

SOUTHERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY
(SSCAFCA)
MINUTES OF JULY 11, 2012
BOARD OF DIRECTORS SPECIAL MEETING

CALL TO ORDER.

The regular meeting of the SSCAFCA Board of Directors was called to order by Donald Rudy, Chairman, at 2:00 p.m.

ROLL CALL OF DIRECTORS.

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

A motion was made by Mr. Chaney to move numbers 3, 4 and 5 under the Executive Engineer's Report to numbers 1, 2 and 3. It was seconded by Steve House and passed unanimously.

ANNOUNCEMENTS.

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

STAFF REPORTS:

Executive Engineer:

1. Action/Approval of Renewal of Agreement with United States Geological Survey (USGS) for the Rainfall/Runoff Monitoring Program.

Mr. Thomas stated that this is an annual program that is renewed every year. The total cost of this year's program is \$54,280.00. The USGS is putting in \$22,000.00 of that as part of the matching program. The cost to SSCAFCA this year has increased by approximately 13%. Some of that is a 3% overhead increase from USGS. The majority is due to the additional rain gauge

and flow gauges installed under last year's contract. This program is a data program. This data helps as a real time check of exactly what is going on in the arroyos and the rainfall coming in from the storms and allows SSCAFCA to properly model and evaluate possible flood events.

A motion was made by John Chaney to approve the renewal of the agreement as presented. It was seconded by Jim Fahey and passed unanimously.

2. Development Status Update.

Mr. Thomas stated that there is not much to address. There have been a couple of reviews. One for a very small commercial facility and one for a subdivision review for Avalon West, LLC near the Wilpet Ponds. Another issue is the encroachment easement for the Gateway flood wall. It is moving through the City process and should be in place to cover the wall shortly. When the decision was made to do the flood wall, it was found to be partially located out of the existing parcels owned by the City. The easement was done as a house cleaning measure so that SSCAFCA had approval to have its facility on City property and is a joint venture between SSCAFCA and the City.

3. Presentation on Maggie Cordova Nature Trail by Leadership Sandoval County.

Mr. Thomas introduced Carolann Gutierrez. Ms. Gutierrez stated that she is a recent graduate of the Sandoval Leadership Group. SSCAFCA was a main contributor of her group. She provided a letter of thanks to SSCAFCA. She went through a Power Point video presentation of how her group used the land that SSCAFCA donated to them for their project.

4. Receive Bids and Take Official Action Awarding the \$4,500,000 Series 2012, General Obligation Bonds to the Bidder Submitting the Best Bid.

Mr. Kevin Powers, of RBC Capital Markets, stated that SSCAFCA accepted bids this morning at 11:00. SSCAFCA had a rating call in which Moody's confirmed the AA2 rating for SSCAFCA which is a very good rating in these harsh economic times. Stifel, Nicolaus submitted the best bid at 1.908%; Piper Jaffray was a close second at 1.919%; and Vining-Sparks was third at 1.93%. The bottom four bids were not that far off either. All in all, the sale was a good one. The bonds will mature between 2013 and 2025. The interest cost is \$840,500.00. The bidder is going to pay SSCAFCA \$34,247.75 on closing as a premium, which will bring the interest cost down to a little over \$800,000.00. The TIC that results from that is 1.908785. The bids were verified on a separate computer system. The coupon rates are 2%. The next page shows that all the 2% coupon bonds will be sold from yields ranging from .35% to 2.1%. The first 11 years of the bonds being sold will be sold at premiums and the last two years will be sold at a slight discount. If all the bonds can be sold, the bidder will generate about \$62,958.00 in excess proceeds. This works out to about \$6.00 a bond. They like to compare these sales to an index and this sale will be compared to a AAA MMD

index. In the early stages of the maturity schedule, SSCAFCA's bonds are priced somewhere around 15 basis points above that index level. At the tail end of the sale, it drops down to 12.8 and then goes negative. Keeping the sale the way they did it kept the sale at a lower interest cost. It will be important for the tax levies to rise in the future to be able to issue more bonds, but the report was very complimentary on how SSCAFCA has weathered the hard economic times.

5. Action/Adoption of Resolution 2012-10 Approving the Issuance of \$4,500,000 Series 2012 General Obligation Bonds.

Mr. Thomas presented Resolution 2012-10, which is the Resolution to approve the issues of the bonds. Mr. Tommy Hughes, of Hughes Law, LLC, stated that this Resolution awards the bonds to Stifel and sets forth the interest rates and the fees and the prices. It provides for an option for prior redemption in 2022. The other thing it does is appoint Bank of Albuquerque as the registrar paying agent. It provides for the form of the bond. It pledges SSCAFCA's property taxes and says that SSCAFCA will do what is necessary to keep the bonds tax exempt.

A motion was made by John Chaney to approve Resolution 2012-10 as presented. It was seconded by Jim Fahey. Roll call vote: John Chaney, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion passed 4-0.

Fiscal Services Director:

1. Recognition/Acknowledgment of the Fiscal Services Report for June 30, 2012.

Ms. Deborah Casaus presented the Fiscal Services Report for June 30, 2012. She stated that this concludes SSCAFCA's fiscal year. She stated that the property tax collections are in excess of \$313,000.00. Operating property tax collections are still about 8.3% higher than projected and debt service is about 7.7% higher than last year. General Fund expenditures through June 30, 2012 were 64% of the total budget and concludes fiscal year 2012.

The City of Rio Rancho issued 46 single family residential permits for the month of June, which puts the City about 19% higher than the same time last year. Interest earned on the State Treasurer's local government program is about .1794% for the month of June, which is still higher than a U.S. Treasury Bill of .066%. SSCAFCA did receive a letter from the State Treasurer's office regarding the funds set aside in the reserve contingency fund. By a recommendation from their auditors, they are going to recognize a loss of about \$4 million total to the fund, of which SSCAFCA's portion is about \$15,000.00.

2. Action/Approval of Resolution 2012-11 Budget for Fiscal Year Ending June 30, 2013.

Ms. Casaus presented Resolution 2012-11, Budget for Fiscal Year Ending June 30, 2013 to the Board and requested approval. The main change in the final budget from the preliminary budget is an increase in the cash balance coming forward of \$2.16 million. That increase from the preliminary budget is made up of the additional revenue received from property tax collections, as well as some expenditures that were put off. The general fund operating mil levy will be reduced from .844 on the residential side to .828 and then reduced from .906 to .828 on non-residential. The bond sale will not make a big change, but the important thing is that the operating budget was lowered.

A motion was made by John Chaney to approve Resolution 2012-11 as presented. It was seconded by Jim Fahey. Roll call vote: John Chaney, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion passed 4-0.

3. Action/Approval of Resolution 2012-12 Ad Valorem Tax Levy for the Tax Year 2012 (Fiscal Year 2013) Applicable to General Operating Fund.

Ms. Casaus presented Resolution 2012-12, Ad Valorem Tax Levy for the Tax Year 2012 (Fiscal Year 2013) Applicable to General Operating Fund to the Board and requested approval. In years past there has been a fluctuation in the mil levy strictly based on the yield control formula applied by DFA. By taking this action to consciously reduce the mil levy, it will not be raised by DFA.

A motion was made by John Chaney to approve Resolution 2012-12 as presented. It was seconded by Jim Fahey. Roll call vote: John Chaney, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion passed 4-0.

4. Action/Approval of Resolution 2012-13 Ad Valorem Tax Levy for the Tax Year 2012 (Fiscal Year 2013) Applicable to Debt Service Fund.

Ms. Casaus presented Resolution 2012-12, Ad Valorem Tax Levy for the Tax Year 2012 (Fiscal Year 2013) Applicable to Debt Service Fund to the Board and requested approval. In tax year 2011, the levy was \$1.023 per \$1,000 of assessed value for residential and non-residential property. Based on the recent bond sale, SSCAFCA will see an increase to about \$1.136 per \$1,000 of assessed value.

A motion was made by John Chaney to approve Resolution 2012-12 as presented. It was seconded by Jim Fahey. Roll call vote: John Chaney, yes; Jim Fahey, yes; Steve House, yes; Donald Rudy, yes. The motion passed 4-0.

5. Action/Acceptance of Selection/Agreement for General Counsel/Legal Services with Crowley & Gribble, P.C.

Ms. Casaus stated that an RFP was recently done. There were three responses and the committee unanimously selected Crowley & Gribble for general counsel legal services.

A motion was made by Jim Fahey to accept the agreement for General Counsel/Legal Services with Crowley & Gribble, P.C. as presented. It was seconded by John Chaney and passed unanimously.

Field Services Director:

1. Gateway Pond Closeout.

Mr. Jim Service stated that the wall at Gateway Pond project is done. The contractor has been paid. The artist has fixed what the contractor had done to the wall. The wall came in on budget. The next phase is to let the RFP for the parking lot for the park. The park is moving right along.

CHAIRMAN'S REPORT.

None.

BOARD OF DIRECTOR'S COMMENTS.

In response to a question from Mr. Chaney concerning the candidates for the position to replace Trevor Alsop, Mr. Thomas stated that three interviews have been completed to date and the others will be completed this week. The Personnel Committee will meet next Tuesday to discuss the top three candidates.

COMMITTEE REPORTS.

None.

ACTION/APPROVAL OF THE MINUTES OF JUNE 15, 2012.

A motion was made by Jim Fahey to approve the Minutes of June 15, 2012 as presented. It was seconded by John Chaney and passed unanimously.

ATTORNEY'S REPORT.

Mr. Metzgar stated that the Board entered an agreement with High Desert and Mariposa Community Association whereby High Desert granted to SSCAFCA an easement for flood control. In that agreement, the Association agreed to do level one maintenance and level two maintenance. SSCAFCA agreed to do level three and level four maintenance. Right now, it is not known what will happen with the collapse of the Mariposa Development. Mr. Metzgar stated that it might be one possibility to enter into an agreement with the successor company for SSCAFCA to do any required level one and two maintenance in the interim and then just bill the company for those services. Mr. Service will attempt to keep in touch with the proper officials on these maintenance issues.

PUBLIC FORUM.

None.

PROPERTY MATTERS.

Purchase of Lot 11, Nazcon Subdivision, Bernalillo, NM

Mr. Thomas stated that Lot 11 of the Nazcon Subdivision, just west of the Rio Grande, is one of three properties needed to complete a water quality feature for the Unnamed Wash Arroyo. The funding for this was allocated in the 2010 bond issue. The other two properties are in the process for purchase.

A motion was made by Jim Fahey to approve the purchase of Lot 11 as presented. It was seconded by John Chaney and passed unanimously.

FOR YOUR INFORMATION:

1. Sandoval Signpost Article, "ESCAFCA - A Year Without Placitas", (3/2012).

OTHER BUSINESS.

- Regular Board Meeting on Friday, July 20, 2012 at 9:00 a.m. has been cancelled.
- Special Board Meeting on Friday, August 10, 2012 at 9:00 a.m.

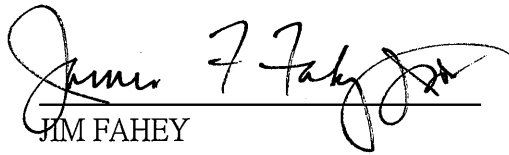
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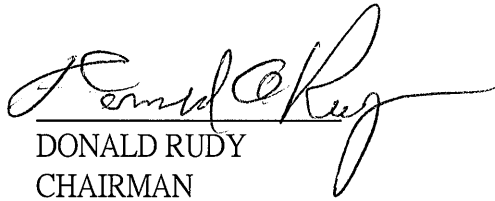
- Regular Board Meeting on Friday, August 17, 201 at 9:00 a.m. has been cancelled.

ADJOURNMENT.

A motion was made by Jim Fahey and seconded by John Chaney to adjourn the meeting. It was carried unanimously. Meeting adjourned at 3:05 p.m.



JIM FAHEY
Acting Secretary



DONALD RUDY
CHAIRMAN

DATE APPROVED: _____

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