

**NORTH LAS VEGAS CITY COUNCIL
AGENDA ITEM**

NUMBER: 35.

SUBJECT: Introduce Ordinance No. 2853, Authorizing the Issuance by the City of North Las Vegas, Nevada of its General Obligation (Limited Tax) Water Bonds in the Maximum Principal Amount of \$11,560,000 (Additionally Secured by Pledged Revenues), Series 2018C; and Providing Other Matters Properly Related Thereto.	
REQUESTED BY: Cori Knauss, Finance Director	WARD: Citywide
RECOMMENDATION OR RECOMMEND MOTION: It is recommended that on December 6, 2017, the City Council Introduce Ordinance No. 2853, and pass and adopt Ordinance No. 2853 on December 20, 2017.	
FISCAL IMPACT: AMOUNT: \$11,560,000, plus interest over a 20-year period EXPLANATION: Maximum Principal Amount of \$11,560,000	ACCOUNT NUMBER: 00610-600321-490610/490620-000000

STAFF COMMENTS AND BACKGROUND INFORMATION:

The Drinking Water State Revolving Fund is a self-perpetuating loan assistance authority providing financial assistance at below market rates to publicly- and privately-owned drinking water systems for water infrastructure improvement projects and is administered by the Nevada Division of Environmental Protection (NDEP). To-date, NDEP has obligated well over \$400 million in clean water loans, benefiting approximately 80 projects in 37 separate jurisdictions across Nevada.

The Utilities Department has four groundwater wells requiring rehabilitation, for which only one is currently somewhat operational, while the remaining three wells have failed due to numerous penetrations in the casing, permitting poor quality water to enter into the pump casing. When the City's groundwater wells are fully operational, they account for approximately 10% of the City's overall annual water distribution. Further, these groundwater wells produce water for less than one-third the cost, compared to purchasing the water from Southern Nevada Water Authority, which translates into hundreds of thousands of dollars in annual savings.

As such, staff is recommending the rehabilitation of these wells be financed through the Drinking Water State Revolving Fund. In order to accomplish this, the City will issue a general obligation (limited tax) water bond

CIP No.	Related Item: No	
LIST CITY COUNCIL GOAL(S): Responsible Fiscal Management		
PREPARED BY: Cori Knauss Finance Director	Respectfully Submitted Qiong X. Liu City Manager	CITY COUNCIL MEETING DATE: 12/6/2017

(additionally secured by pledged revenues) in the maximum principal amount of \$11,560,000 to be sold at private sale to the State to evidence the City's obligation to repay the loan to the Revolving Fund, and in-turn, the State will provide funds to the City. It's anticipated the interest rate on the bond/loan will be 2.5% over the 20-year period.