duly passed and adopted by the Board of Trustees of the Incline Village General Improvement District at its regularly held public meeting on the 11th day of August, 1994, by the following vote:

AYES:

Gale Dimick

Bennie Ferrari

Cliff McGough

Joe Sullivan

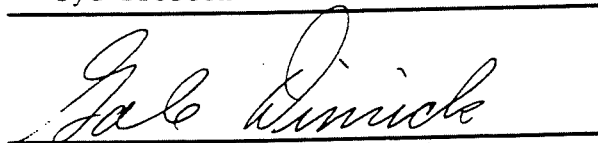
NAYS:

None

ABSENT:

Syd Brosten

DATED: August 11, 1994.



GALE DIMICK, SECRETARY

CBGID-IVGID MERGER

RESOLUTION NO. 1652

**A FINAL RESOLUTION MERGING THE PROPOSED DISSOLVED
CRYSTAL BAY GENERAL IMPROVEMENT DISTRICT INTO
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT;
PROVIDING FOR THE ASSUMPTION AND/OR SATISFACTORY
RESOLUTION OF ALL OUTSTANDING INDEBTEDNESS OF
ALL KINDS AND OF ALL FUNCTIONS OF SAID MERGED DISTRICT,
DECLARING AN EMERGENCY; AND, PROVIDING OTHER
MATTERS PROPERLY RELATING THERETO.**

WHEREAS, the Incline Village General Improvement District (hereinafter, "IVGID"), is a political subdivision of the State of Nevada, formed under Nevada Revised Statute 318, created on May 20, 1961, through Washoe County Ordinance No. 97 (as amended), having substantially all of the statutory powers/purposes authorized by the Legislature to be exercised by general improvement districts within this State, under NRS 318.080; and,

WHEREAS, IVGID's powers and purposes include, but are not limited to, the following: to grade, regrade, and acquire streets; to acquire and construct sewer systems, operations and drainage facilities; to acquire, construct and operate water facilities, and to make distribution thereof; to operate, construct and repair improvements; to provide electric light and power (by Washoe County Ordinance, amending Ordinance No. 97); to provide garbage/refuse operations; and, to provide public recreation facilities; and,

WHEREAS, the Crystal Bay General Improvement District (hereinafter, "CBGID") is a political subdivision of the State of Nevada, formed under NRS 318, created on the 6th day of December, 1972, through Washoe County Ordinance No. 199, and having the following statutory powers and purposes vested in it, but not limited thereto: to acquire lands and to make improvements thereon for governmental purposes, including for the provision of electric energy; to furnish heat, light and power service; to abate nuisances, subject to paramount County jurisdiction; to build, construct, repair and maintain dikes, levees, cuts and the like, including the acquisition of rights-of-way, and the like; to sell or lease land, rights-of-way, easements; to levy annually a general (ad valorem) property tax and additional taxes under NRS 318.119, and to exercise any other powers provided for in subsections 2, 3, 4, 5 and 6 of NRS 318.118; to levy special

assessments and to fix tolls, rates and other service or use charges as provided for in NRS 318.1192; to provide sanitary sewer systems; and, to supply, store and distribute water for private and public purposes; and,

WHEREAS, for several months last past, CBGID and IVGID, by and through their respective Board of Trustees and staff, including but not limited to consulting attorneys, have investigated and considered the feasibility of merging the two (2) districts, it being contemplated that CBGID would dissolve and merge into IVGID, that IVGID would be the surviving entity thereof, and that IVGID would assume all functions of the merged district; and,

WHEREAS, this Board of Trustees did on the 11th day of August, 1994, adopt its Resolution No. 1651, entitled "A Resolution Initiating Process for the Merger of Crystal Bay General Improvement District into Incline Village General Improvement District, Providing for a Hearing Thereon; Providing for the Giving of Notice of said Hearing; and, Providing Other Matters Properly Relating Thereto;" wherein this Board fixed August 25, 1994, at the hour of 6:30 o'clock P.M. in the meeting room of this Board, at 893 Southwood Boulevard, Incline Village, Washoe County, Nevada, as the time and place when and where this Board would hold a public hearing on the proposed merger; and,

WHEREAS, the District's secretary has caused a copy of the initiating resolution published by title, together with a separate statement to the effect that typewritten copies of said resolution were available for public inspection at the District's Administrative Offices at said 893 Southwood Boulevard, by all interested persons, and together with the names of the District's Trustees voting for and against its passage, in the North Lake Tahoe Bonanza and the Reno Gazette-Journal, with notice of the proposed merger also being posted and published in conformity with the requirements of NRS 241.020; that, the publications in the newspapers preceded this August 25 meeting by at least five (5) days, with the Lake Tahoe Bonanza carrying the notice in its August 19, 1994 edition, and the Gazette-Journal carrying same on the 19th day of August, 1994; and,

WHEREAS, upon the passage of this Resolution, it is the intention of this Board to then request the Washoe County Commission to initiate proceedings for the merger of these Districts; that it is expected that soon thereafter, CBGID's Board of Trustees will in all probability adopt its Final Resolution respecting dissolution, and eventual merger into IVGID; and,

WHEREAS, this Board finds it legally and financially feasible to adopt this merger resolution; that, this Board further finds that this Resolution is in the best interest of IVGID from a health and general welfare standpoint; this Board also recognizes that it must address the matter of any and all outstanding indebtedness, of any and all kinds, of CBGID, as well as the possible need for establishing a special assessment district or other means for satisfying any existing or impending CBGID indebtedness; that, this Board notes that all outstanding indebtedness and bonds of any and all kinds of CBGID must either be paid or satisfactorily resolved prior to merger or assumed by IVGID at the time of any actual merger, if such occurs; and,

WHEREAS, CBGID has represented to IVGID in writing, that CBGID has no outstanding assessment or other bonds; that, it has further represented to IVGID that there are no impediments that would make the contemplated merger unwise; and, IVGID has conducted its own due diligence inquiry respecting CBGID's financial condition, the condition of CBGID's water works, the existence of any lawsuits, administrative or regulatory proceedings/claims against CBGID, the existence of any lis pendens, any mechanics or other liens, and the existence of any filings under the Uniform Commercial Code (NRS 104), or the existence of any other matters which might materially and adversely affect the merger; that, IVGID is satisfied that it has found nothing which would obstruct this merger, nor has IVGID been informed of anything by CBGID which would so interfere; and,

WHEREAS, subsequent to the November, 1993, declaration of CBGID's and IVGID's Boards of their mutual intent to merge, IVGID's staff has been pursuing the design and financing of the proposed merger, focusing on the CBGID and IVGID water systems, with IVGID having obtained the commitment of a probable grant from the State of Nevada through its Division of Water Planning, in the gross sum of \$893,760.00, same falling short of the presently estimated project costs in the vicinity of \$1,500,000.00 for the proposed water interties and related improvements and repairs, allocable to the CBGID system, which overall improvements will be of assistance to both CBGID and IVGID; that the total project cost is estimated to be in excess of \$2,000,000.00, with costs for Phase 1 of the project presently estimated at \$360,000.00; that, Phase 1 will be for the primary benefit of CBGID, with the exception of the intertie with Washoe 1, which will result in an estimated benefit to IVGID, probably not exceeding the equivalent of \$20,000.00; that, Phase 1 must be substantially completed in 1994, for the additional reason of

compliance with the significant concerns of the Nevada Consumer Health Protection Services; and,

WHEREAS, given the fact of the estimated cost of initially improving CBGID's water system is \$360,000.00, CBGID must reimburse IVGID the full amount of any advance which IVGID may have to make relative to the estimated \$360,000.00 expenditure; that, the balance of the total costs for the entire water system improvements shall be shared on the basis of the proportionate benefit received by each District, as set forth in the proposed merger agreement, together with the Attachments thereto, a copy of which is attached hereto and incorporated herein by reference; and,

WHEREAS, should the Washoe County Commission approve of this proposed merger, then, pursuant to NRS 318.510, all property and funds remaining in the treasury of CBGID or held in trust for CBGID's benefit by any other person or entity shall be transferred to IVGID, except that any outstanding and unpaid sales taxes, levies and special assessment liens of CBGID shall be payable into the general fund of Washoe County; and IVGID shall assume CBGID's then outstanding obligations and current functions; and,

WHEREAS, it is clear from the material, data and evidence that the proposed merger would be of greater assistance to CBGID, as, financially, CBGID would otherwise probably find it infeasible to comply with the applicable surface water treatment requirements of the Federal Environmental Agency's Safe Drinking Water Act ("SDWA"); CBGID is presently not in compliance; however, if the merger is approved by the Washoe County Commission, CBGID will fall under IVGID's extension to December 31, 1994; and that the CBGID system must also be brought up to IVGID's requirements and specifications for like water facilities located within IVGID's water system; and,

WHEREAS, the construction of the proposed improvements to CBGID's water system are considered to be a condition precedent to this desired merger between IVGID and CBGID; that it is our finding that the full execution of an agreement to merge between the two (2) governments is required in order to meet the Division of Water Planning's grant conditions for the above-referenced funds; and,

WHEREAS, we also find that it is imperative that the interties and other water system improvements be made as soon as practicable, in that it is the desire of both governments, and especially CBGID, that the Phase 1 Project improvements should be

in place prior to October 15, 1994, the applicable construction deadline under the Tahoe Regional Planning Agency's Ordinances; that, we further find that in a legal and factual sense, the referenced improvements constitute an emergency situation, of which the Washoe County Commission may take note; and,

WHEREAS, we also find that all properties and persons affected by the proposed merger, will be substantially benefited because the water systems of CBGID and IVGID will operate with greater efficiency thereafter; and,

WHEREAS, with this hearing, and adoption of this Final Merger Resolution, this Board should request the Washoe County Commission to approve the merger; that this Resolution as well as the one adopted by this Board on August 11, 1994, should be sent to the Washoe County Commission with dispatch, with our request that the merger be approved;

WHEREAS, at or before the time fixed in Resolution No. 1651 and Notice, neither oral or written protests were made or filed with this District, signed or presented by either 51% or more of the taxpaying electors within IVGID, and the percentage of said taxpaying electors who so made or filed oral or written protests against the merger of CBGID into IVGID was as follows: 0 0%.

WHEREAS, said matter came on regularly for hearing before this Board at the hour of 6:30 o'clock P.M., on the 25th of August, 1994, in the meeting room of this Board, at 893 Southwood Boulevard, Incline Village, Washoe County, Nevada, being the time, date and place fixed for said hearing;

WHEREAS, all persons interested who appeared at said hearing were given an opportunity to be and were fully heard, and all written communications and protests were fully considered, and competent proof was presented that Washoe County, IVGID and CBGID would all be benefited by the proposed merger and that the services heretofore performed by CBGID can be more effectively performed by IVGID; and,

WHEREAS, due to the necessity of immediately consummating said merger, the Board has determined, and hereby does declare that an emergency does exist;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT DOES RESOLVE:

Section 1. It is hereby determined that the merger of CBGID into IVGID is in the best interest of IVGID, CBGID and

Washoe County, and that any and all oral and written protests against such merger are hereby overruled.

Section 2. Upon the effective date of the anticipated Final Washoe County Ordinance, the boundaries of IVGID shall become and be inclusive of all lands heretofore within the boundaries of CBGID and IVGID shall immediately thereafter direct the filing of any amended official plat/map of its District prepared in accordance with the order of merger to be contained in Washoe County's Final Merger Ordinance.

Section 3. Upon the merger, all outstanding indebtedness of all kinds, not otherwise satisfactorily resolved by CBGID, together with all functions heretofore performed by CBGID shall be assumed by IVGID, as set forth in the CBGID-IVGID Merger Agreement, and any memorandum(s) of understanding between the parties; that, a true and correct copy of the referenced Merger Agreement, together with all of its attachments, is attached hereto as Exhibit "A", and is made a part hereof by reference, as if set forth herein verbatim.

Section 4. Upon the merger, all property and all funds remaining in the treasury of CBGID shall be transferred to IVGID, and the Washoe County Treasurer shall be authorized and directed to remit upon collection to IVGID all uncollected general (ad valorem) taxes and principal and interest of any special assessments heretofore levied by or on behalf of CBGID.

Section 5. That this Board has declared in the preamble to this Resolution the existence of an emergency and does hereby determine that an emergency does exist, and consequently, IVGID's Secretary shall immediately transmit a certified copy of the present Resolution, as well as a certified copy of the August 11, 1994 Initiating Merger Resolution to the Secretary of the Washoe County Commission, for that Board's immediate action. The facts constituting such emergency are as follows:

From a health and general welfare standpoint, it is imperative that the water systems intertie and other water system improvements be made as soon as is practicable, in that the interties and incidental water provision and water treatment facilities are required to meet the SDWA requirements; and that, from a water safety standpoint, certain of these improvements, namely those improvements referred to above as Phase 1 improvements, should be constructed and installed prior to October 15, 1994, the construction deadline made applicable under the Tahoe Regional Planning Agency's Ordinances.

RESOLUTION INITIATING CBGID MERGER PROCESS NO. 14-1RESOLUTION NO. 1

A RESOLUTION INITIATING PROCESS FOR THE MERGER OF CRYSTAL BAY GENERAL IMPROVEMENT DISTRICT INTO INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT, PROVIDING FOR A HEARING THEREON; PROVIDING FOR THE GIVING OF NOTICE OF SAID HEARING; AND PROVIDING OTHER MATTERS PROPERLY RELATING THERETO

WHEREAS, the Incline Village General District (hereinafter, "IVGID"), is a political subdivision of the State of Nevada, formed under Nevada Revised Statute 318, and created on May 20, 1961, through Washoe County Ordinance No. 97 (As Amended), having substantially all of the statutory powers/purposes authorized by the Legislature to be exercised by general improvement districts within this State, under NRS 318.080; and

WHEREAS, IVGID's powers and purposes, include, but are not limited to the following: to grade and regrade, and acquire streets; to acquire and construct sewer systems, operations and drainage facilities; to acquire, construct and operate water facilities, and make distribution thereof; to operate, construct and repair improvements; power relating to electric light and power (by Washoe County Ordinance, amending Ordinance No. 97); garbage/refuse operations or leasing out of same; and, public recreation; and

WHEREAS, the Crystal Bay General Improvement District (hereinafter, "CBGID") is a political subdivision of the State of Nevada, formed under NRS 318, and created on the 6th day of December, 1972, through Washoe County Ordinance No. 199, having the following statutory powers and purposes vested in it: Furnishing Electric Light and Power, Extermination and Abatement of Mosquitoes, flies, Other Insects, Rats, and Liver Fluke or Fasciola Hepatica, Furnishing Public Cemetery Facilities or Services, Furnishing Swimming Pool Facilities, Furnishing Television Facilities, Furnishing Street and Alley Facilities, Furnishing Curb, Gutter and Sidewalk Facilities, Furnishing Sidewalk Facilities, Furnishing Storm Drainage Facilities, Furnishing Sanitary Sewer Facilities, and Furnishing Street Lighting.

WHEREAS, the CBGID and IVGID Board of Trustees, and their respective staffs have investigated and considered the feasibility of merging the two (2) districts, it being contemplated that CBGID would dissolve and merge with IVGID, with IVGID to survive the merger, and IVGID to continue on with the administration and operation of the then larger district; and,

WHEREAS, assuming that IVGID Board of Trustees adopts an ultimate merger resolution in favor of merging the two (2) governmental entities; and,

12-22-1994 12:18PM FROM

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P. U3/U6 0925

TO

8321177 P.02

WHEREAS, assuming that this Board of Trustees and the IVGID Board of Trustees adopt ultimate merger resolutions in favor of merging the two (2) governmental entities, with IVGID the surviving entity, it is the intention of this Board to then request the Washoe County Commission to initiate proceedings for the merger of this District; and

WHEREAS, assuming that this Board votes to adopt the ultimate merger resolution, it recognizes that it must address the matter of any and all outstanding indebtedness and bonds of all kinds, as well as the possible need for establishing a special assessment district or other methods of repaying IVGID for certain advances it will need to make under the Merger Agreement and Memorandum of Understanding this Board further notes that all outstanding indebtedness and bonds of all kinds must either be paid or will be assumed by IVGID; and,

WHEREAS, IVGID staff has been pursuing design and financing elements of the proposed merger plan adopted by CBGID and IVGID Boards in November of 1993, focusing on the CBGID and IVGID water systems, with IVGID having obtained the commitment of a grant from the State of Nevada, through the Division of Water Planning, in the sum of \$893,750.00, which falls short of the estimated project costs of \$1,412,849.00 for the two (2) proposed water interties, and related improvements and repairs, which improvements will be of great assistance to both CBGID and IVGID; that the total project cost is estimated at \$2,057,974.00, with costs for Phase I of the project estimated at \$190,000.00; that, Phase I must be substantially completed in 1994, for the additional reason of compliance with the significant concerns of the Nevada Consumer Health Protection Services; and

WHEREAS, as stated above, the estimated cost of initially improving CBGID's water system is \$190,000.00; that, CBGID must reimburse IVGID the full amount of any advance which IVGID may have to make relative to the \$190,000.00 expenditure; that, the balance of the total costs for the entire water system improvements shall be shared on a proportionate basis, as set forth in the proposed merger agreement and memorandum of understanding, as reflected in the Attachments thereto; and,

WHEREAS, pursuant to NRS 318.510, in the event of a merger, all property and all funds remaining in the treasury of CBGID is to be transferred to IVGID, in view of IVGID's assumption of CBGID's obligations and functions, except for any unpaid tax sales and any special assessment liens; and,

WHEREAS, it is clear that the proposed merger would be of great assistance to CBGID, as financially, it would otherwise have found it probably impossible to comply with the applicable surface water treatment requirements of the Federal Environmental Agency's Safe Drinking Water Act ("SDWA"); and CBGID system must also be brought up to IVGID requirements and specifications for like water facilities located within IVGID's water system; and,

12-22-1994 12:11PM FROM

TO

9321122 P.03

0925

WHEREAS, the proposed improvements to CBGID's water system are considered to be a condition precedent to any merger between these two (2) governmental entities; that, it appears that an agreement to merge between the two (2) governments would be sufficient to meet the Division of Water Planning's contingencies to grant the above referenced funds; and,

WHEREAS, it is imperative that the interties and other water system improvements be made as soon as is practicable, in that it is the desire of both governments, and especially CBGID that the intertie that would meet that governments concerns should be in place prior to October 15, 1994, the latter date being the construction deadline applicable under the Tahoe Regional Planning Agency's Ordinances; that, in a legal sense, the referenced improvements constitute an emergency situation, of which the Washoe County Commission may take note; and,

WHEREAS, it is believed by all affected by such a merger, that the water systems of CBGID and IVGID will operate with greater efficiency thereafter; and,

WHEREAS, due to the necessity of immediately providing for a hearing to disapprove or approve such merger, this Board determines that a hearing must occur very soon, so that the ultimate, prospective merger resolution may be sent to the Washoe County Commission with dispatch;

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE CBGID DOES RESOLVE:

1. This Board does hereby hereby initiate the process for the merger of CBGID into IVGID, pursuant to Chapter 318, Title 25, of the Nevada Revised Statutes.
2. This Board does hereby agree to enter into the Memorandum of Understanding attached hereto, and gives its Chairman and Secretary authority acting upon the advice of its counsel to make any technical corrections that may be required.
3. It is hereby found and determined that the water services heretofore provided by Crystal Bay General Improvement District can be more effectively performed by the Incline Village General District.
3. This Board deems such merger to be in the best interests of the Crystal Bay General Improvement District.
4. Tuesday, the 30th of August, 1994, at the hour of 7:00 o'clock p.m., in the Crystal Bay General Improvement District's Boardroom, at 411 Gonowable Road, Crystal Bay, Washoe County, Nevada, are fixed as the date, time and place when and where this Board will hold a public hearing on such merger and when and where all persons interested therein may be heard.

5. Any taxpaying elector within the Crystal Bay General Improvement District may, on or before the date fixed for hearing, protest such merger, by written protest filed with the District at Post Office Box 275, Crystal Bay, Nevada 89402, and/or by verbal/oral protest expressed at said hearing.

6. The District Secretary shall give notice of the adoption of this Resolution, of the determination of this Board that Crystal Bay General Improvement District should be merged into Incline Village General Improvement District and of the date, time and place for hearing on such merger, which notice shall set forth the foregoing and which notice shall be published in the North Lake Tahoe Bonanza, as well as the Nevada State Gazette Journal, both newspapers of general circulation in the Crystal Bay General Improvement District, and both being newspapers which will most likely give notice to persons interested in this matter, publication to occur at least once, with such notice occurring at least five (5) days prior to the date fixed for said hearing; that, notice shall also be posted in compliance with NRS 241.020, as is done with other like matters.

7. The Board has mentioned in the preamble to this Resolution the possible existence of an emergency and does hereby determine that an emergency does exist, and will urge the Washoe County Commission to expedite the passage of the merger resolution. The facts constituting such emergency are as follows:

From a health and welfare standpoint, it is imperative that the water interties and other water system improvements be made as soon as practicable, in that the interties and incidental water provision and water treatment facilities are required to meet SDWA requirements; and, from a water safety standpoint, these improvements should be constructed and installed prior to October 15, 1994, the construction deadline applicable under the Tahoe Regional Planning Agency's Ordinances.

Without these facilities, CBGID will particularly suffer, due to the danger present to the health, safety and general welfare of the inhabitants of that District.

The Board of Trustees has undertaken a program to provide improved water service facilities to its inhabitants, and is rapidly approaching the time when the construction contract award will be made and construction will commence. If the merger of CBGID into IVGID is expedited, the IVGID Board can include the area of CBGID within the water system, water quality improvement program.

8. The CBGID secretary shall cause this Resolution to be

published by title, in the North Lake Tahoe Bonanza newspaper, together with a separate statement to the effect that copies of this Resolution are available for inspection at the office of the District's secretary, and at the other prominent locations where District meeting agenda packages are typically located, by all interested persons and together with the names of the Trustees voting for and against its passage. Publication shall precede August 30th, 1994, by at least five (5) days, before the 7:00 o'clock p.m., hearing.

9. The District secretary shall transmit a certified copy of this Resolution to the Board of County Commissioners of Washoe County, as well as a certified copy of the ultimate merger resolution, should this Board adopt the ultimate merger resolution.

I hereby certify that the foregoing is a true and correct copy of a resolution duly passed and adopted at a regularly held meeting of the Board of Trustees of the Crystal Bay General Improvement District on the 16th day of August, 1994, by the following vote:

AYES:

Susan Hooper - Vice Chairman
Barbara H. Fisher - Trustee at Large
Doreen Skiffel - Trustee
Gail van den Berg - Secretary
Jack Jones - Chairman

NAYES:

None

ABSENT:

None

Gail van den Berg
Gail van den Berg, Secretary

MERGER AGREEMENT
Between Incline Village General Improvement District (IVGID)
and Crystal Bay General Improvement District (CBGID)

I. Purpose of Agreement. The purpose of this Agreement is for the Incline Village General Improvement District (hereinafter "IVGID") and the Crystal Bay General Improvement District (hereinafter "CBGID") to agree to the merger of the two districts, with IVGID as the surviving district. CBGID desires to update its existing water system for safety and regulatory reasons. The most efficient and cost effective method of so doing is to merge CBGID with IVGID. This merger will provide CBGID property owners with the use of IVGID's water and sewer treatment facilities.

IVGID, working with CBGID, has received commitments of AB198 Grant Program funds from the Nevada Division of Water Planning for a grant not to exceed \$893,760.00 for water system improvements, benefiting existing CBGID properties (see Attachment "C"). The Nevada Division of Water Planning has conditioned its award to IVGID, for CBGID's benefit, contingent upon the execution by the parties hereto of a merger agreement.

II. Status of Parties to Agreement. IVGID and CBGID are political subdivisions of the State of Nevada organized pursuant to Nevada Revised Statutes (NRS) Chapter 318.

III. Authority. The parties agree that this Agreement is an inter-local contract pursuant to NRS 277.180.

IV. Merger Ordinance. Washoe County, pursuant to NRS 309.500 to NRS 309.540 and NRS 318.490 to 318.510, has the authority to adopt an ordinance to merge IVGID and CBGID, with IVGID as the surviving district, after notice and public hearing, provided the County has first found:

- (a) All outstanding indebtedness and bonds of all kinds of CBGID have been paid or will be assumed by IVGID;
- (b) The services of CBGID are no longer needed or can be more effectively performed by an existing unit of government.

V. Concurrence by Washoe County. The parties recognize that the planning and implementation of the merger will involve considerable time and expense. Accordingly, the parties agree to present this Agreement, duly executed, to the Washoe County Commission with the parties' request that: (a) the Washoe County Commission adopt a resolution wherein the Washoe County Commission concurs with and approves the parties' efforts to merge, thereby authorizing them to proceed with initiation of merger proceedings upon compliance by the parties with the terms herewith; and (b) the Washoe County Commission thereafter adopt a final ordinance approving the merger, provided that there is full compliance with all of the terms and conditions contained herein, and in any other relevant documents.

Exhibit "D"

VI. Conditions Precedent. The provisions of this Agreement are to be treated as conditions precedent to be performed prior to merger. The parties agree that Washoe County shall not, need not, proceed with its ultimate public hearing relative to this merger unless there is full compliance with the terms and conditions of this Agreement, and any other relevant documents.

VII. Confirmation. In the event judicial, legislative, or Attorney General confirmation of this merger becomes necessary, both parties agree to take appropriate steps toward obtaining same.

VIII. Approval of Other Authorities. If during the merger process it becomes necessary for the parties to obtain the approval or concurrence of any local, county, state, bi-state, or federal agency not cited herein, both parties agree to then cooperate in their efforts to obtain same.

IX. Amendment. The parties acknowledge that, from time to time, problems may arise not contemplated or addressed by this Merger Agreement. The parties agree that, where necessary, they will cooperate to amend this Merger Agreement. No discussions, representations or statements shall be binding on the parties unless reduced to writing as an amendment to this Merger Agreement.

X. Transfer of Property and Water Rights Upon Merger. Pursuant to NRS 318.510 and NRS 309.540, upon merger, all property, both real and personal, tangible and intangible, and all funds remaining in the treasury of CBGID shall be transferred to IVGID, to be used in accordance with applicable laws, statutes, rules and regulations. All of CBGID's existing water rights, proven, unproven, inchoate and after acquired, shall be included in the real property to be transferred from CBGID to IVGID.

XI. Conduct Prior to Merger. Prior to merger, each district shall provide to the other reasonable notice of all meetings relevant hereto. Each district shall promptly forward a copy of all minutes to the other. IVGID and CBGID shall promptly supply to the other a copy of all resolutions, contracts or information regarding any matters having impact upon or which could affect the merger. CBGID shall not undertake financial or other obligations that would ultimately be the responsibility of IVGID without IVGID's prior written concurrence. CBGID, in the conduct of its affairs, shall comply with all county, state, bi-state, and federal laws and regulations. Both IVGID and CBGID shall make necessary efforts to meet the schedule of events outlined in Attachment "B."

XII. Books and Records. All books, records, correspondence, engineering reports, blueprints, accountings, contracts and other materials and documents of each district shall be open to inspection prior to merger, including data that might otherwise be considered privileged. During the merger process, all such records shall be carefully preserved, shall remain in the custody of IVGID and shall be maintained by IVGID.

XIII. Bonding Indebtedness. It is recognized that CBGID has no bonded indebtedness.

XIV. Lawsuits/claims. CBGID shall make full written disclosure as to all claims, judgments, orders, notices of lis pendens, liens, security agreements/documents, arbitrations, mediations, lawsuits pending or threatened, unasserted possible claims or assessments, clouds on title, and any other matter, whether of record or not, which may have a material effect on the merger or upon IVGID prior to merger. CBGID shall present such written disclosure to IVGID's General Manager, Director of Engineering and its General Counsel no later than August 19, 1994. Any material breach of this provision shall give rise to IVGID's right to reimbursement against CBGID, for any damages IVGID may have incurred as the result of the non-disclosure.

XV. Due Diligence. IVGID shall conduct a due diligence review of outstanding and pending claims and liabilities against CBGID and/or previous owners of the water system. Such a review may include a review of the public record, inspection of CBGID's physical assets, its financial records, and any other of CBGID's materials, assets and sources, in order to ensure that IVGID is duly informed prior to the proposed merger. Should the results of the due diligence review be, in IVGID's sole judgment, unsatisfactory, IVGID reserves the right to terminate this Merger Agreement, with CBGID to be liable for its proportionate costs to that date.

XVI. Date of Merger. The parties agree to diligently and expeditiously implement the terms of this Merger Agreement towards the goal of having a County ordinance creating a merger on or before 1 March 1995. The merger shall be complete upon enactment of the ordinance by Washoe County approving same.

XVII. Construction of Additional Water Facilities of CBGID Prior to Merger. The parties are presently in the process of planning construction of facilities for the purpose of upgrading CBGID facilities to the level of IVGID facilities. It is agreed that there shall be no merger until such time as IVGID is satisfied that the facilities being planned by the parties meet the same requirements and specifications as IVGID requires for like facilities in its own district, and, until CBGID puts in place an irrevocable means of financing that portion of the project which CBGID is not able to finance by means of grant nor cash.

XVIII. Project Description, Administration, and Costs. Both IVGID and CBGID agree that, in order to operate the CBGID water system efficiently, the system must be combined with the larger IVGID system. It is the intent of the merger agreement that all CBGID water facilities shall be upgraded to meet the specifications and requirements for like water facilities located within the IVGID water system. Based on engineering studies, water system improvements (hereinafter *The Project*) have been identified to meet current regulations (including the Safe Drinking Water Act) and IVGID standards. Preliminary construction cost estimates and a description of The Project are contained in Attachment "A". The total cost of The Project is projected to be \$2,057,974.00. Furthermore, IVGID and CBGID recognize that certain elements of The Project are needed in 1994 in order to meet the stated concerns of the Nevada Consumer Health Protection Services. These elements, referred to as Phase 1 of The Project, are identified in Attachment "A." Phase 1 projects costs are projected to be approximately \$360,000.00. Construction of Phase 1 of The Project is scheduled for commencement in September 1994, with completion to follow in November 1995. Upon completion of Phase 1, water shall be supplied to CBGID via IVGID's Washoe 1 water system.

Phase 2 of The Project (i.e., that portion of The Project not including Phase 1) is scheduled to begin construction in May 1995, and be complete by September 1995.

The Project, including Phase 1, shall be administered by IVGID. IVGID or its assigns shall be the contractee of the various construction and material procurement contracts for The Project with the exception that CBGID shall contract separately for engineering, legal, bond consultant and like services in conjunction with The Project.

XIX. Connection and Capital Assessment Fees. Prior to initiation of service, IVGID shall assess connection and capital assessment fees for water service hookups in the amounts required by IVGID's Water Ordinance 4, including all amendments and attachments thereto. Such connection charges shall be applicable to each existing dwelling unit in CBGID as such unit or dwelling is defined by IVGID ordinance and shall be applicable to residential as well as commercial structures.

After merger, no service shall be provided for water by IVGID to any property in the existing CBGID service area unless all required connection and capital assessment fees for that property have been paid in full.

Such connection and capital assessment fees are \$1,500.00 and \$609.96, respectively, per residential water service connection as calculated through 1 November 1994. The total fees for CBGID, based on 130 water services, is \$274,294.80 through 1 November 1994. Should the fees become due in a month other than November 1994, the fees shall be calculated in accordance with the then current IVGID Water Ordinance. Such fees shall be assessed in the month that water supply to the CBGID water system from the IVGID water system commences.

XX. Sewer Improvements. IVGID and CBGID agree that the existing sewer collection and transmission system, including sewer pump stations (SPS), substantially meet IVGID's standards of quality and service with the exception of SPS 14A and 14B located on Northlake Drive and the roof of the Gonowable Pump Station (SPS 15). IVGID and CBGID further agree that the cost to upgrade these SPSs is \$30,000.00, and that the upgrades and repairs shall be completed by IVGID at its sole discretion.

XXI. Allocation of Costs to CBGID. CBGID shall pay its fair share of costs of The Project, connection and capital assessment fees, and sewer pump station upgrade allowances, as follows:

CBGID's Share -- Cost of The Project:	\$1,133,281.00
Connection & Capital Assessment Fees:	\$274,294.80
Sewer Pump Station Upgrade Allowance:	<u>\$30,000.00</u>
TOTAL:	\$1,437,575.80

CBGID's share of the cost of The Project shall be adjusted once the actual construction costs are known, and shall be all of The Project costs except that CBGID will only pay seventeen point three percent (17.3%) of the costs for the Incline to Washoe 1 Intertie. Such pro rata share, as agreed to by IVGID and CBGID, reflects the relative benefit and capacity to be enjoyed by the CBGID water system as compared to that of the IVGID water system (i.e., Washoe 1) from the intertie. Cost of The Project shall include legal, financial, engineering and material testing services, permit fees, land acquisition costs, if any, material and construction costs. Services in kind by IVGID for engineering design, permitting and construction representation shall be included in the engineering services costs.

Further, the connection and capital assessment fee shall be calculated to the date water delivery begins from the IVGID water system (e.g., Washoe 1) to the CBGID water system.

XXII. Reimbursement to IVGID for Costs. The costs to CBGID identified herein will be paid as follows:

Cash on Hand:	\$30,000.00
AB198 Grant:	\$893,760.00
Financing Proceeds:	<u>\$513,815.80</u>
TOTAL:	\$1,437,575.80

It is recognized that these amounts are approximate and subject to refinement as actual construction and other costs are known and grant reimbursement amounts are approved by the State Water Planner. Further, the total amount of the financing proceeds may be larger to account for engineering, legal, and financing costs that may not be included in the estimated costs of The Project.

For Phase 1 of The Project, CBGID shall reimburse IVGID fifteen percent (15%) of grant eligible costs and one hundred percent (100%) of non-grant eligible costs from CBGID's cash on hand within thirty (30) days of notification to CBGID by IVGID as to the actual costs. The remaining costs of Phase 1 (i.e. the other 85% of grant eligible costs) shall be reimbursed to IVGID from the AB198 grant. CBGID shall be assessed interest at a rate of eight percent (8%) per year for reimbursement beyond the thirty (30) days.

For Phase 2 of The Project, CBGID shall reimburse IVGID from financing proceeds all of The Project costs not reimbursed by the State Grant except that IVGID will pay eighty-two point seven percent (82.7%) of the costs of the Incline-to-Washoe 1 Intertie.

For Sewer Pump Station Upgrade Allowance, CBGID shall reimburse IVGID as soon as practical after proceeds of the financing become available.

XXIII. Payment Security. Contemporaneous with the execution hereof CBGID shall pledge, free and clear, all qualifying assets of CBGID, including all funds in CBGID's treasury, or held in trust for it or for its benefit by any other person or entity, its water rights, all of its water utilities/water works, its tax and other revenues, its easements, and any other qualifying assets, claims, rights, property, either tangible or intangible, which it has, may have, or which may be hereafter acquired, as security to IVGID for non-payment of monies due under the terms of reimbursement, should those terms be breached. The description of water rights is attached hereto as Attachment "D" and made a part hereof by reference as if set forth herein verbatim. The description of all other assets being pledged as security by CBGID is attached hereto as Attachment "E" and made a part hereof by reference as if set forth herein verbatim. Upon the execution hereof, CBGID shall also complete, execute and timely deliver to IVGID the standard Uniform Commercial Code Security documents, to secure any of the personal properties to be pledged to IVGID hereunder. IVGID shall have the responsibility of filing same in the Office of Nevada Secretary of State, as well as filing and recording same with any other governmental authorities, if any.

Again, CBGID shall provide IVGID with free and clear security/collateral of all of its cash funds, real and personal property, in exchange for IVGID's agreement to advance the necessary funds and expertise for the construction of the Phase 1 improvements. In the event that such security/collateral is realized as being inadequate, then CBGID shall upon the request of IVGID promptly meet and confer with IVGID upon the most practicable way of repaying any indebtedness through special assessments, through general bonds, through short-term borrowing or through raising rates, connection fees, special fees for improvements or through any other, legally acceptable means of generating the necessary cash with which to reimburse IVGID.

During the pendency of said reimbursement CBGID agrees not to pledge, encumber or otherwise anticipate any of its revenues, assets, property both real and personal, tangible and intangible, or resources without the express written permission of IVGID. CBGID agrees to reimburse IVGID for all costs associated with any operation and with the construction of the Phase 1 improvements and all costs associated which are not reimbursed by some other source.

If requested by IVGID, CBGID agrees to borrow said sums either through short-term financing or through the issuance of its bonds, or by any other means as necessary.

Such borrowing may be, if desired by IVGID from IVGID itself, and be evidenced by appropriate deeds and security agreements and accompanying notes or from other available private or public sources, including but not limited to the above described bond issue.

CBGID warrants that it has the legal authority to pledge its funds, personal property and real property assets as security for any monies which IVGID may advance on CBGID's behalf. CBGID believes that NRS 318.015(1), NRS 318.101, NRS 318.160, other statutes and A.G. Opinion No. 16 (1993) support CBGID's position in this important regard.

XXIV. Financing of Non-Grant or Non-Cash Financed CBGID Costs/Contributions. CBGID shall immediately commence the process leading to formation of an assessment district and the generation (through bonding or other means) of assessment district proceeds to meet its obligations under the reimbursement terms hereof.

The parties agree that CBGID may, provided that the parties have mutually agreed in writing upon such method(s) in advance, finance the payment of these cost/contributions by means other than an assessment district. By way of example only, and not by way of limitation, CBGID may, with IVGID's prior written approval, simply increase its charges to customers, in general, or by a special construction surcharge. Whenever in this document the term assessment or assessment district is employed, it is understood that alternative methods mutually agreed upon may be used. The parties hereto agree that time is of the essence regarding the selection and initiation of the means CBGID shall use to finance project costs that are neither grant nor cash financed.

For connection and capital assessment fees, such costs shall be reimbursed from proceeds of the assessment district as soon as practical after such proceeds become available. Should payment for such fees not be made within 365 days (one year) of the date such fees are assessed, then CBGID shall apply interest to the fees due at an annual rate of eight percent (8%) until such fees are paid in full. IVGID shall have the authority, pursuant to the IVGID Water Ordinance, to collect outstanding fees, including disconnection of water service for delinquent payment.

XXV. Water Service Prior to Merger. This agreement anticipates commencement of water service to CBGID by IVGID prior to merger. Completion of Phase 1 improvements will provide to the CBGID water system from the IVGID system a single, metered point of supply. CBGID customers will pay a monthly water rate as established by IVGID's Water Ordinance for residential multi-unit development (i.e., \$16.65 per month per customer plus an equal share of excess water use charges above the first 5,000 gallons per month per customer connection at a rate of \$0.71 per 1,000 gallons, based upon fiscal year 94-95 rates). All provisions in the Water Ordinance shall apply, including IVGID's right to disconnect water service to customers for delinquent payment of water bills. If the parties so agree, any charge which is an alternative to an assessment district shall be added to or supplement the above charges.

XXVI. Deposits and charges. CBGID and its property owners shall be required to pay any required deposits and other charges incidental to their connection to the IVGID water system. CBGID customers, who by this Agreement become IVGID customers, shall be required to fully comply with any and all provisions of the IVGID Water Ordinance and shall be subject to all of the applicable provisions which govern deposits, service charges, and delinquencies, but not limited thereto.

XXVII. Indemnification. IVGID agrees to hold harmless, indemnify and defend CBGID from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action or cause of action based on bodily injury, including death, or property damage caused by any action, either direct or passive, the omission, failure to act, or gross negligence on the part of IVGID, its employees, agents, representatives, subcontractors or others under the direction or supervision of IVGID which may arise out of the performance of work under this Merger

Agreement. As applied to IVGID, gross negligence shall be the standard for any claimed act or omission which may give rise to liability.

In determining the nature of the claim against IVGID, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against CBGID.

CBGID agrees to hold harmless, indemnify and defend IVGID from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action or cause of action based on bodily injury, including death, or property damage caused by any action, either direct or passive, the omission, failure to act, or negligence on the part of CBGID, its employees, agents, representatives, subcontractors, or others under the direction or supervision of CBGID which may arise out of the performance of work under this Merger Agreement.

In determining the nature of the claim against CBGID, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against IVGID.

XXVIII. Arbitration. Claims, disputes, or other matters in question between the parties hereto shall be decided by the American Arbitration Association (AAA), subject to, arbitration in accordance with the Construction Industry Arbitration Rules of the (AAA). The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance with applicable Nevada state law, in the Second Judicial District Court of the State of Nevada, in and for the County of Washoe. Arbitration shall occur in Incline Village, Washoe County, Nevada. The prevailing party shall be entitled to reimbursement of reasonable and customary attorney's fees and taxable costs.

IVGID and CBGID agree that, should arbitration occur, the arbitrator shall state:

- (1) Findings of facts on each issue.
- (2) Allocation to each issue.
- (3) Conclusions of law.
- (4) Basis of award.
- (5) Rationale.

IVGID and CBGID agree to utilize the Alternative Claims Resolution (ACR) method prior to arbitration and, only if unsuccessful in ACR, shall IVGID and CBGID pursue arbitration.

XXIX. Controlling Law. This Agreement is to be governed by the laws of the State of Nevada, Washoe County.

XXX. Venue. In the event of the need for arbitration, mediation or litigation, venue shall lie at Incline Village, Nevada, unless the parties have determined in writing that another or different location shall be used.

XXXI. Survival of Agreement. This Merger Agreement shall survive any merger and all the provisions shall be applicable after merger.

XXXII. Severability. The provisions of this Merger Agreement shall be severable and, if any provision is deemed unenforceable, the remaining provisions shall survive.

XXXIII. Effective Date of This Merger Agreement. This Merger Agreement shall become effective upon approval by final resolution of CBGID and IVGID.

XXXIV. Causes for Rescission of Merger Agreement. In the event that any material condition fails to occur (condition subsequent) following the signing of this Agreement, or that such material condition subsequent was pre-existing but undisclosed and thereafter discovered prior to the legal consummation of the merger, then IVGID may elect, at its sole discretion, to cancel or rescind this Agreement. Such material conditions shall include, but not be limited to, the following: (a) CBGID's failure to reasonably satisfy the due diligence requirements which are set forth herein; (b) the failure of the AB198 State Grant to materialize; (c) discovery of an undisclosed, material regulatory claim(s) against CBGID that existed at the time of the signing of this Agreement; and, (d) the existence of any other event(s) or fact(s) which would materially and adversely affect the merger, and in particular, IVGID's position in or incidental to the merger.

XXXV. Recitals are Integral Part of Agreement. The hereinabove described recitals are and shall be construed to be an integral part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands in duplicate original counterparts the day and date of the year first set forth above.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

CRYSTAL BAY GENERAL IMPROVEMENT DISTRICT

**Reviewed and Approved
As to Form:**

**Reviewed and Approved
As to Form:**

By: Kim Kelsch
Kim Kelsch
IVGID Director of
Finance & Administration

By: I. R. Ashleman, II
I. R. Ashleman, II
Attorney for CBGID

By: Noel E. Manoukian, Ltd.
Noel E. Manoukian, Ltd.,
IVGID General Counsel

Agreed to:
By: Bennie D. Ferrari
Bennie D. Ferrari
Chairman

Agreed to:
By: Rick Jones
Rick Jones
Chairman

By: Gale Dimick
Gale Dimick
Secretary/Treasurer

By: Gail van den Berg
Gail van den Berg
Secretary

Address for giving notice:

**INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT**
893 Southwood Boulevard
Incline Village, Nevada 89451

Address for Giving Notice:

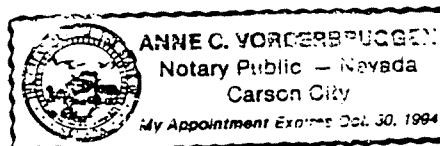
**CRYSTAL BAY GENERAL
IMPROVEMENT DISTRICT**
P. O. Box 275
Crystal Bay, Nevada 89402

Acknowledgments

STATE OF NEVADA)
) ss:
COUNTY OF WASHOE)

On this 25th day of August, 1994, personally appeared before me, a Notary Public in and for said County and State, BENNIE D. FERRARI and GALE DIMICK, members of the Board of Trustees of the Incline Village General Improvement District, known to me to be the persons who executed the foregoing Agreement and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

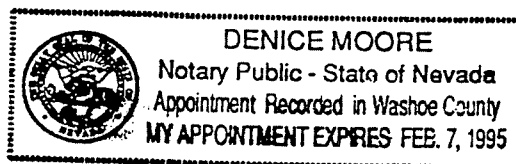
Anne C. Vorderbruggen
NOTARY PUBLIC



STATE OF NEVADA)
) ss:
COUNTY OF WASHOE)

On this 30th day of August, 1994, personally appeared before me, a Notary Public in and for said County and State, RICK JONES and GAIL VAN DEN BERG, officers of the Crystal Bay General Improvement District; known to me to be the person who executed the foregoing Agreement and who acknowledged to me that they did so freely, voluntarily and for the uses and purposes therein mentioned.

Denice Moore
NOTARY PUBLIC



Attachment "A"

IVGID/CBGID MERGER AGREEMENT

Project Description: Crystal Bay Water System Improvements and Incline to Washoe 1 Water Main. Based on an alternative analysis prepared by Walters Engineering of Reno, Nevada, the water system improvement alternative deemed most feasible and cost effective involves an interconnection and eventual merger with the Incline Village General Improvement District's (IVGID's) water system. The Crystal Bay water customers will become retail water customers of the IVGID system, and will be supplied through an eight-inch (8") interconnecting water main to be constructed to IVGID's main system supplied by the Burnt Cedar Water Disinfection Plant. The interconnecting water main will regionalize the three water districts along the north shore of Lake Tahoe on the Nevada side into a single water system. The interconnecting water main will terminate at the existing Washoe 1 water system, operated by IVGID, currently serving the casino district of Crystal Bay.

The Walters Engineering report, dated 15 February 1994, identifies the water system improvements required within the Crystal Bay system to bring the system up to a modern level of reliability and fire flow capability. The major components of the improvements include:

- (a) A new 170,000 gallon steel potable water storage tank which will allow fire flows of 1,000 gpm for a two-hour duration and provide for an average day demand in reserve.
- (b) The Incline Village to Washoe 1 interconnecting water main is comprised of eight-inch (8") ductile iron and PVC water line. The 12,400 linear feet water line will connect to Zone 2 of Incline Village's system, which has sufficient operating pressure to feed the existing Washoe 1 system and keep the existing reservoir (R-1) supplied. The interconnecting water line will be utilized as a distribution main within Crystal Bay water system to the extent that it passes through the existing service area. The main will have sufficient pressure to feed the main pressure zone within the Crystal Bay water system. A booster pump station is needed to feed the highest zone within the Crystal Bay system.
- (c) A new "Zone 3" booster pump station will be constructed to lift water from the Washoe 1 system into the highest zone of the Crystal Bay system. The pump station will be constructed at the existing reservoir (R-1) site on Reservoir Road in Crystal Bay. An interconnecting transmission main will be required to connect the pump station to the highest "Zone 3" of Crystal Bay in order to supply the new water reservoir.
- (d) The existing Crystal Bay water company intake and pump station will be decommissioned and abandoned. Currently Crystal Bay General Improvement District (CBGID) does not have easement rights for maintaining and operating the existing facility, and therefore the existing

mechanical and structural improvement may require removal, with restoration of the property.

- (e) Pressure Relief Valve (PRV) improvements to the Crystal Bay system will be required to more adequately balance flows feeding the lower zones from the new water service reservoir.
- (f) Fourteen (14) new fire hydrants will be installed to provide adequate coverage within the Crystal Bay water system.
- (g) Approximately 2,300 linear feet of new six-inch (6") water mains will be constructed within the Crystal Bay system to more adequately loop the system for increased fire flow capability.
- (h) Approximately twenty (20) six-inch (6") water main connections and thirty (30) new gate valves will be installed to allow greater looping and the ability to isolate water mains for maintenance purposes.
- (i) A contingency for steel water main replacements is provided. The approximately 6,350 linear feet of existing six-inch (6") steel water mains apparently do not require replacement; however, some of these water mains may be found to be deteriorated, and will therefore require replacement. Also provided is a new watermain to the booster (Item c) into Zone 3.
- (j) Water customer meters will be added for all retail customers of the Crystal Bay water system, and those service lines found inadequate or deteriorated will be replaced. IVGID requires that all connections be metered, and has based its water conservation plan on the ability to meter and charge for excess water use by individual customers. Where service connections are found to be failing galvanized steel pipe or have inadequate coverage depth or improper alignment, then the services will require replacement.
- (k) Engineering fees are estimated to be approximately fifteen percent (15%) of the total project cost.
- (l) Legal and financing charges are estimated to be approximately five percent (5%) of the amount, to be included in a special assessment district required to generate funds not received through the AB 198 Grant Funding.

Attachment "A"

IVGID / CBGID Merger Agreement Preliminary Cost Estimate for The Project

	Component Description	Total Project Cost	CBGID Share of Total Project Cost	Phase 1 Elements Based on Low Bid Prices
a.	New 170,000-gallon tank, retire existing tank	\$142,300	\$142,300	
b.	Incline to Washoe One Intertie Share 8-inch water main Intertie between Incline Village and Crystal Bay	1,138,769	196,634	37,570
c.	New Zone 3 booster, retire existing Zone 3 booster	104,800	104,800	104,800
d.	Abandon and restore existing CBGID intake and pump station	9,980	9,980	9,980
e.	Pressure distribution Improvements -- 4-inch PRV at Gonawable and Hwy 28 and at Tuscarora and Lakeview, and 6-inch combination PRV at Lakeview and Teresa	31,000	31,000	28,870
f.	14 new fire hydrants	37,800	37,800	4,707
g.	2,300 LF new 6-inch mains in streets	129,300	129,300	63,016
h.	Approximately 20 ~ 6-inch tie ins with valves plus 30 new line valves	52,500	52,500	
i.	Steel Main Replacement Contingency and Zone3 Interconnection	104,720	104,720	49,268
j.	Replace and reconnect existing water services and install 130 meters, yokes and meter boxes	135,800	135,800	15,454
k.	Engineering Fees for above items	171,005	171,005	31,366
l.	Legal Fees and Project Financing Costs		17,442	
Total Project Costs		\$2,087,924	\$1,133,281	\$345,031

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8/20/94

ATT_A.XLS

IVGID / CBGID Merger Agreement

Schedule of Events

Date	Activity			Responsible Party
	Design and Construction	Financing	Merger	
7/28/94	Review Progress of Merger and Set Public Hearing Date For Resolution to Merge			IVGID
8/9/94	Open Bids for Phase 1 Improvements			IVGID/CBGID
8/11/94		Approve Merger Agreement	Approve Resolution to Request Merger	IVGID
8/12/94		Approve Merger Agreement	Adopt Resolution to Request Merger	CBGID
8/25/94		Approve AB 198 Grant Agreement with State		IVGID
8/25/94	Award Contract for Phase 1 Improvements			IVGID
9/6/94	Begin Construction of Phase 1 Improvements			IVGID/CBGID
9/9/94		Adopt Resolution Initiating Special Assessment Bond		CBGID
9/15/94		Request Grant Extension of Phase 2 of Construction		IVGID
10/1/94			Complete Due Diligence on Merger	IVGID
10/15/94			Draft County Ordinance to Initiate Merger	Washoe County District Attorney
11/1/94	Begin Delivering Water to CBGID system from IVGID's Washoe 1 System			IVGID
11/5/94		Begin Billing CBGID Customers for Water Service Including Capital Assessment Fee		IVGID
11/18/94		Adopt Resolution Settling Hearing and Begin Protest Period		CBGID
12/15/94	Complete Construction Documents for Phase 2 Improvements			IVGID/CBGID
12/15/94			Adopt Ordinance to Initiate Merger, Notify Property Owners and Begin Protest Period	Washoe County BOCC

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IVGID / CBGID Merger Agreement

Schedule of Events

Date	Activity			Responsible Party
	Design and Construction	Financing	Merger	
12/16/94		Public Hearing on Special Assessment Bond and End Protest Period		CBGID
1/20/95		Adopt Resolution to Prepare Roll and Set Hearing		CBGID
2/15/95			Public Hearing on Merger and End of Protest Period. Adopt Ordinance to Approve Merger	Washoe County BOCC
2/17/95		Public Hearing and Adopt Resolution to Confirm and Levy Assessments		CBGID
3/1/95			File Merger Ordinance with Secretary of State	Washoe County BOCC
3/15/95	Open Bids for Phase 2 Improvements			IVGID/CBGID
3/17/95		Cash Payment Period for Bonds		CBGID
4/27/95		Transfer Assessment Oversight from CBGID to IVGID		IVGID/CBGID
4/27/95			Merger Becomes Effective with Transfer of CBGID Assets and Liabilities to IVGID	IVGID/CBGID
4/27/95		Adopt Resolution for Special Assessment Bond Sale		IVGID
5/1/95	Begin Construction for Phase 2 Improvements			IVGID/CBGID
5/31/95		Special Assessment Bond Closing and Funds Become Available		IVGID

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ATTACHMENT "C"

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER PLANNING

Capitol Complex
123 W. Nye Lane
Carson City, Nevada 89710
(702) 687-3600

April 8, 1994

Mr. Roger Eggenburg, Director of Utilities
Incline Village GID
893 Southwood Blvd.
Incline Village, NV 89451

Re: Incline Village GID/Crystal Bay GID Water System Improvements
Project - AB 198 Grant Program Application

Dear Roger:

On April 7, 1994, the Board for Financing Water Projects approved your application for grant funding for the above-referenced project. The Board has awarded Incline Village GID a grant not to exceed \$893,760 or 85% of the eligible costs, whichever is less. Award of this grant is contingent upon receipt of a signed agreement to merge between Incline Village GID and Crystal Bay GID. Of the estimated total project costs attributable to Crystal Bay (\$1,412,849), only \$1,051,482 was found to be grant eligible, i.e. made necessary by State Health regulations and the Safe Drinking Water Act. The following items in Exhibit A of the grant application were determined to be ineligible:

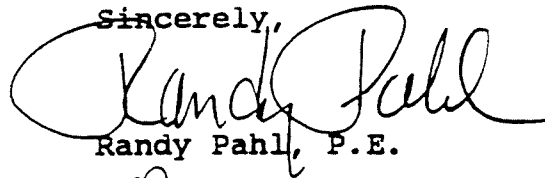
- Item J - modify existing CBGID intake (standby status)
- Item L - 14 fire hydrants
- Item S - furnish and install 130 water meters
- Item W - IVGID connection and assessment charges

Other items enumerated in Exhibit A and attributable to Crystal Bay users are grant eligible.

As another condition for the award of the grant, the Board has set a deadline of 6 months from the date of application approval for Incline Village GID to enter into a grant funding agreement with the State.

Please call me if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Randy Pahl". The signature is written in black ink and is positioned above the printed name.

Randy Pahl, P.E.

cc: Naomi S. Duerr, State Water Planner *NSD*
Dana Pennington, Bureau of Health Protection Services

Attachment "D"

WATER RIGHTS-

The Crystal Bay General Improvement District owns four valid water permits, one of which has been certificated. Following is a summary of the water rights.

Permit No. 22072

Originally filed as permit No. 18314
on September 4, 1959 for 3.0 cfs
to serve 50 homes.

Permit issued September 1, 1961 for 1. cfs
Abrogated April 16, 1965 to permit No. 22072
Application to change pt. of diversion
June 23, 1964

Permit issued April 16, 1965 for 1.0 cfs
Proof of Beneficial Use filed December 16, 1966
Certificate No. 6162 issued February 16,
1967 for 0.42 cfs.

Permit No. 26894

Originally filed August 17, 1972
for 2.0 cfs to replace permit No. 21923

Permit No. 21923 was filed
April 8, 1964 for 2.0 cfs
Permit was issued May 13, 1966
with a "not to exceed"
withdrawal of 240 million
gallons per year

Permit No. 21923 was cancelled
Jan. 15, 1970 for failure to file
proof of beneficial use.

Permit No. 26894 was protested by
Incline Valley General Improvement
District on November 8, 1972

Permit was issued on January 8, 1985
for 2.00 cfs and 20 million
gallons per year.

Completion of work filed April 29, 1988
Proof of Beneficial Use due
February 8, 1992
Cultural map due February 8, 1991

Permit No. 42752

Originally filed as permit No. 38788
for 0.0232 cfs or 5.475 million
gallons per year.

Application to change the original
place of use, point of diversion
and manner of use filed April 1, 1981.

Completion of Work file 1 July, 1981
 Proof of Beneficial Use and Cultural
 map due July 1, 1984
 Extension of time filed for PBU and
 Cultural Map.
 Proof of Beneficial Use and cultural
 map now due July 1, 1991.
 Extension of time Application for filing
 PBU & cultural map has been filed
 by Glantz Estate

Permit No. 44672
 Application to change the place of
 use and point of diversion filed
 December 29, 1981
 Proof of Completion of Work filed
 September 20, 1982
 Proof of Beneficial Use due
 January 29, 1986
 Applications for extensions of time
 for filing the proof of beneficial
 use and cultural map filed and
 approved.
 Proof of beneficial use and cultural
 map due January 29, 1992

The water available to the Crystal Bay area represented by
 the above permits is a total of:

#22071 (certificated 6152)	0.42 cfs	9.13 mga
#26894	2.00 cfs	20.00 mga
#42752	0.0232 cfs	5.475 mga
#44672	0.0085 cfs	2.0075 mga
Total Available	2.4517	36.612 mga

mga = million gallons annually

Water rights are normally sold and purchased by the acre-
 feet. 36.6 mga equals 112.3 acre-feet annually. At a current
 rang of \$2,000.00 to 3,000.00 per acre-foot the water rights
 would be worth from \$224,800.80 to \$337,210.20.

There has been some discussion that any surplus water could
 be offered for sale in order to generate funds for the general
 Improvement district. This is certainly possible since their may
 be approximately 50.8 acre-feet of surplus.

The water rights required for each of the current 125 services is 500 gallons per day (per the State Engineer's requirement) or 70.0 acre-feet. For the sake of this discussion it is assumed that there may be 10 vacant buildable lots in Crystal Bay for which an additional 5.6 acre-feet of water must be reserved. That leaves 42.3 acre-feet as surplus. These surplus rights could be sold, for say \$2,500.00, for a total revenue of \$105,750.00.

Although the G.O. 26 annual inspection, Docket 86-461 dated July 29, 1986 prepared by the Nevada Public Service Commissions indicate on page 27 that "....any excess (referring the water rights) is not available for sale to any other utility or entity", the State Engineer will most likely approve a transfer of rights for the purpose of generating capital improvements funds. Any transfer of water rights is of course subject to the State Engineer's decision. It is this writers opinion that if the District will commit all proceeds from the sale to upgrading the water system, the State Engineers will look favorably on such a transaction.

Attachment "E"

PRESENT WORTH EVALUATION

There is no question that the main water storage tank will need to be replaced with a larger tank. The existing facility was constructed in the early 1930's and has reached its useful life. Several leaks in the tank shell have developed over the years. Some have been repaired with a welded patch while others are only stopped with wooden plugs.

The tank has no salvage value except for scrap metal. The cost of cutting the tank apart and hauling it out, however, would most likely not be economical. It is the writer's opinion that there is no value to the existing tank.

BOOSTER PUMP STATION AND RESERVOIR

The booster pump station and intermediate 6,800 gallon reservoir located below Lake View Avenue dos have some value.

The booster pumps consist of two 310 to 350 GPM pumps driven by two 30 HP, 3540 RPM Westinghouse "Lifeline" AC motors. The pumps and motors, as well as the plumbing in the pump station appear to be in fairly good condition and may serve the District for some years in the future. The electrical control panels will require some rehabilitation in order to guarantee reliability. It is recommended that an Electrical Engineer be retained to review the condition of these panels to prepare a "punch list" of those items which needs to be corrected.

Determining the efficiency of this pump station is beyond the scope of this study. It would be necessary to obtain the manufacturer's pump curves to go through a proper evaluation. It is anticipated that when the district proceeds with the rehabilitation design of the entire system that na efficiency evaluation will be made of each pump and motor.

The value of this pump station and reservoir has been established by the Washoe County Assessor at \$12,318.00. This appears to be an inflated value since the life of much of the equipment has run out. Based on a depreciation schedule on page 7 the station is valued at \$360.00.

LAKE TAHOE MAIN WATER INTAKE

An inspection of the interior of the Lake Tahoe pump station has not been made since access to the facility was not available the day of the field review. The following information regarding the station has been gleaned from Appendix VII of the Annual inspection, Docket No. 86-461 by the Nevada Public Service Commission dated July 29, 1986:

The sole source of water for the utility is a pump station on Lake Tahoe. The two pumps in this station draw water from a 70-foot long, 6-inch-diameter intake line. The end of the line is believed to be several feet above the lake bottom and about 20 feet below the surface. The two electric pumps are rated at 250 gpm each, but the utility owner reports he has never measured more than 150 GPM from a single pump and has observed combined flows approaching 250 GPM. The pumps and motors are housed in a small wood-framed building. The only access is by boat or by walking approximately 100 feet down a trail from Northlake Drive. A section of the land access is over an existing residential redwood stairway. When modification to the lake line was made in the summer of 1977 the materials had to be barged to the site. Any improvements to this site will be very difficult and expensive and of particular concern is the possibility of the need for major repair in bad weather when the lake access is impossible. The purchase of additional right-of-way may be prohibitive because it will involve occupied lake front lots at Lake Tahoe which are very expensive.

The value of this pump station was estimated to be \$11,800.00 in a 1978 report prepared by the engineering firm of Clair Hill and Associates of Redding, California. Because of the depreciation during the intervening years (13) it is estimated that the present worth of this facility is now \$3065.00. The district should anticipate having to replace the pumps and motors sometime in the foreseeable future. The pump house has been totally depreciated and should be replaced.

DISTRIBUTION SYSTEM

The existing distribution system consists of various length of 1-1/2 inch to 6 inch water mains. The system was initially installed in 1935 using the small diameter pipe. Since that time 4 and 6 inch pipe has replaced much of the old system. The larger diameter pipe has been installed since 1965 and is in reasonably good condition. The current maintenance staff, Mr. Will Avante, has indicated that leaks in the system is not a major problem and that interruption of service because of repair "shut-downs" are infrequent.

Although the Clair Hill report is 13 years old a statement from that report still has validity in substantiating the condition of the distribution system. "A 2-foot section of the steel pipe, installed in 1965 , was removed from the system in April 1978. The pipe's lining and coating were found to be in excellent condition. The contractor who performed this work and who has installed much of the newer pipe in the system stated that the distribution system has required little maintenance. An expert in pipe corrosion surveyed the District and believes the pipe section removed would be representative of the other dipped and wrapped steel pipe in the system."

The following chart is an inventory of the distribution system including all appurtenances, the year of installation, the estimated cost of installation, the life remaining and the present worth:

EQUIPMENT INVENTORY

<u>Inpr.</u>	<u>Quantity</u>	<u>Year</u> <u>Installed</u>	<u>Life</u>	<u>Life</u> <u>Remain</u>	<u>Unit</u> <u>Cost</u>	<u>Present</u> <u>Worth</u>
1 1/2" G.I.P.	1,870 L.F.	1938	40	0	\$ 12.00	\$ -0-
6" WSP	2,780 L.F.	1965	40	14	16.00	15,568.00
4" WSP	640 L.F.	1965	40	14	14.00	3,136.00
F.H.	3 ea.	1965	40	14	2,000.00	2,100.00
Dbl. Serv.	14 ea.	1965	30	4	600.00	1,120.00
Sng. Serv.	3 ea.	1965	30	4	400.00	160.00
B.O. Valve	2 ea.	1965	40	14	650.00	455.00
6" WSP	1,316 L.F.	1967	40	16	16.00	8,422.40
4" WSP	805 L.F.	1967	40	16	14.00	4,508.00
6" G.V.	2 ea.	1967	40	16	550.00	440.00
F.H.	2 ea.	1967	40	16	1,300.00	1,600.00
Dbl. Serv.	11 ea.	1967	30	6	600.00	1,320.00
Sing. Serv.	13 ea.	1967	30	6	400.00	1,040.00
B.O. Valve	1 ea.	1967	40	16	650.00	260.00
6" WSP	2,090 L.F.	1968	40	17	15.00	14,212.00
6" G.V.	3 ea.	1968	40	17	550.00	701.25
F.H.	1 ea.	1968	40	17	2,000.00	850.00
Sng. Serv.	9 ea.	1968	30	7	400.00	840.00
B.O. Valve	2 ea.	1968	40	17	650.00	552.50
1 1/2" G.V.	1 ea.	1968	40	17	250.00	106.25
6" WSP	760 L.F.	1969	40	18	16.00	5,472.00
6" G.V.	1 ea.	1969	40	18	550.00	247.50
F.H.	2 ea.	1969	40	18	2,000.00	1,800.00
Sing. Serv.	3 ea.	1969	30	8	400.00	320.00
Dbl. Serv.	2 ea.	1970	30	9	600.00	360.00
6" WSP	400 L.F.	1972	40	21	12.00	3,180.00
F.H.	2 ea.	1972	40	21	2,000.00	2,100.00
6" G.V.	1 ea.	1972	40	21	550.00	288.75
Sing. Serv.	6 ea.	1972	30	11	400.00	880.00
6" WSP	340 L.F.	1973	40	22	16.00	2,992.00
6" G.V.	1 ea.	1973	40	22	550.00	302.50
B.O. Valve	1 ea.	1973	40	22	650.00	357.50
Dbl. Serv.	4 ea.	1973	30	22	600.00	1,752.00
Sing. Serv.	2 ea.	1973	30	12	400.00	320.00
6" ACP	870 L.F.	1976	40	25	16.00	8,700.00
6" DIP	215 L.F.	1976	50	35	20.00	3,010.00

<u>Inpr.</u>	<u>Quantity</u>	<u>Year Installed</u>	<u>Life</u>	<u>Life Remain</u>	<u>Unit Cost</u>	<u>Present Worth</u>
4" ACP	618 L.F.	1976	40			
14" Casing	50 L.F.	1976	40	25	\$ 14.00	\$ 5,407.50
Dbl. Serv.	2 ea.	1976	30	25	100.00	3,125.00
Sing. Serv.	21 ea.	1976	30	15	600.00	600.00
1 1/2" G.V.	2 ea.	1976	40	15	400.00	4,200.00
B.O. Valve	2 ea.	1976	40	25	250.00	312.50
4" G.V.	1 ea.	1976	40	25	650.00	812.50
6" WSP	1,530 L.F.	1978	40	25	350.00	218.75
6" G.V.	2 ea.	1978	40	27	16.00	16,524.00
F.H.	1 ea.	1978	40	27	550.00	742.50
Dbl. Serv.	4 ea.	1978	30	27	2,000.00	1,350.00
Sing. Serv.	2 ea.	1978	30	17	600.00	1,360.00
6" ACP	1,290 L.F.	1979	30	17	400.00	453.33
4" ACP	660 L.F.	1979	40	28	16.00	14,448.00
P.R. Sta.	1 ea.	1979	40	28	14.00	6,468.00
6" G.V.	5 ea.	1979	40	28	2,500.00	1,750.00
F.H.	5 ea.	1979	40	28	550.00	1,925.00
Dbl. Serv.	14 ea.	1979	30	28	2,000.00	7,000.00
Sing. Serv.	5 ea.	1979	30	18	600.00	5,040.00
B.O. Valve	3 ea.	1979	40	18	400.00	1,200.00
4" G.V.	1 ea.	1979	40	28	650.00	1,365.00
			40	28	350.00	245.00
TOTAL PRESENT WORTH						\$164,080.73

LAKE TAHOE PUMP STATION

<u>Impr.</u>	<u>Quantity</u>	<u>Year Installed</u>	<u>Life</u>	<u>Life Remain</u>	<u>Unit Cost</u>	<u>Present Worth</u>
40 HP P&M	1	1967	20	-0-	\$3,000.00	\$ -0-
40 HP P&M	1	1976	20	5	3,000.00	750.00
Mag. Start	1	1974	20	3	2,500.00	375.00
Mag. Start	1	1976	20	5	2,500.00	625.00
6" Intake	70 L.F.	1976	40	25	20.00	875.00
Chlorintr.	1	1967	20	-0-	1,500.00	-0-
Bldg.	1	1960	25	-0-	2,500.00	-0-
6" Ck Vlv.	1	1973	40	22	800.00	440.00

BOOSTER STATION

30 HP P&M	2	1969	20	-0-	5,000.00	-0-
Cntr. Sys.	1	1969	20	-0-	3,000.00	-0-
Mag. Strt.	2	1969	20	-0-	4,000.00	-0-
Bldg.	1	1969	25	3	3,000.00	360.00
Res.	1	1935	40	-0-	4,000.00	-0-
4" Drain	20 L.F.	1935	40	-0-	14.00	-0-

TOTAL PRESENT WORTH

\$3,425.00

EASEMENTS AND RIGHT OF WAYS

A search of all potential easements and right of ways held by the Crystal Bay Water Company was made. A report by First American Title Company of Nevada dated April 17, 1991 states that "Based on the map of the existing water system for Crystal BayPark, which you (Erik Beyer) provided me (Bruce Morgan, Chief Title Officer) at our meeting of April 9, 1991 I have reviewed all the areas on the map where we suspected easements may exist. To date I have found none of record."

If it is assumed that the water system was built at a time when easements and right of ways were not critical. Early resident in the Tahoe Basin were only too anxious to get water service that construction of water mains were permitted indiscriminately.

LAND - FEE TITLE

The Crystal Bay Water Company does own two small parcels for each of the two water storage tanks. One of the properties is designated as Assessor's Parcel No. 123-170-01 and is the parcel adjacent to the California-Nevada state line. It contains 6,200 sq. ft. or 0.149 acres. This property is the site of the 42,000 gallon water storage tank. The appraised value of this parcel is \$10,000.00 for the land only with an additional appraised value of \$1,452.00 for improvements (storage tank and appurtenances).

The other parcel owned by the Crystal Bay Water Company is assigned Assessor's Parcel No. 123-165-07 consisting of 700 sq. ft. or 0.016 acres. This is the site of the intermediate water storage tank and the booster pump station. The appraised value of this parcel is \$1,000.00 for the land and \$12,318.00 for the improvements.

The values indicated above are the 1991 Washoe County Assessor's appraisals at 100%.

CBGID/IVGID MERGER

JOB _____ OF _____

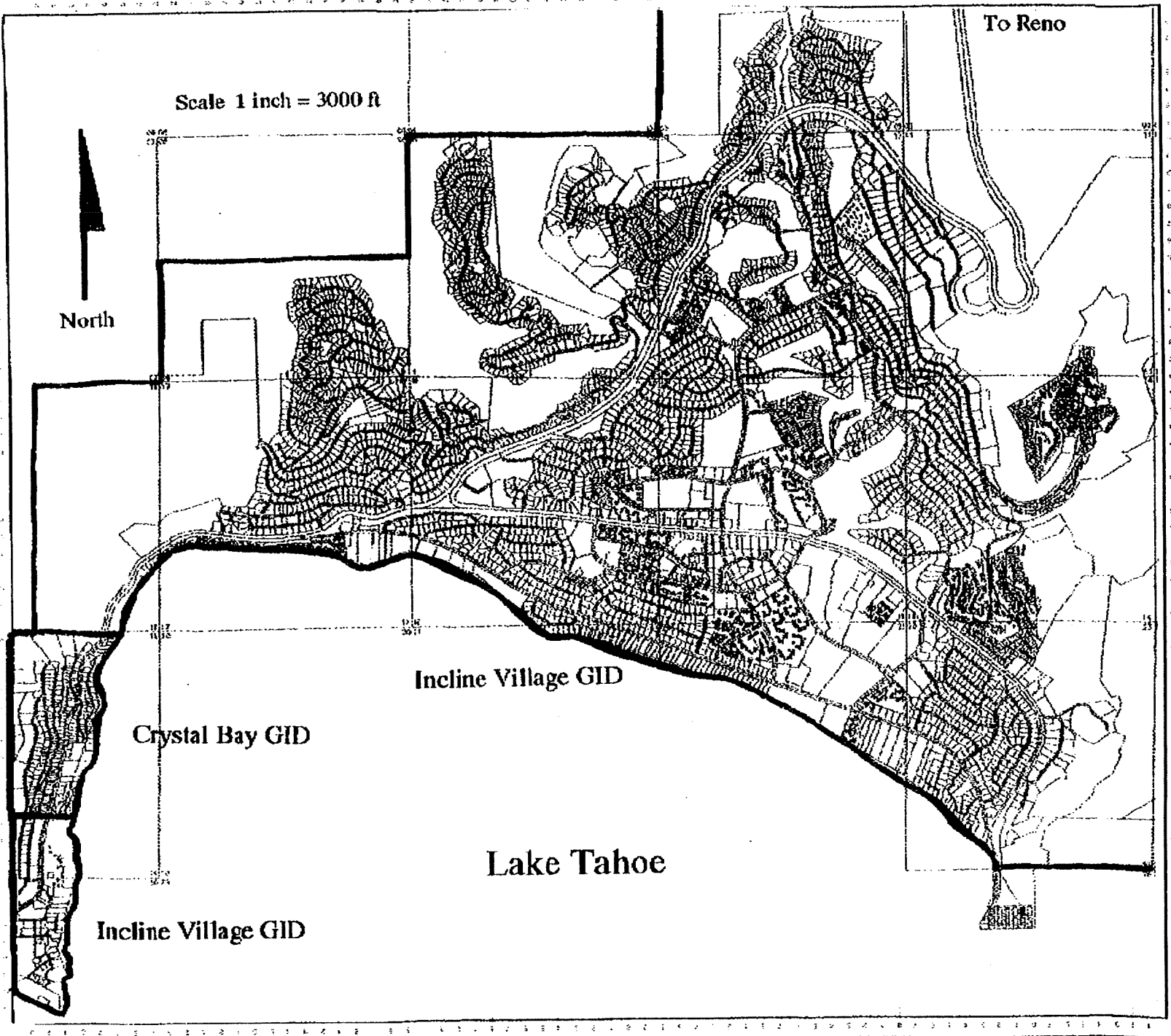
SHEET NO. _____

CALCULATED BY _____ DATE _____

CHECKED BY _____ DATE _____

SCALE _____

**INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT**
 Engineering Department
 893 Southwood Boulevard
 INCLINE VILLAGE, NEVADA 89451
 (702) 832-1267



PRODUCT BY: INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 893 S. WOODBURN BLVD. INCLINE VILLAGE, NV 89451
 (702) 832-1267



OFFICE OF THE WASHOE COUNTY CLERK

COUNTY COURTHOUSE, VIRGINIA AND COURT STS.
P.O. BOX 11130, RENO, NEVADA 89520
PHONE (702) 328-3260

JUDI BAILEY
County Clerk

January 12, 1994

BOARDS OF TRUSTEES
INCLINE VILLAGE AND
CRYSTAL BAY G.I.D.

Enclosed is a certified copy of Ordinance 925 adopted by the Board of County Commissioners at their meeting on January 10, 1995, to become effective on January 23, 1995. The ordinance includes the exhibits which were made part of the ordinance.

The public hearing on the merger is scheduled for Tuesday, February 14, 1995, at 6:00 p.m.

Very truly yours,

JUDI BAILEY, Washoe
County Clerk

by 
Pauline Reese, Deputy



OFFICE OF THE WASHOE COUNTY CLERK

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