



**FLOOD PROJECT COORDINATING COMMITTEE  
FINANCE SUBCOMMITTEE**

**MINUTES**

**THURSDAY– SEPTEMBER 9, 2010 – 11 A.M.**

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

Chair Smith called the meeting to order at 11:02 a.m. and a quorum was established with Chair Smith, Vice Chair Gustin, and Member Humke present. Member Carey was excused and represented by Steve Driscoll; Member Dreska was excused and was represented by John Flansberg. Member Simon arrived at 11:07 a.m.

2. **\*ANNOUNCEMENTS**

Chair Smith called for announcements and hearing none, closed this item.

3. **\*PUBLIC COMMENT** –

Mr. Mike Dillon, Executive Director of the Builders Association of Northern Nevada stated that he looks forward to working with stakeholders on the proposed hydrologic model that will be coming forward.

4. **MINUTES - Approve Provisional Minutes of Finance Subcommittee Meeting of August 12, 2010.**

**Member Humke made a motion to approve the Provisional Minutes of the Finance Subcommittee Meeting of August 12, 2010; Member Gustin seconded and it passed unanimously.**

5. **FINANCE SUBCOMMITTEE ITEMS**

A. **CARMEN GROUP / LOBBYIST UPDATE**

*Update on lobbyists' activities. Possible action to accept the report and/or provide direction to staff on related lobbying matters.*

Lobbyist Mia O'Connell joined the meeting via telephone, reporting that in the appropriations arena, the bill for energy and water for FY11 was approved by a Senate Committee, but there is not enough funding included for early construction activities. The bill isn't going to be done immediately, so we have opportunities to work with the committee to include funding for starting up the North Truckee Drain Project. Senator Reid's office and Ms. O'Connell went to the Senate

Appropriations Committee and they agreed to try to include construction funding for us. We have a bill that won't go to the Senate Floor until after the elections during the lame duck session in November. We don't have a guarantee but we do have an agreement to work with the House of Representatives.

Member Simon arrived at 11:07 a.m.

Ms. O'Connell stated that her focus is on expediting the schedule. She is working with the Army Corps of Engineers (Corps) and the Flood Project to fix the planning process for the Corps. She is seeking a minimum of 100-year flood protection because there is no sense in doing less. The Assistant Secretary of the Army's (ASA) Office and Headquarters are leaning on Sacramento to get an authorization next year.

Both the House and Senate are actively working on WRDA bills and they seem to be willing to consider a "conditional" or interim authorization.

Director Duerr asked about the timing of a Chiefs' Report in conjunction with the conditional authorization, noting that her understanding is that a conditional authorization means that the final Chief's Report must be completed within three months of authorization or the end of the calendar year. Ms. O'Connell agreed and she will put something together to explain it in more detail.

In response to an inquiry about who gives the conditional authorization, Ms. O'Connell stated that Senator Boxer, as chair of that committee, would include it in the legislation.

Ms. O'Connell stated that she is still working on the possibility of getting \$10 million for the North Truckee Drain, but that bill is not getting done immediately. It will probably wait until November, post election, and will be rolled into an Omnibus Bill.

Director Duerr stated that Senator Ensign toured the project area by helicopter here last week. It was very good visit, very positive. Ms. Fujii-Strickler added that the Senator was elated with the tour and surprised at how much he could see from the air.

Director Duerr will send a thank you to the Sheriff's Office for the helicopters for both the Col. Leady and the Senator Ensign tours.

## **B. UPDATE ON THE UNR MEMORANDUM OF UNDERSTANDING**

*Report on the current status of the Memorandum of Understanding (MOU) being developed between the Flood Project partners and the University of Nevada, Reno. (UNR). Possible action to provide guidance to staff on completing development of the MOU.*

Director Duerr reported that Mr. Salter had drafted an MOU and a termination agreement to be signed by all parties and sent it to UNR this week. The MOU was structured to focus on how to move forward collaboratively regarding the acquisition of a portion of the UNR farms. The termination agreement is required as the FPCC transitions from a cooperative agreement to a standalone

agency via a Joint Powers Authority. It is anticipated that UNR would transition off the Board at that time.

**C. JPA UPDATE**

*Report on recent meetings, developments, proposals, and timelines regarding development of a new Cooperative Agreement to establish a Joint Powers Authority (JPA) for the Flood Project. Possible discussion and action to provide instructions to staff regarding the contents of the draft Cooperative Agreement regarding membership, governance, administration, and regulatory powers of the proposed Joint Powers Authority; the acquisition of land and the construction, ownership, operation and maintenance of flood facilities; the assessment and collection of rates and fees to pay for the project; the financing of the project; and the rights and obligations of parties to the Cooperative Agreement.*

Director Duerr reported that she has been meeting with staff weekly or biweekly on the JPA draft agreement, with a recent focus on Article 4 (Regulatory roles) and Article 6 (Project financing). In addition to the JPA staff group, a separate group of planning and public works professionals have been focusing on the proposed application review process; this committee has met twice to date.

Member Humke inquired about the process of the meetings, specifically if there is any plan to bring in the regulated community.

Director Duerr replied yes. She noted that we are coming into the home stretch on the JPA drafting and she will be meeting with Managers on September 17<sup>th</sup>. She wants to make sure staff and managers are comfortable with the JPA documents before distributing them to the public and the development community.

Staff is now working on setting up meetings with the development community. Director Duerr is meeting with a National Real Estate organization (NAIOP) two weeks from now and she met with Incline Village General Improvement District (IVGID) yesterday, mostly about the fees.

Staff is also setting up separate meetings with ABC, AGC and DIA; Member Simon is helping to set up a meeting with BANN, and Neil Krutz is helping set up a meeting with the Northern Nevada Chamber of Commerce.

Staff has reserved BCC Chambers for September 30<sup>th</sup> for a public workshop on the JPA and Flood Project activities (*Editor's Note: This has now been changed to October 4<sup>th</sup>*).

In response to an inquiry from Chair Smith, Director Duerr explained that the people involved in drafting and reviewing the JPA are the Managers, Neil Krutz and Doug Thornley from Sparks; John Flansberg, Kerri Lanza and Susan Rothe from Reno; Dan St. John, Kimble Corbridge, Melanie Foster, and John Sherman from Washoe County;; and Flood Project staff Greg Salter, Jay Aldean, Paul Urban and herself. There are also outside consultants assisting the team to discuss rates, legal aspects and bonding considerations. The Managers are going to sign off on the JPA then it will be presented to the FPCC.

In response to an inquiry from Chair Smith, Member Simon said the drafting

process is moving forward noting that designing the regulatory process is somewhat challenging, but it is a necessary component of the agreement. Mr. Krutz stated the schedule here is ambitious and there is a ways to go, especially on Article 4 noting that they may not have Article 4 ready by the September 17<sup>th</sup> Managers Meeting. Mr. Flansberg concurred, noting it will probably take two or three meetings with the Managers to come to agreement.

Director Duerr is hoping to get the JPA on the November Joint Meeting Agenda and proposed having a workshop at the October FPCC meeting regarding the JPA.

**Member Gustin made a motion to accept the report; Member Humke seconded and it passed unanimously.**

**D. AMENDMENT TO THE FCS GROUP INC. CONTRACT REGARDING ESTABLISHMENT OF FEES TO BE COLLECTED FOR FLOOD PROJECT - \$150,000**

*Naomi Duerr, Director, Truckee River Flood Project*

**THIS ITEM WAS PULLED FROM THE AGENDA PER DIRECTOR DUERR.**

**E. PLANNING AND DESIGN AGREEMENT FOR THE TRACY POWER PLANT ECOSYSTEM RESTORATION TRACTION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$250,000**

*Discussion and possible action to: 1) approve the Tracy Restoration Project as a TRAction project, 2) approve an agreement with The Nature Conservancy in an amount not to exceed \$250,000 for project planning and design of the TRAction Project, and 3) if approved, forward the agreement to the Washoe County Board of County Commissioners for consent.*

Melissa Faigeles gave a presentation (copy on file) regarding the subject agreement. Chair Smith asked if BLM has to do anything regarding their pond area. Ms. Faigeles indicated they have done some bank stabilization, but our project will take that a step forward and put in additional erosion controls in that location.

Director Duerr explained that staff is requesting money to participate in the design of this project. By being involved in the design, staff can be sure it is designed as the Corps requires. Director Duerr indicated that staff will get the Section 104 request submitted now and then the ensuing process should go smoothly.

In response to an inquiry from Member Simon, Ms. Faigeles acknowledged that our (1/8 cent sales tax) money is slated to pay for the design; any funds required over and above that for design will come from Desert Terminal Lakes funding.

Member Simon asked if there is a way to quantify the various sub projects to the whole project, i.e., what is the percentage of benefit of this project to the Flood Project as a whole. This information would help to prioritize projects. Director Duerr stated staff will work on converting a percentage complete into a benefit analysis.

Member Gustin asked that staff include the number of people we are putting to work when prioritizing projects.

**Member Simon made a motion to approve; Member Humke seconded and it passed unanimously.**

**F. APPROVAL OF PHASE II OF THE HYDROLOGIC MODEL CONTRACT WITH MANHARD ENGINEERING IN AN AMOUNT NOT TO EXCEED \$850,000**

*Discussion and possible action to approve a contract in an amount not-to-exceed \$850,000 with Manhard Engineering for development of Phase II of a Regional Hydrologic Model (application of the model to the entire watershed), and if approved, to forward the agreement to the Washoe County Board of County Commissioners for consent.*

Chair Smith indicated that staff may provide an update on this item, but no action would be taken.

Director Duerr explained that approximately three years ago the FPCC approved \$1 million to develop a regional hydrologic model. She reviewed the timeline/history in the FPCC Agenda Book (page two of the staff report).

Director Duerr gave kudos to Paul Urban, Jay Aldean, and Denny Peters and Jeff House from Manhard Engineering for working very diligently on revising the scope of work in accordance with the Technical Advisory Committee's request.

Mr. Mike Dillon thanked Director Duerr for "polling us and giving us time to review" and inquired if there have been any concerns from the TAC. Director Duerr responded that staff sent the revised Scope of Work out yesterday and there is still time for anyone to email suggestions to her.

Mr. Dillon asked if this item will be pulled from the agenda tomorrow at FPCC? Chair Smith responded "yes".

**G. MONTHLY REPORTS ON FLOOD PROJECT FINANCIAL STATUS AND FINANCIAL RELATED ACTIVITIES**

*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 stated the final payment for last year has been posted. Revenues were less than the prior year, but within \$15,000 of budgeted revenue. We will go into next year with a bit more fund balance than anticipated. She also noted that the expenditures for the last fiscal year look good.

Director Duerr stated that the new FY 10-11 budget shows us ending the current fiscal year with just a few million dollars (ending fund balance). She has asked staff to initiate the land acquisitions and get any contracts encumbered as soon as possible She expects fairly heavy Finance Subcommittee agendas from now through January.

**Member Gustin made a motion to accept the report; Member Simon seconded and it passed unanimously.**

6. **COMMITTEE MEMBER COMMENTS, REQUESTS AND FUTURE AGENDA ITEMS**

Chair Smith announced that two sections of the North Truckee Drain are being installed next week. Director Duerr will have staff arrange a groundbreaking event.

7. **ADJOURNMENT**

**Member Gustin made a motion to adjourn at 12:15 p.m.; Member Simon seconded and it passed unanimously.**

Respectfully submitted,

Laura J. Bayer

September 22, 2010

These minutes were approved at the Finance Subcommittee Meeting on October 5, 2010.