

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF AUGUST 17, 2007
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 9:00 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were John Chaney, Mark Conkling, Steve House, Donald Rudy, and Dub Yarbrough. David Stoliker, Executive Director, 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 Steve House to approve the Agenda as presented. It was seconded by Donald Rudy and passed unanimously.

ANNOUNCEMENTS.

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

BUDGET COMMITTEE REPORT.

1. **Action/Acceptance of Resolution 2007-13 \$6 Million Bond Sale.**

Mr. Rudy stated that the financial advisors have done an analysis on where SSCAFCA stands with respect to its ability to sell its bonds, which is extremely good. Therefore, the Budget Committee proposes that this resolution be passed to sell the \$6 million worth of bonds that is already approved.

Mr. Bob Strumor, SSCAFCA's bond counsel, stated that SSCAFCA has full authorization to sell the remaining \$6 million immediately. There is no requirement as far as the timing except at the Board's discretion. The public has already approved this sale.

Eric Harrington, of RBC Capital, stated that SSCAFCA's assessed valuation grew by 46% last year. A lot of it due to reappraisal, as well as new properties. They have taken the 2006 assessed valuation to see what portion of that assessed valuation growth is broken down by reappraisal versus new value. The most significant new value is in the residential portion of Rio Rancho. The non residential portion has seen a significant increase in reappraisal. In the outer portion of Rio Rancho, that assessed valuation has grown by over 200%. He stated that their timeline anticipates that the adoption of the notice of sale resolution will be made today; then the sale would occur in the September time frame, with a closing in October.

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Mr. Harrington stated that they have looked at several scenarios. One assumes an 8% growth in assessed valuation. Looking into future bond elections, this allows for a \$10 million election in 2008 and a subsequent \$10 million election in 2012. There would be \$5 million bond sales every two years for both of those elections. The other scenario they looked at is if the assessed valuation continues to grow at about 15% for the next two years, it slows down to about 11% the following year and then 8% thereafter. That allows SSCAFCA to have a \$12 million election in 2008 and a \$12.5 million in 2012. This would be two \$6 million sales in 2009 and 2011, and then \$6.25 million in 2013 and 2015. Based on this accelerated growth, SSCAFCA will hit about 93% capacity in 2013 and 98% capacity in 2015. There will be no increase in SSCAFCA's mil levy.

Mr. Rudy stated that they also looked at going to the New Mexico Finance Authority rather than going to the open market to see if the rates would be any better, but it was pretty close to a wash. They chose to go through the open market mostly because of the time frame of actually getting the money in hand.

A motion was made by Donald Rudy to accept Resolution 2007-13 as presented. It was seconded by Mark Conkling. Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; and Dub Yarbrough, yes.

Mr. Stoliker stated that based on this schedule, there should be a special board meeting on September 26, 2007 at 11:30 am for approval of the sale of the bond funds.

2. Action/Acceptance to Increase SSCAFCA Legislative Bonding Capacity to \$80 Million.

Mr. Rudy stated that AMAFCA has recently had its debt ceiling raised to \$80 million. It went through rather easily. When the ESCAFCA was created, it was created with an authorization of \$50 million. SSCAFCA's is at \$30 million. It has been the position of all of SSCAFCA's financial advisors that it would give SSCAFCA a range of safety if it were to increase its debt limit. At SSCAFCA's current proposed schedule of selling bonds, SSCAFCA does not expect to hit \$30 million. On the other hand, if SSCAFCA has three successive years such as last year, SSCAFCA could get itself into a position to go over the \$30 million limit. Not because it is expected to be used, but rather for contingency protection, it is the position of the Budget Committee and SSCAFCA's financial advisors that SSCAFCA go for an increase on its debt limit to \$80 million.

A motion was made by Mark Conkling to accept the recommendation to attempt to increase SSCAFCA's legislative bonding capacity as presented. It was seconded by Donald Rudy and passed unanimously.

EXECUTIVE DIRECTOR'S REPORT.

1. Action/Acceptance of Resolution 2007-14 Infrastructure Capital Improvement Program (ICIP).

Mr. Stoliker stated that it is a state requirement that SSCAFCA have an ICIP submitted to the state annually in order to receive state funding. When SSCAFCA hired its lobbyist last year, it made this ICIP much more important. Staff has prepared the ICIP for the Board's review.

The values in the report assume there is inflation and regulatory oversight. The projects identified in the report are the Aldaba Storm Sewer, which is the storm sewer that takes care of the Gary Wallen subdivision and pipes it down to Sunset. There are the Lisbon Channel improvements and the Cabezon Channel extension which were both on the bond election. The report also anticipates putting in drop structures in the Montoyas, a dam for Tributary A, Unit 17 improvements, and advanced land acquisition. These were all on the bonds and have been approved by the Board in the past. The total of the ICIP is \$109,700,000 and includes projects already approved by the Board.

Mr. Metzgar stated that he has made some changes to the wording on the Resolution. The first is item 1, he changed "as adopted" to "hereby adopts." On number 3, he took out "when implemented."

A motion was made by Donald Rudy to accept Resolution 2007-14 as presented. It was seconded by Mark Conkling. Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; and Dub Yarbrough, yes.

2. Action/Acceptance of Final Adjusting Change Order for Venada Arroyo.

Clint Dodge, of ASCG, stated that the change order is the final adjusting change order for the sediment removal project in the Venada Arroyo for the section downstream from 528. The work consisted of removing material from the arroyo, which was transported by AJAC and delivered to the private residence that had requested the material. The original contract was for \$324,000; and the change order is for a negative \$63,000. The quantities are still in discussion with the contractor. There is some question on some of the quantities. They are asking for tentative approval, subject to the final quantities. Mr. Stoliker asked if the Board would let Clint Dodge discuss the remaining quantities with the contractors and that this be brought back to the Executive Committee or the Chair for final approval.

A motion was made by Donald Rudy to approve the final adjusting change order for Venada Arroyo as presented subject to final quantities being worked out. It was seconded by Steve House and passed unanimously.

3. Action/Acceptance of Task-Order for \$50,786.00 to Stantec for Aldaba Storm Drain Design.

Mr. Stoliker stated that the ICIP that was just approved had Aldaba as the #1 project. Clint Dodge is in final design on Sunset Dam. The Aldaba storm drain will go from the Gary Wallen subdivision into the Sunset Dam. Mr. Dodge is faced with a design issue on whether it is designed so that the pipeline works with respect to the dam, or whether he does extra improvements needed to address overland flow without a piping system. Mr. Stoliker stated that they have agreed that the best choice is to do the pipeline design, which eliminates overland flow. Mr. Dodge stated that the preliminary design includes a very large rundown to collect the surface flow and take it into the dam without eroding back into the roadway and private property. The design of the rundown assumes that the storm drain is way off in the future. Once the storm drain is installed, the rundown is no longer needed, or if needed it would be a small overflow rundown. As a result, the plan is to put the storm drain outfall into the dam as would ultimately be done to pick up the flow down Aldaba. Mr.

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Stoliker stated that it is better to use the money to build the right infrastructure rather than use money to build something that will not be used in the future. This also solves a potential problem coming off of the Gary Wallen subdivision. Mr. Stoliker stated that staff is asking for approval of the task order. As a side note, SSCAFCA has made offers on all the right-of-way to protect the hospital. If those offers come in at the anticipated costs, SSCAFCA should have enough money to buy the identified ROW and build this storm sewer and build the Sunset Dam.

Mr. Yarbrough asked if this storm sewer was the result of the ponds that SSCAFCA acquired from Wallen Builders. Mr. Stoliker stated that the pipeline would have had to be put in anyway. This will speed up the project because the subdivision is going in. Mr. Yarbrough stated that the plan before was to dump the water on the road and he took issue with this fact before. In his opinion, the builder should be forced to build the pipeline. Mr. Stoliker stated that this pipeline would have to be built at some time in the future and can solve a major part of the drainage problem in this very old area of Rio Rancho. Mr. Yarbrough stated that SSCAFCA would not have had to build it if the builder was forced to put it in as part of his project before it was approved. Mr. Dodge stated that the pond will protect the Sunset Channel down to Southern, which is already built through the existing subdivision, but is undersized for the anticipated flows once development occurs. Mr. Stoliker stated that this is a needed overall watershed improvement and the issues with the Wallen Park Development were previously brought to the Board in a special Board meeting, negotiated and agreed upon.

A motion was made by Steve House to accept the task order as presented. It was seconded by Donald Rudy.

Mr. Yarbrough asked what the storm sewer will cost SSCAFCA. Mr. Stoliker stated that it will be around \$650,000. The improvement to the dam, without the rundown, will be around \$1 million. With engineering, surveying and landscaping, the total package is being projected to cost around \$2 million. Mr. Chaney stated that when contentious issues such as this occur with a developer, he encouraged Mr. Stoliker that staff try to develop some sort of cost benefit analysis as to what the imposition to the lots would be if SSCAFCA required the developer to put in the improvements. This way, the Board can more easily make a decision without having these issues continually arise.

Mr. Conkling stated that when a builder is required to build these improvements, the home buyer (taxpayer) is the ultimately responsible party for the cost. The cost will be put into the price of the homes. Mr. Yarbrough stated that the taxpayer is burdened with this not only when he purchases the house, but that piece of property will be taxed forever, and the taxpayer will be responsible for that. If the developer does the improvements the way he is supposed to do, it's a one time charge. Mr. Chaney stated that there might come a time when the improvements are so expensive, that by imposing these costs on development, the project itself might be delayed until the values of the properties rise to the point where the community can bear the entire cost.

The motion passed 4-1 with Director Yarbrough voting against.

ACTION/APPROVAL OF THE MINUTES OF JUNE 29, 2007.

A motion was made by Donald Rudy to approve the minutes of June 29, 2007 as presented. It was seconded by Steve House and passed unanimously.

CHAIRMAN'S REPORT.

Mr. Conkling stated that SSCAFCA received a packet on the hospital which included all the drawings, art renderings, etc. In the back of the folder, was the memorandum from the public relations firm to Bo Johnson outlining how to get SSCAFCA to approve things. It gives an insight as to how to approach SSCAFCA.

BOARD OF DIRECTOR'S COMMENTS.

Mr. Chaney congratulated David Stoliker for ten years of service to SSCAFCA and presented him with a gift.

Mr. Conkling stated that SSCAFCA has been focused on acquiring property associated with its dam sites, the ultimate purpose of which is to protect the hospital and the surrounding area. He is proud that SSCAFCA has been able to cooperate with the project and protect the property.

PUBLIC FORUM.

Tony Popper, a member of the public, spoke on behalf of Sultan Rahime. He stated that Mr. Rahime has been buying and selling land in Rio Rancho for over 20 years. It is his only occupation. Mr. Popper's wife works with him and has been an associate qualifying broker for close to 40 years. The moratorium of six months in Unit 11 is no problem, and the dam is a necessity, but Mr. Rahime owns land there and there is probably going to be an extension requested for another six months, possibly longer. Taxes are still being paid on the property and will continue to be paid until the dam is finished. The property can still be sold, but nobody will buy it because nobody knows when they will be able to build on it. As landowners, they feel that they have to be kept current on what is going on with the dam. If it is possible, this progress will help them to know what will happen to the value of the property that they hope to sell in the future. Mr. Stoliker stated that SSCAFCA has made offers to all landowners to buy the property, including Mr. Rahime. SSCAFCA is waiting right now for his response. Mr. Chaney stated that SSCAFCA has offered appraised value for the land and it would save the taxpayers money if Mr. Rahime would accept the amount offered and not force SSCAFCA to go to court.

Mr. Ron Meyers, a member of the public, stated that he is concerned about SSCAFCA's moving money around and the money not going to Unit 17 improvements. Mr. Stoliker stated that, of the \$10 million issued, \$3 million were assigned in the general area, \$2 million for Unit 17, and \$1 million for the Barrancas. To date, they have built \$300,000.00 worth of improvements on Rio Oso, along with the City of Rio Rancho along with other improvements. SSCAFCA has a task order out for \$150,000.00 of the first \$1 million. They are waiting to work in conjunction with the City's SAD process before more money is expended because SSCAFCA does not want to duplicate services. The second million was programmed to come out in 2009, because of the increase in assessment that money is going out now. Mr. Conkling stated that there is no intention to divert funds. The main issue has to do with the complexity of the SAD and the relationship to all of the agencies that are involved. Mr. Rudy stated that all of the projects that were originally determined to be built with the money remain on SSCAFCA's "to do" list. The sale of the bonds this fall will, if anything, speed them up. Mr. Ken Curtis, from the City of Rio Rancho, stated that he would be willing to come and

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give a detailed presentation on the SAD upon request. There is a schedule posted on the City's website. The actual construction with regard to the SAD was not slated to even begin until January 2009. The process is just slow.

Mr. Stoliker stated that the City has done a great job on Rio Oso. They have put in some ponds and a pipeline. SSCAFCA partnered with them and put the drop structure in to get the water into the Dulcelina Curtis Channel.

John Momchin, President of the Los Rios Neighborhood Association, thanked SSCAFCA for its cooperation in conjunction with the City on the Rio Oso project. They are really grateful for what has been done. There are some smaller projects in the area, however, that they would like some attention paid to.

FOR YOUR INFORMATION.

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

1. July 25, 2007 Correspondence to Elaine Pacheco regarding Enchanted Hills Dam No. 1.
2. July 26, 2007 newspaper articles "SAD Split" and "Flooding Measures Trump Development".
3. August 1, 2007 newspaper article "Couple Erosion-Proofs Home".
4. ROW Update.
5. The Executive Director signed the Loma Colorado Realignment and Northern Boulevard Construction plan sets on July 18, 2007.
6. August 6, 2007 Correspondence regarding Santiago Subdivision-Venada Channel Improvements Budget Estimate.
7. August 10, 2007 letter regarding Rio Oso Sediment Basin 2007 Field Order No. 1 added fencing and core drilling from ASCG, Inc.

OTHER BUSINESS


September 12, 2007 Budget Committee Meeting at 9:00 a.m.
The next board meeting is September 21, 2007 at 9:00 a.m.
Board Meeting October 19, 2007 at 9:00 a.m.

ADJOURNMENT.

A motion was made by Donald Rudy and seconded by Steve House to adjourn the meeting. It was carried unanimously. Meeting adjourned at 10:20 a.m.

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STEVE HOUSE
Secretary

JOHN CHANEY
CHAIRMAN



DATE APPROVED: 10/19/07

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