



FLOOD PROJECT COORDINATING COMMITTEE

November 5, 2010, 8:30 A.M.

**Washoe County Commission Chambers
1001 East Ninth Street
Reno, Nevada**

MINUTES

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, AND ROLL CALL - Determination of a Quorum

Chair Smith called the meeting to order at 8:32 a.m. A quorum was established.

Voting Members Present:

Ron Smith, Chair
Dan Gustin, Vice-Chair
Robert Cashell (arrived at 8:43 a.m.)
Robert Dickens
David Humke
Bob Larkin
Geno Martini
Ron Zurek

Voting Members Absent:

Voting Alternates Present:

Voting Alternates Absent (Excused):

Jessica Sferrazza
Kitty Jung
Troy Miller
Julia Ratti

Non-Voting Members Present:

Franco Crivelli
Donna Dreska
John Flansberg
John Jackson
Burnham Moffat

Non-Voting Members Absent (Excused):

Shaun Carey
Dennis Miller
Jill Olsen
Dean Schultz
Dan St. John
Wayne Seidel
John Sherman
Katy Simon

Staff Present: Naomi Duerr, Jay Aldean, Mimi Fujii-Strickler, Susie Kapahee, Greg Salter, Danielle Henderson, Eric Scheetz, Laura Bayer, Lisa Diebler, Lisa Gianoli

Member Zurek led the Flood Project Coordinating Committee (FPCC) in the Pledge of Allegiance.

2. ANNOUNCEMENTS – 8:33 a.m.

Chair Smith welcomed Members and guests. He invited announcements.

Director Duerr reported that staff from the Army Corps of Engineers (Corps) was not present at today's meeting and therefore, requested that Item 10A be included with Item 5A, with which Chair Smith agreed.

3. PUBLIC COMMENT – 8:34 a.m.

Chair Smith called for public comments. He reported that he had a speaker request card from Mike Dillon; however, Mr. Dillon requested holding his comment until item 7. Chair Smith called for further public comments and hearing none, closed the public comment period.

4. MINUTES

A. Approve Provisional Minutes of Flood Project Coordinating Committee (FPCC) Meeting of October 8, 2010. Chair Smith asked if demolition of the buildings had begun. Director Duerr stated that it had not; staff is waiting for formal notification from the Federal Emergency Management Agency (FEMA) of the grant award, which will then need to be brought before the Board of County Commissioners (BCC) prior to proceeding. Once the funds are approved, a request for proposals (RFP) will be distributed.

Member Martini moved to approve the minutes of the October 8, 2010 FPCC meeting. Member Larkin seconded the motion, which carried unanimously.

B. FOR INFORMATIONAL PURPOSES ONLY – Review Provisional Minutes of Finance Subcommittee Meeting of October 5, 2010.

5. FINANCE SUBCOMMITTEE ITEMS

Chair Smith invited Mimi Fujii-Strickler to present an update on the Carmen Group.

- A. CARMEN GROUP UPDATE – 8:36 a.m.** - Mimi Fujii-Strickler, Administrative Services Manager, Truckee River Flood Project
Update on the Carmen Group's lobbyist activities. Possible action to accept the report and/or provide direction to staff on related lobbying matters.

Director Duerr stated that Mia O'Connell was participating in the meeting via teleconference. She reported that the Corps recently developed an initiative related to the previously discussed pros and cons of moving forward with a 2011 versus 2012 schedule. She added that Corps Headquarters invited Sacramento District representatives to Washington, D.C. for a two-day conference to discuss the Truckee River Flood Project. Attendees included Assistant Secretary of the Army (ASA) Darcy. The focus of the meeting were the delays that have been encountered, the challenges related to modeling updates, new data requests and others. The Corps' previous proposal was to move forward with the National Economic Development (NED) Plan only. She stated that staff advised the Corps that it was not acceptable to the community to move forward without considering the Locally Preferred Plan (LPP).

Director Duerr reported that based on all the above, in recognition of the new Principles and Guidelines that are under review, the Corps is starting a new initiative called “Reset”. She stated that Susan Hughes, Headquarters Deputy Planning Lead, is working with others across the country to make the “Reset” project a pilot for the country. Under the plan, an LPP and NED will move forward but with less detail required where possible. The Corps also suggested it would go beyond the modeling, and closely review the option to use “Other Accounts”, such as community benefits, regional and environmental benefits, to increase the level of Corps cost sharing in the project.

Director Duerr stated that the hope is to make the NED as close to the LPP as possible. The Corps’ goal is to finish the Truckee River Project by the end of December, with the completed plan submitted to the Corps Headquarters by the end of July. She added that Corps Headquarters would truncate their review time from a year to a few months. Hopefully after the Corps’ review, a Chief’s Report will be complete by mid-fall in time for the Water Resource Development Agency (WRDA) bill.

Director Duerr reported that the Corps plans to select an NED plan on November 30, 2010. She added one of the Key Principles is that all project features, i.e. fish passage, recreation and the key flood features, would stay as they are and be included in the proposed plan.

Director Duerr commended Chair Smith for joining her in the visit to Corps Headquarters in Washington, D.C. and stated she heard the comment from the Corps that the “squeaky wheel” gets the attention – and in this case it was apparently true. She reiterated that the Corps is considering making the Truckee River Flood Project a model for the entire country.

Director Duerr reiterated that Ms. O’Connell was on the phone and invited her to speak.

Chair Smith clarified that “Project Reset” is a new way of doing business, with which Director Duerr agreed. He asked for clarification that the dates mentioned are November 30, 2010 and December 2010. Director Duerr stated that is correct. Chair Smith commented that is amazing.

Chair Smith asked for clarification that the level of detail that was previously required has now been moved to the end of the project. Director Duerr stated that the detail would now be required at the beginning of design. She added that currently the project is in the feasibility phase and if found to be feasible, it would move into design.

Chair Smith stated this is good news and invited questions or comments from Members. Hearing none, he invited Ms. O’Connell to speak.

Ms. O’Connell stated that she believes ASA Darcy has become fully engaged in the project, which is an outcome of the Washington, D.C. visit and the level of commitment and work that has been done, as well as what staff is willing to do. She added that the Community Based Initiatives Policy Paper that was presented during the ASA’s visit led to the Corps developing a new program, which includes that when federal funding is granted, it includes flood protection, environmental restoration, economic development, social benefits, and other aspects. She summarized that Headquarters saw that all of the benefits of the project could not justify the entire project under the old system.

Ms. O’Connell stated that the visit also educated Corps Headquarters that it is not feasible for the federal government to recommend a 50-year flood protection project when the major goal of

the project is flood protection. She added that ASA Darcy's office completely agreed that when such an investment is made by the federal government, they need to stand behind it. She stated that FEMA would not certify such a low-protection level project. She summarized that the federal government is coming to realize that their full cost-sharing ratio (65%) should only be considered on a project that can actually be certified and built. She reiterated that ASA Darcy agreed to work on a project that is as close as possible to the LPP within a shorter timeframe.

Ms. O'Connell reported that the Corps committed to completing the Chief's Report, which will be a combination of the planning and the basis for authorization when recommended to Congress. She stated that the Corps is aware that closer to 100-year protection is necessary. She summarized that the Corps realizes the project needs to progress based on the Flood Project's commitment to the community.

Ms. O'Connell commended the FPCC for its efforts and stated she is very pleased to be a part of the project. She reiterated that ASA Darcy realizes that this is a very appropriate project to use as a model for the rest of the country for projects that are "broken" during the planning stages.

Ms. Fujii-Strickler summarized that with the help of Ms. O'Connell, the project has found a path and received attention. She added that a meeting on the details is scheduled for November 8, 2010.

Director Duerr stated that beginning with the November 8 meeting, meetings will continue directly with the Corps until the details are worked out. She added that there are projects around the country that might join the effort. She added that the Corps Headquarters and ASA's office have been communicating closely with Senator Reid's office on the pilot project. She stated there are unknowns, such as the possible need for new legislation; however, she stated that staff is very inspired over the breakthrough.

Chair Smith agreed and added that the FPCC and staff need to remain just as aggressive as in the past. Ms. O'Connell absolutely agreed and stated that is how we got to this stage. She reiterated that the Flood Project has her commitment.

Member Larkin agreed this is exceptional news. He asked when ASA Darcy committed to the idea. Ms. O'Connell stated that she has been committing for several months; however, it took a while for the Corps to figure out a process for moving forward. Member Larkin asked if the Corps has issued a policy directive. Ms. O'Connell stated that the Corps is developing the directive as they go through the process. Member Larkin asked if the Policies and Guidelines would remain the same for Corps implementation. Ms. O'Connell stated that the Corps plans to assume that the new Policies and Guidelines are in place for the Flood Project.

Member Gustin moved to accept the report. Member Martini seconded the motion, which carried unanimously.

B. MONTHLY REPORTS ON FLOOD PROJECT FINANCIAL STATUS AND FINANCIAL RELATED ACTIVITIES – 8:58 a.m. *Lisa Gianoli, Consultant, Truckee River Flood Project*

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.

Lisa Gianoli reported that the financial status reports were reviewed in depth by the Finance Subcommittee. She provided a brief overview of the numbers presented. She reminded members that sales tax numbers always run two months behind. She reported that expenditures for the year are slightly below what was projected. She briefly reviewed the projects for which revenue was set aside.

Member Martini asked if the entire budget numbers have been encumbered. Ms. Gianoli stated they have not; however, later agenda items will request funding from the budget. Director Duerr explained that several items postponed from the last meeting are included on today's agenda for funding, in addition to land acquisitions that are in the works.

Chair Smith thanked Ms. Gianoli for her presentation.

6. FINANCE SUBCOMMITTEE ITEMS (CONTINUED FROM OCTOBER 8, 2010 FPCC MEETING)

A. AMENDMENT TO RELOCATION AND LAND ACQUISITION SUPPORT SERVICES AGREEMENTS TO INCREASE CONTRACT AMOUNTS BY \$305,000, FOR TOTAL CONTRACT AMOUNTS NOT-TO-EXCEED \$605,000 – 9:06 a.m. - Mimi Fujii-Strickler, Administrative Services Manager, Truckee River Flood Project

Discussion regarding proposed amendment to the existing relocation and land acquisition support services agreements by \$305,000 (from \$300,000 to \$605,000), for existing contracts with Property Specialists, Inc., Overland Pacific & Cutler, and Associated Right-of-Way Services, Inc. Possible action to approve the amendment to the agreements and forward them to the BCC for consent.

Ms. Fujii-Strickler reported that the purpose of this agenda item is to increase the acquisition and relocation professional services budget. She stated that in 2008 the FPCC hired three relocation firms. She added that the relocation services budget is almost spent; however, 12 properties have been acquired by the Flood Project, for which relocation of the tenants is still ongoing.

Ms. Fujii-Strickler stated that today's request is to increase the relocation-acquisition services budget by \$305,000 for a total of \$605,000. Chair Smith asked how many tenants have been relocated to date. Ms. Fujii-Strickler stated approximately 36.

Member Larkin asked Director Duerr if the relocation is required regardless of what option is selected, i.e. the NED or the LPP. Director Duerr stated that is correct.

Member Larkin made a motion to amend the relocation and land acquisition professional services agreements to increase the contract amount by \$305,000 bringing the total contract amount not to exceed \$605,000. Member Martini seconded the motion, which carried unanimously.

B. AMENDMENT TO AGREEMENT WITH KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO (LEGAL SERVICES) TO INCREASE AMOUNT BY \$150,000, FOR A TOTAL CONTRACT AMOUNT NOT-TO-EXCEED \$250,000 – 9:09 a.m. - Mimi Fujii-Strickler, Administrative Services Manager, Truckee River Flood Project, Greg Salter, Deputy District Attorney

Discussion regarding proposed amendment to the existing agreement with Kaempfer Crowell Renshaw Gronauer & Fiorentino to increase the existing contract amount by \$150,000 (from \$100,000 to \$250,000), for legal services in connection with the establishment of fees, rates and charges to be imposed to residents and businesses in Washoe County to finance the acquisition, construction, operation and maintenance of the Flood Project. Possible action to approve the amendment to the agreement and forward to the BCC for consent.

Ms. Fujii-Strickler reported that the purpose of this agenda item is to increase the contract for legal services with Kaempfer Crowell, which has been working on the rate study. She added that FCS has been establishing the funding areas for the flood project as well as estimating the revenue requirements for the project. She reported that FCS recommended hiring legal assistance to review the rate analysis. She explained that in 2009 a contract with Kaempfer Crowell was approved for \$100,000, which has been spent. She added that she is requesting an additional \$150,000 bringing the total contract amount to \$250,000.

Chair Smith asked what the timeline for the project is, to which Director Duerr stated that the timeline is dependent on FCS' work, most likely through the judicial confirmation process, perhaps next fall.

Member Larkin stated that this item was continued from the October FPCC meeting based on the need for due diligence related to fees, rates and charges.

Member Larkin made a motion to amend the contract with Kaempfer Crowell Renshaw Gronauer & Fiorentino to increase the existing contract amount by \$150,000 (from \$100,000 to \$250,000). Member Martini seconded the motion, which carried unanimously.

C. TRACTION PROJECT AGREEMENT WITH THE CITY OF RENO FOR COMPLETION OF VISIONING AND ENGINEERING DESIGN SERVICES (30%) FOR THE VIRGINIA STREET BRIDGE TRACTION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$1.8 MILLION – 9:12 a.m.

Jay Aldean, Deputy Director, Truckee River Flood Project

Discussion of a TRAction Project Agreement (Phase II, Step 1) with the City of Reno in the amount of \$1.8 million for bridge alternative selection, 30% engineering design services, and permitting for the Virginia Street Bridge replacement. Possible action to approve the agreement and forward the agreement to the BCC for consent.

Jay Aldean, Deputy Director, reported that a previous presentation included visioning for five downtown bridges. He stated that the project was amended and today he is requesting \$1.8 million for Phase 2, Step I of the project including 30% engineering design services and permitting for the Virginia Street Bridge replacement. He clarified that a second step of the project would be brought back to cover the final design. He welcomed questions from members.

Member Larkin asked Member Gustin for his input on the project. Member Gustin stated that the Virginia Street Bridge is one of the critical elements of the flood project. Member Gustin asked what happens to the visioning for the bridges that are not included under this contract. Mr. Aldean stated that visioning could be done for the other bridges under a later contract; however, work done on the Virginia Street Bridge will be used in process.

Kerri Williams-Lanza stated that the historical aspect of the Virginia Street Bridge makes it's redesign more labor intensive. She added that the Council also wanted to keep traffic flowing by not shutting down all the bridges at the same time. She did agree that the design of this bridge would be used in the future on other bridges.

Mr. Aldean asked Ms. Lanza how much of the budget she thought would be spent on visioning versus conceptual design. Charla Honey stated that the visioning portion of the contract is budgeted at approximately \$400,000, which includes preliminary permitting and other upfront work needed to facilitate design. Discussion ensued over what items would be covered under the visioning process in relation to future bridges.

Member Larkin suggested postponing a decision on this item to allow time for Reno to discuss the issue with the contractor. Member Cashell stated that one issue is that the river level is low at this time, which would allow for surveying rather than having to wait another year.

Chair Smith suggested that this project could be approved with a request that a scope for the remaining bridges be brought to the next meeting for discussion. Ms. Honey suggested that this contract could be amended to include visioning for the other bridges under the contingency money.

Director Duerr suggested that if desired the Flood Project could enter into a separate contract with Jacobs Engineering for under \$100,000 to perform surveying. She stated that by doing so, work could begin when water levels are low, while leaving the contingency money available.

Ms. Honey suggested that this contract could be approved today and be brought back with an amendment to include visioning for the other downtown bridges.

Member Gustin made a motion to approve the \$1.8 million contract with the understanding that it would be a visioning process for all the bridges in downtown Reno with an amendment coming back to the contract at a future date. Member Cashell seconded the motion, which carried unanimously.

7. REGIONAL HYDROLOGIC MODEL – PEER REVIEW PROCESS – 9:27 a.m. -

Jay Aldean, Deputy Director, Truckee River Food Project

Discussion of obtaining peer review of the proposed Truckee River regional hydrologic model including: 1) the process followed to select the GSSHA (Gridded Surface and Subsurface Hydrologic Analysis) model as the platform for the Truckee River regional hydrologic model, and 2) the process used to develop the Sun Valley Dam Watershed GSSHA model. Possible direction to staff to proceed with a peer review process.

9:27 a.m. Mike Dillon, Executive Director of the Builder's Association of Northern Nevada (BANN), thanked Members for the opportunity to speak. He also thanked staff for convening several meetings with the development community and implementing a peer review process, in which BANN plans to participate.

Chair Smith thanked Mr. Dillon for his comments. He next invited Burnham Moffat to speak.

Mr. Moffat reported that he is a non-voting member of the FPCC, as well as being a member of the Flood Project Working Group for 10 years. He stated he is impressed with the technical competence of the Flood Project staff. He reported that he is a retired engineer and stated that

model is a *technical* tool, not a *political* tool. He added that the tool is needed for future land use throughout the region. He suggested moving forward with the model as a technical tool and deal with the political issues at a later time.

Director Duerr stated that staff was directed to bring this item (peer review) forward to ensure the validity of the process used to select the model. She offered that if desired, a consultant (professor) could be hired to validate whether the model selection was appropriate and whether it was applied to the Sun Valley watershed correctly.

Mr. Aldean stated that the next question is, "What is the model?" He stated that he asked 10 technical people and heard 10 different responses. He explained that his own answer is that a model is a programmed algorithm using analytical procedures along with data in order to develop a result.

Mr. Aldean next asked the question, "Does the Corps peer review their software?" He stated that the Corps does a suitability review of the requirements, the preference, and the applicability. He referred to a comparison of the models.

Mr. Aldean reported that in April 2008, the FPCC and the Board of County Commissioners (BCC) approved a request for qualifications for the regional hydrologic model. In June 2000 Manhard Consulting was selected as the consultant. He stated that a decision was made to move forward with Phase 1 of the project, which was to model the Sun Valley watershed only. He added that in March 2010, results of the Sun Valley study were published. Technical staff from the region was invited to review the model results, with a workshop held in April 2010.

Mr. Aldean reported that a second workshop was held in August 2010, with comments received from Flood Project staff, HDR Engineering, Wood Rodgers, PBS&J, Stantec Consulting, Desert Research Institute and David Ford Engineers. He added that comments were also received from the authors of the models. He summarized that the model review process was an open process. He welcomed questions from members.

Member Cashell asked if staff had visited the DRI (cave), which Mr. Aldean stated that is a task still to be done. He reiterated that DRI did participate in the hydrologic model workshops and provided comments, and they would be involved as a subcontractor in the new modeling effort. He added that the CAVE modeling performed by DRI differs from the type of modeling needed for the Flood Project. Member Cashell reiterated that he thinks it is very important that staff examine what DRI has to offer.

Member Larkin thanked Mr. Aldean for his presentation and overview. He added that he requested the peer review, which he agrees should include all possible reviewers in the area, including DRI. He stated that a good peer review could be completed within 60 days.

Member Martini asked for clarification that DRI was unable to complete the modeling. Mr. Aldean clarified that DRI is member of the team that is assembling the model. He stated that if approved, the peer review could be completed for under \$10,000 and within a couple of weeks by experts. Director Duerr added that following such a peer review, she would like to schedule an additional review by the stakeholders.

Chair Smith stated that he supports moving forward with the peer review. Director Duerr thanked him and stated that the review could move forward at the staff level. She added that she would visit DRI to examine their CAVE model as suggested by Member Cashell.

8. UPDATE ON HOME ELEVATION PROGRAM – 9:45 a.m.

Naomi Duerr, Director, Truckee River Flood Project

Oral update on Home Elevation Program issues. Possible action to approve the report and/or provide direction to staff.

Director Duerr stated that the home elevation project has hit a glitch, even though the program had achieved a number of milestones, including a state law change, a County ordinance change, development of a manual, stakeholder buy-in, submittal of 15 applications by homeowners, and the hiring of four structural engineers contractors. She stated that at the point that the first contract was to be approved, it was learned that the home elevations may be subject to taxation by the IRS. She reported that staff learned that in 2005 the federal government changed the tax law so that similar projects using *federal* funds would be exempt from taxation. She added that the change was made to provide an incentive for homeowners to elevate their homes. She reported that she has requested Senator Reid's staff modify the law to include *state and local* funds also be exempt.

Director Duerr summarized that staff has communicated with those who have applied for the program and her hope is to have the federal law amended in the near future. Chair Smith thanked Director Duerr for her update and requested further updates as available.

9. FLOOD PROJECT MONTHLY REPORTS

Presentation on flood project events, activities, and schedules. Possible action to accept reports and/or provide direction to staff.

A. MONTHLY STATUS REPORT FOR OCTOBER 2010 – 9:48 a.m.

Director Duerr stated that the reports were included in the agenda books. She highlighted a few items:

- Staff continues to meet with the public in relation to the JPA. She stated that she was asked to attend a second meeting with the Downtown Improvement Association. She stated that the outcome was so good that she is considering giving a similar presentation to some of the groups she previously visited.
- Director Duerr also met with the Reno-Sparks Realtors Association, which provided a letter in support of mitigating flooding in the region and downstream.
- She reported that the community is beginning to understand the goals of the JPA: streamlining the process to improve efficiencies, obtain additional funding, save a significant amount of money and segregate the liability. She stated that staff thinks it is very important to continue to get the word out to the community.

B. WORKING GROUP MONTHLY REPORT

Susie Kapahee, Public Information Officer, Truckee River Flood Project

Report on the Working Group meeting of October 27, 2010. Includes approved minutes of the August 25, 2010 meeting.

Susie Kapahee stated that the monthly report on the Flood Project Working Group was included in the agenda packet and welcomed any questions or comments.

C. CLIPPINGS

Recent media clippings were included in the agenda books.

10. ARMY CORPS OF ENGINEERS

- A. MONTHLY REPORT – 8:36 a.m. (Heard out of order under Item 5A)** – Beth Salyers, Project Manager, Civil Works Branch, ACOE
Report on activities related to the Truckee River Flood Management Project including project scheduling and funding. Will include update on documents and process for Internal Technical Review currently underway. Possible action to accept the report and provide direction to staff related to Truckee River Flood Management Project scheduling and funding items as set forth in the report.

This item was discussed under Item 5A. As mentioned, Ms. Salyers was not present at the meeting.

- B. PROJECT TIMELINE REPORT – 9:51 a.m.** – Jay Aldean, Deputy Director, Truckee River Flood Project

11. COMMITTEE MEMBER COMMENTS, REQUESTS AND FUTURE AGENDA ITEMS – 11:52 a.m.

Possible action to approve items for future agendas.

Director Duerr stated that the FPCC has previously scheduled annual retreats, normally in the February timeframe. She suggested possibly scheduling such a retreat for January 2011 and added that the December timeframe was another alternative.

12. ADJOURNMENT

With no further business, Member Martini made a motion to adjourn. Member Larkin seconded the motion, which carried unanimously. The meeting was adjourned at 9:53 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by FPCC in session on January 14, 2011.