

WASHOE COUNTY DEBT MANAGEMENT COMMISSION

FRIDAY

1:00 P.M.

MAY 17, 2024

PRESENT:

Naomi Duerr, Reno City Council, Chair
Eugenia Bonnenfant, At-Large Member
Jeanne Herman, Washoe County Commissioner, Member
Adam Mayberry, Washoe County School District, Member
Susan Severt, GID Representative, Member

Janis Galassini, County Clerk
Trenton Ross, Deputy District Attorney

ABSENT:

Michelle Salazar, At-Large Member, Vice-Chair
Dian VanderWell, Sparks City Council, Member

The Washoe County Debt Management Commission met in regular session at 1:00 p.m. in the Washoe County Caucus Room, Administration Complex, 1001 East Ninth Street, Reno, Nevada, and via the Zoom application in full conformity with the law, with Chair Duerr presiding. Following the County Clerk's call of the roll and the Pledge of Allegiance to the flag of our Country, the Board conducted the following business:

24-015D **AGENDA ITEM 3** Public Comment.

There was no response to the call for public comment.

24-016D **AGENDA ITEM 4** Approval of minutes for the Debt Management Commission meeting of April 9, 2024. Commission members may identify any additions or corrections to the draft minutes as transcribed.

There was no response to the call for public comment.

On motion by Member Herman, seconded by Member Severt, which motion duly carried on a 5-0 vote, with Vice Chair Salazar and Member VanderWell absent, it was ordered that Agenda Item 4 be approved.

24-017D **AGENDA ITEM 5** Appearance by Sun Valley General Improvement District (SVGID) General Manager Chris Melton and SVGID Senior Accountant Elizabeth Thrall. Presentation of the SVGID's debt position.

Sun Valley General Improvement District (SVGID) General Manager Chris Melton provided some background on the SVGID, including that it was established in 1967. He described the SVGID as a quasi-municipal entity that was established under Chapter 318 of the Nevada

Revised Statutes (NRS). There were four parks throughout the SVGID in addition to several facilities, baseball and soccer fields, a skate park, a bicycle motocross (BMX) track, a neighborhood center, and a pool complex. There were roughly 6,200 service connections in the SVGID, and it served over 20,000 people.

Mr. Melton introduced SVGID Senior Accountant Elizabeth Thrall. Ms. Thrall read from the memorandum for Agenda Item 5. Referencing the second of two documents titled Sun Valley General Improvement District Debt and Long-Term Employee Benefit Liabilities, which were incorporated into the agenda supporting materials, she noted the compensated absences totaled \$154,763 as of June 2023. Pension liability was recorded as \$2,425,797 as of June 2023.

Chair Duerr commended the streamlined format of the presented documents. She was unsure why the SVGID had not attended a Debt Management Commission (DMC) meeting prior, as the DMC had been requesting the SVGID's presence for at least five years. She understood the need for the SVGID staff to compile the data for the presentation.

Member Herman believed the SVGID was one of the best-operated GIDs in the area.

Member Severt expressed pride regarding the SVGID employing a senior accountant. She pointed out that some retirements at the SVGID resulted in restructuring. She commented that Ms. Thrall streamlined relevant processes and simplified complex information, resulting in enhanced comprehension for the Commission and the public. Member Severt stated the DMC and the SVGID were a team, and Mr. Melton ensured all individuals remained focused and on schedule.

In response to Chair Duerr's question regarding when Ms. Melton started his position as the general manager, Mr. Melton indicated he started two years prior. Member Severt mentioned Mr. Melton was originally employed as a water technician and revealed effective secession planning established by former DMC Members allowed people to be promoted as they gained experience.

Member Mayberry asked if the Sun Valley residents received a water bill. Mr. Melton confirmed they were sent one bill for water, wastewater, and park facility fees. Member Mayberry inquired about how the charge related to garbage was administered. Mr. Melton stated garbage was associated with the County's franchise fee. He explained the SVGID used to have its own garbage fee, but the SVGID negotiated with the County to integrate the fee within the County's General Fund. The funds were collected in the County's General Fund, and the SVGID's portion was dispersed to the SVGID. Member Mayberry asked if the residents of Sun Valley paid Waste Management directly, and Mr. Melton responded in the affirmative.

Member Severt talked about the SVGID's Beautification Fund, which had several uses. It was used to sponsor a program with the Washoe County Sheriff's Office (WCSO) to tow abandoned used vehicles and to fund dumpsters for the Northern Nevada Public Health (NNPH) for residences that needed to be cleaned up. She divulged that the SVGID residents could obtain vouchers for recycling up to two monitors, televisions, or a combination of both for free.

Member Mayberry questioned whether the residential dwelling size impacted the billing rates for water, sewer, and recreation. Mr. Melton explained that a base rate and a consumption rate were established for the typical single-family residential. Effective July 2024, the SVGID transferred from a base and consumption rate to a flat rate for sewage because of the large amount of administrative time expended on monitoring usage during the winter months, which was necessary to determine people's waste usage. Once an average was calculated for each home, typically for December, January, and February, it was incorporated into the bills for the entirety of the year. Mr. Melton added it cost the SVGID and the customers roughly \$25,000 a year to conduct an evaluation, so the staff recommended the SVGID Board of Trustees move to a flat rate system in order to budget more consistently. Other regional entities also adopted a flat rate.

Chair Duerr was informed by Washoe County Sustainability Manager Brain Beffort and Board of County Commissioners (BCC) Commissioner Mariluz Garcia that they both participated in a clean-up event. Member Severt clarified that the program Mr. Beffort and Commissioner Garcia participated in was different. She spoke about a program where people could discard their electronics and heavy metals, but it required much staff time. Member Severt said the SVGID wanted to organize the program to allow customers to discard items at their convenience, so the customers were issued vouchers for televisions and monitors since other recyclable items were accepted daily for free. The SVGID financed the bill for recycling the televisions and the monitors. Mr. Melton indicated this year was the program's third active year. He clarified that the SVGID opened the program for a month rather than a day to educate the public and broaden the timespan from one day.

Chair Duerr shared she started a one-day event six or seven years ago for discarding household hazardous waste (HHW) and electronic waste (e-waste), which was organized for the day following the meeting. She said she tried to move the event's venue to various public locations around her ward and emphasized the event's popularity. She revealed other Reno City Council members started participating in the event, and she used her council funds to pay for the residents' HHW and e-waste. Chair Duerr stated American Rescue Plan Act (ARPA) funds were used to finance the event last year, during which all the wards were served for one day. After the ARPA funds were expended, Chair Duerr and one or two other council members continued financing the event, but it was no longer organized citywide. She wondered if she could provide the staff with Mr. Melton's contact information so there could be a more continuous drop-off, noting it was more convenient for people to deliver items when they were able to. Chair Duerr mentioned two providers with Waste Management were identified; however, there was a cost associated with them accepting the disposal drop-offs in addition to many other conflicts. She was impressed with the SVGID's efforts and hoped to expand the Reno waste disposal services. She asked how the SVGID's e-recycling program was financed, and Mr. Melton indicated it was paid for by the garbage subsidies funded through the franchise fees. Chair Duerr shared that the City of Reno's 16-year Waste Management franchise agreement was completed prior to her Reno City Council appointment. She expressed interest in learning more about the SVGID's program. She noted the purpose of the educational seminars was to gain a better understanding and learn from one another, for which she conveyed appreciation. Mr. Melton mentioned the SVGID's specific duties as a general improvement district (GID) required that water, sewer, recreation, and garbage all be paid

for with their respective funds. He stated that the SVGID made efforts to manage its activities and comply with requirements.

Chair Duerr summarized general obligation (GO) bonds were issued to the SVGID and were expected to be paid off soon. She noted the SVGID had additional loans. She said it was interesting to hear that the SVGID was a part of the Truckee Meadows Water Reclamation Facility (TMWRF) with the City of Sparks. In response to her question regarding whether both loans were related to TMWRF, Mr. Milton indicated they were. Chair Duerr noted both loans had significantly low interest rates and were due to be paid off soon. Mr. Milton said the SVGID was hoping to be debt-free in two years. He clarified that the SVGID paid 14 percent of the City of Spark's 30 percent share for the TMWRF expansion project; 14 percent was for the SVGID's capital improvement plan (CIP) portion. Chair Duerr pointed out the SVGID was shown to have capacity but spoke about the TMWRF's additional treatment needs that were communicated. Mr. Milton explained the SVGID had a capacity of approximately 1.8 million gallons per day (MGD) at the TMWRF, and the SVGID was currently only using about 1 MGD. He was certain other entities used the additional capacity. He noted the SVGID would use the remaining capacity at some point.

Chair Duerr mentioned the City of Reno had a loan agreement in place with the City of Sparks to loan capacity with the expectation that the City of Sparks would increase capacity. She was uncertain if that was possible due to limitations related to water quality requirements imposed by the Pyramid Lake Paiute Tribe (PLPT). Chair Duerr was unaware that the SVGID had 14 percent of the City of Sparks's TMWRF capacity and commented that the DMC meetings were related to improving understanding of the jurisdictions and their endeavors.

Member Severt asked Mr. Melton to discuss the infrastructure owned by the SVGID. Mr. Melton explained the SVGID's water system consisted of nine tanks, four pump stations, over 100 miles of pipe, and several pressure-reducing valves (PRVs). He further explained the SVGID's sewer-related infrastructure included approximately 130 miles of collection system. The SVGID did not own lift stations, as the sewer system was all gravity-fed to the plant. Once the sewer system left Sun Valley, it would arrive at an interceptor that was shared with portions of the City of Reno, the City of Sparks, and Washoe County. The system was the SVGID's responsibility as it left the valley to Sparks Boulevard and Baring Boulevard.

Chair Duerr mentioned the SVGID had 6,200 customers, and Mr. Melton stated that number would increase. He indicated construction was in progress, and at least another 1,500 customers would be added.

Chair Duerr observed there were many dirt and gravel roads in Sun Valley, and they did not have a curb, a gutter, or stormwater collection. She asked if the SVGID planned to upgrade any of those roads. Member Severt indicated those roads were private. Additionally, Mr. Melton explained the SVGID was in the unincorporated County, and the County's portion of the Sun Valley area would contain the roads and storm drainage. He remarked that the SVGID only cared for the water, the garbage, the sewer, and the parks and recreation. He added that County-owned roads were paved as long as they met the standards, and they were at least graded and graveled in some areas.

Chair Duerr expressed gratitude for Member Severt's presence on the Commission. She complimented the presentation and commented that the SVGID seemed to be operating within the limits of its resources. She pointed out coverage ratio was not discussed and asked if the SVGID had a set standard. Responding to Chair Duerr's question, Ms. Thrall stated the SVGID did not have an established standard, but it did remove money from its operating fund to another bank account each month based on payment activity. Chair Duerr said most jurisdictions adopted a policy to establish a certain coverage ratio to ensure sufficient funds were available to pay potential debt. Chair Duerr asked Member Bonnenfant if she thought what was described was a beneficial practice. Member Bonnenfant agreed with Chair Duerr about implementing that process in the event the SVGID was issued more bonds. She said it was a good idea to track expenses in relation to revenues.

Chair Duerr questioned if the SVGID staff were aware that agencies were rated a certain way for bond sales in the financial market. Mr. Melton responded that he did not know what the SVGID's rating was. Chair Duerr indicated the coverage ratio could enhance the rating, and the rating guided the interest rates. She suggested it was best practice to institute a coverage ratio policy, with the rating system being one of the reasons why. Member Bonnenfant agreed with Chair Duerr's input.

Member Bonnenfant commented that the SVGID appeared to have rated fairly well and was in favor of the SVGID's fiscal responsibility related to taking advantage of the rates as they occurred. Mr. Melton disclosed the SVGID collaborated with the City of Sparks for the sewer interceptor, so the City of Sparks had taken on the debt, and the SVGID joined with its percentage. He explained that was the reason he was unsure about the SVGID's rating. He stated the water bonds were through the Nevada Division of Environmental Protection (NDEP) State Revolving Loan Fund (SRF). Mr. Melton agreed it would likely be appropriate to consider various options, but the SVGID staff were not planning to acquire any more debt at this time. Chair Duerr pointed out that situational expenses sometimes unexpectedly occurred. Member Severt shared that before she was a member, the SVGID Board of Trustees would review every check that was written at every meeting.

Chair Duerr expressed appreciation for the SVGID staff who attended the DMC meeting. Mr. Melton was pleased to have the opportunity to present to the Commission and acknowledged his staff. He praised the SVGID Board of Trustees and indicated that the SVGID staff and Board of Trustees were all committed to fiscal responsibility.

Member Herman shared that the SVGID aided the County when it needed assistance. Regarding the information shared by Member Herman, Member Severt explained the parks were closed to the public from around 2016 to 2017, and she was a parks advocate at the time. She said she was advocating for the SVGID to assume management over the parks and fund them by charging SVGID customers another fee or tax. She confirmed with Mr. Melton that the SVGID charged \$3.50 for park and pool maintenance. Mr. Melton indicated that other than hiring lifeguards during the summer, his staff handled maintenance duties. Member Severt noted the SVGID was able to keep the buildings open and allow programs to continue, such as senior services during the week. Mr. Melton mentioned several lessees used the facilities, and the Community Services Agency (CSA) used the Mary Hansen Center. The SVGID leased its BMX

track to USA BMX. He mentioned the SVGID also leased to several adult and youth baseball leagues as well as partnered with the Northern Nevada Soccer League (NNSL). He stated the SVGID employed 15 full-time employees and roughly 15 to 16 seasonal part-time employees. He indicated the SVGID was securely and effectively organized, and its budget related to recreation was rigorous.

Chair Duerr thanked the SVGID for preparing the presentation and said it was a beneficial exercise for establishing finance-related deadlines. She shared that she used to administer grants to small water systems to keep them in compliance with the Safe Drinking Water Act (SDWA), and the experience involved improved adherence to accounting principles and coding for a replacement line item. She noted the small water systems would upgrade their business practices as a result of being awarded grants. She commented that it was also a beneficial exercise.

24-018D **AGENDA ITEM 6** Board Member Comments.

Chair Duerr inquired about possible agencies to present at the next Debt Management Commission (DMC) meeting and recommended that the Members consider who they wished to present.

Member Severt suggested that those in attendance visit the Sun Valley General Improvement District's (SVGID) website. She stated that information such as community events was available on the website. She mentioned a drone flyover video of the SVGID's parks produced six or seven years ago, which featured the amenities used by park visitors. The video was also available to view on the website. Member Severt said over 100,000 people a year visit the SVGID's parks.

Member Herman remarked that the SVGID saved the day when the County experienced flooding. Member Severt indicated some of the amenities were built in a retention pond, which kept Sparks from flooding on many occasions. She said the pond could be flooded and drained. She informed that the County's infrastructure was overbuilt, which was useful during floods. Chair Duerr talked about her advocacy for collocating retention ponds and detention ponds with recreational areas.

Chair Duerr advised the staff to assess who had not presented to the DMC in a while and offered to discuss the matter with staff offline. County Clerk Jan Galassini indicated the staff had a list of the past presenters for the Members' consideration. Clerk's Office Board Records and Minutes Manager Evonne Strickland read from the list. Chair Duerr asked the Commission if any of the listed agencies sounded interesting and voiced her interest in a presentation from the Reno-Tahoe Airport Authority (RTAA) due to all the new renovations that took place at or were planned for the airport. She expressed interest in the Truckee River Flood Management Authority (TRFMA) because it was saving money and planning to work on some projects. Chair Duerr entertained suggestions from the other Members.

Member Bonnenfant wished to hear a presentation from the Reno Redevelopment Agency (RDA) and noted it experienced issues in the past. Chair Duerr talked about the RDA's projects that were to commence and the income being generated. She mentioned one RDA had to

borrow from another and planned to reimburse it. She agreed the information related to the RDA could be intriguing.

Member Herman suggested a presentation from the Gerlach General Improvement District (GGID). Chair Duerr did not recall the GGID presenting to the DMC, and Ms. Strickland confirmed it was not on the list of presenters. Member Herman said the GGID was another amazing General Improvement District (GID) and advised the Commission did not want to ask for a presentation from Palomino Valley right away. Chair Duerr was in favor of seeing a presentation from an entity that had not presented yet. She supported inviting the GGID to present, and Member Herman approved of viewing a presentation from the RTAA. Chair Duerr asked Member Mayberry if he thought a presentation from the RTAA would be interesting, and Member Mayberry said the Reno-Tahoe International Airport (RNO) was always an exciting place.

Chair Duerr asked Member Mayberry if he was interested in a presentation from any of the listed agencies. Member Mayberry questioned the meaning of a Verdi Television (TV) District, and Chair Duerr commented that she was also uncertain about what it was. Member Herman indicated she was a member of the Verdi TV District Board of Trustees for three or four years, during which a Board of Trustees meeting was never held. Chair Duerr suggested having someone affiliated with the Verdi TV District attend a DMC meeting so the Commissioners could learn more about it.

Member Mayberry encouraged keeping presentations that were not for action items short and succinct. Chair Duerr agreed with Member Mayberry's input. She did not recall having a meeting with just one presenter, and Ms. Galassini indicated there had been DMC meetings with only one presentation itemized. Chair Duerr asked Member Mayberry for clarification regarding his opinion on the length of the meeting in progress, and Member Mayberry indicated the duration of the meeting seemed reasonable.

Ms. Galassini stated the staff would contact the suggested presenters, and Chair Duerr summarized the Members' suggestions, which were the RDA, the Verdi TV District, the GGID, and the RTAA. Ms. Strickland informed the Members that the staff made multiple attempts to contact the RTAA previously, and the RTAA did not respond to any of the staff's requests. Chair Duerr directed the staff to contact the RTAA again. Ms. Galassini mentioned the RTAA did not rely on the DMC for its funding. Deputy District Attorney (DDA) Trenton Ross confirmed the RTAA was a self-sufficient enterprise and said the RTAA attending a DMC meeting would be considered a courtesy. Chair Duerr pointed out the Truckee Meadows Water Authority (TMWA) was similar to the RTAA in that it was not obligated to attend any of the DMC meetings, and Mr. Ross indicated that was correct. Chair Duerr proposed focusing on the agencies that were required to obtain direction from the DMC.

24-019D **AGENDA ITEM 7** Public Comment.

There was no response to the call for public comment.

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1:42 p.m. There being no further business to discuss, the meeting was adjourned without objection.

NAOMI DUERR, Chair
Debt Management Commission

ATTEST:

JANIS GALASSINI, County Clerk
and Ex Officio Secretary,
Debt Management Commission

*Minutes Prepared by
Danielle Howard, Deputy County Clerk*

Pending Board Approval