

**SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY  
(SSCAFCA)  
MINUTES OF OCTOBER 16, 2009  
BOARD OF DIRECTORS REGULAR MEETING**

**CALL TO ORDER.**

The regular meeting of the SSCAFCA Board of Directors was called to order by Mark Conkling, Chairman, at 9:05 a.m.

**ROLL CALL OF DIRECTORS.**

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

**PLEDGE OF ALLEGIANCE.**

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

**APPROVAL OF AGENDA.**

A motion was made by Steve House to approve the Final Agenda as presented. 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. **Presentation/Approval of Finance Plan Update.**

Mr. Powers, of RBC Capital Markets, stated that they have studied the assessed valuation of the district and interest rates in the market and have come up with a finance plan that will allow SSCAFCA to sell an additional \$4.5 million in bonds. In conjunction with that sale, SSCAFCA can refinance a portion of outstanding debt. Combined, the two pieces would amount to a bond issue of roughly \$6,945,000.00, of which \$4.5 million would be new money.

Mr. Powers stated that the 2009 assessed valuation is the actual valuation and SSCAFCA experienced an almost 6.7% growth in assessed valuation. Given the economy, that is a strong number. They also looked at 2010 and tried to project some

numbers. The number includes some things that they believe will occur over the next year that will give SSCAFCA a bump in assessed value next year and includes some protested property values coming back onto the rolls and some large commercial property that has been omitted from SSCAFCA's assessed valuation accounting at the state level. When those are added back in, they think that next year SSCAFCA will see a pretty strong growth rate.

Mr. Powers stated that there were some negative numbers on some reappraisals from 2008 to 2009 that would be expected in the non-residential area because non-residential property is supposed to be valued from year to year at current, correct levels. As the market goes up and down, the value does as well. Residential property has some protections for taxpayers and valuation increases of residential property are limited to 3% per year as long as the owner continues to own that property. That has tended to keep residential values from increasing to their market levels. There is still a lot of correction to be made in residential values. Residential values will increase over the next few years.

Mr. Powers stated that there were a couple of stellar years in 2006, 2007, 2008; 2009 is coming back into line with other years, but is still a pretty good number. They just received the tax rates for 2009. He is not sure if the county has approved them or not, but there will be some changes to the tax rates in the County. The finance plan they are working on now is based on an 8% growth rate. SSCAFCA sold \$4 million in January. At that time, they were conservative with regard to the economy. This plan will bring in \$4.5 million in new money and refinance \$465,000.00 of the 1999 bonds and \$1,980,000.00 of the 2001 bonds. The plan anticipates that in approximately 2011 SSCAFCA could sell another \$2.5 million and in 2013 another \$5 million. The future bond issues would be dependent upon continued growth in the tax base and favorable interest rates. The timing of these sales may change.

Mr. Powers stated that they are refinancing existing debt but it does not impact the new money. They are kept completely separate. When the bonds are sold, they provide for redemption at SSCAFCA's option after a certain date. That gives the flexibility to take advantage of better interest rates or to restructure the debt service to accommodate a change in finance plans. This plan will lower SSCAFCA's interest cost and smooth out SSCAFCA's outstanding debt payments to give some relief over the next four years, which allows SSCAFCA to issue bonds and keep the tax rate the same. Mr. Powers stated that when everything is said and done, SSCAFCA issues new bonds to pay off the old bonds and pay cost of issuance, on a present value basis and there will be an \$80,000.00 benefit based on numbers used from October 9, 2009.

Mr. Stoliker stated that it costs SSCAFCA about \$50,000.00 every time it issues bonds. They have put together a time schedule that has SSCAFCA selling bonds in January at a special meeting. The reason for a special meeting is that Friday is not a

good day to sell bonds. The best days are Tuesday, Wednesday, or Thursday. They have picked January 20, 2010 for the sale. The bond issue could be closed by March 2, 2010 and SSCAFCA would have its money on that date.

A motion was made by Donald Rudy to give general approval to proceed with the bond sale and bring the Resolution back to the Board next month. It was seconded by Steve House.

Mr. Powers stated that in working through the Baja de Corrales situation, they discovered that there was no centrally assessed value being given to SSCAFCA. Central assessments are property that is assessed by the state rather than the local assessor and includes railroads, public utilities, etc. In the new Baja de Corrales area, they had a central number, but there was no number on the rest of the district. They asked about this and found that the Central Assessor's office had not been crediting SSCAFCA with the central assessed value within the boundaries. It was too late to get that included in 2009, but it will be included in 2010.

**2. Discussion of Series 2010 Proposed Bond Projects (\$4.5 Million Issue).**

Mr. Stoliker stated that these are the projects that staff believes are the correct projects to be done with the bond funds. The first item is \$1 million to buy the right-of-way that SSCAFCA is holding under leases at the present time. The next is outlet piping for Sugar Dam in the Black Watershed. The next is to start the acquisition of properties for Tributary A Dam with the idea that SSCAFCA would still have about \$300,000.00 to lease any remaining properties for the Tributary A Dam. With both of these options, SSCAFCA could possibly get all of that dam property under its ownership. Montoyas stabilization would be next. Then, there is \$250,000.00 for the Unser pipeline. These funds would support the project that the City is doing, Unser Roadway, Phase II. Next would be the Edinburgh pipeline project. The City is doing its part when it constructs Northern Boulevard. SSCAFCA's part is to put about \$800,000.00 in to complete the pipeline project as described in the Edinburgh Facility plan. The rest of it is to be completed by the developers. As part of that, SSCAFCA hopes to enter an agreement with the City to get impact fees; \$250,000.00 for SAD 9 would be a joint powers agreement with the City. The City is in the process of developing that SAD right now. Alberta storm drain is the next project and it is almost completely designed. This amount will not install all the pipeline that needs to be put in, but should get quite a bit of what is needed to address the critical portion identified in the 2006 floods. The Unnamed Arroyo is a project with a joint powers agreement with the Town of Bernalillo. About \$1 million of right-of-way is needed for that project and SSCAFCA would put in about a third of that amount. Early indications from the Town are that the Town would be okay with that. The next is \$100,000.00 for improvements on existing facilities on the Calabacillas and Harvey Jones. SSCAFCA has updated the Watershed Management Plan for the

Montoyas Arroyo. Now SSCAFCA needs to look at what will be done on the Harvey Jones Channel.

Mr. Stoliker stated that facility plans always need to be done. Staff also wants to do an infrastructure data management system which would be a software system containing all of SSCAFCA's infrastructure information. This is the next step toward getting SSCAFCA to know the work that needs to be done.

Mr. Stoliker stated that SSCAFCA has 19 properties under lease right now. It will probably take very close to \$800,000.00 to purchase all of these properties, along with a couple more, which would then take all of the \$1 million allocated. Staff has the appraisals in for the Tributary A Dam and is ready to look at the appraised values and see what SSCAFCA wants to do for the leases.

There was general consensus from the Board that this project program was acceptable recognizing that the Board can alter any project or amount at any time. Mr. Conkling stated that this is a planning document and it takes on its own life and evolves as things change.

3. Action/Approval of Resolution 2009-15 Infrastructure Capital Improvement Plan (ICIP).

Mr. Stoliker stated that the state requires that SSCAFCA prepare this listing and it is exactly what is contained in SSCAFCA's long term list. His understanding is that the state won't have any money this year, but they are going to submit it and see what happens. Mr. Rudy stated that this matter should also be referred to SSCAFCA's lobbyist to keep it at the forefront if money does become available.

A motion was made by John Chaney to accept Resolution 2009-15 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.

4. Action/Approval of Contract with Manuel Lujan Agencies, Inc. for Insurance Agent of Record. (This action is for approval of contract only, selection was made at the August Board meeting).

Mr. Stoliker stated that the selection of Manuel Lujan Agencies was approved last month. This is the standard contract and has been reviewed by Mr. Metzgar.

A motion was made by Steve House to approve the contract with Manuel Lujan Agencies as presented. It was seconded by Dub Yarbrough and passed unanimously.

5. Action/Approval of contract renewal for General Landscaping and Gardening Services requesting no changes to contract with the following contractors:
  - a. Santiago's Native Landscaping, LLC;
  - b. CBKN Dirtworks;
  - c. Joiner Construction (with Assignment to WebbCorr);
  - d. RAC Construction, Inc.

Mr. Stoliker stated that there are no changes in the above-referenced contracts.

A motion was made by John Chaney to approve the one year contract renewals for the above-referenced contracts as presented. It was seconded by Steve House and passed unanimously.

6. Discussion of Potential Legislative Issues:
  - a. Bottle Bill;
  - b. Jurisdictional Boundaries for Special Districts;
  - c. Construction Debris/Dumping in Arroyos.

Mr. Stoliker stated that construction debris and dumping in the arroyos is becoming a major problem for SSCAFCA. SSCAFCA put in the water quality feature at Sportsplex Dam and recently removed three or four truckloads of water bottles after one event. Construction debris seems to be prevalent and needs to be addressed. The public should not have to pay for this, yet if they are not cleaned up the debris has the potential to clog the facilities. The issue of the jurisdictional boundaries for Special Districts has to do with the central assessments issue discussed by Mr. Powers earlier. Is there a better way to insure that SSCAFCA residents are recognized to vote, to be protected and to be assessed?

Tom Horan stated that the state is going into a special session on Saturday and should be instructive with regard to capital outlay, etc. The state is having financial problems, but the nature and impact on what it might have is unclear. First, the recession is causing the problem. The recession in New Mexico is highlighted by downturns in natural gas production and housing. There is some oil production down by Hobbs. New Mexico primarily gets its money for severance tax from severed industries, i.e., oil, gas, coal, uranium, etc. Natural gas makes up a good portion of the general fund activity. About 70% of the drilling rigs and servicing rigs are parked in the yards and 30% are operational. For every dollar that the price moves, it is \$120 million for the state. Where SSCAFCA mostly gets its money for capital outlay projects is from severance tax. This next year will be like previous years, around \$100 or \$120 million dollars. Three years ago, it was \$1 billion.

Mr. Horan stated that the other source of money is the general fund and the general fund surplus. The state would have some non-recurring general fund money that they didn't think would be coming in each and every year and that would be put aside for capital outlay projects. Some of those have been authorized, but not spent yet. There is a lot of general fund money that can be used for operation and maintenance and ongoing budget. Personal income tax was down 20% this year from the previous year, which also impacted the state. In talking with the head of the legislative finance committee, he was told that the state would be down \$325 million next June 30th if nothing is done. That number includes draining the reserves. It is in the

state's plan that it must have about 5% in reserve. To get back to zero so the state is not in the negative, and putting in a 5% reserve, will take in the neighborhood of \$650 million.

Mr. Horan stated that in January, when they come back into session, they will be doing the budget that starts in 2010 and runs to June 30, 2011. In the budget the state has this year, they have already used \$160 million and are planning to use somewhere around \$90 million more of non-recurring stimulus money. One of the other things the legislature has done is to hold cities harmless and repeal the food and medicine tax. If that is swept back in, that will cause a big disconnect and loss in municipal governments. The governor controls the docket in this special session and will send down a resolution. If it doesn't include taxes, they can't include taxes.

Mr. Horan stated that the 30 day session in January can include revenue matters (taxation), budget matters, vetoed bills that were vetoed by the Governor in the special session, and messages from the Governor. If it's not on the list, it can't be considered.

Mr. Horan stated that he voted three times for a bottle bill when he was in the legislature and each time it was defeated. Bottle bills have been tried in New Mexico several times and have been shot down by the soft drink people, beer distributors and the grocery stores. It's possible the make-up is different now, but the likelihood of success is slim. SSCAFCA would probably want to have someone else push it and support it because it would be tough for SSCAFCA to push such a bill through. A bottle bill has strong opposition.

Mr. Horan stated that in the Taxation and Revenue Department in the state, they have an agency that assesses things such as pipelines that are multi-jurisdictional and assess values for those sorts of things. To the extent that technical issues, such as jurisdictional boundaries for special districts, are worked out with the Property Tax Division, they are usually pretty non-confrontational if they are designed to help administrate regulation and taxation. He stated that this may not be something addressed in the short session, but could be taken to the regular session. Mr. Stoliker stated that the idea today was to start a conversation on these topics. Mr. Conkling stated that it is the consensus of the Board to begin the conversation and see where it goes.

Mr. Conkling stated that with regard to the construction debris and dumping issues, it is probably something that should be discussed with the City rather than the legislature and to try to work with the City with regard to getting something set up. There are presently fines set up for dumping and littering, but the problem is catching people in the act. Mr. Chaney stated that there have been some discussions in the past about SSCAFCA being able to issue fines itself. Mr. Stoliker stated that Mr. Metzgar has indicated that SSCAFCA would have to take some legislative action in order to get that ability. Mr. Horan stated that SSCAFCA would need specific statutory authority to issue fines. Mr. Chaney stated that he would like to pursue this issue at the legislature. Mr. Rudy stated that all governmental entities affected should be working together on this issue.

7. Action/Approval of task-order with WHPacific for Dulcelina Curtis Inlet Upgrade in the amount of \$34,811.

Mr. Stoliker stated that Mr. Dodge has done most of the design and most of the planning needed to look at the Lomitas Negras just before it enters the Dulcelina Curtis Channel. The idea is to reduce the sediment load that gets in the Harvey Jones Channel. If the inlet could be expanded and made a sediment storage area, it might reduce the sediment going into the Harvey Jones, which would help with the potential blocking of the channel.

Mr. Dodge stated that they are about 50% done on the design to get it ready for construction, either under the maintenance contract or bid. Mr. Conkling stated that the Board had previously approved this effort, and is an ongoing approval.

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

8. Action/Approval of task-order with WHPacific for Dam No. 1 in Rio Rancho at Corrales Escarpment Emergency Action Plan and Operations and Maintenance Plan in the amount of \$45,142.

Mr. Stoliker stated that as part of new dam safety regulations, SSCAFCA has to look at every State Engineer jurisdictional dam, which is every dam that is more than 50 acre feet or 25 feet in berm height and prepare an emergency action plan. This dam overlooks Corrales and the task order is for WHPacific to perform this work.

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

9. Communication System and Internet Data Management System vendors were selected for the office addition.

Mr. Stoliker stated that Communications Diversified presently supplies SSCAFCA's phone system. Staff has used the ongoing contract to have them expand into the new office building and update SSCAFCA's current phone system. Mr. Metzgar has looked over the way they did this item and Ms. Casaus is okay with the way it was done as well. This will piggyback off of GSA Contracts and is about 15% less than what J & J Technical bid on the system. The contract was less than \$20,000.00 and he approved it since it is within his jurisdictional amount.

Mr. Stoliker stated that the other is data management. He is not a strong supporter of major computer network systems because there are many potential issues with them. But all the young engineers have discussed with him the value in networking. Trevor is in the process of getting a quote from J & J Technical for an internal networking system. This will be piggybacked off of a state contract to put in a networking system. There was general consensus that these actions are acceptable to the Board.

10. Approval/Discussion of new SSCAFCA logo.

Mr. Stoliker stated that the logo was brought to the Board in the August meeting. He stated that he has since talked with the Chairman and the Chairman indicated that more input

on the logo was needed. It will not be shown to the Board today. Mr. Conkling stated that there seem to be opportunities to share the fact that SSCAFCA appreciates quality of life and that the logo presented looked like water was actually flooding out of something. Mr. Smith, of Edit House, stated that it is important that the logo show where SSCAFCA wants to go.

Mr. Chaney stated that he had some constituents ask him why SSCAFCA was paying money to support a particular issue like the present promotion. He stated that it might be better to do an infomercial rather than support one issue. Mr. Stoliker stated that this promotion was for breaking weather updates and was run only during the monsoon season. Mr. Smith stated that the promotion that is running is for people to sign up to receive a text message if there is breaking weather and if flooding is imminent, they will get a message on their cell phone to be warned.

Mr. House stated that the public should have input on what the logo should be. Mr. Conkling stated that Edit House should generate some ideas and bring it to the Executive Committee for some additional discussion.

11. Action/Approval of contract renewal with Edit House Productions including an increase to the contract amount.

Mr. Stoliker stated the Board's packets show the increase in the contract requested by Edit House. The increase is in one line item on the contract and he didn't explain it well enough last time. Edit House doesn't use this line item very much, as it has to do with copyrighting, PR activities, consultation and accounting. It goes from \$65.00 to \$80.00 per hour. Everything else remains the same.

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

**Fiscal Services Director:**

1. Recognition/Acknowledgment of the Fiscal Services Report for September 30, 2009.

Debbie Casaus stated that interest rates are still about 1/4 of a percent. The CD will mature at the end of the month and SSCAFCA will most likely not renew the CD. SSCAFCA is about 1/4 of the way through fiscal year 2010 and its expenditures in the general fund amount to about 22%, which is on track. The City of Rio Rancho had 19 permits issued for the month of September. The total number is down about 5%, but is up 14% from a couple of months ago. The audit is being wrapped up. It is due to the state by December 1, 2009, so they will bring it to the Board next month for approval.

2. Discussion/Approval to Certify SSCAFCA's Inventory of Capital Assets.

Ms. Casaus stated that through the course of SSCAFCA's audit, it was stated that staff should bring a copy of an inventory to the Board of all of the assets greater than \$1,000.00.



Included in the Board's packets is a listing of all those assets that include the original cost and the acquisition dates.

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

Mr. Baird stated that staff has routinely taken an inventory of these assets each year at the time of the audit. However, this is a Board action that the auditor pointed out that SSCAFCA should be doing each year.

3. Action/Approval of Resolution 2009-16 Asset Capitalization Threshold Policy.

Mr. Conkling stated that this Resolution raises the capitalization threshold value to \$5,000.00. His presumption is that anything other than that will be expensed in the year acquired. The inventory list will not grow as rapidly now.

A motion was made by Steve House to adopt Resolution 2009-16 as presented. It was seconded by Donald Rudy. Roll call vote: John Chaney, yes; Mark Conkling, yes; Steve House, yes; Donald Rudy, yes; Dub Yarbrough, yes. The motion passed 5-0.

4. SSCAFCA would like to welcome Sandy Parker to the Fiscal Services Department.

Debbie Casaus introduced Sandy Parker to the Board. Ms. Parker stated that she has been very happy in her first two weeks at SSCAFCA.

**CHAIRMAN'S REPORT.**

- Paseo del Volcan. Mr. Conkling stated that there is an opportunity to include quality of life issues within the Paseo del Volcan project in exchange for reducing the LEE line by flood control measures. This would create the opportunity to walk from the park all the way to Mariposa, which would be one of the longest trails that SSCAFCA would have intact.

Mr. Rudy stated that after the meeting where Mr. Conkling presented this idea to the City, there was a COG Board meeting and he brought up the matter of SSCAFCA connecting its system to theirs, and they were very receptive to that.

- Annual reporting to EPA on storm water management program activities is required as a condition of permit coverage under the current NPDES Phase II discharge permit. A draft annual report covering the activities conducted from July 1, 2008 through June 30, 2009 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 will be taken at the November 20, 2009 Board of Directors meeting and will be considered in preparation of the final report submitted to EPA.

Trevor stated that staff is getting ready to submit the annual report, but must receive public comments before submittal. SSCAFCA wants the EPA to be aware of the fact that the Sunset Dam has been completed and it has a strong water control component to it. Also, SSCAFCA continues to expand the habitat mitigation area along the Black Arroyo branch. SSCAFCA has also initiated a project for the Unnamed Arroyo Watershed for a water control facility on the remaining outfall under SSCAFCA control that does not currently have a water control facility. In the third program year, there will be a very strong educational and public outreach component to the program. Edit House is working with staff in this regard. This will open a public comment period for 30 days, which will close at the next Board meeting.

**PUBLIC FORUM.**

Cheryl Ganch had a comment with regard to the Alberta Storm Drainage project. She also commented on how pleased she was with regard to the work done by Jim Brooks.

Mr. Smith of Edit House stated that they are in the process of producing a long format video that highlights the pond worked on by Jim Brooks.

**BOARD OF DIRECTOR'S COMMENTS.**

Mr. Yarbrough asked if there was any report from the Executive Committee on any of the issues brought before the Committee. Mr. Stoliker stated that attorney Brad Hays is representing an owner that was downstream from a particular development at 40th Street and Idalia. The developer had physically encroached onto the property. He believes that issue has been resolved.

**COMMITTEE REPORTS.**

None.

**ACTION/APPROVAL OF THE MINUTES OF AUGUST 21, 2009.**

A motion was made by John Chaney to approve the Minutes of August 21, 2009 as presented. It was seconded by Steve House 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:

**BOARD OF DIRECTORS REGULAR MEETING**

**OCTOBER 16, 2009**

1. Cabezon Subdivision Drainage Infrastructure was accepted by SSCAFCA on August 28, 2009.
2. Final walk through for 84" RCP for the Presbyterian Hospital site was conducted August 25, 2009. Final acceptance is expected by the end of October.
3. August 25, 2009 correspondence to attorney Brad L. Hays regarding High Range Off-Site Infrastructure Improvements.
4. The Guadalajara Dedication ceremony was held on August 21, 2009 honoring the joint efforts of Unit 17 Neighborhood Association, Sandoval County, the City of Rio Rancho and SSCAFCA. Joint funding from each of these groups made the construction of this vital flood control facility a reality. After the dedication, a brunch was held at the SSCAFCA office.
5. Fiscal Year 2009 GASB Summary.
6. Renovation of SSCAFCA's office's kitchen area will begin Monday, October 19th.
7. September 8, 2009 newspaper article, "Watch Out for Water Laws, Rain Harvesters."
8. September 19, 2009 correspondence from the New Mexico Department of Finance and Administration approving SSCAFCA's Final Budget for Fiscal Year 2009-2010.
9. A Public Finance Options Proposal with Modrall Sperling Lawyers was approved by the Executive Engineer on September 18, 2009.
10. September 23, 2009 correspondence from the New Mexico Department of Finance and Administration closing Guadalajara Storm Drain project.

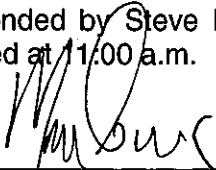
**OTHER BUSINESS.**

- Next Regular Board Meeting is on Friday, November 20, 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 11:00 a.m.

  
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STEVE HOUSE, Secretary

  
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MARK CONKLING, CHAIRMAN

DATE APPROVED: 11/4/10

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