

SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY  
(SSCAFCA)

MINUTES OF MARCH 16, 2012

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 9:06 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were Mark Conkling, James Fahey, and Donald Rudy. John Chaney and Steve House were noted as absent. Charles Thomas, Executive Engineer, 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 Donald Rudy.

APPROVAL OF AGENDA.

Mr. Fahey stated that he would like to move the Fiscal Services Director report to first on the Agenda.

A motion was made by Jim Fahey to approve the Agenda as amended. It was seconded by Mark Conkling and passed unanimously.

ANNOUNCEMENTS.

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

STAFF REPORTS:

*Fiscal Services Director:*

1. Recognition/Acknowledgment of the Fiscal Services Report for February 29, 2012.

Ms. Deborah Casaus presented the Fiscal Services Report for February 29, 2012. She stated that property tax revenue collections after 8 months into the fiscal year are 10.3% higher than last year. On the debt service side, collections are 2.7% higher. These remain pretty stable.

General fund expenditures account for 37.33% of the total budget and SSCAFCA is currently 67% through fiscal year 2012. Some items have been reserved for the end of the year in case there is a big storm event. There were 19 single family residential permits issued by the City of Rio Rancho for February 2012 and a total of 38 for the year. These are down from last year. Interest earned in the state treasurer's office local government program is at a rate of .271% for the month of February, which is still above a 91 day U.S. Treasury Bill, which is at .098%.

The Board acknowledged and accepted the Report.

2. Review/Discussion of Fiscal Year 2013 Preliminary Budget.

Ms. Deborah Casaus presented the Fiscal Year 2013 proposed Preliminary Budget. She stated that it has been reviewed by the Budget Committee. Included in the packet is a summary sheet that highlights some of the key points for the preliminary budget. This is for review purposes only at this time.

The first item regards the general fund property tax revenue. They estimate that at \$1.972 million. This assumes an operating mil levy of .844 for residential and .906 mils for non-residential property. These are the same rates in the fiscal year 2012 budget. They have some early projections and SSCAFCA should see a 3% decrease in total assessed valuation. Taking that into account, they have decreased revenue projections by 3% as well. This assumes a rate of 97% collections. Included in the budget is a cost of living raise for wages at the rate of 3.2%. This comes from the Consumer Price Index and is the same measurement over the last six or seven years. They have budgeted a probationary increase for the newly hired drainage engineer, which was pre-negotiated. Health and dental insurance is budgeted at 83% for SSCAFCA and 17% for employees, which is the same ratio as before. They have included an increase of about 13% for health insurance and 10% for dental insurance. These are preliminary estimates and should have some firm numbers by the end of this month and should be adjusted in the final budget.

She stated that the New Mexico Retiree Healthcare contributions are increased this year to 2% for SSCAFCA and 1% for the employees. These contributions were approved by the 2009 legislature and are being increased as required. The total personnel budget has decreased from last year by about 4% (\$40,000.00). Two positions were eliminated through attrition as SSCAFCA had a full time person retire and then a half time receptionist who left. Those duties have been assumed within by current personnel. Operations and maintenance is budgeted at \$655,000.00 which includes sediment removal, trash and dumping, improvements and fencing in addition to general O & M costs. Also included is a new line item called large storm clean out expense, which is funded at \$310,000.00. The total expenditures in the proposed general fund budget are

approximately 5% less than the fiscal year 2012 budget, or about \$140,000.00. General fund reserves is proposed to be \$750,000.00, which is the same as fiscal year 2012. This includes the DFA requirement of 1/12 of expenditures, which is about \$241,000.00. The remainder is the Board designated reserve. The right-of-way emergency acquisition is budgeted at \$125,000.00 and is in the general fund as well. Debt service fund property tax revenue is estimated at \$2,687,000.00. This assumes a debt mil service levy of 1.136 times the total assessed value of property. The proposed debt service tax rate increase is .113 mils over this year's rate. The rate has gone up because of the decrease in assessed valuation and is totally out of SSCAFCA's control.

Ms. Casaus stated that construction fund of \$3.82 million will be carried over to fiscal year 2013 for approved projects. The balance is comprised of proceeds from the 2010 bond issue, as well as the 2011 bond issue. The bond funds can be reallocated at any time at the Board's discretion.

Mr. Ron Reeder asked if it would make sense to put the large storm fund put into a reserve fund in the event of a large storm. Mr. Rudy stated that SSCAFCA has a reserve fund. Ms. Casaus stated that a reserve fund is set aside in the amount of \$750,000.00 as well. The plan is to carry this money forward and not use it for any other purpose.

3. Action/Acceptance of selection/agreement for Appraisal Services.

Ms. Casaus stated that an RFP for appraisers was submitted. Only Godfrey and Associates responded and she recommended that it be approved as an on-call contract.

A motion was made by Jim Fahey to approve Godfrey Appraisal Services for Appraisal Services as presented. It was seconded by Mark Conkling and passed unanimously.

*Executive Engineer:*

1. Presentation – Summary of 2012 Legislative Session.

Mr. Larry Horan stated that this was a 30 day legislative session, so the things they consider are limited. There wasn't a lot of information for them to consider this year. The big question for SSCAFCA was the capital outlay request. Three projects were identified by SSCAFCA staff that might have a chance for funding. SSCAFCA made requests for capital outlay funding based on input from the legislators for Lomitas Negras Flood Control Facility, the Montoyas Arroyo Flood Control Facility and the improvements to the Harvey Jones Channel. They tried to tailor the capital requests to the criteria that the legislature and governor's office had said they would be

receptive to. The process this year was very good in how they came up with what they asked for and received \$383,000.00 in capital outlay appropriations funding.

Mr. Horan stated that the approach in the packaging was changed and very successful. The project had to be tailored to what the legislators would latch onto and was a regional approach. They ended up focusing on the Harvey Jones project with the limited funding. This year another project should be identified that can be targeted for capital outlay funding.

Redistricting was finally taken care of during the session. A lot of the changes that occurred were in Sandoval County because of the growth in Rio Rancho. The House member SSCAFCA has been working with will definitely be lost and SSCAFCA will have to deal with some different personalities and educate the newcomers on what SSCAFCA does.

Mr. Horan stated that the price tag of the Harvey Jones Project was also such that it was doable. Then, there were some matching funds. It was a construction job that could be completed with state funds. It was presented in such a way that it wasn't going to have a negative impact on people, but that it had a regional impact on Rio Rancho. The legislators were able to identify that the problem runs through Rio Rancho and affects everybody. The better they are educated, the more success SSCAFCA can have.

2. Presentation/Approval of Finance Plan Update.

Mr. Thomas stated that in light of Mr. Horan's presentation and the approval at the last board meeting of the proposal to purchase the acreage from AMREP in the Venada Arroyo there are several pieces of action being proposed to the Budget Committee to resolve the issues. The first is completing the purchase of the property. SSCAFCA has \$250,000.00 available in this year's operating budget from the general fund that can be allocated toward right-of-way. This will provide the majority of the purchase, however there remains \$204,000.00 that needs to be obtained to complete the purchase. Staff looked at the available funding and, at the recommendation of the Budget Committee, they researched the ability to take that money from the existing bond funds, mostly from the right-of-way section and reallocate some of those funds for this purchase.

Mr. Thomas stated that the right-of-way reserve line item within the budget from the bond issue is designated as a reserve and is certainly justified. That was \$46,000.00. The second amount of \$49,000.00 had been set aside to purchase a half acre lot to complete Sugar Pond. When they looked into purchasing that just recently, they discovered two facts. First, the property and the property to the north are encumbered by a very large pile of dirt, which is 14,000 cubic yards which stretches over the lots. An estimate to remove that dirt is close to \$100,000.00. The appraisal for

that property did come in lower. The second aspect is that the new drainage engineer looked at the engineering design and the hydrolics of the Sugar Pond and SSCAFCA will be able to build that pond without that additional ½ acre. Staff felt it would be prudent to put that purchase on hold and divert those funds to the purchase from AMREP. Thirdly, there were two separate bond issues funding provided for the Alberta right-of-way purchase in Unit 17 to capture local drainage. These bond issues provided \$100,000.00 for that property. Given the current appraised value of properties, staff feels that \$40,000.00 from that amount can be diverted without causing a problem with SSCAFCA being able to purchase that property. He stated that the final piece is that they did have a catch-all category called "Miscellaneous Projects" so the balance of the funding for the \$204,000.00, approximately \$69,000.00 is proposed to be reallocated from that portion of the bond funds.

Mr. Thomas stated that this will take care of the purchase from AMREP. There is one other item they are proposing for the funding. SSCAFCA did receive \$383,000.00 from the legislature toward the improvements to the Harvey Jones Channel at the Corrales Road Bridge. They propose moving forward with that project with one of the first steps being to actually do the engineering and come up with more detail to the solution, as well as a cost estimate. At this time, they propose to redirect \$200,000.00 from the Lomitas Negras Project toward engineering services. The sooner the engineering can be done, the sooner the construction window can be decided upon.

A motion was made by Mark Conkling to make the budget adjustments as presented by Mr. Thomas. It was seconded by Jim Fahey and passed unanimously.

3. Discussion of City of Rio Rancho CWA 404 Permit for installation of Sanitary Sewer in the Montoyas.

Mr. Thomas stated that the City has asked the Corps of Engineers for approval to install a sanitary sewer line in the Montoyas Arroyo and it is presently pending. Their proposal is to replace it with a 32 inch line to accommodate future capacity upstream. The line will be improved from the Sportsplex Dam down to the plant and this is the next section to be improved. He stated that they had provided the permit to SSCAFCA before they submitted it to the Corps of Engineers. They had a sit-down meeting to discuss some of the issues identified by SSCAFCA. That was followed up by some written comments to the Corps. The Corps has come out with the initial review of the permit, which has indicated that further work will be required by the City to be provided as part of the permitting process. The City is currently working on that right now.

Mr. Parrish of the Corps of Engineers stated that they are waiting for a response to the comments from the public notice to the City. They will evaluate those responses, particularly the comments of SSCAFCA and Fish & Wildlife, who had the most substantial comments on the project.

The time line is generally 120 days for getting out permits. This will end on May 8, 2012. Looking at the La Barranca project and how that went, there was a lot of back and forth and they did not make the 120 day deadline. They are anticipating that this will be a similar situation. There is still opportunity for SSCAFCA to provide comment to the Corps. SSCAFCA has jurisdiction on the project and its comments will be taken. The clean up issue in the case of a spill was addressed in the Corps' letter to the City as something that needs to get worked out.

Mr. Parrish stated that the Corps does not have a specific policy with regard to sewer lines in arroyos. The general feeling among them and regulatory and engineers, in general, is that it is a bad idea. There are some constraints with the development. The upland alternative offered by SSCAFCA has been determined to be not practical. This is very unusual and it doesn't seem to be happening in other places other than Rio Rancho. There is no direction from the EPA. Their comments were generally directed at the fact that the alternative analysis as presented did not meet the 404 guidelines and that, as presented, the preferred alternative of putting it in the bottom of the arroyo is not a good idea and they suggested to the Corps that the Corps not issue the permit as the project is described.

Mr. Conkling stated that the "state of the art" pipe is the solution to many of these problems, except that the manhole covers are so expensive. Mr. Parrish stated that this has been discussed as a fail-safe system as well as the issue of the quality of the HDP pipe.

*Environmental Services Director:*

1. Update on Proposed 2012-2014 Integrated Clean Water Act 303d/305b Listing heard at the March 13, 2012 Water Quality Control Commission public meeting.

Mr. Trevor Alsop stated that the State is in a listing process that is done every two years whereby it lists water bodies as being impaired or not impaired. In this listing, the state has identified that the reach to which SSCAFCA outfalls should be impaired for PCBs and gross alpha radio nuclides. This is a concern to SSCAFCA. What happens is that once it becomes listed it rolls into the MS4 permit and then SSCAFCA has a lot of compliance measures to make sure that SSCAFCA is not discharging those sorts of things. SSCAFCA understands that the data associated with that impairment listing is exclusively associated with the North Diversion Channel. Unfortunately, the way NMED breaks up the river into segments, SSCAFCA's segment includes the North Diversion Channel. SSCAFCA submitted written comments. To reiterate those comments, he and Mr. Thomas went up to the Water Quality Control Commission to interface directly and to let them know that SSCAFCA is concerned about it and what the impact of the listing could be. With the written comments and the testimony, it had a tremendous effect on letting the Commission know the ramifications of the listing. SSCAFCA believes there was a positive result in that NMED

acknowledged and conceded the fact that the data set used to list this impairment was very limited. Rather than just listing it, they've conceded that more study is necessary and will do more collection of data in SSCAFCA's particular reach.

Mr. Alsop stated that if it turns out that it is exclusive to the North Diversion Channel, there may be some means for SSCAFCA to re-delineate its section to exclude the North Diversion Channel. This probably won't be available for two to three more years. This was a positive result for SSCAFCA in that there should be a much better picture before sampling is begun. There is still work to do on the watershed permit.

2. Update on future MS4 Watershed-Based Permit.

Mr. Alsop also updated the Board on the MS4 Permit. SSCAFCA will be finishing some of its framework to give it back to the EPA in the next month or two. SSCAFCA's current permit expires this summer, but there's very good indication that the new permit won't be ready to hit the road on July 1st, so they will be administratively continuing SSCAFCA's current permit. He still thinks there is a very good chance to have the new permit later this year. There is a time between when the new permit is issued and when NMED will come back to study the watershed, so there will be a bit of a limbo period. SSCAFCA wants to make sure things are done sensibly in that time. No final decision has been made by EPA on the framework of the project.

Mr. Conkling stated that he can't help but notice that almost 35% of the drainage into the river is ignored, which is from Sandia Pueblo. He asked if the EPA has dared open the door to that issue. It's all being controlled by 65% of the stakeholders because nobody wants to deal with the Pueblo problem. Mr. Alsop stated that the Pueblos have been invited to participate with the watershed group and they have. When it comes down to the issuance of the permit, they will be excluded and a "government to government" consultation will be conducted at that point. The Pueblos do have to obtain a permit from EPA. The Pueblos would prefer to do direct contact and have individual permits with EPA. The Pueblo does have a permit. Sandia has its own water quality standards. In certain circumstances, those standards are more stringent than the state's standards.

Mr. Thomas stated that when they went up and submitted comments, it was coordinated with other local entities. The Village of Corrales, the Town of Bernalillo, and the City of Rio Rancho all cosigned the letter. Mr. Alsop stated that there has been a missed opportunity by EPA to very clearly define by what it meant by "watershed permit." Some have thought that it meant that everybody within an identified watershed, through a series of agreements, cooperates and everybody participates in an equal way. This is really more about identifying a watershed and

making that entire watershed regulated; whereas before, that's not what was regulated - only the urbanized area was regulated.

Mr. Reeder asked about how deeply involved the upper levels of EPA are in the 404 Permit process. Mr. Thomas stated that this is very important. Nellie, the person who is assigned to SSCAFCA's area, is not EPA management. From SSCAFCA's perspective, she is the face of EPA. There are obviously layers above her. Rather than try to second guess what EPA may want to approve, it's better to put together a permit that SSCAFCA feels is a good faith effort, is effective, and works for SSCAFCA. EPA may choose to change it, but SSCAFCA doesn't see any benefit in second guessing what EPA may change. Secondly, SSCAFCA does have funding available and it may be beneficial for him and Mr. Alsop to go to Dallas and put faces to the organization and the situation.

*Field Services Director:*

1. Gateway Pond Project Update.

Mr. Jim Service stated that the artist was starting her work on the wall and it was progressing well. She has completed putting on the smaller panels on the portion of the wall that fronts Unser. She is going to get the larger portions places before Monday. Once that's done, it's just a matter of mother nature treating us kindly and getting three days of 40+ weather in order to shoot the anti graffiti coating on it. The park plans have been approved by the City. There is a pre-construction meeting next Monday to go out and kick dirt and decide how to proceed. There are some concerns with the plans, but those can be worked out with the City. Hopefully this entire project will be completed by summer.

CHAIRMAN'S REPORT.

None.

BOARD OF DIRECTOR'S COMMENTS.

Mr. Conkling stated that now that the funding has been approved for how to close the purchase on the land, a donation of 900 acres of the Callabacillas reach comes to SSCAFCA. There are no people living there. SSCAFCA has never been in the position of receiving 900 acres in an arroyo bottom with no public to deal with. One of the next projects for SSCAFCA staff is to plan the quality of life features that could happen in the Callabacillas. They can be drawn and styled and



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named and put on SSCAFCA's website to make history so that, as that area develops, everyone already knows what SSCAFCA has in mind for the area.

COMMITTEE REPORTS.

None.

ATTORNEY'S REPORT.

Mr. Metzgar stated that ESCAFCA has asked him to assist them as their attorney. He assisted them under SSCAFCA's RFP. Mr. Rudy stated that the RFP for ESCAFCA was taken care of last month. To date there have been no major developments to modify anything with regard to the ESCAFCA situation.

PUBLIC FORUM.

None.

PROPERTY MATTERS.

None.

FOR YOUR INFORMATION:

None.

OTHER BUSINESS.

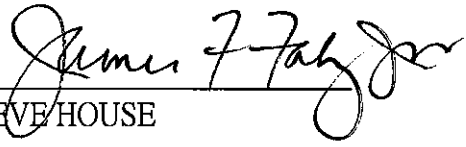
- Next Regular Board Meeting is on Friday, April 20, 2012 at 9:00 a.m.

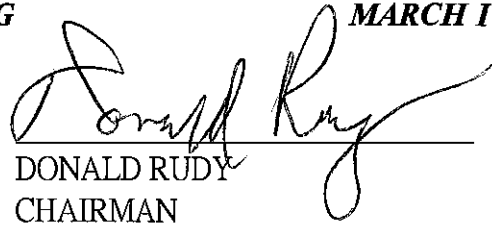
ADJOURNMENT.

A motion was made by Jim Fahey and seconded by Mark Conkling to adjourn the meeting. It was carried unanimously. Meeting adjourned at 10:30 a.m.

**BOARD OF DIRECTORS REGULAR MEETING**

**MARCH 16, 2012**

  
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STEVE HOUSE  
Secretary

  
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DONALD RUDY  
CHAIRMAN

DATE APPROVED: 4/20/12

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