

DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA

Special and Quarterly Meeting
May 29, 1998

4:00 p. m.

Robert Seach, Member at Large, Commissioner, Chairman
David Aiazzi, City of Reno, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Tony Armstrong, Commissioner 01y of Sparks
Judith Moss, Commissioner, Washoe County School District
Richard Pugh, Member at Large, Commissioner
Jim Shaw, Commissioner, Washoe County Commission

Judi Bailey, Washoe County, Clerk
Jim Barnes, Deputy District Attorney, Legal Counsel

The Debt Management Commission (DMC) met in session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Seach presiding. The Clerk called the roll, and the meeting commenced for the purpose of conducting the following business.

AGENDA

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER PUGH, which motion duly carried, CHAIRMAN SEACH ordered that the agenda for May 29, 1997, be approved.

MINUTES

On motion by COMMISSIONER AIAZZI, seconded by COMMISSIONER AINSWORTH, which motion duly carried, CHAIRMAN SEACH ordered that the minutes of the meeting of October 24, 1997, be approved.

98-1DMC WASHOE COUNTY SCHOOL DISTRICT PROPOSAL ISSUANCE
OF GENERAL OBLIGATION SCHOOL IMPROVEMENT BONDS -
\$178,200,000

Scott Nash, Howarth & Associates, Financial Consultants, in response to an inquiry by CHAIRMAN SEACH, stated that two weeks prior to this meeting, representatives of

Washoe County, the City of Sparks, and the City of Reno, were invited to attend along with School District representatives a session wherein they would be apprised of the intent of this bond proposal and were asked to provide any comments or input which they felt was of importance. It was noted that those who attended were Steve Mulvanen and Steve Williams from the School District, Jerry McKnight from Washoe County, Lisa Sadow and Stewart Shillinger from City of Reno, with no representation from the City of Sparks, as the Finance Director advised that she could not attend but she expressed satisfaction with information she had pertaining to the issue.

Marilyn Fendelander, President, Washoe County School Board, expressed the excitement in the School Board with this proposal, advising that they had public input on all aspects of this. She advised that all Board members would be making presentations with the exception of Dorothy Dermody who was unable to attend and stated that the Superintendent of Schools was also present to respond to questions.

Dan Coppa, School Board member and Clerk of the School Board, gave a briefing on the accomplishments of the School District to include three particular areas: fiscal operations, academic, and other. He then gave an overhead presentation showing that multitrack schedules have been mandated at the elementary and middle schools as they are experiencing overcrowding; that elementary schools in 1998 and 1999 will be undergoing a multi-track system and this essentially means that the capacity will be increased by about 30%; that in that year, there will be approximately 12 schools in year-round at capacity; that there was a reduction in the tax rate from 23.435 to 22.485, which amounts to approximately a penny and a half; that the District has prepared a Long-Range Facility Plan which includes the projection of enrollment out to the year 2015 and has been made a part of the Truckee Meadows Regional Plan; that usually the census of the population is forecast from data from the Regional Transportation Commission as that is what other governmental entities have used and which the District has adopted; that this Plan is subject to periodic update which will be done; that since 1997, the District has hired Mariot's School Nutrition to manage the nutrition services, which the District believes will be of financial benefit; that a professional facility assessment has also been employed for all schools over 15 years of age and a firm from Virginia has been hired to conduct a major inspection of those schools including structural components, heating, ventilation, and air conditioning, along with all the electrical components, and it is envisioned that the District will staff this component in the future for more recent or newer schools; and that there will also be implemented a measurement audit such as provided in the Facility Plan wherein over 250 recommendations were made. He then cited some of the things that have thus far been accomplished.

He then referred to the academic area where there are two new magnet programs, one in the Truckee Meadows High School, and a Wooster High School's International Baccalaureate, which is a college preparatory program instituted here in the District, and these schools, although they are entities in themselves, provide some relief to the overcrowd-

ing. He added that this was part of the recommending committee's alternate to the defeat of the last bond issue to relieve overcrowding.

He noted that the long-range strategic plan, which is an emphasis on both achievement and accountability was developed as a result of a lot of public input which included the Gerlach community in order to help provide some focus and interaction in those areas. He advised there will also be an increased emphasis on math achievement from K - 12 which has been perceived as being perhaps our weakest area, and examinations on all levels are being designed for implementation. There is also to be implemented reading recovery and mandatory summer school in order to improve student literacy.

He continued advising that, in the "other" area, the financial advisory committee has met with District leaders to develop a cognizant method for all programs to be assisted by the operations analyst and through the budget process; and that there will be instituted a public process in selecting the superintendent of schools where presently the search is underway, top names to go to the Committee headed by Fred Boyd, and the Board will interview likely prospects in an open forum.

Ann Loring, Vice President of the School Board, stressed the strong growth the County is experiencing noting that there is insufficient existing school capacity to meet the-current needs, much less, the projected needs. She said that additionally, the School District is lacking in funds to upgrade and renovate existing older schools to the extent necessary, and that the passage of voter approved bonds is the only available source for major capital construction projects. She then showed slides to show problems in numerical terms in high schools, with all but Galena and Wooster High Schools well over 100% capacity as the next school year is started, and those two being at 90% capacity when they open next fall. She then iterated some of the meetings of the Overcrowding Task Force from June of 1996 until June 1997 comprising 75 members, half from the School District and the others from the community; that stemming from that were three subcommittees one of which was to address how to handle overcrowding at the elementary schools, middle schools, and high schools; and their recommendations formed the basis of the Long Range Facility Plan, which uses the same growth projections and the same time periods as the other governmental entities. She noted that during the development process and also ongoing, there has been a continuing dialog with the Regional Planning Governing Board, who have adopted the District's long-range facility plan as part of the Regional Plan. She further noted that the Board of Trustees has had two meetings with that Governing Board and plan to continue that in the future. She advised that they have also participated in the Regional Infrastructure Planning Group through Mr. Steve Williams, who is the District's representative in that group, along with other governmental entities, in defining infrastructure needs throughout the community.

She advised that one of the recommendations of the Task Force on overcrowding, was to go for development and construction of new high schools, but that before that is done, a design that would be affordable and suitable for the 21 st century must be rendered, and

therefore, in order to accomplish that, for the first time, a High School Design Review Committee was formed to include a broad representation of the Community, particularly representatives of the Construction Industry and Planners from local governments.

She advised that this process has received an enormous amount of public input, more than any other bond issue proposed by the School District in the past; that there have been over 40 meetings with citizens advisory boards, commissions, and councils of the various government entities, neighborhood meetings, and also five town hall meetings specifically with the Board of Trustees as a whole and also a televised question/answer program on SNCAT. She stated that this was done to involve the community prior to finalizing plans for the Bond Issue. She then stated what they have done to address the increased enrollments particularly at Reno, Reed, and Hug High Schools to expand facilities with available funding to make full use of space at the existing schools.

She advised that they also formed the AB353 Committee comprised of government officials and members of the community charged with identifying other sources of revenue that might be available in the future for construction of new schools, and they have reviewed the bond proposal and have submitted a letter of support included in the binders.

She briefly mentioned the movement toward multi-track and advised **that a public** opinion poll of various aspects and issues related to school construction needs was conducted. She then cited some of the responses, and advised that some were incorporated into the bond which will be described for the Commission today. She described the way they are making use of portable classrooms this year in relocating them to high schools this coming year from the elementary schools since they are going to multi track. She advised that April 21, 1998, the Board of Trustees approved the proposal developed for the bond issue which is being brought before the DMC today. She then delineated the items that were included in the process of development.

Bob Bentley, School Board Trustee, reviewed some of the things that were being undertaken to address the overcrowding issue, particularly the portable school rooms, some remodeling for full use of classrooms, and additional multitasking in elementary and middle schools coming on line in the fall. He then explained the multitask system and how it works noting that basically, the schools will be used year round by three-fourths of the kids. However, this will create additional needs for child care, etc., but based on availability, this was the chosen option. He pointed out that if the bond issue is not passed in November, the high schools will have to operate under two different schedules, i.e., 6 to noon, the other would begin in the early afternoon and go to early evening which would create many other needs to address problems, i.e., conducting extra curricular activities as well as other community uses of the buildings. He then described other options and ramifications therefrom.

He then addressed the rationale for a two-part bond. He advised that it was thought that the most critical need for the District is high school capacity which can be attested to by

the students themselves, so high schools became the primary focus of the bond; further the community was asked what was needed, rather than being directed toward what the District felt was needed; and that both parts of the bond issue provide for reconstruction and upgrading of existing schools which was supported by 92% of the people;

CHAIRMAN SEACH observed that it seems the proposal is this is being phrased in such a manner that it would assure that Part B is a "throwaway."

Mr. Bentley responded that Part A is the critical part which is what kids need to have, but there were other things that were felt by the people to be important which is incorporated into Part B, and he would not classify that as being a "throwaway."

He said that the two-part question would work as if Part A passes, then it would be accepted, but Part B could not be implemented unless Part A passed, so the scenario is that people could vote for one, both, or neither; and that if both pass and the people allow for a slight increase in taxes to have the additional items, they would both go forth.

Jonnie Pullman, School Board Trustee, explained that in Part A, the facilities will be built without an increase in taxes which are the three high schools and are designed to hold 2,000 students; that each will be built with a smaller opening capacity than that in order to accommodate flexibility, which was expressed as a need in the public meetings, so that additions can be made as needed rather than opening at a capacity way above what is needed at the time. She then addressed the fact that there is overcrowding everywhere throughout the District and rezoning will take place to allow for a setting where students can really learn. She added that these will be two-story buildings and will be community friendly. She advised that the design will also accommodate residential use, and academic areas will be separated from the athletic and the community areas, i.e., the theaters, public libraries to be accessible on weekends and hours so as not to compromise the security of the students or the building. She advised that the design work is being worked on now and is very aggressive so it will be done ahead of the need.

Concerning the existing schools, there is an inventory and analysis of all schools over 15 years old being done by a professional firm selected through a public RFP process, with the results of that to form the basis of where the money will be allocated in priority fashion focusing on the health and safety needs of the schools and the students. She noted that these consultants are training staff to complete the process for the newer schools. She indicated that this fits into the long-range facility plan which includes catching up on some of the deferred maintenance, and that money has been set aside each year to address that over a period of time so steps are being taken presently to meet that need. She added that bond administration expenses have been reduced from previous years and are now less than 2% of the bond to cover various and sundry costs which have been reduced to only those that are crucial to accountability and how money is spent; and that 1 % of the total cost of the project has been allocated, in accordance with recent legislation, to be set aside to pay for the extraordinary maintenance of these buildings.

She advised that Part B is a modest tax increase, and in response to Chairman Seach's comment that this is a throw-away, she said that in talking with various community groups about Part B, they were asked as to how far they want the District to plan, and they responded that it is essential to plan very far ahead; that there are two thresholds in the bond, the first being the most needed and critical, the second being a step in the long range plan, backed up by the data and meetings with the public to include more than the three high schools and allowing a longer planning threshold, which is a valid way to give the community choice in allowing them to indicate their preference. She advised that under Part B there are three elementary schools in Truckee Meadows which are called for in the long-range facility plan between now and the year 2005, noting that in no way would these schools cause a retraction from multi-track year-round calendars, as these will be needed in addition to that. She then cited some schools where above-capacity is imminent at the beginning of the school year. She noted that there is planned a satellite school in Incline Village which people in Incline Village feel is a long-range solution to their needs. She described the design of the school as being expandable. She stated that also included is the site acquisition for the Spanish Springs elementary school, but that all the other sites are owned and perhaps they can get this site donated as mentioned before; and that the amount includes funds to purchase and remodel an existing building for a variety of alternative programs to include the opportunity school (now housed in portables) which would include technical training and various kinds of opportunities to help students succeed in school and also help the students that are doing well in school succeed by reducing the amount of disruption in the classroom.

She stated that a modest tax increase in her estimation is that if A and B pass, the increase would be 4¢ per \$100 of assessed valuation, i.e., a family living in a brand spanking new house marketed at \$150,000, this would be \$21 per year which is equal to purchasing two small pizzas; and if a family lives in an older home, depreciation would be applied, and therefore their tax bite should be less. She noted that if both A and B pass, they would not have to have another school bond until 2004, but if only Part A passes, they would have to come back in the year 2000, unless the State Legislature provides some alternate funding sources, although the passage of Part A will satisfy high school capacity needs through about 2010; that depending on alternative funding sources provided by the Legislature, it would be possible to add on to increase the capacity, but would not have to build a whole new high school; that there may be a need for incremental funding to add on to high schools already built, and there will be an effort to continue to pursue alternate funding with the help of the legislators. She advised that the high schools in the Spanish Springs and North Valleys are proposed to open in the fall of 2001, and the high school in the Southeast in 2002, noting that a high school takes three years to build as it is a very complicated structure containing many mechanical and structural systems. She added that the elementary schools take less time to build and they can be timed so the bonds do not need to be issued all at once, realizing a savings to the taxpayers when that is done. She then showed the sites of the elementary schools. A film presentation of the current overcrowding situation existing in the schools currently was also made.

School Board President Marilyn Fendelander commented on the film stating that there are a lot of numbers on film, papers, and books, but that the real issue is our community and our "kids," and that the fact that there is a real face to all of this and a bunch of adults making decisions on what's going to happen in our community will have an impact on our kids.

Scott Nash, Howarth & Associates, reviewed the financial information which was prepared by them to illustrate the specific criteria related to the District statutory debt limit, one of which is 15% of their assessed valuation which is approximately \$1.1Billion; that if you subtract from that their outstanding debt of \$220.7Million and the proposed \$178.2Million, that leaves an additional statutory debt limit available of about \$700.8Million; and that this is the School District's debt limit and the cities and counties and other governments have their own specific debt limit. He then stated the second criteria relating to the effect of the tax rate required to repay the debt, and noted the table which illustrates what the payment would look like for the issuance of approximately \$178.2Million; that the School District's current tax rate is \$3.485 and the rate for the next fiscal year is expected to stay constant with that, and with the issuance of these bonds, the tax rate would increase by 4 cents in fiscal year 2000 which is the earliest possible year that this could hit the tax rate and it is structured to be a one time 4 cent increase. He pointed out that when the School Board came before the DMC for the 1996 bond, the proposal was to raise the tax rate approximately 11.7 cents and now we are talking about a 4-cent increase, and as was noted earlier, the District reduced their Debt Service rate the current fiscal year by 1.5 cents. Referring to a similar table, he advised that two years ago, the total, instead of being 38.85 cents as it is proposed, the total would have been about 48 cents, and therefore it is about 9 cents lower than it was before.

He then reviewed historical tax rates to include information for the two cities, Reno and Sparks, as they have the highest overlapping tax rates, which shows how tax rates are allocated. He cited the overlapping combined rate for Sparks in 1998, as a little over \$3.20 per \$100 of assessed value, noting that the statutory maximum rate is \$3.64, advising that, if you subtract the highest rate from that, it would leave an available unused tax rate for the current fiscal year of little over 43 cents. He then cited the overlapping tax rate for Reno at \$3.35 per \$100 of assessed valuation, advising that, if you subtract that from the \$3.64 limit, a little over 28 cents would be available for the current fiscal year. He then cited NRS 350.0051(1C) which delineates other criteria as follows:

The anticipated need for other incurrences of debt or levies of special elective taxes by the municipality proposing to incur the debt or levy the special elective tax and other municipalities whose tax-levying powers overlap, as shown by the county or regional master plan, if any, and by other available information.

He stated that information was gathered from other overlapping governments in terms of possible plans they may have for taxes and that as far as they know there is no other pro-

posal that is in conflict with that of the School District. He then cited some of the future projections. He noted that in finalizing budgets for 1998/1999, the information is that Washoe County is not raising taxes, the City of Reno is increasing taxes by a little over 5 cents, and the School District Bond proposal does not raise taxes until the year 2000.

He stated that the criteria that relates to the public need to be served by the proceeds of the bond has been thoroughly discussed by the members of the Board of Trustees and offered his willingness to answer any questions.

The Commission discussed the letters which were received by the members of the DMC from concerned constituents and Ms. Pullman responded to some of the questions which were asked, one of which concerned interest earned by the District which she said was used for very much needed projects; that bond interest money has already been assigned to address problems in Gerlach-Empire with their school; that the 1992 bonds have been spent according to the way they were intended and the audit by Kafoury Armstrong confirmed that. Steve Williams, School District, stated that Part B is noncontradictory but rather implements the long-range facility plan and no schools will be taken off of multi track and that the new schools would be designed to go to multi-track as necessary. COMMISSIONER MOSS stated that when the Trustees voted on this policy the intent was not to wait until all the schools are multi-track before building new schools as Spanish Springs multi-track will be at capacity almost immediately and waiting for all schools to be on that system before building a school out there would not be possible. She then addressed other questions in regard to multi-track. Mr. Williams then addressed concerns with demography and whether there would be a decrease in the population growth indicating that the forecast is that there will be a slowdown noting that all the other governmental agencies are using the same forecasts.

COMMISSIONER SHAW asked if feelings were alleviated concerning the two-part bond question being self-defeating. Ms. Fendelander advised that there was a lot of discussion on this and it was felt that with a lot of public information on what this is all about, the Trustees would just trust the voters to understand that this is not so. She noted that there is a strong contingency that feels that Part B is very important but it does increase the tax rate slightly; that Part A is critical but does not increase the tax rate. She advised that as many meetings as have already been held at 40 places are planned for if the Board approves this proposal. COMMISSIONER PUGH advised that he has been told that Reno has higher construction costs than a lot of other places. Dale Sanderson, Plant Facilities Administrator for the School District, advised that all costs associated with construction--a turnkey cost--is \$154.74 per square foot; the 1500 student high school equates to \$155.29 per square foot when it is built, and in comparison with the cost of the two most recent high schools in Clark County which opened this year, our figures are at least three years in advance, possibly four, of that, and their actual construction cost is \$152.00 per square foot in what they are constructing right now but in no way does it exceed by 10% other counties in the state. CHAIRMAN SEACH stated his feelings that doing this A and B is solidifying a no vote, and that Part B will alienate a section of the voting populace and are solidifying a defeat. COMMISSIONER AIAZZI

noted that there is no report from the High School Design Committee, and asked if the \$38Million was as a result of that or are they still working on the design. He was told that they are working on the design and the price is based upon the square-footage but the budget has been established and all designs will be geared to meeting that budget amount. In response to the cost difference in adding more space later than now, he was told that it will be slightly higher even though the additions will be smaller in scope but he unit costs will still be more, but offsetting that is that we will not be spending money now for space that is not needed.

Mr. Williams stated that because of extremely rapid growth in certain places of the County since the last bond issue, it is necessary to request a third high school as a response to the comment that last time they asked for only two.

Mr. Seach then called for public comment. Frank Partlow, Government Analyst, stated that this needs to be passed. Others addressing the Board included James Nakada who spoke in general about the high taxes in Incline Village; Shelby Cook stated that Part B does not jeopardize Part A but enhances it; Ted Harris said that he does not believe all these schools will be needed in the future; Harry York, Chamber of Commerce, said he was involved in this and feels the passing of this is critical; Penny Brock noted that test scores have been lower and lower; and Herb Rubenstein stressed the need for getting out there and making people aware of what this means.

There being no one else wishing to speak, CHAIRMAN SEACH called for a motion.

COMMISSIONER ARMSTRONG made a motion, which was seconded by COMMISSIONER SHAW, that the Proposal to issue general obligation bonds be approved. CHAIRMAN SEACH called for a roll call vote, and a unanimous vote in favor of the proposal was presented was and the following Resolution was then adopted:

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION BY WASHOE COUNTY SCHOOL DISTRICT, NEVADA, OF A PROPOSAL TO ISSUE GENERAL OBLIGATIONS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Subsections 350.001 through 350.006, Nevada Revised Statutes ("NRS"), the Board of Trustees (the "Board") of the Washoe County School District, Nevada (the "District"), notified the secretary of the Debt Management Commission of Washoe County (the "Secretary" and the "Commission," respectively) of the District's proposal to issue general obligations and submitted a statement of the District's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board (subject to the approval of the proposal to issue general obligations by the Commission) proposes to submit to the qualified electors of the District for their approval or disapproval, the following proposal:

GENERAL OBLIGATION SCHOOL BOND PROPOSAL:

Shall the Board of Trustees of the Washoe County School District, Nevada, be authorized to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation school bonds, in one series or more, in the aggregate principal amount of not exceeding \$178,200,000, for the purpose of acquiring, constructing and improving school facilities within the District by constructing or purchasing buildings for schools, enlarging, remodeling or repairing existing buildings or grounds, acquiring sites for building schools or additional real property for necessary purposes related to schools, and purchasing necessary furniture and equipment for schools, such bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, payable from general (ad valorem) taxes (except to the extent pledged revenues and other moneys are available therefor), and to be issued and sold at above or below par, at an effective interest rate (including any sale discount) not exceeding the statutory maximum rate, if any, as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to, provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, pursuant to NRS § 350.005, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting, and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known as the "1998 Washoe County School District DMC Approval Resolution."

Section 2. The provisions of NRS 350.0035 to 350.0051 have been met, and therefore the Proposal for the issuance of general obligation school bonds proposed by the District hereby is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution, or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause, or provision, shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

98-2DMC RESOLUTION OF COMMENDATION

Following its introduction by Commissioner Pugh, the following Resolution was read into the record:

WHEREAS, Judi Bailey has been the Washoe County Clerk for the past nineteen years, and

WHEREAS, Judi Bailey has performed all duties of her office with *efficiency*, skill, and professionalism, and

WHEREAS, One of the many duties of her office is to serve as Clerk to the Washoe County Debt Management Commission where she has been of valuable assistance to Commission members all these years, and

WHEREAS, Judi Bailey will be retiring from public office and service in early 1999, and

WHEREAS, Judi Bailey's last official service to the Washoe County Debt Management Commission will be at its meeting on May 29, 1998.

THEREFORE, BE IT RESOLVED, that members of the Washoe County Debt Management Commission thank Judi Bailey for her many years of excellent service and her valued assistance in all activities of the Commission, and

BE IT FURTHER RESOLVED, that members of the Washoe County Debt Management Commission wish Judi Bailey happiness and health in her retirement.

COMMUNICATION

Received from the Nevada Tax Commission, the Annual Local Government Indebtedness Report as of June 30, 1997.

98-3DMC MEMBER COMMENTS/PUBLIC COMMENTS

There were no member comments and no response to CHAIRMAN BEACH'S S call for public comment in regard to anything not on the agenda.

5:20 P.M.

The meeting adjourned.

**ROBERT SEACH, Chairman
Debt Management Commission**

ATTEST: JUDI BAILEY, County Clerk

DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA

Friday, July 24, 1998

4: 00 p.m.

Present:

Robert Seach, Member at Large, Commissioner. Chairman
David Aiazzi, City of Reno, Commissioner, Vice Chairman
James Ainsworth, General Improvement District, Commissioner
Tony Armstrong, Commissioner, City of Sparks
Judith Moss, Commissioner, Washoe County School District
Richard Pugh, Member at Large, Commissioner

Betty J. Lewis, Washoe County, Clerk
Jim Barnes, Deputy District Attorney, Legal Counsel

Absent:

Jim Shaw, Commissioner, Washoe County Commission

The Board met in session in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with CHAIRMAN SEACH presiding. The Clerk called the roll, and the meeting commenced for the purpose of conducting the business as posted on the Agenda.

MINUTES

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER AINSWORTH, which motion duly carried, it was ordered that the minutes of the meeting of April 29, 1998, be approved.

98-4DMC INDEBTEDNESS REPORTS

CHAIRMAN SEACH stated that he has noted that all entities have submitted their Indebtedness Reports. He then requested each entity to comment on the report from the entity they represent on the Commission, and they all advised that the reports are in order.

Following discussion, on motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER AINSWORTH, which motion duly carried, it was ordered by CHAIRMAN SEACH that the annual reports of current or contemplated general obliga-

tion debt submitted to the Commission by the following political subdivisions be accepted as submitted:

Airport Authority
Convention & Visitors Authority of Reno-Sparks
Regional Transportation Commission
Reno Redevelopment Agency
Reno, City of
School District of Washoe County
Sparks Redevelopment Agency
Sparks, City of
Washoe County
Gerlach General Improvement District
Grand View Terrace General Improvement District
Incline Village General Improvement District
South Truckee Meadows General Improvement District
Sun Valley Water and Sanitation District
Verdi Television District
North Lake Tahoe Fire Protection District
Truckee Meadows Fire Protection District

98-5DMC DEBT MANAGEMENT PLANS
CAPITAL IMPROVEMENT PROJECTS LISTS

On motion by COMMISSIONER ARMSTRONG, seconded by COMMISSIONER PUGH, which motion duly carried, CHAIRMAN SEACH ordered that receipt of Debt Management Plans and Capital Improvement Projects Lists submitted by the Washoe County School District, the City of Sparks, the City of Reno, the Reno-Sparks Convention & Visitors Authority, the Incline Village General Improvement District, the Sun Valley Water and Sanitation District, and Washoe County be acknowledged.

98-6DMC QUARTERLY MEETING DATES - 1998/99

On motion by COMMISSIONER ARMSTRONG, seconded by CHAIRMAN SEACH, which motion duly carried, it was ordered that 4:00 p.m. on the following dates, all being Fridays, be scheduled for quarterly meetings for 1998/99:

October 23, 1998
January 22, 1999
April 23, 1999
July 23, 1999

It was further ordered that, in the event there is no business to come before the COMMISSION at a scheduled quarterly meeting, a Notice be posted advising that the meeting is canceled for that reason.

PUBLIC COMMENTS

There was no response to CHAIRMAN SEACH'S call for public comment.

4:15 P.M.

The meeting adjourned.

**ROBERT SEACH, Chairman
Debt Management Commission**

ATTEST: BETTY J. LEWIS, County Clerk

DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA

Special and Quarterly Meeting
Friday, November 13, 1998
4:00 p.m.

Present:

Robert Seach, Member at Large, Commissioner, Chairman
David Aiazzi, City of Reno, Commissioner, Vice Chairman
James Ainsworth, General Improvement County, Commissioner
Tony Armstrong, Commissioner, City of Sparks
Judith Moss, Commissioner, Washoe County School County
Richard Pugh, Member at Large, Commissioner

Betty J. Lewis, County Clerk
Jim Barnes, Deputy County Attorney, Legal Counsel
Absent:
Jim Shaw, Commissioner, Washoe County Commission

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AGENDA

On motion by COMMISSIONER AIAZZI, seconded by COMMISSIONER PUGH, which motion duly carried, CHAIRMAN SEACH ordered that the agenda for November 13, 1997, be approved.

MINUTES

On motion by COMMISSIONER AINSWORTH, seconded by COMMISSIONER AIAZZI,, which motion duly carried, CHAIRMAN SEACH ordered that the minutes of the meeting of July 24, 1998, be approved.

98-7DMC

WASHOE COUNTY PROPOSAL
ISSUANCE OF GENERAL OBLIGATION WATER
REMEDICATION BONDS - NOT EXCEEDING \$7,000,000

Scott Nash, Howarth & Associates, Financial Consultants, gave a brief overview of the financial picture and the financial information relevant to this matter. He reviewed the current debt of Washoe County advising that there is quite a bit more capacity for such as the debt limit has not been met. He added that the bonds will be paid by pledged revenues and referred to a table showing the schedule of payback on the bonds.

Leonard Crowe, Washoe County Natural Resource Planner, explained the purpose of the remediation County citing the perchloroethylene (PCE) contamination of the water which

is contained in chemicals used in certain industries, e.g., dry-cleaning, and further explained the criteria used for ascertaining the amount the homeowners will be assessed.

He advised that those property owners paying are those who receive water from Sierra

Pacific Power Company and the fees are proportionate to the value of each of the properties. He advised that treatment will be on five wells, which he identified and

advised that over the last four years some of those had to be taken out of service because

of the PCE content. He advised that prevention of migration of this contaminant further

to the east is what has occurred and that funding of the final scope of work is also

involved in this fee which will be collected on the property tax bills. He advised that by

May of each year, it will be determined what the fee will be.

He advised that SPPCo's role in this is that they provide the method to block this PCE

contamination as this was generated through all of the older water companies through

their pumps in the early 1990's when some of the wells had to be shut down, and that

Sierra Pacific helped in the determining that some of the PCE could be blocked from

going farther east. In continuing his explanation, he stated that the total cost is for

\$6,381,000 to operate the treatment process and to fund the purchase of capital equipment

which will be replaced as needed because of its rapid deterioration in the process. He

noted that in the event that cleanup occurs faster than anticipated in the community, the

costs would then be reduced.

Following this presentation and report, on motion by COMMISSIONER AINSWORTH,

seconded by COMMISSIONER AIAZZI, which motion duly carried, CHAIRMAN

SEACH ordered that the following be adopted and that he be authorized to execute on

behalf of the Debt Management Commission:

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION BY WASHOE COUNTY OF A PROPOSAL TO ISSUE GENERAL OBLIGATION WATER REMEDIATION BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Subsections 350.001 through 350.006, Nevada Revised

Statutes ("NRS"), Washoe County, Nevada (the "County"), notified the secretary of the

Debt Management Commission of Washoe County (the "Secretary" and the

"Commission," respectively) of the County's proposal to issue general obligations and submitted a statement of the County's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board of County Commissioners of the County (the "Board") proposed (subject to the approval of the proposal to issue general obligations by the Commission) to issue the bonds described in the following proposal:

GENERAL OBLIGATION WATER REMEDIATION BOND
PROPOSAL:

Shall the Board County Commissioners of Washoe County in the State of Nevada, be authorized to incur a general obligation indebtedness on behalf of the County by the issuance at one time, or from time to time, of the County's general obligation water remediation bonds, in one series or more, in the aggregate principal amount of not exceeding \$7,000,000, for the purpose of paying a portion of the cost of developing and carrying out a plan for the remediation of water, the bonds to mature serially commencing not later than five (5) years from the date or respective dates of the bonds and ending not later than thirty (30) years therefrom, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time the bonds are sold, to be payable from general (ad valorem) taxes (except to the extent pledged revenues are available therefor), and to be issued and sold at par, or above or below par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to, provisions for the redemption of bonds prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, pursuant to NRS • 350.005, the Secretary, with the approval of the Chairman of the Commission, thereupon, within ten days from the receipt of the Proposal, gave notice of a meeting to be held not more than twenty days thereafter, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada, which has complied with subsection 1 of NRS 350.0035 within the past year; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal; and

WHEREAS, the Commission has considered all matters in the premises.

NOW, THEREFORE, BE IT RESOLVED BY THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA:

Section 1. This resolution shall be known as the "1998 Water Bond DMC Approval Resolution."

Section 2. The provisions of NRS •• 350.0035 to 350.0051 have been met, and the Proposal for the issuance of general obligation water remediation bonds additionally secured with pledged revenues in the aggregate principal amount of \$7,000,000 proposed by the County hereby is approved.

Section 3. The Commission and the officers thereof hereby are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this resolution.

Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution, or part thereof heretofore repealed.

Section 5. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the section, paragraph, clause, or provision, shall not affect any of the remaining provisions of this resolution.

Section 6. This resolution shall become effective and be in force immediately upon its adoption.

98-8DMC
MEMBER COMMENTS/PUBLIC COMMENTS

There were no member comments and no response to CHAIRMAN SEACH'S call for public comment in regard to anything not on the agenda.

4:20 P.M.
The meeting was adjourned.

ROBERT SEACH, Chairman
Debt Management Commission

ATTEST: BETTY J. LEWIS, County Clerk

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