



Commercial Capital | Corporate Trust Services

Municipal Refunding Escrow

Schedule of fees to provide refunding escrow agent services

Issue Name: Washoe County, NV

2018 Refunding Escrow (Refunding the 2009 and 2013 Revenue Bonds)

Acceptance fee (per account)	\$ 1,000.00
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A one-time fee payable at closing for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing; includes subscription to SLGs as directed.

Refunding escrow one-time administration fee (per account)	\$ 1,000.00
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A one-time fee for ordinary administration services by the refunding escrow agent. This includes daily routine account management; initial investment transactions; cash transaction processing in accordance with the agreement; and providing trust account statements as applicable. The administration fees are payable in advance, due at the time of escrow agreement execution,

*NOTE: The one-time administration fee assumes a termination date of February 1, 2019.

Redemption fee (per occurrence)	\$ 500.00
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Fee for processing the early redemption on the refunded bonds, as well as preparing split billing invoices for the refunded and un-refunded portions of the bonds, if applicable, and providing the defeasance and redemption notices to bondholders as directed.

Out-of-pocket expenses	At cost
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Out-of- pocket expenses will be billed at cost at the sole discretion of Wells Fargo.

Extraordinary services	Standard rate
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The charges for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time expense is incurred. The review of complex tax forms, including by way of example but not limited to IRS Form W-8IMY, shall be considered extraordinary services.

Assumptions

This proposal is based upon the following assumptions with respect to the role(s) of refunding escrow agent:

- Number of funds/accounts: Up to two (2)
- Investment of Escrow Funds: US Treasury Securities, State and Local Government Securities "SLGS." Fees are subject to change if the investment option changes
- Escrow Redemption Date: 2/1/2019
- Disbursements shall be made only to the parties specified in the agreement. Any payments to other parties are at the sole discretion and subject to the requirements of Wells Fargo and shall be considered extraordinary services.
- Uninvested cash will be held in a non-interest bearing account until the trustee receives written investment instructions.

BCC 11-27-18 #7
manager's Office



Schedule of fees to provide refunding escrow agent services

Issue Name: Washoe County, NV
2018 Refunding Escrow (Refunding the 2009 and 2013 Revenue Bonds)

Contact Information

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Acknowledgement

Issuer/Obligor: Regional Transportation Commission & Washoe County
Client Signature: Stephanie Haddock
Printed Name: Stephanie Haddock
Title: Director of Finance / CFO
Date: 11/19/18

PRELIMINARY OFFICIAL STATEMENT

\$206,850,000*

**WASHOE COUNTY, NEVADA
HIGHWAY REVENUE (FUEL TAX) REFUNDING BONDS
SERIES 2018**




* Preliminary, subject to change.

BCC 11-27-18 #7
manager's Office

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 28, 2018

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: S&P: "A" 
Moody's: "Aa3"
See "RATINGS"

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2018 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2018 Bonds (the "Tax Code"), and interest on the 2018 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS" herein.

\$206,850,000*
WASHOE COUNTY, NEVADA
HIGHWAY REVENUE (FUEL TAX) REFUNDING BONDS
SERIES 2018

Dated: Date of Delivery

Due: February 1, as shown herein

The 2018 Bonds are issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the 2018 Bonds. Purchases of the 2018 Bonds are to be made in book entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2018 Bonds. See "THE 2018 BONDS--Book-Entry Only System." The 2018 Bonds bear interest at the rates set forth herein, payable on February 1 and August 1 of each year, commencing August 1, 2019, to and including the maturity dates shown herein (unless the 2018 Bonds are redeemed earlier), to the registered owners of the 2018 Bonds (initially Cede & Co.). The principal of the 2018 Bonds will be payable upon presentation and surrender at the principal operations office of Wells Fargo Bank, National Association, or its successor as the paying agent for the 2018 Bonds. See "THE 2018 BONDS."

The maturity schedule for the 2018 Bonds appears on the inside cover page of this Official Statement.

The 2018 Bonds are subject to redemption prior to maturity at the option of Washoe County, Nevada ("the County"), and are also subject to mandatory sinking fund redemption as described in "THE 2018 BONDS--Redemption Provisions."

Proceeds of the 2018 Bonds will be used to: (i) refund certain outstanding bonds issued by the County, as more particularly described herein; and (ii) pay the costs of issuing the 2018 Bonds. See "SOURCES AND USES OF FUNDS."

The 2018 Bonds are being issued by the County at the request of the Regional Transportation Commission of Washoe County (the "Commission") as authorized by State law. The 2018 Bonds constitute special, limited obligations of the County, payable solely from and secured by an irrevocable pledge of the Net Pledged Revenues (defined herein) derived primarily from certain taxes on certain motor vehicle fuel and special fuels collected by the Commission, as more particularly described herein. See "SECURITY FOR THE 2018 BONDS." The 2018 Bonds have a lien on the Net Pledged Revenues on a parity with the lien thereon of certain outstanding bonds (described herein) and any additional Parity Securities (defined herein) issued in the future. **The 2018 Bonds do not constitute a debt or indebtedness of the County within the meaning of any constitutional or statutory provision or limitation and shall not be considered or held to be a general obligation of the County or the Commission. Owners of the 2018 Bonds may not look to any other funds or accounts other than those specifically pledged to the payment of the 2018 Bonds.**

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, giving particular attention to the section entitled "CERTAIN RISK FACTORS."

The 2018 Bonds are offered when, as, and if issued by the County, subject to the approval of legality of the 2018 Bonds by Sherman & Howard L.L.C., Reno, Nevada, and the satisfaction of certain other conditions. Sherman & Howard L.L.C. has also acted as special counsel to the County and the Commission in connection with this Official Statement. Hobbs, Ong & Associates, Inc., Las Vegas, Nevada, and PFM Financial Advisors LLC, San Francisco, California, have acted as Financial Advisors to the Commission. Certain legal matters will be passed upon for the County by the District Attorney and for the Commission by its legal counsel. Stradling Yocca Carlson & Rauth, a Professional Corporation, Reno, Nevada, is acting as counsel to the Underwriters. It is expected that the 2018 Bonds will be available for delivery through the facilities of DTC, on or about December 20, 2018.

Wells Fargo Securities
Citigroup RBC Capital Markets

Official Statement dated December __, 2018.

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE
(CUSIP© 6-digit issuer number: _____)

\$206,850,000*
WASHOE COUNTY, NEVADA
HIGHWAY REVENUE (FUEL TAX) REFUNDING BONDS
SERIES 2018

<u>Maturing (February 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP© Issue Number</u>
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				

* Preliminary, subject to change.

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USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 2018 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2018 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the County or the Commission. The County and the Commission each maintain an internet website and other electronic media outlets; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2018 Bonds.

The information set forth in this Official Statement has been obtained from the County, the Commission and from the other sources referenced throughout this Official Statement, which the County believes to be reliable. No guarantee is made by the County or the Commission, however, as to the accuracy or completeness of information provided from sources other than the County or the Commission. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2018 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the County or the Commission, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the 2018 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2018 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The 2018 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE 2018 BONDS ARE OFFERED TO THE PUBLIC BY THE UNDERWRITERS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE UNDERWRITERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2018 BONDS, THE UNDERWRITERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

WASHOE COUNTY, NEVADA

WASHOE COUNTY COMMISSION

Marsha Berkgigler, Chair
Kitty Jung, Vice Chair
Bob Lucey
Vaughn Hartung
Jeanne Herman

COUNTY OFFICIALS

John Slaughter, County Manager
Christine Vuletich, Assistant County Manager – Finance and Administration
Tammi Davis, County Treasurer
Cathy Hill, County Comptroller
Christopher J. Hicks, District Attorney
Nancy Parent, County Clerk

REGIONAL TRANSPORTATION COMMISSION

Ron Smith, Chair
Bob Lucey, Vice Chair
Vaughn Hartung
Neoma Jardon
Paul McKenzie

Lee Gibson, A.I.C.P., Executive Director
Stephanie Haddock, C.G.F.M., Chief Financial Officer
Brian Stewart, P.E., Director of Engineering
Adam Spear, Director of Legal Services

FINANCIAL ADVISORS

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Las Vegas, Nevada

PFM Financial Advisors LLC
San Francisco, California

BOND AND SPECIAL COUNSEL

Sherman & Howard L.L.C.
Reno, Nevada

UNDERWRITERS' COUNSEL

Stradling Yocca Carlson & Rauth, a Professional Corporation
Reno, Nevada

REGISTRAR AND PAYING AGENT

Wells Fargo Bank, National Association
Minneapolis, Minnesota

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NOTE: Tables marked with an (*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2-12, as amended. See Appendix D - Form of Continuing Disclosure Certificate. *Only historical and not budgeted or estimated data in such tables is required to be updated. Only a five-year history is required to be updated regardless of whether more than a five-year history is shown in the marked table; provided, however, the “Rate of Fuel Taxes (cents/gallon)” will only be updated to disclose information for the reported fiscal year.*

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OFFICIAL STATEMENT
\$206,850,000*
WASHOE COUNTY, NEVADA
HIGHWAY REVENUE (FUEL TAX) REFUNDING BONDS
SERIES 2018

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by the Regional Transportation Commission of Washoe County (the "Commission"), to provide information about the Commission, Washoe County, Nevada (the "County" and the "State," respectively), and the County's \$206,850,000* Highway Revenue (Fuel Tax) Refunding Bonds, Series 2018 (the "2018 Bonds"). The 2018 Bonds will be issued pursuant to an ordinance (the "Bond Ordinance") adopted by the Board of Commissioners of the County (the "Board") on November 27, 2018. Capitalized terms used herein that are otherwise not defined have the meanings ascribed to them in the Bond Ordinance. See "APPENDIX B - Summary of Certain Provisions of the Bond Ordinance."

The offering of the 2018 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2018 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement, including the section entitled "CERTAIN RISK FACTORS" and the documents summarized or described herein. Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized.

The County's participation in the preparation of this Official Statement has been limited to the sections entitled "INTRODUCTION--The Issuer," "SECURITY FOR THE 2018 BONDS," "THE COUNTY," and "LEGAL MATTERS--Litigation--The County."

The Issuer

The 2018 Bonds are being issued by the County at the request of the Commission as authorized by law of the State of Nevada (the "State"). The County is a political subdivision of the State and was organized in 1861. The County covers an area of approximately 6,600 square miles in the northwest section of the State. The City of Reno ("Reno") is the County seat and is the third largest city in the State. According to the State Demographer, the County's population was 451,923 as of July 1, 2017. See "THE COUNTY."

Regional Transportation Commission

The County originally established the "Washoe County Regional Street and Highway Commission" in 1965 by ordinance of the Board. In May of 1978, the Washoe County Regional Transit Commission was created through a joint powers agreement dated as of May 9, 1978, among the County, Reno and the City of Sparks ("Sparks"). In 1979, the Commission was created by County ordinance through the consolidation of the Washoe County Regional Street and Highway Commission, the Washoe

* Preliminary, subject to change.

County Regional Transit Commission and a previously existing metropolitan transit planning organization. The initial joint powers agreement was amended pursuant to an Interlocal Cooperative Agreement dated as of March 19, 1985, between the County, Reno and Sparks. The initial joint powers agreement, as amended, is referred to herein as the “Interlocal Agreement.”

Pursuant to State law, County ordinance and the Interlocal Agreement, the Commission is responsible, among other duties, for the administration of the funds generated from the motor vehicle Fuel Taxes (described below and defined in APPENDIX B) and certain sales taxes imposed in the County.

The Commission is responsible for three major transportation programs: the Regional Street and Highway Program; the Public Transportation Program; and Transportation Planning. The foundation of the Commission’s planning program is a 20-year Regional Transportation Plan (the “RTP” or the “Plan”), which serves as the region’s long-range transportation plan to accommodate the master-planned development of the County, Reno and Sparks. See “REGIONAL TRANSPORTATION COMMISSION.”

Purpose

Proceeds of the 2018 Bonds will be used, together with other available funds, to: (i) refund \$60,787,000 aggregate principal amount of the County’s Highway Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2009 (the “2009 Bonds”); (ii) refund \$164,265,000 aggregate principal amount of the County’s Highway Revenue (Fuel Tax) Bonds, Series 2013 (the “2013 Bonds”); and (iii) pay the costs of issuing the 2018 Bonds. See “SOURCES AND USES OF FUNDS--The Refunding Project.” The 2009 Bonds and the 2013 Bonds to be refunded are referred to herein as the Refunded 2009 Bonds and the Refunded 2013 Bonds, respectively, and as the “Refunded Bonds,” collectively. The refunding of the Refunded Bonds is collectively referred to herein as the “Refunding Project.”

Authority for Issuance

The 2018 Bonds are being issued pursuant to the constitution and laws of the State, including: the County Fuel Tax Law, Chapter 373, Nevada Revised Statutes (“NRS”), as amended (the “Project Act”); Chapter 365, NRS, as amended (the “Tax Act”); the Local Government Securities Law, NRS 350.500 through 350.720, as amended; and Chapter 348, NRS; and pursuant to the Bond Ordinance.

Security

Special, Limited Obligations. The 2018 Bonds are special, limited obligations of the County payable solely from the Net Pledged Revenues (described below). The 2018 Bonds do not constitute a general obligation debt or indebtedness of the County, the Commission, the State or any other political subdivision of the State and no owner of any 2018 Bond may look to any source of funds other than the Net Pledged Revenues (defined below) for payment of debt service on the 2018 Bonds.

For further descriptions of the Net Pledged Revenues, see “SECURITY FOR THE 2018 BONDS--Net Pledged Revenues,” “REVENUES AVAILABLE FOR DEBT SERVICE” and APPENDIX B - Summary of Certain Provisions of the Bond Ordinance.

Net Pledged Revenues Generally. In general, “Net Pledged Revenues” consist of the Fuel Taxes, after deduction of the Administrative Expenses and any Direct Distributions, each as defined below. The term “Fuel Taxes” is defined in detail in APPENDIX B. Generally, the Fuel Taxes include the “Motor Vehicle Fuel Taxes” and the “Special Fuels Taxes,” each as further described below. Generally, “motor vehicle fuel” includes gasoline and gasohol, and “special fuel” includes diesel fuel, liquefied

petroleum gas (“LPG”), compressed natural gas (“CNG”), emulsion of water-based hydrocarbon fuel (“A55”), and any special fuel other than the four specifically listed above.

The Fuel Taxes currently are levied by the County pursuant to the Project Act, the Tax Act, Chapter 501, Statutes of Nevada 2009 (“Chapter 501”), and pursuant to Sections 20.321 to 20.43461 of the Washoe County Code (the “Tax Ordinance”). See “SECURITY FOR THE 2018 BONDS” and “REVENUES AVAILABLE FOR DEBT SERVICE.” *No other revenues of the County or the Commission are pledged to pay the 2018 Bonds.* The method of determining the rate at which the Fuel Taxes are imposed is discussed in further detail below.

Motor Vehicle Fuel Taxes Generally. The Tax Ordinance defines “motor vehicle fuel” to mean gasoline, natural gasoline, ethanol, methanol, casing-head gasoline or any other inflammable or combustible liquid, regardless of the name by which the liquid is known or sold, the chief use of which is for the propulsion of motor vehicles, motorboats or aircraft other than jet or turbine-powered aircraft. The term does not include kerosene, gas oil, fuel oil, fuel for jet or turbine-powered aircraft, diesel fuel, biodiesel blend, liquefied petroleum gas and an emulsion of water-phased hydrocarbon fuel (a mixture of any hydrocarbon and water if the water is at least 20 percent by volume of the total mixture).

The Net Pledged Revenues include a motor vehicle fuel tax levied by the County pursuant to the Tax Ordinance at a base rate of 9.00 cents per gallon, together with prior annual increases to that base rate calculated as described below (together, the “Base MVFT”). Through December 31, 2009, the Tax Ordinance provided that the rate of levy of the Base MVFT would be increased on the first day of each fiscal year by the lesser of (i) 4.5% percent or (ii) the average percentage of the increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years; provided, however, that the rate could not be lower than the initial 9.00 cents per gallon authorized by the Tax Ordinance. As a result of this indexing provision, the Base MVFT was imposed at a rate of 10.5621 cents per gallon for fiscal year 2009 and for the first six months of fiscal year 2010 (through December 31, 2009).

At the November 2008 election, County voters approved a ballot measure (“Question 5”) that authorized the Board to seek State legislation allowing the Commission to obtain necessary additional funding for transportation projects to reduce traffic congestion, improve air quality, and repair and maintain roads in the Truckee Meadows. As a result of the approval of Question 5, in its 2009 session, the State Legislature (the “Legislature”) enacted Chapter 501, which revised the indexing provisions for the Base MVFT as described below, authorized the County to impose additional taxes on motor vehicle fuel and special fuels for the benefit of the Commission, and provided for annual increases in such taxes to be calculated using a formula based on the lesser of (i) 7.8% or (ii) a rolling 10-year average of the changes in the Producer Price Index for Street and Highway Construction (the “PPI Index”).

Calculation of Motor Vehicle Fuel Taxes Pursuant to Chapter 501 and the Tax Ordinance. Pursuant to Chapter 501 and the Tax Ordinance, effective January 1, 2010, the “Motor Vehicle Fuel Taxes” were imposed at a combined rate of 13.502 cents per gallon, which was the sum of (i) 10.5621 cents per gallon (i.e., the Base MVFT as indexed through December 31, 2009); (ii) a new per gallon motor vehicle fuel tax initially imposed by multiplying 10.5621 cents per gallon times the PPI Index; (iii) a new per gallon motor vehicle fuel tax initially imposed by multiplying 18.455 cents per gallon by the PPI Index; and (iv) a new per gallon motor vehicle fuel tax initially imposed by multiplying 18.4 cents per gallon by the PPI Index. Pursuant to the Tax Ordinance, the rate of each component of the Motor Vehicle Fuel Taxes cannot decrease below the level imposed in the prior year.

“Motor Vehicle Fuel Taxes” also include future annual increases in each component of the taxes described in clauses (ii), (iii) and (iv) in the prior paragraph; such increases become effective on

the first day of each fiscal year, beginning July 1, 2010. The annual increases are determined by (a) adding the cents-per-gallon figure specified in each of clauses (ii), (iii) and (iv) of the prior paragraph to the amount of the respective taxes imposed in the prior fiscal year (as calculated for such year pursuant to the formula), then (b) multiplying that sum by the PPI Index. See “Rates of Fuel Taxes” below for a history of the increases in the Motor Vehicle Fuel Taxes.

Special Fuel Taxes Generally. The Tax Ordinance defines “special fuel” to mean any combustible gas or liquid used for the generation of power for the propulsion of motor vehicles, including an emulsion of water-phased hydrocarbon fuel. The term does not include motor vehicle fuel as defined above. “Special fuel” includes diesel, LPG, CNG and A55.

Pursuant to Chapter 501 and the Tax Ordinance, effective January 1, 2010, the following taxes, which comprise the “Special Fuel Taxes,” were imposed:

(a) taxes on diesel fuel (the “Diesel Fuel Taxes”) imposed at a combined rate of 3.233 cents per gallon, which is the sum of (i) a new tax initially imposed by multiplying the PPI Index by 27.75 cents per gallon; and (ii) a new tax initially imposed by multiplying the PPI Index by 24.4 cents per gallon;

(b) taxes on LPG imposed at a combined rate of 2.499 cents per gallon, which is the sum of (i) a new tax initially imposed by multiplying the PPI Index by 22 cents per gallon; and (ii) a new tax initially imposed by multiplying the PPI Index by 18.3 cents per gallon;

(c) taxes on CNG imposed at a combined rate of 2.437 cents per gallon, which is the sum of (i) a new tax initially imposed by multiplying the PPI Index by 21 cents per gallon; and (ii) a new tax initially imposed by multiplying the PPI Index by 18.3 cents per gallon; and

(d) taxes on A55 imposed at a rate of 1.178 cents per gallon, which reflects a new tax initially imposed by multiplying the PPI Index by 19 cents per gallon.

“Special Fuel Taxes” also include future annual increases in each component of the taxes described above; such increases become effective on the first day of each fiscal year, beginning July 1, 2010. The annual increases are determined by (i) adding the cents-per-gallon figure described above to the amount of the respective tax imposed in the prior fiscal year (as calculated for such year pursuant to the formula), then (ii) multiplying that sum by the PPI Index. Pursuant to the Tax Ordinance, the rate of each of the Special Fuel Taxes cannot decrease below the level imposed in the prior year. See “Rates of Fuel Taxes” below for a history of the increases in each of the Special Fuel Taxes.

Illustration of Calculation Methodology of Fuel Taxes. The following table illustrates the various components of the Motor Vehicle Fuel Taxes and the Special Fuel Taxes and the calculation method used to determine the increases in the rates at which each Fuel Tax will be imposed from year to year. The table reflects the initial year of the PPI Index calculation. The rate of each component of the Fuel Tax has increased (and will continue to increase) in each subsequent year as described above. The table is included for illustration purposes only, and must be read in conjunction with the specific information regarding the calculation of the Fuel Tax rates set forth above.

Components of Motor Vehicle Fuel Taxes and Special Fuel Taxes

		MVFT		
	Tax Base	Original Cents/Gal	New Rate Calculation	New MVFT Rate
MVFT	Base MVFT Index	10.5621	x 1 + PPI Index	= New Base Rate
	MVFT Index 1	18.4550	x PPI Index	= New Index 1 Rate
	MVFT Index 2	18.4000	x PPI Index	= New Index 2 Rate
	New Rate			<u>SUM</u>
	<i>(Tax Increases as described above)</i>			

SPECIAL FUEL TAXES				
	Tax Base	Cents/Gal	Rate	New Diesel Rate
Diesel	Diesel Index 1	27.7500	x PPI Index	= New Index 1 Rate
	Diesel Index 2	24.4000	x PPI Index	= New Index 2 Rate
	New Rate			<u>SUM</u>
	<i>(Tax Increases as described above)</i>			

New LPG Rate				
	Tax Base	Cents/Gal	Rate	New LPG Rate
LPG	LPG Index 1	21.0000	x PPI Index	= New Index 1 Rate
	LPG Index 2	18.3000	x PPI Index	= New Index 2 Rate
	New Rate			<u>SUM</u>
	<i>(Tax Increases as described above)</i>			

New CNG Rate				
	Tax Base	Cents/Gal	Rate	New CNG Rate
CNG	CNG Index 1	21.0000	x PPI Index	= New Index 1 Rate
	CNG Index 2	18.3000	x PPI Index	= New Index 2 Rate
	New Rate			<u>SUM</u>
	<i>(Tax Increases as described above)</i>			

A55	A55 Index	19.0000	x PPI Index	= <u>New A55 Index Rate</u>
	<i>(Tax Increases as described above)</i>			

Rates of Fuel Taxes. The following table sets forth a ten-year history of the rates at which each of the Fuel Taxes was imposed as well as the PPI Index associated with each year. The rate of each of the Fuel Taxes will be recalculated each year as described above. New rates are effective on July 1 of each year.

Rates of Fuel Taxes (cents/gallon)

<u>Effective Dates</u>	<u>Gasoline</u>	<u>Diesel</u>	<u>CNG</u>	<u>LPG</u>	<u>A55</u>	<u>PPI Index</u>
July 1, 2009 to June 30, 2010 ⁽¹⁾	\$0.13502	\$0.03233	\$0.02437	\$0.02499	\$0.01179	6.20%
July 1, 2010 to June 30, 2011	0.16110	0.06102	0.04599	0.04716	0.02223	5.18
July 1, 2011 to June 30, 2012	0.18748	0.09003	0.06785	0.06957	0.03280	4.98
July 1, 2012 to June 30, 2013	0.21979	0.12556	0.09462	0.09703	0.04575	5.81
July 1, 2013 to June 30, 2014	0.25638	0.16581	0.12495	0.12813	0.06041	6.22
July 1, 2014 to June 30, 2015	0.29419	0.20739	0.15629	0.16027	0.07556	6.05
July 1, 2015 to June 30, 2016	0.32898	0.24566	0.18522	0.18984	0.08950	5.25
July 1, 2016 to June 30, 2017	0.35291	0.27197	0.20496	0.21017	0.09909	3.43
July 1, 2017 to June 30, 2018	0.36842	0.28903	0.21781	0.22335	0.10530	2.15
July 1, 2018 to June 30, 2019	0.38294	0.30499	0.22984	0.23569	0.11112	1.97

⁽¹⁾ Indexing pursuant to Chapter 501 and the Tax Ordinance began on January 1, 2010.

Source: The Commission.

Collection of Fuel Taxes. Pursuant to State law, the Fuel Taxes are collected by the State and then remitted monthly to the Commission. The State and the County have entered into an agreement (the “Collection Agreement”) pursuant to which the State, acting by and through the Department of Motor Vehicles (the “Department”), agrees to perform indexing, collection and administrative functions with respect to the Fuel Taxes. The Department charges the Commission a fee for the performance of those functions (the “Administrative Expenses”). The Administrative Expenses currently are equal to 0.5% of the Motor Vehicle Fuel Taxes and 1% of the Special Fuel Taxes collected by the Department. Pursuant to the County Fuel Tax Law, the faith of the State is pledged that the County Fuel Tax Law, the Tax Act, and any law supplemental thereto, including without limitation, provisions for the distribution to the County of the proceeds of the Fuel Taxes collected thereunder will not be repealed, amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding bonds issued under the County Fuel Tax Law until all obligations for which any such Fuel Tax proceeds have been pledged or otherwise made payable from such Fuel Tax proceeds pursuant to the Fuel Tax Law have been discharged in full.

The Bond Ordinance defines “Direct Distributions” to mean the shares of the unrefunded balance of the Fuel Taxes levied and collected pursuant to the Project Act and the Tax Ordinance, which are subject to refund by reason of the use of such taxed fuel as aviation fuel, and allocated to the local governments which own or control any airports, landing areas and air navigation facilities within the County, pursuant to NRS 373.150. The Commission currently makes no Direct Distributions and does not expect to do so in the future.

Lien Priority; Additional Bonds. The 2018 Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues; that lien is on a parity with the lien thereon of \$145,680,000 aggregate principal amount of bonds outstanding as of November 1, 2018, after taking the Refunding Project into account (the “Prior Bonds”). See “REGIONAL TRANSPORTATION COMMISSION--Outstanding Debt and Other Obligations.”

The County may issue additional bonds or other securities with a lien on the Net Pledged Revenues that is on a parity with the lien of the 2018 Bonds. The 2018 Bonds, the Prior Bonds and any additional bonds with a parity lien on the Net Pledged Revenues are referred to herein as the “Parity Securities.” See “SECURITY FOR THE 2018 BONDS--Additional Bonds.” The Commission also has the statutory authority to issue bonds or other securities with a lien on the Net Pledged Revenues.

The County currently does not plan to issue additional Parity Securities; however, it reserves the right to do so at any time the Commission determines that it is necessary to meet its capital needs. See “REGIONAL TRANSPORTATION COMMISSION--Regional Transportation Plan.”

No Reserve Account. The 2018 Bonds are not secured by a reserve account. The reserve account established for the Prior Bonds does not secure the 2018 Bonds.

The 2018 Bonds; Redemption Provisions

General. The 2018 Bonds are issued in denominations of \$5,000 or integral multiples thereof and initially will be registered in the name of “Cede & Co.,” as nominee of The Depository Trust Company (“DTC”), the securities depository for the 2018 Bonds. Purchases of the 2018 Bonds are to be made in book-entry form only. Purchasers will not receive certificates evidencing their beneficial ownership interest in the 2018 Bonds. See “THE 2018 BONDS--Book-Entry Only System.”

The 2018 Bonds will be dated as of their date of delivery and will mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page of this Official Statement. See “THE 2018 BONDS.” The payment of the principal of and interest on the 2018 Bonds is described in “THE 2018 BONDS--Payment Provisions.”

Redemption Provisions. The 2018 Bonds are subject to redemption prior to maturity at the option of the County and are also subject to mandatory sinking fund redemption as described in “THE 2018 BONDS--Redemption Provisions.”

Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2018 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 for the Internal Revenue Code of 1986, as amended to the date of delivery of the 2018 Bonds (the “Tax Code”) and interest on the 2018 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See “TAX MATTERS--Federal Tax Matters.”

Under the laws of the State in effect as of the date of delivery of the 2018 Bonds, the 2018 Bonds, their transfer, and the income therefrom, are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS, and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See “TAX MATTERS--State Tax Exemption.”

Professionals

Sherman & Howard L.L.C., Reno, Nevada, has acted as Bond Counsel to the County and also has acted as Special Counsel to the County in connection with this Official Statement. The financial advisors to the County and the Commission in connection with the issuance of the 2018 Bonds are Hobbs, Ong & Associates, Inc., Las Vegas, Nevada and PFM Financial Advisors LLC, San Francisco, California (the “Financial Advisors”). See “FINANCIAL ADVISORS.” The fees of the Financial Advisors will be paid only from 2018 Bond proceeds at closing. The Commission’s audited basic financial statements, included in APPENDIX A of this Official Statement, include the report of Eide Bailly LLP, certified public accountants, Reno, Nevada. See “INDEPENDENT AUDITORS.” Wells Fargo Bank, National

Association, will act as the registrar and paying agent for the 2018 Bonds (the “Registrar” and “Paying Agent”). Wells Fargo Securities, RBC Capital Markets, LLC and Citigroup Global Markets Inc. will act as the underwriters for the 2018 Bonds (together, the “Underwriters”). See “UNDERWRITING.” Stradling Yocca Carlson & Rauth, a Professional Corporation, Reno, Nevada, is acting as counsel to the Underwriters.

Continuing Disclosure Undertaking

The Commission will execute a continuing disclosure certificate (the “Disclosure Certificate”) at the time of the closing for the 2018 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2018 Bonds and the Commission will covenant in the Bond Ordinance to comply with its terms. The Disclosure Certificate will provide that so long as the 2018 Bonds remain outstanding, the Commission will provide the following information to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access system (“EMMA”): (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; each as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix D. In the last five years, the Commission has not failed to materially comply with any continuing disclosure undertakings entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934. The County is making no representation as to its compliance with the Rule herein because the financial and operating data presented in this Official Statement is derived exclusively from, and relates solely to, the Commission. Furthermore, the Disclosure Certificate is being executed by the Commission and the Commission is solely responsible for compliance therewith.

Forward-Looking Statements

This Official Statement, particularly (but not limited to) the information contained under the headings “CERTAIN RISK FACTORS,” “SOURCES AND USES OF FUNDS,” “REVENUES AVAILABLE FOR DEBT SERVICE--Fuel Tax Data,” and any other statements referring to interim, unaudited, budgeted, projected or estimated amounts for fiscal years 2018 and 2019 or later years, and pro-forma amounts calculated as described herein, contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of Net Pledged Revenues to pay debt service on the 2018 Bonds.

Additional Information

This introduction is only a brief summary of the provisions of the 2018 Bonds, the Bond Ordinance and the Refunding Project; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the County, the Commission, the 2018 Bonds, the Bond Ordinance and other documents are included in this Official Statement. All references herein to the 2018 Bonds, the Bond Ordinance and other documents are qualified in their entirety by reference to such documents. This Official Statement speaks only as of its date and the information contained herein is subject to change.

Additional information and copies of the documents referred to herein are available from the Commission and the Financial Advisors:

Regional Transportation Commission of Washoe County
2050 Villanova Drive
Reno, Nevada 89502
Attn: Chief Financial Officer
Telephone: (775) 335-1832

Hobbs, Ong & Associates, Inc.
3900 Paradise Road, Suite 152
Las Vegas, Nevada 89169
Telephone: (702) 733-7223

PFM Financial Advisors LLC
50 California Street, Suite 2300
San Francisco, California 94111
Telephone: (415) 982-5544.

THE 2018 BONDS

General

The 2018 Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof and initially will be registered in the name of “Cede & Co.,” as nominee of DTC, pursuant to DTC’s book-entry only system. The 2018 Bonds will be dated as of their date of delivery and will bear interest (payable on February 1 and August 1 of each year, commencing August 1, 2019) and mature at the rates and on the dates set forth on the inside cover page of this Official Statement.

Payment Provisions

Payment of interest on any 2018 Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at his address as shown on the registration records kept by the Registrar at the close of business on the 15th day of the calendar month next preceding such interest payment date (the “Regular Record Date”); but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a special record date for the payment of any such defaulted interest (a “Special Record Date”). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the 2018 Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the Registrar’s registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any 2018 Bond by such alternative means as may be mutually agreed to between the owner of such 2018 Bond and the Paying Agent. The principal of any 2018 Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar upon maturity thereof and upon presentation and surrender at the office of the Paying Agent or at such other office as designated by the Paying Agent. If any 2018 Bond shall not be paid upon presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said 2018 Bond until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal and interest on the 2018 Bonds will be made by the Registrar and Paying Agent directly to DTC or its nominee, Cede & Co., so long as DTC or Cede & Co. is the sole registered owner of the 2018 Bonds. Disbursement of such payments to DTC’s Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC’s Participants and the Indirect Participants, as more fully described herein. See “Book-Entry Only System” below.

Redemption Provisions

Optional Redemption. The 2018 Bonds, or portions thereof (\$5,000 or any integral multiple), maturing on and after February 1, 2029, will be subject to redemption prior to their respective maturities at the option of the County on and after February 1, 2028, in whole or in part at any time, from such maturities as are selected by the County and, if less than all the 2018 Bonds of a maturity are to be redeemed, the 2018 Bonds of such maturity are to be selected by lot (giving proportionate weight to 2018 Bonds in denominations larger than \$5,000), at a price equal to the principal amount of each 2018 Bond or portion thereof so redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption. The 2018 Bonds maturing on February 1, ____, and February 1, ____ (the “Term Bonds”), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. Term Bonds will be selected by lot in such manner as the Registrar may determine.

As and for a sinking fund for the redemption of those Term Bonds maturing on February 1, ____, there shall be deposited into the Bond Account on or before February 1 of the years shown below, a sum which, together with other moneys available therein is sufficient to redeem the Term Bonds maturing on February 1, ____, on the dates and in the principal amounts shown below:

Redemption Date (February 1)	Principal <u>Amount</u>
---------------------------------	----------------------------

As and for a sinking fund for the redemption of those Term Bonds maturing on February 1, ____, there shall be deposited into the Bond Account on or before February 1 of the years shown below, a sum which, together with other moneys available therein is sufficient to redeem the Term Bonds maturing on February 1, ____, on the dates and in the principal amounts shown below:

Redemption Date (February 1)	Principal <u>Amount</u>
---------------------------------	----------------------------

Not more than 60 days nor less than 30 days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments.

At its option, the County may (i) deliver to the Registrar for cancellation Term Bonds or portions thereof (\$5,000 or any integral multiple thereof) in an aggregate principal amount desired by the County or, (ii) specify a principal amount of Term Bonds or portions thereof (\$5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation with respect to such Term Bond. Each Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the County on the sinking fund redemption date and any excess shall be so credited against future sinking fund redemption obligations in such manner as the County determines.

Notice of Redemption. Notice of prior redemption shall be given by the Registrar in the name and on behalf of the County by registered or certified mail as long as Cede & Co., or a nominee of a successor depository, is the registered owner of the 2018 Bonds and otherwise by first class, postage prepaid mail, at least 20 days but not more than 60 days prior to the Redemption Date, to the Municipal Securities Rulemaking Board (“MSRB”) and the registered owner of any 2018 Bond all or a part of which is called for prior redemption at his address as it last appears on the registration records kept by the Registrar. The notice shall identify the 2018 Bonds or portions thereof to be redeemed, specify the Redemption Date, and state that on such date the principal amount thereof will become due and payable at the Paying Agent (accrued interest to the Redemption Date being payable by mail or as otherwise provided in the Bond Ordinance), and that after such Redemption Date interest will cease to accrue. The

notice of prior redemption shall further state that on such date there will become and will be due and payable upon each 2018 Bond so to be redeemed at the office of the Paying Agent (designated by name) or at such other office as is designated by the Paying Agent, the principal amount thereof, accrued interest thereon to the Redemption Date, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the 2018 Bond or 2018 Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the Paying Agent or at such other office as is designated by the Paying Agent, the County will pay the 2018 Bond or 2018 Bonds so called for redemption.

Notwithstanding the foregoing, any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 2018 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the 2018 Bonds called for redemption in the same manner as the original redemption notice was mailed.

Tax Covenant

In the Bond Ordinance, the County covenants for the benefit of the owners of the 2018 Bonds that it will not take any action or omit to take any action with respect to the 2018 Bonds, the proceeds thereof, any other funds of the County or any facilities financed or refinanced with the proceeds of the 2018 Bonds if such action or omission (i) would cause the interest on the 2018 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) would cause interest on the 2018 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing corporate alternative minimum taxable income for taxable years of corporations beginning before January 1, 2018. The covenant described above shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2018 Bonds until the date on which all obligations of the County in fulfilling the covenant under the Tax Code have been met.

Defeasance

When all Bond Requirements of any 2018 Bond have been duly paid, the pledge and lien and all obligations under the Bond Ordinance as to that Bond shall thereby be discharged and the Bond shall no longer be deemed to be Outstanding within the meaning of the Bond Ordinance; provided, however, that if the principal of or interest on the 2018 Bond shall be paid by any Insurer of the 2018 Bond, the pledge of the Pledged Revenues and all covenants, agreements, and other obligations of the County to the owners hereunder shall continue to exist and such Insurer shall be subrogated to the rights of the owners. There shall be deemed to be such due payment when the County has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (defined below) in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the 2018 Bond, as the same become due to the final maturity of the Bond or upon any prior redemption date as of which the County shall have exercised or shall have obligated itself to exercise its prior redemption option. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule.

The Bond Ordinance defines “Federal Securities” to mean bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of or the principal and interest of which securities are unconditionally guaranteed by, the United States of America.

Book-Entry Only System

The 2018 Bonds will be available in book-entry form only. DTC will act as the initial securities depository for the 2018 Bonds. The ownership of one fully registered 2018 Bond for each maturity as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee of DTC. See APPENDIX C - Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2018 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE 2018 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

None of the County, the Registrar or the Paying Agent will have any responsibility or obligation to DTC’s Participants or Indirect Participants (defined in APPENDIX C), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the 2018 Bonds as further described in Appendix C to this Official Statement.

Debt Service Requirements

The following table sets forth the estimated debt service requirements for the 2018 Bonds in each fiscal year, the total debt service requirements on the Prior Bonds in each fiscal year, and the estimated combined debt service payable on the 2018 Bonds and the Prior Bonds in each fiscal year. The amounts shown in this table represent net debt service; expected BAB Credits and RZEDB Credits have been deducted from the amounts shown in this table.

Debt Service Requirements⁽¹⁾

Fiscal Year Ending June 30,	2018 Bonds			Total Debt Service on Prior Bonds ⁽²⁾	Total Combined Debt Service
	Principal*	Interest*	Total*		
2019	--	--	--	\$ 5,859,891	\$ 5,859,891
2020	\$ 4,665,000	\$ 11,047,160	\$ 15,712,160	9,417,662	25,129,822
2021	5,985,000	9,731,050	15,716,050	9,416,822	25,132,872
2022	6,280,000	9,431,800	15,711,800	9,414,625	25,126,425
2023	6,595,000	9,117,800	15,712,800	9,410,687	25,123,487
2024	6,920,000	8,788,050	15,708,050	9,407,558	25,115,608
2025	7,265,000	8,442,050	15,707,050	9,403,224	25,110,274
2026	7,635,000	8,078,800	15,713,800	9,399,210	25,113,010
2027	8,015,000	7,697,050	15,712,050	9,394,935	25,106,985
2028	8,415,000	7,296,300	15,711,300	9,390,065	25,101,365
2029	4,850,000	6,875,550	11,725,550	13,370,316	25,095,866
2030	5,090,000	6,633,050	11,723,050	13,361,048	25,084,098
2031	5,340,000	6,378,550	11,718,550	13,351,043	25,069,593
2032	5,610,000	6,111,550	11,721,550	13,338,578	25,060,128
2033	5,890,000	5,831,050	11,721,050	13,324,226	25,045,276
2034	6,185,000	5,536,550	11,721,550	13,306,015	25,027,565
2035	6,495,000	5,227,300	11,722,300	13,290,024	25,012,324
2036	6,820,000	4,902,550	11,722,550	13,273,964	24,996,514
2037	7,165,000	4,561,550	11,726,550	13,256,596	24,983,146
2038	7,520,000	4,203,300	11,723,300	13,239,682	24,962,982
2039	7,895,000	3,827,300	11,722,300	13,219,836	24,942,136
2040	8,215,000	3,511,500	11,726,500	13,195,384	24,921,884
2041	21,710,000	3,182,900	24,892,900	-	24,892,900
2042	22,580,000	2,314,500	24,894,500	-	24,894,500
2043	23,710,000	1,185,500	24,895,500	-	24,895,500
Total	\$206,850,000	\$149,912,760	\$356,762,760	\$250,041,391	\$606,804,151

(1) Totals may not add due to rounding.

(2) Two series of Prior Bonds were issued as direct-pay Build America Bonds (“BABs”) and two series of Prior Bonds were issued as Recovery Zone Economic Development Bonds (“RZEDBs”). The amounts shown reflect total interest due on those bonds net of any BAB Credit or RZEDB Credit (each as defined herein).

* Preliminary, subject to change.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds from the sale of the 2018 Bonds are expected to be applied in the following manner:

Sources and Uses of Funds

	<u>Amount</u>
SOURCES:	
Principal amount	
Net original issue [premium][discount]	
Debt service fund contribution.....	
Total.....	
 USES:	
The Refunding Project	
Costs of issuance (including underwriting discount)	
Total.....	

The Refunding Project

General. To accomplish the Refunding Project, the County will deposit a portion of the 2018 Bond proceeds into an escrow account established for the refunding of the Refunded Bonds (the “Escrow Account”) pursuant to an escrow agreement dated as of the date of delivery of the 2018 Bonds (the “Escrow Agreement”). Pursuant to the Escrow Agreement, the amount deposited into the Escrow Account will be invested in federal securities maturing at such times and in such amounts as are required to pay, together with an initial cash balance: (i) the interest on the Refunded Bonds as it becomes due on February 1, 2019; and (ii) the principal of the Refunded Bonds upon maturity or prior redemption on February 1, 2019.

Verification of Mathematical Computations. Grant Thornton LLP, Minneapolis, Minnesota, a firm of independent public accountants, will deliver to the County on or before the settlement date of the 2018 Bonds, its verification report indicating that it has verified, in accordance with standards established by the American Institute of Certified Public Accountants (the “AICPA Standards”), the mathematical accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the federal securities and cash deposited to the Escrow Account, to provide for the payment of the principal of and interest on the Refunded Bonds upon prior redemption on February 1, 2019.

SECURITY FOR THE 2018 BONDS

Special, Limited Obligations

The 2018 Bonds are special, limited obligations of the County payable only from the Net Pledged Revenues. Neither the 2018 Bonds nor the interest thereon constitute a general obligation debt or indebtedness of the County, the Commission, the State, or any political subdivision thereof within the meaning of any constitutional or statutory provision or limitation; and the 2018 Bonds shall not be considered or held to be general obligations of the County or the Commission. The owners of the 2018 Bonds do not have the right to require or compel the exercise of the taxing power of the County or of any other taxing entity for payment of the principal of or interest on the 2018 Bonds. The owners of the 2018 Bonds may not look to the County's General Fund (the "General Fund") or any other funds of the County or the Commission (other than those pledged) for payment of the 2018 Bonds. Therefore, the security for the punctual payment of the principal of and interest on the 2018 Bonds is dependent on the generation of Net Pledged Revenues in an amount sufficient to meet debt service requirements on the 2018 Bonds.

Net Pledged Revenues

The 2018 Bonds are payable solely from and secured by an irrevocable lien on the Net Pledged Revenues, which are comprised of the Fuel Tax revenues, less certain Administrative Expenses and any required Direct Distributions. See "INTRODUCTION--Security" and "APPENDIX B--Summary of Certain Provisions of the Bond Ordinance."

No Reserve Account

The 2018 Bonds are not secured by a reserve account. The reserve account established for the Prior Bonds does not secure the 2018 Bonds.

Flow of Funds

So long as any of the 2018 Bonds shall be Outstanding, as to any Bond Requirements (defined in Appendix B), the entire Gross Pledged Revenues, with certain exceptions described in Appendix B, shall be set aside upon the receipt of such Gross Pledged Revenues by the County and credited to the Highway Fund (defined in Appendix B). Payments shall be made from the Highway Fund as described below:

1. First Charges. First, as a first charge on the Highway Fund, there shall from time to time be withdrawn and set aside:

Administration Expenses. Initially, as a first charge thereon, sufficient moneys to pay any Administration Expenses (defined in Appendix B) not defrayed by other than the County; and

Direct Distributions. Thereafter, as the next charge thereon, sufficient moneys to make required Direct Distributions.

Nothing in the Bond Ordinance requires the withdrawal from the Highway Fund of any moneys allocated for the payment of Administration Expenses or Direct Distributions until obligations pertaining thereto have accrued and become due, and any such moneys so allocated may be retained in the Highway Fund pending withdrawals for the payment of such obligations. Any such withdrawals becoming surplus and remaining at the end of the Fiscal Year and not needed for Administration

Expenses or Direct Distributions shall be transferred back to the Highway Fund and shall be used for the purposes thereof, as provided in the Bond Ordinance.

2. Bond Account Payments. Second, from any moneys remaining in the Highway Fund, i.e., from the Net Pledged Revenues, the following transfers shall be made for the payment of the securities described below:

(a) Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the 2018 Bonds and any Parity Securities hereafter issued, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Outstanding 2018 Bonds and any Outstanding Parity Securities hereafter issued, and monthly thereafter, commencing on each interest payment date, one-sixth of the amount necessary to pay the next maturing installment of interest on the Outstanding 2018 Bonds and any Outstanding Parity Securities hereafter issued, except to the extent any other moneys are available therefor.

(b) Monthly, commencing on the first day of the month immediately succeeding the delivery of any of the 2018 Bonds and any Parity Securities issued, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of principal of the Outstanding 2018 Bonds and any Outstanding Parity Securities hereafter issued, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary to pay the next maturing installment of principal of the Outstanding 2018 Bonds and any Outstanding Parity Securities hereafter issued, except to the extent any other moneys are available therefor.

The moneys credited to the Bond Account shall be used to pay the Bond Requirements of the 2018 Bonds and any Outstanding Parity Securities, as the same become due.

3. Reserve Account Payments. Third, but concurrently with the transfers required to be made to the Bond Account, except as otherwise described below, there shall be credited monthly from the remaining Net Pledged Revenues to reserve funds or accounts for any Parity Securities in such amounts as are required by the ordinances authorizing such Parity Securities to maintain the Minimum Bond Reserve in such reserve funds or account for any Parity Securities.

The 2018 Bonds are not secured by a reserve account. The reserve account established for the Prior Bonds does not secure the 2018 Bonds.

The County may elect, but is not required, to provide for a reserve account in the ordinance authorizing the issuance of any additional Parity Securities (and may do so by electing to secure such additional Parity Securities with a combined reserve account with any Parity Securities, provided an additional deposit, if necessary, is made equal to the Minimum Bond Reserve then applicable to a combined reserve) or may elect, but is not required, to provide for a separate reserve account for any additional Parity Securities or may not provide a reserve account in connection with additional Parity Securities.

4. Rebate Account. Fourth, after the above payments are made and concurrently with the payments required to be made to rebate accounts for any Outstanding Parity Securities heretofore or hereafter issued, the County shall deposit Net Pledged Revenues into the "Washoe County, Nevada, Highway Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2018, Rebate Account" (the "Rebate Account") as required under Section 148 of the Tax Code and regulations promulgated thereunder and shall apply such funds to the extent required to comply with the County's tax covenant (see "THE 2018

BONDS--Tax Covenant") to make payments to the United States. Any moneys in such account not needed for such purpose shall be transferred to the Highway Fund. Payments into similar rebate accounts for additional Parity Securities shall be made concurrently with payments into the Rebate Account.

5. Payment of Additional Subordinate Securities. Fifth, but subsequent to the payments described above, any moneys remaining in the Highway Fund may be used by the County for the payment of Bond Requirements of Subordinate Securities payable from the Pledged Revenues and authorized to be issued in accordance with the Bond Ordinance.

6. Use of Remaining Revenues. After the required transfers described above are made, any remaining Net Pledged Revenues in the Highway Fund may be used at the end of any Fiscal Year or whenever in any Fiscal Year there shall have been credited to the Bond Account and to each other bond fund and reserve fund, if any, for the payment of any additional Parity Securities, all amounts required to be credited to those special accounts for all of that Fiscal Year, both accrued and thereafter becoming due in the balance of the Fiscal Year, as described above, for any one or any combination of lawful purposes, as the Board may from time to time determine.

Termination of Deposits. No payment need be made into the Bond Account if the amount in the Bond Account and the amount in any reserve account for any Outstanding Parity Securities (provided that no amounts in any reserve account for any Outstanding Parity Securities shall be used for any payment on the 2018 Bonds) total a sum at least equal to the entire amount of the Outstanding 2018 Bonds and any Outstanding Parity Securities heretofore or hereafter issued as to all Bond Requirements to their respective maturities or to any redemption date on which the County shall have exercised or shall have obligated itself to exercise its option to redeem prior to their respective maturities the Outstanding 2018 Bonds or any such Outstanding Parity Securities thereafter maturing, and both accrued and not accrued, in which case moneys in those two accounts in an amount, except for any interest or other gain to accrue from any investment of moneys in Federal Securities from the time of any such deposit to the time or respective times the proceeds of any such investment shall be needed for such payment, at least equal to such Bond Requirements, shall be used together with any such gain from investments solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Pledged Revenues may be used in any lawful manner determined by the Board.

Defraying Delinquencies. The moneys in the Bond Account shall be used solely and only for the purpose of paying the Bond Requirements of the 2018 Bonds and any Outstanding Parity Securities heretofore or hereafter issued, and the moneys in any reserve account for Outstanding Parity Securities shall be used solely and only for the purpose of paying the Bond Requirements of the Outstanding Parity Securities secured by such reserve account (and any additional Parity Securities that the County may elect in the ordinance authorizing their issuance to be secured by a reserve account, provided an additional deposit, if necessary, may be made to a reserve account in order to fund such reserve account to an amount equal to the Minimum Bond Reserve then applicable to a combined reserve); but any moneys at any time in excess of the Minimum Bond Reserve in a reserve account, including, without limitation, any such excess resulting from investment gain as provided in the Bond Ordinance, may be withdrawn therefrom, and transferred from time to time to the Bond Account, and used for the redemption of any such Outstanding Parity Securities as they become due at maturity, on any Redemption Date, or as they otherwise are made available for payment by purchase in the open market or otherwise; and also any moneys in the Bond Account and in such reserve account in excess of the Bond Requirements, both accrued and not accrued, to the respective maturities or designated Redemption Date of any such Outstanding Parity Securities may be used as provided in the Bond Ordinance.

Additional Bonds

Additional Parity Securities. The Bond Ordinance allows the County to issue additional Parity Securities; provided however, that before any such additional Parity Securities are authorized or actually issued, the following requirements must be met.

Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities as provided in the Bond Ordinance, the County shall not be in default in making any payments described in “Flow of Funds” above.

Historic Earnings Test. The Net Pledged Revenues derived in any twelve consecutive months of the last eighteen months of the Fiscal Year immediately preceding the date of the issuance of such additional Parity Securities shall have been at least sufficient to pay an amount equal to 200% of the Combined Maximum Annual Principal and Interest Requirements of the Outstanding Bonds and any other Outstanding parity securities of the County and the parity securities proposed to be issued (excluding any reserves therefor).

Adjustment of Pledged Revenues. If any Fuel Tax constituting supplemental Pledged Revenues had not accrued and been payable for the full Fiscal Year immediately preceding the date of the issuance of any such additional parity securities, any amount of Net Pledged Revenues which was actually collected for the designated Fiscal Year may be increased to an amount which it is estimated would have been collected if such Fuel Tax had accrued and been payable for the full Fiscal Year designated based upon the known collections of Net Pledged Revenues preceding such adjustment.

Reduction of Annual Requirements. The respective annual Bond Requirements (including as such a requirement for the purposes of this additional bonds test the amount of any prior redemption premiums due on any prior redemption date as of which the County shall have exercised or shall have obligated itself to exercise its prior redemption option) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Bond Years with moneys held in trust or in escrow for that purpose by any trust bank within or without the State, including the known minimum yield from any investment in Federal Securities.

Certification of Revenues. A written certification or written opinion by the County’s Finance Director or the Chief Financial Officer of the Commission or an Independent Accountant (each defined in APPENDIX B), based upon estimates thereby as described in “Adjustment of Pledged Revenues” above, that such Net Pledged Revenues, when adjusted as described in “Adjustment of Pledged Revenues” and “Reduction of Annual Requirements” above, are sufficient to pay the amounts described in “Historic Earnings Test” above, shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver additional Parity Securities.

Refunding Bonds. The Bond Ordinance provides different requirements for the issuance of refunding bonds to be issued on a parity with the 2018 Bonds.

At any time after the 2018 Bonds, or any part thereof, are issued and remain Outstanding, such 2018 Bonds, or any part thereof, may be refunded (but only with the consent of the owner or owners of all such Outstanding securities unless the 2018 Bonds at the time or times of their required surrender for payment shall then mature or shall be then callable for prior redemption for refunding purposes at the County’s option upon proper call), regardless whether the priority of the lien for the payment of the refunding securities on the Pledged Revenues is changed (except as described below).

Partial Refundings. The refunding bonds or other refunding securities so issued shall enjoy complete equality of lien with the portion of any bonds or other securities of the same issue which is not refunded, if there are any; and the owner or owners of such refunding bonds or such other refunding securities shall be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded bonds or other unrefunded securities of the same issue partially refunded by the refunding securities.

Limitations Upon Refundings. Any refunding bonds or other refunding securities payable from the Pledged Revenues shall be issued with such details as the Governing Body may by instrument provide, subject to the provisions of the Bond Ordinance, and subject to the inclusion of any such rights and privileges described in “Partial Refundings” above, but without any impairment of any contractual obligation imposed upon the County by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues (including but not necessarily limited to the 2018 Bonds).

Protection of Securities Not Refunded. If only a part of the Outstanding Bonds and any other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the holder or holders of the unrefunded portion of such securities unless:

Requirements Not Increased. The refunding bonds or other refunding securities do not increase for any Bond Year the aggregate principal and interest requirements evidenced by such refunding securities and by the Outstanding securities not refunded on and prior to the last maturity date of such unrefunded securities, and the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the Bonds or other securities thereby refunded; or

Subordinate Lien. The lien on the Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

Default and Earnings Test. The refunding bonds or other refunding securities are issued in compliance with the requirements described in “Additional Parity Securities” above.

Superior Lien Securities Prohibited; Subordinate Securities Permitted

The Bond Ordinance prohibits the County and the Commission from issuing additional bonds or other securities payable from the Net Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the 2018 Bonds.

The Bond Ordinance allows the County to issue additional bonds or other securities payable from the Net Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the 2018 Bonds.

REVENUES AVAILABLE FOR DEBT SERVICE

Fuel Taxes Generally

In general, Net Pledged Revenues currently consist of the Fuel Tax revenues, after deduction of the Administrative Expenses and any Direct Distributions. The Fuel Taxes include the Motor Vehicle Fuel Taxes and the Special Fuel Taxes, which are described in more detail in "INTRODUCTION--Security."

Net Pledged Revenues also include revenues from taxes pertaining to motor vehicle fuel or such specified special fuels of at least an equivalent value and pledged in lieu of such existing taxes by the Board or by statute or of any such taxes of any value pledged in supplementation thereof. Pursuant to NRS 373.160, the lien on the Net Pledged Revenues extends to the proceeds of any tax collected for the use by the County on any motor vehicle fuel so long as the 2018 Bonds remain outstanding and is not limited to any type of motor vehicle fuel in use when the 2018 Bonds are issued.

No Repeal of Fuel Taxes

Pursuant to Section NRS 373.120, the State has pledged that the State statutes imposing the Fuel Taxes shall not be repealed or modified in such a manner as to impair adversely the 2018 Bonds and any outstanding Parity Bonds. NRS 373.120 also prohibits the County from repealing or modifying the Fuel Tax in such a manner as to impair adversely the 2018 Bonds and any outstanding Parity Securities.

The County has covenanted in the Bond Ordinance that, while the 2018 Bonds remain outstanding, the County shall cause Fuel Taxes to be levied and collected: (i) with respect to the Base MVFT, in an amount not less than nine cents per gallon on all motor vehicle fuel sold, distributed or used in the County, plus the indexed increases as provided by law; and (ii) with respect to the Motor Vehicle Fuel Taxes and the Special Fuel Taxes imposed pursuant to the Tax Ordinance, in amounts not less than the amounts required to be imposed pursuant to Chapter 501 (which include the amounts described in "INTRODUCTION--Security," increased as provided in Chapter 501); except as otherwise provide by law, including provisions for any deductions and any refunds not constituting Administrative Expenses or Direct Distributions, and provisions of law pertaining to exempt sales and other exempt transactions, or to amounts derived from any other excise taxes pertaining to motor vehicle fuel of at least an equivalent value and pledged in lieu of such present taxes, regardless of whether now or hereafter fixed and imposed.

Collection and Enforcement of Motor Vehicle Fuel Taxes

Authority for Imposition of Motor Vehicle Fuel Taxes. The County is authorized by the Project Act and Chapter 501 to impose the Motor Vehicle Fuel Taxes on motor vehicle fuel sold in the County (subject to certain exceptions and refunds), in the amounts (including annual increases) described in "INTRODUCTION--Security," and to pay the costs of any approved street or highway construction project by direct use of tax proceeds or by borrowing money therefor by the issuance of revenue bonds and other revenue securities payable from the net proceeds of the Fuel Tax. Proceeds of the Motor Vehicle Fuel Taxes levied as described above are pledged to the 2018 Bonds.

Pursuant to such statutory authority, the County has adopted the Tax Ordinance imposing the Motor Vehicle Fuel Taxes and providing for the annual increases previously described. The tax is applied per gallon of motor vehicle fuel sold, distributed or used. The tax does not apply to kerosene, gas oil, fuel oil, fuel for jet or turbine-powered aircraft, diesel fuel or liquefied petroleum gas. The Tax Ordinance has been amended from time to time in compliance with the provisions of the Project Act. The

most recent amendment occurred in August 2009 in order to levy the taxes authorized by Chapter 501. Pursuant to statute, any amendments to the Tax Act automatically become a part of the County Tax Ordinance. Notwithstanding the foregoing, no increases in the statutorily-specified base rates of the various taxes used to calculate the Net Pledged Revenues (as previously described) become part of the Net Pledged Revenues unless authorized by State law in the future and specifically pledged by the County.

Imposition of Motor Vehicle Fuel Taxes. The Motor Vehicle Fuel Taxes are imposed on suppliers in the State. A supplier is every person who is licensed under the Tax Act and who (a) imports motor vehicle fuel into the State; (b) otherwise acquires in the State for sale, use or distribution in the State motor vehicle fuel with respect to which there has been no prior taxable sale, use or distribution; or (c) produces, manufactures or refines motor vehicle fuel in the State. Pursuant to the Tax Act, "motor vehicle" means every self-propelled motor vehicle, including tractors, operated on a surface highway, and "motor vehicle fuel" means gasoline, natural gasoline, ethanol, methanol, casing-head gasoline, and any other inflammable or combustible liquid, by whatever name such liquid may be known or sold, the chief use of which in the State is for the propulsion of motor vehicles, motorboats or aircraft other than jet or turbine-powered aircraft. Kerosene, gas oil, fuel oil, fuel for jet or turbine-powered aircraft, diesel fuel, biodiesel, biodiesel blend, liquefied petroleum gas and an emulsion of water-phased hydrocarbon fuel, as that term is defined in NRS 366.026, are not considered motor vehicle fuel.

Exemptions from Motor Vehicle Fuel Taxes; Refunds. The Tax Act provides that various transactions and sales are exempt from the Motor Vehicle Fuel Tax and entitles certain dealers to refunds. The State exempts from the Motor Vehicle Fuel Taxes: (1) motor vehicle fuel so long as it remains in interstate or foreign commerce; (2) motor vehicle fuel, except aviation fuel, exported from the State by a dealer; (3) aviation fuel or fuel for turbine-powered or jet aircraft exported from the State by a dealer; (4) motor vehicle fuel or fuel for jet or turbine-powered aircraft sold to the United States Government for official use of the United States Armed Forces; (5) motor vehicle fuel other than aviation fuel distributed, or delivered on the order of the owner to a supplier, or aviation fuel for jet or turbine-powered aircraft distributed or delivered on the order of the owner, to a dealer who has furnished bond and security in the amount prescribed in Section 365.290, NRS, and who has established to the satisfaction of the Department that the bond is sufficient security to ensure payment of all excise taxes as they may become due to the State from such dealer under the State Fuel Tax Act; (6) leaded racing fuel (which contains lead and is produced for motor vehicles designed and built for racing and not for operation on a public highway); and (7) motor vehicle fuel sold by a supplier, or aviation fuel or fuel for jet or turbine-powered aircraft sold by a dealer in individual quantities of 500 gallons or less for export to another state or country by the purchaser other than in the supply tank of a motor vehicle or an aircraft, provided such dealer is licensed in the state of destination to collect and remit the applicable destination state taxes thereon.

Any person who had paid the Motor Vehicle Fuel Tax and (1) who exports any motor vehicle fuel from the State, or (2) who sells any such fuel to the United States Government for official use of the United States Armed Forces, or (3) who buys and uses any such fuel for purposes other than for the propulsion of motor vehicles, is entitled to a refund or credit, for the amount of such tax so paid by such person upon filing a claim therefore and complying with certain procedural requirements. The minimum claim for refund shall be based on at least 200 gallons purchased and used in a six-month period. No refund of Motor Vehicle Fuel Taxes shall be made for off-highway use of motor vehicle fuel consumed in water craft in the State for recreational purposes or for off-highway use when the consumption of such fuel takes place on highways constructed and maintained by public funds, on federal proprietary lands or reservations where the claimant has no ownership or control over such lands or highways, except where such person is under contractual relationship with the Federal Government or one of its agencies and is engaged in the performance of duties pursuant to such relationship. In addition, any farmer or rancher, not

engaged in other activities which would distort such person's highway usage, may claim a refund only on the basis of 80 percent of such person's bulk purchases (in excess of 50 gallons of motor vehicle fuel which is not placed directly into the tank of motor vehicles), without maintaining records of use. Any refund of Motor Vehicle Fuel Taxes is deducted from the amount of future payments to the county or counties in which the taxes were collected.

Manner of Collection of Motor Vehicle Fuel Taxes. Suppliers must pay the Motor Vehicle Fuel Taxes and send a statement of motor vehicle fuel sold, distributed or used to the Department on or before the last day of the first month following the month to which they relate. A supplier has 90 days after the last day prescribed for payment of the Motor Vehicle Fuel Taxes to bring an action against the State Treasurer for recovery of an alleged overpayment of such taxes. Failure to bring suit within the 90 days constitutes a waiver of all demands against the State for alleged overpayment of excise taxes. The supplier is allowed to deduct 2% of the taxes so paid to the Department to cover costs of collection and compliance with the Tax Act. The Department deposits with the State Treasurer all Motor Vehicle Fuel Taxes collected.

Pursuant to the Project Act and the Tax Ordinance, the Department has contracted with the County to perform all functions incident to the administration and operation of the Tax Ordinance. The Department currently remits monthly to the Commission, on behalf of the County, the revenues collected from the Motor Vehicle Fuel Tax for the applicable month less a deduction for the cost of collecting such taxes and enforcing the laws, regulations and rules pertaining thereto and less any refunds or reimbursements. The fee charged by the State for collecting the Motor Vehicle Fuel Taxes is currently 0.5% of the revenues collected.

All net proceeds of the Motor Vehicle Fuel Tax are eventually deposited directly with the Commission by the Department. However, any city or town whose territory is not included wholly or in part in the Plan is entitled to receive an allocation in aid of approved construction projects before the Commission can use the moneys in such fund. The allocation to these subdivisions is made based on the ratio of their assessed valuation to the total County assessed valuation. No cities in the County receive such distributions because they all are included in the Plan.

Remedies for Delinquent Taxes. If the Motor Vehicle Fuel Taxes are not paid on or before the last day of the month after due, they become delinquent. Proceeds from any penalty assessments are allocated to the State Highway Fund. In addition, anyone violating the Tax Ordinance is guilty of a misdemeanor and may be subject to a fine of not less than \$200 and not more than \$1,000 or imprisonment of not less than 60 days nor more than six months, or both.

Collection and Enforcement of Special Taxes

Authority for Imposition of Special Taxes. The County is authorized by Chapter 501 to impose the Special Taxes on special fuels sold in the County (subject to certain exceptions and refunds), in the amounts (including annual increases) described in "INTRODUCTION--Security," and to pay the costs of any approved street or highway construction project by direct use of tax proceeds or by borrowing money therefor by the issuance of revenue bonds and other revenue securities payable from the net proceeds of the Fuel Tax. Proceeds of the Special Taxes levied as described above are pledged to the 2018 Bonds.

Pursuant to such statutory authority and pursuant to NRS Chapter 366 (the "Special Fuel Tax Act"), the County has adopted the Tax Ordinance imposing the Special Fuel Taxes and providing for the annual increases previously described. The tax is applied per gallon of the special fuel sold,

distributed or used. Any amendments to the Special Fuel Tax Act automatically become a part of the Tax Ordinance.

Imposition of Special Fuel Taxes. The Special Fuel Taxes are imposed on special fuel dealers, special fuel suppliers and special fuel manufacturers in the State. A special fuel dealer is a person who is licensed under the Special Fuel Tax Act and who sells CNG or LPG and delivers any part thereof into the tank for the supply of fuel of a motor vehicle that is not owned or controlled by him. A special fuel supplier is a person who is licensed under the Special Fuel Tax Act and who (a) imports special fuel into the State; (b) produces, manufactures or refines special fuel in the State; or (c) otherwise acquires in the State for sale, use or distribution in the State motor vehicle fuel with respect to which there has been no prior taxable sale or use. A special fuel manufacturer is a person who is licensed under the Special Fuel Tax Act and who manufactures, blends, produces, refines, prepares, distills or compounds only special fuel containing biodiesel or biodiesel blend in the State for his personal use in the State or for sale or delivery in or outside the State. Pursuant to the Special Fuel Tax Act, "motor vehicle" means every self-propelled motor vehicle operated on a surface highway, and "special fuel" means any combustible gas or liquid used for the generation of power for the propulsion of motor vehicles, including, without limitation, biodiesel, biodiesel blend and an emulsion of water-phased hydrocarbon fuel. The term does not include motor vehicle fuel as defined by the Tax Act.

Exemptions from Special Fuel Taxes; Refunds. The Special Fuel Tax Act provides that various transactions and sales are exempt from the Special Fuel Tax and entitles certain parties to refunds. The sale or use of special fuels for any purpose other than to propel a motor vehicle upon the public highways of the State is exempt from taxation; however, purchasers or the users of special fuel establish to the satisfaction of the Department that the special fuel purchased or used was used for purposes other than to propel a motor vehicle upon the public highways of the State. The State also exempts the following sales from the Special Fuel Taxes: sales made to the United States Government or any instrumentality thereof; sales made to any state, county, municipality, district or other political subdivision thereof; sales made to any person to be used to propel a motor vehicle which is dedicated for exclusive use as part of a system which: (a) operates motor vehicles for public transportation in an urban area, (b) transports persons who pay the established fare; and (c) uses public money to operate the system or acquire new equipment; and sales made to any person for use in operating special mobile equipment (as defined in the Special Fuel Tax Act). Special fuel, other than CNG, LPG or kerosene, which is exempt from the special fuel tax must be dyed before it is removed for distribution from a rack.

Any person who had paid the Special Fuel Tax and who buys and uses any such fuel for purposes other than for the propulsion of motor vehicles, is entitled to a refund or credit for the amount of such tax so paid by such person upon filing a claim therefore and complying with certain procedural requirements. The minimum claim for refund shall be based on at least 200 gallons purchased and used in a six-month period. No refund of Special Fuel Taxes shall be made for off-highway use of motor vehicle fuel consumed in water craft in the State. Any refund of Special Fuel Taxes is deducted from the amount of future payments to the county or counties in which the taxes were collected.

Manner of Collection of Special Fuel Taxes. Special fuel suppliers must pay the Special Fuel Taxes and send the Department a statement of motor vehicle fuel received, sold, distributed or used to the Department on or before the last day of each calendar month. Special fuel dealers and manufacturers must pay the Special Fuel Taxes and send the Department a statement of special fuel tax sold. Generally, the reporting period for special fuel dealers and manufacturers is one month; however, the Department may assign different reporting periods (three months, six months or one year) for dealers or manufacturers reporting small amounts of special fuel sold. The Department, for good cause, may grant a 30 day extension to dealers for making their monthly report and return. A supplier has 90 days after the last day prescribed for payment of the Special Fuel Taxes to bring an action against the State Treasurer

for recovery of an alleged overpayment of such taxes. Failure to bring suit within the 90 days constitutes a waiver of all demands against the State for alleged overpayment of excise taxes. The supplier is allowed to deduct 2% of the taxes so paid to the Department to cover costs of collection and compliance with the Special Fuel Tax Act. The Department deposits with the State Treasurer all Special Fuel Taxes collected.

Pursuant to the Project Act and the Tax Ordinance, the Department has contracted with the County to perform all functions incident to the administration and operation of the Tax Ordinance. The Department remits monthly to the County the revenues collected from the Special Fuel Tax for the applicable month less a deduction for the cost of collecting such taxes and enforcing the laws, regulations and rules pertaining thereto and less any refunds or reimbursements. The fee charged by the State for collecting the Special Fuel Taxes is currently 1% of the revenues collected.

Remedies for Delinquent Taxes. If the Special Fuel Taxes are not paid on or before the last day of the month after due, they become delinquent. Proceeds from any penalty assessments are allocated to the State Highway Fund. In addition, anyone violating the Special Fuel Tax Act is guilty of gross misdemeanor.

Fuel Tax Data

History of Fuel Tax Collections. The Commission expects the majority of the Net Pledged Revenues to be derived from Motor Vehicle Fuel Taxes and Diesel Fuel Taxes. However, the State reports Diesel Fuel Taxes and the balance of the Special Fuel Taxes as a combined amount. The following table sets forth a history of the actual collections of the Fuel Taxes for fiscal years 2010 through 2018.

History of Fuel Tax Collections

Fiscal Year	Motor Vehicle Fuel Taxes Collected	Diesel and Other Special Fuel Tax Collections ⁽¹⁾	Total Fuel Tax Collections	Percent Change
2010 ⁽²⁾	\$19,919,919	\$ 855,577	\$20,775,496	--
2011	26,128,387	3,256,906	29,385,293	41.44%
2012	30,559,392	4,759,258	35,318,650	20.19
2013	35,469,382	6,358,504	41,827,886	18.43
2014	41,245,648	8,329,320	49,574,968	18.52
2015	48,249,658	10,684,521	58,934,179	18.88
2016	54,682,972	13,332,060	68,015,032	15.41
2017	60,284,220	14,773,850	75,058,070	10.36
2018	65,113,429	16,066,465	81,179,895	8.16

⁽¹⁾ The State reports Diesel Fuel Tax and other Special Fuel Tax revenues as a combined amount.

⁽²⁾ Indexing pursuant to Chapter 501 and the Tax Ordinance began on January 1, 2010. Due to an error by the Department of Motor Vehicles, the Motor Vehicle Fuel Taxes were imposed at a rate that was approximately 1.6 cents per gallon lower than the rate imposed by the Tax Ordinance from January 1, 2010 through April 1, 2010, resulting in Motor Vehicle Fuel Tax collections for fiscal year 2010 of approximately \$617,263 lower than expected.

Source: The Commission.

For fiscal year 2019, the Commission budgeted to collect \$69,172,550 in Motor Vehicle Fuel Tax Revenues, based upon an estimated 186,222,580 gallons of motor vehicle fuel tax sold (which represents an increase of approximately 3.06% from the gallons sold for fiscal year 2018).

For fiscal year 2019, the Commission has budgeted to collect \$17,467,335 in Special Fuel Tax revenues, comprised of primarily Diesel Fuel Tax revenues. These figures are based upon an estimated 58,987,803 gallons of diesel fuel being sold during fiscal year 2019, which represents an increase of approximately 3.1% over the estimated gallons of diesel fuel sold during fiscal year 2018. As a practical matter, Diesel Fuel Tax revenues comprise the majority of the Special Fuel Tax revenues; since implementation of the indexing on Special Fuel Taxes, the only Special Fuel sold within the County is LPG. Sales of LPG are minimal and are not tracked separately by the Commission; LPG sales and Diesel Fuel Tax revenues are combined.

Motor Vehicle Fuel Tax Collection Information. Information with respect to collections of the Motor Vehicle Fuel Taxes is set forth below.

Taxable Gallons Sold. The following table sets forth a history of taxable gallons of motor vehicle fuel sold in the County and the State. The information regarding sales of motor vehicle fuel Statewide is provided for informational purposes only; only Motor Vehicle Fuel gallons sold in the County are used to calculate Net Pledged Revenues.

History of Taxable Gallons Sold - Motor Vehicle Fuel Tax⁽¹⁾

<u>Fiscal Year</u>	<u>State Gallons</u>	<u>Percent Change</u>	<u>County Gallons</u>	<u>Percent Change</u>	<u>County as a Percentage of State Total</u>
2010	1,094,117,214	--	173,541,551	--	15.9%
2011	1,090,029,360	(0.37)%	167,823,755	(3.29)%	15.4
2012	1,084,095,571	(0.54)	167,662,262	(0.10)	15.5
2013	1,086,699,990	0.24	165,998,632	(0.99)	15.3
2014	1,098,650,528	1.10	165,385,031	(0.37)	15.1
2015	1,130,404,752	2.89	168,769,277	2.05	14.9
2016	1,169,118,128	3.42	171,111,992	1.39	14.6
2017	1,200,090,567	2.65	175,561,374	2.60	14.6
2018	1,229,019,907	2.41	180,701,203	2.93	14.7

⁽¹⁾ Total taxable motor vehicle fuel gallons sold, less aviation fuel gallons sold.

Source: The Commission (data provided by the State Department of Motor Vehicles).

Diesel Fuel Tax Collection Information. Information with respect to collections of the Diesel Fuel Taxes is set forth below.

The following table sets forth a history of (i) actual taxable gallons of diesel fuel sold in the State, and (ii) actual taxable gallons of diesel fuel sold in the County.

History of Taxable Gallons Sold - Diesel Fuel

<u>Fiscal Year</u>	<u>State Gallons⁽¹⁾</u>	<u>Percent Change</u>	<u>Actual County Gallons</u>	<u>Percent Change</u>	<u>County as a Percentage of State Total</u>
2010	345,825,773	--	55,677,949 ⁽²⁾	--	16.1%
2011	357,805,845	3.46	54,968,803	(1.24)%	15.4
2012	349,161,471	(2.42)	54,343,573	(1.17)	15.6
2013	345,110,568	(1.16)	52,143,035	(4.05)	15.1
2014	352,776,498	2.22	51,742,003	(0.77)	14.7
2015	348,327,085	(1.26)	52,996,850	2.43	15.2
2016	356,481,388	2.34	55,545,658	4.81	15.6
2017	372,292,598	4.44	57,021,578	2.66	15.3
2018	390,441,015	4.87	56,052,903	(1.70) ⁽³⁾	14.4

(1) Actual total taxable gallons of diesel fuel sold in the State.

(2) Actual County gallons for fiscal year 2010 calculated using annualized six month data.

(3) Decline in County gallons sold due to an adjustment made by the Washoe County Department of Motor Vehicles resulting from a taxpayer refund of overpaid fuel taxes paid during fiscal year 2017. Absent the adjustment made for such refund actual County gallons sold during fiscal year 2018 would have been 57,721,087, representing a 1.23% increase over actual County gallons sold during fiscal year 2017.

Source: The Commission (data provided by the State Department of Motor Vehicles).

Historical and Pro-Forma Net Pledged Revenues and Debt Service Coverage

General. The following table sets forth a history of all Motor Vehicle Fuel Tax and Special Fuel Tax revenues for 2014 through 2018 (unaudited; subject to change), and budgeted amounts for all Motor Vehicle Fuel Tax and Special Fuel Tax revenues for 2019. The table also sets forth actual debt service paid on the Prior Bonds and associated debt service coverage. For budgeted fiscal year 2019, the table presents the budgeted debt service on the 2018 Bonds and the Prior Bonds (see “THE 2018 BONDS--Debt Service Requirements”), and the pro-forma debt service coverage, calculated by dividing the budgeted Pledged Revenues by the budgeted debt service for fiscal year 2019. For fiscal year 2019, the Commission budgets receiving Net Pledged Revenues of \$86,639,885. When compared to the Combined Maximum Annual Principal and Interest Requirements on the Prior Bonds and the 2018 Bonds (i.e. \$25,132,872* in fiscal year 2021*), the resulting pro-forma debt service coverage is 3.45x* budgeted fiscal year 2019 Pledged Revenues.

All of the Motor Vehicle Fuel Taxes and the Special Fuel Taxes are available to calculate debt service coverage. However, there is no assurance that the 2019 budgeted amounts will be realized or that Pledged Revenues will continue to be collected in similar amounts in the future. See “CERTAIN RISK FACTORS” and “Fuel Tax Data” above.

Historical and Pro-Forma Net Pledged Revenues and Debt Service Coverage

<u>Fiscal Year Ended June 30,</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Unaudited 2018</u>	<u>Budgeted 2019</u>
Motor Vehicle Fuel Tax Collections ⁽¹⁾	\$41,245,648	\$48,249,658	\$54,682,972	\$60,284,220	\$65,113,429	\$69,172,550
Diesel Fuel Tax and other Special Fuel Tax Collections ⁽²⁾	<u>8,329,320</u>	<u>10,684,521</u>	<u>13,332,060</u>	<u>14,773,850</u>	<u>16,066,465</u>	<u>17,467,335</u>
Total Net Pledged Revenues	<u>49,574,968</u>	<u>58,934,179</u>	<u>68,015,032</u>	<u>75,058,070</u>	<u>81,179,895</u>	<u>86,639,885</u>
Actual Debt Service (net of subsidies) ⁽³⁾	\$25,153,381	\$26,680,244	26,671,280	26,662,757	27,392,747	27,389,262
Coverage ⁽⁴⁾	1.97x	2.21x	2.55x	2.82x	2.96x	3.16x

(1) Represents actual collections of the Motor Vehicle Fuel Taxes net of Administrative Expenses. No Direct Distributions were required in any year shown.

(2) The State reports Diesel Fuel Tax and other Special Fuel Tax revenues as a combined amount.

(3) This amount has been calculated net of anticipated BAB Credits and RZEDB Credits as allowed by the Bond Ordinance. For a depiction of the total debt service payable on the 2018 Bonds and the Prior Bonds, see "DEBT SERVICE REQUIREMENTS." For a description of sequestration, see "CERTAIN RISK FACTORS-- No Assurance that the County will receive BAB or RZEDB Credit Payments."

(4) Calculated by dividing the "Total Net Pledged Revenues" line above by the "Actual Debt Service (net of subsidies)" line above.

Sources: Derived from the Commission's Comprehensive Annual Financial Reports ("CAFR") for the fiscal years ended June 30, 2014 through 2017; Commission staff for unaudited 2018 results (subject to change); and the Commission's fiscal year 2019 budget.

REGIONAL TRANSPORTATION COMMISSION

The Commission has pledged to apply the Net Pledged Revenues to pay debt service on the 2018 Bonds prior to the use of the revenues for payment of its operating costs. Nevertheless, general information about the Commission and programs is provided below.

General

Pursuant to enabling legislation passed by the 1965 Legislature, the County established the Washoe County Regional Street and Highway Commission by an ordinance of the Board adopted on June 24, 1965. In May 1978, the Regional Transit Commission was created through a joint powers agreement between the County, Reno and Sparks to operate the public transit system in the County. A metropolitan planning organization known as the Washoe County Area Transportation Study ("WCATS") also existed as a forum for local and elected officials to meet and discuss transportation issues. In 1979, the Commission was created through the consolidation of the Regional Street and Highway Commission, the Regional Transit Commission and WCATS. The Commission's service area is approximately 165 square miles, which is equivalent to the urbanized areas of the County, Reno and Sparks.

Pursuant to the Interlocal Agreement, the Commission is responsible for the administration of the funds of the County generated from (a) the Fuel Taxes (including the Direct Distributions, if any) and (b) public transportation sales taxes levied in the County (1/4% is required to be used for public transportation purposes; 1/8% can be used for roads, including the Regional Street and Highway Program described below, or for public transit at the discretion of the Commission).

The Commission also serves as the metropolitan planning organization ("MPO") for the regional area, owns and operates a regional public transportation system (described below) providing service in Reno, Sparks and the County and other areas as described below, and conducts an arterial street and highway design and construction program. Among other powers, the Commission may (a) receive and disburse federal funds for transportation and highway purposes, (b) submit project applications to and enter into project agreements with the Federal Transit Administration of the United States Department of Transportation and (c) prepare and approve budgets for the "Street and Highway Fund" and for money it receives from other sources. In addition, the Commission may acquire and own both real and personal property and, in certain circumstances, may exercise the power of eminent domain.

All projects recommended by the Commission must receive the approval of each political entity within the jurisdiction and final approval of the Board. Project approval and assignment of administrative responsibility is accomplished through written agreement between such political entities. Funds may not be disbursed to a project without such written agreement.

Major Programs

The Commission is responsible for three major transportation programs:

1. Regional Street and Highway Program. The primary responsibility of the Commission in the Regional Street and Highway program is to approve and implement road projects through a priority-setting process at both the technical and political levels. This program is financed from bond proceeds, Fuel Tax revenues, sales tax revenues (to the extent allocated by the Commission), and impact fees for the construction of new roads and capacity improvements on roads impacted by new development.

2. Public Transportation Program. The Commission may establish and operate public transportation, both fixed route and paratransit, in conformance with State law. The Commission has the responsibility and the authority to appropriate money from the Public Transit Fund for such purposes and may provide for all functions incident to the administration and operation of public transportation, which includes RTC RIDE (the bus system), RTC ACCESS (a paratransit service), RTC Sierra Spirit, RTC REGIONAL CONNECTOR (a commuter service between Reno/Sparks and Carson City), and TART (Tahoe Area Rapid Transit, the transportation service for North Lake Tahoe). The Commission funds this program primarily with public transportation sales tax receipts (i.e., the 0.25% sales tax). Net Pledged Revenues are not used to fund this program. RTC Sierra Spirit is a free bus service for residents and visitors to the area which operates as the downtown Reno circulator. See the Management Discussion and Analysis in the audited basic financial statements attached hereto as APPENDIX A for selected operating statistics.

In July 2011, the Commission entered into a turn-key contract with MV Transportation, Inc. ("MVTI") to operate the transit system (RTC RIDE). MVTI is responsible for the day-to-day operations of the transit system within policy guidelines set by the Commission. All employees of RTC RIDE are employees of MVTI. The Commission receives all revenues and purchases and maintains ownership of all assets of the transit operation. MVTI also provides for the operation of RTC INTERCITY service from Reno to Carson City. The service is funded by the Commission and the city of Carson City.

The Commission has a contract with Ride Light LLC for the operation of the RTC ACCESS, the paratransit service for the disabled. General service policies are established by the Commission with implementation through the Commission staff and Ride Light LLC.

The Commission contracts for transportation service at the North Shore of Lake Tahoe, for the TART system. The service is provided by Placer County, California, through a contractual agreement, and Placer County is reimbursed by the Commission for the transit service provided in the County.

3. Transportation Planning. The Commission is designated as the MPO for the County. In that capacity, the Commission is responsible for establishing policy direction for transportation planning. This responsibility includes the approval of the RTP, the annual Five-Year Financial Plan, the Transportation Improvement Program, the Unified Planning Work Program, and the establishment and approval of federal funding priorities in certain program areas. The Commission provides major project review of the transportation impacts of new projects and developments.

Governing Body and Administration

The Commission is composed of local elected officials who are members of the governing bodies of the County and each city in the County as follows: two members appointed by the Board, two members appointed by the Reno City Council, and one member appointed by the Sparks City Council. Any new incorporated municipality is entitled to appoint a member. Members of the Commission serve staggered two year terms ending on December 31 of even-numbered years. The Commission generally holds its regular meetings on the third Friday of each month.

The current members of the Commission, their appointing body, their dates of initial appointment to the Commission, and the expiration of their current terms are set forth below.

<u>Commission Members</u>	<u>Appointing Agency</u>	<u>Date of Appointment</u>	<u>Expiration of Term</u>
Ron Smith, Chair	City of Sparks	January 2009	December 2018
Bob Lucey, Vice Chair	Washoe County	January 2015	December 2019
Vaughn Hartung	Washoe County	January 2018	December 2018
Neoma Jardon	City of Reno	December 2013	December 2019
Paul McKenzie	City of Reno	August 2015	December 2018

The Commission establishes and approves policy direction for the agency in all program areas. Policy established by the Commission is implemented through a professional/technical staff supervised by the Executive Director.

Information about the administrative and management personnel most directly involved in the issuance of the 2018 Bonds follows. The Executive Director is appointed by the Commission board and serves at its pleasure. All other staff members are appointed by the Executive Director.

Lee Gibson, A.I.C.P., Executive Director. Mr. Gibson joined the Commission as Executive Director on September 28, 2009. Before coming to the Commission, he was vice president and national technical director for planning for Parsons Brinckerhoff. Mr. Gibson also served with the Regional Transportation Commission of Southern Nevada as assistant general manager from 1999 to 2002 and director of planning from 1989 to 1999. He holds a bachelor’s degree in political science from Texas Tech University and a master’s in urban planning from the University of New Orleans. Mr. Gibson is a member of the Urban Land Institute and the Institute of Transportation Engineers’ Transit Council and serves on the American Public Transportation Association’s policy and planning committee.

Stephanie Haddock, C.G.F.M. Ms. Haddock has worked for the Regional Transportation Commission (RTC) since 1997. She has more than 20 years’ experience in private and governmental accounting and financial management. Appointed as the Director of Finance/CFO in August 2014, Ms. Haddock oversees the accounting, budgeting, auditing, federal grant compliance, risk management, procurement and financial planning functions of the RTC. Ms. Haddock earned her bachelor’s degree from the University of Nevada, Reno with a major in Finance and minors in Accounting and Economics. She is a certified government financial manager (C.G.F.M.).

Brian Stewart, P.E., Director of Engineering. Mr. Stewart joined the RTC in April 2017 as the Director of Engineering. He earned his Civil Engineering Degree from California Polytechnic University, San Luis Obispo. He is a professional engineer and has more than 20 years of experience working in public works. He served as associate civil engineer for Shasta County, CA and most recently Stewart was senior civil engineer for Placer County, CA managing complex environmental improvement and transportation projects in the North Lake Tahoe area for the past 13 years. His experience includes federally funded projects through the Federal Highway Administration and the Federal Transit Administration inclusive of roads, bridges, and transit structures. Brian had a major role in the creation of Complete Streets in the Kings Beach, CA commercial core area and construction of the Tahoe City Transit Center. Mr. Stewart is a member of the Nevada Chapter of the American Public Works Association.

Adam Spear, Director of Legal Services. Mr. Spear joined the Commission in October 2017 as the Director of Legal Services. Mr. Spear has represented government entities in Nevada since

2007, developing a focus on federal and state transportation law and regional transportation issues. Most recently, he served as General Counsel for the Tahoe Transportation District at Lake Tahoe. Mr. Spear has a Juris Doctorate (JD) degree from the University of the Pacific, McGeorge School of Law, and a Master of Business Administration (MBA) degree from the University of Nevada, Reno. Mr. Spear serves as the Commission’s in-house counsel and manages its legal programs and activities, advising management, staff and the Commission’s Board of Commissioners. Mr. Spear is licensed to practice law in Nevada and California (inactive).

Regional Transportation Plan

As the MPO, the Commission coordinates, plans and executes the County’s transportation projects. The Commission engages in the following activities as the MPO: (i) designs and implements the short and long-range regional transportation plans for the County; (ii) acquires federal, state, and local funding for major regional transportation projects; (iii) coordinates with local jurisdictions to identify traffic impacts from current and proposed residential and commercial development; (iv) defines measures to relieve congestion; (v) creates traffic projections to anticipate and respond to future regional growth; and (vi) recommends, implements, and monitors new technologies for transit programs.

The foundation of the Commission planning program is the long-range Regional Transportation Plan (the “RTP”). The Commission has completed the 2040 Plan, which was adopted on May 18, 2017. The RTP is updated every four years, takes approximately 18 months to complete, and has had substantial citizen involvement. The RTP serves as the region’s long-range transportation plan to accommodate the master-planned development in Reno, Sparks and the County. The Plan addresses all modes of travel including automobiles, transit, bicycles, pedestrians, aviation, rail and goods movement as well as transportation management strategies to make the system more efficient.

Capital Improvement Plan

The Commission’s Capital Improvement Plan sets forth the Commission’s expected capital program for the next five to ten years. Key future projects in the road program over the next five to ten years include: multimodal and corridor improvements, pedestrian safety improvements and pavement reconstruction projects. The Commission’s current five year capital improvement plan is set forth below, all of which is expected to be funded with available Fuel Taxes and sales taxes:

	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
Road Projects	\$95,925,775	\$96,885,444	\$68,130,103	\$63,852,233	\$79,595,469

Employees; Benefits and Pension Matters

Employees. The Commission has budgeted 78.75 full-time equivalent (“FTE”) employees for fiscal year 2019, an increase from the 77.625 FTE employees budgeted for fiscal year 2018. The actual number of Commission employees currently is 67 FTE. The Commission has entered into separate contracts for its public transportation elements, including RTC RIDE, RTC ACCESS, RTC INTERCITY, and TART. As a result, the employees of those services are employees of the private companies and not of the Commission. The Executive Director states that employee relations are satisfactory.

Benefits. The Commission provides a comprehensive benefits package to its employees. Benefits include: group health insurance (medical, dental, vision and life) for which the Commission pays the employee premium (one-half of the premium for part-time employees); long-term disability

insurance; access to additional life insurance (employee-paid premium); fixed and floating holidays; vacation and sick leave; a Catastrophic Sick Leave Bank; tuition reimbursement; an employee assistance program; incentive pay; a flexible benefits plan and deferred compensation plan.

Pension Matters. The State Public Employee Retirement System (“PERS”), covers substantially all public employees of the State, its agencies and its political subdivisions, including the Commission and the County. PERS, established by the Legislature effective July 1, 1948, is governed by the Public Employees’ Retirement Board whose seven members are appointed by the Governor for four-year terms. **Except for certain Commission-specific information set forth below, the information in this section has been obtained from publicly-available documents provided by PERS. Neither the County nor the Commission has not independently verified the information obtained from the publicly available documents provided by PERS and is not responsible for its accuracy.**

All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing, multiple-employer defined benefit plan. Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement and the member’s highest average compensation over 36 consecutive months. Benefit payments to which participants may be entitled under PERS include pension benefits, disability benefits, and death benefits. PERS has several tiers based on legislative changes effective with membership dates. The following table illustrates the PERS service credit multiplier.

Membership Date	<u>PERS Benefit Multiplier</u>				Highest Contiguous Average Over
	Before 07/01/01	<u>Service Credit Multiplier</u>			
		After 07/01/01	After 01/01/10	After 07/01/15	
Before July 1, 2001	2.50%	2.67%	2.67%	2.67%	36 months
After July 1, 2001, before January 1, 2010	--	2.67%	2.67%	2.67%	36 months
After January 1, 2010, before July 1, 2015	--	--	2.50%	2.50%	36 months
After July 1, 2015	--	--	--	2.25%	36 months

Similarly, legislative changes have created several tiers of retirement eligibility thresholds. The following table illustrates the PERS retirement eligibility thresholds.

Nevada PERS Retirement Eligibility

Membership Date	Regular		Police/Fire	
	Age	Years of Service	Age	Years of Service
Before January 1, 2010	65	5	65	5
	60	10	55	10
	Any	30	50	20
			Any	25
After January 1, 2010, before July 1, 2015	65	5	65	5
	62	10	60	10
	Any	30	50	20
			Any	30
After July 1, 2015	65	5	65	5
	62	10	60	10
	55	30	50	20
	Any	33 1/3		

The salary cap reportable to PERS is capped at the federal limit for public employees hired prior to July 1, 2015 but is capped at approximately \$200,000 per year for employees hired on or after July 1, 2015. PERS allows certain post retirement increases in benefit income that range: (i) from 2% per year beginning in the 4th year of retirement up to 5% per year in the fifteenth year of retirement and beyond for employees hired prior to January 1, 2010; (ii) from 2% per year beginning in the 4th year of retirement up to 4% per year in the thirteenth year of retirement and beyond for employees hired after January 1, 2010; and (iii) from 2% per year beginning in the 4th year of retirement up to the lesser of 3% of the CPI cap or 3% every year thereafter for employees hired on or after July 1, 2015.

Nevada law requires PERS to conduct a biennial actuarial valuation showing unfunded actuarial accrued liability (“UAAL”) and the contribution rates required to fund PERS on an actuarial reserve basis. The actual employer and employee contribution rates are established in cycle with the State’s biennium budget on the first full pay period of the even numbered fiscal years. By PERS policy, the system actually performs an annual actuary study. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2017. The following table reflects some of the key valuation results from the last three PERS’ actuary studies:

PERS Actuarial Report

Key Valuation Results	June 30, 2017	June 30, 2016	June 30, 2015
UAAL	\$13.27 billion	\$12.56 billion	\$12.35 billion
Market Value Funding Ratio	74.4%	72.2%	75.1%
Actuarial Value Funding Ratio	74.5%	74.1%	73.2%
Assets Market Value	\$38.69 billion	\$35.00 billion	\$34.61 billion
Assets Actuarial Value	\$38.72 billion	\$35.90 billion	\$33.72 billion

For the purpose of calculating the actuarially determined contribution rate, the UAAL is amortized as a level percent of payroll over a year-by-year closed amortization period where each amortization period is set at 20 years. The amortization period prior to fiscal year 2012 was 30 years. Effective starting fiscal year 2012, the PERS Board adopted a shorter amortization period to be used to amortize new UAAL resulting from actuarial gains or losses and changes in actuarial assumptions. Any new UAAL is amortized over a period equal to the truncated average remaining amortization period of all

prior UAAL layers, until the average remaining amortization period is less than 20 years; after that time, 20-year amortization periods will be used. The PERS Board also adopted a five-year asset smoothing policy for net deferred gains/losses.

For the year ended June 30, 2014, PERS adopted Governmental Accounting Standards Board Statement (“GASB”) No. 67, Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25 (“GASB 67”). GASB 67 replaces the requirements of GASB Statement Nos. 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The objective of GASB 67 is to improve financial reporting by state and local governmental pension plans. It requires enhancement to footnote disclosure and required supplementary information for pension plans.

Prior to these new standards, the accounting and reporting requirements of the pension related liabilities followed a long-term funding policy perspective. The new standards separate the accounting and reporting requirements from the funding decisions and require the unfunded portion of the pension liability to be apportioned among the participating employers. These standards apply for financial reporting purposes only and do not apply to contribution amounts for pension funding purposes.

With the implementation of GASB 67, PERS reported its total pension liability, fiduciary net position, and net pension liability in its Comprehensive Annual Financial Report for the fiscal years ended June 30, 2014 and 2015. The total pension liability for financial reporting was determined on the same basis as the Actuarial Accrued Liability measure for funding. The fiduciary net position is equal to the market value of assets.

Effective with fiscal year 2015, the County was required to apply the GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* (“GASB 68”), to its audited financial statements. Among other requirements, the County was required to report its proportionate share of the total PERS net pension liability in its financial statements.

The following presents the net pension liability of PERS as of June 30, 2017, and the Commission’s proportionate share of the net pension liability of PERS as of June 30, 2018, calculated using the discount rate of 7.50%, as well as what the PERS net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50%) or one percentage point higher (8.50%) than the current discount rate:

<u>Net Pension Liability</u>			
	<u>1% Decrease in Discount Rate (6.5%)</u>	<u>Discount Rate (7.5%)</u>	<u>1% Increase in Discount Rate (8.5%)</u>
PERS Net Pension Liability	\$20,105,650,986	\$13,299,844,084	\$7,647,514,976
Commission Share of PERS Net Pension Liability ⁽¹⁾	\$16,501,695	\$10,915,835	\$6,276,691

⁽¹⁾ Unaudited.

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The State Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their proportionate share of the unfunded

liability. The County is obligated to contribute all amounts due under PERS. A history of contribution rates, as a percentage of payroll, is shown below.

Contribution Rates

	<u>Fiscal Years 2010 and 2011</u>	<u>Fiscal Years 2012 and 2013</u>	<u>Fiscal Years 2014 and 2015</u>	<u>Fiscal Years 2016 and 2017</u>	<u>Fiscal Years 2018 and 2019</u>
Regular members					
Employer-pay plan	21.50%	23.75%	25.75%	28.00%	28.00%
Police/Fire employees					
Employer-pay plan	37.00%	39.75%	40.50%	40.50%	40.50%

The Commission’s contributions to PERS for the years ended June 30, 2016, 2017, and 2018 were \$1,464,380, \$1,473,393, and \$1,502,067; those amounts equaled the contributions required by law. The Commission has budgeted \$1,799,004 in PERS contributions for the fiscal year ended June 30, 2019.

See Note N in the audited financial statements attached hereto as Appendix A for a summary description of PERS. In addition, copies of the most recent audited financial statements for PERS are available from the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, 775-687-4200.

Other Post-Employment Benefits. In addition to the pension benefits described in Note P to the audited financial statements, the Commission provides for other post-employment group health insurance benefits (“OPEB”) for retirees through its own health insurance plan and through the Public Employees Benefits Program (“PEBP”) post-employment group health insurance benefits for employees who retire and meet various eligibility requirements including length of service, minimum age, and eligibility for retirement under PERS.

Beginning in fiscal year 2008-09, Governmental Accounting Standards Board (“GASB”) Statement No. 45 required that the Commission begin recording a liability for its OPEB costs. See Note S and the Required Supplementary Information in the audited financial statements attached hereto as Appendix A for a further description of the Commission’s OPEB liabilities (including actuarially determined Unfunded Actuarial Accrued Liability), a description of each of the plans, and the funding policy. The Commission currently funds its OPEB liabilities on a pay-as-you-go basis, which results in funding that is less than the actuarially determined Annual Required Contribution. As of June 30, 2018, the Commission’s OPEB liability was \$14,211,059 (unaudited; subject to change). Such number has been adjusted per GASB Statement No. 74 and GASB Statement No. 75.

Budget Process

The annual budget serves as the foundation for the Commission’s financial planning and control. All Department Directors are required to submit their budgets for approval by the Executive Director in March of each year. The Commission uses zero-based budgeting. Each department’s budget is presented in extensive line item detail. A budget workshop is held for the Commissioners in April. Any changes are included in the final document, and that document is presented for a public hearing and approval in May. The appropriated budget is prepared by fund, function (e.g., Street and Highway), and department (e.g., Finance). Department Directors may make transfers of appropriations within a

department. Transfers of appropriations between departments require the approval of the Executive Director. Any increase in Fund Budgets requires the approval of the Commission.

Annual Reports

General. The Commission prepares a comprehensive annual financial report (“CAFR”) setting forth the financial condition of the Commission as of June 30 of each fiscal year. The latest audited report is for the year ended June 30, 2017. The Commission expects the CAFR for its fiscal year ending June 30, 2018 to be approved on December 7, 2018. The Commission’s CAFR for its fiscal year ending June 30, 2018 will be included in APPENDIX A to the final Official Statement for the 2018 Bonds.

The basic financial statements (including the management discussion and notes), which are attached hereto as APPENDIX A, come from the CAFR, which is the official financial report of the Commission. The basic financial statements were prepared following generally accepted accounting principles (“GAAP”). See Note A in the audited basic financial statements attached hereto as APPENDIX A for a summary of the Commission’s significant accounting policies.

Awards. The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its CAFR for the fiscal year ended June 30, 2017. This is the 31st consecutive year that the Commission has received this recognition. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The Commission will submit its CAFR for the fiscal year ended June 30, 2018, for award consideration.

Accounting

Fund Types. The Commission maintains five governmental funds and one proprietary fund. The governmental funds are discussed generally below. The Commission also maintains the Public Transit Fund, an enterprise fund, to account for the operation of RTC RIDE and RTC INTERCITY.

The General Fund is the Commission’s primary operating fund. It accounts for all financial resources of the Commission, except for those required to be accounted for in another fund. Regional street and highway expenditures for road projects are accounted for in this fund instead of a separate fund in order to reduce undue complexity in budgeting, accounting and other phases of financial management.

The Regional Road Impact Fee Fund (a Special Revenue Fund) is used to account for monies recovered from impact fees and resources provided for capacity improvements to the regional road system. The Paratransit Services Fund (a Special Revenue Fund) is used to account for allocations to RTC ACCESS.

Basis of Accounting-Government-Wide and Governmental Funds. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, and allowable expenses are made under the grant provisions.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Income earned on investments and project reimbursements associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fuel Tax and public transportation tax revenues are derived tax revenues collected by the State and shared with the Commission. The Commission recognizes these revenues in the same period as the State. All other revenue items are considered to be measurable and available only when cash is received by the government. Generally, expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Project appropriations, that have been approved but for which an expenditure has not been incurred, are reflected as amounts reserved for project appropriations in the General Fund and Special Revenue Funds. Project appropriations are approved when a cooperative agreement specifying the amount of Fuel Tax funds, bond proceeds, impact fees or other financing sources to be spent, is executed by all the governing bodies within the jurisdiction of the RTC, or when the project has been added to the program of projects and approved by the Commission.

See Note A in the audited financial statements attached hereto as APPENDIX A for further information on the Commission's significant accounting policies.

History of Revenues, Expenditures and Changes in Fund Balance - General Fund

The following table presents a five-year history of revenues, expenditures and changes in fund balance in the Commission's General Fund for the fiscal years ended June 30, 2014 through 2018 (unaudited; subject to change). The Commission's General Fund is the Highway Fund required by statute. The table also presents budgeted information for fiscal year 2019. The information in this table has been derived from the Commission's CAFRs for the years ended June 30, 2014 through 2017, Commission staff for the unaudited fiscal year 2018 results, and from the Commission's final budget for fiscal year 2019.

The historical information in this table has been provided because the Fuel Tax revenues are deposited into the General Fund. As described in the footnotes to the following table, certain other motor vehicle fuel tax revenues received from the County also are recorded in this fund in some years; those funds do not constitute Net Pledged Revenues. This table provides historical information with regard to the Commission; inclusion of this information does not indicate that all revenues shown are available to pay debt service on the 2018 Bonds. Only the Net Pledged Revenues are pledged to the payment of debt service on the 2018 Bonds.

The information in this table should be read together with the Commission's audited basic financial statements for the year ended June 30, 2017, and the accompanying notes, which are included as APPENDIX A hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION--Additional Information."

History of Revenues, Expenditures and Changes in Fund Balance-General Fund

	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Unaudited 2018	2019 Budget ⁽¹⁾
Revenues						
Motor vehicle fuel tax ⁽²⁾	\$49,574,968	\$58,934,179	\$68,015,031	\$75,058,070	\$81,179,895	\$86,639,885
Public transportation tax ⁽³⁾	3,836,166	4,114,074	4,432,269	4,689,017	5,105,973	5,021,799
Project reimbursements	640,414	161,262	232,645	2,467,332	3,605,357	1,500,000
Transportation planning and operating grants:						
Federal Transit Administration	858,206	16,655	2,234,448	2,234,448	2,234,448	27,106,426
Federal Highway Administration	12,782,391	15,405,423	9,088,466	23,359,282	27,342,118	5,187,000
State of Nevada Department of Transportation ⁽⁴⁾	61,437	183,094	1,787,754	(67,954)	--	--
Investment income	594,625	538,155	1,415,098	136,956	235,363	1,010,000
Miscellaneous	<u>34,105</u>	<u>51,977</u>	<u>95,511</u>	<u>68,813</u>	<u>69,032</u>	<u>50,000</u>
Total revenues	68,382,312	79,404,819	87,301,222	107,945,964	119,772,186	126,515,110
Expenditures⁽⁵⁾						
Current:						
Streets and highways	99,134,144	67,319,198	82,250,464	101,855,435	119,682,834	102,553,759
Capital outlay:						
Land	--	--	--	910,000	65,507	--
Equipment	<u>50</u>	<u>11,590</u>	--	--	--	<u>43,275</u>
Total expenditures	99,134,194	67,330,788	82,250,464	102,765,435	119,748,341	102,597,034
Excess (deficiency) of revenues over (under) expenditures	(30,751,882)	12,074,031	5,050,758	5,180,529	23,845	23,918,076
Other financing sources (uses)						
Debt issuance						
Bond premium						
Transfers out ⁽⁶⁾	(31,891,705)	(28,223,871)	(29,017,476)	(29,531,872)	(29,797,706)	(29,092,165)
Total other financing sources (uses)	(31,891,705)	(28,223,871)	(29,017,476)	(29,531,872)	(29,797,706)	(29,092,165)
Net change in fund balance	(62,643,587)	(16,149,840)	(23,966,718)	(24,351,343)	(29,773,861)	(5,174,089)
Fund balance – beginning⁽⁷⁾	<u>215,893,212</u>	<u>153,249,625</u>	<u>137,099,785</u>	<u>113,133,067</u>	<u>88,781,724</u>	<u>52,542,363</u>
Fund balance – ending⁽⁸⁾	\$153,249,625	\$137,099,785	\$113,133,067	\$88,781,724	\$59,007,863	\$47,368,273

Footnotes on the following page:

- (1) Derived from the Commission's Final Budget for fiscal year 2018-19.
- (2) Includes the Motor Vehicle Fuel Taxes and the Special Fuel Taxes.
- (3) The Commission may allocate the revenue derived from this sales tax to either public transportation or road purposes. Typically, the Commission divides the revenues equally among the General Fund (roads) and the Public Transit Fund.
- (4) All of the Commission's grants are made via reimbursement; i.e., the Commission is required to expend funds first and then seek reimbursement from available grant funds. In fiscal year 2017, the Commission inadvertently requested more in reimbursement than it had in available grant funds and had to refund the excess back to the State. Because most of the Commission's grant eligible expenditures and offsetting reimbursement grant revenue was processed in fiscal year 2016, when the Commission's refund was processed in fiscal year 2017 it created "negative" grant revenue for fiscal year 2017.
- (5) With the exception of the costs recorded in "Current: General Government," all expenditures reflect capital expenditures.
- (6) Transfers out reflect deposits to the Commission's debt service fund for use in paying principal and interest on the Commission's bonds.
- (7) Beginning fund balance for budgeted fiscal year 2019 is a budgeted and not actual number.
- (8) Most, if not all, of the ending fund balance in each year is restricted for street and highway construction expenditures.

Source: Derived from the Commissions CAFRs for fiscal years 2014 through 2017, the Commission for the unaudited results for fiscal year 2018, and the Commission's final budget for fiscal year 2019.

Insurance

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance with the Nevada Public Agency Insurance Pool (the "NPAIP"). The NPAIP was formed in 1987 by Nevada public entities to provide a stable and consistent alternative to the commercial insurance markets. The pool provides property & casualty coverage as well as risk management, human resources and loss control services to its members. Membership in the pool includes counties, cities, school districts, special districts and towns. The pool is governed by a Board of Directors represented by members. NPAIP provides property/casualty coverage to a diverse group of more than 100 Nevada public entities.

NPAIP provides broad, manuscript property coverage with a maximum limit per loss of \$300,000,000. NPAIP also provides \$150,000,000 shared aggregate limits separately for Earthquake and Flood losses, subject to a \$25,000,000 aggregate sub-limit for flood losses in flood zone A. Property coverage will be subject to a deductible of \$25,000 per event, including for earthquake and flood losses. Coverage is also included for boiler & machinery (equipment breakdown) with a policy limit of \$100,000,000 per loss. Physical damage coverage is also included for scheduled vehicles both on and off-premise.

NPAIP provides liability limits of \$10,000,000 each event/each member subject to a member annual aggregate liability limit of \$10,000,000 for Auto Liability, General Liability, Personal Injury Liability, Employment Practices Liability, Law Enforcement Liability and Wrongful Acts (Errors & Omissions) Liability. Coverage will be subject to a \$25,000 deductible per event/wrongful act.

NPAIP provides Cyber Security Event coverage \$3,000,000 per event and in the aggregate for each member as well as Privacy Response Expense Coverage of \$500,000. Coverage also includes \$500,000 for Security Threat Expenses.

NPAIP also provides Environmental Liability with coverage for Third Party Claims for Bodily Injury, Property Damage or Remediation Expense, First Party Remediation Expense and Emergency Response Expense with each incident limit of \$2,000,000, subject to an annual aggregate limit of \$10,000,000 and \$25,000 deductible. Coverage is also included for Business Interruption with a limit of \$2,000,000 up to 365 days.

The Commission's Workers Compensation and Employer's Liability coverage is provided through the Public Agency Compensation Trust (PACT), which is a Nevada based insurance pool that was formed under Nevada's Interlocal Cooperation Act in 1996. PACT provides workers compensation, claims and risk management services to its Nevada government entity members.

Outstanding Debt and Other Obligations

Outstanding Bonds. The following table illustrates the outstanding and proposed bonds of the Commission as of November 1, 2018, after taking the issuance of the 2018 Bonds and the Refunding Project into account.

Commission's Outstanding Bonds

	<u>Dated</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Original</u> <u>Amount</u>	<u>Amount</u> <u>Outstanding</u>
OBLIGATIONS PAYABLE FROM NET PLEDGED REVENUES				
Highway Revenue Bonds, Series 2010A (Tax Exempt)	03/17/10	02/01/20	13,179,000	\$ 4,699,000
Highway Revenue Bonds, Series 2010B (Taxable BABs)	03/17/10	02/01/39	66,821,000	66,821,000
Highway Revenue Bonds, Series 2010C (Taxable RZEDBs)	03/17/10	02/01/40	10,000,000	10,000,000
Highway Revenue Bonds, Series 2010E (Taxable BABs)	12/16/10	02/01/40	58,775,000	58,775,000
Highway Revenue Bonds, Series 2010F (Taxable RZEDBs)	12/16/10	02/01/40	5,385,000	<u>5,385,000</u>
2018 Bonds (<i>this issue</i>)	12/20/18	02/01/43	206,850,000*	<u>\$206,850,000*</u>
Total				
OBLIGATIONS PAYABLE FROM SALES TAX REVENUES (2)				
Sales Tax (Streets and Highways Projects) Improvement Bonds, Series 2010H (Taxable BABs)	12/16/10	02/01/40	20,000,000	\$ <u>20,000,000</u>
GRAND TOTAL				<u>\$372,530,000*</u>

⁽¹⁾ Secured solely by a 1/8% (0.125%) sales tax.

Source: The Commission.

* Preliminary; subject to change.

THE COUNTY

General

Washoe County, a political subdivision of the State, was organized in the year 1861. The County operates under the provisions of the general laws of the State. The County covers an area of 6,600 square miles in the northwest portion of the State. The County seat and most populous city in the County is Reno. The principal components of the economy of the County are tourism (which is primarily based on legalized gaming and outdoor recreation activities), governmental activities, industry, finance and retail merchandising.

The County provides a variety of governmental services, such as those of the County recorder, assessor and treasurer, and a criminal justice system, which includes the courts, district attorney, detention center, and public defender. In addition, the County provides social and welfare services and institutional youth services. The County provides road maintenance, parks and recreation, fire protection, building inspection, and other local services to its unincorporated areas. The County operates a regional animal control and shelter facility, regional public safety training center and regional operations center. Approximately 25% of the County's population resides in its unincorporated areas.

Board of County Commissioners

The Washoe County, Nevada, Board of County Commissioners is the governing body of the County. The five members are elected from County commission election districts for four-year staggered terms. County Commission terms end on the day preceding the first Monday of January in the applicable year. County Commissioners are subject to term limitations (12 years) approved by State voters in 1996.

The Board is also represented on: the Regional Planning Governing Board, Reno-Sparks Convention and Visitors Authority, Debt Management Commission, Nevada Association of Counties, National Association of Counties, Tahoe Regional Planning Agency, Regional Transportation Commission, Criminal Justice Advisory Committee, District Board of Health, Investment Committee, Joint Fire Advisory Board, Nevada Commission for the Reconstruction of the V&T Railway, NevadaWorks Board, Oversight Advisory Board, Regional Housing Task Force, Truckee Meadows Water Authority Board, Truckee River Flood Project Coordinating Committee, Internal Audit Committee, Nevada Truckee River Planning Association, Senior Services Advisory Board, Western Regional Water Commission, Open Space & Regional Park Commission, Organizational Effectiveness Committee, Truckee River Flood Management Authority, EDAWN Economic Development Council, Nevada Tahoe Conservation District, Shared Services Advisory Board, Library Board of Trustees, Citizens' Advisory Committee on the future of the Washoe County Library System, Washoe County Community Event Sponsorship Grant Advisory Committee, Washoe County Human Services Consortium Triumvirate, Washoe County School District Oversight Panel and School Facilities, and Legislative Liaison. The Board is also the ex-officio Board of the Truckee Meadows Fire Protection District and the Sierra Fire Protection District.

The current members of the Board, their years of service and their terms of office are as follows:

<u>Commissioner</u>	<u>Years of Service</u>	<u>Expiration of Term</u>
Marsha Berkgigler, Chair	5 years	2021
Kitty Jung, Vice Chair	10 years	2019
Bob Lucey, Chairman	3 years	2019
Vaughn Hartung	5 years	2021
Jeanne Herman	3 years	2019

Administration

The County Manager is the County’s chief administrative officer and serves at the pleasure of the Board.

John Slaughter, County Manager. As the County’s top executive, Mr. Slaughter serves as liaison between the Board, elected and appointed department directors, government and community agencies, businesses, employees, and county citizens. Mr. Slaughter also oversees the Office of the County Manager, which facilitates presentation of issues to the Board and ensures effective implementation of their direction. The Manager’s Office includes the Assistant County Managers, Administrative Hearing Office, Budget Division, Communications Division, Emergency Management, Government Affairs, Grants Administration, Internal Audit, and Special Projects.

Mr. Slaughter began his career with the County in 1986, and was appointed as the County Manager in 2013. During his thirty-year career in county service, Mr. Slaughter has worked as a Land Use Planner, the County’s Strategic Planning Manager, and as the Director of Management Services. Mr. Slaughter also represented the County at the Nevada Legislature from 2001-2013. In his time at the County, Mr. Slaughter has implemented numerous streamlining and cost-effectiveness measures that has improved service delivery. Most recently, Mr. Slaughter launched an Employee Leadership Program that is redefining employee development, engagement, and recognition across the organization.

Mr. Slaughter holds a Bachelor of Science degree in Sociology and Anthropology from Emporia State University, and a Master of Urban Planning degree from the University of Kansas. He has also received the Continuing Education Certificate in Public Management from the University of Nevada, Reno.

Christine Vuletich, Assistant County Manager – Finance and Administration. Ms. Vuletich became the Assistant County Manager for the County in October 2016. She is directly responsible for the Technology Services Department, the Human Resources Department, the Comptroller’s Office, the Budget Division of the County Manager’s Office and the Registrar of Voters Office in Washoe County.

Ms. Vuletich brings vast experience to the Assistant County Manager position. She has served in public finance and management for more than 20 years. Her previous experience includes the positions of: Assistant County Manager and Chief Financial Officer for Douglas County, Nevada from 2012-2016; Director of Finance for the City of South Lake Tahoe, California for more than seven years, where she was responsible for the integrated management of the City’s financial resources, purchasing, technology services, airport and parking garage operations; Assistant Finance Director for the City of Folsom, California; Finance Administrator for the Sacramento Regional Transit District, in Sacramento, California; and Deputy Treasurer for the El Dorado Irrigation District in Placerville, California.

Ms. Vuletich education includes a Master of Business Administration with a concentration in General Management from Golden Gate University, and a Bachelor of Science, Cum Laude, with a concentration in Finance from California State University, Sacramento.

Financial Statements

The Net Pledged Revenues are accounted for by the Commission. Accordingly, no financial information is provided for the County. The County's CAFR for the year ended June 30, 2017, can currently be found at the following address on the internet: www.washoecounty.us.

CERTAIN RISK FACTORS

The purchase of the 2018 Bonds involves special risks and the 2018 Bonds may not be appropriate investments for all types of investors. Each prospective investor should read this Official Statement in its entirety and give particular attention to the factors described below which, among other factors discussed herein, could affect the payment of the 2018 Bonds and could affect the market price of the 2018 Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the 2018 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks.*

Special, Limited Obligations

The 2018 Bonds are special, limited obligations of the County and the Commission. The 2018 Bonds do not constitute a general obligation debt or indebtedness of the County, the Commission, the State or any other political subdivision of the State, and no owner of any 2018 Bond may look to any source of funds other than the Net Pledged Revenues for payment of debt service on the 2018 Bonds. The 2018 Bonds are payable solely from the Net Pledged Revenues. Therefore, the security for the punctual payment of the principal of and interest on the 2018 Bonds is dependent on the generation of Net Pledged Revenues in an amount sufficient to meet debt service requirements on the 2018 Bonds.

The 2018 Bonds are payable from Net Pledged Revenues (which consist of those Fuel Tax revenues received by the Commission, less Administrative Expenses and Direct Distributions). Neither the Commission nor the County is obligated to provide any funds other than Net Pledged Revenues for payment of debt service on the 2018 Bonds.

Factors that May Impact Collection of Fuel Taxes

Numerous factors over which the County and the Commission have no control may impact the collection of Net Pledged Revenues in the future. Certain of those factors are discussed below.

General Factors Impacting Fuel Tax Revenues. Many factors beyond the control of the Commission, the County, and the State may adversely affect the level of Net Pledged Revenues in the future. Such factors include, but are not limited to: the possibility of reduction in supplies of motor vehicle fuel or special fuel; imposed or recommended governmental restrictions on the sale and use of such fuels; other governmental activity which indirectly or directly affects the consumption of fuels subject to the Fuel Taxes, including increased fuel efficiency standards; voluntary conservation; increases in the cost of motor vehicle fuel and/or special fuels which may result in less usage; reduced fuel consumption by more modern, fuel-efficient vehicles; increased usage of vehicles employing alternate technologies (such as electric cars) which do not consume fuels subject to the Fuel Taxes; or any other activities or innovations that result in less use of the Fuel Taxes in the future. In addition, consumers may be inclined to purchase motor vehicle fuel in locations outside the County if the relative price is perceived as being significantly higher in the County.

Gaming, Tourism and Other Factors. The economy of the County is heavily dependent on the tourist industry, which is based on outdoor recreation and legalized gambling. The generation of Net Pledged Revenues relies to a certain extent on tourism and may be sensitive to general economic conditions in the region and the nation. See "APPENDIX F--ECONOMIC AND DEMOGRAPHIC INFORMATION--Gaming." Any decrease in the level of tourism activity in the County or the State is likely to result in a reduction in Fuel Tax receipts.

Gaming competition has increased in recent years, adding competitive pressure to the region. Additionally, on May 14, 2018, the United Supreme Court published a decision finding that the Professional and Amateur Sports Protection Act (“PASPA”) is unconstitutional. PASPA made it unlawful for states or their subdivisions to authorize sports gambling operations, but contained “grandfather” provisions allowing such operations to continue in four states, including Nevada. As a result of this decision, other states may avail themselves of the right to authorize sports gambling operations, creating more competition in this industry for those operating in the State. The County cannot predict the impact, if any, that such decision may have on gaming operations or the overall economy in the State or the County. The County also cannot predict what impact these activities may have on future Fuel Tax receipts.

In addition, other circumstances (over which the County has no control) may adversely affect tourist activity. Such circumstances may include, among others, unwillingness to travel to the County due to terrorist attacks or other hostile acts occurring in the United States or other parts of the world, adverse changes in national and local economic and financial conditions generally, reductions in the rates of employment and economic growth in the County, the State or the region, and various other factors. It is not possible to quantify the impact these activities may have on future Fuel Tax receipts.

Fuel Tax Collections Subject to Fluctuation

General. Motor Vehicle Fuel revenues are subject to fluctuations in spending which is affected by, among other things, general economic cycles, and changes in business and personal travel needs. Fuel Tax receipts are vulnerable to increases in gas prices generally and the increasing prices brought about by inflation. Collections also are vulnerable to adverse economic conditions and reduced spending and may decrease as a result. The County has no control over general economic cycles and is unable to predict what economic factors or cycles will occur while the 2018 Bonds remain outstanding.

Effect of Bankruptcy of Business Owners on Collection of Delinquent Taxes

The ability and willingness of a business owner or operator to remit Fuel Tax revenues collected may be adversely affected by the filing of a bankruptcy proceeding by the owner or operator. The ability to collect delinquent Fuel Taxes using State law remedies for non-payment of taxes may be forestalled or delayed by bankruptcy, reorganization, insolvency, or other similar proceedings of the owner or operator of a motor vehicle fuel tax business, or by the holder of any liens on the business. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period. Delays in the exercise of remedies could result in Fuel Tax collections that may be insufficient to pay debt service on the 2018 Bonds when due.

Collection Risks

Pursuant to the Project Act and the Collection Agreement, the Fuel Taxes are collected by the State and then remitted to the County; the Department performs all collection and administrative functions with respect to the Fuel Taxes. The County has no statutory authority to collect the Fuel Taxes itself and also has no control over the collection processes in place at the State. Receipt of the Fuel Taxes is dependent upon the ability and willingness of the State to collect the taxes and forward them to the County in a timely manner. There generally is a two-to-three month lag between the sale of motor vehicle fuel and the receipt of the Fuel Taxes by the Commission. If the State fails to perform its collection duties in a timely fashion or fails to remit the revenues to the County within a reasonable time, the County may not receive Fuel Tax revenues in time to meet scheduled debt service payments. If the State fails to collect, remit or transfer the Fuel Taxes, the County’s only remedy is to file suit against the State, including an action in mandamus to compel performance. Further, the County has no control over the

auditing procedures in place at the State. The County must depend upon the State to ensure that vendors are collecting and remitting the required Fuel Taxes. In the case of small users, suppliers or distributors of motor vehicle fuel or special fuels, it may be difficult or impossible for the State to identify parties that ought to be remitting taxes. If the State fails to do so, the County may not receive all of the moneys to which it is entitled.

According to information provided by the State, there were 42 Motor Vehicle Fuel Tax suppliers that had activity in the County in fiscal year 2018. In fiscal year 2018, three of those suppliers accounted for 37.83% or more of the gallons of Motor Vehicle Fuel sold in the County; the largest supplier accounted for approximately 15.29% of Motor Vehicle Fuel sold. The failure or inability of one or more large suppliers to remit Fuel Taxes in a timely manner may negatively impact Net Pledged Revenues and the ability of the County to pay debt service on the 2018 Bonds.

County Cannot Increase Rates of Taxes

The rates at which the Fuel Taxes are imposed were established by the Legislature and, except for the indexing allowed by law, the rate can be increased only by action of the Legislature. Even if the Legislature were to raise the current rate of the Fuel Taxes, there is no guarantee that the County or the Commission would be authorized by the Legislature to use the increased revenues to pay debt service on the 2018 Bonds. In addition, even if the Legislature authorizes an increase in the rate of the Fuel Taxes, the County is not obligated to adopt an ordinance implementing the increase or pledging any increase to the repayment of the 2018 Bonds.

No Assurance that the County will receive BAB or RZEDB Credit Payments [Monitor Tax Bill]

Two series of the Prior Bonds were issued as taxable direct-pay Build America Bonds (“BABs”) and two series of the Prior Bonds were issued as taxable Recovery Zone Economic Development Bonds (“RZEDBs”). See “REGIONAL TRANSPORTATION COMMISSION-- Outstanding Debt and Other Obligations.” The Commission, on behalf of the County, expected to receive a subsidy (the “BAB Credit”) with respect to its BABs in an amount equal to 35% of the interest payments due on the BABS and a subsidy (the “RZEDB Credit”) with respect to the RZEDBs in an amount equal to 45% of the interest due on the RZEDBs. However, the amount of such BAB Credit or RZEDB Credit is subject to legislative changes by Congress. For example, the Commission is subject to developments at the federal level with respect to the Budget Control Act of 2011 (“sequestration”). The BAB Credit and RZEDB Credit will be reduced by 6.2% for federal fiscal year 2019 (which ends September 30, 2019) as a result of sequestration and may continue to be reduced in future federal fiscal years. Sequestered amounts will not be available to subsidize the debt service payments on the BABs and the RZEDBs.

Further, BAB Credits and RZEDB Credits will be paid only if the County continues to comply with certain covenants and establishes certain facts and expectations with respect to such bonds, the use and investment of proceeds thereof and the use of property financed thereby. The County (or the Commission, on its behalf) also must make filings requesting the BAB Credit and the RZEDB Credit in a timely fashion prior to each interest payment date; if it fails to do so, it is possible that the County will never receive BAB Credits and/or RZEDB Credits for that payment date. Also, BAB Credits and RZEDB Credits are subject to offset against certain amounts that may, for unrelated reasons, be owed by the County to an agency of the United States of America, such as federal withholding tax owed by the County for wages paid to its employees, if any.

No Pledge of Property

The payment of the 2018 Bonds is not secured by any encumbrance, mortgage or other pledge of property of the County, except for the Net Pledged Revenues and other security specifically pledged in the Bond Ordinance for the payment of the 2018 Bonds. No property of the County or the Commission (except as described in the preceding sentence) shall be liable to be forfeited or taken in payment of the 2018 Bonds.

Limitations on Remedies Available to Owners of 2018 Bonds

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2018 Bonds in the event of a default in the payment of principal of or interest on the 2018 Bonds. Consequently, remedies available to the owners of the 2018 Bonds may have to be enforced from year to year.

Judicial Remedies. Upon the occurrence of an Event of Default under the Bond Ordinance, each owner of the 2018 Bonds is entitled to enforce the covenants and agreements of the County by mandamus, suit or other proceeding at law or in equity. Any judgment will, however, only be enforceable against the Net Pledged Revenues and other moneys held under the Bond Ordinance and not against any other County or Commission funds or properties.

Due to the delays in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in obtaining judicial remedies to enforce the covenants and agreements of the County or the Commission under the Bond Ordinance, to the extent enforceable, could result in delays in any payment of principal of and interest on the 2018 Bonds.

Bankruptcy; Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2018 Bonds and the obligations incurred by the County in issuing the 2018 Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2018 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Changes in Law

Various State laws apply to the imposition, collection, and expenditure of the Fuel Taxes as well as the operation and finances of the County and the Commission. For example, the Legislature has increased the administrative fee retained by the State for collecting Fuel Taxes from time to time; that increase results in a decrease in Pledged Revenues. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the County or the Commission and the imposition, collection, and expenditure of revenues, including Fuel Taxes.

Secondary Market

No guarantee can be made that a secondary market for the 2018 Bonds will develop or be maintained by the Underwriters or others. Prospective investors should be prepared to hold their 2018 Bonds to maturity.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2018 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the 2018 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that for taxable years of corporations beginning before January 1, 2018, such interest is required to be included in calculating the “adjusted current earnings” adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below.

The Tax Code imposes several requirements which must be met with respect to the 2018 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the 2018 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2018 Bonds; (b) limitations on the extent to which proceeds of the 2018 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2018 Bonds above the yield on the 2018 Bonds to be paid to the United States Treasury. The County will covenant and represent in the Bond Ordinances that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the 2018 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under federal income tax laws in effect when the 2018 Bonds are delivered. Bond Counsel’s opinion as to the exclusion of interest on the 2018 Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the County to comply with these requirements could cause the interest on the 2018 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel’s opinion also is rendered in reliance upon certifications of the County and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation’s “adjusted current earnings” over the corporation’s alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation’s alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. “Adjusted current earnings” includes interest on the 2018 Bonds. The alternative minimum tax on corporations described in this paragraph has been repealed effective for taxable years beginning after December 31, 2017, but continues to apply for taxable years of corporations that begin before January 1, 2018. Corporations with taxable years that do not coincide with the calendar year should consult their tax advisors about inclusion of interest on the 2018 Bonds in alternative minimum taxable income of the corporation as described in this paragraph during the corporation’s taxable year that begins during calendar year 2017.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2018 Bonds. Owners of the 2018 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2018 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. With respect to any 2018 Bonds sold at a premium, representing a difference between the original offering price of those 2018 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the 2018 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the 2018 Bonds. Owners of the 2018 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2018 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2018 Bonds, the exclusion of interest on the 2018 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2018 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2018 Bonds. Owners of the 2018 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2018 Bonds. If an audit is commenced, the market value of the 2018 Bonds may be adversely affected. Under current audit procedures the Service will treat the County as the taxpayer and the 2018 Bond owners may have no right to participate in such procedures. The County has covenanted in the Bond Ordinances not to take any action that would cause the interest on the 2018 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the County, the Financial Advisors, the Initial Purchasers, Bond Counsel or Special Counsel is responsible for paying or reimbursing any 2018 Bond holder with respect to any audit or litigation costs relating to the 2018 Bonds.

State Tax Exemption

The 2018 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

LEGAL MATTERS

Litigation

The County. In the opinion of the County's legal counsel, there is no litigation or controversy of any nature now pending, or to the knowledge of the County's legal counsel, threatened, (i) restraining or enjoining the issuance, sale, execution or delivery of the 2018 Bonds or (ii) in any way contesting or affecting the validity of the 2018 Bonds or any proceedings of the County taken with respect to the issuance or sale thereof, the pledge, collection or application of any moneys or securities provided for the payment of the 2018 Bonds (including the Pledged Revenues), or the corporate existence or the powers of the County.

The County is subject to certain pending and threatened litigation regarding various matters arising in the ordinary course of the County's operations. However, it is the opinion of the County's legal counsel that the pending or threatened litigation will not result in final judgments against the County which would, individually or in the aggregate, adversely affect the County's ability to satisfy the County's obligations for the 2018 Bonds.

The Commission. The Commission is subject to certain pending and threatened litigation regarding various matters arising in the ordinary course of the Commission's operations. However, it is the opinion of the Commission's legal counsel that the pending or threatened litigation will not result in final judgments against the Commission which would, individually or in the aggregate, adversely affect the Commission's financial position or its ability to apply the Net Pledged Revenues to pay debt service on the 2018 Bonds or to construct the Project.

Sovereign Immunity

Pursuant to State statute (NRS Section 41.035), an award for damages in an action sounding in tort against the County may not include any amount as exemplary or punitive damages and is limited to \$100,000 per cause of action. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990 (P.L. 101-336), or to actions in other states.

Approval of Certain Legal Proceedings

The approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the 2018 Bonds. A form of the bond counsel opinion is attached to this Official Statement as APPENDIX E. The opinion will include a statement that the obligations of the County are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Sherman & Howard L.L.C. has also acted as Special Counsel to the County in connection with this Official Statement. Certain matters will be passed upon for the County by the District Attorney and for the Commission by its legal counsel.

Police Power

The obligations of the County are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and powers of taxation inherent in the sovereignty of the State, and to the exercise by the United States of the powers delegated to it by the Federal Constitution.

FINANCIAL ADVISORS

Hobbs, Ong & Associates, Inc. and PFM Financial Advisors LLC are serving as Financial Advisors to the County and the Commission in connection with the 2018 Bonds. See “INTRODUCTION--Additional Information” for contact information for the Financial Advisors. The Financial Advisors have not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the County or the Commission, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisors respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

INDEPENDENT AUDITORS

The Commission’s audited basic financial statements as of and for the year ended June 30, 2017, and the report rendered thereon by Eide Bailley LLP, certified public accountants, Reno, Nevada, have been included herein as APPENDIX A.

Pursuant to State law, the audited financial statements of the Commission are public documents and no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. Accordingly, the Commission has not requested consent. Eide Bailley LLP has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Kafoury Armstrong & Co. also has not performed any procedures relating to this Official Statement.

RATINGS

Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings (S&P”) have assigned the 2018 Bonds the ratings shown on the cover page of this Official Statement. There is no assurance that such ratings will continue for any given period of time after they are received or that they will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the Commission’s obligations under the Disclosure Certificate, none of the Commission, the County or the Financial Advisors has undertaken any responsibility either to bring to the attention of the owners of the 2018 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such change in or withdrawal of the ratings could have an adverse effect on the market price of the 2018 Bonds.

UNDERWRITING

General. The Underwriters have agreed to purchase the 2018 Bonds from the County at a price of \$ _____ (equal to the par amount of the 2018 Bonds[, plus original issue premium of \$ _____,] and less Underwriters’ discount of \$ _____).

The Underwriters are committed to take delivery of and pay for all of the 2018 Bonds if any are delivered. The Underwriters intend to offer the 2018 Bonds to the public at the offering prices appearing on the inside cover page of this Official Statement. After the initial public offering, the public offering price may be varied from time to time by the Underwriters.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable

department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group (“WFBNA”), the senior underwriter of the 2018 Bonds, has entered into an agreement (the “WFA Distribution Agreement”) with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name “Wells Fargo Advisors”) (“WFA”), for the distribution of certain municipal securities offerings, including the 2018 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2018 Bonds with WFA. WFBNA has also entered into an agreement (the “WFSLLC Distribution Agreement”) with its affiliate Wells Fargo Securities, LLC (“WFSLLC”), for the distribution of municipal securities offerings, including the 2018 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC’s expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.”

Wells Fargo Bank, National Association is serving as Underwriter, Paying Agent, and Registrar for the 2018 Bonds and will be compensated separately for serving in each capacity.

Citigroup Global Markets Inc., an underwriter of the 2018 Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “Fidelity”). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citigroup Global Markets Inc. will compensate Fidelity for its selling efforts.

OFFICIAL STATEMENT CERTIFICATION

The undersigned official hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2018 Bonds has been duly authorized by the Board.

WASHOE COUNTY, NEVADA

By: _____
Director of Finance

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF THE REGIONAL TRANSPORTATION COMMISSION FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE: The audited basic financial statements of the Commission included in this APPENDIX A have been excerpted from the Commission's audited financial statements for the fiscal year ended June 30, 2017. The combining and individual fund financial statements for the fiscal year ended June 30, 2017, were purposely excluded from this APPENDIX A, as were the Supplementary Information, Statistical Section, and Schedule of Expenditures of Federal Awards referred to in the independent auditor's report attached hereto. Such statements provide supporting details and are not necessary for a fair presentation of the basic financial statements of the Commission. *Prospective investors are cautioned that the 2018 Bonds are payable solely from Net Pledged Revenues. Inclusion of the basic financial statements of the Commission is for informational purposes only and does not imply that the 2018 Bonds constitute a general obligation of the Commission or a lien on any revenues other than the Net Pledged Revenues.*

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2018 Bonds. The 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2018 Bond certificate will be issued for each maturity of the 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2018 Bonds, except in the event that use of the book-entry system for the 2018 Bonds is discontinued.

To facilitate subsequent transfers, all 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2018 Bonds are credited, which

may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2018 Bond documents. For example, Beneficial Owners of 2018 Bonds may wish to ascertain that the nominee holding the 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2018 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2018 Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2018 Bonds at any time by giving reasonable notice to the County or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2018 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2018 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX E
FORM OF APPROVING OPINION OF BOND COUNSEL

APPENDIX F

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning the historic economic and demographic conditions in the County and the District. This portion of the Official Statement is intended only to provide prospective investors with general information regarding the District's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The District makes no representation as to the accuracy or completeness of data obtained from parties other than the District.

Population and Age Distribution

Population. The table below shows the population growth of Washoe County and the State since 1970. Between 2000 and 2010, Washoe County's population increased 24.1% and the State increased 35.1% over the same time period.

Year	<u>Population</u>			
	Washoe County	Percent Change	State of Nevada	Percent Change
1970	121,068	--	488,738	--
1980	193,623	59.9%	800,493	63.8%
1990	254,667	31.5	1,201,833	50.1
2000	339,486	33.3	1,998,257	66.3
2010	421,407	24.1	2,700,551	35.1
2011	421,593	0.0	2,721,794	0.8
2012	427,704	1.4	2,750,217	1.0
2013	432,324	1.1	2,800,966	1.8
2014	436,797	1.0	2,843,301	1.5
2015	441,946	1.2	2,897,585	1.9
2016	448,316	1.4	2,953,375	1.9
2017	451,923	0.8	2,986,656	1.1

Sources: United States Department of Commerce, Bureau of Census (1970-2010 as of April 1st), and Nevada State Department of Taxation (2011-2017 estimates as of July 1st). Populations are subject to periodic revision.

Age Distribution. The following table sets forth a projected comparative age distribution profile for Washoe County, the State and the nation as of January 1, 2018.

Age Distribution

<u>Age</u>	<u>Washoe County</u>	<u>State of Nevada</u>	<u>United States</u>
0-17	22.0%	22.7%	22.6%
18-24	8.9	8.7	9.7
25-34	14.5	14.0	13.4
35-44	12.4	13.4	12.6
45-54	12.7	13.2	12.9
55-64	13.2	12.4	12.9
65-74	10.5	9.7	9.4
75 and Older	5.9	5.9	6.5

Source: Claritas, © 2018 Environics Analytics (EA).

Income

The following two tables reflect the Median Household Effective Buying Income (“EBI”), and also the percentage of households by EBI groups. EBI is defined as “money income” (defined below) less personal tax and nontax payments. “Money income” is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as “disposable” or “after-tax” income.

Median Household Effective Buying Income Estimates⁽¹⁾

<u>Year</u>	<u>Washoe County</u>	<u>State of Nevada</u>	<u>United States</u>
2014	\$43,623	\$42,480	\$43,715
2015	43,766	44,110	45,448
2016	48,459	46,230	46,738
2017	48,320	47,914	48,043
2018	54,436	50,009	50,620

(1) The difference between consecutive years is not an estimate of change from one year to the next; combinations of data are used each year to identify the estimated mean of income from which the median is computed.

Sources: © The Nielsen Company, *SiteReports*, 2014-2017; and Claritas, ©2018 Environics Analytics (EA).

Percent of Households by Effective Buying Income Groups – 2018 Estimates

<u>Effective Buying Income Group</u>	<u>Washoe County Households</u>	<u>State of Nevada Households</u>	<u>United States Households</u>
Under \$24,999	19.4%	21.1%	22.3%
\$25,000 - 49,999	26.5	28.9	27.1
\$50,000 - 74,999	20.8	21.3	19.6
\$75,000 - 99,999	15.1	14.1	14.3
\$100,000 - 124,999	7.4	6.3	6.0
\$125,000 - 149,999	3.7	3.1	3.7
\$150,000 or More	7.1	5.2	7.0

Source: Claritas, ©2018 Environics Analytics (EA).

The following table sets forth the annual per capita personal income levels for the residents of the County, the State and the nation. Per capita personal income levels in the County have consistently exceeded state and national levels during the period shown.

Per Capita Personal Income

<u>Year⁽¹⁾</u>	<u>Washoe County</u>	<u>State of Nevada</u>	<u>United States</u>
2012	\$42,786	\$39,764	\$44,582
2013	43,140	39,440	44,826
2014	45,052	41,467	47,025
2015	48,975	44,026	48,940
2016	49,711	44,486	49,831
2017	n/a	46,159	51,640

(1) County figures posted November 2017; state and national figures posted September 2018. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The Washoe County average annual labor force summary as prepared by the State’s Department of Employment, Training and Rehabilitation (“DETR”) is as follows:

Average Annual Labor Force Summary
Washoe County, Nevada

<u>Calendar Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018⁽¹⁾</u>
Civilian Labor Force	200,386	222,734	225,943	230,723	239,119	245,891
Unemployment	20,989	16,890	14,132	11,609	10,001	9,476
Unemployment Rate ⁽²⁾	9.5%	7.6%	6.3%	5.0%	4.2%	3.9%
Total Employment	200,386	205,844	211,811	218,723	229,118	236,415

(1) Averaged figures through August 31, 2018.

(2) The U.S. unemployment rates for the years 2013 through 2017 are 7.4%, 6.2%, 5.3%, 4.9%, and 4.4%, respectively.

Sources: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation; and U.S. Department of Labor, Bureau of Statistics.

The following table sets forth the number of persons employed, by type of employment, in non-agricultural industrial employment in Reno, NV Metropolitan Statistical Area (“MSA”) which includes the Counties of Storey and Washoe.

Establishment Based Industrial Employment
Reno MSA, Nevada⁽¹⁾
(Estimates in Thousands)

Calendar Year	2013	2014	2015	2016	2017	2018 ⁽²⁾
Natural Resources and Mining	0.3	0.2	0.2	0.2	0.3	0.3
Construction	10.0	11.6	13.0	14.6	16.8	17.2
Manufacturing	12.2	12.7	13.0	14.0	17.1	19.9
Trade (Wholesale and Retail)	30.5	31.0	31.8	32.2	33.0	32.8
Transportation, Warehousing and Utilities	13.2	14.6	16.1	18.0	19.3	20.2
Information	2.0	2.0	2.1	2.1	2.2	2.2
Financial Activities	9.5	9.5	10.0	10.4	10.5	10.6
Professional and Business Services	26.5	27.2	28.6	30.1	30.9	32.2
Education and Health Services	22.7	23.5	24.3	25.4	26.1	26.4
Leisure and Hospitality (casinos excluded)	19.9	20.6	21.6	22.6	23.6	24.2
Casino Hotels	14.7	14.7	14.5	14.4	14.2	14.2
Other Services	5.9	6.0	5.9	5.9	6.3	6.5
Government	<u>28.8</u>	<u>28.8</u>	<u>29.3</u>	<u>29.9</u>	<u>30.6</u>	<u>30.8</u>
Total ⁽³⁾	<u>196.0</u>	<u>202.5</u>	<u>210.3</u>	<u>220.1</u>	<u>231.0</u>	<u>237.5</u>

(1) Reno, NV Metropolitan Statistical Area includes two counties: Storey and Washoe.

(2) Averaged figures through August 31, 2018.

(3) Totals may not add due to rounding. All numbers are subject to periodic revision and are non-seasonally adjusted.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The table below lists the largest fifteen employers in the County. No independent investigation has been made of and consequently no assurances can be given as to the financial condition or stability of the employers listed below or the likelihood that such entities will maintain their status as major employers in the County.

Largest Employers – Washoe County, Nevada
As of 4th Quarter – 2017

<u>Employer</u>	<u>Employees</u>	<u>Industry</u>
Washoe County School District	5,000-9,999	Public education
Renown Regional Medical Center	5,000-9,999	Hospital
Peppermill Hotel Casino - Reno	1,000-4,999	Casino
Nugget Casino Resort	1,000-4,999	Casino
Grand Sierra Resort and Casino	1,000-4,999	Casino
Harrah's Reno Casino	1,000-4,999	Casino
St. Mary's Regional Medical Center	1,000-4,999	Hospital
Eldorado Resort Casino	1,000-4,999	Hotels & motels
Silver Legacy Resort Casino	1,000-4,999	Casino
International Game Technology	1,000-4,999	Manufacturing
Nevada System of Higher Education	1,000-4,999	Universities & colleges
Amerco	1,000-4,999	Truck renting & leasing
US Veterans Medical Center	1,000-4,999	Hospital
NV Energy Inc.	1,000-4,999	Electric & other services
General Motors Co.	1,000-4,999	Manufacturers - Autos

Source: Washoe County School District; and Infogroup as posted by Nevada Dept. of Employment.

The following table lists the firm employment size breakdown for the County.

Size Class of Industries⁽¹⁾
Washoe County, Nevada
(Non-Government Worksites)

<u>CALENDAR YEAR</u>	<u>4th Qtr</u>	<u>4th Qtr</u>	<u>Percent Change</u>	<u>Employment Totals</u>
	<u>2017</u>	<u>2016</u>	<u>2017/2016</u>	<u>4th Qtr 2017</u>
TOTAL NUMBER OF WORKSITES	14,619	14,823	(1.4)%	193,143
Less Than 10 Employees	10,817	11,168	(3.1)	29,397
10-19 Employees	1,855	1,784	4.0	25,178
20-49 Employees	1,281	1,249	2.6	38,399
50-99 Employees	391	356	9.8	26,457
100-249 Employees	206	198	4.0	30,534
250-499 Employees	47	44	6.8	16,172
500-999 Employees	13	12	8.3	8,936
1,000+ Employees	9	12	(25.0)	18,070

(1) Subject to revisions.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

Construction

The following table sets forth a history of the number of building permits issued in Reno, Sparks and the unincorporated County, and of their valuations.

Building Permits
(Value Amount in Thousands)

Calendar Year	City of Reno		City of Sparks		Unincorporated Washoe County		Total Washoe County	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value
2013	6,670	\$417,313	2,451	\$140,404	1,597	\$144,750	10,718	\$ 702,467
2014	7,504	662,120	2,818	127,405	1,734	258,498	12,056	1,048,023
2015	8,859	683,068	4,107	232,268	2,119	230,791	15,085	1,146,127
2016	8,778	826,854	3,536	205,134	1,890	266,437	14,204	1,298,425
2017	9,546	905,258	4,079	477,641	3,932	412,842	17,557	1,795,741
2018 ⁽¹⁾	5,084	516,407	1,367	157,043	2,008	349,864	8,459	1,023,314

(1) As of June 30, 2018.

Sources: Cities of Reno and Sparks Building Departments, and Washoe County Building Department.

Gaming

The economy of the State is substantially dependent upon a tourist industry based on legalized casino gambling and related forms of entertainment. Gaming has been legal in Nevada since 1931 and is controlled and regulated by the State. Control is vested in a five-member Gaming Commission and a three-member Gaming Control Board. All of the board and commission members are appointed by the Governor. These bodies investigate and approve all licenses, establish operating rules, and collect gaming taxes due the State.

The County's gross taxable 2018 gaming revenue represents 7.6% of the State's total 2018 gaming revenue. The following table sets forth a five-year history of gross taxable gaming revenues and total gaming taxes collected on a State-wide basis and in the County

Gross Taxable Gaming Revenue and Total Gaming Taxes⁽¹⁾
Washoe County, Nevada

Fiscal Year Ended	Gross Taxable Gaming Revenue ⁽²⁾		Percent Change County	Gaming Collection ⁽³⁾		Percent Change County
	State Total	County Total		State Total	County Total	
June 30						
2014	\$10,208,187,598	\$742,981,367	--	\$912,371,316	\$61,093,103	--
2015	10,511,495,144	765,119,036	3.0%	909,857,085	61,900,579	1.3%
2016	10,612,521,966	787,285,353	2.9	876,040,147	63,546,194	2.7
2017	10,964,590,686	805,553,225	2.3	874,777,727	64,328,725	1.2
2018	11,331,143,108	855,877,061	6.3	866,305,681	66,765,548	3.8
Jul 17 – Aug 17	\$ 1,874,573,296	\$154,066,715	--	\$546,491,101	\$10,916,393	--
Jul 18 – Aug 18	1,889,616,186	159,074,752	3.3%	525,806,368	11,833,814	8.4%

- (1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada, Gaming Control Board.

Convention Activity

The convention business is also an important factor in the area's economy. The Reno-Sparks Convention & Visitors Authority ("RSCVA") operates the Convention Center, the National Bowling Stadium (which is owned by the City of Reno and managed by RSCVA pursuant to an operating agreement), the Wildcreek Golf Course, the Livestock Events Center and the Reno Events Center. The following table sets forth a historical summary of usage and attendance of events at these facilities.

Historical RSCVA Convention Facility Usage and Attendance

Fiscal Year	<u>Convention Center</u>		<u>Livestock Events Center</u>		<u>National Bowling Stadium</u>		<u>Reno Events Center</u>	
	Number of Events ⁽¹⁾	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
2013	102	422,042	100	282,357	80	190,791	56	147,489
2014	94	311,235	80	300,000	78	172,717	52	126,979
2015	97	278,213	70	302,413	93	75,684	49	100,015
2016	102	190,007	71	283,174	83	156,932	55	176,402
2017	110	277,959	75	315,350	112	40,313	54	157,800

- (1) Includes all show activity (conventions, trade shows, public consumer shows, concerts and meetings).

Source: Reno-Sparks Convention and Visitors Authority.

Transportation

The Reno/Sparks area is located at a transportation crossroads. Interstate 80, which runs east-west, and U.S. 395, running north-south, provide adequate routes for trucking and personal transportation. The Union Pacific Railroad operates major rail lines through the County and offers connections to other major rail networks, providing both freight and Amtrak passenger service. Intermodal yards and container freight facilities are located in Sparks. Over 65 motor freight companies serve the Reno/Sparks market and approximately 25 licensed common carriers with terminals are in the Reno/Sparks area.

The Reno-Tahoe International Airport (the "Airport") is a medium hub airport owned and operated by the Reno-Tahoe Airport Authority (the "Airport Authority"). The geographical area served by the Airport primarily encompasses the seven Nevada counties of Churchill, Douglas, Humboldt, Lyon, Pershing, Storey, and Washoe and the major cities of Reno, Sparks, and Carson City. The total air trade area for the Airport also includes the Lake Tahoe area and several communities in northeastern California. The Airport generates \$2 billion per year for the region according to an economic impact study released by the University of Nevada's College of Business in February 2012. In addition to the revenue, the study sets forth that the Airport and the Reno-Stead Airport, a general aviation facility, generate 22,138 jobs in the state, making the airports a major economic driver for the region. Accordingly, the Airport Authority continues to plan and accommodate airport facility needs.

In calendar year 2017, the Airport served a total 4,015,305 passengers, an increase of 10.0% over 2016. A growing regional economy is attracting more travelers to the region. The Airport reported an overall (2.7)% decrease in air cargo pounds for the 2017 calendar year over 2016 – a 2017 total of 152.1 million pounds. During the first seven months of 2018, the Airport served 2,439,763 passengers, an increase of 5.5% over 2017; and handled 83.8 million pounds of air cargo, a decrease of (3.5)%.