

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF OCTOBER 20, 2006
BOARD OF DIRECTORS REGULAR MEETING**

CALL TO ORDER.

The regular meeting of the SSCAFCA Board of Directors was called to order by John Chaney, Chairman, at 9:05 a.m.

ROLL CALL OF DIRECTORS.

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

PLEDGE OF ALLEGIANCE.

The Board was led in the Pledge of Allegiance by John Chaney.

APPROVAL OF AGENDA.

A motion was made by Donald Rudy to approve the Agenda as presented. It was seconded by John Chaney and passed unanimously. Mr. Stoliker stated that one item was removed from the draft agenda, which was the Discussion of the Arroyo Maintenance Policy and the Erosion Effects to SSCAFCA Facilities from Development Mass Grading was moved to the Chairman's Report.

ANNOUNCEMENTS.

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

EXECUTIVE DIRECTOR'S REPORT.

1. **Presentation and Selection of 2006 Bond Projects.**

Mr. Stoliker stated that a series of meetings were held as to which projects are most needed for the up coming bond. Two SSCAFCA Board members, the Town of Bernalillo, the City of Rio Rancho, the Village of Corrales and Rio Rancho schools were all represented at the meetings. The committee identified the top three watersheds where projects are needed as the Black Arroyo Watershed, the Montoyas Arroyo Watershed and La Barranca Watershed. These are all in the City of Rio Rancho and total approximately \$7.2 million. The first project in the Black Arroyo Watershed are 19th Avenue, Sugar and Sunset Dams for approximately \$1 million; Lisbon Channel Improvements for approximately \$1 million; and East Branch Channel extension at \$1.2 million. The Lisbon Channel has some extensive damage and the hope is to design and construct drop structures in the area. The first requirement on the Lisbon Channel improvements would be \$.05 million to study what needs to be done and to do the necessary design. The next two issues would be for the actual construction of the improvements.

Mr. Stoliker stated that the Black Arroyo Watershed incurred a lot of damage and needs a lot of work, about \$3 million worth. It is an older area that needs protection. This would be a

continuation of the plan that the Board approved in 2002. The Montoyas Arroyo Watershed has Unit 17 regional drainage improvements and \$2 million was allocated for these improvements. This is the area around 528 north of Northern and goes all the way to the Venada Arroyo at Price's Dairy. The thought is that SSCAFCA would negotiate with the City and possibly have a JPA where SSCAFCA would give the City the money and sit on a project team with the City, but let the City lead the project. He stated that the La Barranca is also in the Unit 17 area.

Mr. Stoliker stated that another concern in the Montoyas Watershed is the Main Branch drop structure. It received extensive damage, especially east of 528, in and around the water treatment plant. This is a major concern. There was a sewer line that ruptured in two spots because of the channel being washed away. The City fixed that quickly, but \$1 million has been allocated for upgrades to put in two to four drop structures. Over 70% of the \$10 million would go to the City, which falls in line with the amount of assessed valuation and the population. The Village will get approximately \$1 million, which is about 10% of SSCAFCA's assessed valuation. He stated that the Village was very concerned that their needs be addressed, especially in the first year.

Mr. Stoliker stated that the Venada Arroyo affects mostly the Town of Bernalillo and that is approximately 10% of SSCAFCA's assessed valuation. The damage was mostly west of 528 in this area. He stated that they wanted to put some money aside for the Rio Rancho Public Schools because of the issue of the schools being located in and around the arroyo systems. It will take a while to get to the point where this money will be used. He stated that staff tries to do regional planning with every project; not just for one community, but for all communities and this helps to set priorities.

Mr. Chaney asked for public comments.

Phil Gasteyer, Mayor of Corrales, stated that the Village appreciates the offer of SSCAFCA to include storm damage projects in the Village in its bond planning. One of those items requested by the Village - Salce Park improvement area - is still on the list, but the bulk of the money is projected in the 2012 bond issue. He stated that the Village approached these meetings with the understanding that the problems at the Harvey Jones Channel and with the Corrales Road bridge would not be part of the 10% contemplated for Corrales, but would be addressed separately and presumes that is how SSCAFCA is proceeding. The Village is anxious to work with SSCAFCA on issues that involve flood control.

Mr. Stoliker stated that there is some money in the maintenance funds to try to get the Salce Park improvements done earlier, but there is no telling at this time how much money would be available until the design is done. SSCAFCA has approximately \$230,000.00 annually for maintenance and SSCAFCA puts in around \$500,000.00 for right-of-way acquisition. The Board could look at the project again once the design is done.

Marilyn Salzman, City of Rio Rancho councilor, stated that she will work extremely hard promoting SSCAFCA's bond issue to her constituents and hopes that SSCAFCA will help them promote the merits of a SAD. To the public, some of the problems in Unit 17 have gotten lost with regard to what goes where and who is going to get what. She stated that Unit 17 straddles District 4 and District 6. She does not want to fight over who should get more, but she knows that the issues are being addressed separately.

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

2. Status/Update of Progress on December 12, 2006 Bond Election.

Mr. Stoliker stated that Laura has prepared a draft brochure on the bond election. He would like to get a Board member to sit with Laura to go through it. SSCAFCA can't wait very long because this needs to happen pretty quickly. He stated that staff has contacted the County and they are willing to conduct the election. The cost could be as much as \$60,000.00 and he asked to either bring it to the Executive Committee or the Chairman for approval. The mail-in ballot will reach four to five times more voters and is worth the expense. All of the advertisements are being reviewed by SSCAFCA's bond attorney. Mr. Chaney stated that he would like the brochure to emphasize that the mil rate levy stays the same. General consensus was to proceed with having the election run by Sandoval County.

3. Update on Archeological Site at Unser Dam.

Mr. Stoliker stated that when the Unser Dam was started at Unser and the Venada Arroyo, they started doing the environmental work at the site and part of that is an archeological inspection which is necessary to get a Corps permit to build the dam. Mariposa is still willing to take the dirt out of the site, which saves SSCAFCA \$5 per cubic yard for excavation and they would actually pay SSCAFCA fifty cents per cubic yard. The thought is that the revenue from the dirt will pay for the archeological inspection and the Corps of Engineers' permit being done by Clint Dodge.

Clint Dodge, of ASCG, stated that in the environmental process there was an area identified as having some surface features. Marron and Associates went in and did the second level inspection and found some evidence of human activity in that area. They have a plan to avoid this site and still gain quite a bit of storage in this area. They will protect the site with some erosion protection and take the dirt out of there at least down to the area of the culverts. One third of the area is affected by this site and the dam is diminished by that amount. There are two options - one is to leave the site undisturbed. They can always excavate the site further in the future. Mr. Yarbrough stated that he would like to have full use of the site for flood control. Mr. Dodge stated that there is a series of other dams along the Venada and this will not be a fatal flaw in the system. It would not be cost effective to abandon this site and enlarge the dams downstream because in this case the arroyo is being protected quite a ways down.

Dr. Ken Brown, of Marron & Associates, stated that they finished their test excavations in August. They put in eighteen one by one meter test pits along the ridge based on the density of artifacts on the surface. The pin flagged the surface artifacts and looked for where they were most dense and then placed the test pits. Putting in the test pits there is a high density of subsurface artifacts near the north boundary. They have also found a feature, which consists of a soil stain, which was exposed at about 6 to 8 inches below the ground surface. They put a post hole at the end of the soil stain and the stain extends an additional 26 centimeters below ground level. Their interpretation of this is that it is a prehistoric hearth. Based on the artifacts they recovered, they are looking at probably an ancestral pueblo and occupation dating sometime between A.D. 1 to possibly as late as Spanish/Colonial contact. Without having any carbon dating it cannot be dated any closer than that. Archeological excavations are labor intensive and slow going. They have spent over 400 person hours on the site already. At the minimum, it would cost \$40,000.00 to \$50,000.00 to excavate the site; it could go possibly as high as \$100,000.00.

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Mr. Yarbrough asked if SSCAFCA spent \$100,000.00 to excavate the site now if it would be worth it in the long run to have the site the way SSCAFCA wants it. Mr. Stoliker stated that it could be done, but it's really a matter of money right now. SSCAFCA needs to focus on the flooding problems it had this summer. To do that, SSCAFCA is looking away from these extra costs. Dr. Brown stated that because SSCAFCA has to get the 404 permit from the Corps of Engineers, it automatically kicks in the national historic preservation act law. Part of that law is the Section 106 process, which involves the preservation of important archeological sites. Since they did find subsurface remains, this site would be considered eligible for the national register. This is why there is the requirement of data recovery or preservation.

Mr. Stoliker stated that as SSCAFCA works through its other issues it can come back to this site. He thinks it is okay the way it is right now. Mr. Dodge stated that although SSCAFCA might lose a third of the capacity, there is still a lot of capacity in the dam that will provide a lot of protection as the downstream starts to develop.

Mr. Rudy stated that he would like to do what is being requested at the moment, but he thinks SSCAFCA should, at the same time, allow somebody to begin the paperwork required to go through all of the administrations to allow SSCAFCA to excavate the entire site sometime in the future.

A motion was made by Donald Rudy to preserve the site at this time. It was seconded by Dub Yarbrough.

Mr. Chaney asked if it would behoove SSCAFCA to look at future sites for any archeological impacts before expending money on land acquisition. Mr. Stoliker stated that it makes sense to gather as much information about a site before any purchase is made. However, this site was a donation by AMREP.

The motion passed unanimously.

4. Presentation of Corps of Engineers' Potential Funding Programs.

Mr. Stoliker stated that there are two representatives from the Corps of Engineers here today to talk about Corps funding and how to work together.

Gary Rutherford, Project Manager with the Corps of Engineers, stated that given the recent flooding and erosion he thought it would be a good time to revisit the Corps authorities to help SSCAFCA leverage its money in some projects. The first area is the general investigations authority, which is one that every year Congress has to specifically authorize and specifically appropriate monies for. It is typically for very large projects, over \$11 million. You can use the money for flood control, studies, environmental restoration, and the like. There are three different types of general investigations, and the first is a watershed only authority, and this is used to specifically acquire baseline data. It does not result directly in a project. It gathers hydrology, hydraulics, and sedimentation background information; it identifies issues and potential problems in the area now and in the future, and identifies specific projects and probable funding sources. From there, it spins into other authorities to get the money to do an actionable project. By itself, it does not do environmental impact assessment for project design.

Mr. Rutherford stated that another general investigation authority is the specific project authority. This is where you've got an identified watershed and an identified problem in the watershed and are looking for a specific project that can accomplish the objective. This typically runs in the neighborhood of \$1 to \$3 million for the study portion. It includes the NEPA, project design, and goes to final construction. He stated that the last, which is a combination of the other two, addresses a specific project, but if there is an area where Corps authority would not be eligible to go to construction, they would do a watershed management plan and is something that a local entity would end up implementing. This runs about \$2 million. He stated that there are some federal interest requirements for the Corps to go into construction and, in this case, it would be the size of the watershed. Under this authority, the Corps is not allowed to do any interior drainage; instead the focus is on the water coming from somewhere else in the community. Secondly, it has to have a benefit/cost ratio greater than one. They can identify projects that don't meet their criteria but possibly meets other agency criteria, or it could be done locally with state assistance. This is for both watersheds only and drainage plans.

Mr. Rutherford stated that there are three phases of cost sharing requirements. The first is recognition study, which is 100% federally funded. This leads to a feasibility study, which is two to three years, which is a 50/50 cost share. Any project that results out of that, which is the implementation phase, and includes the design and construction, is 65% federal, 35% local. The local entity is not off the hook until the feasibility cost sharing agreement is signed, which is after the recognition phase. The way to get involved in one of these is to apply directly through the Corps in Albuquerque. Since it has to be authorized through Congress it will go through legislative representatives to push it through as well.

Mr. Rutherford stated that the second group of authorities are the continuing authorities program. The application procedure is the same, but this is something that is already authorized by Congress and is done ahead of time. This program used to be very easy to get projects in, but currently it is much more difficult. It is usually used up to the maximum of the authority in each of the components. As a result, the President's budget will outline specific projects and, typically, Congress will add projects that they feel must have higher priority. Whatever works out in the Bill signed by the President, it goes to projects that are closest to construction. The cost for these must be under \$7 million per project for the federally funded, but under the cost share it can be over \$10 million total. It has the same drainage and cost requirements as the general investigation authority, and the same rules with regard to cost sharing. He stated that the second authority is the emergency stream bank protection authority. This is if there is erosion undercutting a road or some other public facility. It has a benefit cost ratio requirement. There is a limit nationwide of \$15 million, so it is hard to get one of these without Congress' assistance. The Water Resources Development Act of 2007 proposes to increase this amount to \$20 million. He stated that the first \$40,000.00 in this authority is entirely federal and the local entity gets on the hook after that. The rest is 65%/35%. The other two are environmental authorities for modifications to improve the environment. The 1135 improves the environment where a Corps project has been identified as the cause of the degradation. Everything is the same as the 205 program; the main difference is that there is now a cost per habitat. The cost cap in this is \$25 million nationwide, \$5 million per project. The Water Resources Development Act proposes to change this amount to \$75 million nationwide. Mr. Rutherford stated that the last authority is the same as above, except you do not need the fact that a Corps project caused the degradation. In this case, the cost sharing is 65%/35%.

Michael Martinez, Civil Engineer with the Corps of Engineers, stated that there is a new authority that has been put out in 2004, the Section 593. These are more for smaller projects. The authority has already been granted, but the appropriations are not budgeted. These will all be Congressional add ons every year. Typically, they have been getting around \$5 million per year for these projects. They are working right now with the City of Rio Rancho on the arsenic levels in the water with the EPA. They have done a couple of flood control projects in Belen. These are smaller projects and are available to local entities. The cost share on these is 75% federal / 25% local - for the total project. Credits are available for this and could be in the way of design that has already been done, land acquisition, or permits that have been obtained. After the project is completed, there is a requirement that the local entity takes on 100% of the operation and maintenance of the project. Also, prior to the start of the project, the local entity needs to enter into a cooperative agreement with the Corps stating that they realize that they will need to pay 25% of the total project cost, and what credits they are entitled to, and that they agree to take on 100% of the O & M. These projects are typically quicker and can be turned around in a year's time.

Mr. Stoliker stated that they planned on approaching the Corps about joint projects for a long time. It has taken some time to get some of these basic issues solved. Now, SSCAFCA needs to step back and look at the bigger picture and the Corps' ability to provide funding assistance to SSCAFCA. He would like to meet with some people who have worked with the Corps and review how to approach the Corps. He stated that this Board and CWD have worked with federal agencies in the past. General consensus was to encourage staff to proceed to investigate cooperative projects with the Corps of Engineers.

5. Action/Acceptance of LEE Line Adjustment for Sundt Property Owned by Melendez Concrete, Inc.

Mr. Stoliker stated that Melendez has the property to the east of the Boys and Girls Club consisting of 3.75 acres. They approached SSCAFCA about seeing if the LEE line could be altered in this particular area. This is the same situation as with the AMREP property just to the west. Given that there are existing structures in the area, SSCAFCA reduced the LEE line to comply with existing structures. Today, staff is recommending approval of the changing of the LEE line with two caveats. One, that Melendez abides by all the drainage requirements that SSCAFCA has in its policy and that have been approved by staff; that they dedicate property for public row and hold the water on site & treat it as required by NPDES and that they agree to the same pro rata cost share as the AMREP property, which is \$12,060.00.

Mr. Chaney stated that SSCAFCA has previously modified the LEE line for AMREP, and this is simply an extension of the same LEE line area. This modification was done because there are existing structures within the LEE line and it doesn't make sense to have those removed or not have any protection for them. This simply extends the LEE line to where it was previously. Mr. Stoliker stated that it is easier to move the LEE line because the houses can't be moved. They were there before SSCAFCA was in existence. It has always been SSCAFCA's policy that if there is something there before, then SSCAFCA protects those grandfathered in structures. No new structures will be allowed, however. Mr. Yarbrough stated that they will not be able to build up to the arroyo, as they are required to maintain a set back. The site is probably not developable because of the LEE line. Mr. Chaney stated that if SSCAFCA had not approved the change in the LEE line,

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there are two homes in the area which would be unprotected. Those homes were built before SSCAFCA was founded and the Board felt it was unfair. The development going in on this property is commercial and it will be safer than a residential property.

A motion was made by Steve House to accept the LEE line adjustment as presented. It was seconded by Dub Yarbrough.

Mr. Yarbrough stated that the original concept was to use drop structures to keep the arroyo from meandering, rather than hardlining the channel. Drop structures are less expensive than hardlining.

Deb Holguin, a member of the public, stated that she lives next to the Harvey Jones Channel in Corrales, and asked the Board that if the Board moves lines and "hardens" things east of 528, if the water gets faster downstream and cause more problems downstream. Mr. Stoliker stated that the water will go faster if a channel is hardened. The idea of the drop structure is to hold the elevation so the slope isn't as steep, so it should actually slow things down. Mr. Stoliker stated that these are always looked at by an engineer. Mr. Chaney stated that, in the future when there is a LEE line change request, that staff look at the change on the entire arroyo system and inform the Board before any change is made.

The motion passed unanimously.

CONSENT AGENDA.

Action/Approval of the Minutes of September 15, 2006 and September 29, 2006.

A motion was made by Donald Rudy to approve the minutes of September 15, 2006 and September 29, 2006, as presented. It was seconded by Steve House and passed unanimously.

RECOGNITION/ACKNOWLEDGMENT OF THE TREASURER'S REPORT FOR SEPTEMBER 30, 2006.

Mr. Rudy stated that the Treasurer's Report is ready for review by the Board. There were no questions on the report and it was acknowledged by the Board.

ATTORNEY'S REPORT.

Sportsplex Dam Agreement with Pulte.

Mr. Metzgar stated that there is a copy of a draft of the agreement in the Board's handout. In the first agreement between Pulte and SSCAFCA, SSCAFCA knew that it needed properties for the Sportsplex Dam that were being acquired by Pulte. At that time, Pulte asked if any excess property not needed for the dam could be exchanged with them so they could use it for their project. At that time, it was not known how much property was at issue, but SSCAFCA agreed in principle to that exchange. The facts are now known about which properties are needed and what property will

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be deemed excess. At this point, the parties are ready to exchange properties and depending on the values of these properties, SSCAFCA will pay the difference in value of what it is acquiring and transferring in the exchange. The Board does not have the exhibit attached to the draft agreement, but SSCAFCA has agreed to the value of the lots it is acquiring based on the acquisition costs that Pulte made. On the property that SSCAFCA is going to transfer to Pulte, Pulte is paying SSCAFCA fair market value at this time. The actual transfer of the properties will not take place for some time because of replatting and other things that need to be done, but the agreement sets forth the properties being exchanged and the prices of the properties, and the parties are agreeing to allow the other party to use the properties even though the deeds have not been executed. Pulte will not get title until they get judgments in the cases that were filed in court, which can take some time. When Pulte gets title to the properties, the exchange will take place.

A motion was made by Dub Yarbrough to approve the agreement as presented. It was seconded by Donald Rudy and passed unanimously.

CHAIRMAN'S REPORT.

1. Erosion Effects to SSCAFCA Facilities from Development Mass Grading.

Mr. Chaney stated that part of the flooding in Corrales occurred because its facilities filled up with sediment and has cost SSCAFCA hundreds of thousands of dollars to clean. This is money that could have been spent on flood control projects rather than having to dig sediment out of its facilities. Mr. Stoliker stated that this year, SSCAFCA has spent over \$400,000.00 and expects to spend at least another \$400,000.00. To a great extent, the sediment problems are caused by wholesale mass grading of development projects, rather than if there was staged grading. Mr. Chaney stated that the Executive Committee has discussed how to get the other governmental entities to change their policies with regard to mass grading. Meetings with the City of Rio Rancho to discuss this issue have not happened and he asked counsel if SSCAFCA had the ability, if need be, to force changes to protect its facilities and the public. Mr. Metzgar stated that SSCAFCA can make changes, but it would be much better if SSCAFCA's assignees did this on their own.

Dr. Rudy stated that he does not believe that SSCAFCA can wait until the next flood season because SSCAFCA has had flood quality rains in the winter as well. He stated that he would like to see something done as quickly as possible.

Comments on this issue were also received from members of the public for the Board's consideration.

Mr. Chaney stated that the major problem in these past floods has been sedimentation clogging up the facilities; they performed quite well. He doesn't believe that SSCAFCA is unduly pressured by developers, as it is a way development that has been allowed in the past. Some modification needs to be made not to stop development, but rather to stop damage to SSCAFCA's facilities.

Mr. Stoliker stated that the idea of opening any building site is dependent upon what you allow on that site. Mass grading is an economical way to get the developments done quicker and cheaper. There are many entities in the United States that do not allow mass grading. Most

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regulations that allow mass grading require that the site be stabilized. New EPA requirements require that there not be any erosion off-site. Sites can be stabilized by materials that will prevent the erosion.

Mr. Chaney stated that it is the consensus of this Board that staff draw up a proposal that could be sent to the different governmental entities to address this issue and bring it back to the Board. Dr. Rudy stated that he would like an emphasis made on silt run-off from any construction site during the construction phase.

2. Extension of SSCAFCA's Boundary.

Mr. Chaney stated that Sandoval County wanted to submit legislation to expand SSCAFCA's boundaries to include Placitas, the rest of Bernalillo, Algodones, and possibly to the Rio Puerco. The Board has grave reservations about proposing legislation at this time. The Executive Committee has decided to invite Sandoval County and the mayors of the entities to meet, because prior to expansion of SSCAFCA's boundaries, there needs to be engineering studies done to identify potential projects in those new jurisdictions; discussions also need to be held on whether or not it is appropriate for SSCAFCA to take over a different watershed when there are many problems in its own watershed. SSCAFCA also needs to find out the tax base of the other jurisdictions because the last thing the Board wants to do is burden the existing tax base with responsibilities to solve problems in other areas. A meeting will be held as soon as possible to discuss these issues and to head off any unilateral proposal of legislation to extend SSCAFCA's boundaries.

Dr. Rudy stated that he attended the County Commissioners meeting in which they passed the resolution to begin the process of expanding SSCAFCA's boundaries. He was assured at that time that things like the administration, structural, political, jurisdictional, et al. would be settled to SSCAFCA's satisfaction before any legislation would be considered to change the boundaries. At the moment, the legislation is being prepared, and none of these issues has been addressed. He would like the Board to take the position that says that unless all of these issues are settled to SSCAFCA's satisfaction that it not support an expansion of its boundaries.

Mr. Stoliker stated that one of the problems is that this would have to be done hydrologically, as SSCAFCA does not want to take over a partial watershed. Studies would need to be done to make sure that SSCAFCA can take it over financially and a report needs to be made. Work would have to be done to find out what the problems are and what some of the solutions to those might be. When SSCAFCA was formed, they looked at projects that were necessary in order to prevent some of the flooding between Corrales and Rio Rancho. SSCAFCA had a bond election with a mill rate necessary to solve those problems. Some of the comments they've heard is that the public in one locale does not want to pay for the problems for people in another locale. Mr. Chaney stated that it's possible that a separate authority should be established for the other watersheds. All of these things have to be discussed.

BOARD OF DIRECTOR'S COMMENTS.

- 1. Status Report for:
Venada Arroyo;**

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Corrales Escarpment at Dam 1.

Mr. Yarbrough stated that the Venada has a lot of silt in it right now. Mr. Stoliker stated that 80% to 90% of the silt came from both east and west of 528. The silt will be removed from east of 528. Mr. Stoliker stated that they will have to remove 50,000 to 70,000 cubic yards, at \$4 to \$5 per cubic yard; it will cost approximately \$250,000.00 to remove. Part of that silt has blocked drainage from the development. There are two parts of the approach to the recent flooding - one was an emergency response and that is almost completed; the other is to have the rest of the areas cleaned out under a permanent fix and will include cleaning out all of SSCAFCA's facilities.

Mr. Yarbrough stated that the water that stands under the Harvey Jones Channel Bridge is not sediment, it is water kept in the channel so that the fish can thrive. There is nothing in danger with that water standing in the channel. Most of the silt was dropped into the channel as a result of the storms and not as a result of any negligence in cleaning the channel by SSCAFCA.

2. Report by Donald Rudy on County Commission Meeting Re: Extension of SSCAFCA Boundary.

This item has been discussed above.

3. Report on MRCOG Meetings:
Resolution 1992-6 Official Correspondence;
Resolution 1994-5 Adoption of Conflict of Interest and Code of Conduct.

Mr. Chaney stated that he would like the Board members to review these resolutions for their information and guidance. He asked that he receive periodic reports on the MRCOG meetings from the attendees.

Mr. Metzgar stated that he would like to return to the agreement between Pulte and SSCAFCA, and make a comment on the last page of the agreement, which sets forth the property values. SSCAFCA will be paying Pulte \$55,667.60 for the additional land that it will acquire. SSCAFCA had budgeted \$120,000.00 at the time of the original agreement.

PUBLIC FORUM.

Comments were received from members of the public on various issues.

Mr. Stoliker stated, in response to public comment, that SSCAFCA checks its facilities after every rain event and it is determined by Jim Service when the Harvey Jones Channel needs to be cleaned out.

CLOSED SESSION.

A motion was made by Steve House to go into Closed Session to discuss possible litigation. It was seconded by Donald Rudy. Roll call vote: John Chaney, yes; Steve House, yes; Donald Rudy, yes; Dub Yarbrough, yes. The motion carried 4-0.

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The Board went into Closed Session.

RESUME OPEN SESSION.

A motion was made by Donald Rudy to resume the Open Session. It was seconded by Steve House. The Board was back in open session at 12:10 p.m. Mr. Chaney stated that the only matter discussed in the Closed Session was potential litigation and no official action was taken.

FOR YOUR INFORMATION.

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

1. Sugar, Sunset and 19th Avenue Dam Project Update
 - The Purchase of Lot 4 in Unit 10 Completes the 19th Avenue Dam Project;
 - Sugar Dam has one remaining lot to purchase;
 - Sunset Dam Acquisition has been completed.
2. The second pay request from Salls Brothers Construction, Inc. for the Sportsplex Dam project is \$200,003.35. Total billed to date is \$665,052.12 of \$4,572.927, which represents 15% of the total project cost.
3. On November 7, 2006, SSCAFCA's office will be used as a polling location for the General Election.
4. All known emergency work has been completed to date.
5. The following plat was signed by the Chairman for acceptance of a grant of easement for drainage:
 - a. Northern Meadows, Unit 18, the Chairman signed the plat on September 11, 2006.

The following infrastructure plans were signed by the Executive Director:

 - a. Cabazon-Chianti Road, the Executive Director signed the mylars on September 7, 2006;
 - b. Cabazon-Chianti Bridge, the Executive Director signed the mylars on September 14, 2006;
 - c. Northern Meadows, Unit 19, the Executive Director signed the mylars on October 2, 2006.
6. SSCAFCA Insurance.
7. SSCAFCA has complied with all requirements for the Board of Directors Election.

OTHER BUSINESS. None.

ADJOURNMENT.

A motion was made by Steve House and seconded by Donald Rudy to adjourn. It was carried unanimously. Meeting adjourned at 12:15 p.m.

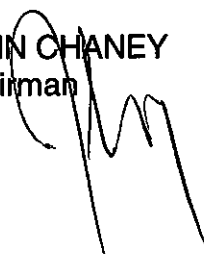
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STEVE HOUSE
Secretary

JOHN CHANEY
Chairman



DATE APPROVED: 11/17/06

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