

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
MEETING

April 10, 2018

Anna Hansen, Chair - District 2
Anna Hamilton, Vice Chair - District 4
Ed Moreno - District 5
Henry Roybal, Chair - District 1
Robert A. Anaya - District 3

SFC CLERK RECORDED 05/11/2018

SANTA FE COUNTY

REGULAR MEETING

BOARD OF COUNTY COMMISSIONERS

April 10, 2018

I. A. This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 2:05 p.m. by Chair Anna Hansen in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

B. Roll Call

Roll was called by County Clerk Geraldine Salazar and indicated the presence of a quorum as follows:

Members Present:

Commissioner Anna Hansen, Chair
Commissioner Anna Hamilton, Vice Chair
Commissioner Robert A. Anaya
Commissioner Ed Moreno
Commissioner Henry Roybal

Members Excused:

None

C. Pledge of Allegiance

D. State Pledge

E. Moment of Reflection

The Pledge of Allegiance was led by Irene Mueller, the State Pledge by Monica Acevedo and the Moment of Reflection by Margie Romero of the Human Resources Department.

I. F. Poetry Reading [Exhibit 1: "Beautiful City"]

A poem was read by the Poet Laureate of Alcalde, Victor Di Suvero.

[Photographs were taken.]

Commissioner Hansen announced it was National Poetry Month.

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I. G. Approval of Agenda
1. Amendments
2. Tabled or Withdrawn Items

KATHERINE MILLER (County Manager): Yes, Madam Chair, we have on page 3 of the agenda, we have added items to the amended agenda under item IX. A, we added items 1, 2, and 3 to executive session. Then under Public Hearings, item X. A. 1, the land use case for Oshara conceptual plan amendment has been tabled. And then I also wanted to request that we move item X. C. 1, the presentation, that last presentation, to item V. A. 4. So under Matters from the County Manager, Miscellaneous Updates, we have items 1, 2, and 3, if we could move that presentation on the ADA transition plan. If we could move that as item 4. So it's the very last item on the agenda, if we could move that to under Matters from the County Manager, item A. 4.

CHAIR HANSEN: Okay, do I have a motion to approve?

COMMISSIONER HAMILTON: Madam Chair, move to approve the agenda as amended.

COMMISSIONER ROYBAL: Second.

The motion passed by unanimous [4-0] voice vote. [Commissioner Anaya was not present for this action.]

I. H. Approval of Minutes
1. Approval of March 13, 2018, Regular Board of County Commission Meeting Minutes

CHAIR HANSEN: Do we have any changes or additions? I have changes. On page 14 of the minutes, the first change is on paragraph 6, third line down, starts with decree, which sets for water rights for all members in the basin. It says basic and it should be basin. Then on page 19, it starts with the ending of a paragraph and then it goes to Commissioner Hamilton, and then we go down five paragraphs, right before Bruce Frederick. The third line is trying and it's just a t, and it should be to.

Then on page 22, we're on VI. B., a resolution, I believe it is Commissioner Moreno instead of Chair Hansen that is speaking, because it says Thank you, Madam Chair, and it says Chair Hansen and it was Commissioner Moreno who said that.

I was also concerned that the FRA did not have a spell out anywhere. Do we have a definition of FRA? I understand. Okay. And then on page 25, the last line, there was – I was speaking, there was also overwhelming support for Secure Rural Schools. Secure Rural Schools should be capitalized because it's a title or it's an actual bill. And those are all the changes that I have. So could I have a motion?

COMMISSIONER HAMILTON: Move to approve minutes as amended.

COMMISSIONER ROYBAL: Second.

The motion passed by unanimous [4-0] voice vote. [Commissioner Anaya was not present for this action.]

II. CONSENT AGENDA

A. Miscellaneous

1. **Request Approval of First Amendment to the Amended and Restated County Utility Line Extension and Service Agreement No. 2016-0228-PW/MM, between Santa Fe County and Homewise, Inc. to Increase Their Water Budget (Public Works Department/John Dupuis)**
2. **Approval of Grant of Electric Utility Easement to the Public Service Company of New Mexico for the Construction/Expansion of the Santa Fe Fairgrounds-Agricultural Extension Office (Public Works Department/ Terry Lease)**

CHAIR HANSEN: Do we have any items from the Consent Agenda that need extended discussion? What is the pleasure of the Board?

COMMISSIONER ROYBAL: Madam Chair, I'd like to move for approval of the Consent Agenda.

COMMISSIONER HAMILTON: Second.

CHAIR HANSEN: I have Commissioner Roybal and multiple seconds.

The motion passed by unanimous [4-0] voice vote. [Commissioner Anaya was not present for this action.]

III. ACTION ITEMS

B. Miscellaneous

1. **Approval of Amendment No. 3 to the Professional Service Agreement No. 2016-0150-DWI/BT Between Santa Fe County and Santa Fe Recovery Center, Inc., Extending the Term of the Agreement an Additional Year and Increasing the Compensation an Additional \$300,000, Exclusive of NM GRT for a Total Agreement Amount of \$1,200,000, Granting the County Manager Authorization to Sign the Purchase Order**

BILL TAYLOR (Purchasing Director): Thank you, Madam Chair, Commissioners. We are here before you to ask for approval of amendment #3 to the agreement that will increase the compensation an additional \$300,000 for a total sum of contract of \$1,200,000. This will not be the final amendment to extend the term. There was another amendment that did not extend the term but just had modification to the compensation but with that, Madam Chair, I can stand for questions, and we have members of CSD that can answer any questions that you have.

CHAIR HANSEN: Do I have any questions from the Board? What is the pleasure of the Board?

COMMISSIONER HAMILTON: Madam Chair.

CHAIR HANSEN: Yes.

COMMISSIONER HAMILTON: I'd like to move to approve this.

CHAIR HANSEN: Okay. I have a motion to approve. Do I have a second?

COMMISSIONER MORENO: Second.

CHAIR HANSEN: I have a second by Commissioner Moreno.

The motion passed by unanimous [4-0] voice vote. [Commissioner Anaya was not present for this action.]

III. B. 2. Presentation and Request for Approval of Location for the Behavioral Health Crisis Center

ALEX DOMINGUEZ (Community Services): Thank you, Madam Chair, Commissioners. Thank you for your time. What we have before you today is a presentation regarding the different location options for the Commission to make a decision about where it's best for us to start working on the future location for our behavioral health crisis center. So what we have here for you on the very first page is just to begin this. This is the goal that we've had for our crisis center. This goal here with some modifications as we present these to you but mostly updating as we continue to move this vision that we have for the future behavioral health crisis center for Santa Fe County.

The goal has been, it still is and will continue to be to provide a safe and secure location with Santa Fe County adults with behavioral health issues, which includes mental illness and/or addictions and those who suffer from co-occurring disorders. This is also going to be a location where their family members, their caregivers, and the general public can find a location where we can provide information, receive assistance, as well as give them linkage to appropriate community services throughout Santa Fe County.

The crisis center building criteria, although there are many more than just the ones outlined on this slide, these are primarily the ones that we think are the highlights regarding to help you make a better decision on where you would like to see this future location. The building location, it's very important that we find it near a hospital, as some of the clients may need immediate transport to and from the local hospital. And this time the Christus St. Vincent Regional Medical Center is the one that does have a behavioral health unit. We need a building that would be large enough to co-locate not only the crisis center but the detox services that are currently being provided by Santa Fe Recovery.

We need a building also that is not in a residential area because we want the residents to be comfortable where this facility is going to be, and we prefer a location that is already actually providing such services. So this way it doesn't create too much of a challenge for us wherever we're using this location. We also want easy access to first responders and the public, and what we came up with is that we would need at least 11,000 square feet to probably facilitate the needs of both the behavioral health crisis center and the detox facility. We also have a set-aside of about \$2.2 million to renovate this facility, and so this is also something that we've kept in mind as we bring you this presentation.

So the first location that we're recommending here, or presenting to you, is the Youth Detention Center, also known as ARC located at 4250 Airport Road. The pros of Location A is the building is County owned; it is a secure location; the location is

familiar to both the public as well as law enforcement and it's easy access to the southern part of the county. The cons that we've identified for you for Location A, the ARC, is the design – it is a detention center. It does not have that calming clinical environment, the living room model that we are searching for in regards for this behavioral health crisis center. The location can be challenging for transport for medical clearance for services to and from the hospital. It may be challenging to locate the behavioral health center as well as the detox facility at this location, and back in 2014 the County hired Architectural Research Consultants to come out and evaluate the facility to find out exactly what it would take to get this facility up to operating standards.

I've only identified a few of the challenges that this facility has at this time, and those are right below that, and mostly it has to do with drainage, plumbing, HVAC and the bottom line is the approximate budget recommended back in 2014 is over \$9 million to bring this facility up to par as a detention center, not necessarily a behavior health crisis center or much less a co-located facility for both behavior health and detox services.

The next location we are presenting to you is 2052 Galisteo Street. 2052 Galisteo Street is exactly where the Community Services Department is currently located. The pros of this location again is the building is approximately 11,000 square feet. Similar services are already being provided from this location as Santa Fe Recovery is providing detox services there as we speak. The crisis center and the behavior health facility can be co-located. A big plus, of course, is that the County already owns this building. It's close to Christus St. Vincent's Hospital; we're less than a mile away and we're also very familiar already to the community as well as law enforcement. This facility is also located near the Metropolitan Court. It's not a residential setting, and again, I can stress the fact that similar services are already being provided out of this facility.

The cons to location B, 2052 Galisteo is that the building will need to be renovated. CSD would have to relocate. We have approximately 25 staff members. We would need to locate a new facility to temporarily move into during the renovation and we were thinking approximately 6,000 square feet of office space. Average cost from just looking through what's available in Santa Fe and Santa Fe County is about \$125,000 per year for a lease. Now this \$125,000 we are presenting you with the higher end of the services available out there. This is not something we've looked into as a decision has not been made where this behavior health crisis center will be located.

Proposed location B, the 2052 Galisteo Street is recommended by the Community Services Department, the Public Works Department, and our current behavior health crisis center managing partner, New Mexico Solutions.

Proposed location C is actually also on Galisteo Street. These are buildings that are for sale right now. It's 2044 and 2018 Galisteo Street. This is what the two buildings look like. It's right next door to the Community Services Department, 20152 Galisteo, and these buildings are being sold as a pair. We asked if they would consider selling one of them. They said they couldn't, mostly due to the parking requirement. It has a shared parking lot and the buildings would have to be sold together.

The pros of this location is it is also located near Christus St. Vincent. It is located near to where the Community Services Department is right now, which would also help through facilitation and oversight as we go through this process so if you so choose this

location. Client detox services are currently being located next door so we wouldn't see that as a big challenge. Our community as well as law enforcement is familiar with this location, and since it's too buildings, we could use one building for the crisis center and we could use the other one for detox services. And again, this would allow CSD, the Community Services Department to remain where we're at, not having to look for a leased location.

The cons of 2044 and 2048 Galisteo Street is that the list price for this purchase is \$2.9 million, almost \$3 million. The buildings still would need to be renovated to retrofit them for the needs of the behavior health crisis center as well as the detox facility. Again, we must purchase both buildings, and this one is a little outside of the budget that we have allotted and put aside, not because we could not renovate the buildings for that much but because we would also have to purchase the buildings.

The next location we're proposing for you is to go out and find a piece of land and build from the ground up. The pros of that is we can choose a location based on what's available at the time if this is the way you choose to go. We could probably find a build-to-suit, or could find a build-to-suit. That's to be determined based on availability again, and there's always the possibility of collaboration between the County and private landowners to come forth and have a partnership as well as the possibility of community funders who can help support and invest into this facility.

The cons of location D again, is the cost of land and will it exceed the available funding put aside right now that we currently have for budget? Do we have land available? Will it be close to the hospital location? Is it going to be large enough? Again, these are all things that are up in the air, if this is the way you choose to go but nothing that we would not go and figure out for you. The biggest drawback and the biggest con on this would probably be the timeline and setting back the delayed opening of the behavior health crisis center.

This last slide here is basically breaking down everything I've just shared with you in the form of a grid, trying to identify the primary, the most important factors regarding this building location, and what buildings offer what. They've been ranked from number one to being the most favorable to number four, being the most challenging in the recommendation of the Community Services Department and Public Works and our managing partner, New Mexico Solutions. The one that tends to knock and say yes to all of the boxes again is 2052 Galisteo. With that Madam Chair, Commissioners, I stand for questions.

CHAIR HANSEN: Are there questions from the Board? Does anybody have any questions? No one has any questions. Does anyone have a motion?

COMMISSIONER ROYBAL: Madam Chair.

CHAIR HANSEN: Yes.

COMMISSIONER ROYBAL: I'd like to – I think just because of the different constraints and the budget that we do have, I think staff has done a good job in identifying our best option which I feel is highlighted here. Just looking at the presentation and the information provided I think I'm ready to move forward with a motion to go ahead and have building B, the 2052 Galisteo site.

CHAIR HANSEN: So we have a motion.

COMMISSIONER HAMILTON: I second.

CHAIR HANSEN: Is there any discussion? So I want to – I would just like to say that since we want to move forward with this and we want this to happen in a timely manner, I think it's really important that we go and we do move forward with selection B because it is within our budget and it also will give us a timeline where we can actually get things done sooner rather than later. And the crisis of behavior health is serious in our community and to put that off is a serious issue. So I would not want to see that be delayed. Commissioner Hamilton.

COMMISSIONER HAMILTON: Yes, I wanted just to add to what my colleagues had mentioned. It is a good analytical job but there were certainly some appealing things like the option C of having two buildings and not having to move your facility and having the functions close by, all three of those functions, but clearly with the over-budget considerations and the timing considerations that the Chair just mentioned to you guys judge that it's not worth trying to trade off the benefits of having those double buildings to those limitation. I assume that that's formative.

MR. DOMINGUEZ: Madam Chair, Commissioner Hamilton, yes, that is correct. The budget does weigh strongly in this and the budget is a lot of money put aside for such a project, from what we've researched.

COMMISSIONER HAMILTON: Thank you.

CHAIR HANSEN: Commissioner Moreno.

COMMISSIONER MORENO: Thank you. The ideal is not in our budget. I worked in one of those buildings, the ones that face each other would be the ideal, but we have – what's the saying? Location, location, location. I think the location that we have is great and I think, and it's going to be a great addition to the health of the people of the city and the county in the future. Thank you.

CHAIR HANSEN: So any other comments? With that I would like to call the vote.

The motion passed by unanimous [4-0] voice vote. [Commissioner Anaya was not present for this action.]

CHAIR HANSEN: That is great. Thank you very much, Alex.

MR. DOMINGUEZ: Thank you, Madam Chair, Commissioners. Thank you for your support.

CHAIR HANSEN: And thank you Rachel, for your work on this also.

III. C. Resolutions

1. **Resolution No. 2018-34, a Resolution Requesting an Increase to the Road Projects Fund (311) to Budget Three (3) Grants from the New Mexico Department of Transportation for the Pavement Rehabilitation/Improvements of Various County Roads in Santa Fe County / \$311,913**

STEPHANIE SCHARDIN CLARKE (Finance Director): Good afternoon, Madam Chair, members of the Commission. Before you today we have a resolution increasing budget for three separate grants that are coming to the County from the New

Mexico Department of Transportation. Each of the grants are for pavement rehabilitation and improvements throughout the county and each one is 75 percent DOT funding from the Local Government Road fund and 25 percent County match. And with that, I'll stand for any questions and Robert Martinez is here also of you have questions about the specific roads.

CHAIR HANSEN: Commissioner Hamilton.

COMMISSIONER HAMILTON: Just for purposes of edification, are these earmarked for particular roads?

ROBERT MARTINEZ (Deputy Public Works Director): Madam Chair, Commissioner Hamilton, yes. The Board of County Commissioners adopted the resolutions after Public Works Department submitted our letter of interest, and then the BCC also approved the funding agreement from DOT. So they are specific roads. I could go over them if you like.

COMMISSIONER HAMILTON: We have the past information.

MR. MARTINEZ: Okay.

COMMISSIONER HAMILTON: That's great. I was pretty sure that was the case and I just wanted to know if these were distinct. I could have looked it up but I didn't. That you get these is really wonderful, so thank you.

COMMISSIONER ROYBAL: Madam Chair.

CHAIR HANSEN: Yes, Commissioner Roybal.

COMMISSIONER ROYBAL: I'd like to move for approval on the resolution requesting an increase to the road project fund.

COMMISSIONER HAMILTON: Second.

The motion passed by unanimous [4-0] voice vote. [Commissioner Anaya was not present for this action.]

CHAIR HANSEN: We have the road fund and we look forward to having more roads. I'm always in favor of improving County roads and this is a great opportunity, so thank you, Mr. Martinez and Ms. Clarke.

IV. MATTERS OF PUBLIC CONCERN

CHAIR HANSEN: Is there anyone from the public who would like to speak? Seeing none, I will close Matters of Public Concern.

V. MATTERS FROM THE COUNTY MANAGER

A. Miscellaneous Updates

1. Santa Fe County Strategic Planning Sessions

MS. MILLER: Madam Chair, I just wanted to remind the Board that we are doing our strategic planning sessions starting this week on Friday, will be the first session in Agua Fria, at the community center. And then on Saturday starting at 8:30 at the Higher Ed Center. And then next Friday, 8:30 at the Eldorado Community Center. So we will be – and we have an agenda prepared. We will be staying there all day, each day.

We'll have lunch brought in so we can just have a working lunch, and on the first day we'll be doing predominantly budget presentations and goals and objectives from all of the different departments and elected officials' offices, so that you have an understanding of everything that we're currently working on and that we have already built into the budget.

Then we'll go into Saturday looking at strengths and weaknesses and opportunities and threats analysis and look at the results of the citizens survey as well as the afternoon doing kind of brainstorming about any areas in the strategic planning, in our current plan that we're not focusing on and getting all the information from the Board as to where you'd like us to head. And then the final Friday the 20th, we'll be putting all of the plan together, based on all the information from the first two days.

So I just wanted to give you kind of a heads-up on how that looks and where we stand and what to expect and if there's anything in particular – we will have on Friday and Saturday most of the department heads and division directors participating in all of the presentations and the brainstorming and then really it will all focus down to the five Commissioners setting the direction of what you'd like to see for the next three to five years.

So that's all on the strategic plan. And then I had Neal from Public Works to give a recycling update, what's happening at SWMA and at Friedman and where the County stands in all of this and what we see SWMA working towards in the near future. Thanks, Neal.

CHAIR HANSEN: Thank you, Katherine. Welcome, Neal. Nice to see you.

V. A. 2. **Recycling Update** [*Exhibit 2: Recovery Cost Chart*]

NEAL DENTON (Sustainability Specialist): Thank you, Madam Chair. Madam Chair, Commissioners, As Manager Miller explained, I am here today to talk to you about the Chinese government's actions in regards to the import of recyclables, also known as scrap, and their impact on recycling processes and costs in Santa Fe County. I'm also joined by Les Francisco, our solid waste superintendent, who will cover the cost of service at our convenience centers.

The United States has been largely depending on China importing recyclables for decades. What you see here in red on this chart shows what is shipped to China; the blue is the rest of the world. So you can see in recovered paper and fiber they're buying more than 50 percent of the materials shipped from the United States. Plastic scrap, again, over 50 percent. Less of iron and steel, but overall, it accounts for 30 percent of what we export; it goes to China. If you add Hong Kong to the plastic, it's 70 percent.

It's our biggest export in the United States off the west coast worth \$5.6 billion per year, scrap being shipped off the west coast. And the reason this was set up is the trade deficit with China. Ships were coming here with goods and leaving empty, so it presented an opportunity to fill those ships that were leaving empty, get that to China where they were using those to make the goods and sell back to us.

So China in February of 2017 started what's called the National Sort, where they started cracking down on illegal smuggling of waste and also on contamination of

recyclables. This is anything that's not supposed to be in there. This is food contamination non-recyclables. You can see a picture there of Chinese officials inspecting the loads that were being shipped in. All this started because we've seen the growth of single-stream curbside recycling in the last decade, comingling materials at the curbside of your residence has grown by double in the last decade and as people got bigger carts that led to aspirational recycling, a term used to describe if people throw things in there because they think the item should be recycled but it's not, such as somebody recycling styrofoam here. Also they may use their cart as an additional trash cart and there are a number of things that lead to additional contamination if you're recycling comingled materials curbside.

So China was sick of getting all of our garbage, low quality materials and they announced to the World Trade Organization that they are prohibiting 24 kinds of waste from being imported, and they require that those materials imported be 99.97 percent pure. Meaning a load of cardboard needs to be 99.97 percent cardboard. That leaves little room for the tape that's on that cardboard or any packing peanuts that may have made their way along. Essentially this is a complete ban on recyclables because no one is able to achieve that.

Something that motivated this is a film called Plastic China. There was a media frenzy after this documentary exposed some of the poor working conditions and environmental conditions specifically associated with plastic recycling in China. Their president, Xi Jinping since 2013 has been focusing on improving the environment. He wants China to be a green beacon of the world community and they have a five-year plan to do so that includes similar strategies, including completely banning the import of plastics by the end of this year. In a speech he made to their national assembly he mentioned the environment 89 times and the economy just 70 times. It's one of their focuses.

In this slide you'll see the impact of the US. One of the national trade publications did a survey of states. About 60 percent of the states said they're experiencing a minimal effect. Thirty-two percent noticeable, ten percent heavy. Those that are experiencing the heavy effects are all on the west coast. We happen to ship most of our recyclables through the west coast so we've been impacted. Overall, this results is a 50 percent drop of the comingled stream. Everything – the value went down about 50 percent. In addition to that loss in revenue, recycling facilities have had to add labor, pay overtime labor, slow down their sorting lines. They've started inspecting bales, breaking open bales that they used to sell, so they have a higher labor and operating cost.

Companies that had rainy day funds, long-standing relationships and diverse markets have been able to weather this storm. Some are having to renegotiate the contracts with the community to put more of the risk on the community. What this looks like is a higher processing fee to cover their operating costs, and then after that, any revenues from the sale of recyclables, we're seeing like 75 percent of that revenue going to the community, 25 percent going to the recycling company.

As a result of this we are seeing warehouses being filled up. In Long Beach, California there is a backlog of recyclables. They're piling up in Hong Kong, and some communities have started to reduce what they accept. Las Cruces has recently announced they're no longer accepting #3 through #7 plastics, for example. And the National Waste

and Recycling Association described this impact as devastating and said the industry may never recover, and pointed out there are 40,000 jobs associated with this industry in the country.

However, the markets are adjusting. There's growth and already strong markets in Canada, Mexico, Turkey and others, materials being shipped to India, Vietnam, Thailand, South America of this, our biggest export off the west coast, \$5.6 billion per year, so people are interested in capturing the material that the government of China no longer wants. Those companies in China that were dependent on this material are not just going to figure out a way to operate without it; they are moving operations to other Southeast Asian countries and even the United States.

However, there is roughly a five-year lag expected in infrastructure development that's proving hard for some communities to get through.

So specifically, to get to the impact here, on this slide you see an audit of our materials that we shipped to Friedman Recycling in Albuquerque in 2017. You can see that most of our material is mixed paper. This is your newspaper, magazines, junk mail, office paper, basically every paper product that's not cardboard. You can see second to that is cardboard, so that's most of what we're sending by weight. A small amount of plastic bottles. It may look like a lot in your cart, they take up a lot of space, but they don't weigh very much.

And these are the impacts that we're seeing. Friedman Recycling is having a hard time selling mixed paper and the other plastics that are not plastic bottles. However, you can see what a small amount of our stream is the plastic bottles. It's clear that the biggest impact is on this mixed paper. In particular, the container board – that would be your cereal box, cracker box – that sort of material, they're having a very hard time selling that material.

Other material that goes to Friedman Recycling in Albuquerque, 20 percent of what they handle comes from the Santa Fe Solid Waste Management Agency; five percent of that comes from County convenience centers and our private haulers. The majority of the rest of it is from the City of Albuquerque. They also get material from Los Alamos, Torrance County, Roswell and other communities throughout the state.

This slide shows the timeline of events and how this has affected us. So in July 2015 was when the contract started between the Solid Waste Management Agency and Friedman Recycling. That contract included a \$50 processing fee, meaning the Agency pays Friedman Recycling \$50 per ton of every material they receive. Any revenues on top of that, 68 percent went to Friedman Recycling, 32 percent goes to the Agency.

July of last year, China notified the World Trade Organization of the ban I've described, and promptly thereafter in August the buyer of Friedman Recycling's fiber materials, all the cardboard, paper, any paper product, let them know that it can no longer fulfill its contractual obligations because of these actions of the Chinese government. Promptly after that, Friedman Recycling requested a temporary amendment suspending the revenue sharing agreement and requiring that the Agency backhaul its material that's consider residual, that they cannot sell.

So the joint powers board approved that amendment through December. Friedman Recycling requested six months. It was a three-month amendment that was approved. The situation with China was considered temporary at that time and the goal was to just get

through the end of the year while things leveled out. When January came around it was clear that it was not temporary and they requested a permanent amendment increasing the processing fee from \$50 a ton to \$122 a ton, requiring the payment of some transportation and handling expenses, and adjusting that revenue sharing provision.

In February the board directed the executive director to negotiate that amendment, and in March, a four-month amendment was presented to the board. The board had some concerns about the language in the amendment and approved a one-month amendment while those questions were addressed. The president of the company was in the meeting and indicated if he did not get a one-month amendment they would have to trigger the *force majeure* clause of the contract and significantly slow down accepting materials from Santa Fe.

Also, we are reviewing alternatives with a draft RFP. I have recently learned that Friedman Recycling has agreed to the terms in the revised amendment that will be presented to the board in two weeks.

Okay, so this is going to result in higher costs to the City and County and private haulers. The impact on the County over the year is expected to be \$80,000 to \$100,000 per year, compared to a cost of \$30,000 to \$38,000 to landfill that same material. The impact on the City is expected to be \$1.30 per account, and the impact on the private haulers that collect in the county is expected to be \$12,000 to \$49,000 per year, those amounts varying based on the tonnage that they bring to the Buckman Road Recycling and Transfer station.

So the way things have worked in the past, before this July 2015 is the Buckman Road Recycling and Transfer station, which I'll call BuRRT from here on, was a recycling plant. Things were sorted there and sold. There was a cost of service analysis performed by a consultant in 2014 and one of those recommendations was it would be more cost effective to look for a regional recycling processor like Friedman Recycling. There was an RFP and Friedman Recycling was selected.

The way it works now, we accept mixed recycling at our convenience centers. That includes metal cans, plastics, paper, cartons. We accept cardboard, accept glass, tires, automotive fluids and scrap metal. All of those materials go into the tonnage you see here, the recycling tons that account for about 15 percent of what we're handling at our convenience center. On this slide I've distinguished before that cardboard and mixed because that is the material that will go to Friedman Recycling. The rest of it includes the scrap metal, tires, glass, and the other materials that are not going to Friedman Recycling.

So it's hauled from our convenience centers to BuRRT where it is pushed into a larger truck and shipped down to Albuquerque. Our glass goes to Colorado. Our automotive fluids are collected for free. We do not pay a fee at BuRRT currently for anything but glass, tires and greenwaste. We pay a fee at BuRRT for glass, tires and greenwaste. And we sell our scrap metal to a local company and that generates revenue.

A 2016 ordinance required that anyone who collects trash from a residence in this collection district in blue also collects recycling and it requires reporting. Those private haulers in 2017 collected a total of about 1,200 tons. You can see here that's comparable to what we're collecting in all of our convenience centers.

Now Les is going to join us and talk about the convenience center cost recovery, and then I'll be available for your questions.

LES FRANCISCO (Solid Waste Superintendent): Madam Chair, Santa Fe County Commissioners, the actual – from 2014 to 2017, 2014 the cost recovery was eight percent. 2015 the cost recovery on the permit sales was nine. 2016 was 15 percent, and in CY 2017 was 19 percent. So the cost of the permits going up have actually showed a positive impact on the cost recovery.

MR. MARTINEZ: Madam Chair, Commissioners, so when the ordinance – I believe it was 2014-10 – increased the permit fees. So there was a projected revenue generation from these permit sales that had a five-year increase and it was projected that by the end of the fifth year we would achieve a 30 percent recovery from permit sales alone. So you'll see that in this top part of the graph that was handed out to you. Those were the projections that were made back in 2014. The middle part of the chart shows the actuals. So you can see now in calendar year 17 we were one percent below what was projected back in 2014. The budget for the solid waste operations did not increase as what was projected back in 14 so that helped contribute to the cost of recovery through permit sales get to the goal that we were trying to achieve.

Under that second chart there it describes the cost of recycling to Santa Fe County. So in calendar year 14 the cost of our budget specifically for recycling was about \$509,000. That particular year was pretty high in capital improvements. We had made about \$183,000 in improvements to the recycling center at the Eldorado convenience center, so that is why you see that high cost of recycling costs for calendar year 14. Calendar year 15, \$440,000, calendar year 16, \$416,000 and calendar year 17 was \$310,000. The difference in the cost could be that our capital requirements for replacing equipment or whatever weren't as extensive in calendar year 17 as they were in 15 and 16.

The bottom graph shows our total budget. Now, I want to caution you that the bottom graph is fiscal year, not calendar year like the two graphs above or charts above. So this is fiscal year. So it shows that the revenues generated from our permit fees, the environmental GRT and the amount the general fund is having to subsidize for the solid waste operations. With that, Les and I will stand for any questions.

CHAIR HANSEN: Commissioners? Commissioner Hamilton.

COMMISSIONER HAMILTON: So I recognize this issue of the additional potential costs associated with this very large hiccup in the recycling industry. It's an ongoing assessment for us. So I don't expect any pat answers but a few points were brought out in this assessment, such as the differential impact of these events with China on the recycling programs around the county. Like the western states are hit harder, single stream recycling is hit harder, and I just wonder if you've thought some about and can speak just a little bit to whether those give any hints on any possible options we might have in altering the system we use a little to ameliorate the situation.

MR. DENTON: Yes, Madam Chair, Commissioner Hamilton. In most of New Mexico, rural recycling at transfer stations is done through a system known as hub and spoke recycling where recyclables are brought by constituents and source-separated at the drop-off site. This means you're putting your plastic bottles in one place, your paper another place, your cardboard another place. Those are brought together to a hub where you have a baling operation and they hay bale – they compact it into a rectangle, and then brokers are buying those bales, sending a box truck or a flatbed – maybe you see

