

Flood Project Coordinating Committee

Finance Subcommittee

Minutes

Thursday ~ June 11, 2009 ~ 9:00 a.m.
Washoe County Administration Complex
Building A ~ Second Floor ~ Caucus Room
1001 East Ninth Street, Reno, Nevada

1. **CALL TO ORDER AND ROLL CALL** – *Determination of a Quorum*

Vice-chair Smith called the meeting to order at 9:07 a.m. A quorum was established.

MEMBERS PRESENT: Shaun Carey, Mary Hill (for Donna Dreska), Katy Simon and Ron Smith. Jessica Sferrazza joined the meeting at 9:12 a.m.

MEMBERS EXCUSED: Donna Dreska and Robert Larkin.

STAFF PRESENT: Jay Aldean, Lisa Diebler, Naomi Duerr, Mimi Fujii-Strickler and Trish Yohey.

2. **MINUTES** – *Review Provisional Minutes of Finance Subcommittee Meeting of April 7, 2009 (No Meeting in May) - Hard Copy is in the May Board Book*

Naomi Duerr – Flood Project Director, stated that Natural Resource Planner Danielle Henderson had asked for an amendment to the April 7, 2009, minutes but did not have the information available.

Member Simon suggested that the draft minutes could be continued until the next Finance Subcommittee meeting.

3. **ANNOUNCEMENTS ***

Naomi Duerr – Flood Project Director, stated that Governor Jim Gibbons had signed S175 and that the RGJ (Reno Gazette Journal) had printed an editorial supportive of the legislation.

4. **PUBLIC COMMENT ***

There were no public comments.

5. **FINANCE SUBCOMMITTEE ITEMS**

* denotes NON action item

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- 5-A. PROPERTY MANAGEMENT PLAN RECOMMENDATIONS** – *Report on staff recommendations for management of each of the properties currently owned by the Truckee River Flood Project. Possible action to approve the staff recommendations, accept the report, and/or provide direction to staff on property management recommendations and issues.*

Naomi Duerr – Flood Project Director, commented that this agenda item had been pulled to allow staff an opportunity to further develop additional information. Ms. Duerr also noted that Chair Robert Larkin had expressed an interest in the matter and had wanted as complete of a report as possible.

Vice-chair Smith reopened Agenda Item 2.

- 2. MINUTES** – *Review Provisional Minutes of Finance Subcommittee Meeting of April 7, 2009*

It was moved by Member Simon, seconded by Member Hill, to approve the April 7, 2009, minutes, as submitted. The motion carried: Members Carey, Hill, Simon and Vice-chair Smith assenting; and Member Sferrazza and Chair Larkin excused.

5. FINANCE SUBCOMMITTEE ITEMS

- 5-B. Update on State and Federal Legislation** (Hard copy is in the May Board Book) – *Discussion and possible direction to staff regarding legislation or legislative issues at the federal and state level, including but not limited to proposed legislation regarding flood management projects, funding, economic stimulus, and such legislative issues deemed by the Chair or FPCC to be of critical significance to the Flood Project. Possible action to accept reports and/or provide direction to staff. Note: All legislation to be discussed will be posted on the Truckee River Flood Project's website (<http://truckeeflood.us>) three days prior to the meeting.*

- 5-B-1. SB-175** – *would expand the scope of flood management projects for which counties and cities (in counties between 100,000 and 400,000) can impose rates, tolls and charges, and provides that county and state bond banks may acquire revenue securities issued by flood management authorities for such projects.*

- 5-B-2. AB-54 (Section 2)** – *would authorize counties (between 100,000 and 400,000) to establish financing programs (which may include loans or grants) to assist property owners in making properties located in areas likely to be flooded impervious or resistant to damage from floods or relocating them to areas not likely to be flooded.*

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Naomi Duerr – Flood Project Director, noted that both AB54 and SB175 had been passed by the legislature and signed by the Governor (Jim Gibbons). Ms. Duerr drew attention to list of next steps that will be covered later in the meeting agenda and expressed her appreciation to individuals and members that assisted in the development and ultimate passage of the legislation.

Member Simon asked that consideration of the meeting minutes be reopened.

Member Jessica Sferrazza joined the meeting at 9:12 a.m.

Mia O'Connell – The Carmen Group joined the meeting via teleconference at 9:12 a.m.

5-C. CARMEN GROUP UPDATE (April and May) (April hard copy is in the May Board Book) – *Update on the Carmen Group's lobbyist activities. Possible action to accept the report and/or provide direction to staff on related lobbying matters.*

Naomi Duerr – Flood Project Director, welcomed Mia O'Connell – The Carmen Group, to the Finance Subcommittee meeting.

Vice-Chair Smith expressed his appreciation to Ms. O'Connell for her time during the recent visit to Washington, DC (District of Columbia) and stated that he believed a lot had been accomplished.

Ms. O'Connell stated that she too had enjoyed the time and looked forward to working with the board in the future. Ms. O'Connell provided an overview of the advance construction initiative stemming from the administration's economic stimulus plan. Ms. O'Connell noted that work approved under Section 104 and other preconstruction projects are being reviewed for eligibility. Of the \$30-million funding requested for design and construction of the Flood Project, only \$15-million has been allocated. The Appropriations Committee is expected to review the Water Resources Development Act (WRDA) funding for the Corps (U. S. Army Corps of Engineers) and other agencies on June 22, 2009. Once adopted the appropriation bill will be sent to the Senate. Ms. O'Connell encouraged local elected officials to correspond with (Nevada) Congressman Dean Heller who had not supported the funding for the Truckee River Flood Project. Ms. O'Connell emphasized the need for Congressman Heller to support the appropriations bill on behalf of his constituency.

Responding to Member Sferrazza's inquiry about whether correspondence should be from local elected officials individually or as a whole, Ms. O'Connell suggested that the correspondence emphasize that these funds are for local flood protection and is

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cost shared with the local project sponsors. Additionally, Ms. O'Connell believes it may also be beneficial to highlight the need for Congressman Heller's support in passage of the appropriation.

Member Sferrazza noted that she had been informed that Congressman Heller had opposed the appropriation as he felt there was "too much pork."

Ms. O'Connell stated she would provide some bullet points for Ms. Duerr to incorporate in the correspondence to Congressman Heller.

Ms. Duerr noted that she would prepare draft correspondence for presentation and signature at the FPCC (Flood Project Coordinating Committee) meeting on Friday, June 12, 2009.

Member Simon noted that the elected bodies of the three jurisdictions (Reno, Sparks and Washoe County) had all previously expressed unanimous support for the Truckee River Flood Project and that the correspondence would, in her opinion, be a reiteration of that support.

Member Sferrazza commented that she would like to take the correspondence to the Reno City Council for signature.

Ms. O'Connell then recalled the Flood Project tour by Steve Stockton – Corps' OMB (Office of Management and Budget) who was impressed with the Flood Project. Therefore, it is important that the groundwork be laid to achieve a supportive posture from the Corps' headquarters. Ms. O'Connell noted that the Flood Project is the type of project that the Corps strives to be known for. Ms. O'Connell summarized her meetings with senior Corps management and the need to continue working with Senator Harry Reid's staff, the Corps, Appropriations Committee and others to secure construction authorization. Ms. O'Connell noted that Colonel Rock Salt comes from the Everglades Project and has worked with Ms. Duerr in the past. The initial hearing process has started to confirm nominee Jo-Ellen Darcy as the Assistant Secretary of the Army who has a background in finance and other Corps programs. Ms. O'Connell is currently working to schedule a tour of the Flood Project by Acting ASA Salt.

Ms. O'Connell terminated the teleconference at 9:34 a.m.

Responding to Member Sferrazza's inquiry about AB54 and SB175, Ms. Duerr explained that both bills had passed and been signed into law by the Governor (Jim Gibbons). Ms. Sferrazza noted that the Reno City Council would be considering a potential advisory question for the 2010 ballot on "Home Rule".

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5-D. MONTHLY REPORTS (APRIL AND MAY) ON FLOOD PROJECT FINANCIAL STATUS AND FINANCIAL RELATED ACTIVITIES (April hard copy is in the May Board Book) – *Update on monthly and year-to-date revenues and expenditures and related financial activities of the Truckee River Flood Project. Possible action to accept the report and/or provide direction to staff on related financial matters.*

Trish Yohey - Fiscal Compliance Officer, commented that there were two reports in the informational packet and that it appears that the fiscal year will end at 80-percent of the budget due to a cutback in training and professional services.

It was moved by Member Sferrazza, seconded by Member Hill, to accept the April and May financial reports, as presented. The motion carried: Members Carey, Hill, Sferrazza, Simon and Vice-chair Smith assenting; and Chair Larkin excused.

5-E. STATUS REPORT ON THE FLOOD PROJECT FUNDING STUDY – *Possible action to accept the oral report and/or provide direction to staff on the next steps and schedule for the Flood Funding Study.*

Naomi Duerr – Flood Project Director, provided a handout (copy on file) that identifies the next steps in the Flood Funding Study. Ms. Duerr explained that with the approval of SB-175 the Cooperative Agreement would be used as the basis for identification of flood project partners, roles and responsibilities as well as Board composition and voting process. Additionally, financing options and financial participation of partners will also be identified. Other aspects include administration, operations/maintenance, risk assessment and liability. The outcome of those discussions will form the Joint Powers Authority (JPA) that could be known as the Truckee River Flood Management Authority. Ms. Duerr pointed out that the Flood Project encompasses the entire Truckee River not just the Truckee Meadows. The FCS Flood Funding Study will be updated to reflect current project costs and annual revenue requirements with fee recommendations being finalized based on the outcome of the sensitivity analysis and legal review. Ms. Duerr noted that she would discuss the Flood Funding Study with Interim Reno Finance Director Jill Olsen.

Member Jessica Sferrazza suggested a joint meeting of the Flood Project sponsors to discuss and provide staff direction on board composition and voting structure. It is Ms. Sferrazza's belief that a joint meeting would resolve many of the issues and asked that a flow chart be developed so that the process can "stay on track" with a specific timeline to bring the process to fruition.

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Greg Salter – Deputy District Attorney, noted that there are about five major policy decisions that must be determined by the elected bodies to provide basis of an agreement.

During the discussion it was suggested that the issues be identified and discussed with the staff working group. Other discussion focused on potential joint meeting dates during which it was noted that the Finance Subcommittee and Flood Project Coordinating Committee (FPCC) did not meet in July and that Washoe County Board of County Commissioners (BCC) did not meet in August.

Discussion then focused on the needed updates to the data already collected as part of the Flood Funding Study. It was explained that outside legal counsel will be sought to provide assistance in the rate setting as this is a unique and untested funding process. As the discussion continued, it was noted that Flood Project staff had previously conducted a series of meetings with the City's NAB's (Neighborhood Advisory Board) and the unincorporated Washoe County CAB's (Citizen Advisory Board). The intent is to conduct a similar series of informational meetings as part of the public outreach before formal public hearings on rates commence.

Other discussion noted that Washoe County School District will be seeking a bond in 2010 and that the Flood Project would be well served to begin the public outreach on rates, tolls and charges as soon as possible. It was suggested a Town Hall meeting that focuses on contractors, developers and labor unions in July 2009 would provide a broader base of support once the rates are finalized as the meeting would focus on number of jobs created, federal guidelines for bidding and the economic stimulus created in the region with project construction.

As the discussion continued, it was suggested that a cross section of individuals be selected for a rate study focus group to better evaluate how the charges would affect individual areas. It was pointed out that while the Sparks Industrial Area has some 900 businesses, there are several hundred businesses south of Mill Street that have not yet been identified as a specific group. The City of Sparks used a 9 month study comprising ±7 meetings to develop their revised utility rate structure.

It was moved by Member Simon, seconded by Member Carey, to accept the report, as presented. The motion carried: Members Carey, Hill, Sferrazza, Simon and Vice-chair Smith assenting; and Chair Larkin excused.

It was moved by Member Carey, seconded by Member Hill, to reconsider Agenda Item 2, Approval of the April 7, 2009, Provisional Minutes. The motion carried: Members Carey, Hill, Sferrazza, Simon and Vice-chair Smith assenting; and Chair Larkin excused.

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2. MINUTES – Review Provisional Minutes of Finance Subcommittee Meeting of April 7, 2009 [Reopened]

Member Simon requested that the second paragraph of page four which reads:

“Responding to an inquiry about employee wages, Member Simon noted that step increases are covered in existing labor contracts and that longevity payments to employees with less than five years of service were limited to \$100 per year and paid semi-annually. Those payments cease when an employee has reached five years of service. Ms. Simon reiterated that Washoe County employees had taken a 2.5-percent wage cut as well as a further 2.5-percent reduction in the next fiscal year.”

be amended to read:

“Responding to an inquiry about employee wages, Member Simon noted that step increases are covered in existing Washoe County labor contracts, as are longevity payments to employees with more than five years of service; longevity payments are equal to \$100 per year and paid semi-annually. Ms. Simon reiterated that Washoe County employees had agreed to have no cost-of-living increases in 2008-2009 and 2009-2010 and had further taken a 2.5-percent wage cut in FY (fiscal year) 2008-2009.”

Naomi Duerr - Flood Project Director, asked that the last paragraph of page five which reads:

“Natural Resources Planner Danielle Henderson explained that the Corps is reluctant to include in-channel features as part of the Flood Project due to the conveyance of flood water and fish passage. Ms. Henderson noted that the Whitewater Parks have a somewhat different NEPA (National Environment Protection Act) process than the Flood Project. Ms. Henderson recommended that such elements be included in the Recreational Plan. It is Ms. Henderson’s intent to provide a more detailed report in the next few months.”,

be amended to read:

“Natural Resource Manager Danielle Henderson stated that all of the entities have been and will continue to coordinate on river recreation projects. She explained that the Corps is reluctant to include in-channel features are part of the Flood Project due to potential issues related to conveyance of flood water and fish passage. She noted that proposed in-stream projects (such as the Truckee River Enhancements project in downtown Reno) would have to go through a separate environmental permitting process. Ms. Henderson stated

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that river access was of concern to all of the recreation and natural resource agencies, and that the draft Flood Project recreation plan included a number of river access points for kayaks/canoes. It is Ms. Henderson's intent to provide a more detailed report in the next few months."

It was moved by Member Simon, seconded by Member Carey, to approve the April 7, 2009, minutes, as amended. The motion carried: Members Carey, Hill, Sferrazza, Simon and Vice-chair Smith assenting; and Chair Larkin excused.

9-A-2. Working Group Monthly Reports for April and May (April hard copy is in May Board Book) – *Report on the Working Group meeting of April 29, 2009 and June 3, 2009.*

Responding to Member Sferrazza's inquiry about TRAction Projects, Naomi Duerr – Flood Project Director, explained that the July 2009 hiatus would allow Flood Project staff an opportunity to continue their work on the Rainbow Bend, Hidden Valley/Eastside Subdivision and other TRAction Projects.

Ms. Duerr noted that some members of the Working Group had participated in a tour of the RSIC (Reno Sparks Indian Colony) TRAction Project that is nearing completion. The tour provided an opportunity to see the various stages of the construction process. Another tour of the RSIC project is scheduled within the next two weeks.

Vice-Chair Smith invited those present to the grand opening of 27 new businesses at Legends at 10:00 a.m., Thursday, June 18, 2009. Mr. Smith noted that another 20 business are slated to open by August 1, 2009.

12. COMMITTEE MEMBER COMMENTS, REQUESTS AND FUTURE AGENDA ITEMS – *Possible action to approve items for future agendas.*

There were no additional member comments.

13. ADJOURNMENT

Vice-chair Smith adjourned the meeting at 10:06 a.m.