MINUTES OF THE CHURCHILL COUNTY
DEBT MANAGEMENT COMMISSION

155 N. Taylor St., Fallon, NV 89406
August 25, 2023

Call to Order:

The regular meeting of the Debt Management Commission was called to order at 4:00 PM on August 25, 2023.

PRESENT:
Member Lynn Pearce, Chair
Member Tricia Strasdin
Member Mike Berney
Member Cynthia McGarrah
Member Harry Scharmann
Member Paul Harmon
Deputy Clerk to the Board Pamela D. Moore

ABSENT:
Member Alan Kalt, Vice-Chair

Pledge of Allegiance:

The Pledge of Allegiance was recited by the board and public.

Public Comment:

Chair Pearce asked if there was any public comment but there was none.

Verification of the Posting of the Agenda:

It was verified by Pamela D. Moore, Deputy Clerk to the Board, that the Agenda for this meeting was posted on the 21st day of August, 2023, between the hours of 10:30 and 11:30 AM at all of the locations listed on the Agenda, in accordance with NRS 241.

Consideration and possible action re: Approval of Agenda as submitted or revised:

Member Mike Berney made a motion to approve the Agenda as submitted. Member Tricia Strasdin seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Approval of Minutes of the meeting held on:

A- February 1, 2023.

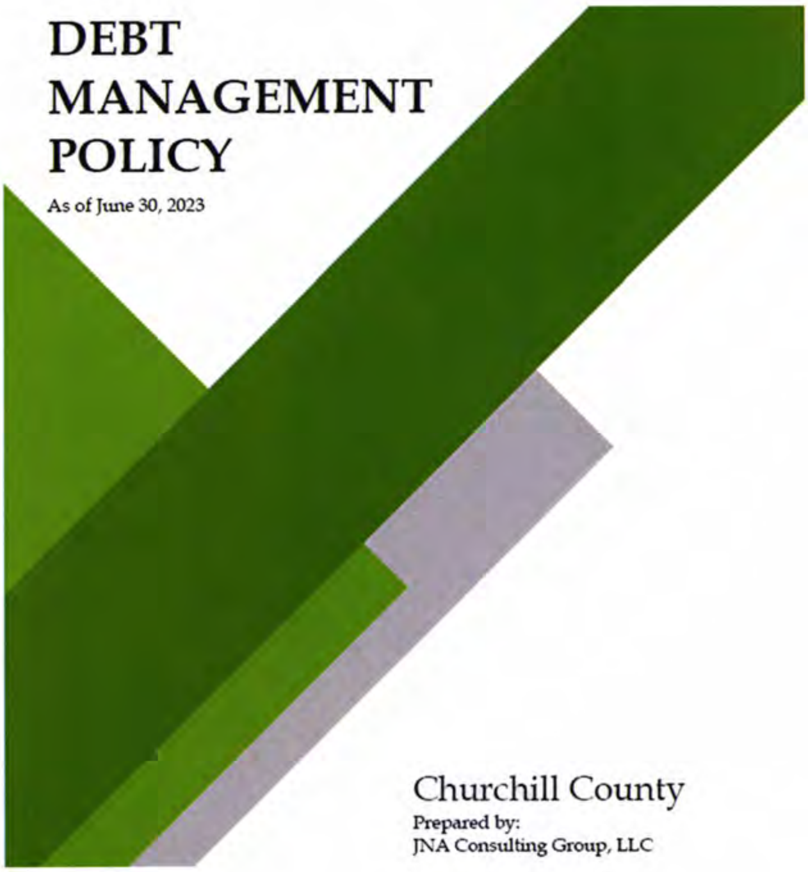
The Minutes of the meeting held on February 1, 2023 are presented for the board's consideration and approval.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT:
FUNDING SOURCE: N/A
ACTION REQUESTED: Accept

Member Paul Harmon made a motion to approve the Minutes of February 1, 2023 as presented. Member Mike Berney seconded the motion, which carried by unanimous vote.

Consideration and possible action re: Submission of Debt Management Plans/Reports as required by NRS 350.0035:

A- Consideration and possible action re: Submission of Churchill County's Debt Management Policy, Indebtedness Report, and 5-Year Capital Improvement Plan.
The Churchill county Debt Management Policy, Indebtedness Report, and 5-Year Capital Improvement Plan are presented for the board's review and acceptance.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT:
FUNDING SOURCE: N/A
ACTION REQUESTED: Accept

Churchill County Comptroller Wideman had a PowerPoint presentation as follows:



The purpose of the Churchill County Debt Management Policy is to manage the issuance of the County's debt obligations and maintain the County's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment that are beneficial to the County and necessary for essential services.

This Debt Management Policy was created to fulfill the requirements of NRS 350.013. The County is generally limited in the bonds it can issue by its statutory debt limit, the $3.64 limit on overlapping tax rates, and the amount of revenue available to pay debt service on bonds.

This Debt Management Policy discusses the outstanding and proposed debt of the County, its ability to afford such debt, and other items relating to the issuance of bonds by the County.

Outstanding General Obligation Debt

As of June 30, 2023, the County has no general obligation debt, general obligation medium-term bonds, or general obligation revenue bonds outstanding.

Outstanding Other Debt

As of June 30, 2023, the County has $36,170,757 of outstanding revenue bonds and no outstanding installment purchase obligations. Revenue bonds and installment purchase agreements are not considered general obligation debt.

Proposed General Obligation Debt

As of June 30, 2023, the County has no proposed general obligation debt.
The County presently has approximately $97,066,076 of statutory debt limit available.

Pursuant to NRS 350.0123 the governing body of a municipality which proposes to issue or has outstanding any general obligation debt, other general obligations or special obligations or levies or proposes to levy any special elective tax is to prepare and submit a debt management policy detailing the information listed in NRS 350.013(1). The following information has been prepared to comply with the requirements of NRS 350.013(1).

General Policy Statement

The purpose of the Churchill County Debt Management Policy ("DMP") is to manage the issuance of the County's debt obligations and maintain the County's ability to incur debt and other long-term obligations at favorable interest rates for capital improvements, facilities, and equipment beneficial to the County and necessary for essential services.

Current General Obligation Debt and Special Elective Taxes

NRS 350.013(1)(a) A complete statement of current general obligation debt and special elective taxes, and a report of current debt and special assessments and retirement schedules, in the detail and form established the by Committee on Local Government Finance.

The County does not have any outstanding general obligation debt. The County levies a voter-approved property tax levy of $0.03 for fire equipment. This tax rate is scheduled to expire June 30, 2027.

Contemplated General Obligation Debt and Special Elective Taxes

NRS 350.013(1)(b) A complete statement, in the detail and form established by the Committee on Local Government Finance, of general obligation debt and special elective taxes contemplated to be submitted to the commission during the fiscal year.

The County does not anticipate proposing general obligation debt or special elective taxes during Fiscal Year 2024 but reserves the right to do so.

General Obligation Debt Limit

NRS 350.013(1)(c)(2) A discussion of its capacity to incur authorized and proposed further general obligation debt without exceeding the applicable debt limit;

The County is limited by state statutes as to the amount of general obligation debt it can have outstanding. The limit is equal to 10 percent of the County's total assessed valuation. As of June 30, 2023, the County has no general obligation debt. Based on the Fiscal Year 2023 assessed value, the County's available general obligation debt limit is $97,066,076.

The following table illustrates the County's general obligation statutory debt limitation as set by Nevada Revised Statutes 244A.059.

Statutory Debt Capacity
Churchill County, Nevada
June 30, 2023

SOURCE: State of Nevada Department of Taxation; Churchill County Comptroller's Office
Affordability of Existing, Authorized, and Proposed General Obligation Debt.

NRS 350.013(1)(b) A written statement of the debt management policy of the municipality, which must include, without limitation:

NRS 350.013(1)(c)(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt.

The County does not have any outstanding general obligation debt; however, the County does have outstanding debt secured by various revenue sources. Information regarding the repayment of such debt is contained later in this Debt Management Policy.

Total Assessed Value	$970,660,762
General Obligation Debt Limit (10%)	97,066,076
Outstanding General Obligation Debt	0

Proposed General Obligation Debt __________________ **0**

Available General Obligation Debt Limit $97,066,076
SOURCE: State of Nevada Department of Taxation; Churchill County Comptroller's Office

Affordability of Existing, Authorized, and Proposed General Obligation Debt

NRS 350.013(1)(b) A written statement of the debt management policy of the municipality, which must include, without limitation:

NRS 350.013(1)(c)(1) A discussion of its ability to afford existing general obligation debt, authorized future general obligation debt and proposed future general obligation debt.

The County does not have any outstanding general obligation debt; however, the County does have outstanding debt secured by various revenue sources. Information regarding the repayment of such debt is contained later in this Debt Management Policy.

General Obligation Debt Comparisons

NRS 350.013(1)(c)(3) A discussion of its general obligation debt that is payable from property taxes per capita as compared with such debt of other municipalities in this state.

NRS 350.013(1)(c)(4) A discussion of its general obligation debt that is payable from property taxes as a percentage of assessed valuation of all taxable property within the boundaries of the municipality.

General Obligation Debt Comparison
June 30, 2023

County	General Obligation Debt	Population[1]	FY 2023 Assessed Value[2]	GO Debt Per Capita	GO Debt as a % of Assessed Value
Churchill County	$0	26,554	$970,660,762	$0.00	0.00%
Douglas County	33,106,468	52,674	3,994,970,231	628.52	0.83%
Elko County	0	56,396	2,369,199,810	0.00	0.00%
Humboldt County	0	17,921	1,686,653,201	0.00	0.00%
Lyon County	28,045,172	60,454	2,764,911,430	463.91	1.01%
Nye County	17,268,000	51,334	2,176,704,827	336.39	0.79%
			Average:	238.14	0.44%

[1] 2023 Population from the Office of the State Demographer for Nevada, *Certified Population Estimates of Nevada's Counties, Cities, and Towns 2001-2021.*

[2] Excludes redevelopment agencies; includes net proceeds of minerals.

SOURCE: Nevada Department of Taxation, Local Government Finance, Property Tax Rates for Nevada Local Governments, Fiscal Year 2022-2023; Nevada State Demographer, and the counties; compiled by JNA Consulting Group, LLC

Manner in Which the County Expects to Sell Its Debt

NRS 350.013 1.(c)(5) Policy regarding the manner in which the municipality expects to sell its debt.

Method of Sale

Competitive Sale - Offering documents are sent to any firm interested in purchasing the bonds. A day and time are chosen for the sale and bonds are awarded to the firm offering the lowest true interest cost on the bonds (the "TIC"). The TIC is the discount rate which results in a present value of the future debt service payments equal to amount bid for the bonds.

Negotiated Sale - One firm, or group of firms, is chosen in advance to offer the bonds for sale. At the time of sale, interest rates and other terms of the bonds are negotiated with the Underwriter.

Private Placement - A purchaser, usually an individual or bank, is identified and the bonds are placed directly. Interest rates and other terms of the bonds are negotiated with the purchaser.

NRS 350 generally requires bonds issued by the County to be sold at competitive sale. For most County general obligation bonds, a competitive sale will usually result in the lowest TIC on the bonds. There are certain circumstances under which the County would consider a negotiated sale or private placements. Such circumstances include, but are not limited to:

1) Bonds issued with a variable rate of interest
2) Bonds rated below A- or not rated
3) Very small or very large bond issues
4) Unstable or highly volatile markets
5) Bonds with unusual security or structure

The County will follow the requirements of NRS 350.155 in choosing a method of sale for its bonds. If the County determines that a negotiated sale is warranted for a general obligation bond or a bond secured by an excise tax, it will distribute a request for proposal to underwriting firms. The selection of an underwriter(s) will be based on a determination of the firm that demonstrates its ability to obtain the overall best interest rate for the County. Consideration in making this determination will be given to the firm's experience with similar financings, proposed compensation structure, and marketing plan.

Refunding Bonds

The Comptroller shall pursue a policy to refinance debt to achieve true savings for the County as market opportunities arise. The guideline to be used on determining whether an "advance refunding" should be transacted is if a present value savings (net of expenses) of at least 3% can be achieved on the principal amount of debt being refunded. Even if these savings thresholds for advance refundings are met, the Comptroller may choose to defer refunding the bonds until the bonds can be refunded as a current refunding (90 days within the first call date) based on an analysis of projected interest rates and escrow yields. As of the date of this policy, tax-exempt bonds are federally prohibited from "advance refundings".

The Comptroller may justifiably consider refundings that differ from these target guidelines on a case-by-case basis but should explain the reasons for deviation to the Board of County Commissioners. For example, the County may consider the restructuring of a particular debt financing in order to smooth out the County's aggregate annual debt service costs. Refundings with aggregate negative present value savings will not be considered unless there is a compelling public policy objective.

Debt Structure Features

The County's preference is to structure bonds that shall produce level annual debt service payments although principal payments may be deferred in certain circumstances where it will take a period of time before projected revenues are sufficient to pay debt service or the project being financed is growth-related and an ascending debt service schedule is appropriate. The Comptroller may also structure the amortization of principal to achieve other financial planning goals. The primary exception to the above goal is to structure the County's overall debt portfolio (i.e., the aggregate debt service for property-tax supported debt) so as to align it to projected tax revenues and other resources.

Examples of how this can be accomplished include the issuance of refunding bonds that have varying principal repayments structured to fill in the gaps created by refunding specific principal maturities and structuring the amortization of principal for new money bonds to wrap around existing obligations. The deferral of principal or the overall extension of debt service for a refunding issue beyond the original term is discouraged except in extraordinary circumstances.

Debt financings shall also conform to the following structuring considerations or requirements.

A. Maximum Rate of Interest

State law restricts the maximum rate of interest on securities issued by the County to the Bond Buyer Index of Twenty Bonds for general obligation bonds or the Bond Buyer Index of Revenue Bonds for special obligations, whichever is applicable, plus 3% (NRS 350.2011). The Comptroller through its Bond Counsel monitors this cap and takes responsibility for compliance.

B. Discount and Premium Bonds

The County may sell its securities at par, above par or below par at a discount of not more than 9% of the principal amount but the effective interest rate must not exceed the limit provided in NRS 350.2011. While discounted bonds may slightly reduce the interest cost of the bonds below that of non-discount bonds, the amount of the discount must be analyzed to minimize the negative impact on the County's future ability to refund the bonds for interest savings.

C. Interest Payment Intervals

Interest is payable at least semiannually. The Comptroller implements these requirements with appropriate provisions in the bond documents.

D. Bond Maturity

General obligation bonds must have a maturity not to exceed 30 years from the date of issuance and special obligations must mature within 50 years from their date of issuance. (NRS 350.630) The maturity of a bond shall not exceed 120% of the estimated useful weighted life of the projects being financed.

E. Term/Special Bonds

The County will structure its bond issues as serial, term, or a combination of both in order to realize the lowest interest cost possible and to respond to market demand, or lack thereof, for specific bond maturities.

F. Capital Appreciation Bonds

Capital Appreciation Bonds ("CABs") should only be considered primarily to achieve level debt service with other outstanding bonds. CABs may only be considered in order to achieve an overall economic benefit as compared to a traditional current interest bond structure.

G. Call Provisions

Generally, the County will set such provisions to provide maximum flexibility relative to the cost of the call feature and avoid conditions that restrict future refunding possibilities. Bonds issued without a call feature shall be limited and shall only be issued when investors are willing to pay a significant premium for non-callable debt or if the bond's maturity is less than ten years. The maximum call premium under state law is 9 percent of the principal amount of each bond or other security so redeemed. (NRS 350.644)

G. Call Provisions

Generally, the County will set such provisions to provide maximum flexibility relative to the cost of the call feature and avoid conditions that restrict future refunding possibilities. Bonds issued without a call feature shall be limited and shall only be issued when investors are willing to pay a significant premium for non-callable debt or if the bond's maturity is less than ten years. The maximum call premium under state law is 9 percent of the principal amount of each bond or other security so redeemed. (NRS 350.644)

H. Credit Enhancement

Credit enhancement (including letters of credit and bond insurance) may be used only when net debt service on the bonds is reduced by more than the costs of the enhancement.

Bond insurance can be purchased directly by the County in a negotiated sale prior to the bond sale (direct purchase) after solicitation of quotes for bond insurance by the County's financial advisor from qualified firms or at the underwriter's option and expense (bidder's option) in a competitive sale. In either case, the present value of the estimated debt service savings from insurance should be at least equal to or greater than the insurance premium. The credit enhancement provider will be chosen based on an estimate of the greatest net present value benefit (present value of debt service savings less insurance premium) unless there are compelling reasons such as credit quality issues that may override financial considerations.

I. Capitalized Interest

Capitalized interest increases the amount of debt to be issued and therefore will be avoided unless essential from a credit or cash flow standpoint, as in the case of lease-purchase obligations. Interest on general obligation bonds will normally not be capitalized. Generally, interest on lease-purchase obligations will be capitalized for a maximum of two years following a conservatively based estimate of project completion to provide a cushion for project slippage.

J. Debt Management Commission

The County must present its proposals for general obligation backed bonds, installment purchase agreements with a term longer than 10 years or proposals to levy a special elective tax to the Debt Management Commission. This Commission reviews the statutory debt limit and the impact on the overlapping tax rate limit of $3.64. If a proposal will result in an increased property tax rate, the Commission may take into account the public need to be served by the proposal compared to other needs contained in overlapping government's Debt Management Policies and Capital Improvement Plans. The $3.64 is not usually a limiting factor. However, the cap will become an issue when local governments begin levying a property tax that is closer to $3.64. Nevada's Debt Management Commissions do not make judgments about a proposal's impact on the debt ratios of all the affected governments.

Affordability of Future Debt

NRS 350.013(1)(c)(6) A discussion of its sources of money projected to be available to pay existing general obligation debt, authorized future general obligation debt and proposed future obligation debt; and

Resources Available for Future Debt Issuance

Churchill County's ability to meet its future debt obligations will primarily depend on the financial and other economic resources available at that time. This analysis assumes a continuation of the current situation, particularly as to the County's tax structure and economic composition. As such, the County could issue debt if necessary.

Debt Retirements

One source from which the County can obtain debt capacity is through retirement of currently outstanding debt; that is, the scheduled repayment of existing obligations. As the County retires debt, this amount becomes available as a resource for new debt issuance without adding to the County's existing debt position.

Operational Costs

NRS 350.013(1)(c)(7) A discussion of its operational costs and revenue sources, for the ensuring 5 fiscal years, associated with each project included in its plan for capital improvement submitted pursuant to paragraph (d) if those costs and revenues are expected to affect the property tax rate.

Operational costs are paid from the County's general fund or the appropriate enterprise fund. The operational costs of capital projects for the enterprise funds will be paid from rates and charges related to such fund. The County does not anticipate the operational costs of other projects to require an increase in the County's property tax rate.

Revenue Bonds

While not required, the following information is provided for the County's outstanding revenue bonds. The security for these various financings is the pledged revenues; there is no general obligation pledge of the County. The County has covenanted in the various bond documents to maintain rates, charges, or fees at levels sufficient to pay operations and maintenance (if any) and debt service to the extent the County has the ability to increase such levies.

The following table lists the outstanding revenue bonded debt, excluding capital leases which are not considered debt, of the County as of June 30, 2023.

Outstanding Revenue Bonds
Churchill County, Nevada

Issue	Issue Date	Maturity Date	Amount Issued	Amount Outstanding
General Government				
USDA Jail Loan 2017A	12/29/17	12/21/49	$8,740,000	$7,725,865
USDA Jail Loan 2017B	12/29/17	12/21/49	6,260,000	5,533,638
Revenue Bond (Event Center)	04/06/21	04/01/41	9,068,000	8,339,000
		Total General Government		$21,598,503
Enterprise Fund				
Revenue Bond (CC Comm)	05/06/21	04/01/36	6,000,000	$5,308,000
Revenue Bond (CC Comm)	05/25/22	04/01/42	9,000,000	8,714,000
USDA Well Loan (Water Fund)	09/15/22	09/15/62	558,000	550,254
		Total Enterprise Fund		$14,572,254
		GRAND TOTAL		$36,170,757

The following table lists the outstanding revenue bond debt service of the County as of June 30, 2023.

Revenue Bond Debt Service Requirements
Churchill County, Nevada
June 30, 2023

FY Ending	General Government			CC Communications			Utility Enterprise (Water)			Annual
June 30	Principal	Interest[1]	Total	Principal	Interest[1]	Total	Principal	Interest[1]	Total	Debt Service
2024	$ 722,713	$ 558,058	$ 1,280,771	$ 653,000	$ 411,384	$ 1,064,384	$ 10,419	$ 8,205	$ 18,624	$ 2,363,779
2025	741,284	538,604	1,279,888	670,000	393,562	1,063,562	10,599	8,025	18,624	2,362,073
2026	761,155	519,661	1,280,817	689,000	375,247	1,064,247	10,759	7,865	18,624	2,363,687
2027	780,301	500,210	1,280,511	707,000	356,384	1,063,384	10,922	7,702	18,624	2,362,519
2028	798,846	481,147	1,279,993	727,000	337,008	1,064,008	11,066	7,558	18,624	2,362,625
2029	820,421	459,843	1,280,264	747,000	317,062	1,064,062	11,254	7,370	18,624	2,362,950
2030	841,436	438,864	1,280,300	768,000	296,535	1,064,535	11,424	7,200	18,624	2,363,459
2031	862,757	417,344	1,280,101	789,000	275,404	1,064,404	11,596	7,028	18,624	2,363,129
2032	884,633	396,034	1,280,667	811,000	253,670	1,064,670	11,752	6,872	18,624	2,363,961
2033	907,329	372,646	1,279,975	833,000	231,298	1,064,298	11,949	6,675	18,624	2,362,897
2034	930,619	349,428	1,280,047	856,000	208,289	1,064,289	12,129	6,495	18,624	2,362,960
2035	954,251	325,610	1,279,861	880,000	184,621	1,064,621	12,312	6,312	18,624	2,363,106
2036	978,613	301,804	1,280,417	903,000	160,260	1,063,260	12,482	6,142	18,624	2,362,300
2037	1,004,559	276,131	1,280,690	611,000	135,227	746,227	12,687	5,937	18,624	2,045,541
2038	1,030,273	250,409	1,280,682	631,000	114,514	745,514	12,879	5,745	18,624	2,044,820
2039	1,056,367	224,024	1,280,391	653,000	93,123	746,123	13,073	5,551	18,624	2,045,138
2040	1,082,387	197,432	1,279,819	675,000	70,987	745,987	13,256	5,368	18,624	2,044,429
2041	1,110,729	169,235	1,279,964	698,000	48,104	746,104	13,471	5,153	18,624	2,044,692
2042	566,031	140,773	706,804	721,000	24,442	745,442	13,674	4,950	18,624	1,470,870
2043	581,758	125,046	706,804	-	-	-	13,881	4,743	18,624	725,428
2044	597,627	109,177	706,804	-	-	-	14,078	4,546	18,624	725,428
2045	614,527	92,277	706,804	-	-	-	14,303	4,321	18,624	725,428
2046	631,602	75,202	706,804	-	-	-	14,519	4,105	18,624	725,428
2047	649,151	57,654	706,804	-	-	-	14,738	3,886	18,624	725,428
2048	667,084	39,720	706,804	-	-	-	14,951	3,673	18,624	725,428
2049	685,722	21,082	706,804	-	-	-	15,187	3,437	18,624	725,428
2050	336,331	3,442	339,772	-	-	-	15,416	3,208	18,624	358,396
2051	-	-	-	-	-	-	15,649	2,975	18,624	18,624
2052	-	-	-	-	-	-	15,878	2,746	18,624	18,624
2053	-	-	-	-	-	-	16,125	2,499	18,624	18,624
2054	-	-	-	-	-	-	16,369	2,255	18,624	18,624
2055	-	-	-	-	-	-	16,616	2,008	18,624	18,624
2056	-	-	-	-	-	-	16,862	1,762	18,624	18,624
2057	-	-	-	-	-	-	17,121	1,503	18,624	18,624
2058	-	-	-	-	-	-	17,380	1,244	18,624	18,624
2059	-	-	-	-	-	-	17,643	981	18,624	18,624
2060	-	-	-	-	-	-	17,907	717	18,624	18,624
2061	-	-	-	-	-	-	18,179	445	18,624	18,624
2062	-	-	-	-	-	-	18,454	170	18,624	18,624
2063	-	-	-	-	-	-	1,297	1	1,298	1,298
TOTAL	$21,598,502	$ 7,440,856	$29,039,358	$14,022,000	$ 4,287,122	$18,309,122	$ 550,254	$ 177,381	$ 727,634	$48,076,115

[1] The average interest rate is approximately 2.60% for the general government, 2.90% for CC Communication, and 1.50% for Utility Enterprise.

SOURCE: Churchill County

General Government Revenue-Supported Bonds

The County currently has $21,598,506 of outstanding revenue bonds secured by various revenues.

The bonds are secured by the revenues generate by a ¼% sales tax and revenues received from federal payments in lieu of taxes and geothermal rents and royalties. The following table demonstrates the debt service coverage for the bonds.

General Government Revenue Bond
Annual Debt Service Requirements
Churchill County, Nevada
As of June 30, 2023

FY Ending June 30	Principal	Interest	Total
2024	$ 722,713	$ 558,058	$ 1,280,771
2025	741,284	538,604	1,279,888
2026	761,155	519,661	1,280,816
2027	780,301	500,210	1,280,511
2028	798,846	481,147	1,279,993
2029	820,421	459,843	1,280,264
2030	841,436	438,864	1,280,300
2031	862,757	417,344	1,280,101
2032	884,633	396,034	1,280,667
2033	907,329	372,646	1,279,975
2034	930,619	349,428	1,280,047
2035	954,251	325,610	1,279,861
2036	978,613	301,804	1,280,417
2037	1,004,559	276,131	1,280,690
2038	1,030,273	250,409	1,280,682
2039	1,056,367	224,024	1,280,391
2040	1,082,387	197,432	1,279,819
2041	1,110,729	169,235	1,279,964
2042	566,031	140,773	706,804
2043	581,758	125,046	706,804
2044	597,627	109,177	706,804
2045	614,527	92,277	706,804
2046	631,602	75,202	706,804
2047	649,151	57,654	706,805
2048	667,084	39,720	706,804
2049	685,722	21,082	706,804
2050	336,331	3,442	339,773
TOTAL	$ 21,598,506	$ 7,440,857	$ 29,039,363

General Government Revenue Bond
Debt Service Coverage

	2022 Audited	2023 Estimated	2024 Budgeted
1/4% Sales Tax Revenue	$2,190,886	$1,590,000	$1,570,000
Geothermal Rents/Royalty	1,273,342	700,000	700,000
Federal PILT	2,552,647	3,125,000	3,025,000
Total Pledged Revenues	$6,016,875	$5,415,000	$5,295,000
Annual Debt Service	$1,280,771	$1,279,888	$1,280,817
Coverage	4.70	4.23	4.13

CC Communications Revenue-Supported Debt

CC Communications is an enterprise operation of the County. The County has $14,022,000 of outstanding CC Communication debt. The following tables illustrate the outstanding debt payments currently being supported with charges for services by their customers and the corresponding annual debt service for those issues.

Debt Service Payments for CC Communications
June 30, 2023

Fiscal Year	Principal	Interest	Total
2024	$653,000	$411,384	$1,064,384
2025	670,000	393,562	1,063,562
2026	689,000	375,247	1,064,247
2027	707,000	356,384	1,063,384
2028	727,000	337,008	1,064,008
2029	747,000	317,062	1,064,062
2030	768,000	296,535	1,064,535
2031	789,000	275,404	1,064,404
2032	811,000	253,670	1,064,670
2033	833,000	231,298	1,064,298
2034	856,000	208,289	1,064,289
2035	880,000	184,621	1,064,621
2036	903,000	160,260	1,063,260
2037	611,000	135,227	746,227
2038	631,000	114,514	745,514
2039	653,000	93,123	746,123
2040	675,000	70,987	745,987
2041	698,000	48,104	746,104
2042	721,000	24,442	745,442
	$14,022,000	$4,287,122	$18,309,122

The following table demonstrates the debt service coverage for the CC Communications bonds.

CC Communications Debt Service Coverage

	2022 Audited	2023 Estimated	2024 Budgeted
Telephone Fund			
Operating Revenue	$11,838,149	$12,374,295	$12,314,500
Operating Expenses	(6,986,355)	(8,266,766)	(8,195,710)
Nonoperating Revenue	1,010,400	1,134,147	1,169,300
Net Revenues	$5,862,194	$5,241,676	$5,288,090
Broadband Fund			
Operating Revenue	$6,495,739	$6,635,156	$5,573,650
Operating Expenses	(5,759,109)	(5,340,984)	(5,392,383)
Nonoperating Revenues	56,148	49,651	49,000
Net Revenues	$792,778	$1,343,823	$230,267
Total Pledged Revenues	$6,654,972	$6,585,499	$5,518,357
Annual Debt Service	$1,276,942	$1,280,443	$1,280,771
Coverage	5.21	5.14	4.31

Utility Enterprise (Water) Revenue-Supported Debt

The County has $550,254 of outstanding revenue bond debt issued for its Utility Enterprise (Water). The following tables illustrate the outstanding debt payments currently being supported with charges for services and the corresponding annual debt service.

Debt Service Payments for the Utility Enterprise (Water)
June 30, 2023

Fiscal Year	Principal	Interest	Total
2024	$10,419	$8,205	$18,624
2025	10,599	8,025	18,624
2026	10,759	7,865	18,624
2027	10,922	7,702	18,624
2028	11,066	7,558	18,624
2029	11,254	7,370	18,624
2030	11,424	7,200	18,624
2031	11,596	7,028	18,624
2032	11,752	6,872	18,624
2033	11,949	6,675	18,624
2034	12,129	6,495	18,624
2035	12,312	6,312	18,624
2036	12,482	6,142	18,624
2037	12,687	5,937	18,624
2038	12,879	5,745	18,624
2039	13,073	5,551	18,624
2040	13,256	5,368	18,624
2041	13,471	5,153	18,624
2042	13,674	4,950	18,624
2043	13,881	4,743	18,624
2044	14,078	4,546	18,624
2045	14,303	4,321	18,624
2046	14,519	4,105	18,624
2047	14,738	3,886	18,624
2048	14,951	3,673	18,624
2049	15,187	3,437	18,624
2050	15,416	3,208	18,624
2051	15,649	2,975	18,624
2052	15,878	2,746	18,624
2053	16,125	2,499	18,624
2054	16,369	2,255	18,624
2055	16,616	2,008	18,624
2056	16,862	1,762	18,624
2057	17,121	1,503	18,624
2058	17,380	1,244	18,624
2059	17,643	981	18,624
2060	17,907	717	18,624
2061	18,179	445	18,624
2062	18,454	170	18,624
2063	1,297	1	1,298
	$550,254	$177,381	$727,634

The following table demonstrates the debt service coverage for the Utility Enterprise (Water) bonds.

Utility Enterprise (Water) Debt Service Coverage

	2022 Audited	2023 Estimated	2024 Budgeted
Operating Revenue	$437,332	$455,000	$463,000
Operating Expenses[1]	(295,382)	(503,730)	(543,505)
Nonoperating Revenues[2]	100,101	102,500	108,000
Net Revenues	$242,051	$53,770	$27,495
Total Pledged Revenues	$242,051	$53,770	$27,495
Annual Debt Service	$0	$13,968	$18,624
Coverage	n/a	3.85	1.48

[1] Excludes depreciation.

[2] Includes interest earned and transfers from the Infrastructure Tax Fund.

SOURCE: Churchill County FY24 Budget

Possible Future County Capital Projects

NRS 350.013(d)(1) Its plan for capital improvement for the ensuing 5 fiscal years, which must include any contemplated issuance of general obligation debt during this period and the sources of money projected to be available to pay the debt; or

NRS 350.013(d)(2) A statement indicating that no changes are contemplated in its plan for capital improvement for the ensuing 5 fiscal years.

While some possible financing is better defined than others, the County could be projecting approximately $56,000,000 of capital projects that will possibly require long-term financing over the next several years, as listed below. There is no assurance these projects will be issued in the amounts shown below. There exists a possibility that all or part of any project listed below will be funded through alternative revenue sources. The information below was based upon the Churchill County's Capital Improvement Plan. Items and projects are subject to change until approved by the Board of County Commissioners.

Possible County Capital Projects Requiring Long-Term Financing
Finance Sources Identified

Capital Project	Amount	Sources
Road Department Building	$500,000	Road Equipment Replacement Fund, X.O. Repairs, Federal PILT appointment
Court Expansion and Renovation	12,000,000	Medium-Term Financing: PILT, Federal/State grants, 5 Cent Ad Valorem Tax Rate
CC Communications Upgrades	10,000,000	Revenue Backed Note Payable, User Fees
Water System Phase II	15,500,000	USDA grant, loan. Hook-up fees, Connection fees and monthly User fees
Road Capital Equipment Cost	1,500,000	Medium-Term Financing: Road Equipment Replacement Plan: Geothermal Revenues
		GO Bond, Federal, State Grants, Private

Parks & Recreation	9,200,000	donations, Voter Approved Overrides
Technology	200,000	General Revenues
Library Expansion	7,000,000	PILT, Sales Tax
Fire Department Expansion	150,000	PILT, Consolidated Tax
Total Estimated Project Cost	**$56,050,000**	

SOURCE: Churchill County Comptroller's Office

Chief Financial Officer of the County

NRS 350.013 1.(e) A statement containing the name, title, mailing address and telephone number of the chief financial officer of the municipality.

The chief financial officer of Churchill County is:

Sherry Wideman, CPA
Comptroller
155 North Taylor Street
Suite 182
Fallon, Nevada 89406

Chair Pearce asked if there was any public comment but there was none.

Member Harry Scharmann made a motion to approve the Debt Management Reports as presented. Member Cynthia McGarrah seconded the motion, which carried by unanimous vote.

B- Consideration and possible action re: Submission of the City of Fallon's Debt Management Policy, Indebtedness Report, and 5-Year Capital Improvement Plan.
The City of Fallon submits its Debt Management Policy, Indebtedness Report, and 5-Year Capital Improvement Plan for the board's consideration and acceptance.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT:
FUNDING SOURCE: N/A
ACTION REQUESTED:

City Clerk Sean Richardson said the City of Fallon's Debt Management Policy, Capital Improvement Plan, and Indebtedness Report included in your packet was approved by the City Council on July 28, 2023. The city's Debt Management Policy discusses the outstanding and proposed debt of the city, it's ability to afford such debt, and other items related to the issuance of the bonds by the city. The city is comprised of seven utility enterprise funds. The majority of the debt obligations are related to the equipment needs and infrastructure of our utilities. As of June 30, 2023, the city had general obligation debt of $7, 562,739, which consists of $1,588,000 medium-term obligation debt and $5,974,739 of general obligation revenue-supported debt. The revenue-supported debt includes one sewer bond and two water refunding bonds. In addition, the city has $66,489 in lease purchase obligations and a revenue bond related to our electric system of $4,693,000. With all of the obligations combined, the city had a total indebtedness of $12,322,228 as of June 30, 2023. During the last fiscal year, the city made all of its debt payments as scheduled and no additional debt was issued. Over the next fiscal year, the city has several capital purchases and projects plans, which includes but is not limited to, road improvements, including reconstruction, renovations for our City Hall building, a splash park, patrol vehicles, work trucks, airport FBO building, electric meter replacement program, and improvements to our water and sewer infrastructure.

Chair Pearce asked if there was any public comment but there was none.

Member Mike Berney made a motion to accept the Debt Management Reports as submitted. Member Tricia Strasdin seconded the motion, which carried by unanimous vote.

C- Consideration and possible action re: Submission of the Churchill County School District's Debt Management Policy, Indebtedness Report, and 5-Year Capital Improvement Plan.

The Churchill County School District's Debt Management Policy, Indebtedness Report, and 5-Year Capital Improvement Plan will be presented for the board's review and acceptance.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT:
FUNDING SOURCE: N/A
ACTION REQUESTED: Accept

Churchill County School District's Comptroller Christi Fielding said our outstanding debt at the end of 2023 was $22,295,000. We did not issue any new debt. All bond payments were made out of our Debt Service Fund, which is funded solely by our property tax rate and associated interest. Regarding our debt service plan, all of our debt payments have been made timely. We did not take on any debt in 2023. We have an ending fund balance in our Debt Service Fund that is equal to 100% of our Fiscal Year 2024 debt payments, which reflects our ability to pay our principal and interest payments for Fiscal Year 2024. Our Capital Projects by year plan is still a work in progress due to leadership change. Our new Superintendent, Derild Parsons, will be assessing the needs of the district and the plan will be updated accordingly. As with all the entities, we tend to have ongoing needs for capital improvements.

We continue to support the Fallon Youth Club. During the past 3 Fiscal Years, the school district has spent over $447,000 in support of the Fallon Youth Club at an average of $149,000 per year. Of that amount, $110,752 was directly paid to the Fallon Youth Club in support of administration costs, transportation, staff salaries, and other costs in the scope of work that we have with them. The total funds paid directly to the Fallon Youth Club going back from 2018-19 to our last Fiscal Year was almost 154,000. The additional costs are to provide a district staff member that works and is stationed at the Fallon Youth Club to run the Enrichment and Tutoring Program for the students and for the cost of the tutors, as well. It has always been the school district's role to work with other entities in our county to provide educational support for all children in the district.

President of the Churchill County School Board of Trustees, Tricia Strasdin, said she is committed to having the board discuss and seriously consider releasing monies back to the Debt Commission. I understand the concern and the request regarding the district releasing monies back to the Debt Commission, and I am committed to agenizing the topic with the school board in the coming months, making sure that trustees have access to all pertinent information and participating in what is sure to be a complex conversation, so the district has put forth the earnest attention this topic requires.

Chair Pearce asked if there was any public comment but there was none.

Member Harry Scharmann made a motion to accept the Debt Management Reports as presented. Member Mike Berney seconded the motion, which carried by unanimous vote.

D- Consideration and possible action re: Submission of the Carson Water Subconservancy District's Indebtedness Report and 5-Year Capital Improvement Plan.

The Carson Water Subconservancy District submits its Indebtedness Report and 5-Year Capital Improvement Plan for the board's review and acceptance. CWSD is not proposing to issue any debt, so they are not updating their Debt Management Policy.

FISCAL IMPACT: N/A

EXPLANATION OF IMPACT:

FUNDING SOURCE: N/A

ACTION REQUESTED: Accept

There was nobody present for this item but the board was able to review the report. Member Bus Scharmann said I attended the meeting last week. Their main concern has been flood control. I talked to the director and we talked about how to manage the water that is being let out into the desert and some things like that but, other than that, I am not aware of the debt management reports or anything like that.

Chair Pearce asked if there was any public comment but there was none.

Member Paul Harmon made a motion to accept the Debt Management Reports as presented. Member Harry Scharmann seconded the motion, which carried by unanimous vote.

E- Consideration and possible action re: Submission of the Carson-Truckee Water Conservancy District's Indebtedness Report and 5-Year Capital Improvement Plan.

The Carson-Truckee Water Conservancy District submits its Indebtedness Report and 5-Year Capital Improvement Plan for the board's review and acceptance.

FISCAL IMPACT: N/A

EXPLANATION OF IMPACT:

FUNDING SOURCE: N/A

ACTION REQUESTED: Accept

There was nobody present for this item but the board were able to review the report.

Chair Pearce asked if there was any public comment but there was none.

Member Mike Berney made a motion to accept the Debt Management Reports as presented. Member Harry Scharmann seconded the motion, which carried by unanimous vote.

F- Consideration and possible action re: Submission of the Churchill County Mosquito, Vector, and Noxious Weed Abatement District's letter regarding its indebtedness.

The Churchill County Mosquito, Vector, and Noxious Weed Abatement District submits its letter indicating that the district has no general obligation debts, special assessments, or retirement schedules as indicated under NRS 350.0035.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT:
FUNDING SOURCE: N/A
ACTION REQUESTED: Accept

There was nobody present for this item but the board was able to review the report.

Chair Pearce asked if there was any public comment but there was none.

Member Paul Harmon made a motion to accept the Debt Management Reports as presented. Member Cynthia McGarrah seconded the motion, which carried by unanimous vote.

G- Consideration and possible action re: Submission of the Truckee-Carson Irrigation District's letter regarding its Indebtedness.

The Truckee-Carson Irrigation District submits its indebtedness letter for the board's review and acceptance.
FISCAL IMPACT: N/A
EXPLANATION OF IMPACT:
FUNDING SOURCE: N/A
ACTION REQUESTED: Accept

There was nobody present for this item but the board was able to review the report.

Chair Pearce asked if there was any public comment but there was none.

Member Mike Berney made a motion to note receipt of the letter from the Truckee-Carson Irrigation District. Member Tricia Strasdin seconded the motion, which carried by unanimous vote.

Public Comment:

Chair Pearce asked if there was any public comment but there was none.

Adjournment:

The meeting was adjourned at 4:18 PM.

APPROVED: ______________________
Lynn Pearce, Chairman

APPROVED: ______________________
Harry Scharmann, Member

APPROVED: ______________________
Tricia Strasdin, Member

APPROVED: ______________________
Mike Berney, Member

APPROVED: ______________________
Paul Harmon, Member

APPROVED: ______________________
Cynthia McGarrah, Member

ATTEST:
Linda Rothery, Clerk/Treasurer

____
Renae Paholke, Deputy Clerk