



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: January 15, 2019

DATE: Thursday, January 10, 2019

TO: Board of County Commissioners

FROM: Christine Vuletich, Assistant County Manager, Finance and Administration
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THROUGH: John Slaughter, County Manager
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SUBJECT: Recommendation to adopt a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County's proposal to issue its Washoe County, Nevada General Obligation (Limited Tax) Sewer Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$50,000,000 for sewer projects: providing certain details in connection therewith; and providing the effective date hereof. (All Commission Districts.)

SUMMARY

Staff is recommending that the Board of County Commissioners (the "Board") adopt a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County's proposal to issue general obligation sewer bonds in the maximum principal amount of \$50,000,000 for construction of needed sewer utility projects as identified in the South Truckee Meadows Water Reclamation Facility (STMWRF) Facility Plan. Projects to be constructed include the STMWRF Facility Expansion Phase I, Huffaker Hills Reservoir Lining Improvements, and the Pleasant Valley Reach 3 Sanitary Sewer Interceptors.

Washoe County Strategic Objective supported by this item: Stewardship of our community.

PREVIOUS ACTION

On December 11, 2018, the Board of County Commissioners directed staff to submit an application for a \$50 million loan from the State of Nevada Clean Water State Revolving Fund (SRF) loan program.

AGENDA ITEM # _____

BACKGROUND

The Board is being asked to adopt this resolution as a necessary step in the application process for a State SRF loan. SRF loans are issued in the form of a bond. All steps to sell a bond on the open market must be followed, except that the bond is sold to the State Treasurer at below market rate. The bond is ordinarily a General Obligation Bond and must be sold in accordance with the provisions of NRS Chapter 350. NRS 350.14 requires that before any general obligation debt is issued, the proposed bond issuance must receive a favorable vote of the Washoe County Debt Management Commission (DMC). The next DMC meeting is scheduled to be held on February 15, 2019, and if the Board of County Commissioners adopts this ordinance, staff intends to submit the proposed bond issuance to the DMC for approval at that meeting.

If the proposed bond issuance is approved by the DMC, staff will initiate the bond issuance process, which includes BCC adoption of a Resolution of Intent and Sale Resolution, a public hearing and BCC adoption of a bond ordinance, upon which the State Revolving Fund will set the interest rate and a loan contract can be executed. Following completion of this process, the bond closing is estimated to occur in early June, 2019.

FISCAL IMPACT

The maximum principal amount of proposed Washoe County, Nevada General Obligation (Limited Tax) Sewer Bonds (additionally secured by pledged revenues) to be sold is \$50,000,000. The repayment source for the proposed bonds are Sewer Utility rates and connection fee revenues. Exhibit B to the proposed resolution contains the Revenue Study outlining the Sewer Improvement Funding Model with estimated total annual debt service, which includes current outstanding Sewer Utility debt, and historical debt service coverage.

RECOMMENDATION

It is recommended that the Board, adopt a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County's proposal to issue its Washoe County, Nevada General Obligation (Limited Tax) Sewer Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$50,000,000 for sewer projects: providing certain details in connection therewith; and providing the effective date hereof.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to adopt a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County's proposal to issue its Washoe County, Nevada General Obligation (Limited Tax) Sewer Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$50,000,000 for sewer projects: providing certain details in connection therewith; and providing the effective date hereof.