



TRUCKEE RIVER FLOOD PROJECT WORKING GROUP

January 20, 2010, 3:00 P.M.

FINAL MINUTES

Present:

| Name | Representing | Name | Representing |
|------------------|----------------------------|--------------|--------------------|
| Noel Laughlin | HDR | Kerri Lanza | City of Reno |
| Burnham Moffat | FPCC | John Dyer | AMEC E+E |
| Kevin Piper | NV Ag Experimental Station | Shaun Smith | CFA, Inc. |
| Heidi Frantz | Michael Baker, Jr. | Bob Ramsey | Rosewood Lakes HOA |
| Christine Kirick | NCE | Pat Martinez | UNR |
| Marge Frandsen | Hidden Valley HOA | | |

Staff Present: Naomi Duerr, Susie Kapahee, Paul Urban, Jay Aldean, Greg Salter

1. Introductions

A meeting of the Working Group was held on Wednesday, January 20, 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 October 28, 2009

The minutes of the October 28, 2009 Working Group meeting were submitted for approval. Ms. Kapahee stated that some members had clarified whom they represented. Ms. Frandsen stated that she represents Hidden Valley Homeowner's Association (HOA) and Roger Jewett represents the Southeast Truckee Meadows Citizen's Advisory Board (CAB). Ms. Kapahee offered to verify Mr. Jewett's representation on the Working Group.

The minutes were approved unanimously with the above clarifications.

(Joint Powers Authority [JPA] Update – Naomi Duerr – This item was added to the agenda.)

Ms. Duerr provided an update on the JPA. She explained that for the past four and a half years, the Flood Project has been operated under an Interlocal Agreement (ILA) between Reno, Sparks, Washoe County and University of Nevada, Reno (UNR). Each of the partners has two representatives on the voting structure of the Flood Board, along with fifteen non-voting

members (including representatives of the Pyramid Lake Paiute Tribe, Airport Authority and Community Coalition).

Ms. Duerr reported that as the Flood Project progressed, it was realized that sufficient money would not be available. She added that the 1/8 cent sales tax will generate approximately \$100 million, however, the local share will require \$400 to \$500 million. The Flood Board reviewed sixteen funding options, narrowed them to six and then to one preferred alternative, which was to enact a type of flood fee. She reported that under an ILA, there is no legal standing to enact a fee. A process was initiated at a joint meeting of Reno, Sparks and Washoe County in February 2009, where options were presented such as formation of a general improvement district, a flood control district, a JPA or others. The group unanimously voted to move forward with a JPA.

Ms. Duerr reported that she and Mr. Salter worked with the Legislature during the last session to enact Senate Bill (SB) 175, which provided the mechanism to move forward with formation of a JPA. She stated that after approval in June 2009 and with input from the entities, Mr. Salter developed an outline of the issues associated with a JPA. The issues were discussed with financial, technical and legal groups and then with the Reno, Sparks and Washoe County Managers. From that process, some “key provisions” were developed that include:

- Who will serve on the Board and whom do they represent?
- What is the voting structure?
- How many representatives will be appointed to the Board?
- What type of activities will the Board do or not do?
- Who owns and maintains the Flood Project facilities?
- How would bonds be sold?

Ms. Duerr stated that about 90% of the issues have been addressed, although there are some outstanding. She reported that the issue was discussed at the Finance Sub-Committee (FSC) meeting, and the Flood Project Coordinating Committee (FPCC) would hear the issue at their next meeting. She stated that the FSC asked a lot of questions, but agreed in the end that the JPA was ready to be forwarded to the FPCC. She stated that questions were raised as to whether UNR or Storey County would be represented on the Board, which staff recommended that neither be appointed because the existing cooperative agreement includes a side agreement with UNR on issues that affect them. The reason for Storey County’s exclusion is the Flood Project would not add new protection for the residents.

Ms. Duerr reported that other recommendations include that the Board would have six members (rather than 23 as currently on the FPCC), voting would be by a simple majority (as opposed to unanimous) or 75% on sub-divisions, such as amending the Living River Plan so that everyone is in agreement in moving forward with building and capital improvements. She stated that the recommendation was that Reno, Sparks and Washoe County would each have two representatives. Another recommendation was that the FPCC would have the ability to establish its own committees. She added that currently there is a Working Group, FSC, and Technical Advisory Group. She stated one option might be to combine the technical and working groups. She summarized that the FPCC would discuss the issue on January 21, 2010.

Ms. Duerr stated that next week she would be meeting with the Reno and Sparks Councils and the Board of County Commissioners (BCC) to discuss the issues. She added that on February 1, 2010 a quarterly joint meeting is scheduled that includes the Washoe County School District. She encouraged everyone to attend or view the upcoming meetings. She stated that she does

not envision any staff or location changes, however, the process could be simplified and streamlined.

Ms. Duerr stated that Mr. Salter would continue to work on the JPA language. She welcomed questions or comments. Ms. Kapahee asked about the timeline for the process. Ms. Duerr stated that her expectation is:

- 2/1/10 – At the joint meeting, the parties may possibly agree on the “key provisions”.
- At the quarterly meeting in May, the parties could vote on the JPA, which would have to be approved by the Attorney General.
- July 2010 is a target date for the JPA, however, it could take additional time.

Ms. Duerr stated that even if items progress as targeted, revenues, assets, the accounting system, etc. would have to be transferred. Mr. Aldean added that Flood Project staff would remain employees of Washoe County. Ms. Duerr stated that staff is inspired at this point with good relationships.

Mr. Moffat suggested reading a book by Robert Moses regarding the development of the Port Authority of New York, regarding setting up an authority and issuing bonds. Ms. Duerr expressed her interest in the book and clarified that the JPA is not seeking to be an immensely powerful organization, however, the tools to “get the job done” are being sought. She added that no organization in the region has the authority to solely issue bonds; all have to go through review committees and other approval agencies.

Mr. Salter agreed and added that the new JPA would be a political subdivision of Nevada, similar to Truckee Meadows Water Authority (TMWA), the Western Regional Water Commission (WRWC) or Regional Transportation Commission (RTC). Mr. Moffat stated that RTC is having a workshop on Friday, January 22, 2010.

Ms. Lanza stated that the JPA would be beneficial in working as one agency. Ms. Duerr agreed and stated that given Washoe County’s excellent bond rating, the Flood Project should be able save money on bonding.

Ms. Duerr thanked members for their time. She added that tonight she would be meeting with the Rosewood Lakes Homeowners’ Association.

3. Corps Schedule

Jay Aldean reported that following the Corps’ review of the economic and hydraulic models, Chair Larkin (FPCC) requested an update to the FPCC. Mr. Aldean summarized that errors were made in the 2006 work that identified the 117-year storm as being the design storm. The errors would have made the design storm a 50-year storm. He stated that in order to make the revisions recommended by the reviewers, there would be another year delay with authorization in 2012.

Mr. Aldean reported that four recovery plans were reviewed. He added that Roger Henderson, Corps Project Manager, was on his way to Reno for the FPCC meeting. He briefly reviewed the options, which include:

- Redo the hydraulic model completely – 2 year delay

- Fix a minimal amount of the model – 1 year delay (to the end of 2012) – Funding sources include Water Resources Development Act (WRDA) and Water & Power Appropriation (via Senator Reid).

Mr. Aldean explained the four reaches of the Flood Project and the design storm for each. He explained that the Meadows Model is the reach in question because it is the benefit area, which includes Sparks and UNR Farms. He added that the Meadows Model was intended for 117-year design, however, based on the model, it is designed for a 50-year design storm. He summarized that there would be at least a one-year delay. He added that while the 50-year design would provide more protection than current, the net benefit would not be sufficient.

Mr. Aldean reported that the Corps' Colonel is being very pro-active in pushing completion of the model revision. Mr. Dyer asked if the revised level of protection would affect the restoration projects, to which Mr. Aldean stated, if anything, it would provide better protection.

Ms. Lanza clarified that the National Economic Development (NED) plan discussion is often not separated from the Locally Preferred Plan (LPP), which the community is trying build. She added that the Corps is proposing the NED for cost-sharing. Mr. Aldean agreed and added that the NED plan was to include Rainbow Bend as existing improvements. He agreed with Ms. Lanza and reiterated that the LPP has not changed; it is still designed for the 117-year storm. He added that if the NED plan changes to a 50-year storm, the Corps would pay 65% with the local match of 35% plus any overage needed to bring the design to 117-year protection. Mr. Aldean reported that the 117-year design would be maintained in the General Re-evaluation Report (GRR), so that it can go before Congress.

Christine Kirick asked if the Corps changed the precipitation input in the model. Mr. Aldean explained the models that were used for developing the floodplains, which are used as input into depths and elevations to the various structured elevations. Then simulations are run based on various potential storm events, which determines a benefit number. The annualized benefit is in the \$11.5 million range. He summarized that the modeling had a data entry input error in 2006, which overstated the value of the 117-year design. Mr. Aldean stated that this update would be provided to the FPCC at the next day's meeting. He welcomed phone calls if members had additional questions.

4. TRAction Projects – Hidden Valley Home Elevation Update

Mr. Aldean referred to a PowerPoint presentation that he intended to present to the FPCC the next day. He reported that in the NED and LPP, elevation of homes in the Eastside Subdivision was always included. He showed photos that showed the Eastside, Rosewood Lakes and Hidden Valley subdivisions, where originally a levee was planned. He stated that based on the high infrastructure cost (approximately \$50 million for levees), home elevation was considered (at approximately \$100,000 per home for 55 homes). He added that a buyout option would cost approximately \$20 to \$35 million. He summarized that home elevation would be the emphasis of the program, although a buyout option for some homes might be offered. He added that the program would be voluntary. He stated that the home elevations would be implemented over an 8-year duration. He clarified that Assembly Bill (AB) 54 (which provides elevation funding) allows ten years to complete the program.

Mr. Aldean reported that a home elevation working group was formed among Washoe County departments. The Flood Project will administer the program, however, other agencies will be

asked for assistance. For example, Public Works will be asked to perform inspections, and the Building Department will assist with permits.

Mr. Aldean stated that potential funding sources include Corps of Engineers (65% - 35% split) and Federal Emergency Management Agency (FEMA) grants (75% - 25% split). He added that, most likely, contractors would be paid directly from the Flood Project for the elevations based upon recommendations from homeowners and inspectors. He explained that contracts would be between contractors and homeowners, who could pay directly for additional costs, i.e. veneer or other decorative features.

Mr. Aldean reported that no living quarters would be permitted on the ground floor, although the space could be used for storage or as a garage. He added that in Tehama, homeowners were allowed to stay in their home with their belongings, except on the day the elevation was performed. Mr. Aldean showed pictures of homes that were elevated in Placer County and briefly explained the process. He added that any home could be elevated regardless of slab foundation, brick home or any other structure. Bob Ramsey stated that the mechanical structures would have to be located above the flood level. Shaun Smith asked what the FEMA elevation requirement is, to which Mr. Aldean stated typically 8 feet.

Mr. Smith asked if funding for the program is presently available. Ms. Kapahee summarized that tomorrow the FPCC would be asked to approve \$2 million to fund the home elevation project. Mr. Salter clarified that the FPCC would be asked to recommend that the Board of County Commissioners (BCC) approve the \$2 million in funding. He added that if approved, an ordinance would be written.

Mr. Ramsey reported that there was a provision in the building code that if proposed improvement work exceeds 50% of the value of the existing structure, the entire structure would have to be brought up to existing code. Mr. Aldean stated that staff is aware of that issue and has discussed it with the County's Building Official, Don Jeppson. Mr. Ramsey added that some features might require updates. Mr. Aldean agreed and added that fire codes are very important.

Noel Laughlin asked if there would be a list of pre-qualified contractors to perform the elevations. Mr. Aldean stated that the issue has been discussed, however, contractors can not be excluded. Mr. Ramsey stated that the Nevada State Board of Contractors requires that contractors must be qualified and have financial responsibility. Mr. Aldean stated that, most likely, training would be provided to the contractors. Mr. Ramsey added that contractors are only allowed to perform work for which they are qualified.

Ms. Frandsen reported that there is one elevated home in Hidden Valley. Mr. Aldean thanked Ms. Frandsen for her comment and stated he was interested in seeing the home.

Mr. Martinez asked if the approvals are granted, what timeframe is targeted for the first elevation. Mr. Aldean stated it would need to happen quickly, no later than late spring.

Ms. Frandsen asked about the Eastside Subdivision. Mr. Aldean stated that Eastside has not been the focus; Hidden Valley is the focus because Washoe County had an associated project with promises made to residents. He added that Eastside residents who have expressed interest in the project are included on the list. He stated that meetings have not been held with Eastside residents. Ms. Frandsen suggested that Mr. Aldean contact Terri Thomas, who is very vocal in the Eastside area.

Mr. Aldean reiterated that he and Ms. Duerr would be making a presentation to the Rosewood Lakes HOA tonight.

5. Flood Warning System

Paul Urban reported that the Flood Warning System has not changed, however, based on the proposed integration of TMWA and Department of Water Resources (DWR) (the system was covered by Washoe County General Funds), the system will now be part of the Flood Project.

Mr. Urban stated that a workshop with US Geological Survey (USGS) is scheduled to examine who pays for which gauges and who benefits. He reported that in the next month, the Flood Project will take over the system and added that Ed Evans would come to work for the Flood Project from DWR to oversee the Flood Warning System.

Mr. Urban reported that the collected data from the gauges was previously provided to DWR and the Weather Service, however, in the future, the data would be provided to the Flood Project.

Mr. Ramsey suggested that the USGS add a gauge at Dry Creek on Airmotive Drive, which he thought would be a perfect monitoring location. Mr. Urban offered to mention the suggestion to USGS staff.

Kevin Piper asked about funding for the system, which Mr. Urban clarified costs approximately \$30,000 per year. Mr. Urban added that the USGS funds approximately 40 to 50% of the funding, with the other half funded by the Flood Project.

5. Election of Working Group Committee Chair and FPCC Representatives (Taken out of order)

Ms. Kapahee stated that currently this Working Group has some great representatives to the FPCC: Mr. Moffat and Franco Crivelli. She asked if any other member desired to serve as a representative. Mr. Moffat stated that he attends meetings, however, Ms. Fujii-Strickler normally presents the updates. Ms. Duerr stated that staff has provided updates, however, they would prefer the update be given by a Working Group representative. Mr. Moffat stated he would be happy to provide updates, but added that he would like to discuss the updates with staff.

Ms. Duerr suggested that this item could be re-agendized for the next meeting for further discussion. Ms. Kapahee offered to speak with Mr. Crivelli about his desire to continue as a representative.

Ms. Lanza suggested discussing eligibility of a representative because she believes this group is becoming a large consulting interest group. Ms. Kapahee agreed this group has been very informal. Ms. Duerr summarized that the make-up of the group has evolved. Ms. Lanza clarified that the current representatives are probably appropriate to provide updates without having a financial stake in the process. She added that this group evolved from representatives of business, residential and environmental groups. Mr. Dyer asked if the representative's sole function is to report to the FPCC, which staff stated it is. Ms. Kapahee stated that traditionally, Working Group minutes are presented to the FPCC along with a brief update.

Ms. Duerr suggested continuing discussion of this issue at the next meeting. Ms. Kapahee summarized that Mr. Moffat would continue to serve as a representative, and she would speak with Mr. Crivelli. She agreed to place the item on the next agenda. Ms. Lanza reiterated that she would like to hear further discussion of the make-up of the Working Group.

7. Other Topics

Ms. Kapahee thanked everyone for attending. There being no further business, the meeting was adjourned at 5:12 p.m.

Respectfully submitted by,

Niki Linn, Recording Secretary