



**FLOOD PROJECT COORDINATING COMMITTEE
FINANCE SUBCOMMITTEE**

MINUTES

THURSDAY– MAY 13, 2010 – 11 A.M.

Finance Subcommittee Members

Ron Smith, Chair
Dan Gustin, Vice Chair
David Humke

Katy Simon
Shaun Carey
Donna Dreska

1. CALL TO ORDER AND ROLL CALL - Determination of a Quorum

The meeting was called to order by Chair Smith at 11:04 a.m. at the Washoe County Complex Caucus Room at 1001 E. 9th Street, Building A, Reno, Nevada.

In attendance were Chair Ron Smith, Vice Chair Dan Gustin, Shaun Carey, Donna Dreska, David Humke (arrived at 11:05 a.m.), and Katy Simon (arrived at 11:07 a.m.).

Staff Present: Naomi Duerr, Director; Jay Aldean, Deputy Director; Greg Salter, Deputy District Attorney; Mimi Fujii-Strickler, Laura Bayer

Others Present: John Sherman, Lisa Gianoli

2. APPROVAL OF MINUTES –

Approval of Provisional Minutes of the Finance Subcommittee Meeting of March 11, 2010.

Vice Chair Gustin motioned to approve the minutes as submitted, Member Carey seconded. The motion passed unanimously.

3. * ANNOUNCEMENTS

Member Humke arrived at 11:05 a.m.

Director Duerr announced that the Assistant Secretary of the Army for Civil Works (ASA) Jo-Ellen Darcy will be visiting our project from 10:30 a.m. to 2:30 p.m. on Wednesday, May 26th. The current plan is to have a helicopter tour followed by a lunch on two National Guard Blackhawk helicopters. Every person who will be on each of the helicopters must be pre-vetted by Senior Army Personnel. At this time it is not certain who will be on the helicopter tour with the ASA, however, the names of everyone at this table have been submitted. One of the challenges is that one of the helicopters has been restricted to medical flights so the policy is that it would not be available for this

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flight, however, with the ASA coming out this is good time to test that policy and try to get that worked out.

Member Simon arrived at 11:07 a.m.

Director Duerr continued, noting that the Blackhawk helicopter seats eight people which would include the ASA, her aide, Colonel Chapman, his aide, Paul Urban, Chair Smith, Vice Chair Gustin, and herself on first helicopter. If only one helicopter is available, we may have one tour start earlier at 9:00 or 9:30 a.m. for others.

Following the helicopter tour, there will be a lunch at the Grand Sierra Resort and then a bus tour to a few areas where we have requested funds for construction.

4. * **PUBLIC COMMENT** - For all items on or off the agenda, limited to 3 minutes per person

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

5. **FINANCE SUBCOMMITTEE ITEMS**

- A. **JPA UPDATE** *Naomi Duerr, Director, Truckee River Flood Project*
Update on the status of development of the JPA Cooperative Agreement including outreach on specific elements of the Cooperative Agreement. Possible action to accept the report or provide direction to staff.

Director Duerr stated that this has been a standing item for the last year plus. The University of Nevada Reno (UNR) negotiating team recently met with Chair Simon and Vice Chair Gustin. Director Duerr noted that there are many competing interests for direction. UNR will go off the Board when the land transfer happens which may take a year. Director Duerr stated that as a team we will forge ahead with the JPA without UNR. In the Memorandum of Understanding (MOU), UNR indicates they will waive the part of the agreement stating they are on the Board. Mr. Salter has rewritten the amendment to take UNR off the board.

Chair Smith noted that UNR will take it to their Board in September.

Vice Chair Gustin inquired about the dollars and cents details of the land transfer; noting that UNR may not give up their membership before the land transfer takes place.

Chair Smith indicated staff should move ahead with the JPA and not change it, but rather change the cooperative agreement.

Director Duerr distributed the UNR MOU Process Milestones handout and reviewed it, explaining that it is important to move from the old Cooperative Agreement to the new one. Chair Smith inquired about the date on the handout for “*Enact Flood Project Fees*”, noting that it should be January 2011. Director Duerr agreed and also commented that the completion of Judicial Review will happen in July 2011.

Member Simon inquired about the drop dead date that the Judicial Review will have to be complete in order to release the fees from escrow. Director Duerr responded that we have enough money to go from July 2010 thru July 2011. However, if the Judicial Review is not complete, it would delay implementation of a TRAction project.

In response to Chair Smith's inquiry regarding starting to design/build some of these projects; Director Duerr noted that some people would say immediately; but if judicial review doesn't go in our favor, it would be a bad idea to commit.

There was then discussion about having a Judicial Review done prior to the formation of the JPA. Mr. Salter will check the statute.

In response to Member Dreska's request for a draft of the JPA, Director Duerr explained that the lawyers have reviewed it and staff is now waiting for UNR, development review, and the budget process.

Member Humke relayed concerns that a business entity had regarding the JPA. They are not satisfied with the JPA. They are fearful of the fees and concerned about what product is going to be delivered.

Director Duerr noted that she met with John Krmpotic and the "Pavers Plus" group and answered their technical issue questions; they understand why the fees matters.

Member Simon left the meeting at 11:31 a.m.; John Sherman took her place.

In response to a question concerning the set-up of authority, Director Duerr explained that developers will not have to come to the Board for a permit. Mr. Salter cautioned that the discussion may be wandering off the agenda.

There was discussion regarding the cities doing the review individually but at the same time with the Flood Project reserving the right to determine that a project does not conform.

Member Carey suggested that there be an update on the JPA on the agenda for the next Joint Meeting (July 12th).

B. REQUEST FOR QUALIFICATIONS (RFQ) TO HIRE ONE OR MORE STRUCTURAL ENGINEERS FOR UP TO \$300,000 TO SUPPORT THE HOME ELEVATION PROGRAM

Jay Aldean, Deputy Director, Truckee River Flood Management

Request authorization to issue an RFQ to solicit firms and/or individuals to provide structural engineering services to support the Home Elevation Program. Up to four engineering firms/individuals may be hired to provide structural engineering evaluations, preliminary design services, and cost estimation services. Possible action to approve issuance of an RFQ and/or provide direction to staff.

Deputy Director Aldean explained that staff is looking for permission to develop a list of four consultants to help with the due diligence for the Home Elevation Program. The Board of County Commissioners (BCC) approved the first reading. Staff will come back to FPCC or JPA as needed for more funds when needed.

In response to an inquiry, Deputy Director Aldean explained that the amount requested will be spread out over these four local engineering consultants. There will be a "no conflict of interest" clause in the RFQ.

Deputy Director Aldean explained that RFQs between \$50 and \$100 thousand have to go to the BCC, but each individual contract will not be over \$100,000 so they won't come back to the FPCC or BCC.

In response to an inquiry regarding the date of elevating the first home, Deputy Director Aldean indicated the end of August, noting that we will probably elevate five this year, then 5 more in Spring 2011. Expect after the first 5, we could easily do 20, 30 or 40 per year. There have been about 120 homes targeted for possible elevation, but we need to justify whether a home qualifies; once approved, a house remains in the queue waiting for available funds.

Member Humke motioned to approve the issuance of an RFQ, Vice Chair Gustin seconded. The motion passed unanimously.

C. CARMEN GROUP UPDATE

Mimi Fujii-Strickler, Flood Project Supervisor, 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.

Lobbyist Mia O'Connell joined by phone and provided the update including that there is a request before Congress for \$20 million: \$10 million for design and \$10 million for construction, noting that breaking through the construction barrier is a big thing; it would be best to ask for it now.

Ms. O'Connell is working with Director Duerr and her team to finalize WRDA requests; Senator Reid will get that in and although it will not go thru this year, Senator Boxer wanted to move the process forward. Director Duerr thanked both Reno and Sparks' staff for getting letters of support from their lobbyists for this.

Regarding the upcoming ASA visit, Ms. O'Connell stated this is about the most exciting project she will run across in the country. We need to be sure the money and time is focused on what the community wants. Ms. O'Connell is working on a presentation stating that we have been working on this too long; need to focus on getting projects done – anything else would expose the community to flood damage.

Director Duerr agreed, noting that through the tour and meeting we are trying to position ourselves as something different, something special, something that needs support at this moment.

Director Duerr explained that Colonel Chapman does not control the contracts; Washington D.C. does. The Colonel can make the commitment, but they cannot control the funds for the contracts. Chair Smith noted that there is a disconnect between Sacramento and Washington. We're getting nowhere. Ms. O'Connell agreed, emphasizing that we are trying to tackle that head-on. We're dealing with a \$5 billion dollar program with projects all around the country. There is a lot of competition.

Member Humke asked if that is a design/build project? It is not, however, Ms. O'Connell said it is an interesting concept, an initiative that other communities could model off of us. Ms. O'Connell will try to put the framework around that.

Ms. O’Connell inquired about FPCC Board Members coming on a DC visit, suggesting the first half of June would be best, either June 8 and 9, or June 15, 16, and 17. After that the bill will be written and it will be too late.

Chair Smith confirmed that staff will get back to Ms. O’Connell the following day with dates for the DC visit.

D. MONTHLY REPORTS ON FLOOD PROJECT FINANCIAL STATUS AND FINANCIAL RELATED ACTIVITIES

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. Discussion of cash flow projections. Possible action to accept the report and/or provide direction to staff on related financial matters.

Ms. Gianoli reviewed the reports included in the agenda packet pointing out that the amount of sales tax collection is the lowest we have seen since we starting collecting it – about 7% less than last year. On expenditure side, we are below and probably at year end we will be \$1.7 million shy of the total.

Director Duerr added that staff budgeted about \$18 million to open next year and yet we will probably open with \$22 million.

Ms. Gianoli stated that the debt service fees will drop off in September 2010 and regarding Account 494, the Construction Fund – we may be off on the interest we will be bringing in due to not making the transfers.

Director Duerr stated that the bottom line is we will probably have more money to spend next fiscal year that could be put to land or TRAction projects the following year.

Member Humke motioned to accept the report, Vice Chair Gustin seconded. The motion passed unanimously.

6. COMMITTEE MEMBER COMMENTS, REQUESTS AND FUTURE AGENDA ITEMS

Possible action to approve items for future agendas.

Chair Smith stated we need to move forward with UNR, JPA, and talk about fees.

7. ADJOURNMENT

The meeting adjourned at 12:18 p.m.

Respectfully submitted,
Laura J. Bayer