

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF DECEMBER 20, 2013
BOARD OF DIRECTORS REGULAR MEETING**

CALL TO ORDER.

The regular meeting of the SSCAFCA Board of Directors was called to order by Donald Rudy, Chairman, at 9:03 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were John Chaney, Mark Conkling, Jim Fahey, Steve House, and Donald Rudy. Bernard Metzgar, SSCAFCA's attorney, Charles Thomas, Executive Engineer, and members of the public were also present.

ANNOUNCEMENTS.

Announcements were made by Donald Rudy that all electronic devices needed to be turned off during the meeting and that the microphones are voice activated.

PLEDGE OF ALLEGIANCE.

The Board was led in the Pledge of Allegiance by Donald Rudy.

APPROVAL OF AGENDA.

A motion was made by Mark Conkling to approve the Agenda as presented. It was seconded by Jim Fahey and passed unanimously.

ACTION/APPROVAL OF THE MINUTES OF NOVEMBER 15, 2013.

A motion was made by Jim Fahey to approve the Minutes of November 15, 2013 as presented. It was seconded by John Chaney and passed unanimously.

PUBLIC FORUM.

None.

STAFF REPORTS:

Executive Engineer:

1. Discussion of Saratoga Road, Alberta Road and Unit 17.

Mr. Charles Thomas stated that Commissioner Chapman of Sandoval County and Councilor Clayton of the City of Rio Rancho had asked to be on the Agenda in order to address the Board regarding Saratoga Road and Alberta Road in Unit 17.

Councilor Lonnie Clayton stated that with regard to Saratoga Road, he was the first responder to Mr. Pike when his first complaint was made. He distributed copies of a map which shows the location of Mr. Pike's property, the Upper Pond and what happened in the last major storm. The Upper Pond is to the west of Mr. Pike's property. The Pond filled and got plugged, and when it "popped" it rushed out and flooded Mr. Pike's property. It did not damage his house, but did cause some damage to the side yard and driveway. With regard to the Lower Pond, he understands that SSCAFCA has some plans that will attempt to moderate the flow of water when the Upper Pond fills and that this will decrease the water that flows down.

Sandoval County Commissioner Don Chapman stated that he realizes that, due to the cost of the project, the Alberta Road project will need to be a collaboration with SSCAFCA in order to see that it gets completed in a reasonable amount of time. He will lobby at the County to get some funds. He will also lobby the state legislators for capital outlay for the project. They both requested that SSCAFCA keep them in the loop with regard to these projects.

Mr. Rudy stated that all projects are cooperative efforts with the City and the County and lately SSCAFCA has been able to get the State and the Federal Government involved. He thanked the gentlemen for coming and indicated that SSCAFCA would definitely keep them in the loop.

Mr. Thomas stated that the Alberta Phase II concept plan has been completed and has been approved by the City. It is essentially a "shovel ready" project at this point. SSCAFCA put in an application with FEMA for funding for the Alberta project back in May 2013. However, at that time, the Hazard Mitigation Plan had not been approved and that was a key factor to moving forward for anyone in Sandoval County to apply for and be eligible for funds from FEMA. That plan was accepted pending approval by FEMA at the end of November, which opened the door for agencies to be eligible for funding. Just yesterday, he had a discussion with the Santa Fe Department of Homeland Security which is the local agency for FEMA regarding the Alberta Project. They will forward it to the federal offices as approved from the local office. Of course, it will still have to be approved by the federal office in Texas.

In response to a question from the audience, Mr. Thomas stated that, at present, SSCAFCA has spent close to \$200,000 completing the design, which includes the subsurface utility investigation and evaluation, as well as getting it through the approval process and going through property acquisition. Mr. Rudy stated that right now SSCAFCA does not have adequate funds to do all that it would like to do in this area. However, SSCAFCA is well along in the engineering studies, which is the first thing that has to be done and it continues to search for funds as this is a high priority project.

Mr. Conkling stated that to respond quickly to a burning desire often pulls priorities in different directions. SSCAFCA has funds pledged to different areas that also affect the City and the County and their projects. Having to balance that has to do with what the priorities are and how funds can be shifted, along with other dynamics. Mr. Thomas stated that the task order has been issued and approved by the Board. The Lomitas Negras project is currently fully funded with a combination of state funding and SSCAFCA funding. Mr. Rudy stated that, unfortunately, the people who are most impacted (the public who live in the area) don't always see the work that is going on, but the projects are moving forward.

2. Action/Acceptance of Resolution 2013-21, Approving the Hazard Mitigation Plan.

Mr. Thomas stated that Resolution 2013-21 approves the Hazard Mitigation Plan. The Plan is a collaborative effort between several entities with the real intent to help formalize the cooperative agreements between the various entities to ensure the county is able to effectively and adequately respond to emergency situations. SSCAFCA is not a first responder agency. The main focus for SSCAFCA's involvement is to ensure that the contacts are up to date and are attending meetings regularly. Secondly, it is to provide the information that SSCAFCA has that is pertinent - which are the three Emergency Action Plans for the jurisdictional dams for potential flooding from a large dam failure and the areas that would be impacted. There is also an area where you document your proposed mitigation activities. This is very similar to the Infrastructure Capital Improvement Plan as the facilities coincide. Alberta Phase II is one of the projects submitted by SSCAFCA and is included in the Plan. It is an eligible project to be funded by FEMA in the Plan. The final step in the process will be for SSCAFCA to adopt the Hazard Mitigation Plan of the County.

A motion was made by Jim Fahey to accept and approve Resolution 2013-21 as presented. It was seconded by Steve House. Roll call vote: John Chaney, yes; Mark Conkling, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion passed 5-0.

3. Action/Acceptance of Resolution 2013-22 for Lomitas Negras Water Trust Board Grant Agreement.

Mr. Thomas stated that Resolution 2013-22 is the final step needed for the award of the \$1.76 million for completion of the Lomitas Negras Project. It is in the New Mexico Finance Authority's format and has been reviewed and approved by legal counsel. The Water Trust Board funding is part of the severance tax bonds that are generated every year. The Board was set up several years ago and before the funding is handed out between the legislature and the Governor, a certain percentage is put aside specifically for water, waste water and storm water projects throughout the state. Every entity in the state has an opportunity to apply every year for funding a project. The money comes from a severance tax on oil and gas.

A motion was made by Jim Fahey to accept and approve Resolution 2013-22 as presented. It was seconded by Mark Conkling. Roll call vote: John Chaney, yes; Mark Conkling, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion passed 5-0.

Mr. Thomas stated that there were five different categories of funding areas and within the flood safety/flood control area, SSCAFCA's was listed the number 1 project.

4. Action/Acceptance of CNM Intergovernmental Agreement.

Mr. Thomas stated that this Agreement has been a long time coming together, as it was started several years ago. On the North end of the City Center, there was a facility identified as the Upper SLO dam because the property had been owned by the State Land Office. SSCAFCA has completed the land acquisition for that facility and the final remaining piece was a small corner of property owned by CNM. This Agreement provides a permanent drainage easement on the 3.1 acres to SSCAFCA for development and construction of the Upper SLO Dam. The arroyo tends to split the CNM campus and is currently a fairly significant feature associated with the property. One of the concerns is the placement of buildings and structures and the safety of students. The red outline on Exhibit E is the existing LEE line. The idea is to take the peak flow and cut it to a third and drop it down to 500 cfs in a more controlled release. This will reduce the LEE lines and free up some of that property. SSCAFCA hopes to partner with CNM and put in some educational features that will serve a dual purpose to protect property and provide educational opportunities.

In response to a question as to why this is an easement from CNM, Mr. Thomas stated that, with regard to educational facility property, if the property is donated in fee simple to another agency or sold, that educational agency is required to go before the Board of Finance to go through a vetting process to justify the sale or donation to ensure it is in the best interest of that agency. At this point, the Agreement contains a subdividing platting action of the property which is the first step to getting the easement in place. This is the simplest way to proceed with the full construction of the facility. The intent of CNM ultimately will be to donate that land in fee simple; however, that process can be very lengthy.

Samantha Sengel, of CNM, stated that once the project is in place it becomes much more streamlined with the Board of Finance. Mr. Fahey stated that since Chuck Thomas became the Executive Engineer additional forms of funding for projects have been sought by him. Mr. Thomas stated that the funding received is just under \$5.5 million in either federal or state funding that has been brought in to match with SSCAFCA's bond funds. These are funds that would normally not be available to SSCAFCA for its projects.

A motion was made by John Chaney to accept the CNM Intergovernmental Agreement as presented. It was seconded by Mark Conkling and passed unanimously.

5. Action/Acceptance of the Task-Order for the design of the Upper SLO Dam with Smith Engineering.

Mr. Thomas stated that this task order is for the design of the Upper SLO Dam with Smith Engineering. SSCAFCA had a conceptual design put together. The intent was to keep it as a non-jurisdictional facility. The dam provides roughly 45 - 48 acre feet of storage. Right now, the task order is for \$143,734 for the full design to go to construction. The expected time frame for completion is about 24 weeks.

A motion was made by Mark Conkling to accept the task order for the design of the Upper SLO Dam with Smith Engineering as presented.

Mr. Thomas stated that, right now, the amount of property for the dam itself extends far enough out that there is sufficient property on the outside for multi-use facilities. Right now they are proposing that this be a soil cement constructed facility. One of the things they are looking at, in the process of constructing the dam, you place a mill onsite and generate the material by adding lime to the local sand. SSCAFCA can add layered pigmentation into it as it is constructed so it creates a structure more resembling the local geology. They are also looking into using some of the property for multi-use. It is an area that will overlook the campus. Right now the drainage channel is anticipated to be an open channel. They hope to partner with CNM to keep it as natural as possible and incorporate pedestrian bridges with the grade control structures to essentially create a greenway along the edges of the arroyo on both sides all the way through the campus.

The motion was seconded by John Chaney and passed unanimously.

6. Legislative Update.

Mr. Larry Horan, SSCAFCA's lobbyist, stated that the upcoming legislative session starts on January 21, 2014. It is a 30 day session so it is limited in scope for the matters the legislature can consider. It is limited to revenue matters, appropriation bills, messages from the Governor and also bills that were vetoed in previous sessions. The Governor and the members of the House are all up for re-election in 2014. This can have an impact on the type of issues that come up in a legislative session. The revenue forecast for the state was just released. For fiscal year 2014, state revenues are up \$84 million from the previous revenue forecast in September. The state is now back to 2008 numbers in revenue before the downturn in the economy. The total general fund for the state is at \$5.86 billion. The \$84 million increase is from oil revenue coming from the southern part of the state. For the severance tax money, the anticipation is that there will be \$166 to \$188 million available to the Governor and the legislature. The total capital outlay will be around \$225 million. Money will come off the top of that for certain funding projects. Last year the capital outlay funds were around \$170 million, so this is an increase from last year. This year, the Governor is proposing that it is the year of water for capital projects. The Governor is working on developing a list of projects

around the state that involve water. This is not just drainage water, but any water related project is eligible to be put on the list. He has discussed with Mr. Thomas the options for getting SSCAFCA's projects on that water list. His approach has always been they will do anything they can to generate money for SSCAFCA and the community.

Mr. Horan stated that the Mid-Region Council of Governments' priorities are to support initiatives to improve transportation, monitor legislation that proposes changes to retirement (which also impacts SSCAFCA). Because of changes to PERA, the forecast is much better this year than last year. The next priority for MRCOG is to monitor legislation that may have an impact on local revenues and local authority. Last year there was a tax bill passed at the end of the session and some things may impact towns and cities throughout the state. A bill is being drafted to change the way that local governments can impose a gross receipts tax to make up for lost revenue. MRCOG is also monitoring legislation related to tax policy and any effects it may have on local government; monitor and oppose legislation that reduces local revenue, adversely affects local funding sources, or diminishes regulatory authority of governments of MRCOG, which includes SSCAFCA. MRCOG is supporting legislation that will grant more authority to local governments to set property tax mil rates. MRCOG will also monitor issues relating to water; supports economic development initiatives and efforts to create jobs in the entire region.

Mr. Horan stated that SSCAFCA's main focus will be on its capital outlay requests. The benefit to SSCAFCA is the way it is packaging its capital outlay requests in a way that the legislators can leverage their money and they can do something meaningful for their community. The legislators will remember stories - such as Mr. Pike being stuck in his house - and they are very receptive to it. With regard to issues that may come up during the session; educational reform will take up lots of time and debate; there is also a movement from some of the educational folks within the legislature to propose a constitutional amendment to eliminate the public education secretary and to create an education board. The Governor is also focusing on mid-level providers for health care. The Governor will also introduce a repeal of drivers' licenses to immigrants. Any of these could eat up a chunk of the session.

7. Development Status Update.

Mr. Thomas stated that the Hawk Site replat has been approved. This is the one where AMREP had restructured the development plan for that area, including restructuring the drainage plan. AMREP got SSCAFCA all the documentation it needed to verify that the drainage will still work. There was also a conditional use permit for a preschool and gym off of Cabezon and Golf Course. On the north side of Southern was a combination summary plat of a shopping center with some water line easements in that area so the drainage element was unchanged.

Mr. Thomas stated that the two that are more linked to SSCAFCA's concerns is Milagro Park, which is the first new development using the Edinburgh Drainage Plan.

SSCAFCA will monitor that very closely. The other is a summary plat lot consolidation of two lots on Lincoln Boulevard. This was proposed by the City and designed to accommodate the new design on Lincoln Boulevard. SSCAFCA is watching this closely as well.

Fiscal Services Director:

1. Recognition/Acknowledgment of the Fiscal Services Report for November 30, 2013.

Mr. Charles Thomas stated that Deborah Casaus was not available today so he presented the Fiscal Services Report for November 30, 2013 which is in the Board's packets. Property tax revenue for the first five months of fiscal year 2014 is 10.3% higher than the same time last year. The debt service property tax revenue is also 28.7% higher. The first few months of collections are the remainder for collections of property tax year 2012. The general fund expenditures through the month of November are about 48 % of the total budget for the year. SSCAFCA is only 42% through the fiscal year, so expenditures have exceeded the time frame. This can be attributed to the clean up costs for the large storm events. Funding had been set aside specifically for that issue so it is not really impacting any of SSCAFCA's planned expenditures. There were 35 single family residential permits issued by the City of Rio Rancho for the month of November, and at total of 450 for this year. The interest at the State Treasurer's office is at .11%. Current yield on the Treasury is .066%.

The Fiscal Services Report for November 30, 2013 was recognized and acknowledged by the Board.

Mr. Thomas reported that Erica Baca has been promoted and is now the Fiscal Services Assistant Coordinator. She will work primarily with Debbie Casaus, but she is retaining her duties as the Board clerk to work with the Board. Her replacement for the receptionist/administrative assistant is Amanda Walsh, who will come on Board January 6, 2014.

2. Action/Acceptance of contract renewal for Lobbyist Service with Larry Horan with no requests for changes.

Mr. Thomas stated that the contract renewal for lobbyist service with Larry Horan is up for renewal and there have been no request for changes to the contract.

A motion was made by Jim Fahey to approve the renewal of the contract as presented. It was seconded by Mark Conkling and passed unanimously.

Environmental Services Director:

1. Presentation on SSCAFCA Building Solar Panel Upgrade.

Mr. Dave Gatterman stated that the expansion went very well. The original system went online in 2010. It has a centralized inverter system. In this case, there are several sets of panels, so there are three inverters. SSCAFCA has a renewable energy credit agreement with PNM which means that PNM pays SSCAFCA \$0.15 for every kilowatt hour that is generated. The generation capacity of the old system was 16.74 kilowatts DC, which is 96, 186 watt panels. The original system cost \$232,000 plus tax, more or less. That price included the pole mount system. The price for the voltaics was \$110,000. There was no monitoring system, so the way to keep track was the PNM bills. As a matter of reference, during the mid-November to mid-December billing cycle for 2012, the system generated about 34 1/4% of the building's power usage. An expansion was added to the system. The new system is a roof mounted system. It's a ballasted racking system. There are no roof membrane penetrations because the roof stays intact. As opposed to the centralized inverters, the new system uses microinverters. As opposed to bringing all the inverters together at one location, it is done at each panel. Due to the way the roof is put together, there are three areas where the panels are installed. The Board roof system is a 12 panel system right above where the Board meets; there is the west roof system; and the south roof system. SSCAFCA now has fifty 260 watt panels. The efficiency has gone way up. The capacity of the new system is 13 kilowatts DC. It's a smaller system than the old one.

Mr. Gatterman stated that the inverter supplier allows you to buy a monitoring software package to monitor it via the internet. Each panel can be checked individually. When the new system was put on, SSCAFCA was able to take advantage of its existing renewable credit so all of the panels went under the \$0.15 per kilowatt hour. The system went active on November 15, 2013. The billing period was cold and cloudy so power production was less than 50% of capacity 9 out of the 30 days. Because it was so cold, power consumption went up 20%. It turns out the new system generated about 60% of what the old system did. If the new system had not been online, the PNM bill would have been about \$533; with the new system, the actual bill was \$273. SSCAFCA paid \$42,700 for this system fully installed. Prices have gone down dramatically. If SSCAFCA had had this system in place during FY 2013, and assuming that 60% ratio stays valid throughout the year, the power bill was \$1,700 in 2012, SSCAFCA would have received \$4,867 cash to SSCAFCA with no outflow. The same billing cycle, SSCAFCA would have generated almost 55% of its own power onsite. The new system will pay for itself in about six and a half years. The key that made it economically viable is the renewable energy credit.

Field Services Director:

1. Update on storm cleanup.

Mr. Jim Service stated the dirt hill in Corrales is gone. All of the trucks that were hauling from the Harvey Jones Channel are now hauling from the Sportsplex. The fleet consists of 16 trucks, three loaders, two scrapers and two dozers. They will take the loading equipment to the outlet of the Harvey Jones and continue cleaning out the bottom of the channel

from the bridge to the outlet and then remove all the sediment in preparation for the construction project for rebuilding the lower half of the channel. They should be finished with hauling everything out of there by middle/late January. Hopefully, construction can start there in mid February with that portion of the project. He is waiting on FEMA approval for the expansion of the flood pool at the Harvey Jones Inlet and the Dulcelina Curtis Channel. If approval from FEMA is received by the beginning of the year then that equipment can move back to the Harvey Jones flood pool. Enchanted Hills Dam 1 is just about finished. They hauled almost 54,000 tons up to Waste Management, which is about 37,000 yards. An invoice was sent to Waste Management for almost \$18,000 for the dirt. He is trying to work a deal with a developer over at the Boulders to get some large basalt rock to use in some of SSCAFCA's facilities. The deal is to swap out dirt for the rock.

2. Update on FEMA Reimbursement.

Mr. Charles Thomas stated that, with the federal disaster declaration, it opened SSCAFCA up to receive reimbursement for the work that it does following the flood. That funding is 75% federal money. It is possible to receive half of the remaining 25% from the state as long as the funding lasts for each event. The first meeting with FEMA was last Friday and they went over all of SSCAFCA's requests for funding reimbursement. It was a very promising meeting. Essentially, FEMA has put a number of its federal people on details from around the region. They have been assigned to New Mexico and are holding office with the people in Santa Fe to assist all of the entities which are requesting reimbursement. SSCAFCA will have to provide documentation of its requests for reimbursement, as well as the supporting documentation, but the FEMA group will be filling out the forms for SSCAFCA.

Mr. Thomas stated that through the public assistance process, you can request mitigation funds to help prevent a similar occurrence from happening again if you can show a repetitive loss. One of the areas is the Montoyas Arroyo, although there is the Clean Water State Revolving Fund Project to provide for sediment storage just prior to the Harvey Jones Channel. That project will not move forward this year because of the federal requirements and all of the processes. That area will remain vulnerable for the upcoming monsoon season. However, SSCAFCA will be able to get the other two pieces of the project completed - the Lomitas Negras and the hydraulic fix to the Harvey Jones Channel itself. Staff did discuss with FEMA if they would assist in paying for the excavation of the flood pool at the mouth of the Harvey Jones Channel. Right now, there is 1,500 cubic yards of sediment storage at the mouth of the Harvey Jones Channel under the current configuration. Staff hopes to expand that to about 60,000 cubic yards. FEMA has indicated that they are in support of SSCAFCA doing that excavation this year and FEMA would pay for 75% of that. Staff is hoping to do the excavation now and create the flood pool. If there are any significant storm events in the Montoyas, SSCAFCA will have the extra capacity to keep the sediment out of the channel. Staff also hopes to do the same with the portion of the channel hydraulics improvements, which requires lowering the flood pool. If FEMA will pay for 75% of this construction, the bond money that is allocated for this project can be moved to other projects.

Mr. Thomas stated that there are two limits on the projects that FEMA will help with. The first is that without any extraordinary effort, once you've documented the cost of the cleanup, you can exceed that by 15% with mitigation activities. The other process will require SSCAFCA to establish a repetitive loss track record. In that case, you can expend up to 100% of the cost that you would normally spend on cleanup.

Administrative Services Director:

1. Update on Black Arroyo Wildlife Park Partnerships.

Ms. Catherine Conran stated that SSCAFCA received a check for \$25,000 for the Black Arroyo Open Space Educational portion from PNM Resources Corporation. They are paying for the shade structure that has water harvesting features which will look like an owl. This will add some architectural elements to the plan. A binocular telescope system will also be installed with this money. Staff has applied for a grant from the National Fish & Wildlife Foundation, Wells Fargo Funding, to enhance the open space with some restrictive barriers so traffic can't drive out into the area. They are also pursuing partnership opportunities. In January they will apply for the Bureau of Reclamation Funding to reclaim the water that is being placed in the arroyo from the discharge of the well, which is at the south end of the property. They are hoping to set up a cistern to capture that water to add more landscaping.

Mr. Thomas stated that the bridge project was delayed because of the bond sale. That bond sale now took place in December so those bonds have been sold. The next step is to move forward with the process and SSCAFCA will be going out for RFPs for design services in January for the bridge and the trails. Construction will hopefully begin in late summer.

COMMITTEE REPORTS.

None.

ATTORNEY'S REPORT.

None.

CHAIRMAN'S REPORT.

None.

BOARD OF DIRECTOR'S COMMENTS.

None.

PROPERTY MATTERS.

1. Action/Acceptance – Unit 20, Block 133, Lot 2 – 0.66 acres – Venada Dam.
2. Action/Acceptance – Unit 17, Block 22, Tract A-1 – 6.53 acres – Badger Dam.

Mr. Thomas stated that there are two property acquisitions for approval by the Board. The first is the last piece needed for the future Venada Dam structure for the off channel storage facilities. The arroyo cuts right through the middle of the property. It's not as critical for the facility, but it is ideal for the inlets to the dam. The second property is the first look at the Badger Dam area. Those areas were re-evaluated and the property adjacent to Idalia Road where the Barrancas Arroyo crosses under Idalia is an ideal location. The largest parcel has been identified and is owned by Curb, Inc. A price was negotiated for that property.

A motion was made by Mark Conkling to approve the purchase of the properties as presented. It was seconded by Jim Fahey and passed unanimously.

FOR YOUR INFORMATION:

1. Rio Rancho Observer article, "Flood Damage Still Troubling", (12/04/2013).
2. Rio Rancho Observer article, "SSCAFCA Gets Promise of State Money; City of RR Doesn't", (12/16/2013).
3. Presentation, "An Overview of Recent Climate and Projected Changes for the Southwest" by Jeremy Weiss, University of Arizona.
4. Upper Rio Grande Impact Assessment (A study conducted by the Bureau of Reclamation in partnership with Sandia National Laboratories and the U.S. Army Corps of Engineers to assess potential impacts of increasing temperatures and changes in the timing of snowmelt runoff on the amount of water available on the upper Rio Grande in the future).

OTHER BUSINESS.

- Special Board Meeting on Friday, January 3, 2014 at 9:00 a.m.

ADJOURNMENT.

A motion was made by Jim Fahey and seconded by Steve House to adjourn the meeting. It was carried unanimously. Meeting adjourned at 11:23 a.m.



DONALD RUDY
CHAIRMAN

BOARD OF DIRECTORS REGULAR MEETING

DECEMBER 20, 2013



STEVE HOUSE
Secretary

DATE APPROVED: 1/3/14

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