

SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY  
(SSCAFCA)  
MINUTES OF AUGUST 8, 2014  
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 9:00 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were John Chaney, Mark Conkling, Steve House and Donald Rudy. Jim Fahey arrived at 9:25 a.m. Charles Thomas, Executive Engineer, and members of the public were also present. Bernard Metzgar, SSCAFCA's attorney, was noted as absent.

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 John Chaney and passed unanimously.

ACTION/APPROVAL OF THE MINUTES OF JULY 18, 2014.

A motion was made by John Chaney to approve the Minutes of July 18, 2014 as presented. It was seconded by Mark Conkling and passed unanimously.

PUBLIC FORUM.

None.

**STAFF REPORTS:**

*Executive Engineer:*

1. Action/Acceptance of Resolution 2014-15 Approving the sale of the Authority's General Obligation Improvement and Refunding Bonds, Series 2014 and determining certain details of the Bonds.

Mr. Erik Harrigan, of RBC Capital Markets, stated that this was a slightly different process than has historically been undertaken in that SSCAFCA selected an underwriter for this sale. The bonds went into the market on the 6th and entered an order period from 8:30 a.m. to 10:00 a.m. At that point in time, about half of the transaction had "going away" orders and was still unsold. This had nothing to do with SSCAFCA or the rating, it was the market at that time. There were some minor tweaks to the coupons and resulted in a basis point increase in the initial rates from the morning. The underwriter has taken over the remaining bonds and SSCAFCA has sold all of the bonds at this time. At 11:00 a.m., the final results were reviewed and verbal approval was received from SSCAFCA. The Resolution before the Board today is the verbal approval awarding the sale of the bonds.

Mr. Harrigan went over the packet for the Board's information and stated that because of the savings of \$425,000 achieved on the 2005 and 2007 bonds, they were able to wait to see the assessed value for SSCAFCA, and were able to issue \$1,250,000 of the remaining voter authorized bonds without an impact to the tax rate for next year. The pricing shows the coupon and the yields SSCAFCA achieved. The detailed savings schedules are also included in the Board's packets. In years 15 through 19, the annual savings on the 2005 and 2007 bonds is approximately \$80,000 and in 2020 it's about \$30,000. The combined debt service requirements for the bond issue are also contained along with the sources and use for the new bonds. The packet also includes the Moody's rating report for SSCAFCA.

Mr. Conkling asked what it meant by stating "Maintenance and operating tax limitations." Mr. Harrigan stated that the debt service tax rate is unlimited as to rate or amount. There is a limit on the amount of operating mil levy that can be imposed, which is statutorily limited. Whatever resources SSCAFCA has available to it can be used to pay the debt. Before SSCAFCA can receive a rating increase, there must be a sizable increase in the tax base, along with a sizable increase in its reserves. Mr. Harrigan stated that if the Resolution is approved by the Board, he'd like to take a quick recess so that the bond purchase agreement can be signed.

Tommy Hughes, SSCAFCA's bond counsel, stated that this Resolution approves the sale at 1.63 net interest rate. There are also a couple of term bonds which needed to have a bond

schedule set up. SCAFCA will issue \$8,395,000 worth of bonds. SCAFCA also received a premium of \$337,096.60, an underwriter's discount of \$29,234.67, so the net proceeds is \$8,702,861.93. Of that, \$1,250,000 goes into the new projects; \$7,334,493.11 goes into the refunding escrow. The escrow agent is Bank of Albuquerque, which will get all the money. They will pay off the 2005 and 2005A bonds on the 19th. The funds for repayment of the 2007 bonds will stay in the escrow and will be paid off in August 2015. He has no concerns with regard to how the money will be handled.

A motion was made by John Chaney to approve Resolution 2014-15 as presented. It was seconded by Steve House. Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes. The motion passed 4-0.

Jim Fahey arrived at 9:25 a.m.

2. Action/Acceptance of Resolution 2014-16 Adopting and Approving Post-Issuance Compliance Procedures.

Mr. Charles Thomas stated that this is a similar Resolution to one passed last month and is the second of two post issuance compliance procedures. This Resolution is directed toward the IRS and treasury regulations.

Mr. Erik Harrigan, of RBC Capital Markets, stated that this Resolution makes sure that SCAFCA stays in compliance with the IRS regulations, including that the proceeds are spent down within the appropriate time frame, that SCAFCA will do the federal rebate calculations when required and, if necessary, rebate payments to the IRS in the event there is positive arbitrage. These are written procedures with which SCAFCA already complies, however, it's more of a continuing disclosure and written procedures that need to be in place.

A motion was made by John Chaney to approve Resolution 2014-16 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.

3. Capital Projects Update.

Mr. Charles Thomas stated that Phase 1 of the Harvey Jones project has been completed. The sill has been removed and staff is currently in re-design with Bohannon-Huston of the existing bid package to take the remaining project and restructure it for a bid in the fall. The

Lomitas Negras Project is now finished in terms of the work that was completed east of 528. They are now working with Smith Engineering on some conceptual design elements on improvements to be completed west of 528. The Lower Montoyas Water Quality Project is still moving forward in design with Wilson & Company. It is hoped that this project can be bid in late fall or winter. The other large project in design is the Upper SLO Dam. It is proceeding forward and final design should be complete by mid-September. Staff is moving forward with an application to the Water Trust Board for funding and support for this project. Construction is expected in the fall of 2015.

Mr. Thomas stated that some of the smaller projects include Corrales Heights with regard to erosion issues. The slope stability improvements have been completed to the property adjacent to the trail and staff has completed construction of a sediment retention wall on the west side of the Dam 4 to 1 Trail. That was Phase 1 of the erosion control improvements. They are now in the process of looking to bid out Phase 2 of those improvements. They are looking at putting in another sediment retention wall at the Corrales Heights Dam to capture the sediment coming off the slope from the south, as well as putting in some inlet protection and upgrade of the inlets along the trail itself. The work of Phase 2 was completed in house in large part due to Matthew Miks, the SSCAFCA Intern.

Mr. Thomas stated that one of the other projects that they have moved forward on is the Sheriff's Posse Water Quality feature. There has always been a proposed feature right before it goes into the Rio Grande at the Town of Bernalillo. Mr. Miks also was instrumental in completing the layout and design of this project.

Mr. Thomas stated that Patchogue Road Improvements Project is also moving forward. There is significant erosion and it is a significant safety issue. The project was successfully funded by FEMA in terms of approval, so SSCAFCA will receive reimbursement up to 75% of this project. Mr. Rudy asked why Patchogue Road was in SSCAFCA's jurisdiction. Mr. Thomas stated that the road itself is not within the jurisdiction of SSCAFCA. The arroyo on either side, however, is SSCAFCA's property. The improvements will involve grade control stabilization of the arroyo downstream from the intersection. In terms of SSCAFCA's involvement, this could have been a City lead project, however with SSCAFCA's ability to move more nimbly in this case and because of the extreme safety issue it was important to proceed quickly.

4. FEMA Reimbursement Update.

Mr. Charles Thomas stated that SSCAFCA received the last subgrant agreement from FEMA which confirms that all of SSCAFCA's reimbursement was received. With any of these

reimbursements, the state has the ability to provide an additional 12.5% reimbursement for any FEMA submittal. With this final amount, the state has indicated that it will provide the entire 12.5% which will amount to an additional \$440,000 for SSCAFCA. This will bring SSCAFCA's total reimbursement close to \$3 million from a \$3.4 million submittal. The state's money is reimbursement for work completed. There is no tie-in to mitigation. The Patchogue project was submitted separately as a mitigation project, so that needed to be documented and will need to be completed before reimbursement is received.

5. Action/Acceptance to proceed with application for the National Disaster Resilience Competition.

Mr. Charles Thomas stated that SSCAFCA was alerted by its federal lobbyist that there is a competition through the Housing & Urban Development Agency. They are providing \$1 billion to communities who have been impacted by federal disasters from 2011, 2012 and 2013. It's broken up into two phases and some communities have been invited to submit proposals that will help provide additional resiliency to future disasters in the region. There were 67 eligible organizations that had some sub-categories, one of which was Sandoval County, and SSCAFCA is a sub-category of that. One of the successful applicants in the prior competition award went to the Island of Manhattan for a flood wall that doubled as a multi-use facility.

Mr. Thomas stated that one of the drawbacks is that it is a national competition so SSCAFCA will be competing with other very large entities for the funding. The benefit is that it is limited in scope to entities which were hit by disaster. In order to make sure that SSCAFCA's proposal receives proper attention it is probably prudent to seek assistance through a landscape firm or a public relations firm to help develop the application to look more professional. Staff is requesting authorization to proceed and authorization to extend some funds toward developing the proposal through outside resources. One of the concerns is that since the money is coming from the Housing & Urban Development Agency, whether or not flood control to be done in more remote regions will be eligible. Step one will be to meet with the lobbyist in Washington to ensure that SSCAFCA will have a project that seems to fit the suitability requirements. Following that, staff would look to enter into a small contract below the \$60,000 limit to help SSCAFCA develop a good proposal. No money outside of staff time will be spent at this time.

A motion was made by Jim Fahey to proceed with the application process as presented. It was seconded by Mark Conkling and passed unanimously.

6. Development Review.

Mr. Charles Thomas stated that the Stonegate Subdivision drainage design analysis report is ongoing and has not received final approval yet. This is several different entities that are building under the Edinburgh Regional Development Plan that was approved. So far, the discrepancies seem to be minor and they are working through them. The second item are the neighborhoods in Rio Rancho. The senior living center has submitted its drainage report and is beginning to move forward. The next item is that SSCAFCA will be before the planning and zoning commission this following Tuesday seeking approval of the replat of the Black Arroyo Wildlife Park area. This replatting will also involve the vacation of eight city cul-de-sacs surrounding that property. The city will turn them over to SSCAFCA in fee ownership for the cost of the replatting effort.

Mr. Thomas stated that next Thursday, the Sandoval County Commission will be having a work study session at 6:00 p.m. regarding the Rio Rancho Estates Plan. This plan is the one that is directed toward the unincorporated portion of Southern Sandoval County between Rio Rancho and the Rio Puerco. Most property is in the Calabacillas. The County had commissioned a hydrologic study of the area and had identified that there was only enough resources to supply about half of that property. The County Planning Department has put together a proposal to seek to mitigate the discrepancy between the property that is available for development versus the available water resources. One of the key strategies in the plan is trying to retire much of that property from use to minimize the need for water for that property. This is probably several thousand acres of property that they wish for SSCAFCA to take over. There is a significant holding by AMREP within the area that has been identified as part of the Plan. The County is looking at this as something that will take place in a 50 year time frame for resolution. The County Commission has not yet approved the plan. With the current land usage out there, there is no restriction on the availability of water. It's when they looked at the needs that would come from full development pursuant to historic AMREP platting, there just isn't enough water available to feed that number of developed lots. The County's hope is to acquire property, either through direct purchase or through condemnation, to keep it as open space so it won't be used as water demand service. The existing development is individual lots that have been developed. There are no large developments except at the easternmost edge of the Rio Rancho Estates area. The only commitment the County is seeking from SSCAFCA at this point in time is to join with them in some sort of agreement to help manage and coordinate the acquisition of property. There is no direct monetary tie-in at the present time and there is no draft of the JPA available. This could qualify as a disaster program for the application discussed above. Mr. Thomas stated that the science behind the amount of water out there does seem sound enough to warrant further study.

*Fiscal Services Director:*

Ms. Deborah Casaus stated that at the last meeting she was asked to have printed copies of the fraud questionnaires from the auditors and those have been provided for the Board members.

1. Action/Acceptance of Resolution 2014-17 Approving the Final Quarter Financial Report for year ending June 30, 2014.

Ms. Deborah Casaus stated that Resolution 2014-17 approves the final quarter financial report. It is a new requirement by DFA which asks that the final quarter report be provided to the Board and for the Board to have the chance to review that report. She has also provided a copy of the final budget for the Board. The beginning cash balance numbers agree with the quarterly report. The Resolution just asks the Board to certify the contents of the report to be true and correct to the best of its knowledge.

A motion was made by Mark Conkling to approve Resolution 2014-17 as presented. It was seconded by Jim Fahey. Roll call vote: John Chaney, yes; Mark Conkling, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion passed 5-0.

2. Action/Acceptance of contract renewal with Maid Brigade for Professional Janitorial Services with no requested changes.

Ms. Deborah Casaus stated that Maid Brigade is in the second year of the four year contract process and there are no changes requested.

A motion was made by John Chaney to accept the contract renewal as presented. It was seconded by Steve House and passed unanimously.

3. Action/Acceptance of contract renewal with Hub International (*formerly Manuel Lujan Agencies*) for Insurance Agent of Record with no requested changes.

Ms. Deborah Casaus stated that Hub International has requested a contract renewal with no requested changes. Just under a year ago, Manuel Lujan Agencies was acquired by Hub

International. There has been no change in service and SSCAFCA has the same representative it had with Manuel Lujan Agencies.

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

4. Action/Acceptance of contract renewal for Professional Engineering Services with:

<u>Flood &amp; Erosion Control</u>	<u>Planning, Design &amp; Const. Phase</u>	<u>Environmental</u>
Bohannon Huston	Bohannon Huston	Bohannon Huston
Easterling Consultants*	HDR Engineering*	HDR Engineering*
Smith Engineering*	Smith Engineering*	NCS
<i>(*requesting increase)</i>		

Ms. Deborah Casaus stated that there are three different categories under the Professional Engineering Services contracts. Easterling Consultants, Smith Engineering, and HDR Engineering have requested increases in their respective contracts, as indicated above. Mr. Thomas stated that Easterling Consultants is requesting an average increase in their various rates for their staff of 4.67%. Smith Engineering is requesting an increase in 4.96% in their hourly rates. HDR Engineering is requesting an aggregate increase of 5.01%, but those rates range from -25% for one project engineer to almost 21% for an accountant which will not be used much. They can be approved without the increase and indicate to the firms that if they still want the contract they can sign it, or SSCAFCA can choose the cheapest contractor. Mr. Thomas stated that right now the cheapest base increase is \$5.00 to \$8.00 per hour, so it's not a significant increase. Mr. House stated that SSCAFCA has an excellent cadre of engineering companies and it's staff's job on who to use for services. Mr. Thomas stated that regarding the projected increases, he doesn't feel that the increases requested by either Smith or Easterling will significantly affect SSCAFCA's ability to fund projects. With regard to HDR, some of their increases do present some concerns, however, the personnel that they've identified for the large increases are more specialty items. SSCAFCA has mostly been utilizing their GIS specialists, and there has been no increase requested for them.

A motion was made by Steve House to accept the contract renewals as presented. It was seconded by Mark Conkling and passed unanimously.

*Field Services Director:*

1. Storm Update.



Mr. Jim Service stated that the monsoon season started in July and SSCAFCA's facilities have done fairly well. There were some fairly good storms and they mostly hit the Calabacillas. They didn't come as far east as they generally do. There were also a couple in Corrales and up north along Enchanted Hills Boulevard. All of SSCAFCA's facilities are in great shape. Staff has decided to wait until the end of the season to do any kind of mitigation effort unless something is completely clogged up. Most of the things impacted were the intersection of the Calabacillas and Southern and Northern, which is a County problem. The Northern crossing is at grade and the Southern crossing boxes just aren't working. There was a pretty good storm in Enchanted Hills but it only hit right at the dam and east. There was also a good one in Corrales at the escarpment. Montoyas usually gets hammered in Northern Meadows and at the crossing at the Northern sediment pond.

Mr. Service went through several pictures of the recent storms and the damage. The water quality outlet box at the Sportsplex Dam shows how high the water got and that has been cleaned out. The inlet to the Harvey Jones Channel does have an inlet structure and the rest is at grade. There is no sediment drop at the beginning of the channel, everything is free flowing into the channel. The Algodones flooding shows that the ditch busted and the water flowed from that. The check structure at Corrales Heights Dam Structure 1 worked fairly well. Cielo Norte is losing pipe and there are about six more in the arroyo now because the arroyo made a path toward the roadway. About 200 feet of pipe has been lost in the past two years. If it continues, it will eventually get to the roadway. This was not anticipated. The original design was squirrely because the pond invert, to get the water out of the pond, was so high compared to the invert of the Montoyas Arroyo that the pipe had to be laid on top of the ground. This was a private developer project and is within the LEE line.

Mr. Service stated that you can tell on the lower outlets there is a little delta that formed from it coming through the weep hole, but in the past, the trail would be buried from the end of the wall for about 400 feet. The wall worked great. It allowed the inlets to work so there was no overtopping at the berm. It looks like SSCAFCA is right on the cusp of taking care of this problem. There were two types of check dams in the area, one was steel post and wire backing, and the other is a wooden frame with a silk fence backing. This area filled up with the sediment and the pond picked up the sediment and held the water back and reduced the erosiveness as it got to the pond. The Idalia Road improvements will try to take care of the problems by the Justice Center. Mr. Andres Sanchez stated that it will correct what falls on the road and what falls upstream that right now crosses Idalia at grade and then creates erosion on the other side. The stuff that falls south of Idalia will still follow its natural flow path. Mr. Thomas stated that this matter was actually highlighted by Gerhart when he completed the Willowcreek Watershed Management Plan. The arroyo comes from the northwest and travels southeast and actually uses Vatapa Road as part of its flow.

OTHER COMMITTEE REPORTS.

None.

ATTORNEY'S REPORT.

None.

CHAIRMAN'S REPORT.

Mr. Rudy stated that he has been quite pleased with the federal lobbyist and the information SSCAFCA receives from them. Mr. Thomas stated that during the recent visit to Washington they had a meeting with FEMA to look at one of the provisions in the Hazard Mitigation Grant Program which restricted the use of the funds on the construction of dams. Small dry facilities that SSCAFCA looks at is considered to be more earthen embankments and did not fall under the restrictions. SSCAFCA's facilities would be eligible for the grant program. Following that, this last month, FEMA issued a clarification at the national level clarifying its statement. It seems fairly evident that the discussion they had with FEMA resulted in the clarification.

BOARD OF DIRECTOR'S COMMENTS.

None.

PROPERTY MATTERS.

None.

FOR YOUR INFORMATION:

None.

OTHER BUSINESS.

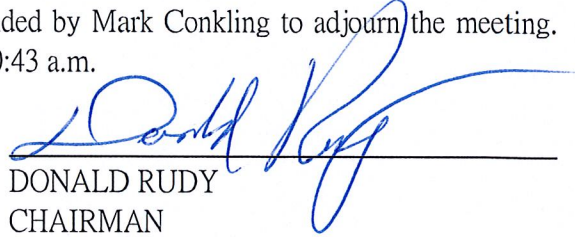
- Next Regular Board Meeting is on Friday, September 19, 2014 at 9:00 a.m.

ADJOURNMENT.

**BOARD OF DIRECTORS REGULAR MEETING**

**AUGUST 8, 2014**

A motion was made by Jim Fahey and seconded by Mark Conkling to adjourn the meeting. It was carried unanimously. Meeting adjourned at 10:43 a.m.

  
DONALD RUDY  
CHAIRMAN

  
STEVE HOUSE  
Secretary

DATE APPROVED: 9/19/14

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