

**DEBT MANAGEMENT COMMISSION,
WASHOE COUNTY, NEVADA**

FRIDAY

3:00 P.M.

MAY 15, 2009

PRESENT:

Dan Gustin, Reno City Council, Chairperson
Nancy Hollinger, Washoe County School District, Vice Chairperson
John Breternitz, Washoe County Commissioner, Commissioner
Geno Martini, Sparks City Mayor, Commissioner
Ted Fuller, GID Representative, Incline Village, Commissioner (via phone)

Nancy Parent, Chief Deputy Clerk
Paul Lipparelli, Assistant District Attorney

The Washoe County Debt Management Commission met at 3:01 p.m. in the Washoe County Commissioner's Chambers at the Administration Complex, 1001 East Ninth Street, Reno, Nevada, in full conformity with the law, with Chairperson 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:

09-23DMC AGENDA ITEM 4

Agenda Subject: "Public Comments."

Richard Pugh commented on his past service on the Debt Management Commission.

09-24DMC AGENDA ITEM 5

Agenda Subject: "Approval of the Agenda for the May 15, 2009 Quarterly meeting."

On motion by Commissioner Breternitz, seconded by Commissioner Hollinger, which motion duly carried, it was ordered that Agenda Item 5 be approved.

09-25MC AGENDA ITEM 6

Agenda Subject: "Interviews and possible appointment(s) of At-Large Members."

Commissioner Breternitz asked Assistant District Attorney Paul Lipparelli to explain the Nevada Revised Statutes (NRS) and how it identified the proper qualifications for appointing an At-Large Member to the Debt Management Commission (DMC). Assistant District Attorney Lipparelli explained the NRS which governs the

DMC, and more specifically, the identifying qualifications for persons to sit on the Board. He stated a person appointed to the DMC who was not an elected officer or a person appointed to an elective office, must have five years of experience in the field of public administration, public accounting or banking. In addition, a section of the law further described that At-Large Members would be chosen by the other members and should have knowledge of the County's financial structure.

Chairperson Gustin questioned the way one application was received and why gender specification was on the application. Chief Deputy Clerk Nancy Parent stated the application had been forwarded to the Clerk's Department Supervisor from the website. Assistant District Attorney Lipparelli responded the gender specification was not criteria the Board would use to make a decision, but that some first names could be for either gender and this was a way to avoid awkwardness.

JULIE BRAND

Ms. Brand explained she worked with NV Energy as Director of External Financial Reporting in policy and research. She reported she was a Certified Public Accountant (CPA) in the State of Nevada. She previously worked with the Legislative Counsel Bureau as a fiscal analyst for approximately three years, and her public accounting experience was with her previous employer and her current position with NV Energy.

Commissioner Breternitz inquired as to what extent Ms. Brand felt she had an understanding of the County's financial structure. Ms. Brand responded she only had public accounting experience with a public trading company and her work with the State.

Ms. Brand questioned whether she could be considered because of a potential conflict since she worked with the finance components of her company who had an interest in tax exempt bonds with the County. Assistant District Attorney Lipparelli responded the Board would have to look at it on a case-by-case basis to see if there would be any conflict, but at this time he failed to see that as a disqualifier.

Washoe County Finance Director John Sherman stated tax exempt bonds were matters that would not come before the DMC.

JAMES HUNTING

Mr. Hunting stated he was currently, and had been for the last eight years, the CEO of Sierra Pacific Federal Credit Union, which had \$66 million in assets. Presently he served on the Chamber Board and was the past president of the Downtown Improvement Association. For 10 years he worked on the Redevelopment Commission. He noted he was the past president of the Northern Nevada Chapter of the Business Economists Association. He worked for three years on the School District's budget committee. He thought he was probably more familiar with the finances of the City of Reno and the Redevelopment Commission more so than the County's.

It was verified that Commissioner Fuller was still participating via the telephone and he stated he was pleased with the qualifications of the people applying for the positions.

RICHARD G. PUGH

Mr. Pugh stated he had nothing to add.

JIM GALLOWAY

Mr. Galloway stated he put in his application because he thought there may not be enough applicants as had happened in the past. He explained he was retired but had gone beyond the State law time frame which allowed him to now apply for community boards and commissions. He disclosed that he also served on the School Rollover Bond Oversight Committee for two years. Chairperson Gustin inquired how many years Mr. Galloway served on the DMC. Mr. Galloway responded about eight years.

DARYL E. DRAKE

Mr. Drake was not present; however, Commissioner Breternitz informed the Board he received a call from Mr. Drake who informed him that he pulled his application based on his feelings that his qualifications did not meet the criteria.

CYNTHIA FAY MASON

Ms. Mason was not present.

PHILIP HORAN

Mr. Horan stated his interest in serving on the DMC and discussed his banking background of 28 years. He said he had a very strong financial background, but had not worked with the finances of the public sector. He believed he understood how the County generated revenue and what they looked at with regard to issuing debt. He said one of his strengths was the ability to ask the types of questions of staff when they made recommendations. He explained he was retired and currently participated in a number of County activities and currently served on the Board of Adjustment and was an alternate on the Board of Equalization. Commissioner Breternitz inquired if there were any stipulations regarding serving on more than one Board. Assistant District Attorney Lipparelli responded he did not see any conflict with participation on other Boards.

MARK E. GLENN

Mr. Glenn was not present.

PHILIP GILANFARR

Mr. GilanFarr was not present.

MICHELLE SALAZAR

Ms. Salazar stated she had 10 years of experience in the accounting field. She worked over six years in public accounting at Muckel Anderson Certified Public Accountants (CPA's). She reported she was a CPA, a certified valuation analyst and a certified fraud examiner and was accredited in business valuation. She worked for three years in the business valuation sector where she performed business valuations, fraud examinations and assisted attorneys and other experts in expert witness testimony. She reported she did not have experience in the governmental sector other than studying for the CPA exam and the governmental accounting course she took to obtain her Bachelors Degree. She said that in preparing for today's interview she reviewed NRS 350 and the Comprehensive Annual Financial Reports for Reno, Sparks and Washoe County to gain understanding about the difference between general obligation bonds and revenue bonds and the difference between governmental activities and business activities.

JIM AINSWORTH

Mr. Ainsworth stated he had served on the Sun Valley General Improvement District (SVGID) for 24 years and had served on the DMC on and off for 18 years. He said that his term limit was up on the SVGID and he wanted to continue to serve the community.

JONNIE PULLMAN

Ms. Pullman was not present.

Chairperson Gustin stated there were a lot of qualified applicants, but only two positions to fill. He verified that Commissioner Fuller was still participating via the telephone. Commissioner Fuller stated he did not have any comments or questions, but agreed it was going to be a tough decision.

Commissioner Breternitz stated there were a number of qualified people and this was a good place to bring people into local government. He felt it was important to offer opportunities to people to serve who would bring new perspective to the DMC and the community.

Commissioner Martini agreed and stated after hearing Mr. Galloway's testimony that in the past very few people had applied and Mr. Ainsworth stating he would be available if he was needed, that maybe a different perspective would be beneficial. Commissioner Hollinger and Commissioner Fuller agreed.

Chairperson Gustin stated he did not want to lose the institutional memory the Board previously had, but there were qualified past Board members as well as qualified new applicants.

On motion by Commissioner Breternitz, seconded by Commissioner Martini, which motion duly carried, it was ordered to appoint James Hunting to the Debt Management Commission as an At-Large Member.

On motion by Commissioner Martini, seconded by Commissioner Hollinger, which motion duly carried, it was ordered to appoint Michelle Salazar to the Debt Management Commission as an At-Large Member.

09-26DMC **AGENDA ITEM 7**

Agenda Subject: “Oath of Office for newly appointed members.”

Chief Deputy Clerk Nancy Parent administered the Oath of Office to James Hunting and Michelle Salazar. Members Hunting and Salazar assumed their positions on the Board.

09-27DMC **AGENDA ITEM 8**

Agenda Subject: “Resolution concerning the submission to the Washoe County Debt Management Commission of a proposal to issue Special Revenue Obligations by Gerlach General Improvement District; concerning action taken thereon by the Commission; and approving certain details in connection therewith.

Kendra Follett, Swendseid and Stern, explained this special revenue obligation was before the DMC because it was a revenue obligation of a General Improvement District (GID) with a population of less than 5,000. The Resolution was not proposing to levy any ad valorem tax; it was just strictly a revenue obligation. She reported this was for financing of a sewer pond lining and the loan would be from USDA. The USDA gave them a financing package totaling approximately \$863,000, the GID would make a \$72,000 contribution and a grant of approximately \$321,000 would come from the USDA as well. The USDA gave them a Letter of Conditions showing a 4.375 percent interest rate and a principal amount of \$470,000 for the loan. The USDA also required funding of the reserve fund and the GID imposes rates and charges sufficient to repay the loan and their operating expenses. There was also a covenant that they would require them to levy whatever charges were needed to repay the debt.

Commissioner Breternitz asked who would be on the hook if there was a default. Ms. Follett explained they were revenue bonds with the covenant that the Board would impose whatever charges were necessary to repay the debt. Ms. Follett stated as USDA was the bond holder they could enforce the covenants under the Bond Resolution.

Commissioner Breternitz wondered if there was a problem with the Resolution being passed by the GID with only two members present and voting for it in Gerlach. Lisa Bertschi, Gerlach GID Chairperson, said they did not have a quorum that day, but she brought minutes to show there was previous discussion and consensus of the Board.

Chairperson Gustin confirmed the interest rate with Ms. Follett and then inquired if the term was for 50 years. Ms. Follett stated the term was 40 years, but the Resolution quoted the statute stating it could go a maximum of 50 years. She said the USDA had a flexible repayment policy and there was no penalty for early payment.

Commissioner Fuller stated he needed clarification as to which 'board' the USDA would require to raise fees. Ms. Follett responded the GID Board would have to raise the sewer rates on paying customers of the GID.

Commissioner Hunting inquired how many customers were serviced by the GID. Ms. Bertschi stated the numbers showed 127, but there were actually 143.

On motion by Commissioner Martini, seconded by Commissioner Hollinger, which motion duly carried, it was ordered that Agenda Item 8 be approved. See the Resolution attached hereto and made a part hereof.

09-28DMC **AGENDA ITEM 9**

Agenda Subject: "Approval of the minutes of the special meeting of January 27, 2009 and the regularly scheduled meeting of February 6, 2009."

On motion by Commissioner Breternitz, seconded by Commissioner Martini, which motion duly carried with Commissioners Hunting and Salazar abstaining, it was ordered to approve the minutes of the special meeting of January 27, 2009.

On motion by Commissioner Martini, seconded by Commissioner Breternitz, which motion duly carried with Chairperson Gustin and Commissioners Hunting and Salazar abstaining, it was ordered to approve the minutes of the regular meeting of February 6, 2009.

09-29DMC **AGENDA ITEM 10**

Agenda Subject: "Member Comments."

Commissioner Martini welcomed the new Commissioners. Chairperson Gustin commented there were extremely qualified applicants and three of those had previously served on the DMC.

09-30DMC

AGENDA ITEM 11

Agenda Subject: "Public Comments."

There was no response to the call for public comment.

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09-31DMC

ADJOURNMENT

3:45 p.m. There being no further business to come before the Board, on motion by Commissioner Hollinger, seconded by Commissioner Breternitz, which motion duly carried, it was ordered the meeting be adjourned.

DAN GUSTIN, Chairperson,
Debt Management Commission

ATTEST:

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

*Minutes Prepared by
Jaime Deller, Deputy County Clerk*

RESOLUTION

A RESOLUTION CONCERNING THE SUBMISSION TO THE WASHOE COUNTY DEBT MANAGEMENT COMMISSION OF A PROPOSAL TO ISSUE SPECIAL REVENUE OBLIGATIONS BY GERLACH GENERAL IMPROVEMENT DISTRICT; CONCERNING ACTION TAKEN THEREON BY THE COMMISSION; AND APPROVING CERTAIN DETAILS IN CONNECTION THEREWITH.

WHEREAS, pursuant to Sections 350.011 through 350.0165, Nevada Revised Statutes (“NRS”), the Board of Trustees (the “Board”) of Gerlach General Improvement District (the “District”), Nevada notified the secretary of the Debt Management Commission of Washoe County (the “Secretary” and the “Commission,” respectively) of the District's proposal to issue special revenue obligations, and submitted a statement of the District's proposal in sufficient number of copies for each member of the Commission; and

WHEREAS, the Board proposes (subject to the approval of the proposal to issue special revenue obligations by the Commission) to issue the obligations described in the following proposal:

SPECIAL REVENUE OBLIGATIONS PROPOSAL:

Shall the Board of Trustees of the Gerlach General Improvement District, Nevada be authorized to incur special revenue indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's special revenue bond, in one series or more, in the maximum principal amount of \$470,000, for the purpose of paying a portion of the cost to construct, reconstruct, improve, or extend the sanitary sewer system or for any part thereof as provided in NRS 318.140 and to acquire, construct, reconstruct, improve, better or extend any undertaking as defined in NRS 350.360; the special revenue bond to mature within 50 years from the date or dates thereof; to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time such obligation is sold; the special revenue bond to be payable from pledged revenues; to be issued at par, or below or above par, and otherwise in such manner, upon such terms and conditions, and with such other detail as the Board may determine, including at its option but not necessarily limited to provisions for the redemption of the obligations prior to maturity without or with the payment of a premium?

(the “Proposal”); and

D9-272mc

WHEREAS, the Secretary, with the approval the Chairman of the Commission and the District, thereupon, gave notice of a meeting, and provided a copy of the Proposal to each member of the Commission with the notice of the meeting and mailed notice of the meeting to the chief financial officer of each municipality in Washoe County, Nevada which has complied with subsection 1 of NRS 350.013 within the past year; and

WHEREAS, the Commission has heard anyone desiring to be heard and has taken other evidence relevant to its approving or disapproving the Proposal.

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

Section 1. This resolution shall be known as the "2009 Gerlach General Improvement District DMC Resolution."

Section 2. The provisions of NRS 350.013 to 350.015 have been met, and therefore the Proposal for the issuance of the special revenue bond proposed by the District 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.

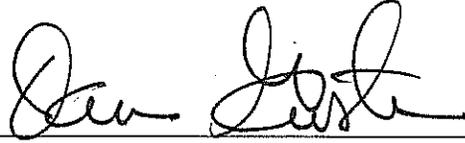
Section 4. All bylaws, orders, resolutions or parts thereof in conflict with this resolution are hereby repealed. This repealer shall not be construed to revive any bylaw, order, resolution or part thereof heretofore repealed.

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 or 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.

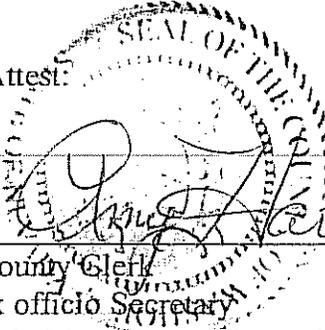
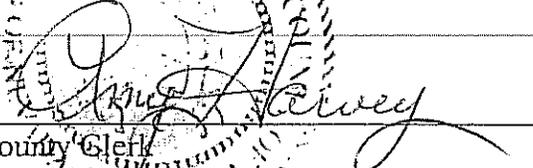
09-27DMC

ADOPTED this May 15, 2009.



Chairman
Debt Management Commission

Attest:

County Clerk
ex officio Secretary
Debt Management Commission

09-27DNC

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

I am the Washoe County Clerk and ex officio Secretary of the Debt Management Commission of Washoe County, Nevada, do hereby certify:

1. The foregoing pages constitute a true, correct, complete and compared copy of the resolution adopted by the Debt Management Commission of Washoe County, State of Nevada, at a meeting held on May 15, 2009, insofar as the same refer to the sanitary sewer project and the financing thereof, as provided in the proposal submitted to the Commission by the Gerlach General Improvement District, Nevada.

2. All members of the Commission were given due and proper notice of such meeting and voted on such resolution as follows:

Those Voting Aye:

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

Those Voting Nay:

None

Those Absent:

None

3 Pursuant to and in full compliance with Section 241.020 and Section 350.0145, Nevada Revised Statutes written notice of the meeting was given at least 3 working days before the meeting, including in the notice the time, place, location and agenda of the meeting:

(a) Prior to 9:00 am at least 3 working days before such meeting, such notice was mailed to each person, if any, who has requested notices of meetings of the Commission in compliance with NRS 241.020(3)(b) by United States Mail, or if feasible and agreed to by the requestor, by electronic mail;

(b) By posting a copy of the notice at the principal office of the Commission, or if there is no principal office, at the building in which the meeting is

09-27-09

to be held, the Commission's website, if any, and at least 3 other separate, prominent places within the jurisdiction of the Commission, to wit:

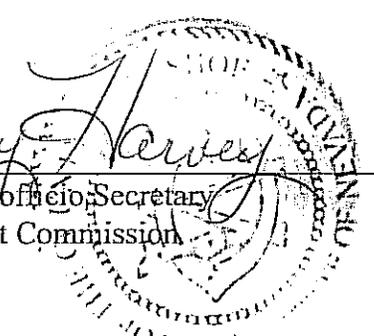
- i) Washoe County Administration Complex
1001 East 9th Street
Reno, Nevada
- ~~ii) Washoe County Courthouse
75 Court Street
Reno, Nevada~~
- iii) Reno City Hall
450 Sinclair Street
Reno, Nevada
- iv) Sparks City Hall
431 Prater Way
Sparks, Nevada

A copy of the notice is attached hereto as Exhibit A.

IN WITNESS WHEREOF, I have hereunto set my hand in Washoe County, State of Nevada, on this May 15, 2009.



County Clerk, ex officio, Secretary
Debt Management Commission



D9-27DME

EXHIBIT A

(Attach Copy of Notice of Meeting)

09-27 DMC

DEBT MANAGEMENT COMMISSION

Dan Gustin, Chairperson
Nancy Hollinger, Vice Chairperson
John Breternitz
Geno Martini
Ted Fuller

COUNTY CLERK

Amy Harvey

**ASSISSTANT DISTRICT
ATTORNEY**

Paul Lipparelli

**AGENDA
WASHOE COUNTY DEBT MANAGEMENT COMMISSION
QUARTERLY MEETING**

**WASHOE COUNTY ADMINISTRATION COMPLEX
COMMISSION CHAMBERS 1001 E. 9TH STREET
RENO, NEVADA**

**FRIDAY, MAY 15, 2009
3:00 P.M.**

NOTE: Items on the agenda without a time designation may not necessarily be considered in the order in which they appear on the agenda.

The Washoe County Commission Chambers are accessible to the disabled. If you require special arrangements for the meeting, call the County Clerk's Office, 337-4585, 24-hours prior to the meeting.

- ** 1. Call to Order.
- ** 2. Salute to the Flag.
- ** 3. Roll Call.
- 4. Public Comments.
- 5. Approval of the Agenda for the May 15, 2009 Quarterly meeting.
- 6. Interviews and possible appointment(s) of At-Large Member(s).
- 7. Oath of Office for newly appointed members.

DA-27DMC

8. Resolution concerning the submission to the Washoe County Debt Management Commission of a proposal to issue Special Revenue Obligations by Gerlach General Improvement District; concerning action taken thereon by the Commission; and approving certain details in connection therewith.
9. Approval of the minutes of the special meeting of January 27, 2009 and the regularly scheduled meeting of February 6, 2009.

** 10. Member comments.

** 11. Public Comments.

12. Adjournment.

** *These are non-action items*

In accordance with NRS, this agenda for May 15, 2009, will be posted at the following places:

Washoe County Courthouse, 75 Court Street, Reno, Nevada
Washoe County Admin. Building, 1001 East 9th Street, Reno, Nevada
City Hall, City of Sparks, 431 Prater Way, Sparks, Nevada
City Hall, City of Reno, 450 Sinclair Street, Reno, Nevada
www.washoecounty.us

09.27DME