



**Albuquerque Metropolitan
Arroyo Flood Control Authority
Regular Meeting Minutes
March 23, 2006**

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1. Call to Order and Roll Call

Chairman Eichenberg called the Regular Board Meeting to order at 10:00 a.m. Thursday, March 23, 2006. Roll was noted as follows:

Directors present: Chairman Tim Eichenberg
Director Danny Hernandez
Director Daniel Lyon
Director Ronald D. Brown
Director Janet Saiers

Others present: John Kelly, Executive Engineer
Sam Bregman, Attorney
Staff

A quorum was present.

2. Approval of Agenda

Director Brown made a motion to approve the agenda. Director Saiers seconded the motion, which passed unanimously (5-0). Mr. Kelly noted that there was a handout on an item of New Business, 18a, regarding a letter from the IRS, and late mailouts on items 9a and 9b, the Corps of Engineers' project.

3. Meetings Scheduled

- a. April 4, 2006, 9:00 a.m. – Special Meeting – Tour and Workshop Discussion
- b. April 27, 2006, 10:00 a.m. – Regular Meeting
- c. May 25, 2006, 10:00 a.m. – Regular Meeting

Mr. Bregman stated for the record that the April 4, 2006 meeting is an open meeting, and that anyone who was interested could attend. Director Brown stated that additional vehicles would be used if necessary, to accommodate all those who wished to attend. No business would be discussed in the vehicles if separate vehicles were used.

Director Brown made a motion to approve the meeting schedule. Director Hernandez seconded the motion, which passed unanimously (5-0).



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4. Approval of Minutes

a. February 23, 2006 Regular Board Meeting

Director Brown made a motion to approve the minutes of the February 23, 2006 Regular Board Meeting. Director Hernandez seconded the motion, which passed unanimously (5-0).

5. Financial Matters

a. Approval of February 2006 Expenditures

Irene Jeffries, AMAFCA Business Manager, presented the February 2006 Expenditure Report. She and Mr. Kelly answered several questions from the Board.

Director Hernandez made a motion to approve the February 2006 Expenditure Report. Director Brown seconded the motion, which passed unanimously (5-0).

b. Investment Report

For Information.

c. Financial Recap February 16, 2006 through March 15, 2006

For Information.

d. Financial Forecast March 16, 2006 through April 15, 2006

Ms. Jeffries presented the Financial Forecast for the period March 16, 2006 through April 15, 2006. She noted that the Construction Fund showed that miscellaneous income of \$132,000 had been received from the City for the Lyon Storm Drain Project. She stated that the Financial Forecast included the special account that had been opened for the Amole Arroyo Phase III Project, and that funds for this project have been received from AMAFCA, the City, and the Albuquerque/Bernalillo County Water Authority.

Director Saiers made a motion to approve the Financial Forecast. Director Brown seconded the motion, which passed unanimously (5-0).

e. Report on Sale of Surplus Equipment at Auction

Ms. Jeffries reported that, as approved by the Board at the December 15, 1005 meeting, AMAFCA had sold excess, obsolete, and surplus equipment at Barry's Auction on March 1,



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2006. The items sold for a total of \$335.00. After Barry's 30% commission was deducted, AMAFCA netted \$234.50 for the surplus items, which was deposited into the General Operating Fund.

f. Sandoval County Tax Disbursements

Mr. Kelly stated that, beginning with the new tax year in November, AMAFCA began receiving tax collections from Sandoval County for properties included in the Sandoval/Bernalillo County boundary change which took effect January 1, 2005. AMAFCA was expecting to receive funds for only the debt service mill levy, but when the tax collection checks began arriving, the operating fund mill levy was also included.

AMAFCA asked the Sandoval County Treasurer to clarify this tax distribution. A letter from Larry Polanis, Chief Finance Officer, stated the Sandoval County Treasurer had contacted Ms. Darlene Mares, Deputy Director of DFA's Local Government Division, and that she had advised the County to continue to collect the operating fund monies.

Mr. Kelly added that AMAFCA had later received a copy of a letter from Mr. David Stoliker, Executive Director of SSCAFCA, to the Sandoval County Assessor, stating that SSCAFCA should be receiving operating fund tax assessments, at SSCAFCA's mill rate of 0.761, from the properties in this area.

He stated that he and Mr. Bregman had understood the statute to indicate that the operating fund mill levy should be paid to SSCAFCA and not AMAFCA. This issue will probably show up in a State or County audit, and AMAFCA will probably be directed to return the excess funds at that time.

Mr. Kelly stated that, as directed by Chairman Eichenberg, all tax money received from Sandoval County is being tracked in separate revenue accounts in both the Debt Service fund and the Operating fund, to facilitate a refund of the operating fund tax monies at a later date.

Chairman Eichenberg emphasized the necessity for a very clear paper trail on the monies received from Sandoval County.

6. Legal – Status Report

Attorney Sam Bregman reported on the status of various legal matters.



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7. AMAFCA Resolution Review Work Plan and Overview

Mr. Bregman briefed the Board on his review of old AMAFCA resolutions, 1963 to the present. He provided a list of approximately 530 AMAFCA resolutions, indicating which had been rescinded or no longer applied. He reported that he and Mr. Kelly had reviewed the remaining resolutions, which generally fell into five basic categories: Planning, Personnel, Financial, Land Policies, and Drainage Policies.

He stated that he found no major problems, but that some resolutions may need to be updated. He planned to bring one category before the Board each month so the Board could review them and consider potential updates.

Mr. Kelly stated that there were approximately equal numbers of resolutions in each of the five categories. The Drainage Policy will probably have the most impact on others if it is changed. Currently, the Drainage Policy is spread out over five different resolutions, and a review of those resolutions will probably take a little longer to put together. Thus, the Drainage Policies category will be left for last.

Mr. Bregman stated that some of the policies have been reviewed recently in resolutions made in the last few years, and will probably not need to be changed. Other resolutions may need to be updated.

In response to a question from Director Lyon, Mr. Bregman stated that usually a resolution would supersede a prior resolution in its entirety, rather than just rescinding a portion of the prior resolution.

Chairman Eichenberg stated that the review should not only cover the current validity of a resolution, but should also check that the resolution is consistent with current law.

8. 2006 Bond Sale – Approval of Resolution 2006-2, Notice of Bond Sale

Mr. Kelly introduced Kevin Powers, of RBC Capital Markets, and Chris Muirhead, of the Modrall Law Firm. The Modrall Law Firm is AMAFCA's Bond Counsel.

Mr. Muirhead stated that Resolution 2006-2 begins the process for the second bond issue authorized in the November 2004 bond election. The bond issue will be payable from *ad valorem* taxes. Resolution 2006-2 authorizes publishing of the bond sale one week before the sale.



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Mr. Powers stated that the market had not changed significantly from last month's discussion. Short term interest rates will probably go up 0.25% at the next meeting of the Federal Reserve, but that action was not expected to have a negative impact on the bond sale.

Director Saiers made a motion that the Board adopt Resolution 2006-2, *Notice of Bond Sale*. Director Hernandez seconded the motion, which passed unanimously (5-0).

- 9. Corps of Engineers Southwest Valley Drainage Project (closed session)**
- a. Consideration and Authorization of Purchase Offer for Pond 187**
 - b. Consideration and Authorization of Purchase Offer for Pond 187a**

Mr. Kelly stated that items 9a and 9b involved discussion of a potential real estate offer for acquisition of right of way.

Director Saiers made a motion that the meeting be closed, pursuant to the Open Meetings Act, §10-15-1 NMSA 1978, Subsection H, to preserve the confidentiality of the information to be discussed, and as further described in Attorney General Madrid's document, "*Open Meeting Act, Compliance Guide for New Mexico Public and Citizens*," fourth edition, August 1999. Director Brown seconded the motion.

Chairman Eichenberg stated that the closed session would be for purposes of discussion only, regarding a potential real estate offer. The motion passed unanimously (5-0).

Chairman Eichenberg closed the meeting at 10:45 a.m. The meeting was reopened at 10:55 a.m. He stated that the Board had taken no action during the closed meeting, but had discussed possible acquisition of Pond 187 and Pond 187a.

Director Hernandez made a motion that the Board authorize staff to proceed with the acquisition of the Pond 187 and Pond 187a properties, based on the terms included in the proposed sale agreements, subject to final review by AMAFCA attorney, Mr. Bregman. Director Brown seconded the motion.

In response to a request from Chairman Eichenberg, Martin Eckert, AMAFCA Real Estate Manager, used a map to show where Ponds 187 and 187a were located. He stated that the ponds are necessary for the Corps of Engineers' Southwest Valley Flood Reduction Project, for which AMAFCA is one of the co-sponsors.

The motion passed unanimously (5-0).



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10. Design, Bidability, and Constructability Reviews – Authorization to Issue Request for Proposals for Review Services

Kurt Wagener, AMAFCA Field Engineer, requested that the Board authorize advertising of an RFP for Design, Bidability, and Constructability Review On-Call Contracts.

Director Lyon made a motion that the Board authorize the Executive Engineer to advertise the RFP for Design, Bidability, and Constructability Review On-Call Contracts. Director Hernandez seconded the motion.

In response to a question from Chairman Eichenberg, Mr. Kelly stated that in the past, AMAFCA has used a number of companies for on-call design, bidability and constructability reviews. At least two or three contractors review each AMAFCA project to provide input to the engineers during the design process.

Chairman Eichenberg asked if prior knowledge of the project gives the review contractors an unfair advantage during the bid process.

Mr. Kelly replied that AMAFCA started using this review process about 14 years ago. He stated that this question had been asked then, but the conclusion was the input to the engineers during the design process was valuable and did not result in an advantage to the contractor. The review process is valuable because it results in better, more bidable designs, and more reasonable construction schedules. The legal advice then was to always have 2 or 3 contractors do each review, and to be very aware of any one contractor proposing an approach to the project that would give them an advantage during the bid process.

Mr. Kelly also stated that, since the plans are publicly available for two to four weeks during the bidding process, sufficient time for study is available to eliminate any advantage. The long bidding process, which includes a project walk-through, gives all bidders an equal opportunity to study the project. The contractors are also bidding by unit prices, which puts all on a level playing field.

Mr. Wagener added that the review contractors know they can't get away with suggesting a certain construction method that only they can do. Typically, their suggestions result in cost savings to AMAFCA.

Mr. Bregman stated that, if the Board believed the reviews did not give any advantage to a particular contractor, that the review process would be satisfactory.



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Director Hernandez commented he believed the benefits outweighed the risk of certain contractors having an unfair advantage.

Director Brown commented that the reviews result in good, clean plans that are buildable, and bidders know this. As a result, bids for AMAFCA projects are generally less than those for other agencies.

Mr. Wagener stated that, during the bid process for the La Cueva project, he did the plan review for Bohannon Huston. Some creative thinking regarding the excess dirt resulted in a cost savings on the project, since approximately 50,000 cubic yards of dirt were able to be stored on Pueblo land instead of being hauled off to another site. This evened the playing field for the contractors since they knew they could stockpile the dirt nearby, instead of needing to find another place to haul and store it.

In response to a query from Director Saiers, who supported the on-call contracts, Mr. Kelly stated that he had recently been contacted by the City and the County, who asked to see the RFP and agreements that AMAFCA used to procure design review services. As far as he knew, they had not begun doing the reviews yet, but had expressed an interest in doing so.

He added that contractors had told him that bids for AMAFCA jobs are about 5 % less than for similar City jobs, and about 10% less than for similar County jobs. A portion of these savings are directly applicable to the review process, because contractors know they are less likely to run into problems during construction of an AMAFCA job.

Replying to a question from Director Lyon, Mr. Kelly stated that there had been no complaints during the time AMAFCA had done these reviews.

The motion passed unanimously (5-0).

11. Approval of Second Extension of Contracts

- a. Manual Trash and Debris Removal with R. P. Construction Co.**
- b. Mechanical Trash and Debris Removal with Southwest Sewer Service**

Mr. Wagener presented a request for the second and final one-year extensions of the contracts for Manual Trash and Debris Removal with R.P. Construction and for Mechanical Trash and Debris Removal with Southwest Sewer. As allowed in the contracts, both companies requested a 2% increase in their hourly rates, to cover the increase in fuel costs from 2004 when the original bid was taken. Staff agreed that this was a reasonable increase and recommended approval of both contract extensions.



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Director Hernandez made a motion that the Board authorize the Executive Engineer to extend the contracts with R.P. Construction for Manual Trash and Debris Removal from Flood Control Facilities for 2004, and with Southwest Sewer for Mechanical Trash and Debris Removal from Flood Control Facilities for 2004, for additional one-year terms with a 2% increase in the hourly unit prices, per the provisions of the contracts. Director Brown seconded the motion.

Director Hernandez commented that he had seen the amount of debris collected, and supported the contracts because of the time savings to AMAFCA's maintenance crew. He opined that the contractors were doing a good job.

In response to a question from Chairman Eichenberg, Mr. Kelly replied that both contractors had requested an increase due to fuel costs. Southwest Sewer's vactor truck's motor runs constantly to supply power to the vacuum, as well as driving the truck from site to site. R.P. Construction runs their pickup truck all day long during their cleaning process as well. Staff stated the cost increase was reasonable.

The motion passed unanimously (5-0).

12. Authorization to Advertise for Project Maintenance Supplies – Guardrail Materials, Steel Pipe for Handrails, and Miscellaneous Steel for Gate Construction

Mr. Wagener requested authorization to advertise for project maintenance supplies, to include guardrail, steel pipe for handrails, and steel for gate construction. Director Saiers briefly left the meeting during this request, and was not present for the vote.

Mr. Wagener stated that AMAFCA would realize cost savings by buying in bulk, and would also save time by having these materials on hand, reducing trips to suppliers every time a guardrail, fence, or gate was needed.

Director Hernandez made a motion that the Board authorize the Executive Engineer to advertise for bids for Guardrail Materials, Handrail Materials, and Gate Materials. Director Brown seconded the motion, which passed (4-0).

13. Prima Entrada Subdivision – Consideration of Funding Agreement with Fuller Homes of New Mexico

Lynn Mazur, AMAFCA Development Review Engineer, stated that, after Board input at the February 23, 2006 Board meeting, Mr. Kelly and Mr. Bregman had discussed the per-acre contribution that should be assessed from the Prima Entrada Subdivision for the West I-40



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Diversion Channel Phase III. She reported that they had concluded that \$4,600 per acre was a fair and equitable amount.

She also stated that this agreement was for the last piece of undeveloped land east of 98th Street, and the agreement specifically states it does not set a precedent for cost-sharing for future subdivisions.

Director Lyon made a motion that the Board approve the Agreement for Funding of West I-40 Diversion Channel Phase III, as related to the Prima Entrada Subdivision. Director Brown seconded the motion, which passed unanimously (5-0).

Chairman Eichenberg called a brief recess, from 11:12 a.m. to 11:15 a.m.

14. West I-40 Diversion Channel Extension

a. Briefing on West I-40 DMP Potential Modifications

Jerry Lovato, AMAFCA Drainage Engineer, stated that the revisions to the West I-40 DMP would be available for review and discussion at the April 27, 2006 Board meeting.

b. Briefing on Proposed Cost Sharing Arrangements for Interim and Permanent Drainage Improvements within West I-40 Corridor

Mr. Lovato stated that it was too late for AMAFCA to put together a Memorandum of Understanding (MOU) with the NMDOT in time to participate in Phase I of the NMDOT project, Unser to 98th, as it is ahead of schedule and is soon going out to bid. Construction on Phase I of the project is due to begin in July, 2006, and the necessary agreements could not be negotiated in time. However, the necessary agreements can be in place in time for AMAFCA to participate in the drainage infrastructure pipe that will need to go in the DOT ROW between 98th Street and Paseo del Volcan (to be renamed Double Eagle II), and the detention pond to be built in the Paseo del Volcan (Double Eagle II) interchange.

Mr. Lovato stated that Paul Lindberg, the Project Manager for NMDOT on this project, is willing to go back and do some interim improvements for the Phase I section.

He added that construction of the drainage elements of Phases II and III would be funded by a combination of public and private parties, with land dedications from private parties.

Mr. Lovato stated that the interim improvements would convey 144 cfs to Unser. There would be an interim pond at Unser, at a cost of \$400,000, and an interim channel between Unser and



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98th, also at a cost of \$400,000. (The permanent channel is not needed under current conditions.) Interim ponds, from 98th to 118th, would cost \$800,000.

Mr. Kelly stated that AMAFCA already has Right of Way (ROW) to 98th along the north side of the freeway.

Mr. Lovato added that AMAFCA does not have ROW from 98th to Paseo del Volcan, which is why the NMDOT ROW will be used for this section. Improvements will include a permanent pipe from 98th to 118th, and to the East Amole Dam, at a cost of \$1.6 million for the pipe. Installation is proposed to be done as a part of the DOT project. The East Amole Dam, which needs to be built as a part of this project, will cost \$1.8 million. The total comes to \$5 million for drainage improvements from Unser to Paseo del Volcan.

Mr. Lovato stated that AMAFCA will be the lead in building the East Amole Dam. The NMDOT will build Double Eagle II Dam because it will be contained within the DOT interchange at Paseo del Volcan/Double Eagle II.

The cost of the total drainage project, proposed to be built over the next 18-24 months, will be \$11 million. The following would be built: an interim channel and pipe by the DOT, a dam by AMAFCA, a dam by the DOT, 90" pipe by the DOT, an interim channel built by Cordero Mesa, and a dike system built by Westland Development.

He stated that funding will be obtained from AMAFCA, NMDOT, and private parties (Westland Development, and Cordero Mesa Ltd.) The tentative funding contributions are: NMDOT, \$4 million; AMAFCA, \$4 million; Westland Development, \$2.1 million plus all temporary and permanent easements necessary for the project; and Cordero Mesa, \$650,000, plus permanent easements.

AMAFCA has a financial guarantee from Cordero Mesa for \$650,000 to complete the portion of the channel on their property. AMAFCA and Cordero Mesa have agreed that this channel can be soft-lined, and if done immediately, can be used as a retention pond for current flows. It will be modified sometime in the future to take permanent flows from beyond Paseo del Volcan, at which point AMAFCA will take over maintenance.

He stated AMAFCA needs to develop three agreements: one with NMDOT, one with Westland Development and Bernalillo County, and one with Cordero Mesa, Ltd., and Bernalillo County. These agreements need to be in place before October 2006.

Director Hernandez opined that this project appeared to be mostly development-driven, and thus he would like to see private parties funding a greater portion of the project.



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Mr. Lovato replied that this project is not entirely developer-driven. He stated that this drainage infrastructure needs to be built to handle current, existing condition flows. The infrastructure is contained in the DMP as a feeder system to the diversion channel. The rest of the facilities that the City and AMAFCA have built on the Westside were built with the assumption that this diversion would be built. The project does not include any of the ponds or channels that will need to be built to allow developed flows to tie into the diversion.

He added that Westland Development is paying for an increase in the pipe size over what would be needed for existing flows, to the larger size needed for future flows. This pipe upsize will cost \$1.2 million.

Mr. Lovato confirmed for Director Saiers that the West I-40 DMP and the prior Amole-Hubbell DMP both addressed drainage in this area. When downstream facilities were built, the assumption was made that the West I-40 Diversion Channel and its infrastructure would be built.

Mr. Kelly added that those downstream facilities were built to take only existing flows from under I-40. They were not designed to take developed flows from under I-40. When developed and existing flows are diverted by the West I-40 Diversion Channel, capacity is freed up to take developed flows from the areas around Westgate Dam and the East Amole Channel.

In response to a question from Director Saiers, Mr. Kelly stated that no AMAFCA projects currently under construction or in design will be delayed by doing this project now. Several small water quality projects, not yet in design, will be delayed a few months until after the next bond authorization election. This will avoid over-committing funds from the current bond authorization.

Replying to another question from Director Saiers, Mr. Lovato stated that his estimates included hard numbers for construction without soft numbers for design or construction management figured in. The actual cost to AMAFCA, including design and construction management, will probably be a little over \$4 million.

Mr. Kelly stated that staff tried to make conservative assumptions regarding construction costs. A cost breakout for design and construction management had not been done, but he thought the cost estimate of \$11 million, with \$4 million from NMDOT, \$4 million from AMAFCA, and approximately \$3 million plus right of way from the private sector was a realistic estimate.



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Mr. Kelly emphasized the importance of the diversion channel to the NMDOT. It will keep the West Amole flows from going through the DOT interchange, which will save them a considerable amount of money.

Director Lyon opined that AMAFCA needed to get the drainage system in the ground before the opportunity was lost. He asked if other property owners in the area and the City were also contributing to the cost. He stated that Westland would probably like to develop their land between 98th Street and Atrisco Terrace, and asked if that development hinged upon the diversion channel project. Mr. Lovato confirmed this.

Director Lyon also asked if the County had been consulted. Mr. Lovato confirmed that he had met with Bernalillo County Public Works Technical Services Manager Roger Paul. At this point, the County wants to be kept informed about the project's progress, but is not able to contribute monetarily. In response to another question, Mr. Lovato confirmed that the City is not able to contribute towards construction either.

Director Lyon commented that he wanted to be sure all parties were treated fairly, including the private parties.

Director Brown stated that the idea of the West I-40 diversion began at least fifteen years ago, with two main concepts. First, cut off the water before it crosses the freeway, because it is easier to get the water to the river north of the freeway, instead of south of it. This helps reduce water flowing to the South Valley and contributing to flooding there. Second, the plan was to keep the pipe relatively small for the amount of water that needed to be moved, and use a series of detention facilities to regulate the flow and meter it out to the pipe system at a rate the pipes could handle. Additional water from developed conditions in the future would be held in detention facilities to be slowly released to the system. This DMP approach was meant to limit the cost of the system

Director Brown stated that the proposed project conforms to the initial concept of the DMP. The detention ponds allow gravity flow through the backbone of the system. Westland Development would like to have greater volume capacity in the pipeline, and is paying for the pipe upsize for that greater capacity. Upstream developers will put in additional detention ponds as required to control runoff from their property, also at their cost, as driven by development.

In response to a question from Chairman Eichenberg about the path this water currently takes, Mr. Lovato stated that some of the water is diverted via the Ladera system, and via the West I-40 Diversion Channel through a pipe that will be installed under Unser in the next few days. The rest of the water flows through several arroyos under the freeway towards the south.



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Mr. Lovato added that a major landowner to the south of the freeway has been contacted by Mr. Kelly. Mr. Kelly asked him for \$1 million towards this project, but no commitment had been received. There were other landowners south of the freeway that had not yet been contacted.

In response to a followup question about how much of the watershed's water reaches the river now, Mr. Kelly replied that the general pathway of the water from the upper part of the watershed heading south was the Westgate Dam, via channels to the Amole Dam. In a 100-year event, the Amole Dam spills to the Hubbell Dam. The Amole Dam is discharged via a gate to the MRGCD's Arenal Canal, which feeds the Isleta Drain, then water goes to the Highline Canal to irrigate Belen. The southern half of this route has no direct connections to the river, and will not until the Corps of Engineers South Valley project opens the Black Mesa Detention Pond and Pump Station.

Mr. Lovato stated about 600-700 cfs is currently diverted in the West I-40 Diversion Channel. When the connection is made in the future, this number will go up to 1100-1200 cfs through the West I-40 system.

Mr. Lovato confirmed Director Brown's statement that about 3,000-4,000 acre-feet of water is diverted by this system.

Leroy Chavez, of Westland Development, stated that Westland wants to participate in this project. He opined that the cost-sharing plan set forth by AMAFCA was fair. He described the project as the "North Diversion Channel of the Westside," and pointed out that landowners south of the freeway would also benefit through reduction of floodplain. He suggested that they should be asked to participate financially also.

Mr. Chavez added that Westland had committed to \$2.1 million of the \$11 million cost, plus is providing land needed for the system. He stated it was important for the NMDOT to commit to allowing ponding in their interchanges. He opined it was important that interim channels and detention ponds fit into the ultimate permanent drainage plan.

Mr. Chavez further added that Westland's development above 98th Street was being put on hold until drainage is complete, and stated his concern that drainage to the diversion will be totally at the developer's cost, rather than a public-private partnership. However, this project will be beneficial to all parties and will allow development that will bring jobs to the Westside.

Director Hernandez stated he agreed with Director Brown's comments. He added that he had changed his mind and the proposed cost share now appeared to him to be equitable.



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Craig Hoover of Bohannon Huston, Inc., the engineer for Westland Development, stated that the project will remove over 100 acres of floodplain south of I-40. Based on BHI's independent cost estimates, which include soft costs, he opined that the conservative figure given by Mr. Lovato would possibly cover most of the design and construction management as well as construction.

Tina Cummins of Rio Investments, representing Cordero Mesa, stated that Cordero Mesa had pledged \$650,000 towards the project. They were considering building the entire channel section themselves, at a cost of \$900,000, instead of contributing to the project as a whole.

Mr. Kelly clarified that Bernalillo County has a financial guarantee from Cordero Mesa for \$650,000 for a pipe through their property, approximately two-thirds of the length of this section of the project. A soft-lined channel could be built for that amount, with the two road crossings as grade control structures, or pipe for the whole section could be installed for a cost of \$900,000. This was one of the details that still needed to be worked out for the agreements.

Mr. Kelly added that he had spoken with Tom Kelleher, who owns property just above the Unser Diversion Channel. The interim channel will keep a portion of culvert left open under I-40 to the Unser Diversion Channel, creating a safety valve. This flow would be picked up in the Unser Diversion Channel, which is sized for the historic flow under the freeway.

Mr. Kelly stated that if Mr. Kelleher were to contribute \$1 million, the channel and Unser Pond could be upgraded to their permanent status, closing the culvert and removing floodplain from Mr. Kelleher's property. He had not yet had a followup discussion with Mr. Kelleher, but this is a potential source of additional funding, although the work would add to the total project cost.

In response to an inquiry from Chairman Eichenberg, Mr. Hoover stated that Bohannon Huston had been hired by Westland Development to revise and update the DMP. BHI is working closely with AMAFCA staff to accomplish this task, as it is the AMAFCA DMP which is being updated.

Chairman Eichenberg asked Dan Hogan, of the City of Albuquerque, if City impact fees or funds from the City's General Obligation Bonds could be used to fund a portion of the project.

Mr. Hogan replied that it would take years before enough impact fees earmarked for drainage could be collected, since only \$43,000 had been collected to date from the entire southwest area. There were other areas in the southwest needing drainage, and, since development was not directly impacting the need for this project, the funds would probably be used on other projects instead.



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Mr. Hogan added that the process had not yet begun to determine projects funded by the 2007 G.O. Bonds, but that this project was being considered for funding. The diversion channel helps the City's downstream projects as well.

Roger Paul, of Bernalillo County, stated that Mr. Lovato had spoken with him and the County could not commit any money at this time. Most of the limited funds collected as impact fees are tied to the South Valley and will be used on drainage projects in the South Valley and on the South Mesa. The County was still months away from determining which projects would be included in their next G.O. Bond cycle, but it was not anticipated that there would be many drainage projects included.

Mr. Kelly stated that, with the Board's concurrence, he would like to begin to develop draft agreements to show the Board at the April 4, 2006 Special Meeting, outlining the proposed financial structure of the funding. The Board concurred.

Chairman Eichenberg stated that lunch would be served during Field Highlights.

- 15. Field Highlights**
- a. Construction Report**
 - b. Field Report**

Mr. Lovato gave a slide show of current AMAFCA projects. He showed pictures of some of the work being done on the West I-40 Diversion Channel Phase III project. The 84" storm drain pipe will be installed across Unser the weekend of March 25-26. A retaining wall was installed to fix a portion of channel that had been built in the wrong place. The DOT had added a sound wall to their adjacent project, which will require some changes in the landscaping plan. Other pictures showed footings for a pedestrian bridge over the channel, a drop structure with concrete grouting between the boulders, and the now-complete Laurelwood Pond.

He stated the completion contractor had to remove and rebuild a section of the "Redi-Rock" retaining wall that had fallen after the original contractor left the job. The completion contractor also added concrete to a wing wall the original contractor had built in the wrong place. These last two items are examples of costs the Surety is paying that are not passed along to AMAFCA. He added that AMAFCA had paid the Surety \$97,000 in this month's pay estimate, but that the Surety paid approximately \$475,000 to the completion contractor for the same month.

Mr. Wagener showed pictures of the traveling form system being used to build the box culvert at the North Domingo Baca Park. He also stated that the Notice to Proceed on the Amole



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Arroyo Phase III had been given on March 20, 2006. Other pictures included work on the North Camino Arroyo.

Ms. Mazur discussed pictures of the Lyon Storm Drain project. Underground photos of the grate inlet, the 90" pipe inspection, and the very deep manhole access demonstrated how far underground the project was. A final picture of the project showed the interim intersection improvements at Lyon and Irving, now complete with all lanes open to traffic.

Mr. Lovato also showed some slides of the Rio Grande island habitat modifications being built by the Interstate Stream Commission, in the Rio Grande upstream of Alameda. Access to the river was obtained through AMAFCA's North Diversion and South Diversion Outfalls.

Mr. Wagener finished the field report with some photos of the AMAFCA crew building fencing at the West Amole Channel and at the Snow Vista Channel. Utility work at Ladera Dam #15 has been completed. A small dozer was used to reduce six-foot high piles of wind-blown sand behind backyard walls along the Calabacillas Arroyo. Neighbors had been complaining that the piles were so high that walkers were looking over the walls into their backyards.

In response to a question from Chairman Eichenberg as to why AMAFCA had not discovered the incorrect portions of the West I-40 Phase III project earlier, Mr. Lovato stated that the as-builts provided by the original contractor were incorrect.

Chairman Eichenberg called a brief recess from 12:33 p.m. to 12:35 p.m.

16. FY 2007 Budget

a. AMAFCA Field and Fleet Evaluation

Mr. Wagener stated that the fleet is generally in good condition. The staff recommendation is that Unit 107, a pickup truck, be replaced with a half ton 4 wheel drive pickup truck during FY07, as it is nearing the end of its intended life span. Another recommended addition is a new tractor/trailer transport.

Mr. Wagener stated the tractor/trailer transport would be used to haul the loader, so that the backhoe could be transported on the existing transport and trailer. Currently, the backhoe is transported behind a dump truck, which results in extra time and wear and tear on the dump truck since the truck is not usually needed on the same job.



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He also stated that the trailer used to transport the backhoe could, in turn, be used for the tractor/mower instead. This works well because a dump truck is usually needed to haul debris and trash encountered during mowing.

In response to a question from the Board, he explained that a “wet kit” is used to power a hydraulic ramp system, much safer than the current 200+ lb. metal ramps that have to be manually moved into position. The wet kit could also be used in the future to power a dump truck that could be used to transport large boulders and riprap, which is hard on the dump trucks.

As there were no objections from the Board, Mr. Kelly stated that these fleet additions will be worked into the draft budget.

b. Surplus Property Report

Mr. Eckert reported that AMAFCA had sold nearly \$600,000 in surplus property in the past year. He used maps to show the locations of AMAFCA’s existing and potential leased and surplus property, giving the status of each property.

He and Mr. Kelly explained how one of the parcels could have drainage improvements built, then the property could be sold as surplus. AMAFCA would retain a drainage easement for maintenance of the drainage improvements. Another property is currently providing backyard access to several properties, so residents did not approve of AMAFCA fencing/gating it off to prevent access by dumpers and ATVs. This property might be offered for sale so the access issue is not a liability.

c. Personnel and Salary Committee Recommendations for FY-07 Salaries

Director Saiers, as Chair of the Personnel and Salary Committee, presented the committee’s recommendations for FY-07 salaries:

- \$0.75/hr. raise to the hourly workers who were previously given a \$0.75/hr. raise, effective July 1, 2006.
- \$1.50/hr. raise to the hourly workers who were not previously given a \$1.50/hr. raise, effective July 1, 2006.
- 2% COLA for all employees, including the Executive Engineer, effective July 1, 2006.
- Merit increases, effective January 1, 2007, upon recommendation of supervisor. Merit increases would follow the policy set forth in Resolution 2000-4.



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Director Saiers added that, while the 2% COLA was less than the actual 4% increase in the national cost of living for the past year, the 2% COLA left room in the budget for reinstatement of merit increases.

Director Brown summarized that Resolution 2000-4 allows for a potential of up to a 7% merit increase with the highest annual review rating. Any merit increases would not go into effect until January 1, 2007, while the COLA would go into effect on July 1, 2006.

Director Lyon made a motion that the Board approve the recommendations of the Personnel and Salary Committee. Director Hernandez seconded the motion.

Chairman Eichenberg asked how the salary structure at AMAFCA compared to its competitors. Mr. Kelly replied that engineering salaries were brought in line with industry standards last year, and the Business Manager had been adjusted two years ago. The Real Estate Manager's salary had not been adjusted since Resolution 2000-4, except for COLAs. The maintenance crew's salaries are reasonable considering the local market, their skill sets (including CDL), and their years of experience.

Mr. Kelly continued, stating that the recommended raises for the clerical staff would put the receptionist in the middle of the corresponding grade and steps at the City of Albuquerque, and the executive secretary at the low end of the corresponding grade and steps at the City, based upon the actual tasks involved in their jobs.

The motion passed unanimously (5-0).

Chairman Eichenberg asked Mr. Bregman to evaluate the Executive Engineer contract to determine if he is eligible to participate in the 2% COLA increase. The Chairman stated that the COLA for the Executive Engineer should be considered for budgetary purposes only at this point.

d. Draft Operating Budget

Ms. Jeffries presented the Draft Operating Budget. Some main changes from prior years were:

- The Ditch Safety contribution was increased from \$10,000 to \$15,000. The County, City, and MRGCD have orally committed to increasing their contributions to \$15,000 also, and SSCAFCA has orally committed to increasing their contribution from \$5,000 to \$9,000. These increases were a result of AMAFCA's funding challenge to those agencies.



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- GIS Real Estate/Right of Way GIS Layer – staff recommends the development of a GIS Database Layer to include real estate and right of way information for all existing AMAFCA rights of way, including property owned by AMAFCA and property encumbered by AMAFCA easements. Information included in the database layer would be UPC#, purchase dates, costs, acreage, seller, corresponding drainage file data, and plats. Cost for the first phase of the effort was estimated at \$50,000.

Discussion followed. Chairman Eichenberg suggested hiring someone on a short-term part-time contract basis to do this work in-house, supervised by Christy Burton, AMAFCA GIS Manager, rather than having the work done elsewhere.

Ms. Jeffries added that another main change from prior years was the addition of \$50,000 for building tenant improvements, to include technology upgrades to the Boardroom. The transfer to the contingency fund was also reduced from \$200,000 to \$100,000. Mr. Kelly stated this was a balanced budget, with an increase of about \$4,000 in carry-over. As revised assessed values are received, the contingency fund transfer may be increased.

e. Draft Construction Fund Budget

Mr. Kelly presented the Draft Construction Fund Budget. Two scenarios were offered in a declining balance format: one if the 2006 Bond Election fails, and one if the 2006 Bond Election passes.

In the first scenario, AMAFCA will sell \$9.75 million in bonds in April, 2006, plus would still have \$0.5 million in bond authorization from the last bond election that could be sold at a later date. By slowing down design work on most other projects, AMAFCA would still be able to fund the West I-40 Diversion Channel Extension project at \$4 million. This scenario ends up with a fund balance under \$2,000.

The second scenario, which is more likely, assumes the bond authorization passes. In this scenario, another \$9,750,000 bond sale will be scheduled for approximately March, 2007. Additional projects from the project schedule could be funded. Some of the projects that could be considered are: Domingo Baca Inlet Storm Water Quality Facility, Johnnie Storm Drain Design and CLOMR, McCoy Diversion Channels, miscellaneous drainage improvements in the North and South Valleys, construction of the Osuna Storm Drain, Calabacillas Arroyo Bank Protection on the north bank from Coors to Eagle Ranch, and site access control at the Guac Dam.

He suggested that AMAFCA consider funding \$1.5 million towards construction of the Osuna Storm Drain, with the City as the lead agency on that project. Two maintenance projects, the



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Calabacillas Arroyo Bank Protection and the Guac Dam site access control, are both recommended for funding. The access control project is necessary to prevent damage to the dam and significant fines for dust control and other violations. Guardrail and concrete barriers are being considered.

Mr. Kelly stated that this will complete the projects listed in the 2005 Project Schedule, with the exception of the City's San Mateo/Hahn Arroyo Storm Drain, which is programmed for FY08. As projects funded from the construction fund are approved individually, the construction fund budget is primarily a planning document.

The Board had no objections to the projects listed on the "Bond Passes" scenario.

Due to a prior commitment, Director Saiers left the meeting at 1:24 p.m.

17. Unfinished Business

a. North Domingo Baca Dam Surplus Property – Pickard

Mr. Kelly stated that Mr. Pickard had delivered to AMAFCA the appraisal AMAFCA had requested for the North Domingo Baca Dam surplus property, along with a check for the appraised value. Mr. Kelly stated that he had refused the check, as no Sale Agreement had been authorized or signed.

Mr. Eckert briefly reviewed the requests of the Board when this issue came up at the May, 2005 Board meeting. Director Lyon stated that AMAFCA should send a response to Mr. Pickard.

This item was for information only, so no Board action was required.

18. New Business

Ms. Jeffries reported that AMAFCA had been chosen randomly by the IRS for a compliance check (not an audit). She had met with an IRS representative, who asked for a number of forms, many of which were processed by the City of Albuquerque. The Board was supplied with a copy of the closing letter and discrepancy report the IRS representative had sent to AMAFCA following the compliance check. Questions arose from the IRS concerning issuance of 1099s, fringe benefits, take-home vehicles, and cell phone use.

She stated that the IRS recommended certain actions, but AMAFCA is not required to make any changes at this time. Several years from now, if action is not taken on these items, the IRS may take a stronger stance.



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Mr. Kelly added that the compliance check indicated the need for a cell phone policy. Take-home vehicles need to be well-marked, and clearly for work use. Some minor changes to the personnel manual will be made, with the assistance of Mr. Bregman, to comply with the recommendations of the IRS.

Mr. Kelly stated information on upcoming conferences had been supplied to the Board. Those interested in attending should inform staff so they could be registered.

19. Items from the Floor/Public Comment

None.

20. Adjourn

With no further business to discuss, Chairman Eichenberg adjourned the meeting at 1:31 p.m.

Daniel F. Lyon, Secretary-Treasurer 4/27/06

Recorded by Pam Woodruff, Secretary to the Executive Engineer