



**STAFF REPORT**

**TO:** Board of Directors  
**THRU:** Mark Foree, General Manager  
**FROM:** John Erwin, Kim Mazeres  
**DATE:** 19 March 2015  
**SUBJECT:** **First Reading to amend TMWA’s Water Rate Schedules for conversion of flat rate to metered billing: Amending applicability of Rate Schedules Residential Metered Water Service (RMWS), Residential Flat-Rate Water Service (RFWS), Small Unit Flat-Rate Service (SUFR), Multiple-Unit Residential Flat-Rate Service (MRFS), Multiple-Unit Residential and Irrigation Service (MRIS), Former STMGID Rate Residential Unmetered Service for Residential and Irrigation Service (FRMSGID, subpart RFWG), and Former Washoe County Rate Residential Unmetered Service for Residential (FRMWC, subpart RFWD)**

**RECOMMENDATION**

Based on prior Board direction to effect the conversion of TMWA’s flat-rate billed services to metered billing, staff presents for the Board’s consideration and discussion, with possible direction to staff, the First Reading of proposed amendments to TMWA’s Water Rate Schedules which will amend the applicability of the following Schedules:

- Residential Metered Water Service (RMWS)
- Residential Flat-Rate Water Service (RFWS)
- Small Unit Flat-Rate Service (SUFR)
- Multiple-Unit Residential Flat-Rate Service (MRFS)
- Multiple-Unit Residential and Irrigation Service (MRIS)
- Former STMGID Rate Residential Unmetered Service for Residential and Irrigation Service (FRMSGID, subpart RFWG)
- Former Washoe County Rate Residential Unmetered Service for Residential (FRMWC, subpart RFWD)

Proposed amendments are shown in the attached redline copies. The amendments, if adopted after the hearing for the Second Reading, currently scheduled for May 21, 2015, are proposed to become effective the start of business day October 1, 2015 as previously directed by the Board.

## **DISCUSSION**

At the December 2014 meeting, the TMWA Board of Directors voted to approve an accelerated schedule for public input and consideration of the conversion of remaining flat-rate customers to metered billing with a proposed effective conversion date of June 1, 2015.

At the March 2015 meeting, the TMWA Board of Directors voted to modify the accelerated schedule, making conversion effective October 1, 2105 while electing to keep the first and second readings scheduled for April and May 2015.

Staff conducted an Open House/Customer Workshop on this topic on March 10, 2015. All customers were notified of the workshop via bill insert. Notification was also sent to over 62,000 customers via e-mail newsletter. And, all flat-rate customers were sent a direct mail notification of the workshop, as well as the timeline, with a total of 6,115 letters mailed.

Approximately forty (40) people attended the Open House. Thirty-seven (37) attendees requested bill comparisons be calculated. Fifteen (15) customers found they would have saved money over the past year had they been on the metered rate; seven (7) found they would have paid approximately the same over the past year had they been on the metered rate; and, fourteen (14) found they would have paid more over the past year had they been on the metered rate. Three (3) individuals decided to convert to the metered rate while at the Open House after receiving this information. In addition, fifteen (15) public comments were submitted: three (3) supported and twelve (12) were opposed to the switch to the metered billing. Seventeen (17) written comments had been received via e-mail or sent via U.S. mail with approximately two-thirds that would save or pay the same on the metered rate, and one-third that would pay more.

To effectuate a conversion to metered billing, TMWA must amend existing flat rate tariff schedules. The attachments show all proposed amendments to the seven (7) affected tariff pages with “redline” edits to the text. The hearing for the second reading is currently scheduled for May 21, 2015.

Subsequent to the March Board Meeting, some Board members inquired about what had been conveyed by TMWA staff to former STMGID customers regarding the STMGID flat rate tariff during TMWA’s due diligence/negotiation process with STMGID, as some former STMGID customers believed they had been promised that they could keep their flat rate post-merger. Staff has researched this question and attached are four documents for the Board to review in regard to this question as follows:

1. The Final Term Sheet for the STMGID/TMWA Merger – See Sections 1. (b) and 2.
2. STMGID Merger FAQs – See answer to question 15.
3. TMWA Powerpoint Presentation from August 1, 2013 – See slides 3 and 8
4. Interlocal Agreement Governing the Merger of STMGID into TMWA – See Section 4.1

During the due diligence process, the TMWA Board was not contemplating a system wide conversion of flat rate customers, and staff did not anticipate that such a conversion would occur so quickly after the merger closing. In speaking with STMGID customers, staff understood and consistently represented that *as a result of the merger* STMGID flat rate customers would not be converted to metered billing. This representation was accurate; however, TMWA staff now understands that some STMGID customers understood these comments to mean that STMGID flat rate customers would not be converted to metered billing *after the merger* until the earlier of the sale of their home or 2035 (a “Triggering Event”).

When the actual merger agreement was drafted, and although a conversion was not contemplated at the time, specific language was included which would allow the TMWA Board to convert STMGID flat rate customers to STMGID metered rates at the same time the TMWA Board converted all TMWA flat rate customers to metered rates or upon the occurrence of a Triggering Event. Based on customer comments received following the merger, it appears at least some former STMGID customers were unaware of these terms and understood that conversion to metered rates would only occur on a Triggering Event.

Given the confusion of some STMGID customers and the nature of the comments above, the Board may wish to reconsider the timing of any conversion of STMGID flat rate customers and whether to amend Rate Schedule FRMSGID, subpart RFWG. With that in mind, the following information is provided to assist in that evaluation: 1) the Merger Agreement provides that all former STMGID flat rate customers will convert to TMWA metered rates on the earlier of the sale of their home or 2035 (the “Triggering Event”). In other words, if rate schedule FRMSGID is not amended at this time, all STMGID flat rate customers will still convert to TMWA metered rates on the occurrence of a Triggering Event; 2) the number of affected customers is relatively small -- there are approximately 170 former STMGID customers currently billed on the flat rate.

# Truckee Meadows Water Authority

## RATE SCHEDULES

### RFWS – RESIDENTIAL FLAT RATE WATER SERVICE

#### APPLICABILITY

~~Delivery of water under this Rate Schedule is available for residential purposes for use in single family dwellings, condominiums, and apartment complexes where each unit is served through a separate Service Connection. Customers receiving delivery of water under either of the residential metered water or multiple-unit flat rate service Rate Schedules are excluded from this schedule.~~

#### AVAILABILITY

~~The Authority's retail service territory.~~

#### RATES PAGE INTENTIONALLY BLANK RESERVED FOR FUTURE USE

~~Customer Charge per Billing Period~~

~~\$ 100.63 for a 3/4" Service Connection~~  
~~\$ 144.90 for a 1" Service Connection~~  
~~\$ 262.60 for a 1 1/2" Service Connection~~  
~~\$ 374.30 for a 2" Service Connection~~  
~~\$ 469.90 for a 3" Service Connection~~  
~~\$ 595.70 for a 4" Service Connection~~

~~Late Charge~~

~~5% of any amount in arrears from previous billings.~~

~~Other Charges~~

~~As specified in Rate Schedule OC and applied to total bill.~~

#### MINIMUM CHARGE

~~The Minimum Charge for delivery of water for this service shall consist of the sum of the Customer Charge, late charge, right-of-way toll, and regional water management fee per Billing Period.~~

#### SPECIAL CONDITIONS

- ~~1. Customers previously billed at the 1 1/4" Customer Charge will be billed at the 1" Customer Charge.~~
- ~~2. This Rate Schedule is closed to new applications for the delivery of water.~~

Added: 03/23/01 Amended: 10/01/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14

# Truckee Meadows Water Authority

## RATE SCHEDULES

### RMWS – RESIDENTIAL METERED WATER SERVICE

#### APPLICABILITY

Delivery of water under this Rate Schedule is available for all purposes to any single family residential dwelling served through a separate Service Connection. This Rate Schedule is mandatory for delivery of water to residential Customers in newly constructed residential buildings which are occupied for the first time on or after July 1, 1988; and for residential Customers who receive a Meter pursuant to Rules 2 and 6.

~~Effective October 1, 2015, any single family residential service then receiving the delivery of water under either Rate Schedules RFWS or SUFR will be required to pay the metered rate pursuant to this Rate Schedule commencing upon later of October 1, 2015 or the first billing period following the installation of Meter Facilities and a Meter at the Service Property. Effective March 1, 2002, any single family residential Customer making a first-time request for residential delivery of water at an existing RFWS or SUFR and any previous single family residential Customer requesting a change of delivery of water to a different single family residential existing RFWS or SUFR, will be required to pay the metered rate pursuant to this Rate Schedule.~~ For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rule 6.

#### AVAILABILITY

The Authority's retail service territory.

#### RATES

##### Customer Charge Per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$18.54
1"	\$20.40
1 1/2"	\$23.20
2"	\$26.90
3"	\$30.60
4"	\$35.20
6"	\$40.80

##### Commodity Charge per 1,000 Gallons for each Tier, All Meter Sizes

Tier 1 0 to 6,000 Gallons per Billing Period	\$1.72
Tier 2 6,001 to 25,000 Gallons per Billing Period	\$2.78
Tier 3 Greater than 25,000 Gallons per Billing Period	\$3.25

Added: 03/23/01 Amended: 11/01/01, 09/25/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/2014

# Truckee Meadows Water Authority

## RATE SCHEDULES

### MMWS – MULTIPLE-UNIT RESIDENTIAL METERED WATER SERVICE

#### APPLICABILITY

Delivery of water under this Rate Schedule is available for all purposes to any multiple-unit residential Customer in multiple-unit complexes including apartment complexes, mobile home parks and two or more detached single family dwellings metered in accordance with Rule 6. This Rate Schedule is mandatory for delivery of water to residential Customers in newly constructed multi-tenant residential buildings occupied for the first time on or after July 1, 1988; and for multiple-unit residential Customers who have received a Meter pursuant to Rules 2 and 6.

Effective October 1, 2015, any multi-unit complex including apartment complexes, mobile home parks and two or more detached single family dwellings metered in accordance with Rule 6 then receiving the delivery of water under either Rate Schedules MRFS or MRIS will be required to pay the metered rate pursuant to this Rate Schedule commencing upon later of October 1, 2015 or the first billing period following the installation of Meter Facilities and a Meter at the Service Property.

#### AVAILABILITY

The Authority's retail service territory.

#### RATES

##### Customer Charge per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$18.54
1"	\$20.40
1 1/2"	\$23.20
2"	\$26.90
3"	\$30.60
4"	\$35.20
6"	\$40.80
8"	\$47.30
10"	\$55.60

##### Commodity Charge per 1,000 Gallons for each Tier, All Meter Sizes

Tier 1	All usage up to 4,000 Gallons per Unit Multiplied by number of units per Billing Period	\$1.72
Tier 2	Usage greater than Tier 1 per Billing Period	\$2.78

Added: 03/23/01 Amended: 09/25/03; 03/01/05; 05/21/09; 02/17/10; 01/19/12; 01/24/14

# Truckee Meadows Water Authority

## RATE SCHEDULES

### SUFR – SMALL UNIT FLAT RATE SERVICE

#### APPLICABILITY

Delivery of water under this Rate Schedule is available for single family residence(s) on a Service Property(ies) with lot size 3,000 square feet or less served individually through a separate 3/4" Service Connection to the Service Property. After October 1, 2015, the delivery of water under this Rate Schedule shall be available only to a Service Property (1) that was billed under this schedule on October 1, 2015 and (2) so long as such Service Property is not able to be billed under Rate Schedule RMWS. For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rule 6. Customers receiving delivery of water under either of the residential metered water or multiple-unit flat rate service Rate Schedules are excluded from this Rate Schedule.

#### AVAILABILITY

The Authority's retail service territory.

#### RATES

##### Customer Charge per Billing Period

\$39.12 for a Service Connection.

##### Late Charge

5% of any amount in arrears from previous billings.

##### Other Charges

As specified in Rate Schedule OC and applied to total bill.

#### MINIMUM CHARGE

The Minimum Charge for this service shall consist of the sum of the Customer Charge, commodity charge, late charge, right-of-way toll, and regional water management fee per Billing Period.

#### SPECIAL CONDITIONS

1. This Rate Schedule is not available to Customers currently billed under the MRFS or MRIS Rate Schedules.
2. Single family residence Service Property(ies) with lot size(s) greater than 3,000 square feet individually served through a separate Service Connection shall be billed under RMWS or RFWS Rate Schedules.
3. Separate Irrigation Service shall be billed under the MIS Rate Schedule.
4. This Rate Schedule is closed to new applications for the delivery of water.

Added: 03/23/01 Amended: 10/01/03; 03/01/05; 01/19/12; 01/24/14

# Truckee Meadows Water Authority

## RATE SCHEDULES

### MRFS – MULTIPLE-UNIT RESIDENTIAL FLAT RATE SERVICE

#### APPLICABILITY

Delivery of water under this Rate Schedule is available for residential purposes to any Customer for use in multiple-unit residential complexes, including apartment complexes, mobile home parks, and two or more detached single family dwellings served through a single Service Connection with separate Irrigation Service at the same Service Property. After October 1, 2015, the delivery of water under this Rate Schedule shall be available only to a Service Property (1) that was billed under this schedule on October 1, 2015 and (2) so long as the Service Property is not able to be billed under Rate Schedule MMWS. For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rule 6. ~~Customers receiving delivery of water under either of the residential metered water service Rate Schedules are excluded from this Rate Schedule.~~

#### AVAILABILITY

The Authority's retail service territory.

#### RATES

##### Customer Charge per Billing Period

\$17.00 for a 3/4" Service Connection  
 \$18.70 for a 1" Service Connection  
 \$21.30 for a 1 1/2" Service Connection  
 \$24.70 for a 2" Service Connection  
 \$28.10 for a 3" Service Connection  
 \$32.30 for a 4" Service Connection  
 \$37.40 for a 6" Service Connection

##### Unit Charge per Billing Period

\$10.90 for each dwelling unit.

##### Late Charge

5% of any amount in arrears from previous billings.

##### Other Charges

As specified in Rate Schedule OC and applied to total bill.

Added: 03/23/01 Amended: 10/01/03; 03/01/05; 05/21/09; 02/17/10

# Truckee Meadows Water Authority

## RATE SCHEDULES

### MRIS - MULTIPLE-UNIT RESIDENTIAL AND IRRIGATION SERVICE

#### APPLICABILITY

Delivery of water under this Rate Schedule is available for residential purposes to any Customer in multiple-unit residential complexes, including apartment complexes, mobile home parks, and two or more detached single family dwellings, served through a single Service Connection without separate Irrigation Service at the same Service Property. After October 1, 2015, the delivery of water under this Rate Schedule shall be available only to a Service Property (1) that was billed under this schedule on October 1, 2015 and (2) so long as the Service Property is not able to be billed under Rate Schedule MMWS.. For previously Unmetered Service Property(ies), the Authority will install Meter Facilities as soon as practicable, with costs to be borne by the Authority in accordance with Rule 6. ~~Customers required to receive delivery of water under either of the RMWS or MIS Rate Schedules are excluded from this Rate Schedule.~~

#### AVAILABILITY

The Authority's retail service territory.

#### RATES

##### Customer Charge per Billing Period

\$ 34.20 for a 3/4" Service Connection  
 \$ 50.30 for a 1" Service Connection  
 \$ 79.40 for a 1 1/2" Service Connection  
 \$ 125.30 for a 2" Service Connection  
 \$ 210.30 for a 3" Service Connection  
 \$ 429.30 for a 4" Service Connection  
 \$ 693.10 for a 6" Service Connection  
 \$ 885.40 for a 8" Service Connection  
 \$1,260.40 for a 10" Service Connection

##### Unit Charge per Billing Period

\$11.50 for each dwelling unit

##### Late Charge

5% of any amount in arrears from previous billings.

##### Other Charges

As specified in Rate Schedule OC and applied to total bill.

#### MINIMUM CHARGE

Added: 03/23/01 Amended: 10/01/2003; 03/01/05; 05/21/09; 02/17/10

# Truckee Meadows Water Authority

## RATE SCHEDULES

### FRMSGID- FORMER STMGID RATES AND CHARGES

#### APPLICABILITY

Rates contained in this Rate Schedule FRMSGID are applicable solely to the delivery of water service to Premise(s) receiving water service from, and located within the former retail service area of, the South Truckee Meadows General Improvement District as of December 31, 2014, subject to the Special Conditions set forth below in this rate schedule.

Effective October 1, 2015, any Service Property then receiving the delivery of water under Rate Schedule RFWG will be required to pay the metered rate under Rate Schedule RMWG commencing upon later of October 1, 2015 or the first billing period following the installation of Meter Facilities and a Meter at the Service Property. After October 1, 2015, delivery of water under Rate Schedule RFWG shall be available only to a Service Property (1) that was billed under Rate Schedule RFWG on October 1, 2015 and (2) so long as such Service Property is not able to be billed under Rate Schedule RMWG or RMWS.

#### RATES

***RFWG*** – Residential Unmetered Water Service for Residential and Irrigation Service

Customer Charge per Billing Period

\$ 44.91 for a Service Connection

Late Charge

5% of any amount in arrears from previous billings.

Other Charges

As specified in Rate Schedule OC and applied to total bill.

***RMWG*** – Residential Metered Water Service

Customer Charge per Billing Period

Meter Size

Per Meter

Up to 3/4"

\$ 9.49

1"

\$ 11.61

1 1/2"

\$ 16.47

Added: 01/01/2015

# Truckee Meadows Water Authority

## RATE SCHEDULES

### FRMSGID- FORMER STMGID RATES AND CHARGES

#### SPECIAL CONDITIONS

1. Conversion From FRMSGID Rate. Upon the Conversion Date applicable to a Premise, Rate Schedule FRMSGID shall no longer apply to such Premise and the delivery of water service to such Premise shall thereafter be subject to and billed in accordance with rates for comparable class and service size under Rate Schedule RMWS, RFWS, MRFS, MRIS, MIS, GMWS, or FPS, as applicable. "Conversion Date" shall mean the earlier of:
  - (a) The date of recordation of a sale, transfer or conveyance of the Premise then subject to the FRMSGID Rate Schedule, excluding any conveyance which is exempt from real property transfer tax under NRS 375.090; or
  - (b) The first billing cycle in January 2035.
- ~~2. Conversion to Metered Rates. Upon any change in the billing Customer of record at an existing RFWG service Premise, which change does not otherwise qualify as a Conversion Date, or upon the request of the Customer at the Service Property, the delivery of water service to the Premise shall thereafter be subject to the metered rate under Rate Schedule RMWG. Upon and following a Conversion Date applicable to a RFWG service Premise, the delivery of water service to such Premise shall thereafter be subject to and billed under Rate Schedule RFWS.~~
- ~~3.2.~~ Installation of Meters. The Authority will install Meter Facilities as soon as practicable on any Unmetered Service Property subject to the FRMSGID Rate, with costs to be borne by the Authority in accordance with Rule 6.
- ~~4.3.~~ Closed Tariff. Rate Schedule FRMSGID is closed and shall not be applicable to any applications for the delivery of water to a new service.

Added: 01/01/2015

# Truckee Meadows Water Authority

## RATE SCHEDULES

### FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

#### APPLICABILITY

Rates contained in this Rate Schedule FRMWC are applicable solely to the delivery of water service to Premises receiving water service from, and located within the former retail service area of the Washoe County Community Services Department Water Utility as of December 31, 2014, subject to the Special Conditions set forth below in this rate schedule.

Effective October 1, 2015, any Service Property then receiving the delivery of water under Rate Schedule RFWD will be required to pay the metered rate under Rate Schedule RMWD commencing upon later of October 1, 2015 or the first billing period following the installation of Meter Facilities and a Meter at the Service Property. After October 1, 2015, delivery of water under Rate Schedule RFWD shall be available only to a Service Property (1) that was billed under Rate Schedule RFWD on October 1, 2015 and (2) so long as such Service Property is not able to be billed under Rate Schedule RMWD or RMWS.

#### RATES

**RFWD** – Residential Unmetered Water Service for Residential and Irrigation Service

##### Customer Charge per Billing Period

Up to 3/4"	\$ 89.82
1"	\$ 90.18
1 1/2"	\$ 92.12
2"	\$ 93.55
3"	\$ 94.96
4"	\$ 99.18

##### Late Charge

5% of any amount in arrears from previous billings.

##### Other Charges

As specified in Rate Schedule OC and applied to total bill.

**RMWD** – Residential Metered Water Service

##### Customer Charge per Billing Period

<u>Meter Size</u>	<u>Per Meter</u>
Up to 3/4"	\$ 17.43
1"	\$ 22.42
1 1/2"	\$ 32.07
2"	\$ 42.76
3"	\$ 68.85
4"	\$100.84
6"	\$183.85

Added: 01/01/2015

# Truckee Meadows Water Authority

## RATE SCHEDULES

### FRMWC - FORMER WASHOE COUNTY WATER UTILITY RATES AND CHARGES

#### MINIMUM CHARGE

The Minimum Charge for delivery of water service under any rate identified in this schedule shall consist of the sum of the Customer and Commodity Charges, late charge, right-of-way toll, and regional water management fee per Billing Period.

To facilitate the implementation of the merger between Authority and Washoe County Community Services Department Water Utility, Authority will apply a credit to the sum of the Customer and Commodity Charges otherwise applicable to service properties within the City of Reno and City of Sparks as follows:

Period	Credit
January 1, 2015 through December 31, 2015:	5% of total bill
January 1, 2016 through December 31, 2016:	5% of total bill
January 1, 2017 through December 31, 2017:	3% of total bill
January 1, 2018 through December 31, 2018:	2% of total bill
January 1, 2019 through December 31, 2019:	1% of total bill
After December 31, 2019:	0% of total bill

#### SPECIAL CONDITIONS

1. ~~Conversion to Metered Rates. Upon any change in the billing Customer of record at an existing RFWD Service Property or upon request to the Customer at the Service Property, the delivery of water service to the Service Property shall thereafter be subject to the metered rate under applicable Rate Schedule RMWD1 or RMWD2.~~
- 2.1. Installation of Meters. The Authority will install Meter Facilities as soon as practicable on any Unmetered Service Property subject to the FRMWC Rate, with costs to be borne by the Authority in accordance with Rule 6.
- 3.2. Backflow Charge. This charge applies to single family residential Customers where the Service Property has a backflow prevention assembly maintained by the Authority. The monthly charge applied per Billing Period for operations, maintenance, service and annual testing associated with the backflow prevention assembly is \$4.50.
- 4.3. Closed Tariff. Rate Schedule FRMWC is closed and shall not be applicable to any applications for the delivery of water to a new service.

Added: 01/01/2015

November 28, 2012

## Final Term Sheet – STMGID/TMWA Merger

General intent – revenue and cost neutrality to STMGID, WC and TMWA customers

1. Rate. Debt free rate guaranteed to STMGID rate payers as of the date of merger. (a) Metered rate is STMGID pre-merger, plus or minus adjustment for the percentage change in TMWA metered rate to all other system customers. STMGID customers receive benefit of reduced rates, less acquisition debt component. (b) Flat rate remains at STMGID rate as of the date of merger, plus or minus adjustment for the percentage change in TMWA average flat rate to all other system customers. STMGID customers outside the city will not pay 5% Right of Way Toll.

2. Triggering. Rate adjusts upon the earlier of: (a) conveyance (excluding conveyance for which real property transfer tax is not paid), or (b) maturity date of existing debt (assumed to be the first billing cycle 2035).

3. Cash. (a) STMGID restricted funds. Held in restricted funds account and used for the intended purposes permitted by legal or contractual restriction. Designated funds that can be designated unrestricted, if any, added to unrestricted funds. (b) STMGID unrestricted funds. Placed in a restricted trust for three uses (i) contingent liabilities (to be defined in the final agreement) of former STMGID system, if any; (ii) constructing facilities to move surface water into system; and (iii) rehabilitation and repair of the existing system. STMGID assets that are not used in system sold and cash distributed to rate payers.

**MERGER TERMS:*****1: What is the STMGID merger Term Sheet?***

The Term Sheet describes the terms that STMGID proposed for merging with TMWA. It was approved by the STMGID Local Managing Board and Board of Trustees in December 2012, and was identified as a preferred alternative to spending \$11.8 million to separate the STMGID water system from the Washoe County water system and increasing STMGID customer rates significantly. STMGID presented the Term Sheet and merger proposal to TMWA on December 12, 2012. The TMWA Board agreed to explore STMGID's proposal and directed TMWA staff to conduct due diligence and assess the viability of a merger pursuant to the terms proposed by STMGID in the Term Sheet.

***2: What are the general terms of the merger proposed by STMGID?***

STMGID's Term Sheet proposes that the STMGID water system be transferred to TMWA and TMWA assume responsibility for providing water service to STMGID customers. STMGID has proposed certain conditions on that transfer, including that 1) STMGID customers keep their STMGID water rates until the year 2035 or until the customer sells its home; 2) STMGID customer water rates be subject to the same percentage increases or decreases as TMWA water rates; 3) STMGID restricted cash assets (meaning cash that is currently subject to some type of legal restriction on how it can be used) be used only as permitted by its current legal restriction; 4) STMGID unrestricted cash assets be used to construct facilities to move surface water into the STMGID system, to rehabilitate and repair the STMGID system and to mitigate STMGID's existing contingent liabilities. The STMGID Term Sheet proposed that if any assets which are not essential to operate the utility were identified, they would not be transferred to TMWA.

***3: What is TMWA's position on the merger terms proposed by STMGID?***

STMGID presented the Term Sheet and merger proposal to the TMWA Board on December 12, 2012. The TMWA Board was agreeable to exploring STMGID's merger proposal, and directed TMWA staff to conduct due diligence to determine if the STMGID terms were financially feasible for TMWA and, if so, to proceed with discussions with STMGID on developing a definitive draft agreement consistent with the Term Sheet.

***4: Who owns TMWA?***

Like STMGID, TMWA is a not-for profit public agency. It was formed by the City of Reno, City of Sparks and Washoe County, and is governed by a Board of elected officials and appointed representatives from Reno, Sparks and Washoe County. Like STMGID, the TMWA Board can only take actions at public meetings and is completely accessible to the public. TMWA's Board members include Washoe County Commissioners Kitty Jung and Vaughn Hartung, Sparks City Councilman Mike Carrigan (Chairman), Sparks Mayor Geno Martini, Reno City Council Members Sharon Zadra and Neoma Jardon, and Reno appointee Mike Cate. The Board members receive no compensation from TMWA for their service.

**5: *What is the status of the STMGID merger and what steps have to occur for the merger to go forward?***

The STMGID Board approved pursuing a merger on the terms described in the STMGID merger term sheet and presented the terms to TMWA in December 2012. The TMWA Board was agreeable to exploring STMGID's merger proposal, and directed TMWA staff to conduct due diligence and assess the viability of a merger on the terms proposed by STMGID in the Term Sheet and to proceed with discussions with STMGID on developing a definitive draft agreement consistent with the Term Sheet. In June 2013, TMWA confirmed through its due diligence that STMGID's merger terms are financially feasible. The next steps would be for STMGID and TMWA staffs to prepare a draft of the merger agreement, and bring that to the STMGID and TMWA boards for consideration and approval. Once the definitive merger agreement is approved, STMGID and TMWA staffs can move forward with completing the pre-merger tasks necessary to enable the merger to close simultaneously with the TMWA/County water system merger.

**6: *When will the merger occur?***

The STMGID Term Sheet proposes that the merger of STMGID and TMWA will occur at the same time as the merger of TMWA and Washoe County's water system. Currently, that merger is anticipated to occur between June and December, 2014.

**7: *Will the water system be operated and governed locally after the merger?***

Yes. TMWA is a not-for profit public agency, governed by elected officials and appointed citizens of Reno, Sparks and Washoe County.

**8: *What kind of financial condition is TMWA in?***

TMWA is in a very strong financial condition. TMWA currently has an AA/AA- credit rating, which is considered strong investment grade.

**9: *What changes will STMGID customers see in water service as a result of the merger?***

In many respects, it may actually feel like nothing has changed. STMGID Customers will continue to pay the same water rates and will continue to receive quality water service as in the past. TMWA's Call Center and Emergency Dispatch Services are open longer hours – 7:30 a.m. – 5:30 p.m. for the Call Center and 24/7/365 for emergencies. For more information, visit TMWA's website at [www.tmwa.com](http://www.tmwa.com).

**10: *Are there other operational advantages resulting from the merger?***

Yes. Merging with TMWA creates opportunities to move surface water into the STMGID system, which increases water supply reliability and allows development of a conjunctive use program utilizing surface and groundwater resources. The use of more surface water can improve the long term sustainability of groundwater resources in STMGID's service area which can help reduce the potential risk of domestic well failures. Other improvements that have been identified will upgrade fire flow capability and service pressures in some areas of the STMGID system. These improvements can be done at no additional cost to STMGID

customers using existing STMGID funds held for system improvements per STMGID's Term Sheet.

**11: Will any of the costs of the TMWA/STMGID merger be passed on to STMGID customers?**

TMWA can assume operations of the STMGID system at no additional cost to STMGID or TMWA customers.

**RATES**

**12: Will STMGID Customer rates go up because of the merger?**

No. As requested by STMGID, TMWA will keep the STMGID rates in place after the merger. Current STMGID customers will still be charged STMGID water rates until the earlier of 2035 or the date the customer sells its home, at which time the billing will switch to TMWA rates.

**13: Will STMGID customers have to pay TMWA water rates after the merger?**

As requested by STMGID, TMWA will keep the STMGID rates in place after the merger. Current STMGID customers will still be charged STMGID water rates until the earlier of 2035 or the date the customer sells its home, at which time the billing will switch to TMWA rates.

**14: Will the STMGID water rates change if I leave my house to my kids or transfer my house to a trust?**

No. As requested by STMGID, water rates will only convert to TMWA water rates if the sale of your house is subject to transfer tax. Under Nevada law, transfers to a spouse, transfers on divorce, transfers to a trust, transfers to joint tenants, and transfers to parents, children or siblings are exempt from transfer tax, and would not trigger a water rate conversion.

**15: I am a flat rate customer. Will I be switched to a metered rate because of the merger?**

No. Current STMGID flat rate customers will continue to be billed under STMGID's flat rate after the merger. TMWA would continue STMGID's current practice that a flat rate customer be converted to metered billing if there are 2 months of usage greater than 75,000 gallons per month. Flat rate customers would also be converted to metered billing if they volunteer and ask to be switched to metered billing or if they sell their home.

**16: Can STMGID customer rates increase after the merger?**

Just as they are subject to change now, STMGID customer rates may be subject to adjustment after the merger. However, per the Term Sheet, STMGID customer rates only increase or decrease if the TMWA Board decides to change TMWA customer rates. STMGID customer rates would only be increased or decreased by the same percentage as the similar TMWA customer rates are adjusted.

**17: How much are typical rate increases at TMWA?**

Historically, TMWA has adjusted rates once every 2-3 years. TMWA has increased rates 5 times in the last 12 years and over that period of time rates have generally increased at about the same rate as the CPI (Consumer Price Index).

**18: Will TMWA raise our rates to explore for water or to pay for growth?**

No. It has always been the policy of the TMWA Board that growth must pay for growth. TMWA does not use customer rates to subsidize growth.

**19: Will TMWA keep the same STMGID water usage rate tiers for STMGID metered customers?**

Yes. TMWA has agreed to keep the same STMGID metered water rates and the same usage rate tiers as currently exist for STMGID customers.

**CASH**

**20: Why does STMGID have accumulated unrestricted cash reserves?**

STMGID has accumulated cash for future improvements and repairs to the water system. Some utilities issue bonds and incur debt to pay for improvements, and then use rates to pay that debt back. STMGID does the opposite, and accumulates cash in advance to pay for future improvements. Accumulating cash in this manner is a way to avoid issuing debt in the future to cover most improvement and rehabilitation costs. So while STMGID has money in the bank, it is there to pay for future improvements to the system.

**21: Are there any limitations on how TMWA can use STMGID cash transferred in the merger?**

Yes. STMGID cash transferred to TMWA will be used exclusively for the operations of the STMGID system. As required by STMGID's Term Sheet, STMGID restricted cash (cash that is currently subject to some type of legal restriction on how it can be used) must be used for the same purpose as the legal restriction. STMGID unrestricted cash must be used to construct facilities to move surface water into the STMGID system, to rehabilitate and repair the STMGID system, and to mitigate STMGID's contingent liabilities.

**22: STMGID proposed that TMWA use STMGID's unrestricted cash to construct facilities to move surface water into the STMGID system, rehabilitate and repair the STMGID system, and mitigate STMGID's contingent liabilities. Has TMWA identified what projects are needed and what they will cost?**

Yes. TMWA estimates \$8.7 million will be needed for water system improvements.

- Approximately \$1.1 million will be needed to correct title defects in STMGID land and easement rights, update groundwater modeling, and perform other miscellaneous improvements. STMGID can perform this work in advance of the merger if it wishes and believes it can achieve any cost savings.

- Approximately \$3.3 million will be needed to construct facilities to move surface water into the STMGID system.
- Approximately \$3.2 million will be needed to construct facilities to improve fire flow capacities and to meet minimum pressure requirements.
- Approximately \$0.9 million will be needed for storage tank rehabilitation and repair.
- Approximately \$0.2 million will be needed for bypass discharge improvements, abandonment of well #9 and to equip wells with generator hookups.

These improvements can all be done at no additional cost to STMGID customers using existing STMGID cash reserves held for system improvements.

**23: *What are the STMGID contingent liabilities referred to in the Term Sheet?***

One of the more significant contingent liabilities identified in the STMGID system arises from impacts that municipal and domestic pumping have on groundwater levels in and around the STMGID service area. Together these have contributed to domestic well failures. STMGID relies heavily on groundwater pumping and the groundwater table on the Mt. Rose fan continues to decline. This creates significant liability issues with respect to domestic well mitigation and puts STMGID groundwater permits at risk. TMWA has also identified the need to construct facilities to improve fire flow capacities and to meet minimum pressure requirements.

**24: *Is TMWA willing to assume STMGID's contingent liabilities for domestic well mitigation?***

Yes, provided certain existing protections are retained. TMWA is willing to assume responsibility for domestic well mitigation under Nevada law only if it can utilize funding available through Washoe County's Well Mitigation Program and if TMWA can develop a conjunctive use program to reduce the risk of future well failures. Development of a conjunctive use program requires both constructing facilities to move surface water into the STMGID system and retaining all of STMGID's water resources to implement the program. The risks posed by STMGID's contingent liabilities are significant, which is why any operator would require no less than the same resources and tools STMGID has to mitigate these risks.

**25: *Will STMGID cash be used to pay off TMWA debt?***

No. STMGID cash will be used exclusively for the operations of the STMGID system as proposed in the Term Sheet. No STMGID cash will be used to pay off TWMA debt. TMWA water rates and fees are more than adequate to pay down TMWA debt.

**26: *How will STMGID cash be accounted for after the merger? Will any STMGID cash be commingled with TMWA cash?***

No. TMWA will hold STMGID cash in a separate, segregated account and will not commingle that cash with TMWA cash. The separate account will be audited annually, and

STMGID cash will be used exclusively for the operations of the STMGID system as proposed in the Term Sheet.

### **TMWA DEBT**

***27: Will STMGID customers have to pay TMWA debt?***

No. The reason STMGID requested that TMWA keep STMGID water rates was to assure that TMWA did not allocate existing TMWA debt to STMGID rates after the merger. TMWA has agreed to keep STMGID customer rates, which will not include any component for TMWA's debt service.

***28: Will any STMGID assets be used to pay TMWA debt?***

No. STMGID assets transferred to TMWA will be used exclusively for the operations of the STMGID system as proposed in the Term Sheet. No transferred STMGID assets will be used to pay TMWA's existing debt.

### **EXCLUDED ASSETS**

***29: The Term Sheet proposed that assets which are not essential to the STMGID water system may be excluded from the merger. Have any non-essential assets been identified? If so, what are they?***

TMWA has identified approximately \$800,000 to \$2 million in cash and a parcel of land that may not be essential for operations of the system and that can be excluded from transfer to TMWA if the STMGID Board so desires. The cash consists of restricted funds currently held by STMGID for arsenic remediation and developer fees. TMWA believes it may be possible for the STMGID Board to free up some of these funds without increasing liability exposure to TMWA. However, more information is needed from Washoe County to quantify the exact amount of funds that can be freed up and how much must be retained to mitigate STMGID's contingent liabilities.

***30: How will excluded assets be handled? Will STMGID Customers get a rate rebate if the merger goes forward?***

This is a question the STMGID Board will need to decide and is on the agenda of STMGID's August 29, 2013 workshop for discussion.

### **WATER RIGHTS**

***31: Are all STMGID water rights needed to successfully consolidate the TMWA and STMGID systems?***

Yes. All STMGID water rights are required to secure a sustainable water supply, meet STMGID's service commitments to existing and future customers, and mitigate STMGID's domestic well contingent liabilities.

**32: *Does STMGID have any excess water rights that can be sold for cash?***

No. In order to assure a sustainable water supply for STMGID customers and assume STMGID domestic well mitigation liabilities, TMWA needs to be able to rely on the same pool of water resources STMGID has relied on. The groundwater table on the Mt. Rose fan continues to decline. This creates significant liability issues with respect to domestic well mitigation and puts STMGID groundwater permits at risk. TMWA is only willing to assume these liabilities and risks if, among other conditions, all of STMGID's water resources are transferred; this will enable TMWA to implement conjunctive use management programs to improve groundwater conditions on the Mt. Rose fan and mitigate these liabilities.

**33: *What will happen to the 414 acre feet of ground water rights currently being leased to Washoe County?***

These water rights will continue to be used to support their current service commitments. If in the future these water rights are not needed to meet those existing service commitments, they will be used according to the conjunctive use management program in the STMGID system.

**34: *Does TMWA have any plans to improve the declining groundwater levels in the STMGID system?***

Yes. Merging with TMWA creates new opportunities to maximize surface water use and improve conjunctive use water management, which will improve conditions in the groundwater aquifer.

**35: *Will STMGID water quality be affected by the merger?***

No. Your water quality will stay the same, and may even improve as a result of the merger and increased surface water blending, and it will continue to meet all federal, state and local water quality standards.

**36: *Where will my water come from?***

Initially, the majority of your water will come from groundwater wells as it does now. To improve reliability and sustainability of your water supply, TMWA will supplement that supply with treated Truckee River water as part of the proposed conjunctive use program.



# **TMWA / STMGID Merger Assessment**

**August 1st, 2013**

# Introduction

**Mark Foree**  
**General Manager TMWA**

## TMWA Can Merge With STMGID on STMGID's Requested Terms

- TMWA can assume operations of STMGID system at no additional cost to STMGID Customers
- Current STMGID Customers can keep their existing rates, per the term sheet
- All transferred STMGID assets will be used exclusively for the operational requirements of the STMGID system
- Non-essential assets will be excluded from transfer to TMWA

## Truckee Meadows Water Authority (TMWA)

Formed in 2000 as the result of a collaboration between Reno, Sparks and Washoe County to bid on the water assets of Sierra Pacific Power Co.

**Purpose:** Retain local control over Water Resources

**Current Credit Rating:** AA/AA —(Strong Investment Grade)

**Source of Revenue:** Primarily Water User Fees—Enterprise Fund

**Governance:** A Joint Powers Authority (NRS 277) —Public Agency (not-for-profit)

### Current Members of the Board of Directors:

**Mike Carrigan, Chairman,**

Sparks City Council

**Kitty Jung,** Washoe County

Commission

**Vaughn Hartung,** Washoe County Comm.

**Mike Cate, Vice Chairman,**

City of Reno Appointee

**Geno Martini,** Mayor of Sparks

**Sharon Zadra,** Reno City Council

**Neoma Jardon,** Reno City Council

**Customer Advisory Committee:** Standing Advisory Committee (since 2005)

**Ombudsman:** Board appointed

## Facts and Figures

### Population Served

- Retail – 330,000 (93,000 active connections)
- Wholesale – 40,000

### Water Supply

- Surface Water (Truckee River) – 2 plants (90% of total supply)
- Groundwater - 31 wells (10% of total supply)

**Finished Water Storage** – 131 million gallons

**Upstream Storage** - 22,250 AF (Independence/Donner)

**Renewable Energy** - 3 operating hydroelectric plants

**Annual Revenue** - \$80 MM water sales, \$3.5 MM hydro

## About the Report:

- STMGID proposed Term Sheet to TMWA in December of 2012
- TMWA Board directed Staff to conduct due diligence of feasibility of STMGID's proposal
- Due diligence report completed and delivered in June 2013
  - Improvements identified

# Due Diligence Process

**Jeff Tissier**  
**Chief Financial Officer**

## **STMGID Term Sheet**

### **TMWA can operate STMGID with existing water rates post merger**

- Current STMGID metered customers will retain the STMGID metered rate
- Current STMGID flat-rate customers will retain the STMGID flat rate
- Rate adjustments will mirror the percentage rate change of future TMWA rate adjustments

## STMGID Term Sheet

**TMWA can accommodate STMGID's request that STMGID rates convert to TMWA rates upon earlier of:**

- Conveyance of property (if transfer is subject to property transfer tax) or:
- Upon maturity date of existing TMWA bonds (approximately 2035)

## STMGID Term Sheet

**TMWA can utilize STMGID's existing cash reserves as requested**

- Restricted funds will be used for purposes of restriction
- Unrestricted funds will be used *only* for the requirements of the STMGID system

## **STMGID Assets**

**All transferred STMGID assets will be used exclusively for the operational requirements of the STMGID system**

- Land
- Water Rights both surface and groundwater
- Water system infrastructure
- Cash used for the benefit of STMGID system only

# Site Assessment

**Paul Miller**  
**Manager, Operations and Water Quality**

## STMGID Site Assessment

- Over 25 TMWA staff and management team members were involved in the preparation of the Site Assessment Report over a 4-month period from February 13 to June 14, 2013.
- TMWA staff visited well, tank and pump station sites, and prepared and submitted dozens of data requests to DWR to obtain additional information.
- The information received was summarized, analyzed and fully discussed to prepare the Site Assessment Report.

## **STMGID Site Assessment**

The areas addressed in the Report include:

- Operations/SCADA Assessment
- SCADA Integration Strategy
- Initial Operating Plan/Long Term Operating Plan
- Maintenance Assessment
- Distribution System Assessment
- Building and Grounds Facility Assessments
- Water Quality Assessments
- Water Resource Assessments
- Lands Assessments
- Engineering Assessment and Capital Requirements

## STMGID Site Assessment

### Initial/Long-Term Operating Plans

- Timberline – continue existing operations
- STMGID West – initially continue existing operations and improve system to provide up to 900 af per year of surface water with capital improvements funded with a portion of existing cash
- STMGID East – modify operations to utilize up to 700 af per year of surface water, using existing facilities

## **STMGID Site Assessment**

### Maintenance/Distribution System/Facility Assessments

- Site visits completed
- Historical data supplied by DWR from their GIS database and Maintenance Management System
- No major issues identified

## STMGID Site Assessment

### Water Quality Assessments

- No water quality violations in 2011 or 2012
- Arsenic: currently in compliance through blending strategies.
- Recharge with treated surface water can be implemented at Wells 1 & 2
- Well 9 can be abandoned due to high arsenic and boron, as well as high production costs

## STMGID Site Assessment

### Water Resources

- STMGID has interest in 404 af of main stem Truckee River water rights and another 352 af of assorted creek rights (Dog Creek, Whites Creek and Galena/Steamboat Creek).
- STMGID has interest in over 5000 af of groundwater rights.
- All STMGID water rights are required to secure a sustainable water supply and meet STMGID's service commitments to existing and future customers.

## STMGID Site Assessment

### Water Resources

- Under current operating parameters for STMGID and DWR, groundwater is projected to decline an additional 30-40 feet in some areas in West STMGID (Source: South Truckee Meadows 2009-2028 Water Facility Plan, Eco:Logic Engineers, Jan. 2011).
- Water system consolidation creates the opportunity for conjunctive use of water resources, securing a sustainable water supply.

## **STMGID Site Assessment**

### Lands Assessment

- TMWA's site assessment identified numerous locations where facilities are located outside of easements or have no associated easements.

## **STMGID Site Assessment**

### **In Conclusion:**

- The assessment was used to prepare operation, maintenance, and capital costs that were used in the financial analysis that supports TMWA's conclusion that it can meet the terms requested by STMGID

# **STMGID Capital Improvement Plan**

**Scott Estes**  
**Director, Systems Planning & Engineering**

## STMGID Capital Improvement Plan (CIP)

Recommended projects resulting from the site visits, facility assessments and inspection reports:

- With some exceptions, the STMGID infrastructure is in good condition and it is anticipated that major rehabilitation projects will not be required in the short term.
- The estimated cost of short-term improvements is \$1.1 million. These include updating the groundwater model and correcting land title and easement issues. The cost of integrating the SCADA and telemetry system is not included.

## STMGID Capital Improvement Plan

- The estimated cost of long-term improvements to increase reliability, address operating needs, improve pressure and fire flow capacities, and allow development of a conjunctive use program is \$7.6 million:
  - Peak day pressure improvements will be constructed in the upper elevations of the STMGID East system and at the upper ends of the Toll Road and Geiger Grade areas.

## STMGID Capital Improvement Plan

- Fire flow capacities are to be expanded in the Toll Road and Geiger Grade areas and also in the upper elevations of the Saddlehorn area.
- A conjunctive use program is consistent with regional water resource management goals. Maximizing the use of surface water when it is available allows the aquifer to rest, provides opportunities to recharge, protects water quality, and ensures a sustainable water supply.

## In Closing:

- TMWA can assume operations of STMGID system at no additional cost to STMGID Customers
- Current STMGID Customers can keep their existing rates, per the term sheet
- All transferred STMGID assets will be used exclusively for the operational requirements of the STMGID system
- Non-essential assets will be excluded from transfer to TMWA

# Next Steps ...



# Thank you

**Mark Foree, General Manager**  
Email: [mforee@tmwa.com](mailto:mforee@tmwa.com)  
**834-8009 office, 722-2341 cell**

**INTERLOCAL AGREEMENT**  
**GOVERNING THE MERGER OF**  
**THE SOUTH TRUCKEE MEADOWS**  
**GENERAL IMPROVEMENT DISTRICT**  
**INTO**  
**THE TRUCKEE MEADOWS**  
**WATER AUTHORITY,**  
**PURSUANT TO NRS 318.490**

**DATED**  
**12/11/2013**

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**INTERLOCAL AGREEMENT  
GOVERNING THE MERGER OF THE SOUTH TRUCKEE MEADOWS  
GENERAL IMPROVEMENT DISTRICT  
INTO THE TRUCKEE MEADOWS WATER AUTHORITY**

This Interlocal Agreement Governing the Merger of the South Truckee Meadows General Improvement District ("STMGID") into the Truckee Meadows Water Authority, is between TRUCKEE MEADOWS WATER AUTHORITY ("TMWA"), a Joint Powers Authority entity created pursuant to a cooperative agreement among the cities of Reno, Nevada, Sparks, Nevada and Washoe County, Nevada, pursuant to NRS Chapter 277, and STMGID, a quasi-municipal corporation formed under NRS Chapter 318 (each a "Party" and collectively "Parties").

**RECITALS**

A. Pursuant to direction by their respective governing boards, and in furtherance of directives in the Western Regional Water Commission Act, TMWA and STMGID have undertaken studies to determine whether some form of consolidation of their water services functions would be feasible and if so, whether such consolidation would create net benefits for the Truckee Meadows community;

B. These studies demonstrated that merging the STMGID into TMWA would be feasible, and that, in combination with the merger of the Washoe County Community Services Department water utility ("CSD") into TMWA, would be desirable;

C. TMWA and STMGID have determined that merger of STMGID into TMWA can have significant benefits for the community to advance the establishment of an integrated water resources management system, including but not limited to more efficient resource use, better stewardship of water resources, more efficient use of facilities and facility planning, and more predictable and efficient customer services;

D. TMWA and STMGID have determined that if appropriately implemented, merger of STMGID into TMWA can be achieved within the framework of the rate structures previously planned by the separate agencies and presented to the respective governing boards, and that merger will have little near-term rate consequences and will have long-term rate benefits for the customers of both entities;

E. After considering all appropriate factors, the STMGID Board of Trustees ("STMGID Board") and the TMWA Board of Directors have determined that merging the STMGID into TMWA, subject to the terms and conditions of this Agreement, is in the best interests of their respective customers and the community;

F. STMGID desires TMWA acquire the STMGID Water Resources for use and not for resale.

NOW THEREFORE, in consideration of the premises and covenants and conditions set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

**ARTICLE I  
DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings set forth below:

**Assumed Contracts** shall mean the contracts and obligations identified in Schedule 5.4.

**Assumed Liabilities** shall have the meaning set forth in Section 5.5.

**Closing Date** shall mean the date on which date the STMGID Water Utility and STMGID Assets are conveyed and transferred to TMWA, which shall occur concurrently with the consummation of the CSD Closing but no later than one year following the date upon which all material transactions, documents, obligations, and Necessary Conditions have been completed, assumed or fully satisfied and made effective, including, without limitation, obtaining all consents, authorizations, permits, licenses, certificates and approvals required under this Agreement, or such earlier date as may be mutually agreed upon by STMGID and TMWA.

**Contingent Liabilities.** Contingent Liabilities shall mean i) any claims or liabilities arising from or related to arsenic remediation or domestic well mitigation within the STMGID service area not otherwise covered by available third party funds, ii) defense or damages arising out of the Merger from actions brought by third parties, if any, iii) claims identified in Schedule 8.1.4, if any; and iv) any Assumed Liabilities arising, but not necessarily asserted, before the Closing Date.

**CSD Merger** shall mean the merger of the Washoe County Community Services Department Water Utility into the Truckee Meadows Water Authority as contemplated by the CSD Merger Agreement.

**CSD Merger Agreement** shall mean the Interlocal Agreement Governing the Merger of the Washoe County Department of Water Resources Water Utility into the Truckee Meadows Water Authority, dated January 29, 2010, together with any amendments thereto.

**Effective Date** shall mean the date that the last Party executes this Agreement.

**Environmental Claims** means any and all administrative, regulatory or judicial actions, suits, demand, demand letters, claims, liens, proceedings or notices of non-compliance or violation by any person or entity (including any governmental authority) alleging potential liability, including liability for enforcement, indemnification, cost recovery, cleanup costs, injunctive relief, removal costs, natural resource damages, property damages, personal injury, or penalties, arising out of, based upon, or resulting from a) the presence, or Release or threatened Release into the environment, of any Hazardous Materials relating to ownership or operation of the STMGID Assets; or b) of any violation of any Environmental Law related to the ownership or operation of the STMGID Assets; or c) any and all claims by any third party resulting from the presence or Release of any Hazardous Materials related to the STMGID Assets.

**Environmental Laws** shall mean any currently applicable federal, state, or local laws, statutes, regulations, codes, or ordinances relating to, or imposing standards regarding, pollutants

or the protection of human health or the environment, including, without limitation, laws and regulations relating to Release or threatened Releases of Hazardous Materials, or otherwise relating to the treatment, storage, or disposal of Hazardous Materials.

**Excluded Assets** shall mean the real and personal property listed in Schedule 5.3 attached hereto, and shall include the Rate Offset Funds.

**Excluded Liabilities** shall mean the liabilities described in Section 5.6.

**Material Condition** shall mean condition(s) the occurrence or existence of which would be a significant impediment to successful legal or financial Merger, or that would impact the future financial integrity or adversely impact the operating revenue margins or debt coverage ratio of TMWA post-Merger.

**Merger** shall mean the full legal integration of the STMGID Water Utility into TMWA through the transfer of assets and assumption of liabilities as provided herein, such that TMWA is the surviving water purveyor, as further described in Section 2.4.

**Necessary Conditions** shall have the meaning set forth in Section 3.1

**Real Property** shall mean all existing right, title, privileges, and interest to real property held in fee simple, or as easements, licenses, prescriptive rights, right-of-ways, and rights to use public and private roads, highways, streets or other property, owned or used by STMGID in connection with the construction, installation, expansion or necessary to access, operate and maintain all of the STMGID Assets or the STMGID Water Utility.

**Rate Offset Funds** shall mean the cash Excluded Assets designated by STMGID as Rate Offset Funds pursuant to Section 5.3.

**Release** shall be as that term is defined in 42 USC § 9601(22).

**STMGID Assets** shall have the meaning set forth in Section 5.2 and as identified on Schedule 5.2 attached hereto, but shall specifically exclude the Excluded Liabilities and Excluded Assets, to the extent the Excluded Assets have been liquidated and distributed prior to the Closing Date.

**STMGID Customers** shall mean those existing customers of STMGID receiving water service from the STMGID Water Utility on the Closing Date, to be identified in a Schedule of Existing STMGID Customers to be provided at Closing.

**STMGID Funds** shall mean the funds identified in Schedule 4.3, as further defined in Section 4.3.

**STMGID Water Facilities** shall mean all water treatment plants, wells, supply, storage, transmission and distribution pipes and facilities, pumps, tanks, trade fixtures, leasehold improvements, generators, valves, meters, service connections and all other physical facilities, improvements and installations primarily used in conjunction with, or necessary to operate the

STMGID Water Utility, together with any assignment of existing and assignable third-party warranties and representations that relate to completed or ongoing construction, reconstruction, upgrading, installation, expansion and repair of the STMGID Water Utility.

**STMGID Water Resources** shall mean the water rights or portions thereof set forth on Schedule 5.2(c) which represent all: 1) water rights in which STMGID has a right, title or interest, including water rights dedicated to STMGID, which are committed to or necessary to support existing and future potable/domestic water service(s) to municipal and industrial customers within STMGID's service area; and 2) banked water rights held in trust by STMGID for third parties.

**STMGID Water Revenues** shall mean all income and revenues received or accrued under generally accepted accounting principles derived directly or indirectly by STMGID from the sale of water or from other services provided by, or from the operation and use of and otherwise pertaining to the STMGID Water Utility, including without limitation, all rates, fees, and other charges or payments for the use of the STMGID Water Utility. STMGID Water Revenues will also include all income or other realized gains from the investment of such income and any sums withdrawn from a rate stabilization account.

**STMGID Water Utility** shall mean all elements of STMGID that provide for or are used in connection with the delivery of potable water to retail services in the STMGID service area.

**TMWA Obligations** shall mean the presently outstanding debt obligations of TMWA existing as of the Effective Date, as set forth in TMWA's 2013 Comprehensive Annual Financial Report.

**TMWA Joint Powers Agreement (or TMWA JPA)** shall mean the "Truckee Meadows Water Authority Cooperative Agreement among the City of Reno, City of Sparks, County of Washoe" effective December 4, 2000, as amended in 2005, and as amended and restated effective February 2, 2010, and together with any subsequent amendment thereto, pursuant to which the parties to that agreement formed TMWA as a Joint Powers Authority under chapter 277 of the Nevada Revised Statutes.

## ARTICLE II AUTHORITY, PURPOSE AND INTENT, COVENANT TO COOPERATE

**2.1 Authority.** Chapters 277 and 318 of the Nevada Revised Statutes provide general and specific authority for the actions contemplated herein, including but not limited to the following: NRS 318.490 authorizes the merger of a general improvement district. NRS 318.510(1)(b) authorizes transfers of funds in the event of a merger. NRS 277.060 allows governmental entities authorized to acquire, operate, and maintain water facilities to contract with one another to perform such services. NRS 277.045 allows political subdivisions of the State to enter into cooperative agreements for the performance of governmental functions. NRS 277.103 provides for the merger of governmental services. NRS 277.170 provides that a public agency may support an agreement made pursuant to NRS 277.080-170 by selling, leasing,

giving, or otherwise supplying property. NRS 277.180 provides generally for interlocal agreements.

**2.2 Purpose and Intent.** The purpose of this Agreement is to integrate and merge the STMGID Water Utility into TMWA as permitted by NRS 318.490, with the surviving water purveyor to be TMWA, which Merger will be fully effective upon satisfaction of the Material Conditions stated herein, with the ultimate goal of achieving the benefits of improved customer service, water resources management, system reliability, and cost reductions and future cost avoidance through merger.

**2.3 Condition of Assets.** The Parties acknowledge and agree that all STMGID Assets except Excluded Assets will be transferred to TMWA on the Closing Date for no financial consideration. STMGID makes no representation or warranty, express or implied, with respect to the STMGID Assets except as specifically set forth herein. At the Closing, STMGID shall secure such consents necessary, if any, to transfer the STMGID Assets, and shall execute such documents reasonably required by TMWA to transfer and convey the STMGID Assets, including without limitation deeds, bills of sale, assumption and assignment documents, approvals with respect to renewals and assignments of BLM leases, permits and rights of way, and to the extent necessary, assignments of interests from Washoe County with respect to the STMGID Assets to be conveyed.

**2.4 Merger of Systems.** STMGID shall liquidate and distribute the Excluded Assets prior to the Closing Date, in such manner permitted by law and determined by the STMGID Board of Trustees as set forth in Section 5.3. Effective upon the Closing Date, STMGID shall transfer the STMGID Assets to TMWA and TWMA shall from that time forward assume full responsibility for the STMGID Water Utility functions, including all Assumed Liabilities, and shall have full authority to do all things necessary to conduct such operations, limited only by the conditions set forth in the TMWA JPA and Sections 4.1 and 4.2 of this Agreement. Effective on the Closing Date, the STMGID Water Utility will be fully merged into TMWA, all STMGID Customers shall become TMWA customers and shall be subject to the conditions of service set forth in TMWA's Rules of service, TMWA shall have the right to all water revenues from such customers, and the retail service area of STMGID shall be combined into TMWA's service area. Effective upon the Closing Date, all legally delegable governmental functions previously performed by the STMGID Board of Trustees of STMGID Water Utility in connection with the STMGID Water Utility shall be delegated to TMWA, by operation of this Agreement. Notwithstanding the foregoing, in the event a function cannot be delegated to TMWA without modification of existing laws or ordinances, TWMA and STMGID agree to cooperate in effecting modifications of applicable laws or ordinances to allow delegation of such function to TMWA as a condition of Closing.

**2.5 Covenant to Satisfy Conditions.** The Parties agree to use best efforts to do all things necessary, proper and advisable under applicable laws, regulations, and pre-existing covenants and contracts, to consummate and make effective the agreements, covenants and transactions contemplated by this Agreement. In connection therewith, the Parties agree that, during the time leading up to Closing Date, the Parties, as applicable, shall provide full disclosure regarding the STMGID's Assets, the STMGID Water Utility, terms and conditions of contracts, agreements and contingent obligations, existing and future commitments, and

liabilities of both Parties for the purpose of appropriately evaluating the Merger, and STMGID shall cooperate with TMWA as necessary to facilitate any transfers of STMGID Assets held in trust by Washoe County to TMWA at the Closing.

**ARTICLE III  
CONDITIONS NECESSARY  
FOR CONSUMMATION OF MERGER**

**3.1 Necessary Conditions.** The respective obligations of each Party to effect the Merger shall be subject to the satisfaction of the following conditions on or prior to the Closing Date, except, to the extent permitted by pre-existing covenants, contracts and obligations of the parties, that such conditions may be waived or extended in writing by the Parties. The Parties acknowledge that certain conditions and legal restrictions prevent the Merger contemplated by this Agreement as of the Effective Date of this Agreement, and that the Parties will need to cooperate and use best efforts to create the legal and financial environment necessary for Merger. Necessary conditions for the Merger (the "Necessary Conditions") are:

**3.1.1** Satisfaction or waiver by the benefitted party thereunder of those conditions defined as Necessary Conditions in the CSD Merger Agreement.

**3.1.2** There shall be no decrease or material adverse change in the customer rates applicable to STMGID Customers or occurrence of any Material Condition between the Effective Date and the Closing Date.

**3.1.3** All conditions to the consummation of the CSD Merger have been satisfied to the approval of TMWA and the CSD Merger is in a position to close, unless such conditions are expressly waived by TMWA to facilitate the Closing of this Merger.

**3.1.4** Discharge or satisfaction of the Excluded Liabilities in accordance with Section 5.3 of this Agreement.

**3.1.5** All conditions or approvals with respect to the Merger required in connection with the TMWA Obligations have been satisfied to TMWA's satisfaction.

**3.2 Merger Ordinance.** No later than 15 days after the Effective Date, the STMGID Board of Trustees shall adopt a resolution agreeing to the Merger and shall request the Washoe County Board of Commissioners adopt an ordinance in accordance with NRS 318.490 determining the Merger is in the best interests of the county and STMGID and setting a time and place for hearing on the Merger in accordance with NRS 318.490 through 318.510. STMGID shall take all appropriate and necessary action to communicate and provide information on the Merger terms to STMGID Customers, and facilitate an expeditious hearing on the Merger and adoption of a final ordinance of Merger on terms consistent with this Agreement and in accordance with NRS 318.495.

**ARTICLE IV  
POST MERGER COVENANTS**

**4.1 Rates to be Charged to STMGID Customers.** STMGID represents that the STMGID Water Utility is not presently encumbered by debt and that STMGID Water Revenues fully cover the operating costs of STMGID Water Utility. To ensure that liabilities that benefit one group of ratepayers more than another are appropriately allocated using principles of fairness and cost of service rate making, and given the unique circumstances and conditions surrounding the Merger and nature of the STMGID Water Utility, and in recognition of the fact that STMGID does not have any debt, TMWA and STMGID agree it is appropriate that following rates shall apply to residential STMGID Customers for the delivery of water service from TMWA until the occurrence of a Triggering Event:

(a) Metered Rates for Residential (domestic) Service. The monthly water service rate for metered residential services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(b) Flat (unmetered) Rates for Residential and Irrigation Service. The monthly water service rate for unmetered residential and irrigation services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(c) Metered Rates for Governmental Service. The monthly water service rate for metered governmental services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(d) Metered Rate for Commercial and Industrial Service. The monthly water service rate for metered commercial and industrial services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(e) Private Fire Protection Service. The monthly water service rate for private fire protection services shall equal the STMGID rate for this class of service existing on the Closing Date, as set forth in Article IV of the STMGID Schedule of Rates attached as Schedule 4.1 hereto.

(f) Right of Way Tolls and Regional Water Management Fee. TMWA is required by ordinance to collect, on behalf of local governments and the Western Regional Water Commission, respectively, a pass through Right of Way Toll where local governments have adopted such toll and a Regional Water Management Fee. Charges to STMGID Customers will include applicable Right of Way tolls and Regional Water Management Fees, where required by law. The Parties acknowledge that as of the Effective Date, the City of Reno has adopted a

5% Right of Way Toll on customers living within the City of Reno and Washoe County has not adopted a Right of Way toll.

(g) Other. Charges to STMGID Customers will include all other fees, taxes, charges or assessments TMWA is or may in the future be obligated under applicable federal, state or local law or ordinance to collect from TMWA customers.

The foregoing rates applicable to STMGID Customers shall be subject to adjustment from time to time by TMWA in an amount equal to the percentage increase or decrease of customer charges, usage charges and/or usage tiers, as applicable, adopted by the TMWA Board on equivalent TMWA rate payer classes and first implemented by TMWA in billing periods commencing after the Closing Date. For purposes of calculating adjustments to usage tiers on STMGID metered rates, percentage adjustments to TMWA's first and second usage tiers shall apply to STMGID first and second usage tiers, and adjustments to TMWA's third usage tier shall apply to STMGID's third, fourth and fifth usage tiers. STMGID flat rate customers shall be subject to conversion to metered rates on the earlier of the occurrence of a Triggering Event or as otherwise provided in accordance with TMWA rules and in the same manner as other TMWA flat rate customers. With the sole exception of the foregoing special residential rate obligations, TMWA rates of service shall apply to all other classes of water service by TMWA within the STMGID Utility area after the Merger.

**4.2 Triggering Events.** The rates set forth in Section 4.1 shall expire and STMGID Customers shall be subject to and billed in accordance with TMWA customer rates for comparable class and service size upon the earlier of:

(a) On a customer by customer basis, upon the sale, transfer or conveyance of the STMGID Customer's premise, excluding any conveyance which is exempt from real property transfer tax under NRS 375.090. For purposes of the foregoing, the term "premise" shall mean the real property physical location of the service; or

(b) As to all STMGID Customers not otherwise converted to TMWA rates in accordance with Section 4.2 (a) of this Agreement, upon the first billing cycle in January 2035.

**4.3 STMGID Cash.**

STMGID represents that it owns the cash accounts listed on Schedule 4.3 hereto which funds are presently held and managed by the Washoe County Treasurer and/or CSD. All cash held by STMGID on the Closing Date, including cash held in the accounts listed on Schedule 4.3 (collectively, the "STMGID Funds") and Rate Offset Funds, but excluding any funds generated through the sale of Excluded Assets and distributed prior to Closing, shall be transferred to and become the property of TMWA at the Closing. TMWA shall use the STMGID Funds and Rate Offset Funds only for the purposes provided in this Agreement.

(a) STMGID Restricted Funds. The portion of the STMGID Funds identified as restricted on Schedule 4.3 shall be held by TMWA in a restricted

funds account and used only for the intended purposes permitted by the applicable legal or contractual restriction as identified in Schedule 4.3.

(b) STMGID Unrestricted Funds. All STMGID Funds not designated as restricted on Schedule 4.3 shall be held by TMWA in a separate segregated account and may only be used for three (3) purposes: (i) payment of Contingent Liabilities; (ii) construction of facilities to move surface water into the STMGID Water Utility; and (iii) replacement, rehabilitation and/or repair of the STMGID Facilities.

(c) Rate Offset Funds. All Rate Offset Funds shall be held by TMWA in a separate segregated account and may only be used to offset charges by TMWA after the Closing Date to former STMGID Customers for water service delivered by TMWA and to administer and implement such rate offset program. Prior to the Closing Date, STMGID and TMWA shall mutually agree on a commercially reasonable methodology for TMWA to credit the Rate Offset Funds to STMGID Customers water service bills.

**4.3.1 Use of STMGID Funds Prior to Closing Date**. Prior to the Closing Date, STMGID may use STMGID revenue received after the Effective Date and STMGID's undesignated funds and cash reserves for the normal operation of the STMGID system as required by Section 7.6 and to abandon Well #9 pursuant to Section 5.7. Prior to the Closing Date, the parties shall meet and confer prior to STMGID performing any capital improvements to the STMGID system. Prior to the Closing Date, STMGID shall not, without the prior written approval of TMWA, sell, lease, transfer or otherwise dispose of any of the STMGID Assets (other than Excluded Assets) or mortgage, pledge, impose or suffer to be imposed any lien or encumbrance on the STMGID Assets; or expend STMGID Funds which exceed the aggregate amount budgeted by STMGID for expenses by more than five percent (5%).

**4.4 Cessation of STMGID**. It is the parties' intent that on the Closing Date, the STMGID Assets shall constitute all property and funds remaining in the treasury of STMGID and that such shall be transferred to TMWA in accordance with NRS 318.510(1)(b). Following completion of the Merger and transfer of the STMGID Assets to TMWA, STMGID shall cease to exist as a separate entity having been fully merged into TMWA.

## ARTICLE V DUE DILIGENCE, TRANSFERRED ASSETS AND ASSUMED LIABILITIES

**5.1 Due Diligence**. TMWA has performed substantial due diligence investigations with respect to the STMGID Assets as necessary in TMWA's determination to determine the feasibility of the Merger terms proposed hereunder. Between the Effective Date and the Closing Date, STMGID shall disclose to TMWA any material information affecting the STMGID Assets, STMGID Water Utility operations, STMGID financial condition, or Merger, of which STMGID becomes aware and which was not previously disclosed to TMWA during due diligence.

**5.2 STMGID Assets.** Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, on the Closing Date STMGID shall assign, transfer, convey and deliver to TMWA and TMWA shall acquire and accept from STMGID, all of STMGID's rights, title and interest in and to the STMGID Assets. The STMGID Assets are defined as and shall consist of the following, all as more particularly described in the Schedules of STMGID Assets attached hereto as Schedules 5.2, and excluding the Excluded Assets:

- a. All STMGID Water Facilities;
- b. All Real Property;
- c. All STMGID Water Resources;
- d. All hookup fees, connection charges, water resource fees, facility charges, performance bonds or other amounts paid by or received from applicants for service or developers in connection with any development agreement which have not been expended, or which are due or to become due from developers or customers for future service, water resources, or distribution facilities;
- e. All customer and billing information and records of whatever form;
- f. STMGID Water Revenues, pertinent restricted and unrestricted cash balances, accounts receivable, deferred assets, prepaid obligations, customer deposits as allocated by the Parties, insurance policies and proceeds, and claims against third parties;
- g. All books, records, plans, plats, engineering and other drawings, designs, blueprints, plans, specifications, maintenance and operating manuals, engineering reports, calculations, computer models and studies, accounting, budget and business records relating to the STMGID Water Utility or the STMGID Assets, whether in written form or otherwise, controlled by or in the possession of STMGID that relates to the STMGID Water Utility;
- h. Electronic data, computer models and /or databases used to create geographic information, data and maps, distribution system design drawings, and as-built drawings with respect to the STMGID Assets;
- i. Equipment, vehicles, rolling stock, tools, parts and other personal property owned, leased or primarily used by STMGID necessary to operate the STMGID Water Utility, and any warranties or maintenance agreements; and
- j. All necessary regulatory authorizations, governmental requirements, permits or approvals, subject to all conditions, limitations or restrictions contained therein, necessary to construct, expand, repair, update, operate or maintain the STMGID Water Utility or to provide water utility service.
- k. All other property and funds remaining in the treasury of STMGID on the Closing Date, in accordance with NRS 318.510 and as further set forth in Section 5.3 of this Agreement.

**5.3 Excluded Assets.** STMGID represents and warrants that the Excluded Assets are not owned, leased, or primarily used in conjunction with the STMGID Water Utility, or necessary to operate or necessary to meet the water service commitments of STMGID. STMGID will take all appropriate action to liquidate the Excluded Assets, satisfy the Excluded Liabilities from the proceeds of the Excluded Assets, and distribute any remaining Excluded Assets prior to the Closing Date in accordance with applicable law, as determined by the

STMGID Board of Trustees, or designate such cash proceeds to be used by STMGID and/or TMWA to offset future customer water service charges (such funds referred to as the “Rate Offset Funds”) in accordance with Section 4.3. Except for the Rate Offset Fund, any Excluded Assets which are not distributed by, and which remain assets of STMGID on, the Closing Date shall be converted to and deemed STMGID Assets which shall be transferred to TMWA in accordance with NRS 318.510 (1)(b).

**5.4 Assumed Contracts.** TMWA will assume the contracts set forth in Schedule 5.4.

**5.5 Assumed Liabilities.** Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Closing and from and after the Closing Date, TMWA shall assume, perform, fulfill and discharge when due all Assumed Liabilities. Assumed Liabilities shall mean the following to the extent arising after the Closing, excluding the Excluded Liabilities:

- a. All obligations in the normal course of the STMGID Water Utility business to provide water service to those STMGID Customers receiving water service on the Closing Date, subject to the terms and conditions of TMWA Rules of Service and the rate covenants set forth in this Agreement;
- b. All resource commitments of STMGID Water Resources subject to compliance by beneficiaries thereof with TMWA Rules of Service or the terms of any applicable Assumed Contracts; and
- c. All liabilities and obligations under the Assumed Contracts to the extent such Assumed Contracts are assigned and assumed.

**5.6 Excluded Liabilities.** STMGID and TMWA agree that TMWA is not assuming any of the Excluded Liabilities. Excluded Liabilities shall mean all liabilities which are not expressly included in the Assumed Liabilities, including without limitation all liabilities arising under any contracts other than the Assumed Contracts, if any.

**5.7 STMGID Well #9.** STMGID may elect to abandon and plug STMGID Well #9 at its expense prior to the Closing Date. In the event STMGID does not abandon and plug STMGID Well #9 prior to the Closing Date, TMWA will not operate STMGID Well #9 for domestic water supply and it is the intention of TMWA to abandon and plug STMGID Well #9 within twelve (12) months of the Closing Date.

## ARTICLE VI DISCLOSURES

**6.1 STMGID Disclosures.** STMGID agrees to disclose all information relating to the STMGID Assets and STMGID Water Utility to the extent reasonably requested by TMWA before the Closing and to cooperate in any additional due diligence process necessary to allow TMWA to examine the STMGID Assets. STMGID shall have a continuing duty to disclose to TMWA any STMGID Disclosures of which it becomes aware, together with any Material Conditions that could materially affect the actions contemplated by this Agreement.

**6.2 TMWA Disclosures.** TMWA agrees to allow STMGID to examine documents and information relevant to this Agreement that relate to TMWA's operations, assets or liabilities. TMWA shall fully disclose to STMGID any and all TMWA Disclosures if such information would be required to be disclosed to its external auditors as part of TMWA's audit process. TMWA shall have a continuing duty to disclose to STMGID any TMWA Disclosures of which it becomes aware, together with any Material Conditions that could materially affect the actions contemplated by this Agreement. STMGID shall treat as confidential any information disclosed by TMWA that is designated as confidential, except to the extent such information is a public record or a matter of public knowledge.

## **ARTICLE VII TRANSITION AND IMPLEMENTATION OF MERGER**

**7.1 Implementation.** The Parties agree to cooperate to complete the Merger on an expedited basis.

**7.2 Transition Management.** As soon as reasonably practicable after the Effective Date of this Agreement, the Parties shall create a transition management process under the direction of TMWA's General Manager or individuals designated by him, the Chairman of the STMGID Board or individuals designated by him. The transition management process shall include planning for merger of STMGID Water Utility operations.

**7.3 Service Areas.** Upon the Closing Date and consummation of the Merger with STMGID, TMWA's service area will be defined as the combined, then-existing, retail service areas of TMWA and STMGID, and service may be provided to new and existing customers within TMWA boundaries set forth in the TMWA Joint Powers Agreement, and based upon the TMWA rules of service, subject to the special rates set forth in Sections 4.1 and 4.2. Pending Merger, the existing customers of each Party shall remain customers of such Party, unless otherwise determined by separate agreement.

**7.4 Rates, Fees, and Charges.** Pending Merger, each Party shall maintain its separate rates, fees, and charges for its customers. Both Parties covenant to maintain their respective rates, fees, and charges at a level sufficient to assure compliance with the most restrictive covenants and requirements of the financial obligations of either Party. STMGID further covenants and agrees not to reduce its rates, fees or charges for its customers after the Effective Date and prior to the Closing Date.

**7.5 Expenses.** Subject to any allocation of obligations set forth in Article IX of this Agreement, all costs, fees and expenses incurred in connection with this Agreement, and the transactions covered hereunder, shall be paid by the party incurring such costs, fees and expenses, except for those costs, fees and expenses incurred by joint agreement of the Parties, which costs, fees and expenses shall be allocated by mutual agreement of the Parties.

**7.6 Conduct of Business in Normal Course.** From the Effective Date through Closing, STMGID shall carry on its water utility business diligently and in substantially the same manner as it previously has been carried out, in compliance with applicable legal requirements. Prior to the Closing Date, STMGID shall maintain the STMGID Water Utility systems in good

repair to effectively plan, operate and maintain the water system and provide dependable, reliable service to customers on a consistent basis in conformance with industry standards and practices.

## ARTICLE VIII CLOSING PROCEDURES

**8.1** *STMGID's Deliveries.* At the Closing, STMGID shall deliver all of the following to TMWA:

(a) A Grant, Bargain and Sale Deed and Bill of Sale, fully executed with notary acknowledgement, conveying the STMGID Assets, in the form and content agreeable to the parties;

(b) Two (2) original counterparts of an Assignment of Assumed Contracts, fully executed by STMGID, in the form and content agreeable to the parties (the "Contracts Assignment");

(c) The STMGID Funds;

(d) A schedule of STMGID Customers existing as of the Closing Date, along with a description of the class of service and premises address;

(e) Such other funds, documents, and instruments required under this Agreement or reasonably requested by TMWA to consummate the transfer of the STMGID Assets and consummation of the Merger contemplated under this Agreement.

**8.2** *TMWA's Deliveries.* At the Closing, TMWA shall deliver all of the following to STMGID:

(a) Two (2) original counterparts of the Contracts Assignment, fully executed by TMWA.

(b) Such other funds, documents, and instruments required under this Agreement or reasonably requested by STMGID to consummate the purchase and sale of the Assets contemplated under this Agreement.

**8.3** *Prorations and Costs.* The following amounts shall be prorated among TMWA and STMGID as of the Closing Date, based upon the actual number of days in the month and/or year in which the Closing Date occurs: (i) any personal property tax payable with respect to any of the Assets taxed by any governmental authority as personal property or on any other ad valorem basis; and (iii) any real property tax or transfer tax payable with respect to the Real Property. All escrow fees and costs, if any, shall be divided equally between STMGID and TMWA.

**8.4** *Closing Duties of Escrow Holder.* Upon receipt of all of the documents, instruments and funds required to be delivered to McDonald Carano Wilson LLP ("Escrow Holder") pursuant to this Agreement, Escrow Holder shall proceed as soon thereafter as

reasonably possible to consummate the purchase and sale transaction contemplated under this Agreement by delivery of the following amounts, documents and instruments to the following parties:

(a) Deliver one (1) fully executed original of the Contracts Assignment to STMGID and TMWA; and

(b) Deliver the fully executed original of the Deed and Bill of Sale to TMWA.

**8.5 Surrender of Possession.** On the Closing Date, STMGID shall (i) surrender possession of the STMGID Assets and deliver in place all of the STMGID Assets to TMWA, and (ii) deliver to TMWA all keys to all locks to the Water Facilities.

## ARTICLE IX REPRESENTATIONS AND WARRANTIES

**9.1 Representations and Warranties of STMGID.** STMGID makes the following representations and warranties to TMWA, as of the Effective Date and as of the Closing Date:

**9.1.1 Good Standing; Proper Authority.** STMGID is a general improvement district and quasi-municipal corporation of the State of Nevada, duly organized, validly existing, and in good standing under the laws of the State of Nevada. STMGID has all organizational power necessary, and has taken, or will obtain prior to Closing, all necessary approvals required of STMGID Customers, the STMGID Board and the Washoe County Board of Commissioners, under Nevada law to consummate the transactions contemplated hereunder.

**9.1.2 No Violations; Enforceability; No Required Consents.** The execution, delivery and performance by the STMGID of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to the STMGID; does not and will not contravene any provision of, or constitute a default under any Contract to which the STMGID is a party or by which they are bound. When executed and delivered, this Agreement and all other documents and instruments hereunder to which the STMGID is a party shall constitute legal, valid, and binding obligations of the STMGID, as applicable, enforceable against each of them, as applicable, in accordance with their respective terms. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority is required in connection with the execution, delivery and performance by the STMGID of this Agreement other than those that have been obtained and are in full force and effect.

**9.1.3 NRS Chapter 354.** To the extent that Chapter 354 of the Nevada Revised Statutes and 354.088 of the Nevada Administrative Code require a transfer plan or inter-governmental agreement transferring a governmental function, the merger ordinance process under NRS 244.100 and NRS 318.490 through 318.510 and this Agreement are intended to satisfy the substantive and procedural requirements set forth in chapter 354 of the NRS and NAC 354.088.

**8.1.4 No Litigation.** STMGID has not been served with, and to STMGID's actual knowledge there is no, litigation or arbitration pending or threatened before any court or administrative agency against STMGID or which could affect STMGID's performance hereunder, except as otherwise set forth in Schedule 8.1.4.

**9.2 Representations and Warranties of TMWA.** TMWA makes the following representations and warranties to STMGID, as of the Effective Date and as of the Closing Date:

**9.2.1 Good Standing; Proper Authority.** TMWA is a joint powers authority and political subdivision of the State of Nevada, duly organized, validly existing, and in good standing under the laws of the State of Nevada. TMWA has all organizational power necessary, and has taken, or will obtain prior to Closing, all necessary approvals required of its Board under Nevada law to consummate the transactions contemplated hereunder.

**9.2.2 No Violations; Enforceability; No Required Consents.** The execution, delivery and performance by TMWA of this Agreement is not inconsistent with and will not violate or contravene any Law applicable to TMWA; is not inconsistent with and will not violate or contravene the TMWA JPA; does not and will not contravene any provision of, or constitute a default under any Contract to which TMWA is a party or by which it is bound. When executed and delivered, this Agreement and all other documents and instruments hereunder to which TMWA is a party shall constitute legal, valid, and binding obligations of TMWA enforceable against TMWA in accordance with their respective terms. No consent, approval, authorization or other action by, or filing or registration with, any governmental authority is required in connection with the execution, delivery and performance by TMWA of this Agreement other than those that have been obtained and are in full force and effect.

## ARTICLE X ALLOCATION OF LIABILITIES, INDEMNIFICATION, AND RISK MANAGEMENT

**10.1 General Principles of Risk Allocation and Indemnity.** The Parties agree and acknowledge that until the Closing Date, the Parties will continue to retain responsibility for their respective operations and systems as separate entities. To the fullest extent permitted by law, each Party shall indemnify, hold harmless and defend the other Party from and against any and all third party claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, which claims arise in whole or in part out of any alleged negligent or willful acts or omissions of the indemnifying Party, its officers, employees and agents, in the performance or implementation of this Agreement, excepting any liability arising out of the negligence or willful acts or omissions of the indemnified Party.

**10.2 Insurance and Risk Management.** Following the Effective Date and until the Closing Date, each Party shall maintain its customary levels of insurance, including but not limited to property and casualty insurance that protects its assets and financial obligations against all risks of loss consistent with sound business practice and workers compensation insurance for all of its employees in accordance with state laws.

**10.3 Statutory Limitations.** Notwithstanding the foregoing, neither Party waives available NRS chapter 41 liability limitations and other liability limitations available at law in all cases. The Parties acknowledge that their respective abilities to perform their respective obligations under this Agreement is subject to the requirements of NRS Chapter 354 as applicable.

**ARTICLE XI  
TERMINATION , DEFAULT AND RIGHT TO CURE**

**11.1 Termination.** Subject to the conditions set forth in Section 10.3, this Agreement may be terminated and the transactions contemplated herein may be abandoned:

**11.1.1** By mutual consent of the Parties; provided, however, that no termination shall impair the rights of any holders of TMWA Obligations;

**11.1.2** If the CSD Merger Agreement is terminated for any reason or the CSD Merger is not consummated, for any reason;

**11.1.3** If written protests to the Merger are filed by the majority of owners of property within STMGID and the Merger cannot proceed in accordance with NRS 318.495;

**11.1.4** If either Party is in Default (as defined below) and such Default (i) cannot be remedied in accordance with Section 10.2 and (ii) would have a material adverse effect on the business, operations, assets or financial condition of one or both of the Parties; or

**11.1.5** By either Party, if a final order, decree or ruling enjoining or otherwise prohibiting any of the transactions covered under this Agreement has been issued by any federal or state court in the United States (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) and if the failure to consummate such prohibited transaction (i) cannot be remedied in accordance with Section 10.2 and (ii) would have a material adverse effect on the business, operations, assets or financial condition one or both of the Parties.

**11.2 Default, Notice and Right to Cure.**

**11.2.1 Default.** A Default occurs when (i) a Party repudiates, breaches or fails to perform in any material respect, within the time frame specified or, if not so specified, within a reasonable time, any Necessary Condition, covenant or term expressed herein; (ii) any Party's representation of a material fact expressed herein was intentionally falsified, or if a Party has a continuing duty to make any representation of a material fact or duty to disclose any material fact, such representation becomes false or such disclosure does not occur as a result of a subsequent event or occurrence; (iii) any Party's material warranty expressed herein, is breached at any time during the period of such warranty; (iv) a Party violates any law material and relevant to this Agreement; or (v) any event occurs that is otherwise described in this Agreement as a default.

**11.2.2 Notice and right to cure.** Unless otherwise specified in this Agreement, in the event of a Default, the non-defaulting Party shall provide written notice of such Default to the defaulting Party and the specific action required to cure such Default, and the defaulting Party shall have thirty (30) days from the date that the notice is deemed given to cure the default.

**11.3 Effect of default.** If a Default is suffered or caused by any Party and not cured within the period of time specified in Section 10.2.2, the non-defaulting Party may (i) pursue resolution of the matter pursuant to Article XI regarding Dispute Resolution; (ii) suspend any counter-performance due hereunder until the Default is cured or resolved; or (iii) terminate this Agreement pursuant to Section 10.1.

**11.4 Effect of Termination.** In the event of any termination of this Agreement pursuant to Section 10.1 above, there shall be no liability on the part of either STMGID or TMWA, or their respective Boards, officers, or employees, except that the obligations of the Parties that expressly survive under Article IX of this Agreement shall remain in full force and effect and survive the termination of this Agreement.

**11.5 Waiver.** At any time prior to full Merger, the Parties may (i) extend the time for performance of any of the conditions, covenants or terms set forth in this Agreement, (ii) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant to this Agreement; and (iii) waive compliance with any of the conditions, covenants or terms set forth in this Agreement. Except as set forth in Section 12.1, any such extension or waiver shall be valid only if mutually agreed to by the Parties in writing and duly authorized and executed by the governing boards of the Parties.

## ARTICLE XII DISPUTE RESOLUTION

**12.1 Mediation.** If, after good faith negotiations to resolve any dispute arising out of or relating to any condition, covenant, term or transaction covered under this Agreement or in any document delivered pursuant to this Agreement, the Parties are unable to agree upon a mutually acceptable resolution, a Party must first demand in writing that the dispute be submitted to the Court Annexed Mediation Program under the Nevada Mediation Rules. Each Party shall bear its own attorney's fees and costs of mediation. Neither Party shall be deemed the prevailing party in any dispute submitted to mediation. No Party shall be permitted to file any court action arising from a dispute under this Agreement unless first attempting to mediate in good faith to reach a mediated settlement.

## ARTICLE XIII MISCELLANEOUS PROVISIONS

**13.1 Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior agreements, oral or written, express or implied, and all undertakings, negotiations or discussions of the Parties, whether oral or written, all of which are integrated herein; provided, however, the Parties acknowledge that certain other agreements and commitments shall be necessary for the

implementation of the purposes of this Agreement. This Agreement may not be amended, changed, waived, terminated or modified unless the same shall be in writing and ratified by the governing boards of the respective Parties. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the Party against whom it is sought to be enforced.

**13.2 Attorneys Fees; Governing Law and Venue.** In any dispute or litigation arising out of this Agreement or any transactions covered under this Agreement, each party shall bear its own attorney's fees and costs. This Agreement shall be governed by and construed in accordance with the laws of the State of Nevada. Unless otherwise agreed to herein by the Parties, venue to resolve any dispute or for any action or proceeding in mediation or arbitration to construe or enforce the provisions of this Agreement shall be Washoe County

**13.3 Construction; Headings.** In the event of any dispute regarding any provision of this Agreement, the terms of this Agreement shall be construed neutrally and shall not be construed against or in favor of either Party, notwithstanding the fact that one Party may have been responsible for drafting the initial form of this Agreement. The Parties acknowledge that they have each participated equally in the negotiation and drafting of this Agreement prior to execution and each have been represented by legal counsel of their choice in connection therewith. The headings of the sections and paragraphs of this Agreement are for convenience only and in no way define, limit or affect the scope of substance of any section or paragraph of this Agreement.

**13.4 Severability.** If any provisions or part of a provision in this Agreement shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, the same shall not affect any other provision or part of a provision provided that the fundamental terms and conditions of this Agreement remain legal and enforceable, in which case, to the fullest extent possible without defeating the Parties' intentions hereunder, this Agreement shall be reformed and construed as if such invalid or illegal or unenforceable provision or part of a provision had never been contained herein.

**13.5 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. The provisions of Section 4.1, 4.2 and 4.3 shall be binding upon any successor by merger, purchase or otherwise of TMWA with respect to the operation of the TMWA water system.

**13.6 Relationship of Parties.** Nothing contained in this Agreement is intended to nor shall be deemed to create any partnership, joint venture, agency, fiduciary duty or other relationship between STMGID and TMWA other than with respect to their contractual obligations contained herein.

**13.7 Third Party Beneficiaries.** There are no express or implied third party beneficiaries to this Agreement, or any obligation, claim, or right arising under this Agreement, and no other person or entity who is not a signatory to this Agreement shall have any obligation, claim, right, or remedy hereunder.

**13.8 Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**13.9 Recitals, Exhibits and Schedules.** The recitals at the beginning of this Agreement and the following Exhibits and Schedules attached to this Agreement are incorporated herein by this reference and made a part hereof as if set forth in full herein.

**13.10 Further Assurances.** Subject to the terms and conditions hereof, each of the Parties agrees to use commercially reasonable efforts to execute and deliver, or cause to be executed and delivered, all documents and to take, or cause to be taken, all actions that may be reasonably necessary or appropriate to effectuate the provisions of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth below.

SOUTH TRUCKEE MEADOWS GENERAL  
IMPROVEMENT DISTRICT

Dated: 1/10/14

By: [Signature]  
Its: Chairman

TRUCKEE MEADOWS WATER  
AUTHORITY

Dated: 1-14-14

By: [Signature]  
Its: \_\_\_\_\_

Schedule 4.1

STMGID Post Merger Residential Rates

**SOUTH TRUCKEE MEADOWS  
GENERAL IMPROVEMENT DISTRICT  
(STMGID)**

**SCHEDULE OF  
RATES, TOLLS, CHARGES, LIENS, DEPOSITS  
PENALTIES, CONNECTION AND DISCONNECTION FEES  
AND  
RULES AND REGULATIONS FOR  
SERVICE OF PROPERTY FROM THE  
FACILITIES OF THE  
SOUTH TRUCKEE MEADOWS  
GENERAL IMPROVEMENT DISTRICT**

**ADOPTED  
June 24, 1986  
Amended January 26, 1988  
Amended March 28, 1989  
Amended July 25, 1989  
Amended May 23, 1995  
Amended February 1, 1998  
Amended February 1, 2001  
Amended May 28, 2002  
Amended June 27, 2006  
Amended June 10, 2009**

**ARTICLE 4: SCHEDULE OF RATES AND CHARGES**

- 4.1 Unmetered Rates for Domestic and Irrigation Service. The monthly unmetered water service rate for all domestic and irrigation water shall be \$44.91.
- 4.2 Metered Rates for Domestic Residential and Governmental Services . The monthly water service customer service charge for all domestic water shall be based on service size shown in the table. Service sizes not listed in the following table shall be charged the monthly customer service rate of the next larger service size shown in the table.

<u>Service Size</u>	<u>Irrigation Service</u>	<u>Residential &amp; Governmental Services</u>
5/8" to 3/4"	\$ 8.71	\$ 9.49
1"	\$ 10.83	\$ 11.61
1-1/2"	\$ 15.69	\$ 16.47
2"	\$ 21.45	\$ 22.23
3"	\$ 38.61	\$ 39.39
4"	\$ 56.79	\$ 57.57
6"	\$ 107.47	\$ 108.25
8"	\$ 180.60	\$ 181.38
10"	\$ 273.69	\$ 274.47

Unit Charge: The unit charge for residential and governmental water usage per month is as follows:

A. 3/4", 1", and 1-1/2" Residential Services

<u>Range</u>	<u>Rate</u>
0 - 6,000 gallons	\$ 1.36
7 - 20,000 gallons	\$ 1.80
21 - 40,000 gallons	\$ 2.21
41 - 65,000 gallons	\$ 2.58
> 65,000 gallons	\$ 2.73

B. 3/4", 1", and 1-1/2" Governmental Services

<u>Range</u>	<u>Rate</u>
0 - 30,000 gallons	\$ 1.47
31 - 50,000 gallons	\$ 1.82
> 50,000 gallons	\$ 2.62

C. 2" and Larger Governmental Services

<u>Range</u>	<u>Rate</u>
0 - 200,000 gallons	\$ 1.48
201 - 700,000 gallons	\$ 2.09
> 700,000 gallons	\$ 2.98

Unit Charge for Irrigation Services: The unit charge for irrigation services shall be \$1.99 per thousand gallons of water usage.

- 4.3 Metered Rates for Commercial and Industrial Service. The monthly metered water service rate for all commercial and industrial water shall be based on service size as shown in the table. Service size not listed

in the following table shall be charged the monthly customer service rate of the next larger service size shown in the table.

<u>Service Size</u>	<u>Irrigation Service</u>	<u>Domestic Service</u>
5/8" to 3/4"	\$ 8.71	\$ 9.49
1"	\$ 10.83	\$ 11.61
1-1/2"	\$ 15.69	\$ 16.47
2"	\$ 21.45	\$ 22.23
3"	\$ 38.61	\$ 39.39
4"	\$ 56.79	\$ 57.57
6"	\$ 107.47	\$ 108.25
8"	\$ 180.60	\$ 181.38
10"	\$ 273.69	\$ 274.47

Consumption Charge for Commercial/Industrial Use: In addition to the monthly customer service charge, a unit charge for each gallon of water used per month will be charged based on the following schedules per thousand gallons of consumption.

<b>SMALL COMMERCIAL/INDUSTRIAL SERVICES (3/4", 1", and 1-1/2")</b>	
<u>Range</u>	<u>Rate</u>
0 - 20,000 gallons	\$ 1.41
21 - 40,000 gallons	\$ 1.57
> 40,000 gallons	\$ 1.76

<b>LARGE COMMERCIAL/INDUSTRIAL SERVICES (2" and Larger)</b>	
<u>Range</u>	<u>Rate</u>
0 - 70,000 gallons	\$ 1.36
71 - 275,000 gallons	\$ 1.60
> 275,000 gallons	\$ 3.20

Consumption Charge for Irrigation Use: In addition to the monthly customer service charge a unit charge of \$1.99 per thousand gallons of water usage will be charged for irrigation services.

- 4.4 Charges for Private Fire Protection Service. These charges apply to all services through which water is used solely for extinguishing accidental fires:

<u>Service Size</u>	<u>Monthly Customer Service Rate</u>
1/2"	\$ 0.37
2"	\$ 4.34
3"	\$ 12.61
4"	\$ 26.86
6"	\$ 78.04
8"	\$166.30
10"	\$299.07

- 4.5 Charges for Meter Testing. The District will shop-test a meter at the request of a customer and payment of a fifty dollar (\$50) fee. If the meter, upon testing, registers no greater than two percent (2%) over the true quantity, the fee shall be forfeited, and all water bills paid as presented. However, if the meter registers more than two percent (2%) of the true quantity, the fee shall be returned, and the amount overcharged

during the prior six months, or such portion of the six month period as the customer has been responsible for water bills will be credited to the customer and another meter substituted for the inaccurate meter.

- 4.6 Charges for Combined Service. These charges apply to service through which water is delivered for the dual purpose of providing domestic supply and private fire protection. The monthly charge shall be the charge for domestic water as determined in Section 4.2 or 4.3, as appropriate, plus the charge for private fire protection as determined in Section 4.4.
- 4.7 Charges for Bulk Service. These charges apply to water obtained from the District's tanker loading facility.
- A. A non-refundable application fee of \$200.00 per application which includes one card. Additional cards are charged at \$100.00 each. An additional \$100.00 is charged for lost cards.
  - B. A refundable deposit of \$1,000.00, first applied to balance owing on the account, with no interest.
  - C. Monthly customer service rate of \$100.00 each month per card used.
  - D. In addition to the monthly customer service rate a unit charge of \$1.67 per thousand gallons of water will be charged.
- 4.8 Arsenic Remediation Surcharge. The monthly arsenic surcharge rate for all unmetered domestic, metered domestic and commercial/industrial services shall be based on the service size shown in the table below. Services sizes not listed in the following table shall be charged the rate for the next larger size shown in the table.

<u>Service Size</u>	<u>Monthly Rate</u>
3/4"	\$ 2.25
1"	\$ 7.05
1-1/2"	\$ 14.10
2"	\$ 22.55
3"	\$ 45.15
4"	\$ 70.50
6"	\$ 141.00
8"	\$ 225.60
10"	\$ 324.30

**POLICY FOR THE  
CONVERSION OF A FLAT RATE PAYING CUSTOMER  
TO A METERED RATE PAYING CUSTOMER**

**SOUTH TRUCKEE MEADOWS  
GENERAL IMPROVEMENT DISTRICT**

1. The first time a flat rate customer uses more than 75,000 gallons during a billing cycle, he shall receive a warning notice by certified mail, return receipt requested, at his billing address, and shall be charged the metered rate for that cycle.
2. A customer shall receive only one warning notice, which shall include a copy of this Policy.
3. The second time a flat rate customer uses more than 75,000 gallons during a billing cycle, he shall be charged the metered rate for that cycle and shall remain on the metered rate schedule for all future billings.
4. Each customer shall be required to monitor his own usage by reviewing his monthly bills.
5. Appeals shall be considered by the Local Managing Board on a case-by-case basis. Appeals to the Local Managing Board shall be in writing, stating the basis of the appeal, and shall be filed with the Manager of the Utility Services Division, Washoe County Department of Water Resources, within ten (10) calendar days after receipt of the notice provided for in paragraphs 1 and 2, above.
6. Refusal to accept notice by certified mail will not preclude application of this Policy.
7. Appeals of the Local Managing Board's action to the Board of Trustees shall follow the same procedure as defined in Section II (Appeal Procedure) of the District's Annexation Policy and Guidelines, except that no filing fee shall be required.
8. Conversion from a flat rate to a metered rate may also be made upon either: (1) any change of account, e.g., change of ownership or change of tenant, or (2) a request to the Local Managing Board by the property owner.
9. This policy updates and replaces the District's Policy for the Installation of Water Meters dated January 23, 2001.

Approved by Local Managing Board on June 18, 2001.

Approved by Board of Trustees on June 26, 2001.

Schedule 4.3  
STMGID Funds

STMGID Restricted Funds.

1. Zone 11 tank funds, approximately \$2,700,000
2. Arsenic Remediation Surcharge fund, approximately \$760,000

STMGID Unrestricted Funds.

1. Water Rights Lease Revenue, approximately \$1,940,000
2. Connection Fees, approximately \$1,600,000
3. Other undesignated funds and cash reserves, approximately \$8,000,000

Schedule 5.2

STMGID Assets

All right, title and interest which STMGID may have in and to the following, but excluding the Excluded Assets described in Schedule 5.3:

1. All water treatment plants, wells, supply, storage, transmission and distribution pipes and facilities, pumps, tanks, trade fixtures, leasehold improvements, generators, valves, meters, service connections and all other physical facilities, improvements and installations primarily used in conjunction with, or necessary to operate the STMGID Water Utility, including all mains, markers, conduits, pipes, pump stations, valve boxes, meters, fixtures, pipes, service lines, backflow prevention equipment and any other facilities or appurtenances owned, held or used in connection with the operation of the water utility and distribution system of STMGID, together with any assignment of existing and assignable third-party warranties and representations that relate to completed or ongoing construction, reconstruction, upgrading, installation, expansion and repair of the STMGID water transmission, distribution and storage facilities.
2. All tank sites, properties, easements, rights of way, licenses, permits, prescriptive rights, leases, or other interests in real property used by STMGID in the operation of the water utility.
3. All water rights and water resources in which STMGID has a right, title or interest, including water rights dedicated to STMGID, which are committed to or necessary to support existing and future potable/domestic water service(s) to municipal and industrial customers within STMGID's service area; and 2) banked water rights held in trust by STMGID for third parties.
4. All STMGID Funds, including all STMGID Water Revenue, cash and cash accounts, accounts receivable, hookup fees, connection charges, water resource fees or other amounts due or to become due from developers or customers for water service, water resources, or distribution facilities.
5. All books and records including GIS data, if any, relating to the water system in STMGID's possession or control.
6. All customer lists, customer credit information, the original or photocopies of all files, records, and accounts for customers of STMGID who receive, or have entered agreements to receive, water service from STMGID, in STMGID's possession or control.
7. All other the personal property, facilities and fixtures owned by STMGID which are located within or are used in connection with the water system.

Schedule 5.2 (a)

Real Property

1. Those certain licenses, easements, rights or way and rights to use property granted by the Bureau of Land Management, as follows:
  - a. A 33 foot right of way for roadway and public utilities originally granted to John Du Puy, Jr., under Permit N-057715, dated July 20, 1961, across T18N R20E S30 lot 129.
  - b. A right of way for roadway, tanksite and pipeline purposes granted to STMGID under Permit N-39894, dated March 11, 1985, across T18N R20E S26 SW1/4 SW1/4.
  - c. A 33 foot right of way for roadway and public utilities originally granted to William King, under Permit N-43130, dated January 27, 1985, across T17N R20E S18.
  - d. A right of way for domestic water and sewer facilities with service road originally granted to Henry Fry, under Permit N-80358, dated December 21, 2006, as assigned to Washoe County.
  
2. All real property held in fee simple, or as easements, licenses, prescriptive rights, right-of-ways, and rights to use public and private roads, highways, streets or other property, owned or used by STMGID in connection with the construction, installation, expansion or necessary to access, operate and maintain all of the STMGID Assets or the STMGID Water Utility whether or not identified in this Schedule 5.2(a), including those held by Washoe County described in Schedule 5.2 (d).
  
3. All prescriptive rights of STMGID in and to any easement and the personal property, facilities and fixtures located therein, whether or not identified in this Schedule 5.2(a), which easement was used and occupied by STMGID in connection with the Water Business as of the Closing Date; it being the intent of the parties that the conveyances contained herein include the after acquired title of STMGID, and that TMWA shall be entitled to tack onto the period of ownership or occupation by STMGID for purposes of establishing prescriptive rights.
  
4. All right, title and interest in and to the real property more particularly described below:

**a) 14746 PINE KNOLLS LANE-ABANDONED WATER TANK SITE (.29 Acres)**

All that real property situate in the County of Washoe, State of Nevada, being all that portion of Section 27, Township 18 North, Range 20 East, M.D.B. & M., described as follows:

**PARCEL 1**

Beginning at a point on the East line of said Section 27, Township 18 North, Range 20 East, M.D.B. & M., from whence the Southeast corner of said Section 27 bears South 0° 14' 19" West, 1374.54 feet distant; thence North 89° 55' 41" West, 100 feet; thence North 0° 04' 19" East, 125.00 feet; thence South 89° 55' 41" East, 100.00 feet to a point on said East line of Section 27; thence South 0° 14' 19" West, 125.00 feet along the last mentioned line to the place of beginning.

APN: 016-490-27

**PARCEL 1-A (WATERLINE EASEMENT)**

A right-of-way easement for a waterline described as being a strip of land ten feet on each side of the following described centerline:

Begin at a point from whence the Southeast corner of Section 27, Township 18 North, Range 20 East, M.D.B. & M. bears South 45° 30' East 1334.36 feet distant, thence North 23° 51' 21" East, 541.07 feet; thence South 89° 08' East, 170.67 feet; thence South 89° 53' 20" East, 197.16 feet; thence North 76° 43' East, 102.15 feet; thence North 88° 42' East, 185.53 feet to the point of ending of this easement EXCEPTING THEREFROM any portion thereof lying within the lines of the property owned by E. P. SAWYERS, CLYDE H. and MARY G. BOND.

**PARCEL 1-B (INGRESS/EGRESS TANK SITES EASEMENT)**

A non-exclusive easement thirty (30) feet wide, measured at right angles over a portion of the East one-half of the Southeast one-quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., for purposes of ingress and egress to a tank site, described in a deed from Nevada Title Guaranty Co. to Nevada National Bank, Filing No. 165321, Official Records of Washoe County, the centerline of said non-exclusive easement described as beginning at a point on the Easterly line of Rim Rock Drive, from which point of beginning, the Southeast corner of said Section 27 bears South 38° 57' 39" East, 1417.22 feet distant; thence along said easement centerline the following seven (7) courses and distances: South 66° 08' 39" East, 297.74 feet; North 60° 41' East, 183.97 feet; North 43° 40' East, 169.13 feet; North 57° 15' East, 189.26 feet; North 20° 36' East, 156.29 feet; North 14° 09' East, 58.77 feet; South 0° 04' 19" East, 100.00 feet to the point of ending of said non-exclusive easement centerline, from whence said Southeast corner of Section 27 bears South 4° 37' 35" East, 1404.24 feet distant.

**PARCEL 1-C (ROADWAY EASEMENT)**

An easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M. in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North 23° 51' 21" East, 5.00 feet; thence South 66° 08' 39" East, 25.00 feet, to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South 23° 51' 21" West, through a central angle of 90° 00', an arc distance of 31.42 feet; thence South 66° 08' 39" East, 231.25 feet, to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of 21° 41' 51", an arc distance of 47.34 feet; thence South 87° 50' 30" East, 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of 52° 44' 20", an arc distance of 92.05 feet; thence North 39° 25' 10" East, 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of 14° 13', an arc distance of 43.42 feet; thence North 25° 12' 10" East, 194.42 feet; thence North 15° 27' 10" East, 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as Instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North 26° 57' 50" East, 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc., recorded on December 29, 1972, as Instrument No. 270374 in Book 696, Page 575 of said Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc., South 0° 04' 19" West, 75.00 feet; and South 89° 55' 41" East, 10.00 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970, as Instrument No. 190134 in Book 503, Page 223 of said Official

Records; thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc., South 0° 04' 19" West, 42.81 feet; thence South 21° 34' 30" West, 131.80 feet; thence South 25° 12' 10" West, 196.00 feet to the beginning of a curve concave Northwesterly having a radius of 225.00 feet; thence Southwesterly along said curve through a central angle of 14° 13', an arc distance of 55.83 feet; thence South 39° 25' 10" West, 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of 52° 44' 20", an arc distance of 138.07 feet; thence North 87° 50' 30" West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of 21° 41' 51", an arc distance of 66.27 feet; thence North 66° 08' 39" West, 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North 23° 51' 21" East, 70.00 feet to the place of beginning.

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-2" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

**b) VIRGINIA FOOTHILLS DR.-ABANDONED WATER TANK SITE (.19 Acres)**

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B. & M., described as follows:

**PARCEL 1**

Starting at the Southeast corner of Lot 15, Block I as shown on the map of VIRGINIA FOOTHILLS SUBDIVISION, UNIT NO. 3, thence South 0° 04' 19" West, 323.87 feet to the point of beginning for this description, thence South 0° 04' 19" West, 75.00 feet; thence North 89° 55' 41" West, 110.00 feet; thence North 0° 04' 19" East, 75.00 feet; thence South 89° 55' 41" East, 110.00 feet to the point of beginning. Situate in the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M.

APN: 016-490-32

TOGETHER WITH an easement for roadway to water tanks over that portion of the East half of the Southeast quarter of Section 27, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, described as follows:

Starting at the intersection of the center lines of Rim Rock Drive and Rancheros Drive as shown on the map of Virginia Foothills Subdivision Number One; thence North 23° 51' 21" East, 5.00 feet; thence South 66° 08' 39" East, 25.00 feet to the place of beginning for this description; thence Southerly on a curve concave Easterly having a radius of 20.00 feet from a tangent bearing of South 23° 51' 21" West, through a central angle of 90° 00', an arc distance of 31.42 feet; thence South 66° 08' 39" East, 231.25 feet to the beginning of a tangent curve concave Northeasterly having a radius of 125.00 feet; thence Easterly along said curve through a central angle of 21° 41' 51", an arc distance of 47.34 feet; thence South 87° 50' 30" East, 148.78 feet to the beginning of a curve concave Northwesterly having a radius of 100.00 feet; thence Easterly and Northeasterly along said curve through a central angle of 52° 44' 20", an arc distance of 92.05 feet; thence North 39° 25' 10" East, 115.26 feet to the beginning of a curve concave Northwesterly having a radius of 175.00 feet; thence Northeasterly along said curve through a central angle of 14° 13', an arc distance of 43.42 feet; thence North 25° 12' 10" East, 194.42 feet; thence North 15° 27' 10" East, 123.58 feet to the Southerly boundary line of the land described in deed to Richard E. Hoy, et al, recorded on December 29, 1972 as Instrument No. 270567 in Book 697, Page 235 of Official Records in the office of the County Recorder of said County; thence along said boundary line North 26°

57° 50" East, 113.79 feet to the Northwesterly corner of the land described in deed to Trans-Sierra Water Service, Inc. recorded on December 29, 1972 as Instrument No. 270374 in Book 696, Page 575 of Official Records; thence along the Westerly and Southerly lines of said land described in deed to Trans-Sierra Water Service, Inc. South 0° 04' 19" West, 75.00 feet; and South 89° 55' 41" East, 10.00 feet to the Northwesterly corner of the land described as fee parcel in deed to Trans-Sierra Water Service, Inc. recorded on November 16, 1970 as Instrument No. 190134 in Book 503, Page 223 of said Official Records; thence along the Westerly line of said last mentioned land described as fee parcel to Trans-Sierra Water Service, Inc.; South 0° 04' 19" West, 42.81 feet; thence South 21° 34' 30" West, 131.80 feet; thence South 25° 12' 10" West, 196.00 feet to the beginning of a curve concave Northwesterly having a radius of 225.00 feet, thence Southwesterly along said curve through a central angle of 14° 13', an arc distance of 55.83 feet; thence South 39° 25' 10" West, 115.26 feet to the beginning of a curve concave Northerly having a radius of 150.00 feet; thence Southwesterly and Westerly along said curve through a central angle of 52° 44' 20", an arc distance of 138.07 feet; thence North 87° 50' 30" West, 148.78 feet to the beginning of a curve concave Northeasterly having a radius of 175.00 feet; thence Northwesterly along said curve through a central angle of 21° 41' 51", an arc distance of 66.27 feet; thence North 66° 08' 39" West, 251.25 feet to the Easterly line of said Rim Rock Drive; thence along said Easterly line North 23° 51' 21" East, 70.00 feet to the place of beginning.

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-3" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

**c) 14785 PINE KNOLLS LANE-VACANT LOT (1.79 Acres)**

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one quarter (SW 1/4) of Section 27, Township 18 North, Range 20 East, M.D.B. & M., and being more particularly described as follows, to wit:

Commencing at the street intersection Rancheros Drive and Rim Rock Drive as identified on the Official Plat for Virginia Foothills Subdivision Unit No. 1, Document 366807 and filed September 16, 1962 in the Office of the Washoe County Recorder, Reno, Nevada; thence North 23° 51' 21" East, along the centerline of Rim Rock Drive a distance of 339.67 feet to a point of curvature to the left; thence South 66° 08' 39" East a distance of 25.00 feet to the easterly right of way of Rim Rock Drive of the aforementioned subdivision and the TRUE POINT OF BEGINNING; thence South 23° 51' 21" West, along the easterly right of way of Rim Rock Drive a distance of 108.64 feet to a point; thence South 66° 08' 39" East a distance of 140.00 feet to a point; thence South 06° 56' 43" West, a distance of 257.15 feet to a point on the northerly side of a 50.00 foot wide access easement; thence South 66° 08' 39" East, along the aforementioned access easement a distance of 36.45 feet to a point of curvature to the left, concave northerly, having a radius of 125.00 feet, and a central angle of 21° 41' 51"; thence along the curve and the northerly side of said access easement a distance of 47.34 feet to a point; thence South 87° 50' 30" East, and continuing along said northerly side of the 50 foot wide access a distance of 73.90 feet to the southwest corner of Parcel 3 as identified in Document number 550047, and filed August 8, 1978 in the Office of the Washoe County Recorder, Reno, Nevada; thence North 23° 51' 21" East, a distance of 220.00 feet to a point; thence North 33° 55' 02" West, a distance of 170.98 feet to a point; thence North 49° 35' 27" West, a distance of 61.00 feet to a point; thence North 69° 40' 35" West, a distance of 163.33 feet to the TRUE POINT OF BEGINNING and containing an area of 1.786 acres more or less.

APN: 016-490-50

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-5" in that certain document recorded February 15, 1984, in Book 1976, Page 207, as Instrument No. 907249 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH access easements granted per Parcel Map 2268, Recorded as Document No. 1247098, on May 18, 1988, as Access Note for said Map, stating: Access to all parcels is by public easements not owned or maintained by Washoe County.

**d) 9675 WESTERN SKIES DRIVE-TRUCKFILL STATION (3.51 Acres)**

All that real property situate in the County of Washoe, State of Nevada, being all those portions of Section 27, Township 18 North, Range 20 East, M.D.B.&M., described as follows:

Commencing at the North quarter corner of said Section 27; thence South 00° 11' 49" West, along the North-South centerline 1343.20 feet; thence South 89° 28' 27" West, 2033.13 feet to the true point of beginning; thence South 62° 48' 17" West, 685.21 feet to the West line of said Section 27; thence along said West line South 00° 08' 43" East, 611.66 feet; thence South 56° 57' East, 119.11 feet; thence North 00° 08' 43" West, 559.34 feet; thence North 62° 48' 17" East, 574.55 feet; thence North 00° 31' 33" West, 167.86 feet to the True Point of Beginning.

APN: 140-051-23

NOTE: The above metes and bounds descriptions appeared previously as "Exhibit C-4" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH a 20 FOOT access easement described as follows: All that certain tract, piece or parcel of land situate, lying and being in the West one half (W 1/2) of Section 27, Township 18 North, Range 20 East, M.D.B.&M., and being more particularly described as follows, to wit:

Commencing at a point on a line common to Sections 27 and 28, Township 18 North, Range 20 East, M.D.B.&M., and the northerly right-of-way of State Highway Route 17 as identified on Parcel Map No. 1136, Document Number 686528, and filed August 5, 1980 in the Office of the Washoe County Recorder, Reno, Nevada and being the TRUE POINT OF BEGINNING; thence North 00°08'43" West along the line common to Sections 27 and 28, Township 18 North, Range 20 East, M.D.B.&M., a distance of 361.60 feet to the southwesterly most property corner of the parcel identified in the deed numbered 242710 and filed April 28, 1972 in the Office of the Washoe County Recorder, Reno, Nevada; thence South 56°57'00" East along the southerly property line of the parcel in the aforementioned deed a distance of 23.90 feet to a point; thence South 00°08'43" East, a distance of 359.33 feet to a point of curvature on the northerly right of way of the aforementioned State Highway Route 17, being concave northeasterly, having a radius of 9,950.00 feet, a central angle of 00°07'51", and whose back tangent bears North 61°48'10" West; thence along the curve a distance of 22.74 feet to the point of beginning and containing an area of 0.166 acres more or less.

NOTE: The above metes and bounds descriptions appeared previously in that Easement Deed as Exhibit "20 Foot Access Easement to APN 16-573-13" in that certain document recorded February 15, 1984, in Book 1976, Page 197, as Instrument No. 907248 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH an access and roadway easements granted by Owner's Certificate, per Tract Map 4659, Recorded as Document No. 34000895, on June 14, 2006.

**e) GREAT FALLS LOOP-TRANSMISSION MAIN FOR STEAMBOAT TANK (0.32 Acres)**

All that real property situate in the County of Washoe, State of Nevada, described as follows:

Lot 922 of GALENA TERRACE UNIT 9, according to the map thereof, filed in the Office of the County Recorder of Washoe County, State of Nevada, on July 22, 1990, under File No. 2363906, as Tract Map No. 3733, and amendment recorded March 14, 2001, as File No. 2532726.

EXCEPTING THEREFROM all mineral, oil, gas, petroleum, other hydrocarbon substances, and all geothermal energy sources in, under or which may be produced from the within-described land, which lie below a plane parallel to and 500 feet below the surface of the within-described land, for the purpose of exploration, development, production, or extraction of said substances by means of mines, wells, or derricks, or other equipment provided, however, that the owner of said substances shall have no right to enter upon the surface of the within-described land, not to use said land above said plane and parallel to and 500 feet below the surface of such land.

FURTHER EXCEPTING THEREFROM all water rights, permits, and certificates of whatever kind or nature for ground water or surface water, and any and all other decrees, orders, or judgments affecting, adjudicating, or decreeing water rights, or any claim to water or water right.

APN: 144-211-03

NOTE: The above description appeared previously in that certain document recorded September 12, 2001, as Instrument No. 2595408 of Official Records of Washoe County, State of Nevada.

**f) EDMONTON DRIVE-STEAMBOAT TANK: COMMONLY CALLED STMGID TANK #7 (2.5 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, described as follows:

Situate, in the County of Washoe, State of Nevada and being a portion of Section 31, Township 18 North, Range 20 East, M.D.B.&M., described as follows:

Parcel 2 of Parcel Map 3813, according to the map thereof, filed in the office of the County Recorder or Washoe County, State of Nevada, on October 12, 2001, as File No. 2605236, Official Records.

TOGETHER WITH all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

APN: 144-010-23

NOTE: The above description appeared previously as "Exhibit A" in that certain document recorded April 26, 2002, as Instrument No. 2680979 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement granted per that certain Grant of Easement Recorded as Document No. 2597346, on September 18, 2001.

**g) 3875 MOUNT ROSE HWY-SHADOWRIDGE TANK (AKA STMGID TANK #3) (0.62 Acres)**

All that certain tract, piece of parcel of land situate, lying in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, and more particularly described as:

Parcel 2 (Tank Site), of the Grant, Bargain and Sale Deed, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 16, 1985, under File No. 997514.

(Also known as STMGID Tank #3 Site, the "Shawdownridge Tank".)

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 142-400-04

NOTE: The above description appeared previously as in that certain document recorded August 24, 2007, as Instrument No. 3568950 of Official Records of Washoe County, State of Nevada.

**ALSO more commonly described in that certain Deed, Document no. 997514, recorded May 16, 1985 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:**

**PARCEL TWO  
TANK SITE DESCRIPTION**

Description of water storage tank site situate in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., Washoe County, Nevada:

Beginning at the northeast corner of said site from which the west one-quarter corner of said Section 30 bears North 39°21'34" West, a distance of 985.85 feet; thence South 00°59'39" West, 180.00 feet; thence North 89°00'21" West, 150.00 feet; thence North 00°59'39" East, 180.00 feet; thence South 89°00'21" East, 150.00 feet to the point of beginning, containing 0.62 acres, more or less.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

APN: 142-400-04

NOTE: The above description appeared previously as "PARCEL TWO" in that certain document recorded May 16, 1985, as Instrument No. 997514 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH an access easement granted per Subdivision Tract Map 4836, Recorded as Document No. 3598845, on November 30, 2007, as Note #12 for said Map, stating: A Blanket Access Easement is hereby granted to Washoe County and STMGID across common areas D and F and Aspen Hollow (Private Street).

**h) 3905 MT ROSE HWY-STMGID "SHADOWRIDGE" WELL #4 (0.10 Acres)**

All that certain tract, piece of parcel of land situate, lying in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., in the County of Washoe, State of Nevada, and more particularly described as:

Parcel 1 (well site), of the Grant, Bargain and Sale Deed, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 16, 1985 under File No. 997514.

Also known as STMGID Well #4 Site, the "Shadowridge Well".

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 142-412-12

NOTE: The above description appeared previously as APN 049-401-09 in that certain document recorded August 24, 2007, as Instrument No. 3568951 of Official Records of Washoe County, State of Nevada.

**ALSO more commonly described in that certain Deed, Document No. 997514, recorded May 16, 1985 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:**

PARCEL ONE  
WELL SITE DESCRIPTION

Description of well pumping site situate in the northwest one-quarter of the southwest one-quarter of Section 30, Township 18 North, Range 20 East, M.D.B. & M., Washoe County, Nevada.

Beginning at the northwest corner of said site from which the west one-quarter corner of said Section 30 bears North 2°33'42" West, a distance of 725.37 feet; thence East 50 feet to the northeast corner of said site; thence South 90 feet to the southeast corner of said site; thence West 50 feet to the southwest corner of said site; thence North 90 feet to the point of beginning, containing 0.10 acres, more or less.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues and profits thereof.

APN: 142-412-12

NOTE: The above description appeared previously as "PARCEL ONE" in that certain document recorded May 16, 1985, as Instrument No. 997514 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH an access easement granted per Subdivision Tract Map 4836, Recorded as Document No. 3598845, on November 30, 2007, as Note #12 for said Map, stating: A Blanket Access Easement is hereby granted to Washoe County and STMGID across common areas D and F and Aspen Hollow (Private Street).

**i) 900 ZOLEZZI LANE-STMGID WELL #2 (0.50 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada described as follows:

All that certain real property being a portion of Lot 2 of the FIELD CREEK RANCH Subdivision, Unit No. 12A, Tract Map Number 3876, Document Number 2484343 and a portion of Parcel One as described by Deed, Document Number 1404140 of the Official Records of Washoe County, Nevada, situate within the Northeast One-Quarter (1/4) of Section 19, Township 18 North, Range 20 East, Mount Diablo Meridian, being more particularly described as follows:

**Beginning** at the Southeasterly Corner of said Parcel One as described by Deed, Document Number 1404140 from which the East One-quarter (1/4) Corner of said Section 19 bears South 01°28'02" West, a distance of 611.26 feet; thence North 88°31'58" West, a distance of 199.21 feet to a point on the Easterly Right-of-Way of Silver Wolf Road; thence along said Easterly Right-of-Way North 09°14'33" East a distance of 110.21 feet; thence departing said Easterly Right-of-Way South 88°31'58" East, a distance of 36.72 feet; thence North 01°28'02" East, a distance of 5.70 feet; thence South 88°31'58" East, a distance of 147.58 feet; thence South 01°28'02" West, a distance of 114.90 feet more or less to the **True Point of Beginning**.

The basis of bearing for this description being the NAD83/94 Washoe County Modified Nevada State Plane Coordinate System West Zone.

EXCEPTING THEREFROM those certain water rights along with non-exclusive easements for the purpose of pedestrian and vehicular ingress and egress for utility services, drainage, leech fields and related services, all more particularly set forth in a Deed, recorded February 16, 1989, as File No. 1305571, Official Records.

APN: 142-020-20

NOTE: The above metes and bounds description appeared previously in that certain Boundary Line Adjustment Deed recorded in the Office of the County Recorder of Washoe County, Nevada on January 9, 2007, as Document No. 3484381 of Official Records.

TOGETHER WITH an access easement granted per Subdivision Tract Map 3876, Recorded as Document No. 2484343, on September 21, 2000, as Note #18 for said Map, stating: Private roadways are dedicated as public utility easements. ALSO TOGETHER with that 20' access easement granted per Subdivision Tract Map 3876, Recorded as Document No. 2484343, on September 21, 2000, said easement designating 20' driveway access to Assessor's Parcel Number 142-020-04.

**j) ZOLEZZI LANE-STMGID WELL #3 (0.50 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, being a portion of Section Nineteen (19), Township Eighteen (18) North, Range Twenty (20) East, M.D.M. and being more particularly described as follows:

**PARCEL "B"**

Commencing at the Southeast Corner of Section Nineteen (19), Township Eighteen (18) North, Range Twenty (20) East, M.D.M., being marked by a 2 inch Brass Disc set in Concrete punched and stamped RE 933;

Thence North 01° 01' 20" East, 5325.42 feet along the section line to the Northeast Corner of said Section Nineteen (19), Township (18) North, Range Twenty (20) East, M.D.M, being marked by a 2 inch Aluminum disc set in concrete punched and stamped RE 2710;

Thence South 29° 46' 20" West a distance of 3389.16 feet to the True Point of Beginning;

Thence South 90° 00' 00" West, 75.00 feet;

Thence South 00° 00' 00" East, 91.00 feet;

Thence North 90° 00' 00" East, 75.00 feet;

Thence North 00° 00' 00" West, 91.00 feet to the True Point of Beginning.

Containing 6,825 square feet more or less.

Basis of Bearings is the Nevada State Plane Coordinate System West Zone, NAD 83/94.

APN: 142-020-22

NOTE: The above description appeared previously as APN 142-020-05 in that certain document recorded November 02, 2012, as Document No. 4170109 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement granted per that certain Relocation and Amendment to Grant of Temporary Easement, recorded as Document No. 4170111, on November 02, 2012.

TOGETHER WITH that certain access easement granted per that certain Grant of Easement, recorded as Document No. 2313882, on March 04, 1999.

TOGETHER WITH that certain water line easement granted per that certain Grant of Easement, recorded as Document No. 2313883, on March 04, 1999.

**k) ZOLEZZI LANE-STMGID WELL #1 (0.50 Acres)**

All that certain real property situated in the County of Washoe, State of Nevada, and described as follows:

Commencing at the Section corner common to Sections 17, 18, 19 and 20, Township 18 North, Range 20 East, M.D.B. & M., marked with a bronze disc in concrete 1 foot below surface stamped, "R.E. 933"; thence North 89° 53' 00" West, a distance of 568.87 feet to a point; thence South 00° 07' 00" West, a distance of 30.00 feet to a point on the South right of way of Zolezzi Lane being the TRUE POINT OF BEGINNING; thence continuing South 00° 07' 00" West a distance of 147.58 feet to a point; thence North 89° 53' 00" West a distance of 147.58 feet to a point; Thence North 00° 07' 00" East, a distance of 147.58 feet to a point on the South right-of-way of Zolezzi Lane; thence South 89° 53' 00" East, along the said right-of-way a distance of 147.58 feet to the point of beginning.

APN: 142-123-19

NOTE: The above description appeared previously as PARCEL TWO (Well Site No. 1) in that certain document recorded June 1, 1990, as Instrument No. 1404140 of Official Records of Washoe County, State of Nevada.

**l) 158 ZOLEZZI LANE-STMGID WELL #11 (3.48 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

Parcel 3 (Pump Station Site), of the Grant, Bargain, and Sale Deed, filed in the office of the County Recorder of Washoe County, State of Nevada, on May 19, 1989 under File No. 1325714.

Also known as the STMGID well #11 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 049-281-01

NOTE: The above description appeared previously in that certain document recorded August 24, 2007, as Document No. 3568954 of Official Records of Washoe County, State of Nevada.

**ALSO more commonly described in that certain Deed, Document no. 1325714, recorded May 19, 1989 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:**

Beginning at the Northeast corner of Lot 1, Block A of THOMAS CREEK ESTATES UNIT 1, recorded in the office of the County Recorder of Washoe County, Nevada, on June 30, 1978, Document No. 542098; thence South 00° 38' 12" West, a distance of 380.48 feet to a point; thence South 89° 53' 00" East, a distance of 390.46 feet to a point; thence North 00°38' 12 West, a distance of 390.48 feet to a point on the southern right of way of Zolezzi Lane as described in Deed from Field to Washoe County, recorded in the office of the County Recorder of Washoe County, Nevada, on February 3, 1961, Document No. 332171; thence North 89° 53' 00" West along said right of way a distance of 390.46 feet to a point; thence South 00° 38' 12" West a distance of 10.00 feet more or less to the point of beginning.

**m) 19150 WELCOME WAY-STMGID WELL #5 (0.52 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

The Parcel described in the Deed document, filed in the office of the County Recorder of Washoe County, State of Nevada, on July 8, 1988 under File No. 1258578.

Also known as the STMGID well #5 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 150-111-18

NOTE: The above description appeared previously in that certain document recorded August 24, 2007, as Document No. 3568955 of Official Records of Washoe County, State of Nevada.

**ALSO more commonly described in that certain Deed, Document no. 1258578, recorded July 8, 1988 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:**

All that certain piece of parcel of land situate in the Northwest quarter of the Northeast quarter of Section 25, Township 18 North, Range 19 East, M.D.B.&M., Washoe County, Nevada, described as follows:

Beginning at the North quarter corner of said Section 25; thence along the North line of said section, North 89° 29' East, a distance of 150.00 feet; thence leaving said section line South 00°03'58" East a distance of 150.00 feet; thence South 89°29' West, a distance of 150.00 feet to a point on the West line of the Northeast quarter of said Section 25; thence along said West line North 00°03'58" West, a distance of 150.00 feet to the TRUE POINT OF BEGINNING. Said parcel contains an area of 0.517 acres more or less.

Basis of Bearings: U.S. B.L.M. Dependent Resurvey of Township 18 North, Range 19 East, M.D.B.&M., March 24, 1953.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

**n) 19150 WELCOME WAY-STMGID WELL #6 AND TANKS #4 & #5 (2.5 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

The Parcel described in the Deed document, filed in the office of the County Recorder of Washoe County, State of Nevada, on April 29, 1988 under File No. 1242873.

Also known as STMGID Well #6 and Tanks #4 and #5 site, the "Saddlehorn Tank" site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 152-430-19

NOTE: The above description appeared previously as APN 152-020-05 in that certain document recorded August 24, 2007, as Document No. 3568956 of Official Records of Washoe County, State of Nevada.

**ALSO more commonly described in that certain Deed, Document no. 1242873, recorded April 29, 1988 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:**

All that certain piece or parcel of land situate in the East half of the Northeast quarter of Section 26, Township 18 North, Range 19 East, M.D.B.&M., Washoe County, Nevada, described as follows:

Commencing at the Northeast corner of said Section 26; thence along the East line of said Section 26 South 00°06' East, a distance of 710.00 feet; thence leaving said East section line South 60°18'26" West, a distance of 1082.70 feet to the TRUE POINT OF BEGINNING; thence South 78°35' East, a distance of 142.00 feet; thence South 11°25' West, a distance of 330.00 feet; thence North 78°35' West, a distance of 330.00 feet; thence North 11°25' East, a distance of 330.00 feet; thence South 78° 35' East, a distance of 188.00 feet to the TRUE POINT OF BEGINNING. Said parcel contains an area of 2.50 acres more or less.

Basis of Bearings: U.S. B.L.M. Dependent Resurvey of Township 18 North, Range 19 East, M.D.B.&M., March 24, 1953.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

TOGETHER WITH that certain access and waterline easement granted per that certain Grant of Easement, recorded as Document No. 1242872, on April 29, 1988.

TOGETHER WITH that certain access and waterline easement granted per that certain Grant of Easement, recorded as Document No. 1242874, on April 29, 1988.

**o) S. SADDLEHORN DR.-SADDLEHORN PUMP STATION (1661 Sq. Ft.)**

All that certain real property situate in the County of Washoe, State of Nevada, and more particularly described as follows:

A parcel of land located within a portion of Section 25, Township 18 North, Range 19 East, M.D.B.&M., Washoe County, Nevada being more particularly described as follows:

Commencing at the Northwest corner of said Section 25; thence South 20°12'12" East, 2279.97 feet to a point on the Northerly line of Saddlehorn Subdivision Unit 8 as recorded on September 22, 1994 as File No. 1835135 within the Official Records of Washoe County; thence South 73°30'22" East, 274.08 feet along the Northerly line of Saddlehorn Subdivision Unit 8 to the Northwest corner of Lot 818 and the POINT OF BEGINNING; thence South 61°39'34" East, 67.60 feet along the Northerly line of Saddlehorn Subdivision Unit 8; thence South 77°33'01" West, 74.60 feet to a point on the Easterly right of way line of North Saddlehorn Drive; thence 28.74 feet along the arc of a curve to the right having a central angle of 03°30'13" and a radius of 470.00 feet (chord bears North 14°44'31" East, 28.74 feet); thence North 16°29'38" East, 21.26 feet along the Easterly right of way line of North Saddlehorn Drive to the POINT OF BEGINNING.

Being a portion of Lot 818 in Block B of SADDLEHORN SUBDIVISION UNIT 8, a Common Interest Community, filed in the office of the Washoe County Recorder on September 22, 1994, as Document No. 1835135, Tract Map No. 3078.

APN: 150-162-04

Note: The above metes and bounds description appeared previously in that certain Deed, recorded in the office of the County Recorder of Washoe County, State of Nevada, on March 9, 1995, as Document no. 1876637 of Official Records.

**p) 16510 MT. ROSE HIGHWAY-STMGID WELL #7 (0.24 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

Parcel 1 of Parcel Map 2216, filed in the office of the County Recorder of Washoe County, State of Nevada, on November 24, 1987, under File No. 1208731.

Also known as the STMGID well #7 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, BUT EXCLUDING AND RESERVING UNTO WASHOE COUNTY, any and all appurtenant water, water rights, ditch and/or ditch water rights, applications and permits to appropriate any of the public waters, all certificates of appropriation, adjudicated or unadjudicated water rights, and applications or permits to change the place of diversion, manner of use or place of use of water appurtenant to the land.

APN: 049-080-02

NOTE: The above description appeared previously in that certain Quitclaim document recorded August 05, 2009 as Document No. 3788500 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH a 25' PUE and Access Easement on Parcel 2, granted per Parcel Map 2216, Recorded as Document No. 1208731, on November 24, 1987.

**q) 16125 N. TIMBERLINE DR.-STMGID TIMBERLINE TANK #6 (1.78 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

Parcel 2 of Parcel Map 2815, filed in the office of the County Recorder of Washoe County, State of Nevada, on July 20, 1994, under File No. 1817206.

Also known as the STMGID tank #6 site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, BUT EXCLUDING AND RESERVING UNTO WASHOE COUNTY any and all appurtenant water, water rights, ditch and/or ditch rights, applications and permits to appropriate any of the public waters, all certificates of appropriation, adjudicated or unadjudicated water rights, and applications or permits to change the place of diversion, manner of use or place of use of water appurtenant to the land.

APN: 049-070-41

NOTE: The above description appeared previously in that certain document recorded August 05, 2009, as Document No. 3788501 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement of a "25 FT Water Tank Access Easement, Private Access Easement and Public Utility Easement", granted per that Parcel Map 2815, recorded as Document No. 1817206, on July 20, 1994 in the Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain "Private Access Easement, Water Tank Access Easement, PCD, SS, WL Easement Per This Parcel Map (Width Varies)", granted per that Parcel Map 4688, recorded as Document No. 3470592, on December 4, 2006 in the Official Records of Washoe County, State of Nevada.

**r) RANCHO VERDE DR.-STMGID TANK #2 (1.0 Acres)**

All that certain real property situate in the County of Washoe, State of Nevada, more particularly described as follows:

The Parcel described in the Deed document, filed in the office of the County Recorder of Washoe County, State of Nevada, on November 22, 1994 under File No. 1851081.

Also known as the STMGID Tank #2 Site.

Together with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining.

APN: 016-730-46

NOTE: The above description appeared previously as in that certain document recorded August 24, 2007, as Document No. 3568953 of Official Records of Washoe County, State of Nevada.

**ALSO more commonly described in that certain Deed, Document no. 1851081, recorded November 22, 1994 in the office of the County Recorder of Washoe County, State of Nevada, the parcel being more particularly described as follows:**

All that certain tract, piece or parcel of land situate, lying and being in the County of Washoe, State of Nevada, and more particularly described as follows:

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one-quarter (SW 1/4) of Section 23, Township 18 North, Range 20 East, M.D.B.&M., and being more particularly described as follows, to wit:

Commencing at the section corner common to Section 22, 23, 26 and 27, Township 18 North, Range 20 East, M.D.B.&M. as identified on Land Map 25, filed October 19, 1977, in the Office of the Washoe County Recorder, Reno, Nevada, Document No. 493440; thence North 58°37'20" East, a distance of 839.47 feet to the TRUE POINT OF BEGINNING; thence North 00° 01' 37" West, a distance of 208.71 feet to a point; thence North 89°58'23" East, a distance of 208.71 feet to point; thence South 00°01'37

East, a distance of 208.71 feet to a point; thence South 89°58'23" West, a distance of 208.71 feet to the TRUE POINT OF BEGINNING and containing an area of 1.0 acre more or less.

TOGETHER WITH access and public utility easements described as follows:

#### EASEMENT ONE

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one-quarter (SW 1/4) of Section 23, Township 18 North, Range 20 East, M.D.B.&M., being an access and public utility easement more particularly described as follows, to wit:

Commencing at the section corner common to Section 22, 23, 26 and 27, Township 18 North, Range 20 East, M.D.B. & M., as identified on Land Map 25, filed October 19, 1977 in the office of the Washoe County Recorder, Reno, Nevada, Document No. 493440; thence North 03°20'19" East, a distance of 241.43 feet to a point on the easterly line of a 25.00 foot public utility and access easement as shown on the aforementioned Land Map 25 and being THE TRUE POINT OF BEGINNING; Thence North 02°36'18" West along the easterly line of said easement, a distance of 129.52 feet to a point of curvature to the right, having a radius of 180.00 feet, a central angle of 10°16'49" and a back tangent which bears North 43°24'43" East; thence along said curve a distance of 32.30 feet to a point of reverse curvature to the left, having a radius of 120.00 feet, a central angle of 29°43'54" and a back tangent which bears North 53°41'32" East; thence along said curve a distance of 62.27 feet to a point; thence North 66°02'22" West, a distance of 20.00 feet to a point; thence North 23°57'38" East, a distance of 275.84 feet to a point; thence South 66°02'22" East a distance of 20.00 feet to a point of curvature to the left, having a radius of 120.00 feet, a central angle of 64°55'06" and a back tangent which bears North 23°57'38" East; thence along said curve a distance of 135.96 feet to a point of reverse curvature to the right, having a radius of 60.00 feet, a central angle of 162°41'34" and a back tangent which bears North 40°57'28" West; thence along said curve a distance of 170.37 feet to a point; thence South 58°15'54" East, a distance of 150.21 feet to a point; thence South 31°44'06" West, a distance of 10.00 feet to a point of curvature to the right, having a radius of 195.00 feet, a central angle of 36°38'15" and a back tangent which bears South 58°15'54" East; thence along said curve a distance of 124.69 feet to a point of reverse curvature to the left, having a radius of 60.00 feet, a central angle of 147°55'33" and a back tangent which bears South 21°37'39" East; thence along said curve a distance of 154.91 feet to a point of reverse curvature to the right, having a radius of 50.00 feet, a central angle of 124°11'33" and a back tangent which bears North 10°26'48" East; thence along said curve a distance of 108.38 feet to a point; thence South 45°21'39" East, a distance of 31.21 feet to a point of curvature to the right, having a radius of 110.00 feet, a central angle of 72°13'54" and a back tangent which bears South 45°21'39" East; thence along said curve a distance of 138.68 feet to a point of reverse curvature to the left, having a radius of 80.00 feet, a central angle of 49°28'37" and a back tangent of South 26°52'15" West; thence along said curve a distance of 69.08 feet to a point of compound curvature to the left, having a radius of 10.00 feet, a central angle of 133°41'24" and a back tangent which bears South 22°36'22" East; thence along said curve a distance of 23.33 feet to a point; thence North 23°42'14" East, a distance of 41.30 feet to a point; thence South 00°01'37" East a distance of 76.63 feet to a point of curvature to the right, having a radius of 50.00 feet, a central angle of 98°27'08" and a back tangent which bears South 58° 56' 30" West; thence along said curve a distance of 85.92 feet to a point of compound curvature to the rights, having a radius of 120.00 feet, a central angle of 49°28'37" and a back tangent which bears North 22°36'22" West; thence along said curve a distance of 103.62 feet to a point of reverse curvature to the left, having a radius of 70.00 feet, a central angle of 72°13'54" and a back tangent which bears North 26°52'15" East; thence along said curve a distance of 88.25 feet to a point; thence North 45° 21' 39" West a distance of 31.21 feet to a point of curvature to the left, having a radius of 10.00 feet, a central angle of 124°11'33" and a back tangent which bears North 45°21'39" West; thence along said curve a distance of 21.68 feet to a point of reverse curvature to the right, having a radius of 100.00 feet, a central angle of 147°55'33" and a back tangent which bears South 10°26'48" West; thence along said curve a distance of 258.18 feet to a point of reverse curvature to the

left, having a radius of 155.00 feet, a central angle of 36°38'15" and a back tangent which bears North 21°37'39" West; thence along said curve a distance of 99.11 feet to a point; thence North 58°15'54" West, a distance of 150.21 feet to a point of curvature to the left, having a radius of 10.00 feet, a central angle of 162°41'34" and a back tangent which bears North 58°15'54" West; thence along said curve a distance of 28.40 feet to a point of reverse curvature to the right, having a radius of 170.00 feet a central angle of 64°55'06" and a back tangent which bears South 40°57'28" East; thence along said curve a distance of 192.62 feet to a point; thence South 66°02'22" East, a distance of 10.00 feet to a point; thence South 23°57'38" West, a distance of 275.84 feet to a point of curvature to the right, having a radius of 180.00 feet, a central angle of 29°43'54" and a back tangent of South 23°57'38" West; thence along said curve a distance of 93.41 feet to a point of reverse curvature to the left, having a radius of 120.00 feet, a central angle of 56°17'50" and a back tangent which bears South 53°41'32" West; thence along said curve a distance of 117.91 feet to a point; thence South 87°23'42" West a distance of 5.00 feet to the TRUE POINT OF BEGINNING and containing an area of 78,737 square feet more or less.

#### EASEMENT TWO

All that certain tract, piece or parcel of land situate, lying and being in the Southwest one-quarter (SW 1/4) of Section 23, Township 18 North, Range 20 East, M.D.B.&M., being a public utility easement twenty (20) feet in width lying ten (10) feet on either side of the following described centerline:

Commencing at the section corner common to Section 22, 23, 26 and 27, Township 18 North, Range 20 East, M.D.B.&M. as identified on Land Map 25 filed October 19, 1977 in the office of the Washoe County Recorder, Reno, Nevada, Document No. 493440; thence North 19°34'15" East a distance of 702.07 feet to the TRUE POINT OF BEGINNING; thence North 88°08'22" East a distance of 395.10 feet to a point; thence South 46° 51' 38" East a distance of 118.62 feet to the POINT OF ENDING, excepting therefrom those portions lying within the above described Easement One and containing an area of 7,041 square feet more or less.

TOGETHER WITH, all and singular the tenements, hereditaments and appurtenances thereunto belonging or appertaining and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof.

NOTE: The above descriptions appeared previously as in that certain document, recorded November 22, 1994, as Document No. 1851081, of Official Records of Washoe County, State of Nevada.

#### s) 2200 ROCK HAVEN-WELL #12 (14,400 Sq. Ft.)

A parcel of land situate within the NW1/4 of Section 24, Township 18 North, Range 19 East, M.D.M., Washoe County, Nevada, being a portion of Parcel 1 of that Parcel Map for Sage Ridge School, recorded on June 30, 2000 as Parcel Map 3667, Document No. 2460566, Official Records of Washoe County, Nevada; more particularly described as follows:

Commencing at a point on the east line of said Parcel 1 from which the south one-quarter corner of said Section 24 bears South 00° 37' 20" West, 2033.83 feet; said point also being the north terminus of the east line of Crossbow Court as offered for dedication by said Parcel Map 3667 and accepted for dedication by instrument recorded September 11, 2000 as Document No. 2481057, Official Records of Washoe County, Nevada;

thence along the east line of said Parcel 1, North 00° 37' 20" East, 2221.77 feet to the Point of Beginning;

thence continuing along said east line, North 00° 37' 20" East, 120.00 feet to the west terminus of the south line of Rock Haven Drive;  
thence North 89° 22' 40" West, 120.00 feet;  
thence South 00° 37' 20" West, 120.00 feet;  
thence South 89° 22' 40" East, 120.00 feet to the point of beginning.  
Containing 14,400 square feet, more or less.

APN:152-021-08

NOTE: The above metes and bounds description appeared previously as "Exhibit A" in that certain document recorded May 16, 2011, as Document No. 4003158 of Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain access easement, granted per that certain Easement Deed Grant of Access Easement, recorded as Document No. 4003161, on May 16, 2011 in the Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain drainage easement, granted per that certain Easement Deed Grant of Drainage Easement, recorded as Document No. 4003160, on May 16, 2011 in the Official Records of Washoe County, State of Nevada.

TOGETHER WITH that certain water line facilities easement, granted per that certain Easement Deed Grant of Water Line Facilities Easement, recorded as Document No. 4003159, on May 16, 2011 in the Official Records of Washoe County, State of Nevada.

Schedule 5.2 (b)  
STMIGID EASEMENTS

ITEM	APN	LOCATION	GRANTOR	CNTY	E	T	R	DATE	DOC #	BK	PG
1	016-411-30	SAGE HILL RD	DAMONTE FAMILY LTD LIAB CO,	WAS				8-Mar-77	PM 391		
2	016-411-20	S VIRGINIA ST	PIONEER PARKWAY HOLDING CO LLC,	WAS				8-Mar-77	PM 391		
3	016-411-29	SAGE HILL RD	KARADANIS GEORGE PARTNERSHIP,	WAS					UNKNWN		
4	016-411-20	SAGE HILL RD	PIONEER PARKWAY HOLDING CO LLC,	WAS					UNKNWN		
5	016-490-69	PINE KNOLLS LN	HALL FAMILY TRUST, TYLER W & RUTH L	WAS	27	18N	20E	25-Oct-89	PM 2395		
6	016-490-73	GEIGER GRADE	PETTY FAMILY TRUST, WILLIAM R SR & MARY A	WAS	27	18N	20E	24-Jan-07	PM4707		
7	016-490-74	GEIGER GRADE	PETTY FAMILY TRUST, WILLIAM R SR & MARY A	WAS	27	18N	20E	24-Jan-07	PM4707		
8	016-490-75	GEIGER GRADE	MUNOZ, DANIEL L & JUANITA F	WAS	27	18N	20E	25-Jan-07	PM4708		
9	016-490-76	GEIGER GRADE	MUNOZ, DANIEL L & JUANITA F	WAS	27	18N	20E	25-Jan-07	PM4708		
10	016-490-77	UNSPECIFIED	MUNOZ, DANIEL L & JUANITA F	WAS	27	18N	20E	17-Oct-85	1028885	2239	750
11	016-581-04	UNSPECIFIED	RENO KOREAN BAPTIST CHURCH INC,	WAS					UNKNWN		
12	016-581-05		RENO KOREAN BAPTIST CHURCH INC,	WAS					UNKNWN		
13	016-581-25		RENO KOREAN BAPTIST CHURCH INC,	WAS					UNKNWN		
14	016-581-33		GOODWIN, MICHAEL J	WAS					UNKNWN		
15	016-581-43		BARCOMB, DALE M & DENISE M	WAS					UNKNWN		
16	016-584-01	GEIGER GRADE	PRAUD, LAURA L	WAS	27	18N	20E	19-Sep-72	TM 1331		
17	016-584-02	GEIGER GRADE	WENDT, CLANCY J	WAS	27	18N	20E	19-Sep-72	TM 1331		
18	016-581-40	GEIGER GRADE	WILLIAMS, WILLIAM J & LINDA D	WAS	27	18N	20E	19-Sep-72	TM 1331		
19	016-581-41	GEIGER GRADE	MCCUAN, DEWEY H & BERNICE C	WAS	27	18N	20E	19-Sep-72	TM 1331		
20	016-581-42	GEIGER GRADE	BLACK, BART & NICOLE	WAS	27	18N	20E	19-Sep-72	TM 1331		
21	016-581-32	GEIGER GRADE	BODEN, DAVID R	WAS	27	18N	20E	26-Sep-75	TM 1541		
22	016-730-47	UNSPECIFIED	BENNA FAMILY TRUST, STEPHEN C & KAREN L	WAS	23	18N	20E	22-Nov-94	1851081	4196	539
23	016-751-22	TERRY WAY	TODD, PATRICIA C & ROBERT C	WAS	26	18N	20E	14-Jun-76	L 6		
24	016-751-23	TERRY WAY	OWENS, TERESAM	WAS	26	18N	20E	14-Jun-76	L 6		
25	016-751-24	TERRY WAY	MAGGIORA, WILLIAM P & JOYCE K	WAS	26	18N	20E	14-Jun-76	L 6		
26	016-751-36	GEIGER GRADE	UNITED STATES OF AMERICA,	WAS					BLM		
27	017-011-14	UNSPECIFIED	KEAR TRUST, JENINE J	WAS	27	18N	20E	10-May-84	924139	2013	127
28	017-011-15	UNSPECIFIED	RANKIN, WAYNE C	WAS	27	18N	20E	10-May-84	924139	2013	127
29	017-011-15	UNSPECIFIED	RANKIN, WAYNE C	WAS	27	18N	20E	2-Mar-72	236501	618	96
30	017-052-04	KING LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
31	017-055-21	KING LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
32	017-071-30	MOON LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
33	017-072-19	MOON LN	WASHOE COUNTY,	WAS	27/34	18N	20E	15-Sep-81	758866	1672	334
34	017-055-29	UNSPECIFIED	VALLEY VIEW CHRISTIAN FLLWSHP,	WAS	34	18N	20E	12-Jun-87	1170192	2566	555

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
35	017-055-16	UNSPECIFIED	VALLEY VIEW CHRISTIAN FLWSHP,	WAS	34	18N	20E	12-Jun-87	1170188	2566	539
36	017-055-28	UNSPECIFIED	ALLEN, SCOTT R & DONNA J	WAS	34	18N	20E	12-Jun-87	1170191	2566	551
37	017-055-18	UNSPECIFIED	WHITING, WALLACE B & PATRICIA H	WAS	34	18N	20E	12-Jun-87	1170193	2566	560
38	017-055-19	UNSPECIFIED	SUMMERS, WILLIAM	WAS	34	18N	20E	12-Jun-87	1170187	2566	535
39	017-055-35	UNSPECIFIED	JPR PROPERTY MGT LLC,	WAS	27	18N	20E	16-Apr-08	3640561	N/A	N/A
40	017-055-36	UNSPECIFIED	MERIT PROPERTY MGT LLC,	WAS	27	18N	20E	16-Apr-08	3640562	N/A	N/A
41	017-061-43	UNSPECIFIED	ELLIS, CHARLES M & CHRISTINA M	WAS	34	18N	20E	6-Nov-84	960426	2090	78
42	017-073-01	WESTWIND CIR	PATTERSON , KENNETH G JR	WAS					UNKNWN		
43	017-073-13	WESTWIND CIR	SLAMA, NORMAN J	WAS					UNKNWN		
44	017-073-14	WESTWIND CIR	ORCHARD, ANNA M	WAS					UNKNWN		
45	017-073-15	WESTWIND CIR	SCHNEIDER, FREDRIC A & DOROTHY T	WAS					UNKNWN		
46	017-073-22	WESTWIND CIR	GRIFFIN, MARK & MIKI L	WAS					UNKNWN		
47	017-073-24	WESTWIND CIR	GRIFFIN, MARK & MIKI L	WAS					UNKNWN		
48	017-073-27	WESTWIND CIR	ARTZ, MARTIN B	WAS					UNKNWN		
49	017-073-29	SHERIK BAR RD	MITCHELL, KENNETH E & DEBORAH L H	WAS	34	18N	20E	12-Jun-87	1170190	2566	547
50	017-073-34	UNSPECIFIED	BELARDES, STEPHEN E & DEBORAH L	WAS	34	18N	20E	12-Jun-87	1170189	2566	543
51	017-073-38	WESTWIND CIR	JOLLY, RICHARD M	WAS					UNKNWN		
52	017-081-06	UNSPECIFIED	GOLD, DWAYNE & CAROLE	WAS	34	18N	20E	21-Jun-84	932386	2030	351
53	017-081-07	UNSPECIFIED	JEANNES FAMILY TRUST,	WAS	34	18N	20E	21-Jun-84	932386	2030	351
54	017-082-09	UNSPECIFIED	CHATIN, CHARLES A & DARLENE D	WAS	34	18N	20E	21-Jun-84	932386	2030	351
55	017-110-35	NEW PASS RD	WITTE, CHARLES W & VIRGINIA E	WAS	34	18N	20E	10-Sep-85	1021077	2222	496
56	017-110-39	TUXON RD	HERNANDEZ, LYNN	WAS	34	18N	20E	29-May-92	1575221	3492	143
57	017-110-40	TUXON RD	BONANO REV FAMILY TRUST, THOMAS & GERALDINE E	WAS	34	18N	20E	23-Jun-08	3662882	N/A	N/A
58	017-110-41	TUXON RD	KING, PAMELA C	WAS	34	18N	20E	10-Sep-85	1021077	2222	496
59	017-110-42	TUXON RD	AHNLUND, NELS J & SUSANNA B	WAS	34	18N	20E	9-Mar-92	1552295	3434	161
60	017-110-43	TUXON RD	BEREK, THOMAS A & PAMELA Q	WAS	34	18N	20E	4-Oct-72	260700	674	786
61	017-110-51 & 53	TOLL RD	ZEISEL, JULIUS	WAS	34	18N	20E	15-Mar-01	2533324	N/A	N/A
62	017-110-53	TUXON RD	FLOOD FAMILY TRUST,	WAS	34	18N	20E	25-Jun-73	291497	742	50
63	017-110-54	YANKEE BLADE RD	DURHAM LIVING TRUST,	WAS	34	18N	20E	28-May-75	PM 160		
64	017-110-55	NEW PASS RD	VRASTIL, WILLIAM R	WAS	34	18N	20E	28-May-75	PM 160		
65	017-110-57	SYLVESTER RD	BROWN, BRANDON D	WAS	34	18N	20E	6-May-74	PM 67		
66	017-110-64	SYLVESTER RD	WELSH, GERALD E & BARBARA J	WAS	34	18N	20E	21-Sep-77	PM 476		
67	017-110-65	HOT SPRINGS RD	WELSH, GERALD E & BARBARA J	WAS	34	18N	20E	21-Sep-77	PM 476		
68	017-110-76	SYLVESTER RD	DOBEL, MICHAEL P & ALYS B	WAS	34	18N	20E	27-May-93	PM 2710		
69	017-110-77	SYLVESTER RD	ALLMAN, ELLEN	WAS	34	18N	20E	27-May-93	PM 2710		
70	017-110-78	SYLVESTER RD	HIBDON, REX A & LINDA M	WAS	34	18N	20E	27-May-93	PM 2710		

ITEM	APN	LOCATION	GRANTOR	CNTY	§	I	R	DATE	DOC #	BK	PG
71	017-122-11	PINION PINE DR	WASHOE COUNTY TREASURER TTEE,	WAS					UNKNWN		
72	017-123-02		PECKHAM, CLAUDE D / NANCY J	WAS					UNKNWN		
73	017-123-22		NOR NEV PROPERTIES,	WAS					UNKNWN		
74	017-150-11	SYLVESTER RD	LANE, JESSE P JR & MARY ANN	WAS	34	18N	20E	19-Jul-78	PM 621		
75	017-150-13	SYLVESTER RD	KAY, DARRIN & JILL	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
76	017-150-14	SYLVESTER RD	WEINBERG, DANIEL E	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
77	017-150-15	SYLVESTER RD	MEDRANO, ANTONIO & ANGELES C G	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
78	017-150-16	BIG SMOKEY	LILES, JACKIE & CYDNEY	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
79	017-150-17	ROCKY VISTA RD	CLARK, EDWARD F	WAS				16-Jan-61	331231	825	221
80	017-150-18	SYLVESTER RD	WHITING, WALLACE B & PATRICIA H	WAS				16-Jan-61	331231	825	221
81	017-150-19	SYLVESTER RD	SUMMERS, WILLIAM	WAS				16-Jan-61	331231	825	221
82	017-150-23	SYLVESTER RD	LAPPIN, BERT L & DAWN Y	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
83	017-150-24	BONANZA LN	LAPPIN, BERT L & DAWN Y	WAS	34	18N	20E	7-Apr-03	2833538	N/A	N/A
84	017-150-31	HOT SPRINGS RD	FCCB INVESTMENTS LLC,	WAS	34	18N	20E	19-Jul-78	PM 621		
85	017-150-32	SYLVESTER RD	HANSEN, KRISTEN L	WAS	34	18N	20E	19-Jul-78	PM 621		
86	017-150-33	SYLVESTER RD	COLKITT-LUPOLD TRUST,	WAS	34	18N	20E	19-Jul-78	PM 621		
87	017-150-34	BONANZA LN	VALDERRAMA, MARIA L	WAS	34	18N	20E	19-Jul-78	PM 621		
88	017-150-35	BIG SMOKEY	JPR PROPERTY MGT LLC,	WAS	34	18N	20E	15-Aug-79	PM 911		
89	017-150-42	ROCKY VISTA CT	KESSLER, DAVID & CLAUDIA L	WAS	34	18N	20E	6-Feb-80	PM 1034		
90	017-150-43	ROCKY VISTA CT	BELMAS, PETER & NOIV	WAS	34	18N	20E	6-Feb-80	PM 1034		
91	017-150-44	CHERYL LN	ELDER-STOUT TRUST,	WAS	34	18N	20E	6-Feb-80	PM 1034		
92	017-150-54	SYLVESTER RD	JOHNSON, RUSSELL C & LESLIE J	WAS	34	18N	20E	28-Jan-87	PM 2084		
93	017-150-57	SYLVESTER RD	DOLLEY FAMILY TRUST, THOMAS & ELLA	WAS	34	18N	20E	28-Jan-87	PM 2084		
94	017-171-07	SHORT RIDGE DR	HARRIS, DAVID & MARGARET M	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
95	017-171-09	SHORT RIDGE DR	CANTIN, GREGORY L & DOLORA A	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
96	017-171-13	SHORT RIDGE DR	ECKERT, ROBERT A	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
97	017-171-14	SHORT RIDGE DR	UEBEL, CHRISTOPHER W	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
98	017-171-18	COPPER CANYON DR	WOELFLE, DAVID L	WAS	34	18N	20E	3-Jul-03	2883859	N/A	N/A
99	017-171-19	COPPER CANYON DR	OSTROWSKI, DAVID W & MYRNA L	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
100	017-171-20	BIG SMOKEY DR	LBR EQUITY LLC,	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
101	017-171-21	BIG SMOKEY DR	VIERRA, EDWARD A	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
102	017-171-22	BIG SMOKEY DR	BENTHIN, JAMES M & MARILYN R	WAS	34	18N	20E	10-Apr-08	3638881	N/A	N/A
103	017-171-24	COPPER CANYON DR	WALSH, GEOFFREY L JR	WAS	34	18N	20E	3-Jul-03	2883859	N/A	N/A
104	017-171-26	BONANZA LN	DROEGEMEIER FAMILY TRUST, RALPH D & CARROL L	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A

ITEM	APN	LOCATION	GRANTOR	CNTY	S	T	R	DATE	DOC #	BK	PG
105	017-171-28	SHORT RIDGE DR	TREADWAY, BEVERLY J	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
106	017-171-29	BONANZA LN	OWENS, MARCIA	WAS	34	18N	20E	10-Jul-03	2886058	N/A	N/A
107	017-172-01	COPPER CANYON RD	WASHOE COUNTY TREASURER TTEE,	WAS					UNKNWN		
108	017-172-05	SHORT RIDGE DR	OSTLER, BETTE J	WAS					UNKNWN		
109	017-200-12	ROCKY VISTA RD	REED, TRICIA A	WAS	34	18N	20E	16-May-75	R/S 893		
110	017-200-14	UNSPECIFIED	HUITT TRUST, ZELTON & IRENE	WAS	34	18N	20E	16-May-75	R/S 893		
111	017-200-27	ROCKY VISTA RD	BARRY, DIANE E	WAS	34	18N	20E	3-Aug-79	PM 907		
112	017-200-28	ROCKY VISTA RD	BARRY, DIANE E	WAS	34	18N	20E	3-Aug-79	PM 907		
113	017-200-30	ROCKY VISTA RD	CLANCEY TRUST, KIM I	WAS				25-Jun-84	R/S 1674		
114	017-200-31	ROCKY VISTA RD	READ, EMERSON W JR & MARYE ANNE	WAS				25-Jun-84	R/S 1674		
115	017-200-34	UNSPECIFIED	SCHOENBERGER, WAYNE A JR	WAS	34	18N	20E	3-Apr-95	PM 2889		
116	017-200-35	ROCKY VISTA RD	AUSTIN, JERI L	WAS	34	18N	20E	3-Apr-95	PM 2889		
117	017-200-36	ROCKY VISTA RD	SHEPHERD, MITCHELL E	WAS	34	18N	20E	3-Apr-95	PM 2889		
118	017-200-40	ROCKY VISTA RD	LOVE, CHERI A	WAS	34	18N	20E	10-Apr-97	PM 3192		
119	017-200-41	ROCKY VISTA RD	TALAVERA, RAMIRO & ROSE	WAS	34	18N	20E	10-Apr-97	PM 3192		
120	017-200-45	ROCKY VISTA RD	SUTHERLAND, BRIAN L	WAS	34	18N	20E	24-Mar-00	2432975	N/A	N/A
121	017-211-04	UNSPECIFIED	WASHOE COUNTY SCHOOL DIST BD,	WAS	34	18N	20E	30-Aug-06	3432427	N/A	N/A
122	017-211-05	UNSPECIFIED	UNITED STATES OF AMERICA,	WAS	34	18N	20E	19-Sep-06	3439710	N/A	N/A
123	017-211-20	TOLL RD	USA,	WAS					BLM		
124	017-211-33	BIG SMOKEY	FREY, JEFF L & TRACIL	WAS					BLM		
125	017-211-34	BIG SMOKEY	STALLONE, CARL J JR & AMY L	WAS	34	18N	20E	13-Feb-95	PM 2877		
126	017-211-36	BIG SMOKEY	VALLANCE, THOMAS G SR & LOIS R	WAS	34	18N	20E	13-Feb-95	PM 2877		
127	017-211-46	EASY STREET	ADAMS, DEBRA P & KEVIN L	WAS	34	18N	20E	9-Apr-80	PM 1079		
128	017-211-46	EASY STREET	LEVINE, ROBERT S & TRACEY E	WAS	34	18N	20E	9-Apr-80	PM 1079		
129	017-211-47	EASY STREET	HJELM, CHRISTOPHER R	WAS	34	18N	20E	9-Apr-80	PM 1079		
130	017-262-23	CAPELLA LN	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
131	017-262-24	MIRA ST	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
132	017-262-24	CAPELLA LN	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
133	017-262-24	POLARIS ST	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
134	017-262-24	VEGA ST	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
135	017-271-03	SCORPIO CIR	BRADD, BYRON & SUSAN	WAS	28	18N	20E	1-May-70	TM 1157		
136	017-271-15	COMMON AREA	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
137	017-271-29	SCORPIO CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
138	017-272-16	AQAURIUS CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
139	017-272-15	AQAURIUS CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
140	017-273-05	LIBRA CIR	JONES, MARIA H	WAS	28	18N	20E	1-May-70	TM 1157		
141	017-273-10	LIBRA CIR	DOUGAL, SHIRLEY S	WAS	28	18N	20E	1-May-70	TM 1157		
142	017-273-14	ARIES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		

ITEM	APN	LOCATION	GRANTOR	CNTY	§	T	R	DATE	DOC #	BK	PG
143	017-273-17	LIBRA CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
144	017-273-18	LIBRA CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	1-May-70	TM 1157		
145	017-281-14	ARIES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
146	017-282-15	PISCES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
147	017-282-16	PISCES CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
148	017-283-01	CAPRICORN CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
149	017-283-11	CAPRICORN CIR	SPIRE-SUN VALLEY LLC,	WAS	28	18N	20E	26-May-71	TM 1230		
150	017-283-18	SATURN CIR	KIRN FAMILY TRUST,	WAS	28	18N	20E	26-May-71	TM 1230		
151	017-283-25	SATURN CIR	DANIELS, LARRY T	WAS	28	18N	20E	26-May-71	TM 1230		
152	017-283-26	SATURN CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
153	017-291-08	TAURUS CIR	MILLER, PHYLLIS H	WAS	28	18N	20E	26-May-71	TM 1230		
154	017-291-26	GEMINI CIR	BRESHEARS, HOBART J & VIOLA	WAS	28	18N	20E	26-May-71	TM 1230		
155	017-291-51	GEMINI CIR	SOLIS, MIGUEL	WAS	28	18N	20E	26-May-71	TM 1230		
156	017-291-72	TAURUS CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
157	017-291-71	GEMINI CIR	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
158	017-292-13	UNSPECIFIED	VIA BIANCE MHE OWNERS ASSOC,	WAS	28	18N	20E	26-May-71	TM 1230		
159	017-410-38	UNSPECIFIED	RATHBUN, DANIEL C B	WAS	3	17N	20E	13-Oct-00	PM 3702		
160	017-410-44	RAMONA RD	BRANINBURG, WESLEY S	WAS	3	17N	20E	3-Jul-03	PM 4059		
161	017-410-45	RAMONA RD	JAUREGUI, JOE A JR & WANNETTE E	WAS	3	17N	20E	3-Jul-03	PM 4059		
162	017-410-56	RAMONA RD	SCALA, GINO P & JULIANNA	WAS	3	17N	20E	3-Jul-03	PM 4059		
163	017-453-01	SCARLET WAY	STEWART, PATRICK S & SANDRA R	WAS	34	18N	20E	21-Jun-84	932386	2030	351
164	017-491-01	UNSPECIFIED	STEINHARDT, MATTHEW P	WAS	27	18N	20E	2-Mar-72	236501	618	96
165	017-491-02	UNSPECIFIED	LORENC, TODD & DANIELLE	WAS	27	18N	20E	2-Mar-72	236501	618	96
166	017-492-20	UNSPECIFIED	COTTONWOOD CREEK HMEOWNRS ASSN,	WAS	27	18N	20E	2-Mar-72	236501	618	96
167	017-510-02	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
168	017-510-03	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
169	017-510-04	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
170	017-510-05	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
171	017-510-06	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
172	017-510-12	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
173	017-510-13	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
174	017-510-16	MAJESTIC VIEW DR		WAS	3	17N	20E	16-Apr-07	TM 4769		
175	017-510-17	MAJESTIC VIEW CT	FRY, HARRY C	WAS	3	17N	20E	16-Apr-07	TM 4769		

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176	049-010-28	UNSPECIFIED	WASHOE COUNTY,	WAS	24	18N	19E	6-Jun-96	2001693	4592	223
177	049-070-44	UNSPECIFIED	BELTON, PAUL E & JOANN	WAS	34	18N	19E	20-Jul-94	PM 2815		
178	049-070-47	UNSPECIFIED	DYESS, JOHN R	WAS	34	18N	19E	4-Dec-06	PM 4688		
179	049-070-49	UNSPECIFIED	DYESS, JOHN R	WAS	34	18N	19E	20-Jul-94	PM 2815		
180	049-080-03	MT ROSE HWY	HILLMAN, SANDRA L	WAS	34	18N	19E	24-Nov-87	PM 2216		
181	049-221-08	DONALISHA LN	WILSON, JAMES W JR	WAS	34	18N	19E	3-Dec-96	PM 3140		
182	049-221-13	DONALISHA LN	BENOY FAMILY TRUST,	WAS	34	18N	19E	3-Dec-96	PM 3140		
183	049-221-14	DONALISHA LN	MACHABEE FAMILY TRUST,	WAS	34	18N	19E	3-Dec-96	PM 3140		
184	049-221-15	DONALISHA LN	KUECHLER, WILLIAM L JR	WAS	34	18N	19E	3-Dec-96	PM 3140		
185	049-221-16	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
186	049-221-17	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
187	049-221-18	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
188	049-221-20	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
189	049-221-21	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
190	049-221-22	GRANITE BAY CT	MAVERICK DEVELOPMENT LLC,	WAS	34	18N	19E	3-Dec-96	PM 3140		
191	049-230-02	S VIRGINIA ST	PIONEER HILLS MBL E HM EST LLC,	WAS					UNKNWN		
192	049-330-01	EDMANDS CT	CLAGUE, JAMES W JR & VICKI D	WAS	19	18N	20E	13-Jul-88	PM 2289		
193	049-360-13	S VIRGINIA ST	HIGH VACUUM APPARATUS MFG INC,	WAS					UNKNWN		
194	049-360-20	S VIRGINIA ST	TAMARACK JUNCTION,	WAS					UNKNWN		
195	049-360-21	S VIRGINIA ST	CHRISTOPOULOS FAMILY TRUST,	WAS	20	18N	20E	22-Apr-97	2091146	4844	480
196	049-360-27	S VIRGINIA ST	ABUTILON LLC,	WAS					UNKNWN		
197	049-393-01	HERZ BLVD	NEVADA STATE OF,	WAS					UNKNWN		
198	049-410-10	BIHLER RD	LORTON, GEORGE E	WAS	30	18N	20E	2-Oct-85	TM 2289		
199	049-410-11	BIHLER RD	WINCHESTER LIVING TRUST,	WAS	30	18N	20E	2-Oct-85	TM 2289		
200	049-440-02	DE SPAIN WY	BERNARD FAMILY TRUST, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
201	049-440-03	DE SPAIN WY	BERNARD FAMILY TRUST, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
202	049-440-04	DE SPAIN WY	BERNARD FAMILY TRUST, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
203	049-440-27	DE SPAIN WY	BERNARD, DONALD A & CAROLYN K	WAS				12-Aug-82	PM 1360		
204	049-410-11	BIHLER RD	WINCHESTER LIVING TRUST,	WAS	30	18N	20E	2-Oct-85	TM 2289		
205	049-501-01	STOWE DR	MACLAREN LIVING TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
206	049-501-02	STOWE DR	WESLEY FAMILY TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
207	049-501-03	STOWE DR	MARQUARDT, JAY J & DEANNA L	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
208	049-501-04	STOWE DR	NICHOLS LIVING TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
209	049-501-05	STOWE DR	BAATRUP, JUDITH A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
210	049-501-06	STOWE DR	YOUNG, THOMAS H & BONDA K	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
211	049-501-07	STOWE DR	DIAMOND K INVESTMENTS LLC,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
212	049-501-08	STOWE DR	WOLF FAMILY TRUST,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98

ITEM	APN	LOCATION	GRANTOR	CNTY	S	I	R	DATE	DOC #	BK	PG
213	049-501-09	STOWE DR	HAUPERT, GREGORY J & KERRY A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
214	049-501-10	STOWE DR	STEARNS REVOCABLE LIVING TRUST, CHRISTOPHER D & JAMIE T S	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
215	049-501-11	STOWE DR	BROCKELSBY, JAMES A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
216	049-522-03	KILLINGTON DR	LIBERTI, GERALD & CAROL	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
217	049-522-04	KILLINGTON DR	OLSON, GARRETT M & JOANN	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
218	049-522-05	KILLINGTON DR	ATHERTON, JOHN J & NISSA J	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
219	049-522-06	KILLINGTON DR	PINGUE, MARIA E D & ROMEL A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
220	049-551-01	KILLINGTON DR	DILLON FAMILY TRUST, BRIAN L & CHERYL A	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
221	049-551-02	KILLINGTON DR	OPPLIGER, GARY L	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
222	049-551-03	KILLINGTON DR	SHULMAN, ANTHONY J	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
223	049-551-04	KILLINGTON DR	WULFTANGE, WILLIAM H & KATHERINE M	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
224	049-522-04	UNSPECIFIED	BITTE FAMILY TRUST,	WAS	30	18N	20E	9-Feb-93	1645519	3669	385
225	049-611-03	UNSPECIFIED	DELLA BORDELLA, PAOLO G & KELLY L	WAS	29	18N	20E	20-Jul-94	TM 3058		
226	049-611-04	UNSPECIFIED	GALENA JUNCTION SC LP,	WAS	29	18N	20E	20-Jul-94	TM 3058		
227	049-731-06	WEDGE PKWY	GALENA JUNCTION SC LP,	WAS	29	18N	20E	7-Sep-95	TM 3178		
228	049-731-07	WEDGE PKWY	GALENA JUNCTION SC LP,	WAS	29	18N	20E	7-Sep-95	TM 3178		
229	049-731-10	WEDGE PKWY	GALENA JUNCTION SC LP,	WAS	29	18N	20E	7-Sep-95	TM 3178		
230	049-772-13	WHITE CREEK LN	BENNETT, LU ANN	WAS	29	18N	20E	13-Dec-96	PM 3143		
231	049-772-14	WHITE CREEK LN	MOLINARI FAMILY TRUST,	WAS	29	18N	20E	13-Dec-96	PM 3143		
232	049-784-05	FIELD CREEK LN	ECHAVARRIA, RICHARD E & ROSALIE D	WAS	19	18N	20E	17-Jul-96	TM 3278		
233	049-801-14	UNSPECIFIED	WHITE, CAROL A	WAS	26	18N	20E		1817387,8 & TM 3211		
234	049-860-07	TIMBERLINE CT	ALDER, CLAY D & CECELIA	WAS	34	18N	19E	7-Jul-00	TM 3859		
235	049-860-11	TIMBERLINE CT	BOTICH TRUST, MICHAEL & NANCY	WAS	34	18N	19E	7-Jul-00	TM 3859		
236	049-860-12	TIMBERLINE CT	BOWERING, LYNN	WAS	34	18N	19E	7-Jul-00	TM 3859		
237	140-030-09	UNSPECIFIED	WASHOE COUNTY,	WAS							
238	140-062-01	UNSPECIFIED	STALCUP, RENEE	WAS				15-Feb-84	907248	1976	197
239	140-062-01	GEIGER GRADE	STALCUP, RENEE	WAS	27	18N	20E	13-Jul-88	PM 2290		
240	140-062-02	GEIGER GRADE	SPINELLI, TED & NANCY	WAS	27	18N	20E	13-Jul-88	PM 2290		
241	140-062-03	GEIGER GRADE	RITTER FAMILY TRUST,	WAS	27	18N	20E	13-Jul-88	PM 2290		
242	140-062-04	GEIGER GRADE	BREHLER, STEVEN C & KERRI T	WAS	27	18N	20E	13-Jul-88	PM 2290		
243	140-062-05	HIGH CHAPARREL	THOMAS LIVING TRUST, LOWELL & SYBIL	WAS	27	18N	20E	13-Jul-88	PM 2290		
244	140-063-01	GEIGER GRADE	SULLIVAN, WILLIAM L & RAMONA L	WAS	27	18N	20E	13-Feb-91	PM 2498		
245	140-063-02	GEIGER GRADE	SERPA, JOHN C JR & DIANA	WAS	27	18N	20E	13-Feb-91	PM 2498		
246	140-063-03	GEIGER GRADE	SAUNDERS, RONALD D & E SUE	WAS	27	18N	20E	13-Feb-91	PM 2498		
247	140-830-02	GEIGER GRADE	CURTI RANCH TWO MAINT ASSN INC,	WAS	28	18N	20E	27-Dec-73	312600	786	539
248	142-011-02	UNSPECIFIED	WASHOE COUNTY,	WAS	20	18N	20E	3-Oct-02	2744324	N/A	N/A
249	142-020-01	UNSPECIFIED	DUNCAN BURGESS LLC,	WAS	19	18N	20E	22-Jan-98	2172579	5107	609

ITEM	APN	LOCATION	GRANTOR	CNTY	S	I	R	DATE	DOC #	BK	PG
250	142-020-06	UNSPECIFIED	WASHOE COUNTY,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
251	142-020-20	SILVER WOLF RD	SO TRUCKEE MEADOW GEN IMP DIST,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
252	142-020-06	UNSPECIFIED	WASHOE COUNTY,	WAS	17-20	18N	20E	19-May-89	1325714	2911	969
253	142-071-02	UNSPECIFIED	WALKER, STEVEN M	WAS	29	18N	20E	21-Aug-96	TM 3297		
254	142-071-03	UNSPECIFIED	HAGAN FAMILY TRUST,	WAS	29	18N	20E	21-Aug-96	TM 3297		
255	142-091-11	GREEN SPRINGS LN	NEBE, TY A & SHERRI A	WAS	29	18N	20E	5-Jun-97	PM 3216		
256	142-091-12	GREEN SPRINGS LN	MIXON, ROBERT H & BARBARA E	WAS	29	18N	20E	5-Jun-97	PM 3216		
257	142-091-13	GREEN SPRINGS LN	PANCAKE, CHRISTOPHER T & MARIN K	WAS	29	18N	20E	5-Jun-97	PM 3216		
258	142-123-32	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
259	142-124-02	SILVER WOLF RD	PAPPAS FAMILY TRUST, NICK A & CHRISTINE Z	WAS	19	18N	20E	9-Jul-84	935526	2037	300
260	142-124-03	SILVER WOLF RD	UMANA, EDUARDO S & LISA	WAS	19	18N	20E	9-Jul-84	935526	2037	300
261	142-124-04	SILVER WOLF RD	BANK OF AMERICA NA,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
262	142-124-05	SILVER WOLF RD	FIELD CREEK RANCH HOMEOWNR ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
263	142-125-02	SILVER WOLF RD	ASAHARA FAMILY TRUST,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
264	142-125-03	SILVER WOLF RD	MINNIX TRUST, PAT & PATTI	WAS	19	18N	20E	9-Jul-84	935526	2037	300
265	142-125-04	SILVER WOLF RD	ADAMS, DEBRA P	WAS	19	18N	20E	9-Jul-84	935526	2037	300
266	142-182-01	SILVER WOLF RD	YUP, GENE H	WAS	19	18N	20E	9-Jul-84	935526	2037	300
267	142-182-02	SILVER WOLF RD	BITTICK, MARK F III & SHAUN K	WAS	19	18N	20E	9-Jul-84	935526	2037	300
268	142-182-03	SILVER WOLF RD	HOUSTON, JEFFREY D	WAS	19	18N	20E	9-Jul-84	935526	2037	300
269	142-182-04	SILVER WOLF RD	BULLENTINI, ALEX & CATHY M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
270	142-182-05	SILVER WOLF RD	BULLENTINI, ALEX & CATHY M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
271	142-182-06	SILVER WOLF RD	BULLENTINI, ALEX & CATHY M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
272	142-182-08	SILVER WOLF RD	TAVERNETTI TRUST, GARY L	WAS	19	18N	20E	9-Jul-84	935526	2037	300

ITEM	APN	LOCATION	GRANTOR	CNTY	S	I	R	DATE	DOC #	BK	PG
273	142-182-09	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
274	142-182-11	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	9-Jul-84	935526	2037	300
275	142-192-04	SILVER WOLF RD	ROSEN, RICHARD B	WAS	19	18N	20E	9-Jul-84	935526	2037	300
276	142-192-05	SILVER WOLF RD	BRABAND, RICHARD M & KATHLEEN M	WAS	19	18N	20E	9-Jul-84	935526	2037	300
277	142-182-10	SILVER WOLF RD	KALANTAR, HABIB & PARVIN	WAS	19	18N	20E	21-Sep-00	TM 3876		
278	142-192-06	SILVER WOLF RD	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	21-Sep-00	TM 3876		
279	142-200-36	SPRINGER CT	FAIRWAYS HOMEOWNERS ASSOC,	WAS	19	18N	20E	11-May-01	TM 3952		
280	142-200-03	SILVER WOLF RD	PSARRAS, TONY & MARY L	WAS	19	18N	20E	21-Sep-00	2484326	N/A	N/A
281	142-200-33	SILVER WOLF RD	ANGARAN TRUST, JACK & KATHI	WAS	19	18N	20E	21-Sep-00	2484326	N/A	N/A
282	142-230-07	WEDGE PKWY	WEDGE PARKWAY OWNERS ASSOC,	WAS	29	18N	20E	13-May-04	PM 4192		
283	142-241-43	KESSARIS WY	GONYEAU 2009 REV LIVING TRUST, GIRARD & PATRICIA	WAS					BLM		
284	142-241-49	SPEZIA RD	FERRELL, GAIL S	WAS					BLM		
285	142-241-53	KESSARIS WY	DAY, ALAN R & MARSHA L	WAS					BLM		
286	142-241-54	KESSARIS WY	BYE, BRUCE A & JEAN L	WAS					BLM		
287	142-241-60	BIHLER RD	WONG, ALAN L & PATRICIA	WAS					BLM		
288	142-241-62	BIHLER RD	BARING, THOMAS J & THER WANA R	WAS					BLM		
289	142-241-63	BIHLER RD	FRITZ, JOHN & MELISSA	WAS					BLM		
290	142-241-64	SPEZIA RD	LUKKARI, DANIEL J	WAS					BLM		
291	142-242-13	UNSPECIFIED	WILSON, HARRY J	WAS					BLM		
292	142-242-16	TRAILS END LN	FENIO, DARYL G	WAS					BLM		
293	142-242-20	TRAILS END LN	FORDING LIVING TRUST, RICHARD A & JOANNE M	WAS					BLM		
294	142-260-18	TAOSLN	FRITZ, JOHN & MELISSA	WAS					BLM		
295	142-260-06	PANORAMA RIDGE CT	BROOKS, H WILLIAM	WAS					BLM		
296	142-260-07	PANORAMA RIDGE CT	BROOKS, H WILLIAM	WAS					BLM		
297	142-260-08	PANORAMA RIDGE CT	BROOKS, H WILLIAM	WAS					BLM		
298	142-260-09	PANORAMA RIDGE DR	BROOKS, H WILLIAM	WAS					BLM		
299	142-260-10	TAOSLN	DEVENCENZI TRUST, MARK S & DORTHY M	WAS					BLM		
300	142-260-11	TAOSLN	GALVEZ, NICOLAS & YOLANDA	WAS					BLM		
301	142-260-13	TAOSLN	STOKES TRUST,	WAS					BLM		
302	142-250-04	UNSPECIFIED	USA,	WAS					BLM		
303	142-250-05	DESATOYA DR	BATES, BRYDE A & KATHERYND	WAS					BLM		
304	142-250-06	DESATOYA DR	IHRIG, ANITA M	WAS					BLM		
305	142-250-07	DESATOYA CT	CARAMAGNO, JOHN F	WAS					BLM		
306	142-250-10	DESATOYA CT	FRITZ, JOHN & MELISSA	WAS					BLM		
307	142-250-11	DESATOYA CT	MILEGICH, JOSEPH R & SHARYL L	WAS					BLM		

ITEM	APN	LOCATION	GRANTOR	CNTY	S	I	R	DATE	DOC #	BK	PG
308	142-250-12	DESATOYA CT	FILIPOWICZ, RICHARD W & JEANNE	WAS					BLM		
309	142-260-12	TAOSLN	HANNA, MARK E	WAS					BLM		
310	142-260-14	TAOSLN	USA,	WAS					BLM		
311	142-271-08	UNSPECIFIED	POLLOCK, HILTON R	WAS	29	18N	20E	4-Aug-04	TM 4374		
312	142-291-04	UNSPECIFIED	SILVA, DAVID E & CHRISTINE A	WAS	29	18N	20E	4-Aug-04	TM 4374		
313	142-291-12	RIVER OAKS CT	DOROSTKAR, MASSOUD	WAS	29	18N	20E	4-Aug-04	TM 4374		
314	142-273-11	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	4-Aug-04	TM 4374		
315	142-271-01	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
316	142-271-02	WHITES CREEK LN	BAXTER, LARRY & LAURIE	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
317	142-271-03	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
318	142-271-04	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
319	142-272-01	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
320	142-273-07	WHITES CREEK LN	TSUNG-HSU FAMILY TRUST,	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
321	142-273-11	WHITES CREEK LN	DOROSTKAR, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
322	142-281-10	WHITES CREEK LN	DOROSTKAR TRUST, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
323	142-281-11	WHITES CREEK LN	DOROSTKAR TRUST, MASSOUD	WAS	29	18N	20E	30-Aug-99	2375795	N/A	N/A
324	142-320-01	WEDGE PKWY	OWNERS OF FALLEN LEAF @ GALENA,	WAS	29	18N	20E	8-Feb-05	TM 4443		
325	142-343-01	UNSPECIFIED	MSR INVESTMENTS INC,	WAS	30	18N	20E	13-Dec-05	TM 4580		
326	142-344-12	BOULDER PATCH, NATURE TRAIL, INSPIRATION PT	RESERVE AT MONTE ROSA HMOWNRS,	WAS	30	18N	20E	13-Dec-05	TM 4580		
327	142-350-01	UNSPECIFIED	SOUTH RENO INVESTORS LLC,	WAS	20	18N	20E	15-May-84	932388	2030	358
328	142-350-02	UNSPECIFIED	SOUTH RENO INVESTORS LLC,	WAS	20	18N	20E	15-May-84	932388	2030	358
329	142-400-01	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
330	142-400-02	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
331	142-400-03	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
332	142-413-02	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
333	142-432-01	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
334	142-432-04	ASPEN HOLLOW DR	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
335	142-330-07	UNSPECIFIED	RENO RETAIL CO LLC,	WAS	20/21/28	18N	20E	8-Mar-05	PM 4339		
336	142-390-01	UNSPECIFIED	RENO RETAIL CO LLC,	WAS	20/21/28	18N	20E	8-Mar-05	PM 4339		
337	142-390-02	UNSPECIFIED	RENO RETAIL CO LLC,	WAS	20/21/28	18N	20E	8-Mar-05	PM 4339		
338	142-400-05	UNSPECIFIED	WASHOE COUNTY PARKS,	WAS	30	18N	20E	25-Sep-85	1024217	2229	344
339	142-400-05	UNSPECIFIED	WASHOE COUNTY PARKS,	WAS	30	18N	20E	13-Aug-85	1015365	2210	98
340	142-400-02	UNSPECIFIED	MONTE ROSA LLC,	WAS	30	18N	20E	1-Apr-91	1469283	3235	24
341	142-412-08	UNSPECIFIED	MONTE ROSA LLC,	WAS	30	18N	20E	30-Nov-07	TM 4836		
342	143-120-01	UNSPECIFIED	BALLARDINI, JULIUS & JOANNE	WAS	22	18N	20E	22-Nov-94	1851082	4196	545
343	143-120-01	WESTERN SKIES DR	BALLARDINI, JULIUS & JOANNE	WAS					UNKNWN		
344	143-120-09	WESTERN SKIES DR	CARAMELLA, JACIE	WAS					UNKNWN		
345	144-010-01	UNSPECIFIED	WASHOE COUNTY SCHOOL DIST BD,	WAS	31	18N	20E	19-Apr-02	2677982	N/A	N/A
346	144-010-01	UNSPECIFIED	WASHOE COUNTY SCHOOL DIST BD,	WAS	31	18N	20E	14-Apr-00	2438728	N/A	N/A
347	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	18-Sep-01	2597346	N/A	N/A

ITEM	APN	LOCATION	GRANTOR	CNTY	S	I	R	DATE	DOC #	BK	PG
347	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	18-Sep-01	2597346	N/A	N/A
347	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	18-Sep-01	2597346	N/A	N/A
348	144-010-22	UNSPECIFIED	WASHOE COUNTY,	WAS	31/32	18N	20E	20-Sep-95	1926800	4389	521
349	144-070-11	WEDGE PKWY	CATHOLIC HEALTHCARE WEST INC,	WAS	29	18N	20E	18-Jun-98	PM 3361		
350	144-070-12	WEDGE PKWY	CATHOLIC HEALTHCARE WEST INC,	WAS	29	18N	20E	18-Jun-98	PM 3361		
351	144-070-13	WEDGE PKWY	MOUNT ROSE 8 LLC,	WAS	29	18N	20E	13-Feb-03	2805647	N/A	N/A
352	144-070-16	WEDGE PKWY	UNIVERSITY & COMMUNITY COLLEGE,	WAS				2-Oct-95	1932070	4404	318
353	144-070-16	WEDGE PKWY	UNIVERSITY & COMMUNITY COLLEGE,	WAS	29	18N	20E	29-Feb-00	2426298	N/A	N/A
354	144-070-17	WEDGE PKWY	UNIVERSITY & COMMUNITY COLLEGE,	WAS					UNKNWN		
355	144-080-02	UNSPECIFIED	CORP OF PRES BISHOP CHURCH LDS,	WAS	31	18N	20E	4-Nov-96	PM 3123		
356	144-080-02	UNSPECIFIED	CORP OF PRES BISHOP CHURCH LDS,	WAS	31	18N	20E	23-Jun-99	2353932	5730	155
357	144-191-09	MISSOULA CT	FLETCHER LIVING TRUST,	WAS	31	18N	20E	25-Jun-99	TM 3712		
358	144-192-01	CALGARY DR	PAGE TRUST,	WAS	31	18N	20E	4-Nov-96	PM 3123		
359	144-192-02	CALGARY DR	HOOKS FAMILY TRUST,	WAS	31	18N	20E	4-Nov-96	PM 3123		
360	144-202-07	UNSPECIFIED	WASHOE COUNTY,	WAS	31	18N	20E	22-Jul-99	TM 3733		
361	144-231-02	BARGARY WY	POTTER TRUST, THOMAS R	WAS	30	18N	20E	12-May-82	PM 1332		
362	144-231-03	BARGARY WY	POTTER TRUST, THOMAS R	WAS	30	18N	20E	12-May-82	PM 1332		
363	144-231-04	BARGARY WY	BROWN, TIM T & ANN V	WAS	30	18N	20E	12-May-82	PM 1332		
364	144-231-08	BUTCH CASSIDY	BUTCH CASSIDY DRIVE TRUST,	WAS	30/31	18N	20E	23-Aug-00	PM 3692		
365	144-231-08	BUTCH CASSIDY	BUTCH CASSIDY DRIVE TRUST,	WAS	30/31	18N	20R	28-Dec-98	2289813	5514	136
366	150-012-03	THOMAS CREEK RD	GALENA MARKET,	WAS	25	18N	19E	30-Mar-93	1659281	3701	457
367	150-021-01	CRESTED WHEAT WY	MARTIN LIVING TRUST,	WAS					1179915		
368	150-021-02	CRESTED WHEAT WY	RUA, ERIC & TERESA	WAS					1179915		
369	150-021-03	CRESTED WHEAT WY	SIMONDS, BERKELEY B & MARJORIE V	WAS					1179915		
370	150-021-04	UNSPECIFIED	RONKOS FAMILY TRUST,	WAS					1179915		
371	150-030-04	UNSPECIFIED	WASHOE COUNTY ,	WAS					UNKNWN		
372	150-030-05	UNSPECIFIED	WASHOE COUNTY,	WAS	25	18N	19E	18-Sep-00	2483349	N/A	N/A
373	150-050-03	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	15-Apr-96	TM 3236		
374	150-121-11	UNSPECIFIED	HOWSLEY, TIM	WAS	25	18n	19E	20-Apr-90	1394536	3066	697
375	150-121-23	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	8-Jul-88	1258577	2763	937
376	150-121-24	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	7-Jun-93	TM 2940		
377	150-121-25	UNSPECIFIED	WASHOE COUNTY,	WAS	25	18N	19E	8-Jul-88	1258577	2763	937
378	150-141-27	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	20-Apr-90	TM 2675		
379	150-250-23	CRESTED WHEAT WY	CURLE, CHARLES T	WAS				29-Mar-87	1166837	2558	833
380	150-250-02	MELARKEY WY	TURK, LAWRENCE G	WAS	26	18N	19E	25-Sep-92	PM 2640		
381	150-250-03	MELARKEY WY	O'DONNELL FAMILY TRUST,	WAS	34	18N	20E	6-Feb-80	Patent G223		
382	150-250-04	MELARKEY WY	MELARKEY, ROSEMARY S	WAS	26	18N	19E	18-Feb-87	PM 2095		
383	150-250-05	MELARKEY WY	LINDSEY FAMILY TRUST, ROBERT & GEORGENE	WAS	26	18N	19E	18-Feb-87	PM 2095		

<b>ITEM</b>	<b>APN</b>	<b>LOCATION</b>	<b>GRANTOR</b>	<b>CNTY</b>	<b>S</b>	<b>I</b>	<b>R</b>	<b>DATE</b>	<b>DOC #</b>	<b>BK</b>	<b>PG</b>
384	150-250-07	MELARKEY WY	STEPHENS, ELAINE	WAS				7-Mar-73	278143	713	659
385	150-280-01	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	9-Jun-98	TM 3545		
386	150-320-09	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	13-Jun-00	TM 3839		
387	150-330-21	UNSPECIFIED	SADDLEHORN HOMEOWNERS ASSN,	WAS	25	18N	19E	25-Sep-00	TM 3877		
389	152-020-82	UNSPECIFIED	WASHOE COUNTY,	WAS	26	18N	19E	29-Apr-88	1242872	2728	390
390	152-921-01	CROSSBOW CT	SAGE RIDGE SCHOOL,	WAS	24	18N	19E	15-Nov-96	2047805	4722	79
391	152-921-02	CROSSBOW CT	SOUTHWEST POINTE ASSOC LLC,	WAS	24	18N	19E	15-Nov-96	2047805	4722	79
392	152-020-91	CROSSBOW CT	SOUTHWEST POINTE ASSOC LLC,	WAS	24	18N	19E	15-Nov-96	2047805	4722	79
393	152-923-01	UNSPECIFIED	WASHOE COUNTY PARKS DEPARTMENT,	WAS	24	18N	19E	29-Apr-88	1242874	2728	400

Schedule 5.2 (c)

STMGID Water Resources

All right, title and interest of STMGID in and to all water, water rights, ditch and ditch rights, applications to change, permits, and certificates for water resources in which STMGID has a right, title or interest, including water rights dedicated to STMGID, which are committed to or necessary to support existing and future potable/domestic water service(s) to municipal and industrial customers within STMGID's service area or which are held in trust by STMGID for third parties or by Washoe County in trust for the benefit of STMGID.

a) Ground Water Rights Held of Record by STMGID:

	Document No.	Recordation Date	Permit No.	Cert No.	Acre Feet	Grantor	Grantee
1	2270572	11/3/1998	48569		0.00	Washoe County	South Truckee Meadows GID
2			79019		90.47		
3							
4	2270572	11/3/1998	48571	12006	95.84	Washoe County	South Truckee Meadows GID
5							
6	2270572	11/3/1998	48574		0.00	Washoe County	South Truckee Meadows GID
7	2270572	11/3/1998	51804	17674	117.02	Washoe County	South Truckee Meadows GID
8			79018		95.75		
9							
10	2270572	11/3/1998	48575		64.29	Washoe County	South Truckee Meadows GID
11	2270572	11/3/1998	51805	17675	166.95	Washoe County	South Truckee Meadows GID
12			79020		200.00		
13							
14	2270572	11/3/1998	48580		0.00	Washoe County	South Truckee Meadows GID
15	2270572	11/3/1998	51806	17676	48.40	Washoe County	South Truckee Meadows GID
16			75287		84.70		
17							
18	2270572	11/3/1998	48581	12007	185.21	Washoe County	South Truckee Meadows GID
19							
20	2270572	11/3/1998	48584	12008	64.32	Washoe County	South Truckee Meadows GID
21							
22	2270572	11/3/1998	49470		109.19	Washoe County	South Truckee Meadows GID
23							
24	2270572	11/3/1998	49472		0.00	Washoe County	South Truckee Meadows GID
25			75288		215.07		
26							
27	2270572	11/3/1998	51803	17673	33.48	Washoe County	South Truckee Meadows GID
28							
29	2270572	11/3/1998	52426	17534	1.16	Washoe County	South Truckee Meadows GID
30							
31	2270572	11/3/1998	57410		232.13	Washoe County	South Truckee Meadows GID
32							
33	2270572	11/3/1998	57411		67.45	Washoe County	South Truckee Meadows GID
34							
35	2270572	11/3/1998	57412		502.69	Washoe County	South Truckee Meadows GID
36							
37	2270572	11/3/1998	57413	18712	52.66	Washoe County	South Truckee Meadows GID
38							
39	2270572	11/3/1998	57414		167.59	Washoe County	South Truckee Meadows GID
40							
41	2270572	11/3/1998	57415	18428	22.50	Washoe County	South Truckee Meadows GID
42							
43	2270572	11/3/1998	57416	18429	298.70	Washoe County	South Truckee Meadows GID
44							
45	2270572	11/3/1998	61466	18431	35.29	Washoe County	South Truckee Meadows GID
46			63603		125.01		
					3076.87	Acre Feet	

Schedule 5.2 (c)  
STMGID Water Resources (cont.)

- b) Ground Water Rights Held of Record by Washoe County

	Document No.	Recordation Date	Permit No.	Cert No.	Deed Acre Feet	Grantor	Grantee
1	960428	1/6/1984	30261	17533	302.41	Uplands, Inc.	Washoe County
2			65194	-			
3			81992	-			
4							
5	1619318	11/4/1992	31319/31320	14084/14085	0.59	Kelley, Michael G. and Linda	Washoe County
6			49831/49832	12864/12865			
7			82686/82687	-			
8							
9	1232937	3/17/1988	12791	4111	524.90	Sam S. Jaksick, Jr.	Washoe County
10			47680	-			
11			51948	-			
12			51947/65080	-			
13							
14	1301319	1/26/1989	18173	5269	12.50	Washoe County School District	Washoe County
15			52862	13947			
16							
17	1639779	1/21/1993	57213	17756	3.36	Ralph Steinkellner	Washoe County
18	2045440	11/6/1993	57213	17756	17.92	C.B. Maddox	Washoe County
19							
20	1416226	7/27/1990	42880	-	33.60	N. Keith Kellison	Washoe County
21			42881	-			
22			48869	-			
23			48870	-			
24			57334	18711			
25			57335	19120			
26							
27	1811532	6/30/1994	58325	17655	69.44	Sterling Ranch, Mtn View Dev, Inc.	Washoe County
28			58326	17656			
29							
30	1502229	8/19/1991	48062/48063	-	8.00	C & H Development Company	Washoe County
31			54287/54288	-			
32			58929/58930	18713/18714			
33							
34	1811533	6/30/1994	16844	4542	146.72	Mountain View Development, Inc.	Washoe County
35			16845	4543			
36			59791	17657			
37			59792	17658			
38							
39	1753106	1/12/1994	29877	-	10.00	Landmark Construction Company	Washoe County
40			59870	-			
41							
42	2045441	11/6/1996	61189	17699		El Cortez Hotel, Inc.	Washoe County
43							
44							
45	1906054	7/6/1995	12966	3836	60.86	Pavich and Associates, Inc.	Washoe County
46	1929307	9/28/1995	60546	-	28.00	Pavich and Associates, Inc.	Washoe County
47	2002847	6/11/1996	61332	18430	1.12	Pavich and Associates, Inc.	Washoe County
48							
49	1962086	1/26/1996	60128	-	2.02	George Karadanis & Robert Maloff	Washoe County
50			61977	17583			
51	1962088	1/26/1996	60128	-	50.00	George Karadanis & Robert Maloff	Washoe County
52			61977	17583			
53	1979944	3/27/1996	60128	-	60.00	George Karadanis & Robert Maloff	Washoe County
54			61977	17583			

	Document No.	Recordation Date	Permit No.	Cert No.	Deed Acre Feet	Grantor	Grantee
55	2058598	12/23/1996	60128	-	378.86	The Nell J. Redfield Foundation	
56			61977	17583			
57	2111622	6/25/1997	60128	-	179.32	The Nell J. Redfield Foundation	
58			61977	17583			
59							
60	1962087	1/26/1996	53248	17697	17.92	Braddock and Logan Group	Washoe County
61			62237	18775			
62	2019151	8/7/1996	53248	17697	12.59	Braddock and Logan Group	Washoe County
63			62237	18775			
64							
65	2085167	4/1/1997	13903	3801	18.00	Nevada Ice Company	Washoe County
66			62404	-			
67							
68	2033756	9/26/1996	12791	4111	34.00	Sam S. Jaksick, Jr.	Washoe County
69			62535	18715			
70	2033757	9/26/1996	12791	4111	33.02	Gwendolyn C Dixon, Trustee of the Gwendolyn C Dixon Trust 03/17/1994	Washoe County
71			62535	18715			
72							
73	2085171	4/1/1997	19341	5271	48.69	Lewis Homes of Nevada	Washoe County
74			62859	17584			
75							
76	1325716	5/19/1989	12214	4655	6.04	Charles E. Springer	Washoe County
77			63254	18432			
78							
79	1591583	7/27/1992	57064	-	3.36	Farahi Investment Company	Washoe County
80			63255	18716			
81							
82	2128240	8/25/1997	53248	17697	35.00	Braddock and Logan Group	Washoe County
83			63406	17585			
84							
85	2155421	11/20/1997	16955	5056	3.92	Resource Application & Dev, LTD	Washoe County
86			63495	18433			
87	2191890	3/24/1998	16955	5056	1.12	Resource Application & Dev, LTD	Washoe County
88			63495	18433			
89							
90	2245613	8/24/1998	25767	7666	3.36	The Troisi Family Trust	Washoe County
91			64376	18434			
92							
93	1491289	7/1/1991	53247/53249	17696	1,526.77	Purities Utilities, Inc.	Washoe County
94			64987	-			
95							
96	2339688	5/14/1998	61615	-	22.35	South Meadows Properties LP	Washoe County
97			65110	-			
98							
99	2533745	3/16/2001	53248	17697	3.36	Assignment from Neider to Hess	Washoe County
100			65111	-			
101							
102	2537156	3/28/2001	41481		8.37	Tamarack Partners, LLC	Washoe County
103	3004133	3/10/2004	60317		17.49	Tamarack Crossing, LLC	Washoe County
104	2942003	10/20/2003	66326/66327		5.28	Tamarack Crossing, LLC	Washoe County
105							
106	-	-	67958	18435	3.00	Assignment from WC to STMGID	Washoe County
107							
108	2341981	5/20/1999	64508	-	100.00	City of Sparks	Washoe County

	Document No.	Recordation Date	Permit No.	Cert No.	Deed Acre Feet	Grantor	Grantee
109			70273	-			
110	2363566	7/22/1999	64508	-	31.71	City of Sparks	
111			70273	-			
112							
113	1519073	10/25/1991	5196	Vested right	2.24	Millard H. Duxbury	Washoe County
114			70760	-			
115							
116	2780404	12/23/2004	66945	-	121.97	Western Supply Corporation	Washoe County
117			75257	-			
118							
119	2278359	11/24/1998	24493	8058	2.02	Bell, Walter Craig and Enrkulta C.	Washoe County
120			64508	-			
121	2331032	4/21/1999	24493	8058	6.06	Jerome M. Wright	Washoe County
122			64508	-			
123	2339686	5/14/1999	24493	8058	52.42	City of Sparks	Washoe County
124			64508	-			
125	2341981	5/20/1999	24493	8058	100.00	City of Sparks	Washoe County
126			64508	-			
127	2352276	6/18/1999	24493	8058	17.14	City of Sparks	Washoe County
128			64508	-			
129	2352277	6/18/1999	24493	8058	2.02	Jerome M. Wright	Washoe County
130			64508	-			
131	2517707	1/23/2001	24493	8058	2.02	Jerome M. Wright	Washoe County
132			64508	-			
133	2780404	12/23/2002	24493	8058	10.46	Western Supply Corporation	Washoe County
134			64508	-			
135	3000437	3/1/2004	24493	8058	1.70	Jerome M. Wright	Washoe County
136			64508	-			
137	2371753	8/17/2004	24493	8058	12.00	City of Sparks	Washoe County
138			64508	-			
139							
140	1803306	5/11/1994	35147 thru 35152	-	29.75	George Poore	Washoe County
141			62269	-			
142							
143	1600192	7/29/1992	35147 thru 35152	-	47.25	Merle Winburn	Washoe County
144			58806	-			
145			60710	-			
146							
147	953955	10/4/1984	42760	-	12.32	Merle Winburn	Washoe County
148	1334188	6/29/1989	46958	-	12.32	Merle Winburn	Washoe County
149							
150	1365259	11/29/1989	47127 thru 47132	-	460.00	Galena Resort Company	Washoe County
151			61267 thru 61270	-			
152	2633283	12/27/2001	61267 thru 61270	-	350.00	The Nell J. Redfield Trust	Washoe County
153			70261/70262	-			

Schedule 5.2 (c)  
STMGID Water Resources (cont.)

c) Surface Water Rights Held of Record by Washoe County

	Document No.	Recordation Date	Deed Acre Feet	Permit No.	Claim No.	Grantor	Grantee
1	1194232	9/23/1987	3.18	69571	105	First Financial Service Corp.	Washoe County
2							
3	1194234	9/23/1984	23.75	62134	128	First Financial Service Corp.	Washoe County
4							
5	1194233	9/23/1987	1.00	77576	687-688	Michael R. Booher & Beverly Booher	Washoe County
6							
7	1194231	9/23/1987	10.15	77419	676-679	First Financial Service Corp.	Washoe County
8							
9	1325715	5/19/1989	154.56	68245	85/85a	Karen Ferroni & Filiberto C. Ferroni	Washoe County
10							
11	1325716	5/19/1989	72.44	82629	85/85a	Charles E. Springer	Washoe County
12							
13	1545566	2/12/1992	67.20	80365	724	John Shaw Field Foundation	Washoe County
14							
15	1545568	2/12/1992	44.80	80365	724	Karen Ferroni & Filiberto C. Ferroni	Washoe County
16							
17	1639776	1/21/1993	36.96	25335	652	Western Supply Corp.	Washoe County
18							
19	1823580	8/11/1994	46.93		89	Merit Homes, Inc.	Washoe County
20							
21	1915402	8/10/1995	34.35		89	Merit Homes, Inc.	Washoe County
22							
23	1929309	9/28/1995	0.54		89	Merit Homes, Inc.	Washoe County
24							
25	2242502	8/14/1998	270.92	78468	715/715a	Damonte Family LLC	Washoe County
26							
27	2242501	8/14/1998	150.00	78468	715/715a	Nevada TRI Partners	Washoe County
28							
29	3112755	10/14/2004	3.98	71188	88/88a	C.B. "Ben" Maddox	Washoe County
30							
31	2737854	9/20/2002	25.31	71188	88/88a	C.B. "Ben" Maddox	Washoe County
32							
33	3212563	5/5/2005	27.09	71188	88/88a	C.B. "Ben" Maddox	Washoe County
34							
35	2970309	12/18/2003	7.02	71720	199/221/ 222 & 232	Truckee Meadows Research of Nevada, LLC	Washoe County
36							
37	2958909	11/25/2003	<u>4.00</u>	70680	143-145	H. William Brooks	Washoe County
38							
39			984.18				

Schedule 5.3

Excluded Assets

1. That certain real property described as Assessor's Parcel Number 140-721-20.
2. To the extent the STMGID Board elects to and completes the abandonment of Well #9 prior to the Closing Date, that certain real property located on Damonte Ranch Parkway known as the Well #9 well site, described as Assessor's Parcel Number 160-794-03, together with the well equipment utilized for Well #9.
3. To the extent the STMGID Board takes action prior to the Closing Date to recharacterize designated funds in the Arsenic Remediation Surcharge fund as STMGID Unrestricted Funds (Undesignated Funds), and on the condition that such re-characterization does not significantly increase TMWA's Assumed Liabilities, impede the successful legal or financial Merger, or impact the future financial integrity or adversely impact the operating revenue margins or debt coverage ratio of TMWA post-Merger, Excluded Assets shall include the amounts of such re-characterized Arsenic Remediation Surcharge Fund up to the full amount of the Arsenic Remediation Surcharge Fund, approximately \$760,000.
4. To the extent the STMGID Board takes action prior to the Closing Date to recharacterize designated funds in the Connection Fee fund as STMGID Unrestricted Funds (Undesignated Funds) and on the condition that such re-characterization does not significantly increase TMWA's Assumed Liabilities, impede the successful legal or financial Merger, or impact the future financial integrity or adversely impact the operating revenue margins or debt coverage ratio of TMWA post-Merger, Excluded Assets shall include the amounts of such re-characterized Connection Fee fund up to, but not to exceed, \$1,050,000.
5. Proceeds from the liquidation of any of the foregoing assets designated by STMGID prior to the Closing Date to be held in the Rate Offset Fund.

Schedule 5.4

Assumed Contracts

1. Revocable License Agreement between STMGID and UbiquiTel Leasing Company, executed June 22, 2010.
2. Lease of Water Rights between STMGID and Montreux Golf Club Ltd., dated July 14, 2009, subject to Washoe County transfer to TMWA of title to water rights which are the subject of the lease.
3. License & Indemnification Agreement for water pipeline construction between STMGID and Steamboat Canal & Irrigation Company dated February 22, 2011.
4. Land Lease Agreement dated June 12, 2012 between STMGID and Sierra Pacific Power Company, dba NV Energy.

Schedule 8.1.4

Litigation

None.

**Public Comment from Terrie Camenisch:**

Wednesday, March 18, 2015

Terrie;

Thanks for taking the time to submit your comments regarding the proposed flat-rate conversion. This came in after today's Board meeting, which was at 10 a.m. At the Board meeting, the TMWA Board of Directors voted to implement the conversion of flat rate accounts to the metered rate as of October 1, 2015 instead of the previously-considered date of June 1, 2015.

Your comments will be submitted for the Board of Directors to review at their next meeting, which will be April 15. It will be in their agenda packet.

Two public meetings are still to be scheduled to address the flat-rate conversion and will be posted here: [http://tmwa.com/customer\\_services/flat-rate-conversion-process-2015](http://tmwa.com/customer_services/flat-rate-conversion-process-2015)

Again, thanks for your comment.

**Marlene Olsen**

GoodStanding Outreach

Principal Strategist

Direct- 775-434-0308

**From:** Terrie Camenisch [<mailto:> [REDACTED]]

**Sent:** Wednesday, March 18, 2015 2:20 PM

**To:** [tmwaboard@tmwa.com](mailto:tmwaboard@tmwa.com)

**Subject:** rate changes affecting Virginia Foothills area

Ladies and Gentlemen:

I have lived in my home in the Virginia Foothills area since 1978. We had terrible water at the time we built, and joined with neighbors to form STIMGID. That significant event was the impetus for all of the new development in southeast and parts of southwest Reno. At that time we were assured that our rates would not change, but that as new development joined STIMGID, it would cover our flat rate throughout our lifetime. Of course that was not the actuality, but at least we have a flat rate that has been reasonable. When meters were installed at our homes several years ago we were informed that our water usage would remain on a flat rate billing schedule until (1) we sold our home or (2) we exceeded the allowable maximum monthly usage of 75,000 gallons. Our water system was recently acquired by TMWA.

I believe that water conservation in our area is extremely important. I have taken many steps to minimize my usage. Mine is a single person retired household. In the winter months my average monthly water usage is approximately 1,000 - 3,000 gallons consisting only of laundry, bathing, toilet use and cooking. In the summer months it may be as much as 40,000 to 52,000 gallons per month for lawn, vegetable and flower garden watering.

It seems inevitable that the original promises regarding metered billing will be broken. Yes, we need to save water but, let's be honest about what it will cost the average homeowner. As a single person household it is very difficult to believe that the average home in the Reno area is currently using 124,000 gallons water annually or approximately 10,000 gallons per month as stated by utility officials, unless one considers the size of yards that are minimal, apartment and condo dwellers. We are the County, and moved here to have elbow room and not live in our neighbors pocket. It is unconscionable to compare apples to oranges and base our rates on those of the city--especially since it is our water system that made further development in southeast and lower southwest Reno possible.

My future rates could cost me as much as a two-three bedroom apartment in many parts of the city. Please consider that those customers whom you have taken over in your acquisition are established properties with larger lots than the typical Reno customer. In addition to the customers, you acquired our water system. We are not the customers depleting Lake Tahoe and its reservoirs down the line. Please keep us at our current rates until such time as you have had to evaluate the realities of the acquisition. We should not be paying in order to subsidize the cities rates. Thank you, respectfully,  
Terrie Camenisch [REDACTED]

**Public Comment from Sharon VanSpeybrock:**

**From:** Sharon [mailto: [REDACTED] ]  
**Sent:** Thursday, March 26, 2015 8:52 AM  
**To:** Mazerres, Kim  
**Subject:** Re: Tell the Board Submission

Thanks for the information, I will discuss this with my husband and get back to you sometime next week. Btw, it was great to see that you offer budget billing, that was definitely a relief, because a higher monthly bill was definitely an issue with being on metered rate. Once again, thank you!

On Wednesday, March 25, 2015 9:12 AM, "Mazerres, Kim" <[kmazerres@tmwa.com](mailto:kmazerres@tmwa.com)> wrote:

Sharon –

After we received your message, we also ran a comparison billing spreadsheet for you. It is attached. Based on your water usage over the past year, you would have saved \$185 if you would have been billing on the metered rate. I realize you may not want to switch to the metered rate, but I wanted you to be aware of this fact. We also offer budget billing to our metered residential customers. In your case, your budget would be approximately \$80 a month based on your most recent 12 months of usage. The budget amount is adjusted annually, based on how much water you used in the previous year.

If you are interested in discussing either of these options further, please let me know. Otherwise, we will simply include your e-mail in the April Board meeting packet, as Marlene promised.

Sincerely,

**Kim Mazerres**

**Director, Customer Relations**  
**Truckee Meadows Water Authority**  
1355 Capital Blvd. | Reno, NV 89502  
O: (775) 834-8032, M: (775) 848-6691  
[kmazerres@tmwa.com](mailto:kmazerres@tmwa.com) | [www.tmwa.com](http://www.tmwa.com)

**From:** Marlene Olsen <[marlene@goodstandingoutreach.com](mailto:marlene@goodstandingoutreach.com)>  
**Date:** March 18, 2015 at 8:54:23 PM PDT  
**To:** Tell the Board < [REDACTED] >  
**Cc:** "[sfolsom@tmwa.com](mailto:sfolsom@tmwa.com)" <[sfolsom@tmwa.com](mailto:sfolsom@tmwa.com)>  
**Subject:** RE: Tell the Board Submission

Sharon:

Thanks for taking the time to submit your comments regarding the proposed flat-rate conversion. We did not receive this in time for today's Board meeting, which was at 10 a.m. At the Board meeting, the TMWA Board of Directors voted to implement the conversion of flat rate accounts to the metered rate as of October 1, 2015 instead of the previously-considered date of June 1, 2015.

Your comments will be submitted for the Board of Directors to review at their next meeting, which will be April 15. It will be in their agenda packet.

Two public meetings are still to be scheduled to address the flat-rate conversion and will be posted here: [http://tmwa.com/customer\\_services/flat-rate-conversion-process-2015](http://tmwa.com/customer_services/flat-rate-conversion-process-2015)

Again, thanks for your comment.

Marlene Olsen  
GoodStanding Outreach  
Principal Strategist  
Direct- 775-434-0308

-----Original Message-----

From: Tell the Board [REDACTED]  
Sent: Wednesday, March 18, 2015 9:36 AM  
To: Marlene Olsen; R Charpentier; K Mazeris  
Subject: Tell the Board Submission

Name: Sharon VanSpeybrock  
Email: [REDACTED]

Comments: We live in Lemmon Valley, and we are another of the flat rate customers that are being faced with the possibly of being forced to go to meter rates. We were told by Washoe County, that were "grandfathered" in and would not have to go to meter rates unless one of the two conditions occurred: 1)the property changed hands, or 2)we exceeded 65,000 gallons of water usage in one month, which was a stipulation that they added later. Neither of those situations occurred!

They talk about paying for what you use, but what about those of us on flat rate that paid for MORE than we used for approximately 8 months out of the year?Our landscaping, vegetable gardens, etc. were planned and developed based on our water costs, but now with being forced to meters, we will not be able to afford to maintain these any longer. This is just wrong, and we don't see where it is necessary. If it's about water supplies, then quit building...we have seen, or will soon see several new apartment complexes, Amazon warehouse, and Tesla come into our area. If there isn't enough water to provide for the population as it is now, why willingly increase the population?

We ask that you abide by the promise made to us by Washoe County, and leave us on flat rate water service.

**Public Comment from Lance Allen:**

From: Charpentier, Robert  
Sent: Thursday, March 19, 2015 1:34 PM  
To: [REDACTED]  
Subject: RE: Tell the Board Submission

Mr. Allen,

Thanks for taking the time to submit your comments regarding the proposed flat-rate conversion. At yesterday's Board meeting, the TMWA Board of Directors voted to implement the conversion of flat rate accounts to the metered rate as of October 1, 2015 instead of the previously-considered date of June 1, 2015. Your comments will be submitted for the Board of Directors to review at their next meeting, which will be April 15. It will be in their agenda packet.

Two public meetings are still to be scheduled to address the flat-rate conversion and will be posted here: [http://tmwa.com/customer\\_services/flat-rate-conversion-process-2015](http://tmwa.com/customer_services/flat-rate-conversion-process-2015)

Again, thanks for your comment.

Robert Charpentier  
Communications Specialist  
Truckee Meadows Water Authority  
1355 Capital Blvd. | Reno, NV 89502  
O: (775) 834-8092, M: (775) 741-3380  
[rcharpentier@tmwa.com](mailto:rcharpentier@tmwa.com) | [www.tmwa.com](http://www.tmwa.com)

-----Original Message-----

From: Tell the Board [[mailto:\[REDACTED\]](mailto:[REDACTED])]  
Sent: Thursday, March 19, 2015 9:32 AM  
To: Olsen, Marlene; Charpentier, Robert; Mazeris, Kim  
Subject: Tell the Board Submission

Name: Lance Allen  
Email: [REDACTED]

Comments: As a flat rate residential customer that pays more than it would cost to be metered I request that if the Board requires mandatory metered rates it does not put them into effect until at least October 1st so as to not penalize us for paying the higher rate through the winter. If this is not possible I request that a mechanism be put in place to rebate the over payment made from October 2014 until the implementation date. Our purpose for not switching was the consistency of the bill not to overuse water at a subsidized rate. Please share this with all directors. Thank you, Lance Allen

**Public Comment from Kane Dutt:**

-----Original Message-----

From: Charpentier, Robert  
Sent: Wednesday, March 18, 2015 2:39 PM  
To: [REDACTED]  
Subject: RE: Tell the Board Submission

Hello Kane,

Thank you for this email. You will be happy to know that at this morning's Board meeting, the TMWA Board of Directors voted to implement the conversion of flat rate accounts to the metered rate as of October 1, 2015 instead of the previously-considered date of June 1, 2015. Please let me know if you have any additional questions or concerns.

Thank you,

Robert Charpentier  
Communications Specialist  
Truckee Meadows Water Authority  
1355 Capital Blvd. | Reno, NV 89502  
O: (775) 834-8092, M: (775) 741-3380  
[rcharpentier@tmwa.com](mailto:rcharpentier@tmwa.com) | [www.tmwa.com](http://www.tmwa.com)

-----Original Message-----

From: Tell the Board [[mailto:\[REDACTED\]](mailto:[REDACTED])]  
Sent: Wednesday, March 18, 2015 11:17 AM  
To: Olsen, Marlene; Charpentier, Robert; Mazerres, Kim  
Subject: Tell the Board Submission

Name: Kane Dutt

Email: [REDACTED]

Comments: In regard to the conversion of flat rate customers to meters, I request the target date for conversion be the end of summer rather than the beginning. If the conversion takes place in June, as proposed, it seems unfair to flat rate customers such as myself who pay higher rates all year so they can water in the summer months without an astronomical bill. I appreciate your consideration of this in the decision making process. I understand and respect the need to conserve water in our desert region, especially in drought years, and I also value the trees, shrubs, and other plants which require water but make this valley so beautiful.

**Public Comment from Peg Murphy:**

Ms. Murphy,

Thanks for taking the time to submit your comments regarding the proposed flat-rate conversion. Your comments will be submitted for the TMWA Board of Directors to review at their next meeting, which will be April 15. It will be in their agenda packet.

Thank you,

Robert Charpentier  
Communications Specialist  
Truckee Meadows Water Authority  
1355 Capital Blvd. | Reno, NV 89502  
O: (775) 834-8092, M: (775) 741-3380  
[rcharpentier@tmwa.com](mailto:rcharpentier@tmwa.com) | [www.tmwa.com](http://www.tmwa.com)

-----Original Message-----

From: Tell the Board [<mailto:> ]  
Sent: Thursday, March 19, 2015 1:37 PM  
To: Olsen, Marlene; Charpentier, Robert; Mazerres, Kim  
Subject: Tell the Board Submission

Name: Peg Murphy

Email: [REDACTED]

Comments: I am outraged at your decision to delay water meters for flat rate users.DO NO ASK US TO CONSERVE WATER!FLAT RATE USERS USE 2 times the water.As for hardship on elderly fixed income cust,they are not the BIG users, they could save money and have an equal payment plan. The Big users deserve to pay more. They have gotten off easy for years!You can not justify asking us to conserve when you don't do what is right.

This issue has been put off for years until it is now urgent to act! Voters will remember your lack of leadership!

**Public Comment from Dave Ebner:**

Mr. Ebner:

Thanks for taking the time to submit your comments regarding the proposed flat-rate conversion. Your comments will be submitted for the TMWA Board of Directors to review at their next meeting, which will be April 15. It will be in their agenda packet.

**Marlene Olsen**  
GoodStanding Outreach  
Principal Strategist  
Direct- 775-434-0308

**From:** Dave & Kathy Ebner [<mailto:> ]  
**Sent:** Thursday, March 19, 2015 10:21 AM  
**To:** [tmwaboard@tmwa.com](mailto:tmwaboard@tmwa.com)  
**Subject:** Flat Rate Conversion--rather lack of

Trustees:

Very hard to understand why you AGAIN decided to avoid converting the flat rate customers—who do not pay their fair share and WASTE water.

You ask us to save water but are willing to allow them to continue wasting water????.

If the paper is accurate , the decision was made because affected customers are elderly and living on fixed income . Well, many of us are elderly, but you don't ask us to physically change the meter, just pick up the phone and ask for the change. And , if they just slow down watering their green lawns &/or pools, they will SAVE money.

At the very least, since you approve of the delay, and are willing to require us to help pay for the water they use, periodically publish the names of the privileged, and the amount they use over the averages.

**Public Comment from Ed Schenk:**

From: **Marlene Olsen** <[marlene@goodstandingoutreach.com](mailto:marlene@goodstandingoutreach.com)>  
Date: Mon, Mar 30, 2015 at 8:17 AM  
Subject: Water conservation question( HOT WATER Recirculation)  
To: [REDACTED]

Hello Ed:

Thanks for taking the time to submit your comments to the Board of Directors.

Your comments will be submitted for the Board of Directors to review at their next meeting, which will be April 15. It will be in their agenda packet.

Again, thanks for your comment.

From: Edwin Schenk [REDACTED] >>  
Date: March 29, 2015 at 8:22:22 PM PDT  
To: "[tmwaboard@tmwa.com](mailto:tmwaboard@tmwa.com)<mailto:tmwaboard@tmwa.com>"  
<[tmwaboard@tmwa.com](mailto:tmwaboard@tmwa.com)<mailto:tmwaboard@tmwa.com>>  
Subject: Fwd: Water conservation question( HOT WATER Recirculation)

Sent this email to conservation department but thought Board might be interested. Thanks  
Ed Schenk

Begin forwarded message:

From: Edwin Schenk <[REDACTED]> >>  
Date: March 29, 2015 at 8:16:27 PM PDT  
To: "[conservation@tmwa.com](mailto:conservation@tmwa.com)<mailto:conservation@tmwa.com>"  
<[conservation@tmwa.com](mailto:conservation@tmwa.com)<mailto:conservation@tmwa.com>>  
Subject: Water conservation question

I believe one of the biggest wasters of water in the home is waiting till the shower water gets hot enough to take a shower. I have not measured the amount that goes down the drain but believe it is possibly up to 10 gallons. If you spread this around the service area it adds up to millions of gallons wasted yearly.

My question is that I am looking a putting in a recirculation pump and was wondering if TMWA has done any research on different systems that are on the market today? I do not want to run piping from the far shower back to the heater so looking at the other type of systems.

If you have any suggestions I would greatly appreciate your advice.

I do recall that several years ago that either TMWA or Sierra Pacific Power had a toilet replacement program that I thought was very successful. They had licensed and bonded company make the toilet exchange program. A pump hot water circulation program could be very successful and there might be federal dollars for such a program and would be very beneficial to our community.

Thanks very much for your advice.  
Ed Schenk

**Public Comment from Phil and Patty Bender:**

To Phil and Patti:

We are grateful that you are responsible with your water use. The call for a 10% reduction is voluntary.

This year, we have met with the HOA's, we are sending a letter to all of them, asking for a serious look at their use and to reduce their waste.

Although we can't mandate the kind of sprinklers to use, know that TMWA is serious about preventing waste. If you see water being wasted,

please let us know by calling the conservation department at 834-8005, or using this [form](#). Those customers who waste water will be contacted,

and, if the waste continues, they can be penalized on their water bill. TMWA will also have staff patrolling seven days a week during the watering season, as they have for many years, looking for water waste.

Marlene Olsen

**GoodStanding Outreach**

775-829-2810

775-772-0020-cell

**From:** Phil and Patty Bender [<mailto:> 

**Sent:** Friday, April 03, 2015 1:58 PM

**To:** [tmwaboard@tmwa.com](mailto:tmwaboard@tmwa.com)

**Subject:** Water use

Just rec'd the newsletter.

We removed our lawn, replaced it with a xeriscape, and installed a drip irrigation system in 2002, 13 years ago.

We don't know how to reduce our water use any further except by not flushing toilets (unacceptable), and/or turning down or turning off the drip irrigation system and letting the trees and plants die (also unacceptable). We already turn off bathroom faucets when brushing teeth.

How about TMWA getting after businesses and homeowners and HOAs who continue to use sprinklers? Caughlin Ranch HOA uses sprinklers which spray water all over the place, including into the gutters. Spray sprinklers waste water – about 30% or more is lost to evaporation while in the air, and who knows what's wasted in overflow?

Phil and Patty Bender

**Public Comment from Jane Whipple:**

Thanks for your concern and comments. Actually, research has shown that three-times-a-week watering has resulted in less water use systemwide. Our customers were overwatering on two days, as there was a bigger gap between watering days. We studied this for many years before converting to three-day watering. The three-day schedule results in less overwatering and waste. In addition, it is more efficient and less stressful on landscape than twice-a-week watering.

Marlene Olsen  
GoodStanding

> On Apr 3, 2015, at 5:11 PM, Tell the Board <[REDACTED]> wrote:  
>  
> Name: jane whipple  
> Email: [REDACTED]  
>  
> Comments: why don`t you return to  
> 2x/wk watering instead of  
> 3x/wk.  
> are you really concerned about water conservation & not YOUR PROFIT MARGINS ???

**Public Comment from Brenda Gilbert:**

Brenda:

Thanks for your comment and idea. We agree that water-efficient landscaping is very important to this region. We continue to research funding sources for a rebate program that does not raise customers rates. Unlike California, where the state is funding these programs, TMWA has no funding available at this time.

Marlene Olsen  
GoodStanding Outreach  
Principal Strategist  
Direct- 775-434-0308

-----Original Message-----

From: Tell the Board [<mailto:> ]  
Sent: Saturday, April 04, 2015 8:24 AM  
To: Marlene Olsen; R Charpentier; K Mazeris  
Subject: Tell the Board Submission

Name: Brenda Gilbert

Email:

Comments: Please consider adopting and implementing a program to provide rebates to homeowners who install drought tolerant landscaping to reduce their consumption of water.

**Public Comment from Nicholas Rhea:**

Nicholas:

Thanks for taking the time to comment on the drought and our community. We agree that becoming more water-efficient with all landscaping is very important to this region. We are researching funding sources for a grass/plant removal rebate program that does not raise customers rates. Unlike California, where the state is funding these programs, TMWA has no funding available at this time, but it is a high priority. Water waste penalties to fund these programs is one option that we will discuss.

At present, our water resource team has recommended a voluntary 10% reduction. Please see the report, presented last month to the Board of Directors for the projections and planning that backs up that measure:

[http://tmwa.com/docs/meetingcenter/BOD/2015/2015.0318\\_BOD\\_14\\_WaterSupply.Drought.Conservation.Plan.FullReport.pdf](http://tmwa.com/docs/meetingcenter/BOD/2015/2015.0318_BOD_14_WaterSupply.Drought.Conservation.Plan.FullReport.pdf)

Your comments will also be relayed to the TMWA Board of Directors for their consideration as policy makers, and included in their agenda packet for their April meeting.

Thank you:

Marlene Olsen  
GoodStanding Outreach  
775-829-2810  
775-772-0020-cell

-----Original Message-----

From: Tell the Board [mailto: ]  
Sent: Tuesday, April 07, 2015 1:50 PM  
To: Marlene Olsen; R Charpentier; K Mazeris  
Subject: Tell the Board Submission

Name: Nicholas Rhea  
Email:

Comments: As a citizen of Reno I want to express my opinion regarding the current water situation. TMWA is not going far enough. Voluntary reductions (as we saw last year) do not reduce the water use as much as it should. What we need to a change of culture. Having grass is a privilege not a right, we live in the dessert and do not get to waste precious water on keeping our lawns green.

Vigorous programs to reduce the amount of grass in the community MUST be implemented along side of stiff penalties to truly reduce water use in our region. Unfortunately many people don't realize or don't care about the seriousness of the situation and the only way to get their attention is through their pocket books. These penalties could then be used to fund projects to reduce grass and other plant that are heavily dependent on water.

I believe the area should set a goal to reduce water use by at least 15% on a permanent basis (not only during a drought). It will not be easy but it is possible but we must change the culture of water use in Nevada. It is imperative to continue the economic success of Northern Nevada.