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May 9, 2003

## ASSEMBLY GOVERNMENT AFFAIRS -- SENATE BILL 140

Senate Bill 140 proposes amendments to legislation which would allow the Truckee Meadows Water Authority ("TMWA") to issue its bonds to the State Municipal Bond Bank pursuant to Chapter 350A of NRS and to a county municipal bond bank, if one were created by Washoe County, pursuant to the provisions of NRS 244A.011 to 244A.065, inclusive. The proposed amendments to the state and county bond bank laws, if adopted, would allow TMWA to utilize the credit rating of state or of the county.

Section 1 of the proposed legislation amends NRS 244A.0347, the definition of "municipality", by deleting the requirement that a water authority be comprised of members that include at least the two largest municipal retail water purveyors in the county. TMWA is comprised of the cities of Reno and Sparks and Washoe County. Sun Valley General Improvement District is one of two largest municipal retail water purveyors in Washoe County and is not a member of TMWA.

Section 2 of the proposed legislation amends NRS 350A.152 which limits the issuance of state securities to acquire bonds issued by a water authority whose members contract with the water authority to make payments from the member's water system that are in the aggregate fully sufficient to pay the bonds as they come due. If the water revenues of any member of the water authority are insufficient to pay the member's share, NRS 350A.152 as currently written requires that the member pay the deficiency out of money available in the general fund or the member shall levy a general ad valorem tax on all taxable property within the member's boundaries at a rate necessary to produce revenue sufficient to pay the member's share of the bonds. NRS 350A.152 works for a water authority structured like the Southern Nevada Water Authority.

TMWA is authorized to issue special, limited obligations payable solely from the revenues derived from the TMWA Water System (facilities owned by TMWA and not its individual members). The bonds that TMWA is legally able to issue to the State Municipal Bond Bank would be secured by the TMWA Water System and are not payable from a TMWA member's general fund and taxing power. The provisions of NRS 350A.152 are inapplicable to the way TMWA was structured and, therefore, the proposed legislation adds language making NRS 350A.152 applicable only to water authorities in a county whose population is 400,000 or greater.

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