



**TRUCKEE RIVER FLOOD PROJECT
FINANCE SUBCOMMITTEE**

Tuesday, October 5, 2010
11:00 A.M.

MINUTES

1. CALL TO ORDER AND ROLL CALL – Determination of a Quorum 11:04 a.m.

The meeting was called to order at 11:04 a.m. by Vice Chair Dan Gustin on Tuesday, October 5, 2010 at the Washoe County Complex Caucus Room, 2nd Floor of Building A at 1001 E 9th Street Reno, Nevada.

Roll Call: Vice Chair Dan Gustin, David Humke, Katy Simon, and Donna Dreska were present for a quorum. Shaun Carey arrived at 11:15 a.m.

Staff Present: Naomi Duerr, Director; Jay Aldean, Deputy Director; Paul Urban, Project Manager; Mimi Fujii-Strickler, Administrative Services Manager; Lisa Gianoli, Flood Project Consultant; Greg Salter, Deputy District Attorney; Danielle Henderson, Lisa Diebler and Laura Bayer.

Additional attendees: JoAnn Meacham, Charla Honey, Kerri Lanza, John Sherman, Burnham Moffat, Dave Roundtree and Jeff Cronk.

2. ANNOUNCEMENTS –

Director Duerr announced that a Truckee River Flood Project Town Hall Meeting the night prior drew approximately 40 attendees, compared with approximately 125 at the previous Town Hall meeting. Duerr expressed her gratitude to Flood Project staff for a seamless production and successful event. Vice Chair Gustin echoed the congratulations, noting that Director Duerr did an admirable job fielding questions during the Town Hall Meeting.

Director Duerr also announced that the Flood Project received a \$600,000 FEMA grant for demolition of three buildings on Edison Way.

3. PUBLIC COMMENT – Limited to three minutes per person 11:09 a.m.
None.

4. MINUTES - Approval of provisional minutes of the Finance Subcommittee Meeting of September 9, 2010.

Vice Chair Humke motioned to approve the minutes, Katy Simon seconded. The motion passed with one recusal by Donna Dreska, because she was not present for the meeting on September 9, 2010.

5. FINANCE SUBCOMMITTEE ITEMS

A. CARMEN GROUP UPDATE/LOBBYIST UPDATE

11:10 a.m.

Lobbyist Mia O’Connell updated the group via phone. O’Connell said staff is working on obtaining early construction funds from the Corps of Engineers in Fiscal Year 2011. O’Connell said she was following up with Corps Division and Headquarters to develop a “fact sheet” for a conference between the House and Senate Appropriation Committees that outlines the Corps’ capability.

O’Connell said she felt the efforts were moving in a positive direction, but didn’t expect the FY2011 appropriation issues to be resolved until after the election. Congress has adjourned for the election, returning on November 15.

O’Connell added that Director Duerr and the Flood Project team have worked on a more complete Chief’s Report for the project as a result of the Assistant Secretary of the Army and Senator Reid’s push on the Corps’ schedule. Instead of doing all of the design and planning work on both the National Economic Development Plan (NED) and Locally Preferred Plan (LPP), the best the Corps could propose would be an NED only by next year. Flood Project staff have had ongoing discussions with Sacramento leadership regarding completion of both the LPP and NED in order to be ready for a possible WRDA 2011.

Director Duerr added that she had agendized that conversation for the next day’s FPCC meeting, including a summary of the Technical Advisory Committee (TAC) discussion, with a list of pros and cons for pushing forward or holding back.

Vice Chair Dan Gustin noted that the progress sounded positive, and that Senator Reid’s office and Corps’ leadership in Sacramento appear to have listened.

O’Connell added that as for WRDA, after the second session of Congress, both parties on the Senate side expressed interest in moving forward in the WRDA bill in the beginning of next year. This year’s efforts are laying the groundwork for developing the bill next year.

C. AMENDMENT TO THE FCS GROUP, INC. CONTRACT (ESTABLISHMENT OF FEES FOR FLOOD PROJECT) TO ADD TO SCOPE OF WORK AND INCREASE BUDGET BY \$250,000)

11:26 a.m.

Discussion on the amendment to the current contract with FCS Group regarding provision of consulting services and preparation of reports to be used in establishing revenue requirements of, and the rate and fees to be collected for, the financing of the Flood Project, to add to the scope of services and increase the amount of the agreement by \$250,000, from \$975,000 to \$1,225,000.

Vice Chair Gustin requested additional comments as to why the budget needs an increase.

Director Duerr said FCS largely completed their work and then staff went through a lengthy process preparing a new governance model. The FCS economic and rate data is from two years ago and a different economic era; all information needs to be updated. New financial assumptions need to be provided by the finance team, and the funding area boundaries need to be revised. Actual work is estimated at \$150,000, with a \$50,000 contingency. The Corps will develop an NED cost share and Flood staff needs to prepare for the local match.

Director Duerr and Vice Chair Gustin discussed possible rates. Duerr explained there are several rate options and strategies available. The Finance Committee discussed these in detail a year ago. The information needs to be updated and the revised data needs to be presented to the Finance Committee.

Vice Chair Gustin suggested a sunset of the rates might make implementing rates more palatable for the community. Director Duerr said sunsetting would pose challenges because of ongoing costs, such as debt service, repairs, and operations and maintenance after the project is physically built

Donna Dreska moved to approve, Shaun Carey seconded. The motion passed unanimously.

D. PHASE II HYDROLOGIC MODEL CONTRACT WITH MANHARD ENGINEERING IN AN AMOUNT NOT-TO-EXCEED \$900,000 11:35 a.m.

Flood staff Laura Bayer read an email from Mike Dillon for the record. The email reads: “The Builders Association appreciates the open dialogue and effort on meetings for the model and our upcoming meeting with our group of stakeholders on Thursday October 14th to discuss the proposed JPA. Our position is we could ask the committee to postpone the decision on the proposed model until the regulatory authority of a new agency is clearly defined. These issues are related and come to the heart of the question of how the model will be used for project review authority which the builders oppose. Thank you for your consideration. Mike Dillon, Executive Director, Builders Association of Northern Nevada.”

Director Duerr said staff met with AGC this morning and put to bed a number of rumors about the project, proposed rates, and the JPA text. Director Duerr asked Paul Urban to update the committee on the basis and purpose of the model.

Paul Urban explained the role and possible usage of the hydrologic model, describing it as a tool that allows the implementation of the Project Partnership Agreement (PPA). Urban said the usage of the model was fully explained in meetings with the Builders Association of Northern Nevada, including why the model could be beneficial to the building community. Urban explained that the model could address issues concerning runoff and hydrology. Urban added that the model could also allow for regional planning of drainage and storm sewers, with the potential for regional flood detention. Urban recommended to the committee that the Flood Project needs the tool regardless of the details of the JPA, and should continue work on the tool.

Urban added that the proposed tool could help determine most appropriate land use changes in terms of density and certain drainage patterns prior to construction of proposed developments. Urban said that the model would be constantly updated as each development is actually constructed. Agencies would let the Flood Project know what is being built and would update the model accordingly so remains fresh.

Vice Chair Humke asked about Storey County and Tribes not participating in the use of the model, and how staff will handle analysis of those areas. Urban explained that Phase II of the model will examine drainage upstream of Vista Boulevard, involving very little of Storey County. Staff could provide a computer program with assumptions and formulas for use in other regions. The information would be available to the general public; additionally, training on how to run the model will be provided so that engineers and developers have a better understanding of how to use the tool. Phase II of the model development scope of work includes a two-day forum to describe how the model works. The departure

from the current model is that the input and output will be GIS based spreadsheet maps to include layers showing land use, rather than data tables.

Urban explained that a part of the process will include a Modeling Subcommittee Team to evaluate the parameters in the model. In the future, the flood warning system would include precipitation gauges and flow gauges to figure out where rain falls and what the flow is at various spots.

Vice Chair Gustin asked how developers would be affected in terms of cost and what would happen if the model is in place and the JPA or committee say “We don’t recommend going into a project as this level”. What happens if a project is passed and someone is flooded – where is the liability?

Urban said that a lawyer that deals in this arena came to the Truckee Meadows several times and explained the use of the term “no adverse impact”. The new model tool would be able to better show whether or not a project is expected to actually impact others.

Director Duerr added that the Flood Project needs a model despite the ultimate decision on governance structure. Vice Chair Gustin recommended making that point strongly on Friday at the meeting.

Shaun Carey asked that it (the proposed contract) be considered for (flood) financing, and whether or not it is proper use of funds be determined by a full board; that being the caveat for consideration, Carey motioned to approve the \$900,000. Katy Simon seconded. The motion passed unanimously.

E. TRACTION PROJECT AGREEMENT WITH THE CITY OF RENO FOR VISIONING AND ENGINEERING DESIGN SERVICES (30%) FOR THE VIRGINIA STREET BRIDGE TRACTION PROJECT IN AN AMOUNT NOT-TO-EXCEED \$1.8 MILLION 12:07 p.m.

Jay Aldean provided the update. In 2007, the FPCC approved a TRAction project in downtown for the community visioning for four bridges. The initial project amounted to \$780,000. Somewhere during that process it was determined there was a need to break out the Virginia Street bridge and make it a separate project and move into design. As staff looked at that, a recommended \$2 million change was added to the original Phase 1 that would become Phase 2.

The FPCC approved Phase 2 and Flood staff began to find a design consultant to design the new bridge and conduct additional visioning. Aldean said it was determined that it would be cleaner if staff started fresh with a new contract and agreement with the City of Reno, specifically for the Virginia Street Bridge- Phase 2. Staff is now making the recommendation to start that Phase 2 process. Finance Committee members were provided the draft contract in their Board book. In the new contract for Phase 2, Step 1 of this process is to design the Virginia Street Bridge, complete visioning, make the bridge-type selection, and complete environmental work for bridge. The cost for Phase 2 - Step 1 is \$1.79 million. Charla Honey and Kerri Lanza worked with a team to select the bridge designers. Honey is speaking with the Reno City Council on October 27. Overall the full Phase 2 project is estimated to cost \$4 million.

Vice Chair Gustin asked for clarification – staff is looking at possibly six bridges and addressing water flow issues. Staff is now going with the TRAction Project at the Virginia Street Bridge because it is the most endangered bridge in the state.

Aldean explained that replacing the Virginia Street Bridge with a higher bridge would greatly improve the downtown flooding scenario. Kerri Lanza added that the replacement would take the bridge from a 20 -year flood flow passage to 40- or 50-year flow.

Donna Dreska moved to approve, Shaun Carey seconded. The motion passed unanimously.

F. AMENDMENT TO AGREEMENT WITH KAEMPFER CROWELL RENSHAW GRONAUER & FIORENTINO (LEGAL SERVICES) TO INCREASE BUDGET BY \$150,000 12:14 p.m.

There was no discussion for this item.

Shaun Carey moved to approve, Donna Dreska seconded. The motion passed unanimously.

G. AMENDMENT TO RELOCATION AND LAND ACQUISITION SUPPORT SERVICES AGREEMENTS TO INCREASE TOTAL BUDGET BY \$305,000 12:15 p.m.

Mimi Fujii-Strickler led the discussion on a proposed amendment to the relocation and land acquisition support services agreement budgets to increase the amount 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.

Fujii-Strickler said that to date, the Flood Project has acquired 12 properties and has relocated approximately 36 tenants. The contract budget is nearly exhausted as staff moves forward with potential additional land acquisitions and the possibility of needing to relocate more tenants. One of the areas in question is the number of utilities that may possibly need to be relocated.

Aldean added that staff is analyzing 150 to 300 utilities regarding location, cost estimates and titles searches.

Katy Simon suggested that Flood Staff bring additional information explaining additional costs in case it is requested by the FPCC.

Fujii-Strickler explained that the total \$605,000 is strictly for professional services. Staff does have a budget of \$2.7 million for actual relocation.

Katy Simon moved to approve, David Humke seconded. The motion passed unanimously.

H. MONTHLY REPORTS ON FLOOD PROJECT FINANCIAL STATUS AND FINANCIAL RELATED ACTIVITIES 12:21 p.m.

Lisa Gianoli provided the update, making reference to paperwork and information available to committee members in the agenda packet, with detailed information by line item.

David Humke moved to approve, Katy Simon seconded. The motion passed unanimously.

B. REVIEW PROPOSED FLOOD PROJECT COOPERATIVE AGREEMENT (JPA) 12:34 p.m.

A separate attachment of the Joint Powers Authority (JPA) and a summary of the changes to the Key Provisions (copy on file) was provided to the committee by Deputy District Attorney Greg Salter.

Director Duerr headed the update, stating that key issues discussed at the last meeting have had progress.

Staff had recently met with staff from the City of Sparks and worked on a draft of Article 10, which was provided to the managers. Staff is seeking any comments and proposed changes there. Staff also met with UNR to move forward with the MOU on land acquisition at the Main Station Farm. The vision is that UNR would not be on the new board, and they were provided with a draft of the agreement. By no means is the MOU complete, but it was a significant step in terms of engaging with UNR's attorneys.

Staff is requesting that the FPCC approve a draft of the JPA agreement before the November 8 Joint Meeting.

Salter explained that the JPA Agreement is a 70-page agreement that establishes a JPA Truckee River Flood Management Authority. It will act as a separate entity with all debts and obligations separate from the entities that created it. It will include six directors, two appointed by each member, with a majority rule on all matters except those listed on page two. Directors will have two-year terms, and the Board will follow the open meeting law. Rules and procedures will be established at a later time. Salter reviewed important changes to the Key Provisions with committee members. Salter explained the JPA's role in regulating the control and flow of flood waters.

Salter also further explained the land use powers. The JPA, as far as planning process permitting and planning commissions are concerned, is limited to reviewing and recommending.

There are delegated powers to assess and implement fees. One power that was not delegated to the new Authority is the power of eminent domain. The new Authority would operate the early warning system and has some emergency operational powers, but no police powers.

Two issues need resolution with the City of Sparks: how to deal with the fees they currently have in place and the North Truckee Drain Project. The agreement states that the City of Sparks will continue to charge their fees and use the fees to finish the design of the North Truckee Drain Project and acquire all the land it can with those fees. When the Authority is ready to enact a rate resolution, staff will prepare a draft to present to City of Sparks. If they agree, they will initiate ordinances to rescind their fees immediately before the regional fees are implemented, then Sparks will convey the North Truckee Drain assets to the Authority. The authority agrees to operate and maintain the North Truckee Drain. Fees have to be implemented 180 days from certain events listed in the Agreement.

Vice Chair Gustin recommended having a PowerPoint prepared for Board members on Friday.

7. **ADJOURNMENT**

The meeting adjourned at 1:09 p.m.

Minutes prepared by Vanessa Vancour. vancour@gmail.com. 775.771.5879

Minutes approved at the Finance Subcommittee Meeting on January 13, 2011.