

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY  
(SSCAFCA)  
MINUTES OF JANUARY 19, 2011  
BOARD OF DIRECTORS SPECIAL MEETING**

**CALL TO ORDER.**

The special meeting of the SSCAFCA Board of Directors was called to order by Mark Conkling, Chairman, at 1:00 p.m.

**ROLL CALL OF DIRECTORS.**

Directors in attendance were Mark Conkling, James Fahey, Steve House and Donald Rudy. John Chaney 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 Mark Conkling.

**APPROVAL OF AGENDA.**

Mr. Conkling stated that he would like to change the Agenda to move the bid and bond issue to be held first. A motion was made by Jim Fahey to approve the Agenda as amended. It was seconded by Donald Rudy and passed unanimously.

**ANNOUNCEMENTS.**

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

**STAFF REPORTS.**

**Executive Engineer:**

1. Receive Bids and take official action awarding the \$2,500,000 Series 2011, General Obligation Bonds to the bidder submitting the best bid.

Mr. Kevin Powers, of RBC Capital Markets, stated that there was a bond sale this morning at 11:00. There were five bids that were received from around the country via the website. In addition, there was one other bid submitted by a local firm on paper. This bid was at 4.10%, so they would have been the number five out of six. Six bids is a good turnout. The best bid was submitted by Morgan Keegan, which was at a 3.51% interest rate.

Mr. Powers stated that it is still early in the year, so they haven't seen a lot of bonds sold in the public markets. There was one sale yesterday for the Las Cruces school district and another this morning for the City of Albuquerque. The City sold \$135 million in bonds. Its bonds were not "bank qualified." Because the City issues so many bonds, it can't take advantage of the bank qualified status that SSCAFCA does. It turns out that because of some tax extensions that occurred last year and some that didn't occur, the bank qualified level dropped from \$30 million per year to \$10 million, thus reducing the supply of that type of bond in the market place, which in turn created a better value on the bonds that are available. That translated into a better bid for SSCAFCA this morning.

Mr. Powers stated that in 2011, the bidder's re-offering yield to SSCAFCA was a 3.25% interest rate. On Albuquerque, it was 3.76%. That was half a percent better interest rate on SSCAFCA's bonds than the City's. The credits are roughly equal. This is a tremendous benefit for SSCAFCA. If SSCAFCA's bonds had not been bank qualified, the interest rate would have been something closer to 4%.

Mr. Powers stated that the yellow bars on the graph shown to the Board are the interest rates it has received. Last year, the rate was a little lower than 3.51. The year before, it was higher than 3.51. One of the things they look at is the average life of the bond issue and how the bond is structured. This bond is stretched out 11 ½ years to try to give SSCAFCA some breathing room in terms of its debt service payments over the next five years. Last year, it was 7.8 years, and the rate was not that much lower.

Mr. Powers stated that SSCAFCA's bond ratings started out at A2, which is a middle A category rating. SSCAFCA got an upgrade in 2005 to A1 and another upgrade in 2007 to AA3. In May 2010, Moody's recalibrated its ratings and bumped SSCAFCA's rating up to AA2. The recalibration was designed to put municipal bond ratings on the same scale as corporate and other ratings. This benefitted SSCAFCA. He stated that Moody's cited two strengths of SSCAFCA in bumping its rating to AA2. The first is the stable tax base experiencing healthy growth. The second is conservative fiscal management and solid financial reserves. This is very instrumental in the high rating and something of which to be proud.

Mr. Powers stated that the next thing was to approve the Resolution. Mr. Conkling asked why there was an additional \$50,000.00 in the bond. Mr. Powers stated that there are interest coupons, which are the rate to SSCAFCA; then the yields are sold to the consumer. The yields and the coupons generate a premium of \$50,838.50. They will use part of that premium to pay their costs to do the transaction. The other \$37,438.50 is going to be paid to SSCAFCA on closing. That is a premium payment that will go into the debt service fund and be used to pay the first interest payment on the bond. The reason the bid was structured this way is that it is the structure that bond buyers are looking for. They are looking for a slightly higher coupon rate to get the higher tax flow.

A motion was made by Steve House to accept the bid as presented. It was seconded by Donald Rudy. Roll call vote: Mark Conkling, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion carried 4-0.

**PUBLIC FORUM.**

Ron Reeder, a Corrales resident, stated that there are two facility plans being presented today. He stated that the Sierra Vista East Facility Plan has been in planning for some time, but he thinks there are some hidden costs to the plan. It contains a plan for storm drains to redirect the output of the Paseo del Volcan dam into Lomitas Negras Arroyo, which is part of the Montoyas watershed. The dam intersects flow from about one square mile of the Montoyas watershed and about four square miles of the La Barrancas watershed. The storm drains in the facility plan direct that flow to Lomitas Negras Arroyo. The area served by this dam will constitute a 70% increase in the area served by the Lomitas Negras Arroyo. Consequently, there will be increased flow and sedimentation and erosion issues with which to deal. This will also affect the Dulcelina Curtis Channel and the Harvey Jones Channel. These changes have not been considered in the latest Montoyas Arroyo Watershed Management Plan. The engineering studies that were done as part of that Plan will have to be re-worked to consider the additional load on the facilities. This will cost SSCAFCA money.

**STAFF REPORTS (continued).**

**Executive Engineer:**

2. Presentation of Sierra Vista East Facility Plan.

Mr. Stoliker stated that the City requested that these facility plans be done. This is in the area of City Center. The Sierra Vista East Plan was done because they wanted to extend 30th up to City Center.

Mr. Jim Honea, of Huitt-Zollars, stated that the purpose of this facility plan is to convey storm water runoff through the plan area. Part of the reason this area was selected is because the City is planning a road project through the plan area. The plan area is within the Lomitas Negras Watershed which is within the Montoyas Watershed. This plan meets the requirements set forth in the Montoyas Watershed Management Plan. One option was explored for the facility plan.

Mr. Honea stated that in proximity to the Sierra Vista East Facility Plan, there is the City Center Facility Plan, which Huitt-Zollars provided to SSCAFCA; Sierra Vista West Facility Plan, Edinburgh Facility Plan, which were also provided by Huitt-Zollars. Northwest 17 is the next plan to be discussed. The Dos Amigos Facility

Plan was approved by SSCAFCA and was provided by Wilson & Co. The reason for choosing the plan area was because of its proximity to the City Center and other approved facility plans, as well as a portion of the plan area is within a specific area plan that was performed by the City of Rio Rancho.

Mr. Honea stated that the PDV dam discharges per the Paseo Gateway Upper SLO dam at 50 cfs. That 50 cfs will be discharged into the pond. The reason that water is diverted into the pipe is because the arroyo does not have an arroyo track that SSCAFCA controls. Instead of discharging into an area where SSCAFCA has no control, the flow is controlled. Another reason for this Plan is to get ahead of development, even though there has been some development in the area. The drainage infrastructure cost alone is \$16.9 million. This is based off estimates on current construction costs. The land acquisition cost is \$4.1 million. This includes acquisition for storm drains across existing platted lots and also acquisition for pond land. The total cost of the plan is \$21 million. The potential revenue from drainage impact fees, if those remain in the area, comes to \$5.1 million.

Mr. Honea stated that High Range 3 pond is an expansion of the existing High Range 3 pond that was done for the High Range 3 development. This proposes to expand that into a regional facility for multi-use. There are two crossings at Idalia from this plan. The first is the existing flow rate per the Montoyas Arroyo Watershed Management Plan of 448 cfs. The developed flow rate, per this facility plan is 423 cfs. The next analysis point, the flow rate in its existing capacity is 555 cfs. The proposed will be 215 cfs per this plan. With regard to Broadmoor, they worked with SSCAFCA, Bohannon-Huston, and the City of Rio Rancho to develop a plan for Broadmoor within this facility plan that they could follow. Currently, they have designed a storm drain that extends to the north and captures water that comes off the existing lots, goes north and eventually into the PDV Dam. Also, a portion of the Broadmoor drainage goes through the master planned community and into a potential SSCAFCA regional facility.

Mr. Conkling asked about the arroyo that SSCAFCA "does not control." Mr. Honea stated that SSCAFCA would have to buy the lots all along the arroyo to be able to control that portion of the arroyo or design around it. Part of the reason the storm drain was extended up to PDV Dam is because they already had a storm drain pretty close by. The storm drain is not just for PDV Dam. It didn't increase the size significantly. Part of the reason they took flows out of the arroyo track is because they let what falls in the area discharge through the arroyo. Because of existing homes, they wanted to dry up as much as possible those arroyos in order to protect those homes.

Mr. Stoliker stated that this is a presentation that fits within the Watershed Management Plan and is an interbasin transfer, which is always critical. Any time you move water from one basin to another, it must be evaluated closely. In this particular instance, the plan reduces the flow so that it is significantly less than historic. The

second thing is that anytime it is put into a pond or a basin, it comes out as changed water and this is a concern, since there is no plan below this. When that next plan is developed, the concerns that the neighborhood association has will have to be addressed at that point. He stated that he would like to let this sit for about 60 days to think through a couple of the problems. Right now though, they have something that allows the City of Rio Rancho and the Highway Department to go forward with 30th Street and Broadmoor. This was the big deal. SSCAFCA is restricted by existing development and that is why it is trying to put everything toward one arroyo and then really work on that arroyo. The arroyo selected is Lomitas Negras because it's flatter and wider. SSCAFCA owns it and it can put in a functional, multi-use concrete channel. This will be very expensive, but provides an alternative to the Barrancas and other arroyos. He stated that he is concerned about not overloading the Harvey Jones.

Mr. Conkling stated that he is concerned about just a few houses causing tens of thousands of dollars of "work arounds" and he wonders if SSCAFCA has other options available. Mr. Honea stated that with the Upper SLO Dam design that was done, the outlet for that will be 50 cfs. In the grand picture of how much cfs that is coming down there, it is a drop in the bucket. Mr. Stoliker stated that the other option is putting the same flow from Lomitas into the Barrancas. That will keep it in the same watershed and avoid the inter-basin transfer. His experience is that you now have doubled the problem. There is no rush on this now since the Broadmoor issue is solved.

Mr. Honea stated that within this area, all the water that falls in the area is still going to the arroyo, so it is still being used. That 50 cfs was taken out of PDV Dam so that the hungry water that comes out of there, instead of eroding on people's lot lines, is in a pipe that can be taken to another facility. Mr. Stoliker stated that the downstream design has not been done. They have done a design of a channel from 528 to Saratoga. The estimate was \$3.8 million about ten years ago. It is probably about \$8 million today. It is probably only one-fifth of the way. It will cost approximately \$40 to \$60 million to really make the arroyo right. Everything from PDV has to be piped to the river and all those plans have not been done.

Mr. Fahey stated that if SSCAFCA goes west, as planned, it decreases the flow rate, not the overall volume with these structures. SSCAFCA should not have a negative impact on the flow because it should still be historic.

3. Presentation of Northwest 17 Facility Plan.

Mr. Jim Honea, of Huitt-Zollars, stated that the Northwest 17 Facility Plan is next to the Sierra Vista East Facility Plan. The purpose of this plan is to convey developed flow rates through the plan area. This plan area is within the La Barrancas Watershed and meets the requirements of the La Barrancas Watershed Management

Plan. Two options were explored. The plan selection criteria are similar to the Sierra Vista East Plan.

Mr. Honea stated that Green 2V and their requirement to build this pond and the outflow of that pond prompted this plan. The pond that was going to be at the corner of Green 2V was originally going to discharge through the arroyo track and the blue patched areas are existing homes right next to the arroyo. That arroyo is incised and has sloughing and some problem areas. Part of the reason that water was diverted into a storm drain was to get away from those homes. Option one has the 40th Street Pond and then the Mid Pond, which is on a single tract with a single owner. This is ideal with having to deal with only one land owner. This can be used as a multi-use facility. The drainage infrastructure cost for option One is \$13.1 million; the land acquisition, which includes pond and storm drainage land acquisition, is \$3.6 million, for a total of \$16.7 million. This has potential revenue of \$3.3 million.

Mr. Honea stated that Option Two does the same thing with the Green 2V pond and diverts it into the Idalia Pond. The Mid Pond goes away and you have the 45th Street Pond and the Idalia Pond. The drainage infrastructure costs for Option Two is \$11.8 million, the land acquisition is \$2.9 million, with a total cost of \$14.7 million. The same potential revenue remains.

Mr. Honea stated that based on discussions with SSCAFCA and their analysis, it was determined that Option One was the preferred option, mainly based on the location of the Mid Pond and the potential for a multi-use facility. Also, Option One produces a lower peak flow rate at the exit points of the plan. The historic flow rate at the exit of the Mid Pond is 1100 cfs. The proposed developed condition is a peak flow rate of 702 cfs. The arroyo track that is being diverted takes some water based on what falls, so the flow rate crossing Idalia in the peak condition is 700 cfs, and in Option One, the developed flow is 334 cfs. The outflow from the landfill pond, historic is 780 cfs, and the developed flow rate is 546 cfs. He stated that with Option Two, same historic discharge outflow next to the Idalia Pond is 1100 cfs, and the peak discharge is 975 cfs. The flow rates are the same for Option One and Two and all locations.

4. Action/Adoption of Resolution 2011-6 Approving the issuance of \$2,500,000 Series 2011 General Obligation Bonds.

Tommy Hughes, SSCAFCA's bond counsel, stated that Resolution 2011-6 incorporates the numbers gone over by Mr. Powers earlier in the meeting and awards the bid to Morgan Keegan, who is the best bidder, sets the details of the bonds, including maturities, when they are callable, and sets other rules for the bonds.

A motion was made by Jim Fahey to approve Resolution 2011-6 as presented. It was seconded by Donald Rudy. Roll call vote: Mark Conkling, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion carried 4-0.

Mr. Hughes stated that Intel had made a commitment to the County of Sandoval that as of December 1, 2010, Intel would pay all of the property tax for 2010, but all of those things are still pending. He has been told that it is progressing. He is hopeful that within the next two or three weeks, the money can be disbursed.

**Fiscal Services Director:**

1. Action/Acceptance of Resolution 2011-7 Disposition of Tangible Personal Property.

Ms. Debbie Casaus stated that she is asking for approval of Resolution 2011-7 which is for disposition of tangible personal property. Attached to the Resolution is a list of a few items that staff is asking to be deemed excess property. Along with that is a Certification of destruction for one of the hard drives. In the packet is another certification for two hard drives that were on one of the computers.

A motion was made by Donald Rudy to approve Resolution 2011-7 as presented. It was seconded by Jim Fahey. Roll call vote: Mark Conkling, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion carried 4-0.

**CHAIRMAN'S REPORT.**

Mr. Conkling stated that Edit House is continuing with its ideas regarding recycling and will be ready for a presentation soon.

**BOARD OF DIRECTOR'S COMMENTS.**

None.

**COMMITTEE REPORTS.**

Mr. House stated that the Business Plan Committee will give its update soon.

Mr. Stoliker stated that a Budget Committee, Personnel Committee, and Executive Committee meetings need to be held as part of the budget process.

**ACTION/APPROVAL OF THE MINUTES OF NOVEMBER 19, 2010 AND DECEMBER 17, 2010.**

**BOARD OF DIRECTORS SPECIAL MEETING**

**JANUARY 19, 2011**

A motion was made by Steve House to approve the Minutes of November 19, 2010 and December 17, 2010 as presented. It was seconded by Donald Rudy and passed unanimously.

**ATTORNEY'S REPORT.**

None.

**FOR YOUR INFORMATION.**

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

1. January 10, 2011 SSCAFCA welcomed Catherine Conran as the new Administrative Services Director.
2. The SSCAFCA office will be closed on Monday, January 17th in observance of Martin Luther King Jr., Day

**OTHER BUSINESS.**

- Next Regular Board Meeting is on Friday, February 18, 2011 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 2:10 p.m.

  
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MARK CONKLING  
CHAIRMAN

  
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STEVE HOUSE  
Secretary

DATE APPROVED: \_\_\_\_\_

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