

**WASHOE COUNTY DEBT MANAGEMENT COMMISSION
SPECIAL MEETING**

FRIDAY

3:00 P.M.

MARCH 26, 2010

PRESENT:

Dan Gustin, Reno City Council, Chairman
James Hunting, Member At Large, Vice Chairman
Ted Fuller, GID Representative, Incline Village, Commissioner
Michelle Salazar, Member At Large, Commissioner
Geno Martini, Sparks City Mayor, Commissioner

Amy Harvey, County Clerk

ABSENT:

John Breternitz, Washoe County Commissioner, Commissioner
Nancy Hollinger, Washoe County School District, Commissioner

Paul Lipparelli, Assistant District Attorney

The Washoe County Debt Management Commission (DMC) met at 3:04 p.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairman Gustin presiding. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

10-007DMC AGENDA ITEM 4

Agenda Subject: “Public Comments”

There was no one present for public comment.

10-008DMC AGENDA ITEM 5

Agenda Subject: “Approval of the minutes of the February 5, 2010 meeting”

On motion by Commissioner Martini, seconded by Commissioner Hunting, which motion duly carried with Commissioner Salazar abstaining and Commissioners Breternitz and Hollinger absent, it was ordered that Agenda Item #5 be approved.

10-009DMC

AGENDA ITEM 6

Agenda Subject: “Consideration and possible approval of a resolution approving the proposal of the City of Reno to issue an installment purchase agreement in one or more series to finance a building project, including energy conservation and renewable energy projects.”

Amy Harvey, Washoe County Clerk, read the title of the Resolution into the record.

Chairman Gustin introduced Jason Geddes, Environmental Services Administrator, and Mary Ann Parrot, City of Reno Finance Director. He explained it was imperative the City of Reno get started as soon as possible on their energy projects. He explained the cost savings would pay for the projects over the time period and they met all of the regulated criteria.

Commissioner Hunting inquired what the approximate pay back period was on the energy projects. Mr. Geddes responded the entire pro forma they put together was for 15 years, which was the maximum as regulated by NRS 332. He explained they chose the projects that would allow them to maximize that particular time frame. He reported the Energy Conservation and Recovery Zone Bonds to be used had a 15 to 18 year payment time. In response to Commissioner Hunting’s question regarding positive net present value, Mr. Geddes stated they required a positive cash flow for every year of the 15 years per State law and they had the pro forma that APS Energy put together. He said they also had their third party consultant validate that positive cash flow for every year of the 15 years.

Ms. Parrot stated Mr. Geddes included measurement and verification services to report on an annual basis and precisely determined the energy savings on a project-by-project basis. She said that was not within the bond financing, but within the scope of the project. Mr. Geddes stated there was a guaranteed performance clause in the contract that counsel approved if the systems were not living up to expectations on contractor’s side of it. If it was an issue on the City’s side, which was a risk as part of the system they were putting in, their staff would be monitoring it daily, weekly and monthly to track those things through the entire 15 year process.

On motion by Commissioner Martini, seconded by Commissioner Salazar, which duly carried with Commissioners Breternitz and Hollinger absent, it was ordered Agenda Item #6 be approved. A copy of the Resolution is attached hereto and made a part hereof.

10-010DMC

AGENDA ITEM 7

Agenda Subject: “Consideration and possible approval of a resolution approving the proposal of the City of Reno to issue general obligation sewer refunding bonds additionally secured by pledged revenues.”

Amy Harvey, Washoe County Clerk, read the title of the Resolution into the record.

Chairman Gustin stated this was in the amount of \$22 million for their sewer reconstruction project. He explained the bonds covered not only the principle but also the interest.

Commissioner Hunting inquired of Jennifer Stern, Swenseid and Stern, if this used pledged revenues. Ms. Stern responded these bonds were being issued and were payable from pledged revenues of the sewer fund. The City of Reno will covenant in the Bond Ordinance authorization that these bonds keep rates and charges at a sufficient level to be able to pay these bonds plus the outstanding bonds that had a lien on the same pledged revenues. It was within the City's debt limit to issue the bonds and all parts of the Nevada Revised Statutes had been met.

Commissioner Fuller inquired what percentage of the bonds was new and what percentage was being refinanced. Ms. Stern replied it was refunding of a 2008 medium-term note that would have matured in 10 years, but now it was being refinanced over a longer period of time (2018 to 2041).

On motion by Commissioner Martini, seconded by Commissioner Salazar, which duly carried with Commissioners Breternitz and Hollinger absent, it was ordered Agenda Item #7 be approved. A copy of the Resolution is attached hereto and made a part hereof.

10-011DMC AGENDA ITEM 8

Agenda Subject: "Certificate of Superintendent and Financial Advisor's report, Series 2009B Taxable Zone Economic Development Bonds and 2009C Taxable Direct Pay Build American Bonds."

Jennifer Stern, Swenseid and Stern, explained these documents were being filed with the Debt Management Commission due to a provision in the Nevada Revised Statutes that required a filing every time there was a negotiated transaction. She stated the Certificate of either the Superintendent, Chief Administrative Officer or the Chief Financial Officer, together with the report of the Financial Advisor, had to be filed indicating why they did a negotiated transaction rather than a competitively bid transaction. She explained the School District was doing a negotiated transaction because it was easier to market the taxable bonds with a federal interest rate subsidy of 45 percent, which was a great deal for the School District.

10-012DMC AGENDA ITEM 9

Agenda Subject: "Member comments."

There were no member comments.

10-013DMC AGENDA ITEM 10

Agenda Subject: “Public comments.”

There was no one present for public comment.

3:19 P.M. On motion by Commissioner Martini, seconded by Commissioner Fuller, which motion duly carried with Commissioners Breternitz and Hollinger absent, it was ordered that the meeting be adjourned.

DAN GUSTIN, Chairman,
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Jaime Delleria, Deputy County Clerk*

RESOLUTION NO.

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

WHEREAS, pursuant to Nevada Revised Statutes ("NRS") 350.011 through 350.0165, the City Council (the "Council") of the City of Reno, Nevada (the "City"), notified the secretary of the Washoe County Debt Management Commission (the "Secretary" and the "Commission," respectively) of the City's proposal to issue general obligations additionally secured by pledged revenues and submitted a statement of the City's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, based on a revenue study presented to the Council, the Council has made a determination that the pledged revenues will at least equal the amount required in each year for the payment of interest on and principal of such general obligation sewer refunding bonds and that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of such general obligation sewer refunding bonds for the term thereof (the "Finding"); and

WHEREAS, the Council proposes to incur such general obligations without an election unless a petition, signed by the requisite number of registered voters of the City, is presented to the Council requiring the Council, prior to incurring such general obligations, to submit to the qualified electors of the City for their approval or disapproval, the following proposal to incur such general obligations:

**GENERAL OBLIGATION SEWER REFUNDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
PROPOSAL:**

**Shall the City Council of the City of Reno, Nevada, be
authorized to incur a general obligation indebtedness**

(additionally secured by pledged revenues) on behalf of the City by the issuance at one time, or from time to time, of the City's general obligation sewer refunding bonds, in one series or more, in the aggregate principal amount of not exceeding \$22,500,000 for the purpose of refinancing the acquisition, construction, improvement and equipment of City sewer projects, such bonds to mature not later than thirty (30) years from the date or respective dates of the bonds, payable from general (ad valorem) taxes (except to the extent pledged revenues and other monies 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 as shall be determined at the time of the sale thereof, and otherwise to be issued in such manner, upon such terms and conditions, with such covenants and agreements, and with such other detail as the Council 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 350.0145, 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 less 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 received from the City complete statements of current and contemplated general obligation debt, a debt management policy, a capital improvements plan (which includes the capital improvements proposed to be financed as provided in the Proposal) and a statement of the chief financial officer, in full compliance with NRS 350.013; and

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

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

Section 1. This resolution shall be known as the "2010 City of Reno Sewer Refunding Bonds DMC Approval Resolution."

Section 2. The Commission hereby finds that the requirements of NRS 350.013 to 350.015, inclusive have been met, and the Proposal for the issuance of general obligation sewer refunding bonds (additionally secured by pledged revenues) in the maximum principal amount of \$22,500,000 and the Finding by the City hereby are 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 of 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.

ADOPTED this March 26, 2010.

(SEAL)

Attest:

Chairman
Debt Management Commission

County Clerk ex officio Secretary
Debt Management Commission

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I, Amy Harvey, the County Clerk of Washoe County, State of Nevada, ex officio Secretary of the Debt Management Commission of Washoe County, State of Nevada, do hereby certify:

1. The foregoing pages are a full and correct copy of a resolution designated as "2010 City of Reno Sewer Refunding Bonds DMC Approval Resolution".

2. At the March 26, 2010 meeting of Debt Management Commission of Washoe County, Nevada, the resolution was passed and adopted. The members of the Commission voted on the passage of the resolution and were present at such meeting as follows:

Those Voting Aye:

John Breternitz
Ted Fuller
Dan Gustin
Nancy Hollinger
James Hunting
Geno Martini
Michelle Salazar

Those Voting Nay:

Those Absent:

3. Pursuant to NRS 350.0145, all members of the Commission were given due and proper notice of the meeting. Pursuant to and in full compliance with NRS 241.020, Nevada Revised Statutes, written notice of the meeting was given no later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice not later than 9:00 a.m. on the third working day before the meeting at the principal office of the Commission, or if there is no principal office, at the building in which the meeting is to be held, and at least three (3) other separate, prominent places within the jurisdiction of the Commission, to wit:

- (i) Washoe County Administration Complex
1001 East Ninth Street
Reno, Nevada
- (ii) Washoe County Courthouse
Virginia and Court Streets
Reno, Nevada
- (iii) Reno City Hall
450 Sinclair Street
Reno, Nevada
- (iv) Sparks Justice Court
630 Greenbrae Drive
Sparks, Nevada

and

(b) By mailing a copy of the notice to each person, if any, who has requested notice of the meeting of the Commission in the same manner in which notice is required to be mailed to a member of the Commission. Such notice, if mailed, was delivered to the postal service no later than 9:00 a.m. on the third working day prior to the meeting.

4. Upon request, the Commission provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance, resolution or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Commission for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

5. A copy of the notice given of the meeting of the Commission is attached as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand at Reno, Nevada, on this March 26, 2010.

(SEAL)

County Clerk, ex officio Secretary of the Debt
Management Commission

EXHIBIT "A"

(Attach Copy of Notice of Meeting)

RESOLUTION NO.

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL BY THE CITY OF RENO TO ISSUE INSTALLMENT PURCHASE AGREEMENTS; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Nevada Revised Statutes (“NRS”) 350.011 through 350.0165, the City Council (the “Council”) of the City of Reno, Nevada (the “City”), notified the secretary of the Washoe County Debt Management Commission (the “Secretary” and the “Commission,” respectively) of the City’s proposal to issue one or more installment-purchase agreements with a term of more than 10 years (the “Agreement”) and submitted a statement of the City’s proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Council anticipates making a determination that the pledged revenues from the City’s general fund will at least equal the amount required in each year for the payment of interest on and principal of the Agreement, and granting a security interest in property financed by the Agreement subject to the provisions of NRS 350.800

WHEREAS, the Council presented the following proposal to incur the Agreement:

INSTALLMENT-PURCHASE AGREEMENT PROPOSAL:
Shall the City Council of the City of Reno in the State of Nevada, be authorized to incur an indebtedness on behalf of the City by the issuance at one time, or from time to time, of one or more installment-purchase agreements of the City in the aggregate principal amount not to exceed \$13,121,000 for the purpose of financing, wholly or in part, the cost to acquire, improve and equip a building project as defined in NRS Section 268.676 in the City, one or more installment-purchase agreements to mature not earlier than 15 years and not later than 20 years from the date it is entered into, to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time the installment-purchase agreements are entered into, the installment-purchase agreements by their terms to be extinguished by failure of the Council to appropriate money for the ensuing fiscal year for payment of the amounts then due, to be payable from legally available funds of the City, to be secured by a security interest in

property of the City as provided in NRS 350.800, and to be entered into upon such terms and conditions, and with such other detail as the Council may determine?

(the "Proposal"); and

WHEREAS, pursuant to NRS 350.0145, 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 less 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 received from the City complete statements of current and contemplated general obligation debt, a debt management policy, a capital improvements plan (which includes the capital improvements proposed to be financed as provided in the Proposal) and a statement of the chief financial officer, in full compliance with NRS 350.013; and

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

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

Section 1. This resolution shall be known as the "2010 DMC Resolution for the City of Reno Installment Purchase Agreement."

Section 2. The Commission hereby finds that the requirements of NRS 350.013 to 350.015, inclusive have been met, and the Proposal for the issuance of the Agreement in the maximum principal amount of \$13,121,000 by the City 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 of 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.

ADOPTED BY AN AFFIRMATIVE VOTE OF AT LEAST TWO-THIRDS OF THE MEMBERS OF THE DEBT MANAGEMENT COMMISSION OF WASHOE COUNTY, NEVADA, THIS MARCH 26, 2010.

(SEAL)

Chairman
Debt Management Commission

Attest:

County Clerk ex officio Secretary
Debt Management Commission

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I, Amy Harvey, the County Clerk of Washoe County, State of Nevada, ex officio Secretary of the Debt Management Commission of Washoe County, State of Nevada, do hereby certify:

1. The foregoing pages are a full and correct copy of a resolution designated as “2010 DMC Resolution for the City of Reno Installment Purchase Agreement”.

2. At the March 26, 2010 meeting of Debt Management Commission of Washoe County, Nevada, the resolution was passed and adopted. The members of the Commission voted on the passage of the resolution and were present at such meeting as follows:

Those Voting Aye:

John Breternitz
Ted Fuller
Dan Gustin
Nancy Hollinger
James Hunting
Geno Martini
Michelle Salazar

Those Voting Nay:

Those Absent:

3. Pursuant to NRS 350.0145, all members of the Commission were given due and proper notice of the meeting. Pursuant to and in full compliance with NRS 241.020, Nevada Revised Statutes, written notice of the meeting was given no later than 9:00 a.m. on the third working day before the meeting including in the notice the time, place, location, and agenda of the meeting:

(a) By posting a copy of the notice not later than 9:00 a.m. on the third working day before the meeting on the Commission’s website, if any; at the principal office of the Commission; or if there is no principal office, at the building in which the meeting is to be held; and at least three (3) other separate, prominent places within the jurisdiction of the Commission, to wit:

- (i) Washoe County Administration Complex
1001 East Ninth Street
Reno, Nevada
- (ii) Washoe County Courthouse
Virginia and Court Streets
Reno, Nevada
- (iii) Reno City Hall
450 Sinclair Street
Reno, Nevada
- (iv) Sparks Justice Court
630 Greenbrae Drive
Sparks, Nevada

and

(b) Prior to 9:00 am at least 3 working days before such meeting, by mailing a copy of the notice to each person, if any, who has requested notices of meetings of the Board in compliance with NRS 271.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail.

4. Upon request, the Commission provides at no charge, at least one copy of the agenda for its public meetings, any proposed ordinance, resolution or regulation which will be discussed at the public meeting, and any other supporting materials provided to the Commission for an item on the agenda, except for certain confidential materials and materials pertaining to closed meetings, as provided by law.

5. A copy of the notice given of the meeting of the Commission is attached as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand at Reno, Nevada, on this March 26, 2010.

County Clerk, ex officio Secretary of the Debt
Management Commission

EXHIBIT A

(Attach Copy of Notice of Meeting)