



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: October 18, 2018

Staff Contact: Sheri Russell, Chief Financial Officer

Agenda Title: PUBLIC HEARING: Public hearing pursuant to NRS 244A and 350.020(3) concerning the proposed issuance by Carson City, Nevada of its General Obligation (Limited Tax) Water Bonds (Additionally Secured by Pledged Revenues), Series 2019A, in the aggregate principal amount not to exceed \$7,000,000 for the purpose of financing water projects for the City; and paying the related issuance costs. (Sheri Russell, srussell@carson.org)

Staff Summary: NRS 244A and 350.020(3) require that a public hearing be held before the Carson City, Nevada General Obligation Water Bonds, Series 2019A can be issued. Notice was published in the Nevada Appeal on September 19, 2018, September 26, 2018, and October 3, 2018 indicating the City's intent to hold this public hearing.

Agenda Action: Other/Presentation

Time Requested: 5 minutes

Proposed Motion

No action need be taken. Open for public comment.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

05/21/2018 - The Board directed Staff to begin the process of refunding the 2010A Water Bonds through the Environmental Protection Agency (EPA) using the State Revolving Fund Program and to use the savings from that bond to issue up to \$7 Million in new bonds in accordance with requirements of the EPA.

7/19/18 - Board adopted Resolution #2018-R25, a resolution concerning the financing of water projects, directing the clerk to notify the Carson City Debt Management Commission of the City's proposal to issue general obligation water bonds additionally secured by pledged revenue, in the aggregate principal amount not to exceed \$7 million.

8/14/18 - Debt Management Commission approved resolution of a proposal to issue the Water Bonds.

8/15/2018 - Closing Date of the refunding of the 2010A Water Bonds.

9/6/18 - Board approved Resolution #2018-R27, a resolution of intent, proposing the issuance of, and authorizing the publication of notices related to general obligation (limited tax) water bonds (additionally secured by pledged revenues), in the aggregate principal amount not to exceed \$7 million.

10/3/2018 - Publication of Resolution of Intent in Nevada Appeal

Background/Issues & Analysis

In spring 2016, City staff requested the Nevada Division of Environmental Protection through the SRF, refinance the 2010A Water Bonds (Bonds). The Bonds were issued to finance the acquisition of water rights from the Town of Minden. The SRF initially declined the request, pending the City obtain a waiver from the United States Environmental Protection Agency (EPA), allowing the Bonds to be refinanced. The Bonds were financed through the Build America Bonds (BAB) federal subsidy program which had various restrictions.

In spring 2017, City staff requested a waiver from the EPA to refinance the Bonds. In February 2018, the EPA granted the waiver. However, as a condition of the waiver, the savings from the refinancing of the Bonds must be reinvested into a new water improvement project.

The Bonds were refunded as of August 15, 2018. Staff proposes that the \$3.4 million savings from the refinance be used to partially offset the cost of issuing up to \$7 million in new bonds for the East/West Transmission Line project, thereby fulfilling the EPA's requirement.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244A and 350.020(3).

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: Estimated annual debt service payments in a range from \$74,769 to \$1,077,419 in principal and interest for 20 years from the Water Fund.

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: We will augment the FY 2019 Budget for the amount of the bond proceeds, issuance costs and debt service associated with the issuance of the debt, as these amounts were unknown at the time we prepared the budget.

Alternatives

Elect to pursue other financing options for the stormwater capital program.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)



NEVADA APPEAL

Proof and Statement of Publication

Ad #: 0000307406-01

580 Mallory Way, Carson City, NV 89701
P.O. Box 1888 Carson City, NV 89702
(775) 881-1201 FAX: (775) 887-2408

Customer Account #: 1060825

Legal Account

CARSON CITY CLERK,
885 EAST MUSSER ST, STE 1032
CARSON CITY, NV 89701
Attn: Kathleen King

Bailee Liston says:

That (s)he is a legal clerk of the
Nevada Appeal,
a newspaper published Wednesday and Saturday
at Carson City, in the State of Nevada.

Copy Line

Go Water Bonds Notice of Public Hearing

PO#:

Ad #: 0000307406-01

of which a copy is hereto attached, was published
in said newspaper for the full required period of
3 time(s) commencing on **09/19/2018**,
and ending on **10/03/2018**, all days inclusive.

Bailee Liston

Signed: _____
Date: 10/03/2018 State of Nevada, Carson City

This is an Original Electronic Affidavit.

Price: \$ 1,459.00

NOTICE OF PUBLIC HEARING ON THE INTENT OF CARSON CITY, NEVADA, TO ISSUE GENERAL OBLIGATION (LIMITED TAX) WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES).

NOTICE IS HEREBY GIVEN that the Board of Supervisors (the "Board") of Carson City (the "City"), Nevada, by a resolution, passed, adopted, signed and approved on September 6, 2018, and designated in Section 1 thereof by the short title "2018 Resolution of Intent to Issue Water Bonds" has proposed the issuance of the City's general obligation (limited tax) water bonds (additionally secured by pledged revenues) (the "Bonds") designated below, as follows:

GENERAL OBLIGATION WATER BONDS (ADDITIONALLY SECURED BY PLEDGED REVENUES) PROPOSAL:

Shall the Board of Supervisors of Carson City, 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 water bonds, in one series or more, in the aggregate principal amount of not exceeding \$7,000,000 for the purpose of acquiring, constructing, improving and equipping City water projects as defined in NRS 244A.056, 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, 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, with such covenants and agreements, 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

The above Proposal was previously approved by the Debt Management Commission of Carson City, Nevada.

The Board has determined that the Bonds to be issued for the purpose of financing water projects for the City (as further described in the above Proposal) will be additionally secured by a pledge of the "pledged revenues." The Board has, in addition, determined, based upon a revenue study, that the pledged revenues will at least equal the amount required in each year for the payment of the interest on and the principal of the Bonds.

All persons interested are hereby advised that the Board will hold a public hearing on the Proposal at a regular meeting to be held on October 18, 2018 at the hour of 8:30 a.m. at the Community Center, 851 East William, Carson City, Nevada. All persons are invited to attend and to be heard regarding the Proposal. Further information regarding the Proposal, the Project to be financed by the Bonds, the Bonds and the revenues to be pledged to the Bonds, and all proceedings, are on file in the office of the City Clerk, 885 East Musser Street, Suite 1028, Carson City, Nevada, and can be seen and examined by interested persons during the regular office hours of the City Clerk.

BY ORDER of the Board of Supervisors, Carson City, Nevada, dated September 6, 2018.

Susan Merriwether, Clerk - Recorder

Date: September 6, 2018

By: K. King, Chief Deputy (seal)

Publish: September 19, 2018

September 26, 2018

October 3, 2018