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**1. Call to Order and Roll Call**

Chair Saiers called the Regular Board Meeting to order at 10:02 a.m. Thursday, April 22, 2010. Roll was noted as follows:

Directors present:	Chair Janet Saiers Director Ronald D. Brown Director Danny Hernandez Director Tim Eichenberg Director Daniel Lyon
Director excused:	None
Others present:	John Kelly, Executive Engineer Attorney Marcus Rael, Jr. Staff Other attendees on file at AMAFCA

A quorum was present.

**2. Approval of Agenda**

Mr. Kelly noted there were late mailouts on agenda items 9 and 19g, and handouts on agenda items 6f, a new 6g for information only regarding Bernalillo County property taxes, and agenda item 13. There was also information on the NMED issue in their handout folders. Director Brown made a motion to approve the agenda. Director Hernandez seconded the motion, which passed unanimously (5-0).

**3. Meetings Scheduled**

- a. **Thursday, May 27, 2010, 10:00 a.m. – Regular Meeting**
- b. **Thursday, June 24, 2010, 10:00 a.m. – Regular Meeting**
- c. **Thursday, July 22, 2010, 10:00 a.m. – Regular Meeting**

There were no changes to the proposed meeting schedule.

**4. Items from the Floor / Public Comment**

Loren Troutman, a student at The Montessori Elementary School, presented the Board with a card the class had made, thanking the Board and AMAFCA for arranging their field trip to the



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Calabacillas Arroyo Sign Unveiling. Chair Saiers thanked Loren and the class for participating in the ceremony and the scavenger hunt, and presented her with an AMAFCA logo pin.

**5. Approval of Minutes**

**a. March 25, 2010**

Director Hernandez made a motion to approve the minutes of the March 25, 2010 Regular Board Meeting. Director Brown seconded the motion, which passed unanimously (5-0).

**6. Financial Matters**

**a. Approval of March 2010 Expenditures**

Irene Jeffries, AMAFCA Business Manager, presented the March 2010 Expenditure Report. Kurt Wagener, AMAFCA Field Engineer, answered a question from the Chair. He stated that quotes for regular scheduled maintenance for the fleet are obtained at the beginning of each year. For major repairs during the year, several quotes are obtained. Responding to another question from Chair Saiers, he noted that AMAFCA currently has one compact tracked loader and has included the purchase of a second compact tracked loader in the draft Operating Budget for FY-2011.

Director Brown made a motion to approve the March 2010 Expenditure Report. Director Hernandez seconded the motion, which passed unanimously (5-0).

**b. Local Government Investment Pool Reserve Primary Fund – Update**

Ms. Jeffries stated there had been no further communication regarding the Local Government Investment Pool Reserve Primary Fund. She will keep the Board apprised of any communications received.

**c. Investment Report for March 2010**

For information. She noted that the funds in the Local Government Investment Pool include \$76,842 in the Reserve Contingency Fund.

**d. Financial Recap March 16, 2010, through April 15, 2010**

Ms. Jeffries presented the Financial Recap for March 16, 2010 through April 15, 2010. There were no questions.



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**e. Financial Forecast April 16, 2010, through May 15, 2010**

Ms. Jeffries presented the Financial Forecast for the period April 16, 2010, through May 15, 2010. She stated that the Construction Fund forecast includes \$1 million to be paid to the City of Albuquerque for the Coal Storm Drain project.

Director Brown made a motion to approve the Financial Forecast. Director Lyon seconded the motion.

In response to a question from Chair Saiers about the Coal Storm Drain project, Mr. Kelly stated that the City had opened bids on the project, and the project would be awarded soon. As soon as the project is awarded, the City will bill AMAFCA.

Director Lyon noted that local contractors stimulate the economy locally, and asked if there is a mechanism in place to favor local businesses for AMAFCA's contracts. Mr. Kelly stated that AMAFCA abides by the 5% local bidders preference included in the Procurement Code. In this case, "local bidder" means possessing a "Resident Bidder Preference Certification" from the State of New Mexico.

The motion passed unanimously (5-0).

**f. AMAFCA 2010 Audit – Distribution of Proposals Received in Response to RFP**

Ms. Jeffries stated that eleven firms picked up Audit Services RFP packets. She noted that an inconsistent day and date had been discovered in the Scope of Services, so an addendum was issued to change the due date to 2:00 p.m. on Thursday, April 22, 2010, rather than Thursday, April 21, 2010. The addendum was reviewed by Attorney Rael prior to it being emailed to all firms holding the RFP packets, and receipt of the addendum had been acknowledged by all eleven firms.

She noted that at the March Board meeting, Chair Saiers had decided that the Board as a whole would serve as the Selection Advisory Committee, and will meet during a recess of the regular Board meeting on May 27, 2010, to review the scoring and make a selection. The Selection Advisory Committee will then make a recommendation to the Board once the meeting resumes. She added that the recommendation needs to be submitted to the State Auditor by June 1, 2010.

Ms. Jeffries stated that the proposals would be distributed to the Board that afternoon, and requested that the Directors review the proposals and score them ahead of time.



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Chair Saiers stated that if a Board member felt more time and/or interviews would be required, additional time could be added to the May 27 meeting agenda to allow for this.

**g. Bernalillo County Property Tax Distribution for March, 2010**

Ms. Jeffries noted that Bernalillo County had sent a letter to AMAFCA stating that property taxes for property involved in Tax Lightning disputes were being held until the Tax Lightning issue was resolved in the courts. They were releasing funds that were being held on 71 suspended parcels that had been resolved. These were mostly high-value properties, according to the Bernalillo County Treasurer. As the amount of taxes received seemed disproportionately high, she had asked for a copy of the assessed value report for those properties.

Mr. Kelly gave further information on the amount received, stating that the average value of those properties would have to be \$1.5 million to generate the amount of taxes collected.

Director Eichenberg noted that the 71 properties were commercial properties, not involved in the Tax Lightning issue. He stated that the Tax Lightning cases won't be resolved until the court decides the pending litigation. He added that Bernalillo County will pay interest on any funds held.

**7. Legal**

**a. Status Report**

Attorney Marcus Rael briefed the Board on the status of various legal matters, answering several questions from the Board.

**b. Discussion on Potential Litigation**

Chair Saiers stated that discussion of potential litigation would be in closed session.

Director Hernandez 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 "*The Open Meeting Act, A Compliance Guide for New Mexico Public Officials and Citizens*," sixth edition, 2008, to discuss potential litigation. Director Brown seconded the motion.

Chair Saiers stated that the closed session would be for purposes of discussion only, regarding potential litigation. The motion passed unanimously (5-0), on a roll call vote.



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Chair Saiers closed the meeting at 10:30 a.m. Mr. Kelly, Mr. Rael, and Loren Hines, AMAFCA Real Estate Manager, were asked to remain in the closed session.

Director Hernandez made a motion that the meeting be re-opened. Director Brown seconded the motion, which passed unanimously (5-0), on a roll call vote.

Chair Saiers re-opened the meeting at 11:12 a.m. She stated that the Board had taken no action during the closed meeting, but had discussed potential litigation, and no decisions had been made. The Board gave direction to the Executive Engineer and Attorney Rael on how to proceed.

**8. Notification of On-Call Services Task Orders**

Mr. Kelly noted that one on-call services task order had been issued in the past month, as described in his memo. Chair Saiers acknowledged Dan Aguirre of Wilson and Company, who was present.

***Consent Agenda – agenda items 9-10:***

**9. Bidability and Constructability Reviews – Recommendation(s) for Acceptance of Statements of Interest from Qualified Contractors**

The late mailout memo from Kurt Wagener, AMAFCA Field Engineer, stated that six contractors had submitted their Statement of Interest. Each had completed the required AMAFCA Campaign Contribution Disclosure Form. Staff found the fees quoted by the contractors to be reasonable. He requested that the Board accept the Statements of Interest from all six contractors and authorize the Executive Engineer to negotiate contracts with each.

**10. Out of State Travel Request – StormCon Trade Show and Conference, San Antonio, Texas, August 1-4, 2010**

The memo from Mr. Kelly stated that the North American Surface Water Quality Conference (StormCon) will be in San Antonio, Texas, August 1-4, 2010. He requested that the Board approve sending one engineer, to be named later, to the conference.

There being no further items on the Consent Agenda, and there being no questions, Director Hernandez made a motion that the Board take action on the consent agenda, as follows:

- Accept the Statements of Interest from all six contractors, and authorize the Executive Engineer to negotiate contracts with Salls Brothers Construction, Inc., RMCI, Inc., AUI, Inc., New Mexico Underground Contractors, Inc., TLC Plumbing and Utility, and



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Mountain States Constructors, Inc. at the fee schedules proposed, for the Board's consideration at the May Board of Directors meeting; and

- Authorize out of state travel and expenses for an AMAFCA engineer to attend the North American Surface Water Quality Conference in San Antonio, Texas, on August 1-4, 2010, not to exceed \$2,000.00, pursuant to Resolution 1998-16.

Director Lyon seconded the motion, which passed unanimously (5-0).

***Regular Agenda:***

**11. 2010 Bond Election – Adoption of Resolution 2010-3, 2010 Bond Election**

Ms. Jeffries' memo stated that Resolution 2010-3 was an update of prior years' Bond Election resolutions, and gave the voting history for AMAFCA's bond elections, all of which passed.

Duane Brown of Modrall Sperling, AMAFCA's Bond Counsel, explained Resolution 2010-3 to the Board. He stated that a change from previous years was the addition of the phrase "and storm water quality facilities" in the body of the resolution to recognize this new element in the AMAFCA capital improvement program. He stated that the dates had also been updated. The Bond Question remains the same as it has been in the past.

Director Hernandez made a motion that the Board adopt Resolution 2010-3, *2010 Bond Election*. Director Brown seconded the motion, which passed unanimously (5-0), on a roll call vote.

**12. 2010 Board of Directors Election – Adoption of Resolution 2010-4, 2010 Board of Directors Election**

Ms. Jeffries presented Resolution 2010-4, *2010 Board of Directors Election*, to the Board, stating it had been reviewed by Attorney Rael. The Board also reviewed the resolution at the March Board meeting. Staff had checked the precincts and District 5 boundary with the Bernalillo County Clerk's Office. One new precinct had been added by the Bernalillo County Clerk's Office, and several precincts are split. She provided a sample candidate packet to the Board, stating that the packet would be available to the general public later in the day. Nominating petitions and declaration of candidacy are due June 22, 2010.

Director Brown made a motion that the Board adopt Resolution 2010-4, *2010 Board of Directors Election*. Director Hernandez seconded the motion, which passed unanimously (5-0), on a roll call vote.



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**13. Sanchez Farm Tributary Storm Drains Project – Consideration of Selection Advisory Committee Recommendation for Engineering Design Services**

The late mailout memo from Lynn Mazur, AMAFCA's Development Review Engineer, stated that 4 firms submitted proposals for the Sanchez Farm Tributary Storm Drains Project. The Selection Advisory Committee met, and recommended the selection of Thompson Engineering Consultants, Inc., (in a joint venture with Easterling Consultants, LLC). She introduced Dave Thompson and Chuck Easterling.

Director Eichenberg made a motion that the Board accept the recommendation of the Selection Advisory Committee, authorize the Executive Engineer to commence negotiations with Thompson Engineering Consultants, Inc., per the New Mexico Procurement Code, and consider approval of an Agreement for Engineering Services at the regular May 27, 2010 Board meeting. Director Hernandez seconded the motion, which passed unanimously (5-0).

**14. North Diversion Channel Storm Water Quality Reconnaissance Study – Consideration of Amendment Two to Agreement for the North Diversion Channel Storm Water Quality Reconnaissance Study with Daniel B. Stephens & Associates for Conceptual Design, Final Design, and Bidding Phase Services for Certain Project Elements**

Jerry Lovato, AMAFCA Drainage Engineer, stated that, at the direction of the Board, staff and Daniel B. Stephens & Associates had looked more closely at the two treatment options for the Hahn Arroyo involving the Comanche Detention Pond, called "Hahn Option 1" and "Hahn Option 2."

Kevin Daggett, AMAFCA Storm Water Quality Engineer, introduced Stephanie Moore, of Daniel B. Stephens & Associates, and Craig Hoover, of Bohannon Huston, Inc.

Using the AMAFCA Interactive Map along with other maps and drawings, Mr. Daggett showed the location of the Hahn Arroyo confluence with the North Diversion Channel, the small ponding area just to the north of the Hahn Arroyo, and the Comanche Pond to the south of the confluence.

He noted that, in this area, both the North Diversion Channel and the Hahn Arroyo are situated above the surrounding neighborhood. The surface of the 100-year event in the channel is five to six feet higher than the elevation of the neighborhood. Therefore, the design of any modification to the channel needs to be done carefully to provide water quality treatment without endangering homes.



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He stated that as they studied "Hahn Option 1," it was noted that the volume of the small pond north of the Hahn Arroyo cannot be decreased, as it was created to collect water from the neighborhood area. The water drains to the Comanche Pond via a pipe under the Hahn Arroyo. "Hahn Option 2" may be more feasible, if water can be diverted directly into that pipe under the Hahn Arroyo, and from there, to a series of extended detention ponds built in the Comanche Pond. The capacities of the Comanche Pond and the pumps that pump water into the North Diversion Channel also need to be studied. There are a lot of issues to study and address.

He explained that *Amendment Two* to the contract with Daniel B. Stephens and Associates has five parts. The first four deal with designing the Candelaria and Grantline water quality facilities discussed by the Board at the meeting last month. The fifth part is the conceptual design and analysis of the Hahn Arroyo and Comanche Pond water quality facilities. The total negotiated fee for *Amendment Two* is \$85,524.30, which staff feels is acceptable. He requested that the Board approve the amendment.

Director Hernandez made a motion that the Board approve Amendment Two to the Agreement with Daniel B. Stephens & Associates, Inc., for engineering services as outlined, in the amount of \$85,524.30 excluding NMGRT, and authorize the Chair to execute the same on behalf of AMAFCA. Director Brown seconded the motion, which passed unanimously (5-0).

**15. Boca Negra Detention Dam / Unser Boulevard**

- a. Consideration of Agreement for the Acquisition of Additional Right of Way for Boca Negra Detention Dam and Universe Boulevard Agreement for Acquisition of Right of Way at Dam Site, between AMAFCA and the City of Albuquerque**

Mr. Kelly stated that an agreement had been drafted to allow AMAFCA and the City of Albuquerque to cooperate in the acquisition of six lots on the north side of the Boca Negra Dam site to allow construction of a tee intersection at Universe and Unser, and to allow for construction of a larger reservoir area for the dam, which will save AMAFCA close to \$90,000 in construction costs given the shorter length of the emergency spillway. This will also result in a better landform for the dam, and better access.

He noted that Ed Adams and Brad Bingham of the City of Albuquerque were present to answer any questions.

Director Lyon made a motion that the Board approve the *Agreement for the Acquisition of Additional Right of Way for Boca Negra Detention Dam and Universe Boulevard Agreement for Acquisition of Right of Way at Dam Site*, between AMAFCA and the City of Albuquerque, and authorize the Chair to execute same on behalf of AMAFCA. Director Hernandez seconded the motion, which passed unanimously (5-0).



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**b. Discussion on Proposal to take Excess Earth from East Amole Surge Pond to Unser Boulevard Project – Briefing by Ed Adams, P.E., City of Albuquerque, Department of Municipal Development**

Ed Adams, Special Projects Manager in the Department of Municipal Development for the City of Albuquerque, briefed the Board on the City's proposal to use some of the excess material from construction of the East Amole Surge Pond as fill for the construction of the Unser Boulevard extension. The City will pay the haul costs, as well as placement and construction management costs for the placement of the material, within the AMAFCA contract. He stated that the City plans to advertise for bids for the road project this summer, and will hold off on issuing notice to proceed until after the fill is in place.

Mr. Adams also briefed the Board on the status of right of way acquisition for the road project.

Mr. Lovato noted that AMAFCA will moisture condition material to be placed at the landfill as part of the East Amole Surge Pond (EASP) Project, so water will be available at the EASP construction site. The balance of the excess material will be used to cap the landfill.

After brief discussion, the consensus of the Board was to favor proceeding with the proposal. Staff will bring an agreement back to the Board for consideration at a later date.

**16. Southwest Valley Flood Reduction Project**

**a. Los Padillas Gravity Outlet Crossing of Isleta Boulevard – Update on Advertisement for Construction Bids**

Kurt Wagener, AMAFCA Field Engineer, introduced Jerry Nieto, of the Corps of Engineers, and Roger Paul, Bernalillo County.

Mr. Wagener gave the Board an updated status report on the contract documents, Project Cooperation Agreement (PCA) modification, MRGCD license, utility adjustments, Supplemental Environmental Assessment (SEA), and Biological Assessment (BA). The BA requires a U.S. Fish and Wildlife review and comment period of up to 90 days. The SEA also involves a public comment period. A meeting with the Corps of Engineers, Bernalillo County, AMAFCA, MRGCD, and the Bureau of Reclamation will be held April 27, 2010, to discuss various issues with this project. The PCA modification should be ready for Board approval at the May meeting.

He stated that, pending the outcome of the April 27<sup>th</sup> meeting, he intended to advertise the project in May with bids due May 20, 2010. The contract documents state that the contractors will hold their prices until the PCA modification has been executed, the MRGCD license is acquired, and



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the SEA is approved, which could be up to 100 days. Recommendation of award will be made after those items are completed.

Directors Brown and Hernandez noted that it is likely that construction bids will be lower if the start date of the project were more definite, rather than keeping it open. They both favored waiting to advertise for bids on the project.

Mr. Wagener stated he was reluctant to leave the bid open, and AMAFCA will not advertise the project until we are sure the project really would go forward after those 100 days. He stated that the timing of the advertisement and bid process will be determined after the April 27 meeting. AMAFCA will hold off on advertising if we are not sure the project will be ready to begin on time.

The Board concurred with Mr. Wagener's proposed approach.

**b. Discussion of Right of Way Issues for Southwest Valley Flood Reduction Project**

Mr. Lovato briefed the Board on right of way issues that have arisen regarding the Southwest Valley Flood Reduction Project. AMAFCA and Bernalillo County recently became aware of a Bureau of Reclamation (BOR) requirement that they obtain their own rights of way and easements from underlying property owners where the BOR or MRGCD have easements for the existing irrigation/drain system. This is not an issue where the BOR or MRGCD owns the fee right of way, but only where the drains are located within an easement. The BOR will give the local sponsors a "right of use" permit where the BOR owns the right of way.

He stated that AMAFCA has completed a title search for the first phase, south of Rio Bravo along the Isleta Drain east to the Los Padillas to the outfall channel. The first phase of the project is located on fee right of way, so additional easements are not required. The issue becomes important in the future when further phases of work are done.

He noted that staff and Bernalillo County are researching the acquisition of flowage easements within existing drainage easements assigned to the BOR or MRGCD. The options include starting a quiet title action on behalf of the BOR and MRGCD to obtain the fee right of way, identifying the underlying property owners and negotiating an easement or acquiring fee interest, or condemning an easement in the future if the BOR or MRGCD were to abandon the drains and easements.

He stated that, currently, the drains are exempt from the Clean Water Act. This issue will be further discussed with the BOR and Environmental Protection Agency at the meeting on April 27.



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Discussion followed.

Director Lyon asked why the local sponsors had to prove what sort of ownership rights the BOR had.

Mr. Kelly replied that the BOR stated they could not assign their easement rights, whatever they might be, to the local sponsors. The BOR also stated that, at the time the easements were granted, it was never contemplated that urban runoff would be added to the ditches. He added that this is similar to what the MRGCD required on the Calabacillas Outlet Project. AMAFCA obtained the rights, then assigned them to the MRGCD. That was a condition of the license.

Mr. Lovato added that the BOR told him that, at some point in the future, the BOR might decide to get out of the drain business. If the BOR owns the right of way, this is not a problem for the project. If there are easements, the BOR easements would disappear. That is why the local sponsors need their own easements.

**17. Black Mesa Project Three Dam Outlet Project, Phases II and III – Authorization to Advertise Request for Proposals for Design and Construction Engineering Services**

Ms. Mazur stated that, in order to emphasize its connection to the existing pipe installed by the Corps of Engineers as part of the Black Mesa Phase I Project, the project referred to as "Black Mesa Three Dam Outlet, Phases II and III" in the Project Schedule would henceforth be referred to as the "Black Mesa Phase 1a Pipe Extension Project." She requested that the Board authorize advertisement for design engineering services for the project, which is the storm drain along Coors.

Director Hernandez made a motion that the Board authorize the Executive Engineer to advertise the request for proposals for design engineering services for the Black Mesa Phase 1a Pipe Extension Project. Director Lyon seconded the motion, which passed (3-0), Directors Eichenberg and Brown having stepped out briefly before the vote.

Chair Saiers called a recess at 12:08 p.m. The meeting resumed at 12:13 p.m.

**18. Field Highlights**

**a. Construction Report**

The memo from Kurt Wagener, AMAFCA Field Engineer, contained a summary of current construction projects. There were no questions.



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**b. Field Report**

Mr. Wagener presented a slide show of current projects, answering several questions from the Board. He stated that the interior portion of the AMAFCA Office Expansion had been completed, and the landscaping is underway. AMAFCA was able to use some large rocks stockpiled at various dam sites, greatly reducing the cost of the landscaping.

The Board discussed the locations of the two new storm water quality monitoring stations on the Rio Grande, relative to the existing monitoring stations.

Chair Saiers excused Attorney Rael from the remainder of the meeting.

**19. AMAFCA FY 2011 Budget**

**a. Personnel and Salary Committee Recommendations for FY-2011 Operating Budget**

Director Brown, speaking for the Personnel and Salary Committee (PSC), gave the Board their recommendations for the FY-2011 Operating Budget, which is the same as that for FY-2010:

- Suspend the COLA for FY-2011
- Include 2% of salaries in the budget for potential merit increases effective January 1, 2011

He noted that only half of the 2% amount budgeted for merit increases was used in FY-2010. He stated that, if the economy continues to struggle, that will be the goal again in FY-2011.

Discussion followed. Chair Saiers commented that during economic downturns when there weren't salary increases at the City, the City would, at times, grant an end-of-year lump sum based on some percentage of salary. This did not affect employees' base rates for future adjustments, but gave them a sense of being appreciated. These "lump sum" payments were not included in the original budget, but as the year progressed, if revenues supported it, they were added.

Director Brown noted that, in the local economy, wages are down throughout the private sector. Many public employers are giving pay cuts or unpaid furlough days rather than raises. The PSC's goal was to leave the funding for a potential merit increase in place, to be used if warranted.

Director Lyon asked who determined the merit increases. Director Brown stated that supervisors make recommendations, which are approved by the Executive Engineer with the concurrence of the PSC. Chair Saiers noted that the merit increases are not just 0-2%, but 0-7%, averaging 2%.



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Ms. Jeffries gave the specific number of employees allowed to receive each level of merit increase, based on Resolution 2000-4.

Director Lyon stated he agreed with the PSC recommendation, but also agreed with Director Brown's comment that pay rates in the private sector are down.

Director Eichenberg opined that when others in the private and public sectors are getting decreases, AMAFCA employees should not be getting increases. He suggested that the lean years could be made up later. He did not support budgeting for merit increases in the FY-2011 budget.

Director Brown noted that a 2% merit increase was budgeted in the FY-2011 Operating Budget, which may or may not be awarded. Any increases are subject to approval of the Executive Engineer and concurrence of the PSC. He re-emphasized that, last year, only half of the budgeted funds were used for merit increases.

Director Hernandez made a motion that the Board approve the Personnel and Salary Committee recommendations and include them in the FY-2011 Operating Budget. Director Brown seconded the motion, which passed (3-2). Directors Eichenberg and Lyon voted against the motion.

**b. Draft FY-2011 Operating Fund Budget**

Mr. Lovato lead the discussion of agenda item 19b for Ms. Jeffries, as she had momentarily stepped out of the room. He stated that projected FY-2010 year end expenses had been updated. Proposed expenses for FY-2011 had not changed since the March draft. Projected Revenues were based on the abstract dated October 1, 2009, and tax revenues were computed using the current mill levies and a 96% collection rate.

Director Eichenberg questioned tax collection rate, and requested staff check with the Bernalillo County Treasurer to see if 96% is a reasonable estimate for FY-2011. Director Brown stated that this information could be provided to the Board at the next Board meeting.

Mr. Lovato discussed two specific line items in the budget – the GIS contract, which will be moving in-house, and the USGS Cooperative Program, which increases slightly to allow for additional testing for PCBs and E. coli. Reductions were made elsewhere to allow for these increases, including the amounts budgeted for various organization memberships, which were reduced to the actual amount billed this year.

After discussion of these and other line items, the Board concurred with the draft Operating Fund Budget.



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**c. Proposed FY-2010 Operating Budget Adjustment**

Ms. Jeffries noted that the first draft of the Operating Budget included \$10,000 in revenue for the sale of a dump truck, and the Board had directed staff to keep the dump truck as a backup. She also stated that the FY09 budget line item "GIS Implementation" included \$100,000 for Phase 1 of the project, by at year end 6/30/09, only \$56,576 had been spent, leaving \$46,000 remaining. At the time the FY10 budget was developed the "GIS Implementation" line item included \$100,000 for Phase 2 but should have also included the \$46,000 remaining to be spent from the first phase of the project. The amount was rolled into the beginning budget balance instead.

She noted that there is a \$25,000 projected overrun in the rental equipment budget, primarily due to the Amole Dam Sediment removal project being done in-house after several failed attempts to give the dirt away. The Maintenance Superintendent also has several upcoming projects that will require equipment rental by year end.

In reviewing Salaries and Payroll Expenses, Ms. Jeffries projected a \$78,000 surplus due to merit increases being \$11,000 less than the 2% allowed by the FY-2010 budget, \$26,000 savings due to a six month vacancy in the equipment operator position, \$8,000 in savings from a retiring equipment operator being replaced with a new operator at base pay, payroll expenses \$19,000 less than budgeted partly due to the above changes in salary, and a \$15,000 credit in the Worker's Compensation premium.

Ms. Jeffries proposed to transfer \$75,000 from "Salaries, Payroll & Misc. Employee Expenses" to "Other Operating Expenses," reducing "Other Revenue" by \$10,000 to account for the truck not being sold. She stated that the adjustments could be made by resolution at the May meeting if the Board concurred, then sent to the Department of Finance Administration for approval.

The Board briefly discussed whether or not they could pass the budget adjustment this month rather than waiting until next month, as this action is basically a technical "cleanup" matter. Director Hernandez stated that he was unsure if it was advertised as an action item on the agenda. Director Brown stated that, in his opinion, the agenda title for this item gave the Board that latitude.

Director Brown made a motion that the Board approve the budget adjustments outlined above, and authorize that the budget adjustment be sent to the Department of Finance Administration for approval, in the format required by DFA. Director Lyon seconded the motion, which passed (4-0) on a roll call vote. Director Hernandez abstained from the vote, as he was unsure if it could be voted on at this month's meeting.



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Responding to Ms. Jeffries' request for clarification of their actions, Director Brown stated that the Board had approved the budget adjustment in whatever form was required by DFA, including a resolution.

**d. Draft FY-2011 Contingency Fund Budget**

Ms. Jeffries reviewed the draft FY-2011 Contingency Fund Budget. She stated that revenues included \$200,000 transferred from the General Operating Fund, and expenditures included the normal estimate of \$400,000 for emergencies and \$40,000 for "Fuel Cost Spikes in Excess of the Operating Budget."

She noted that, as discussed last month, three new items have been included in the Contingency Fund expenditures for FY-2011. The first is Compensated Absences Payable in FY-2011, for \$68,000, a one-time and irregular expense for paying out accumulated leave to the retiring Executive Engineer. This is a liability noted in the audit. The second is for a transition period for the Executive Engineer position, estimated at \$50,000 for three months. The third is the transfer of \$500,000 from the Contingency Fund to the Construction Fund for the AMAFCA costs of the Agency and Area-Wide Maintenance Contract which are in excess of the FY10 Construction Fund Budget.

Ms. Jeffries stated that the \$3.75M balance at July 1, 2010 includes \$3,500,000 reserved for channel repairs, modifications and rehabs via Resolution 2009-2. A resolution will be presented for consideration by the Board at a later date to change the reserved amount from \$4 million to \$3.5 million.

The Board concurred with the draft Contingency Fund Budget.

**e. Draft FY-2011 Building and Yard Improvement Fund Budget**

Ms. Jeffries reviewed the draft FY-2011 Building and Yard Improvement Fund Budget. Revenues include a \$25,000 transfer from the Operating Fund. Expenditures include \$10,000 for upgrades to the basement area to improve ventilation and access. The projected balance on June 30, 2011 is \$16,167.

Mr. Lovato answered a question from Chair Saiers regarding the warranties on the office expansion, roof, furniture, and other expenses. Kevin Troutman, AMAFCA GIS Technician, answered a question about security and computer backups. Ms. Jeffries stated that the building addition and its contents would be added to the insurance policy.

The Board concurred with the draft Building and Yard Improvement Fund Budget.



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**f. Draft FY-2011 Debt Service Fund Budget**

Ms. Jeffries reviewed the draft FY-2011 Debt Service Fund Budget. Director Eichenberg asked that she check the collection rate here, as well, to see if the projected collection rate was reasonable.

Ms. Jeffries noted that the draft Debt Service Fund Budget estimates \$9,223.208 in revenue, based on the abstract dated October 1, 2009, 0% growth factor, current mill levy, and a 96% collection rate, and added that she will check with the Bernalillo County Treasurer on the collection rate.

She stated that, for informational purposes, she had included the projected July 2010 tax collection and the August 2011 principal and interest payments. A Budget Adjustment will need to be done after the 2010 bond sale when the interest payment and interest premium, if any, will be known.

The Board concurred with the draft Debt Service Fund Budget.

**g. Draft FY-2011 Construction Fund Budget**

Mr. Lovato presented the draft FY-2011 Construction Fund Budget in two versions: a "bond fails" scenario and a "bond passes" scenario, both in a declining balance format. If the bond authorization were to fail, AMAFCA is still obligated to complete the projects listed on the "bond fails" scenario. That scenario also includes some design work so that, when the next bond passes, there are projects waiting to be built. The more optimistic "bond passes" scenario includes a number of new projects. The projects are listed in chronological order.

He noted that the draft is essentially the same as the one discussed last month. He had updated project costs and adjusted the interest rate to 0.001%, the current yield rate at the State Short-Term Fund.

The Board discussed several of the projects budgeted, and concurred with the draft Construction Fund Budget.

**20. Unfinished Business**

**a. Updated on West Levee Project LOMR**

Mr. Lovato stated that the Albuquerque West Levee LOMR had been submitted, and is being reviewed at FEMA Headquarters. The Ramp Team in Albuquerque (URS) is asking FEMA to



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substitute a new LOMR for the one that was previously submitted. He stated a decision on which LOMR would be approved should be made within a month.

He stated that it will take approximately one year to process the LOMR, with no need to wait for a Physical Map Revision. Affected citizens can go to the Floodplain Manager, and send the paperwork to their mortgage company for a reduction in flood insurance premiums.

**b. Pino Dam Emergency Spillway Modification – Submittal of Design Analysis, Construction Plans, and Contract Documents to Office of State Engineer**

Mr. Kelly stated that the Pino Dam Emergency Spillway Modification submittal was made to the Office of the State Engineer Dam Safety Bureau on April 6, 2010. The modifications of the dam will reduce erosion and scour in the emergency spillway and result in better protection. Review will probably take four to six months at the Office of the State Engineer.

Mr. Kelly answered several questions from the Board about the submittal.

**21. New Business**

Mr. Kelly distributed the New Mexico Watershed and Dam Owners Coalition Spring Workshop agenda, to be held April 28-29, 2010 at the Albuquerque Marriott Pyramid. He noted that the speaker on Wednesday, April 28, 10:00-11:00 a.m. will be Patti Sexton, Special Project Manager for TetraTech. He stated that she is very knowledgeable on FEMA issues, and will be speaking on the new vegetation criteria for levees and dams. Mr. Kelly stated that he had received permission for any interested Board member to attend this one session at no charge.

He stated that eighty-six engineers have registered for the workshops to date. About one third of the registrants are dam owners and the other two thirds are engineers working for dam owners.

**22. Adjourn**

There being no further business to come before the Board, Chair Saiers adjourned the meeting at 1:28 p.m.

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Ronald D. Brown, Secretary-Treasurer 5/27/10

Recorded by Pam Woodruff, Secretary to the Executive Engineer