

**WASHOE COUNTY DEBT MANAGEMENT COMMISSION
ANNUAL MEETING**

FRIDAY

11:00 A.M.

AUGUST 16, 2019

PRESENT:

Naomi Duerr, Reno City Council, Chair
John Sherman, At-Large Member, Vice-Chair
Paul Anderson, Sparks City Council, Member
Andrew Caudill, Washoe County School District, Member
Jeanne Herman, Washoe County Commission, Member
Peter Morris, GID Representative, Member
Michelle Salazar, At-Large Member

Nancy Parent, County Clerk
David Watts-Vial, Deputy District Attorney

The Washoe County Debt Management Commission met in regular session at 11:00 a.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chair Duerr presiding. Following the Pledge of Allegiance to the flag of our Country, the County Clerk called the roll and the Board conducted the following business:

19-040D **AGENDA ITEM 4** Public Comment.

On the call for public comment, Ms. Tammy Holt-Still stated that recent concern over the possibility of a recession could present an issue with the proposed bond that would be heard later in the meeting. She felt it was important to know how the bond would be repaid and to ensure it would not become the responsibility of the citizens.

19-041D **AGENDA ITEM 5** Approval of the Agenda for August 16, 2019.

There was no public comment on this item.

On motion by Vice Chair Sherman, seconded by Member Herman, which motion duly carried on a 7-0 vote, it was ordered that Agenda Item 5 be approved.

19-042D **AGENDA ITEM 6** Approval of the minutes for the DMC meeting of May 17, 2019.

There was no response to the call for public comment.

On motion by Vice Chair Sherman, seconded by Member Morris, which motion duly carried on a 7-0 vote, it was ordered that Agenda Item 6 be approved.

19-043D **AGENDA ITEM 7** Discussion and possible action on a Resolution concerning the submission to the Washoe County Debt Management Commission of a proposal by the City of Reno, Nevada to issue City of Reno, Nevada, general obligation sewer bonds (additionally secured by pledged revenues) in the maximum principal amount of \$55,000,000.

Municipal Advisor to the City of Reno Andy Artusa of Zions Public Finance reviewed page 1 of the proposed bond documentation, pointing out the City of Reno's statutory debt limit was based on 15 percent of its assessed valuation. He explained the City never anticipated hitting that limit but they were required to prove they were not close to crossing it. Referencing page 8, he stated the \$55 million bond issuance would be purchased by the state revolving fund (SRF), which offered low-interest loans for these types of environmentally-beneficial projects. The rate on this bond would be 62.5 percent of the bond buyer index, which translated to about a 2 percent rate over the entire term of the bond issuance. He indicated the City modeled their proposal on a 3 percent rate to provide cushion for rate movement during the time of authorization. While projections planned for a debt service of \$3.75 million per year, the actual debt service would be around \$3.3 million if the bond were issued right away.

Mr. Artusa reviewed page 9 and said the City had significant coverage based on the net pledged revenues of the sewer fund. He cited page 10 and pointed out the City assumed there would be no growth in revenues to determine the affordability of this proposal; even with that, the debt service was expected to decline over time. He speculated the coverage ratio would increase over time if the City did not issue additional bonds as their old bonds retired. He said the Debt Management Commission (DMC) could typically approve any proposal with more than one times coverage.

Vice Chair Sherman asked what the bond would be used for. Reno Finance Director Deborah Lauchner replied it was for the expansion of the Reno Stead Water Reclamation Facility (RSWRF). Vice Chair Sherman indicated the City owned a share of the Truckee Meadows Water Reclamation Facility (TMWRF) and asked whether any other facilities appeared in the City's sewer utility fund. Ms. Lauchner explained the City of Sparks owned 31.68 percent of TMWRF and operated the plant while the City of Reno handled the capital for the facility. Vice Chair Sherman rephrased his question about other facilities appearing in the City's sewer utility fund other than RSWRF and TMWRF. Ms. Lauchner replied no others did.

Vice Chair Sherman asked whether the City had performed a rate and cost analysis of operating the Stead plant and compared the results with the proposed debt service. Ms. Lauchner answered they did not perform a separate analysis on RSWRF but the City was currently performing a rate study to examine the possibility of varying connection fees based on location. She felt they could not conduct a study only on RSWRF because it worked in conjunction with another plant.

Chair Duerr mentioned the City of Reno had a connection pipe between the RSWRF and TMWRF with a maximum capacity of .5 millions of gallons per day (mgd). She said the Reno City Council had directed its staff to utilize that pipe to discharge effluent to TMWRF rather than into Swan Lake.

Chair Duerr asked whether the entire \$55 million would be spent on doubling the size of the plant's capacity from two mgd to four mgd. Ms. Launcher replied that was her understanding. Vice Chair Sherman stated the DMC was not directed by the Nevada Revised Statute (NRS) to discuss the merits of the project. Rather the DMC needed to make a finding that it did not believe a property tax would need to be levied to pay off the debt. He remarked he appreciated that the City used conservative estimates about growth and revenue and he said they had good coverage ratios. Ms. Lauchner agreed the sewer fund was healthy.

Vice Chair Sherman expressed concern that developer fees were highly sensitive to the economy, but his calculations indicated the City still had good coverage ratios even if it did not receive that revenue. He inquired about whether the general fund would need to become involved if the sewer fund did not have enough money to pay off the debt. Ms. Lauchner confirmed that would be the case in that hypothetical situation, but she stressed the City had between \$20 and \$22 million on hand for pay-as-you-go (paygo) projects and it could scale those projects back to meet its debt service requirements.

Vice Chair Sherman remarked that unlikely event would trigger the use of the City of Reno's property tax revenue and, if that was insufficient, the City would be obligated to levy an additional tax rate. Kendra Follett with Sherman and Howard, bond counsel to the City of Reno, agreed that was correct. However, the rate covenant in the bond would provide that the City could charge whatever was necessary to pay for the bonds, including increasing rates if necessary. In the event of a catastrophe where there were no ratepayers, the City would utilize its general fund. In such an event, she imagined there would likely be no taxpayers either. Only if there were no ratepayers and no money in the general fund would the City be able to levy a property tax. Vice Chair Sherman summarized this scenario would be highly unlikely and would have much bigger ramifications than paying off a bond. Ms. Follett concurred.

Vice Chair Sherman posited the first level of defense for the bond would be increasing rates. Ms. Follett clarified that would only happen after the City expended its capital funds. Vice Chair Sherman stated the DMC had to make a finding that the City of Reno was unlikely to need to impose a property tax to help pay for this debt. Ms. Follett agreed and pointed out the statutory finding was simply having one times coverage; three or five times coverage was not required. She noted the City had 5.62 times coverage. Vice Chair Sherman calculated that, after removing the coverage fees, the City still maintained four times coverage, which he thought was pretty high. Additionally the SRF's funding source would come with its own guarantees.

Chair Duerr asked for an explanation of how coverage worked. Mr. Artusa explained the net pledge of the bond included collected revenues but things like depreciation and other non-operating expenses were not included. Revenues minus net operating expenditures equaled the amount available for debt service. The coverage ratio was determined by calculating the ratio of that number to the debt service payment. He pointed out the coverage ratio would be over three times even when the debt service increased by around \$3.8 million.

Member Morris asked whether the City of Reno anticipated needing to return to the DMC in the future for bond approval for additional facilities as it continued to expand. Ms. Lauchner responded that was a possibility, citing a possible \$90 million reservoir project and a

\$55 million Bedell Flat injection project. She said these could require the City to return for additional bonding, although she added the State of Nevada pledged SRF funding for those future projects. When asked by Member Morris about a possible timeline, Ms. Lauchner replied there was none and a feasibility study was only just approved.

Chair Duerr indicated that, if the DMC approved this item, the sale of the \$55 million in bonds would still need to be approved by the Reno City Council. Staff told the Council it would be 2.5 years before the plant was built. The Council had directed staff to ensure none of the effluent from the plant would be discharged into Swan Lake so they needed to find alternate disposal methods. A feasibility study about the proposed reservoir would give them better cost estimates and determine whether the site was feasible. Additionally the OneWater Nevada program was researching the feasibility of injecting A+ water into the aquifers at Bedell Flat and American Flat. She summarized the City needed to explore different effluent receiving options before work on the plant could be finalized. She estimated the total cost could be \$150 million.

Chair Duerr agreed the City of Reno owned part of the responsibility for the TMWRF plant where improvements were also needed. Ms. Lauchner mentioned those improvements were already anticipated as part of the City's capital improvement plan.

Member Anderson asked whether the proposed bond involved moving effluent from RSWRF to TMWRF. Ms. Lauchner responded the flow shave which sent .5 mgd to TMWRF was already in place; the bond would expand the plant to increase its capacity from two to four mgd.

Chair Duerr requested an explanation about the relationship between ratepayer fees, connection fees, and the SRF. Ms. Lauchner explained connection fees were paid by development for the expansion of the plant to address any future need caused by that development. Ratepayers' fees were used to manage operating costs and annual improvements. She indicated the City performed \$20 million in pipeline projects each year. Ratepayers acted as the backstop on any bond funded primarily with connection fees, with the general fund acting as a last resort. The SRF considered utility projects throughout the state and determined overall project needs each fall. The SRF program issued bonds on a state level and also committed to buying local bonds directly through the bond process.

Chair Duerr asked whether an entity would get a loan directly from the SRF or whether the SRF would simply be the buyer of the loan. Ms. Lauchner replied the SRF would become the bondholder; they held the money and the City would draw money as needed and pay the debt service payments.

Chair Duerr commented the plant had no more capacity and part of the flow shave was planned for capacity. A small portion of the plant would be dedicated to projects already identified as 'will serve' projects, but new projects could not be considered given the capacity concerns. Ms. Lauchner recalled the plant had a capacity of 79 mgd for will serve letters, which would serve about one warehouse. Chair Duerr pointed out that number was an evolving number based on projects which came online. Ms. Lauchner agreed the City was at the point they had to

say they could not serve new development. Chair Duerr added that would last for at least 2.5 years.

Chair Duerr asked where connection fees from new development would go. Ms. Lauchner answered connection fees were kept in a separate account and used specifically for expansion projects. Chair Duerr asked whether the City was fronting the money and then being reimbursed by the connection fee fund. Ms. Lauchner explained the City had a balance in its connection fee fund and they collected those fees every year; the balance between them fluctuated based on the amount of development. As capacity increased, the City would be able to accept more connection fees from the north valleys. In response to Chair Duerr's query about how much money was in the connection fee fund, Ms. Lauchner did not have an estimate to provide.

Member Anderson inquired whether the City accounted for rejecting future connection fees when it budgeted \$75 million for those fees. Ms. Lauchner stated they had and that projection was citywide, not just for RSWRF. Member Salazar clarified the question by trying to ensure the City did not simply use historical growth percentages in its calculations since it would not accept new sewer clients. Ms. Lauchner commented connection fees did not have a historical growth percentage because they were dependent on development; it fluctuated between \$7 million and \$18 million a year. Historical trends about how much could be expected from ratepayers did not work for connection fees.

Member Anderson wondered whether the City's calculations of a \$500,000 increase in connection fees in 2020 would still be accurate if they started saying no to development in the north valleys. Ms. Lauchner said she believed it was because there was not a huge amount of development happening there.

Chair Duerr asked whether citizens with will serve letters would pay something before connecting their service and paying the connection fee. Ms. Lauchner responded citizens paid some of the development fees but not all of them. Connection fees were not paid in full until they connected to and therefore impacted the system. She anticipated additional connection fees to come in from developments that had already been given will serve notices. Chair Duerr indicated there were a number of projects where people received will serve letters but had not connected yet, and other projects had gone through a certain portion of the mapping process. She agreed some connection fees would still come in from approved projects.

Chair Duerr remarked the Truckee Meadows Water Authority had about twelve different rates for different areas of town. This was instituted because they did not want existing residents to pay increased fees prompted by the arrival of new residents. Everyone paid into some basic services like operation costs. She said the City was considering whether to adopt a similar location-based model. Reno staff had cautioned the Reno City Council that the billing complexities for implementation of this type of system would be costly. She felt the City would ultimately need to go to this type of model as they combined water and sewer services.

Member Caudill inquired whether the City planned to issue all \$55 million at once. Ms. Lauchner replied they would issue the bond for \$55 million but draws would only

happen in response to construction needs. Member Caudill asked whether the numbers on page 10 were calculated assuming all \$55 million was drawn immediately even though they did not anticipate doing that. Ms. Lauchner confirmed his assertion and said interest costs would go down since the full amount was not drawn right away. Member Caudill pointed out half the City's yearly debt would retire within the next five years so delaying issuance of the new bonds would keep the coverage high. Ms. Lauchner commented the City would be required to spend the bond money within three years of issuance.

Chair Duerr asked how a recession would impact this bond issuance. Ms. Lauchner said that was unknown but any possible current recession would be unlike the recession of 2008 which was caused by a housing bubble. Because economic indicators were inconsistent, it was possible the impacts of this recession would not even be noticeable. She referenced the estimated coverage of almost six times which, even if that were halved because of a recession, would still be well above the one times coverage requirement. The City could also look to ratepayers if necessary, though she did not expect that with this bond since the City's cash flows were healthy.

Vice Chair Sherman stated it was a general policy to pay debt issued for capacity with revenue from hookup fees, a point confirmed by Ms. Lauchner. Vice Chair Sherman opined that appeared to be ensured by Reno's coverage ratio from citywide hookup fees. On top of that, pledged revenue would come from sewer usage. He thought that hookup fees would have to fall drastically in order not to cover the debt service. Ms. Lauchner responded the fees would have to fall below \$3.7 million a year.

Vice Chair Sherman assumed some of the existing debt services were for additional capacity. Ms. Lauchner indicated some debt originally issued years before was refunded in 2016 and the City was paying that down. Vice Chair Sherman said one of the challenges of customer segment-based billing was accounting for new capacity and the rehabilitation of existing capacity. Ms. Lauchner pointed out most of the City's operation and maintenance projects were paygo projects, for which they had \$22 million available. He felt that the City also had a substantial balance on its hookup fees and Ms. Lauchner agreed.

Vice Chair Sherman asked whether one of the findings the DMC needed to make was that it felt a property tax rate would not be needed. Ms. Follett responded that was the abatement finding, which stated any property tax that might need to be levied would be exempt from abatement laws. This was an optional finding though the DMC typically made it. In response to Vice Chair Sherman's rephrasing of the question, Ms. Follett said the finding listed in the Resolution was the abatement finding. The DMC needed make a finding that sufficient revenues were pledged to the bond and the bond would not cause a tax rate to be imposed. She explained the two were similar but the specific finding was the abatement finding. Vice Chair Sherman reiterated the other findings the Board needed to make which were originally reviewed by Mr. Artusa.

On the call for public comment, Ms. Tammy Holt-Still thought the discussion was very informational and she liked that there was concern about the citizens this would impact. She acknowledged the buildout would not happen for 2.5 years but she expressed concern about how

effluent management would be paid for. She claimed 2,072 acre feet of effluent were added to Swan Lake during the winter season although the lake only had an 1,800-acre capacity. She wished effluent management was also part of the plan to build out the plant. She wanted more detail about the outstanding will serve letters that would be served by the 79 remaining mgd.

Vice Chair Sherman asked whether the DMC should consider the merits of the project in their decision. Deputy District Attorney David Watts-Vial said the merits were not before the DMC, who were deciding simply whether the requirements of the NRS were met. Ms. Holt-Still's concerns would certainly be appropriate at a Reno City Council meeting.

Chair Duerr felt the Council worked hard to address some of Ms. Holt-Still's concerns, including sharing detailed reports and presenting effluent water solutions. She added some of Swan Lake's issues were caused by storm water and experts at the Desert Research Institute were currently examining the issues.

Ms. Follett reviewed the criteria the DMC needed to review in order to approve the bond, including the additional abatement finding.

On motion by Vice Chair Sherman, seconded by Member Anderson, which motion duly carried on a 7-0 vote, it was ordered that Agenda Item 7 be approved. The Resolution for same is attached hereto and made a part of the minutes thereof.

19-044D **AGENDA ITEM 8** Staff presentation and discussion regarding duties of Commission at annual meeting held in August of each year.

Deputy District Attorney David Watts-Vial drew the Commission's attention to the staff report which laid out the Debt Management Commission's (DMC's) statutory requirements for the August meeting, including footnotes to the relevant sections of the Nevada Revised Statute (NRS). When asked to simplify the language, he explained the percentage the DMC needed to set would take effect when there was a conflict between entities who wanted to issue bonds or incur debt that would require use of the property tax. Typically, the DMC set the percentage at 90 percent. He added priorities needed to be established for circumstances when competing entities wanted to implement tax increases.

Citing Appendix C of the document package turned in by the City of Reno for Agenda Item 7, Vice Chair Sherman explained column 10 showed the entities which comprised a taxing district. He used page D-10 to illustrate how the overlapping tax rate for Reno was established. He mentioned the statutory cap was set at \$3.66. If the percentage was set at 90 percent, any proposal causing the overlapping tax rate to exceed \$3.28 would require approval of the other affected entities. At that point, the DMC could then discuss whether the need for the project was essential or nonessential.

Chair Duerr asked whether this process would be triggered by an individual project or a combination of projects. Vice Chair Sherman said the Board would consider whether a specific project would impact affected entities or cause the combined tax rate to go over the specified amount. The DMC would also need to consider the filings made by other entities. He

indicated the proposing entity would need to appear before the DMC and also have discussions with the affected entities to ensure they approved of the proposal.

Vice Chair Sherman pointed out many entities were already at the tax rate cap but some, like the Gerlach General Improvement District (GID), were not. If the Gerlach GID wanted to impose a \$.30 tax rate, it would cause the combined rate to exceed \$3.28 and those discussions would need to take place. Any proposal by the Incline Village GID would prompt that process because they were currently at \$3.46.

Chair Duerr asked whether entities already at the cap could make a proposal. Vice Chair Sherman answered they could but they would need to advise other affected entities and obtain their approval.

Spurred by Member Caudill's query about the process being instigated only if an entity was already at the cap, Vice Chair Sherman clarified the process would be instigated sooner if the DMC voted to establish a lower percentage of the cap. Chair Duerr said establishing that number would be a trigger for that process to take place.

There was a discussion where it was established that all proposals to issue debt had to come before the DMC except for bonds that pledged only net revenue. Because the City of Reno's proposal was a general obligation bond which additionally pledged that revenue, it needed to come before the DMC. Additionally, the DMC had the ability to set that percentage anywhere between 75 and 100 percent, though Vice Chair Sherman strongly encouraged the Committee to set it lower than 100 percent. He said the notification of affected entities and the DMC's ability to make decisions based on a project's merits would be impacted.

Prior meetings were discussed where decisions had to be made to divvy up small percentages of the tax rate among different needs. Vice Chair Sherman noted these were triggered by the Board's setting of the overlapping cap and the prioritizing of certain project types over other types. He also explained the statutory cap was actually \$3.64 but the State of Nevada had imposed an additional \$.02 that they exempted from the \$3.64 cap.

Member Morris wondered whether the City of Reno could not ask for more debt because they were already at the cap. Vice Chair Sherman responded they could if overlapping entities agreed to reduce their rates, a process which featured a lot of restrictions. He mentioned an animal shelter was agreed to by this process.

Member Morris asked for more clarification about the 75 and 90 percent numbers that had been discussed. Vice Chair Sherman confirmed the statutory floor for the percentage was 75 percent and Assistant County Manager Christine Vuletich confirmed the DMC had set the percentage at 90 percent since 2001. Mr. Watts-Vial confirmed NRS 350.0155(1) set the floor at 75 percent and the DMC could set it as high as 100 percent.

Vice Chair Sherman calculated setting the rate at 75 percent would result in all proposals raising the cap above \$2.73 triggering the process; every entity was already above that

threshold. He felt setting it at 90 percent allowed for a little wiggle room, though Gerlach GID and Grandview Terrace GID were the only entities currently below that cap.

Prompted by Chair Duerr's query, Mr. Sherman indicated he began working for Washoe County in 1989, became the Finance Director in 2001, and retired in 2011.

There was no public comment or action taken on this item.

19-045D **AGENDA ITEM 9** Discussion and action to establish priorities among essential and nonessential facilities and services pursuant to NRS 350.0155(2) that shall be considered by the Debt Management Commission if the statutory ceiling established by the Debt Management Commission for the combined tax rate in any of the overlapping entities within the county is exceeded by a proposed debt or a special elective tax and compare that public need to other public needs that appear on certain filed statements of current and contemplated debt.

Deputy District Attorney David Watts-Vial said Nevada Revised Statute (NRS) 350.0155(2) laid out that the facilities and services relating to public safety, education, and health needed to be considered essential facilities and services; all others needed to be considered nonessential. Member Anderson remarked an argument could be made that a park was considered part of health.

Mr. Watts-Vial indicated one challenge with that statute was the Debt Management Commission (DMC) first needed to differentiate between essential and nonessential services, but then also could prioritize between the different nonessential services. Vice Chair Sherman pointed out library services could qualify under education. Mr. Watts-Vial stated the relevant NRS allowed for just differentiating between essential and nonessential services and the prioritization of nonessential services could happen after there was a conflict between agencies.

Member Morris asked how the DMC would handle a conflict between two essential services. Mr. Watts-Vial said that was the purpose of the statute and Vice Chair Sherman said the Commission would have to deem one more essential.

Regarding a potential motion, Mr. Watts-Vial said language used in 2017 was "to approve a recommendation to establish the proposed public safety, health, and education facilities and services as essential and all having priority, and to establish all other facilities and services as nonessential."

There was no response to the call for public comment.

On motion by Vice Chair Sherman, seconded by Member Herman, which motion duly carried on a 7-0 vote, it was ordered that the Debt Management Commission adopt proposed public safety, health, and education facilities and services as essential and all having priority, and to establish all other facilities and services as nonessential.

19-046D **AGENDA ITEM 10** Discussion and action to specify a threshold percentage of the statutory ceiling for the combined tax rate in any of the overlapping entities within the county, which if exceeded permits the Debt Management Commission to inquire into the public need to be served by proposed debt or a special elective tax based on established priorities among essential and nonessential facilities and services and compare that public need to other public needs that appear on certain filed statements of current and contemplated debt.

Vice Chair Sherman asked whether the existing percentage was set at 90 percent. Assistant County Manager Christine Vuletich distributed a memo, a copy of which was placed on file with the Clerk, which gave further information about this item.

Member Morris noted this was a moot point but it was something the Debt Management Commission needed to do.

Mr. Watts-Vial suggested a motion could be to set the percentage called for in NRS 350.155(1) at 90 percent.

There was no response to the call for public comment.

On motion by Member Morris, seconded by Member Caudill, which motion duly carried on a 7-0 vote, it was ordered that the percentage called for in NRS 350.155(1) be set at 90 percent.

This item was reopened at the beginning of Agenda Item 13 on motion by Vice Chair Sherman, seconded by Member Morris, which motion duly carried on a 7-0 vote.

Mr. Watts-Vial restated the suggested motion to set the percentage at 90 percent should cite NRS 350.0155(1). Both the mover and the seconder agreed.

There was no response to the additional call for public comment.

On amended motion by Member Morris, seconded by Member Caudill, which motion duly carried on a 7-0 vote, it was ordered that the percentage called for in NRS 350.0155(1) be set at 90 percent.

19-047D **AGENDA ITEM 11** Review and accept the following 2019 Annual Reports from all Washoe County political subdivisions:

- a. Debt Management Plan
- b. Indebtedness Reports
- c. Capital Improvement Plans

Chair Duerr remarked that 20 entities submitted their debt management plans, their indebtedness reports, and their capital improvement plans (CIPs) for the Board's approval.

Vice Chair Sherman asked whether the Clerk's Office kept a list of all the entities and whether there was a process for requesting documents which had not been submitted. Derek Sonderfan, Supervisor of the Boards Records and Minutes division, noted the entities had until August 1st to submit their documents. Typically he sent out reminder letters in the beginning of July and he kept a master list. He noted some of the smaller agencies did not submit each of the three documents but each entity submitted something before there was a need to send second reminder letters. County Clerk Nancy Parent added that in the past the Debt Management Commission (DMC) simply received a copy of the reminder letter for any entity that did not submit anything.

Vice Chair Sherman stated the role of the DMC was not to determine the financial viability of the entities but to make decisions on issuing debt. The data in the documents filed would help the DMC with certain questions, particularly as they related to projects that would increase the rate over the 90 percent cap. He pointed out an entity's capital improvement plan could be used to verify an entity's claim about a need for a certain facility; if that facility did not appear on the CIP, that entity would not be able to make that argument. Additionally, the documents could allow affected entities to be aware of proposals that could impact them.

Vice Chair Sherman noted he had no issue with the reports even though he had some curiosity questions about things he saw. He explained they were not pertinent to the DMC.

Member Morris stated his understanding was the Committee was merely accepting the report. Vice Chair Sherman agreed, saying the DMC was not approving the accuracy or the completeness of the reports.

There was no response to the call for public comment.

On motion by Member Caudill, seconded by Member Salazar, which motion duly carried on a 7-0 vote, it was ordered that Agenda Item 11 be accepted.

19-048D **AGENDA ITEM 12** Discussion and Possible Action to Set Dates/Times for DMC meetings for 2019/20 which must be held at least quarterly pursuant to NRS 350.012(3). Suggested dates are set forth below and the suggested time for the meetings is 11:00 a.m.

Friday, November 15, 2019

Friday, February 14, 2020

Friday, May 15, 2020

Friday, August 14, 2020

Chair Duerr noted staff originally suggested different meeting dates but she recommended that two of them, the February and August meetings, be changed to the 14th because conflicts tended to arise closer to the end of those months.

Member Salazar mentioned she had a two-week trial scheduled for February 14 but the date did not need to be moved just on her account.

Chair Duerr discussed each date with the other Members and it was determined the suggested dates were acceptable.

There was no public comment or action taken on this item.

On motion by Member Herman, seconded by Member Anderson, which motion duly carried on a 7-0 vote, it was ordered that the dates for the future Debt Management Commission meetings be Friday, November 15, 2019; Friday, February 14, 2020; Friday, May 15, 2020; and Friday, August 14, 2020.

19-049D **AGENDA ITEM 13** Board Member Comments.

Deputy District Attorney David Watts-Vial believed he misquoted the statute in his suggested motion in Agenda Item 10. When it was revealed that the specific Nevada Revised Statute was not captured by the Clerk's Office staff for the minutes, he suggested they reopen Agenda Item 10. See that item for the pertinent discussion.

Chair Duerr praised the Committee and thanked Vice Chair Sherman for accepting the appointment.

Chair Duerr asked whether there were requests for any items on future agendas. Vice Chair Sherman requested an update on the Debt Management Commission (DMC) policies and bylaws. Chair Duerr thought the item had been continued for several meetings and she hoped they could be presented at the November 15 meeting whether or not they were complete. She felt they could be analyzed and updated by the DMC.

Derek Sonderfan, Supervisor of the Boards Records and Minutes division, noted Assistant District Attorney Jennifer Gustafson had completed the bylaws but wanted to be present to make a presentation. It was expected they would be presented at the November meeting, a point confirmed by Mr. Watts-Vial.

Chair Duerr asked whether the DMC had established policies and procedures. Mr. Watts-Vial felt the DMC did not need policies and procedures other than the items on which the DMC just voted.

Chair Duerr pointed out the DMC had been requesting presentations from some of the entities to familiarize the Commission with their finances.

County Clerk Nancy Parent mentioned the Sun Valley General Improvement District (SVGID) had been approached about making a presentation at this meeting but they just hired a new accountant. She expected them to make a presentation in November.

A suggestion was made by Chair Duerr that the Incline Village General Improvement District should make a presentation but it was pointed out they had already done so. Vice Chair Sherman suggested hearing from the North Lake Tahoe Fire Protection District

(NLTFPD). Chair Duerr asserted the Truckee Meadows Water Authority (TMWA) was reluctant to make a presentation because they felt the DMC did not oversee the issuance of their debt.

Vice Chair Sherman asked whether TMWA was considered a local government agency. Mr. Watts-Vial said he would look that up. He mentioned this item was not styled for discussion and he recommended the DMC could ask staff to contact these agencies and suggest they make a presentation. If they refused, the DMC could set an item on a future agenda to make their desire for a presentation known.

Chair Duerr stated she wanted a presentation from SVGID. She opined the Regional Transportation Commission (RTC) did not issue debt but Vice Chair Sherman asserted they did. Member Salazar pointed out their debt management plan was very vague. Chair Duerr expressed interest in hearing presentations from the Reno-Sparks Convention and Visitors Authority (RSCVA), the RTC, and SVGID.

County Clerk Nancy Parent stated she would, before the next few meetings, request presentations from SVGID, the NLTFPD, the RTC, and the RSCVA. She wondered whether Vice Chair Sherman had seen the template used by these entities for their presentations.

Chair Duerr suggested placing a discussion item on the next agenda about the content and breadth of that template going forward. Vice Chair Sherman added they could discuss the entities from which they wanted to hear presentations.

19-050D **AGENDA ITEM 14** Public Comment.

There was no response to the call for public comment.

* * * * * * * * * *

12:44 p.m. There being no further business to discuss, the meeting was adjourned without objection.

NAOMI DUERR, Chair
Debt Management Commission

ATTEST:

NANCY PARENT, County Clerk
and Ex Officio Secretary,
Debt Management Commission

*Minutes Prepared by
Derek Sonderfan, Deputy County Clerk*