

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
REGULAR MEETING
August 27, 2019

Anna T. Hamilton, Chair - District 4
Henry Roybal, Vice Chair - District 1
Anna Hansen, Chair - District 2
Rudy Garcia - District 3
Ed Moreno - District 5

SFC CLERK RECORDED 09/26/2019

SANTA FE COUNTY
REGULAR MEETING
BOARD OF COUNTY COMMISSIONERS

August 27, 2019

1. A. This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 2:00 p.m. by Chair Anna Hamilton 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 Hamilton, Chair
Commissioner Henry Roybal, Vice Chair
Commissioner Rudy Garcia
Commissioner Anna Hansen
Commissioner Ed Moreno

Members Excused:

None

C. Pledge of Allegiance

D. State Pledge

E. Moment of Reflection

The Pledge of Allegiance was led by Anna War, the State Pledge by Jennifer Romero and the Moment of Reflection by Patricia Boies of the Community Services Department.

F. Approval of Agenda

CHAIR HAMILTON: Manager Miller, are there any changes we need to be aware of?

KATHERINE MILLER (County Manager): Yes, Madam Chair. The agenda was published a week ago but on Friday we did have an amendment to the agenda and that amendment, the amended agenda was posted at 4:55 on 8/23. The items added to the agenda were under Matters from the County Manager, item VI. A. and VI. B. And also – I think those were the only amendments we had to the agenda. I thought the

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executive session but those items were already on there as well.

CHAIR HAMILTON: Excellent. Thank you so much. So what's the pleasure of the Board?

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Yes, Commissioner Hansen.

COMMISSIONER HANSEN: I move to approve the agenda as amended.

COMMISSIONER ROYBAL: I'll second.

CHAIR HAMILTON: Thank you. I have a motion and a second.

The motion passed by unanimous [5-0] voice vote.

1. G. Approval of Minutes: June 30, 2019 Regular Meeting

CHAIR HAMILTON: Are there any changes to the minutes?
Commissioner Hansen.

COMMISSIONER HANSEN: I have changes to the minutes and I will give them to the stenographer.

CHAIR HAMILTON: Excellent. So what's the pleasure of the Board?

COMMISSIONER HANSEN: Move to approve with changes.

CHAIR HAMILTON: Thank you.

COMMISSIONER ROYBAL: I'll second.

CHAIR HAMILTON: Thank you. I have a motion and a second.

The motion passed by unanimous [5-0] voice vote.

H. Recognition of Years of Service for Santa Fe County Employees for August 2019

MS. MILLER: So as you know, every month we like to recognize employees who have hit a milestone of a five-year increment in their time with Santa Fe County. We value employee retention and it's important to express our appreciation to those employees who have stayed here for five, ten, fifteen, even 20 years. In your Board packet there is a list of about six employees who hit milestones.

Those who hit a five-year milestone in August are Nicky Moreno in the Sheriff's Department, in Animal Control; Nathan Manzanares in Building & Development in our Land Use Department, and Orlando Romero, our Commissioner liaison for District 1. Those who hit a ten-year milestone are Christopher Oakley in property valuation in the County Assessor's Department and Renee Gonzales in Corrections.

And then we had one individual who hit a 15-year milestone and that's Michael Martinez on August 16th and he's with our Sheriff's Department, Animal Control and Enforcement.

So I'd just like to congratulate those employees for hitting a milestone with Santa Fe County and thank them for their service.

CHAIR HAMILTON: Excellent. Thank you. We definitely feel the joy and gratification of working here is the wonderful people who work and contribute so

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significantly to the County and to the well being of all its people. So we appreciate everybody's service. Are there other Commissioners that have any – before I move on? Commissioner Hansen.

COMMISSIONER HANSEN: Thank you, Madam Chair. I just want to say thank you for your service. Five, ten, fifteen years is great. It's wonderful to see people with longevity. Thank you for your service to the County always. And as we always say, the County's a wonderful place to work, so we're happy you're here. Thank you very much.

CHAIR HAMILTON: Thank you. Commissioner Moreno.

COMMISSIONER MORENO: Thank you. Congratulations for the 20-year people. It's a milestone that means a lot of things. I hope that it means a lot for you all that you had a good experience with the County and I congratulate you again. Thank you.

CHAIR HAMILTON: Thank you.

1. I. Recognition of Santa Fe County New Hires in July 2019.

MS. MILLER: Madam Chair, this past month of July we had quite a few new employees, which is a good thing, as we needed to fill quite a few vacancies in our Corrections Department. I will try to quickly go through all the individuals who were hired between July 16th and July 20th. If you look at all of their hire dates it was during that week. So in our County Assessor's Office, Zarifa Dushdurova, GIS Specialist; Olivia Romo, That is Commissioner Moreno's liaison in the Manager's Office; Tabitha Dominguez in the County Treasurer's Office; Aaron Price in Health and Human Services Department, Community Services, a drive/cook assistant.

And then we have several detention officers and life skills workers and case managers in the Corrections Department. Christopher Anderson, Neil Booze, Tanya Cross, Marvin Gallegos, Garrett Gentry, Suzanne Heaton, Miguel Herrera, Christlyn Lester, Charles Lucero, Jonathan Martine, Sarah Murdock, Jolyon Ortiz, Maria Rios, Isaiah Rivas, Laressa Romero, and that's all in Corrections. So welcome to them.

Then in the Fire Department we have Alexander Amend, Faith Griego, Adriana Martinez, and Philip Undercuffler.

And then in our Dispatch Center, Nicholas Baca, Robert Gonzales and Phillip Otero. And in Public Works, Ricky Corriz and Skyler Leyva, and in the Sheriff's Office/Animal Control, James Salyers. So welcome to all the new employees and I hope you all have a great career at Santa Fe County and a good working experience here.

CHAIR HAMILTON: Absolutely. Thank you so much. We want to extend our welcome to everybody who just joined us. We're pleased to have you and have your service.

J. Government Finance Officers Association Certificate of Achievement for the FY 2018 Comprehensive Annual Financial Report and FY 2018 Annual Financial Reporting

GARY GIRON (Finance Director): Madam Chair, Commissioners,

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County Manager, I'd like for the Finance Division to come up and join me. They have received two certificates from the Government Finance Officers Association.

CHAIR HAMILTON: Somebody has to be the first one to stand up and come forward.

MR. GIRON: For the record, that includes Bill Taylor in the back.

CHAIR HAMILTON: A little bit closer. Truly we're very, very proud of you. Thank you. It takes bravery. Perfect.

MR. GIRON: To give you a little background, Santa Fe County participates annually in a voluntary review of the comprehensive annual financial report, the CAFR, and a review of our financial reporting to the Government Finance Officers Association, GFOA. The review by the committee assure that the standards and procedures adopted by the County are consistent with the accurate, timely, and transparent financial reporting standards of the body. The Santa Fe County Finance Division has received two awards: a certificate of achievement for the FY 2018 comprehensive annual financial report, or what we call the CAFR, and a certificate of achievement for excellence for the FY 18 financial reporting.

These awards now have been received by the County for eight consecutive years, which I think is very amazing. The certificate of achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment for Santa Fe County. It reflects high standards of accounting, doing the work in the spirit of full disclosure and transparency. And I want to say that these awards are due to the diligent and professional work by the entire Finance Division including – I hate to list them out: accounting, accounts payable, payroll, financial reporting, procurement, capital, grants and budget. They are truly a very professional and qualified team and they do a great job.

CHAIR HAMILTON: So it might be a big ask, just preemptively, I think we'd definitely like to get all of you – after people have had their say – up here to get a picture with all of you, because we are incredibly proud of the work you do. Finance is one of those things that makes everything happen. It's what's required for everything to be done well and smoothly for everything else to operate smoothly. It's the kind of information we need to make judgments about everything. It's so incredible that you guys do such a good job that for eight years in a row you get recognition for it. That's just a phenomenon. I'm sure there are other people who might want to say things.
Commissioner Hansen.

COMMISSIONER HANSEN: Thank you. I think that having a strong Financial Division in government is one of the most important pieces of the puzzle that we all participate in and so I am extremely honored that I get to represent you and have your as our Financial Department. I believe in the paper it was 50 years ago, Santa Fe County was not in such good shape and I like to read from 100 years, 50 years, and to see how far we have come in the last ten years, really is amazing. So I want to congratulate everybody, recognize you for your really hard work, because it is not something I could do. It is not in my skill set and so I depend on all of you to do the best that you can. And so I am grateful. Thank you very much.

CHAIR HAMILTON: Excellent. Commissioner Garcia.

COMMISSIONER GARCIA: Madam Chair, I'd just like to congratulate

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the Finance Department. Many years ago when Manager Miller was the Finance Director, Santa Fe County is an excellent place to work and everybody, this whole entire team, everybody sitting out there does an excellent job for this organization. So for keeping the finances in check, thank you. Excellent job. Congratulations.

CHAIR HAMILTON: Excellent. Commissioner Roybal.

COMMISSIONER ROYBAL: I just want to say thank you. Out of the eight years that you guys have been awarded this honor, and of course it's our honor to be able to serve with you guys. I've been here for five of those years and you guys had already set the bar since three years before and I just want to congratulate each and every one of you because it does take dedication and leadership from each one of you and I know that your department is professional, courteous and hard working. You don't see that every day but it's because of the leadership skills in every single one of you. So thank you guys for your dedication and hard work.

CHAIR HAMILTON: Commissioner Moreno.

COMMISSIONER MORENO: Thank you, Madam Chair. I have a question for you. In the array of sanctions – not sanctions but good things, what does it mean in the government of New Mexico?

MR. GIRON: Madam Chair, Commissioner Moreno, what these awards mean is that the County has voluntarily accepted the standards set out by this GFOA and that we have developed all of our systems and processes to be in alignment with that. And I think what's more important, when you think about how does this translate to better services to all of our customers in the county and all of the citizens, it's the whole idea that we embrace the idea of transparency and being able to communicate information as clearly as possible so that people are able to understand the information we're putting out there.

COMMISSIONER MORENO: Thank you.

CHAIR HAMILTON: Thank you so much. Commissioner Garcia.

COMMISSIONER GARCIA: Just awesome. Madam Chair, just in regards to Santa Fe County as a whole is we're all a team here, right. When Sheriff Mendoza, 20, 30 years ago when I first met Sheriff Mendoza we worked for the Zoning Department to our Assessor, Gus Martinez actually collecting all the property taxes. It's all one big team here and actually congratulations because we're one good team here. Public Safety, the Finance Department, our County Manager, our Deputy County Manager, we're all one good team and thank you for what you all do.

CHAIR HAMILTON: Thank you so much. So if Daniel's around if we could potentially get a photograph that would be so great.

[Photographs were taken.]

2. CONSENT AGENDA

- A. Request Approval of County Health Care Assistance Claims in the Amount of \$1,786.03 (Community Services Department/Jennifer Romero)**
- B. Request Approval of Amendment No. 2 to Agreement 2018-0077-IT/IC Between Santa Fe County and Superion, LLC, Extending the**

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Term an Additional Year and Increasing the Compensation by \$163,300.87 for a Total Contract Sum of \$495,648.50, Exclusive of New Mexico Gross Receipts Tax, and Authorization for the County Manager to Sign the Purchase Order (Purchasing Division/Bill Taylor)

- C. Resolution No. 2019-105, a Resolution Authorizing the County Manager to Approve and Sign Purchase Orders for Vehicle Fuel Purchases, and Landfill Tipping Fees for the Fleet Management and Solid Waste Departments (Public Works/Robert Martinez)**
- D. Request Approval of Permanent Severance of Transferable Development Rights and Land Use Restriction Agreement (TDR Agreement). (Growth Management Department/Robert Griego)**

CHAIR HAMILTON: So is there anything someone wants to pull from the Consent Agenda for further discussion?

COMMISSIONER GARCIA: Madam Chair, move for approval.

COMMISSIONER ROYBAL: I'll second.

CHAIR HAMILTON: Thank you. And under discussion, is there anything else? So I have a motion and a second.

The motion passed by unanimous [5-0] voice vote.

[Clerk Salazar provided the resolution and ordinance numbers throughout the meeting.]

3. MISCELLANEOUS

- A. Resolution No. 2019-106, a Resolution Designating Official Representatives for Grant 19-D2539-GF for the Chupadero Water System Improvements and Requesting the Board of County Commissioners to Sign the Grant Agreement**

MR. GIRON: Madam Chair, Commissioners, the purpose of this request is to accept Grant #19-D2539-GF from the State of New Mexico Department of Environment in the amount of \$110,000 to plan, design and construct improvements to the water system for the Chupadero Water/Sewage Corporation in Santa Fe County. This project is not on the ICIP but we have received previous grants. We just closed Grant #18-C4112 which was a grant for \$100,000 for this project. And with that I'll stand for any questions.

CHAIR HAMILTON: Just a quick question. It's from NMED and not from Water Trust Board?

MR. GIRON: It's from the Environment Department.

CHAIR HAMILTON: So are there any questions with respect to this?

COMMISSIONER GARCIA: Madam Chair, I'd just like to make a bit of a history on this project for the people who don't know what the Chupadero Water System is. It actually comes from the City of Espanola all the way through La Puebla and eventually, hopefully we'll connect that to Chimayo. Back in the day, Commissioner

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Marcos Trujillo actually instrumented moving this project forward and now with Commissioner Roybal and a few other Commissioners in the past have actually been very instrumental in actually moving this project forward, but this is a great project for the Santa Cruz Valley. So I think that's an excellent project.

CHAIR HAMILTON: Anybody else? What's the pleasure of the Board?

COMMISSIONER ROYBAL: I'd like to move for approval. This has been a project long in coming so I'm glad to see that we're getting closer.

CHAIR HAMILTON: Thank you.

COMMISSIONER GARCIA: Second.

CHAIR HAMILTON: Thank you. Any further discussion? So I have a motion and a second.

The motion passed by unanimous [5-0] voice vote.

3. B. Request Approval of the Agreement Between the Santa Fe County Deputy Sheriff's Association, a Subsidiary of the New Mexico Coalition of Public Safety Officers/NMCP SO, and Santa Fe County, January 1, 2020, to December 31, 2023

GREG SHAFFER (Interim Deputy County Manager): Madam Chair, Commissioners, with me at the podium are the Undersheriff, Ken Johnson, who was a key member of the management negotiating team, and the union president, Richard Hildebrandt. The current collective bargaining agreement between the Deputy Sheriffs Association and the County expires on December 31st of this year. The union requested and management agreed to engage in negotiations well in advance of that deadline so that we could have a successor agreement in place and the agreement that you have in front of you is that successor agreement and it would be effective on January 1, 2020. So even though you're approving it today it won't go into effect until January 1, 2020.

We felt, and I believe the union agreed, that finalizing negotiations was important so that we could effectively recruit new deputies to the team since they would know what their package will look like come January 1st but even more important we felt it was important that we put the economic deal in place so that our existing team members will also know what things will look like come January 1st.

So negotiations proceeded with the utmost professionalism and what you have in front of you again are the results of those efforts. The most significant increases or highlights of the agreement are that we do believe that this CBA would make us competitive with our most relevant competitors in the market for law enforcement personnel, namely the City of Santa Fe. It provides significant pay increases to all bargaining unit members with the largest raises as a group going to the deputy sheriff 3s, which are our most senior non-ranking officers.

The base hourly rates of pay are set forth on page 1 of the memo that I provided to you in advance of the meeting and it shows the hourly rates of pay for deputy 1s being \$22 an hour, deputy 2s \$25 an hour, deputy 3s \$30 an hour, corporals \$31.50 an hour and finally sergeants \$33 an hour.

It goes without saying that this represents a significant investment in our law

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enforcement personnel by the Board of County Commissioners should you approve the CBA but from staff's perspective we think that it's a necessary investment in order to ensure that we can recruit and more importantly retain our law enforcement personnel. So with that I would stand for any questions, but I'm sure that the Undersheriff and the union president would be pleased to also answer any questions you have or provide any additional comments.

CHAIR HAMILTON: Thank you. Do you have additional comments you'd like to make before we're standing for questions. Thank you. Welcome.

KEN JOHNSON (Undersheriff): Good afternoon, Madam Chair Commissioners. I'm honored to be here today on behalf of Sheriff Mendoza and the Sheriff's Office regarding today's agenda item concerning the recent contract negotiations.

On August 2nd members of the Santa Fe County Sheriffs Association voted unanimously to ratify the proposed three-year contract which provides raises for Santa Fe County Sheriff's deputies, among other economic and uneconomic issues. That contract is presented today to the BCC for your consideration. Many law enforcement agencies across New Mexico are dealing with challenges of retention and recruitment and the Santa Fe County Sheriff's Office is no different. We currently have nine openings.

Contract negotiations began on May 29th and lasted for six sessions and over those six sessions our management team, along with the union team worked well together to determine common goals and objectives. We stayed focused over the course of the negotiations and worked in record time to develop the contract that is before you today for approval. Our primary objective was our commitment to negotiate pay increases and this contract prioritized retention and recruitment.

Since 1992 I've been involved in many union negotiations both as a young officer on the union side and as a member of management on the Sheriff's side. This was the most professionally done negotiations that I've been a part of. I just would like to take a moment to recognize the members of our team. On the administrative side was Major Gabe Gonzales, interim HR Director Sonya Quintana, Finance Director Gary Giron, and our spokesperson, interim County Manager Greg Shaffer. On the union side I'd like to recognize the president, Agent Richard Hildebrandt, Corporal Carolina Brandle, and Sergeant Tim Benavides. I also want to extend my appreciation to Santa Fe County Manager Katherine Miller for her commitment and continued support of our efforts at the Sheriff's Office. Lastly, I want to thank you all at the Board of County Commissioners. It is through your commitment and support that we continue to protect the citizens of Santa Fe County. Thank you.

CHAIR HAMILTON: Excellent. Thank you so much for saying that. Do we have questions or comments from the Board? Commissioner Garcia.

COMMISSIONER GARCIA: Madam Chair, just a couple of questions and comments. As I mentioned earlier, Santa Fe County actually is a team here, anywhere from Ms. Quintana, Mr. Shaffer, actually doing the negotiations. I myself have been involved in union negotiations as well as Undersheriff Johnson has been. Your Sheriff actually is a good guy. All the previous Sheriffs have been good guys. For Public Safety for Santa Fe County, the Sheriff came to the County about four, six months ago and asked us, you know what, our contract actually ends December 31st. Could we

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actually move the negotiations a little bit forward? And with Manager Miller's direction and the County Commission, we said yes, we can move the negotiations forward.

So once again, from the Public Safety men and women with the Sheriff's Department, thank you for what you do. And thank you for the negotiations, Sonya, back there, set it up, as well as Greg Shaffer. Thank you for what you do because it's all a team here, right? It's not just one person that runs the department, runs the ship. It's all a team. But congratulations and thank you for the public safety that you all do for the community.

CHAIR HAMILTON: Thank you. Commissioner Roybal.

COMMISSIONER ROYBAL: I want to echo a lot of Commissioner Garcia's comments if not all of them and just add that I want to thank the negotiating team on both sides of the line. I think you guys did a great job and without being able to work together and come to this conclusion where we ended up I think that it is a long path and it's not an easy task for any of you. So all of you came forward and represented who you needed to and you did a great job. And like you said, with professionalism. It's just great to see a team work together, even though at the end of the day we all come back together. So I appreciate it and look forward to continuing working with you guys. Thank you.

CHAIR HAMILTON: Thanks so much. Commissioner Hansen.

COMMISSIONER HANSEN: Yes. I support both what Commissioner Garcia and Commissioner Roybal said. I just also want to recognize Sonya as Interim Human Resource Manager and Greg Shaffer as Interim Deputy County Manager. They bring a tremendous amount of professionalism to these negotiations along with Major Gabe Gonzales and all of the team, and our new Sheriff. We're really grateful to Sheriff Mendoza and Undersheriff Ken Johnson. So I want to thank you very, very much for your hard work because these negotiations are not always easy and to make sure that our Sheriff's Department is paid fairly and that we have good people out there helping our constituents and that our constituents know that you are out there to help them. That you are public safety officers and that is really important to me, that our community feels safe with the Sheriff's Department and I know that they do under Sheriff Mendoza's leadership and Undersheriff Ken Johnson and all of you. I feel like you really present a good face to our community, so I want to recognize you and thank you all for that, because that is really hard work. Thank you so much.

CHAIR HAMILTON: Thank you. Commissioner Moreno.

COMMISSIONER MORENO: Thank you, Madam Chair. When we started the discussions with the Manager and the team we recognized that in law enforcement it's hard to get the best. And that was my intent going into it and I'm happy with the results and congratulations to the whole team and management and Sonya too. Good job, everybody. Thank you.

CHAIR HAMILTON: Thank you so much. Mr. Shaffer.

MR. SHAFFER: Madam Chair, if the Board would allow, I believe the union president would like to say a few words.

CHAIR HAMILTON: Please. Thank you very much. Welcome.

RICHARD HILDEBRANDT (Sheriff's Office): First of all I'd like to thank you guys. This was our team's first negotiation so it was a daunting task. When we started the process it was something we knew the other departments and with some other

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things that were going on it was going to be a daunting task for us to get something accomplished. One of our biggest goals was to make sure we kept the people that are currently – you guys have kind of talked up to this point about keeping the people in Santa Fe County, making it a career-long type of thing, and I think with some of the people that have shown up here today you have a group of people, some very new people and some people that are on the verge of retirement. And I think a lot of them appreciate what you guys have done throughout the years and I think they're really going to appreciate this going into effect.

It's – I want to say life-changing for a lot of people, but it is a good amount of money that's going to help a lot of people and keep them here in Santa Fe. So again, thank you guys for helping us get it started a little bit sooner. That was very much appreciated. Also thank you from my team. The members of the Sheriff's Office, they're a huge support. Administration was amazing. For us – like I said it was a daunting task. We were a little bit worried going into it but I think at the end of the day I think we worked extremely well together and we're very appreciative of the efforts that they did in kind of helping us get the process going. So we very much appreciate that. Same thing with Mr. Shaffer and his team. It was very calming to work with them and we got a lot done. Thank you guys. We really definitely appreciate it. You did help us with it. Thank you.

CHAIR HAMILTON: Thank you. That makes it a really good outcome.
Commissioner Garcia.

COMMISSIONER GARCIA: So Madam Chair, Corporal, right? So really quick. So this was your first negotiations with the new administration. Do you think the new administration does well for the County?

MR. HILDEBRANDT: They were great. It was something that – we didn't know what to expect but we were excited about it. It was a new administration. These guys have a – I don't want to say new direction but they have goals in mind that are very along the lines of what we want. So it was nice to kind of see that a lot of the things that we want to get and take the department – for this to be a better department than what it is now and go forward into the future. It was nice to be on the same page. So we very much enjoyed that and I think a lot of the guys see it now that we're finally on the same page to move forward as kind of a united front and we want to get a lot of goals accomplished that we want as well as the Sheriff's Office and the community going forward.

COMMISSIONER GARCIA: So Madam Chair, so beside raises in pay, what do you feel that the County Commission actually could help out Public Safety or the Sheriff's Department? What would be your top two or three priorities?

MR. HILDEBRANDT: That was obviously – the money was obviously one of our biggest priorities to get the guys. Hopefully going forward we can get – I think right now these guys are doing a great job with their equipment. You look at all the other departments, we're in line equipment-wise. We're doing great with equipment. Training is always a big thing. We can get training up to different things for the guys and that's always a good thing. I think right now the training for the guys I think is a big thing. I think a lot of things can help us going forward, help with a lot of the new trends coming up in law enforcement and also with the community.

COMMISSIONER GARCIA: And if you felt that the administration wasn't doing a good job, would you be able to tell us if they weren't?

MR. HILDEBRANDT: Yes, sir. We're very appreciative on the direction and everything that the department has gone under Sheriff Mendoza. There's always a process. Nothing happens overnight. We understood that and I think now everybody is starting to see the general direction that he wants to go and it's something that everybody is going to follow him. And like I said, I think that's a big thing for the County.

COMMISSIONER GARCIA: Thank you, obviously, for everything that your staff does.

CHAIR HAMILTON: Thank you very much. Thank you so much for those words. The best going forward. So what's the pleasure of the Board?

COMMISSIONER GARCIA: Madam Chair, move for approval.

COMMISSIONER ROYBAL: I'll second.

CHAIR HAMILTON: So I have a motion and a couple of seconds.

The motion passed by unanimous [5-0] voice vote.

4. MATTERS OF PUBLIC CONCERN

CHAIR HAMILTON: So is there anybody here from the public who wishes to address the Board about any matter? I would suggest any matter other than the specific public meetings that will start at 5:00. Again, is there anybody here from the public who wants to speak to the Board? Yes, sir.

JOSEPH R. SIMPSON: Yes, my name is Joseph R. Simpson and I was raised up above Pecos, New Mexico, and I've got to say, this is nice, the way this committee is especially protecting our law enforcement. These guys go up there, they risk their lives. And I think they well deserve that raise that they're getting. That's for sure. Thank you.

CHAIR HAMILTON: Thank you very, very much for that. Is there anybody else from the public who wishes to address the Board? Okay, seeing none, I'm going to close Matters from the Public.

5. PRESENTATIONS

There were no presentations.

6. MATTERS FROM THE COUNTY MANAGER

A. City of Santa Fe's Consideration of Up To \$80 Million in Industrial Revenue Bonds for El Castillo Retirement Residences: Potential Adoption of Comments and/or Concerns by the Board of County Commissioners [Exhibit 1: Draft Letter to City]

MS. MILLER: Madam Chair, yes. The first item I have for you is the City's consideration of up to \$80 million in industrial revenue bonds for El Castillo Retirement Residence, and potential adoption of comments or concerns by the Board of

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County Commissioners. At our last Board of County Commissioner meeting I had just received a letter from the City of Santa Fe notifying the County Commission that they would be considering the issuance of the IRBs, so I brought forward to you some of the concerns that staff had identified and asked for concurrence that those are you would like us to express to the City of Santa Fe.

We did – I did follow up on that with an email to the City, just kind of laying out our questions and concerns that we had and just to give you a little bit of the background of what those concerns were, we had one, the issue of potential unfair competition and we were concerned that if El Castillo was given as a senior residential facility, if they were given IRBs they might have some unfair competitive advantage over their competitors in the community and in the county based on that. The City staff articulated that the City view is that El Castillo does not compete with other providers of independent living, assisted living, and memory care services for seniors because of the way El Castillo sells its services. They sell a unit and you buy into their facility and then you stay for the rest of your life in that facility, moving to different levels of care. Whereas other facilities in Santa Fe you pay on a monthly basis for the services that you receive. So that was their response.

I would say that the City and County haven't developed joint criteria for the issuance of IRB but the City's existing policies both recognize competition as a criterion upon which IRB applications will be judged. Even the City of Santa Fe's own resolutions, the City intends to avoid issuing bonds which would give the qualifying bonds which would give the qualifying project a significant advantage over competitors in the local market.

So we just wanted to point out that that is something that they do consider and don't consider on this particular project that El Castillo competes with other senior facilities in the community. On that particular item though we are expecting a response from El Castillo about its retirement facility functioning as the only model in Santa Fe. So we have not received that and part of the reason you do not have actual packet material today on this item is we have since the last BCC meeting when we did send the letter we had a follow-up meeting with the City staff last Thursday and had quite a good dialogue with them about what our concerns were, what our issues, and what questions we have and they said that they would get back to us on information that we requested. So that is one of the items that we were waiting for.

Also one of the points that was made by the Board and staff from the County was that is there a necessity of property tax abatement or subsidy and/or is an erosion of our tax base? Since our last BCC meeting, which at that time our understanding was the only payment in lieu of taxes that would be made by El Castillo on property taxes was to the school districts and the Community College. It is now our understanding that El Castillo has agreed to pay payment in lieu of taxes to the City, County and State, beginning in year six on property taxes in addition to the public schools and Community College for all years. This is a significant and positive change from the original proposal which we said did not include anything for City, County and State relative to property tax payment in lieu of taxes.

We have – County staff has requested an analysis of El Castillo's ability to pay payment in lieu of taxes for those years one through five. That was our counter-request to

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that and has that been analyzed? And we expect to receive from El Castillo in response to those questions of whether they are unable to pay property taxes in years one through five.

Then the last item that we brought forward that wasn't so much in the letter but just the technical issues relative to the County Assessor being able to assess a property that is not on the tax rolls. When an IRB is issued the City in this particular case will be the owners of the facility and through the life of the bond lease it back to El Castillo. And El Castillo makes those payments. Those lease payments are what pay the bonds. That's what makes it a tax-exempt property is it's owned by a governmental entity, so it's not subject to the Assessor's typical appraisal and valuation process and protest evaluation. So if they are going to make a payment in lieu of taxes we need to actually agree on a methodology for doing that.

We suggest an alternative whereby a panel of three appraisers could periodically establish assessed value with agreed upon annual percentage increases between formal appraisals. This was an initial staff level proposal which could potentially be refined further through discussions and analysis. And that's just one of our proposals but we have not – that methodology has not been determined. Just suffice it to say, if it is not a privately owned facility it's not going to come up on the tax rolls for appraisal purposes. It will be shown as City property.

To our knowledge the City has not had the opportunity to evaluate comments that were provided last Thursday relative to this issue. So we are waiting on that. Also, just a note, one of our comments about whether there was a necessity for the property tax abatement was while it's not a requirement – we understand it's not a requirement in statute that for IRBs to be issued that the tax abatement must be needed. The point is that it is relevant as to whether or not it's needed. They also get a lower borrowing rate because they're tax-exempt bonds and they get gross receipts tax exemption by having the IRBS.

And so we weren't questioning those. We specifically were questioning the need for property tax abatement, which the County is the primary recipient of the majority of property tax revenue.

So that was part of the reason that we asked for that and considered El Castillo's financial position as to whether they were in need of it. I think that pretty much sums up where we are to date. As I said, we received – or on August 13th is when I brought it up to you, we sent a letter, then we met last week and we don't believe other than the letter that I have provided a draft to you that we have more that we could add to that letter comment-wise because we are waiting for some responses but on the dais I did provide, if you so choose, to adopt this letter and to send it at this time. It's my understanding that City Council would consider the IRB issue on their September 11th meeting. We do have one more Commission meeting on September 10th before that. We didn't think that would be very appropriate to make our comments at the 11th hour so we've been trying to provide them as much information as we can as we have been provided information to let them know our position as staff and what we believe the Board of County Commissioners would be concerned with.

CHAIR HAMILTON: Thank you. I have a quick question, Manager Miller. First of all, I want to express my appreciation that you had the foresight to provide

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this early to them, informally, so that there could be information exchanged between the City and County and clearly that happened. I think that was excellent. And so there were some things they gave you some responses on? With respect to the very last point for the need for the taxes, have we gotten some information back from the City or not yet?

MS. MILLER: Madam Chair, what we received back is that they will pay a payment in lieu of property taxes in year 6 forward. In return we requested is that property tax abatement needed in years 1 through 5. We have not received an analysis or information back on that. So that's where that stands. I do understand that David Buchholtz, their bond counsel, is here, and Fabian Trujillo from the City Economic Development Department or Division are here. I don't know if you have any questions for them. They may be able to provide additional information that I don't have for you today.

CHAIR HAMILTON: Excellent. Welcome, gentlemen. Thanks for coming and being available for questions. Commissioners, are there questions you have on this point? Commissioner Hansen.

COMMISSIONER HANSEN: Thank you for being here. What I'm interested in is the life of the bond is 30 years, but they're only going to pay – they're going to get the exemption for the first five years and then what happens to the next 24 years?

DAVID BUCHHOLTZ: Madam Chair, for the record, my name is David Buchholtz. I'm with the Rodey law firm and I represent El Castillo. Commissioner, the answer to that question is this: We expect that we will be working with the County Manager and Mr. Shaffer, both of whom are colleagues of mine who I've worked in the past with, who I have a high expectation that we will come to reasonable solutions. But the lease document that will be entered into between the City and El Castillo will provide a mechanism for payments equivalent to the amount that would be owed to the County if the property were owned by El Castillo and on the tax records.

As Mr. Shaffer pointed out and as the County Manager pointed out, the fact that the property will be owned by the City and not on the records may make that administratively challenging but it's not unique to this deal. It's done in many other places in the state and I'm confident that we would work with each other, we would be able to work out those details. But the economic bottom line is beginning in year 6, under the agreement that we've reached with the City, payments will be made in full to the County going forward.

COMMISSIONER HANSEN: But the bond will still be in effect.

MR. BUCHHOLTZ: The bond will still be outstanding because again, as pointed out by the County Manager, these bonds will be sold to limited members of the public who will pay for it and not pay interest – not pay income tax on their interest, and that financing will be the equivalent of a mortgage lifetime of 30 years. So the bonds will still be in effect. The lease will still be in place. But a term of the lease will be, El Castillo, you are required to make payments in lieu of taxes beginning in year 6 for the City and the County, and beginning from the very beginning to the school district and to the Community College. And it will have technical mechanisms for the manner in which the property will be assessed and the manner in which the payments will be made. Mr. Shaffer, the County Manager and myself still have to work out those technical details.

COMMISSIONER HANSEN: Madam Chair, then what will happen to the City's portion? Will the City not get their property tax?

MR. BUCHHOLTZ: Under the agreement I have with the City right now, the City will receive its property tax portion beginning in year 6.

COMMISSIONER HANSEN: Even though they are the owners?

MR. BUCHHOLTZ: Yes. There will be a payment in lieu of taxes.

COMMISSIONER HANSEN: Okay.

MR. BUCHHOLTZ: So a payment as though there were no industrial revenue bond.

COMMISSIONER HANSEN: So what benefit will this provide El Castillo?

MR. BUCHHOLTZ: It provides them the benefit of tax-free financing. In other words, our federal tax code and our state code allow not-for-profit entities to borrow and have the lenders – in effect, bond holders – not have to pay income tax on the interest that they get. Let me make that in simpler terms. If you have a bank account or a CD that pays three percent interest, you get a statement at the end of the year from the bank. You have to put that on your income tax. But if you have a tax-free bond that pays three percent and put aside a lot of technicalities from the IRS you don't have to pay income tax on that. So therefore you can afford to only get three percent, whereas if somebody were having to pay income tax they might say you have to pay me five percent.

So it gives El Castillo the benefit of having lower borrowing costs by being able to enter into that transaction.

COMMISSIONER HANSEN: Thank you, Madam Chair.

CHAIR HAMILTON: Thank you. Commissioner Garcia.

COMMISSIONER GARCIA: So just in regard to that. So in lieu of taxes, yourself and the County Manager are actually creating this proposal that's going to work out how much tax base it's going to be, what it's not going to be. Can you explain that to me a little bit more?

MR. BUCHHOLTZ: I think it will play out like this: The County is not party to any agreement, but the payment in lieu of taxes requires a mechanism that might need the assistance of the County Assessor. So the City and my client will enter into agreements that effectively discuss how that calculation will be made, how property might be assessed, and then how payments would be made to the various jurisdictions. So while the County's not a party to that agreement, the County will benefit from the language of that agreement by the arrangements that are made between the City and my client to make payments in lieu of taxes.

COMMISSIONER GARCIA: So I have a few more questions really quick, Madam Chair. So let's say El Castillo bails out in the next two to five, seven years. And so what authority does our County Manager or our tax assessor have or the County Commission have to negotiate what the tax rate or what the actual tax valuation or in lieu of taxes is going to be if they bail out?

MR. BUCHHOLTZ: The documents will provide for what are called claw-backs and that would be in effect a return of the benefits that were received during the period of time of abatement. If they don't meet certain job performance criteria, if

they're not open for some period of time. After that, if the deal falls apart, if you will, the deal will collapse, the lease will go away, and the property would go back on the property tax rolls for assessment. I guess there are what are called claw-back provisions in regard to the abatement amounts.

COMMISSIONER GARCIA: I guess, Madam Chair, gentleman, I guess the question I have is whether or not our County Manager has the authority to create policy through –

MR. BUCHHOLTZ: With respect, the County and the County Assessor have the ability to express its concerns and express its comments, but under law, it does not have a veto power under the transaction and it's up to the City to decide whether to go forward or not. But the City is trying, and I think everyone agrees, trying to listen to the comments of the County Manager, the County lawyers, and try to alleviate as many of the issues as we can in regard to what they're raising. But technically speaking, it's up to the City to decide.

COMMISSIONER GARCIA: Madam Chair, gentleman, I guess my first question would be, if Manager Miller or somebody can answer this question. Is the City of Santa Fe actually just having respect in asking us for our approval? Or is it required that they need our approval? Why are we here in regards to City zoning or City bonding, etc?

MS. MILLER: Madam Chair, Commissioner Garcia, it's required by law that they notify the County if they intent to issue IRBs, and if so, they give us a 30-day window to comment. But as Mr. Buchholtz said we don't have veto power, but as per statute, the City Manager notified and sent to all of you as well as to my office a certified letter, I think probably close to two weeks ago, stating they were considering the issuance of up to \$80 million in industrial revenue bonds for El Castillo's project on Old Taos Highway. And also so at that point, that we received that letter, I brought it up to you at our last BCC meeting and told you some of the issues. You also provided me some information where you had concerns relative to whether they had affordable housing units or anything for low income, and so we provided kind of a cursory email that just said these are our questions and our concerns so that they would have that information before this moved all the way to their City Council.

So those are the comments that the City immediately responded and started meeting with us to try to work through our concerns and as Mr. Buchholtz said they are trying to address – they could just take our comments and go on but they're not; they're actually trying to work with us and we're trying to determine how, as Mr. Buchholtz said, they could put in the agreement a way that our County Assessor may assist in providing an estimated value of the property over the 30 years of the life of the bonds. Because the life of the bonds, how long it takes El Castillo to pay off the mortgage, so to speak, is the length of time that that property will stay on the City's rolls as a City property and therefore exempt from property tax. And these payments, as Mr. Buchholtz said, are a payment in lieu of taxes. They are not taxes. They are not property taxes but what we're trying to do is receive a payment equivalent to what we would have received in debt service payments as well as operating levy in exchange, as if it had been on the tax rolls.

COMMISSIONER GARCIA: Thank you. Thank you for what you do, Mr. Buchholtz. I see you at the state legislature and you're probably one of the sharpest

gentlemen in this trade, so thank you for what you do. I'm also going to thank the City. So the Mayor and the City Council just need to notify the County, let them know what they're proposing to do.

Another question that I have is the \$80 million, is the \$80 million going to be – is that totally for El Castillo or is it \$40 million for this and \$10 million for this, \$20 million for that?

MR. BUCHHOLTZ: I think the expectation right now is that the actual amount of bonds will be less than \$80 million. The request before the City is an amount up to that amount, but it builds in a number of contingencies – change of interest rates, other expectations that everyone is hoping doesn't occur. The expected construction costs of the project, including the land, are in the nature of \$50 million. They'll have to have a reserve fund. They may have to have some money for reimbursements for expenses that they've spent to date, and so the total of the bonds will be calculated on that amount, but if anything it's a real amount that El Castillo has to pay back. So the lower they can get that number the better off they will feel.

COMMISSIONER GARCIA: So Madam Chair, Mr. Buchholtz, what happens if El Castillo actually defaults?

MR. BUCHHOLTZ: In accordance with the terms of the document there is a mortgage on the facility. There is a trustee. In this case it's the Bank of New York that would act as trustee. In the horribly unforeseen circumstance that they can't collect the bonds, the City of Santa Fe is not liable. Certainly the County is not liable. And the mortgage runs to the trustee. They will be able to foreclose the mortgage, acquire the property, and then do the best that they can with the property. At such time as that unforeseen event would happen, the lease would go away; the property would go back on the property tax rolls and there would have to be a workout of some kind.

But the simple answer to that is no liability to the County on that amount, certainly. No liability to the City. Bond holders have a trustee who would act on their behalf. They would foreclose on the mortgage like in any commercial situation and try to maximize their asset in a disturbed property situation.

COMMISSIONER GARCIA: Madam Chair, Mr. Buchholtz, Manager Miller, so if that scenario would ever happen – worse scenario that El Castillo or any non-profit would actually not succeed, does that actually affect our bond rating at all?

MR. BUCHHOLTZ: Madam Chair, Commissioner, it certainly would not affect the County's bond rating and it also would not affect the City's bond rating. The discussion has been had in front of the City Council on this issue, because the City's credit is not at risk. It's not a nice thing to read about in the newspaper and such but it wouldn't unfortunately be the first time that something like that happened, and because the City doesn't have to pay, the City's GO bond rating and the City's rating on the water system, on its GRT taxes, would not change because of that event.

COMMISSIONER GARCIA: Madam Chair, just really quick. Thank you for your services and I'd just like to thank the Mayor, the City Council, actually, for bringing notification to Santa Fe County Commissioners that this is what they want to do and this is what they plan to do and with that, if nobody has any questions I'd like to make a motion for approval.

CHAIR HAMILTON: Hang on. This is not an action item and so I don't actually need a motion and there's more discussion. This is Matters from the County Manager; it's an information item.

COMMISSIONER GARCIA: Madam Chair, it's a resolution so it is an action item.

MS. MILLER: Madam Chair, there is an action item in the sense of if you want to adopt the draft letter that I've provided. If the Board wants to provide those comments. As I said it's a statutory requirement that the City notify us and I believe it's our duty to respond and provide public comment of what we would like to see relative to the IRB issue. So that letter is trying to summarize what items we have been discussing with the City over the last two weeks relative to their consideration that this item for El Castillo.

CHAIR HAMILTON: Excellent. So the motion is to approve the letter that was send.

COMMISSIONER ROYBAL: I second.

CHAIR HAMILTON: Okay. So I have a motion and a second. But there's further discussion. Commissioner Moreno.

COMMISSIONER MORENO: Thank you very much. What would be the impact on our tax revenues with this plan?

MS. MILLER: Madam Chair, Commissioner, just off the top of my head – let's say it's not \$80 million; it's \$50 million and when it's all said and done, it's built and it's valued as a \$50 million property. We have our operating mills for non-residential, city limits is 11.85. So you just take your \$50 million, divide it by three for taxable value, times 11.85 mills, you're talking \$197,500 per year in general fund property tax operating revenue. That's why this was a big deal to Santa Fe County. That's just our operating mills. Then we have debt service as well, which I believe, off the top of my head, at around three mills, so make that same calculation. So it's over \$200,000 a year in tax abatement on property tax abatement if they don't make a payment in lieu of those taxes. That's just to the County's operating revenues.

And then you have the City. I don't know the City's rate off the top of my head. I want to say it's around five mills, so with some other percentage of that. But out of a property tax bill on a non-residential property in the city limits I believe 42 percent of that tax bill comes to the County in the way of debt service and operating funds.

COMMISSIONER MORENO: That doesn't sound a good deal from my perspective. But I have another question. What kind of facility is this going to be if there are at least a half dozen facilities for the infirm and elderly and they're in sort of like a hotel situation, versus when another style of helping these people that they put all of their money in the facility and the facility keeps it for their care. And what type is that facility going to be?

MR. BUCHHOLTZ: Madam Chair, Commissioner Moreno, if I could with your permission put a couple of footnotes on the County Manager's discussion. A couple points I'd like to make. First, while there's been a lot of smoke in the past, the current El Castillo property is on the property tax rolls, does pay property tax, will continue to pay property tax, and to my understanding there is no plan to change that plan. Second, during this five-year period, at least some portion of the time the property

will either be in the position that it's in now or under construction, so the assessment and the assessed value might not rise to full value for several years in that five-year period because of the fact that the building won't be finished.

And then third, notwithstanding both the gross receipts tax abatement in the IRB code and the gross receipts tax abatement afforded independently to not-for-profits, they do not get a gross receipts tax on construction or construction services. So the \$50 million construction will generate a gross receipts tax to the County that it otherwise wouldn't get during construction and might also offset that number. That's not to say there's no money on the table. My client isn't asking for an abatement; there's value to my client. I don't mean to make any of those points. But there are some other points that I wanted to make in regard to how you would calculate that. And then finally of course, if the deal goes through, the County will have a \$50 million-plus on the property tax rolls facility for 25 years during the last large portion of the bonds that might not be there or who knows what would happen there if this deal didn't go through. So I think you have to balance out all those things as well.

Now, on the other question that you asked, Commissioner, I'm a lawyer and I don't have anyone here from my client today, so please don't hold me to the letter of what I'm saying. But what I understand their business to be, and I am told there are about 1,900 of these type of facilities run by not-for-profits across the country, is that people who are of means that a lot of people would envy, but not super-rich people, have a sense of needing security for the rest of their lives. So they may not have a mortgage on their home anymore, or they may have been able to have savings in their IRAs. Whatever. I am told mostly citizens of Santa Fe, Santa Fe County, and the Rio Grande Valley area.

The decision that they are asked to make is to come up with an amount that might be roughly equivalent to what their home is, to pay that amount up front to the entity and have care for the rest of their lives. Just like in a condominium association or homeowners association, there's probably monthly payments, but those monthly payments are a small amount relative to what they are asked to pay. In this case they will have all the services that are available two blocks away at the existing El Castillo for as long as they live. The sharing of those services with the existing El Castillo Residence might well impact the cost of those services going forward.

In any event, that's their deal, and then when they die they don't have a real estate interest. They don't have any other interest. I worked on a deal years ago in Albuquerque for La Vida Llena, which is a very similar project in Albuquerque. La Vida Llena. And in La Vida Llena which was formed by the major private school denominations in Albuquerque they did such a good job up front that people paid that money and then they didn't die. They were well taken care of, and then they had the financial issue somewhat like Mr. Garcia described, they couldn't pay their cash flow on their debt because they weren't turning over the units because the people were healthy and they were living to be very, very old. They worked that out.

But that's the nature of the business model. It's a not-for-profit model and I'm told by Mr. Jahner who is not in the continental country today that there are about 1,900 of these throughout the country. And I don't know that there is a similar model in Santa Fe, although it's a very similar model to the La Vida Llena project in Albuquerque.

COMMISSIONER MORENO: Thank you.

CHAIR HAMILTON: Commissioner Garcia and then Commissioner Hansen.

COMMISSIONER GARCIA: So Madam Chair, just kind of going to where possibly Commissioner Moreno was going is what affordable units – for affordable seniors. Bottom line, it kind of breaks my heart but would my grandmother be able to actually apply and get into that place or is there a certain amount of units that are available for seniors that can't afford to live in this high cost senior living?

MR. BUCHHOLTZ: Those discussions are ongoing with the City. My client is not here so I'd rather not speak to that issue.

COMMISSIONER GARCIA: So you don't know the answer to whether there's affordable housing units for seniors or not.

MR. BUCHHOLTZ: I can't explain the nature of the business in a way that explains why it can be one way and not the other.

COMMISSIONER GARCIA: So has your client actually been working with the City of Santa Fe to say there are some seniors in this community that cannot afford to live in the assisted living area or assisted condominium area, so do you think the City of Santa Fe is actually willing to see how many affordable units are going to be allowed there?

MR. BUCHHOLTZ: I don't know the answer to that.

COMMISSIONER GARCIA: Thank you. Also just in regards to – how many jobs will this provide for the community and what are the wages? Do you know any of that stuff?

MR. BUCHHOLTZ: Those details have been presented in some detail to the City of Santa Fe. I can tell you that there are a very significant amount of construction jobs which would cover in large part the abatement period and that they expect between 17 and 22 jobs going forward at this site, not to say what they might have to add at their other site in the period of time after their ramped up, but that would be during the period of time when the payment in lieu is being paid.

So during most of the time of the construction when the abatement is being asked for, there will be, as I understand it, hundreds – but I hate to give you a number that says 600 and not 400. But hundreds of jobs. And there was a lot of dialogue between Councilor Harris and Klinger Construction, who is managing the construction and such at the Finance Committee of the City of Santa Fe last week, and my understanding is Councilor Harris was a construction person was satisfied with that.

COMMISSIONER GARCIA: Madam Chair, I appreciate the regards to the construction jobs. As you know, the powerful chairman, John Arthur Smith, whenever they were doing the I-25/Paseo del Norte interchange, it was construction jobs are here but after a year and a half, they're gone. So one of the things I would like for the City to continue with El Castillo to see how many affordable units for seniors that cannot afford to live in an assisted condominium per se, so I hope that the City would actually look into that and see maybe affordable housing, you have a 100-unit subdivision, I think a third of the housing has to go to affordable housing. So maybe if we have El Castillo, maybe a third of that can actually go to affordable seniors. I would just hope that the City would actually look into that. Thank you.

CHAIR HAMILTON: Thank you. Commissioner Hansen.

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COMMISSIONER HANSEN: When I calculate, you would basically get around a one million dollar rebate for the first five years, basically from taxes. You said \$200,000.

MS. MILLER: Madam Chair, Commissioner Hansen, that's when it's fully built out and full value. If the estimate is \$50 million that would go into it, I just used that as when it's built. But as Mr. Buchholtz said, like right now, the land is vacant so it's probably not generating – and actually I even think it was owned by an educational non-profit and wasn't taxable either. And I think that's what Mr. Buchholtz is saying, years 1 through 5, it could be at any level of value between when it's fully built and occupied and operational to what it's valued.

MR. BUCHHOLTZ: Madam Chair, Commissioner, if I could help the County Manager a little, the property is owned by the Presbyterian Church right now.

COMMISSIONER HANSEN: right.

MR. BUCHHOLTZ: For many years it was not on the property tax rolls. However, I understand that over the last several years, because it is no longer being used as a church property, that the Assessor did assess the project and that the Presbyterian Church did not object to that assessment, and that the property tax payment on the property last year to all jurisdictions, was something like \$40,000.

COMMISSIONER HANSEN: Okay.

MR. BUCHHOLTZ: Remember also, I might point out, they're going to pay the school tax and the Community College tax from day one.

COMMISSIONER HANSEN: During the five years?

MR. BUCHHOLTZ: During the five years. They're going to pay that from day one. There's no abatement on those. So I'm afraid I can't comment on your math, but yes, there is some amount during the five-year period that will be abated.

COMMISSIONER HANSEN: Okay. And then how many units do you plan to have in this project?

MR. BUCHHOLTZ: Madam Chair, Commissioner, I'm going to guess between 35 and 50 and make a commitment to get you that number after the meeting.

COMMISSIONER HANSEN: Thirty-five to 50.

MR. BUCHHOLTZ: I'm guessing. It's my estimate. But I will get you the actual number after the meeting.

COMMISSIONER HANSEN: Okay. And how many acres is on that property?

MR. BUCHHOLTZ: How many acres? Again, I'm thinking about ten acres. I'm not sure and I will get you that information.

COMMISSIONER HANSEN: Okay. And you're thinking there's going to be – let's say there's going to be 50 units. You're thinking that over the long term –

MR. BUCHHOLTZ: Excuse me, Madam Chair, Commissioner. Mr. Trujillo from the City tells me that it's 68 units.

COMMISSIONER HANSEN: Sixty-eight? So 60 units. So you're going to say that additional jobs are 17 to 22.

MR. BUCHHOLTZ: Seventeen to 22 at this property.

COMMISSIONER HANSEN: For 62 units.

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MR. BUCHHOLTZ: Yes. But remember, they have another property where the medical facilities currently reside about two blocks from this property.

COMMISSIONER HANSEN: Right.

MR. BUCHHOLTZ: They have significant employment at that property. That property may have its jobs increased also. But this particular facility, my client tells me 17 to 22 jobs. And remember, those are jobs that are after the construction period and during the time when there is no longer any property tax abatement on the property.

COMMISSIONER HANSEN: Okay. Just to be clear, what we are approving today is we are approving this letter that is being sent by Madam Chair to Mayor Webber asking these questions that are laid out in this letter that Manager Miller presented to us. And that is what we are approving?

MS. MILLER: Madam Chair, yes. I'm asking – as I said, we can't finalize our comments because we don't have all the information. First of all I would like to commend El Castillo's willingness to work with us and help get this information so we can provide the information to you, along with the City staff. It's kind of a short timeframe for us to get all this information. So what we've been trying to do is at least give them a heads-up of the areas of concern that the Board and the County have and work with them on alleviating those concerns. This letter would be a precursor to a letter that we would bring back for final comments from you on September 10th, because it's my understanding that the City Council does intend to take this up on September 11th so I want to make sure that they do have a copy of your final comments.

CHAIR HAMILTON: Thank you.

COMMISSIONER HANSEN: Thank you, Manager Miller, and thank you. I also want to comment about since this is a non-profit institution, and so therefore that makes them a unique model within the City of Santa Fe, is there any room to create affordable units? That is a question that I have. Because of the uniqueness of this model, because they're getting what may be an unfair advantage, is there a way to come up with affordable units? I don't know what the mass is when we think of ten percent of unit if we're developing a multi-family unit and we said it was ten percent, that would be six. So I'm just throwing that out as an idea and as a possibility of something that should possibly be considered. I know I certainly could never afford to live in El Castillo. I don't know about my other Commissioners. Maybe some of them are more well off than I am, but I think that it is a place for people with more means than probably many of the people in this room. Thank you, Madam Chair.

COMMISSIONER GARCIA: Just really quick, on that note. I agree with Commissioner Hansen so 30 years from now when I'm 80 years old, and I just want to make this for the record is I really hope that the City definitely looks into utilizing the bonding capacity of the taxpayers that they actually look at some sort of affordable units for the local individuals that actually live in this community. For the record.

CHAIR HAMILTON: Thank you. So Mr. Trujillo, can I ask you a question?

FABIAN TRUJILLO: Absolutely.

CHAIR HAMILTON: First of all, thank you for coming. It's really good of you guys to come and afford us this opportunity. What I was curious about is from the City's point of view – from the point of view of the City's plan for economic

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development, my question is this is a good kind of project, a good thing to have, but it's not, in my mind, the typical economic development kind of project because it doesn't generate that many jobs. It's kind of a socially oriented project. Right? How do you see this fitting into the City's economic development initiatives?

MR. TRUJILLO: Madam Chair, members of the Commission, let me kind of back up and explain that in a little bit more detail. We reviewed the application for the industrial revenue bond and it meets our criteria for the City's economic development plan for a couple of reasons. One, it provides total healthcare and it stimulates the healthcare for seniors. The second thing that has been discussed over here is the job creation. There's going to be approximately 1,000 jobs that Klinger has identified in the construction industry that's going to happen.

Before people discount the value of construction jobs I would just like to say that the construction industry has been decimated in Santa Fe since the great recession. We've lost over 30 percent of our construction jobs since 2003, and we've just barely started to get construction jobs back in the community in 2013. So construction by its very nature is temporary but 1,000 construction jobs is nothing to sneeze at.

So the other thing is so we believe that the job creation is going to stimulate both the healthcare industry and the construction industry. The other thing is we've put substantial claw-backs in the lease agreement so that they're going to be required to provide 40 percent of those construction jobs to Santa Fe residents – that would be Santa Fe County residents as well as city residents, and the remaining 60 percent would be for New Mexico residents. And then all of the 17 to 22 jobs will also be – they're looking to hire local people over here for those jobs. And the average wages for those jobs are going to be approximately \$38,000 a year.

And just so you can also get a sense of – we've done some analysis of where predominantly those construction jobs would be located – where the people work and can go through that, and if you were to look into City Council Districts it would be Council Districts 4, 1, 2, and 3, which basically is – 4 is on the Southside, which would correspond to Commissioner Hansen's district. Council District 1 is up over here in the north side. Council District 2 would probably in your district, Commissioner Hamilton, and then of course Council District 3 would also be on the Southside, which would be south of Airport Road. So that is predominantly where a lot of the construction workers would be coming from.

So we believe this is a good project and because of the concessions or because of the payment in lieu of taxes that El Castillo is looking to do, we think it's even a better deal for that, for the community.

CHAIR HAMILTON: Excellent. I really appreciate the information. So are there other questions? I think we've gone through everybody. There's a motion and a second on the table, or technically on the floor. One of those two. If there's no further discussion.

The motion passed by unanimous [5-0] voice vote.

CHAIR HAMILTON: Thank you. And we really appreciate both of you coming. There was quite a bit of information which we really value and it was really helpful to us. Thank you.

COMMISSIONER HANSEN: Madam Chair, I would also like to say that Alexandra Ladd is also in the audience from the City. I don't know the other gentleman, but thank you.

CHAIRMAN HAMILTON: Yes. We want to thank everybody who came from the City to be available. A very good exchange. Thank you very much.

6. B. Miscellaneous Updates

MS. MILLER: Madam Chair, I have just two other updates. Yesterday, the New Mexico Supreme Court issued orders in three related cases before the court relative to House Bill 407 that dealt with elections and one of the main questions in front of the court was whether it was constitutional to extend the terms of County Commissioners beyond the four years. The court determined that County officers' terms of office realignments would not be implemented so we would not be renumbering Commissioners' districts. I'm glad you didn't get new business cards or letterheads or move your offices.

But we do still need guidance from the Secretary of State on that issue but I don't believe that we'll be renumbering or realigning those districts and district judges will be up for retention in 2020 except for those who were appointed in the last two years and thus subject to a partisan election. All district attorneys will be up for re-election in 2020. This was kind of a foregone conclusion and all remaining provisions in House Bill 407 continue to be intact and were undisturbed. So we're waiting to hear more about that but that's the latest update on what happened with the Supreme Court and House Bill 407.

Then the other item I had was that the Department of Finance and Administration, Local Government Division has approved our fiscal year 2020 budget. We'll just be waiting for the formal letter of approval but that means that our budget has been approved and we'll be able to move forward with any kind of budget adjustments that are necessary starting in September, because we're pretty much frozen until we get approval.

CHAIR HAMILTON: Thank you.

COMMISSIONER ROYBAL: Madam Chair.

CHAIR HAMILTON: Yes, Commissioner Roybal.

COMMISSIONER ROYBAL: Thank you, Madam Chair. I want to recognize Governor Dorame, just joined us. Charlie Dorame.

CHAIR HAMILTON: Thank you very much, and welcome.

MS. MILLER: So Madam Chair, that's all I have for Matters from the Manager.

CHAIR HAMILTON: Excellent. Thank you very much.

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7. MATTERS FROM COUNTY COMMISSIONERS

**A. Commissioner Issues and Comments, Including but not Limited to
Constituent Concerns, Recognitions and Requests for Updates or
Future Presentations**

CHAIR HAMILTON: Commissioner Garcia:

COMMISSIONER GARCIA: Madam Chair, just in regard to the Public Works Department, obviously, the Public Work Director is here but if Mr. Martinez could come up here real quick. I have a couple of questions.

CHAIR HAMILTON: Is this under Matters from the Commissioners?

COMMISSIONER GARCIA: Yes. So just for the record, about 25 years ago, Mr. Martinez stood up there and maybe even longer, started working for Santa Fe County. This may be the last time that we actually might see Mr. Martinez up here but I just wanted to actually – I know we might have a little thing for you on your retirement or your farewell, but I just wanted to thank you for everything that you've done for Santa Fe County. As you know yourself, we grew up here at the County when we didn't have no computers in the County. People used to smoke in our offices. Katherine was very young back then; still is.

And so I don't know how long ago that's been but I just wanted to say, Robert, for the maintenance portion of the Public Works Department, tons and tons and tons of institutional knowledge that nobody up here even realizes what you have in your head and what has happened in the last 20 years in Santa Fe County from Mr. Martinez to Larry Velasquez to everybody up that chain of command, as well as yourself. But thank you for what you've done for maintenance in Santa Fe County, for the roads in that area and for everything else you've done because what a lot of individuals may or may not realize as an elected official, some of the things that people care about, they don't realize the budget some times. They don't realize – like the ex-mayor and County Commissioner Javier Gonzales said one time, there's a few – four or five basic items that people – they want their roads done, they want their trash thrown, they don't want their taxes raised and a few other things that he actually taught me back in 1995 and the year 2000. But thank you for what you've done for Santa Fe County and your institutional knowledge is going to be greatly missed. Thank you.

ROBERT MARTINEZ (Deputy Public Works Director): Madam Chair, Commissioner Garcia, thank you. Yes. I was thinking about this the other day. When I first started landfill permits were \$3. We had about 115 miles of paved roads back then and now we've got about 260. We had about 100 pieces of equipment and vehicles in Public Works or in the County and now there's about 600. So, yes, the County has grown tremendously. So thank you very much. My last day is a week from tomorrow and it's been a pleasure.

COMMISSIONER GARCIA: Also, since I have the floor I'd like to maybe roast Robert a little bit. Just kidding. I wouldn't do that. But thank you.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: Mr. Martinez. I will miss you. I am very happy for the apron that you put at the Nancy Rodriguez Center. It was definitely an improvement to the road and that is just the tip of the iceberg of all the improvements that

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you have done throughout the county for all of our constituents. And I appreciate your hard work, your knowledge, your dedication to the County, your dedication to our constituents and we will definitely miss you. I want to thank Commissioner Garcia for calling you up here so that we could recognize you and honor you for your hard work that you have done for the past 25 years. Thank you.

MR. MARTINEZ: Madam Chair, Commissioner Hansen, thank you very much, but all the gratitude goes towards, in my opinion to the Public Works employees who have supported me and made me successful. Without them, I wouldn't have been able to accomplish what we've done to this date. Thank you.

COMMISSIONER HANSEN: Thank you. Definitely, thanks to all the Public Works employees. I know how hard they work. I am grateful to all of them for making you look good.

CHAIR HAMILTON: Thank you. Commissioner Roybal.

COMMISSIONER ROYBAL: Thank you, Madam Chair. I've worked with Robert for the last five years and it's always been very professional. There have been times where he'll push back and say, now, we can't do that, and I appreciate that. That is the kind of leadership that we want, to be able to say we can't do that for these reasons and to give us the guidance that need sometimes as elected officials. So I really appreciate that and I just want to thank you for the career that you've put forth here at Santa Fe County and all your hard work and dedication. You will definitely be missed. I've got your number so I'll be calling you and lettering you know how things go and see how you're doing. But I really appreciate all your hard work and your dedication to Santa Fe County and to our constituents. Thank you, Robert.

CHAIR HAMILTON: Thank you. Commissioner Moreno.

COMMISSIONER MORENO: Robert, for the three years that we've been working together I treasure the interaction that we were able to develop. And our relationship started with RAP and we're going to end with something else as another year goes by. But you had a way of putting people in a position where the constituents primarily – calm demeanor and that was really a help when everybody – whenever we were yelling at each other. So I hope you have a great retirement and we'll miss you.

MR. MARTINEZ: Thank you.

CHAIR HAMILTON: Thanks. I just hope it means more rodeos and stuff, right?

MR. MARTINEZ: Well, I was just kidding. I may go under cover at El Castillo and report back to Commissioner Garcia.

CHAIR HAMILTON: All right. Rock on.

COMMISSIONER GARCIA: Madam Chair, actually some volunteer weed control at the Cyclone Center would actually help us out. Just food for thought.

CHAIR HAMILTON: There you go.

MR. MARTINEZ: Thank you. Thank you, Commissioner.

CHAIR HAMILTON: Thank you so much. So we're still on Matters from the County Commissioners. Does anybody else have stuff under item A? We have a resolution as item B to talk about. Commissioner Hansen.

COMMISSIONER HANSEN: Thank you. I wanted to let everyone know that Commissioner Moreno and I attended the public involvement of an N3B presentation

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on cleanup at LANL. It was an interesting conversation. They are planning to continue to have public involvement meetings and I really encourage the public to participate in these meetings of cleanup and what is happening, since it affects our water system, our water system is below LANL and the Buckman Direct Diversion, and making sure that the runoff and contaminants are contained and cleaned up is a really huge concern of mine.

Also on Friday I attended and spoke at the Radioactive and Hazardous Waste Legislative Committee. I spoke on the Defense Nuclear Facility Safety Board and updated them on the NACo resolution. They were also update by Jonathon, who is the resident inspector. They seemed to be continuing to allow inspectors to have access to all the facilities. Occasionally they have stopped them but in general they are continuing to have inspectors.

And then on Monday I went to a WIPP presentation for their next strategic plan for the next 20, 25 years and their plan. One of the problems is that LANL doesn't seem to be able to get their drums prepared and waste off of the hill. And so that was one of the things that I requested is that the WIPP people work with N3B to get them up to speed to get the drums off of the hill.

I also had a good meeting with Director Tim Spisak from BLM. We are in conversation about – I have serious shooting issues near residents' home in La Tierra Nueva and Las Campanas so we have been discussing solutions and issues about that.

Also, the Northern Rio Grande Heritage Area, we had a Finance Committee meeting here at the County and it was very informative about how they are tracking their finances, and also, I want everyone to know that the grant applications for the Northern Rio Grande Heritage Area has been open for the last six weeks and I believe they're going to close soon. So if you're interested in a grant for your community or acequias, farms, it's open to all the tribes, non-profit groups throughout the Northern Rio Grande Heritage Area which includes the counties of Taos, Rio Arriba and Santa Fe.

And then, on Sunday I went to the Farmers Market picnic, which was at the Farmers Pavilion and it was extremely well attended. It was actually sold out, which is a great thing for the farmers in our area. Manager Miller and I have talked about greening New Mexico with goats. And this is a project – and there were some farmers there that have goats that they are willing to go out and take to our open space and it's a great way to start cleaning up our areas. So I brought the brochure and the information to pass on to Manager Miller. I explained to them that they would need to become a vendor for the County and they would need to go through all the regulations that we at the County have, but I think that would be a great idea to start using to clean up weeds. Weeds have been an issue in Santa Fe and Santa Fe County for over 100 years. All you need to do is read the history for the past 100 years and you will see that it has been a constant complaint. So I think greening New Mexico with goats is a great project and I would like to encourage that and encourage the Commission to consider. And I can see Commissioner Garcia is already on board for goats. So that is all the updates I have. I thank you all for being here.

Oh, one other thing I want to mention is that on Saturday I will be having Coffee and Tea under the Trees at Reunity Resource Community Farm from 10:30 to 12:00, where you can come and talk to me about your issues and your concerns. So I will be at the Reunity Resource Community Farm in the Village of Agua Fria at San Ysidro

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Crossing on Saturday, August 31st from 10:30 to noon. And I look forward to seeing all of you. Thank you very much.

CHAIR HAMILTON: Thank you. Is there anybody else?

7. B. Resolution No. 2019-197, a Resolution Authorizing County Staff to Participate on Behalf of Santa Fe County in State and Federal Agency Administrative Proceedings Regarding the Tererro Mining Exploration Project

CHAIR HAMILTON: So this is a resolution I'm bringing forward because there's a history of mining in this area with significant impacts that has made this a matter of big community concern. I'm asking the Commissioners to support me in this resolution so that the County has some direction in order to be able to follow and participate as appropriate.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: We recognize the substantial potential concerns of this actively. The County also has the possibility of some jurisdiction in this area so nothing in this resolution is intended to indicate any prejudice in those proceedings but to simply encourage the County to move forward and follow all these state and federal proceedings. Commissioner Hansen.

COMMISSIONER HANSEN: Commissioner Hamilton, thank you so much for bringing this resolution forward. I think this is a really important way to proceed and I want to move to approve.

COMMISSIONER ROYBAL: Second.

CHAIR HAMILTON: Thank you. I have a motion and a second. Is there any further discussion? Questions? Seeing none, there's a motion and a second.

The motion passed by unanimous [5-0] voice vote.

CHAIR HAMILTON: I really want to thank the Commissioners in their support of this.

8. MATTERS FROM OTHER ELECTED OFFICIALS

CHAIR HAMILTON: Madam Clerk do you have anything?

CLERK SALAZAR: Yes, Chair Hamilton. I want to make statements again regarding House Bill 407 that Manager Miller mentioned, the recent Supreme Court opinion they will be putting forward. House Bill 407 was an over 400-page bill. There were a lot of changes within the election code that has impacted all of us throughout the state. But the one-time realignment and extension of terms and numbering of districts has been removed but all else is intact and I want the public to truly understand that, that the rest of the bill is all intact.

So we look for guidance from the Secretary of State to come to all County Clerks. In addition to that we also have the local election act which involves the County Clerks throughout the state who are responsible for running all non-partisan elections. So

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November 5, 2019 is the very first local election that will be held in our county and throughout the state. All non-partisan entities will be on this ballot. No longer will there be small, little elections throughout the year impacting us.

And I wanted to mention for the public and for the Board what will be on that ballot. The City of Santa Fe will be on that ballot. The Pojoaque Valley Public School District, the Santa Fe Public School District, Espanola Public School District will have two positions on there. Rio Arriba will have the other two. The Moriarty-Edgewood School District, the Santa Fe Community College, Ciudad Soil & Water Conservation District, Edgewood Soil & Water Conservation District, Santa Fe-Pojoaque Soil & Water Conservation District, and the Eldorado Area Water and Sanitation District.

Today is the historic day where anyone running for any of those positions are filing today. So today is the first ever for a local election the way it will be managed from here on out. So we have candidates who for these entities who are interested are applying today. Thank you so much.

CHAIR HAMILTON: Excellent. Thank you so much.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: Clerk Salazar. So do they register with you? Do they register at the City?

CLERK SALAZAR: They are registering here at Santa Fe County and it ends at 5:00.

COMMISSIONER HANSEN: Okay. Thank you.

CHAIR HAMILTON: I believe there are no other elected officials present.

9. MATTERS FROM THE COUNTY ATTORNEY

A. Executive Session. Limited Personnel Matters, as Allowed by Section 10-15-1(H)(2) NMSA 1978; Board Deliberations in Public Hearing(s) on the Agenda, as Allowed by Section 10-15-1(H)(3) NMSA 1978; Discussion of Bargaining Strategy Preliminary to Collective Bargaining Negotiations Between the Board of County Commissioners and Collective Bargaining Units, as Allowed by Section 10-15-1(H)(5); Discussion of Contents of Competitive Sealed Proposals Pursuant to the Procurement Code During Contract Negotiations as Allowed by Section 10-15-1(H)(6); Threatened or Pending Litigation in which Santa Fe County is or May Become a Participant, as Allowed by Section 10-15-1 (H)(7) NMSA 1978; and, Discussion of the Purchase, Acquisition or Disposal of Real Property or Water Rights, as Allowed by Section 10-15-1 (H)(8) NMSA 1978, including:

- 1. Regional Water System Related to the Aamodt Settlement**
- 2. *The El Llano Company, Inc. v. the Board of County Commissioners of the County of Santa Fe et al.*, State of New Mexico, First Judicial District Court, Case No. D-101-CV-2019-00072**
- 3. Potential Litigation Concerning Drainage Easement**

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BRUCE FREDERICK (County Attorney): Madam Chair, request to go into executive session to discuss the matters listed in item 9 pursuant to the authority listed in the same item.

CHAIR HAMILTON: Thank you.

COMMISSIONER ROYBAL: Madam Chair,

CHAIR HAMILTON: Yes.

COMMISSIONER ROYBAL: I move we go into executive session for items that were summarized by our County Attorney Frederick.

COMMISSIONER MORENO: Second.

CHAIR HAMILTON: Thank you. I have a motion and a second. Madam Clerk, can I have a roll call please?

The motion to go into executive session pursuant to NMSA Section 10-15-1-H (2, 3, 5, 6, 7, and 8) to discuss the matters delineated above passed by unanimous roll call vote as follows:

Commissioner Garcia	Not Present
Commissioner Hamilton	Aye
Commissioner Hansen	Aye
Commissioner Moreno	Aye
Commissioner Roybal	Aye

[The Commission met in closed session from 3:55 to 5:35.]

CHAIR HAMILTON: I would entertain a motion to come out of executive session.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Yes, Commissioner Hansen.

COMMISSIONER HANSEN: I move that we come out of executive session and the only things that we spoke about were what was listed on the agenda and the people present were the Commissioners and staff.

CHAIR HAMILTON: Thank you. So I have a second?

COMMISSIONER ROYBAL: Second.

CHAIR HAMILTON: Thank you. I have a motion and a second.

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

9. B. Request Approval of Agreement Pursuant to Section 611(g) of Title VI of the Claims Resolution Act of 2010

ANJALI BEAN (Utilities Department): Good evening, Madam Chair, Commissioners. Thank you for having me. Quickly – I think this should go pretty quickly. At the July 30th BCC meeting I presented to the Board an update on the Aamodt

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project and the status of the Pojoaque Basin Regional Water System. I also provided details on the so-called 611(g) agreement between the parties to the Aamodt settlement that addresses the funding shortfall.

I'm here today to request approval of that 611(g) agreement. There haven't been any changes since that presentation on July 30th to either the agreement or the exhibits. They are in your packet again for reference. I don't have any other further updates so I stand for questions if you have any.

CHAIR HAMILTON: Excellent. Thank you very, very much. So, Commissioners, are there any questions that remain that you guys have about the 611(g) agreement? If not, what's the – Commissioner Hansen.

COMMISSIONER HANSEN: Madam Chair, I move to approve the agreement pursuant to Section 611(g) of Title VI of the Claims Resolution Act of 2010.

CHAIR HAMILTON: Thank you. I have a motion. Do I have a second?

COMMISSIONER ROYBAL: I'll second.

CHAIR HAMILTON: Thank you. Is there any further discussion? If not, there's a motion and a second.

The motion passed by unanimous [5-0] voice vote.

9. C. Request Approval of Settlement Agreement and Release of Claims Among the El Llano Company, Inc., Santa Fe County, and Penny Ellis-Green

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Yes.

COMMISSIONER HANSEN: I would like to request approval of settlement agreement and release of claims among the El Llano Company, Inc., Santa Fe County, and Penny Ellis-Green.

CHAIR HAMILTON: Is Penny even present? Penny, do you need to make any presentation? Okay. So I have a motion. Do I have a second?

COMMISSIONER MORENO: Second.

CHAIR HAMILTON: Thank you. I have a motion and a second. If there's no further discussion.

The motion passed by unanimous [5-0] voice vote.

10. PUBLIC HEARINGS

- A. (1) Second of Two Public Hearings on the Santa Fe County Infrastructure and Capital Improvement Plan (ICIP) and (2) Request Approval of Resolution 2019-108, a Resolution Adopting Projects for Inclusion in Santa Fe County's Infrastructure Capital Improvement Plan for Fiscal Years 2021-2025; Authorizing Submittal of Plan to the New Mexico Department of Finance and Administration; and Replacing Resolution 2018-72 [Exhibit 2: Draft List of Top Five; Exhibit 3: Additional Projects]**

PAUL OLAFSON (Planning Division): Madam Chair, Commissioners, this item is to request a second public hearing regarding the Infrastructure Capital Improvements Plan submittal process and to request the Board select a top five list of projects. I've handed out the draft list that we reviewed with you individually on your dais and also to ask you to approve a resolution directing staff to submit the ICIP for 2021-2025 to DFA, the Department of Finance and Administration.

As you know, ICIP is submitted annually to the Department of Finance and Administration. This is a five-year capital project list and it's required by the State for inclusion in consideration of legislative appropriations and funding.

The ICIP is due by September 6th of this year. There is a draft project list in your packet. It lists 25 projects that staff had presented at the previous meeting on August 13th. Additionally, we have advertised this meeting in the Santa Fe New Mexican. We sent notice via email to County organizations, registered organizations, and also issued a press release.

On June 5th the BCC reviewed the public outreach and approval process, and in June and July staff held five public meetings in the county, in different communities to get public input on the ICIP plan. Staff reviewed the constituent requests with other capital needs to compile the draft ICIP. Staff has made every effort to follow the capital planning methodology that the Board adopted via Resolution 2019-103 at the August 13th meeting while we were reviewing these projects and selecting the top 25. The projects were included with the following criteria: the project is ready to be implemented or phases are complete; the project enhances existing facilities; the project leverages existing funding; the project addresses immediate needs related to public health and safety and welfare; and there is staff capacity to initiate and complete the project in a timely manner.

Staff has, since the August 13th meeting, met individually with all of the Commissioners and during this process we were asked to consider three additional projects. I've also handed a list of those three projects on your dais as well, and they're right next to the top five list. These projects include sidewalk and pavement improvements to Agua Fria and Lopez Lane, recreational facility along Highway 14 Corridor, and road improvements in the Rancho Alegre Subdivision.

Staff recommends submitting the original 25 projects that were included in your packet and also staff has determined that these 25 projects meet the evaluation criteria, they keep the project list at a management size for the County to lobby its legislative delegation with, and for the projects to be implemented. The Commission may also choose to include the additional three projects or may place any of the projects on the list with the three to maintain the top 25.

As you know, the ICIP is part of the overall 20-year CIP planning process that we have just initiated with the Board and as the projects evolve and develop more steam we'll be able to take our list that we shared with you the other day and completely scope and plan for all the projects that we've discussed and what will be proposed throughout the year.

That's my presentation. I'll stand for any questions and for any public comment.

CHAIR HAMILTON: Thank you. And I think one of the questions that came up before that I think you just tried to make clear but I just want to – I'm not sure just how well the sound system is functioning. All the projects that have been recommended are on a list in process?

MR. OLAFSON: Madam Chair, that's correct.

CHAIR HAMILTON: And things come up onto the list as they are evaluated through criteria or through development that allows a cost to be associated with them and the feasibility and that sort of thing, so that even if you don't see something on the first 25 that are on this list those remaining suggested projects are in evaluation?

MR. OLAFSON: Absolutely correct.

CHAIR HAMILTON: So do the Commissioners have any questions right now before we go to public hearing on this?

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: So on constructing the Santa Fe River Greenway, construct the Santa Fe Greenway in Santa Fe County. It's very vague, which is okay with me, but I want to make sure that there are other things that we discuss along that process. The Greenway, such as San Ysidro Crossing, San Ysidro Park or the Agua Fria Park, and that becomes part of this Greenway, because that is integral to this Greenway.

MR. OLAFSON: Madam Chair, Commissioner, yes. We have recorded that on the master list.

COMMISSIONER HANSEN: Okay. And I appreciate you drafting these additional three issues, three additional projects. You want a motion on that also? I know this is after public hearing.

MR. OLAFSON: Madam Chair, Commissioner, there's kind of three questions. One is select the top five. Secondly, determine to add those three projects into the list or keep the list at 25 and shift projects around. Either one is functional for us. And then lastly, as you to approve the resolution that's part of the packet as well that directs staff to submit the final list of 25 or 28 projects, with the top five listed.

COMMISSIONER HANSEN: Madam Chair, so one other thing is that anything that's on this of 25 and then our top five, and then additional projects. From what I understand – I could be incorrect – but if they're not on the ICIP list we can't add them to a bond, or to go out for a bond, like a \$20 million bond to get money for a road, money for the River Greenway. So let's say those things were not on here, then we could not add them to the bond. So I'm trying to be clear. If something is not on this list it could still be on a bond.

COMMISSIONER GARCIA: Madam Chair, I can answer that question. So this list is for the State of New Mexico, the Department of Finance and Administration.

COMMISSIONER HANSEN: No, you're not understanding what I'm asking.

COMMISSIONER GARCIA: I'm understanding. So if the County went out for a bond, it does not necessarily need to be on this list at all. If the County decided

ten other projects on ten other different on another list, we can actually go out for a bond for those ten other projects that are not located on the ICIP plan.

MR. OLAFSON: Madam Chair, Commissioners, if I may elaborate a little bit. My understanding is that this list would not preclude another project being allowed for on a bond question. Also, this list can be amended at a future date. When we implement the cycle of planning that we're starting to implement, this will come back twice a year so there will opportunities to insert other projects as needed, either into the remaining master list or into the ICIP list.

COMMISSIONER HANSEN: So even though we have to turn this in by September 6th we can add to this list to make sure that we have that on our bonding list.

MR. OLAFSON: Madam Chair, Commissioner, yes.

COMMISSIONER HANSEN: Okay. Thank you.

CHAIR HAMILTON: Thank you. Are there other questions on this at the moment? So at this point I will open public comment on the ICIP list. Is there anyone here from the public that would like to speak to the ICIP list or the projects that are proposed on it? If you could stand up and come forward. Mr. Mee. If could just state your name for the record.

WILLIAM MEE: William Mee, Agua Fria Village, 2073 Camino Samuel Montoya. Madam Chair, Commissioners, Agua Fria is a small community but we are hoping to go over 4,000 in population with the new census and we're grateful for whatever you can give us. I'll just give a small anecdote that I was going door to door one year many years ago and there was a Mr. Watson on Lopez Lane and he said that he came to the BCC in 1950 and he asked that there be sewers and sidewalks on Lopez Lane. So here we are 69 years later and we're still dealing with these issues. We're a needy community but we're very appreciative of anything you can do for us. Thank you.

CHAIR HAMILTON: Thank you very much.

RAYMOND MCQUEEN: Honorable Commissioners, my name is Raymond McQueen. I live at 45 Bonanza Trail in the Rancho Alegre community. And back in March of this year I submitted on behalf of our neighborhood a capital improvement project request. It was received in the office of community planning by Ms. Foma who assured she would complete the details of that as far as the – this is for the chip-sealing of the feeder roads off of Rancho Alegre Road.

I followed up not until the beginning of August and heard nothing from it because it was never completed as I understood that it would be, and therefore it never got on anybody's list and I was just informed today that it was not approved by the County staff because they didn't have time to do it, even though it was submitted in March originally.

Now, I'm speaking on behalf of this project to chip seal the remaining roads of Rancho Alegre roads, the feeder roads, and the reason for these is first of all, most of these roads cannot be maintained by the County anymore because they're down to bedrock. The second is that culverts and gutters along these feeder roads are deteriorated severely. However, most importantly, there is an environmental hazard here. We live downwind from the Cash Entry mine. So we have dust settling on these roads. They're dirt roads and every time vehicles go up and down then they're just creating more of a dust hazard. This is a very necessary project and I would like to have it on the list and be considered by the full Commission. Thank you.

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CHAIR HAMILTON: Thank you very much. Is there anybody else here from the public that wants to speak to the ICIP list? So seeing none, I'm going to close the public comment on this list. Mr. Olafson, did you have something to add?

MR. OLAFSON: Madam Chair just for the record I wanted to read off the top five and also the three additional proposed projects.

COMMISSIONER GARCIA: Also, Madam Chair, Mr. McQueen, thank you for attending tonight. We did have some challenges with our staff in emailing back and forth, but the Rancho Alegre feeder roads have been added to the plan, and so they are on the plan and tonight when we do approve the plan they will be added. They will be added in addition to the other projects that we have so those feeder roads will be added to the plan and I apologize if staff did not have good communication with you but I thought we had communicated that we were going to put them on the plan. But thank you for attending.

CHAIR HAMILTON: Thank you, Commissioners.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: And also I would like to add that Lopez Lane and Agua Fria improvements to roads and sidewalks has also been added to the draft additional projects so that possibly we can have some preliminary engineering studies and after 69 years hopefully get sidewalks on Lopez Lane.

CHAIR HAMILTON: Thank you, Commissioners. Mr. Olafson.

MR. OLAFSON: Okay, Madam Chair. Just to reiterate that the top five projects, number one would be the Jacona Substation. Number two would be Agua Fria Village sewer extension. Number three, the Edgewood Senior/Wellness Center. Number four, the greater Glorieta Regional Well, and number five, Eldorado Road improvements.

And the three additionally proposed projects would be Lopez Lane, Agua Fria Street improvements, Rancho Alegre feeder roads chip seal, and the Madrid/Highway 14 recreation facility. With that I would stand for any other questions.

CHAIR HAMILTON: So is there additional discussion or what's the pleasure of the Board?

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: Madam Chair, I move to approve the additional top five projects and the three additional projects.

COMMISSIONER MORENO: Second.

CHAIR HAMILTON: Thank you. I have a motion and a second, if there's no additional discussion.

The motion passed by unanimous [5-0] voice vote.

CHAIR HAMILTON: Thank you and thank you, Mr. Olafson.

MR. OLAFSON: Madam Chair, just for the record I think to also clarify the resolution adopting the project for inclusion on Santa Fe County's Infrastructure Capital Improvements Plan for fiscal year 2020-2025 authorizing submittal of the plan to

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the New Mexico Department of Finance and Administration and replacing Resolution 2018-72. I would request the Board consider that for approval.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Yes, Commissioner Hansen.

COMMISSIONER HANSEN: I move to approve –

CHAIR HAMILTON: The resolution.

COMMISSIONER MORENO: Second.

CHAIR HAMILTON: So I have a motion and a second to approve the resolution that Mr. Olafson just read.

The motion passed by unanimous [5-0] voice vote.

CHAIR HAMILTON: Excellent. Thank you for bringing that up again.

10. **B. Ordinance No. 2019-2, an Ordinance Amending The Sustainable Land Development Code (SLDC), to Amend and Restate Chapter 11 (Developments of Countywide Impact), Including the Adoption of Regulations for Mineral Resource Exploration, Extraction and Processing, and the Addition of New Definitions to Appendix A [Exhibit 4: Letter from New World Cobalt]**

JACOB STOCK (Planning Division): Madam Chair, Commissioners, I've been working with my colleagues, community members and technical experts to draft amendments to Chapter 11 of the SLDC concerning developments of countywide impact, or DCIs as we like to call them, and most significantly adding new regulations for mineral resource exploration, extraction and processing.

This is the second public hearing of two public hearings before the Board concerning these amendments. I'll speak briefly. It seems like there's a lot of people here who want to speak so I'll keep it short. Following the public hearing staff requests that the Board consider an ordinance to amend and restate Chapter 11.

So a little bit of background on the ordinance. The SLDC defines developments of countywide impact as developments which place major demands on public facilities, affect public health, safety and general welfare, and create serious adverse impacts. In 2017 staff was directed to draft amendments to Chapter 11 to include new mining regulations, establish requirements applicable to all DCIs and to clarify procedural requirements in the chapter.

So these amendments largely focus on establishing mining regulations with an emphasis on environmental standards which protect water and natural resources. Staff has gone through an extensive stakeholder process and public review process to develop the proposed amendments. This included four community meetings that were held throughout the county where staff recorded and responded to over 70 comments from the public. On March 12, 2019 the Board directed staff to publish title and general summary of an ordinance to amend Chapter 11. Staff held a hearing before the Planning Commission on March 21st where the Planning Commission unanimously recommended approval of the ordinance.

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A public hearing was held before the Board on April 9th. At the public hearing, the April 9th public hearing, staff recorded more than 50 comments. None of those comments objected to any aspect of the hard rock mining regulations which were proposed. Many of the comments were raised by representatives of the sand and gravel industry. The vast majority of these comments related to large-scale sand and gravel regulations which have been in place since 2015 and were developed through an extensive process including stakeholders, staff, and the community.

Staff did consider comments relating to the proposed amendments and additional requirements related to large-scale sand and gravel extraction are included in Exhibit A of your packet if you'd like to see those. Staff believed that these additional requirements, including background, feasibility, baseline data analysis and greenhouse gas emissions assessments are reasonable and necessary and that they do not impact the viability of an otherwise compliance large-scale sand and gravel operation. Any further changes to existing regulations for large-scale sand and gravel we believe would require a separate process.

An issue was also raised concerning whether a proposed operation to remove and sell historic mine waste materials as construction materials should be considered a sand and gravel extraction activity. Staff maintains that this proposal constitutes sand and gravel extraction and that the project may be scaled down to qualify as a small-scale sand and gravel operation.

So staff have made some changes to the draft since the April 9th hearing. These changes are highlighted in blue text in Exhibit B of your packets so you can look at those there and Exhibit B also explains the other changes that have been made throughout the process. The most significant changes are to the applicability section where we've more clearly defined the applicability of this chapter. For example, this section states that while the County does not have zoning authority on federal land the County does have permitting authority and the County will require a DCI conditional use permit for DCI proposals on federal lands.

Changes also clarify and strengthen financial assurance requirements and respond to some of the relevant issues raised by members of the sand and gravel industry. Staff met with stakeholders to review these recent changes and solicit their input before finalizing the draft which is in your packet. We've also received some additional comments since then. I believe one of them you all have in front of you today as well.

So staff are confident in the strength and quality of the proposed regulations. They were developed through a rigorous public process and analysis. Staff recommends adoption of the ordinance to amend and restate Chapter 11 and that concludes my presentation. I'll stand for questions before the public hearing.

CHAIR HAMILTON: Thank you very much. Commissioners.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: This is actually a typo. So we are in Section 11.14.4.6, and we're on number 2. I'm on page 35 of the – without the markup.

MR. FREDERICK: Madam Chair, Commissioner Hansen, can you read that section number again. I'm sorry.

COMMISSIONER HANSEN: I will, I'm sorry. It's 11.14.4.6, Sampling

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and Analysis Plan and Baseline Condition Report. Then we go to 1, 2. And the second line of 2, it says within one half-mile of the... and then there's a comma in the middle of the area...and all man-made features. So is there supposed to be something after the?

MR. STOCK: Thank you, Commissioner. I believe that's supposed to say the overlay district boundaries.

COMMISSIONER HANSEN: I was going to say the site. I didn't know what it should say. I think it needs a word and the end of a comma to be in the proper place.

MR. STOCK: Madam Chair, Commissioner Hansen, I agree and I will go back into my notes to confirm the correct word or words that are supposed to be there.

COMMISSIONER HANSEN: I looked on the mock-up copy, the 90-page copy and it was the same thing, so I couldn't find it and I just want us to be as complete as possible when we approve this so we don't have to go back and make changes.

MR. FREDERICK: Madam Chair, Commissioner Hansen, I'm pretty certain that is the overlay zoning district boundaries.

COMMISSIONER HANSEN: I knew it needed some word and I didn't know what it was. I appreciate it. That was the only typo that I found but I could have missed.

CHAIR HAMILTON: Yes, Commissioner Garcia.

COMMISSIONER GARCIA: First of all, I'd like to thank staff for coming and putting this ordinance together. At the last meeting, it was a little bit confusing. I see Mr. Roger Taylor out there in the audience out there and he was uncertain whether we were dealing with hard rock mining or whether we were dealing with sand and gravel. And once again, just for the record, this is just hard rock mining, not sand and gravel. Correct?

MR. STOCK: Madam Chair, Commissioner Garcia, this is Chapter 11 so this concerns all developments of countywide impact. The vast majority of changes were to hard rock mining. There were some changes to sand and gravel and I would direct you to Exhibit A of your packet which explains the additional requirements for sand and gravel.

COMMISSIONER GARCIA: So real quick, Penny, can you come up and explain to me what those changes are for just sand and gravel? And then also the other question I have is in regards to the federal zoning. Can you explain to me what portion that the County has authority over federal lands?

PENNY ELLIS-GREEN (Growth Management Director): Madam Chair, Commissioner Garcia, addressing the sand and gravel, Exhibit A shows the new requirements of requiring an applicant background, sampling and analysis plan, technical and financial feasibility, and greenhouse gas emissions assessment. The closure plan actually is already done but it's not spelled out. Related to the federal land, I will maybe ask Bruce to address that.

COMMISSIONER GARCIA: Madam Chair, Ms. Ellis-Green, thank you. Those are the items that we talked about the other day. Thank you.

CHAIR HAMILTON: Mr. Frederick, if you could do the other piece.

MR. FREDERICK: Madam Chair, Commissioner, under the existing code, your existing code, you asserted jurisdiction over federal lands, so as of right now

the County asserts jurisdiction with respect to hard rock mining on federal lands, and I believe other DCIs as well. What we're doing is clarifying the extent of that jurisdiction because the federal law – usually I wouldn't do that, but the federal law is very clear that state and political subdivisions of the state have regulatory jurisdiction over mining on federal land but they can't choose land uses on federal land. So they have regulatory jurisdiction but not land use and zoning jurisdiction. So that tries to parse – what we've done is parse that out and made that express, that we're not trying to assert zoning jurisdiction over federal land, just environmental regulation.

COMMISSIONER GARCIA: So Madam Chair, just as another example, Mr. Frederick, so let's just assume the Ski Basin. If the Ski Basin came in here for an expansion, how would they be regulated through the County code, under your opinion?

MR. FREDERICK: The Ski Basin would not be a DCI. It wouldn't be a development of countywide impact as the code is currently written. It would come under the regular SLDC. Chapter 11 is somewhat of an exception, because under your regular SLDC you don't assert any land use jurisdiction over federal lands. You do, and you always have, asserted mining jurisdiction over federal lands, just not general land use jurisdiction over federal lands, and this would add DCI jurisdiction over federal lands.

COMMISSIONER GARCIA: Thank you.

CHAIR HAMILTON: Thank you. So are there other questions before I go to public comment? Great. So to start out with could everybody who's here who wants to make a public comment, can you just raise your hands? Fabulous. Can everybody stand up and get sworn in all at once and if somebody else – everybody who wants to make a comment stand up.

CLERK SALAZAR: Just stand up and raise your right hand and repeat after me. Just everybody, where you're at. Those that are going to speak, you will be under oath. This is an ordinance so you will be on the record, so raise your right hand and under the threat of perjury, that I swear to tell the truth, the whole truth and nothing but the truth. So state that. Straight. Nothing but the truth. So you're under oath now and so when you get to the podium, state your name, your address, and that you're under oath. So you say your name, your address, and "I am under oath," for the record. Thank you.

CHAIR HAMILTON: And I really appreciate – we appreciate everybody who came. There are enough people for three minutes. The timer is up here on the board so you guys can know how long you've been speaking. We appreciate everybody's comments. So please.

[Previously sworn, Carlos Valdez testified as follows:]

CARLOS VALDEZ: My name is Carlos Valdez and I know that I am under oath and I'm here to give you the information and the knowledge that I have. I am against the hard rock mining because of the effects that it can have on the Upper Pecos Valley. There's a lot of negativity that can happen through the pollution of the air, pollution of the water. It's only a few – I would say eight to ten miles from the Santa Fe McClure Reservoir and it's only a few miles away from the Santa Fe Watershed.

The slope is away from the Santa Fe Watershed and it goes towards the Pecos Valley but we don't know what the geological formations underneath are. So if they start blasting, they start putting chemicals to extract their minerals and stuff it can end up even in the Santa Fe Watershed. It will affect the fishing, which it has in the past. In I believe

1981 there was a snowfall that affected the Tererro Mine. It actually washed into the river and actually killed over 10,000 fish in the hatchery and that's not even including the amount of fish that actually were killed along the river. We don't even know that.

The Tererro Mine opened in 1880 and it ended probably 1930. Well, during that time there were people down the entire Pecos River Valley and the people in San Miguel, Villanueva, and some of those people back in the early 1900s ended up having to abandon their lands because of the heavy metals and the chemicals that were deposited on their lands from irrigation. And we don't want that happening all over again. So it's taken 80 years to kind of clear up and if we go into another mining system and they end up blasting and putting chemicals into the ground again it's going to affect – the heavy metals, it's also going to affect the quality of life of the people that live there. Is the company going to pay for reducing the quality of life of people who live in that area for a pristine quiet life? It's going to take away from that. And it's going to take away from recreation. People don't want to go up there and listen to all kinds of heavy equipment and pollution and stuff that can occur.

The kind of stuff that people in hard rock mining do, they end up putting in stuff like cyanide, sulfuric acid. The heat rock, the gases, they escape. There are a lot of different things that can occur that will affect the environment. [inaudible] There's all kinds of heavy equipment. It's not like an old man with a burro and a donkey mining, so there's a lot of stuff. Lead, asbestos, radioactivity. There's a lot of things that can occur.

CHAIR HAMILTON: Excellent. Thank you very, very much.

COMMISSIONER GARCIA: Just a really quick, I think the gentleman that was here, Mr. Valdez, he was talking about the Tererro project, and that's actually a project that actually is going up in the – right?

CHAIR HAMILTON: Yes.

COMMISSIONER GARCIA: So I just want to make sure that – we're actually approving a hard rock – hopefully approving a hard rock mining ordinance. Because the gentleman here said he was against the ordinance, right? But I actually think he's for the ordinance. Just for the record, so everybody knows, we're actually approving some regulations for hard rock mining is what we're doing. Thank you.

CHAIR HAMILTON: Just for general clarity, I know the two issues are related, but we're not actually making a decision on the Tererro Mine. That's just not before us yet. We will presumably have some permits in the future, questions in the future on that. But this mining ordinance is clearly related in that this spells out what our options are going to be for regulating any mining applications we get. So it would be helpful if in your comments you let us know whether you feel this ordinance is adequate or whether you're for or against the ordinance, or for against the mine in particular. So I respect your right to make comments on the mine in particular but if you could also let us know what you think about the ordinance and its adequacy. That would be most helpful to us.

MR. FREDERICK: Madam Chair, if I could just add, any comments on a particular process won't be considered in the County's approval of that particular project. We're here exclusively to decide on whether – the Board is here to hear testimony and consider other comments about whether they should adopt this ordinance tonight. This ordinance is of general applicability. New mines would be regulated under this ordinance,

as the Chair said, but your comments on whether you like a proposed particular mine or not, this is not really – I mean, go ahead and say that, but this is not where your comments on that issue are going to be considered. They'll be considered when and if an application comes before the County on a particular project, which if the Board adopts this ordinance tonight would be regulated under the ordinance.

[Previously sworn, Joseph R. Simpson testified as follows:]

JOSEPH R. SIMPSON: My name is Joseph R. Simpson. I was raised up above Pecos, New Mexico, up in Tererro, by my grandfather and grandmother. My great grandfather homesteaded there back in the 1880s and this mine here, I know what that attorney said and stuff like that, but this is our land. This is the people's land, not the politicians or the attorneys or the governors or anybody else's. What we need to do – I lived there in Tererro when they were mining and stuff, back in the sixties. Okay? I saw what this mine has done. In 1986 or 1987 I made a Pecos meeting with Bill Richardson for complaints about the canyon, and I reported to him that these fish were bellying up and that the trees were dying along the river.

I had a friend of mine come from Tennessee that told me, Rick, this water is poison; you're not drinking it, are you? I go, yeah, I've been drinking it all my life and so has everybody else down in the canyon. These mines go in there, they step over people. There's a gold mine company, Tererro Resources, which was initially called Christina Rivera, which they wanted to name after my great grandfather but my grandfather would not go in with the mining company because he knew what the heck was going on. And they got the family going and fighting against one another and I wish you people would check on court records in San Miguel County since you have jurisdiction on that and see what went on with the special master's final hearing on that, how the attorneys did not speak up, how there's judges and attorneys – it's corruption. And there's no statute of limitation on corruption within the court in the State of New Mexico. So therefore I'm totally against this mining company coming in.

I chose the property up where I live at now, my summer home, because I didn't want to be down next to that river. I wanted to be up over here on Sawyer Mesa. You know what? Now I have to put up with that? I don't have to. I'm hoping there's enough people here that have the *cojones* to stand up to whoever is doing this and it's we the people, not the politicians or anybody else. So please, stand up. Let your voice be heard. Thank you.

CHAIR HAMILTON: Thank you very much. Whoever would like to be next. Thanks.

[Previously sworn, Steven Nelson testified as follows:]

STEVEN NELSON: Hi. My name is Steven Nelson. My address is 287 Dalton Canyon Road, so I live in Dalton Canyon. The concern now is that the ordinance for us is that the ordinance slows down or stops the exploration process, which the Forest Service is not supervising the exploration team that's up there right now without a permit. They are surveying in Macho Canyon right now. They've surveyed Jonesville and there is no permit. There is no access for us to monitor. We have to go all the way around through Sawyer to monitor what the exploration team is doing. We would like assistance with that from the County if possible.

Also, as to the ordinance for the exploration, I'm not sure everyone knows that

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they're going to drill five-inch cores. Are you guys aware of all that? That there's going to be five-inch cores 4,000 feet deep. So we're very much against that. We think it will pollute the water. That these cores will go down through aquifers as demonstrated at a meeting in Pecos a couple weeks ago. That's no good for our aquifers, for our creeks, for our water in the Pecos. And I'm very much wanting to make sure, to implore you guys to make sure that the County Attorney is doing everything he can to stop this exploration of the ore body in the western watershed of the Pecos Canyon. Thank you.

CHAIR HAMILTON: Thank you very much. And just so everybody knows, earlier in the meeting we did pass a resolution to authorize the County to follow all of this and participate in all state and federal actions, so that there will be County resources put towards that.

[Previously sworn, Lela McFerrin testified as follows:]

LELA MCFERRIN: My name is Lela McFerrin. I'm the vice president of the Upper Pecos Watershed Association, and I'm urging the County to make the ordinance stronger. We do agree with the ordinance but we don't think it's strong enough. Thank you.

CHAIR HAMILTON: Thank you.

[Previously sworn, Theresa Seemster testified as follows:]

THERESA SEEMSTER: Madam Chair, Commissioners, my name is Theresa Seemster. I'm Chair of the Northern New Mexico Group of Sierra Club. I'm a resident of eastern Santa Fe County and I live about 15 minutes from where this proposed new mine will go. And as you can tell from the testimony, this is a very personal issue of everybody here. I just want to mention a few of the amendments that I think are excellent and which I strongly endorse. We've taken a long look at this Chapter 11, Developments of Countywide Impact and there are things that really stand out.

First of all, the fact that the County doesn't have zoning authority but you do have permitting authority, and as the gentleman said, the stronger, the better. The stricter those conditional use permits can be the better all of our concerns can be addressed. A couple of other things that are really important. The existing financial assurance, I don't know if you are aware, but many, many mines in New Mexico have been abandoned because mines are very risky, they're very speculative. They depend on company reports that can be not very accurate. They can be kind of glowing investment come-ons, if you will, and as a result we have a lot of mining companies in our state that have gone bankrupt and left the cleanup and left the damage and left the impacts on the environment there for other people to clean up.

Just one or two other things, because your staff person did an excellent job going through the different requirements but in terms of closure and reclamation, it's good that the costs will remain in effect even if the conditional permit is revoked. That's an excellent provision that you've put in there. Also, that you could impose conditions on a transfer and deny that transfer if the permittee is not in compliance, and that's another very important authority that you have, and given the nature of the company that we know is proposing this mine it's doubly important. This is absolutely a shell company of a very, very speculative hard rock mining company of Australia.

And then finally all of the sampling and analysis plans, the baseline monitoring reports that you have, I think this is of particular interest to a lot of us. The fact that there

will be no net loss of wildlife habitat is incredibly important. A lot of the local economy in Pecos and our whole area up here, including in Santa Fe, a lot of people come here to stay and to go fishing and if you've been out, go up Pecos Canyon on a weekend, like just last weekend, most of those trucks are out of state. Those people came here with the specific destination. If you don't have that river clean and if you don't have that area protected environmentally, that would be a huge loss to everyone. Thank you.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Roger Taylor testified as follows:]

ROGER TAYLOR: Good evening, Madam Chair, Commissioners. I'm Roger Taylor. I reside in Galisteo. I'm here representing the Turquoise Trail Regional Alliance, which represents the communities and businesses along the Turquoise Trail. I'm also the president of the Galisteo Community Association. And I am under oath.

This is a good ordinance. I spoke about this back in April when this first came up. There were five of us in the room. It's great to see a lot more people here tonight. A large team of active citizens, subject matter experts, and business and County representatives have worked on this off and on for several years. I've been part of that effort. It does increase requirements and regulations, but it does that in order to safeguard other resources that are important to us, such as air, water, soil, green growth wildlife. It also protects the businesses that really bring us our job growth and our continuity, such as tourism, film, agriculture and ranching.

It may inconvenience or discourage some business ventures and that may be appropriate. But that also tells us that if companies can't commit to the safeguards we put in this ordinance, then perhaps they shouldn't be doing business here, or maybe they're just coming in to do a quick grad and go and they're not going to do remediation or otherwise, which we do need to have.

Right now the only law that really governs mining in this state is the federal law, and that's pretty much an open law that allows anyone to come in and do what they want. We need to have an ordinance that does put some restrictions and guidelines and safeguards in place. Without that, we have a federal government and a president these days that really doesn't listen to the local constituents. We need to act locally and that is our job here. We need to look at the longer-term costs, not immediate profit, and that's what is built into this ordinance, if you go page by page.

It's our responsibility, all of us, to stand up and say locally, what can we do to address the issue of mining and is it appropriate – many of us have gone against businesses proposed here and you've seen me many times over the years, and we have stopped those businesses. They weren't appropriate or they weren't appropriate for the location. This ordinance helps us make that decision. We have lots of tools for sustainability and green growth. You all have added to them. This is another one to add to the toolkit. So this is the local level. This is a tool. Let's do it.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Gerald Atkinson testified as follows:]

GERALD ATKINSON: My name is Gerald Atkinson. I live at 16 Hummingbird Lane in Glorieta, New Mexico and I am under oath. I've lived in the area for about 12 years. We live on the rim of the Glorieta Mesa overlooking the Greater Upper Pecos Watershed. I'm a retired geologist with 30 years of experience in the oil and

gas industry and I've walked the fine line between extraction and protecting the environment. I'd like to say I'm in great support of this ordinance as it is written. People can argue whether it needs to be improved here or there but it's a wonderful step in the right direction for putting local – as people have said here before me – putting local control on what is not already mandated by the BLM or the Forest Services or the Park Service, which are fairly open regulations in some cases. If anything, they tend to support the extraction of minerals and sometimes at the expense of the environment or the local communities. Again, I am in support of this ordinance and I can't think of a worse place to put a mine that affects not only the water, as other people have mentioned, the wildlife, the rare fauna and flora that's in this area, some of which has not been studied and will not be studied until problems such as this come up before the Commission and also the Park Service and the Forest Service.

It may be too late if we do not put these kinds of restrictions on. There are flora and fauna that have not been studied in the Greater Upper Pecos Watershed that many people do not know about which inhabit some of the valleys and in the caves and such that are in this area, not the least of which is the Tererro Indian Cave which is on, I believe, the State Game and Wildlife Commission's property at the City of Tererro itself. They're endemic species of invertebrates there that have not been studied but have been found probably nowhere else, which are in the watershed of the Holy Ghost upper creek.

Again, I'm in support of this ordinance and I hope it will be passed. Thank you.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Logan Glasenapp testified as follows:]

LOGAN GLASENAPP: Madam Chair, Commissioners, I first want to thank you for giving the public a chance to speak. I'm Logan Glasenapp. I'm here representing New Mexico Wilderness Alliance. We're located at 317 Commercial Street. That's in Albuquerque. I first want to encourage the Board to adopt this ordinance tonight, and I also want to commend the staff for drafting what we consider a fair and balanced ordinance, which does protect Santa Fe County's autonomy, environment and people. Given the current national, economic and political climate, and as previously mentioned, the lack of teeth in the federal mining law, Santa Fe County should take this opportunity to protect its water, land, air, culture, wildlife and people.

The proposal near Tererro that we're not talking about tonight is likely just the tip of the iceberg. The County will likely see an increase in this kind of exploration and development proposals moving forward, especially on Forest Service, BLM, and National Park land. Again, I'd like to encourage the Board to adopt this ordinance tonight and I'd also encourage the Board and staff to investigate ways to strengthen it in the future. And thank you, Madam Chair and Commissioners, for taking this important step in protecting Santa Fe County.

CHAIR HAMILTON: Thank you.

[Previously sworn, Jan-Willen Jansens testified as follows:]

JAN-WILLEM JANSENS: Thank you, Madam Chair, Commissioners. My name is Jan-Willem Jansens. I reside at 2714 Paseo de Tularosa here in Santa Fe. I represent myself as a resident but also my business, Ecotone, and all the landowners in the county that I work for, and Forest Reserve Company for which I work on behalf of Lone Mountain Ranch in the Ortiz Mountains.

I'm in support also on behalf of Lone Mountain Ranch of this wonderful new DCI regulation and this ordinance will provide a comprehensive and important due process with impact studies and protections to the impacts of mining proposals and mining development activities on the ground. This is important for the protection of our valuable historical landscape, especially landscapes like on Ortiz Mountain that could be found, for instance at Lone Mountain Ranch, and the livelihoods of a lot of people that depend on our landscapes, not only on this ranch but on so many other landscapes in our county. So therefore I strongly urge you to adopt this ordinance in the way it's written, not to have it whittled down or piecemealed, because it's comprehensive right up as it is right now. It's really important because it addresses so many of the issues that we really need for proper protection. So thank you for your consideration of approving this renewed and restated part of Chapter 11 regarding the DCI. Thank you.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Linda Moon Stumpff testified as follows:]

LINDA MOON STUMPPFF: Linda Moon Stumpff, 251 La Cueva Road, Glorieta, New Mexico. I am under oath and I am a professor of environmental science. I've tracked a number of these kinds of proposals and ordinances and I commend you for the ordinance that you have produced for the county. And I do agree with what others have said that this is the tip of the iceberg at Tererro. There will be more, especially on federal lands in the current climate. One thing I did want to emphasize is you get a good ordinance but be sure that it's staffed out, because it has to be enforced, and the people who are proposing this are very powerful.

One of the things I've seen the federal government do is allow the mining companies to do the scientific studies. Provisions like no net loss of wildlife require much scientific studies. That's a very flexible kind of a thing, especially as has been mentioned before that the studies haven't even been done for much of the Pecos and many other areas on the federal lands. So I hope that the implementation of this ordinance will be very thorough. Thank you.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Ross Lockridge testified as follows:]

ROSS LOCKRIDGE: My name is Ross Lockridge. I'm from Cerrillos, 12 Waldo Street, the zip is 87010, and I am under oath. I'm a strong supporter of these regulations. I and other residents of the Cerrillos area were witnesses of what can happen without well thought out mining law. Consequently, over the years, I've become a supporter of strong County and state mining regulations.

I've given input throughout the drafting of these DCI regulations recently, mainly the hard rock mining section, 11.14. I feel that these regulations are intelligent, readable, and the directives are clear, they're well thought out and I thank staff for that. I like that when considering mining on federal lands that the jurisdiction would remain subject to the County's conditional use permits and include a reclamation plan. I like that the County has a strong inspection section and will be able to recover inspection costs and thus save that expense from the taxpayer. And it's great that a reactive minerals impact report was required of applicants except for certain gravel mining extractions. And it's really great that these regs do not encourage applications for mines that would result in toxic legacy mines.

There are many other examples, good work that would protect the public welfare. Concerning origins, both the Ortiz Mountains and the Cerrillos Hills have played a considerable role in the development of our past County regs, the regs that foreshadowed today's Section 11.14. Very briefly, in 1978 in the Ortiz, a gold mine commenced a heat leach mine that was to leave behind a toxic legacy mine. The County had inadequate regulations at that time to address reclamation and other environmental safeguards. It wasn't until 1990 when the possibility of two more such mines capable of severe negative environmental impacts were becoming possible. One south in the Ortiz near Golden, and another to be located in the historic Cerrillos Hills mining district state cultural property, just above the Village of Cerrillos. It was then that development of such regs were instigated via a moratorium and written as Article III, Section 5, that your actions today should strengthen and supersede. Thank you.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Enrique Romero testified as follows:]

ENRIQUE ROMERO: Good evening, Madam Chair, members of the Commission. My name is Enrique Romero. I'm the staff attorney at the New Mexico Acequia Association. Our address is 805 Early Street, Santa Fe, New Mexico, 87505, and I'm under oath. The New Mexico Acequia Association is a statewide membership based, non-profit organization whose mission is to protect New Mexico's acequias and New Mexico's water, and we support this proposed amendment to the Sustainable Land Development Code.

A quick review of the New Mexico's Acequia Association's records shows that there's 72 active acequias on seven streams within Santa Fe County that rely on clean water for their members. These acequias are an integral part of the county's history, culture and economy. This amendment promotes sensible economic development by providing clarity regarding mining operations while at the same time protecting the county's water resources thereby ensuring the health, safety and welfare of the county's residents and its acequias.

I just wanted to also mention that just recently I discovered that the State Engineer in January has forbidden any new well permits in an area surrounding the old Tererro Mine and so this is a very – groundwater – not only surface water issues but groundwater issues. It's a very concrete thing that can happen at the State Engineer, years after a mine is closed that they forbid or restrict any new permits.

CHAIR HAMILTON: May I ask a question?

MR. ROMERO: Yes, Madam Chair.

CHAIR HAMILTON: They banned further mines in the vicinity of the Tererro Mine because of water quality? Legacy water quality?

MR. ROMERO: That's correct. Madam Chair, there's currently a permit – there's a request by the New Mexico Environment Department to the State Engineer's Office to forbid new permits because of the water quality levels and the order actually specifically states that it's a moratorium in perpetuity until such water quality levels are back up to the standards of the Environment Department. That's it. Thank you very much.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Garrett Veneklasen testified as follows:]

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GARRETT VENEKLASSEN: Good evening, Madam Chair, members of the Commission. Garrett Veneklasen, 939 ½ Acequia Madre here in Santa Fe. I first want to thank you all so much for your courage and leadership. It always makes me proud to live in a county like Santa Fe where we are forward thinking and we value our resources. We value our culture and these things are going to be the future of our place here. While the rest of the world collapses we're going to be sustainable and strong and it's really great to have your leadership, so I just want to commend you even before your vote and I really want to commend your staff for doing this.

I also would encourage you to go to a website called thediggings.com. and if you want to see, there are thousands and thousands of potential mining claims throughout New Mexico and it's county-specific so it gives you an idea of the potential mining claims that could even be developed in Santa Fe County itself. And it will take your breath away; it really will.

So this sort of ordinance is really, really important. It creates a line in the sand and again, I'm really, really proud of you all for doing this. And I just want to tell you about this place, Jones Hill, where the mine itself is proposed to be. It's the headwater of five different really critical watersheds for the Pecos. Holy Ghost Creek, Doctor Creek, Macho Creek, Indian Creek, Dalton Creek. Beautiful watersheds. Three of them have Rio Grande cutthroat trout. I as a boy grew up fishing in the Pecos, was a fishing guide in the Pecos. My father loved to fish in the Pecos. It's just a beautiful place. Overlooks five different watersheds. Beautiful ponderosa, conifer – beautiful place if you want to come up and see these public lands that belong equally to all New Mexicans. It's just a really special place.

And again, it's just so important that we do this and one of the things I'm most encouraged about is the unity of community here. This is a really, really nasty thing that could happen to us. I've never seen more unity between the acequia parciales, land grant heirs, Pecos Pueblo, Tesuque Pueblo NGOs – everybody's together on this thing and that really gives me hope in this divisive world. We're together on the protection of our culture, our resources, our water, and I'm really proud of our community for coming together on this and we're going to stop this thing. So thank you very much.

CHAIR HAMILTON: Thank you. Thank you very much. So are there other people who would like to speak? Yes, please. I thought there were a few more at least.

[Previously sworn, Chris Graeser testified as follows:]

CHRIS GRAESER: Thank you, Madam Chair. Chris Graeser, 316 East Marcy. I'm under oath. I represent Lone Mountain Ranch. I've been standing here for over 20 years now talking about mining issues on occasion and then I hear Ross talk and realize what a Johnny-come-lately I am, talking about it. I do very much appreciate this ordinance on behalf of my client. It represents a significant modernization of the existing rules. It's fair. It respects mineral holder rights but also protects landowners, protects public lands. I very much appreciate the work the staff put into this. It's been a full, detailed process. It's been going on since well before there was any discussion of the Tererro Mine. This is not done in response to one particular application. This has been an ongoing process.

I think we had a very good discussion at the stakeholders meetings, a very good

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discussion with staff, the County Attorney's Office. Some good give and take. They asked me hard questions and I think it was a really good ordinance that came out of that process.

I want to be very clear that this ordinance has our unqualified support. I urge the Commission to adopt it in its proposed form tonight. I also want to address the Commission – there's been a lot of concern and there was concern in April expressed about sand and gravel mining and the regulations on sand and gravel mining. Certainly we went through a significant process a couple years ago. We had a moratorium. We went through a very similar process to adopt those regulations. It's possible there weren't people who participated in that although it certainly was a public process and it was noticed, but I urge the Commission not to let concerns about sand and gravel mining sidetrack this discussion tonight about hard rock mining. And again, I urge the Commission to adopt the ordinance. Thank you.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Robin Ryndel testified as follows:]

ROBIN RYNDEL: Hello. I've seen you before. You probably know who I am, maybe. But I'm Robin Ryndel, 287 Dalton Canyon Road, Pecos, New Mexico, and I'm under oath. I just wanted to add one thing that nobody's touched on and I think it's important. It's that we in our community have had a few meetings already and a lot of conversation about this. In all of the conversation I may have heard one or two people who might slightly support this, but the people that are here today only represent a small fraction of the number of people who are feeling passionate about the fact that we need to have the most stringent hard rock mining ordinances passed as possible.

So I myself and all the people – we've had meetings in town where people are standing outside. They can't even hear what's going on, and we moved to a bigger building and again we have an overflow. There's a lot of sentiment that supports what you're doing and just encourages you to make it as stringent as you possibly can. And thank you for your work on this.

CHAIR HAMILTON: Thank you very much.

[Previously sworn, Galen Hecht testified as follows:]

GALEN HECHT: Madam Chair, Commissioners, my name is Galen Hecht. I live at 2206 Copita Lane, Santa Fe, and I am under oath. I just want to say that this is a really great thing that you're doing. I commend you and your staff and thank you for working out this ordinance in advance of the vote. I caught my first fish of my life in the Pecos. One of my first backpacking trips in the Pecos Wilderness. I grew up here and I think the Pecos is as much a part of me as any piece of the New Mexican landscape. I just really love it and seeing it get mined would be an atrocity, so I really appreciate these regulations. I think this is what we need in the 21st century. We don't need these outdated federal mining laws that don't protect the public interest and the environmental interest. So thank you so much for your work on this.

CHAIR HAMILTON: Excellent. Thank you very, very much. So are there other people who would – yes, I see a couple. Come on up. We have time for you.

[Previously sworn, Katharine Fishman testified as follows:]

KATHARINE FISHMAN: Katharine Fishman, 6405 St Ann's, Albuquerque. Madam Commissioner and the rest of the Commissioners, thank you for

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letting me speak. I was here back in April. I do represent a large-scale sand and gravel company in Santa Fe County. And what we expressed back in April was a concern about how the hard rock mining regulations and the overall DCI ordinance was drafted. I do not, and I still do not have any issues with the hard rock mining ordinance itself. It doesn't apply to me, but I do have an issue with how the entire DCI ordinance regulations have been developed, primarily focusing on hard rock mining and regulating hard rock mining and not taking into consideration the fact that the overall ordinance does impact sand and gravel that is manufactured for construction materials.

Back in April we had expressed our concerns and I believe the Commissioners all agreed that maybe a second look needed to be taken in regards to how the ordinance applies to large-scale sand and gravel operations. I did do my homework and I did send into the County a very detailed letter detailing the various areas of the regulations that I thought were inappropriate for sand and gravel operations, and those were sent into the County but since April we have heard nothing back from staff. So nothing ever took place after that public hearing.

But like I said, the regulations were drafted with hard rock mining in mind, i.e., gold and silver and other hard rock minerals. But the way they are drafted they have an umbrella effect that applied to all types of mining activities, including those who were just coming in to do simple reclamation within the County. The regulations are appropriate in certain circumstances when dealing with a large gold mine production like we're talking about today. I don't have an issue with that, but gold has a much different way of getting mined than sand and gravel for construction materials, and there's a lot of regulations in here that apply to sand and gravel equally with gold. Basically, we're talking about apples and oranges in terms of the mining process.

A more concise approach with reasonable studies is needed for sand and gravel for opening a new mine or expanding an existing operation. The margins for construction materials aren't as vast as they are for gold. I wish I could get \$1,500 for an ounce of basecourse, but I can't. The margins are very, very slim. So I just hope that the County takes that into consideration that the cost would be going up, especially for all your infrastructures that you approve today.

CHAIR HAMILTON: Thank you.

[Previously sworn, Marc Choyt testified as follows:]

MARC CHOYT: My name's Marc Choyt. I reside at 1718 ½ Agua Fria Street and I'm under oath. Madam Chair, Commissioners, I was involved with the working group over the last almost three years and we worked very diligently to balance the needs and environmental issues, wildlife issues, and particularly financial assurances of incoming mines. And also the issue of perpetual cleanup and bonding, and all those issues that we considered in the working group. We dealt with the greatest level of expertise and we took to the greatest level of protection for these core issues our land and our traditions and our people here in such a way that we created this ordinance and staff did a really, really good job in creating this ordinance.

We also had a lot of expertise from outside in creating the ordinance we went as far as we could go without it being actually considered a taking, so that it would still stand up to an outside mining company coming in. This was of concern to me particularly because I'm a [inaudible] extractive industries and I've also been involved in

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international regulations [inaudible] large-scale mining globally and also on small-scale mining internationally. So I was really aware of trying to find that balance that would allow the possibility of extractive resources but at the same time provide the maximum level of protection for our bioregion.

So what I feel is staff did a really great job and we struck that balance that will allow us that kind of protection. Particularly the issue of perpetual cleanup because of what's going on in Cerrillos now. This ordinance does not allow mines that would allow that perpetual cleanup. So I think that it's a really, really excellent, excellent ordinance and as I say, I've worked with a lot of international mining experts that try to balance these issues, so I whole heartedly support this ordinance that has been worked on for a long time. There were just a few of us in the working group but we really tried to do our best and I think we really struck the balance and I think that this ordinance is actually going to provide as much protection as possible for the issue in Tererro, as much as protection as we possibly can have. And I really comment the County staff and County Attorney and Jacob for all the work and everything that was listened to on the interaction that happened. So please, please do pass this ordinance. It's really good for us and it's really appropriate and it's really needed. Thank you.

CHAIR HAMILTON: Thank you very much. So is there anybody else here who is wanting to speak tonight? Anybody who hasn't had a chance to speak that wants to speak to this issue? Seeing none, I will close the public comment, and I want to thank everybody for coming, for your interest in this process and for having your voices heard. It's very important to our process.

[Mr. Simpson spoke away from the microphone.]

CHAIR HAMILTON: I'm sorry. I probably can't from a technical point of view actually address that but that's a very good question. And I assure you the County is going to follow what goes on with the state and federal processes. That was what our resolution earlier was. Jacob, do you have some things to add? Or are you going to guide us through the remainder of this process?

MR. STOCK: Madam Chair, Commissioners, I was just going to ask if you have any more questions for me. I'm available, but otherwise you could consider the ordinance.

COMMISSIONER HANSEN: Madam Chair.

CHAIR HAMILTON: Thank you. Commissioner Hansen.

COMMISSIONER HANSEN: I would like to make a motion to approve the ordinance amending the Sustainable Land Development Code, SLDC, to amend and restate Chapter 11, Developments of Countywide Impacts, including the adoption of regulations for mineral resource exploration, extraction and processing, and the addition of definitions to Appendix A.

CHAIR HAMILTON: Thank you. I have a motion. Do I have a second?

COMMISSIONER ROYBAL: Second.

COMMISSIONER MORENO: Second.

CHAIR HAMILTON: I have a motion and several seconds.

COMMISSIONER GARCIA: Madam Chair.

CHAIR HAMILTON: Commissioner Garcia.

COMMISSIONER GARCIA: Just under discussion. Thank you. First of

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all, thank you everybody for coming and attending the meeting to your courthouse because this is actually a public building and it's good to see bodies out there. Like Mr. Taylor said, the last time we heard this there was like five people. So it's good to see everybody come to your courthouse.

I heard a lot of things about kudos to the staff. Penny, Jacob, Mr. Frederick – you guys did an excellent job and whoever else your staff is, please thank them for writing this ordinance. It took a little while to get it all together but obviously you guys did a good job because almost ten out of ten people here gave you guys credit. But you guys did a good job. I saw how hard you guys worked. Thank you, guys and thank you for a good ordinance.

CHAIR HAMILTON: Commissioner Moreno, and then Commissioner Hansen.

COMMISSIONER MORENO: Thank you, Madam Chair. I am in awe with the process that you, the County staff – it was a deliberate process. It wasn't an anxious process. It was level-headed. It was practical. You had all the answers before you walked into the room. And that's a testament to all of staff. I'm happy to be in this position to say yay.

CHAIR HAMILTON: Commissioner Hansen.

COMMISSIONER HANSEN: I too want to first recognize County Attorney Bruce Frederick who I think many of you might know is leaving us and it makes me extraordinarily sad to see him go, and I wanted to say that on the public record because I have completely enjoyed working with you, Mr. Frederick. You are a great attorney. I am honored to have known you and worked with you. So I want to first recognize you for your contribution to the County and your hard work, especially on this ordinance and on many of the other things that we have all brought forward. So thank you.

And to Jacob, I have already told Jacob that I would like him to clone himself and have a few more of him at the County. Especially since he's young and he's bright and he cares about these issues and it is a real honor to have you here. And so I wanted to say that on the record, not just in my office.

MR. STOCK: Thank you, Commissioner.

COMMISSIONER HANSEN: Thank you. So when I first got elected this was one of the topics that I ran on was making sure that this ordinance of hard rock mining was passed, and that was three years ago. So this body and this County has been working on this ordinance for over three years and this is a really, really important ordinance for this county and as an example to many other counties. We are passing something that is a shining light and that is one of the things that I feel Santa Fe County has is we have a shining light that we can give to other counties and to other places that we are leading the way.

When I go to NACo, the National Association of Counties and talk about the fact that we don't have oil and gas drilling in Santa Fe County, they're kind of shocked that we don't. But that's because we have real values. We have values of our beauty, of the tourism, of our landscape, of wildlife, and those are important values to have. We have values for sentient beings. And so I really am honored to be part of this and I'm honored that all of you are here to witness this because it is an important part.

And I don't mean to just single out a couple people. I want to thank Robert Griego and Paul Olafson and Greg Shaffer, all of our other staff, and Penny Ellis-Green who has worked really, really, really hard on this ordinance and so we are lucky. We are fortunate in this County to have the kind of staff that we have. So I am honored to be here and to be able to make this motion and thank you all for being here.

CHAIR HAMILTON: Thank you. Commissioner Garcia.

COMMISSIONER GARCIA: Yes, Madam Chair. Just a little bit off of the subject of mining. We forgot to recognize this gentleman earlier, one of our maintenance gentlemen that work for Public Works and has been here for 20-some odd years and he's maybe leaving us and retiring. And Bruce, this is your last County Commission meeting. We think you did an excellent job as County Attorney and some of the other fellow Commissioners have said as well as staff, you actually worked on some of the SLDC stuff. Good luck on your next endeavors. You were a great asset to the County.

CHAIR HAMILTON: Thank you. Commissioner Roybal.

COMMISSIONER ROYBAL: I just want to ditto a lot of the remarks that were made tonight and I don't want to talk too long because you know politicians will talk a long time. But one thing I do want to say is I want to thank everybody for being here. We do need more of a voice from our communities when we have issues like this so we are really glad to have you guys come forward and we're really proud to be able to pass an ordinance that protects our environment and the people of our community.

So I just want to say thank you all for being here tonight and all your comments. We want to make sure that we encourage that in the future with any issues. So at any time, like Commissioner Garcia stated before, this is a public building. This is your building, and always remember that. And also I just want to, on a side note say thank you to Attorney Frederick. I'm not going to put the S on the end. So thank you so much for your dedication and your service. It was a pleasure to serve with you.

CHAIR HAMILTON: Thank you very much, Commissioner.
Commissioner Hansen.

COMMISSIONER HANSEN: One more. I didn't mean to leave out the most important person in the room besides all of us, is Katherine Miller, our County Manager. And none of this would have happened without her. She is a really hard working County Manager. She is the best County Manager in the entire state and as I have been quoted before, maybe in the West. So I want to thank her also for her leadership in making this happen.

COMMISSIONER GARCIA: One more thing, just call for the question.

CHAIR HAMILTON: So in fact I have a motion and a couple of seconds on the table or the floor wherever we find it. If there's no further discussion.

MR. STOCK: Madam Chair, just to clarify, adopting this ordinance would also include the proposed changes to the typo that Commissioner Hansen made.

CHAIR HAMILTON: Yes, just confirming now with the maker of the motion.

COMMISSIONER HANSEN: Yes. Thank you.

CHAIR HAMILTON: Thank you for the clarification.

The motion passed by unanimous roll call vote as follows:

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Commissioner Garcia	Aye
Commissioner Hamilton	Aye
Commissioner Hansen	Aye
Commissioner Moreno	Aye
Commissioner Roybal	Aye

11. INFORMATION ITEMS/MONTHLY REPORTS

- A. Community Services Department Monthly Report
- B. Finance and Purchasing Monthly Report
- C. Growth Management Department Monthly Report
- D. Human Resources Monthly Report
- E. Public Safety Monthly Report
- F. Public Works Monthly Report

There were no questions regarding the information items.

12. CONCLUDING BUSINESS

- A. Announcements
- B. Adjournment

Having completed the agenda and with no further business to come before this body, Chair Hamilton declared this meeting adjourned at 7:10 p.m.



Approved by: .

Anna Hamilton
Board of County Commissioners
Anna Hamilton, Chair

ATTEST TO:

Geraldine Salazar
GERALDINE SALAZAR
SANTA FE COUNTY CLERK

Respectfully submitted:

Karen Farrell
Karen Farrell, Wordswork
453 Cerrillos Road
Santa Fe, NM 87501



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 75

I Hereby Certify That This Instrument Was Filed for
Record On The 26TH Day Of September, 2019 at 01:39:28 PM
And Was Duly Recorded as Instrument # 1897761
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy County Clerk, Santa Fe, NM

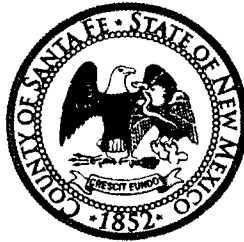
Estrella Martinez

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Henry P. Roybal
Commissioner, District 1

Anna Hansen
Commissioner, District 2

Rudy N. Garcia
Commissioner, District 3



Anna T. Hamilton
Commissioner, District 4

Ed Moreno
Commissioner, District 5

Katherine Miller
County Manager

August 27, 2019

BY EMAIL AND HAND

The Honorable Alan Webber
Mayor of the City of Santa Fe
City of Santa Fe

Re: El Castillo Industrial Revenue Bonds

Dear Mayor Webber:

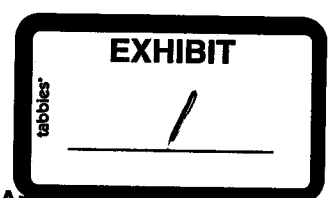
At its meeting today, the Board of County Commissioners (BCC) of Santa Fe County (County) authorized me to sign and send this letter to you concerning the proposed issuance by the City of Santa Fe (City) of up to \$80 million in industrial revenue bonds (IRBs) for a new residential retirement facility to be located at 401 Old Taos Highway in Santa Fe, New Mexico (the Project) for use by El Castillo Retirement Residences, Inc. (El Castillo).

We recognize that El Castillo has now agreed to make payments in lieu of taxes (PILOTs) to the City, County, and State during years six through 29 of the project (in addition to PILOTs to the public schools and Community College in all years). That is a significant improvement over the initial IRB proposal. We also appreciate the dialogue between County and City staff concerning the IRBs, and El Castillo's apparent willingness to address the County's concerns about the need for any property tax abatement and potential competitive advantage that the property tax abatement may provide El Castillo.

As of today, however, we do not have the necessary analysis to provide a definitive opinion on the IRBs. We are writing to memorialize the following as the areas of concern for the BCC:

- *Competitive advantage for El Castillo.* The BCC is concerned that a five-year property tax abatement on City, County, and State property taxes may provide an undue competitive advantage to El Castillo. We believe that further analysis is warranted on whether El Castillo does, in fact, compete with other providers of independent living, assisted living, and memory care services and what advantage the five-year property tax abatement provides El Castillo. We understand that El Castillo is going to further analyze the competition concern, and we look forward to receiving that analysis before offering a definitive opinion.
- *Need for property tax abatement/erosion of the property tax base.* Based upon the strength of El Castillo's balance sheet and apparent competitiveness in the market, it is not clear to us based upon the information we have that El Castillo needs any property tax abatement for the Project to proceed and be successful. We understand that El Castillo is going to analyze this issue, and we look forward to receiving that analysis before offering a definitive opinion.

102 Grant Avenue · P.O. Box 276 · Santa Fe, New Mexico 87504-0276 · 505-986-6200 · FAX:
505-995-2740 www.santafecountynm.gov



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- *Valuation of the Project for PILOT purchases.* We understand that there are technical issues on this issue that our staffs are working through. At this time, we would only say that we generally support a fair and predictable valuation process that minimizes the risk of costly and time-consuming valuation disputes.

We look forward to continuing dialogue on the IRBs, and will place this matter on the BCC's agenda for September 10, 2019, so that we can provide you with any final comments and/or concerns.

Sincerely,

Anna T. Hamilton, Chair
Board of County Commissioners

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DRAFT Santa Fe County 2021-2025 ICIP - Top 5

EXHIBIT

2

			2021	2022	2023	2024	2025	Commission District
1	Jacona Sub-Station	Fire	\$1,900,000	\$350,000		\$1,550,000	\$0	1
2	Agua Fria Village Sewer Extension	Wastewater	\$8,500,000	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000	2
3	Edgewood Senior/Wellness Center	Facilities	\$2,500,000	\$2,500,000	\$0	\$0	\$0	3
4	Greater Glorieta Regional Well	Water	\$2,685,700	\$2,685,700	\$0	\$0	\$0	4
5	Eldorado Road Improvements	Roads	\$1,250,000	\$250,000	\$250,000	\$250,000	\$250,000	5

EXHIBIT

3

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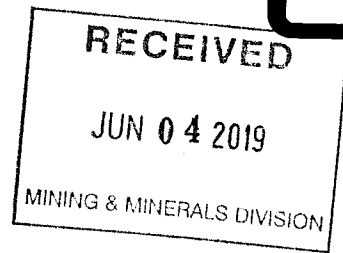
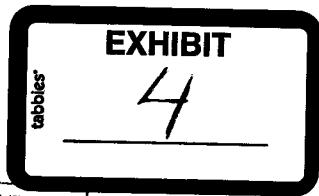
			2021	2022	2023	2024	2025	Commission District (7/1/19)
Lopez Lane and Agua Fria Street Improvements	Roads	Plan, conduct preliminary engineering, design, and construct pavement and sidewalk improvements to Lopez Lane and Agua Fria Street in Santa Fe County.	\$1,000,000*	\$100,000.00	\$900,000.00			2
Rancho Alegre Feeder Roads Chip Seal	Roads	Construct chip sealing on approximately 3.45 miles of feeder roads along Rancho Alegre Road in Santa Fe County.	\$359,186*	\$359,186.00				3
Madrid/Highway 14 Recreation Facility	OSTP	Plan, design and construct multi-use recreation facility along the Highway 14 corridor in Santa Fe County.	\$200,000*	\$200,000.00				3

*These cost estimates are not firm. The projects have not been fully developed, making reliable cost estimating impossible. Actual cost estimates will likely change as the project is more fully developed and preliminary engineering completed.



Comexico LLC (wholly owned subsidiary of)

New World
COBALT



June 3, 2019

State of New Mexico
Energy, Minerals and Natural Resources Department
Division Director Fernando Martinez
Mining and Minerals Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

RE: Exploration Permit Application – Tererro Project

Dear Mr. Martinez

Please find enclosed six hard copies of the subject Exploration Permit Application for project activities proposed in Santa Fe County, New Mexico. A separate package will include the application-required Material Safety Data Sheets.

On May 31, 2019, Comexico LLC posted physical public notice in 5 conspicuous locations around the project area and transmitted 41 notices via certified mail to those parties required under 19.10.9.903 NMAC. A public notice will be published on June 4, 2019 in both English and Spanish in the Santa Fe New Mexican.

Site specific general biology, hydrogeology, cultural, and sensitive/listed species surveys are underway and their reports will supplement the application after they are complete.

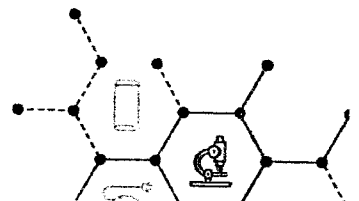
Sincerely,

Patrick Siglin
Exploration Manager, North America
720.258.6329



SFC CLERK RECORDED 09/26/2019

Comexico LLC | 242 Linden Street, Fort Collins, CO 80524
720-258-6329 | psiglin@newworldcobalt.com | www.newworldcobalt.com



PLEASE FILL IN ALL APPLICABLE INFORMATION AS COMPLETELY AS POSSIBLE.
PLEASE PRINT OR TYPE ALL INFORMATION.

1. OPERATOR INFORMATION (§402.D.1)

PROJECT NAME:	
NAME OF APPLICANT (or entity obligated under the Mining Act): Comexico LLC	
ADDRESS: 242 Linden St Fort Collins, CO 80524	
PHONE:	(720) 258-6329
FAX:	NA
NAME OF OWNER (if different from Applicant's name and address): New World Cobalt Ltd	
ADDRESS: 45 Ventnor Avenue West Perth, WA 6005 Australia	
PHONE:	+61 8 9226 1356
FAX:	NA
NAME OF ON-SITE CONTACT OR OPERATOR'S REPRESENTATIVE: Patrick Siglin	
ADDRESS: Comexico LLC 242 Linden St Fort Collins, CO 80524	
PHONE:	(720) 258-6329
FAX: NA	EMAIL: psiglin@newworldcobalt.com

2. OPERATION OWNERSHIP INFORMATION (§402.D.2)

A. List all parties that have an ownership or controlling interest in the proposed exploration operation, or submit the most recent 10K form required by the U.S. Securities and Exchange Commission.

Name	Address	Phone #
New World Cobalt Ltd	45 Ventnor Avenue, West Perth, WA 6005	+61 8 9226 1356
	Australia	

B. List all mining operations located within the U.S. owned, operated or directly controlled by the applicant, owner or operator.

Name	Address	Phone #
Colson Cobalt-Copper	1.3 mi west of the intersection of Colson Creek	(720) 258-6329
Exploration Project	and the Salmon River, Salmon-Challis National	
	Forest, Lemhi County, Idaho	

C. List the names and addresses of regulatory agencies with jurisdiction over the environmental aspects of those operations listed in B above, and that could provide a compliance history for those operations.

Name	Address	Phone #
US Dept of Agriculture	1206 S. Challis Street, Salmon, ID 83467	(208) 756-5100
Salmon-Challis National Forest		
Idaho Department of Lands	3563 Ririe Highway, Idaho Falls, ID 83401	(208) 525-7167
Idaho Department of Water	900 N Skyline Dr, Suite A, Idaho Falls, ID 83402	(208) 525-7161
Resources		

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3. RIGHT TO ENTER INFORMATION (§402.D.3 & 4)

- A. Provide copies of mineral leases and/or mineral claim documents upon which the applicant bases the right to enter the property to conduct the exploration and reclamation.

Attachment 1 – Access and Affected Claim Documents (partially CONFIDENTIAL)

- B. Include GPS coordinates for each claim, or show on a map in relation to the project area, any mineral leases and/or mineral claim boundaries upon which the applicant intends to conduct the exploration and reclamation.

Figure 1 – Affected Claim Boundary Map

- C. List the names and addresses of surface and mineral ownership within the proposed permit area.

Surface Owner(s):

Name	Address	Phone #
United States Department of	11 Forest Lane, Santa Fe, NM 87508	(505) 438-5300
Agriculture – Forest Service		
Santa Fe National Forest		

Mineral Owner(s):

Name	Address	Phone #
Andrea Rector	3715 Otra Vez Ct NW, Albuquerque, NM 87107	(505) 243-8610
Wayne LaBeau	8209 Krim Dr NE, Albuquerque, NM 87109	(505) 307-2541
Comexico LLC	242 Linden St, Fort Collins, CO 80524	(720) 258-6329

4. MAPS AND LOCATION (§402.D.4 & 5)

- A. Provide a legal description of the proposed permit area and each exploration site (i.e. Township(s), Range(s) and Section(s) NM PLSS), as well as GPS coordinates corresponding to each proposed drill hole.

Proposed Permit Area Legal Description:

Township 17 North, Range 11 East, Section 1 – specific unpatented mining claims therein (see Attachment 1 and Figure 1)

Proposed Drill Hole/Exploration Site GPS Coordinate(s):

1. List the drill hole/exploration name and the GPS Coordinate for each site.
2. Include datum/coordinate system of GPS coordinates (i.e. decimal degrees, UTM Zone 13, UTM Zone 12, NAD 27, NAD 1983, WGS 1984, etc.).

Table 1 – List of GPS Coordinates for Potential Drill Pad Sites; UTM NAD 83 Zone 13
Figure 2 – Potential Drill pad Map

- B. Provide a topographic map(s) of at least 1 inch = 2,000 feet or appropriate scale for the size of disturbance (i.e. a 1:24,000 USGS Quadrangle map). The map name and at least two edges of the map (i.e. bottom and side edge) clearly showing all areas of land to be disturbed by the proposed exploration and reclamation. If the area to be explored contains the following features, show them on the map(s):

1. **Boundary of the proposed permit area** on a topographic map, and the proposed area of disturbance. This boundary should be labeled.
2. Perennial, intermittent and ephemeral streams, springs, wetlands, riparian areas, lakes and reservoirs.
3. Residences or other occupied dwelling.
4. Proposed and existing roads, and other access routes.
5. Pipelines and support facilities.
6. Cemeteries, burial grounds and cultural resources.
7. Previously disturbed areas.
8. Oil, gas, water wells and monitoring wells within the permit area.
9. Areas and types of proposed disturbances. Include the anticipated dimensions of each proposed disturbance.
10. Identify the location of drill holes, shafts, pits, adits, trenches, ponds, stockpiles, wastes dumps, etc.

Figure 3 – Topographic Map and Figure 4 – Topographic Map

- C. Provide detailed written driving directions to access the site.

Access is gained via travelling eastward on I-25 North from Santa Fe, NM, proceeding about 15 miles to exit 299 for New Mexico State Highway 50 toward Glorieta/Pecos. Continue east on NM Hwy 50 for 6 miles to the Village of Pecos, NM and turn northward onto NM State Highway 63 then travel 10.9 miles to a gate accessing USFS road 192 – Indian Creek. Travelling westward on this road through four private parcels and one New Mexico Department of Game and Fish parcel leads to a network of forest service roads which access the project area approximately 3.5 miles west of the confluence of Indian Creek and the Pecos River.

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5. EXPLORATION DESCRIPTION (§402.D.6 & 7)

A. List the proposed exploration dates:

Start Date: October 1, 2019

End Date: February 29, 2020

B. List the mineral or minerals to be explored for:

Copper sulfides, gold, zinc sulfides, lead (galena), silver (electrum, sulfides)

C. Check the box beside the proposed method(s) of exploration:

- ☐ Cuts ☐ Pits ☐ Trenches ☐ Shafts
☐ Tunnels/Adits/Declines
☒ Air drilling ☒ Fluid drilling ☐ Drilling & Blasting
☐ Other method (describe): _____

D. Information on stockpiles, ponds, drilling mud and water recirculation pits, impoundments and any other structures should be provided:

Mud pits are proposed to be utilized within the footprint of the drill pad while diamond drilling (coring).

When coring, fluid is circulated from a mud pit, down the drill pipe, returning to surface via the annulus (the space between the pipe and the wall of the bore hole). The fluid circulation not only cools and lubricates the bit and pipe, but it lifts fragments of rock to the surface, cleaning the hole. Once the fluid has returned to surface, it re-enters the mud pit then continues to circulate down and up the pipe and annulus.

Mud pits are generally 5-10 ft long by 5-10 ft wide and about 5 ft deep, dug into the ground and lined with plastic to keep the fluid from seeping into the ground. Comexico proposes 2 mud pits per drill pad to allow for fluid recirculation while drilling, a methodology which significantly reduces the required amount of water needed per drill hole. On one edge of each pit, a ramp will be constructed to allow potential egress.

E. List the following proposed disturbance for each:

Drill pads:

How Many? Up to 30 Width (ft.): 50 to 60 Length (ft.): 30 to 40

Drill holes:

How Many? Up to 30 Depth (ft.): 500 to 4000 Diameter (in.): 3 to 5.5

Other Types of Excavations or Surface Disturbances:

Please describe: Within each drill pad foot print, Comexico proposes to dig 2 mud pits with dimensions of 5-10 ft by 5-10 ft by 5 ft deep. They will not add to the total disturbance as they'll be within the proposed drill pad footprint. Overland routes, on existing historic tracks, are proposed to access several proposed pad locations. Overland routes are proposed to be 15 ft wide and a total length of 1242 ft.

Acres: up to 2.1

F. Describe the equipment to be used for the exploration operations

Pickup trucks to access the site on a daily basis in support of the drill operations. A trailer or cargo truck with equipment parts stored in support of operations. A track mounted excavator to dig mud pits, make minor grade adjustments on the drill pads. A skid steer loader or similar to assist in moving pallets and pipe. A water truck to deliver water to the drill pads. A flat bed truck to deliver drill pipe. A core drilling rig (LF90 or equivalent). A reverse circulation (RC) rig (Prospector 750 or Explorer 1500 or equivalent) to pre collar deeper holes. ATV or UTV. Two, 3,000-gallon water tanks. Water pump. Bean pump. Light tower/generator. Generator. Bulldozer or grader/snow plow if necessary. Water pump. Mud Pump. Portable toilets (up to 4). Portable Toilet service truck.
Comexico proposes to operate two shifts per day with up to two drill rigs operating simultaneously.

G. Describe the area and size of each type of disturbance for cuts, pits, stockpiles, trenches, shafts, tunnels or other disturbances:

If an RC rig is utilized, the drill pad dimension would be 60 ft by 50 ft. If a diamond drill rig alone is utilized Then drill pad dimensions would be 50 ft by 30 ft. An RC rig would potentially be used for deeper holes, whereby the RC rig would drill the initial ~1500 ft of the hole, followed by the diamond drill. The drill pad, in either case would support the drill rig and platform, the drill pipe, the mud pits, circulation hoses and pumps, and area for pallets of mud, grout, and core boxes, and maybe a water truck. Pickup trucks can be parked on existing road nearby. Comexico has identified 84 existing locations which would support a drill pad site utilizing publicly available LiDar data. Each potential pad location exists in an area of historic disturbance and requires minimal new disturbance or grading to support the proposed drill operation.
Comexico proposes up to 30 holes from up to 30 individual pads and up to 5 holes from any single pad.
For example, if Comexico were to drill from 6 pads, but 5 holes from each, then that would be 30 holes.

H. Roads

Roads shall be located to minimize disturbance to land and wildlife and enhance stability. Roads shall be constructed and maintained to control erosion. Roads constructed in or across intermittent or perennial streams require site specific designs. Roads to remain permanent must be approved by the surface owner and must be stabilized to control erosion.

List for New Road(s) the following:

Road description:	<u>DH28, DH76</u>	Length (ft.)	<u>30.2</u>	Width (ft.)	<u>15</u>
Road description:	<u>DH02, DH31, DH32</u>	Length (ft.)	<u>323</u>	Width (ft.)	<u>15</u>
Road description:	<u>DH04, DH37</u>	Length (ft.)	<u>31</u>	Width (ft.)	<u>15</u>
Road description:	<u>DH46</u>	Length (ft.)	<u>208</u>	Width (ft.)	<u>15</u>
Road description:	<u>DH38</u>	Length (ft.)	<u>43</u>	Width (ft.)	<u>15</u>
Road description:	<u>Jones Hill</u>	Length (ft.)	<u>634</u>	Width (ft.)	<u>15</u>
Road description:	<u>South Jones Hill</u>	Length (ft.)	<u>296</u>	Width (ft.)	<u>15</u>

List for Extension or Widening of Existing Road(s) the following:

Road description:	_____	Length (ft.)	_____	Width (ft.)	_____
Road description:	_____	Length (ft.)	_____	Width (ft.)	_____
Road description:	_____	Length (ft.)	_____	Width (ft.)	_____

Where applicable, describe road or drainage culvert location, size(s), and design:

No new culverts are proposed. Best management practices will be utilized to control potential overland road drainage such as silt fencing or waddles. If needed, water bars can be constructed.

Overland routes are proposed to be a nominal 15 ft wide and would not require any grading or tree removal. Silt fencing would be installed on the upslope and downslope sides of the routes.

- I. Describe (location and size) any other disturbances (equipment staging, storage and/or lay down areas, vehicle parking, temporary housing and/or trailers) to be created or situated on the site during exploration operations.

A laydown area is proposed at the area historically used as the drill camp by former operators. This is the general area at which well number UP 00826 is located, nearby which water tanks will be located to fill a water truck supporting the drill program. Vehicle parking outside the laydown area will be near the drill rig/s, upon existing roads.

The laydown area, water tank location, and parking areas are upon existing disturbance.

TOTAL ACREAGE TO BE DISTURBED: up to 2.1 acres

6. CHEMICAL USE (§402.D.8)

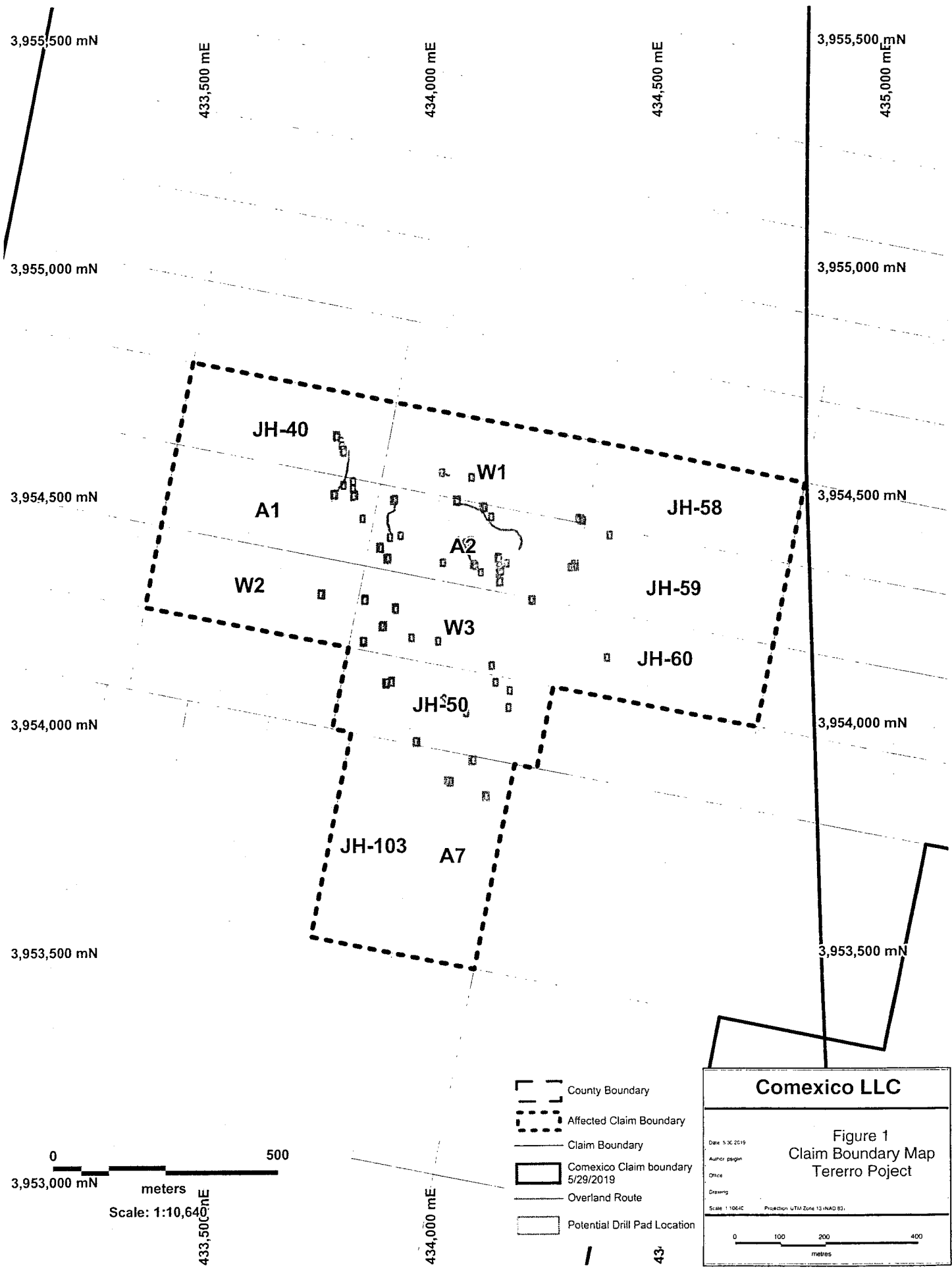
A. List all chemicals, and include Material Safety Data Sheets (MSDS), for any chemicals proposed to be used by the exploration operation, including but not limited to any drilling mud, polymers, down-hole bit lubricants, lost circulation materials (LCM), or any other drilling additives, fuel and lubricants. Material Safety Data Sheets (MSDS) describing must be included. If any water is to be hauled onsite, please provide source information and intended use.

Name	Use
See attachment 2: Chemical List and MSDS	Mud, grout, parts cleaner, fuel, LCM, mud additives
Water source: well UP 00826	fluid circulation during drilling, mud mixing, fire safety.

B. Describe in detail a plan for the containment, use and disposal of all chemicals listed above:

All potentially hazardous chemicals will be stored within a secondary containment vessel to ensure there is no leak onto or into the ground, nearby streams, or existing boreholes. No chemicals will be disposed of onsite. All trash and waste will be removed from the site and disposed of properly.

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Comexico LLC

Figure 1
Claim Boundary Map
Tererro Project

Date: 5/30/2019
Author: psgm
Office:
Drawing:

Scale: 1:10640 Projection: UTM Zone 13 NAD 83

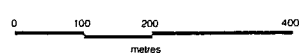
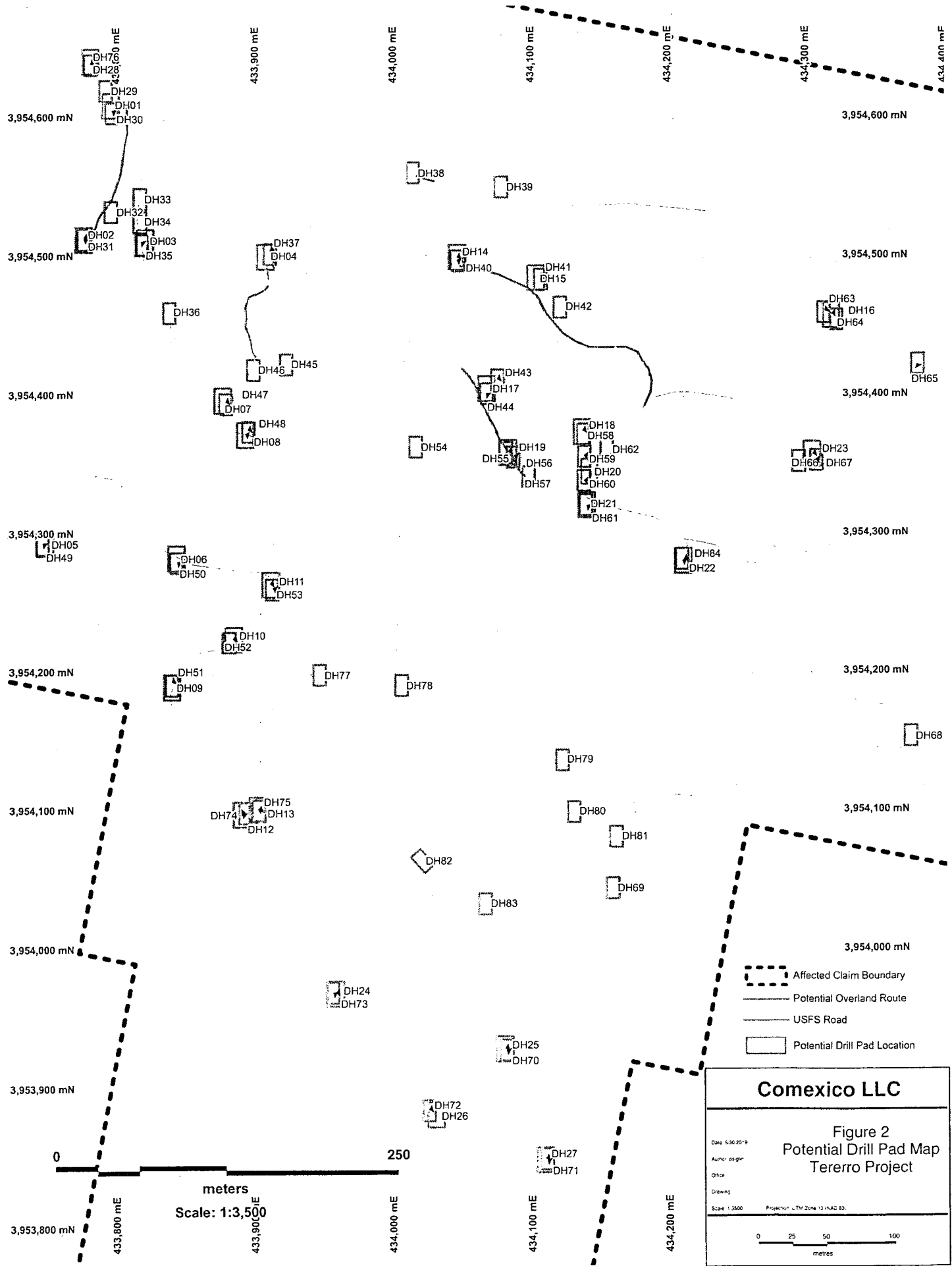


Table 1 - List of GPS Coordinates for Potential Drill Pad Sites; UTM NAD 83 Zone 13

Drill_Hole_Site	X_UTMn83z13_m	Y_UTMn83z13_m	Pad_Dimensions_ft_x_ft
DH01	433792	3954612	60 x 40
DH02	433772	3954516	60 x 40
DH03	433817	3954514	60 x 40
DH04	433904	3954503	60 x 40
DH05	433745	3954296	60 x 40
DH06	433839	3954285	60 x 40
DH07	433873	3954397	60 x 40
DH08	433889	3954374	60 x 40
DH09	433836	3954192	60 x 40
DH10	433880	3954226	60 x 40
DH11	433907	3954266	60 x 40
DH12	433887	3954100	60 x 40
DH13	433898	3954103	60 x 40
DH14	434043	3954501	60 x 40
DH15	434099	3954486	60 x 40
DH16	434315	3954460	60 x 40
DH17	434065	3954407	60 x 40
DH18	434134	3954376	60 x 40
DH19	434080	3954361	60 x 40
DH20	434139	3954347	60 x 40
DH21	434136	3954324	60 x 40
DH22	434206	3954282	60 x 40
DH23	434301	3954359	60 x 40
DH24	433955	3953971	60 x 40
DH25	434077	3953931	60 x 40
DH26	434027	3953884	60 x 40
DH27	434106	3953852	60 x 40
DH28	433778	3954643	60 x 40
DH29	433789	3954622	50 x 30
DH30	433793	3954607	50 x 30
DH31	433772	3954515	50 x 30
DH32	433793	3954535	50 x 30
DH33	433813	3954544	50 x 30
DH34	433813	3954528	50 x 30
DH35	433814	3954513	50 x 30
DH36	433834	3954463	50 x 30
DH37	433907	3954506	50 x 30
DH38	434011	3954562	50 x 30
DH39	434075	3954552	50 x 30
DH40	434043	3954499	50 x 30
DH41	434103	3954486	50 x 30
DH42	434118	3954466	50 x 30
DH43	434072	3954413	50 x 30
DH44	434064	3954403	50 x 30
DH45	433919	3954425	50 x 30
DH46	433895	3954421	50 x 30

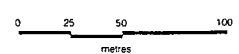
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Comexico LLC

Figure 2 Potential Drill Pad Map Tererro Project

Date: 5/30/2019
Author: [redacted]
Office: [redacted]
Drawing: [redacted]
Scale: 1:3500 Projection: UTM Zone 12 NAD83



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New World Cobalt : Mining company seeks to drill on land north of Pecos



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06/07/2019 | 08:43am EDT

A Colorado mining company wants to conduct exploratory drilling for minerals in the Santa Fe National Forest north of Pecos, not far from Terrero, and in the general area of campgrounds and other recreational sites along the Pecos River.

Comexico LLC, a subsidiary of Australia-based New World Cobalt, has submitted a plan of operations to the National Forest and applied for an exploratory permit with the New Mexico Energy Minerals and Natural Resources Department, according to a National Forest news release on Thursday.

Comexicos application identifies 83 potential drilling sites, but the company says no more than 30 drill pads would be constructed.

The company says that it expects drilling operations to be confined to 2.2 acres about 10 miles north of Pecos near Terrero, not far from where a \$28 million clean up of old mining operations took place in the 1990s.

In April, New World Cobalt signed agreements that gave it rights to 20 federal mining claims and secured interest in 4,300 acres for metal sulfide ore mining.

The project known as the Tererro VMS Project, for volcanogenic massive sulfide ore provides an outstanding opportunity to develop a new VMS camp centered on the Jones Hill Deposit, according to an April 9 news release put out by New World Cobalt. NWCs strategy will be to advance development of the Jones Hill Deposit while commencing exploration aimed at expanding the resource base the first exploration to

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be conducted in the district since 1993.

The company's documents also call the project the Terrero Cu-Au-Zn Project, using the element abbreviations for copper, gold and zinc.

The mining of gold, silver, zinc and lead began in the area in the 1880s and continued into the late 1930s. Mining operations resumed in the 1950s and continued into the 1990s, according to stories from the Journals archives.

In 1991, a heavy snowmelt and a thunderstorm sent a pulse of the mine's toxic metals into the Pecos River, killing nearly 10,000 rainbow trout at the state's Lisboa Springs Hatchery a few miles downstream. Cyprus Amax Minerals Co. of Denver, which owned the mineral rights at the time, and the state of New Mexico paid for the \$28 million cleanup, with New Mexico taxpayers footing about 20% of the cost.

The environmental group WildEarth Guardians says that it will oppose the new project.

Proposals like this highlight the critical need to modernize the 1872 Mining Law and we support (U.S.) Senator (Tom) Udall's efforts to do so, John Horning, the group's executive director, wrote in an emailed statement to the Journal.

In the meantime, we will fight this proposal to extract minerals because we believe it's incompatible with the Pecos Wild & Scenic River, as well as the clean water and healthy wildlife that most New Mexicans want protected on the Santa Fe National Forest.

The National Forest said in its news release that the 1872 act prevents it from prohibiting the exploration and development of mineral resources on U.S. Forest Service lands. However, it has provided the company with biology protection measures, including protections for the Mexican spotted owl, Rio Grande cutthroat trout and the Holy Ghost ipomopsis, a species of flowering plant that grows only in Holy Ghost Canyon.

Hugh Ley, who operates the popular Terrero Trading Post, said a notice announcing

Comexicos intentions had been posted at his store and a few other locations in the area.

From what he can tell, all Comexico is proposing now is to conduct core sampling. But area residents are concerned.

Everybody is like, now what do we do? Where do we go from here?, he said of the reaction to the notice.

According to the exploration permit application, Comexico would start operations in October and potentially engage in drilling activities through February 2020. Reclamation from the work would be completed within a year of the projects implementation, avoiding nesting season.

All potentially hazardous chemicals will be stored within a secondary containment vessel to ensure there is no leak onto or into the ground, nearby streams, or existing boreholes, the application says. No chemicals will be disposed of onsite. All trash and waste will be removed from the site and disposed of properly.

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