

**Carson City
Agenda Report**

Date Submitted: 9/24/13

Agenda Date Requested: 10/04/13

Time Requested: 10 minutes

To: Mayor and Supervisors

From: Nick Providenti, Finance Director

Subject Title: For Possible Action: Action to adopt a resolution concerning the financing of water projects and sewer projects; directing the clerk to notify the Carson City Debt Management Commission of the City's proposals to issue General Obligations therefore; providing certain details in connection therewith; and providing the effective date hereof.

Staff Summary: The Resolution directs notice to the Carson City Debt Management Commission of the City's intent to issue \$6,000,000 Carson City, Nevada General Obligation (Limited Tax) Water Improvement Bonds (Additionally Secured by Pledged Revenues) Series 2014A, and \$24,750,000 Carson City, Nevada General Obligation (Limited Tax) Sewer Improvement Bonds (Additionally Secured by Pledged Revenues) Series 2014B. The City reasonably expects to incur expenditures with respect to the Water and Sewer Projects prior to the issuance of the Bonds and the resolution allows the city to reimburse those expenditures from the Water and Sewer Bonds.

Type of Action Requested: (check one)

Resolution

Ordinance

Formal Action/Motion

Other (Specify)

Does this action require a Business Impact Statement: () Yes (xx) No

Recommended Board Action: I move to adopt Resolution # _____, a resolution concerning the financing of water projects and sewer projects; directing the clerk to notify the Carson City Debt Management Commission of the City's proposals to issue General Obligations therefore; providing certain details in connection therewith; and providing the effective date hereof.

Explanation for Recommended Board Action: Applicable Statute, Code, Policy, Rule or Regulation: The Board of Supervisors proposes to acquire, construct, improve and equip water projects as defined in NRS 244A.056, and to acquire, construct, improve and equip sewerage projects as defined in NRS 244A.0505 which includes drainage and flood control projects. This Resolution directs the Clerk to notify the Carson City Debt Management Commission of the City's proposals to issue General Obligations and allows the city to reimburse itself from bond proceeds.

Fiscal Impact: \$9,271,512 in principal and interest from the water fund, \$35,387,886 in principal and interest from the sewer fund, and \$3,075,017 in principal and interest from the stormwater drainage funds over the next 20 years.

Explanation of Impact: The City intends to pay the debt service from the water, sewer and stormwater drainage funds.

Funding Source: Water, sewer and stormwater drainage funds.

Alternatives: Elect not to borrow money and accumulate funds to do the projects on a pay as you go basis.

Supporting Material: Resolution

Prepared By: Nick Providenti

Reviewed By: [Signature] Date: 9/24/13
(Department Head)

Marena [Signature] ^{DCM} Date: 9/24/13
(City Manager)

[Signature] Date: 9/24/13
(District Attorney)

[Signature] Date: 9/24/13
(Finance Director)

Board Action Taken:

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

(Vote Recorded By)

Summary - a resolution directing notice to the Carson City Debt Management Commission.

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE FINANCING OF WATER PROJECTS AND SEWER PROJECTS; DIRECTING THE CLERK TO NOTIFY THE CARSON CITY DEBT MANAGEMENT COMMISSION OF THE CITY'S PROPOSALS TO ISSUE GENERAL OBLIGATIONS THEREFOR; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, Carson City, in the State of Nevada (the "City" and "State," respectively), is organized and operating pursuant to the provisions of Chapter 276, Statutes of Nevada 1971 (the "Charter") and the general laws of the State; and

WHEREAS, pursuant to Section 7.020 of the Charter (the "Project Act"), the City is authorized to borrow money for any corporate purpose and to evidence such borrowing by the issuance of bonds or other securities pursuant to the Local Government Securities Law (being cited as Nevada Revised Statutes ("NRS") 350.500 through 350.720 (the "Bond Act")); and

WHEREAS, the Board of Supervisors (the "Board") proposes to acquire, construct, improve and equip water projects as defined in NRS 244A.056 (the "Water Project"), and to acquire, construct, improve and equip sewerage projects as defined in NRS 244A.0505 which includes drainage and flood control projects (the "Sewer Project"); and

WHEREAS, the Board pursuant to NRS 350.020(3) (subject to the approval of the proposals to issue general obligations by the Carson City Debt Management Commission), proposes to issue general obligation water bonds additionally secured by a pledge of the revenues of the City's water system (the "Water Bonds") of which the Water Project is a part (the "Water Pledged Revenues"), and general obligation sewer bonds (the "Sewer Bonds") additionally secured by a pledge of the revenues of the City's sewer and drainage system of which the Sewer Project is a part (the "Sewer Pledged Revenues"); and

WHEREAS, based on studies presented to the Board, which are attached hereto as Exhibit "B," the Board hereby determines that the Water Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on such Water Bonds and that