

**DEBT MANAGEMENT COMMISSION
WASHOE COUNTY, NEVADA**

SPECIAL MEETING

FRIDAY

3:00 p.m.

DECEMBER 17, 2004

PRESENT:

Jim Galloway, Chairman
Richard Pugh, Vice-Chairman
Dan Gustin, Commissioner
Geno Martini, Commissioner
Robert Seach, Commissioner
Robert Wolf, Commissioner

ABSENT:

Jonnie Pullman, Commissioner

Nancy Parent, Chief Deputy County Clerk

Paul Lipparelli, Legal Counsel

The Washoe County Debt Management Commission (DMC) met in the Chambers of the Washoe County Administrative Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Galloway presiding. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

OATH OF OFFICE

Nancy Parent, Chief Deputy County Clerk, administered the Oath of Office to City of Reno representative, Dan Gustin.

04-18DMC AGENDA

On motion by Commissioner Martini, seconded by Commissioner Wolf, which motion duly carried with Commissioner Pullman absent, it was ordered that the agenda for the December 17, 2004, special meeting be approved.

PUBLIC COMMENTS

There was no response to the call for public comments.

04-19DMC MINUTES

On motion by Commissioner Martini, seconded by Commissioner Pugh, which motion duly carried with Commissioner Pullman absent, Chairman Galloway ordered that the minutes for the September 24, 2004 special meeting be approved.

04-20DMC RESOLUTION – GERLACH GENERAL IMPROVEMENT DISTRICT – INTERIM FINANCING - RURAL COMMUNITY ASSISTANCE CORPORATION

Chairman Galloway questioned if the Boards role in this request differs from ordinary revenue funded debt issuances.

Paul Lipparelli, Legal Counsel, replied, the Gerlach General Improvement District (GID) is subject to NRS 350.014, subsection 2, which requires all General Improvement District's with a population of less than 5,000 to gain approval of the Debt Management Commission (DMC) before it enters into borrowing. He said the Gerlach GID has made an arrangement with the Rural Community Assistance Corporation for short term borrowing of \$150,000 which would be reimbursed through grants and state funding set aside for water quality projects. He said the DMC's role in approving this proposal is gaining a favorable vote by majority.

John Sherman, Finance Director, said the permanent financing, or grants, is a reimbursement. He said the GID required the short-term financing in order to have the cash available to build the project, which is to mitigate uranium in the water source. Mr. Sherman said once the GID pays the bill for the construction projects, they would then be reimbursed from the permanent financing.

Commissioner Martini asked if there is an alternative plan if the money does not come through.

Mr. Sherman said they needed written approval of the permanent financing before they could acquire the short term financing.

Commissioner Gustin inquired if there is interest paid on this loan. Chairman Galloway replied interest would not exceed \$10,000.

Brent Farr, Farr West Engineering, stated this is a 100 percent grant funded project.

On motion by Commissioner Wolf, seconded by Commissioner Gustin, which motion duly carried with Commissioner Pullman absent, it was ordered that the following resolution be adopted and Chairman Galloway be authorized to execute the same:

RESOLUTION

A RESOLUTION APPROVING A SHORT TERM LOAN OF THE GERLACH GENERAL IMPROVEMENT DISTRICT TO PARTIALLY FINANCE THE CONSTRUCTION OF A WATER TREATMENT PLAN AND OTHER MATTER PROPERLY RELATING THERETO

WHEREAS, the Gerlach General Improvement District (the Gerlach GID) is general improvement district validly formed in 1974 under Chapter 318 of the NRS by Washoe County Ordinance 225 (May 10, 1974);

WHEREAS, the Gerlach GID lies entirely within the boundaries of Washoe County and the population within the boundaries of the Gerlach GID is less than five thousand;

WHEREAS, the Gerlach GID furnishes water service to the town of Gerlach and is acting to remedy the uranium contamination of the water supply by constructing a water treatment plant and related facilities;

WHEREAS, the Gerlach GID has secured funding for the treatment plant from funds authorized by a Nevada Division of Environmental Protection AB 198 water project grant and a Community Development Block Grant ("CDBG") which are sufficient to reimburse the cost of the project;

WHEREAS, the Gerlach GID has applied to the Rural Community Assistance Corporation for a One Hundred Fifty Thousand Dollar (\$150,000) short-term loan that will provide interim funding for the commencement of the project until all the funds from AB 198 and CDBG have been delivered and can be used to pay back the said short-term loan;

WHEREAS, NRS 350.014 provides that before the board of trustees of a GID formed under Chapter 318 of the NRS borrows money and the population within the boundaries of the district is less than five thousand, the proposed borrowing must receive the favorable vote of a majority of the debt management commission of the county in which the district is located.

WHEREAS, through a letter from Victoria Williams, chief financial officer of the GID, to Jim Galloway, Chairman of the Washoe County Debt Management Commission, the Gerlach GID has requested the Debt Management Commission to consider and approve the One Hundred Fifty Thousand Dollar (\$150,000) short-term loan between the Gerlach GID as borrower and the Rural Community Assistance Corporation as lender; and

WHEREAS, having met at a duly noticed meeting and having considered the request of the Gerlach GID for the Debt Management Commission's approval of the

One Hundred Fifty Thousand Dollar (\$150,000) short-term loan between the Gerlach GID as borrower and the Rural Community Assistance Corporation as lender,

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

1. Pursuant to NRS 350.014 the One Hundred Fifty Thousand Dollar (\$150,000) short-term loan sought by the Gerlach GID as described above is approved contingent upon receipt of written approval of AB 198 and CDBG funds sufficient to prepay the short-term loan.

2. 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 such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

3. This resolution shall be in effect from and after its adoption.

MEMBER COMMENTS

Chairman Galloway commented that the at-large representative terms expire every two years after an election. He said this commission does not solicit applications, but he has been advised there may be interest an at-large position and there needs to be a fair process. He said anyone who is interested should either contact himself or the County Clerk and submit a general community service application. Members serving on the Board during the first meeting held on February 18, 2005 would select the at-large members.

Commissioner Wolf commented on this being his last meeting representing the GID's since they have decided to rotate the responsibility. He thanked the Board for their cooperation and interesting comments over the past two years.

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There being no further business to come before the Board, the meeting adjourned at 3:25 p.m.

JIM GALLOWAY, Chairman
Debt Management Commission

ATTEST:

AMY HARVEY, Washoe County Clerk
and Ex Officio Secretary,
Debt Management Commission

*Minutes Prepared by
Stacy Gonzales
Deputy County Clerk*