

FPCC RETREAT NOTES

February 12, 2010

- 1. Call to Order and Roll Call**
- 2. Welcome and Introductions**
- 3. Retreat Organization & Rules of the Road**
- 4. Public Comment**
- 5. Update on Flood Project JPA**

UNR MOU Update: Process is moving forward; UNR is holding internal meetings and meetings with the Flood Project to discuss the Farms area (~1300 ac); goal is to accommodate the Flood Project elements while maintaining an operational farm/research facility; relates to JPA formation because of timing

When will the MOU be finalized? Agreements must be made and signed by UNR Board of Regents (March, June, Sept meetings)

FPCC could implement the JPA in Sept to allow time for the UNR MOU to be finalized; however, starting the JPA on July 1 would correlate with our budget cycle

Perhaps the FPCC Chair and Vice Chair could be involved in the MOU negotiations --?

Idea of conservation easement has been proposed by UNR officials

6. Working with the Corps

Overview of Flood Project Schedule (Plan D option); we are now in the "Analysis and Writing" phase

Is this new schedule feasible? Corps thinks timelines are reasonable; Flood Project thinks authorization in 2012 will be "a push"

What can we do to make this easier for the Corps to achieve? Corps will develop NED and locals will develop the LPP -- try not to get sidetracked by pursuing "what-if" scenarios (takes time to analyze and make changes to the plans)

High-level political process (Washington DC) is important and moving forward -- Flood Project is trying to raise the level of awareness and build Congressional support for the project

This discussion is the 10,000-ft level discussion -- we also need to talk about details (in the cash flow topic)

How can we secure Federal funding to put local people to work on this project?

Asst Sec of the Army's response to Senator Reid's letter on the Corps schedule -- made offer to implement portions of the project early (construction funding may be available through the appropriations process -- not stimulus program)

To do this, need to pursue projects that are in the design/feasibility process (but not necessarily "shovel-ready" right now)

Better chance at success this time because we have projects that are in this phase AND because we have top-down support for early construction (funding, etc.)

Also trying to find other funding sources and position ourselves for stimulus funding (ex. DOT funding for Virginia Street Bridge)

Senator Reid is unveiling "jobs bills" (tax incentives, funding, etc.)

Habitat restoration funds may be available -- currently obligated under BLM

Focus is on job creation

TRAction Projects:

Living River Parkway project -- levees were included in the original 1988 authorization (opportunity for funding?)

Virginia Street Bridge design/planning process is also underway; design consultants are being selected by a panel

Corps will have to be flexible if they want to give us funding under the 1988 authorization

We need to budget our local money according to an appropriate timeline

Maybe the only way to really get this project going is for the locals to do it --?

At some point, we need to stop planning and begin construction --

How much progress can we make on our own?

Can we build our project for \$525M -- our local commitment --?

It would still be at least a 10-year construction process -- local capacity is an issue

Need to move forward with projects that will protect our community (Living River Parkway/Sparks levees should be our focus)

Seems to be a disconnect between Washington and our local community

Locally-drive projects are moving forward according to our local capacity (development & design takes time even for us); more funding right now would not make this go any faster

Locally we have about \$4-5M available to spend on TRAction Projects & land next year -- then what --?

We must be straightforward when we go to the public asking to charge fees -- we need to know whether we will build the project with a Federal partner or on our own -- we must decide this soon (start process in the next 6 months or so)

We need to explore this option -- perhaps hire a consultant to examine it

Ratepayers may also want to know that their fees are putting people to work and making their community safer

This is a worthy project even if we have to move forward on it by ourselves (local funding)

Recent meetings with builders and labor unions have been positive

Public Comment: Construction industry is devastated and people are out of work; issues with large projects managed and staffed by out-of-state contractors; local support for the Flood Project might be contingent on assurance that local contractors could get work

Corps monthly report: Corps needs a draft report in order to seek support from top decision-makers in Washington; Corps is working diligently to complete the GRR & EIS

Trying to be included in the President's budget is a difficult task

7. Local Cash Requirements & Cash Flow

Examination of cash flow spreadsheets (color-coded plans for spending scenarios)

Different levels of spending in each scenario; money for TRAction Projects and land varies; some scenarios show when the 1/8-cent sales tax funds would "go red" (at that point, we would need fees to continue building the project); through discussion, FPCC can provide direction on which scenario (or combination of scenarios) we should pursue

Budget components include: approved vs. planned TRAction Projects; operating expenses; debt service to pay off bond sales

Want to make sure we have all of the funds required to finish a TRAction Project (either we have the funds now or we are able to bond and dedicate funds to the project)

Approved TRAction Projects are budgeted and in-progress

Planned TRAction Projects are proposed but have not yet been formally approved by the FPCC and awarded funds for implementation

Yellow scenario: puts people to work (ex. Hidden Valley home elevations, Rainbow Bend walkway) and keeps us within budget ("in the black")

To continue making significant progress on the project, we need to implement fees (earliest timeframe is probably Jan 2011); otherwise, we will run out of cash (1/8-cent sales taxes)

Some TRAction Projects are ready to go but funds to construct are not available

Proposed real estate program includes land acquisition and relocation -- but funds for this work are limited

Flood Project staff have taken salary and benefits cuts similar to Washoe County employees

Request to provide budget & cash flow handouts prior to meetings to allow FPCC members time to review and prepare questions

Should we continue to acquire land? We should try to capitalize on the fact that land values are lower and we have willing sellers, but need to be budget-conscious too

It is our responsibility to acquire the lands needed for the project; we should prioritize which parcels we acquire now because of cash flow issues and project scoping issues (NED/LPP revisions)

What would it cost to acquire the lands needed for the Sparks' levees (Living River Parkway project) --?

How to prioritize TRAction Projects and land acquisitions --? Feasibility, safety, etc. – strategy to protect areas and lower our risk for flood damage

If the GRR is delayed, can the community move forward with flood protection measures now and gain cost-share credit (yes -- Section 104, 113 process)

This is a piece-meal way to accomplish this -- we might be able to “streamline” this by drafting some kind of resolution (interim authorization)

Have to tie this to a document (could we use the 1988 authorization and documents?)

We (the locals) need a plan for moving forward -- but we should try to keep our options open (don't want to “shoot ourselves in the foot” with respect to our Federal partner, the Corps)

Early construction under an interim authorization could change our benefit/cost ratio -- we would have to address this issue in our strategy and resolution (risk)

Community wants flood protection and jobs -- accomplish this through a comprehensive Section 104 process

Limitations on what can be built in the meadows now -- we can't build the 117-year element because we can't cause harm downstream

We might be able to build part of the project now to provide some protection (2005 flood event protection +1 foot) to certain areas now (Sparks industrial); we could then add to this base level of protection (build the rest of the project later -- 117-yr protection level possibly)

At this time, there is no current NED (Corps is still analyzing this)
Which budget scenario does the FPCC want to follow?

Move to approve “yellow plan” -- we can shuffle funds to accommodate acquisitions if priorities change -- this plan starts construction (TRAction Projects to create jobs) -- APPROVED

Fees discussion -- establish fees right now on what we are planning, then maybe adjust fees later based on results of Congressional authorization

Even if JPA formation is delayed until Sept, the FPCC can continue moving forward with fee-adoption process (process takes several months and requires judicial review)

Would like to move forward with this process and be able to implement fees in Jan 2011

Need to establish a very good record to present for judicial review (are FPCC minutes sufficient?)

Need to look at reality and affordability -- timing of fees and public opinion/ability to pay (economic issues)

Sparks fees discussion update

8. FY10-11 Capital Project Priorities & Initiatives

SKIPPED

9. Principles & Guidelines

CEQ proposing new guidelines for Corps projects (among others)

We have an opportunity to provide comments to CEQ on these guidelines
(comments due early March)

Our project includes many of the elements in the proposed CEQ principles & guidelines

Additional comments from the Board --?

No, but FPCC supports Director's recommendation to move ahead with preparing comments

10. Summary & Wrap Up

Request to limit presentations to 10 min in order to speed up FPCC meetings (limit does not include discussion)

11. Requests for Future Agenda Items

None

12. Adjournment

(Ron Zurek: Can we make these notes available to the Board as a record of the retreat and major themes --?)