

SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF JUNE 20, 2014
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 9:00 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were John Chaney, Mark Conkling (arrived at 9:30 a.m.), James Fahey, Steve House and Donald Rudy. Charles Thomas, Executive Engineer, Bernard Metzgar, SSCAFCA's attorney, and members of the public were also present.

ANNOUNCEMENTS.

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

PLEDGE OF ALLEGIANCE.

The Board was led in the Pledge of Allegiance by Donald Rudy.

APPROVAL OF AGENDA.

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

ACTION/APPROVAL OF THE MINUTES OF MAY 16, 2014.

A motion was made by Jim Fahey to approve the Minutes of May 16, 2014 as presented. It was seconded by John Chaney and passed unanimously.

PUBLIC FORUM.

None.

STAFF REPORTS:

Executive Engineer:

1. Recognition of Intern.

Mr. Charles Thomas stated that Daniel Gruenig has been with SSCAFCA for quite some time and has worked with SSCAFCA for the last five years and has been quite helpful. A Certificate of Appreciation was presented to him by Donald Rudy. He is leaving SSCAFCA now to finish his degree. SSCAFCA's new intern is Matthew Miks, an engineering student at Colorado University, and he assists with engineering duties.

2. Action/Acceptance of Resolution 2014-8, Authorizing the Sale of General Obligation Improvement and Refunding Bonds up to \$9 Million.

Mr. Charles Thomas stated that Resolution 2014-8 is a combination of remaining bond authority for sale, as well as a refinance of four bond series. Mr. Eric Harrigan, of RBC Capital Markets, stated that they did update the refunding numbers. The market has improved a little bit. The 2005 and 2005A bonds on page 2 of the Finance Plan Update shows the debt service savings is just under \$200,000 or 5.46%; on the 2007 and 2007A bonds the annual savings is a little over \$120,000, the net percentage is about 3.5%. The total on page 4 is about \$324,000 and the net PV savings is about 4.5%. Current market rates would be about \$390,000 in total savings if the bonds were sold today. The market continues to stay pretty steady. It is anticipated getting preliminary assessed values from the County in the next week or so. They will be going before Moody's Rating Agency on July 15th and will receive the rating a couple weeks later. Pricing will occur the first week of August and they will be back before the Board to approve the Resolution and sign the bond purchase agreement after that. The financing and pricing will be completed at that time and the bonds will close about 30 days after that date. The 2005 bonds will be paid off and then the 2007 bonds will be funded. The bond market continues to be robust, especially the bank qualified market. Given the fluctuations in the market, the fact that 25 basis points have been built into the numbers presented, the refunding makes sense to do. In answer to a question from Mr. Chaney on timing of the sales, Mr. Harrigan stated that part of the process is receiving a rating on the bonds and you need a rating before you go out to the market. SSCAFCA should also wait until the new assessed numbers come out so that the money can be properly structured to hold the tax rate consistent going into next year.

Mr. Tommy Hughes, SSCAFCA's Bond Counsel, stated this is a negotiated sale and they haven't done one of these before. Generally, the procedure is to put a notice out to sell the bonds and ask for a bid. In a negotiated sale, you have an underwriter who goes out and actively markets the bonds. Because of the refunding, there are some structuring considerations and timing, etc. with regard to the bonds. Now, the long Resolution will set all the details out, the structure of the bonds, etc. The only thing not in the Resolution is the price and redemption provisions. When the bonds are sold, the Sale Resolution will come out and all that will contain will be the price and the

small details to finish the deal. There will also be an Escrow Agreement because the refunded bonds, if they are not callable within 90 days of the date of the closing, is called an advance refunding and securities will be put with an escrow agent. The time schedule shows that SSCAFCA will receive the money in September.

A motion was made by John Chaney to approve Resolution 2014-8 as presented. It was seconded by Jim Fahey.

Mr. Hughes stated that at the next Board meeting in July, SSCAFCA will need to adopt an internal post-issuance compliance policy. The IRS is suggesting that issuers of municipal bonds adopt a policy on how you handle the procedures that happen after the issuance of bonds. SSCAFCA already does this, but it's more a matter of a procedural issue for adoption.

Roll call vote: John Chaney, yes; Jim Fahey, yes; Steve House, yes; and Donald Rudy, yes. The motion passed 4-0.

3. Action/Acceptance of Resolution 2014-9, Infrastructure Capital Improvement Plan (ICIP).

Mr. Charles Thomas stated that Resolution 2014-9 was put out for public comment at the last Board meeting. No public comments have been received and it is now ready for adoption. SSCAFCA has complied with all notification and public outreach components. It has been entered into the DFA database. This is the final step of formal adoption.

A motion was made by Steve House to approve Resolution 2014-9 as presented. It was seconded by John Chaney. Roll call vote: John Chaney, yes; Jim Fahey, yes; Steve House, yes; and Donald Rudy, yes. The motion passed 4-0.

4. Action/Acceptance of Resolution 2014-10, Acquisition of Property from AMREP for Multiple Flood Control Facilities.

Mr. Charles Thomas stated that Resolution 2014-10 identifies property in the Calabacillas Watershed Master Plan that will be needed for flood control facilities. There is a significant number of facilities that will need to be built within SSCAFCA jurisdiction and AMREP holds quite a bit of the property. The projects have been placed based on need. SSCAFCA is seeking 223 acres of property from AMREP. An appraisal has been done on most of the property, 170 acres or so. An appraisal has not been done on the properties in the Calabacillas proper because SSCAFCA was unsure of what the location would be. The five playas that have been identified and

previously discussed are also mostly owned by AMREP. Staff has begun negotiating with AMREP, however, the numbers are not very close so staff is requesting authorization to proceed with all powers available to SSCAFCA in the acquisition of the property.

(Mark Conkling arrived.)

Mr. Thomas stated that there are some facilities that can be completed based on the acquisition of the AMREP property contained herein. The North Hills Off Channel Facility, the Montoyas Off Channel Facility, PDV Dam (in conjunction with other property owners), Gold Park Dam, and several of the other Calabacillas smaller facilities will all be completed with the acquisition of the AMREP property. Staff has been focusing on properties closer in to town rather than focusing on the playa property. Mr. Conkling stated that it might behoove staff to look at the other properties because the price might be lower right now. Mr. Thomas stated that the first step would be to get an appraisal on the property. They have found that the best tactic with many of the property owners because they are not pleased with the current property values, is to provide them with an actual appraised value. This gives them some assurance that there has been a proper process followed to obtain the value.

A motion was made by John Chaney to approve Resolution 2014-8 as presented. It was seconded by Jim Fahey. Roll call vote: John Chaney, yes; Mark Conkling, yes; Jim Fahey, yes; Steve House, yes; and Donald Rudy, yes. The motion passed 5-0.

5. Update on Corrales Heights Project.

Mr. Charles Thomas stated that in response to the July storm in Corrales, one of the issues was the overwhelming of the drainage system on the Dam 4 to 1 Trail by excessive sediment, which caused the small berm to the east of the trail to overtop which resulted in flow going down into Corrales. The storm was over a 200 year storm. It also included a washout of vegetation and SSCAFCA has taken action to control that erosion. The drought has caused the vegetation to weaken its hold in the sediment. The storm was beyond the standard design. There was no major failure of the facility, it was an ancillary failure. Staff has installed a small retaining wall along the edge of the trail. Most of the sediment is coming off the hillside to the east. The sediment will be removed as an impediment to the facilities. The next phase will be to increase the throat of the inlets. The path is to the west of the Thompson Fence Line. The property owned by SSCAFCA to the north of Hollywood Road has been changed with several check dams to capture the flow coming off the top of the hillside to allow the opportunity for sediment to settle before it gets to the facility. SSCAFCA On Call contractors have re-excavated several of the basins to be detention basins with a designed outflow point. In addition to the check dams, there are also swales to capture the flow coming off the hill and

is directed parallel at a slower pace. These changes will provide protection from back to back 100 year storms, which is better protection than a 200 year storm. This project will be completed within the week. The inlet reconstruction will take place in the next fiscal year.

6. Action/Acceptance of Clanon property purchase request.

Mr. Charles Thomas stated Mr. David Clanon had requested to purchase from SSCAFCA the small piece of property on which he currently has an encroachment agreement. This is SSCAFCA land that is adjacent to Tree Farm B Pond right at Loma Larga. An investigation of that area was done. There are still drainage concerns. The basin that contributed to Tree Farm B is not fully developed, so without knowing exactly how that development will occur, and given the high unit value of property in Corrales, at this point staff does not recommend sale of the property to Mr. Clanon.

A motion was made by Jim Fahey to reject the sale as requested. It was seconded by Mark Conkling and passed unanimously.

7. FEMA Reimbursement Update.

Mr. Charles Thomas stated that staff has submitted all of its projects. The FEMA field office closed on June 13th in Santa Fe. All of the local staff have left. All the projects are approved with the exception of the Harvey Jones Channel because it is over a million dollars. At present, there is no reason to believe it will not be approved. It requires more steps because of the amount being requested. SSCAFCA also received authorization of the Patchogue Road improvement project, so a cost estimate has been developed for that project. The improvements ended up being the cheaper alternative, which helped it go through the process. Construction will move forward to resolve that safety issue.

8. Development Review.

Mr. Charles Thomas stated that there were several items on review. One is the Stonegate subdivision sewer, Phase 1 construction plans which were approved. The other is the Salcito Subdivision infrastructure improvement Phase 1 construction plans, which were not approved. This is a normal complication when you have several developers working on one project. The other item is that there is continued development along Unser. The Petroglyph Plaza is moving forward with a gas station; and there is a bank going in next to the Subway. SSCAFCA had a drainage easement over the parking lot and that has been turned over to the City of Rio Rancho. It was constructed as a low impact parking lot with a gravel base and drainage swales.

Fiscal Services Director:

1. Recognition/Acknowledgment of the Fiscal Services Report for May 31, 2014.

Deborah Casaus presented the Fiscal Services Report for May 31, 2014 in the Board's packets. She stated that property tax collections are averaging about 3% lower than last year. Fiscal year 2014 is wrapping up. To date, SSCAFCA is about 42% of its operating expenses for the general fund and about 92% through fiscal year 2014. They are waiting on the final FEMA reimbursement to find out what the total reimbursement will be. The City of Rio Rancho has issued 60 single family residential permits for the month of May. This is still ahead of last year. Interest earned on the State Treasurer's funds was at a rate of .11125% for the month of May.

The Fiscal Services Report for May 31, 2014 was recognized and acknowledged by the Board.

2. Action/Acceptance of Audit Contract with Accounting & Consulting Group, LLC for Fiscal Year Ending June 30, 2014 Audit.

Ms. Deborah Casaus stated that this is the second year that SSCAFCA will be audited by this firm. It is a three year contract. SSCAFCA will see a slight increase in the cost of the contract based on the fact that SSCAFCA will require a single audit this year because it will have over \$500,000 in federal expenditures. The State Auditor requires a whole new contract.

A motion was made by Jim Chaney to accept the audit contract as presented. It was seconded by John Chaney and passed unanimously.

Environmental Services Director:

1. Update on Harvey Jones Channel Improvement Project.

Mr. Dave Gatterman stated that the initial portion of the project has been completed. The first step was to remove the concrete decking and the dirt underlying it and taking it close to subgrade. Step two was to take it down to final design. The first week of June it was taken down to where the concrete would rest. The new concrete had to be attached to the old concrete. Sleeper pads were also put down on June 11th. This keeps them from differential settlement. On June 16th, single mat rebar was installed. On the 17th, panels 1, 3 and 5 were being poured. On June 19th, the

outlet was finished being poured. Elimination of the sill will eliminate a lot of the problems with the hydraulic jump. A couple of small projects need to be completed, but those will be done next week. The elevation difference is about 24 inches from top of existing slab to the top of new slab. SSCAFCA is trying to get to a safe position for now until the final project is completed in the fall.

In response to a question, Mr. Thomas stated that the improvements on the Harvey Jones Channel are only designed to improve the hydraulics of the area. The goal is to keep the velocity under the bridge high so that the sediment doesn't drop out. The flood protection is not being increased per se, but they are increasing the flow through the input under the bridge from the lack of sediment dropping out due to increasing the velocity. The ultimate developed condition is 6,146 cfs under the bridge. When the project is completed the bridge should be able to pass close to 7,000 cfs.

In response to another question, Mr. Gatterman stated that when they did the modeling for this particular project, the velocities slowed when the big pond went in. The models are showing a decrease as they go across the sill so there should be no impact on the river. The elevation of the concrete cap at the syphon has not changed. They have put in a lower spot to keep the velocities moving. Until the two projects at the inlet are finished there might be a sediment issue, but it is more of a maintenance issue than a safety issue.

2. Update on Lomitas Negras Water Quality Facility, Phase 1 Project.

Mr. Dave Gatterman stated that this has been under construction since early April 2014. Substantial completion was reached on June 3, 2014. The facility could operate, but there are still some things that need to be cleaned up. The remaining punch list items identified by the engineer and SSCAFCA staff are to finish installing the sediment gauges, reinstall some fencing, pull up the roads that were used, re-seed the disturbed areas outside of the channel, and provide post construction survey and redlines. There will also be a detailed topographic survey of the facility so when maintenance is done it can be taken back down to design quite easily. He went through the pictures of the project with the Board. The entire purpose of this project is sediment removal and it will benefit the entire community.

3. Update on Lower Montoyas Water Quality Facility.

Mr. Dave Gatterman stated that the required public hearing was held on June 12, 2014. One member of the public attended. This might be a good thing because the public has enough information. SSCAFCA did receive four comments from the Village on June 18th and those will be

addressed in the environmental information document that will be submitted to the New Mexico Environment Department. At this point, public comment is closed. The next step will be to obtain the court reporter's transcript. Once NMED says that SSCAFCA can proceed, SSCAFCA will work with Wilson to go to the next step on the contract and bring it back to the Board.

Field Operations Coordinator:

1. Update on Roskos Pond Project.

Mr. Jim Service stated that SSCAFCA was able to get all of the signs replaced and up. That was done without destroying the old bases. In the future, as the signs continue to wear, a mylar cover will be done on the next one. It's a good representation of what SSCAFCA is trying to show for water re-use. All of the plants are doing well and it looks great. This year, however, there is an uptick in vandalism. It is quite unfortunate that the vandals are destroying facilities like this.

OTHER COMMITTEE REPORTS.

None.

ATTORNEY'S REPORT.

None.

CHAIRMAN'S REPORT.

Mr. Donald Rudy stated that he has been attending the Board meetings of the MRCOG. It is overwhelming how much more successful SSCAFCA is than other comparable organizations.

There will be an informative forum on regional water plans at UNM Dane Smith Hall on Saturday the 28th. The major point will be two presentations, one by Professor Thompson of UNM; and the second by D. Lewellyn, a hydrologist with the Bureau of Reclamation. There will also be an open discussion.

BOARD OF DIRECTOR'S COMMENTS.

None.

PROPERTY MATTERS.

1. Action/Acceptance – Unit 12, Block 28, Lot 10 - 1.00 acres - North Hills Off-Channel Facility.
2. Action/Acceptance – Unit 21, Block 112, Lot 24 - 0.52 acres - PDV Dam.

Mr. Chuck Thomas stated that there are two lots in two separate facilities for Board approval.

A motion was made by Mark Conkling to approve the property acquisitions as presented. It was seconded by Jim Fahey and passed unanimously.

FOR YOUR INFORMATION:

1. Corrales Comment article, “Historic Fix for Chronic Flooding in Corrales”, (5/24/2014).
2. The Score article, “The Bird Man of SCAFCA?”, (5/16/2014).
3. June 1, 2014 email inquiring about the Black Arroyo Trail Project.
4. Corrales Comment article, “Hydraulic Jump in Jones Channel Finally Gone”, (6/7/2014).
5. June 13, 2014 correspondence from the Department of Finance and Administration approving the Fiscal Year 2014-2015 proposed (interim) budget.

In response to a question from the Board, Mr. Thomas stated that staff has not responded to the June 1, 2014 email inquiring about the Black Arroyo Trail Project. The Executive Committee has already recommended drafting a letter in response.

OTHER BUSINESS.

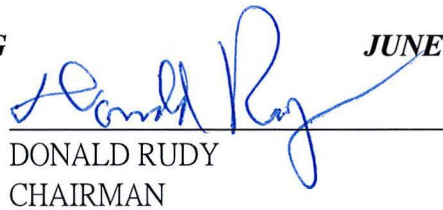
- Next Regular Board Meeting is on Friday, July 18, 2014 at 9:00 a.m.

ADJOURNMENT.


A motion was made by Mark Conkling and seconded by Jim Fahey to adjourn the meeting. It was carried unanimously. Meeting adjourned at 10:45 a.m.

BOARD OF DIRECTORS REGULAR MEETING

JUNE 20, 2014



DONALD RUDY
CHAIRMAN



STEVE HOUSE
Secretary

DATE APPROVED: 7/18/14

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