

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY, NEVADA**

MONDAY

8:30 A.M.

FEBRUARY 01, 2016

CONCURRENT MEETING

PRESENT:

Bob Lucey, Vice Chair
Marsha Berkbigler, Commissioner
Vaughn Hartung, Commissioner
Jeanne Herman, Commissioner

Nancy Parent, County Clerk
John Slaughter, County Manager
Paul Lipparelli, Legal Counsel

ABSENT:

Kitty Jung, Chair

The Washoe County Board of Commissioners convened at 8:37 a.m. in concurrent session in the Council Chambers of Reno City Hall, 1 East First Street, Reno, Nevada, with Vice Chair Lucey presiding. Following the Pledge of Allegiance to the flag of our Country, the Clerk called the roll and the Board conducted the following business:

16-0167 **AGENDA ITEM 4** Public Comment.

There was no response to the call for public comment.

16-0168 **AGENDA ITEM 5** Approval of the Agenda (For possible action).

The Reno City Council approved the agenda.

The Sparks City Council approved the agenda.

On motion by Commissioner Berkbigler, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 5 be approved.

16-0169 **AGENDA ITEM 6** Presentation – Truckee River Flood Management Authority (TRFMA) Flood Project Update [Jay Aldean PE, Executive Director].

Jay Aldean, Truckee River Flood Management Authority (TRFMA) Executive Director conducted a PowerPoint presentation. He stated he considered wearing a t-shirt with the saying "Building in the floodplain is like pitching a tent in the middle of a highway when there are no cars coming", which was a quote he borrowed

from the Association of State Floodplain Managers. He talked about the first photo in the presentation which depicted a floodplain in July of 1929. He pointed out recognizable areas such as the Reno Airport and where the Truckee River entered the lower canyon. He said the area had been completely built up. Next he showed several other photographs including an aerial view of floodplain areas and a revised 2-D model of an existing 100-year floodplain. He said the flooding problem was complex and difficult. He explained work had been done in the early 1960's which destabilized the embankment of the Truckee River and Steamboat Creek, and the flooding had been egregious. He said the problem was complex hydraulically but they now had the ability to use a two dimensional model to calculate the water service elevation. While looking at the 2-D model on page 3 of the presentation, he pointed out how and where flooding would occur. He said one thing to note was that the flooding in the downtown area of Reno was nowhere near the size and proportion of the flooding that occurred in the area that was known as the Truckee Meadows. He said the 2-D map showed areas in south Reno that would flood as well. He felt the TRFMA had a good handle on what the water service elevation was, which helped them to determine what the flood fees were going to be. While viewing some of the other photos in the presentation, Mr. Aldean described the 1997 flood event and compared the photos to the 2-D model, which he thought was pretty accurate. He said the slide entitled "What Causes This Problem (1997)" was colored so people would be able to determine if they were located in the floodplain. Mr. Aldean continued the presentation by discussing the statistics listed on the slide entitled "Downtown Reno Flooding History". He commented the flood of 1862 was known as the Ark Storm, during which 28 days of rain occurred. He said emergency management staff had been trying to develop a scenario of how an Ark Storm event would be handled if it happened again. He talked about several other events that were listed on the slide and said the floods of 1986 and 1997 were likely the two largest events of record. He explained the reason the 1986 flood peak flow statistics indicated a measurement of 14,400 cubic feet per second (CFS) was because the flood event actually took place in north Sparks. He said it flooded Sparks horribly and filled the Truckee Meadows area, but there was not as much water from the Truckee River or Steamboat Creek. He said it was definitely considered a 100-year event despite the fact that statistics showed it as a 50-year event. He said this illustrated the point that not everyone experienced a flood event at the same level. He said flood control projects were authorized when the Flood Control Act of 1954, the Water Resources Development Act of 1988 and the Development Act of 2014 were enacted. He said the project authorized in 1988 was cancelled and the Federal Government was waiting for action to take place regarding the Development Act of 2014, which authorized a 50-year project as defined by the Army Corps of Engineers.

Mr. Aldean displayed the slide entitled "Next Flood?". He said he did not think there would be a flood this year because there was currently a strong El Niño. He looked at the data and plotted all the major flood events against the El Niño index and discovered that none of the storms occurred during an El Niño year. He did think however, that a flooding event would occur within approximately four years because it made sense from a data standpoint.

Next he showed a slide entitled "Regional Strategy" and said there was a Federal Emergency Management Administration (FEMA) problem because the FEMA maps were inaccurate. He said the maps showed an elevation that was almost two feet too low, which meant that buildings were being built too low. He discussed how the error affected how CFS peak flows were determined which meant the water surface elevations were actually larger and higher. He said this was an issue that had not really been brought forward before.

Commissioner Hartung asked how FEMA arrived at the elevations and he wanted to know why they were so wrong.

Mr. Aldean said in the late 1970's and early 1980's, when the hydraulic model was done, they only had a one dimensional model that was very poor at calculating the water surface elevation. He said he did not blame FEMA or the communities for the error because they did not have good information. He said the change in weather was a factor and all those factors together resulted in a floodplain that was higher than they thought it was going to be. The floodplain was instigated because engineers recognized there was an issue. He said since the early 1980's technology and computing ability had changed drastically.

Naomi Duerr, Reno City Councilwoman, asked when FEMA would be remapping the floodplain. Mr. Aldean replied it would happen when FEMA had the money, received a community request or when they became aware of an acute problem. At this time a remap had not been requested and FEMA did not have any money for it. In response to a question from Councilwoman Duerr about remapping the southeast connectors, Mr. Aldean replied that remapping was reflected existing lower flow rates

Mr. Aldean said the Flood Project was critically important to the region because it would provide safety to the public, reduce property damage and disruptions, and strengthen the economy of the region. He said meetings had taken place with those with commercial interests in the Reno and Sparks industrial areas and it was found that they were interested in investing, but would not do so until they could get the permits.

Reno City Councilwoman Neoma Jardon asked what would happen if the Cities and the County asked for remapping since FEMA did not have the money for it. Mr. Aldean explained FEMA prioritized requests and that sometimes they would find money to do a remapping. They would research what had been done and then probably contact the TRFMA to ask for information. He said the TRFMA was not responsible for administrating the floodplain and that was up to the Cities and the County.

Mr. Aldean stated the Army Corp of Engineer (USACE) was critical to the strategy. He said he would not expect to see any federal money for five to ten years. He advised the Board members that they would probably never see another federal project authorization other than the one they already had, so if action was not taken they would likely lose the Federal Government as their partner. He said it was critical that they do something within the next three to four years. He explained the cost-to-benefit ratio for

the flood project was calculated at 2.4, which was a number that the Federal Government would use to prioritize it. There were much bigger events, such as Hurricane Katrina, Hurricane Sandy and the Missouri River Flood that had cost-to-benefit ratios that were higher. He did think that eventually the USACE would get the money for the project and would reimburse it to the project, but he said it was likely they would never conduct another study of the region.

Councilwoman Duerr asked if the USACE approved a 100-year or a 50-year project. Mr. Aldean responded that they had approved a 50-year plan based on their own study. Councilwoman Duerr asked if construction of the project had to begin within a certain time of receiving the authorization. Mr. Aldean stated the USACE had dumped or shelved 200 to 300 projects in the last couple of years. He said they were similar to the Flood Project but they were dumped because their benefit-to-cost ratios were low and the projects did not have enough political support to generate any revenues. He said Congress made the law and authorized the projects, but then the USACE was responsible for deciding who got the money. He said the USACE looked at the ability of the community to pay its debt and it had to be shown that the region could do that.

Mr. Aldean said the plan was to go ahead with the project without federal dollars and to build it within five or ten years. He doubted they would get an appreciable amount of federal dollars so he surmised they would have to fund the project themselves and then ask for reimbursement.

Mr. Aldean reviewed the slide entitled "Events, Accomplishments & Goals" which provided a history and progression of events from the decision of the USACE to kill the federal project investigation in 2011 to the meetings that took place with the commercial and industrial community, and the proposal of the alternative funding concept in 2016.

He said there was really only one plan to build the 100-year plan. He said that he heard from the TREMA Board that they would not consider a financing mechanism for the plan unless those who had commercial interests in the community and who were directly benefiting from the project contributed to it. He said the Airport would be one commercial interest that would directly benefit from the plan and he presumed that would affect the prices of airline flights into Reno.

Mr. Aldean showed the slide which depicted the Virginia Street bridge replacement. He said his organization helped the City of Reno by providing \$7.5 million dollars in construction fees and more than \$12 million dollars for the design of the bridge. He said the bridge replacement did not fix the flooding problem and that there was significantly more work to be done. He said TRFMA also helped finance the North Truckee Drain project in Sparks.

Mr. Aldean discussed the rate design and explained it included two tiered charges. The area which would directly benefit from the Flood Project was identified as Area Number Two and those individuals would experience higher fees. Area Number

One was described as the area south of Township 25. He said those individuals would pay lower fees.

He reviewed the revenue requirements which consisted of two scenarios, an 18-year plan and a 10-year plan. Although the 18-year plan was a more relaxed approach, the TRFMA Board seemed to like the concept of the 10-year plan. Presentation slides depicted the construction funding scenarios, billing scenarios and emergency reserve scenarios. He said it was considered to utilize the County Treasurer for billing purposes which would save the community money, but he knew the Treasurer was opposed to the idea. He explained the Interlocal Agreement required the Flood Project to have about \$43 million in reserve for emergencies, such as levee breaks; however, if a contract was signed with the Federal Government, the Government would have to step in and pay for repairs. He thought that was an important distinction to make.

Councilwoman Duerr stated she was confused about the emergency reserve fund and asked Mr. Aldean if the reserve was a requirement to secure bond funding. She also wanted to know what the required reserve amount was and whether it was required to maintain the fund during construction or after the project was built. Mr. Aldean replied the reserve fund was not necessarily required for bond funding, but was meant to be kept as a safeguard in case a levee broke. His intent was to build the reserve fund after the Flood Project was built. Councilwoman Duerr stated the bottom line was that the reserve fund would greatly impact the amount of money that needed to be collected. Mr. Aldean said his suggested change to the reserve amount, from \$45 million to \$15 million, would require a revision to the Interlocal Agreement. However, if they had the backing of the Federal Government he thought most any Board or Commission would allow the revision.

Councilwoman Duerr asked whether the proposal was for a 50-year or 100-year project and what the total cost would be. Mr. Aldean responded the plan was for a 100-year project and the total cost would be \$445 million. He said \$412 million would probably have to be financed, so ultimately the request was for \$412 million. Councilwoman Duerr stated the \$43 million in reserve amounted to about 10 percent of the total cost.

Commissioner Lucey asked to hear from Tammi Davis, Washoe County Treasurer, in regards to any reservations she had about collecting the fees. Ms. Davis stated she had not seen the fee schedule when she previously discussed the idea with Mr. Aldean, but one of her concerns was related to commercial properties. She considered the consequences of adding an additional fee to tax bills that might result in an amount that exceeded property values. She said if she had to sell a property due to unpaid taxes and unpaid Flood Project fees, it could negatively impact property owners and/or the County. She explained prior discussions about the idea took place during the recession when she was having to sell a lot of properties. She wanted to make sure the decision makers had complete information about the fees because it could affect the ability of a property owner to retain their property. She understood the project was important and knew that utilizing

the tax bill as a collection mechanism was cost effective, but she wanted to ensure the decision was not made lightly.

Commissioner Lucey said it seemed the risk was not only shared by property owners, but the County and the Cities as well. Ms. Davis replied she was unsure of the proposed rates and she thought the conversation should occur with the numbers in place.

Mr. Aldean said he wanted to make sure he was truthful about Ms. Davis' comments to him. He displayed the presentation slide entitled "Estimated Monthly Rates". He explained the top five rows of the chart indicated the scenario if the billing was handled by the TRFMA and the lower part depicted the rates if the billing was handled by the County Treasurer. He said the commercial property rates were based on developed square footage and he discussed the varying rates based on an 18-year plan and a 10-year plan. He said the 10-year plan would be more expensive and a "Pay As You Go" method would result in even higher rates.

Charlene Bybee, Sparks City Councilwoman, asked if the rates took into account multi-family properties. Mr. Aldean replied those properties would be charged the same as commercial properties.

Councilwoman Duerr commented the fact was that \$445 million had to be generated regardless of the scenarios described. She thought she remembered the rates being much lower and wondered why they seemed so high. Mr. Aldean stated he could provide the assumptions that were made to arrive at the numbers.

Mr. Aldean next discussed the slide entitled "Funding Alternatives", which included a funding concept that would involve imposing a fee on the direct benefit area or adding a sales tax. He cited the other areas that had flood projects that were financed by sales tax and said legal arguments supported a direct-pay fee.

Mr. Aldean concluded his presentation by stating he recognized the communities had other concerns, but his organization was here to help. He asked for any comments or questions.

Councilwoman Duerr stated it would help to have living river map books to show what would be built and she asked if Mr. Aldean had one for the current plan. Mr. Aldean said there was a map book on the TRFMA website that could be downloaded.

Oscar Delgado, Reno City Councilmember, acknowledged the presentation and asked Mr. Aldean for an update on what the Boards would be dealing with in the upcoming year.

Mr. Aldean indicated the next steps would involve putting the concept of the sales tax alternative and direct benefit fee before the TRFMA Board. He said they would then actively work with staff to revise the direct benefit fee. He stated the fee

would amount to about \$8.00 per thousand square feet per month and that most of the commercial entities he spoke with agreed to that number. He stated that as the Director of the Flood Project, he had always been in favor of allowing the voters of Washoe County to vote on the sales tax proposal and he trusted the voters to do what was in their best interest. He said the steps would include asking the TFRMA Board for a ballot question, seeking approval from the County Commission to place it on the November ballot and then working with those who had an interest in seeing the ballot question pass. He said the sales tax he would be asking for would be about a quarter of one percent, perhaps higher.

Commissioner Berkbigler asked if it was not required for the fee to go on the ballot. Mr. Aldean said that was correct. He said the TRFMA would pass the fee sometime later in the year and it would be an enacted fee so the voters would know that the commercial interests would pay their fair share. Then they would make the collection of that fee linked to an actual vote by the State Legislature. He said if a sales tax advisory ballot question was approved, they would then go to the State and ask for the sales tax. If the State voted yes, then they would start collecting the fees.

Commissioner Berkbigler asked if the hybrid funding concept would only apply to the commercial properties. Mr. Aldean said that was correct, but he explained if a residential property was in the direct benefit area, then they would have to come up with an amount that would apply to residential properties as well. He said there were a small number of homes, probably less than 100 that were actually in the floodplain direct benefit area. He stated homes that were built high enough would not be included in the fee.

In response to a question by Commissioner Hartung, Mr. Aldean stated the sales tax would be in addition to the one-eighth cent sales tax that was already being collected.

Commissioner Lucey asked if more homes would be affected by the direct pay fee if the FEMA maps were redrawn and enlarged. Mr. Aldean responded that if the Flood Project was not built and the floodplain was remapped, there would probably be an addition of 400 to 500 more homes in the floodplain. He said those homes would then have to pay for flood insurance. He stated all the commercial real estate would be removed from the floodplain map if the Flood Project was built.

Julia Ratti, Sparks City Councilwoman, asked how FEMA remapping fit into the strategy. Mr. Aldean said if the project was built FEMA would be supplied with all the information they needed to remap the floodplain. Councilwoman Ratti asked if that would automatically happen if all the steps he outlined came to pass. Mr. Aldean answered in the affirmative. Councilwoman Ratti asked if it was his recommendation to inform FEMA of the issue and to request remapping. Mr. Aldean stated it would be up to the respective communities to make that recommendation.

Councilwoman Duerr commented the homes that were in the floodplain were already there, and that the remapping would just mean that they would have to pay for flood insurance.

Mr. Aldean stated that if a floodplain map was submitted to FEMA today, it would look vastly different than one that was submitted after the Flood Project was built.

Commissioner Berkbigler wondered how the idea would be sold to the public. Mr. Aldean responded he was most concerned with providing accurate information.

Councilwoman Jardon asked for a brief comparison of the fee versus the ballot initiative. Mr. Aldean stated it would probably take three to four months to ready a fee for his Board to hear, but it would not be collected until after the ballot question was approved and the State Legislature passed the sales tax. He said passing the sales tax would trigger the collection of the fee. Councilwoman Jardon stated she was hoping for more information about comparative timelines and said she had great concerns that this initiative would kill other initiatives, including those that would benefit the schools.

There was no response to the call for public comment.

The Reno City Council accepted the presentation.

The Sparks City Council accepted the presentation.

On motion by Commissioner Berkbigler, seconded by Commissioner Hartung, which motion duly carried, it was ordered that Agenda Item 6 be accepted.

16-0170 **AGENDA ITEM 7** Comments from the Councils, Commissions, Boards or Managers

Sparks City Councilwoman Charlene Bybee stated she would like to see a future conversation about the Star Spangled Sparks event because it was in danger of going away due to financial obligations. She wanted to reach out to the other entities to see how they could work together to ensure they could keep fireworks in the region.

Reno City Councilwoman Neoma Jardon said, as Chair of the Special Events Committee for the City of Reno, she would love to have that conversation. She thought there was a need have a regional discussion about special events, especially the big legacy events.

Commissioner Hartung said he would like to add an item about how effluent was being dealt with regionally and how they would like it to be treated in the future.

16-0171 **AGENDA ITEM 8** Public Comment.

There was no response to the call for public comment.

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9:59 a.m. There being no further business to discuss, the meeting was adjourned without objection.

KITTY K. JUNG, Chair
Washoe County Commission

ATTEST:

NANCY PARENT, County Clerk and
Clerk of the Board of County Commissioners

*Minutes Prepared by:
Cathy Smith, Deputy County Clerk*

Pending Board Approval