

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF DECEMBER 19, 2008
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 9:07 a.m.

ROLL CALL OF DIRECTORS.

Directors in attendance were John Chaney, Mark Conkling, Steve House, Donald Rudy and Dub Yarbrough. 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 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.

STAFF REPORTS.

Executive Engineer:

Mr. Stoliker stated that the Sunset Dam Dedication will be held today at Noon. The Mayor of Rio Rancho is planning on speaking promptly at noon, along with the SSCAFCA Chairman.

1. Action/Approval of Selection of Contractor for Guadalajara Storm Drain Improvements Phase 1-A.

Mr. Stoliker stated that this project has now been bid. The Board should have a handout on the bid tabulation. The construction budget for this project was set at \$1.2 million with a total project cost of \$1.8 million for everything including ROW acquisition, engineering and construction with inspection. The total budget will be retained to allow for change orders and any additional costs should they arise. Steve Salazar, of Wilson & Company, stated that they were the design engineers for the Guadalajara Storm Drain Improvement Project, Phase 1-A. Out of the 23 total bid documents that were picked up, 13 bids were received and their evaluation is complete. There were a few anomalies that were found and corrected, mostly in arithmetic. The total bid from New Mexico Underground Contractors, Inc. was 6.3% below the next lowest bid and 27.3% below the engineer's estimate. This bid was \$697,976.00, excluding tax. They verified that the bonding company is listed under the U.S. Treasury's list of approved sureties. They checked the

contractor's license, as well as all of their sub-contractors and verified that their licenses were all in compliance. Based on the contractor's submittal, they recommend that New Mexico Underground Contractors, Inc. be awarded this job.

Mr. Salazar stated that the engineer's estimate was \$888,227.00, excluding tax. This fell pretty much in the middle of the board. The total on the bid, including tax, is \$746,398.09. Mr. Yarbrough asked if they were in a position to start this job immediately. Mr. Salazar stated that they have requested to start January 5, 2009.

A motion was made by Steve House to approve the selection of New Mexico Underground Contractors, Inc. as contractor for the Guadalajara Storm Drain Improvements, Phase 1-A project as presented. It was seconded by Donald Rudy and passed unanimously.

2. Action/Acceptance of Final Adjusting Change Order for Sunset Pond and Aldaba Storm Drain.

Mr. Stoliker stated that this project is being finished up and this final adjusting change order sets the final contract amount. They will have about thirty (30) days to finish up all the punch list items.

Mr. Clint Dodge, of WHPacific, stated that the project is substantially complete. All the flood control elements are functional and have been for a while. All that remains is minor odds and ends clean up work. They are asking for approval of the final adjusting change order, which will set the contract amount. The second thing they are asking is that the Executive Director be authorized to make minor adjustments if required in the last thirty days between now and final payment. This particular change order is for negative \$53,000.00. The original bid amount was \$2.12 million, and previous change orders have added some odds and ends, so before this change order, the total was \$2.213 million. Subtracting the \$53,000.00 by this change order, the final construction amount is \$2,159,891.83. The final amount did exceed the bid; however, changes were all approved by the Board if they exceeded the Executive Director's approval amount. Mr. Stoliker stated that the biggest change was to install four drop inlets in Aldaba as a result of the rain event coming down Tenth Street off the Wallen Park Subdivision.

A motion was made by Mark Conkling to accept the final adjusting change order as presented. It was seconded by Donald Rudy and passed unanimously.

3. Action/Acceptance of Selection of Contractor for Parking Lot Expansion.

Mr. Jarrod Likar, of Huitt-Zollars, stated that the parking lot will be expanded by 29 spaces. There will be a new entrance off Commercial Drive to the parking lot, as well as walls to close the gaps on the south side of the property. They originally had 16 firms pick up bid documents and plans; however, there were only four bidders on the project. The low bidder was Albuquerque Asphalt at \$119,000.00, and with tax the total is \$127,250.00. His engineer's estimate was \$112,000.00 and with tax, \$119,009.00. They have worked with Albuquerque Asphalt several times in the past and they are a very reputable company and they recommend this company to do the parking lot expansion.

Mr. Stoliker stated that SSCAFCA budgeted \$250,000.00 for this project including engineering and construction with inspection. The entire budgeted amount will be preserved to address any needed changes that arise. Staff recommends approval of the bid and award to the low bidder.

Mr. Likar stated that the asphalt will be three inches thick. Mr. Conkling asked if they had compared the price of the asphalt with the price for concrete. Mr. Likar stated that they bid this after prices had fallen and he believes this is a good price for asphalt as opposed to concrete. He stated that the asphalt unit price is \$22.50 per square yard. Mr. Stoliker stated that most of the parking lot is going to be the crusher fine system to match what is currently in place.

A motion was made by Mark Conkling to approve Albuquerque Asphalt as the contractor for the expansion of the parking lot as presented. It was seconded by Steve House. The motion passed 4-1.

4. Action/Approval of Resolution 2008-15 Authorization for \$4 Million Bond Sale.

Mr. Kevin Powers, of RBC Capital, stated that at the last meeting in November they discussed the sale of the bonds and the size of the bond sale and arrived at a \$4 million sale. He stated that the market is favorable for SSCAFCA to proceed with the sale of the bonds on January 22, 2009 at 11:00 a.m. followed by a Special Board meeting at 11:30 a.m. to award the bonds to the best bidder. The money would then go into SSCAFCA's account on or about February 18, 2009. SSCAFCA's market is much more stable than some of the longer markets. They expect that the rate on this sale will be somewhere in the 4% range. The yield curve has been adjusting and they are starting to see shorter term bonds decline in interest rate with longer term bonds going up. There is a disconnect between the municipal bond market and the treasury market. Typically, the yield for municipal bonds is about 75 - 80% of the treasury yield; right now, it is over 200%. They believe that SSCAFCA's bonds are bank qualified and are attractive to local community banks. They have added some flexibility in the Resolution that will allow SSCAFCA to make some changes prior to the sale if the market is changing and would also allow SSCAFCA to reschedule the sale for a different day if the market is not attractive at the time SSCAFCA goes out.

Mr. Bob Strumor, SSCAFCA's bond counsel, stated that Resolution 2008-15 sets the details of the sale that will go to the bidders. It is for \$4 million, the bonds will mature between 2014 and 2022, with interest payable earlier than that. The sale will be on January 22, 2009. Bids will need to be in by 11:00 a.m. with a Special Board meeting at 11:30. Per SSCAFCA's last several transactions, most of the bidding is electronic. Because this is an issue that is called "bank qualified" it has special appeal for financial institutions under the Internal Revenue Code and is a more attractive investment for small banks and local banks. He stated that the difference in this Resolution is on page 10 where it states that the "principal amount is subject to change" and that the "Authority reserves the right to modify the total amount of the bonds and the amount of any maturity." SSCAFCA will probably not need this wording, but it is better if the wording is in there.

Mr. Conkling asked if SSCAFCA had the ability to do after market negotiations if they become necessary. Mr. Strumor stated that SSCAFCA would not be in the position it is in today if anybody thought that it would be unable to pay the bonds back as they become due. Mr. Powers

stated that SSCAFCA has the flexibility within its plan to restructure what SSCAFCA has and to restructure things going forward.

A motion was made by Mark Conkling to accept Resolution 2008-15 as presented. It was seconded by Dub Yarbrough. Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; Dub Yarbrough, yes. The motion passed 5-0.

5. Action/Approval of Bond Projects Selection & Engineering Task Orders.

Mr. Stoliker stated the Agenda packet contains information on where SSCAFCA gets its money and where it spends it. 85% of the funds come from Rio Rancho. The next chart shows where the \$18 million is spent; 75% of which would be spent in Rio Rancho, but there is \$2,660,000.00 in miscellaneous that the Board said it didn't want applied to anything specific. The next chart shows, of the first \$4 million, 80% will be spent in Rio Rancho. Staff now has a system on how to track the money based on where the Board would like the money spent.

Mr. Stoliker stated that the 19th Avenue Dam in the Black Watershed right-of-way acquisition will cost \$1 million. When SSCAFCA couldn't get the Springer property it needed to go upstream from that. This property is across from the hospital and with the hospital going in; prices are going to escalate so the property needs to be acquired now. The next one is the Cabezon Channel extension for \$500,000.00 for a facility plan. The City will do an SAD in this area so SSCAFCA thought it would do the facility plan now. This is right off of Southern at 27th. It is a deep canyon on the south side off of Southern. Montoyas Arroyo stabilization improvements are also included in this bond sale. The projects add up to a little over \$3 million and SSCAFCA will be getting \$4 million. The rest of the money will be saved so that if the City of Rio Rancho asks about some help with projects, extra money could be available for that. Mr. Stoliker stated that he is open to the Board changing any of the priorities.

Mr. Stoliker stated that there is \$500,000.00 for right-of-way acquisition of the Upper SLO Dam. That could be shifted to another location. There is also a planning document to find out what liabilities there are for people discharging water off of the City Centre area where right-of-way acquisition is needed. He stated that staff has talked with the City and shown the City SSCAFCA's task orders. The City is in agreement with the projects. Staff has done a lot of planning and leg-work with regard to these projects. Today, he is asking to make sure that the Board is okay with this list, and if it is okay, to approve the task orders. Mr. Conkling stated that he wanted to make sure that SSCAFCA has the right task orders.

Mr. Yarbrough stated that he takes exception to the Corrales Road Crossing and he remembers asking that this matter be changed. There have been all kinds of stumbling blocks with regard to this project. He asked where the State Highway Department comes in on this project and asked if SSCAFCA needs its permission to alter the bridge. Mr. Stoliker stated that he believes that the NMDOT will have a say in this matter. The concrete channel underneath that bridge can clog again. Some improvements have been made, but there is still a chance it will be a problem again. It is a State Highway Department facility so they will be involved, along with the Bureau of Reclamation, NRCS and the Corps.

Mr. Stone stated that with respect to the issue of trying to raise that bridge over the Montoyas they are building on a previous study they already started. All of the options they looked at for improvements included the Sportsplex Dam. The timing is good to look at making improvements to the bridge now because of what happened two years ago. Mr. Yarbrough stated that the Dam was designed to pass 100 year flow and he asked why build a dam to pass the 100 year flow when you're trying to stop that water. He asked why there weren't some gates incorporated into it where you could slow the water down. Mr. Stone stated that they are slowing it down and filling the volume of the dam itself before it is released through the dam. To build a facility that has a more active control, such as gates, it's a more difficult and costly procedure. You would almost need a control facility in the SSCAFCA office to control the gates.

Mr. Chaney asked about the total costs of the task orders. Mr. Stoliker stated that the task orders are \$1,243,000.00. The additional three projects are 19th Avenue, Guadalajara and the Upper SLO Dam, which is \$2 million. Mr. Chaney stated that since SSCAFCA is expanding its building and has asked for an increase in staff it would seem smart to bring these tasks in house and asked if it would be cheaper to do so. Mr. Stoliker stated that if any project is done in house it is always cheaper than paying for a consultant. However, he is not sure that the quality will be as high as tasking them out or that staff is capable of completing this work given our current work load. Staff is pretty fully tasked right now. If you add up the number of hours that are included in the task orders, there is no way that staff could do it.

Mr. Yarbrough stated that on Item 8 on the agenda, staff is asking for the office building expansion, and he asked if that would come under any of these task orders. Mr. Stoliker stated that it would not.

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

A discussion was held regarding "skimping" on engineering services. Mr. Dodge stated that, if they get into the project and find that something doesn't need to be done, they have the ability to delete that from the task order, and this has been done lots of times. Mr. Conkling asked that the engineers be mindful of being as frugal as they can with regard to man hours and possibly using previous drawings as opposed to making new ones.

6. Action/Acceptance of Joint Powers Agreement for the Sue Cleveland High School Roadway/Drainage Improvements with the City of Rio Rancho.

Mr. Stoliker stated that a number of years ago the schools were looking for help with regard to drainage. After many discussions, SSCAFCA had budgeted \$170,000.00 for help in constructing the design improvements for the Sue Cleveland High School. The City has said that they will step up and build the improvements. This JPA will give money to the City to build the facility. The plans have already been approved.

David Serrano, City of Rio Rancho Project Engineer, stated that the project has been advertised. Bids will be opened on January 17, 2009. The JPA will be heard on January 14, 2009 by the City. They hope to have the road built by the time the school opens.

A motion was made by Mark Conkling to accept and approve the JPA as presented, subject to comments by counsel. It was seconded by Donald Rudy and passed unanimously.

Mr. Metzgar stated that he has already reviewed it and has made some clarification changes. The changes are not substantive. The JPA can now be signed by the Chairman.

7. Action/Acceptance of SSCAFCA's 2009 Public Outreach Program.

Kim Smith, of Edit House, stated that they have been working with staff to develop ways to get information to the public about the impact the organization has on the public. Since the November bond issue passed, they have been doing smaller things than that activity. Some was helping to prepare for the dam dedication ceremony today. They are currently working on a piece that will be published in a new publication called, "Rio Book." It will continue to educate the public. They are also doing things to spread the word and get information about SSCAFCA out to the public. In keeping that message going, they are proposing building a plan that, over time, educates and extends information about SSCAFCA to the public so that there is no "sprint" to re-educate the public before a bond election about the work done by SSCAFCA. They propose efforts in two areas, education and more targeted outreach related to construction.

Ms. Smith stated several things would be priorities for 2009. First would be arroyo clean up so that SSCAFCA controls waste before it becomes an issue in arroyos. They are working to get the public to better understand how they can help. Another key component is education geared toward students and members of the community to use the watershed parks. Another potential area to explore in 2009 is the creation of something similar to "Fire Camp" which is a teen geared program. This would be a summer day camp and bring in teenagers who go through an application process who are interested in careers in engineering and watershed management, ecology, and wildlife management, etc. The other component is outreach education. There is a hydrology seminar likely for February or March 2009. The requested amount for 2009 is \$35,000.00. Down the road, there are other ways to extend some of these programs. There is a lot of education that can happen with landscape companies and homeowners in particular.

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

8. Action/Acceptance to Advertise Office Building Expansion and Associated Budget.

Mr. Conkling suggested postponing discussing this matter until the meeting on January 22, 2009. Mr. Rudy asked if there was anything to be done in the interim. It was decided to have the presentation now with the discussion on the 22nd.

Mr. Kent Beierle, of EDI, stated that they are at the end of developing construction drawings for the office expansion. The final cost estimates are in and re-certification estimates as well. They always refer back to the mission of SSCAFCA as they design the building. He presented the drawings showing the expansion. It is a conceptual stab at the look and feel of the building. They want to do LEEDS certification, but it is not currently certified. They will use deciduous plants for shade. They were shooting for 3,000 square foot addition with a budget of approximately \$1 million. This is 4,200 square feet at \$1.4 million. They are at a solid LEED gold certification with the

points they have right now. With a little effort on the highlighted elements, it can be pushed to a LEED platinum. It would be the first LEED platinum, publicly funded project in this State, second only to another project that will be done in a few months. The efforts involved to get to that level would be about \$7,500.00 – professional time only. The biggest bang for the buck will be a 10 kilowatt array. The costs are the most recent information that is in the market right now.

Mr. Chaney asked the staff to get the immediate needs for acquisition needed by SSCAFCA. Mr. Stoliker stated that immediate needs would be something at City Centre or Tributary A Dam. The Board has all the money it needs to do all the projects that were presented to the Board today. Mr. Conkling stated that staff should get a targeted appraisal done on the next property that SSCAFCA needs to acquire. An optimistic report on the FEMA money would help the problem. He tasked staff to go after the FEMA reimbursement hard. He also asked staff to look at the cost for modular rentals.

A motion was made by Donald Rudy to approve the concept design at this point and authorize David Stoliker go out for bid for the building addition and check the cost for modular rentals. It was seconded by Steve House and passed unanimously.

9. Action/Acceptance of Contract Renewals:

Without Changes:

<u>Surveying</u> WHPacific Huitt-Zollars Community Sciences	<u>Engineering</u> Stantec Huitt-Zollars	<u>Appraisers</u> Shipman/Foley & Assoc. Holzhauer & Assoc.
--	--	---

With Changes:

<u>Surveying</u> Bohannon-Huston	<u>Engineering</u> Bohannon-Huston WHPacific	<u>Lobbyist</u> Larry Horan (Contract Approval)
-------------------------------------	--	---

Mr. Stoliker stated that Mr. Metzgar has prepared a new contract for Larry Horan and it is in the Board's packets.

A motion was made by Steve House to approve the contract renewals. It was seconded by Donald Rudy and passed unanimously.

10. Action/Approval of Personnel Budget Adjustments.

Mr. Stoliker stated that they looked at salaries and would like to ask for salary adjustments for staff to keep them in line with current pay. The money is there for the raises.

A motion was made by Donald Rudy to approve the personnel budget adjustments as presented. It was seconded by Steve House.

Mr. Yarbrough moved to table the matter because it needs more discussion. Mr. Metzgar stated that if there is a second to the motion to table, it takes priority to the other motion and nothing else can be discussed. The motion was seconded by John Chaney. The motion failed 2-3.

Mr. Stoliker stated that this issue has been to the Budget Committee and to the Personnel Committee. Both recommend approval. Mr. Stoliker stated that the annual salary adjustment is approximately \$19,800.00 shared between every member of staff except for him. Laura would go up about \$2,500.00; Bob would go up about \$6,489.00, and they are all listed in the Board's packet. The budget cycle must be gone through every year. Perry Baird stated that the budget process is usually begun in February. This can be looked at again in June.

The motion passed 3-1, with one abstention.

11. Welcome New Drainage/Design Engineer Ralph Montoya.

Mr. Stoliker introduced Ralph Montoya to the Board. He is a professional engineer who has done drainage reports in the past. Mr. Montoya stated that he has worked in both the private and public sector and that he was happy to be with SSCAFCA.

Fiscal Services Director:

1. Recognition/Acknowledgment of Fiscal Services Report for November 30, 2008.

CHAIRMAN'S REPORT.

BOARD OF DIRECTOR'S COMMENTS.

ACTION/APPROVAL OF THE MINUTES OF NOVEMBER 14, 2008.

ATTORNEY'S REPORT.

PUBLIC FORUM.

FOR YOUR INFORMATION.

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

1. Executed Joint Powers Agreement for Planning in the Unnamed Watershed in the Town of Bernalillo.
2. December 7, 2008 newspaper articles, "Rants & Raves".

OTHER BUSINESS.

- Sunset Pond Dedication will immediately follow this meeting at 12:00 p.m.
- Special Board Meeting on Friday, January 2, 2009 at 9:00 a.m.
- Regular Board Meeting on Friday, January 16, 2009 at 9:00 a.m. has been CANCELLED.
- Special Board Meeting on Thursday, January 22, 2009 at 11:30 a.m. for \$4 Million Bond Sale and any business as needed.

ADJOURNMENT.

A motion was made by John Chaney to adjourn the meeting and take up the rest of the Agenda on January 2, 2009. It was seconded by Steve House and passed unanimously. The meeting adjourned at 11:25 a.m.



~~DONALD RUDY~~ Steve House
Secretary


JOHN CHANEY
CHAIRMAN

Mark Conkling

DATE APPROVED: 2/20/09

C:\Documents and Settings\Authorized User\My Documents\Board Meeting Minutes\Minutes 12.19.09.doc