

RULE NO. 23

ANNEXATION

The District will consider changes to its boundaries and inclusions of property into its boundaries pursuant to NRS 318.256 ET, seq. as follows:

I. APPLICATION FOR ANNEXATION

- A. The fee owner or owners of real property capable of being served with water, sewer or other services of the District, which property need not be contiguous to the existing boundaries of the District, shall first file with the District a Petition for Annexation and an Annexation Application, in writing, requesting that such property be included within the District's boundaries for receipt of all or a part of the District's services.
- B. The Petition shall:
 - 1. Set forth an accurate legal description of the property owned by the Petitioners and intended to be annexed.
 - 2. State that consent to the inclusion of such property in the District is given by the signers thereto, which signers shall constitute all of the owners of such property as well as any persons having an interest in such property reflected in an Option to Purchase or Deed of Trust thereon.
 - 3. The signatures shall be acknowledged in the same manner as required for a conveyance of land.
 - 4. Separately there from, there shall be submitted with the Petition a service plan showing the necessity of service to the particular property and the ability of the District to serve it with the necessary utilities. The service plan shall include a financial survey and a preliminary engineering survey by a licensed civil engineer in the State of Nevada showing how the proposed services are to be provided and financed, including source of water and sewer capacity, a map of the proposed new boundaries, an estimate of the population and assessed valuation of the proposed new property, describing the facilities to be constructed, the standards of construction, that such construction shall be by a contractor licensed for such within the State of Nevada, the services to be provided, an estimate of costs, annual operation and maintenance expenses for facilities to be constructed, and any other major

expenses related to the annexation to the District.

- C. An Annex application fee will be levied by the District, in accordance with the Utility Fee Schedule, referenced as Exhibit A in Rule No. 22 and shall be submitted to the District with the application.

II. MATTERS TO BE DETERMINED PRIOR TO FINAL ANNEXATION

- A. Upon receipt of an application, the Board of Trustees shall hold a hearing thereon and review it at a regularly scheduled Trustee's Meeting within forty-five (45) days of receipt of the application. The agenda posted for such meetings shall note the filing of such Petition, the general description of the area, and the location of the property under consideration and the names and addresses of Petitioners. The Petitioner shall be notified of the hearing and the date and time and place thereof. Of primary importance at the meeting will be a consideration of whether or not development on the property sought to be annexed meets the District goal that such development should pay for all of its impacts upon the services offered by the District. Objections to the application, if any, from the public, will be heard and considered at the hearing and the applicant or authorized agent thereof shall be available for questioning as to the service plan submitted and the application. No final board action need be taken at the initial Board of Trustee's Meeting thereon, though, if Notice of the Annexation Hearing has been published as required by law prior to the meeting such final action may be taken, in the District's discretion.
- B. There shall be no withdrawal of a Petition after consideration by the Board of Trustees at the hearing.
- C. Thereafter, the District staff shall investigate the propriety of the Petition and the ability of the District to obtain additional water to service the subject property and ability of the District to serve the property with sewer services, and ability of the District to provide refuse disposal services to the property. The Petitioner shall, within forty-five (45) days of the initial meeting of the Board of Trustees, commit to pay the costs and fees incurred by the District professional staff (including, but not limited to accountants, attorneys, engineers, publications, and surveyors), in providing services in consideration of such application, and shall pay such District professional staff directly on billing therefore.
- D. Prior to any final hearing upon such application, the applicant and District's staff shall have proposed agreements made for water rights supplied to the District to serve the subject property, for refuse disposal services to the subject property, and for sufficient sewer capacity to the District for the property.

- E. All property within the area to be annexed is subject to the Washoe County Master Plan, the Sun Valley Area Plan, County Zoning or, if applicable, the Master Plan and Zoning of an Incorporated city.

III. ANNEXATION AND HEARING THEREON

- A. Upon the satisfaction of the District that the requirements set out in paragraph I and II above have been met, the District shall hold, at a regularly scheduled Board of Trustee's Meeting, the final hearing upon the annexation, notice of which shall be published pursuant to NRS 318.258(4). The Board shall grant or deny the Petition in whole or in part and the action of the Board is final and conclusive, absent fraud or collusion. If the Petition is granted as to all or any portion of the subject property, the Board, shall, by appropriate documentation, note the extension of the boundaries of the District and file such for record as provided in NRS 318.075.

IV. OTHER CHARGES

- A. Inclusion of the property within the District shall not impair nor affect the organization of the District nor shall it affect, impair or discharge any contract, obligation, lien or charge upon which the District or the subject property therein might be liable or chargeable had such change of boundaries not been made.
- B. Property included within the District shall be subject to the payment of taxes, assessments and charges as provided in NRS 318.258.
- C. After the date of its inclusion in the District, the subject property is subject to all of the taxes and charges imposed by the District, collection of a fee from water customers located within the Reno/Sparks incorporated area to equalize the ad valorem tax burden on unincorporated customers. and is liable for its proportionate share of existing general obligation bonded indebtedness of the District, but it is not liable for any excess or charges levied or assessed prior to its inclusion in the District. Such charges shall be computed in such a manner as to not place a new charge against the District members, nor penalize the area annexed.