

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY  
(SSCAFCA)  
MINUTES OF NOVEMBER 14, 2008  
BOARD OF DIRECTORS SPECIAL MEETING**

**CALL TO ORDER.**

The special meeting of the SSCAFCA Board of Directors was called to order by Mark Conkling, Acting Chairman, at 9:00 a.m.

**ROLL CALL OF DIRECTORS.**

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

**PLEDGE OF ALLEGIANCE.**

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

**APPROVAL OF AGENDA.**

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

**ANNOUNCEMENTS.**

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

**STAFF REPORTS.**

**Executive Engineer:**

1. Approval/Adoption of Resolution 2008-13 Certificate of Canvass.

Mr. Strumor, Bond counsel, stated that the County has not yet done its canvass. It is meeting at 10:00 this morning. According to the statute, the County is required to authenticate the results to SSCAFCA. The statutes require that SSCAFCA canvass within ten days of the election date, but it also requires certification from the County. That can't be done this morning. He stated that a special meeting should be scheduled to certify the results. A discussion was held with regard to the board members not being available within ten days of today's date. It was asked if a board member could call in; Mr. Strumor stated that he did not believe that all members had to be in the building in order to form a quorum; Mr. Metzgar stated that it does not specifically state that they be in person. A special board meeting was scheduled for November 24, 2008 at 3:30 p.m.

2. Discussion/Approval of sale of bonds in January.

Mr. Kevin Powers of RBC Capital Markets stated that the bond markets have been pretty bumpy over the last couple of months. For about six weeks they were all but shut down. In

recent weeks, things have loosened up and larger bonds are coming into the market and institutional purchasers are back. During the upheaval, smaller transactions similar to SSCAFCA's have actually fared much better. SSCAFCA should have no problem selling its bonds at reasonable interest rates.

He stated that SSCAFCA must also take into account the assessed valuation because SSCAFCA has established a maximum for the tax rate at .87 mil. The official assessed valuation is just shy of \$2.5 billion. Once all the protested values are added back in, the final numbers may surpass that amount. The growth is about 14.5%. SSCAFCA's jurisdiction grew faster than the County as a whole, which grew at about 13%. The distribution between new value, new construction and reappraisal of existing structures and land show that the residential led the way in new value, the reappraisal was still strong at 6.6% growth. On the nonresidential side, the reappraisal number exceeded the new value. SSCAFCA's projections on the bond issue sizing was based on a 15% increase in assessed valuation.

In the thirteen year history of SSCAFCA, you can see that over that time period, the growth rate has been about 14%. The ten year average is slightly higher than that. The five year average is nearly 20%, but is skewed by that one year where there was almost a 50% increase. The next page in the report is the tax rate history. SSCAFCA is in there with a .87 mil rate and has been that way for quite some time. The total levy for SSCAFCA this year is 1.482 mils; last year it was 1.494 mils.

Mr. Powers stated that the next page is a summary of the finance plan for SSCAFCA for the \$18 million election. They have done some work on this and met with SSCAFCA staff and have devised this plan to help mitigate some of the risk to SSCAFCA in the growth of the assessed valuation and the unknown of what is really going to happen in the next few years. They were looking at a \$7 million sale in 2009, a \$6 million in 2013 and a \$5 million after that. This plan allows SSCAFCA to stay on that schedule in the long term, but have more frequent sales to allow the adjustment of future sales to the actual growth in the assessed valuation. They propose a \$4 million sale in January 2009.

Mr. Rudy stated that the numbers added up to \$16 million and asked what happened to the other \$2 million. Mr. Powers stated that this plan will maximize what SSCAFCA can sell, but they will not, on the other hand, sell more than SSCAFCA can afford and yet keeps the mil rate the same. Mr. Conkling stated that the likelihood of really low interest rates on a sale right now is pretty good. Being aggressive and selling bonds right now is smart. He wonders if the taxpayers would be saved more money by issuing the \$7 million in December and aggressively buying right-of-way for ponds and dams and take advantage of the low interest rate. Mr. Stoliker stated that was discussed and we agreed to pursue \$4 million now and wait to see what will happen with the assessment next summer. At that time, Mr. Powers will have a better feeling for the numbers. Mr. Powers stated that short term interest rates, which is where this money would be invested, are almost zero. SSCAFCA will put \$4 million in the bank in February or March and will earn a half point maybe. Realistically, even if the right-of-way acquisition process is started, no money will be expended for at least six months or maybe more. The turn-around time on another bond issue could be relatively quick after the rating comes in next summer. The worst thing that could happen to SSCAFCA is that it would have to bump up the tax rate to cover debt service payments. SSCAFCA wants to avoid that at all costs. He stated that the assessed valuation numbers lag with regard to what can happen and it

can be as much as two years, with a minimum of one year. He also anticipates the potential of being able to sell bonds in 2012.

Mr. Stoliker stated that they discussed the matter of two issuances rather than one. Mr. Perry Baird stated that you get economies of scale if you have a bigger issue; however, SSCAFCA would not save half if they did one issue of \$7 million versus two issues of \$4 million and \$3 million. Mr. Conkling stated that as long as SSCAFCA can be responsive he's happy with that. Mr. Powers stated that it can be about a 60 day process from the time you sell bonds to the time you get the money.

It was the consensus of the Board that they are to bring back a Notice of Sale Resolution at the December meeting. Bonds would be sold in January and the proceeds would be received thereafter.

3. Approval/Adoption of Resolution 2008-14 SSCAFCA Supporting the Chamiza Estates Drainage Improvement Project.

Mr. Stoliker stated that as part of the legislative funding, a resolution for support of the Guadalajara Project was prepared. The legislative appropriation identifies it at the Chamiza Estates Drainage Improvement Project.

A motion was made by Steve House to approve Resolution 2008-14 as presented. It was seconded by Donald Rudy. Roll call vote: Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; Dub Yarbrough, yes. The motion carried 4-0.

4. Action/Approval of task-order for Sunset Dam.

Mr. Stoliker stated that Clint Dodge has requested an increase in his task order for Sunset Dam in the amount of \$58,900.00 to support the construction observation, testing, etc. for the project. When SSCAFCA waited on Mr. Johnson to take out the dirt, it delayed the project a couple of months, which saved SSCAFCA a lot of money. Now, the project needs to be finished and is about 30 - 45 days away from completion. This is a maximum amount and he does not think that all of it will be used, but it will be more than enough for completion of the project. It is staff's recommendation to approve the task order request.

A motion was made by Steve House to approve the task order for Sunset Dam as presented. It was seconded by Donald Rudy and passed unanimously.

**Fiscal Services Director:**

1. Recognition/Acknowledgment of Fiscal Services Report for October 31, 2008.

Mr. Perry Baird stated that the report is in the Board's packets. Ms. Debbie Casaus stated that the interest that SSCAFCA is earning at the State Treasurer's office, local government program, was about 1.58% for the month of October, which continues to do much better than a U.S. Treasury Bill, which is about .482%. General fund expenditures through October 31, 2008 amounted to 23% of the total budget. SSCAFCA is currently about 33% through the fiscal year so

there is some budget savings. There were 53 single family residential permits issued by the City of Rio Rancho for the month of October. SSCAFCA continues to monitor those permits. That is down about 29% compared to the same time last year. After four months of fiscal year 2009, property tax revenues are 7.4% higher than last fiscal year.

Mr. Perry Baird stated that the SSCAFCA mil levy, in total, is now 1.482. The debt service mil levy remained the same. The operating mil levy had the yield control law applied to it by the State DFA. The way that is calculated is that the amount of revenue increase that an agency can get in its operating mil levy only is limited to 5% growth due to reappraisal. SSCAFCA gets full credit for any new construction at the new rate. SSCAFCA's mil levy actually went down.

**CHAIRMAN'S REPORT.**

1. Annual reporting to EPA on storm water management program activities is required as a condition for permit coverage under the current NPDES Phase II discharge permit. A draft report covering the activities conducted during the first permit year, from July 1, 2007 to June 30, 2008, is available to the public for review at the SSCAFCA office or from the website, [www.sscafca.com](http://www.sscafca.com). Public input on the report was taken at the November 14, 2008 Board of Directors meeting and will be considered in preparation of the final report submitted to EPA.

***Public comments will be taken at this time.***

Mr. Stoliker stated that in the Board's packets there is a handout annual report. There are copies up front and staff is requesting the Board receive comments from the public on this report and our NPDES Phase II program. He asked Trevor Alsop to comment on the report.

Trevor Alsop stated that this report has been drafted as part of SSCAFCA's annual requirement. This is the first report under the five year permit cycle under the current permit. SSCAFCA's permit is written to address six minimum control measures. The EPA feels that these control measures are what will improve storm water quality to the receiving water bodies. The first two are mostly concerned with public education and participation. SSCAFCA has had some opportunities to work with the public and invite them to be involved. The most demonstrative thing that SSCAFCA has done is to construct some water quality facilities, which appear under control measure #5, the post construction run-off control. Mr. Stoliker stated that, from the last event at the Sportsplex Dam, water bottles absolutely covered the site. He stated that in the next year SSCAFCA should do something about dust control. The other thing SSCAFCA has done is put together the drainage policy which will lead to a DPM. That has been approved and put machinations into place for SSCAFCA to go out and do projects that will help the community.

Mr. Conkling stated that as the national administration begins to change, the environmental improvement agency will once again come to life. The eagerness with which environmental issues will be attacked will increase and, as a governmental agency, SSCAFCA will be ready for that. The Chairman asked if there were any public comments. No public comments were made about the report or the program.

Jane Powdrell-Culbert made some general comments about how much she has learned with regard to working with the legislature on getting money for SSCAFCA. The Chairman closed the public comment period and proceeded with other business.

**BOARD OF DIRECTOR'S COMMENTS.**

1. Update on Legislative Initiatives:
  - Increasing Debt Amount;
  - Capital Outlay;
  - Office of the State Engineer Regulatory Changes;
  - Others.

Mr. Larry Horan stated that the state legislature is going to change due to the recent elections. He doesn't think that will directly affect SSCAFCA, but he just wanted to be sure SSCAFCA was aware of the changes.

He stated that the outlook for capital outlay appropriations is not nearly as rosy as it has been. It doesn't look like there will be general fund money for capital projects. The tax revenues are down. The capital outlay picture will be pretty skimpy. The ICIP for SSCAFCA has been approved and he has his list of projects. If the Board approves, he would like to continue to push the projects that he has been working on in the past. He stated that any of the appropriations that SSCAFCA has received in the past must be spent or it could be taken back. Mr. Stoliker has indicated to him that the money has been spent or is about to be spent so there should not be a problem.

Mr. Horan stated that one of SSCAFCA's goals is to introduce legislation to increase the bonding capacity for SSCAFCA. There is a draft of the legislation in the Board's packet. The way it is drafted at this point would be to increase the indebtedness capacity for SSCAFCA to \$100 million. At this point, SSCAFCA is presently at \$50 million bonding capacity and AMAFCA is at \$80 million. Rather than shooting for \$100 million and going above both of those entities, SSCAFCA could ask to be raised to \$80 million and then as AMAFCA changes, SSCAFCA could "piggyback" on their changes. Mr. Conkling suggested that SSCAFCA's Watershed Park be mentioned with regard to funding so that the legislature knows how concerned SSCAFCA is with regard to quality of life issues. Mr. Rudy stated that this past Wednesday the COG adopted its legislative priorities and he noted that most of them have to do with water supply. At least one of them has to do with water quality. When there are issues of that sort which can also impact on SSCAFCA, it might be worthwhile for SSCAFCA and COG to coordinate their efforts.

A motion was made by Steve House to reduce SSCAFCA's request from \$100 million to \$80 million as suggested by Mr. Horan. It was seconded by Donald Rudy and passed unanimously.

Mr. Horan stated that the State Engineer's office is looking at regulations that may effect flood control. The plan is to meet with the State Engineer before the legislation comes up to find out what might be required of SSCAFCA.

Mr. Stoliker stated that AMAFCA is having an issue with the water quality control commission with respect to the North Diversion Channel getting a special designation under water quality standards by applying a dissolved oxygen level in the channel.

Mr. Horan stated that SSCAFCA is very forward thinking in comparison to a lot of other entities.

Mr. Yarbrough stated that he doesn't recall approving the parking lot expansion that is listed in the "For Your Information" portion below. Mr. Stoliker stated that the Board authorized SSCAFCA to go out with the parking lot bids but the contract still has to come back to the Board for approval.

Kim Smith, from Edit House, stated that the bond election was a situation where great teamwork came together and great things happened with the passing of the bonds and SSCAFCA staff worked hard with regard to getting the information out to the public. From a marketing standpoint, she would like to see that when anybody from the public looks at a sign that SSCAFCA is more identifiable and that SSCAFCA starts developing a bit of a "brand" so that re-education does not need to be done before the next bond issue comes up. They have discussed providing forums, particularly leading up to capital improvement process to get better public input on public projects.

Ms. Jane Powdrell-Culbert stated that some of the comments she has heard is about where SSCAFCA's jurisdiction begins and where the City's jurisdiction begins.

**ACTION/APPROVAL OF THE MINUTES OF OCTOBER 17, 2008.**

A motion was made by Donald Rudy to approve the Minutes of October 17, 2008 as presented. It was seconded by Steve House and passed unanimously.

**ATTORNEY'S REPORT.**

Mr. Metzgar stated that the only report he has today concerns a possible litigation regarding Wallen Brothers. In order to report on that, he would want to do it in a closed session. Mr. Conkling stated that he would prefer to refer it to the Executive Committee until it becomes a lawsuit since it is an old, ongoing problem.

**PUBLIC FORUM.**

None.

**FOR YOUR INFORMATION.**

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

1. October 19, 2008 newspaper article, "SSCAFCA makes case for bond resolution".

**BOARD OF DIRECTORS SPECIAL MEETING**

**NOVEMBER 14, 2008**

2. October 19, 2008 newspaper articles, "Bonds are tax increases?"; "Let's call a Spade a Spade".
3. October 19, 2008 newspaper article, "Bond Issues Might Hit Your Wallet".
4. October 19, 2008 newspaper article, "Flood Control Work Enabled Hospital".
5. October 26, 2008 newspaper article, "Local Ballot Issues SSCAFCA".
6. October 26, 2008 newspaper article, "Unit 17 Special Assessment District to Receive City Staff Investigation".
7. October 26, 2008 newspaper article, "Vote Yes on SSCAFCA Bonds".
8. October 29, 2008 newspaper article, "Please Vote November 4th".
9. October 30, 2008 newspaper article, "Flood Authority Asking for \$18M".
10. Notice to advertise for the SSCAFCA Parking Lot Expansion.
11. Notice to advertise for the construction of Guadalajara Storm Drain Improvement – Phase 1A.

**OTHER BUSINESS.**

- Next Regular Board Meeting is on Friday, December 19, 2008 at 9:00 a.m.
- Special Board Meeting on Friday, January 2, 2009 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 10:28 a.m.



STEVE HOUSE  
Secretary



JOHN CHANEY  
CHAIRMAN

DATE APPROVED: 1/2/09