



TRUCKEE RIVER FLOOD PROJECT WORKING GROUP

February 24, 2010, 3:00 P.M.

FINAL MINUTES

Present:

Name	Representing	Name	Representing
Glen Krogman	HDR	Dody Gustafson	Hidden Valley HOA
Burnham Moffat	FPCC	Scott Smith	Kleinfelder
Kevin Piper	NV Ag Experimental Station	Todd Welty	TRAA
Steve Alastuey	Citizen	Bob Ramsey	Rosewood Lakes HOA
Christine Kirick	Nichols Consulting	Dave Hollecker	Trails West
Marge Frandsen	Hidden Valley HOA	Mary Horvath	Wood Rodgers
Steve Mestre	Reno River Gardens	Allen Gray	Gray & Associates

Staff Present: Naomi Duerr, Susie Kapahee, Paul Urban, Jay Aldean, Eric Sheetz

1. Introductions

A meeting of the Working Group was held on Wednesday, February 24, 2010 at the Truckee River Flood Project Office Conference Room, 9390 Gateway, Suite 230, Reno, Nevada. Susie Kapahee welcomed the group and invited everyone to introduce themselves.

2. Approve Working Group Minutes of January 20, 2010

The minutes of the January 20, 2010 Working Group meeting were submitted for approval. Mr. Moffat made a motion to approve the minutes as submitted. Ms. Gustafson seconded the motion, which carried unanimously.

3. Retreat Update

Ms. Duerr reported that the Flood Project Coordinating Committee (Board) held a three-hour working Retreat on February 12, 2010. The focus of the Retreat was the budget and capital project priorities. She stated that the Board voted to approve the priorities and land acquisition budget for the next year.

Ms. Duerr reported that the Board expressed frustration over the time being taken by the Corps on the Flood Project. She stated that if \$5 million is spent next year on Truckee River Action (TRAction) projects, a minimum cash flow (approximately \$6.5 million) would be reached. She briefly explained the budget revenues, cash flows and expenditures. She added that another

expense to be incurred by the Flood Project is the Early Flood Warning System, which costs approximately \$300,000 per year (previously paid by Washoe County and Cities of Reno and Sparks).

a. Budget

Ms. Duerr provided a PowerPoint presentation, which included the following budget highlights:

- Today there is approximately \$25 million in reserves.
- Funding in the amount of approximately \$5 million plus staffing and debt service are committed for the next year.
- The Flood Project will continue to work as it has for the next year, assuming that \$6.5 million in revenues will be received.
- Primary Activities for Fiscal Year (FY) 2010-2011 include:
 - Set Up Joint Powers Authority (JPA), which would allow for implementation of fees for the Flood Project
 - Finalize Flood Plans – National Economic Development Plan (NED) and Locally Preferred Plan (LPP)
 - Establish and Implement fees; Obtain federal appropriations and grants
 - Implement TRAction Projects (feasibility, design, construction, and monitoring)
 - Acquire Land; Relocate people and things
 - Implement Flood Warning System
 - Operate and Maintain Project
- Beginning Fund Balance ~ \$18 M
- With Proposed Budget - Ending Fund Balance ~ \$7 M
- FY 10-11 Revenue ~ \$ 6.5 Million/year
 - 1/8 ¢ sales tax (~ \$6 million/year)
 - Interest (~\$200,000/year)
 - Rental Income (~\$66,000)
 - Grants (??)
- FY 11-12 Future Revenue Sources
 - Bonds paid off in 2010 (~ \$2.3 M/year coming in)
 - Fees (???)
- The County previously paid all staffing and overhead costs, which based on implementation of the JPA, would be paid by the Flood Project.
- January 2011 would be the earliest date that fees could be expected.
- Budget scenarios were presented to the Board based on *minimal* TRAction projects and land acquisition in FY10-11, and *no new* TRAction projects or land acquisition in FY11-12.
- A list of land acquisition projects that are ready to go but lack funding include:
 - UNR Acquisition
 - Sparks parcels for Living River Parkway
 - Downstream Reach – 20 Parcels
- Staff salaries and benefits have been cut, including no cost of living adjustment, no merit raises and decreased benefits.
- In summary, the Flood Project will cut back where possible. Hopefully the JPA will move forward, with implementation of fees by 2011.

b. Capital Project Priorities

Ms. Duerr referred to a list of projects prepared by Mr. Aldean. Mr. Aldean explained that the list is broken into “Approved TRAction Projects” and “Planned TRAction Projects. He provided a brief overview of the projects listed. The total budget for all Approved Projects is \$31,490,000, with the cost to the Flood Project of \$7,687,000. Ms. Duerr mentioned that many projects were completed with grant funding. She added that the total budget for Planned Projects is \$150,887,000, of which the Flood Project would be responsible for \$137,212,000.

Scott Smith reported that he recently spoke with Mr. Aldean regarding “shovel ready” projects under the Stimulus Plan. Ms. Duerr stated that the reason funding was not received in the first round was due to the Corps having extra requirements, such as an approved project with construction funding. She added that the Flood Project’s strategy is to go after unused stimulus funds from the Bureau of Land Management (BLM) and Bureau of Reclamation (BOR) that fail to complete. Mr. Smith stated that he has heard that the next round of funding might be provided to projects that might take longer but will provide a better product.

Ms. Duerr stated that she would be meeting with the County Financial Officer to discuss funding options related to revenues and debt service.

c. Work with the Corps

Ms. Duerr reiterated that the Board is frustrated with the Corps’ delays. She reported that Flood Project staff is attempting to get construction money from the Corps (separate from stimulus money or the General’s Re-evaluation Report [GRR]) that was previously approved. A request for \$20 million was submitted to the Corps. The Assistant Secretary of the Army is planning a visit and has contacted Senator Reid with a request to move forward with the 1988 authorization. Ms. Duerr reviewed a brief list of proposed projects that are common between the 1988 and current plan that could be eligible for the previously authorized funds.

Mary Horvath asked about the process to implement a fee. Ms. Duerr provided a brief background of the JPA, approximate fee structures and amounts. She stated that in order to implement a fee, the JPA must be approved. Between now and May, staff will finalize the JPA language, which could be approved by July 1, 2010. The Attorney General’s approval is necessary prior to implementation. Ms. Duerr stated that based on the timing with the Election, the fees most likely will be presented for implementation in February 2011.

d. Corps Principles and Guidelines

Ms. Duerr referred to the proposed Principles and Guidelines (P & G), which are available on the Truckee River Flood Project website. She reviewed the following highlights:

- Council on Environmental Quality (CEQ) proposing new principles and guidelines for federal water resource agencies, including the Corps:
 - Improve economic well-being
 - Protect communities from floods and storms
 - Make better choices about where to build (i.e., not floodplains) based on risk assessment
 - Protect & restore environment
- Current P & G went into effect in 1983
- In Water Resource Development Act (WRDA) 2007, Congress told Corps to establish new P & G

- Now expanding P & G to cover all federal water resource agencies
- Use of sound science, peer review
- Consider both monetary and non-monetary benefits – What is ecosystem restoration worth? How can such projects be evaluated for monetary benefit?
- Improve transparency of planning and implementation – The Environmental Impact Statement (EIS) provides this level of transparency. The proposal is that every meeting be publicly noticed and open, which could result in further delays.
- Focus on non-structural approaches – The Home Elevation project is a good example of a non-structural approach.

Ms. Duerr briefly reviewed the comments the Flood Project plans to provide on the P & G as follows:

- If project is Cost-Beneficial – Corps should plan to build 100-year protection in urban areas as a minimum standard; extra levels of protection would require additional analysis.
- Use 1:1 Ratio – not higher ratios
- Include benefits of ecosystem restoration in calculation of B:C Ratio
- Allow early start restoration for credit throughout country – not just Nevada
- Eliminate or reduce mid-project re-evaluations
- Develop implementing regulations quickly – otherwise progress on projects in process will be slowed
- Use appropriate level of detail – not too much!
- The concept that no data over 5 years old may be used - might compromise conclusion of studies as Corps must begin new data gathering activities – Should not apply to projects such as ourselves which are deep in the planning pipeline - could result in never ending re-evaluation using new data!
- Recognize the time value of money; i.e., delays cause project costs to go up, delay flood and ecosystem protection
- Studies must be concluded in a timely manner! They say it, we will re-emphasize.
- Mitigate upfront
- Use a watershed-systems approach rather than fragmenting analysis
- Protect floodplains
- Protect and restore ecosystems – evaluate change in benefits, not the value of the system itself
- Focus on Non-structural approaches to flood protection
- Manage risk and uncertainty
- Involve and assist Tribes – This has been implemented throughout the Flood Project.

Ms. Duerr reported that staff is still evaluating the 25-page document. She reported that:

- Comments are due in early March – Before the next FPCC meeting
- FPCC and community members are requested to send in comments to flood staff
- Compile comments and vet with TAC – Feb 26 meeting
- Submit to CEQ
- Outreach for support – Labor, Builders, Contractors have all offered support
- Finalize P & G
- Develop Implementing Regulations ~ 1 year out

Ms. Duerr encouraged attendees and groups to review the document and provide comments prior to the deadline.

Christine Kirick asked what the current peer review process includes. Mr. Urban stated that the current process is confused. He stated that an Agency Technical Review (internal) is now required that previously were not sent for external review. He summarized that the review process is not clearly defined, which makes planning difficult. Members discussed the review process.

Ms. Duerr welcomed questions or comments. She reiterated encouragement for others to submit comments.

4. Election of Working Group Committee Chair and FPCC Representatives

Ms. Duerr stated that currently this Working Group has two representatives to the FPCC, Mr. Moffat and Franco Crivelli. She stated she would like to nominate Ms. Gustafson or Ms. Frandsen. Ms. Gustafson declined based on her schedule. Ms. Frandsen stated that based on Ms. Lanza's comments at the last meeting, she thought that a professional should be in that position. Ms. Duerr clarified that the intent was the opposite; Ms. Lanza thought the representative should not be a consultant. She added that she spoke with Ms. Lanza following the meeting to clarify the comments. Ms. Frandsen declined the opportunity and stated she believed the Working Group would be better-served by another representative.

Ms. Duerr mentioned that based on the proposed JPA, the Technical Advisory Committee (TAC) might be combined with the Working Group. She stated she thought it would be good to have a representative with a history of the Flood Project.

Ms. Kapahee reported that she spoke with Mr. Crivelli, who expressed his continued interest in the Flood Project; however, he has a busy schedule. Mr. Moffat offered to communicate with Mr. Crivelli.

Ms. Duerr mentioned the make up of the Working Group and explained Ms. Lanza's comments that the consulting community has a special interest in the Flood Project, which might not serve well as a representative. Consultants in attendance agreed. Ms. Duerr explained that the make up of the committee has evolved over the years based on what phase of the project is being addressed; i.e., in the beginning concerned citizens made up the bulk of the membership. During the restoration phase, fishery, biology and recreational representatives were involved. Now that the project is going to construction, it makes sense that consultants would be interested.

Mr. Smith stated that the interested consultants are locals who are concerned with the Flood Project. He mentioned that many organizations, such as the Associated General Contractors (AGC) and American Council of Engineering Companies (ACEC), are very supportive of the project.

5. Other Topics

Mr. Aldean reported that a preliminary hydrologic study on Sun Valley is available for review on the Flood Project website. He invited local hydrologists to read, review and provide comments on the document. He added that a formal comment deadline has not yet been established.

Mr. Urban explained that the study was focused on watershed hydrology from the perspective of land use changes. He added that Sun Valley was selected as the “pilot” watershed. He stated that eventually the model would be used to evaluate the entire Truckee Meadows watershed.

Mr. Ramsey asked if the watershed analysis for tributaries to the Steamboat Creek have been finalized. Mr. Urban stated that the analysis has been completed for some time; however, it might not be to the level desired by Mr. Ramsey. He clarified that the Sun Valley model is not that type of study. He further explained the purpose of the model is related to flow changes, velocity changes and timing of hydrograph changes based on changes in land use.

Ms. Duerr suggested possibly scheduling a workshop for the review. Mr. Aldean and Mr. Urban agreed that is a good idea at the end of the comment period. Mr. Aldean added that a deadline will be established for the comment period.

Mr. Ramsey expressed his concerns over the Rosewood Lakes watershed.

Dave Hollecker asked about the status of the Menke and Scott parcels. Ms. Duerr stated staff is working with Mr. Menke to find a way to move his development to one of his other parcels that is outside or on the edge of the floodplain. She added that negotiations are ongoing and could result in a land swap. She stated that staff is examining ways to preserve the site and added that a letter was received from the Reno Historical Resources Commission recommending that the historical building not be moved. She explained that the parcel is approximately 22 acres, which is located on UNR Farms next to the river.

Ms. Duerr referred to the Scott parcel, which is located near Lockwood, and stated that staff has had numerous discussions with the owners. She stated that the Flood Project has been able to work around the property. Mr. Urban stated that the need for the Scott parcel was dropped when the Lockwood Restoration project was designed around the parcel. Ms. Duerr added that the Flood Project might need to compensate for impacts due increased water levels. Mr. Hollecker stated that there is a state parcel adjacent to the Scott parcel and there is a historic resource (an old trail). He provided information on a road that goes through the property and the negative way in which it was handled by the property owners.

Ms. Kapahee thanked everyone for attending. There being no further business, the meeting was adjourned at 5:05 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary