

Summary - a resolution directing notice to the Douglas County Debt Management Commission.

RESOLUTION NO. _____

A RESOLUTION CONCERNING THE ISSUANCE OF SECURITIES; DIRECTING THE SECRETARY TO NOTIFY THE DOUGLAS COUNTY DEBT MANAGEMENT COMMISSION OF THE DISTRICT'S PROPOSAL TO ISSUE SECURITIES; PROVIDING CERTAIN DETAILS IN CONNECTION THEREWITH; AND PROVIDING THE EFFECTIVE DATE HEREOF.

WHEREAS, Indian Hill General Improvement District, Nevada (the "District") was created as a general improvement district pursuant to the provisions of chapter 318 of the Nevada Revised Statutes ("NRS"), and the Board of Trustees of the District (the "Board") is authorized to finance all or a portion of the cost to acquire, construct, reconstruct, improve, extend or better the water system of the District as provided in NRS 318.144 (the "Project"); and

WHEREAS, the Board proposes to issue special obligations in the form of interim debentures and revenue bonds of the District (the "Special Obligations") and to issue general obligation (limited tax) water improvement bonds additionally secured by pledged revenues (the "General Obligations"); and

WHEREAS, the Board pursuant to NRS 350.020(3) (subject to the approval of the proposal to issue the General Obligations by the Douglas County Debt Management Commission), proposes to adopt and publish a resolution of intent to issue the General Obligations additionally secured by certain pledged revenues of the District's water and sewer system (the "Pledged Revenues"); and

WHEREAS, the Board hereby determines and makes a finding that the Pledged Revenues will at least equal the amount required in each year for the payment of interest and principal on the General Obligations; and

WHEREAS, the Board proposes to issue the General Obligations without an election unless a petition signed by the requisite number of registered voters of the District representing the requisite assessed value of the taxable property of the District is presented to the Board requiring the Board to submit a proposal to issue the General Obligations to the qualified electors of the District for their approval or disapproval; and

WHEREAS, the Board proposes to issue the Special Obligations and the General Obligations, subject to the approval of the following proposal by the Douglas County Debt Management Commission (the "Commission"):

PROPOSAL TO ISSUE SECURITIES:

Shall the Board of Trustees of the Indian Hill General Improvement District in Douglas County, Nevada, be authorized to incur special obligations on behalf of the District by the issuance at one time, or from time to time, of the District's interim debentures and revenue bonds, and to incur a general obligation indebtedness on behalf of the District by the issuance at one time, or from time to time, of the District's general obligation water improvement bonds (additionally secured by pledged revenues), in one series or more, such securities in the aggregate principal amount not to exceed \$4,200,000, for the purpose of financing, wholly or in part, the acquisition, construction, reconstruction, improvement, extension or betterment of the District's water system, as provided in NRS 318.144; the interim debentures to mature within 5 years from the date thereof; the revenue bonds to mature within 50 years from the date or respective dates thereof; and the general obligation bonds to mature not later than 30 years from the date or respective dates thereof; to bear interest at a rate or rates not in excess of the statutory maximum rate in effect at the time the securities are sold; the interim debentures to be payable from the proceeds of certain grants and the revenue bonds; the revenue bonds to be payable from pledged revenues; and the general obligation bonds to be payable from general (ad valorem) taxes (except to the extent pledged revenues and any other moneys are available therefor); and to be issued and sold 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 securities prior to maturity without or with the payment of a premium?

(the "Proposal"); and

WHEREAS, subsections 1 and 2 of NRS 350.014 provide, in relevant part, as follows:

"1. Before any proposal to issue general obligation debt . . . may be submitted to the electors of a municipality, or before any other formal action may be taken preliminary to the issuance of any general obligation debt, the proposed incurrence. . . must receive

the favorable vote of two-thirds of the members of the [debt management] commission of each county in which the municipality is situated. . . ." and

"2. Before the board of trustees of a district organized . . . pursuant to chapter 318 of NRS whose population within its boundaries is less than 5,000 . . . borrows money or issues securities to evidence such borrowing, other than securities representing a general obligation debt or installment-purchase agreements with a term of 10 years or less, the proposed borrowing or issuing of securities must receive the favorable vote of a majority of the members of the [debt management] commission of each county in which the district is situated"; and

WHEREAS, subsection 1 of NRS 350.0145 provides, in relevant part, as follows:

"1. The governing body of the municipality proposing to incur general obligation debt. . . and the board of trustees of a general improvement district whose population within its boundaries is less than 5,000 who proposes to . . . borrow money and issue any securities other than securities representing a general obligation debt or installment-purchase agreements with terms of 10 years or less shall notify the secretary of each appropriate [debt management] commission, and shall submit a statement of its proposal in sufficient number of copies for each member of the [debt management] commission."

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE INDIAN HILL GENERAL IMPROVEMENT DISTRICT OF DOUGLAS COUNTY, NEVADA:

Section 1. This resolution is hereby designated the "2010 DMC Notice Resolution."

Section 2. Based on the revenue study presented to the Board, the Board hereby finds that no increase in the rate of an ad valorem tax is anticipated to be necessary for the payment of the General Obligations for the term thereof (the "Finding"), and requests the Commission to approve the Proposal and the Finding.

Section 3. All action, proceedings, matters and things heretofore taken, had and done by the Board, and the officers thereof (not inconsistent with the provisions of this resolution) directed toward the Project and the financing thereof be, and the same hereby is, ratified, approved and confirmed.

Section 4. The District Secretary is authorized and directed to notify immediately the Secretary of the Commission of the Proposal and Finding, and to submit to said Secretary a statement of the Proposal in sufficient number of copies for each member of the Commission.

Section 5. The District General Manager is authorized and directed to amend, if necessary, the District's statement of current and contemplated general obligation debt, debt management policy and capital improvement plan in accordance with the provisions of this resolution and NRS 350.013.

Section 6. In order to permit the District to reimburse itself for prior expenditures relating to the Project with the proceeds of the General Obligations and the Special Obligations (the "Bonds"), the Board hereby determines and declares as follows:

(a) The District reasonably expects to incur expenditures with respect to the Project prior to the issuance of the Bonds for financing the Project and to reimburse those expenditures from the issuance of the Bonds; and

(b) The maximum principal amount of the Bonds expected to be issued and used to reimburse such expenditures is \$4,200,000.

Section 7. All resolutions, or parts thereof, in conflict with the provisions of this resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be constructed to revive any resolution, or part thereof, heretofore repealed.

Section 8. If any section, paragraph, clause or other provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or other provision shall not affect any of the remaining provisions of this resolution.

Section 9. This resolution shall become effective and be in force immediately upon its adoption.

ADOPTED AND APPROVED BY THE BOARD OF TRUSTEES OF THE
INDIAN HILL GENERAL IMPROVEMENT DISTRICT THIS JANUARY 20, 2010.



Attest:

Ronald Lynch
District Secretary

R. Pitt

Chairman
Board of Trustees
Indian Hill General Improvement District

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

I am the duly qualified and acting Secretary of the Indian Hill General Improvement District (herein "District"), Nevada, and do hereby certify:

1. The foregoing pages are a full and correct copy of the resolution of the Board of Trustees of said District adopted at a meeting thereof held on January 20, 2010. The revenue study presented to the Board at such meeting is attached hereto as Exhibit "A."

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

Those Voting Aye:

Dianne Humble
Denise Pierini
Brian Patrick
Laura Lau
Ronny Lynch

Those Voting Nay:

Those Absent:

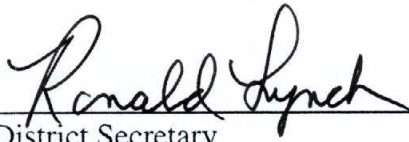
3. Public notice of such meeting was given and such meeting was held and conducted in full compliance with the provisions of NRS 241.020. A copy of the notice of meeting and excerpt from the agenda for the meeting relating to the resolution, as posted by 9:00 a.m. at least 3 working days in advance of the meeting at the District's office, on the District's website, if any, and at:

- (i) District Office;
- (ii) Sheriff's Sub-station;
- (iii) Silver City RV Park; and
- (iv) Washoe One Stop Chevron/Food Mart

is attached as Exhibit "B."

4. At least 3 working days before such meeting, such notice was mailed to each member of the Board and to each person, if any, who has requested notice of meetings of the Board in accordance with the provisions of Chapter 241 of NRS.

IN WITNESS WHEREOF, I have hereunto set my hand of the Indian Hill General Improvement District, Nevada, this January 20, 2010.



District Secretary

EXHIBIT "A"

(Attach Revenue Study)

The following table shows the pro forma debt service for the Proposed Bonds and the debt service on the District's outstanding superior and parity lien bonds as of January 1, 2010.

OUTSTANDING AND PROPOSED DEBT SERVICE

Fiscal Year	Existing Debt Service	USDA Proposed Bonds ¹		SRF Proposed Bonds ¹		Grand Total
		Principal	Interest	Principal	Interest	
2010	\$92,705	-	-	-	-	\$92,705
2011	396,464	0	0	0	26,542	423,006
2012	394,057	12,000	30,778	27,000	45,500	509,335
2013	421,645	12,000	30,388	55,000	44,184	563,216
2014	422,926	12,000	29,998	57,000	42,380	564,304
2015	423,983	13,000	29,608	59,000	40,511	566,102
2016	424,820	14,000	29,169	61,000	38,578	567,566
2017	425,438	14,000	28,714	63,000	36,579	567,731
2018	425,840	14,000	28,259	65,000	34,515	567,614
2019	421,024	14,000	27,804	67,000	32,386	562,214
2020	373,261	16,000	27,333	69,000	30,193	515,786
2021	325,276	16,000	26,813	71,000	27,934	467,022
2022	330,020	16,000	26,293	73,000	25,610	470,923
2023	329,327	17,000	25,773	76,000	23,205	471,305
2024	306,459	18,000	25,204	79,000	20,719	449,382
2025	283,371	18,000	24,619	81,000	9,735	416,725
2026	282,020	18,000	24,034	84,000	15,470	423,524
2027	167,008	20,000	23,433	87,000	12,724	310,164
2028	0	20,000	22,783	89,000	9,880	141,663
2029	0	20,000	22,133	93,000	6,955	142,088
2030	0	21,000	21,483	95,000	3,916	141,399
2031	0	22,000	20,784	49,000	796	92,580
2032	0	22,000	20,069	0	0	42,069
2033	0	24,000	19,338	0	0	43,338
2034	0	24,000	18,558	0	0	42,558
2035	0	25,000	17,778	0	0	42,778
2036	0	26,000	16,949	0	0	42,949
2037	0	26,000	16,104	0	0	42,104
2038	0	28,000	15,243	0	0	43,243
2039	0	28,000	14,333	0	0	42,333
2040	0	29,000	13,423	0	0	42,423
2041	0	30,000	12,464	0	0	42,464
2042	0	31,000	11,489	0	0	42,489
2043	0	32,000	10,465	0	0	42,465
2044	0	33,000	9,425	0	0	42,425
2045	0	34,000	8,336	0	0	42,336
2046	-	36,000	7,215	0	0	43,215
2047	-	36,000	6,045	0	0	42,045
2048	-	38,000	4,859	0	0	42,859
2049	-	39,000	3,624	0	0	42,624
2050	-	40,000	2,340	0	0	42,340
2051	-	42,000	1,024	0	0	43,024
TOTAL	\$6,245,644	\$950,000	\$754,471	\$1,400,000	\$528,310	\$9,878,426

¹ Interest is estimated at 3.25%

SOURCE: JNA Consulting Group, LLC

NRS 350.015(b) The effect of the tax levy required for service on the proposed debt, or of the proposed levy of a special elective tax, upon the ability of the political subdivision proposing to issue the bonds or levy the special elective tax and of other political subdivisions to raise revenue for operating purposes.

The District will pay the Proposed Bonds with the revenues generated from its Utility System (“Pledged Revenues”) after the payment of operations and maintenance expenses of the Utility System. The District will pledge in the bond resolutions to maintain rates and charges at levels that will provide for payment of operation and maintenance of the Utility System and for payment of principal and interest on the Proposed Bonds and any superior and parity debt outstanding. The District anticipates that the Pledged Revenues will be sufficient to repay the Proposed Bonds, and that the issuance of the Proposed Bonds should not have an impact on the overlapping tax rate within the District.

The District’s 2000 and 2003 bonds have a lien on the Pledged Revenues that is superior to the lien of the 1999 Bonds, 2007 Bonds and the Proposed Bonds. The following table demonstrates the ability of the Pledged Revenues to pay the Proposed Bonds.

PLEGGED REVENUES AND COVERAGE SCHEDULE¹
 Indian Hill G.I.D., Nevada
 Water Bonds, Series 2010

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012
Operating Revenue ²	\$1,453,513	\$1,620,433	\$1,842,503	\$1,842,503	\$1,842,503
Operating Expenses ³	(1,114,957)	(1,110,450)	(1,141,136)	(1,141,136)	(1,141,136)
Non-Operating Revenue	244,537	55,940	79,786	79,786	79,786
Pledged Revenues	\$338,556	\$509,983	\$701,367	\$701,367	\$701,367
Senior Lien Debt Service	\$162,353	\$162,353	\$162,353	\$162,353	\$162,353
Coverage	2.09	3.14	4.32	4.32	4.32
<i>Note: Min. Coverage is 1.25x</i>					
Proposed SRF Debt Service				\$26,542	\$72,500
Proposed USDA Debt Service					42,778
Total Debt Service	\$162,353	\$162,353	\$162,353	\$188,895	\$277,631
Coverage			4.32	3.71	2.53
Max. Annual Debt Service on all bonds			\$567,732	\$567,732	\$567,732
Coverage (Minimum coverage is 1x)			1.24	1.24	1.24

¹ The District will repay the interim debentures from the grant receipts and USDA loan proceeds. Interest on the interim debentures will be paid when principal is repaid. Principal repayment is unknown until construction begins, but is expected to occur over the next two years. Total interest on the interim debentures is not expected to exceed \$30,000.

² FY10, FY11, and FY12 revenues are based on the recently enacted rate increase.

³ Operating expenses do not include depreciation.

SOURCE: Indian Hill G.I.D.; compiled by JNA Consulting Group, LLC

EXHIBIT "B"

(Attach Copy of Notice of Meeting)

**Indian Hills General Improvement District
Board of Trustees'**

Chairperson Dianne Humble	Vice Chairperson Denise Pierini	Secretary/Treasurer Brian Patrick	Trustee Laura Lau	Trustee Ronny Lynch
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Regular Meeting

January 20, 2010

6:00 P.M.

District Board Room

3394 James Lee Park Road

Carson City, NV 89705

(775) 267-2805

It is the intent of the Board of Trustees to protect the dignity of citizens who wish to comment before the Board. It is also the Board of Trustees' wish to provide the citizens of the District with an environment that upholds the highest professional standards.

In order to ensure that every citizen desiring to speak before the Board has the opportunity to express his/her opinion, it is requested that the audience refrain from making comments, hand clapping or making any remarks or gestures that may interrupt, interfere or prevent the speaker from commenting on any present or future project.

Notice to Persons with Disabilities: Members of the public who are disabled and require special assistance or accommodations at the meeting are requested to notify the District Office in writing at 3394 James Lee Park Road, Carson City, NV 89705, or by calling 267-2805 at least 24 hours in advance.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Discussion and possible action to elect officers of the IHGID Board of Trustees for calendar year 2010.
4. Approval of Agenda – Chairman
5. Public Interest Comment (No Action)

The public may comment on any subject that is pertinent to IHGID. The public may comment on any item that is on this agenda at the time it is discussed. Therefore, the public is encouraged and permitted to make comments on any item during the public interest comment period. Comments may be limited by the discretion of the Chair, and may not exceed three (3) minutes. Please note that the Board is prohibited by law from taking immediate action on, or discussing, issues raised by the Public that are not listed on this agenda.

6. Discussion and possible action to approve an Interlocal Agreement Relating to Water Service between IHGID and Douglas County for the North Douglas County and Carson City Water Line Intertie Project. (Jim Taylor, Tim Russell, Scott Brooke)
7. Discussion and possible action to approve an Interlocal Agreement between IHGID and the Town of Minden Relating to Water Service and Water Rights for the North Douglas County and Carson City Water Line Intertie Project. (Jim Taylor, Tim Russell, Scott Brooke)

8. Discussion and possible action to approve submittal of application to USDA Rural Development for funding. Presentation of a possible funding scenario utilizing USDA Rural Development funding in conjunction with SRLF(State Revolving Loan Fund) and State Grant for Arsenic Mitigation Project. Presentation by Kay Vernatter, Community Programs Director, USDA Rural Development.
9. Discussion and possible action to approve submittal of a Loan Application in the amount of \$1,105,630.00 to the Drinking Water State Revolving Loan Fund for partial funding of two of the North Douglas County Pipeline Projects. The loan will be for a term not to exceed 20 years at an annual interest rate of 66% of the appropriate bond buyers index at the time the loan contract is signed. (Jim Taylor, Kay Vernatter, Tim Russell)
10. Discussion and possible action to approve submittal of a Letter of Intent and Grant Application in the amount of \$901,420.00 to the State Capital Improvements Grant Program(AB198) for partial funding of the North Douglas County Pipeline Project, with the grant term not to exceed 5 years. (Jim Taylor, Kay Vernatter, Tim Russell)
11. Discussion and possible action to adopt the Debt Management Commission (DMC) Notice Resolution. Presentation by Marty Johnson, JNA Consulting
12. Reports to the Board:
 - a. General Manager Report
 - b. District Analyst-Community & H.R. Report
 - c. District Accountant Report
 - d. Engineer Report
 - e. Attorney Report
13. Discussion and possible action to amend the IHGID Snow Removal Policy. (Jim Taylor, John Lufrano) (Follow up from 12/16/2009 Board Meeting)
14. Discussion and possible action on approval of Draft Minutes for the December 16, 2009 Board Meeting.
15. Chairman and Trustees Reports, Correspondence
Under this item the Board Members will briefly identify relevant communications received by them before the meeting, or meetings attended, or potential business of the District. No action will be taken on any of these items, but a member may request such item or topic be placed on a future agenda.
16. Adjournment.

This agenda is posted at www.indianhillsnevada.com and at the following locations:

District Main Office, 3394 James Lee Park Road
Sheriff's Sub-station, 3587 N. Sunridge Drive
Silver City RV Park, 3165 Hwy 395
Indian Hills Chevron/Food Mart, 915 Mica Drive

As of 8:30 A.M, January 14, 2010 by



PLEASE TAKE NOTICE: ALL BOARD OF TRUSTEES MEETINGS BEGIN AT 6:00 P.M.