



STAFF REPORT

Report To: Board of Supervisors **Meeting Date:** December 2, 2021

Staff Contact: Sheri Russell, Chief Financial Officer

Agenda Title: PUBLIC HEARING:
For Discussion Only: Public hearing under NRS 350.020(3) concerning Carson City's proposed issuance of General Obligation (Limited Tax) Water Bonds (Additionally Secured by Pledged Revenues), in the aggregate principal amount not to exceed \$7 million for the purpose of acquiring, constructing, improving, and equipping City water projects as defined in NRS 244A.056; and paying the related issuance costs. (Sheri Russell, srussell@carson.org)

Staff Summary: NRS 350.020(3) requires that a public hearing be held before the Carson City, Nevada General Obligation Water Bonds can be issued. Notice was published in the Nevada Appeal on November 3, 2021, November 10, 2021, and November 17, 2021 indicating the City's intent to hold this public hearing.

Agenda Action: Other / Presentation **Time Requested:** 5 Minutes

Proposed Motion

Public comment and discussion only.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

10/7/2021 - The Board of Supervisors ("Board") adopted Resolution #2021-R27, 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.

10/13/2021 - The Debt Management Commission adopted a resolution approving Carson City's proposed issuance of the Water Bonds.

10/21/2021 - The Board approved Resolution #2021-R31, 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.

10/27/2021 - The resolution of intent was published in the Nevada Appeal.

Background/Issues & Analysis

This public hearing is required by statute and is the next step in the process for the City to issue general obligation bonds additionally secured by pledged revenues. After this public hearing, Carson City will still need to

complete a 90-day waiting period, a final hearing and the adoption of bond ordinances. Staff anticipate these remaining steps will be completed by February 2022.

Carson City is pursuing the issuance of a general obligation bond not to exceed the amount of \$7 million to fund the balance of the Quill Water Treatment Plant Upgrade that remains unfunded. Simultaneously, the City is applying for a federal appropriation of approximately \$1.5 million. If successful, City staff anticipate reducing the amount borrowed based on the federal appropriation. The bond ordinance will reflect the reduced borrowing due to any federal appropriation to this project.

The interest rate on the proposed bonds was estimated by the City's municipal advisor, JNA Consulting Group, LLC to be 4%. Based on current market conditions, JNA considers this estimate to be conservative. Prior to the adoption of the bond ordinance mentioned above, an updated estimate will be provided to the Board.

Annual debt service on the bonds will be paid from the City's Water Fund.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 244A.056 and 350.020(3).

Financial Information

Is there a fiscal impact? Yes

If yes, account name/number: Water Fund Principal and Interest Payments 5203505-50XXXX.

Is it currently budgeted? No

Explanation of Fiscal Impact: Estimated annual debt service payments of approximately \$516,600 for 20 years. Final amounts of bond proceeds, issuance costs, debt service and capital projects will be added to the Water Fund Budget through a budget augmentation in FY 2022.

Alternatives

N/A; public hearing discussion item.

Attachments:

[Proof- NOH \(Water Bonds\).pdf](#)

Board Action Taken:

Motion: _____	1) _____	Aye/Nay
	2) _____	_____

(Vote Recorded By)

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 October 21, 2021, and designated in Section 1 thereof by the short title "2021 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 twenty (20) 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 December 2, 2021 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 Clerk-Recorder, 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 Clerk-Recorder.

BY ORDER of the Board of Supervisors, Carson City, Nevada, dated October 21, 2021.

Aubrey Rowlett, Carson City Clerk
C. Eggert, Chief Deputy (seal)