

EASTERN SANDOVAL COUNTY ARROYO FLOOD CONTROL AUTHORITY

Minutes of Special Workshop of Tuesday, January 26, 2010

1. Call to Order at 6:03 PM.
2. Pledge of Allegiance led by Chairman Reyes
3. Roll Call – All present
4. Approval of Agenda: No changes
5. Introduction of Guests; Robert Gale, self; Orin Safier, self; Jock Embiep, self; Lynn Koch, self; Ash Collins, Jr, self.
6. Chairman's Report: Chairman Reyes explained how the workshop would be conducted. Because public comments had been taken at two previous meetings, he stated that he would allow public comment if new questions and ideas were presented.
7. Board Workshop: Debt Service Financial Options (More detailed analysis was contained in the board handout and is on file.)
 - Option #1: Eliminate or defer all bond issues after the initial \$3,000,000; pay off the initial \$3,000,000 as scheduled. Chairman Reyes asked what Option #1 would do for the taxpayers. Larry Blair stated that the mil rate and tax levy will stay the same and that there would be no changes in the tax bill for this year and next year. He stated that the tax rate would change at the end of 2011. Kevin Powers stated that the tax would stay the same this year and next year and then it would drop. He said after 2011, the rate will go from \$2.45M to \$.65 and it would stay at that level until it was paid off.
 - Option #1x: Eliminate or defer all bond issues after the initial \$3,000,000; refinance the two-year bonds scheduled for repayment in 2011 in order to reduce the 2010 tax rate. This is the option Steve Barro offered. Kevin Powers stated that they ran numbers and that there was a way to refinance. However, ESCAFCA would be subject to the yield curve and how much ESCAFCA can invest the escrow. He stated that if this option is chosen, ESCAFCA will be incurring a present value loss of \$175,000. Director Dennison asked if this option stated that if they refinance the \$3M, there will be no more bonds issued. Larry Blair stated that this option would eliminate all future bond sales and issues and refinancing the existing debt.
 - Option #2: Sell remaining existing \$3 million authorized general Obligation Bonds under original plan with no future bond elections. Larry Blair stated that this option would just be incurring another debt for another 10 years, but none thereafter.
 - Option #3: Issue the remaining \$3,000,000 of the \$6,000,000 in voter-approved bonds in 2011 but do not issue any further bonds thereafter. Restructure the planned mix of maturities of the 2011 bond issue to lower the tax rate.
 - Option #4: Take no action now. Everything stays the same and projects a stable financing and capital program.
 - Option #5: Put the \$3 million 2011 bond sale on hold until summer 2011, review and decide at that time. Larry Blair stated that he added this option because it will allow ESCAFCA to operate for two full years at which time economic conditions will be more clear.

Larry Blair reviewed a handout regarding the projects that are underway. (This handout is on file.)

Ash Collins asked why build the Juniper Road culverts, as he was not aware of any problems there. Dan Aguirre stated that Juniper Road has culverts that could wash out and the County is fixing these every time it happens. Lynn Koch asked that as an organization overseeing drainage

issues is ESCAFCA going to require every new house to have a Grading and Drainage study. Doris Faust stated that it sounds like this authority was established and modeled on AMAFCA and SSCAFCA and feels that this does not work. She would like to understand why the pipeline safety bureau is not dealing with pipeline issues. Bob Gale asked if there was a clear line between ESCAFCA and Sandoval County. He doesn't understand the creation of an agency to help an existing government agency.

Director Sandoval stated that there was a need for ESCAFCA because Sandoval County was not addressing the problems. ESCAFCA sees the cost benefits to this area.

Director Torres wanted to remind everyone that this was not just about Placitas and this is about all of the areas; Placitas, Algodones and Bernalillo. He feels that if there are projects not of major concern that ESCAFCA needs to take a second look at those. He opined that the potential to the overall community is worth what everyone has to pay. He feels that Option #5 allows ESCAFCA to establish itself as an entity.

Director Kilfoy stated that ESCAFCA did not go out and seek this job. It was a need for the community; it was voted on and brought into being. Her choice would be Option #4. She thinks work should continue and not slow down. She feels the district voted for ESCAFCA and feels like ESCAFCA should give the voters what they voted for.

Director Dennison stated the Authority was created because the County should have done more. He feels that refinancing would drop the dollar amount for the taxpayers and would be beneficial in this economical time. He stated that he likes Option #1x with some modifications and feels that Option #5 makes sense.

Larry Blair stated that he likes Option 4 or Option 5.

Chairman Reyes stated that ESCAFCA has been created by the Legislature to address problems that existed and that had not been addressed by other agencies. A lot of these problems have been brought on by the fact that this area is growing. He stated that growth promotes and creates more flooding. He stated that he has not heard any negative feedback regarding the hospital levy but ESCAFCA is getting a lot of negative feedback. He feels the work that is being done will benefit all areas. He is torn between Option 4 and Option 5.

Lynn Koch stated that the residents in the community were upset about the hospital tax and it will be addressed with Sandoval County.

Chairman Reyes asked for a break at 7:11. Reconvened at 7:17.

Chairman Reyes asked for a vote from each board member on which option they would like to support.

Director Torres – Option 5

Director Dennison – Option 1 x and Option 5

Director Sandoval – Option 5

Director Kilfoy – Option 5

Director Reyes – No vote

During the next regular meeting on February 9, the board will ratify and sign a resolution.

Director Sandoval stated that he would like to see public comment at every meeting.

8. Next meeting Tuesday, February 9, 2010, at 6:00PM, Placitas Community Center

9. Adjourn: Motion to adjourn made by made by Director Sandoval; second by Director Torres.
Passed unanimously. Meeting adjourned at 7:21PM.

Submitted by Kristi Winters

Debbie Kilfoy, Board Secretary