



FLOOD PROJECT COORDINATING COMMITTEE

March 12, 2010, 8:30 A.M.

**Washoe County Commission Chambers
1001 East Ninth Street
Reno, Nevada**

MINUTES

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

In Chair Smith's absence, Vice-Chair Gustin called the meeting to order at 8:35 a.m. A quorum was established.

Voting Members Present:

Dan Gustin, Vice-Chair
Robert Dickens
David Humke
Bob Larkin (arrived at 8:50 a.m.)
Geno Martini

Voting Members Absent:

Robert Cashell
Ron Smith, Chair (Excused)
Ron Zurek (Excused)

Voting Alternates Present:

Troy Miller (for Ron Zurek)
Julia Ratti (for Ron Smith, arrived at 8:52 a.m.)

Voting Alternates Absent:

Jessica Sferrazza
Kitty Jung

Non-Voting Members Present:

Shaun Carey
Donna Dreska
John Flansberg
John Jackson
Burnham Moffat
John Sherman
Dan St. John (arrived at 8:52 a.m.)
Todd Welty

Non-Voting Members Absent:

Franco Crivelli
Jeff Cronk
Dennis Miller
Mary Ann Parrot
Dean Schultz (Excused)
Wayne Seidel
Katy Simon (Excused)

Non-Voting Alternates Present:

Connie Butts
John Sherman (for Katy Simon)
Todd Welty (for Dean Schultz)

Non-Voting Alternates Absent:

David Childs
Dennis Ghiglieri
Susan Schlerf

Staff Present: Naomi Duerr, Laura Bayer, Lisa Diebler, Mimi Fujii-Strickler, Danielle Henderson, Susie Kapahee, Greg Salter, Eric Scheetz, Paul Urban, Pat Winans

Member Martini led the Flood Project Coordinating Committee (FPCC) in the Pledge of Allegiance.

2. MINUTES

A. Approve Provisional Minutes of Flood Project Coordinating Committee Meeting of January 21, 2010 and FPCC Board Retreat meeting of February 12, 2010.

Member Humke moved to approve the minutes of the January 21, 2010 FPCC meeting and Board Retreat meeting of February 12, 2010 as submitted. Member Martini seconded the motion, which carried unanimously.

B. FOR INFORMATIONAL PURPOSES ONLY - Review Provisional Minutes of Finance Subcommittee (FSC) Meeting of January 19, 2010. Director Duerr reported that the FSC approved the January 19, 2010 meeting minutes and added that they were provided to the FPCC as an informational item.

3. ANNOUNCEMENTS

Vice-Chair Gustin welcomed Members and guests and invited announcements.

Director Duerr announced that on March 19, 2010 Kris Mullins, Deputy District Engineer of the Army Corps of Engineers (Corps) would be in town and staff will provide Corps staff with a tour of the Truckee River Flood Project. She also reported that she recently learned that Assistant Secretary of the Army (ASA) Darcy is planning a visit to this area tentatively scheduled for May 26, 2010. A community breakfast or “meet and greet” will be scheduled, along with a tour of the project.

4. PUBLIC COMMENT

Vice-Chair Gustin stated he had a speaker request card from Mike Dillon and invited him to speak.

Mike Dillon, Executive Director for the Builders Association of Northern Nevada (BANN), stated that BANN is interested in participating and providing some language for the Joint Powers Authority (JPA) Agreement. Vice-Chair Gustin thanked Mr. Dillon for his offer.

Vice-Chair Gustin called for further public comments and hearing none, closed the public comment period.

5. FINANCE SUBCOMMITTEE ITEMS

- A. JOINT POWERS AUTHORITY (JPA) AGREEMENT** - Lisa Gianoli, Consultant, Truckee River Flood Project
Update on the status of the JPA Cooperative Agreement. Possible action to accept the report or provide direction to staff.

Director Duerr invited Lisa Gianoli to present this item. Ms. Gianoli stated that the staff report provides a schedule of activities for the JPA. She reported that Director Duerr appeared before all the governing bodies in late February and then made a presentation at the Joint Meeting where the Key Provisions for the JPA were approved. She summarized that the legal team has been working on the JPA and the Technical Advisory Committee (TAC) and the Oversight Group would reconvene and review the draft JPA prior to presentation to the governing bodies for approval. She stated that the scheduled timeframe for JPA consideration is May – June 2010.

Vice-Chair Gustin called for questions or comments.

Member Martini asked if the BANN has been involved in the process and if they would continue to be involved. Director Duerr stated that she recently made presentations to the BANN as well as the Associated General Contractors (AGC). She added that Greg Salter, Legal Counsel, also participated in a meeting with the City of Reno's Development Enterprise Fund Advisory Committee. She added that staff also plans to expand the outreach on this issue, including a flow chart on the proposed regulatory process. She explained that it is important that new development or activities do not increase flooding in the floodplain or affect the Flood Project. She stated that the hope is to meet with most stakeholders prior to May.

Member Humke moved to accept the report and provide possible direction on development of the Cooperative Agreement for the new JPA to implement a new Flood Management Authority. Member Martini seconded the motion, which carried unanimously.

B. FY 10-11 PROPOSED BUDGET - Naomi Duerr, Director, Truckee River Flood Project
Presentation of the FY 10-11 proposed budget. Possible action to approve the budget and/or provide direction to staff.

Director Duerr stated that the Finance Subcommittee (FSC) reviewed and discussed the proposed Fiscal Year (FY) 10-11 budget in detail on March 11, 2010. She provided a brief summary of the key points of the PowerPoint presentation, which included the following:

- The Truckee River Flood Project has many accomplishments to date, which include:
 - Reno Sparks Indian Colony construction of levee and flood wall
 - 102 Ranch restoration
 - Lockwood restoration
 - Mustang restoration (currently ongoing)
 - Home elevation program (currently being implemented)
 - Passed two bills at the legislature in the past session
 - Tremendous progress being made on the JPA Agreement
 - Completed peer review of key economic and hydraulic models, as well as Phase 1 of the Regional Hydrologic Model

- The hope for the next year is to:
 - Implement the JPA
 - Finalize flood plans for both the National Economic Development (NED) and Locally Preferred Plan (LPP)
 - Move forward with implementation of flood fees – It is essential to secure an additional funding source in order to be able to continue to capitalize on the tremendous momentum that is currently in place.

- Continue to obtain federal appropriations in the next FY
- Continue to seek additional grant funding
- Implement additional Truckee River Action (TRAction) projects
- Continue land acquisition program on a more modest scale than in the past
- Continue to relocate tenants or belongings when displaced as required under federal and state law
- Initiate management or maintenance of the Flood Warning System, which is included in the current budget
- Since approximately \$24 million has been completed in construction projects, maintenance of the projects needs to be included in the budget.

Director Duerr reported there are two funds for the Flood Project, Fund 211 is the basic Management and Administrative fund; and Fund 494 is the Infrastructure fund. She summarized the following:

- Beginning Fund Balance ~ \$18 million carried forward
- FY 10-11 Revenue ~ \$ 6.5 million/year
 - 1/8 ¢ sales tax (~ \$6 million/year) – approximately 5% decrease projected
 - Interest (~\$200,000/year) – reduced based on decreased fund balance
 - Rental Income (~\$66,000) – reduced significantly based on relocating tenants

Director Duerr summarized that overall it is projected that the revenue sources will be about 7% lower than last year. She reported that the most significant expenditure from the 211 Fund is professional services, of which the biggest increase is based on funding for fee implementation, which is approximately \$175,000 (most of which is in attorney fees). She stated that fees for engineering studies would be decreased significantly (over \$600,000) based on projects coming to completion. She summarized that overall the professional services cost would be decreased approximately 22%.

Director Duerr reported that new expenditures added to the budget (based on implementation of the JPA) include:

- Repair and replacement fund (approximately .5% of the asset value – approximately \$120,000 at this time based on \$24 million spent on infrastructure)
- Overhead costs, which were previously paid by Washoe County General Fund
- Risk Management, which was previously provided by Washoe County
- Flood Warning System

Director Duerr stated that the 494 Fund's associated TRAction Projects, which were previously approved by the FPCC are estimated for the next FY at approximately \$3.15 million. She reported that new projects totaling another \$3.15 million include:

- Feasibility study for a Wadsworth levee, flood wall, elevation or buy-out
- Begin design (not construction) of another restoration project
- Second phase of the Home Elevation project
- Implementation of the Rainbow Bend Walkway – staff is currently in discussions with the Canyon General Improvement District (GID)
- Demolition of several Edison Way buildings
- Acquisition of one to two additional parcels for approximately \$1 million and relocate approximately forty tenants if acquisition negotiations are successful (35 and 65 Edison Way)
- In summary the total for the 494 Fund is approximately \$8.9 million.

Director Duerr referred to the staff organization chart provided to Members. She noted that staff have left the Fiscal Compliance Officer position vacant, in anticipation of upgrading the position to a more senior level to manage implementation of the fee program and the budget, and begin negotiations with the Corps on a cost-sharing agreement. This change has been supported by both the Finance Office and the HR office.

Director Duerr reported that over the last several years, staff salaries and benefits have been cut, including no cost of living adjustments, and no merit raise for the Director. She stated that further staff cuts have not been factored into the budget as they are subject to collective bargaining. She stated that in summary, the Flood Project will cut back expenses where possible, and focus on implementing the JPA early in the Fiscal Year, with implementation of fees by 2011.

She summarized:

- Revenues are down approximately 7%.
- Administrative expenses have been reduced approximately 5%.
- Infrastructure expenditures have been reduced approximately 60%.
- The overall budget has been reduced by approximately 41% in a year-to-year comparison.

Director Duerr invited questions or comments. Vice-Chair Gustin referred to the Finance Subcommittee meeting and applauded staff for their forward thinking on including new funds for “repair and replacement” under the 211 Fund. He stated that it needs to be recognized that in moving forward with projects, they will require future maintenance. He stated that Risk Management is also very important. He asked about the timeline for the Home Elevation program. Director Duerr stated that the FPCC approved the program. The next step will be presentation to the Board of County Commissioners (BCC) with a request to enact an ordinance to implement the grant program, in the beginning of April.

Mr. Salter reported that the ordinance has been drafted and is under review currently. He added that it would be a two-reading process. Vice-Chair Gustin summarized that it is important to continue to move forward in order to provide additional jobs in the community. Director Duerr agreed and added that contractors are already expressing interest in the project.

Member Martini asked if the Finance Subcommittee approved this item at their meeting. Director Duerr stated they did review the item and recommended that the FPCC approve the budget with the understanding there would be some changes as the budget process continues.

Member Martini made a motion to approve adopting the budget as recommended by the FSC. Member Humke seconded the motion. Vice-Chair Gustin mentioned that a suggestion was made by Member Carey to show the community what accomplishments have been made to date (over the past five years) when fees under the JPA are being presented to the community. He called for a vote on the motion, which carried unanimously.

- C. RELOCATION CLAIM FOR CLAIMANT #012-272-05-T-3** - Mimi Fujii-Strickler, Admin Services Manager, Truckee River Flood Project
Request to approve relocation payments to CLAIMANT #012-272-05-T-3 in an amount not to exceed \$250,000.

Ms. Fujii-Strickler reported that since 2008, the Flood Project has relocated approximately 35 tenants. She stated that the average relocation claim is approximately \$15,000 to \$20,000. She explained that today's claim request would bring the total to four claims that exceed \$100,000. She stated that to date Claimant #012-272-05-T-3 has received approximately \$99,000 in relocation claims; however, it is anticipated that the total relocation claim will be approximately \$209,000 plus or minus contingency. She summarized that today's request is for approval of funding in an amount not to exceed \$250,000. She explained the reason this claim is more costly than others is that the tenant requires the use of specialty equipment for their business, which will have to be replaced in order to meet air quality, fire suppression and other standards.

Member Larkin asked if any unusual questions or comments were made regarding the claim at the FSC meeting. Vice-Chair Gustin stated there were questions related to some line items and expenditures; however, by the end of the discussion, the FSC understood the nature of the specialty business and agreed the relocation amount was necessary.

Member Larkin moved to approve a tenant relocation claim for Claimant #012-272-05-T-3 for an amount not-to-exceed \$250,000; request the Board of County Commissioners to consent in this action; and authorize the Director to disburse tenant relocation claim payments as she determines to be actual, reasonable and necessary, and in compliance with the URA Regulations. Member Ratti seconded the motion, which carried unanimously.

Member Martini stated for the public that by law the name of the relocated tenant can not be disclosed. Vice-Chair Gustin agreed and added that the relocation claim amounts must be made in compliance with federal guidelines.

D. 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.

Vice-Chair Gustin reported that a telephone meeting was held with Mia O'Connell the prior day.

Director Duerr stated that just prior to the discussion with Ms. O'Connell, the House of Representatives Republicans had made a motion that was accepted directing House Republicans to accept no earmarks for special appropriations. She stated that based on that decision, presumably the amount recommended from the House for the Flood Project would be zero. It would then be up to the Senate to provide additional funding if available. She noted that later in the day (Thursday) Congressman Heller's staff informed her of the action and stated that the Congressman's "hands were tied" at this point.

Director Duerr stated that Ms. O'Connell discussed the fact that \$10 million in funding has been requested from Congress (\$5 million for completion of the plan; \$5 million for design of the project) plus an additional \$20 million for construction. She stated that staff is inspired that ASA Darcy would be visiting in May and the fact that ASA Darcy has opened the door with Senator Reid for consideration of funding projects that were included in the 1988 authorization. She reported that three projects under that authorization have been submitted for funding, which include the North Truckee Drain, the Virginia Street Bridge and the Living River Parkway.

Director Duerr reported that Paul Urban and she helped draft legislation that Ms. O'Connell presented to Senator Reid's office, which has now been sent to the Corps' legal team. The legislation would direct the Corps to provide the construction funds, including caveats that the funds would not harm the Flood Project's overall benefits or increase work for the Corps staff (i.e., through requirements for additional paperwork).

Director Duerr stated that Ms. O'Connell discussed the potential trip to Washington DC and the importance of making an appearance and visiting with key players during the Spring. She stated that the visit was set to occur in about two weeks; however, that schedule will not work for Chair Smith. She stated that she and Vice-Chair Gustin are available to attend and will discuss the schedule with Chair Smith. She asked if other FPCC members were interested in attending in the event Chair Smith is unavailable.

Member Larkin stated that once a decision is made on the healthcare package, Washington DC will be "vacant" until the election is complete and asked about the importance of a trip since ASA Darcy would be visiting soon. Director Duerr stated that Ms. O'Connell felt it was critical to press the issue with the Corps headquarters, and CEQ and OMB staff.

E. 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 referred to the monthly update on budget expenditures that was included in the Agenda Book and reported that the important factor will be the status of the budget at year-end. She summarized that revenues for the year are projected at \$6.2 million; to date approximately half that amount has been collected. She stated that the expenditures for staff salaries and benefits are slightly lower than the projection due to temporary vacancies.

Member Martini made a motion to accept the report and verbal update. Member Humke seconded the motion, which carried unanimously.

6. ITEM WITHDRAWN

7. TECHNICAL ADVISORY COMMITTEE REPORT - Dan St. John, TAC Chair

Report on activities related to the Truckee River Flood Project. Possible discussion and action to accept the report and provide direction to staff. Includes January 12, 2010 & February 5, 2010 meeting agenda, minutes, and TAC attendance sheet.

Dan St. John, Washoe County Public Works Director and TAC Chair, reported that the TAC did not formally approve the proposed flood project budget although it did accept the presentation. He stated that the TAC directed him to pass along the comment to the FPCC that at the time the budget was presented, there was not enough objective (detailed) budget information available for the TAC to fully understand how the available resources for the next FY will achieve the goals established by the FPCC. He stated that he believes the situation has been rectified as signified by approval of the budget by the Finance Subcommittee and now the FPCC.

Mr. St. John reported that the TAC had good conversation on its agenda items and continues to watch with concern the schedule and project priorities. He invited questions or comments.

Member Larkin referred to the TAC minutes and the External Technical Review (ETR) of the hydraulic model and the reference to three models. He asked if the TAC plans to come forward with a recommendation based on the Truckee Meadows, Downtown and the Flood Model. Member Larkin referred to the motion noted in the TAC minutes, “John Flansberg moves to accept the report to recommend to the FPCC a new model scenario and recommend using the existing model with beneficial model of fixes to that model (Plan D).” He asked what “new” model is being proposed. Mr. St. John stated that the TAC’s feeling is that there is an existing model and there is a recommendation that more time be spent bolstering the model and making some modifications to areas that were commented upon recently. He added that the recommendation including “staying with the existing path rather than adopting a new model”.

Member Larkin stated he was confused over Mr. Flansberg’s motion to “recommend a new model scenario”. Director Duerr stated that the confusion is probably due to the wording, in that it was not a “new model” but rather a “new scenario”. She added that the chosen scenario was Plan D, which is what the TAC recommended and what the FPCC agreed to at the last meeting. Plan D involves improving the existing model by fixing errors noted by the peer review experts as well as making improvements that could help with the ultimate benefit-cost analysis.

Mr. St. John stated that the two major alternatives were to fix the existing model or go with a new model. He summarized that the decision by the TAC was to stay with the existing model with the maximum number of fixes.

Director Duerr explained that there are two models: the hydraulic model, which is being used by the Corps to develop the Flood Project; the other is the hydrologic model, which is being developed by staff to assess potential flood impacts of new development. Mr. Urban stated that “Plan D” involves making a number of fixes to the existing hydraulic model to receive the maximum benefit under the shortest timeframe.

Director Duerr stated that staff spent two days in January meeting with the Corps to review the economic analysis and the hydraulic model. She stated that in order to meet the nine-month timeframe (October 2010), the Corps decided to outsource the fixing of the model. Member Larkin asked if staff and the Corps are consistent in agreement about this approach.

Roger Henderson, Corps Sacramento District, reported that the Corps is working in complete coordination with the TAC’s recommendations and concurs with what staff is saying. He stated that Mr. Aldean and Mr. Urban would be coming to Sacramento on March 16 to meet with technical staff and West Consulting, Inc. to determine the most efficient way to fix the model.

Mr. St. John stated that the TAC requested that staff present the hydrologic model at a meeting in the near future. Director Duerr stated that Phase 1 of the hydrologic model was recently completed. Mr. Urban reported that a draft of the hydrological pilot study was completed. He explained the purpose of the pilot study was to determine what approaches could be used regarding which model and which techniques would result in the approach for estimating effects of land use changes. He added that the draft study is out for review by the local technical hydrology community.

Mr. Urban stated that a workshop is planned for the first part of April although no date has yet been set. Ms. Duerr reported that following the workshop, the results and public comments will be discussed at the TAC meeting. She stated that once Phase 1 is approved, Phase 2 – Model Design, would begin resulting in being able to apply the model to all subbasins. She added that

about a year ago, the FPCC approved moving forward with this project and approved a budget of \$1 million. Mr. Urban stated that the pilot project considered various models and techniques on one watershed that could then be used for the entire watershed.

Member Larkin asked when the FPCC would hear an update on the progress of the study. Director Duerr stated that an update could be expected at the May FPCC meeting.

Vice-Chair Gustin thanked Mr. St. John and staff for the update.

Member Martini made a motion to accept the report and verbal update. Member Larkin seconded the motion, which carried unanimously.

8. FLOOD PROJECT MONTHLY REPORTS

Presentation on flood project events, activities, and schedules. Possible action to accept reports and/or provide direction to staff.

Director Duerr reported that the reports and articles/clippings were provided in the agenda packets. She welcomed any questions or comments from Members.

A. MONTHLY STATUS REPORT FOR JANUARY AND FEBRUARY 2010 - Naomi Duerr, Director, Truckee River Flood Project

B. WORKING GROUP MONTHLY REPORT - Susie Kapahee, Public Information Officer, Truckee River Flood Project
Report on the Working Group meeting of January 20, 2010 and February 24, 2010. Includes draft minutes of the meeting.

C. LOBBYISTS' UPDATES - Mimi Fujii-Strickler, Flood Project Supervisor, Truckee River Flood Project
Report on lobbyist activities for the months of January and February 2010.

D. CLIPPINGS

Recent newspaper clippings related to the Flood Project or similar issues were presented in the agenda packets.

9. ARMY CORPS OF ENGINEERS

A. MONTHLY REPORT - Roger Henderson, Project Manager, Civil Works Branch, ACOE
Report on activities related to the Truckee River Flood Management Project including project scheduling and funding. Will include update on documents and process for Internal Technical Review currently underway. Possible action to accept the report and provide direction to staff related to Truckee River Flood Management Project scheduling and funding items as set forth in the report.

Mr. Henderson reported that the Corps would be meeting with Mr. Aldean and Mr. Urban the following week on the hydraulic model. He reported that the Corps continues to move forward and now has quantities available for cost estimating for the 50-, 75- and 100-year events, which is necessary for the NED plan.

Mr. Henderson stated that the Corps is offering one of its hydrologists to review the work being performed by Manhard for the Flood Project on the hydrologic model. He stated the Corps has been reviewing the Hidden Valley and other Section 104 Requests. They are also working on the cost estimating for the Living River Parkway. Director Duerr stated that in April, a TRAction project request for the Living River Parkway would be brought forward. She added that the Corps has been funding the project up to this point and no money has been committed by the Flood Project other than staff time.

Mr. Henderson reported that the Corps has been working on the federal funds for early construction and providing input to Flood Project staff regarding legislation needed for this to occur. The goal is to ensure that the benefits associated with the projects to be constructed early are not considered to be “existing” benefits and thus removed from the GRR, resulting in less justification for the proposed flood project.

Mr. Henderson introduced the Corps’ new Deputy Project Manager, Beth Porter, who will be assisting with project management and ensuring that schedules are met. She was recently hired by the Corps from a private consulting firm.

B. PROJECT TIMELINE REPORT - Jay Aldean, Deputy Director, Truckee River Flood Project

10. COMMITTEE MEMBER COMMENTS, REQUESTS AND FUTURE AGENDA ITEMS

Possible action to approve items for future agendas.

Vice-Chair Gustin thanked commissioners and staff.

11. ADJOURNMENT

With no further business, Member Martini made a motion to adjourn. Member Ratti seconded the motion, which carried unanimously. The meeting was adjourned at 9:35 a.m.

Respectfully submitted by,

Niki Linn, Recording Secretary

Approved by FPCC in session on April 9, 2010.