Truckee River Flood Management Project

TRUCKEE RIVER FLOOD PROJECT
FINANCE SUBCOMMITTEE
Thursday, March 11, 2010
11 A.M.

MINUTES

Finance Subcommittee Members

Ron Smith, Chair	Katy Simon
Dan Gustin, Vice Chair	Shaun Carey
David Humke	Donna Dreska

1. CALL TO ORDER AND ROLL CALL – Determination of a Quorum 11:05am

The meeting was called to order by Dan Gustin on Thursday, March 11, 2010 at the Washoe County Complex Caucus Room at 1001 E 9th Street, Building A, Reno, Nevada.

Julia Ratti was present for Ron Smith, John Sherman was present for Katy Simon and Donna Dreska was not present.

Staff Present: Naomi Duerr, Director; Paul Urban, Project Manager; Mimi Fujii-Strickler, Project Supervisor; Lisa Gianoli, Flood Project Consultant; Greg Salter, Deputy District Attorney; Pat Winans, Lisa Diebler and Laura Bayer.

Others Present: Dan St. John.

2. APPROVAL OF MINUTES – 11:07am

Approval of provisional minutes of the Finance Subcommittee Meeting of January 19, 2010.
Shaun Carey motioned to approve the minutes as submitted, David Humke seconded. The motion passed unanimously.

3. ANNOUNCEMENTS 11:07am

Director Duerr announced that item 5d, the briefing from the Carmen Group, would be taken out of order.

4. PUBLIC COMMENT – Limited to three minutes per person 11:06am

None.

5. FINANCE SUBCOMMITTEE ITEMS

D. CARMEN GROUP UPDATE 11:08am

Mia O'Connell provided the update via telephone, and spoke about the activities the Carmen Group has been involved with in the last couple of weeks in support of the Flood Project. One of the first

steps, O'Connell said, is the concept of early construction for the Flood Project, which came from the discussion at the Board Retreat. The challenge is finding a way to advance parts of the Project that are already authorized in the GRR. O'Connell said the Carmen Group has made good progress. First, O'Connell briefed Senator Reid's staff on the concept of providing funding to the Corps of Engineers in fiscal year 2011 from the Energy and Water Appropriations Bill to advance certain features of the Project. O'Connell also spent time with Director Duerr and the Flood Project team identifying elements of the project that were already authorized and already included in the GRR and could move into construction quickly. There were three elements: the Living River Parkway, the Virginia Street Bridge and the North Truckee Drain.

The Project will be seeking funding for two categories in the bill:

1. Request $10 million dollars to continue and finish the GRR that the Corps of Engineers is currently working on.
2. Request $20 million dollars in construction funds that would help the Corps of Engineers advance one of the aforementioned features.

Right now, O'Connell is working on compiling the technical pieces and language needed to gain that funding. O'Connell said, based on her experience, the best way to approach the situation would be to have the Corps of Engineers' lawyers draft the language.

Gustin thanked O'Connell for following up on the items discussed at the Board Retreat, and asked her for a timeline on the goals listed. O'Connell replied that the process is underway and based on what is happening in the House of Representatives, the Energy and Water Appropriations Subcommittee will go forward in drafting and approving the bill in May or June. The Senate would likely quickly follow in June or July before Congress goes on recess in August. O'Connell went on to explain that it is an earmarking issue, which is a sensitive topic.

Director Duerr explained that funding for the Corps of Engineers has never been in the President's budget which is why it has to be provided through an earmark.

O'Connell said the Assistant Secretary of the Army would be out to see the project at the end of May, with hopes of acquiring her endorsement. Director Duerr suggested arranging a community breakfast and an aerial tour of the project.

O'Connell added that the Flood Project is considering a visit to Washington DC March 25 or 26. If those dates don't work, the end of April may be the next possible timeframe. O'Connell said it is important to come in person since the Flood Project is asking for a substantial amount of funding. The objective of the visit is to gain as much support as possible from the Corps of Engineers, the Congressional delegation, and the Appropriations Committee and to raise the Project's profile in the most positive way possible.

C. RELOCATION CLAIM FOR CLAIMANT #012-272-05-T-3 11:35am

A confidential packet on the relocation was provided to committee members before the meeting.

Deputy District Attorney Salter invited Patty Paulson, President of Property Specialists, Inc., to speak about the relocation claim.

Project Staff Member Mimi Fujii-Strickler explained that the largest cost for relocation is the paint booth which must meet current emissions standards and regulations. Director Duerr reminded the Committee that the Project has completed 35 relocations and only presented three of these to the Board – the ones which potentially exceed $100,000. Most relocations cost approximately $20,000.

Paulson explained to the Committee that part of the relocation process is interviewing each tenant and learning about their business, their suppliers, their equipment needs, and what it will entail to move the business. It was also stated that three bids are typically required when moving both standard office equipment and various types of specialty equipment. Paulson explained that relocation is not just about replacing what the business currently uses or owns; it's about ensuring the business will be fully functional when relocated.

In regards to the relocation project at hand, Paulson researched the costs to relocate the existing paint booth and found it more costly to move the existing booth than it would be to buy a new basic booth. This was due to the fact that the current booth was "grandfathered in" when new air quality emission standards were enacted, and thus does not meet current OSHA, air quality and fire system standards. It was decided that the most cost effective approach was to go with ordering a new paint booth and having it installed to meet current regulations. The new booth will be delivered on March 30, which is when the final payment is due.

Gustin said that initially, after reading about the high cost of the new paint booth, he investigated the cost of new equipment with two firms and got a lower estimate than included in the packet. Since the Project is using taxpayer money, why are we paying so much he asked.

Paulson explained that her goal is to be cost effective with the relocation process, and asked Gustin for his source of cost information so she could validate her bids.

Ratti asked Paulson what happens if things don't go well between the tenant and the contractor. Whose obligation is it to make things right? Paulson replied that she has dealt with a couple instances where the owner-contractor relationship has fallen apart and become hostile. She went on to explain that part of relocation assistance is facilitating these problems and helping the parties work through them.

Julia Ratti motioned to approve relocation payments, Shaun Carey seconded. The motion passed unanimously.

A. JOINT POWERS AUTHORITY (JPA) AGREEMENT 12:05pm

Director Duerr provided the update on the JPA, saying the process is currently in review with a team of lawyers working through the language. Deputy District Attorney Greg Salter is close to being done with the legal review. In March or April the Agreement will go back to internal staff to vet the JPA and start work with the Finance Subcommittee on fees and implementation.

Gustin asked if the JPA had been approved by all three entities. Director Duerr said the lawyers are still working on the actual JPA text to incorporate the key provisions of the JPA that the Finance Committee and all the parties approved. The University of Nevada, Reno is not expected to be part of the new JPA as staff is working on developing a separate MOU with UNR regarding acquiring UNR land needed by the Flood Project (per the current Cooperative Agreement). At that time they would go off the board.

Gustin stated there is little appetite to buy land from the University. Director Duerr provided a clarification about the UNR land acquisition, explaining that the Project needs less than 200 acres of the 1000 acres of the main station at the University farm – just a strip of land along the river to do the terracing work.

Each entity (Reno, Sparks, Washoe County and the University) has contemplated donating land to project. One idea Director Duerr has been thinking about but which has not yet been formally discussed, is the concept of acquiring land from each partner and providing the value of the land as a credit against their future flood fees - making it a trade based on the appraised value of the land.

Shaun Carey encouraged additional outreach efforts on the JPA especially to the development community. Director Duerr said she has met with The Builders Association of Northern Nevada (BANN), the Associated General Contractors, and the Reno Building Advisory Committee regarding the JPA and the proposed development review role for the flood staff, but has not met specifically with anyone in Sparks. Carey appreciated the meetings and suggested showing the groups timetables on the process to explain how it will physically work.

B. Fiscal Year 10-11 PROPOSED BUDGET 12:15pm

Director Duerr gave a presentation on the proposed budget, explaining that she went over the budget on a concept level at the Board Retreat, and that the Board had already approved the infrastructure (Fund 494) part of the budget. The package provided to the Finance Committee today is a more detailed rendition of the budget. Director Duerr said she is proud of the budget because there are significant decreases in expenditures, and the overall budget has been reduced in recognition of reduced revenues. Duerr went over the budget in detail with the Committee, drawing attention to and explaining three new cost items including Repair and Replacement of Infrastructure (.5% of asset value), Indirect Cost Allocation, and Risk Management.

Carey said what is important to note is that a lot of work has been done to ensure the Project will have funds for the next fiscal year. As the Project becomes a JPA and a separate agency, the Committee will need to see more of an agency based budget. The main objectives and outcomes will be important to the public in the coming year as the staff tries to garner support for the project from the public. Carey would like to be sure the team is placing the goals in the public eye, using the goals established in the Board Retreat as a tool.

Director Duerr advised the Committee that on April 5 she would make a presentation to the Board of County Commission to ask for budget approval. Also, the staff has been preparing a community report to sum up all of the accomplishments of the FPCC over the last five years. Going forward, she will aim to have the JPA do that on an annual basis.

John Sherman motioned to approve the budget, Julia Ratti seconded. The motion passed unanimously.

E. MONTHLY REPORTS ON FLOOD PROJECT FINANCIAL STATUS AND FINANCIAL RELATED ACTIVITIES 12:50pm

Lisa Gianoli, Flood Project Consultant, reviewed the final attachment in the agenda packet with the Committee.

Shaun Carey left the meeting at 12:53pm. The quorum was lost.

The meeting adjourned at 12:54pm.

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