

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF FEBRUARY 19, 2010
BOARD OF DIRECTORS REGULAR MEETING**

CALL TO ORDER.

The special meeting of the SSSCAFCA Board of Directors was called to order by Mark Conkling, Chairman, at 9:03 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were Mark Conkling, Steve House, Donald Rudy and Dub Yarbrough. John Chaney was noted as absent. Bernard Metzgar, SSSCAFCA's attorney and David Stoliker, Executive Director, were present.

PLEDGE OF ALLEGIANCE.

The Board was led in the Pledge of Allegiance by Mark Conkling.

APPROVAL OF AGENDA.

A motion was made by Steve House to approve the Agenda as presented. It was seconded by Donald Rudy and passed unanimously.

ANNOUNCEMENTS.

Announcements were made by Mark Conkling that all electronic devices needed to be turned off during the meeting.

STAFF REPORTS.

Executive Engineer:

1. Vacation of easement and acceptance of Petroglyph right of way property acquisition.

Mr. Stoliker stated that SSSCAFCA has a drainage easement along the west side of Unser just south of the Unser/Westside intersection that the developer is trying to vacate so that the developer can purchase and develop all the way up to Unser. In exchange for that, the developer will build SSSCAFCA a pond that satisfies not just the development, but the entire sub-basin. John McKenzie, of Mark Goodwin & Associates, stated that they have been working on the Petroglyph project for almost a year through a real estate arm of X-ray Associates of New Mexico. There are plans for an urgent care center with x-ray facilities along with other medical offices in this area. There is an 80 to 100 foot wide tract of land adjacent to Unser along the west side that is encumbered by

the SSCAFCA drainage easement. Since staff determined that this portion of the easement was not needed, they are requesting a vacation of that easement. At the same time, they are requesting an expansion of the park to compensate for the run-off from the development. It is being constructed right now as part of the SAD. There is a lower pool along Unser itself and an upper pool in the soccer field to contain the 100 year storm. The lower pool will contain the ten year storm.

Mr. McKenzie stated that the owner has gone to the City and entered into a Purchase Agreement to acquire the property from the City and the negotiations are ongoing. To compensate for the acquisition, the developer has acquired the off-site properties and is in the process of acquiring the fee simple title to that property. That will be conveyed over to the City. All together, with the improvements, it will total more than \$1 million that will go to the City and SSCAFCA. Mr. Stoliker stated that the easement was given to SSCAFCA free of charge by the City. Mr. McKenzie stated that 22nd Avenue will remain as it is. The SAD is improving 22nd down to 19th Street. It will be paved and then the developer will improve the portion of 19th Street to connect to the parking area. Mr. Conkling stated that the Executive Committee has looked at this and is prepared to recommend it to the Board.

A motion was made by Steve House to approve the vacation of the easement for the Petroglyph right of way property acquisition as presented. It was seconded by Donald Rudy and passed unanimously.

2. Action/Approval of Resolution 2010-7, Disposition of Tangible Personal Property.

Mr. Stoliker stated that this Resolution discusses the disposition of tangible personal property and is required by the State.

A motion was made by Steve House to approve Resolution 2010-7 as presented. It was seconded by Donald Rudy. Roll call vote: Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; Dub Yarbrough, yes. The motion passed 4-0.

3. Discussion/Update of environmental issues facing storm water runoff.

Mr. Stoliker stated that there are many environmental issues pending at this point. Trevor Alsop stated that the status of SSCAFCA's MS4 permit was a phase 2 submission requesting permission to discharge into the Rio Grande in 2007, but SSCAFCA has not yet technically received permission to discharge under this permit. There has been a holdup regarding the endangered species act in the area. SSCAFCA has done a couple of annual reports since then and is currently in its third year of a five year program, which EPA expects SSCAFCA to complete. The permit expires on June 30, 2012. He stated that an audit was performed on the City of Albuquerque's program

in November 2009 and his understanding of that audit is that they found numerous deficiencies and there are some potential hefty fines to be imposed on the City of Albuquerque based on how they are performing the program. Every year, the EPA puts together an MS4 conference. This year it will be in New Mexico. Mr. Stoliker stated that Phase I permittees include the City of Albuquerque, UNM, AMAFCA and the Department of Transportation, District 3.

Trevor Alsop stated that looking ahead to the next permit cycle; he stated that SSCAFCA has been notified by the EPA about Region 6's interest to start a watershed based permit and to do a pilot project in this area. They are starting to engage the stakeholders about permitting everybody under a single permit. The big question is who would be included and the extent of the permit. In the most recent interaction with EPA, all of Sandoval County, Bernalillo County, and all municipalities within that area, including the tribes and pueblos, would be included in it. It may be implemented for the next permit cycle in 2012.

Mr. Alsop stated that SSCAFCA is very poised to cooperate with the other intergovernmental relationships and is on the right page in terms of fostering partnerships between the programs. Mr. Stoliker stated that Sandoval County took SSCAFCA's permit and changed the names and used it for its permit. Mr. Alsop stated that the Middle Rio Grande basin is from Cochiti Reservoir to Elephant Butte Reservoir. He has outlined in yellow how the USGS breaks out one of the sub watersheds that contribute to the area. EPA has come out with an Information Collection Request (ICR) that is borne out of the National Research Council Report that was prepared in 2009 evaluating the entire NPDES program. It was a fairly critical report that has some strong recommendations. Out of that, EPA has gone forward with the request where they want to gather more information from the permittees in order to strengthen storm water regulations and to establish a comprehensive program to reduce storm water from newly developed and redeveloped sites. There has been some participation by stakeholders. The ICR has yet to be completed and they are still formulating the questionnaire. It would be a mandatory questionnaire and will be provided to a statistical sample set, of which SSCAFCA may or may not be a part.

Mr. Conkling stated that this would be a point at which SSCAFCA could demonstrate the cost savings associated with an ordinance for on-site ponding. On-lot ponding could be shown to save millions of dollars in this process. The City would also be able to save a good deal of money associated with development in the area and the drainage plans that the City enforces.

Mr. Alsop stated that there will be a storm water management workshop on March 23 and March 24 at the UNM Rotunda and is sponsored by Bernalillo County, City of Albuquerque, AMAFCA, SSCAFCA and several consultants. The office expansion

will be prominently featured at this workshop as the right thing to do in terms of storm water management on new and redeveloped building sites.

Mr. Alsop stated that the New Mexico Environment Department, Service Water Quality Bureau has had quite a bit of activity this past year and they undertook a three year rotation on the triennial review, which is to assess what the surface water quality standards should be for all surface waters in New Mexico. The hearing was conducted this past December. What came out of the meeting for SSCAFCA was the development of a hydrology protocol. They decided that they needed to do that in order to define an ephemeral water body, which affects SSCAFCA the most. They also defined intermittent and perennial. There are no segment specifics for these water quality bodies yet. An ephemeral body of water is one that only responds to a precipitation event and is well above the water table.

Mr. Alsop stated that next is the E-coli/bacterial issue that is a total maximum daily load. They have proposed the TMDL this year. Staff has sat through many meetings with NMED and provided comments on the draft TMDL in October. Based on everybody's comments, that documents has had to be revised. It is in the finalization process now and they are hoping to put it before the Water Quality Control Commission in April. He stated that SSCAFCA is still trying to understand how it will be regulated under that. They have assigned all of the NPDES permittees a number of E-coli colony units that can be discharged. SSCAFCA has no control over the wild animals in the area and the bacteria coming from them. Mr. Alsop stated that they are looking for projects to implement that help to reduce non-point source pollution.

Mr. Alsop stated that the NMED is required to put together a 303D and 305B integrated list under the Clean Water Act. It is a list of assessed waters for impairments based on the sampling and analysis that NMED has done. They have E-coli in SSCAFCA's reach of the river; however, NMED is proposing to include more impairments; those being dissolved oxygen, PCBs and acute aquatic toxicity for ammonia and chlorine. Mr. Stoliker stated that every three years EPA comes in and tests the river. If they see any impairment, by law, they have to put them on the 303D list and then figure out how to solve the impairments. They will then take those impairments and then put them in SSCAFCA's next permit. With regard to the dissolved oxygen, there is something in the river that actually sucks oxygen out of the river, which affects the fish. The North Diversion Channel had a fish kill issue several years ago. A UNM student did a study on it and found out there was a dip after a storm event. There are all kinds of controversy regarding the science, but the bottom line is that if it goes on SSCAFCA's list, it will be a big deal.

Mr. Alsop stated that once these issues become listed, they become TMDL, which is the plan for how to take it back to natural.

Mr. Alsop stated that one of the six MS4 program requirements is education and outreach. SSCAFCA recognizes it as being the effort to reduce or prevent pollution, and it the most cost effective approach. SSCAFCA has hired Edit House, which helped put together an erosion control workshop which went over very well. In addition to that effort, Edit House put together some advertisements which went into the newspapers regarding trash and pet waste which feeds into the bacteria issue. In addition to the work with Edit House, SSCAFCA has annually funded a storm water quality team that was put together to satisfy the education and outreach components of its permit. SSCAFCA supports a program called "River Exchange" which is defined as sharing understanding of the river ecosystems in classrooms from New Mexico to other classrooms around the world which discuss the ecosystems.

Mr. Alsop stated that SSCAFCA has completed regional water quality facilities at two of the three outfalls that SSCAFCA controls to the Rio Grande. They are the Sportsplex Water quality structure and, more recently, a water quality diversion from the Lower Venada Channel. For the two watersheds that don't directly go to the Rio Grande, SSCAFCA has completed the Black Arroyo Water Quality Facility. He stated that the Habitat Mitigation Area is immediately behind the SSCAFCA office building. Property shown in green on the map has been acquired by SSCAFCA to date. The purple is property that SSCAFCA has in leases. With the next issue of the bonds, all of the purple will be converted to green. Acquisition is nearly complete.

Mr. Alsop stated that the Unnamed Arroyo Watershed plan has been completed. SSCAFCA has entered into a JPA with the Town of Bernalillo to fund some right-of-way acquisition in order to install a multi-use water quality facility. The last major jurisdictional watershed management plan to be planned will be started this August. On the Lomitas Negras, they have identified, at the inlet to the Dulcelina Curtis Channel that they would like to enlarge that basin and get some more sediment reduction to keep it out of the channel.

Fiscal Services Director:

1. Recognition/Acknowledgment of the Fiscal Services Report for January 31, 2010.

Debbie Casaus stated that the Fiscal Services Report for January 31, 2010 is included in the Board's packets. She stated that she was asked by the Chairman last month about collections on the property tax receipts and the collections are going well. SSCAFCA has collected \$1.1 million on the general fund with a \$1.9 million budget, which is about 59% of budget. She shows 29.9% higher than the same time last year, but must take into consideration the change in the mil rate. In the debt service fund, the mil rate was the same. But, because DFA adjusted SSCAFCA's mil rate in its operating fund, SSCAFCA was not comparing the same numbers. The general fund expenditures thus

far are at about 47% through the budget, which is about 11% below what was anticipated. The interest rate in the State Treasurer's Investment Pool, for the month of January is about three basis (.03%) points on SSCAFCA's investments. This is an interest rate less than a treasury bill. She will be meeting with the Budget Committee soon to square away the budget for next year.

A motion was made by Steve House to recognize and acknowledge the Fiscal Services Report as presented. It was seconded by Donald Rudy and passed unanimously.

CHAIRMAN'S REPORT.

- Discussion/Action of SSCAFCA office building expansion dedication – May 21, 2010.

Mr. Conkling stated that the new SSCAFCA office building expansion will be dedicated at the May 21, 2010 meeting to ensure that SSCAFCA's LEEDS certification will be in hand for that dedication. Laura has prepared a release and Mr. Conkling asked for the Board's input with regard to any changes or additions they would like to the release.

- Discussion/Action on placing SSCAFCA reserve funds into local (jurisdictional) chartered banks.

Mr. Conkling stated that the idea behind this is to remove funds that are just sitting in the state pool and depositing them into local banks. The idea is to open up four \$250,000.00 savings accounts in community banks in town as opposed to leaving the \$1 million of the bond proceeds in the state investment pool, which is not guaranteed by the FDIC. This could benefit SSCAFCA and the community at the same time.

Mr. Baird stated that this is an excellent time to review SSCAFCA's investment policy, which historically has been informal and easy. The state pool has been providing the security, liquidity and return that SSCAFCA could get in local or regional banks. In the audit report of June 30, 2009, SSCAFCA had to take it right down to \$18,000.00 because the auditor felt like the loss in the state treasurer's pool will not be recovered. That is a loss that SSCAFCA has never experienced before. They have compared CD rates with similar collateral security and local banks and have invested in them from time to time. The rate right now is .85% which still beats the state treasurer's pool by a lot. It would be prudent to have a hard look at SSCAFCA's investments and to maybe bring individual investments with CDs to the Board to weigh the benefit to the local community with any interest that might be lost with regard to any liquidity requirements.

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Mr. Baird stated that he called First Community Bank, which has a branch right down the street, and the investment manager quoted, for a one year \$1 million CD, fully collateralized, which is double the requirement of the state, the rate would be 1.15%. This would generate about \$11,500.00 in interest over a year. Pass book accounts, at about 1/4 million each, four of them, would generate about \$4,000.00 a year.

Mr. Metzgar stated that there is a statute concerning public money and investments of public money in any form. The statute limits organizations' ability to pick any kind of institution. The institution has to have been on a list that is approved by the state, it has to give a minimum interest rate set by the state every fiscal year. There are other requirements of distribution among banks.

Mr. Conkling stated that he would think that prudence would mean the best return with the lowest risk with an eye out for how it might help the community in which you live. It was the consensus of the Board to look at SSCAFCA's investment policy.

BOARD OF DIRECTOR'S COMMENTS.

In response to a question, Mr. Stoliker stated that SSCAFCA is still owed on the 19th Avenue Dam project, but he does not believe that the developer can get the dam built in the time it has been given. The next project for SSCAFCA to construct is Sugar Dam.

Mr. Conkling stated that applications are trickling in for the replacement of David Stoliker as Executive Director upon his retirement.

COMMITTEE REPORTS.

None.

ACTION/APPROVAL OF THE MINUTES OF JANUARY 4, 2010.

A motion was made by Donald Rudy to approve the minutes of January 4, 2010 as presented. It was seconded by Steve House and passed unanimously.

ATTORNEY'S REPORT.

None.

FOR YOUR INFORMATION.

Mr. Stoliker stated that the following was for Board information only and/or contained in the Board's packets:

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1. News article dated January 31, 2010 regarding SSCAFCA bond sale.
2. February 8, 2010 correspondence to Rick Silva with Property Tax Division regarding SSCAFCA boundaries.
3. Memorandum of Agreement for Digital Orthophotography.
4. February 17, 2010 correspondence to New Mexico State Land Office transmitting recorded Patent for property acquisition.

PUBLIC FORUM.


Susan Barton thanked SSCAFCA for the public outreach workshop SSCAFCA held recently.

OTHER BUSINESS.

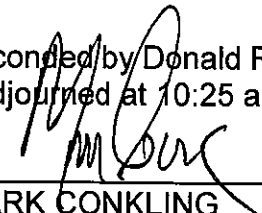
The next Regular Board Meeting is on Friday, March 19, 2010 at 9:00 a.m.

ADJOURNMENT.

A motion was made by Steve House and seconded by Donald Rudy to adjourn the meeting. It was carried unanimously. Meeting adjourned at 10:25 a.m.



STEVE HOUSE
Secretary



MARK CONKLING
CHAIRMAN

DATE APPROVED: 4/16/2010