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BCC MINUTES
PAGES: 194

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SANTA FE COUNTY

BOARD OF COUNTY COMMISSIONERS

REGULAR MEETING

October 30, 2012

Liz Stefanics, Chair – District 5
Kathy Holian, Vice Chair – District 4
Robert Anaya – District 3
Danny Mayfield – District 1
Virginia Vigil – District 2

SFC CLERK RECORDED 12/05/2012

SANTA FE COUNTY

REGULAR MEETING

BOARD OF COUNTY COMMISSIONERS

October 30, 2012

This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 1:30 p.m. by Chair Liz Stefanics, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Employees of the Human Resources Department, Becky Trujillo led the Pledge of Allegiance and Diana Varela led the State Pledge, following roll call by County Clerk Valerie Espinoza which indicated the presence of a quorum as follows:

Members Present:

- Commissioner Liz Stefanics, Chair
- Commissioner Kathy Holian, Vice Chair
- Commissioner Robert Anaya
- Commissioner Danny Mayfield
- Commissioner Virginia Vigil

Members Excused:

[None]

V. MOMENT OF REFLECTION

The moment of reflection was led by Rebekah Fordham.

Commissioner Stefanics called the attention of those present to the plight of those in the East suffering from the effects of Hurricane Sandy, and Commissioner Holian mentioned the passing of Ponce Lujan of Pojoaque.

VI. APPROVAL OF THE AGENDA

- A. Amendments**
- B. Tabled or Withdrawn Items**

KATHERINE MILLER (County Manager): Yes, Madam Chair. Page 4, item XI. C. 3 has been withdrawn.

CHAIR STEFANICS: Page 4, item XI. C. 3 is withdrawn. And I believe we're

going to move up – I believe item VIII. D, Commissioner Vigil is withdrawn?

COMMISSIONER VIGIL: Yes, Madam Chair.

CHAIR STEFANICS: Item VIII. D. is withdrawn, Dr. Ana “Cha” Guzman is ill today. And I believe we’re going to move up item VIII. F underneath VIII. A. So are there any other amendments before we move for approval?

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: Madam Chair, item D. 1 under Public Works, does that need to be listed as tabled?

CHAIR STEFANICS: What page are you on?

COMMISSIONER MAYFIELD: I’m looking at the initial agenda; let me look at the revised agenda. Yes, page 5.

CHAIR STEFANICS: D. 1? The question is?

COMMISSIONER MAYFIELD: The question is we had this on our last agenda but we tabled it and I just don’t know if it needs to be reflected as a tabled matter. If it makes a difference or does not make a difference?

CHAIR STEFANICS: Mr. Ross?

STEVE ROSS (County Attorney): Madam Chair, Commissioner Mayfield, no, that’s correct. We could have written in there a parenthetical that it had been previously tabled but it’s here for action.

COMMISSIONER MAYFIELD: Thank you.

COMMISSIONER HOLIAN: Madam Chair, I move for approval of the agenda as amended.

CHAIR STEFANICS: Is there a second?

COMMISSIONER VIGIL: Second.

CHAIR STEFANICS: Okay. There’s a motion and a second. Any discussion?

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

VII. APPROVAL OF MINUTES

A. Approval of September 11, 2012 BCC Special Study Session Minutes

CHAIR STEFANICS: Ms. Miller, are there any changes?

MS. MILLER: Madam Chair, no. Not from staff’s perspective.

COMMISSIONER HOLIAN: Madam Chair, I move for approval of the September 11, 2012 special study session minutes.

CHAIR STEFANICS: Is there a second?

COMMISSIONER VIGIL: Second.

CHAIR STEFANICS: Thank you. Any discussion?

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

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VII. B. Approval of September 11, 2012 BCC Minutes

COMMISSIONER VIGIL: Madam Chair, I'll move for approval of those minutes.

COMMISSIONER HOLIAN: Second.

CHAIR STEFANICS: Any discussion?

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

VII. C. Approval of September 25, 2012 BCC Minutes

COMMISSIONER VIGIL: Madam Chair, I will move for their approval.

COMMISSIONER HOLIAN: Second.

CHAIR STEFANICS: There's a motion and a second for the approval of the September 25, 2012 minutes. Is there any discussion?

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

CHAIR STEFANICS: Before we go into – well, under presentations, we're now at VIII. A and before we do the new employees, Ms. Lamb, would you like to give us an update on the enormous groundswell of voting that we've had?

DENISE LAMB (Bureau of Elections Chief): Thank you, Madam Chair. I'm here because Valerie asked me to give you this presentation. Otherwise I would be in my office trying not to cry. But I'm just making a joke, actually.

As of today we have 20,499 citizens in the county who have already voted early. And of that, 10,000 of them have voted here at this building.

CHAIR STEFANICS: So 20,500 people approximately have voted.

MS. LAMB: It will be a higher number at 8:00 tonight.

CHAIR STEFANICS: So, Ms. Lamb, is that higher, lower than other years?

MS. LAMB: It seems to be on track with four years ago. Of course gubernatorial elections are much lower turnout so two years ago we can't really compare. I wanted to report also that we've had almost 7,000 absentee ballots requested and of those over 4,000 have already been returned. At the close of voter registration we had 99,502 registered voters in Santa Fe County. If you had only rounded up 498 more we would have passed the 100,000 mark. That is already 10,000 more than we were two years ago. So we have increased voter registration by 9,000 voters in the last two years.

We've had ten precinct board schools, all the way from Edgewood to Pojoaque in the county to train all our poll workers for Election Day, and the personal highpoint for me was getting Governor Apodaca off the elevator when it broke.

CHAIR STEFANICS: We're talking about the elevator in this building.

MS. LAMB: Yes.

CHAIR STEFANICS: I think we have a work order in to take care of this? Okay. Well, Ms. Lamb, thank you so much for all your hard work and I know you're going to be going through a lot more hard work in the next week when the elections –

MS. LAMB: I need to remind you and I know an email went out reminding you of our canvassing board meetings, the Friday after the election and then the Friday after that.

CHAIR STEFANICS: Right. The canvassing board will open on Friday the 9th at 2:00 pm. Some of us will be on the phone; some of us will be present. And then it closes the following Friday the 16th.

MS. LAMB: That is correct.

CHAIR STEFANICS: Thank you very much. And I'd like to remind the public, it is your right to vote and hopefully it is your responsibility to help decide many of the questions that are on the ballot. And thank you for all your hard work to the County Clerk's Office.

MS. LAMB: And thank you for your support.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Lamb, before you leave, as far as the Election Day sites, are you going to be utilizing the new Nambe Community Center site or are you going to still be using the Nambe Headstart?

MS. LAMB: For this election we have to use the Headstart site because when you all, last November, you might recall about a year ago we approved our polling places for this election. And in order to move a polling place we have to get a court order to do so.

COMMISSIONER MAYFIELD: That's what I wanted to know.

MS. LAMB: And also there'd be a lot of voter confusion. But next year, when you do for the next election cycle I think that the intent is that that building be used for voting.

COMMISSIONER MAYFIELD: Thank you, Ms. Lamb.

CHAIR STEFANICS: Thank you again for coming up. I know you're very busy.

VIII. PRESENTATIONS

A. New Employee Introduction

MS. MILLER: Madam Chair, we've had probably over 50 employees hired, many of them temporary precinct board members to help with the elections so I will not go through all the names. I do believe there are about three new employees that are here. The list of all these I think are in your packet as well. But there are three that I believe are here from some of our departments. One of them is Amanda Valencia. She's been hired in Corrections as chief investigator, and also Rebekah Fordham from HR that helped with the Pledge this morning. And then Patricia Boies. She's from the Community Services Department as our Maternal and Child Health Policy Program Coordinator.

CHAIR STEFANICS: Great, and welcome to all the new employees for the County. We hope you do a great job for us.

VIII. F. Input and Information from the Mutual Domestic Water Associations
[Exhibit 1: Meeting Summary]

COMMISSIONER ANAYA: Madam Chair, Commissioners, members of the audience, members listening in, I appreciate the fact that at the last Board of County Commission meeting that Resolution 2012-58 was tabled affording me and the public an opportunity to solicit and engage in discussion with the mutual domestic water associations across Santa Fe County. I have in my hands some notes that come directly from the meeting that I held with mutual domestic water associations on October 22, 2012. I'm not going to read each of the items. I'm just going to ask that these be placed on the record of this meeting listing each of the individuals who spoke and summary bulleted points of their comments. I know that there are many mutual domestics here today. What I'm going to do is I'm, Madam Chair, going to turn the floor back over to you to give them the opportunity to speak. I'm going to check off the items that they are mentioning in their discussions today from this list and then at the end I would like to just add any items that they may have brought up at the meeting but not reflected in today's meeting. But I'm happy to have all of them here with us today. They come from mutual domestic associations from all parts of Santa Fe County. So with that, Madam Chair, I would turn it back over to you so they could provide some public input.

CHAIR STEFANICS: Thank you very much. How many people are here today from mutual domestic water associations? Thank you. We really appreciate your being here. How many people wish to speak? Okay, if you would all start moving forward to the front bench so we can just take you one after the other. I don't know if you have a spokesperson to start or if everybody is speaking individually. If you would identify yourself for name and address for the record. These meetings are being transcribed and you are on radio and TV. Oh, and another comment for the public. This will stopped being taped for TV at 5:00 pm because the same taping occurs for the City Council and the City Council is having a special meeting today. So who would like to start?

MUKHTIAR KHALSA: Madam Chair, Commissioners, my name is Mukhtiar Khalsa from Cuatro Villas Mutual Domestic Water Users Association. Cuatro Villas is located directly south of Espanola and its service area is the areas of Sombrillo, Pojoaque, Cuarteles and La Puebla and Arroyo Seco. We addressed the Commission previously when we had an amendment coming up for this same resolution, so some of our points are still the same in that we feel that the Commission was proper in looking at ways to find means to get domestic water to the citizens of Santa Fe County and this was an attempt to expediate that and help that happen.

But we're concerned that it stops a lot of that from being able to happen. In our particular case, in Cuatro Villas' case we're in a situation where we're building our infrastructure and for us to ask the County to take over building of the infrastructure at this point would really dramatically curtail our being able to build the infrastructure. The other part of it is we've made assurances to all of our members, and the members allowed us to go forward with a membership-owned mutual domestic. So at this point if we asked for the County to take over in order to get funds for the County we would meet with a lot of

resistance from our membership and our membership would basically not allow that to happen.

So if we stay with this resolution and there's no means for the County to supply funds to Cuatro Villas then this resolution is stopping the County from being able to contribute to a way for residents in the county to get domestic water. And it overlooks a few things that I don't know that I pointed out very clearly in my last communication with the Commission is that the funding that we did get from Santa Fe County, we have gotten from Santa Fe County, our first funding, was the \$500,000 award through a JPA. That money actually came from state appropriations funds from the Water Trust Board that were about to expire, and if we hadn't been there to be able to absorb those funds then the County would have missed out on it and Cuatro Villas would have missed out on it and it would have been reabsorbed by the state. So it really wasn't money coming from the County; it was money coming from the state that the County wasn't in a position to use, but somehow Cuatro Villas was in a position to use.

Another situation was we recently got a easement from Santa Clara Pueblo on County Road 90, working with the County and Cuatro Villas. The easement was actually acquired by the County with Santa Clara Pueblo, but by the time it came time to pay for the easement the County was without available funds to pay for the easement. So Cuatro Villas paid for the easement. Some of that money will be funded back to Cuatro Villas through a state grant but still, it's Cuatro Villas' contribution rather than the County's contribution.

So it's not that – don't get me wrong in any way. It's a cooperative situation, but if we had a resolution – there is a give and take sometimes between mutual domestics. In fact all the time there's a give and take because the mutual domestics are footing the burden of making the system work. So when we're asking for monies, we're asking for help from the County, sometimes the best help is just a supply of a small amount of money, or money that we can multiply. When we get a grant like we got the \$500,000 from the County, the Water Trust Board looked at that as matching funds. So that \$500,000 not only was money that the state would have reabsorbed, that the mutual domestic was able to make use of, but the mutual domestic was also able to use it as matching funds. So when we were looking for Water Trust Board money we could use that \$500,000 as a source of matching funds. So the mutual domestics are in a situation to multiply the ability for the counties to have.

But if we limit it with this resolution saying the only time the County can help is if they absorbed the mutual domestic, then we'd cut off all of those options. And we would have cut off a lot of the options that we're able to utilize with Cuatro Villas.

So that plan, looking at if we want to do this, let's make it an option. If the County wants to be able to absorb mutual domestics that want to be absorbed, let's look at a sensible way to do that that doesn't cut off the options that the County has available to it to help the mutual domestics when the mutual domestics can be a mutual benefit to the residents of Santa Fe County, who we're all trying to serve.

One other point that came up was that mutual domestics are political subgroups of the State of New Mexico. A mutual domestic is basically viewed almost in the – in the same light as a county. So the County is a political subgroup of the State of New Mexico; so is a mutual domestic. So if we have the County absorbing mutual domestics then again we're robbing the

County of the advantages that we have with the autonomy of the two entities. And the autonomy of two entities, again, we can balance and we can use them in a cooperative manner like we did with our \$500,000 appropriation to multiple the resources we have available to us.

One of the points that came to mind and have kept coming to mind when I'm viewing this resolution, that the resolution has a good intent to it but I believe it needs to be filled out so that it incorporates more options, so it doesn't lock the County into an untenable position or lock the mutual domestics out in an untenable position. So that's my input. If there's anything I can fill in with questions I'd be happy to do so.

CHAIR STEFANICS: Thank you. I think we're going to hear from everybody and then if the Commissioners have questions we'll have your names written down. Okay? So just sit up front in case there's questions. Who would like to speak next please?

P. ROBERT MARTINEZ: My name is P. Robert Martinez with the Tesuque Mutual Domestic Water Association, and based on a statement of the Board and looking over the materials that were presented in the other meetings, I'm just going to identify some of the issues that came up that maybe you all could respond to, Madam Commissioner and the other Commissioners.

One question was what is the real driver for the County to take over these independent water systems? And if the County recognizes that there's a wide variety of financial viability and operating ability of the various mutual domestics, and if so, why is it not recognized with some flexibility for the County in the resolution as it was proposed? And why does the resolution not contain the ability of the County to use judgment in approving the request for a loan without triggering a complete takeover of the system. I believe paragraph 3 was absolute in its requirements. By their very structure, mutual domestics cannot fund major expenditures and would need loans to make major repairs or capital improvements.

The County also requires funding for its major expenditures. Should this trigger a takeover by the state? That was one of the issues that was brought up by one of our members. And does the County intend to pay for all the requirements placed upon the mutual domestics as part of the County takeover? Volunteers currently conduct much of the work related to operating especially our system, and what concession is the County willing to make to upgrade the system after its takeover? For example, providing necessary fire protection and replacement of parts of the system beyond their normal replacement time. That's a really big concern and issue of not just the mutual domestics and the constituents that we represent but also the people in Tesuque itself.

In the case of the Tesuque Mutual domestic if our water system is ever taken over by the County is it the intention of the County to use water provided under the Aamodt settlement, which would allow the continued use of our currently provided well water? How is that going to work? What provision in the resolution would allow the County water as a backup to the well water? I know that was some of the issues that the Aamodt is currently negotiating.

And lastly, is the County saying that they are not accepting environmental or any other liability? If not, where would this liability reside after takeover? If liability becomes an

issue would it be in the individual members? How would the liability issue come into play when the County is running the system?

Other than higher costs for water and loss of local control what benefits can the members of the mutual domestic expect of the County? What benefits to the residents of the County in terms of water other than the availability of water and of upgrading the system? So those are some of the issues that were brought to my attention.

CHAIR STEFANICS: Thank you, Mr. Martinez. Next.

LUPITA MARTINEZ: Madam Chair, Commissioners, my name is Lupita Martinez, and I represent the Cañoncito at Apache Canyon Water Association. We are in a unique situation in that we are in dire need of assistance and integration by Santa Fe County. We have exhausted, as I've mentioned before in several meetings, all of our opportunities to increase and improve the system on our own. We have exhausted again all of our opportunities. We have applied for Water Trust Board applications, we have general obligation and severance tax board funds to be able to help out with Cañoncito, and again, our unique situation being that we do not have good quality water within the community itself. So we are in desperate need to be able to have good source water brought to Cañoncito.

This resolution feels like it's almost tailored for Cañoncito because of our unique situation for integration and our need to combine into one water system. The only concern that we have is that it doesn't prohibit other water associations who may not need the exact dire needs that Cañoncito has. There appears to be just as many solutions as there are situations for each unique mutual domestic and acequias and so our concern being that they not be bound by a situation such as ours in Cañoncito.

One of the questions that we have as a community is on paragraph 5.f.i, item i, it clearly states that the County shall not accept any debts or liabilities of the water system. That poses a concern for us because in our attempts to benefit and improve the water system we do have debts. And in order for us to be integrated by Santa Fe County our board has to absolve. However, that is not possible if we have debts. So there is a great concern there that the County would take over the assets, the assets would then become part of Santa Fe County, and we will not be able to pay the debts that the community has incurred in order to improve the system.

So that is one item that definitely poses a concern. And it's a loophole, if you will, that we cannot resolve unless that is actually taken care of. So I know that there are a lot of questions. I think this is a really good start. I feel that there are many different solutions again to each unique situation, so I stand for questions if you all should need.

CHAIR STEFANICS: Thank you very much. Could we have the next speaker?

DARREN MUNZBERG: Madam Chair, Commissioners, good afternoon. My name is Darren Munzberg and I'm speaking on behalf of the Village of La Bajada and the La Bajada community ditch and mutual domestic water association. First, let me express the thanks from our community for the assistance that we've received from the County, particularly Commissioner Anaya in supporting our repairs to our domestic water system since our winter emergency a couple years ago, and we're very grateful for that.

That started a process for us of doing greater improvement to our mutual domestic water system and pursuing funds for other pipeline repairs and proactive solutions to the problems we were having with our aging system. I'd like to follow up on what Ms. Martinez was saying about from our community, our perspective is we're very much in support of the County's assisting smaller communities that require that assistance and ask for it. In our case in particular, the assistance that we receive from the County and the assistance that we're receiving from the state through the County's advocacy, it's turning out now to have this retroactive condition put upon it by these resolutions. So what we'd like to support is a case by case basis that considers the viability of the mutual domestics in question. We'd like to see the Commission continue to take the leadership stance in supporting the mutual domestics and the acequias within the county, especially for awards of state monies, and what we saw happen in our case was the condition put both by the Water Trust Board and now by these resolutions for the surrender of our water rights to the County, for the surrender of our infrastructure to the County.

And where we have taken our sustainable position over the past several centuries and now turning that into where we just become customers of the County. What we'd like to see considered in addition to the viability of the mutual domestics themselves is also the return that the County would be getting on investment for infrastructure, particularly, say, for La Bajada and the far southwest end of the county where there's not a lot of other county users in that area. To look at it just in a very cursory fashion. It doesn't make sense to us to see the County invest in all kind of infrastructure that already exists and being managed, and then have that cost turned back to the users so the County can recoup that investment. So we'd like to see a solid cost/benefit analysis as part of the determination of whether the County's going to absorb a mutual domestic or not or absorb those water rights or not, and not just use these individual hardship cases as excuses for what really turns out to appear to be a very predatory type of position on the County's behalf, as looking for these water rights being able to acquire these previously sustainable and autonomous systems. Thank you very much.

CHAIR STEFANICS: Thank you. Who's next?

ROBERT ROMERO: Good afternoon, Commissioners. I'd like to thank Commissioner Anaya for calling the meeting last week. My name is Robert Romero. I'm a member of the La Cienega Mutual Domestic Water Association and I also serve on the board of the mutual domestic. And if it hadn't been for Commissioner Anaya bringing this resolution to our attention we would have been totally in the dark about it. I came to realize this resolution was passed back in April and we were never informed of this resolution and how it would affect our mutual domestic in working with the County.

First of all the only thing our association can support on this resolution as it currently stands is the current resolution being rescinded. Because we had no input into this resolution as it affects us. And the other item here is we currently have a number of unresolved issues with the County pertaining to a joint powers agreement that was signed and approved by our board and also approved by the County Commission. And the County staff has neglected to resolve those issues. I've written several letters, one to the County Manager that went unanswered and unresponded to. We had a new utility director come in and interpret that agreement in his own mind, not being party to the agreement at the time it was drawn up. He

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proceeded to bill us approximately \$2,000 a month for a connection that we have to the County. And I could get into those details but it's another issue altogether. I think it would take an enormous amount of time to resolve at this point, but that's one of the issues that remains unresolved.

And also, we have a number of issues pertaining to encroachment of the County system upon our water service area as well. We need to resolve some of these issues. We would like to continue working proactively with the County. As we see this resolution being presented, I see it, personally, as being reactive. Rather than the County coming to the mutual domestics and affording us some input on these resolutions before the Commission passes them, I think it just shows that the County is being reactive.

And I can understand that to some degree because of the situations at Cañoncito and Chupadero and Apache Canyon are in, and I think we want to support them in their efforts to try to serve the customers out there. But we are an association built on its members. The members own the association in itself along with the water rights. What concerns us the most is that there's been some talk about we have the ability to go before our state legislators and lobby for funding. From what I understand the state is looking at a policy that unless it comes through the County they're not going to fund some of these projects any longer. I'm not sure where that's going or where it's headed but it concerns me because if that is the case and we have to go through the County for our funding, to me it kind of seems as though the County is somewhat conspiring with the state to regionalize water resources within Santa Fe County, which in some perspectives might be the way to go but from our point of view, a lot of our water rights are derived from acequia rights, and we would like to maintain those rights within our community rather than hand them over to the County for a varied number of reasons.

We've seen the County approve developments in our community that drain the water resources on those acequias. We have a number of RV parks along Los Pinos Road that are unmetered and unchecked and I believe they are overusing water along with a trailer park that's at the end of Paseo C de Baca which should be served by the County because the County already has the line there, which residents have poor water quality and are suffering as a result.

But also there's a number of contradictions that I see here in this resolution as well. It goes back to the County – it clearly states that the County shall not accept any debts, liabilities of the water system, but then it comes down here, it clearly specifies what contracts, obligations, receivables and indebtedness of the County – will be assumed by the County. So I see contradictions here that don't really make a whole lot of sense to me. Why would you state such things as that the County's not going to accept the debts and liabilities? So I thought I'd point that out as well.

Also, there's a number of projects that we need to work on together with the County. Our water system runs primarily through County road easements. Because we apply for an easement on a County road does that mean that the County is going to come in and take over our water system? This Commission, I know that you guys are well intent that you make this happen and I think there needs to be a resolution passed if the County is going to proceed, but I think when it comes to mutual domestics the County needs to be a little bit more open-

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mindful and rather than taking over systems they need to be more proactive with them, because if we have a natural disaster or an emergency situation who else are we going to turn to? We are constituents of the County after all, and we should be able to ask for help without giving our house away, so to speak.

We have an issue here with a bridge that crosses the La Cienega Creek which is a County bridge and we'd like to make an extension across that bridge. In order to get there we need to work with the County. But at the same time we don't want to turn our system, that we as residents and members of our community have worked so hard to build and maintain. We've put millions of dollars into our system and I think unlike some of the other systems we have a good source of quality water and the ability to provide that to our customers.

I hope that I'm not being too critical but there's also some questions of liability here too that is somewhat of a contradiction because I see these systems that you're taking over and they're an automatic liability because the water that they're able to provide is contaminated or the infrastructure there is dilapidated. So I just don't know. I don't understand some of it and maybe it's because it hasn't been explained to me in detail or I didn't have an opportunity, or our association didn't have an opportunity to add some input as it concerns us. But it's been a long time since I've been here to speak in front of the Commission and it feels good to be back.

CHAIR STEFANICS: Thank you very much. Next please.

FRANK DENNY: Good afternoon, Commissioners. My name's Frank Denny. I'm with the Lamy Domestic Water Users. The past 20 years I've been on the board. I'm going to be pretty quick here because I'm not too good at this speaking stuff. I wondered why you can't help us without taking over the system. Is the real issue to help these community water associations? Or is the agenda to take over the water rights? What would happen to our water rights? Basically, we've been doing all right by ourselves and if we do need help, we thought we'd be able to get it. We just replaced some pumps in our substation; we did that all on our own.

My concern is we would lose our independence, which is something as a traditional community is something that's important these days. We feel we're being swallowed up by other developments and I wonder if this is just a reason to help get water to the developments that have already been approved. Thank you very much.

CHAIR STEFANICS: Thank you. Is there anybody who hasn't spoken who'd like to come up please?

SHELLEY WINSHIP: Madam Chair, Commissioners, thank you very much. My name is Shelley Winship. I'm with the Greater Chimayo Mutual Domestic Water Consumers Association. I just want to echo a lot of the sentiments that have already been expressed, and I know I missed some of the comments that were made earlier but our situation is a little bit unique in that our water system spans two counties. Two-thirds of our membership live in Rio Arriba County. So our situation is a little bit different. The resolution poses challenges and problems for us that it might not for others.

Additionally, our water system is new. We have over \$13 million in the ground that's in perfect working order and it's not something that we are really eager to part with at this time. I did want to mention again the debt issue that was brought up and the conflicts in the

language of the resolution about debt. One of the things that mutual domestics deal with in applying to the Water Trust Board, and you may have heard this already is there's a grant component and a loan component to award from Water Trust Board. So mutual domestics do have debts. And basically, what a mutual domestic is is its membership, its customers. If the County takes away our customers all that's left is five volunteers. That's all that's left. And if you don't take the debt with the assets you're leaving five volunteers with potentially millions of dollars in debt. You've got to fix that language if you're going to put forward a resolution. That's pretty scary for people like me.

The other thing I wanted to mention is that we are currently in a joint powers agreement with Santa Fe County and our joint powers agreement has spanned a number of years. We're working with the County right now to develop a new joint powers agreement and the language in that draft document which we've been reviewing and came very close to signing indicated that all joint powers agreements would be null and void. If we had signed that agreement under the current resolution with the May resolution in place, we would have been signing our water system over to the County.

I felt sincerely misled by the County in that they would be asking us to sign a document that would put our water system in that kind of jeopardy. Though it may have been done unawares but it was clear to me from the language in the joint powers agreement we were being asked to sign that under the terms of the current resolution, passed in May, that's the position we would have been in. So I hope that you will give the water associations an opportunity to participate in this discussion. It's really important for us to have the County as a partner in so many ways. We need to work with the County. We need to have the County as a funding partner because you can help leverage state and federal monies for the water system.

We're never going to get the infrastructure we need in this state without leveraging money and we have to be creative about that and strategic. And if we become a part of the County we lose that. We lose the power of what a mutual domestic can be, or what a water authority independent from the County can be. It is a powerful thing; it is a community-based thing and I think it needs to remain intact. As long as it makes sense for us to do so it should remain intact because that's how we're going to get water systems like Chimayo and Cuatro Villas built in the first place. Where they go in the future that's yet to be seen but we need to be strategic and keep our funding options open and our partnership options open as much as we possibly can, and I don't think this resolution is the way to go. Thank you for your time.

CHAIR STEFANICS: Thank you very much. Is there someone else who wanted to speak? A couple more. Come on. We'd be happy to hear anyone who came to speak on this issue. Yes, sir.

RON ROMERO: Madam Chair, my name is Ron Romero. I work with the New Mexico Environment Department with the Drinking Water Bureau. I'm not here on behalf of the Department, I'm here on behalf of myself, being fortunate to have been working with the Drinking Water Bureau 15 years working with these mutual domestics and trying to improve their water quality, water deliverability.

You see a lot of passionate people here because they work in countless hours working for their community in planning, operating, financing, funding all their needs and the various

water systems that have been here that have been supported by the County have advanced in their quests to get a good, sustainable water system. I applaud the County for approaching these tough issues because there's a lot of need out there and it takes a lot of money to improve these small water systems.

The tough part is when you have a water system that isn't even realizing they need improvements or they need a backup well, or they need to replace that storage tank. And I think having good people in place and good decisions, those things can happen and the County can fill that role. But also, is the County going to have the staff to operate, maintain, bill people, shut people off for not paying, do all the long-term planning that's needed to get these water systems to their point of sustainability. Also, regionalization is a very important issue federally and state, maximizing the financial resources to benefit more people as a whole.

In closing, I applaud the County for doing this. I hope there's more dialogue to get the ideas from the mutual domestics to be able to put something in place. Thank you.

CHAIR STEFANICS: Thank you very much for coming. Yes, come on up. Anybody else?

RAY ROMERO: Good afternoon, Commissioners. My name is Ray Romero. I'm the president of La Cienega Mutual Domestic. Our members feel this way, that we have been waiting a long time for those lots that were approved below the racetrack and Los Pinos Road and we haven't heard anything. Our water is depleting pretty fast and I would like to see the Count start working on that area there before we can start working with you. Thank you.

CHAIR STEFANICS: Thank you very much. Is there anybody else who came to speak on these issues? We have Commissioner Vigil.

COMMISSIONER VIGIL: I just need to represent my constituents' concerns about this. Nobody's here from Agua Fria Water Association. And I haven't spoken to them directly. I've spoken to other members of the water association. Anna, thanks for being here. I don't know if you'd like to speak. But they also have some concerns with regard to this so as a result of that I have been working with staff to work at qualified programs and projects for these mutual domestic wells and identify that. Let's listen to some of the issues that were brought forth. So I am in favor of revisiting the resolution and I look forward to it coming forth for us to look at perhaps amending it and improved language that would satisfy as many goals as can possibly be satisfied that we've heard of today.

There are some statements that were made, Madam Chair, that I think need to be clarified. First and foremost, I think, Adam, you need to be the one to do it. Katherine, I'll defer to you. One of the things that I clearly heard from several members is that you're concerned what this means for the Water Trust Board or state dollars and I do not believe that this resolution intended to affect those or have those get disseminated, but Katherine, is there anything that we need to address now that we have mutual domestic well representatives before us and we could all be hearing the same thing.

MS. MILLER: Madam Chair, Commissioner Vigil, a couple things. This resolution that was brought before you previously was to put in place a process based on a resolution that the Commission had passed previously, and it was really to address the

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process to deal with some things that had been passed previously, and that was the reason it was passed previously, it was used to get more customer funding for some of the mutual domestics that are in here today. I've been informed by the Water Trust Board that had that resolution not been in place one of the recipients would not have received any funding. It was a condition of funding to that entity.

Additionally, there was a statement made that the Chimayo funding and the JPAs with Cuatro Villas and Chimayo had language in it that – that's standard language that the JPA supercedes previous JPAs that might have some conflicting stuff, but in no way, as a matter of fact in the original resolution that this resolution was to bring procedures forth it excluded those who have funding that we already had funding for. It had nothing to do with this resolution. So there are some misperceptions and misstatements made that I think it really would be worth staff working with those individual entities in talking about the individual agreements that we have been working on for several months, in particular with Cuatro Villas and Chimayo.

This is more to do with some of the things that the Board had wanted us to do relative to budgeting funding for mutual domestics. How would we prioritize? What would we do? Where would we put those funds? The reason I think – Glorieta, one of the issues with Glorieta is they weren't even eligible to get some of the funding, the first entity, but us working with them, regionalized and combined got them CDBG funding, as well as Water Trust Board funding.

So a lot of the things that we've been trying to do aren't to try to take away autonomy, but they're to try to leverage funding. So I do think that there are things that we can do to work with the mutual domestics and make this more palatable, but I think there's a misunderstanding as to what the purpose of the resolution was. I think Adam may be able to address some of those things but in no way was it intended to just take over a bunch of mutual domestics. That was not what I think staff was trying to bring forward. It was really trying to bring forward a process for a resolution that had been previously passed by this Board.

COMMISSIONER VIGIL: Thank you. I'd like to hear Adam's perspective on it too.

ADAM LEIGLAND (Public Works Director): Madam Chair, Commissioners, I took some notes down trying to answer some of the questions that came up during some of the statements that we heard, and I'll try to clarify some things. One thing I'll note is that as we heard, the mutual domestics are political subdivisions of the state and that gives them the same power to seek funding from any of the funding sources that the County has. And so I just did a quick survey and the Water Trust Board in the 2012 FY cycle they granted 25 projects. Fully 33 percent of those went straight to mutual domestics who applied on their own. So eight of the applications that were approved out of the 25 went straight to mutual domestics that applied on their own. Eight went to a city that applied, four went to a county and then the remainder went to an acequia or to a soil and water conservation district.

So my point in making that is that this process does not take away a mutual domestic's existing and still will continue to exist ability to go seek funds on their own. Again, as political subdivisions of the state they always have that ability. So again, this is not

about – I heard the term predatory views. This is not about predatory. This policy as Katherine mentioned is about systems who need capital help, who need the County to give them capital. Again I stress this was only for County capital money. If we're receiving pass-throughs, because sometimes we serve as a fiscal agent for a water system, that's not County money. We heard Glorieta mentioned. If it's a cooperative water users association – a lot of mutual domestics are a cooperative water users association as a non-profit and they apply for funding and they need a fiscal agent like the County, that's not County funds so we can still continue to help.

We just helped three acequias with their Water Trust Board applications. We helped them write the applications because writing the applications is a somewhat onerous process that requires a lot of technical assistance. So I don't see us – I see us continuing to do that. And so if these acequias receive money from the Water Trust Board that's not County funds at stake so I don't see that.

We heard a question about an easement, if the association asked for an easement. No. There's not County giving capital funds. As Katherine mentioned, this was an attempt for the County to – how to manage capital funds.

So one of the questions that was asked was what benefit do the members and related to that question was was fire protection involved and will improvements be made, and actually that's exactly one of the benefits I see to this policy is that the County can go in and put in fire protection. Mutual domestics, as part of the mandate under the Sanitary Projects Act is not fire protection, but I think that's considered a valid need in the county. So these water systems don't necessarily have the resources to go in and upgrade their lines from two inches to four inches or put in adequate tanks for the pumps, or even a connection to surface water supplies to provide fire protection. We see that as something we can do. Also the improvements, because we know some of the systems need improvements and these systems are probably well aware of the improvements they need. We heard from some of them that they have improvements but they don't have the resources to do it, so this is an opportunity for them to say, we need these improvements. I mentioned fire protection.

We heard a question about loans and actually that's not something the resolution contemplated but that could be a possible good idea. The County could establish some sort of loan program, because emergencies do arise. And the County has the ability to get loans, but I think that they should be loans and not grants.

We heard about debts and I think that's a very valid concern. I think that's something that needs to be looked at. In my opinion it would be only fair if we are asking them to turn over all their assets that we assume debts too. In fact the language does talk about outstanding contracts and employees and those sorts of things so I think the question we heard about an agency dissolving or being dissolved, who would have to meet those? I think that's a valid concern so I think we should look at that.

We heard a question about higher rates and I think higher rates is a great concern but I think that if the rates the County has – the County rates right now pay for current operation of the system, plus we pay for all anticipated future replacement of pumps and tanks and lines. And that's what rates should always do. Rates should always be high enough to pay for ongoing operations and maintenance, including things like audits and sampling requirements

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for the state and all those things, plus you should pay for the anticipated – you're going to have to replace your pump every ten years and you're going to have to replace your valves and those sorts of things.

So if the rates aren't high enough to do that now I think your rates are too low. So that's why the County rates might be perceived higher. But I will tell you that the larger your agency the lower your rates are going to be on a per-unit basis because we can leverage economies of scale, because we have one operator that can cover – one operator can cover, say, 100 service connections as an example. Well, if you have four systems that each have 25 connections, they're not going to get those economies of scale. So a larger utility, like the County or the City, can leverage that.

I mentioned pass-through funds. So the motivation behind this I think – and that was a question that we were asked is what's the motivation behind this. It's not to take, poach water rights. It's not to poach systems. At the end of the day this is to provide people with water. We had a meeting with the State Engineer last week and he said the three most important things that he thinks government can do is water, food inspection and OSHA. Because if you get those things wrong, people die. And so that was the State Engineer representative said.

So this is about providing people with water. And I think that a system should have the opportunity to be part of a larger system that I think would be more effective in meeting those water quality standards. I understand – all the questions we heard were good and I understand a lot of the motivations. I understand that these systems are historic. The La Bajada system has an amazing history in its legacy and I appreciate that. But at the end of the day we have to make sure that these people have water so that there are no more boil orders. We've had boil orders. We've had wells that have dried up. We've had lines that freeze. We need to avoid that because I think a fundamental job is to provide people with quality water.

And so again, I just want to stress that this policy is completely voluntary. The County is not going in and condemning any of these systems. The County is saying you can join it and we'll help you wind up your [inaudible]. We'll help you resolve any kind of outstanding issues that your board has. We'll take your – I think we'll make it so we'll take your liabilities and your debts. We'll take your assets and you'll become customers.

One thing I want to mention. The policy does allow you to become a wholesale customer, which is to say you can still manage your internal distribution system but your source of water, you buy it from the County, because a lot of these systems, the problems are very – we've heard about a lot of different problems. Well, one of the problems is the source of supply. And so the County can come in and provide water at a wholesale rate. We have a mutual domestic rate. We buy it and we put a master meter, similar to the way have how we're connected to the City system; we have a master meter and we reimburse on a bulk rate. So there is a little bit of flexibility built into that as well.

The last thing I'll mention, because we heard that it is the intent to get on surface water and get off well water. Well, the state, the County, our conjunctive use plan is to use surface water as our first resource, because surface water is more sustainable than groundwater. So I think the answer to that question is yes, the intent is to get as many people on surface water as possible, because that's good water policy. Surface water is a renewable resource; groundwater, as far as we can tell is not. And so our conjunctive use plan that the

County currently has plans to get on surface water, and then also the County has a huge investment in the surface water supply, so it's in our interest to try to use as much of that water – we're only using a quarter of the capacity we have in that system. So I think it makes sense to get that good quality drinking water to as many people as possible.

So I've tried to answer all the questions that I heard and so I guess with that I will stand for any questions.

CHAIR STEFANICS: Thank you. Commissioner Vigil, you still have the floor.

COMMISSIONER VIGIL: Thank you, Adam, and I hope some of the questions that were brought up have been answered to everyone's satisfaction. I just want to recommend if they haven't, for those of you who have further questions to contact staff because sometimes it's better to have a one on one with them. My question to you, Adam, would be I think what I'm hearing is there's a real concern from these mutual domestics is this delineates where the County is going in the future, that in fact if any of these mutual domestics or water associations wanted any GRTs from our water/wastewater GRT that in fact they would in fact have to become owned by the County. And I think that needs to be really clarified. For a particular project, if it requires that we amend the resolution, if there's a particular program, project that a mutual domestic well wants to move forward with, and we have – they're so polarized.

There are mutual domestics that would die for the County to come over and help them out and there's mutual domestics that are doing so wonderful and doing so well. They're billing, they're auditing, they're moving forward. They're trying to improve their own customer base. Having that polarized perspective on our community, it seems to me that maybe we could look at identifying some kind of a language that says, okay, what qualifies some of these projects? For example, if Agua Fria wanted to come to the County to say, you know, we need another phase to a waterline and they are great about getting state funding. They get a lot of support, not only from the Water Trust Board, from their legislative delegation, the Department of Environment. This association has really gotten its act together in terms of garnering as much support.

We don't want to be able to discourage that, and if in fact they do need some kind of leverage, whether it be in-kind or not, and many times and most of the time it is in-kind such as helping them fill out their application for these kinds of things. I think we need to start looking at not delineating the line so much that we exclude the opportunity for these mutual domestics and water associations to come to the County to solicit support to some extent. And it may be as was proposed by somebody on a case by case basis, but I also think we need to be able to qualify it, to be able to identify that this water association meets particular qualifications in order for us to move forward to provide assistance of any kind.

Again, I say as in-kind or through GRT dollars. It really does seem that in order to bring in water associations to require them, just if they're looking for any support from the County to say we'll be your system. There's got to be a better way just to try to meet all of the needs that we're dealing with. And I'm looking at it in terms of, as I said, creating qualified programs or projects for the County. I'm not sure how that can be done but I think we can

work with these mutual domestics and the water associations to create qualifying language for that. And I'm happy to hear your response to that.

MR. LEIGLAND: Madam Chair, Commissioner Vigil, I guess I totally agree with you. There are 39 mutual domestics or cooperative water associations, other water associations in the county and I'm sure across that 39 – I'm told that we have the third highest number in our county, and that's an unusually high number. I think Rio Arriba County has 43 is the highest, as an aside. We have 39 in the county and it's going to cross the spectrum of viability, and when I say viability I don't mean necessarily infrastructural viability, which water source, pipes, valves, all that sort of thing, knowing where your meters are. I'm talking also about financial liability, which is to say billing on a good rate, you have a good cash reserve, you're planning for the raining day, and also governing viability, because we've heard, and one thing I want to make clear is that I'm not impugning these volunteers at all. Actually I have a great deal of respect for the energy. We heard it today, there's a lot of energy. And their job is only going to get tougher. We heard – the requirements to operate a water system are only going to become more strenuous, and we heard a question from the New Mexico Environment Department whether the County has the staff to meet those, and I'd say we do – barely. But I turn the question on to all the other mutual domestics: Do they have the ability?

So there's also the governance and operational viability. So there's a full spectrum of viability and I agree. And we can probably name the top ones off the top of our heads, the best running ones. Some of them are here in this room today. We know that. In fact one of the mutual domestics that got funding in the FY12 cycle was Agua Fria. So they are very effective at the state.

And so I would suggest those are the ones that don't need the help. Those are the ones that are fully autonomous and are operating as the Sanitary Project Act intended as political subdivisions of the state that are operating independently. But not all of them have that luxury. And so I think the County should step in and help the ones that need our assistance. I'm worried that the County is going to own all these stranded assets, all these stranded capital assets of the County.

We're, as the County we owe our taxpayers responsibility for the \$500 million in capital assets that we already have that we're responsible for maintaining and I'd hate to get into the situation where we have another however many millions of dollars that are just out there that are in our control. So that's one of the reasons I like this policy is that the County has full control over the assets that it's responsible for. And that way we can provide a better service to the taxpayer in that regard.

So to answer your question about qualified program I think, yes. I think what comes to me right in this minute and of course it would require a lot of work would be some sort of fund like a revolving fund, like an infrastructure revolving fund that can help and then it's paid back. It could be a no-interest loan, for instance, that's paid back and that could be paid back through rates. I think that's a very good way of meeting a lot of the things that you just mentioned but doesn't put the County in a position of being what I would call a schizophrenic landlord in the sense that we have a mile of pipe here and we have a tank there

and we have a pump here and that we're not really managing those in a good asset management mentality as is our responsibility as landowners.

So I think that something could be – I don't think it should be in the form of just, here's money. I think there needs to be qualifications and then maybe on a loan basis.

COMMISSIONER VIGIL: Thank you. Thank you, Adam. Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, thank you, and I just want to thank everybody from the mutual domestics that came and made a presentation. What you brought was very beneficial to myself and I want to thank you for the time that you gave to us this afternoon. Madam Chair, Mr. Leigland, just a couple follow-ups to many of the points that were brought up today. Does staff know how many JPAs we have out there with these 39 mutual domestics you are identifying in Santa Fe County?

MR. LEIGLAND: Madam Chair, Commissioner Mayfield, I'm sure we do. I don't have them on the top of my head but we keep track of all those. The ones we've heard about today, we have a JPA with the Cuatro Villas, Chimayo, and we have an arrangement with Agua Fria. We heard from Mr. Romero that there was one in 2008. I think it was – I don't think it was fully executed between La Cienega and the County. So those are the ones that come to mind right now and I don't know if there are other ones. That's something I can get back to you on.

COMMISSIONER MAYFIELD: Housekeeping for myself, I would like to see the current JPAs that we have with the 39 mutual domestics, the ones that are intact or the ones that are pending in the future, just so I have that for however we proceed.

A couple points that were brought up – Ms. Martinez and Ms. Winship brought this up. I know it was not in the initial resolution that was passed back in, I believe, April. It may be suggested in the proposed resolution. But were there – talk to me about the debt obligations. Because I heard you mention it different than how I heard some of the comments were mentioned. You mentioned that we were going to incur the debts and the obligations. I heard individuals saying out there that the County was not going to inherit those.

MR. LEIGLAND: Madam Chair, Commissioner Mayfield, the April resolution had language that said that if there was already an existing financial arrangement that it was grandfathered in, and that was written specifically with Cuatro Villas and Chimayo in mind. We heard from La Bajada about after the fact conditions. We didn't want to impose that. So that was the first thing that I mentioned. The second thing is that the resolution, the process and procedures that you mentioned does say reference to the County [inaudible] debts and liability. So what they were saying is they think that's an untenable condition. And so what I said is I think, yes, I agree. The current resolution that you have in front of you does say that the County will not accept debt and liability. It does later on though say that the County will assume a contract and staffing and that sort of thing. So we heard there was a conflict and I agree. And I also think that we probably need to revisit the looking at the debts and liabilities. And I think those are two different things. Financial debt, like it was an outstanding loan to the Water Trust Board, I think it's fair that the County take that on. If it's an outstanding loan because someone didn't pay a bill, a ratepayer didn't pay a bill

at some time in the past, whether it's a lien or something like that, I'm not sure the County should take that on. And also liabilities are a separate thing and I'd have to refer to Legal on exactly how to do that but that's if someone fell down a well, a claim from ten years ago about someone who fell down a well, we'd have to look at that and make sure you address that in the proper way so the County's not assuming someone else's liability.

So, Commissioner Mayfield, those are the – what you heard. So they're right. The resolution that we brought forward last week does specifically say that we won't, but that's probably something that needs to be revisited.

COMMISSIONER MAYFIELD: Thank you. Madam Chair, Mr. Leigland, you also mentioned other instances where the County is basically just the facilitator of obtaining dollars through federal, state or other agencies, but there's also times where the County is asked to put up some match money. So an instance where the County is asked to put up a very small amount of match money, would that kind of work into the level of taking over a system?

MR. LEIGLAND: Madam Chair, Commissioner Mayfield, that is exactly the situation I think is at issue here and under the resolution, if it's capital, if the grant money is coming out of County GRT or coming out of our general fund or coming out of our general obligation bond, then yes, this resolution would trigger the takeover. If it's pass-through, for instance the Glorieta just got a Community Development Block Grant, that's federal money and we're acting as their fiscal agent, that is not County money. It's a lot of County staff time, and so there's a lot of in-kind there, but we're not taking it over. Or, as I mentioned earlier, we spent a lot of time helping these three acequias with their Water Trust Board applications but there's no GRT or bond or general fund money going into the capital.

So I think really the issue that's going to come most often is either an outright grant or a grant to meet a match. So that's your question? Yes. Under the resolution, yes. That's what would trigger it.

COMMISSIONER MAYFIELD: Madam Chair, this question is going to be for our County Attorney. Madam Chair, Mr. Ross, the way the initial resolution was written 2012-58, a resolution articulating County policy regarding funding requests from private, quasi-public or public water and wastewater systems for capital improvements, could that be applicable to acequia systems?

MR. ROSS: Madam Chair, Commissioner Mayfield, I don't think it was intended to apply to acequia associations, because of course they deliver surface water for agriculture.

COMMISSIONER MAYFIELD: Yes, but it's still water delivery. It's quasi –

MR. ROSS: Well, some acequia associations have quasi-governmental authority and others do not. So it depends on the manner of organization of the acequia, whether they would even arguably apply. But I think, like I said a minute ago, I think the resolution was not intended to apply to acequias.

COMMISSIONER MAYFIELD: I'll take it that it is not intended and it is not applicable to acequias.

MR. ROSS: It is not applicable to acequias.

COMMISSIONER MAYFIELD: Thank you. Madam Chair and Mr. Leigland or Mr. Ross, on that point, Mr. Romero from La Cienega brought up a great point. By no means am I hoping that we're trying to take over anybody's water rights, but I am worried about ancestral, historical water rights through acequia associations. And I'm going to be straight. I don't even know if I'm even going to continue to support this, as I said right now. But what can we do to preserve and maintain the integrity of those water rights if the County does move forward in this path?

MR. LEIGLAND: Madam Chair, Commissioner Mayfield, well, the first thing I'll mention is that the County has a great portfolio of water rights, so we have the ability to help out these systems. And the intent is not to take over irrigation, in fact I think a good compromise in the La Bajada case would be that they continue to irrigate using their existing system, because they have a historic system. The La Cienega system is based on acequias. It's based on historical irrigation. So, yes, the intent is not one to take over acequias, but two, I think there would have to be a full accounting of the water rights involved and then we'd have to look at see if the County stepped in to fill in the gap. Because I suspect that there will be gaps.

Actually, to be honest, I see that only as the advantage to these small systems is because the water rights system will be resolved. We know actually three of the systems behind me I know all have outstanding questions about their water rights. So I think the County could help in that. But as far as irrigation and acequias the intention is not that, and again, I think that for instance, getting back to La Bajada, if the water system is taken over by the County as the Water Trust Board is asking, there's no – we would disconnect the domestic use and the irrigation could continue as it always has. And in fact it would probably lift the burden because then those water rights wouldn't be shared to two competing uses. We would bring in water use, in that case groundwater rights for consumption and they could continue to use their surface water rights for irrigation.

COMMISSIONER MAYFIELD: Madam Chair, Mr. Leigland, and a couple other comments, you brought up very valid points and I think understanding and respecting – and we're even going to have a vote on this on the agenda. There's some systems that are in different shapes than other systems. I fully understand that and the need of what you just said, the quality of water. But have we done an assessment on the 39 systems knowing that there's some systems out in Santa Fe County that are in trouble, and there's some systems that are going to need a lot of infrastructure help if the County did take over these systems, and it would be a substantial cost to Santa Fe County, Santa Fe County taxpayers, versus there are some systems that are maintaining themselves fine. They just need that little additional help to secure some funding and they have a good network and a good support staff and good board of directors and they're moving. They just need that little additional help.

Have you all undertook that process of trying to see – let's grade these systems and find who's arguably on the bottom rung and who's on the higher rung.

MR. LEIGLAND: Madam Chair, Commissioner Mayfield, no, we haven't, because these are other political entities so we can't go in and – I mean, we can ask them and we can cooperate with them and we know anecdotally, either through conversations with the NMED or Water Trust Board even internally, we know anecdotally which systems are

struggling and which aren't, but we don't have the right to go in and do an accounting. We can ask them to help us with it. So one of the processes we put, one of the steps we put in that process is just that, a cataloging of assets and a condition assessment and that sort of thing. So it would have to be on a purely voluntary basis because they are equivalent to us in terms of governmental agencies.

Another thing I'll mention is that we know a lot of systems will need help. In fact two of the systems – later on on the agenda two of the systems that the County has already agreed to take over were actually applying for funding to get them help. But the County – one thing, mutual domestics as a political subdivision of the state aren't quite the same as the County. They don't have the same revenue generating capacity that we have. They can't necessarily issue revenue bonds. They can't do general obligation bonds. They don't have the real means to compel people to join in their service area, and they don't have the power to prevent people from leaving the service area. So they're at a little bit of disadvantage some times about generating revenue that we're not, so we have the ability to do all those things, so our revenue picture is going to be a lot more stable. We can leverage that greater revenue to help the systems. We can issue revenue bonds against our entire service base to help one part of the system or another, which is what a utility does. So as you get your rates you always have a little cushion there to pay for debt service and what not.

So we are fully aware that the systems that we take first are going to be the worst ones, but we feel like we're in a good financial situation to take those over. And eventually, we'll plan for it through our capital improvement process. We can start to improve them and get them the fire protection and what not.

COMMISSIONER MAYFIELD: Thank you. Madam Chair, thank you. Thank you, Mr. Leigland.

CHAIR STEFANICS: Thank you. Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, once again I really appreciate the entire Commission for voting the tabling on the resolution. I'm going to read through some items that were brought up at the October 22nd meeting that weren't all addressed here in an effort to listen more and talk less. I'm just going to hit those items that were not brought up today. Robert Romero brought up at the October 22nd meeting that mutual domestics have been in existence for a long time, long before the County utility was ever in existence. Elsie Trujillo came because she wanted to hear – from Rio Chiquito – she wanted to hear about what options are available to mutual domestics for County help and support. She also noted that many needs in the legislature right now as we all know are uncertain because of funding and economic limitations.

Darren, who spoke today, also noted that the history and the background of mutual domestics is very important, noting that La Bajada evolved from acequia operations dating back to the early 1900s. He'd like to see the County continue to defend mutual domestics and work with them and take lead positions in supporting them. It's a partnership in recognizing history, culture, tradition and heritage. Control and management of water rights are very important to mutual domestic water associations, and asked that the Water Trust Board please revisit their policies associated with the approvals that they provided for the La Bajada resources. Darren also noted that it's better to look at the roots and the management of the

mutual domestic water associations and how they function and operate, looking at their financial management, their billing, and other aspects associated with running a mutual domestic.

Alonso Gallegos brought up that 15 hookups in La Bajada seems to be not very cost beneficial. It doesn't make sense to the County from his perspective to take over the operation of that facility.

A concern echoed by several was that mutual domestics did not know about the resolutions. On this item, Madam Chair, I articulated to the meeting members that I myself take responsibility for not getting information out based on the information packets, and that I would make a better effort, and that I know that the Commission, through the transparency work that we passed in recent years is always a constant effort to make sure that there's good outreach and communication.

One member, Lauren Sabato from Rio en Medio brought up that the issues around Chupadero raise concerns associated with the Rio en Medio members. Mr. Martinez from Tesuque, I think his questions are good. I wanted to restate those because I think we should provide some feedback to him. What was the driver for taking over the systems? These systems are viable; why should they be taken over? What commitment will the County make for upgrades to the system once they're taken over? How would well water be used in place of surface water, and he brought up the points associated with Aamodt. Is Aamodt connected to any of the items associated in the resolution? How would liability be handled? What are the other benefits after County take over?

A few more, Madam Chair. I would want to publicly say that associated with the requests of the Water Trust Board, I will formally ask my fellow Commissioners to support me in asking the Water Trust Board to not force La Bajada to turn over their system and the responsibility for the resources they've approved, and I would note the 33 percent that Mr. Leigland brought up of water utilities that were granted direct money. I think it's the responsibility and an obligation to work with mutual domestics, acequias and community organizations, and I think that all my colleagues know through their direct experience that the more we engage the communities individually and work with them the better off we always all are.

And I'm going to leave the last work with Ms. Winship who said it best in summary from my perspective. She said it's important to have the County as partners, to be creative and strategic while working together. I think that sums it up. I thank the Commission for the opportunity to review. I appreciate the comments of Commissioner Vigil and Commissioner Mayfield and look forward to hearing Commissioner Holian and Chair Stefanics' comments on the issue. But I look forward to revising and looking at the resolution, taking into consideration options and alternatives that work in both the County's interest, the mutual domestics' interests and the collective interests of the County. Thank you, Madam Chair.

CHAIR STEFANICS: Thank you, Commissioner Anaya. I'd like to take this opportunity on behalf of the Board of County Commissioners to thank all of you for coming. It looks like your concerns will be reconsidered and reviewed in the actions that we've taken. Thank you very much.

VIII. B. Presentation by North Central Regional Transit District's Executive Director, Anthony Mortillaro [Exhibit 2: Power Point Presentation; Exhibit 3: 2012 Annual Report]

CHAIR STEFANICS: I'd like to welcome you and I understand you're going around and visiting all the different governments in the region for NCRTD and we welcome you.

ANTHONY MORTILLARO: Thank you, Madam Chair and as you indicated, Commissioner Barrone who is the chair of our board sends his regrets not being here but a personal matter preceded his ability to be here. I'd like to thank Madam Chair and members of the Board of County Commissioners. I'd like to begin by thanking you all for allowing us to be here today to talk about the North Central Regional Transit District. During fiscal year 2012 the NCRTD continued to experience success as it completed its fifth year of service to the residents in the district.

As you know, the district is comprised of the four counties in north central New Mexico, as well as the cities of Santa Fe and Española and our newest member, Edgewood, and also the five northern pueblos within those counties. We provide connecting services to Santa Fe Trails, the New Mexico Rail Runner, Park 'n' Ride, Los Alamos Atomic City Transit and the Taos Chile Line. This has been an exciting time for the district. In July we moved into our new headquarters in Española, which a number of you were able to attend our grand opening ceremony, which has consolidated operations that previously had been spread out between there, Santa Fe and Taos.

There have been a number of important milestones during this past year, and among them was our first rider service where the customers gave the district a 4.7 average rating out of 5 for overall satisfaction. We replaced the aging fleet with modern and economical vehicles and have enhanced security features. We've developed a long-range financial and capital strategic plan, new service was added to the Town of Edgewood. And this year marks another year for record ridership, which I'll talk more about later.

Our new headquarters is up and running and the facility allows us to operate more efficiently and cost effectively, and to position ourselves for future growth. In addition to the 12,500 square foot facility and the ten-acre property, which provides a secure fleet storage yard, which houses not only our fleet but New Mexico Park 'n' Ride vehicles. Future initiatives include exploring for additional land on how we can develop it to provide for full fleet maintenance operation and installation of fuel dispensing facility, which allows us to reduce cost of contracting out and reducing costs from purchasing our fuel at retail stations.

The additional land there is also being evaluated to possibly provide mixed-use development to create ongoing revenues. Lastly we are evaluating solar sustainability that could result in lower electric utility costs.

In terms of the district, it has strengthened its financial controls and accounting procedures. For the fiscal year ended in 2011, Hinkle and Landers, our external auditors, expressed an unqualified opinion with no audit findings. The district anticipates an unqualified opinion for FY 2012 which should be completed shortly. We continue to operate in a challenging environment, as we all know. Seventy percent of our operating revenues,

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which is GRT collected in all four counties. This revenue source is extremely dependent upon the economies within those counties.

Our GRTs for fiscal year 2012 ended slightly below budgeted projections. As a result we were compelled to project lower revenues for FY 13. This meant that no new routes would be added. However, existing routes and service levels would be kept intact. Our ability to maintain these service levels as a result of conservative financial practices and policies that the board has put into place. As always, the district continues to examine its activities to operate as efficiently as possible.

At the end of our fiscal year we were proud to post record ridership for the year with a 26 percent increase over 2011. That surpasses the national average which last year saw a 2.1 percent increase across the United States according to the American Transit Association. Ridership for NCRTD operated routes totaled 186,000 in FY12, compared to 148,000 FY11.

For all funded NCRTD routes for 2012 a 15.4 percent increase in ridership was realized, approximately 432,000 riders. All funded routes include the NCRTD operated routes as well as regional routes we finance and that are serviced by Santa Fe Trails and Los Alamos Atomic City Transit. Increase in ridership, fewer cars on the road and reduced carbon in the atmosphere. Last year more than 2,073 tons of carbon emissions were reduced as a result of people riding the RTD. Traffic congestion was also reduced by removing an estimated 5.84 million vehicle miles from our streets and highways.

From the GRT that we collect each year we contribute to regional transportation services provided by other transit operators in our four-county area. Last year we contributed \$967,000 to Santa Fe Trails, \$1.9 million went to the Rail Runner, and \$1.4 million was provided to support Los Alamos Atomic City Transit.

Our vehicles last year logged over 1,036,000 miles on its fixed and commuter routes. For this reason, the district is committed to continually upgrading and enhancing the fleet of 35-passenger vehicles. And in FY12 that was no exception. There were 12 vehicles that were purchased and replaced and put into service this year. That makes our fleet 100 percent ADA accessible, equipped with bike racks, and for the first time with high resolution digital audio and video cameras to help provide maximum safety and security for the passengers and the drivers.

In the second quarter of fiscal year 2013 the district will go out to bid for its own contract for eight new replacement vehicles, all equipped with GPS capabilities, a first for the district. Also representing a first for the district, we will be taking bids for vehicles with alternative fuel capabilities, such as CNG and LPG.

This year we also replaced a radio repeater at Taos Ski Valley and another at Pajarito Ski Area in Los Alamos, which will provide coverage for two-way radio communication with dispatchers. Prior to the substantial upgrade our coverage only allowed for two-way communication in a 30-mile radius from the center of Espanola, so as you can see this greatly enhances that.

For the upcoming year the district is anticipating continued investment in our ability to serve the customer. Additional bus shelters, signage, trash receptacles and route information will be made available at current locations. We also have begun the process to develop and enhance route planning through the purchase of routing software and ride

planning applications. These will allow riders to not only map out their routes and obtain connecting information throughout the district, but eventually throughout the state.

Regional rural public transportation continues to be an important and crucial concern in north central New Mexico. It remains at the forefront of the district's mission as we strive to bring interconnectivity between the communities and bring educational, work and mobility opportunities to customers, neighbors and visitors alike. That pretty much concludes my comments. The only other comments I have, Madam Chair, is that I'd like to recognize Commissioner Holian and Commissioner Mayfield as members of the district. I can tell you that Commissioner Holian has very actively carried through the directions of the Board here. She made sure that the transit plan approved by the Board was adopted by the district. She made sure that the funding for Golden to Santa Fe if there was available funding would be considered by the board, and she also made the motion to accept Edgewood as a member.

Commissioner Mayfield, although has served as an alternate has also been active in assisting us in trying to communicate with the Nambe Pueblo and encourage their participation to address their transit issue. Commissioner Mayfield has facilitate two meetings with the Nambe Pueblo and the last meeting resulted in the Lt. Governor attending our tribal subcommittee. So I really appreciate the efforts of the Santa Fe County Commission's representatives on our board. Thank you. And I'll stand for any questions.

CHAIR STEFANICS: Thank you very much for coming, and did you want to – did you already introduce your CFO?

MR. MORTILLARO: No. I'd like to introduce Jim Nagel. Jim is our Public Information Officer.

CHAIR STEFANICS: Oh, the Public Information Officer, not the CFO. Right. Okay. Sorry. Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Madam Chair. Thank you very much, Tony, for your presentation, and I would like to just make a few comments as a member of the NCRTD board for Santa Fe County. I have noted that there has been a lot of progress made, a lot of positive progress made in the NCRTD over the last year. Of course the most notable thing was moving into a new home, the Jim West Regional Transit Center, and I think it's a really good thing because it's brought the employees together for the first time for the NCRTD and I think it's good for interactions to be in the same place.

Also I have noted and participated in a lot of the policies and procedures being revisited and reworked and updated and I know that staff has gone to a lot of work to make those as relevant and up to date as possible, and so I think that you should be recognized for all that work.

Another thing is I know that we've had audits and the NCRTD has done very well and I'm very proud of how they've sailed through the audits and if there has been issues that they've been immediately addressed and taken care of. Also, the budget is on sound footing. I think that that's always a good place to be. So I'm very impressed with the staff of the NCRTD and the professionalism and the progress that's been made over the last year that I've participated in the board. So thank you, Tony and to all the staff.

CHAIR STEFANICS: Thank you. Other questions or comments? Thank you very much, and I think that we look forward to continuing to grow. I guess I should ask my age-old question. Will the routes ever change from being free routes?

MR. MORTILLARO: Not for this upcoming year. We will be revisiting that question in September of 2013. The board confirmed that it was their intent to be fare-free for a two-year period and visit this issue as they have annually done before in September of the upcoming year. So again, we'll just have to wait and see what –

CHAIR STEFANICS: Well, I understand that most of us have had the opportunity to be involved and more will of course in the future. But my position has always been that there are more routes needed than there is money. And that if we in fact started going to a swipe card, a pass – some sort of financial arrangement that we might be able to expand. So I hope that the board, current and future, will consider that.

MR. MORTILLARO: Madam Chair, thank you for bringing that up because a very key activity we're going to be undertaking in fiscal year 2013 or I should say calendar year 2013 is an update of our five-year transit service plan, and we will be having meetings in all four counties, public meetings. The need for additional routes, the need for perhaps adjustments to existing routes and what have you I anticipate will all come up as discussion points, and that new routes as they're identified through that public input process and developing a service plan will also be looked at from the context of how do we fund those to implement those into the future.

So we're going to be getting a lot more feedback from the constituents of all four counties regarding how the district can serve them better.

CHAIR STEFANICS: Great. Thank you very much. And thank you both for coming today. We appreciate your time.

VIII. C. Presentation Recognizing Brittney Lovato Employee of the Quarter/First Quarter of Fiscal Year 2013

CHAIR STEFANICS: Do you have your honoree here?

GARY PEREZ (Deputy Assessor): Yes, I do, Madam Chair. I'll call her up. Thank you Madam Chair. Good afternoon, Madam Chair, Commissioners. County Assessor Domingo Martinez and I are proud to announce the selection of one of our staff members as the employee of the quarter, Ms. Brittney Lovato. Prior to being employed in the Assessor's Office and while attending high school Brittney worked as an intern in the Land Use Department for two summers, and she also interned for one summer in the Manager's Office. Brittney has been employed with the Assessor's Office since January of 2010.

In her duties as assessment specialist she is responsible for answering difficult phone calls, assisting property owners in person and completing data entry to the office database. She has excellent initiative and does not hesitate to take on new tasks or provide input for improving the office. She is a graduate of Monte del Sol Charter High School and will graduate with a bachelor's degree in business administration in May of 2013, all while working full time in the Assessor's Office.

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Brittney always has a cheerful demeanor when it comes to providing good customer service to both external and internal customers. She's a dedicated employee who rarely uses her leave time. Ms. Lovato, you are an asset to the Assessor's Office and the County of Santa Fe. We appreciate you and we value your commitment in serving our constituents in a positive manner. Congratulations.

CHAIR STEFANICS: Congratulations. We'd like for you to say a few words then we're going to come down and take a picture of the both of you.

BRITTNEY LOVATO (Assessor's Office): I just want to say thank you to my office and like Gary had said, I interned plenty of years before I started working so I had the pleasure of working with Commissioner Vigil and you, Commissioner Stefanics, were actually my last sponsor. And I always enjoy working for the Assessor's Office under Domingo and under Angie as my supervisor.

CHAIR STEFANICS: Brittney is an example of when we had paid high school interns during the summer. And they came back. They started pretty young and then they kept coming back every summer and we improved them to come work for Santa Fe County. So perhaps if we ever get back to that situation where we have a little extra money we could consider that again. But we welcome you and we're glad that you were recognized by your peers. Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, Brittney, you rock. You do great work for the County. You provide services that are greatly needed and you went back to school to continue bettering yourself. Thank you for setting an example and working so hard. Congratulations.

[Photographs were taken.]

VIII. E. Presentation of the Chimayo Community Plan Vision Statement

ROBERT GRIEGO (Planning Manager): Madam Chair, Commissioners, the Board authorized a community planning process for the traditional community of Chimayo in March of this year. Since that time the community of Chimayo and staff have been working together regularly adopting a community plan. A major milestone in this process is the completion of a vision statement which describes what the community wants to see in the next 25 years. I'm here today to introduce Raymond Bal who is the president of the Chimayo Citizens for Community Planning who will share the vision statement with you that the community has recently created for the community plan. The purpose of this presentation is to give the Board a sense of where the Chimayo plan is going and to celebrate their accomplishments. Raymond.

CHAIR STEFANICS: Welcome, everybody, and I just would ask for you to identify yourself by name and address for the record and we'd love to hear from any and all of you.

RAYMOND BAL: Thank you, Madam Chair. My name is Raymond Bal. I'm the president of Chimayo Citizens for Community Planning, and if I may introduce some of our residents from Chimayo. We have Elizabeth Kaye, our secretary, Thomas Gallegos, Shelley Winship, we have Doug Clark, our vice president, and we have Louis Martinez, part

of our core group. And I want to also express an opinion at this point. Santa Fe County is unique in offering this opportunity to different communities within its reach and this is a wonderful experience and I really appreciate this opportunity to be part of this process.

Our vision statement is the foundation of our community plan and there were four special meetings that occurred – acequias, historic and culture, safety and health, and economic development. We also had two workshops in conjunction with Rio Arriba County and Los Arbores Center. And we continue to share responsibility with Rio Arriba County. In outreaching, Mr. Griego has been personally speaking with representatives from Rio Arriba County and I myself also have reached out to Rio Arriba County.

The importance of this can't be understated. Half of Chimayo is in Rio Arriba County and a lot of our people coming to our community meetings come from that side of Chimayo. We recognize Rio Arriba County through this process as we continue to move forward. In the process we've connected with more than 70 members of our community. A lot of them are senior citizens bringing their wealth of experience and knowledge to our meeting. We've also had kids artwork come into it as you can see in this next slide. We're looking to the future and we're looking to the kids to provide us their perspective, their input and their vision as we go forward here. And that was a very fun part of the process, getting the school kids to submit some art and so this was a particularly fun part of our process.

The statement made, in the year 2038 Chimayo is made up of families and individuals who know their neighbors and care for each other. Ancient acequia systems are still operating, maintained and cared for by local people who live next to it or use the water for irrigation. A central market and community center provide a place for farmers to sell or barter their produce and for artists to sell their work. Chimayo residents can buy groceries, see a nurse, do their laundry, and visit the post office in their community.

Children and seniors are cared for and nurtured by education and health oriented facilities that sometimes overlap. Chimayo fosters and supports learning opportunities; Chimayo children are cared for after school. Crime and drug use are low.

Historical structures are in good repair and reflect the style and practice of their day. Historic placitas, national landmarks and neighborhoods are recognized and preserved. Orchards are pruned, farmlands planted, bosques cleared of invasive species. Arroyos are free of trash to respect the natural beauty and spiritual soul of Chimayo. There is good water for everyone and effective solutions for solid waste management.

Chimayo is a safe place to live and walk. We have excellent fire protection and well maintained roads. The infrastructure is evolving and well maintained. Through community events children learn to respect their environment and understand the history of their home.

The residents and landowners of Chimayo value the valley's rural lifestyle. We seek to preserve our unique environment for future generations, while at the same time respecting the rights of the individual. We value our sense of community, honor our history and heritage of the community, respect diversity and desire to have a low impact on the environment and cultural resources. We identify with the peacefulness and tranquility of our open spaces. We enjoy the opportunity to solitude, prayer and pilgrimage. Chimayo continues to have a strong voice in what happens in the community.

And if I may, a big thanks to Robert Griego, Sarah Ijada, Elizabeth Salinas for their continued support and help in this process. Thank you.

CHAIR STEFANICS: Thank you very much. So what are the next steps? Mr. Bal, you tell us before Robert interrupts you.

MR. BAL: We have completed phase 1 and phase 2 is going to be the process of pulling together all the information we have worked on accumulating from citizens, seniors and children, and in this process developing a land use plan, a community plan going forward and hopefully presenting something to you Commissioners early next spring that you would consider for adoption into the County ordinance.

CHAIR STEFANICS: Well, I think this is great and I'm so grateful to our staff for helping. I was just in another community where they are – this whole idea of a community plan seems to make them freeze. They think it's insurmountable, that it's going to cost thousands of dollars and I said, no, what it's going to take is a lot of time. And we have staff who will help but I'm really glad that you're approaching this task.

MR. BAL: Yes, the task is what it is for sure, and the time that's involved. I agree with you. We don't want to look at it as something that's daunting, at the same time we realize the responsibility.

CHAIR STEFANICS: Thank you. Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Madam Chair. Thank you, Mr. Bal and thank all of the rest of you for coming to make this presentation. My experience has been that for a community, putting together a community plan is really a great way of bringing the community together. It's a lot of hard work; I know that. But it also brings people together in such a positive way. And I'm just wondering, there's a number of communities in my district who I think could really benefit from community plans and they haven't really tackled it yet. Do you have any advice about how to get the ball rolling? Get people enthused about getting started?

MR. BAL: I do. I have great advice. First of all, free lunches and if that doesn't work, free dinners.

COMMISSIONER HOLIAN: And can you provide some Chimayo chile?

MR. BAL: Only the best. I have to agree with you though. That part of it does seem the most daunting prospect of this plan. You're right. It brings the community together and trying to build that community support has been the payoff.

CHAIR STEFANICS: Thank you. Anything else, Commissioner. Okay. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, thank you. Mr. Bal, thank you. Mr. Bal has been a great facilitator and organizer. I've gone to a few of the meetings and they've been very well organized and attended. We have great representation there from everybody throughout the various little neighborhood. My grandfather was from Potrero, Abran Gallegos, so I know a lot of the old timers there and we were fortunate enough to get some of those at the last meeting. But you guys have done a phenomenal job of keeping everybody together. A lot of similar ideas are coming out, from new folks that have moved in and a lot of the older folks that have been there for generations. So that's really reassuring and I see you all moving together very fast. So I see a plan coming together, gelling really well. So I thank you for your involvement. Mr. Bal, a lot of the credit goes to you.

MR. BAL: Thank you, Commissioner Mayfield.

CHAIR STEFANICS: Thank you. Commissioner Anaya.

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COMMISSIONER HOLIAN: Madam Chair, members of the community, I commend you for your work in wanting to control and be part of your own destiny as a community. One piece of advice or suggestion I might offer is to utilize non-traditional methods to get input from traditional members of your community. What we found in the Village of Galisteo is that to be a huge challenge. There was an interest for newer members to the community to participate in the planning process but very difficult to get more traditional, long-standing generational community members to provide input. So going to the church, going to festivals and festivities, however you can go to engage them in places that they're already at, you also being part of those as well. I'm not in any way suggesting that you're not. But it's a challenge and I think it has to do with cultural and generational aspects of participation that have been long-standing. So I commend you for your work and look forward to seeing the results and the future work coming forward. Thank you.

MR. BAL: Thank you, Commissioner Anaya. I have to agree with you. Bringing all those resources together is key, and we thank you for your input.

CHAIR STEFANICS: Thank you. Robert, do you want to add anything before we finish?

MR. GRIEGO: Madam Chair, just we'll be coming to you hopefully by early next year. This does conclude the first phase of the community plan and you'll be seeing them again in the new year.

CHAIR STEFANICS: Great. Thank you very much and thank your staff for assisting with the community and thank you community members for coming down today to present to us.

IX. APPROVAL OF CONSENT CALENDAR

CHAIR STEFANICS: I'd like to pull an item, which I usually don't do. I'd like to pull X.A.1 off the Consent Calendar. Are there any other items that Commissioners wish to pull off?

COMMISSIONER VIGIL: I have a concern for that item too. I was going to request the same thing. Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. Is there anything else that people want to pull off?

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Mayfield.

COMMISSIONER MAYFIELD: I'm working of the original agenda let me make sure – item B. 4.

CHAIR STEFANICS: B. 4, the resolution on the fire?

COMMISSIONER MAYFIELD: Yes.

CHAIR STEFANICS: Okay. Is there anything else? Now, before we take a vote on the amended Consent Agenda, is there anybody in the audience that is here to speak on any of the resolutions under X. B? Is there anyone who'd like to speak on any of the resolutions under X. B? Okay. Could I have a motion for approval of an amended Consent Calendar?

COMMISSIONER HOLIAN: Madam Chair, I move for approval of the Consent Calendar minus the removed items.

CHAIR STEFANICS: Is there a second?

COMMISSIONER MAYFIELD: Second, Madam Chair.

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

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER ANAYA: Madam Chair, just a comment on the selection of John Abrams to the Health Policy and Planning Commission. He's a town councilor in the Town of Edgewood and has healthcare background that's going to be valuable I believe to the Health Policy and Planning Commission. I want to welcome all the appointees but I want to congratulate him on the appointment. He's looking forward to helping and working with the Health Policy and Planning Commission.

CHAIR STEFANICS: Thank you. And I don't know if we all recognize that Gene Varela to the Senior Advisory Board – Gene Varela used to be the deputy director of the Aging and Long-Term Services Division before it became a department of the state, and he was with them for many, many years before he retired and went to AARP. So Gene Varela is going to have all the inside tips and tricks of the state for our seniors.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: Just real quick, on the Health Policy and Planning Commission, I know staff is still very actively trying to recruit the representative from District 1, so anybody in the listening audience, if you have any interest in serving on the Santa Fe County Health Policy and Planning Commission representing District 1 please get in touch with Ms. O'Connor or Ms. Casados. I would appreciate that. Thank you.

CHAIR STEFANICS: Thank you.

X. CONSENT CALENDAR

A. Appointments/Reappointments/Resignations

1. Request Approval of the Appointment of Fourteen (14) Members to the La Bajada Ranch Steering Committee. (Public Works/Adam Leigland) **ISOLATED FOR DISCUSSION**
2. **Resignation of Jim Jackson From the DWI Planning Council. (Community Services Department/Health and Human Services/Rachel O'Connor)**
3. **Appoint New Member to Health Policy and Planning Commission for District 3, John E. Abrams, (Commissioner Anaya). (Community Services Department/Health and Human Services Division/Rachel O'Connor)**

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4. **Appoint New At-Large Member Gene Varela to the Senior Advisory Board (Community Services Department/Health and Human Services Division/Teresa Casados)**

B. Resolutions (PUBLIC COMMENT)

1. **Resolution No. 2012-139, a Resolution Requesting BCC Approval for Santa Fe County to Provide \$25,000 in Matching Funds for Water Trust Board Project #295, Cañoncito Regional Water Quality and System Improvements Phase II. (Public Works/Adam Leigland)**
2. **Resolution No. 2012-140, a Resolution Requesting a Budget Increase to the Fire Operations Fund (244) to Carry Forward a Grant Balance for the Emergency Preparedness Program/ \$26,396. (Public Safety/Fire/Teresa Martinez)**
3. **Resolution No. 2012-141, a Resolution Requesting a Budget Increase to the Fire Operations Fund (244) From Forestry Revenue Received for Personnel and Apparatus Utilized on the Utility, South Mountain, Borrego 2, and Bales Fires / \$26,651. (Public Safety/Fire/Teresa Martinez)**
4. **Resolution No. 2012-___, a Resolution Requesting a Budget Increase to the Fire Operations Fund (244) for Revenue Received for Personnel and Apparatus Utilized for Fire Protection Standby on the "Lone Ranger" Movie Set / \$46,960. (Public Safety Fire/Teresa Martinez)**
ISOLATED FOR DISCUSSION
5. **Resolution No. 2012-142, a Resolution Requesting a Budget Increase to the Law Enforcement Operations Fund (246) From Forfeiture Revenue Received Through the First Judicial District Court for the Region III Drug Task Force / \$22,600. (County Sheriff's Office/Teresa Martinez)**
6. **Resolution No. 2012-143, a Resolution Requesting a Budget Increase to the Law Enforcement Operations Fund (246) for Additional Funds Awarded Through the Office of National Drug Control Policy for the Region III HIDTA Program / \$25,000. (County Sheriff's Office/Teresa Martinez)**
7. **Resolution No. 2012-144, a Resolution Requesting a Budget Increase to the Law Enforcement Operations Fund (246) to Budget Auction Proceeds and Insurance Recovery Revenue to Be Utilized for Vehicle Maintenance Expenditures in Fiscal Year 2013 / \$53,661. (County Sheriff's Office/Teresa Martinez)**

C. Final Orders

1. **CDRC Case # MP/PDP 12-5070 MCT Waste Master Plan/Preliminary Development Plan. Sunset Solutions, LLC., Applicant, James Siebert, Agent, Requested Master Plan Zoning and Preliminary Development Plan Approval for an Expansion of**

a Non-Conforming Commercial Property. The Request Also Included the Final Development Plan to be Reviewed and Approved Administratively. The Property is Located at 5 Erica Road in the Traditional Historic Community of La Cienega, within Section 26, Township 16 North, Range 8 East (Commission District 3). Approved 5-0, Jose E. Larrañaga

2. **CDRC Case # MP/PDP/FDP 12-5210 Ravens Ridge Bed & Breakfast. Phyllis Johnson, Applicant, Requested Master Plan Zoning, Preliminary and Final Development Plan Approval for a Bed & Breakfast within an Existing Residence on 2.78 Acres. The Property is Located at 22B Ravens Ridge Road, within Sections 17& 18, Township 16 North, Range 10 East (Commission District 4). Approved 5-0, Jose E. Larrañaga**

Withdrawn items:

- X. A. 1. **Request Approval of the Appointment of Fourteen (14) Members to the La Bajada Ranch Steering Committee**

CHAIR STEFANICS: Mr. Hogan, of the members that you had on the list, I was not asked who I wanted to have as my representative, and my representative is number 13. So in terms of how the list falls out, that was my concern. Commissioner Vigil, you had a concern?

COMMISSIONER VIGIL: Actually, Madam Chair, I don't have a representative, so my recommendation is going to be to include an appointee and replace number 11, because there's five in District 4 and none from District 2. I'd like to replace number 11 with someone who did apply but I think maybe got the application in late because she was in a funeral out of state and that's someone who's highly qualified, Maria de Anda. So I'm going to request that number 11 be replaced by Maria de Anda. And that would at least include someone from District 2

CHAIR STEFANICS: So on this point, does this require background checks for this particular work group?

MARK HOGAN (Public Facilities): Madam Chair, Commissioners, not that I'm aware of.

CHAIR STEFANICS: So we could actually make the changes right now for you.

MR. HOGAN: That's correct. These are just recommendations so it is up to the Commission.

CHAIR STEFANICS: Okay. So Commissioner Mayfield, you're next. We can make the changes right now so I have asked that number 13 be my representative and that would have to take out somebody else from the list. Commissioner Vigil has put in somebody in place of number 11, so do you have any specific recommendations? We're trying to get to action if we have any – if you have your clarity.

COMMISSIONER MAYFIELD: Well, can I ask a clarifying question based on – because I pulled the old resolution. Commissioner Anaya will be appointed

automatically as the representative of District 3. Has the Commission decided who we would appoint as the alternate member from the four of us?

CHAIR STEFANICS: We have not decided that. I decided I would not, and that's therefore why I have chosen a representative.

COMMISSIONER MAYFIELD: Okay.

CHAIR STEFANICS: So, Commissioner Vigil, Commissioner Holian, are you interested in sitting on this?

COMMISSIONER HOLIAN: Thank you, Madam Chair, yes. I would be interested actually.

CHAIR STEFANICS: Commissioner Mayfield, are you interested in sitting on this? There was one other Commissioner besides Commissioner Anaya. So we might get this worked out.

COMMISSIONER MAYFIELD: I would be interested but if that means that would void who I would appoint then I would defer to my appointee.

CHAIR STEFANICS: So, Mr. Hogan, how does this work?

MR. HOGAN: Madam Chair, Commissioners, we have an open spot for one Commissioner and then 12 appointees total. So we are counting on another Commissioner being appointed and that would be up to you, hopefully this afternoon.

CHAIR STEFANICS: Okay, so if two Commissioners wanted to be on with Commissioner Anaya that would be a quorum and we couldn't do that.

MR. HOGAN: So we just have two Commissioners, Commissioner Anaya and then the one that would be appointed.

CHAIR STEFANICS: Commissioner Anaya, you had a comment?

COMMISSIONER ANAYA: Yes, Madam Chair. I apologize that I didn't look at this list sooner, but this is the comment that I have. There's one woman on this task force, and is that an adequate representation of women? The other comment is do we have appropriate background to appropriately listen to the culture and heritage of our community and our county? When I look at this I'm not so certain we do. I see Jose Varela Lopez on there, and I'm not taking away anything in front of me other than what I read by name and last name. But I think that's an important thing for us to think about. What's your take on that?

MR. HOGAN: Madam Chair, Commissioners, we reviewed all the résumés, because you know we started out saying that we were hoping to have this represented based on expertise as well as – and then we brought it before this Commission they said let's also make sure we've got representatives for each district. We do know Jose very well from work that he's been doing in the community. He's been very active in a broad reach in history there. But really, we included in our packet all the résumés and just the names. These are all the people plus the woman that Commissioner Vigil has nominated and we have a résumé for her. She's very well qualified. And incidentally, with that addition we would have two women on. But these are all the people that responded to our ads, our solicitations through the website, so it's really up to you all to decide who you feel ought to serve on this steering committee.

COMMISSIONER ANAYA: So here's my other comment. I think diversity is important across all aspects – expertise, background, ethnicity, gender, okay? Specifically.

The other thing that I think that I'm a little cautious about is that I think we have two staff people on here and I think staff is going to be at the table providing input and feedback anyway. They should be. But I don't necessarily think that they need to be voting members on the board. I think that staff needs to be present. Staff needs the ability to provide guidance and direction, but I don't necessarily think they should be voting members. I think that should be left to the expertise of individuals as well as community members.

So can you provide me a little help on that? That seems a little odd to me.

MR. HOGAN: Madam Chair, Commissioner, I'd be happy to. Both of those individuals have very specific expertise in those particular areas. There are also staff people from other branches of the County that we might not expect to have in regular attendance at these meetings so again, we got their interest, we reviewed their qualifications. The two staff people, Erik Aaboe and Steve Brugger – Erik is an energy specialists, highly qualified, and Steve probably knows as much about housing in this community –

CHAIR STEFANICS: On this point, I think, Commissioner Anaya, the staff should not be on there.

COMMISSIONER ANAYA: No, I agree with the expertise, and I believe they should be providing input and support. But as far as being on the committee I think we have a double bonus if we actually get their input as staff and then we have another individual that's an expert on housing and another individual that may be an expert in energy that's not a staff person. So I actually see it as a positive. We still get their input but the voting members be left to people that are professional designees or outside members. So that's my take.

MR. HOGAN: If I could just briefly respond to that. We just don't have those other – those two expertises filled by other applicants that we have. It doesn't mean we can't go out and search for them more, but as you know this committee has been sort of a long time coming and we're anxious to get to work. So again, these are recommendations but the Commission is free to make the appointments that they feel are appropriate.

CHAIR STEFANICS: Mr. Hogan, I think you're hearing what we want. I think the comment has been the staff can be there but use those spaces for some of these other people. It really is supposed to be a community group. And are there other community people. Yes.

COMMISSIONER HOLIAN: Madam Chair, if we are going to do that and include other people, in looking at Craig Campbell's résumé he really would add a lot to this particular committee. He has very strong background in landscape architecture and so on. So I would like to see him added back on to the committee if there is a spot.

COMMISSIONER VIGIL: They problem, Madam Chair, with that, and Commissioner Holian, with all due respect is the positions that they're trying to fulfill are green infrastructure and energy efficiency, and Craig Campbell's background is in commercial and residential development. We do have representation from that.

COMMISSIONER HOLIAN: Thank you. I also agree; I don't see any reason why Erik Aaboe and Steve Brugger couldn't attend the meetings and provide that expertise.

COMMISSIONER VIGIL: I think the direction we're taking is to include them but let's get expertise in those areas also, because that's what the resolution provides.

COMMISSIONER MAYFIELD: Madam Chair.

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CHAIR STEFANICS: Commissioner Anaya had the floor. I interrupted him. Are you finished, Commissioner Anaya?

COMMISSIONER ANAYA: Madam Chair, I believe Commissioner Mayfield is going to do something I agree with so I'm going to let him speak.

CHAIR STEFANICS: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, just on a conversation and also seeing that arguably there's been no individuals minus what Commissioner Vigil just brought forth as one representative from District 2. I would like to see, hopefully the opportunity for more diversity, more input, more discussion and I would make a motion to table this to our next meeting.

COMMISSIONER ANAYA: Second.

CHAIR STEFANICS: Okay. So let me ask the question. If we table this to the first meeting in November, let's put out on the table the different types of representatives we're looking for. We're looking for more diversity. We're looking for expertise in energy and expertise in green building. Anything else?

COMMISSIONER ANAYA: Madam Chair, a question along the lines of where you're headed. Madam Chair, Mark, do we feel we have within the representatives – and I know we voted on this. I want this to go and get moving but also want to make sure we have a good, diversified group to do it. Who do we think on this group represents the historical, traditional, cultural aspects of the community, of the county? Who on this group could you tell me does that? I understand Jose's background; he helps with that. But are there others on here that have more of that historical, cultural background of what's gone on in the community and throughout the county that you could just point me to that might have that?

MR. HOGAN: Commissioner, if I could, let me invite Beth to contribute to this because she's actually been very active, more so than I've been except in the last year in that community.

BETH MILLS (Open Space and Trails): Yes, Madam Chair, Commissioner Anaya. I think that both Eric Blinman and Kenneth Pin address the historic, traditional aspect and the pre-historic as well pretty well. I think I looked at them as being contributing in that and also, with Commissioner Vigil's recent addition of Maria de Anda Hay I believe that she'll help provide some of that background.

CHAIR STEFANICS: So did you make a motion?

COMMISSIONER ANAYA: Motion to table.

CHAIR STEFANICS: Okay. So there's a motion and a table. We're on discussion. Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Madam Chair. I just want to make a comment about Scott Pittman and Eric Blinman. First of all, Scott Pittman has the kind of expertise in permaculture – he's famous throughout the world for what he does, so I think he would really add a lot to the committee and I would really like to see for sure that he's kept and also Eric Blinman. I've actually attended lectures that he's given about archeology and he has such a historical perspective of the history of this area, going back thousands of years. So I think he's an extremely important person to have on the committee that could provide that perspective. So I really would like to see them kept for sure.

COMMISSIONER VIGIL: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Vigil.

COMMISSIONER VIGIL: Commissioners, I'm wondering if you would consider moving forward in the positions that we do have before us and the two positions that we're going to get our staff positions that there's concern for, that they be a part of moving forward and that Mark and Beth come forward to fill those gaps with further applications, because that's the only issue here, is should we get somebody who has expertise in housing and should we get somebody who has expertise in renewable energy? Those are the two positions that are outstanding. I think we're all in agreement with the others.

So could we maybe consider making a motion to move forward with these applicants to have Erik and Steve who are staff people be a part of the process but that those position and those expertise be appointed by community members and that come forth to us after those community members are advertised for. My concern here, my underlying concern is we've been holding back in trying to get this project forward. To table it just for those two positions might, I think, infringe upon the process on moving forward.

So those people can come in at our next meeting but we don't have issues with all the other appointees.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Commissioner Anaya.

COMMISSIONER ANAYA: I don't know. I think I might. I think we do need to have maybe some more gender balance and more diversity. I actually – I think that's beneficial to any group to make sure that there's a balance that maintains professionalism and the background, but I think there's an importance to have gender balance in particular. So maybe not 100 percent but I do think having one woman on a group of 12 or even two, frankly I don't think it's adequate for this group. I'd like to see what else we might get in the next two weeks. I don't think we're talking about a very extended period of time. I think the chair has articulated that we're talking about a short window, re-expressing the backgrounds and giving an opportunity again to see what else we get. So that's kind of my take. Thanks.

COMMISSIONER VIGIL: My question to that, Madam Chair, is you actually requested a response from applicants and these were picked from all that responded. So the pool of women that were available is limited. Is that correct? So if you do go out again are you going to ask only for women? Can we do that?

MR. HOGAN: Madam Chair, Commissioner, again, we advertised. We reached out to everybody we knew. This was the list we got. I'm not saying that additional outreach won't yield two more people with the clarifications we're looking for and also help create closer gender balance on the committee. So you're not getting any resistance from us on that. We just want to make sure that this moves forward in a way that's acceptable to the Commission.

CHAIR STEFANICS: So back to the motion. Before we took a vote I just wanted to clarify, if the motion passes, what types of persons that staff should specifically recruit or that we could recruit for this. And we're talking about women, people from the community, people with renewable energy background and people with housing. Public housing or just housing?

MR. HOGAN: Madam Chair, the other current nominees, Claire Fulenwider is in renewable energy, so I think that gap that we really have the most apparent right now has to do with housing.

CHAIR STEFANICS: With housing. I know Ms. Fulenwider quite well. She just came back from running a thee-state or five-state renewable energy co-op up in the northwest but she's lived here for years. Commissioner Anaya.

COMMISSIONER ANAYA: Just a suggestion, Madam Chair. I think if we readvertise, and we still have these applicants that have their names in the hopper, and we express that these are the backgrounds we're seeking, and that we are actually seeking input in a broader range to pick from and a broader range of diversity. It doesn't take anything away from the actual backgrounds but I'm sure we know people in these areas that we could encourage or put out in an advertisement to let them know it's happening. Now, if we do that again and we get no feedback and no input, well, I think that's different. But I think we're taking an extra effort to take another step at getting some additional feedback and input from others that may be interested and that's all.

CHAIR STEFANICS: Okay. Thank you. We have a motion on the floor and a second. And Commissioner Mayfield, would you repeat your motion. It's just for tabling purposes?

COMMISSIONER MAYFIELD: Motion to table, Madam Chair.

CHAIR STEFANICS: Okay. Thank you.

The motion to table passed by majority [3-2] voice vote, with Commissioners Anaya, Mayfield and Stefanics voting with the motion and Commissioners Holian and Vigil voting against.

CHAIR STEFANICS: But let's bring this back on the next agenda which would mean we would have to advertise immediately. If we advertise immediately and we don't get any response let's bring it back. Thanks.

- X. B. 4. **Resolution No. 2012-145, a Resolution Requesting a Budget Increase to the Fire Operations Fund (244) for Revenue Received for Personnel and Apparatus Utilized for Fire Protection Standby on the "Lone Ranger" Movie Set / \$46,960**

CHAIR STEFANICS: I asked for public comment earlier; there was none.

COMMISSIONER MAYFIELD: Madam Chair, I arguably wanted to just hear this from Ms. Martinez, but this was just kind of an end-around so I can kind of hear what the film studios are doing, just to kind of hear how many movie productions are happening in our county, kind of hear how we are receiving payments from them. I just saw it on the agenda so I thought it would be a good time to hear what's going on with our Santa Fe Film Studios because I hear there is movie production, which is a very good thing happening in our county. So if it's Ms. Martinez who wants to present this as far as moving this forward, and then hearing general comments from the County Manager or from our economic development director, whoever that is now, that would be great.

TERESA MARTINEZ (Finance Director): Madam Chair, I'll defer to the County Manager.

COMMISSIONER MAYFIELD: We had to do this first, so we can approve it.

MS. MARTINEZ: Okay. This particular item is for standby on the set of the Lone Ranger. So what we're doing is budgeting the money that we receive to reimburse for equipment as well as for volunteer time.

COMMISSIONER MAYFIELD: So they're reimbursing us? Where was this project at?

MS. MARTINEZ: This affects the Stanley, Glorieta and Galisteo fire districts.

COMMISSIONER MAYFIELD: Great. And it was all on location? Great. And everybody was safe, Chief Sperling?

DAVE SPERLING (Fire Chief): Thank you, Madam Chair, Commissioner Mayfield. Yes, everybody was safe and it was shot out in the Galisteo fire district, primarily.

COMMISSIONER MAYFIELD: Great. Thank you. Madam Chair, with that I would move for approval.

CHAIR STEFANICS: I'll second.

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

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: I guess my question, kind of a quick status on what's going on with film productions in Santa Fe County. Maybe it's not properly noticed and if that's case I will ask to come back next as an agenda item. But what's going on with the payments and everything else with Santa Fe Film Studios that we are receiving.

CHAIR STEFANICS: Commissioner, could we ask the Manager that when we come to the Manager's report?

COMMISSIONER MAYFIELD: Okay. Thanks.

CHAIR STEFANICS: I'm not opposed to that at all. I just think we could handle it under the Manager.

XI. STAFF AND ELECTED OFFICIALS' ITEMS

A. Treasurer's Office

Upon motion by Commissioner Holian, second by Commissioner Stefanics the Commission and unanimous vote the Commission recessed and reconvened as the Board of Finance.

- 1. Call Meeting to Order**
- 2. Roll Call**

All five Commissioners were present.

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3. Presentation of the County's Investment Portfolio for the Three Months Ending September 30, 2012

4. Presentation of the County Treasurer's Investment Plan Which Remains the Same Through December 31, 2012 [Exhibit 4: Treasurer's Report]

CHAIR STEFANICS: Just to explain to the public, every quarter the Board of County Commissioners serves as Santa Fe County Board of Finance and we hear a report from the Treasurer regarding the investment plan and activities to date. And we have our Treasurer Victor Montoya with us.

VICTOR MONTOYA (Treasurer): Good afternoon, Commissioners. First of all I'd like to introduce my deputy, Patrick Varela.

CHAIR STEFANICS: Welcome, Patrick, and we'll be seeing more of you in the future.

MR. MONTOYA: He's the Treasurer-elect. He'll be beginning in January actually. Okay. Before you you have the Santa Fe County Investment Portfolio and Investment Plan as of September 30, 2012. And of course I'm presenting it in compliance with our current resolution on the Investment Policy, 2007-102. And basically, as far as my – well, as discussed previously with the County Board of Finance the Treasurer's objective is to ensure that the County's portfolio contains safe, liquid and diversified investments while earning a market rate of interest on all money that is not immediately required to meet the County's cash flow needs.

Of course the Investment Plan is to diversify the portfolio and invest in all permitted investments authorized in the policy as follows: interest-bearing accounts at our custody bank, certificates of deposit insured by the FDIC with limits up to \$250,000 or collateralized at 102 percent for CDs that are over \$250,000, government entities and treasury bills or other debt securities issued by and backed by the full faith and credit of the US Government. These investments are fully collateralized as provided for in our investment policy.

As part of our asset diversification we invest in this type of security, which are government agencies. Our holdings at the end of September stood at \$106,104,353.38 in government agencies and approximately \$30.7 million in money market accounts at Charles Schwab. Some or most of these investments are laddered to meet our cash flow needs for the County's bond construction projects as they materialize.

As previously stated, at the State Treasurer's Local Government Investment Pool we still have some exposure in the investments made by the State Treasurer in the reserve primary fund. The County's investments were not collateralized or secured by the State Treasurer. And then of course back in September 2008 the Local Government Investment Pool investment in the reserve primary fund was frozen as a result in the drop in asset value below a dollar and subsequently Lehman Brothers went bankrupt.

The County Treasurer proceeded to move almost \$1,600,000 from the LGIP to our custody bank and we were left with approximately \$356,063.02 in the LGIP reserve contingency fund, which was subsequently reduced to \$271,864. For the quarter ending June 30th the State Treasurer provided a copy of a letter to the reserve contingency fund

participants dated June 30th based on this notice the County had to take an actual loss of \$218,196.40. The current balances at the LGIP on June 30, 2012 were \$640.42 in cash and \$52,867.91 in the reserve contingency fund. That's after we took the loss.

I continue to look for investments that benefit our economy here in Santa Fe County that will assist banks and credit unions with the ability to provide mortgage loans, auto loans, construction financing to out county constituents. Some of the I guess CDs that we've actually invested in are listed here and most of these you've seen before in the last quarter's presentation. The only one that's different is item F down at the bottom of page 2 and that's on October 17th we opened up a \$5 million CD with First National Bank of Santa Fe and it has a yield of half a percent, which is currently what we're getting at our custody bank, and it's collateralized at 102 percent.

I know it's not something that's for this quarter but I am presenting it because it's a new investment and this will be my last presentation for the quarter ending September. For the quarter ending December I will no longer be around.

With that, I've attached a copy of the portfolio for your information here and if you'd like to look at that I guess it starts on page 4 and just to kind of hit the highlights – page 4 through 8 provides detailed information on all the accounts that we have. Credit unions, bank CDs, Wells Fargo brokered accounts and at Charles Schwab the type of government agency we've invested in.

Then if you turn to pages 9 through 10, that provides a two-page summary that provides the same information as what's on pages 4 through 8, but in summary form. Then pages 11 through 14 provides the graphical information on the summary. So if you have any questions on that I'd be happy to answer them. Page 8 of the previously mentioned pages will give you the information about the Local Government Investment Pool. As you can see, the third column there in red represents what the County wrote down and what we actually lost at the State Treasurer's LGIP. And the reason I haven't closed the account that we had at the LGIP is because there's a very small chance that these items are going to materialize and they're highlighted in yellow. And that's still the new [inaudible] balance at the LGIP. So there's \$52,867.91 there and those will probably be written off by the end of June in the current fiscal year. That's my opinion based on what's happening or happened with the contingency set up by the State Treasurer.

The County's total portfolio as of September 30, 2012 was approximately \$174,916,356.49. And again, just to reiterate, the County's Investment Committee meets regularly on a monthly basis. I presented an agenda to the committee this month that includes what investments have been made, which investments have matured, and the minutes from the prior month. I have our custody bank and other financial depository institutions make presentations from time to time to keep the committee informed as to how they intend to use the County's funds to improve the economy of the county and of course the financial condition of the bank and their operations.

I do monitor the banks' ratings through the use of bankrate.com and other websites that provide a rating and analysis on the financial condition of our banks. And finally I just want to thank the Investment Committee for their commitment to attend these meetings. I know they have many commitments and obligations they attend on behalf of the County, and with that, Madam Chair and Commissioners, that concludes my portion of the presentation. I

make myself available to answer any questions you might have.

COMMISSIONER HOLIAN: Thank you, Mr. Montoya. Any questions?

COMMISSIONER ANAYA: Madam Chair, Mr. Montoya, you've been working with investments and our money for several years now. What's your pulse on where things are at and are you seeing a shift, a positive shift in the right direction? Or what's your take based on your work on where things are headed?

MR. MONTOYA: Well, first, the main thing I have to go by is what the Fed says and that's Chairman Bernanke and right now, to me it looks like the yields on investments are going to continue much the same at least through 2014 and maybe 2015 unless something dramatic happens in the economy that causes it to move forward. I really don't see – I read a partial article this morning that said the stock market might even drop another eight percent after the election. So I don't know what kind of – I guess that might help the bond industry I guess if the stock market declines. Sometimes that's a positive effect on the bond market.

But currently, unemployment is still bad, even though the last that I heard there were three million jobs that could be filled if people were qualified to fill them. So I don't know if there's a good indication or not. But we still hear of companies downsizing and closing their operation. Some businesses are being sold and then the buyers are like in Asia which could be either Korea or China or one of those – Thailand. I don't know if that answers your question, Commissioner.

COMMISSIONER ANAYA: Thanks for the feedback, Mr. Montoya.

Appreciate it.

CHAIR STEFANICS: Thank you. I'm sorry I stepped out. Did you finish your first presentation?

MR. MONTOYA: Yes, unless there's any other questions.

CHAIR STEFANICS: Do we need to adopt your plan?

MR. MONTOYA: Yes.

CHAIR STEFANICS: Okay. So we still have another item under this. We still have approval of the County Treasurer's Investment Plan after we do the next item. But you did XI. A. 3 and 4.

MR. MONTOYA: Right.

- XI. A. 5. Resolution No. 2012-146, a Resolution Amending the Santa Fe County's Investment Policy and Establishing the Santa Fe County Investment Committee; Providing Rules and Policies for Depository Financial Institutions and Custodial Banks; Establishing Investment Objectives and Identifying Permissible Investments; Providing for Security of Investments and Deposits; Providing for Equitable Distribution of Interest Bearing Accounts; Rescinding Previous Resolutions [*Exhibit 5: Revised Resolution Text*]**

CHAIR STEFANICS: Mr. Ross, is this different than what's in our book as a red-line?

MR. ROSS: Madam Chair, this is cleaned up so you can actually read it, plus there are a couple changes which I'll explain.

CHAIR STEFANICS: Okay, so Commissioners, in your book under XI. A is the actual resolution with all the redlines and the corrections. The County Attorney found many things that needed to be updated, corrected, and I had some questions about increasing membership, and then we had some discussion about investments, how much, what we could or could not do with the State Investment Pool, etc. So, Steve, do you want to – is this going to be Victor or Steve explaining this?

MR. MONTROYA uch: Steve will be explaining as far as I'm concerned and then I'll offer my opinion.

CHAIR STEFANICS: Right. So, Mr. Ross.

MR. ROSS: Madam Chair, I think we talked about tag-teaming as needed. What I handed out was a version of the resolution. I accepted all the changes so it was easier on the eyes. What I've done is bolded a few statements in here which I'll explain, and put yellow on things I want to call your attention to. But I thought it would be a lot easier to deal with if you could actually read it. So let me just go through some of these changes.

On page 3 you're going to see the definition of custodial bank is changed. The previous definition was just incorrect. So we've changed that so that it is correct, and that's a change from what you have in your packet. If you look at page 5 concerning the County Board of Finance meetings, which are these meetings here, you had several of these Board of Finance meetings during the land use meetings and we thought it shouldn't be that restrictive in the policy if we're going to be flexible scheduling these meetings. That is proposed to be eliminated in this document. It wasn't in the one that's in your packet.

Now, the one we really need to talk about is here on page 7 which is the composition of the committee. If you take a look at that, the Treasurer and myself in the version in your packet had a blank for the extra person we were talking about and we've inserted a proposal for you to react to, which is that we have the chair of the board and the vice chair being both on the committee. Adding one member to the committee will not change the quorum requirements so we don't anticipate any difficulty getting a quorum if we add the vice chair but it will serve the purposes we've been discussing of adding an extra person to the committee.

And you'll notice I highlighted number 7. We just forgot to have that in the original version. We've always had a non-County employee on the committee to provide an industry or outside perspective. So we can discuss those.

On the next page, under investments, the Treasurer and I have discussed this and we also discussed this at the last committee meeting, Madam Chair. It said in the draft that was in your packet that we could invest in the Local Government Investment Pool, the LGIP, so long as we didn't put more than five million bucks at the pool. As you recall, the LGIP is completely unsecured and like the Treasurer just finished explaining we've lost a substantial amount of bond proceeds in the collapse of Lehman brothers. Having a conservative

investment policy is not conservative with having unsecured investments at the LGIP. So the three of us, myself, the Treasurer and you, Madam Chair, suggested at the last Investment Committee that that be limited to \$1 million. So if you think of that as an investment from the general fund, this is more like two percent of the total amount of the general fund instead of more like ten or more percent as was in the original draft. So we can talk about that.

Now, if you turn onto the document at page 12 under depository financial institutions, as you recall right now we have LANB as our depository institution. By law, they're required to pay a minimum interest rate on our account as set annually by the Board of Finance. So we just beefed that up a little bit and put in the statutory reference to make it crystal clear that that's the requirement.

On page 15, the Treasurer and myself have added a paragraph which is what to do if we have issues with our depository bank. In the previous policies there hasn't been a provision for terminating a depository bank relationship with a depository bank, so we've added a short paragraph there to provide that we can terminate these arrangements if we don't like the bank's risk classification, or if the bank fails to make periodic reports for us, or if we don't like the bank's performance. And consistent with state law the requirement is that the Treasurer would then recommend to this Board that the bank's status be revoked and there'd be a vote on that. We have a very similar provision with respect to our custody bank.

On page 16, there's a lot of yellow on that page. Some of these things have not changed. I just wanted to call your attention to the fact that the Treasurer and myself really beefed up the collateral requirements in this policy. It's identical to that that's in your packet, but it's very important stuff. Collateral for our investments has to be provided in accordance with New Mexico statutes and can be only of a particular type of collateral, in general, the most highly secured type of collateral is acceptable and there's a lot of record keeping involved and such.

And then finally, if you turn to page 22 you'll see a similar large yellow area. This is unchanged from the copy that's in your packet but it pertains to safekeeping of securities that we obtain in connection with our investments in various items. This provides that the actual physical custody of the securities, which of course the documents themselves are negotiable instruments. They have to be carefully safeguarded and locked away and in this case we're saying that the custody shall be with our custodial bank over the brokerage service and there are lots of requirements and rules concerning that relationship with the custodial bank.

Those are the major changes from the previous policies and Madam Chair, you mentioned a minute ago, we've done sort of a major cleanup of the document as well which is reflected in the fairly busy version that's in your packet. With that, I'll stand for questions.

CHAIR STEFANICS: Thank you, Mr. Ross. Mr. Montoya, anything you want to add?

MR. MONTOYA: No, Madam Chair, Commissioners. I think we spent a couple hours going through here and I think these are all changes that just clean up the document a little, and of course per our discussion at our last committee meeting on how much money we should place at the pool, at the Local Government Investment Pool, because of their inability to collateralize our money.

REC CLERK RECORDED 12/05/2012

CHAIR STEFANICS: I'd like to thank the County Attorney and the Treasurer for working on this together. We also discussed this at the Investment Committee for about three months, maybe even longer, the changes that ended up in this. So I appreciate your time and work on this. Question, comments from the Commission? Yes, Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, thank you. Treasurer, thank you. Madam Chair, Mr. Ross, page 7 or page 8 on the working document you want to go on. Give me the definition of a designee please.

MR. ROSS: A person designated by that person, so if the County Manager wants to designate, say, Penny to go to a meeting, she would be the designee of the Manager for that meeting.

COMMISSIONER MAYFIELD: And say if a Commissioner wants to designate another Commissioner – how far down can you designate?

MR. ROSS: Generally it would be another Commissioner in that case.

CHAIR STEFANICS: On this point, you're talking about item number two?

COMMISSIONER MAYFIELD: I'm just talking about item 6. B, the committee members. As far as designees, I'd just like to know who a designee could be. I would assume the County Attorney, arguably Ms. Brown. Treasurer would be Deputy Treasurer. Commissioner would be a Commissioner. County Manager would be Deputy Finance Director – I don't know who it would be in the directorship. I just want to make sure that there's some bar as how far we're going to go down as a designee.

MR. ROSS: Generally, you would designate someone from your office. The Manager would designate someone –

COMMISSIONER MAYFIELD: Well, arguably, let's say, the chair, we wouldn't arguably be designating our assistant to sit on that committee.

MR. ROSS: Correct. Correct.

COMMISSIONER MAYFIELD: So do we need a definition for that?

MR. ROSS: Well, we could add that if it's not clear how we should be doing it.

COMMISSIONER MAYFIELD: You advise me. You're the attorney please.

MR. ROSS: I can add the words "of the Board" if you'd like after the word – the chair of Board of Finance or designee of the Board.

COMMISSIONER MAYFIELD: Do we need to clarify that for, say, the Treasurer, the Finance Director, the Attorney?

MR. ROSS: Well, I think – I can add language to that if you give me latitude to make those changes after the action today. I can certainly take care of that and make it crystal clear. In my case, I would only send another lawyer to a meeting. The Manager has probably broader latitude, someone that she might place in charge when she's gone. For example, it could be me or –

COMMISSIONER MAYFIELD: On that point, Madam Chair, Mr. Ross, could you kind of serve double duty then if the Manager appoints you acting County Manager, could you serve as the Attorney and the County Manager?

SEC CLEAR RECORDED 12/15/2012

MR. ROSS: I probably wouldn't. If I were representing the Manager and the County Investment Committee I would probably ask Rachel to come along as the lawyer of the day. And the Treasurer of course generally would appoint the Deputy Treasurer to show up.

COMMISSIONER MAYFIELD: Okay. Madam Chair, I don't know if we're approving this at this moment but if you could just clarify designee a little bit it would make me a little more comfortable. And then, you may have mentioned this Steve, but on page 7 of the second document you provided, the cleaned up document, same section, item 6. B 7, a non-County employee nominated by the Treasurer. A little more clarification on that to me please.

MR. ROSS: Madam Chair, Commissioner Mayfield, we've had – what's the gentleman's name – Lowell Gilbert serving as the public member on the committee for some years.

COMMISSIONER MAYFIELD: That's fine. It's not a member of an investment committee that we're doing business with; it's just a general, at-large person.

MR. ROSS: Correct.

COMMISSIONER MAYFIELD: With some background –

MR. MONTROYA: Commissioner, yes.

COMMISSIONER MAYFIELD: Madam Chair, Mr. Treasurer, so you solicit that? You kind of recruit that?

MR. MONTROYA: Well, you know in looking at the Investment Committee members, Madam Chair, Commissioner Mayfield, in the whole nine years that I've been here, or however many years I've been here we haven't had any problem with the designee because it's always been the second person in command or one of the Commissioners. In terms of Mr. Gilbert, he used to be the deputy executive director at PERA so he's very familiar with investments and finance, and so my whole 8-½ years he's been the person filling that position. So unless he changes, I don't know who the Treasurer-elect would recommend to be – is recommending, but I'm sure if we needed to add language to say that somebody that has knowledge of investments and finance we could put that in.

COMMISSIONER MAYFIELD: And Madam Chair, Mr. Treasurer, Mr. Ross, so then there's the Board, if a new name – let's just arguably say a new name would come forward after January, would the Board get to vote on that recommendation or is that strictly just the Treasurer's recommendation and the Board has to accept that?

MR. MONTROYA: It's the Treasurer's recommendation to the Investment Committee.

COMMISSIONER MAYFIELD: So the Investment Committee then is able to vote on that? And then is there, arguably, hopefully we'd never need it, but an opportunity to remove for cause or without cause? Because I don't see that provision in here. Not that you've ever needed it and hopefully would never need it but do we need that provision in here?

MR. ROSS: Madam Chair, Commissioner Mayfield, we haven't needed it and I think if it arose we wouldn't have any issue just doing it, but if you want to put it in we could put something in there.

COMMISSIONER MAYFIELD: I think we just have that on our other Board appointments that we make. That's all I have, Madam Chair, Mr. Treasurer. Thank you.

CHAIR STEFANICS: Thank you. And Commissioner, I'm perfectly fine with all of the designees having further clarification as long as we can keep that moving. Commissioner Anaya, did you have comments, questions?

COMMISSIONER ANAYA: Yes, quick comment, quick question. The Board of Finance is the Board of County Commissioners. This is in essence an advisory committee to the Board of Finance.

CHAIR STEFANICS: That's correct.

COMMISSIONER ANAYA: Can Commissioners participate on the Investment Committee because of that fact? All Commissioners if they wanted to?

CHAIR STEFANICS: It's an open meeting and we are expanding it for the chair, the vice chair, and then if they can't attend their designees so that any Commissioners could participate. But it is an open meeting. When I've attended the vice chair has attended a couple times this year just to kind of get a feel, I think for the work that's ahead.

COMMISSIONER ANAYA: I'm not the chair or the vice chair. If I wanted to attend, could I attend and participate?

CHAIR STEFANICS: Absolutely. In fact my very first year as a freshman, the chair of the Commission said would you go in my place, and I did. And it was good to just see what they were doing.

COMMISSIONER ANAYA: So even if the chair and vice chair were both there I could still go?

MR. MONTOYA: Madam Chair, just an observation. I'm not an attorney, but if you had three members of the County Commission it's a Commission meeting, right? So it's a quorum.

CHAIR STEFANICS: It is, but it's a publicly noticed meeting.

MR. ROSS: Madam Chair, Commissioner Anaya, Victor, I don't think it would be a County Commission meeting; it would be an Investment Committee meeting with a majority of the Commission present. So I think it's an important distinction. So we'd just have to make sure it was properly advertised, but I believe they advertise these meetings anyway, so anyone's welcome. It's highly important work because this is \$250 million of County money and money belonging to other entities that's being worked with.

COMMISSIONER ANAYA: Madam Chair, understanding that the chair and the vice chair typically take care of that business, I'm not saying I'm going to beat down the door of the meeting but I do think we should have some simple language in here that just clarifies that point, that – so if there's any question if there were three Commissioners present there wouldn't be any concern or issue associated with that fact. But I appreciate the revisions and the work. Thank you.

CHAIR STEFANICS: Thank you. Yes, Commissioner Holian.

COMMISSIONER HOLIAN: So I have a procedural question. Would it be possible to move for passage of this resolution at this point directing staff to make the suggested changes? We can do that now?

CHAIR STEFANICS: Yes. So is that your motion?

COMMISSIONER HOLIAN: Yes, that is my motion.

CHAIR STEFANICS: Okay. Is there a second?

COMMISSIONER VIGIL: Second.

CHAIR STEFANICS: Okay, there is a motion and a second to approve Resolution No. 2012-146 with further clarification of the word "designee" and any second changes?

COMMISSIONER ANAYA: And clarification on the fact that the Commissioners can attend.

CHAIR STEFANICS: Yes. Okay, any further questions or comments about this?

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

CHAIR STEFANICS: Okay, so the Board of Finance approved Resolution No. 2012-146.

XI. A. 6. Approval of the County Treasurer's Investment Plan

CHAIR STEFANICS: So this is the plan that was just presented to us.

MR. MONTOYA: Correct, Madam Chair.

CHAIR STEFANICS: Are there any further questions, comments for the Treasurer?

COMMISSIONER ANAYA: Madam Chair, I'd move for approval.

COMMISSIONER HOLIAN: Second.

CHAIR STEFANICS: There's a motion and a second to approve the County Treasurer's Investment Plan. Any further questions?

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

XI. A. 7. Adjourn

Commissioner Anaya moved to adjourn as the Board of Finance. Commissioner Mayfield seconded and the motion carried unanimously. Commissioner Holian moved to reconvene as the Board of County Commissioners and Commissioner Anaya seconded. The motion carried by unanimous voice vote.

CHAIR STEFANICS: I would now like to make sure we thank County Treasurer Victor Montoya. We might not see him until his party in December. So please make sure, Mr. Treasurer that you come to work that second Tuesday in December so all the staff can say good bye to you. But we truly appreciate your work over all of these years and we will have the opportunity to say that again. Thank you.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner.

COMMISSIONER MAYFIELD: Madam Chair, I'd also like to thank the Treasurer for the great work he's done also on the PERA board. Thank you for the phenomenal service. Victor, you'll be very much missed and we look forward to working with you in the future, and also welcome our new upcoming Treasurer. Thank you. Mr. Varela, welcome.

CHAIR STEFANICS: Thank you. Thank you, Commissioners.

XI. B. Finance Department

1. Request Acknowledgment and Acceptance of the Independent Auditor's Report for Santa Fe County's Agreed-Upon Procedures for the Lodger's Tax Facilities and the Reporting of Lodger's Tax

MS. MARTINEZ: Madam Chair, Commissioners, annually we have a state requirement by statute and also by our ordinance to do an audit of the Commissioner Stefanics facilities. So we do it annually. The first year we did it we did an extensive audit and we've now been on a downsized audit. Every fifth, sixth year we'll do a more extensive audit. This year we had three classifications. A high-risk classification, a moderate risk and a low risk. We audited one entity from each of those category and the higher the risk the more remittances or the monthly tax reports that were reviewed. We found one overpayment. That was the result of a clerical error as well as I believe an error in calculation, and then a change in management. So we think we have that entity on task now and we'll be processing a refund to that entity and we ask your approval and I stand for questions.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Move for approval.

COMMISSIONER MAYFIELD: Second, Madam Chair.

CHAIR STEFANICS: Okay. Any further question? Yes.

COMMISSIONER VIGIL: How many facilities do we contribute to the Commissioner Stefanics?

MS. MARTINEZ: We're right around 21, 22 facilities.

COMMISSIONER VIGIL: Okay. Is that increasing or decreasing, in the amount of facilities?

MS. MARTINEZ: Madam Chair, Commissioner Vigil, it's done a little bit of both. We'll see an increase, one or two will close and then another couple will open. So we've kind of stayed flat.

COMMISSIONER VIGIL: Thank you. No other questions, Madam Chair.

2012/10/30/12:00:00 PM

CHAIR STEFANICS: Thank you. Any further discussion? There's a motion on the floor and a second.

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

XI. C. Administrative Services Department

- 1. Request BCC Approval of Amendment No. 2 to Price Agreement No. 2010-0323A-ASD/TRV with Matthews Office Supply Whereby the Parties Agree to Exercise the Renewal Option of the Agreement for an Additional Two (2) Years Pursuant to Paragraph 4 of the Agreement Whereby the County May Extend the Term for an Additional Two Years Under the Same Terms and Conditions of This Agreement**

MS. MILLER: Madam Chair, this amendment to the price agreement went out to RFP a couple of years ago for an office supply contractor and Matthews Office Supply was awarded that contract. In that RFP we had an option to renew for an additional two years. We are recommending renewal for the additional two years. It's a local vendor and in addition they have agreed to hold the current pricing that they gave us for the first two years, which is probably anywhere between one and three percent less than what it would be if we went out for a rebid and got new pricing.

CHAIR STEFANICS: Okay. Thank you. Commissioners?

COMMISSIONER HOLIAN: Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER HOLIAN: I move for approval.

CHAIR STEFANICS: Thank you. Is there a second?

COMMISSIONER VIGIL: Second.

CHAIR STEFANICS: There is a motion and a second to approve amendment #2 to the price agreement with Matthews Office Supply. Are there questions? Discussion?

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Matthews Office Supply has been in Santa Fe for a long time, local company, been providing services to governmental entities for decades. So I just wanted to point that out.

CHAIR STEFANICS: Correct.

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

XI. C. 2. Requesting BCC Approval for a Waiver From Section 1 of Ordinance No. 2012-5 to Purchase a Fire Apparatus for the Pojoaque Fire District in the Amount of the \$614,291.00 Utilizing the Houston-Galveston Area Council Cooperative Purchasing Agreement (HGAC) and Authorizing for County Manager to Sign Purchase Order

BILL TAYLOR (Procurement): Thank you, Madam Chair, Commissioners. This is a request to waiver the ordinance that purchasing off an outside contract. The Fire Department has identified a need to purchase the aerial fire apparatus and just a note to the Commission that this 2010 model was used as a demo and there is a reduced price of \$73,000, plus they added an additional two-year warranty to it. And with that, Madam Chair, I'll stand for any questions.

CHAIR STEFANICS: So, Mr. Taylor, Mr. Sperling, this is the ladder truck?

MR. TAYLOR: That's correct, Madam Chair.

CHAIR STEFANICS: Thank you.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, this is a ladder truck. I know Commissioner Mayfield has worked with the Fire Department to get more equipment in the north so I think this is a good thing. Awesome.

COMMISSIONER MAYFIELD: Thank you, Commissioner Anaya. Madam Chair.

CHAIR STEFANICS: Thank you. Any other comments?

COMMISSIONER MAYFIELD: Madam Chair, so moved for approval and I'd like to thank staff, Chief Sperling and Manager Miller for accomplishing this. Thank you all very much.

COMMISSIONER ANAYA: Second.

CHAIR STEFANICS: Thank you very much. There's a motion and a second.

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

CHAIR STEFANICS: Is this the first for the County?

CHIEF SPERLING: Madam Chair, no. Actually Eldorado fire district has an aerial as well, but this is the first for the north and I just want to take the opportunity to thank the Commissioners for the work on this project, as well as the County Manager and it's been quite a push and it's very much appreciated. This will serve the north, Pojoaque fire district, all the northern fire districts in northern Santa Fe County for many years to come and it's much appreciated. So thank you.

CHAIR STEFANICS: Thank you.

XI. C. 4. Request BCC Approval for Waiver From Section 1 of Ordinance No. 2012-5 to Purchase Additional Fleet (16 Sedans) in the Amount of \$362,384.00 Utilizing a State Purchase Agreement (SPA) and Authorization for County Manager to Sign Purchase Order

MR. TAYLOR: Thank you, Madam Chair, members of the Commission. The Sheriff's Department has identified 16 patrol vehicles that are needed. We did do our due diligence regarding the state price agreement and identified the items that they are requesting to purchase, and again, this is a request to waiver the ordinance to buy from the outside contract. I'll stand for any questions.

COMMISSIONER VIGIL: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Vigil.

COMMISSIONER VIGIL: I move for approval.

COMMISSIONER ANAYA: Second.

CHAIR STEFANICS: There's a motion and a second.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Just under discussion. I think all of us have had the opportunity to see the fleet and the new vehicles that we're providing, not only fire but our Sheriff's Department. It's equipment that provides for the protection of our citizens and the Sheriff and the Sheriff's work and purchasing and everyone else involved is doing a good job. We're providing vehicles that accommodate the Sheriff's Department appropriately as well as the Fire Department to protect the health and safety of the citizens. So thanks to the Sheriff and all those involved in getting this done.

CHAIR STEFANICS: Thank you. We have a motion and a second.

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

XI. C. 5. Request Approval to Award Contract #2013-0145-OS/PL to Meridian Contracting, Inc. for Construction Services for the Santa Fe River Restoration From County Road 62 to San Ysidro Crossing in the Amount of \$1,185,578.00 Exclusive of GRT

MR. TAYLOR: Thank you, Madam Chair. This project consists of river restoration along the Santa Fe River and to address offsite drainage issues. We received six bids from all New Mexico vendors. The bids ranged from a high of \$1,628,000 to the low bid of \$1,185,578. The project has a scheduled work plan of about 150 workdays and with that, Madam Chair, I'll stand for any questions.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I see Colleen back there. I have a quick question for her if I could.

CHAIR STEFANICS: Ms. Baker.

COMMISSIONER ANAYA: Colleen, just a couple of quick questions. I know we've done a lot of work in partnership with many people on the river restoration. Could you just give a round figure number of the amount of resources that we've invested as a County into that corridor? It doesn't have to be exact but I'd just like to get a figure on what we've invested and put into this corridor for river restoration.

COLLEEN BAKER (Open Space and Trails): It's a good question, Madam Chair and Commissioner Anaya. I don't have that figure in front of me. I want to say it's on the order of \$6 million that we've invested to date.

COMMISSIONER ANAYA: Six million dollars, and could you provide some parameters as to where the beginning of the project started and where we're going to get to when this project is concluded?

MS. BAKER: The project as it's currently scoped is from the current city-county boundary at Frenchie's field, the former Camino Carlos Rael crossing to the wastewater treatment plant. And the funding that's gone into it has been for acquisition of property, restoration of the river, and construction of the major trail spine along that project. The primary areas that we've worked on - we've done acquisition kind of throughout that corridor but particularly at San Ysidro Park, which is between San Ysidro Crossing and Caja del Oro Grant Road, and the El Camino Real Park which is down near New Mexico 599. We also have properties in La Cieneguilla. The approximate value of that property was \$1 million, so it stretches further in the boundary. We also have a property up in Cerro Gordo which goes into that figure as well.

COMMISSIONER ANAYA: Colleen, I really appreciate that summary and I think it helps the public to understand the scope and breadth and depth of what's happened in that corridor and restoring that area. I also want to point out that I've been in conversations with Councilor Dominguez as well as Councilor Rivera and want to continue to work to figure out linkages between what we're doing in that sector and how we would connect to Swan Park in partnership with the City.

The other thing that I think is important to note is there's a lot of communication now with the group that I believe you're participating in that's dealing with the corridor where the City owns south of the treatment facility, taking work and restoration efforts down the corridor, into La Cieneguilla and to La Cienega. So do you want to just provide a brief snapshot on some of those discussions? Because that's something that I'm going to definitely be wanting to follow up to, extend now and work beyond the boundaries of where we've been and continue moving south.

MS. BAKER: Madam Chair, Commissioner, there's two main areas and you've hit on both of them that we're looking at at the corridor, more as a whole and that's connections to two pocket parks, two other regional trails in the vicinity. But you're looking at locations to try to connect the Arroyo Chamisos and network at some point and connect into those neighborhoods. So Swan Park is exactly that kind of opportunity. We're looking to provide people ways to get to and from and to other destinations along that corridor.

I have to commend our Land Use/Planning staff. They've been doing an excellent job working with that group and they have been communicating with us back and forth on how to manage that property in La Cieneguilla that's neighboring the airport property that the City

owns. So it is an ongoing discussion and we are very much waiting to hear from the community about what they would like to see us do in the rest of the corridor that we haven't identified as the primary trail corridor but still is the restoration, the river corridor that's so important.

COMMISSIONER ANAYA: Just a question on that point. I know there was feedback at one time that was supportive of more work in the corridor and some communications that were not so supportive. The feedback I've received as a Commissioner since sitting in this chair has been all supportive of seeing more work. That's not to say that I'm downgrading or looking away from any comments where people didn't want it, but what would it take to make that a part of the trail corridor? What work would it take on the community's part or on my part to make it a primary trail corridor?

MS. BAKER: Madam Chair, Commissioner, I think what we would need to do is hear exactly what you're hearing from the community. Times change. People start to see things differently. New people come in. it always changes. So if that's what we're starting to hear from the community then what we need to do is start getting it packaged and put on the capital improvement plan, so that we can start putting funding to that, and probably be much like what we've done on the remaining sections up to 599 and put the conceptual plan together so we can start seeing what properties we need to acquire, just like we're creating the framework for the trail closer into the urban area. We need to start doing that on those stretches as well. There are more public properties down there. There's only a few intervening private ones that I'm aware of, but we would still need to do some acquisition, and define what that project is. Is it a ten-foot wide hard surface trail or is it a horse trail? It could be something different down there.

COMMISSIONER ANAYA: I appreciate that, Colleen. The last question I have is I know you've been working closely with La Cienega and La Cieneguilla and the State Land Office on the discussions around a community park, possibly a senior center and other master planned uses. One thing that I'm also hearing from the La Cienega Valley Association that they actually came and presented here just a few months ago is a linkage between the La Entrada area in La Cienega from the existing community center, La Entrada existing community center, over to that property that we're working with the State Land Office on.

Are they doing everything that they need to in the way of providing information and feedback to be able to engage us, our staff and COLTPAC and everybody else involved in getting in the planning phases of actually doing a trail or planning for a trail or is there something else that I need to do or the community and legislators need to do to help that process along?

MS. BAKER: Madam Chair, Commissioner, I think they are. I think I'm hearing a little bit more of a project from what you're saying just now when I did meet with them about the community center and park or whatever that facility will take shape, they did mention connections from the residential areas of La Cienega to that facility. So they are thinking about that. I know it's in their mind. But fleshing out the particular project you just spoke of, I think we need to put a little work into scoping that and getting it on the capital improvement plan.

SEC. CLERK RECORDED 12/15/2012

COMMISSIONER ANAYA: Thank you, Colleen. I'll visit with you offline but I appreciate your efforts on this existing trail and the future expansion of it into other areas. Thank you.

MS. BAKER: Thank you, Commissioners.

COMMISSIONER VIGIL: Madam Chair, on that subject.

CHAIR STEFANICS: Yes.

COMMISSIONER VIGIL: Commissioner Anaya and I have been working with Councilor Carmichael too just so you'll get this as a part of the focus for that area. There is some property that the City owns that's behind Siler Road. There's about 14 acres. There is really no open space or trails and that's part of Councilor Carmichael's issue is he wants to create a corridor that is better balanced that what is actually being developed at this particular point in time. The City actually owns this property and they keep expanding for storage purposes. I think right now all of the impounded vehicles might be there and they weren't there last year.

So one of the things I think can happen, and this will be a huge benefit to City employees, because there's so many that actually work there at the Siler Park area, is to do some kind of a walking park trail right there, because the Richards Avenue Industrial Park is right next to it. It's a workforce area that could really utilize that. I've always hoped that we could work in conjunction with the City, our COLTPAC, some kind of a mission to further that and it's just a step away from the river project. It could be one of those arterial alternatives that you can connect with our river restoration and our river walkway. So that you'll know, that property behind Siler Road is owned by the City, so a joint project already has the potential of furthering what you're referencing.

MS. BAKER: Madam Chair, Commissioner, thank you. I do remember you talking about that and that is a perfect example and I think there are some other examples. We're looking at Romero Park as a pocket park along that corridor. We're looking at South Meadows even being connected, our South Meadows Park that we're currently planning and developing, being part of that corridor as well. So we're looking broadly but we've really been focusing on trying to get that backbone, that structure in place so we could even have something to latch on to.

COMMISSIONER VIGIL: I fully support that, Colleen.

MS. BAKER: Thank you, Commissioners.

CHAIR STEFANICS: Thank you. We have a motion.

COMMISSIONER HOLIAN: Second.

CHAIR STEFANICS: And a second.

COMMISSIONER HOLIAN: Do we have a motion?

CHAIR STEFANICS: I think Commissioner Vigil made the motion. Yes. And you seconded it. So we have a motion and a second.

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

2012 OCT 30 11:58 AM

XI. D. Public Works Department

1. Resolution No. 2012-147, a Resolution Allocating the Proceeds of the Sale of the Top of the World Ranch Water Rights as Part of the Aamodt Water Rights Settlement Agreement

MR. LEIGLAND: Madam Chair, Commissioners, as Commissioner Mayfield noted earlier this item was brought to the Board at the last meeting, and just to remind the Board, back in April 2012 when the Board approved the amendments to the settlement agreement that kicked off a process of the County selling 11,000 acre-feet of water rights from the Top of the World Ranch to the BIA so the BIA can use that for the Aamodt settlement. So the proceeds of that sale, according to the cooperative agreement, have to be used for Aamodt-specific purposes. So what this resolution proposes is that some amount of those proceeds be used to hire a staff person specifically for Aamodt outreach and design assistance and what not, and that the remainder of it be set aside in some sort of investment for eventual use when the system becomes ours.

So John Utton, who's our water lawyer, he called me. He wanted to be here. He asked me to say that he thinks it better than an engineer be hired to do engineering work for Aamodt than to hire him as the lawyer. So I told him I would say that. With that I'll stand for questions.

COMMISSIONER VIGIL: Madam Chair.

CHAIR STEFANICS: Commissioner Vigil.

COMMISSIONER VIGIL: This is the one where the issue came forward as to whether or not someone who abstains needs to explain why they abstained. Do we have a response to that?

MR. LEIGLAND: Madam Chair, Commissioner Vigil, that's exactly right. So the issue, just to remind the Board, the issue was passed four to one – or three to one, because one Commission member abstained and there was a discussion of what was proper abstention procedures ensued. And so the Board decided to table the motion until that abstention issue was resolved. And to be honest, Commissioner Vigil, I don't know what came of that.

COMMISSIONER VIGIL: So does that mean that the vote that was taken was the actual vote or what does that mean? Because there was a vote taken.

MR. LEIGLAND: Madam Chair, Commissioner Vigil, that's correct. Now we're getting into something I think it's more appropriate for the County Attorney. And he actually wasn't here at the time.

CHAIR STEFANICS: So Commissioner Vigil, are you talking about the tabling vote?

COMMISSIONER VIGIL: No, I'm talking about the vote. We took an initial vote on the resolution itself and that was 3-1 with one abstention, and the question was brought up whether or not someone could abstain. I thought the tabling was to table the question on abstention, not on the original vote. And maybe we need clarification on that.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, the vote didn't – wasn't finalized because we did motion to table not – we motioned to table the whole item. Period. And so that's what it was.

CHAIR STEFANICS: So it is back on the floor for us to consider.

COMMISSIONER VIGIL: And so what I need clarification on and what I'm asking is what happens when someone chooses to abstain.

CHAIR STEFANICS: And let's ask our attorney that.

COMMISSIONER VIGIL: Right.

MR. ROSS: Madam Chair, you don't have to say your reasons for abstaining.

COMMISSIONER VIGIL: That's all I needed to know, because that's the issue that came up, Madam Chair.

CHAIR STEFANICS: Okay. Thank you.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I say respectfully to my colleagues that the resolution that we had discussion on relative to mutual domestics, one of the most pressing items that kept coming up from the mutual domestics was the impacts of that particular resolution and the impacts of Aamodt water settlement. I am still learning, and it's a very complex and complicated issue but I still have more questions than answers, and I think that as we go forward, regardless of what the decision of the Commission is on this item, that we should – and I'll try and maybe put a draft resolution together to figure out how on matters that are of this magnitude of importance, how we do some extra or very specific notice requirements, specifically sending information to the mutual domestics and acequia systems in particular that could be specifically impacted by anything – not could be, but will be impacted by anything and everything we do associated with that settlement.

So taking nothing away from the vote that may happen I just think we should be more methodical and more explicit because of the huge ramifications of every decision made relative to the Aamodt water settlement. Thank you.

CHAIR STEFANICS: Thank you, Commissioner Anaya. On that point, Mr. Ross, my understanding is that the Aamodt settlement agreement was set by federal court.

MR. ROSS: Madam Chair, it was agreed to during settlement negotiations authorized or ordered by the federal court. Correct.

CHAIR STEFANICS: In that settlement that was ordered by the federal court, was there a specific role that the County was mandated to be involved in or to complete?

MR. ROSS: Madam Chair, yes. The County was going to sponsor the non-Indian water system, provide water to non-Indians within the Aamodt settlement area.

CHAIR STEFANICS: And that was in the court settlement decree.

MR. ROSS: It's in the settlement agreement. Correct. And in the federal legislation and all the Aamodt documents.

CHAIR STEFANICS: So, Mr. Ross, the County is required to do something. What if the County did not fund that activity?

MR. ROSS: Madam Chair, exactly what would happen is hard to say, but the federal court has not taken final action on any of these items. It has a number of things it has

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to do under the settlement agreement and remains available the issue of appropriate orders in the event that the settlement agreement isn't complied with by the settling parties.

CHAIR STEFANICS: Well, Mr. Ross, what I'm trying to discern is if the County is already bound to do something – my position as a County Commissioner is that I don't want to harm the County. But if we're bound to do something I would like to be clear about it because we have heard enough public comment on both sides of the issue. So I would like to be very clear about the legal requirements for the County.

MR. ROSS: Well, Madam Chair, we've approved the settlement agreement and all the other documents so we are bound by those documents at this point. If we fail to take actions that we're required to take on the various documents there will be consequences; we all know that. That's not to say we can't shape the outcome of the case because we can. We're participating actively through Mr. Utton, through Mr. Leigland, and through Mr. Guerrerortiz and myself and all the other people who are on the Aamodt team. We can have a lot of influence over what comes of it. But as we go through these steps towards the final disposition of this matter we start to become bound by things that we've agreed to.

CHAIR STEFANICS: So in relation to this particular resolution, Mr. Leigland, or Mr. Ross, is this funding – would this stream of funding relate directly to something we're required to do? Or would this relate specifically to handling a work responsibility in the County?

MR. ROSS: Madam Chair, you do see in the first page of the agreement, the paragraph that's quote there, that's from the cooperative agreement which this body has approved, and those are obligations with respect to the water rights. The water rights in question that are being purchased by us by the United States government are key to implementing this settlement. Without those water rights the settlement cannot go forward. This is a key element here and something we've already agreed to do.

CHAIR STEFANICS: Thank you very much. I have Commissioner Vigil, then Anaya, then Holian.

COMMISSIONER VIGIL: So wouldn't this be an administrative response rather than a policy resolution or why is it coming before us?

MR. ROSS: Well, Madam Chair, Commissioner Vigil, it's a portion of the proceeds, the sale proceeds from the purchase of the water rights that's being discussed here. This is tangential to the Aamodt water settlement in the sense that we're going to get some revenue from the sale of the water rights and Adam is wanting to apportion it amongst different things including, as he's described, hiring an engineer to help implement the Aamodt settlement. So this is really a County matter. It could be characterized as administrative but I know that the Board likes to be fully informed of all these kinds of decisions and I think that's why it's here for your resolution.

COMMISSIONER VIGIL: Okay. Thank you.

CHAIR STEFANICS: Thank you. Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, Steve, and I know we've had just a few conversations on Aamodt, one early on when I started. But the settlement was a 40-year process that engaged numerous parties and was approved by the Commission prior to my coming in on the Commission, but within it had structure for future Commissions, i.e., this

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Commission and others to bind the County to specific financial responsibilities. Is that correct?

MR. ROSS: Madam Chair, Commissioner Anaya, well, what the settlement does is obligate the Board of County Commissioners to, number one, sell the water rights that were referred to in this resolution to the Department of Interior so that the settlement can go forward with adequate water rights, and two, to provide the water system for the non-Indian water users in the valley. There's no – there's a small financial component involved in implementing the actual physical construction of the settlement. I think it's somewhere around \$7 million. It's negligible as compared to the rest of the settlement agreement, a negligible financial commitment.

But that commitment has been approved since the approval of the original settlement agreement from – I don't know, six, seven years ago.

COMMISSIONER ANAYA: Madam Chair, Mr. Ross, it's necessary for this and future Commissioners to continue to approve financial obligations associated with the settlement. Right?

MR. ROSS: Correct. And the financial obligation has already been made. Correct. So it's necessarily for this Board to take ministerial actions to act on that obligation.

COMMISSIONER ANAYA: Is that because statutorily we could not do that at that time, or is that because they chose to defer that responsibility to this Commission and other Commissions?

MR. ROSS: No. It's a practical problem. The obligation was made by a prior Commission to all the various parties, but capital monies being what they are, they're usually drawn from bond proceeds. Bond funds have to be expended within four years of the date of issuance of the bond, generally, and so to actually authorize the funds in 2008 wouldn't have helped the situation. The funds are going to need to be available to us when the construction is actually ongoing in 2017, 2018, something like that.

COMMISSIONER ANAYA: So, Madam Chair, Mr. Ross, is the maximum exposure financially to the County \$7 million? Is that what I just heard you say?

MR. ROSS: It's something like \$7.4 million for the implementation of the development, and that's expressed in I think 2006, 2008 dollars. So it will be larger than that when you apply inflation to it, by the time we get to the construction in 2018 but that will only be because of the effects of inflation over the ten years in between the time of the making of the commitment and the time when the commitment has to be funded.

COMMISSIONER ANAYA: So what's the projected number that we're anticipated to be committed to in 2018? What are we –

MR. ROSS: Madam Chair, I don't know. It would be CPI. Right. One to 1 ½ recently, since 2008. I think it's going to grow.

MR. LEIGLAND: I think it's 12.5.

MR. ROSS: 12.5 Adam is whispering.

COMMISSIONER ANAYA: Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. I now have Commissioner Holian, then Commissioner Mayfield.

COMMISSIONER HOLIAN: Thank you, Madam Chair. Steve, has the County committed through the settlement agreement to use all the water rights at the Top of the World farm for the Aamodt regional water system?

MR. ROSS: Madam Chair, Commissioner Holian, no. All we've agreed to do is provide water, make water available for the non-Indian residents who want it.

COMMISSIONER HOLIAN: Okay. Thank you. And then the other comment I just want to make is it's my position and personal opinion that a full-time engineer is crucial for the ultimate success of the water system. So I'm very supportive of that.

CHAIR STEFANICS: Thank you.

COMMISSIONER ANAYA: On this point.

CHAIR STEFANICS: Yes, on the previous point.

COMMISSIONER ANAYA: Madam Chair, on Commissioner Holian's previous point, it's my understanding based on the vote that I took that Top of the World water rights would eventually be committed, but in the interim, between the time that they're necessary there would be use by the people up in that sector until such time. But the document that I voted no on did in fact commit all of that water to be used at some point for the Aamodt settlement. So clarify your comment.

MR. ROSS: Madam Chair, Commissioner, I don't know that we've agreed to provide all the water rights to the settlement, particularly if there's no need for water rights, but we are obligated to provide the non-Indian water system whatever that entails.

COMMISSIONER ANAYA: In the vote that we took I voted no because we were committing at some point in the future all of the water necessary for Aamodt from that Top of the World.

MR. ROSS: Madam Chair, Commissioner Anaya, I understand that's what your vote was but the practicality that it could be 611 acre-feet or 550 or whatever it is, but if the demand is never there for those water rights – we have to commit to supply all the non-Indian water users in the basin who want to hook up but aside from that if most people don't hook up there won't be the demand in those water rights and they will never be used as a practical matter to the settlement.

COMMISSIONER ANAYA: But we did commit the 611 if they need it.

MR. ROSS: If they need it. Correct.

COMMISSIONER ANAYA: Which is Top of the World water rights.

MR. ROSS: Correct.

CHAIR STEFANICS: Thank you. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Thank you, Madam Chair. Madam Chair, Mr. Ross, what are the consequences we're going to suffer as you indicated earlier if we don't approve this?

MR. ROSS: Madam Chair, what are the consequences?

COMMISSIONER MAYFIELD: Those are the words you stated earlier.

MR. ROSS: Well, this particular resolution, the consequences of not doing this would mean that the allocation of the sale proceeds would not occur and that when the proceeds came in I'm not sure staff would know what to do with them. They'd place them in an account an wait for further direction.

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COMMISSIONER MAYFIELD: So, Madam Chair, Mr. Ross, so no intent of consequences of say, the Aamodt falling through? The Aamodt not moving forward because these rights weren't sold to BIA? There would be consequences related to the federal government or other entities would come after Santa Fe County?

MR. ROSS: Well, Madam Chair, Commissioner Mayfield, this resolution only allocates sale proceeds from sale of the Top of the World water rights. So in terms of the larger set of consequences you're describing this would not have those consequences.

COMMISSIONER MAYFIELD: Right. And again, I'm just trying to understand the way you use the word consequences.

MR. ROSS: Right. The consequences for not passing this particular resolution that's in front of us today is that we would not have a system for allocating those sale proceeds when they came in the door.

COMMISSIONER MAYFIELD: Madam Chair, I think Ms. Miller wants to clarify something.

MS. MILLER: Madam Chair, Commissioner Mayfield, if we receive these funds and we don't have anywhere to allocate them or an idea of whether you would want to draw them down in any particular time we would basically just tell the Treasurer – we'd set them up probably in a separate fund and tell the Treasurer to invest them. One of the things we would have trouble with them though is how long to invest them. So because of not knowing what the Commission wants to do with it really does drive how they'll invest them. If we know we're not going to – if we want to pull off some of it, use it for some operations to assist County staff in dealing with the process, which is really all we're asking. Can we pull some of that off to hire someone to really help the County with the project, to really make sure that we have someone dedicated to it. And then the rest can then – those are going to go towards something not until, say, 2018, so we could instruct the Treasurer at that point to invest those at least in a five-year, six-year investment, something that's going to give us a much better return than if it's just sitting there kind of not really knowing what the Board would like to do with it.

So, one, it's a cash flow. It's purely administrative. This whole request is for administrative purposes, from a cash flow perspective, an investment perspective, and then to find out whether you would like to hire somebody to be dedicated to this project?

I think we learned on BDD not having somebody, really one staff person in charge of representing the County at BDD put us at a disadvantage in the overall project of really knowing what was going on and having a stronger say it in. We're trying to get ahead of that on this particular project and make sure we have somebody completely dedicated that spends their time totally dedicated to this. So it is totally an administrative request for those purposes.

COMMISSIONER MAYFIELD: And Madam Chair, I appreciate that, Ms. Miller, and I guess I'm going to bring something up. One of the issues we're facing on the BDD is that this Board right here at this bench right now arguably has no say in who are project manager is on the BDD. And arguably this Board is going to have no say who our engineer is on one of the biggest issues affecting District 1 with an engineer who we're going to bring on board. This is something I've always had to say with I guess our ethics policy that we have in place so I'm just going to say how I think that is relevant to some of the positions

that we bring on to this Commission. And I'm just going to leave that said at this point right now and hopefully we can entertain that later. But I'll just leave that point there.

But let me ask this question also, Mr. Ross, if you know it off the top of your head and if you don't, that's fine. The Top of the World, what was the cost the County paid for that? Do you know?

MR. ROSS: Madam Chair, the cost of the water rights, plus the ranch, was somewhere around five million bucks.

COMMISSIONER MAYFIELD: Five million dollars, and that would include all the water rights?

MR. ROSS: Water rights and the land?

COMMISSIONER MAYFIELD: And Madam Chair, excuse me, Mr. Ross, and we acquired how many water rights from Top of the World?

MR. ROSS: It was 1,100 plus 611.

COMMISSIONER MAYFIELD: 1,700?

MR. ROSS: Yes. 1,700 and change.

COMMISSIONER MAYFIELD: And Madam Chair, Mr. Ross, Mr. Leigland, excuse me. Whoever wants to answer it. So right now we're looking at this deal with BIA is moving or selling right now 1,141 acres and still retaining the remainder of that Top of the World?

MR. ROSS: Correct. And the land.

COMMISSIONER MAYFIELD: And the land. But that being said, this Commission approved that sale to BIA, BIA is still going to leave those 1,100 up at Top of the World, arguably exclusively for our use or whatever we have an agreement with Cuesta, whoever is still using that water up there, right?

MR. ROSS: Correct.

COMMISSIONER MAYFIELD: Until 2018, if that's where we need to leave it. Are they going to have some claim to that water somewhere else?

MR. ROSS: We're using the water in two places. We've loaned it to Cuesta and we're also farming the farm. So all the water rights are being exercised.

COMMISSIONER MAYFIELD: Okay. Madam Chair, Mr. Ross or Mr. Leigland, that 1,100 acres - I'm just going to round it down to 1,100 acre-feet, for \$5.4 million. How was that dollar amount determined? And at what dollar value was that at? Was that at yesterday's dollars? Was that at today's dollar? How was that \$5.4 million determined?

MR. ROSS: Madam Chair, Commissioner Mayfield, I don't exactly know how it was determined. It was done during the negotiations but I believe it was a negotiated figure based on the price of water rights in that reach of the river at the time that figure was agreed upon.

COMMISSIONER MAYFIELD: And Madam Chair, Mr. Ross, and again, I'm not trying to nickel and dime this but I know there's been a lot of inflationary numbers adjusted what I've been hearing with the cost of the Aamodt. I think the County, the state, all federal entities are going to be on the hook for some inflationary index changes, why aren't then we asking for some additional dollars if the water rights values have gone up,

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COMMISSIONER MAYFIELD: Nothing at all?

MR. ROSS: Nothing at all.

COMMISSIONER MAYFIELD: So we can move those 560 down today if we wanted to? Our additional 560?

MR. ROSS: Correct. There's a procedure. Change of point of diversion but it's an administrative procedure through the State Engineer's Office. That needs to be done. Aside from that there's no litigation, nothing barring any of those things from occurring.

COMMISSIONER MAYFIELD: Okay. Madam Chair, Ms. Miller, and I don't know if you've had the opportunity to look into it yet, but do you know what went on with say, the state's obligation to funding the Aamodt? I know we asked that a couple meetings ago.

MS. MILLER: Madam Chair, Commissioner Mayfield, yes, we did. I actually need to run and get the information on that, but we have the specific – and it was that they've allocated money, pulled it out, reallocated money and it was in there, I believe, \$25 million, but it is for all the water settlements, I have sitting on my desk that says how much for each one so I can run and get that.

COMMISSIONER MAYFIELD: Well, just let me ask this, excuse me, Madam Chair, Ms. Miller. It's not bond?

MS. MILLER: Well, it's probably severance tax bonds money or it was in a question that went to the voters but they have funding in the fund. What I believe was originally put into the fund was general funds and when the state went through its financial problems they pulled out the general fund to deal with the state financial problems and probably put severance tax bond money. But that doesn't require a vote of the public, to put back into the fund. They wouldn't bond issuance authorization, they would actually put bond proceeds in. So if there's \$25 million or whatever they have in the fund in there it's passed in the fund.

COMMISSIONER MAYFIELD: Thank you. And Madam Chair, whoever wants to answer this question from staff. Santa Fe County's obligation to Aamodt aside from this remainder of the \$5.4 million minus Mr. Leigland's engineer he's going to hire. Right now, we're looking at \$7 million, it might be up to \$10 million, based on today's dollar amount, do we have that money set aside? Where is that money coming from? Is it the remainder of the \$3 million here? Where are we looking at bringing that money from?

MR. ROSS: Madam Chair, maybe I'll ask Mr. Leigland to follow up on what I'm about to say. It's still, five, six years away so we have lots of other things that we need to complete between now and then and it's kind of, as far as I'm concerned, a little far out to be planning where we're going to get the money.

COMMISSIONER MAYFIELD: Madam Chair, Mr. Ross, I appreciate that and I respectfully want to say this, and I mean this very respectfully. The County courthouse was like some issues of kicking the can down the road. I don't want to kick this can down the road for whoever succeeds me or succeeds any of these Commissioners. So I think it's incumbent upon us to figure out where this money is going to come from today. Because we can pass this on to whoever our successors are but I think we should have some funding in place today for our successors. And that's just my thought from this bench today.

MR. ROSS: Well maybe Mr. Leigland is doing that long-term planning.

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MR. LEIGLAND: Madam Chair, Commissioner Mayfield, we have a capital improvement planning process and that's exactly where this would come from. As Mr. Ross indicated we've been thinking we're probably not going to need that money until 2017, 2018, so it hasn't shown up on our four-year capital planning process, but if we hear that you want to start planning for that money and actually start setting money aside or at least start thinking about it we are actually planning to come back to this Board for the next cycle of the capital improvement planning process in the first quarter of the calendar year so we can definitely include that in there. Our intention is that this money will go into a fund and it will generate some investment income, so that will go to a large part of our obligation at that point, and then down the road we can decide if we want to actually bond for it. Maybe we can do revenue bonding if the utility is in shape by then. We can do GRT.

But as you said, it's been outside our four-year planning horizon but we can definitely bring it as the next item we need to plan for in our next capital improvement planning cycle. I'm getting a look.

COMMISSIONER MAYFIELD: No, it is, Mr. Leigland, I appreciate that. And I guess I'm just going to bring this question up right now, as far as long-term planning, knowing that some of us may be here and some of us may not be here in the future. But is this going to be a relooking at long-term capital planning as far as a countywide project initiative? Or are we looking at this just as a District 1 project initiative? Because that has a lot to do with it. I look at jail operations as a countywide initiative. I look at other countywide initiative projects, and I'm kind of looking at okay, well, Danny, this is your district; you figure out how to fund this six years, ten years from now and you can figure out how you want to try to pass these bonds or how you want to put these capital projects because that's where all your capital money is going to go if this does come to fruition or not. So I just want to look at, the Commission's all voting on this so is the Commission going to undertake this as a countywide capital project? And I guess maybe that's a question I would have for all the predecessors that were on this bench and for the current members on this bench. I just think it's a planning question that I would like to ask.

MR. LEIGLAND: Madam Chair, Commissioner Mayfield, I think that's a question for the Board to answer. I see it as a countywide project because it really ties into the countywide utility. But at the end of the day I think it's up to the Commission to decide how they want to plan for and allocate funds across the districts.

CHAIR STEFANICS: Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I have a response from my perspective, Commissioner. I think that this is a forced obligation for me and puts me in a difficult position, but I think in the scope of utility, as we look to broaden our water system into outlying areas of the county and you take for example, Highway 14, that serves Commissioner Stefanics' and my district and has immense need, I think that those types of decisions are going to be considered in tandem. I think they have to be looked at in both the context of countywide and the context of district, but if we're all working collectively to figure out what are the greater service needs throughout the county then I think that's fair. If we're looking at this in a vacuum then I don't think that's fair.

So I don't know if that helps you understand my perspective but I think there's broader capital issues that impact other districts that would provide a very similar service to people in need in other parts of the county.

COMMISSIONER MAYFIELD: And Madam Chair, and to all my colleagues, and I appreciate that and that's just kind of where I'm at today. I think we all arguably inherited this project that's in front of us today and it's a massive undertaking for this County. Is it a much needed project? I think so. Is there still a lot of debate on this undertaking? I believe so. I still think there's questions with at least some of the pueblo leadership that I've had discussions with and some of the general public I've had discussion with. I don't think everybody is definitely by any means sold on it. I still think there's independent litigation. As a matter of fact I know there's independent litigation still going on on this issue, and I just want to know – I don't know what the future holds for any of us, but to know that if the County is looking at this as a countywide project or if it's going to be arguably reduced to an individual Commission district project. If we are going to plan on this for future capital dollars.

So I guess those are just my statements. I do see – and I will say this – I do see the cost/benefit right now of selling these water rights, especially with what Steve said, these water rights are a little less expensive to acquire today. We're recouping what the County paid for them, the county as a whole paid for the ranch. Top of the World Ranch. We acquired it a few years back, \$5 million. We're getting a return of plus \$4 million and Mr. Leigland, I do trust your judgment bringing on a professional engineer with some knowledge. I hope they have some great water experience behind them also understanding some tribal law would be a benefit.

MR. LEIGLAND: Actually, Madam Chair, Commissioner Mayfield, I was at a state conference two weeks ago and I met a water engineer from the Indian Health Service and he mentioned his very first job in his career was building the water systems on the San I and the Pojoaque water systems. And so he's about to retire from the Indian Health Service and he said, hey, can I come work for the County on Aamodt? I said you sound like a great candidate. Send me your résumé. So I think he's exactly the kind of candidate you're looking for.

COMMISSIONER MAYFIELD: Well, and Mr. Leigland, not that I'm doing any recruiting but I will give a plug for any local, native that we would have within Santa Fe County, state of New Mexico, just put a plug in. Maybe we'll look locally first. But Madam Chair, with that, that's all the questions I have. Thank you.

CHAIR STEFANICS: Thank you, Commissioner. What is the pleasure of the Commission?

COMMISSIONER HOLIAN: Madam Chair, I move for approval.

CHAIR STEFANICS: I will second that. Further discussion or questions on XI. D. 1, Resolution No. 147. This is a public hearing. Is there anybody here in the audience that would like to speak to this issue? Okay. Thank you. Commissioner Anaya, did you have something?

COMMISSIONER ANAYA: Just a quick question. 2018, that's being thrown out. What's the date on 2018? Is it December 31, 2018 or is it January 1, 2018 that we have to do something? What do we have to do by that date?

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MR. LEIGLAND: Madam Chair, Commissioner Anaya, no, 2018 is the date that the US Bureau of Reclamation – the Bureau of Reclamation is going to be the executive agent so they're going to be leading the design and the construction effort with the assistance of whatever we give them, but their current project date of start of construction is the – I think they're saying February 2018, the beginning of construction. And they're estimating that the entire construction – so they're going to start up up by the diversion itself, which is up by the Otowi Bridge, that's where they're going to start, and they're just going to essentially move through the whole – kind of follow the highway. So they'll finish up at the end of the Tesuque Pueblo, and they're thinking that will be five years later. So 2022, approximately. So 2018 is the date that we will have to make our financial contribution because that's when the construction will start.

COMMISSIONER ANAYA: Madam Chair, Mr. Leigland, 2018, if they're doing it in February then it will be part of the discussions in the budget cycle of 2017 in March? Is that your thinking?

MR. LEIGLAND: Madam Chair, Commissioner Anaya, I think we will probably have to have made our decision maybe like 2016, because I think we'll have to plan it in advance. We might even if we want to plan it even earlier, but if we're going to have to give them money – and also, the BOR is going to have to give us more firm dates on when they start. Actually, just as a notification to the Board, the first step in this process was the environmental impact statement contract. The BOR just awarded that and they had the kickoff meeting last week, and that's going to be a two-year effort. So that will kind of set the stage for the design and the construction.

So I think if we're going to think about capital planning it will have to be probably in the capital improvement planning process in 2016 so we can be prepared by 2018 or last quarter 2017.

COMMISSIONER ANAYA: Thank you, Madam Chair.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Martinez, I guess this question would be for Ms. Martinez or Manager Miller. As far as the resolution, I think it's a little different resolution than was presented to us, and I could be wrong, but at least the inside percent of the proceeds from the Top of the World water rights will be placed in a fund for the sole and eventual use and implementation of the RWS as such time as needed. Are you guys going to code that somewhere where it's going to be just a dedicated funding source? How will that be coded, Ms. Miller, and will it be easily identified? And just – I'm going to be just straight up – where I can read it and I can just see where that money is and just know how the draw-downs are working?

MS. MILLER: Madam Chair, Commissioner Mayfield, what we would do is take – if we get that \$5.4 million, we would immediately take 85 percent to a fund that would be invested. So that would be invested and we would say that would be invested to be drawn on probably at an estimated construction time. So you would actually even see that on the investment report, because it would be delineated as a separate investment, like we have our bond fund for each year and that. So it would be treated like that in an investment fund. And then we've set up another fund for the operating side. So you could see where the other 15

percent is being expended. And you will see that when we actually receive the funds, we will bring a budget adjustment for you to see how we would allocate the first amount of that in a year. It wouldn't be the whole 15 percent in one year. That would be estimated to run over a five-year to six year period. So you'll see a portion of that each year for the next six years.

COMMISSIONER MAYFIELD: Thank you, Madam Chair, Ms. Miller, so it won't be commingled, it will just be in its own little funding formula, resource, identified.

MS. MILLER: Madam Chair, Commissioner Mayfield, yes. We'll set it up in as its own cost center.

COMMISSIONER MAYFIELD: Thank you so much, Madam Chair. Thank you, Ms. Miller.

CHAIR STEFANICS: We are now on the vote for Resolution No. 2012-147.

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

XI. D. 2. Resolution No. 2012-148, a Resolution Approving the Submission of Applications to the New Mexico Water Trust Board for Water Improvements Projects in the Chupadero and Cañoncito Service Areas of the Santa Fe County Utility

MR. LEIGLAND: Madam Chair, Commission, the FY13 cycle for the Water Trust Board has begun. They are accepting applications now until the end of the month, and part of that application is a resolution from the Board approving those submissions. We're recommending the submission of two projects. One is for water improvements in Cañoncito and I want to give a little history on this. The mutual domestic at Cañoncito applied to the Water Trust Board in the previous cycle and they were only – they asked for money for both design and construction of internal improvements to their system. They received money only for design because it was felt at the time that they weren't ready to expend construction funds.

So that was at the same time that the County acquired their system. That was in April of 2012, so the agreement with the Water Trust Board is that Cañoncito would receive the money for the design, which they're working through right now, and then the County would take possession of the system and we would apply in the next cycle for the construction funds, and it's understood that those funds would be forthcoming. So that's the first one.

The second system is Chupadero. As the Board knows, the Chupadero system is in need of repair. The County acquired that a couple meetings ago, and so this is a resolution to do the internal improvements in that system. So we think these are both good projects. And in the staff memo you can see some of the financials about – we're not sure – the Water Trust Board applications include a grant and a loan, and a matched contribution, so we're not exactly sure how that will shake out, so we gave you a chart for both of the projects, depending on how the loan component broke out.

So again, I think those are both good projects and with that, I'll stand for any questions.

COMMISSIONER MAYFIELD: Move for approval, Madam Chair.

COMMISSIONER HOLIAN: Second.

CHAIR STEFANICS: Thank you. There's a motion and a second.

COMMISSIONER HOLIAN: Madam Chair, there is some public comment.

CHAIR STEFANICS: Oh. And this is a resolution. Would anybody like to make a public comment, since we're all going to vote for it?

LUPITA MARTINEZ: Madam Chair, County Commission. I'm Lupita Martinez. I'm the secretary for the Cañoncito at Apache Canyon mutual domestic. We are absolutely in support of the submission for the Water Trust Board application for the construction portion of it. I just stand before you again today. We definitely welcome the assistance. I myself and Anna Berry who's with me applied for last fiscal year's application process, and it's an undertaking and a half, so we really appreciate that. So we stand in support of it.

And I would just like to take this opportunity that all things water today, that I've been admiring this beautiful mural behind you and the water that runs through the entire and water represents life. I stand before you as a third generation volunteer for the water association in Cañoncito. My family has been there since the mid-1800s. So today, for Cañoncito at Apache Canyon, it's a good day. We absolutely need the support. The water is not sustainable. The water hasn't been potable. I remember as a young girl having to haul water, so I would just like to commend each and every one of you for undertaking all of these water issues and I cannot emphasize enough how much this is appreciated. And Commissioner Holian, thank you for leading the charge and for all of you in taking on these big, big issues. And again, water representing life and we understand the pressures that you are under and I myself and on behalf of my family and the community we appreciate it. Thank you.

CHAIR STEFANICS: Any other comments from the audience. Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Madam Chair. Well, first of all I would just like to thank Adam and Pego for all your work in moving this project forward. I know it was a lot of work and I really want to thank you, Lupita and Anna and your board for all the hard work that you did to make this project a reality. I think that this is really going to help the community. There's no question about it. And one thing that I just want to highlight is the fact that there are going to be fire hydrants out there. That is a community that really needs fire hydrants if any community does. So anyway, I just want to thank everybody.

CHAIR STEFANICS: Thank you. Yes, Commissioner Vigil.

COMMISSIONER VIGIL: Thank you for your patience today. Adam, thank you for your work also and thank you to the community water association. This is one of those projects that has come to full fruition to me because I remember back in 1999 meeting with then Representative Max Coll and Senator Phil Griego and people from the State Engineer, the folks from the Department of the Environment, when these legislators allocated some money for design and build for a water system there. And some of those dollars were emergency; some of them weren't. It really never fully came to fruition and I don't even know what happened to those dollars. But that's sort of how long ago the County has been involved in trying to create a resolution to this and I'm really excited that that's in the pipeline, so to speak, every pun intended. Thank you, Madam Chair.

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CHAIR STEFANICS: Thank you. We are now on the vote for Resolution No. 2012-148.

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

XII. Matters From the County Manager

A. Presentation of Inspection Report From the March 13, 2012 Jail Inspection

MS. MILLER: Madam Chair, before I start on that I sort of wanted to answer Commissioner Mayfield's question about the Indian water rights settlement fund at the state. Five million of that has been allocated to the Aamodt settlement and I believe they're requesting another \$15 million this session, is what the State Engineer has indicated. And that's to their \$50 million commitment. They're quite aware of their – and that's their overall commitment over the next several years.

CHAIR STEFANICS: Thank you.

MS. MILLER: So that was that.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Miller, I don't know if you know the answer to this or not but the federal government won't kick in until the state and the County come up with their share, right?

MS. MILLER: Madam Chair, Commissioner, I couldn't say specifically.

COMMISSIONER MAYFIELD: I'll talk to Mr. Utton about that. Thank you.

MS. MILLER: I don't know if they appropriated – I know that they – the State Engineer released a copy. They do allocate – I think they did say that the – they mentioned it. They don't mention in here the federal contribution yet.

COMMISSIONER MAYFIELD: Okay. Thank you.

CHAIR STEFANICS: Thank you. The corrections inspection report from March 13, 2012, this will be posted on the web. Is that correct?

MS. MILLER: Madam Chair, yes. It's already posted with the packet material, but also, I just want to say that there was a little confusion. The law changed and we used to go twice a year and then it didn't require an actual presentation of the report. It was just always in – I don't even think it was actually in the packet. It was just required that you go and we kept a copy of the report. Well, the law changed to now you only have to go once a year, but it also says that a presentation to you had to be met, and I wasn't aware of that specific thing. So I had to make sure that we got this to you in the packet. So it's a little bit dated. It's from the one that we did in March and many of the things that are mentioned in this we've actually been working on addressing. Like it talks about the control system that's all been changed out. Some of the issues that you actually have discussed and will discuss later in the advisory committee. A lot of those that are mentioned in here are brought up in the advisory committee resolution.

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So it will be posted. It's required that I have it in the packet available to you.

CHAIR STEFANICS: So, Ms. Miller, statutorily, does it require us to adopt the report or accept it?

MS. MILLER: It's kind of strange. It just says that it needs to be presented. So this just presenting it to you in the packet at a formal meeting meets statutory requirements.

CHAIR STEFANICS: Okay. So are there any questions or comments on this report? Okay. Thank you.

XII. B. Presentation on Property Tax Assessments [Exhibit 6: Supporting material]

MS. MILLER: Madam Chair, I'm going to once again go back to Commissioner Mayfield's question. I found what they said on the settlement act. It says authorize \$80.8 million in direct federal funding to be appropriated for the Aamodt settlement federal fiscal year 2013, the federal executive budget. Recommendation for the project is \$9.4 million. So they are going forward with federal recommendations and allocations towards the project in a similar manner as to state and county.

CHAIR STEFANICS: So on that point it might be helpful if somebody started keeping a little spreadsheet for us so that when we get – when we take any actions we can see what's already been laid out and approved somewhere. Thank you.

COMMISSIONER MAYFIELD: And Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Miller, I'm sure you'll let us know but when the \$5.4 million comes to us from BIA will you let this Commission also know?

MS. MILLER: Madam Chair, Commissioners, yes. You will see it because it will come in a budget adjustment as well as in the investment report.

CHAIR STEFANICS: Thank you. We don't have any materials on the property tax assessment.

MS. MILLER: Steve will hand that out to you. Madam Chair, this presentation was one that we actually formalized a little bit more for the BCC. There was a question at the Solid Waste Task Force concerning property tax mills and what property tax mills had been allocated towards solid waste, and how we show where those property tax mills are. And how we would determine what a mill is worth relative to if it had been enacted and dedicated towards something, as well as whether that had actually happened relative to solid waste.

So there were a lot of questions at one of the Solid Waste Tax Force meetings and Commissioner Holian asked if I would help. So I was asked if I could clarify some of the things relative to our property tax rate, our operational property tax, and mills that may or may not have been put in place and may or may not have been taken back, rescinded, relative to solid waste. So Commissioner Mayfield asked, because he had not heard that discussion before, if I would bring it here but I also thought that I needed to do a little more research and I thought it would be helpful to have actual pictures of the discussion so it's a little easier to follow. Because I was just kind of doing it from my discussion standpoint.

One of the questions that was asked was was there a mill put in place for solid waste. Back in 1996 there was discussion by the Commission about putting one of the County's operating mills in place for a variety of things and in the minutes, if you go back to the minutes of this discussion and it went back and forth whether it would be for solid waste, whether it would be temporary for solid waste, and ultimately the Commission voted to put in an operating mill and it was not dedicated to anything specific, because of the way the operating mills work, but there was most definitely discussion that it was intended to have some of that to help the solid waste budget.

There was also discussion of removing a portion of it the following year. Now, keep that in mind because I wanted to explain why it's also very hard to follow where does a mill go. If you look on the hand out –

COMMISSIONER MAYFIELD: Madam Chair, on that point, just real quick.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: Can you get us a copy of those minutes?

MS. MILLER: I don't have it here, because it's over several meetings and several years that these discussions came up, and then also some of it is from my memory, from when I as here. I wasn't here when it was put in place but I was here when there was a major budget crisis and it was not taken back out. There was conversation then when you look at the budget of a \$4 million hole in the budget at that time. And I'll get to that.

So the – if you look on the sheet that says From property tax facts. It has a number 129 on the bottom. This is what in the 2009 tax year, because it was the most up to date one that I had that was on hand, where you can see the imposed operating rate of every county. And then it's in the fourth column, it has what every county has imposed [inaudible] for county operating mills, 11.85 is the maximum you can put in place. And then that last column there is the remaining authority.

As you can see, most counties have their 11.85 operating mills put in place. These do not require a vote by the Commission. They are intended to be for County operations. I mean they don't require a vote by the public. They're intended to be for County general funds and County operations. It's the primary source of operations for counties, versus gross receipts for cities.

So you can see that most of the counties, probably 2/3 have all 11.85 mills in place, but if you look in the – go down to Santa Fe, if you note that we have 11.85 operating mills imposed, but our actual effective residential rate is 4.67. That's due to yield control that we talk about. So when I say to you a mill does not really amount to a mill, we do not get 11.85 on the property, residential property. We do on commercial. You can see there it's 11.85. And the reason I'm pointing this out is you can also see we have one of the lowest rates in the state.

Then if you go to our 2011 tax year tax certificate and you look down anywhere down the page, and you look at county operational you'll see it was 4.89 in that particular year and it's 11.85. And the reason I point to that is because it's what the target is. In the last part of your packet I also gave you how does yield control work. This gets asked over and over and over. How is it that if we put 11.85 in place that are property taxes aren't actually 11.85 and

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how is that we can't identify a mill specifically. And it's very hard to do because of this formula of yield control.

And what yield control's purpose is, and if you look at the sheet – there are like four sheets explaining it. Sorry for the highlights but those had to do with something else with the sheet that I had and I was just trying to give you guys some good background on how it works. It basically says that yield control is to limit the amount of revenue growth that a county can have based upon property taxes and possible increases in assessed value due to the market. And it also says that the point of it too is so that where reappraisals have increased values it will cause property tax rates to be reduced so that when you apply this formula you basically get the same amount of revenue in your property tax, except for new values.

And it show you – there's an example that shows you how that's calculated, and I thought this might be helpful because this is a constant question where people don't understand how come we have such a low rate and they'll say, well, I wouldn't mind having more property tax, say, for law enforcement or something like that. Well, we actually can't, because we are taxes at the 11.85 and that yield control forces our rate down around \$5.00 or five mills.

So I just give you this stuff because I thought it might be helpful, so that you could see why our rate is like that and you can see how that translates into our County operational and our County debt service out of the whole piece of the pie.

So those are just kind of some background info for you. The last thing and the real thing I was talking about is where do our property taxes go. If you look at the colored pie chart it says that if you look at all of our revenues, all of our revenue sources in this particular year, all of our revenue sources total over a few hundred million dollars. And some of them very specific – out debt service, our special revenue funds for Public Works, \$24 million and our special revenue fund for public safety, \$68 million, debt service \$20 million. When you look at general fund, our total general fund is about \$73 million, of which about \$40 million is property taxes.

And then a lot of people say, well, how much of my property taxes go to County operations? Well, this big pie over here, if you look at based on a home with a value of \$300,000 market or assessed value, and \$100,000 taxable, in the City of Santa Fe, with a total tax rate of 20.416 per 1,000 this would tell you that they would have a \$2041 tax bill for the year, and here is how it breaks out. How much goes to the City operational, how much goes to school districts, funding school district debt is \$350 of that. School district capital improvement is \$200. School buildings, Santa Fe School District \$150. Santa Fe School District operational \$12.50. You'll see that the lion's share of it actually goes to the school district.

Then you've got Community College is about \$330 of that bill. And then you get state debt is \$136 of it. When you get to Santa Fe County, you see here's our two sections of the total property tax bill of over \$2,000, only \$670 comes to the County. \$185 of that goes to our debt service, for things like the road bonds, the open space bonds, the water bonds, the wastewater bonds. And \$489 – let's just say \$490 of it comes to County operational. And

then I had that broken down on the bottom right hand side of where that goes in the County budget.

So I had that broken down in this year's budget, even though that's last year's rate; this is this year's budget so that was the easiest one for them to just pull off of the system. And you can see that \$146, \$147 of it goes to public safety including the Sheriff, Projects and Facilities maintenance is about \$136, Public Works and Transportation, \$75, Growth Management, \$37. But in that Public Works and Transportation, the \$75 there is also solid waste.

So the question was, well, how do we attribute – we can see first off that it's about \$500 a year for the average household, and the question was about how do we determine how much money goes into solid waste. Well, back in the time, I'd say in 1996, when that mill was implemented, it was probably a two to three million dollar increase to the County's budget at that time. And the majority of that in 1996/97 went into solid waste, and there was some thought by the Commission that they would repeal that operating mill or a portion of that operating mill. It was to try to get – kind of give a shot in the arm to solid waste. It's not real clear in the minutes as to directing staff to set aside a certain amount and the issue about it is you can't really tell when it gets pushed into yield control what a mill is worth.

So if you removed the mill, which is one dollar per thousand value, it's not going to reduce our rate by a dollar. Because out of the 11.85 it's been pushed down to \$5 residential, or \$4.90, so you would only see a third or fourth of that. So you might see in the rate maybe 30 cents, 40 cents come out of the rate. So that's one factor to keep in mind because it's very hard to track a mill once it hits yield control.

I don't know and I wasn't Finance Director. I think there was at the time some attempt to set up a separate fund for it, but because of yield control and because it's actually part of the total dollars that come in, and it doesn't [inaudible] like some of the other mills that you would vote on. And on the last page of this four-page handout, I asked to find out which ones the yield control applies to and you can see that it applies to the low-income property tax rebate and the County operating rate.

So for instance if you put in a hospital mill, it would just go to – it would not be subject to yield control. It would be separate and it would stay separate.

So anyway, that's the basic gist of it. Now I guess the last piece of what was discussed was why didn't the County keep it separate or why didn't the County repeal part of that operating mill? And this is something that's not as specific in the minutes but I explained to the task force what happened in 1998. In 1998 the County brought on line the new jail. And at the time, when it was being built and when the whole thing was done there were a lot of changes in County Management. There were a lot of changes in Finance Directors and there was no budget set aside for the debt service, which was \$2.1 million, and there was no money set aside for County care of inmate which was estimated to be two to three million dollars.

So the County was undergoing a serious budget crunch at that time of a need of about \$5 million - \$4 to \$5 million from the County general fund, because they did not have a source to cover the jail operations or the debt service due on July 1st, I believe it was, or August of 1998. So they ended up basically cutting a lot of things out of the County budget

and also did not repeal any mills because they basically couldn't even meet the budget at that particular time.

So that's pretty much the history of what happened with the last operating mill capacity and some background for you on how the operating mill works and where it generally goes in the County budget.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, on the spreadsheet, on the ten pages you gave us, on that right hand top chart, actually, where do my property taxes go, can you pick a year or several years and provide us the actuals? You do it per thousand, but I'd like to see the actuals go back last year or a few years, I'd like to see the actuals just to have a tool to give to the public and put it on line as well, beyond just per thousand. Can we do that?

MS. MILLER: Madam Chair, Commissioner, do you want it the same pie by year?

COMMISSIONER ANAYA: Yes, I think it would help.

MS. MILLER: Because what I would probably do is take the rates and I'll have to see if we have distributions. We should have them because it would come out of what gets distributed from the Treasurer. We should still – because it hits our account and then we just immediately distribute it out but we should be able to make a similar chart by actuals. This I just took by the rate, but we should be able to take year-to-date actuals from each one of those ending June 30 and then whatever we distributed to each entity. So I'll say yes, as long as I can make sure I can capture that data off our accounting system.

COMMISSIONER ANAYA: The state should be able to help us with that as well or no?

MS. MILLER: Madam Chair, Commissioner Anaya, we actually do it – we collect the property taxes and then we distribute to the Community College. We distribute to the public schools and all that. So we should have, just based on distributions and I think we can do it based on year-to-date distributions for each one.

COMMISSIONER ANAYA: Thank you, Madam Chair. I'll have more questions on yield control but I'm going to reserve those for another day.

CHAIR STEFANICS: Okay. Now, we couldn't tell that you were excited about presenting this.

MS. MILLER: Not really.

CHAIR STEFANICS: It's not like you work in Finance or anything. Okay. Other questions and comments on property taxes for Ms. Miller.

COMMISSIONER VIGIL: Madam Chair.

CHAIR STEFANICS: Commissioner Vigil.

COMMISSIONER VIGIL: Katherine, is it fair to say, if a taxpayer asks me, how much of my dollar goes to property tax and how much goes to other purposes, is it fair to say approximately 60 cents on the dollar goes to education and 40 cents to local government? What would be an accurate representation of that? Because sometimes people have a better understanding when you just divide the dollar up.

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MS. MILLER: I would say that would be about right, because just looking at this –

CHAIR STEFANICS: On that point, we used to have that pie chart that had \$100 and 1.89 or your property taxes went to the road, etc., etc. So we did have a pie chart that did \$100, not a dollar.

MS. MILLER: Madam Chair, I could do that, but you could just take this \$2,041 and just look at those pies, so I would say you're about right that 60 cents on the dollar in a given year, because I'd say about, in this chart, not quite \$800 goes to City and County out of \$2,041, whatever percentage that is. So 55 percent goes to education.

COMMISSIONER VIGIL: It's been my experience that a lay taxpayer thinks that all the taxes they pay go strictly to the City and the County and there isn't really that much understanding that most of their tax dollar goes to education.

MS. MILLER: Madam Chair, Commissioner, that's essentially why I put the whole chart, because I had been talking about the County operational, but just looking at that as a piece of the whole pie I think was important, so I thought I'd throw the whole thing on there.

COMMISSIONER VIGIL: Thank you. Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. Anything else on property taxes?

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, Ms. Miller, thanks for this presentation. I really appreciate it and I know we can go into it in depth and I won't, because I won't, but I did ask for this presentation, Madam Chair, but I wanted a little more specific towards – and I appreciate this presentation; I want you to know that and I'll probably go in more depth with you later on it. But I wanted a little more geared toward the solid waste portion of it, and you brought that up at the beginning of the meeting and just so I can explain that a little further.

What happened a couple solid waste meetings ago, Madam Chair, is Ms. Martinez from Finance made a presentation and it was kind of going around the mill that was imposed that came up I guess and what identified that there was an operating mill placed by the County Commission back in 1996. Two million, three million dollars. Some of the language was vague, what was done, what wasn't done, and that's why I asked if we could find the minutes for it.

So Ms. Martinez gave a brief presentation. I appreciated the presentation. It was noticed and it was disseminated to all of the Public Works Task Force committee members. And then at a subsequent meeting a month later and I appreciate Ms. Miller came. Commissioner Holian asked that Manager Miller come to make a presentation to – I'm not going to say refute, but to give a different scenario or to say, look, this may not have been specifically for its intended, indefinite purpose for an indefinite operating mill that was placed in 1996.

Again, I'm going still stand or at least feel I can be proven that, hey, show me the minutes. Show me something. I've been told that there was at least a two million dollar mill

that was placed by the taxpayers for solid waste operations. And the reason I'm bringing that up is because how we've morphed through the Solid Waste Task Force is we're looking at solid waste transfer fees – the operations of our Solid Waste Department and what's been coming out is, guys, the cost. Straight up, the cost of operations. And kind of what I'm just going to say, got my goat the other day was I looked at an agenda and the agenda I saw the other day said consolidation of and closures of transfer facilities.

So I called Mr. Leigland. I said, Mr. Leigland, what is this all about? We're closing down transfer facilities now? This is the first news to me. And he said, well, Danny, maybe that was just kind of notice. Not appropriate. Maybe it was just discussion. I said, okay. I didn't know we were going there. But again I asked that Ms. Miller bring this to me so I could understand if there was in fact a mill placed by the taxpayers to the taxpayers that said we would support solid waste operations. And if there is, that's great. And if there isn't, that's fine too and I can understand if we're looking at a reduction or not but I still believe that unless, Madam Chair, Ms. Miller, you or Ms. Martinez can show me through the minutes that that was repealed by the Commission that there was a mill in place for operations. Plus, there's also environmental gross receipts that goes for our solid waste operation.

So when folks are saying – because I hear this from staff members, Madam Chair, that incorporated areas are continually supporting the unincorporated areas for solid waste operations. I hear that and I'm thinking, okay, there's unincorporated areas that support a lot of the incorporated areas for various issues in Santa Fe County, and either we're all in this together or we're not in this together. But solid waste is a huge issue that's important to all of us.

And I understand that fees are an issue that we're all tackling. Transportation costs are an issue that we're all tackling. But if the taxpayers have already been paying for this and if there was a mill imposed on the taxpayers for solid waste operations, if there's an environmental gross receipts that are on the taxpayers, and for folks to continue to say that general fund operations – I'm not saying they aren't supporting some component of solid waste operations, but if they're continually saying that general fund is subsidizing solid waste operations, I want to know if in fact they are or they're not.

And now I'm seeing that there's information that refutes that. That there was a mill that was imposed by the taxpayers that taxpayers approved that said look, we will support this.

MS. MILLER: Madam Chair, no. It was imposed by the Commission and it was never clear that it was a vote for it all to go to solid waste. It was part of the discussion imposing that mill because as I said at the beginning, the 11.85, none of that 11.85 went to the voters. That is part of the County's operating mill that goes to the general fund and it was one of those mills. It was the last one, when the County went from 10.85 to 11.85, that last bit of capacity is what was imposed in 1996. It goes to the general fund, but when you look in the minutes there was discussion about it, whether it would be dedicated to solid waste or not. It's not clear that that's what its total purpose was. There is even discussion, and it's not in all one area. That's why I say it's recreating something 17 years ago and trying to know what each Commissioner had in their mind.

But there was definitely discussion to put it into place to assist solid waste. But there was also discussion to remove it, or at least a quarter of it, and that never happened and to my best recollections the reason it never happened was because of what subsequently happened bringing the new jail on line, because they were in a four to five million dollar deficit situation.

So you don't see – there wasn't such thing as a vote to the public to say, do you want to increase your property taxes to support solid waste, because they used part of the general fund to assist solid waste by putting that mill in place and we continue to transfer money from the general fund, which is where that property tax goes, to support solid waste. That is what we use currently to subsidize the revenues from the permits. We do use general fund property taxes to close that gap. That is what we buy all their equipment with, that is what pays for most of the salaries. Because we only \$500,000 or \$600,000 a year out of fees. And the operation costs, including staff replacement which is anywhere between two and three million dollars a year, depending on the year. And that does come from property taxes.

COMMISSIONER MAYFIELD: And Madam Chair, Ms. Miller, what is coming out from the environmental side of it?

MS. MILLER: I think we have debt service on the environmental GRT. Teresa, is that for the landfill? And some other stuff. So we do pay an old debt with a lot of that.

MS. MARTINEZ: Madam Chair, Commissioner Mayfield, that's correct. The majority of the money does go to – the environmental GRT has – and may almost be retired, to be honest with you. And what we do is we split the proceeds between solid waste operations and wastewater operations.

COMMISSIONER MAYFIELD: And Madam Chair, Ms. Martinez, what is that generating?

MS. MARTINEZ: It's about – I don't know for certain. \$600,000 to \$800,000 a year.

COMMISSIONER MAYFIELD: And we're splitting it so \$300,000 to \$400,000 is going to solid waste?

MS. MARTINEZ: Yes.

COMMISSIONER MAYFIELD: So, Madam Chair, Ms. Miller, you're saying as far as the mill, even if it was intact, going strictly to solid waste, it didn't go to the voters, it was just basically the Commission allocating that money, if they ever did do it on paper or not on paper.

MS. MILLER: Madam Chair, Commissioner, yes. So the Board voted to put it in which is all that's required in order to bring one of those 11.85 operating mills into place, and they did, and yes, much of the discussion was around to assist solid waste, but it was not voted on that this would be strictly dedicated for solid waste from this year forward. It was part of the discussion to try to keep at that particular time, I believe to try to keep it as free as it was. There has always been these changes in fees but I do think the following year it was free, and then the next year it was like \$3 to get your permit, and then it creped up after that, because the costs continued to go up, yet the revenue stream was essentially fixed and then

even taxed because of that yield control.

So the general fund, which is where that mill went, has transferred out money on a continuous based essentially from that mill to subsidize the solid waste operations. It's really a policy choice every year from a Commission perspective as to whether you want to take that general fund money from one of the other areas and put it there, or how you balance it out with a fee, but what I was saying is it was never a mill taken to the voters, voted on by them and set up in a fund because it was part of the County's regular operating mill. So it goes right into the general fund.

COMMISSIONER MAYFIELD: So Madam Chair, I still haven't read at least the statute that you handed out to us. But under the solid waste facility, under Section 76.3.2, does it just say that we can organize under a solid waste authority? Does it say how we can tax? It was one of the handouts you gave us and it says tax rate subject to yield control.

MS. MILLER: That's from kind of a cheat sheet the DFA put together so people could understand how growth control is. And I was kind of curious. I've not looked at it. Part of the reason is was highlighted is I wanted to go see if it would be subject to yield control but it is not what that operating mill was put in place under. It could be limited to a certain county. I was going to actually look that up and see whether that's something that could be authorized by Santa Fe. We do not have that in place. We do not have that particular mill in place. What we do have in place is that County operating rate of 11.85. We have that maximum in place.

We do have the low-income property tax rebate in place, but we don't have it as a County option one mill. We did it under an income tax rebate. So we do it on income taxes. So I highlighted that because I was curious to see whether that was something Santa Fe County is authorized to do in replacement of the income rebate we do. So these were just my notes on something else, why I have those, but the only thing that Santa Fe County has in place subject to yield control, is the County operating rate of 11.85.

COMMISSIONER MAYFIELD: Okay, so Madam Chair, that 1996 mill would not have been in place under this section.

MS. MILLER: Under –

COMMISSIONER MAYFIELD: Authorized under this solid waste section.

MS. MILLER: Under County operating. It is part of our 11.85, which is why it isn't separated out.

COMMISSIONER MAYFIELD: Okay. And Madam Chair, just to bring this up, we're going to do a tour tomorrow with our Solid Waste Task Force of I guess arguably all of our transfer station facilities throughout Santa Fe County tomorrow. Mr. Leigland, I guess I'm going to ask this question. And I'll ask this with the Solid Waste Transfer Authority because it's come up, and I'm a proponent of recycling and every other initiative that we try to take on with the Solid Waste Authority. I just want this to be known. I know that staff, you have Mr. O'Hare working on a lot of initiatives with the Solid Waste Task Force. I see that he's commenting a lot in our Solid Waste Task Force. Has he taken on a component or of how much – again, because I'm hearing how much that the general fund is subsidizing solid waste. How much of the solid waste operation or is solid waste subsidizing our recycling efforts?

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MR. LEIGLAND: Madam Chair, Commissioner Mayfield, first to clarify, Mr. O'Hare, Craig, he has background with solid waste which is why he's on the committee.

COMMISSIONER MAYFIELD: Okay. That's fine.

MR. LEIGLAND: And so our solid waste budget is about \$2.1 million right now, about \$400,000 or \$500,000 of that comes from permit sales. About \$1.2 of that comes from the general fund and the remainder comes from environmental GRT that you already mentioned. So you're asking what the subsidy to recycling would be and where that would be captured would be in how much in the transportation of that from the individual transfer stations to BuRRT, because we don't pay people to dispose of it at the transfer stations and SWMA does not charge us to receive it.

So the only costs associated with that are I guess whatever kind of staff time in helping people out and help people separating their goods. So that would be hard to parse out, but we can make an estimate. Say it's five to ten percent of staff time. And then the actual loads. And we can break that - I don't have those numbers here exactly. We know those specifically because those hauls are specific because they're separate bins. But I would guess, just based on our tonnage, because we talked about 11,000 tons a year in solid waste and we do about 400 tons in recycling, so that's what? About five percent I'm guessing, just doing mental math, five percent of our total transport costs would be in recycling.

We also have an unmanned recycling station in Rancho Viejo and so we have to go and collect that. That would probably bump it up a little bit to maybe say six percent. So just rough numbers, something like that.

CHAIR STEFANICS: Commissioner Holian has a -

COMMISSIONER HOLIAN: Yes, on that point, thank you, Madam Chair. Well, wouldn't that calculation be a little more complicated than that because after all, if those recyclables were added to the regular trash there would be transport costs to take it to the landfill, and then also there's the cost to actually landfill it, the tipping fees. So to really do an accurate calculation you'd have to consider those costs, what costs you're avoiding as well.

MR. LEIGLAND: Madam Chair, Commissioner Holian, that's exactly right. At \$40 a ton, so every ton of recycling is \$40 less we're paying, so you'd have to - you're exactly correct. You'd subtract that. It's not a wash but there would be a reduction.

COMMISSIONER MAYFIELD: Sure. And I appreciate that, Madam Chair, Commissioner Holian, and I don't know. Are there any other ways we could in solid waste - any other ways we could subsidize. Again, I'm just going to say this straight out. Madam Chair, Mr. Leigland, we talked about this. When I saw consolidation, closure of transfer stations, I'm like wait a minute again. Here we are again, talking about closing down La Cienega, closing down Tesuque, closing down Nambe. And it scares me. I mean I'm going to be straight. It scared me and I'm thinking, gosh, there has to be another option around this.

MR. LEIGLAND: Well, Madam Chair, Commissioner Mayfield, our operating budget, as I said is about \$2.1 million and almost exactly half of that is in salaries and benefits. So about a million dollars. \$500,000 of that, a little bit more, is in tipping fees and the rest is in vehicles and gas and electricity and all that kind of things. So the quickest way to cut, and also looking at that, the quickest way to save money is to cut staff. We could

also – or we could reduce the volumes we take in. So if we stopped paying – if we increased recycling we would pay less tipping fees. If we started collecting less we would pay less tipping fees and also have to pay less haulage so the more we could divert straight to BuRRT, for example. That's less we have to haul and less tipping fees we pay to BuRRT because we're paying it there. So I would suggest increasing recycling.

If we can get SWMA to change their tipping fees, that would save it. That's not something that's under our control but that's a way. So those are the ways that we can save money. Also, just to clarify, the item on the agenda is not to discuss how to do it, it's just whether it's something to look into more, because they will have visited all the transfer stations.

COMMISSIONER MAYFIELD: And I guess, Madam Chair, that would be discussion for the task force and the recommendations would still come before this Commission. Madam Chair, Ms. Miller, that's just what I thought, if there was a dedicated funding source through a mill levy for solid waste I would say that's arguably great because there was a dedicated funding source to solid waste operations. But I would just hope we could somehow figure it out where we're not raising fees on folks or having to close down transfer facilities.

Madam Chair, I don't know if Commissioner Anaya or anybody else has question. I still have a question as far as mill levies. Thank you. That's all I have on this.

COMMISSIONER ANAYA: What? Did somebody say we're closing La Cienega's transfer station? All kidding aside, that's a serious issue for me and I don't want to get in the same position that we got in on the mutual domestics, bringing that up again. If there was any discussion on major changes like that, that something that I want to go out and vet with the community and communities throughout the county to make sure whatever determination or recommendations are made are made with equity and consideration of how long it takes people to get to a transfer station. But is that correct? There's consideration to close La Cienega? Because that's not something that I'm prepared to do at all, speaking as the Commissioner for District 3.

MR. LEIGLAND: Madam Chair, Commissioner Anaya, the charter of the Solid Waste Task Force, one of the charters was to look at increasing recycling but another one of them was to look at the way we charge with the aim of getting it towards an enterprise fund, or getting it self-supporting. And so the Solid Waste Task Force has been looking through those things. We've had four meetings so far. Tomorrow will be our fifth, and what we've decided so far is that we've spent a lot of time talking about recycling, looking at [inaudible]. But one of the things, at the second meeting we decided we needed to do was to look at alternative funding mechanisms, so Commissioner Mayfield has brought up additional fees or assessments. The Task Force said, well, let's look at that. So we surveyed all other 32 counties in the state and we said how are you charging and we found out that about – off the top of my head, about ten of them are charging a special solid waste assessment, including Torrance County, San Miguel County and Taos County. We also said, well, maybe we need to look at reducing our operating expenses so we kind of delved into that. We looked at what each transfer station cost to operate and we looked at how it's broken out and so a lot of what I just described is a result of that analysis.

So one of the things the task force said we need to do, well, if we're going to look at reducing operating costs and we can't change tipping fees. We can't change the price of fuel, where can we save costs? Well, we can reduce hours, we can close, we can consolidate. So tomorrow we're going to be touring all the transfer stations. We're also going to go to the regional authority. That's going to be an all-day trip. And then after that we're going to get together and we're just going to initiate discussions.

So all I want to say at this point is it's something the task force decided they needed to look at. We're going to do a big field trip tomorrow and then at that meeting we're going to decide if it's something that needs to be looked at and if so, how can we do it?

So the task force is supposed to come back to this Commission with recommendations after their sixth meeting, so depending on what we decide tomorrow, if we want to wait until after the holidays or whatever, but it will probably come in January. So we'll see what the task force recommends with regard to additional fees, with regard to operational changes and I guess – because also we want to look at the fee structure to see if we could incentivize recycling. We've got a presentation for some recycling experts and what not.

So the task force wants to look at operational changes and operational changes might be consolidating, might be closing. This is what they're going to recommend. It might be curtailing hours. It might be – I guess those are kind of really the only options. Or it might be putting new equipment out there so we can reduce our transfer expenses if we can get bigger loads, which would mean compactors and walk-in trailers at each of the stations. So there's a lot of operational changes that we could look at. But one of them that is on the table is – or several of them are, closures and consolidation and curtailing hours of operation.

COMMISSIONER ANAYA: So, Madam Chair, Mr. Leigland, you said a lot just now and I just want to clarify and be real simple about the comments I made associated with that. The feedback I get from that particular region and area is not to close the transfer station. My decisions are not driven solely on the recommendations of a task force. They're driven on the input and feedback I get from individual communities throughout the district and throughout the county. So you can take back to the task force that any potential closures would from my perspective as one individual Commissioner entail a lot of public meetings, a lot of public input.

I've been clear and specific that if my interests for lower fees at transfer stations and if there's alternatives – in fact I just had a brief conversation with Commissioner Holian on this today, that if there's other alternatives that deal with pick up of trash in more urbanized areas, which we get feedback they'd actually like, that can offset or defray those costs, those are ways from my perspective that are ways to lower costs at transfer stations and increase revenue to offset total costs in the solid waste program. So I just want to be clear and you can carry that back to my members that are from District 3 and the whole Solid Waste Advisory Board. I appreciate their work, but if there's any huge issues like that then I want to be aware of them sooner rather than later, and not from a Commissioner extrapolating them but from staff coming back and saying, hey, these are some of the hot button issues that have come up so that I can in turn provide that information to communities, so that they can begin the

process of getting input and feedback themselves, beyond and in addition to the task force. Thank you.

CHAIR STEFANICS: Thank you. Did you have some more questions regarding the mill?

COMMISSIONER MAYFIELD: The mill, yes. But I don't know if the Commissioners have anything else on solid waste.

CHAIR STEFANICS: Anything else on solid waste? Commissioner Vigil.

COMMISSIONER VIGIL: I'm so grateful for that taskforce because I know there are some really key people in there that know quite a bit about it. In my mind, you really aren't going to resolve the problem of cost effectiveness, cost to the County, borrowing from Peter to pay Paul for solid waste unless you look at curbside service. So I'm hoping that one of the things that they're looking at is some kind of a model program for curbside service. That certainly would resolve the issue with regard to trash pickup and it certainly would resolve the issue with regard to recyclables.

Now, I don't know of another county that has 2,000 square miles in it and could be able to accommodate that, but that might be one way of looking at resolving this issue and because we're looking at some of the rural areas becoming more urbanized, I think that should be a part of the discussion. Have they discussed that at all in terms of the model program?

MR. LEIGLAND: Madam Chair, Commissioner Vigil, yes. The County has been looking at a solid waste mandatory curbside pickup and has been for some time. It actually came up again in our most recent annexation discussions because the areas within the presumptive will have to become City customers and so we're looking at a way of buffering that transition. And it has come up in the Solid Waste Task Force. I agree that if we want to accommodate the goals we've heard from Commissioner Anaya, which is maintaining service and lowering fees, if we look at the concerns we've heard from the District 1 representative about addressing illegal dumping. If we want to increase recycling, which we've heard from District 5 and District 4 representatives it's going to have to be a wholesale change. It's all-encompassing. It's not just going to be whittling at the margins, looking at our fees and not changing anything.

And I think part of that is going to be curbside. I think it's going to be maybe looking at hiring a second solid waste compliance officer. We have one right now who has to cover the entire 2,000 miles, and he's got to look at untarped loads and all the weight loads and he's got to do illegal dumping. So maybe we need to hire someone to do that. I think if we hired somehow similar to Leif at the Solid Waste Agency whose specific focus is on recycling and solid waste education we could increase our outreach. My point is it's going to be a multi-faceted aspect that is going to have to be large if you want to accommodate all this but I will tell you that everything I've heard, both from the Commission and from the task force members, and an awful lot in the community can be accommodated. Commissioner Anaya says he's heard from La Cienega that they don't want to close their transfer station. I was just out in La Cienega yesterday and I heard the exact opposite, because he was worried about all the traffic on the road to the transfer station. He's worried about the huge trucks coming in

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and out that are damaging his road. He's worried about all the blown trash everywhere, and he said, is there anyway that we can get rid of that transfer station.

So my point is that it's a very diverse issue, but I think that with some big changes, and I think the task force is going to produce them that we can address all these changes. So I guess to answer your question simply, yes, we are looking at curb-side and I think if we do it correctly it can actually be extended into areas that maybe we didn't think would make sense, including La Cienega.

COMMISSIONER VIGIL: Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. So, Mr. Leigland, when will the task force be completed?

MR. LEIGLAND: Madam Chair, the initial resolution said that they had to come back within six months, and so we started – tomorrow will be our fourth meeting. So we are thinking the six months will expire in January. But depending on how – one of the things the task force wanted to do is to see if they could hire – they wanted to do a solid waste assessment survey. Because one of the things that came up early on, and I'll get to your question in a minute. One of the reasons it came up was that we don't really have a good feeling in the county for where all the waste is going because solid waste county activity only counts for 20 percent of the waste generated in the unincorporated part of the county. And we could not figure out who is handling the other 80 percent.

We know anecdotally, we know Waste Management and MCT and Ibarra and East Mountain Disposal down in Edgewood are collecting some. We do know that some people – it's leaving the county. People actually go to Bernalillo County because the Bernalillo County station in Tijeras only charges \$8 a visit so people who live in Golden and that area, it's actually cheaper for them to go to Bernalillo County than to buy our punch. We know a lot of people up in Espanola get collected by North Central. So we decided that we needed to hire this – in order to make any wholesale decision we first needed to know what our baseline was.

So the reason I say this is because it might be that the task force, depending on tomorrow's meeting says do you want to take a break until we get the results of this survey done. Or they might just say that a recommendation is the survey. And so if that's the case we will come back to you in January with recommendations, or they might come back to you in probably December asking for a few months off while we collect more data. So I guess to answer your question, January would be the first you would see them or – well, you'll see them either way but it could be either with results or it could be asking for more time.

CHAIR STEFANICS: Well, Mr. Leigland, we can't go a year, because we need this for budget purposes, and if we start looking at the budget in the spring we need their recommendations. So, Ms. Miller, when? What's the cutoff date for this? I mean, people love to talk, people love to do very thorough jobs. Bless those volunteers. Bless everyone here that's involved with it, but we need the process for budget making purposes.

MS. MILLER: Madam Chair, I do believe they do intend on making some recommendations by the deadline that was given by the Commission, and then also – I think they still said they would try to meet that as well as come back to the Commission, but it was the two Commissioners that are on this committee would have better insight into this. The

meeting I was at they said they were aware and they're still going to strive to make recommendations without that information. It would still be useful to the Commission but they still thought that there was a lot more information that could be collected to make stronger recommendations. So it's really up to the Commission as to whether you want them to do more or less.

CHAIR STEFANICS: Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Madam Chair. Just as a member of this particular task force, I would say that solving this problem in an overall sense is not going to be possible in six months and it's definitely not going to be possible that in two more months we're going to have the overall solution for solid waste in our county. I think that the task force will be able to make some recommendations about what we should do next year, but I don't think that we should just drop the process entirely and say, okay, we've solved it now and let's forget about this issue. So there's just a lot of – it's a complex thing. The more I get into this the more I realize how complex it is and the more I realize that we could do some really great things in the future. But we won't necessarily be able to do them next year. Like I'm thinking there's some really great ideas about creating a composting service where we could actually sell the compost, where we could collect greenwaste for free, compost it, sell the compost.

We're not going to figure that out in two months; there's no way, but I'm just saying that we will probably come up with some recommendations but then hopefully we'll be allowed to go forward with some more ideas in the future that are going to make our solid waste collection better.

CHAIR STEFANICS: Commissioner Mayfield, anything on that?

COMMISSIONER MAYFIELD: I agree with Commissioner Holian's assessment on that. I mean, not with the composting. Respecting Commissioner Holian's position I think, unless I'm wrong I think SWMA is still having issues with their composting. I could bring. I'd talk to Randall but I don't know if they've gotten their certification on their composting. Maybe they have. They've been at it for a while. I could be wrong. I haven't talked to Randall on that for a while.

COMMISSIONER HOLIAN: Madam Chair, on that point, well, it probably would be SWMA that would do the composting.

COMMISSIONER MAYFIELD: Madam Chair, they're doing it right now, aren't they? Composting?

COMMISSIONER HOLIAN: No, they're not.

COMMISSIONER MAYFIELD: Oh, I thought they were.

COMMISSIONER HOLIAN: No.

COMMISSIONER ANAYA: Madam Chair, I've got a question.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: I guess I'm confused a little bit. Commissioner Mayfield and Commissioner Holian represent the Board of Commissioners, that's a good thing because they provide the direct perspective from the Commission and help bring back information. Where's the confusion about what the task force is recommending and what

Commissioner Mayfield brought up about closures? What it sounded like to me is that the task force hadn't made any recommendations but he saw an agenda item for that. He's on the task force. He raised that concern as a member on the task force. What did I miss?

MR. LEIGLAND: Madam Chair, Commissioner Anaya, the meeting that's noticed for tomorrow, one of the items was field trip, and the next item was discussion of operational changes to include closures, consolidations and curtailments.

COMMISSIONER ANAYA: Who brought that up? Staff or the task force?

COMMISSIONER MAYFIELD: Not me.

COMMISSIONER ANAYA: You were at the meeting.

COMMISSIONER MAYFIELD: Madam Chair, Mr. Leigland, I did not bring it up.

MR. LEIGLAND: The agenda is generated in a conversation with the task force chair, who is actually the District 3 representative. He sits down and he determines the agenda in conjunction with staff. So once we decided, and it was actually determined I guess it was two meetings ago to have the field trip, and then after the field trip we decided, Mr. Wait, that would be a perfect time to talk about operational closures, or operational changes, which is something the task force had identified as a topic of discussion at the second meeting. So it was Mr. Wait, he's the chair, he was elected chair at the first meeting, he comes and he says these are the things I want to talk about. So that's – so we distributed the agenda to all the task force members and we also noticed it because this for the Open Meetings Act.

That's how this particular item was generated and that's how the agenda was generated.

COMMISSIONER ANAYA: Madam Chair, in the future going forward my suggestion is that the discussion on agenda items should take place with the entire task force based on what their remarks are, so that there's not confusion. We're hearing confusion because the Commissioner is bringing it up. So the Commissioner is concerned and bring it up as a concern as a task force member then I'm concerned, regardless of who the chair is and who all the members are. Thanks.

CHAIR STEFANICS: Now, Commissioner Mayfield, you had a question on the mill levy before we go on.

COMMISSIONER MAYFIELD: Yes, Madam Chair, Manager Miller, as far as the mills and the yield controls that we have, does the County have a breakdown and can we identify every mill that the County has put in place? I think we are arguably at our max based on the spreadsheet, knowing that we are at 11.850, but based on our yield control we are at 4.67. So can Santa Fe County identify every mill that we've put in place, what its intended purpose was for, and then arguably attributing it of how it has worked now for yield control?

MS. MILLER: Madam Chair, Commissioner Mayfield, no. We looked, we tried to go back and research that. That was another piece that you had asked about and prior to say, 1980, there is no records of that. Additionally, I would say a good hunk of it was put in place right when the County came into existence, maybe statutorily or something. And

then as I said before, that County operating mill, that 11.85, its whole purpose is general fund. It's like a city's gross receipts; their base gross receipts taxes are their general fund. When you look at the things that – so they don't require it to be identified for a specific purpose. That's its whole point of being capped the way it is and allocated as County operating mills.

So more than likely most of it never was for a specific purpose; it was just for County operations. That used to be just about the only source the County had for all operations. Over time, you can see our budget has grown substantially and most of that is from all of our special revenue sources. County operating mills aside from growth in property tax values have been the same since 1996. The County has not been able to raise County operating mills since 1996 when that last one was put in place. Anything else will be from special revenue funds. Different GRTs, grants, things like that. Fees. So in answer to your question, it's almost impossible to answer that because they're general operating mills that can be changed at any time by any Commission because just like a Commission put them in place, they could move them around.

They usually move them around by the budget process and they're not put in place by the voters for a specific purpose. And none of Santa Fe County's, the best any of us can find any record of. And we couldn't find any reference to operating mills prior to 1988 or something like that. Because we did try to research that based on your previous question.

COMMISSIONER MAYFIELD: Madam Chair and Ms. Miller, and I appreciate that and I know it was well before your time. And I know we have a vote coming up with our voters right now so I don't want to do anything to discourage anything that we have out there but I do need to say this. We're capped at what we can do with our mill levies, and granted, we as a Commission can place our mills up to a certain threshold and we have yield control and you've done a great job, a phenomenal job of explaining yield control where people's tax rates arguably won't rise. They rise a little bit, they may lower a little bit if they're not imposed.

But I still think it's incumbent on us as a Board to let our voters know what we're putting a mill out there for. So I would hope that we would at least start tracking what mill we're imposing. I will be bringing a resolution forward for this County that we will start tracking every mill that we put in place, that we can hopefully go back and identify any mill that has been put in place. I don't know how well I'll work with Legal on how to do a resolution on this. And I guess that being said though, Madam Chair, Ms. Miller, how then – granted there can always be property value increases based on the valuation or property. New people build homes, new people move into the communities and that's how the yield control works as I understand it, but when is there ever an opportunity to maybe redo somebody's property taxes, I mean basically saying, hey, we're going to repeal maybe a mill once in a while, because arguably, I'm not saying that we don't have any intended need for it; there's always an operational need. But when can that taxpayer ever see a break?

MS. MILLER: Madam Chair, Commissioner Mayfield, so the first part of it, it's basically not possible for me to tell you, no matter how much research we do because it just doesn't exist, why each Commission put them in place. But from a tracking perspective, as I said, you are at the maximum and every budget cycle you're basically doing that. That's

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why I did the pie chart because it shows you where your mills are going. So out of that 4.82 mills, it's telling you exactly in this year's budget where it goes. And you can see that from year to year and I think what Commissioner Anaya asked for I could show you a breakdown in totals year to year where it goes.

So basically, every budget tells you where those mills are going if you look at our general fund and the percentage of our general fund that is County operating. So I can do that for you but not from a – it really is an annual basis based upon from where you appropriate the funds.

Now as far as reducing it, the time to do that is really when you have a large growth in property values and a large growth therefore in new value revenue. The Commission could say instead of spending all that, let's reduce the overall county property tax rate by, say, a mill. But I was saying, because of yield control you won't see a whole dollar come out of the rate but you would see maybe 30 cents come out of that yield control rate. And then it would sit as available capacity for future Commissions to put in for general operating needs.

So I would contend that if there was a time that the County could have done that it would have been in 2006 or something like that, but I'm guessing then when values started to significantly drop and revenues dropped that that would have been one of the first suggestions, so maybe you want to stick that back in before you cut all the services. Or what you could do is start not budgeting the full general fund amount and start holding that aside until you felt confident that revenues had leveled off and you wanted to reduce a mill.

So you could do it, but right now it would require, because we were in such a cut mode, it would have required cutting more stuff in order to reduce the property taxes.

COMMISSIONER MAYFIELD: Madam Chair, Manager Miller, would we ever identify or would you ever recommend to us a need for a non-recurring mill? And then could we maybe identify it like that? You or staff come to us saying, look, we have room to grow. Arguably it's a non-recurring need for operational, so we need x-amount of dollars and maybe that's where we could maybe then say, well, okay, we'll put this mill in place for x-amount of years?

MS. MILLER: Madam Chair, Commissioner Mayfield, we can't now, because we're out of statutory capacity, but you could potentially recommend removing one for a year and putting it back in place, something like that. Some counties will set one aside and then put it in place just to get a chunk of money in one year to do something, and then they'd pull it back. The advantage of doing that is that it doesn't go into yield control. So then it really is a dollar for dollar. But once it's in place for one year it goes into the yield control formula.

COMMISSIONER MAYFIELD: Madam Chair, is that how Bernalillo did it a few years back?

MS. MILLER: Yes. Yes. Madam Chair, Commissioner Mayfield, they're probably one of the only counties that did that, but they did it well before they hit their capacity, so they have had a history of doing that, putting it in place, pulling it back, putting it in place, pulling it back. What it does do is make property tax rates bump up and down but they have done it. So you could, over time if you wanted to look at if we had a large increase in revenue one year you could maybe do something like that. Then we can always research it

as an option, what we think would result in as a revenue picture and pick that as one of your options of a budget item.

COMMISSIONER MAYFIELD: Okay, Madam Chair, Ms. Miller, so this year, what was our capacity to go under mill and what do we go out for again?

MS. MILLER: Madam Chair, Commissioner Mayfield, we did not have any capacity in our operating to go up. We are at our maximum. Even though yield control – it sits there and the formula dictates that amount that we get. We have no control of that. On debt service is where County debt, which is that number we say we try to keep around \$1.65 to \$1.85. If you did not put any bond questions or none of the bond questions were approved over time, that would reduce. And I could tell you in that one roughly how much – where that \$1.85 goes to pay what kind of bond. How much goes towards road bonds, how much goes towards water, how much goes towards open space. That one, because it does go to the voters and you can track the debt service very specifically, I could get pretty close to how much out of that goes to each thing. It wouldn't be exact because it fluctuates each year but I could give you a pretty good idea of where that goes, dollars-wise.

COMMISSIONER MAYFIELD: And last question, Madam Chair, Ms. Miller, these yield dollars, none of it reduces any of our bond debt service, right. It's strictly operational.

MS. MILLER: Madam Chair, Commissioner Mayfield, yes. They're treated completely separately and debt service for counties, cities, state, schools, none of that is subject to yield control. That's all based upon your debt service and property values.

COMMISSIONER MAYFIELD: Thank you, Madam Chair.

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, just a quick comment. Because of yield control and the rates being down as a result of that beyond our control, I think the opportunity for the voters in the bond election is to be able to vote for projects that are going to infuse a large amount of capital to create jobs and economic development and actually do tangible projects that we know, based on public input, they have said they want to see accomplished. Now, where my thinking is consistent with Commissioner Mayfield on project is I think as a Commission we need to be more methodical about what we're paying for out of property tax, specifically, and the corpus of that as core funded programs where we do segregate and say this is the money specifically that's funding these core projects, and the more discretionary resources like GRT that we can do away with, GRT obligations or commitments, those are some that I think we don't have as corpus, core funded units.

So I think there's where we might have a little play with some of those GRTs, not all of them, but that's the breakdown I'd like to see, like on environmental gross receipts, I'd like to see some – I was here when that occurred and I'd like to see some of the discussion that took place with the Commission and some of the percentage of resources that were set aside, because it was my recollection that 100 percent was going to solid waste, and now you said that it's 50-50 wastewater. So I'd just like to see the evolution of some of that in writing. But as far as property tax goes we kind of have our hands tied with some of the yield control.

But I do think that we should be specific as to what we're spending on and what types of programs. Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. Anything else on taxes? Okay. Commission, I'm going to propose that we take a break. We have quite a bit left. And that in this break we move to the executive committee. Mr. Ross, what do we have to discuss in the executive committee?

MR. ROSS: Madam Chair, we need a very brief executive session to discuss a new lawsuit, Ortiz vs. the Board of County Commissioners, and to discuss briefly a matter pertaining to acquisition of real property.

CHAIR STEFANICS: And how much time do you think we need?

MR. ROSS: Fifteen minutes.

- XII. C. Review and Discussion of the Quarterly Financial Report for the Quarter Ending September 30, 2012**
- XII. D. Construction Project Report**
- XII. E. Human Resources Report**
- XII. F. Corrections Monthly Report**

COMMISSIONER ANAYA: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner.

COMMISSIONER ANAYA: Madam Chair, I'm just going to make a suggestion that unless there are absolute pressing matters association with the rest of the matters from the manager that we – could we table those to the next meeting? And then we would only have one item before executive session. So that's my suggestion.

CHAIR STEFANICS: We have several other items yet. We have – besides the items from the County Manager we have a resolution, we have Commissioner issues and comments, which sometimes goes on, and we have an ordinance.

COMMISSIONER ANAYA: Madam Chair, I was referring to the two items – whatever the pleasure of the Commission is. I don't have any other Commissioner items for today. But moving the two items before executive would be my suggestion.

MS. MILLER: Madam Chair, everything under the Manager, those monthly report figures, I don't need to present them or anything. We could just stand for questions on those. And it doesn't have to be done now; it can be done at the next meeting if you have any questions.

CHAIR STEFANICS: So these are reports, so let's take the initiative to review them and make sure that we spend time on any questions and discussion that we want to at the next meeting. We won't go through every report. We will ask Commissioners to review those. I am going to propose then that those reports be read. I would still propose that we move into executive session so that we can also take a break. Otherwise we're just going to be losing one person after another at this time.

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XIII. MATTERS FROM THE COUNTY ATTORNEY

A. Executive Session

1. Discussion of Pending or Threatened Litigation

3. Discussion of the Purchase, Acquisition or Disposal of Real Property

COMMISSIONER HOLIAN: Madam Chair, I move that we go into executive session where we will discuss pending or threatened litigation.

COMMISSIONER VIGIL: Second.

CHAIR STEFANICS: Okay, there is a roll call needed.

The motion to go into executive session pursuant to NMSA Section 10-15-1-H (7 and 8) to discuss the matters delineated above passed upon unanimous roll call vote with Commissioners Anaya, Holian, Mayfield, Vigil and Stefanics all voting in the affirmative.

CHAIR STEFANICS: So for this purpose we will be back from 7:20 to 7:30. Thank you very much.

[The Commission met in executive session from 7:00 to 7:52.]

CHAIR STEFANICS: We can come out of executive session if there's a motion.

COMMISSIONER HOLIAN: I move we come out of executive session where we discussed real property as well as pending or threatened litigation. Present were the five Commissioners, the County Manager, our County Attorney and our Deputy County Attorney.

COMMISSIONER MAYFIELD: Second, Madam Chair.

CHAIR STEFANICS: Thank you.

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

XIV. MATTERS OF PUBLIC CONCERN – (Non-Action Items)

CHAIR STEFANICS: Is there anybody besides staff in the audience who would like to speak? Seeing no one we are now on XV. A. 1.

XV. MATTERS FROM THE COMMISSION

A. Resolutions

1. Resolution No. 2012-149, a Resolution Creating a Corrections Advisory Committee for the County's Corrections Facilities

CHAIR STEFANICS: I'd like to thank Commissioners Mayfield and Holian and coming up with a joint one. So who would like to present?

COMMISSIONER MAYFIELD: Madam Chair, Commissioner Holian, thank you. Madam Chair, just real quick. Two resolutions were presented for consideration by Commissioner Danny Mayfield and Commissioner Kathy Holian on September 25, 2012 during the regular session of the Board of Santa Fe County Commissioners to establish a Santa Fe County Corrections Advisory Committee. The revised resolution incorporates Commissioner Mayfield's and Holian's resolution and there is a requested action that the – Commissioner-requested action respectfully request that the Commission support and approve the joint resolution to create a Santa Fe Corrections Advisory Committee. With that, Madam Chair, I would like to read into the record a proposed resolution. A resolution establishing the Santa Fe Corrections Advisory Committee.

Whereas, The Board of Santa Fe County Commissioners (the BCC) has distinct statutory oversight of and responsibility for operation and management of the Santa Fe County adult and juvenile corrections facilities (the Facilities);

Whereas, the BCC had previously adopted Resolution No. 2007-103 creating a Corrections Advisory Committee, which was repealed by Resolution 2009-134 after Santa Fe County (the County) made crucial and exceptional progress complying with a United States Department of Justice mandate to correct and resolve deficiencies at the Santa Fe County Adult Correctional Facility (SFCACF);

Whereas, the SFCACF continues to receive random and required inspections by the Office of the United States Marshal Service to ensure compliance of all federal requirements to house United States Marshal detainees in the SFCACF;

Whereas, with shrinking budgets and growing jail populations, counties across the nation are facing tough decisions on how to control county criminal justice costs;

Whereas, incarceration and increases in the County's jail population comes at great cost to the County and the Community at Large;

Whereas, the BCC desires to establish a County Corrections Advisory Committee to develop an objective criminal justice planning and evaluation methodology, with the committee's ultimate objective to recommend alternative options to the BCC for inclusion in future budget processes, and to provide guidance to the BCC in operating the adult and juvenile corrections facilities;

Whereas, the BCC would benefit from a fact-finding committee that would examine various issues as they relate to the impact of corrections on the community at large, understanding rights of the incarcerated, environmental conditions, access to health care, and programs and services for and reintegration of inmates and residents from the Facilities to the community at large;

Whereas, the BCC wishes to receive advice from a comprehensive cross section of the community regarding the operation of the Facilities;

Whereas, a Corrections Advisory Committee could: take a leadership role in assuring that the community is involved in their efforts, create community-wide ownership and their endeavors, reach diverse groups in the community, include key communities of interest and grassroots community leaders and gain the commitment of stakeholders and key constituent

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organizations for a long-term, sustained effort to ensure the community's confidence and public trust in the County's correctional facilities;

Whereas, the County continues to work and collaborate with the New Mexico Association of Counties to achieve accredited status for Santa Fe County's correctional facility which will ultimately make the SFCACF one of only two such accredited county correctional facilities in the State of New Mexico;

Whereas the Santa Fe County Sheriff and the County's Public Safety Director and Warden are active participants in the working group referred to as the "brown bag group", currently meeting informally to ensure open communications between the judiciary and the staff of the Facilities.

Now, therefore be it resolved that the Board of County Commissioners of Santa Fe County, as follows:

1. A Corrections Advisory Committee (the Committee) is hereby created by the Board of Santa Fe County Commissioners for the express purpose of providing factual information to the BCC regarding the Facilities.
2. The Committee shall be comprised of nine voting members appointed by the Board of Santa Fe County Commissioners.
3. Five members of the Committee shall be appointed by the BCC for an initial term of two years and four shall be appointed for an initial term of three years. Thereafter members shall serve terms of two years. Members may be reappointed by the Board of County Commissioners to additional terms. There shall be no limitation on the number of consecutive terms that a member may serve. Members may be removed by the BCC with or without cause. In the event of a vacancy, the BCC shall appoint a member to serve out the remainder of the departing member's term.
4. Committee members shall annually elect a chair and vice-chair by majority vote of the quorum.
5. The Committee shall meet up to 6 meetings per year to carry out its work.
6. All matters coming before the Committee shall be resolved by majority vote of the quorum.
7. Members of the Committee shall be appointed from the following cross sections of the community:
 - Mental Health Community (1)
 - Medical/Substance Abuse Treatment Community (1)
 - Public Defender's Office (1)
 - District Attorney's Office (1) m
 - Legal Community (1)
 - Immigrant Advocacy Community (1)
 - Homeless Shelter Advocacy Community (1)
 - At-Large Member who is an active participant in the group referred to as the brown bag group, currently meeting informally to ensure open communications between the judiciary and the staff of the Facilities (1)
 - At-Large Representative (1)

8. The County Manager shall appoint a member of the County staff to serve as liaison to the Committee.
9. The scope of duties of the Committee shall include the following:
 - a. Conduct bi-annual tours of the Facilities accompanied by the Public Safety Director, Warden(s), Deputy Warden and Major, and attend a comprehensive briefing from staff of the Facilities regarding the services provided at the Facilities and the purposes for those services so that the Committee has an understanding of how the Facilities operate;
 - b. Review and assess the County's community re-integration model and make recommendations to the County Public Safety Director, the Warden, the Administrator of the Juvenile Correctional Facility, and the County Manager;
 - c. Review and assess the County's policies and procedures as they relate to families and individuals who interact with County corrections, correctional staff and law enforcement when visiting the Facilities and make policy and procedural recommendations to the County Public Safety Director, the Warden, the Administrator of the Juvenile Correctional Facility, and the County Manager;
 - d. Make recommendations about how to assist members of the community impacted by the incarceration of a friend or family understand what to expect and how to obtain information from the Facilities;
 - e. Review internal audit reports provided periodically by the County's Director of Public Safety to better understand operation at the Facilities;
 - f. Within six weeks of the creation of a vacancy on the Committee, the County Manager will advertise for a new member in the area of expertise lost and bring forward a recommendation to the BCC to fill the vacancy;
 - g. Make recommendations to the BCC on matters or issues that come to the Committee's attention;
 - h. Within six weeks of the creation of a vacancy on the Committee, the County Manager will advertise for a new member in the area of expertise lost and bring forward a recommendation to the BCC to fill the vacancy;
 - i. Develop, publish and present a Santa Fe County Corrections Advisory Committee Annual Report to present to the BCC each year in January. This report shall be assembled by the Committee's County liaison and printed by the County.

With that, Madam Chair, I would stand for any questions and also refer to Commissioner Holian.

CHAIR STEFANICS: Commissioner Holian.

COMMISSIONER HOLIAN: Thank you, Madam Chair. First of all I would like to thank Commissioner Mayfield for working together on this and trying to work out a compromise between the two resolutions. I would also like to sort of put this into some perspective. I think it's important to recognize that when the original Corrections Committee was formed conditions were much different in the County, and as a matter of fact I think at that time we were under a Department of Justice order. There were a number of issues. Fortunately they were resolved with the next couple of years.

But I think it's really important to note that our jail operation, that the operation of our Corrections Department has improved considerably. Just in the last year there have been many, many improvements. The infrastructure has improved considerably in the last six months at the jail. We are also now bringing in US Marshal inmates and inmates from other jurisdictions so we actually get care of prisoner revenues to help out with our budget. Also it is worth noting that because we have US Marshal inmates that the jail is now subject to periodic but random inspections, real inspections. Also I think it's worth noting that the staff has gone to a great deal of trouble to review policy and procedures and they are in the process of making recommendations for improving those. And also I think it's well worth noting that our Corrections Department is going for the New Mexico Association of Counties accreditation and that when we get that we would only be the second in the state.

And so all these efforts are really leading to the operation of both our juvenile and our adult correction facilities going very well indeed, and I must say that when I went on a tour of the jail – Sgt. Maclamore took me around and I was incredibly impressed. He took me anywhere I wanted to go. I could ask any questions I wanted to ask, and I saw the operation from beginning to end thoroughly. I had never had such a successful interaction with the jail before.

So I don't think that we really want to create a committee just for the sake of creating a committee because people are busy. Our staff are busy. In fact they're probably even overworked. So I think that we really want to think about what this committee could do that would actually be of real benefit to both our Corrections Department and to the community at large. And I think that a major problem that we have that we really haven't dealt with – successfully anyway – is the large rate of recidivism that we have and a lot of that is obviously related to drug and alcohol addiction.

So I think that now, for whatever reason, jails are really on the frontlines dealing with these kinds of addiction. So I think this is where a committee could be really, really helpful. If they could work with other non-profit organizations, with our County staff, with the judiciary, and work out ways so that when inmates are released back into the community they have the support that they need so that they don't commit the same crimes again and end up in jail. So this is why I think such a committee could really, really be a benefit to both our County and our community and in fact our Corrections Department as well.

So I know that there are a lot of – there's a huge list of action item in this resolution but I hope that they will really concentrate on what I think is the one area that they could really be of benefit and help. So I guess that's all.

CHAIR STEFANICS: Thank you very much. Comments, questions? Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, I supported while I was campaigning and have received input from community members to have a jail advisory committee to help us. I would ask the sponsors to consider, however, based on that comment. I think that item f. and item g. are unnecessary in the resolution. I actually think those are items that if through consultation or discussions that are had at the Advisory Committee and feedback from the Manager and the Public Safety Director come back to us that we should drive the actions of the Advisory Committee. So I actually have some concern with f. and g. I just think that we should, like we do with Health Policy and others, provide the scope and

seek the feedback.

So I don't know if the makers are willing to maybe tweak those two or just take those two out or reword them in a way that we're not creating a situation where people are bypassing even the Manager or bypassing the Commission, where there's actually some review but there's actually some partnership as well. So those are my comments.

CHAIR STEFANICS: Thank you. I'd like to comment on that, Commissioner Anaya. I do think sometimes committees or groups see things or have ideas that we haven't put out for them and that's what I see f. and g. allowing, is for the group to come up with other ideas that we haven't initially provided.

COMMISSIONER ANAYA: And I guess, Madam Chair, I see that perspective but I also – and I think we have maybe. I'm thinking, I spent a year and a half as the team leader for the jail team that was the internal team on the County side, and I also saw some internal struggles with how people approached the jail advisory committee and maybe the authority that they thought they had to render decisions that really weren't within their auspices. So I'm not trying to quash input that they might offer, but I would just ask that maybe the language be tweaked so that they're providing input but they would not be place where it could pose struggles.

And this is going back to my personal experience and some of the lessons learned for the last committee. So those are my thoughts.

MS. MILLER: Madam Chair, Commissioners, perhaps what we could do, in i. you have Develop, publish and presents reports to the BCC, but maybe what you could do is a report which would include recommendations on issues that arise throughout the year and do it twice a year. So that you're not waiting a whole year if they have some recommendations but they do a report twice a year to the BCC. And it would cover both f., g. and i.

CHAIR STEFANICS: Thank you. Other questions, comments from Commissioners?

COMMISSIONER VIGIL: I move for approval.

CHAIR STEFANICS: There's a motion for approval.

COMMISSIONER HOLIAN: With that recommendation?

COMMISSIONER VIGIL: Yes.

COMMISSIONER HOLIAN: With the recommendation that Katherine just made, correct?

COMMISSIONER VIGIL: Yes.

COMMISSIONER HOLIAN: I second that.

COMMISSIONER MAYFIELD: So, Madam Chair and Katherine, so we're going to strike – and I don't have a problem with the language that was stated by any of my colleagues, but Katherine, help me with that tweak again please.

MS. MILLER: Madam Chair, Commissioners, I was saying to just kind of take f. and g. where it just says making – like look at other activities, and making recommendations on issues that come to the committee's attention, to include that in a biannual report so that you get it twice a year. So that you do a report every six months to the Commission that would include any issues that might have come up that they think that the BCC should be informed about, in that report. Because I'm understanding what

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Commissioner Anaya was saying is you don't want them coming in on an ad hoc basis, but we do get reports from our different committees, either on an annual basis. So I was just saying include those types of things in a report with a list of potential recommendations or issues at the back of the report or at the end of the report.

COMMISSIONER HOLIAN: Madam Chair.

CHAIR STEFANICS: Commissioner Mayfield, are you finished?

COMMISSIONER MAYFIELD: Yes, that's fine. I appreciate it.

CHAIR STEFANICS: Okay. Commissioner Holian.

COMMISSIONER HOLIAN: Well, I think that's a good way of doing it because then they would be bringing things to our attention, but then at that time we would make the decision as to whether they should change the scope of work in some way. So they wouldn't be going around us. Correct?

COMMISSIONER MAYFIELD: Correct.

COMMISSIONER HOLIAN: So we would be removing f. and g. but putting in i. the fact that the biannual report would include –

MS. MILLER: Issues and recommendations.

COMMISSIONER HOLIAN: Issues and recommendations.

COMMISSIONER VIGIL: I amend my motion to reflect that, Madam Chair.

CHAIR STEFANICS: Thank you. Who is the second?

COMMISSIONER HOLIAN: I agree. So would that work, Commissioner Anaya?

COMMISSIONER ANAYA: Like I said, I just don't want to create – I want to get the input and the feedback but I don't want to create a circle where the committee might come directly to the Commission and bypass even discussions with the Manager. I don't think that would be conducive of a working relationship which we have with our advisory committee. I think they still can provide feedback and recommendations but to seek authorization from us, that just concerns me. So I think the language still gives them the opportunity to provide input, new ideas and feedback, but I think it just cleans it up a little. But I absolutely support having an advisory committee. Thanks.

CHAIR STEFANICS: Okay. Thank you. We have a motion and a second.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes, Commissioner.

COMMISSIONER MAYFIELD: I don't know if it's possible or not. I'm going to ask just maybe procedural rules. Is it possible to be a co-motion maker? Thank you.

CHAIR STEFANICS: Thank you, Commissioner Mayfield and Commissioner Holian for bringing this forward. We support your activities and efforts and we look forward to receiving information from this group. We have a motion that amended the resolution. It is Resolution No. 2012-149 creating a Corrections Advisory Committee for the County's Correction Facilities.

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

XV. B. Commissioner Issues and Comments – (Non-Action Items)

CHAIR STEFANICS: Commissioner Anaya.

COMMISSIONER ANAYA: None, but to thank the Commission for the questions raised by the mutual domestics and affording the opportunity for some continued dialogue on the resolution. I greatly appreciated the fact that the Commission tabled it and that the Commission is open to additional amendments that will be beneficial for the County as a whole. So I just want to thank my colleagues, all of you for doing that.

CHAIR STEFANICS: Thank you. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, Commissioner Holian brought this up as being a neighbor of Ponciano Lujan a little earlier and I also just wanted to bring up his passing. He was a great community member who was born in Nambe and lived in Nambe and he provided great services to the community with his gas station and little grocery store right there on the Pojoaque highway and he will be greatly missed as a member of our community. My condolences go out to the family.

Also, Madam Chair, I had the opportunity last week to go down to Carlsbad, New Mexico, just outside of Carlsbad, New Mexico and visit the WIPP site. So I was able to go a few feet underground and look at the facility and look at how they are storing the waste that comes from Los Alamos and other areas throughout the country. It is a pretty amazing facility of what they're doing out there. I went out there with the Regional Coalition of Los Alamos Communities. The City of Carlsbad and the County of Eddy were very gracious hosts to us out in the community. As a matter of fact, Mr. Leigland, our Public Works Director's mother-in-law works for the operations out at the WIPP site so they were all very gracious hosts to the coalition. It was a pretty amazing site to see. But I did represent the County and the coalition out there. Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. Commissioner Vigil.

COMMISSIONER VIGIL: Madam Chair, I just want everyone to know that there is a ribbon-cutting November 7th, the day after elections, reminding everyone to vote and letting them know that November 6th is Election Day. The ribbon-cutting will be at San Ysidro, in the parkway there, and it starts at 2:00 and the ribbon-cutting is for the purposes of unfolding upgrades and updates to that park and an art project.

CHAIR STEFANICS: Thank you. Commissioner Holian.

COMMISSIONER HOLIAN: Madam Chair, well, I was going to thank Robert Martinez, but he isn't here so I guess I'll just thank him in person.

CHAIR STEFANICS: Okay. Anything else?

COMMISSIONER HOLIAN: Well, I was wondering if possibly we could do this Matters from the Commission a little bit earlier so if we did want to thank people who are staff that they were still here.

CHAIR STEFANICS: We might also do that under Presentations. We might just do Recognitions and Thanks earlier in the day.

COMMISSIONER HOLIAN: Okay. Thank you.

CHAIR STEFANICS: Ms. Miller.

MS. MILLER: Madam Chair, Presentations and all the Matters from the Commission used to be at the front of the meeting. We were asked to put them at the end of

the meeting because of wanting to bring people at 5:00. But we can put it back the way it was

CHAIR STEFANICS: I'll work with you. Thank you, Ms. Miller. Okay. The only other thing I want to bring up, and we still have an ordinance to do. We're in discussions at the BDD. The Manager and I and Finance attended the BDD Fiscal meeting to discuss a \$3 million surplus that was had this past year and a portion of that money is ours, not all of it, and that money will remain with the BDD and be used for bills going forward, but it would also be used for part of the three-month reserve necessary for operating.

The other issue that Ms. Miller brought up when we were talking about the BDD Manager there is she actually discussed or recommended that it move from being a City classified employee to an at-will employee, so that we would have the capabilities of having that person move to us when it's our turn to be the fiscal agent, and that they would be an at-will and that the salary range could be higher.

The City did not seem to like that idea. I have started talking to all the City Councilors and the Mayor about this. Subsequently I also had an individual come up to me and say I applied for the BDD manager and then I withdrew my name because it's too important a job for me to work for the City Water Manager, and it was not a high enough salary. So I will continue to talk with the City Councilors and the Mayor to see if they have any interest in moving this to an at-will position so that it would be higher and we wouldn't have the same sort of trouble when it comes over to the County. But anyway, that's the only thing I have to report on the BDD.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: On that point, when does it come over to the County? 2015?

CHAIR STEFANICS: 2015.

COMMISSIONER MAYFIELD: It's still a ways away.

CHAIR STEFANICS: Yes, it is. I think that some individuals have ideas about how this could become a different entity similar to SWMA, and the way – Commissioner Vigil has spent some time educating me about this, but the way the Bernalillo County received that governmental designation was through the legislature and statute. And so if we thought about it, studied it here, and decided that that was a good idea we then would need to convince our partners that that was a good idea and try to advance it. In the meantime we do want to get a good BDD manager, somebody who is responsive to the board and not only working for the City.

COMMISSIONER MAYFIELD: And Madam Chair, on that point, and maybe just if it's next year, respecting if it's this year that's fine too. But can we start the discussions because the City is still the fiscal agent and they handle a lot of the fiscal responsibilities and I have not looked at the whole MOU or JPA agreement. It comes over to the County in 2015. Are they still retaining some of the fiscal oversight or is it 100 percent now the County's and we're going to pick up some of the operational, administrative costs that go along with that? I just happened to look at that agreement and I don't know if Mr. Ross knows.

CHAIR STEFANICS: It's my belief, and Mr. Ross, correct me if I'm wrong, that in 2015 the County would become the fiscal agent.

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MR. ROSS: Madam Chair, Commissioner Mayfield, it's an option. There are three options in 2015. One, leave it the way it is. Two, the County takes over, and three, create a regional entity to take it on.

COMMISSIONER MAYFIELD: So Madam Chair and Mr. Ross, on Commissioner Stefanics' point and regarding what we've heard of how the selection is working on the BDD future director, they are currently or are going to be a City employee. Do they automatically become a County employee if we take them over? If we elect one of the options over the other? Do they just move over on our books as one of our permanent employees?

MR. ROSS: All the employees, theoretically would move over, the employees of the BDD and potentially the facility manager as well. Yes.

COMMISSIONER MAYFIELD: Madam Chair, we need to start looking at that.

CHAIR STEFANICS: Okay. So anyway, that's the only thing I have to report on conversations.

XVI. PUBLIC HEARINGS

A. Ordinances

1. Ordinance No. 2012-10, an Ordinance Amending Article 3, Section 3.2 of Ordinance No. 2008-10 (Flood Damage Prevention and Stormwater Management Ordinance) to Adopt the New Flood Insurance Study (FIS) and Flood Insurance Rate Maps (FIRMs) (Final Public Hearing)

CHAIR STEFANICS: This is the final public hearing so we will take your comments or your explanation and then we'll go to the public for comment.

VICKI LUCERO (Building & Development Services): Thank you, Madam Chair. On October 9, 2012 the BCC granted authorization to publish title and general summary for an ordinance amending Article III, Section 3.2 of Ordinance No. 2003-10 to adopt the New Flood Insurance Study and Flood Insurance Rate Maps.

At the October 9th meeting the Board brought up the question as to whether or not there were any County roads or County properties affected by the new floodplain maps, and if so, what roads and what properties were affected. Staff has determined that there are a total of five County roads affected by the new maps: Old Santa Fe Trail, La Barbaria Road, Bronze Sky, Camino Catalina and La Entrada off Hyde Park Road. A portion of Old Santa Fe Trail south of Puye Road is no longer in the floodplain. However, there is a portion of Old Santa Fe Trail north of La Vista which is now in the floodplain as a result of the new maps.

There is approximately a half-mile of the northern section of La Barbaria Road that is also within the floodplain as a result of the new maps.

La Entrada, which is located off of Hyde Park Road has been brought into the floodplain as well. Bronze Sky and Camino Catalina are no longer located within the floodplain.

SFC CLERK RECORDED 12/25/2012 2:02:59 PM

In regards to County properties that have been affected, there are a total of four properties. The floodplain limits along the Arroyo Hondo and the Petchesky easement have vastly diminished in size. The floodplain has also decreased in size on the property where the Pojoaque tennis courts are located. The existing buildings on that property are no longer within the floodplain.

The Dale Ball Connector off of Hyde Park Road is now located within the floodplain as a result of the new maps.

Recommendation: Santa Fe County Ordinance No. 2008-10, Flood Damage Prevention and Stormwater Management Ordinance, currently references the previous FIRMs and FIS dated June 17, 2008. If the ordinance is not amended to reflect the effective date of the new maps Santa Fe County will be considered for suspension from the National Flood Insurance Program. Staff recommends that the Board of County Commissioners grant approval of Ordinance No. 2012-10 to amend the current floodplain ordinance for the purpose of adopting the new flood insurance study and flood insurance rate maps.

Madam Chair, I also wanted to mention that in regards to the County roads and the County properties that have changed as a result of the new maps, we did meet with the County Public Works Department and the County Open Space Department to bring them up to speed and let them know what was changing and neither one of them had concerns. Thank you, Madam Chair. I stand for questions.

CHAIR STEFANICS: Thank you. So I want to be clear. The floodplain limits along the Arroyo Hondo and the Petchesky easement are two, and then the Pojoaque tennis courts, and the Dale Ball Connector.

MS. LUCERO: Correct. Yes, Madam Chair.

CHAIR STEFANICS: Okay. Just in the event that anybody on the radio is listening, is there anybody in the audience that wishes to speak, and seeing no one from the public we will go on with questions and comments from the Commission. Yes, Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, in essence, if we didn't adopt these adjustments we'd be in non-compliance, Vicki?

MS. LUCERO: Madam Chair, Commissioner Anaya, we would be in non-compliance with the National Flood Insurance Program.

COMMISSIONER ANAYA: Madam Chair, based on that fact, I'm ready to make a motion when the rest of the Commission is done with any comments or questions.

CHAIR STEFANICS: Other questions, comments? Commissioner Mayfield.

COMMISSIONER MAYFIELD: Thank you, Madam Chair. And Madam Chair, Ms. Lucero, just for the listening audience and also for myself, so if an individual has, say, a home or a piece of property in the new floodplain map, this will just afford them the opportunity to qualify for insurance easier?

MS. LUCERO: Madam Chair, Commissioner Mayfield, it's actually up to the mortgage companies as to whether or not they're going to require flood insurance. In most cases if you're actually – if the structure is within the floodplain they will require it. If the structures are adjacent to the floodplain or if there's a floodplain that crosses the property, then it would be up to them as to whether or not they would require it, and in most cases they do.

SFC CLERK RECORDED 12/05/2012

COMMISSIONER MAYFIELD: So if an individual had a chance to look at the map, or even the County, because we asked that you go back and look at the County properties, we would have had an opportunity to try protest that FEMA map, or that protest came and went.

MS. LUCERO: Madam Chair, Commissioner Mayfield, there was a protest period that occurred. It was a 90-day protest period. There were some protests that were made by members of the public, individual property owners as well as with the County and the City. Those got resolved and the modifications were made on the floodplain maps before they were actually finalized. So that period is up, to do the protests on the maps.

COMMISSIONER MAYFIELD: Okay. And then Madam Chair, Ms. Lucero, and I understand we have to approve this and I'll sign off on this also, but what impact does this have on say our low-water crossings going in. Once this is approved, now folks will come and apply for a permit through your department, you guys will recalibrate or relook at these permits to see if they're in the new floodplain map?

MS. LUCERO: Madam Chair, Commissioner Mayfield, that's correct. At this point the regulations for all-weather crossings aren't changing but as part of the SLDC we are addressing those changes.

COMMISSIONER MAYFIELD: Okay. Thank you, Madam Chair. Thank you, Ms. Lucero.

CHAIR STEFANICS: Thank you Are there any other questions or comments? Okay, so Commissioner Anaya, we're ready for you.

COMMISSIONER ANAYA: Madam Chair, I would move for approval.

COMMISSIONER HOLIAN: Second.

CHAIR STEFANICS: Okay. There's a motion and a second. This is an ordinance. This does require a roll call.

The motion passed by unanimous [5-0] roll call vote with Commissioners Anaya, Holian, Mayfield, Vigil and Stefanics all voting in the affirmative.

CHAIR STEFANICS: Thank you. By a vote of 5-0 this ordinance has now passed.

SEC CLERK RECORDED 12/15/2012

XVII. ADJOURNMENT

Having completed the agenda and with no further business to come before this body, Chairwoman Stefanics declared this meeting adjourned at 8:30 p.m.

Approved by:

Liz Stefanics

Board of County Commissioners
Liz Stefanics, Chairwoman

ATTEST TO:

Valerie Espinoza *My VT*

VALERIE ESPINOZA
SANTA FE COUNTY CLERK

Respectfully submitted:

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



SBC CLERK RECORDED 12/05/2012

**October 22, 2012 Meeting SF County Fairgrounds
Mutual Domestic Water Associations (MDWA)
Discussion Points and Summary**

- Introduction by Commissioner Anaya and all that were present
- Adam Leigland, SF County Public Works Director spoke on and provided background information on the resolution 2012-58 and the resolution tabled on September 25, 2012

Commissioner Anaya requested that the members provide input and concerns from each MDWA.

Mukhtiar, Cuarto Villas stated the following comments and remarks:

- Mentioned attending BCC and provided comments
- The mutual domestic continues to grow and expand
- There is a partnership involved with Santa Fe County
- 500 K Grant SF County may have lost money
- MDWA would like to maintain independence
- Assistance and presence with Santa Fe County
- County has assisted as partners
- Membership would not accept being taken over
- Would like options sought to be built into the resolution

Robert Romero, La Cienega:

- Would of liked to have had more notice on this issue
- Cannot conceivably think about turning water rights to county
- MDWA has been in existence long before the county utility

- MDWA has had better relationships with previous directors
- There has been a number of changes to utility directors in recent years
- Letter to County Manager has not been responded back to MDWA
- Some of the obligations are unclear
- Always feeling like being placed on the back burner

Elsie Trujillo, Rio Chiquito:

- Wanted to hear about options for county help
- Have needs and uncertain about legislature
- History and background of Mutual Domestics very important
- MDWA evolved from asequia operations since 1919
- County to continue to defend MDWA and take a lead position
- Recognize MDWA as political subdivisions
- Partnership in recognizing history, culture, tradition and heritage
- Control and management of water rights are important to MDWA
- Water Trust Board to please revisit policies
- It's fair to look at the roots and the management of MDWA

Alonzo Gallegos, La Bajada:

- Water trust board requirements are difficult
- Fifteen hook-ups to the county does not make sense for the county
- Analyze and do some cost benefit analysis

Lauren Sabato, Rio en Medio:

- A big concern that the MDWA did not know
- Chupadero meeting caused concern to Rio En Medio members
- Help would only come if county takes over

Lupita Martinez, Canoncito:

- The MDWA was in dire need and SF County did help
- Received a lot of state and federal funding
- There is still a limited amount of time

- Generations have worked with and for a strong MDWA
- Wouldn't want MDWA's to be forced to do something

Robert Romero, La Cienega:

- Not against peoples MDWA who want and need the help

Commissioner Anaya: Stressed the importance of better forms of communication and outreach being important.

James Painter, Tesuque:

- There is no burden to the payer
- Costs are more affordable
- Water quality is good
- County takes assets not debt
- Amort settlement, what's the link?

Anna Berry, Canoncito:

- County to assume debt
- County provided different feedback
- Confusing, need clarification

Commissioner Anaya invited MDWA's to attend next BCC meeting on October 30th 2012 at 1:00 to voice concerns to the entire Board of County Commissioners.

EXHIBIT
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tabbles



NORTH CENTRAL REGIONAL TRANSIT DISTRICT



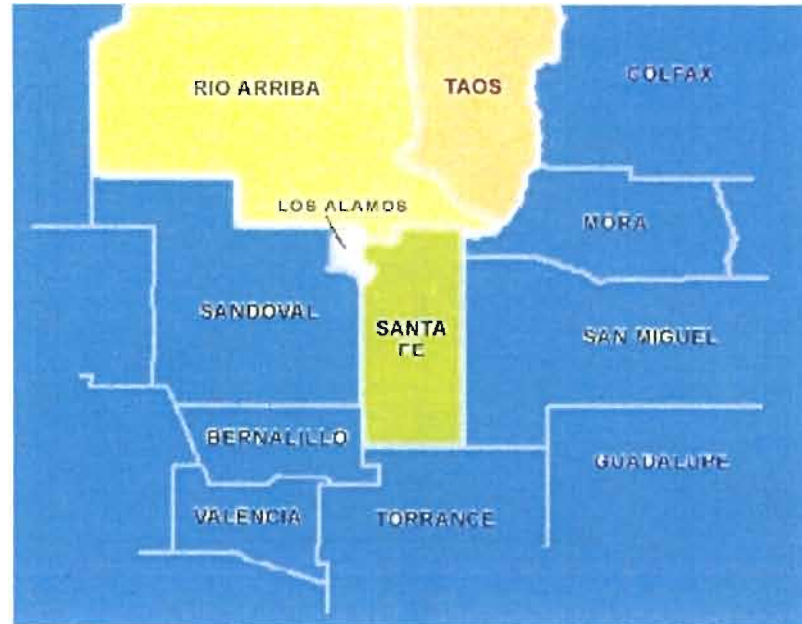
Santa Fe
County
Commissioners
Presentation

October 30,
2012

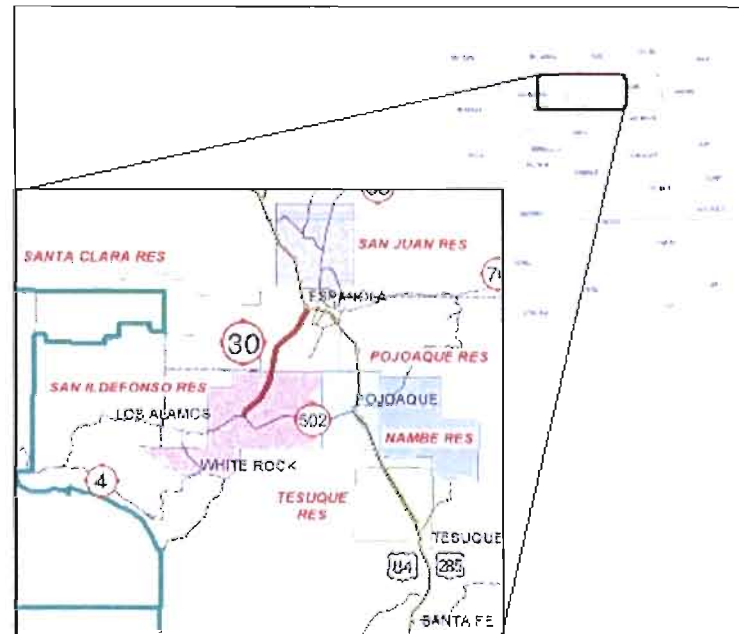
Counties:
Santa Fe
Taos
Rio Arriba
Los Alamos

Cities:
Santa Fe
Española
Edgewood (new)

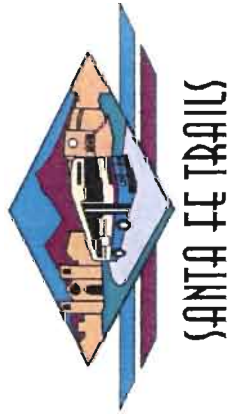
Pueblos:
Tesuque
Pojoaque
Santa Clara
San Ildefonso
Ohkay Owingeh



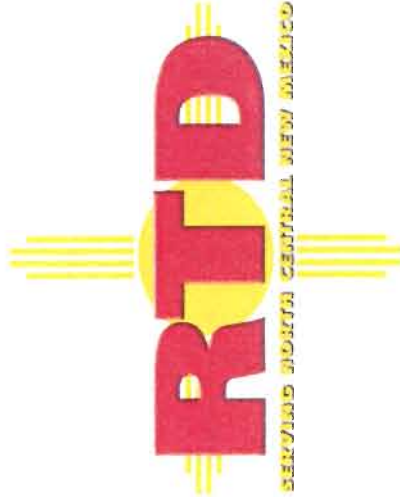
Santa Fe
County
Communities:
Santa Fe
Española
Eldorado
Edgewood
Moriarty
Stanley
Galisteo
Tesuque
Pojoaque
Nambé



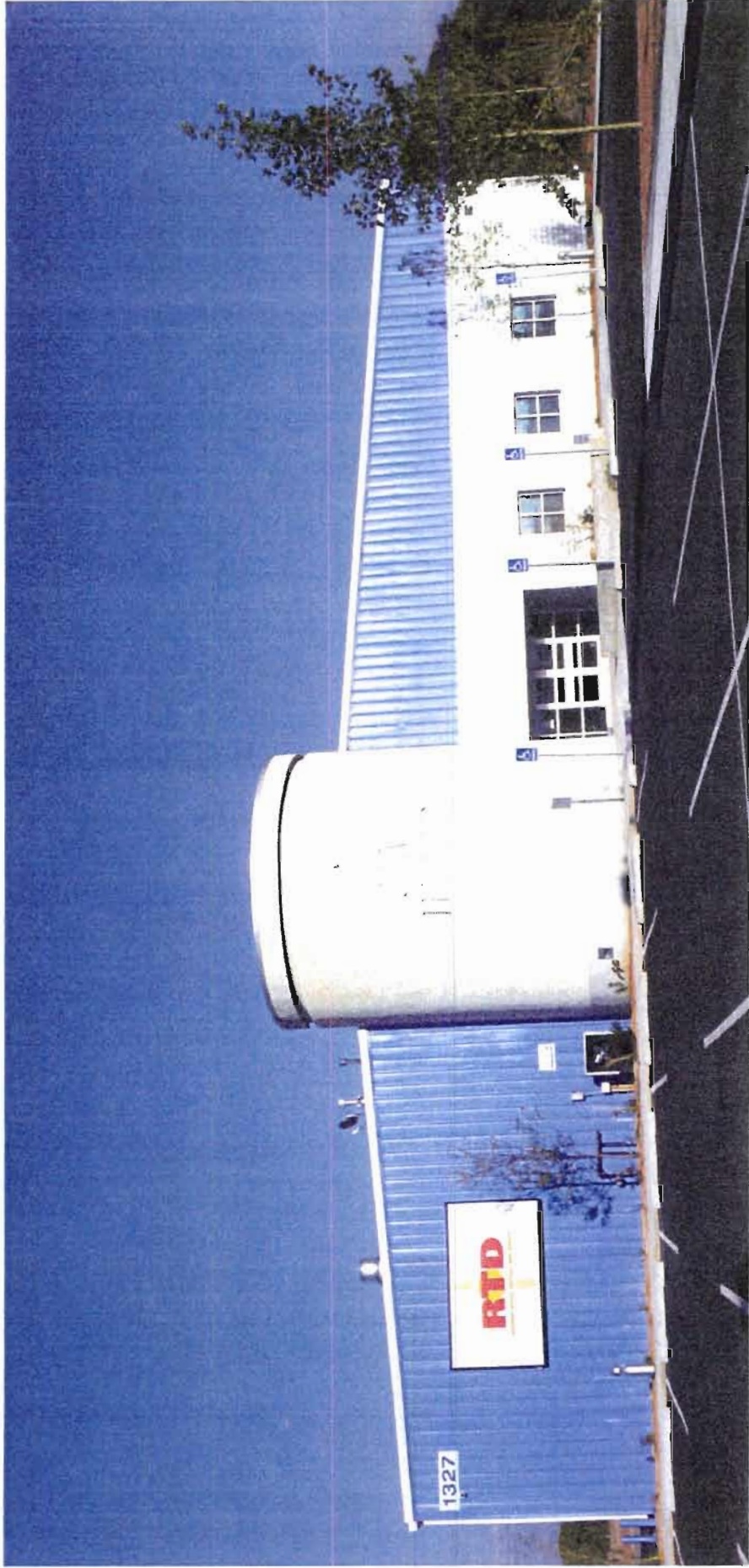
599 Route:
Oñate Military
Complex
(Homeland Security,
National Guard,
Troop Command)
NM Corrections
Department
SF County Adult
Detention Center
NM Rail Runner



NEW MEXICO
RAIL RUNNER
CORPORATION



JIM WEST REGIONAL TRANSIT CENTER



MILESTONES: FISCAL YEAR 2012

(JULY 1, 2011 – JUNE 30, 2012)

- First rider survey - 4.7 average rating out of 5 for overall satisfaction with the services provided;
- Replaced aging fleet with modern and economical vehicles that have enhanced security features;
- Developed long range financial and capital investment strategic plans;
- New Edgewood to Santa Fe route
- Record ridership

Jim West Regional Transit Center



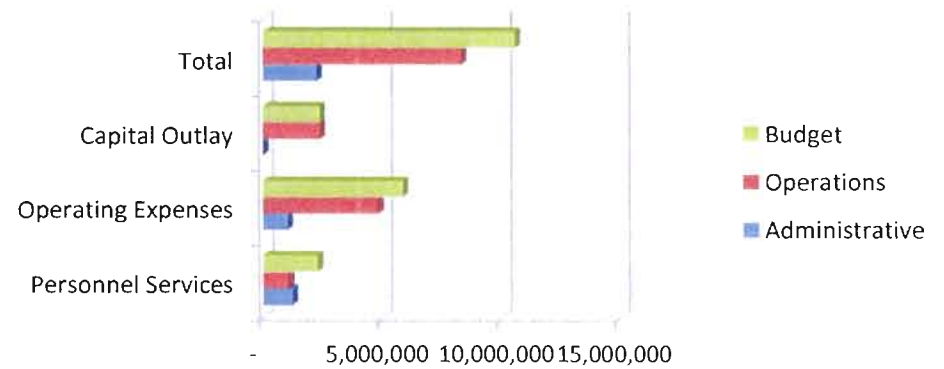
Secured Fleet Storage

- RTD
- NM Park and Ride

Future Initiatives Being Explored To Reduce Costs

- Full Fleet Maintenance Operation
- Fuel Dispensing Facility
- Mixed Use Land Development to Generate Revenue
- Solar Sustainability to lower utility costs

FINANCIAL REPORT

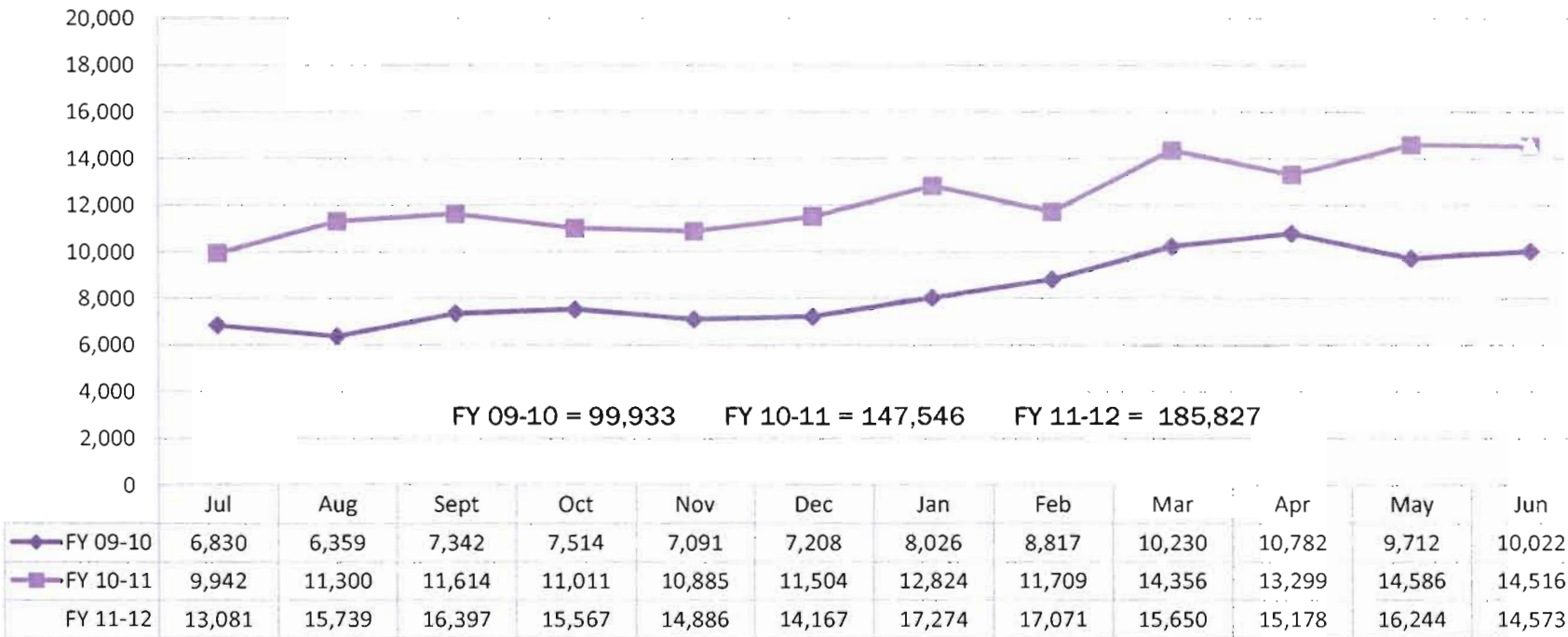


Fiscal Year 2012		
Revenues	Actual	Budget
Federal Grants	\$2,477,664	\$2,588,061
Tribal Transit	57,595	66,566
Member Local Match	600,000	679,173
Gross Receipt Taxes	7,027,716	7,075,929
Other Misc. Revenue	25,393	40,000
Cash Balance	389,273	621,032
Total	\$10,577,641	\$11,070,761

Fiscal Year 2012				
Expenditures	Actual			Budget
	Administrative	Operations	Total	
Personnel Services	\$1,233,109	\$1,073,635	\$2,306,744	\$2,460,269
Other Operating Expense	1,031,060	4,844,893	5,875,953	5,527,154
Capital Outlay	-	2,394,944	2,394,944	3,083,293
Total	\$2,264,169	\$8,313,472	\$10,577,641	\$11,070,716

RECORD RIDERSHIP (A)

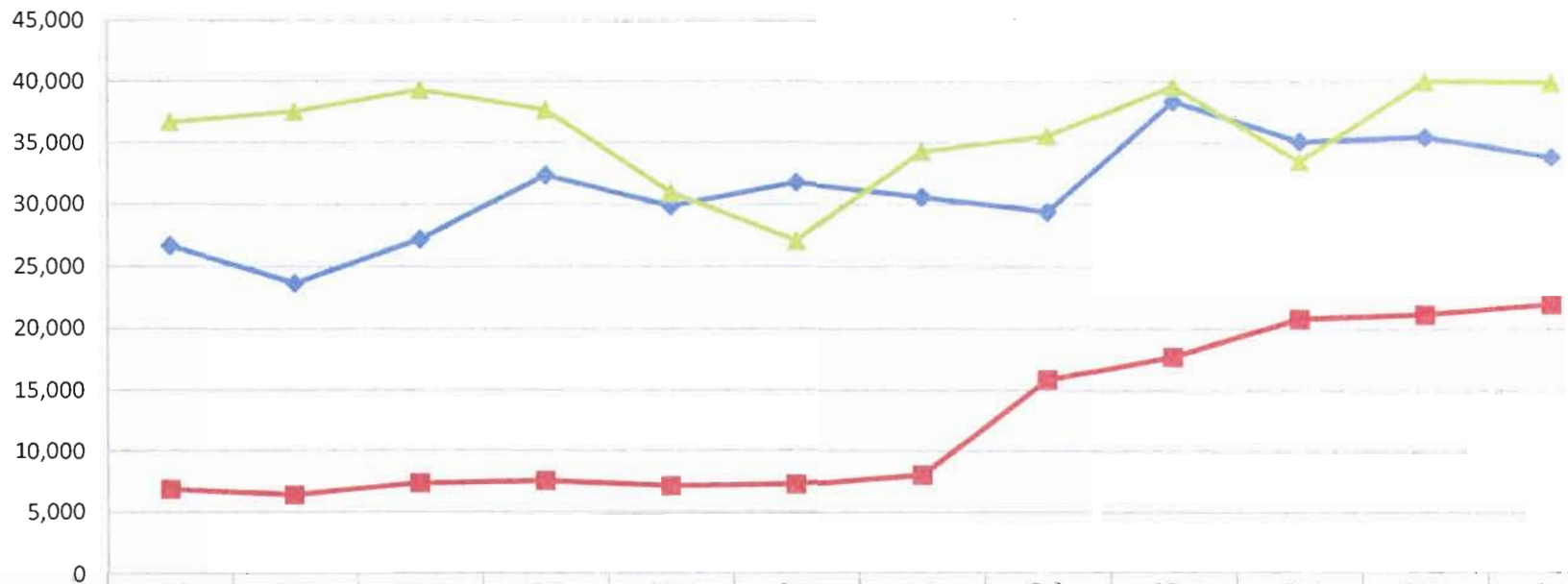
Comparative Ridership NCRTD Operated Routes Only



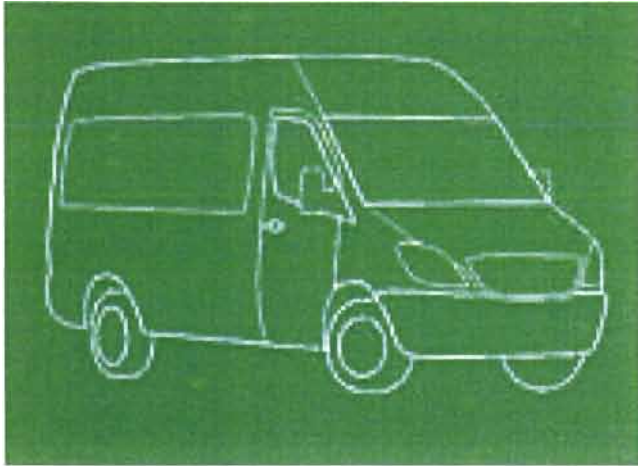
48

RECORD RIDERSHIP (B)

Comparative Ridership All Funded Routes



	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 09-10	6,830	6,359	7,342	7,514	7,091	7,208	8,026	15,858	17,731	20,820	21,152	22,011
FY 10-11	26,655	23,679	27,202	32,325	29,835	31,743	30,570	29,368	38,395	35,114	35,480	33,845
FY 11-12	36,666	37,522	39,298	37,650	30,923	27,051	34,236	35,541	39,611	33,474	40,027	39,942



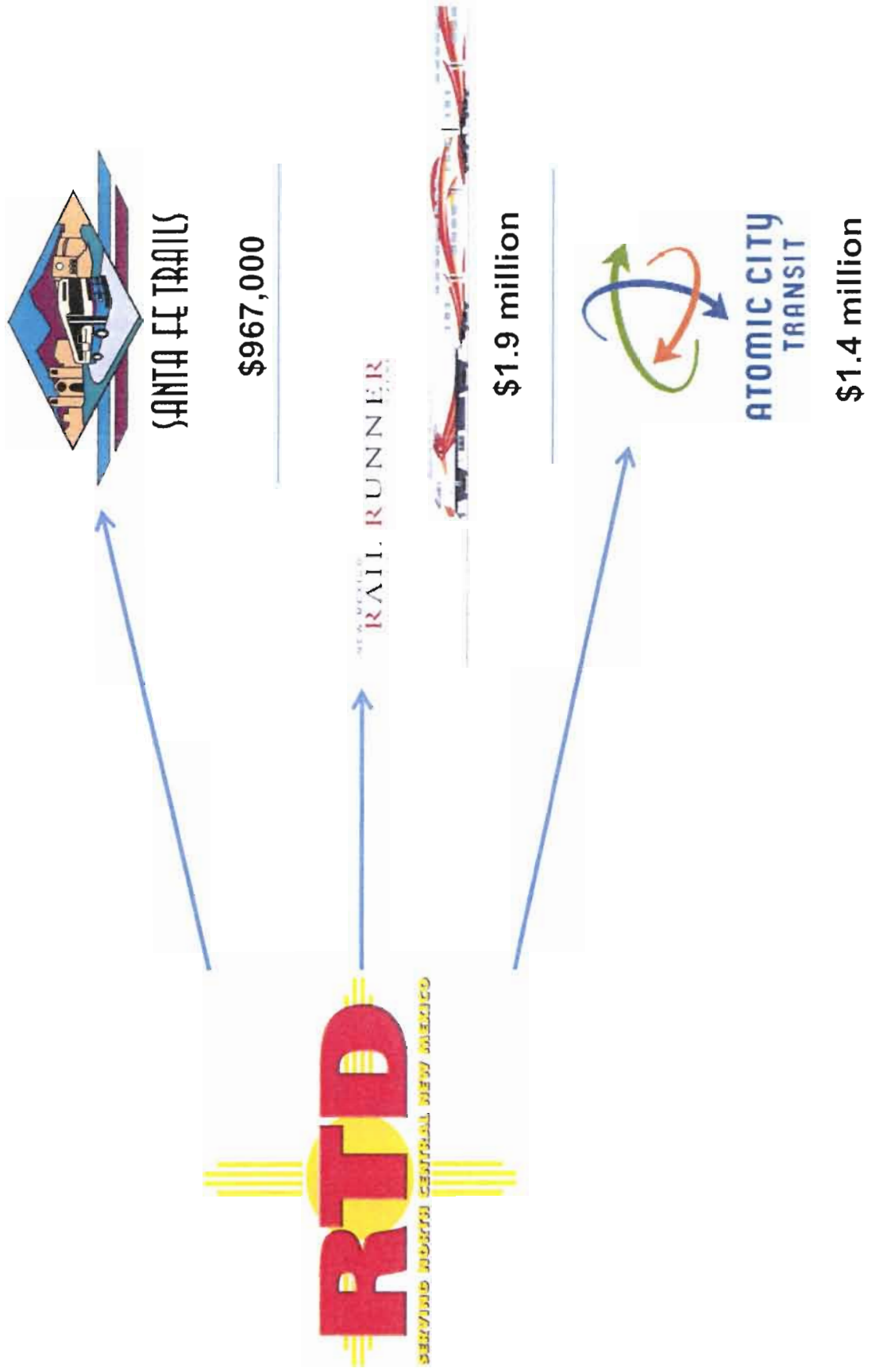
Greener New Mexico

Fewer cars on the road, reduced carbon in the atmosphere:

More than 2,073 tons of carbon emissions were reduced;

5.84 million vehicle miles removed from our streets and highways

RTD FY2012 Contributions to Support



RTD FLEET (A)

Fleet of 35 Passenger Vehicles

20 Fixed and Commuter Routes

Approximately 1,036,000 Miles in FY2012

12 New Vehicles Placed into Service:

- Two 28-Passenger Vehicles
- One 18-Passenger Vehicles
- Six 13-Passenger Vehicles
- Three 8-Passenger Vehicles

100% ADA Accessible, Equipped with Bike Racks, and New Audio and Video Cameras



RTD FLEET (B)

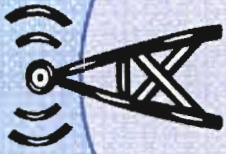


FY2013 Will Initiate Own Contract for Eight New Replacement Vehicles:

- Equipped with GPS
- Looking at Vehicles with CNG and LPG Capabilities



TVOS



ESPAÑOLA



Pajarito Mountain In

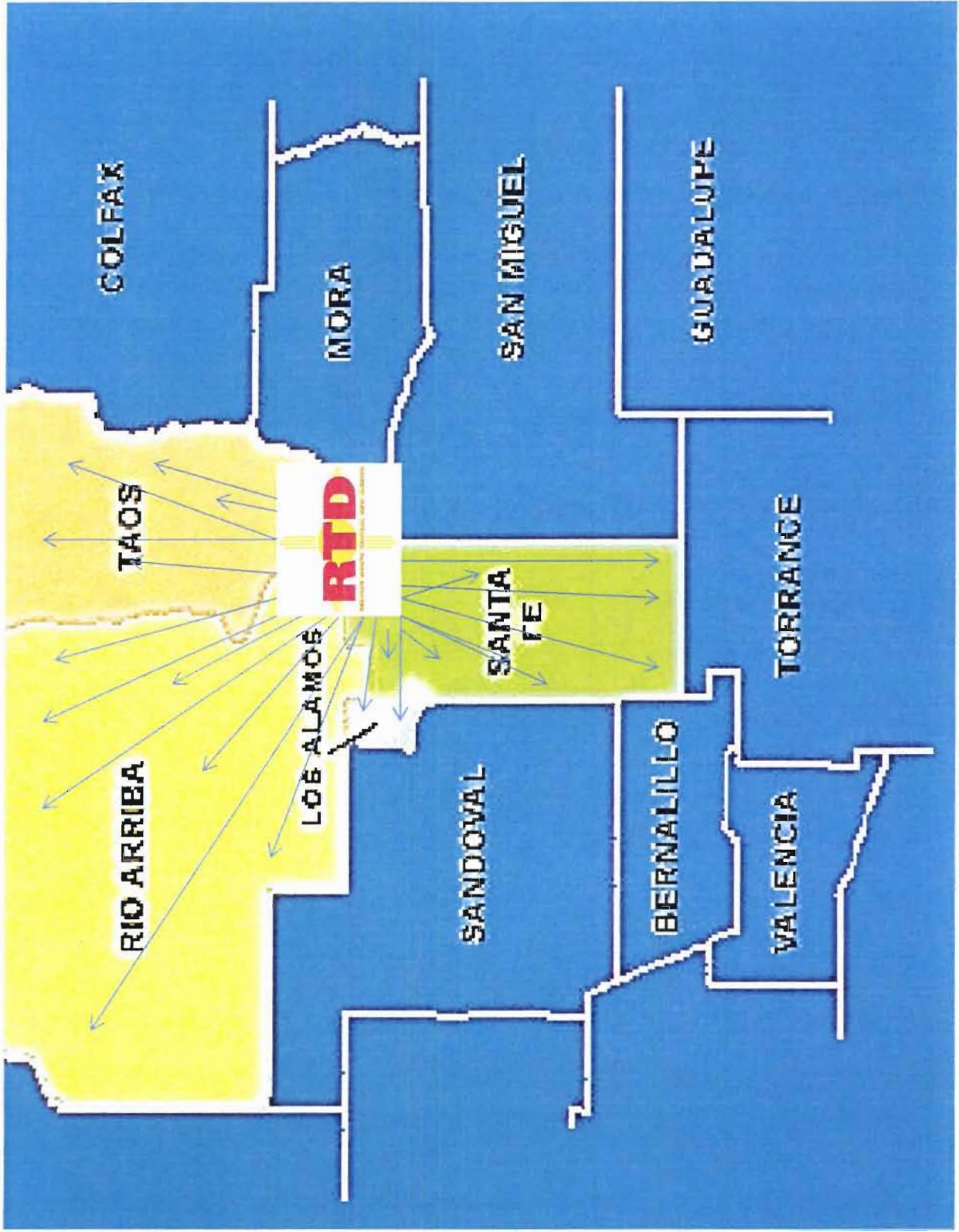
FY2013 UPGRADES

Investing in:

- Additional Bus Shelters
- New Signage and Route Information
- Trash Receptacles at Shelters

Enhanced Route Planning:

- Routing Software
- Ride Planning Applications

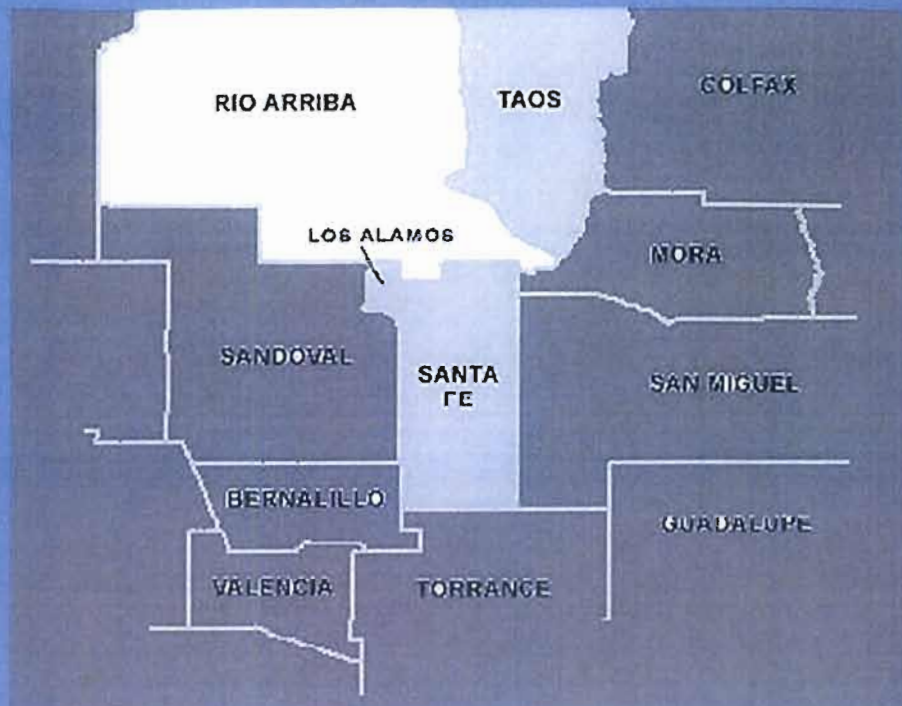


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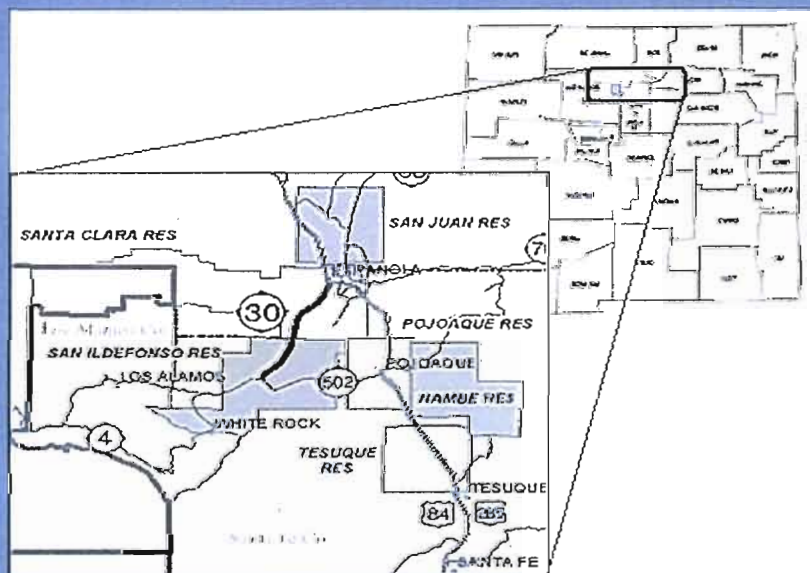
NORTH CENTRAL REGIONAL TRANSIT DISTRICT

*2012 Annual
Report*





SFC CLERK RECORDED 12/05/2012



Mission Statement

The mission of the North Central Regional Transit District is to provide safe, secure and effective public transportation within North Central New Mexico in order to enhance the quality of life of our citizens by providing mobility options and to spur economic development throughout the region.



33
Board Room
No. 10



*A Message from
Daniel R. Barrone,
Chair*

As I enter my fifth year serving as a member of the Board of the North Central Regional Transit District, I speak to you from a humbled place as this year I come to you as its Chairman. I am proud to not only represent the residents of Taos County whom I serve as Commissioner, but to also represent the residents of the 10,079 square mile area that make up our North Central New Mexico district.

I am especially proud of the members of the Board, whose commitment to a common goal of working together for the benefit of the people we serve, truly advances the goal of bringing regional transportation to our constituencies and to provide vast mobility options to people where none had existed before.

A ridership survey conducted this year found that 58 percent of our riders had a household income of less than \$17,000 and in a State that ranks number one in the United States for residents living in poverty, the fact that we provide a lifeline to jobs, medical services, education and mobility cannot be overstated.

This year marks another milestone in record ridership resulting in more cars off the roads, reduction of carbon in the air we breathe and the ability for families to cut down on fuel costs to help them manage in challenging economic times. A recent study by the American Public Transportation Association found that individuals who ride public transportation instead of driving can save an average of \$9,854 annually.

The past five years of this organization, still in its infancy, have not been without their significant accomplishments nor their challenges, but I also see an organization that is maturing and operating at its most efficient since the day it was founded. Policies and practices are being established and put into place that will strategically position us to meet the challenges and the demands of the future. The need for sustained funding, particularly at the level that will allow us to respond to increasing demands for service expansion is critical. This year we put into place a 10-year capital investment plan to help insure we are operating as fiscally responsible as possible and to meet the capital needs moving into the future.

This year we established the Board Finance Sub-Committee to ensure that we are operating at our most effective. The Sub-Committee is comprised of five Directors who meet monthly to review and recommend financial policies that maintain and improve the financial health of the NCRTD.

We closed out the year making final preparations for the move into our new Española headquarters, the Jim West Regional Transit Center. The center brings all of the RTD operations under one roof and serves as a testament to the hard work and dedication of the Board, both past and present, and to the staff and government officials who believed that one day a transit system could connect an often remote four county area of North Central New Mexico. The center is named in honor of the late Jim West, a Los Alamos County Councilor and a founder of the NCRTD, who also served as the Board's first Chair.

I would like to end by acknowledging the committed and hardworking staff of the NCRTD and our drivers – our heart, who under the direction of Executive Director Anthony Mortillaro keeps everything always moving forward thoroughly and efficiently. Anthony, who was brought in this year to head the organization, has been exactly the right person, at exactly the right time to help shape the organization and skillfully guide it into the future.

I look forward to continuing to serve on the NCRTD Board, to help steer its growth and progress, and its contribution to the fine people of North Central New Mexico!

Thank you,

Daniel R. Barrone
NCRTD Chair



Annual Report to the Region from Anthony J. Mortillaro, Executive Director

I am pleased to present to you the North Central Regional Transit District's (NCRTD) Annual Report to the Region. During Fiscal Year 2012, the NCRTD continued to experience success as it completed its fifth year of service to the residents within the District. We are proud to have reached a new milestone in respect to an all-time high in ridership with 185,827 riders for the year, representing a 26 percent increase. This increase in ridership confirms that regional and rural public transportation continues to be an important and crucial concern in North Central New Mexico. It remains the forefront of our mission as we strive to bring interconnectivity between the communities and bring educational, work, and mobility opportunities to customers, neighbors and visitors alike.

The District continued to operate in a challenging environment since approximately 70% of our operating revenues are derived from the Transit Gross Receipts Tax (GRT) collected in all four counties that make up the District. This revenue source is highly dependent upon the economic performance of the economies within those counties we serve. Our GRT revenues for the fiscal year ended slightly below budgeted projections. As such we were compelled to project flat revenues for the upcoming fiscal year (FY13). This meant that no new routes would be added and that existing routes and service levels would be kept intact. Our ability to maintain service levels is a result of our conservative financial practices. The NCRTD has and will continue to examine its operations, administration, routes and schedules to operate as efficiently as possible. In addition, our actions continue to focus on maximizing and enhancing our mission of safe, secure, reliable and effective transportation.

Following is a short list of our FY2012 accomplishments:

- Received an unqualified audit for FY2011 and no new management findings;
- Surveyed customers who gave the District a 4.7 average rating (with 1 "dissatisfied", 5 "very satisfied") for overall satisfaction with the services provided;
- Completed the \$2 million dollar reconstruction of the District's new headquarters and maintenance facility in Española;

- Replaced aging fleet with modern and economical vehicles that have enhanced security features;
- Developed long range financial and capital investment strategic plans and;
- Added a new route to service the Town of Edgewood.

For the upcoming year, the District is anticipating continued investment in our ability to serve the customer and enhance route planning through the purchase of routing software and ride planning applications. In addition, further fleet replacements are anticipated along with the construction of a fleet fueling facility in order to decrease fuel costs. Lastly, additional bus shelters, signage, trash receptacles and route information will be made available at current locations for the comfort of the rider along with needed route information.

The District is steadfast in continuing to operate in a transparent manner and a commitment to excellence with guidance from the Board of Directors, collaboration with our riders, member entities and elected officials. Success in the future will come based on the efforts of all the stakeholders. The future brings an air of excitement for the organization and its team.

I hope you will find the Annual Report informative and useful. As you read this report you will note the accomplishments and services enumerated herein are carried out daily by many caring team members whose skills and commitment make the NCRTD the great transit agency it is today. I am privileged and honored to be one of the many team members contributing to our success.

With respect,

Anthony J. Mortillaro
Executive Director

MEMBERS OF THE NCRTD BOARD OF DIRECTORS

SBC CLERK RECORDED 12/05/2012

Chair
Commissioner
Daniel R. Barrone
Taos County



Vice Chair
Commissioner
Barney Trujillo
Rio Arriba County, Chairman



Secretary/Treasurer
Councilor
Geoff Rodgers
Los Alamos County, Vice
Chair



Commissioner
Kathy Holian
Santa Fe County, Vice Chair



Special Projects Director
Tim Vigil
Pueblo of Pojoaque



Councilor
Patti Bushee
City of Santa Fe



Tribal Sheriff
John Shije
Santa Clara Pueblo



Councilor
Dennis Tim Salazar,
Mayor Pro Tem
City of Española



Former Governor
Charles Dorame
Tesuque Pueblo



San Ildefonso Pueblo
Appointment Pending

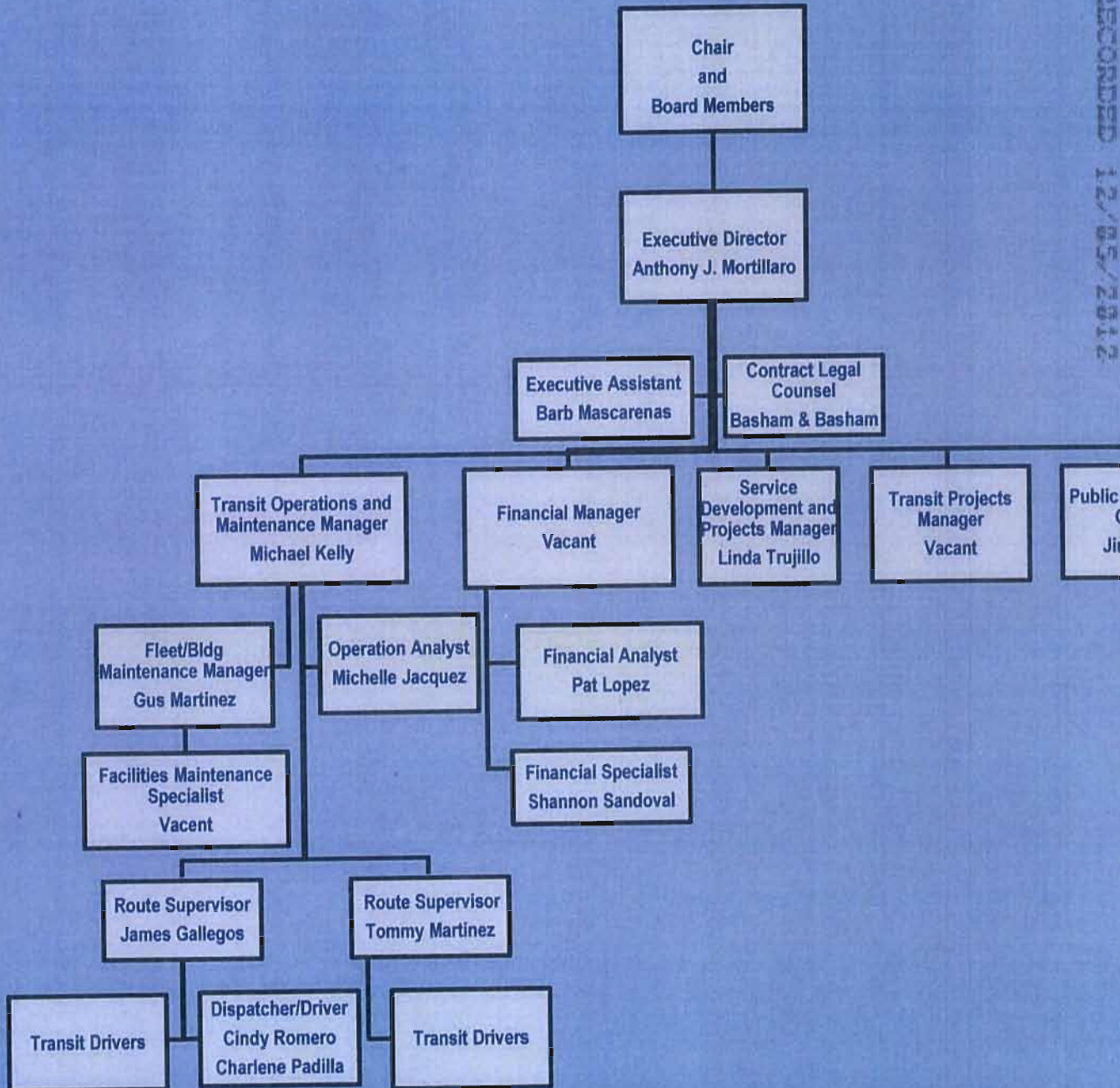


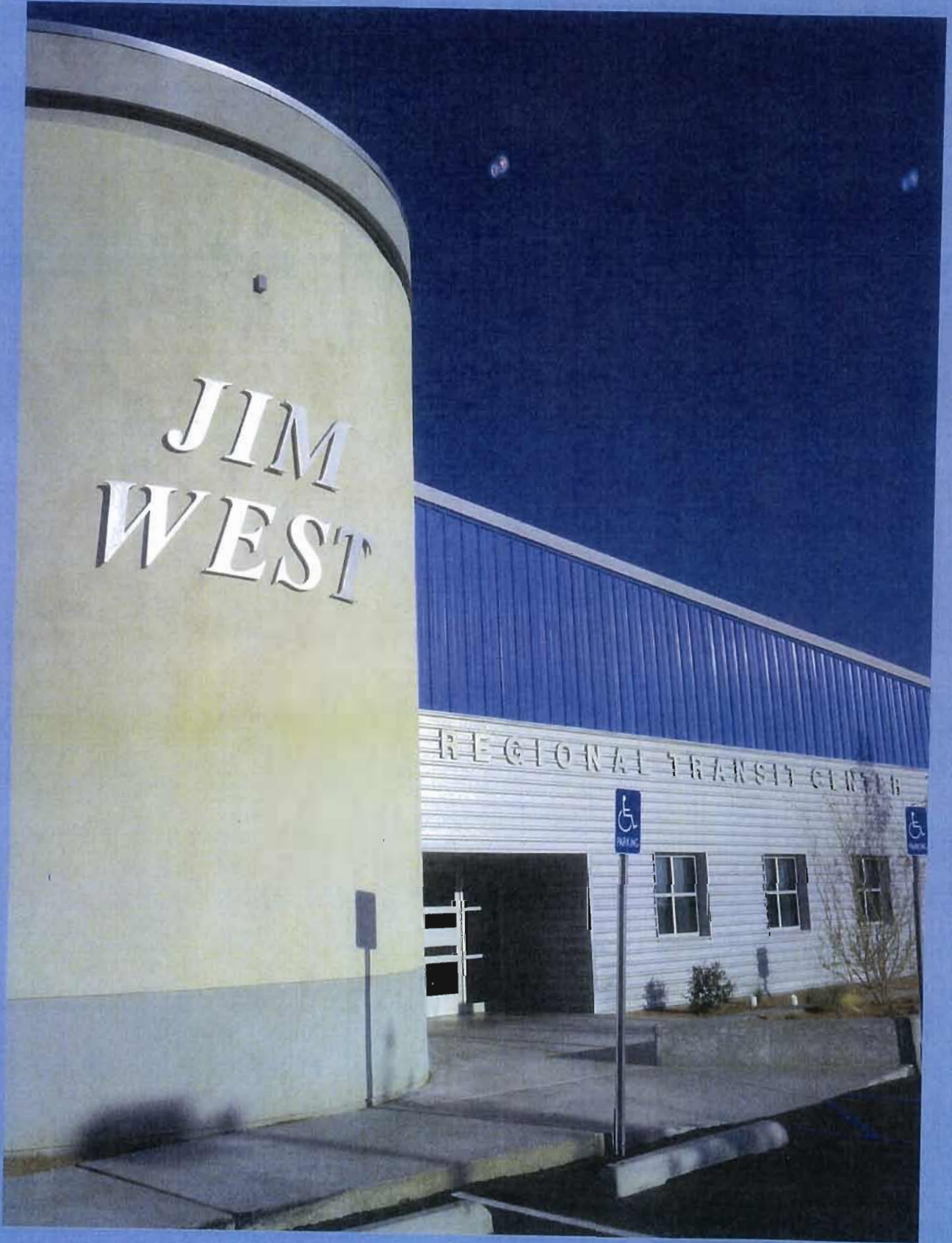
Ohkay Owingeh Pueblo
Appointment Pending



NCRTD Organizational Chart

SBC CLEAR RECORDED 12/05/2012







Cutting the ribbon, NCRTD Chairman and Taos County Commissioner Daniel Barrone (r.) and the late Jim West's sister Val Boatman (l.) are flanked by current and former NCRTD Board members as well as Pablo Sedillo representing U.S. Senator Jeff Bingaman; U.S. Congressman Ben Ray Lujan; Barney Trujillo, Chair of Rio Arriba County Commission and NCRTD Board Vice Chair; Española Mayor Alice Lucero; Michele Jacquez-Ortiz representing U.S. Senator Tom Udall; Los Alamos County Councilor Mike Wismer; and NCRTD Executive Director Anthony Mortillaro.

NCRTD DEDICATES THE JIM WEST REGIONAL TRANSIT CENTER:

Opens New Headquarters in Española

As FY2012 was coming to a close, the North Central Regional Transit District was in the midst of one of the greatest milestones since its founding; the move into its new headquarters, the Jim West Regional Transit Center, which took place as FY2013 got underway. Located in Española, New Mexico, the move marked the first time that all of the District's divisions began operating under one roof.

In dedicating the building, NCRTD Chairman and Taos County Commissioner Daniel Barrone stated that, "This Transit Center serves as a testament to the hard work and dedication of the government officials, NCRTD Board and staff -- both past and present, who believed that one day a transit system could connect a 10,000 plus square mile area of North Central New Mexico and create mobility options for people in most cases where none had existed before."

Anthony Mortillaro, NCRTD Executive Director added, "The move will allow us to operate more efficiently and cost effectively and strongly positions us to meet the future growth and needs for the District. This now consolidates the administrative offices with the operations and fleet management divisions that previously had been spread out over three locations in Santa Fe, Taos and Española."

The 12,500 square foot facility includes a state-of-the-art Boardroom, executive meeting room, light maintenance bay, driver's training room and break room, as

well as kitchen. It also provides offices for the administrative staff, operations and fleet management.

The 10-acre property provides a secured fleet storage yard housing the RTD fleet as well as All Aboard America!/New Mexico Park & Ride vehicles. Future initiatives being explored for the additional land include development of a full fleet maintenance operation and installation of a fuel dispensing facility either of which would allow the District to reduce the costs of contracting out for maintenance or purchasing from commercial fueling stations. The additional land is being evaluated to possibly provide mixed-use development to create on-going revenues for the District.



The Jim West Regional Transit Center is named for the late Jim West, a Los Alamos County Councilor. He was among the founders of the NCRTD and was an inaugural member of the NCRTD Board of Directors in 2004. In 2006, he was elected Chairman of the Board and served in that capacity until 2008 when his illness caused him to resign. Jim West worked tirelessly for the creation, consolidation and expansion of

regional transit throughout the District and actively sought to forge the diverse membership of the NCRTD into a unified, cohesive and meaningful regional authority for the public benefit of all North Central New Mexico.

Purchase and renovation of the new public transportation facility was made possible by grants from the American Recovery and Reinvestment Act, the Federal Transit Administration, Congressional funding and the voter approved Transit Gross Receipts Tax.

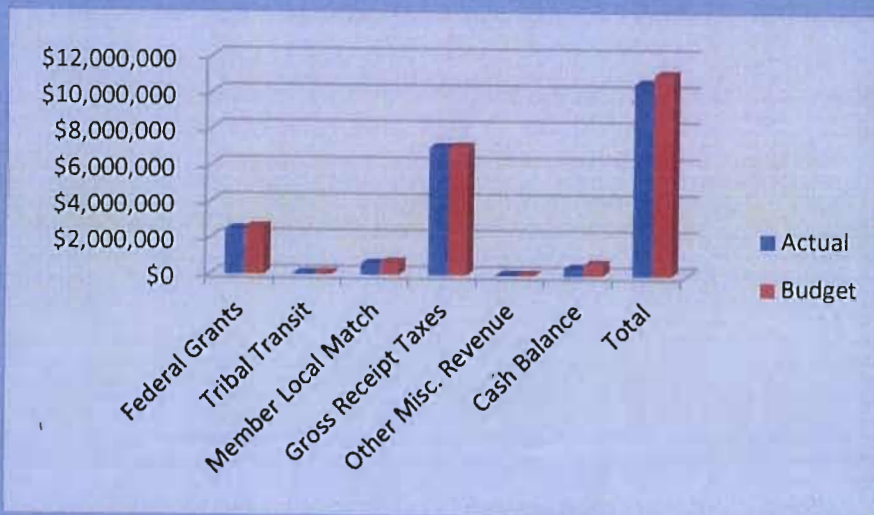


RECORDED 12/05/2012

FY2012 Financial Highlights*

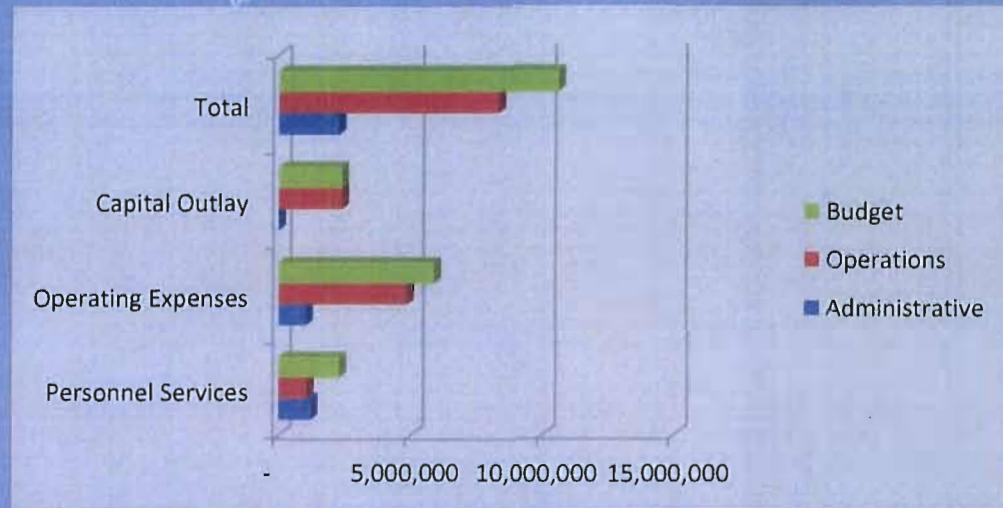
The North Central Regional Transit District (NCRTD) operated with a proposed Fiscal Year 2012 revenue budget in the amount of \$10.4 million and a proposed expenditure budget in the amount of \$11.0 million. NCRTD proposed the difference between the revenues and expenditures shortfall in the amount of approximately \$600,000 that would be made up with NCRTD cash balance. Actual Revenues totaled approximately \$10.6 million and actual Expenditures totaled approximately \$10.6 million.

Revenue from Federal sources contributed approximately 24% to the total revenue received with Gross Receipt Taxes from participating counties generating approximately 67% of revenues and approximately 9% from other sources generated from the sale of vehicles, fares and miscellaneous revenue.



Fiscal Year 2012		
Revenues	Actual	Budget
Federal Grants	\$2,477,664	\$2,588,061
Tribal Transit	57,595	66,566
Member Local Match	600,000	679,173
Gross Receipt Taxes	7,027,716	7,075,929
Other Misc. Revenue	25,393	40,000
Cash Balance	389,273	621,032
Total	\$10,577,641	\$11,070,761

Actual Fiscal year 2012 Expenditures totaled \$10.6 million. Personnel Service expenses for the District comprised approximately 22% of total expenditures with other operating expenses comprising approximately 56% of expenses and the remaining 22% of expenses related to capital outlay purchases. Of the \$10.6 million in expenditures, \$2.3 million was related to administrative expenses and the other \$8.3 million was related to operation expenses.



Fiscal Year 2012				
Expenditures	Actual			Budget
	Administrative	Operations	Total	
Personnel Services	\$1,233,109	\$1,073,635	\$2,306,744	\$2,460,269
Other Operating Expense	1,031,060	4,844,893	5,875,953	5,527,154
Capital Outlay	-	2,394,944	2,394,944	3,083,293
Total	\$2,264,169	\$8,313,472	\$10,577,641	\$11,070,716

For the Fiscal year ended June 30, 2011, Hinkle + Landers, the District's external auditors, expressed an Unqualified opinion with no audit findings. All of the seventeen (17) findings in the prior Fiscal Year 2010 audit were resolved. The District is expecting an Unqualified opinion for the FY2012 Audit.

The Finance Department continues to strengthen internal control procedures and develop Standard Operating Procedures to ensure that staff members have a clear understanding of their position requirements. The department also continues to redefine accounting procedures and processes to be more efficient within the department.

**unaudited financial information*

RECORDED 12/05/2012

FY2012 Board Action Overview

The NCRTD Board of Directors maintained an active schedule with monthly meetings to review policies and put procedures into place that help ensure a smooth running organization and to see that their constituencies within the District are appropriately represented. Two subcommittees also meet regularly, the Tribal Subcommittee and the Finance Subcommittee to review matters that pertain to each one's area of specialty and make recommendations to the Board.

A series of 22 Resolutions were adopted by the Board throughout the year, among them:

- Adoption of Amended Financial Policies designed to provide a comprehensive framework for the management of financial resources for the District
- A revised Drug and Alcohol Testing Policy
- Records and Email Retention Policy and Disposition Schedule
- A Resolution that continues Resolution 2010-09 to eliminate fares for all fixed routes and paratransit up to three fourths of a mile from fixed routes through December 31, 2013
- Resolution adopting the NCRTD Title VI Program which prohibits discrimination on the basis of race, color, or national origin in Federally-funded programs or activities
- Resolution adopting an advertising policy to allow for advertising on NCRTD-managed properties
- Rider Suspension Policy

- Amended Public Records Request Policy

In June after review and recommendation by the Finance Subcommittee, the Board adopted the FY2013 Budget by unanimous decision.

On December 2, the Board adopted the Open Meetings Act which provides that no resolution, rule, regulation, ordinance or action of any board, commission, committee or other policy-making body shall be valid unless taken or made at a public meeting open to the public at all times except as otherwise provided within the Open Meetings Act.

This year we bid farewell to three officers who retired their NCRTD Board seats: Chair Rosemary Romero who did not run for another term on the Santa Fe City Council; Vice Chair Robert Seeds, City of Española Councilor; and Secretary/Treasurer Mike Wismer, Councilor for Los Alamos County. Rosemary Romero joined the Board of the NCRTD in 2008 and in 2010 was elevated to head the District as Chairman of the Board, which she led until her retirement in March of 2012.

On April 6, the Board elected three officers to succeed them: Daniel R. Barrone, Taos County Commissioner, District 1, was elected to the post of NCRTD Chairman of the Board; Barney Trujillo, Rio Arriba County Commissioner, District 1, was named Vice Chairman; and Geoff Rodgers, Los Alamos County Councilor became the newly elected Secretary/Treasurer.

NCRTD Conducts First Rider Survey

In October, 2011, the NCRTD conducted its first rider survey to determine:

- Who is riding the Blue Bus
- Why they're riding the Blue Bus
- How we can better serve our ridership

The survey was created by the District staff, and disseminated and collected by drivers to riders on their routes during the last week of October. Survey documents were then input into a data base by Southwest Planning and Marketing who then analyzed the results.

Among the findings:

Customers are "very satisfied" with the service. In fact, overall satisfaction with the service was ranked 4.7 on a scale of 5. Also receiving an average rating of 4.7 were:

- Driver is helpful and friendly
- Driver is knowledgeable
- Personal safety on the bus
- Cleanliness of bus
- Buses are well maintained

Having the RTD as transportation to work is essential for many. In fact, close to half of the respondents (46.4%) ride five days a week.

The RTD is often the only means of transportation for riders. Two-thirds of the respondents do not have a working personal vehicle. Many also commented that they would use the system on the weekends if it were available.

In regards to household income, 58 percent of the respondents have household income equal to or less than \$16,999. According to the US Department of Health and Human Services, the 2012 poverty guidelines for a household of four is \$23,050 or less.

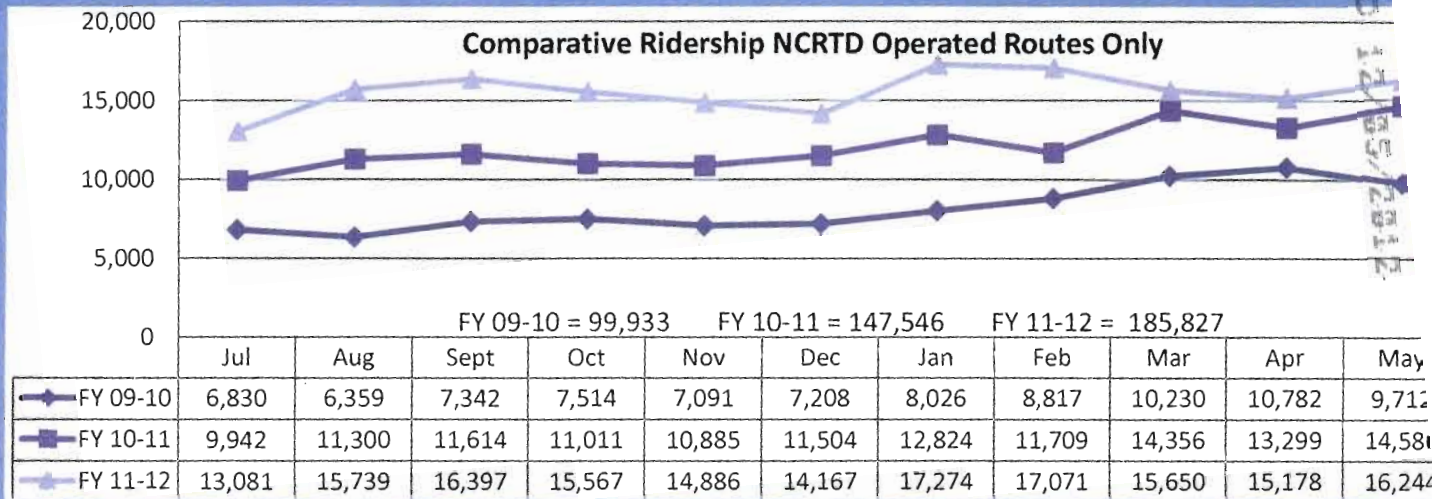
Among some general comments and observations: people were requesting service on the weekends; respondents had high praise for the drivers; many comments were requesting a change in the route, the addition of stops or additional routes; respondents from Edgewood to Santa Fe and Eldorado to Santa Fe stressed the need for a larger bus (a larger bus was placed on the Edgewood route beginning in April).

The results will provide an invaluable tool in strengthening service and targeted marketing into the coming years.

NCRTD RECORD RIDERSHIP: POSTS A 26 PERCENT INCREASE IN FY2012

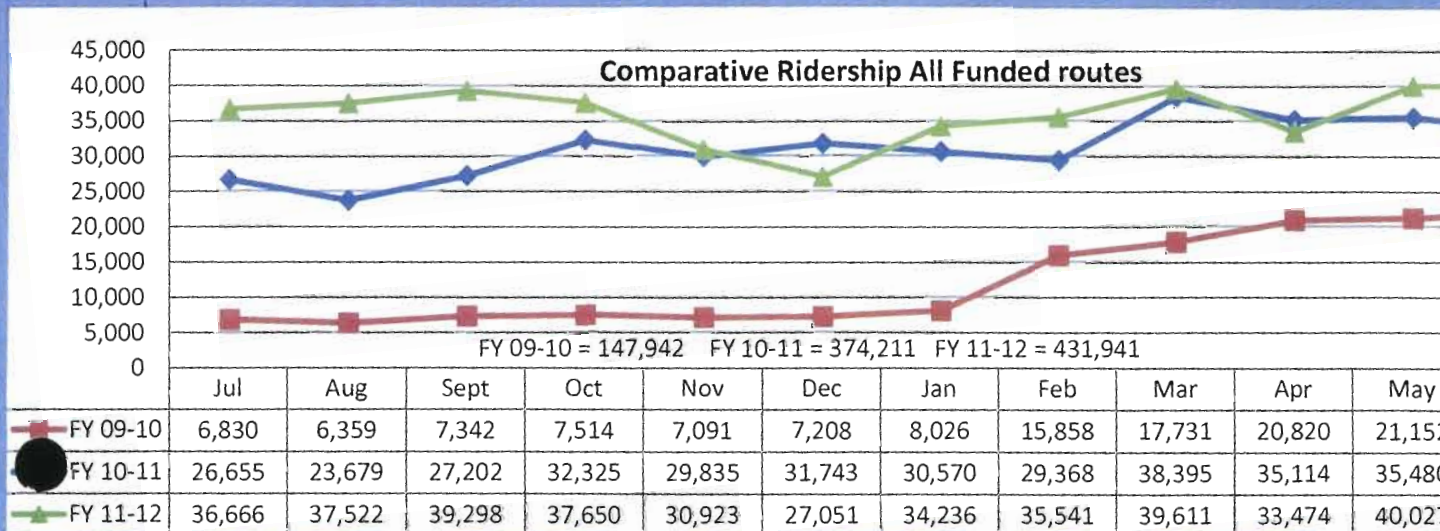
The NCRTD has enjoyed solid growth in ridership each year and FY2012 was no exception. A record number of people rode the "blue bus" this year as we posted a 26 percent increase in ridership. This number far surpasses the national average which saw an increase of 2.31 percent across the United States, according to the American Public Transportation Association (APTA).

Ridership for all NCRTD-operated routes to 185,827 in FY2012 over a total of 147,546 in FY2011. NCRTD provides 20 fixed routes throughout North Central New Mexico and demand response (paratransit) routes.



An analysis of all NCRTD-funded routes for FY2012 shows a 15.4 percent increase in ridership with 431,941 in FY 12 over 374,211 in FY2011. "All NCRTD-funded routes" includes the NCRTD-operated routes as well as regional routes serviced by Santa Fe Trails, including Santa Fe Pick-Up, and Los Alamos Atomic City Transit that are funded by the NCRTD.

From the Gross Receipts Taxes (GRT) it collects each year, the NCRTD contributes to regional transportation services provided by other transit operators in its four-county North Central New Mexico area. In FY2012, \$967,000 went to support Santa Fe Trails, \$1.4 million was provided to support Los Alamos Atomic City Transit and \$1.9 million went to New Mexico Rail Runner Express.

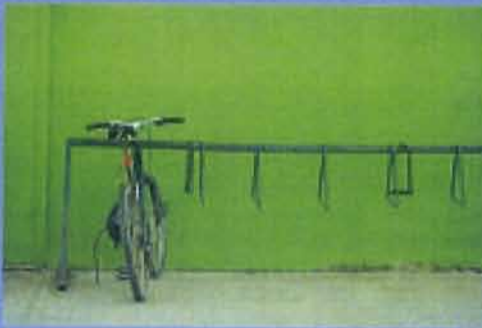


NCRTD – CONTRIBUTING TO A GREENER NEW MEXICO

Fewer cars on the road, reduced carbon in the atmosphere, cleaner running buses; these are all things that the NCRTD has committed to from its founding and as it moves into the future.

In FY2012, more than 2,073 tons of carbon dioxide emissions (a greenhouse gas) were reduced as a result of people taking the RTD rather than driving their vehicles.

Traffic congestion was reduced by removing an estimated 5.84 million vehicle miles of travel from our State highways.



Now that our entire fleet is equipped with bike racks we are seeing more and more riders who are committed to leaving their cars behind and using the RTD to get to their destination and bike throughout the community, whether commuting to work, for recreational and social purposes, or simply just to expand their access to resources in other towns and cities.

This coming year marks the beginning of realizing our ultimate goal, as resources permit, to migrate our vehicles using gasoline to an alternative means of energy. As we go out to bid on what may become the purchase of our first environmentally-friendly Compressed Natural Gas (CNG) and/or Liquefied Petroleum Gas (LPG) buses, this marks our initial effort towards environmentally sustainable vehicles. Cleaner and greener -- both technologies reduce carbon emissions due to low carbon content and high octane levels.





Fleet Enhancements Continue Throughout FY2012 – With an Eye to the Future!

To provide service throughout the more than 10,000 square mile district (larger than the States of Massachusetts and Delaware combined), RTD vehicles in FY2012 logged an average of 51,756 miles per route, per year, on its fixed and commuter routes. For this reason, the District remains steadfast in its commitment to continually upgrade and enhance its fleet of 35 passenger vehicles. FY2012 proved no exception. There were 12 vehicles purchased and placed into service this year which included two 28-passenger vehicles, one 18-passenger vehicle, six 13-passenger vehicles and three 8-passenger vehicles.

A contingency fleet of 20 percent is maintained at all times in accordance with Federal Transit Administration regulations and guidelines.

This now makes the fleet 100 percent ADA accessible, each equipped with front mounted bike racks and, for the first time, with high resolution digital audio and video cameras to help provide maximum safety and security for the passengers and driver. Interior cameras record activity within the bus and forward facing cameras record from a through-the-windshield driver's perspective.

This year the RTD placed a radio repeater at Taos Ski Valley and, as the year closed, was finalizing arrangements to install one at Pajarito Mountain Ski Area in Los Alamos County which will provide coverage for two-way radio communication between radio dispatchers and drivers throughout the District. This substantially upgrades the system as previous coverage only allowed for two-way communication in a 30-mile radius from the center of Española.

In FY2012, five RTD drivers received their Commercial Driver's License (CDL), increasing the total of CDL certified drivers to 19 from an overall total of 32 drivers. RTD Fleet Manager, Gus Martinez, this year became a State-certified CDL Examiner qualified to test drivers for certification.

Placed into service two years ago, a Recovery Vehicle continued to be an invaluable time and money-saving tool to provide roadside assistance by being able to tow a replacement vehicle to the site, safely remove the disabled vehicle from the road, and provide tire dismounts and mounts. Additionally, the vehicle is equipped with emergency lighting to direct safe rerouting of traffic around the disabled vehicle if need be.

The NCRTD Fleet Division is now well poised with a steady eye on its future. The new Jim West Regional Transit Center provides the District with its own secured fleet storage yard and the ability to accommodate the projected growth in fleet supply in the coming years. A light maintenance garage will allow for cost saving, on-site repairs. The District continues to maintain additional fleet storage in each of its four counties with two vehicles in Santa Fe at the All Aboard America administration and maintenance facility, one housed at the Edgewood Volunteer Fire Station, five in Taos and one in Chama.

In FY2013/second quarter, the NCRTD will go out to bid to initiate its own contract for eight new replacement vehicles. Each will be equipped with GPS capabilities, a first for the District. Also representing a first for the District, bids will be requested for vehicles with alternative fuel capabilities, specifically CNG and LPG.

REC'D CLERK RECORDED 12/05/2012



North Central Regional Transit District

1327 N. Riverside Drive

Española, NM 87532

505-629-4725

866-206-0754

www.ncrtd.org

Santa Fe County Portfolio & Investment Plan

September 30, 2012

Good Afternoon Commissioners:

In compliance with Santa Fe County's Investment Policy (Resolution No. 2007-102), this presentation is submitted to give the County Board of Finance an update on the County Treasurer's investment plan for the foreseeable future and a status report of the County's investment portfolio.

As discussed previously with the County Board of Finance, the Treasurer's objective is to insure the County's portfolio contains safe, liquid and diversified investments while earning a market rate of interest on all money that is not immediately required to meet the County's cash flow needs.

Treasurer's Investment Portfolio

terms of the County's investments, we have not suffered any losses to date, as we do not invest in equities, CMO's (collateralized mortgage obligations), MBS (mortgage backed securities), and other sub-prime lending instruments.

All our investments are secured or collateralized by the full faith and credit of the federal government; or at 102% by an irrevocable letter of credit; or by pledged government agencies, where we require 102% collateral.

The County Treasurer's investment plan is to diversify the portfolio and invest in all permitted investments authorized in the policy as follows:

- + Interest bearing accounts held at our Custody Bank;
- + Certificates of deposit insured by the FDIC (with limits up to \$250,000), or collateralized at 102% for CD investments over \$250,000;
- + Government agencies (bonds), treasury bills, or other debt securities issued by and backed by the full faith and credit of the United States. These investments are fully collateralized as provided for in our investment policy.

Government Agencies (Bonds): As part of our assets diversification we invest in this type of security; our holdings currently stand at \$106,104,353.38; and approximately \$30.7 million in money market account at Charles Schwab. Some of these investments are laddered to meet our cash flow needs for the County's bond construction projects as they materialize.

State Treasurer Local Government Investment Pool

We still have some exposure in the investments made by the State Treasurer in the Reserve Primary Fund; the County's investments are not collateralized or secured by the State Treasurer.

In September 2008, the Local Government Investment Pool's investment in the Reserve primary Fund was frozen by the Primary Fund as the result of a drop of its net asset value below \$1.00. In January 2009, the County Treasurer was advised by the State Treasurer that the LGIP investment in the *Reserve Primary Fund* had broke the buck as a result of Lehman Bros. bankruptcy.

The County Treasurer proceeded to move \$1,559,636.35 from the LGIP to our Custody Bank (LANB); this left approximately \$356,063.02 in the LGIP Reserve Contingency Fund which was subsequently reduced to \$271,864.

For the quarter ended June 30, 2012 the State Treasurer provided a copy of a letter to the *Reserve Contingency Fund Participants dated June 30, 2012* based on this notice, the County had to take an actual loss of \$218,996.40. The current balances at the LGIP on June 30, 2012 were \$640.42 in cash and \$52,867.91 in the Reserve Contingency Fund.

I continue to look for investments that benefit our local economy here in Santa Fe County that will assist banks and credit unions with the ability to provide mortgage loans, auto loans and construction financing to our county constituents. Other banks located in Santa Fe County that have County funds invested in CD's include:

- A. Guadalupe Credit Union \$250,000.00 Secured by FDIC Yield 1.34%;
- B. Community Bank \$250,000.00 Secured by FDIC Yield 0.72%;
- C. Ironstone Bank \$250,000.00 Secured by FDIC Yield 0.75%.
- D. Charter Bank \$250,000.00 Secured by FDIC Yield 0.95%.
- E. New Mexico Bank & Trust \$248,000.00 Secured by FDIC Yield 0.40%.

F. On October 17, 2012 we opened up a \$5,000,000.00 one year CD with First National Bank of Santa Fe with a yield of .50% collateralized at 102%.

In closing, I have attached a copy of "**Santa Fe County Treasurer's Portfolio**" which shows the County's investments in CD's at LANB; Government Agencies (Bonds) at Charles Schwab; the Local Government Investment Pool; and demand deposits we have made to date. These investments show the principal amount invested, the effective annual interest rate (yield), the term, and maturity date and how we receive the income from the investment. The County's total portfolio as of September 30, 2012 was approximately \$174,916,356.49.

The County Treasurer's Investment Committee meets regularly on a monthly basis. I present an agenda to the Committee each month that includes what investments have been made; the investments that matured, and minutes from the prior month. I have our Custody Bank and Financial Depository Institutions make presentations from time to time to keep the Committee informed as to how they intend to use County funds to improve the economy of Santa Fe County; and the financial condition of the bank and their operations. We monitor the bank's rating through the use of bankrate.com and other web sites which provide a rating and analysis on financial condition of our county banks.

I want to thank the Investment Committee for their commitment to attend these monthly meetings. I know they have many commitments and obligations they have to attend to on behalf of the County.

Madame Chair and Commissioners that concludes my portion of the presentation, thank you for your kind attention and I make myself available to any questions you might have.

Submitted By:


Santa Fe County Treasurer

SFC CLERK RECORDED 12/05/2012

**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

CERTIFICATES OF DEPOSIT

<u>Security Description</u>	<u>Purchase Date</u>	<u>Invested Amount</u>	<u>Effective Annual Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Check to be Paid</u>
Guadalupe Credit Union - CD, #11034009	2/1/2011	\$ 250,000.00	1.34%	27 Months	5/1/2013	Monthly
Community Bank - CD # 701477-Santa Fe	3/1/2012	\$ 250,000.00	0.72%	7 Months	10/1/2012	Monthly
Ironstone Bank - AKA First Citizens CD # 009471011145-Santa Fe	7/13/2011	\$ 250,000.00	0.75%	18 Months	1/12/2013	Monthly
Charter Bank - AKA Washington Federal CD # 61032161-Santa Fe	4/2/2012	\$ 250,000.00	0.95%	2 Years	4/2/2014	Monthly
New Mexico Bank & Trust - CD # 132001340	4/18/2012	\$ 248,000.00	0.40%	18 Months	10/18/2013	Semi-Annual

SUB-TOTAL MISCELLANOUS CERTIFICATES OF DEPOSIT

\$ 1,248,000.00

BROKERED CERTIFICATES OF DEPOSIT

Wells Fargo - CD, Wachovia Bk FSB Houston Tx Cusip #92979HBGO	4/9/2008	\$ 97,000.00	4.25%	5 Yrs.	4/9/2013	Semi-Annual
Wells Fargo - CD, Florida Tampa Primary Cusip #340559AFO	2/17/2010	\$ 98,000.00	2.75%	5 Yrs.	2/17/2015	Semi-Annual
Wells Fargo - CD, Barclays Bk Delaware Wilmington Cusip #06740KDN4	2/24/2010	\$ 98,000.00	2.75%	5 Yrs.	2/24/2015	Semi-Annual
Wells Fargo - CD, Libertyville Bk & TR CO IL Cusip # 531554BN2	2/24/2010	\$ 98,000.00	2.75%	5 Yrs.	2/24/2015	Semi-Annual
Wells Fargo - CD, State Bk of the Lakes Antioch ILL Cusip #856428AH0	2/24/2010	\$ 98,000.00	2.75%	5 Yrs.	2/24/2015	Semi-Annual
Wells Fargo - CD, GE Money Bk Cusip #36159SLS8	4/23/2010	\$ 240,000.00	2.00%	3Yrs.	4/23/2013	Semi-Annual
Wells Fargo - CD, CFG Community Bank Baltimore MD Cusip #12527CAL6	4/26/2010	\$ 250,000.00	1.85%	3 Yrs.	4/26/2013	Monthly
Wells Fargo - CD, The Brand Banking Co.Cusip #105245CQ5	4/30/2010	\$ 250,000.00	2.00%	3 Yrs.	4/30/2013	Monthly
Wells Fargo - CD, Medallion Bank UT Cusip #58403BRD0	4/30/2010	\$ 250,000.00	1.85%	3 Yrs.	4/30/2013	Monthly
Wells Fargo - CD, First National Bk Eagle Cusip #32107BAL4	6/16/2010	\$ 250,000.00	1.35%	3 Yrs.	6/17/2013	Monthly
Wells Fargo - CD, Standard Bk & TR Co. Hickory Hills ILL Cusip #853117KU2	6/22/2010	\$ 240,000.00	1.55%	3 Yrs.	6/24/2013	Semi-Annual
Wells Fargo - CD, Midland States Bank Effingham IL Cusip #59774QDB5	6/22/2010	\$ 250,000.00	1.50%	3 Yrs.	6/21/2013	Monthly
Wells Fargo - CD, Mutual Savings Assn. F Cusip # 62835RAS0	6/30/2010	\$ 250,000.00	1.35%	3 Yrs.	6/28/2013	Monthly
Wells Fargo - CD, Ally Bank UT Cusip # 02005QXS7	11/16/2011	\$ 250,000.00	0.85%	1 Yr 6 Mo.	5/16/2013	Semi-Annual
Wells Fargo - CD, Safra National Bank NY Cusip # 786580VZ0	11/16/2011	\$ 250,000.00	0.45%	1 Yr.	11/16/2012	Maturity
Wells Fargo - CD, BMW Bank of North America Cusip#05568PT98	11/30/2011	\$ 250,000.00	1.05%	2 Years	11/29/2013	Semi-Annual
Wells Fargo - CD, GE Capital Financial Cusip #36160XZZ3	12/9/2011	\$ 250,000.00	1.20%	1 Yr. 3 Mo.	3/10/2014	Semi-Annual
Wells Fargo - CD, Bank Of China NY Cusip #06425HTM8	12/14/2011	\$ 250,000.00	1.05%	2 Years	12/16/2013	Semi-Annual
Wells Fargo - CD, Cit Bank UT Cusip #17284AL30	12/14/2011	\$ 250,000.00	1.05%	2 Years	12/16/2013	Semi-Annual
Wells Fargo - CD, Discover Bank Greenwood Del Primary #2546703M2	2/8/2012	\$ 250,000.00	1.75%	5 Years	2/8/2017	Semi-Annual
Wells Fargo - CD, Mizuho Corporate Bk Cusip #60688TAH2	3/7/2012	\$ 248,000.00	0.35%	1 Year	3/7/2013	Maturity
Wells Fargo - CD, Bank of Baroda NY Cusip #060624CW1	3/9/2012	\$ 248,000.00	0.35%	1 Year	3/8/2013	Maturity
Wells Fargo - CD, Banco Bilbao Cusip #059457UH2	3/20/2012	\$ 248,000.00	0.50%	1 Yr 6 Mo.	9/20/2013	Semi-Annual
Wells Fargo - CD, State Bank of India Cusip #856284E34	4/27/2012	\$ 250,000.00	2.00%	5 Years	4/27/2017	Semi-Annual
Wells Fargo - CD, Goldman Sachs Bank Cusip #38143AQV0	4/25/2012	\$ 250,000.00	1.85%	5 Years	4/25/2017	Semi-Annual
Wells Fargo - CD, American Express Centurion Cusip # 02587DKP2	7/26/2012	\$ 250,000.00	1.70%	5 Years	7/26/2017	Semi-Annual
Wells Fargo - CD, Sallie Mae Bank Cusip # 795450NV3	8/15/2012	\$ 250,000.00	1.75%	5 Years	8/15/2017	Semi-Annual

WELLS FARGO BROKERED CERTIFICATES OF DEPOSIT

\$ 5,963,000.00

**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

CD & SAVINGS ACCOUNTS AT LOS ALAMOS NATIONAL BANK

Los Alamos National Bank-Acct #0111883820 Universal Savings Acct. Pool Cash	5/4/2009	\$	17.17	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0116706520-GRT 2009 Water Rights Cap.	10/21/2009	\$	58,957.08	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118076220-Fire Protection Revenue Bond	12/3/2009	\$	86,732.49	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118077020-Road Projects Account	12/3/2009	\$	95,407.05	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118078920-GOB Open Space	12/3/2009	\$	119,118.88	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118079720-GOB Series 2005 A	12/3/2009	\$	710,410.81	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118080020-GOB Series 2007 B	12/3/2009	\$	372,212.90	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118081920-GRT 2008 Judicial Rev. Bond	12/3/2009	\$	431,629.54	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118082720-SF Affordable Housing Fund	12/3/2009	\$	1,604,964.85	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0121009220-GRT Cap. Series 2010 A&B Buck	3/12/2010	\$	828,127.20	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #123866320-GOB 2009 Series	7/1/2010	\$	4,372,520.99	0.50%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0111883821-Fac. Bond 1997 Proc.-Savings Acct.	8/30/2010	\$	556,093.61	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0111883822-GOB Series 2001 A-Savings Acct.	8/30/2010	\$	8,641.28	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0111883823-GOB Series 2007 A-Savings Acct.	8/30/2010	\$	2.15	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0118081921-GRT 2008 Jud. Rev. Bond-Sav.	8/30/2010	\$	-	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0127419820 Ph.II 2008 GOB Buckman	11/1/2010	\$	1,774.96	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0131770920 GOB- 2011 Refunding Series	4/13/2011	\$	28,234.79	0.01%	N/A	N/A	N/A
Los Alamos National Bank-Acct #0128128330 SFC Studios Guarantee	10/26/2010	\$	6,500,000.00	2.50%	318 Mo.	4/26/2037	Quarterly
Los Alamos National Bank-Acct #01326015-01 Fire Department Account	7/13/2011	\$	2,000.00	0.00%	N/A	N/A	N/A
Los Alamos National Bank-Acct #01-364154-01 County Manager's Account	10/14/2011	\$	1,000.00	0.00%	N/A	N/A	N/A
Los Alamos National Bank-Acct #01-364901-01 SFC Region III HIDTA	10/17/2011	\$	11,913.65	0.00%	N/A	N/A	N/A
Los Alamos National Bank-Acct #01-364928-01 SFC Region III JAG	10/17/2011	\$	709.20	0.00%	N/A	N/A	N/A
Los Alamos National Bank-Acct #01-452134-01 SFC Housing Authority	8/7/2012	\$	5,464,269.67	0.50%	N/A	N/A	N/A

LANB CERTIFICATES OF DEPOSIT & SAVINGS ACCOUNTS

\$ 21,254,738.27

TOTAL CERTIFICATES OF DEPOSIT & SAVINGS ACCOUNTS

\$ 28,465,738.27

<u>Security Description</u>	<u>Purchase Date</u>	<u>Invested Amount</u>	<u>Effective Annual Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Check to be Paid</u>
CHARLES SCHWAB INVESTMENT IN GOVERNMENT AGENCIES (BONDS) AND T-BILLS						
Matured US Discount Note-Cusip #313384F87-LANB GOB Series 2001 A Account #3823	9/16/2011	Trans to C. Schwab	0.142%	1 Year	9/14/2012	Maturity Date
US Discount Note-Cusip #31364DJF4-LANB GOB Series 2001 A Account #3823	12/1/2011	\$ 995,970.00	0.299%	1 Year 4 Mo.	4/8/2013	Maturity Date
US Discount Note-Cusip #31771CKP9-LANB GOB Series 2001 A Account #3823	12/1/2011	\$ 118,324.08	0.423%	1 Year 4 Mo.	4/6/2013	Maturity Date
US Discount Note-Cusip #31771CNB7-LANB GOB Series 2001 A Account #3823	12/1/2011	\$ 127,899.63	0.509%	1 Year 8 Mo.	8/8/2013	Maturity Date
US Discount Note-Cusip #31771CCC7-LANB GOB Series 2001 A Account #3823	12/1/2011	\$ 101,569.33	0.721%	1 Year 11 Mo.	11/11/2013	Maturity Date
US Discount Note-Cusip #31771JVZ0-LANB GOB Series 2001 A Account #3823	12/1/2011	\$ 116,138.88	0.521%	1 Year 5 Mo.	5/2/2013	Maturity Date
Matured US Discount Note-Cusip #313384F87 LANB Pooled Cash Account #9220	9/16/2011	Trans to C. Schwab	0.14%	1 Year	9/14/2012	Maturity Date
FHLB US Discount Note-Cusip #313384K73 GRT 2008 Judicial Rev. Account #1921	10/24/2011	\$ 4,000,000.00	0.153%	Approx. 1 Yr.	10/15/2012	Maturity Date
FHLB US Discount Note-Cusip #313385FK7 GRT 2008 Judicial Rev. Account #1921	5/17/2012	\$ 998,309.44	0.173%	1 Year	5/10/2013	Maturity Date
FHLB US Discount Note-Cusip #313385DB9 GRT 2008 Judicial Rev. Account #1921	5/17/2012	\$ 998,741.67	0.152%	10 Mo.	3/15/2013	Maturity Date
FHLB US Discount Note-Cusip #313384P78 GRT 2008 Judicial Rev. Account #1921	5/17/2012	\$ 999,390.00	0.122%	6 Mo.	11/16/2012	Maturity Date
FHLB US Discount Note-Cusip #313385FK7 GRT GOB 2011 Refund Account #0920	5/17/2012	\$ 1,996,618.88	0.173%	1 Year	5/10/2013	Maturity Date
FHLB US Discount Note-Cusip #313385DB9 GRT GOB 2011 Refund Account #0920	5/17/2012	\$ 1,997,483.34	0.152%	10 Mo.	3/15/2013	Maturity Date
FHLB US Discount Note-Cusip #313384P78 GRT GOB 2011 Refund Account #0920	5/17/2012	\$ 1,998,780.00	0.122%	6 Mo.	11/16/2012	Maturity Date
US Treasury Bill-Cusip #9127955Q0 GRT GOB 2011 Refund Account #0920	8/7/2012	\$ 250,000.00	0.107%	Approx. 4 Mo.	12/13/2012	Maturity Date
US Treasury Bill-Cusip #9127957B1 GRT GOB 2011 Refund Account #0920	8/7/2012	\$ 500,000.00	0.120%	Approx. 5 Mo.	1/17/2013	Maturity Date
US Treasury Bill-Cusip #9127955Z0 GRT GOB 2011 Refund Account #0920	8/7/2012	\$ 500,000.00	0.130%	Approx. 6 Mo.	2/7/2013	Maturity Date
US Treasury Bill-Cusip #9127955G2 GRT GOB 2011 Refund Account #0920	8/7/2012	\$ 500,000.00	0.061%	Approx. 2 Mo.	10/18/2012	Maturity Date
US Treasury Bill-Cusip #9127955L1 GRT GOB 2011 Refund Account #0920	8/7/2012	\$ 500,000.00	0.077%	Approx. 3 Mo.	11/15/2012	Maturity Date
US Treasury Bill-Cusip #9127956F3 GRT GOB 2011 Refund Account #0920	8/7/2012	\$ 500,000.00	0.146%	Approx. 8 Mo.	4/4/2013	Maturity Date
US Treasury Bill-Cusip #9127956L0 GRT GOB 2011 Refund Account #0920	8/7/2012	\$ 500,000.00	0.155%	Approx. 9 Mo.	5/2/2013	Maturity Date
Matured FHLB US Discount Note-Cusip #313384G45 Operational Account #2601	6/15/2012	Trans to C. Schwab	0.112%	3 Mo.	9/18/2012	Maturity Date
SUB-TOTAL CHARLES SCHWAB & CO., INC HOLDINGS		\$ 17,699,225.25				

**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

CHARLES SCHWAB & BANK OF OKLAHOMA

Freddie Mac Bond-Cusip #3134G3WJ5 (2601 Acct.)	6/18/2012	\$	996,500.00	2.00%	8 Years 6 Mo.	12/18/2020	Semi-Annual
Freddie Mac Bond-Cusip #3134G3C32 (2601 Acct.)	8/22/2012	\$	999,000.00	1.50%	7 Years 3 Mo.	11/22/2019	Semi-Annual
Freddie Mac Bond-Cusip #3134G3F54 (2601 Acct.)	8/27/2012	\$	654,017.50	1.52%	7 Years	8/27/2019	Semi-Annual

CHARLES SCHWAB & MORGAN KEEGAN

Fannie Mae Bond-Cusip #3136FM6Z2 (2601 Acct.)	8/13/2010	\$	1,000,000.00	1.38%	5 Years	5/13/2015	Semi-Annual
Fannie Mae Bond-Cusip #3136FPAB3 (2601 Acct.)	8/18/2010	\$	1,000,000.00	2.00%	5 Years	8/18/2015	Semi-Annual
Federal Farm Credit Bond-Cusip # 31331KLC2 (2601 Acct.)	5/16/2011	\$	500,000.00	2.25%	5 Years	5/16/2016	Semi-Annual
Called Fannie Mae Bond-Cusip #3136FRT94 (2601 Acct.)	9/14/2011	Trans to C. Schwab		1.50%	5 1/2 Years	9/14/2012	Semi-Annual
Called Freddie Mac Bond-Cusip #3134G2P48 (2601 Acct.)	9/28/2011	Trans to C. Schwab		1.40%	5 Years	9/28/2012	Semi-Annual
Fannie Mae Bond-Cusip #3135G0DU4 (2601 Acct.)	11/28/2011	\$	1,002,215.28	1.45%	Approx. 5 Years	10/3/2016	Semi-Annual
Federal Nat'l Mtg. Bond-Cusip #3136FTRQ4 (2601 Acct.)	12/14/2011	\$	1,000,000.00	1.50%	5 Years	12/14/2016	Semi-Annual
Freddie Mac Bond-Cusip #3134G3TM2 (2601 Acct.)	3/28/2012	\$	1,000,000.00	1.40%	5 Years	3/28/2017	Semi-Annual
Federal Nat'l Mtg. Bond-Cusip #3135G0HM8 (2601 Acct.)	3/8/2012	\$	1,000,000.00	1.20%	5 Years	3/8/2017	Semi-Annual
Freddie Mac Bond-Cusip #3134G3XG0 (2601 Acct.)	6/28/2012	\$	1,496,250.00	1.50%	7 Years	6/28/2019	Semi-Annual
Freddie Mac Bond-Cusip #3134G3XH8 (2601 Acct.)	6/28/2012	\$	1,500,000.00	1.13%	5 years	6/28/2017	Semi-Annual
Fannie Mae Bond-Cusip #3136G0NJ6 (2601 Acct.)	6/28/2012	\$	1,500,000.00	1.00%	4 1/2 Years	12/28/2016	Semi-Annual

CHARLES SCHWAB & MUTUAL SECURITIES, INC.

Federal Home Loan Bank Bond-Cusip #313371JQ0 (2601 Acct.)	1/19/2011	\$	1,886,805.56	3.76%	9 Years 10 mo	11/9/2020	Semi-Annual
Fannie Mae Bond-Cusip #3136FRB44 (2601 Acct.)	7/22/2011	\$	3,000,000.00	2.12%	5 Years	7/22/2016	Semi-Annual
Called Fannie Mae Bond-Cusip #3136FRU84 (2601 Acct.)	9/14/2011	Trans to C. Schwab		1.00%	10 Years	9/14/2012	Semi-Annual
Fannie Mae Bond-Cusip #3136FRV42 (2601 Acct.)	9/16/2011	\$	1,000,000.00	1.35%	5 Years	9/16/2016	Semi-Annual
Called Fannie Mae Bond-Cusip #3136FRW58 (2601 Acct.)	9/21/2011	Trans to C. Schwab		1.42%	5 Years	9/21/2012	Semi-Annual
Fannie Mae Bond-Cusip #3136FTCK3 (2601 Acct.)	10/26/2011	\$	1,000,000.00	0.75%	5 Years	10/26/2016	Semi-Annual
Fannie Mae Bond-Cusip #3136FTMD8 (2601 Acct.)	11/23/2011	\$	1,000,000.00	1.00%	5 Years	11/23/2016	Semi-Annual
Freddie Mac Bond-Cusip #3134G3FJ4 (2601 Acct.)	12/27/2011	\$	1,000,000.00	1.25%	4 1/2 years	6/27/2016	Semi-Annual
Fannie Mae Bond-Cusip #3136FTWF2 (2601 Acct.)	12/28/2011	\$	1,000,000.00	1.02%	5 Years	12/28/2016	Semi-Annual
Fannie Mae Bond-Cusip #3136FTVH9 (2601 Acct.)	12/28/2011	\$	1,000,000.00	1.50%	5 Years	12/28/2016	Semi-Annual
Federal Farm Credit Bond-Cusip # 3133EADU9 (2601 Acct.)	2/22/2012	\$	1,000,000.00	2.60%	10 Years	2/22/2022	Semi-Annual
Fannie Mae Bond-Cusip #3136FTS91 (2601 Acct.)	2/28/2012	\$	498,750.00	2.03%	8 Years	2/28/2020	Semi-Annual
Called Fannie Mae Bond-Cusip #3136FT4UO (2601 Acct.)	3/21/2012	Trans to C. Schwab		0.63%	4 Years	9/21/2012	Semi-Annual
Called Fannie Mae Bond-Cusip #3136FT5B1 (2601 Acct.)	3/28/2012	Trans to C. Schwab		1.00%	5 Years	9/28/2012	Semi-Annual
Fannie Mae Bond-Cusip #3136G0GN5 (2601 Acct.)	5/17/2012	\$	1,000,000.00	0.63%	5 Years	5/17/2017	Semi-Annual
Fannie Mae Bond-Cusip #3136GOHN4 (2601 Acct.)	5/21/2012	\$	1,000,000.00	1.00%	15 Years	5/21/2027	Semi-Annual
Fannie Mae Bond-Cusip #3136GOGX3 (2601 Acct.)	5/24/2012	\$	1,000,000.00	1.00%	4 Years 3 Mo.	8/24/2016	Semi-Annual
Fannie Mae Bond-Cusip #3136GOHC8 (2601 Acct.)	5/24/2012	\$	1,000,000.00	0.75%	5 Years	5/24/2017	Semi-Annual
Fannie Mae Bond-Cusip #3136G0TM3 (2601 Acct.)	8/3/2012	\$	500,194.44	2.00%	8 Years 10 Mo.	10/26/2021	Semi-Annual
Federal Home Loan Bank Bond-Cusip #313380D87 (2601 Acct.)	8/8/2012	\$	500,000.00	2.25%	10 Years	8/8/2022	Semi-Annual
Fannie Mae Bond-Cusip #3136G0VE8 (2601 Acct.)	8/20/2012	\$	992,000.00	2.33%	12 Years 3 Mo.	11/20/2024	Semi-Annual
Freddie Mac Bond-Cusip #3134G3A75 (2601 Acct.)	8/21/2012	\$	500,000.00	2.55%	13 Years 3 Mo.	11/21/2025	Semi-Annual
Freddie Mac Bond-Cusip #3134G3C32 (2601 Acct.)	8/22/2012	\$	998,000.00	1.53%	7 Years 3 Mo.	11/22/2019	Semi-Annual
New Federal Home Loan Bank Bond-Cusip #313380NB9 (2601 Acct.)	9/26/2012	\$	1,000,000.00	1.50%	10 Years	9/26/2022	Semi-Annual
New Federal Home Loan Bank Bond-Cusip #313380PA9 (2601 Acct.)	9/27/2012	\$	1,000,000.00	3.00%	15 Years	9/27/2027	Semi-Annual

SUB-TOTAL CHARLES SCHWAB

\$ 53,222,958.03

**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

CHARLES SCHWAB & SHEARSON FINANCIAL, LLC

	Federal Farm Credit Bond-Cusip #31331KLC2 (2601 Acct.)	5/16/2011	\$ 1,000,000.00	2.25%	5 Years	5/16/2016	Semi-Annual
	Freddie Mac Bond-Cusip #3134G24W9 (2601 Acct)	11/23/2011	\$ 1,997,700.00	2.54%	10 Years	11/23/2021	Semi-Annual
Called	Federal Home Loan Bank Bond-Cusip #313375GD3 LANB Pooled Cash Account #2601	9/16/2011	Trans to C. Schwab	2.43%	15 Years	9/16/2012	Semi-Annual
	Federal Farm Credit Bond-Cusip #31331KX62 LANB Pooled Cash Account #2601	11/29/2011	\$ 2,000,000.00	2.00%	6 Years	11/29/2017	Semi-Annual
	Fannie Mae Bond-Cusip #3136FTSH3 LANB Pooled Cash Account #2601	12/20/2011	\$ 999,240.00	1.33%	5 Years	12/20/2016	Semi-Annual
	Fannie Mae Bond-Cusip #3136FTUF4 LANB Pooled Cash Account #2601	12/28/2011	\$ 999,900.00	1.00%	15 Years	12/28/2026	Semi-Annual
	Federal Nat'l Mtg. Bond-Cusip #3136FTYW3 (2601 Acct.)	1/25/2012	\$ 868,686.30	1.32%	5 Years 9 Mo.	10/25/2017	Semi-Annual
	Federal Home Loan Mtg. Bond-Cusip #3134G3JV3 (2601 Acct.)	1/25/2012	\$ 1,995,000.00	2.59%	15 Years	1/25/2027	Semi-Annual
	Federal Home Loan Mtg. Bond-Cusip #3134G3JF8 (2601 Acct.)	1/25/2012	\$ 489,627.60	2.03%	10 years	1/25/2022	Semi-Annual
	Fannie Mae Bond-Cusip #3136FTZL6 (2601 Acct.)	1/25/2012	\$ 1,000,000.00	2.25%	15 Years	1/25/2027	Semi-Annual
	Freddie Mac Bond-Cusip #3134G3JF8 (2601 Acct.)	1/25/2012	\$ 1,000,000.00	2.00%	10 Years	1/25/2022	Semi-Annual
	Federal Farm Credit Bond-Cusip #3133EAE9 (2601 Acct)	2/22/2012	\$ 1,000,000.00	3.34%	15 Years	02/22/2027	Semi-Annual
	Freddie Mac Bond-Cusip #3134G3KZ2 (2601 Acct)	2/15/2012	\$ 559,395.20	2.04%	10 Years	2/15/2022	Semi-Annual
	Freddie Mac Bond-Cusip #3134G3KG4 (2601 Acct)	2/8/2012	\$ 1,999,500.00	1.15%	8 Years	1/30/2020	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313376YV1 (2601 Acct)	2/23/2012	\$ 997,500.00	1.10%	5 Years	2/23/2017	Semi-Annual
	Freddie Mac Bond-Cusip #3134G3PW4 (2601 Acct)	2/28/2012	\$ 1,000,000.00	2.25%	12 Years	2/28/2024	Semi-Annual
Called	Federal Home Loan Bank Bond-Cusip #313378L33 (2601 Acct.)	3/28/2012	Trans to C. Schwab	1.00%	6 Years	9/28/2012	Semi-Annual
Called	Federal Home Loan Bank Bond-Cusip #313378LF6 (2601 Acct.)	3/28/2012	Trans to C. Schwab	1.00%	6 Years	9/28/2012	Semi-Annual
	Fannie Mae Bond-Cusip #3136G0BL4 (2601 Acct.)	4/25/2012	\$ 1,000,000.00	3.00%	12 Years	10/25/2024	Semi-Annual
	Fannie Mae Bond-Cusip #3136FTQ77 (2601 Acct.)	5/14/2012	\$ 1,001,140.97	0.66%	5 Years 3 Mo.	8/21/2017	Semi-Annual
	Fannie Mae Bond-Cusip #3136G0DX6 (2601 Acct.)	5/14/2012	\$ 500,113.06	1.28%	15 Years	4/30/2027	Semi-Annual
	Freddie Mac Bond-Cusip #3134G3KE9 (2601)	5/14/2012	\$ 1,007,166.67	3.03%	19 Yrs. 8 Mo.	1/30/2032	Semi-Annual
Called	Federal Home Loan Bank Bond-Cusip #313378LK5 (2601 Acct.)	5/14/2012	Trans to C. Schwab	0.75%	4 Yrs. 10 Mo.	9/28/2012	Semi-Annual
	Fannie Mae Bond-Cusip #3136G0HJ3 (2601 Acct.)	5/21/2012	\$ 1,000,000.00	0.35%	3 Years	5/21/2015	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379H44 (2601 Acct.)	5/23/2012	\$ 1,000,000.00	0.70%	3 Years 6 Mo.	11/23/2015	Semi-Annual
	Fannie Mae Bond-Cusip #3136G0HU8 (2601 Acct.)	5/24/2012	\$ 1,998,000.00	2.03%	15 Years	5/24/2027	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379DA4 (2601 Acct.)	5/24/2012	\$ 1,000,000.00	1.00%	10 Years	5/24/2022	Semi-Annual
Called	Federal Home Loan Bank Bond-Cusip #313379HZ5 (2601 Acct.)	6/5/2012	Trans to C. Schwab	1.37%	5 Years 6 Mo.	9/28/2012	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379JL4 (2601 Acct.)	6/6/2012	\$ 1,000,000.00	1.55%	6 Years	6/6/2018	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379PG8 (2601 Acct.)	6/18/2012	\$ 99,774.00	1.00%	8 Years 6 Mo.	12/4/2020	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379PG8 (2601 Acct.)	6/18/2012	\$ 648,531.00	1.00%	8 Years 6 Mo.	12/4/2020	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379PG8 (2601 Acct.)	6/18/2012	\$ 249,375.00	1.00%	8 Years 6 Mo.	12/4/2020	Semi-Annual
	Freddie Mac Bond-Cusip #3134G3PT1 (2601 Acct.)	6/18/2012	\$ 1,000,526.67	0.37%	3 Years 8 Mo.	2/22/2016	Semi-Annual
	Fannie Mae Bond-Cusip #3136G0JN2 (2601 Acct.)	6/18/2012	\$ 1,000,087.22	0.53%	3 Years 5 Mo.	11/23/2015	Semi-Annual
	Fannie Mae Bond-Cusip #3136G0HR5 (2601 Acct.)	6/18/2012	\$ 999,944.44	1.04%	6 Years 5 Mo.	11/23/2018	Semi-Annual
	Fannie Mae Bond-Cusip #3136G0LQ2 (2601 Acct.)	6/18/2012	\$ 999,573.33	0.80%	5 Years	6/14/2017	Semi-Annual
Partial	Federal Home Loan Bank Bond-Cusip #313379PB9 (2601 Acct.)	6/18/2012	\$ 935,843.87	3.24%	15 Years	6/14/2027	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379TG4 (2601 Acct.)	6/28/2012	\$ 999,700.00	1.03%	10 Years	6/28/2022	Semi-Annual
	Federal Home Loan Bank-Bond-Cusip #313379U49 (2601 Acct.)	6/28/2012	\$ 998,990.00	1.42%	8 Years 6 Mo.	12/28/2020	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379TK5 (2601 Acct.)	6/28/2012	\$ 1,000,000.00	1.77%	7 Years	6/28/2019	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379TK5 (2601 Acct.)	7/5/2012	\$ 1,000,000.00	2.50%	10 Years	7/5/2022	Semi-Annual
	Federal Farm Credit Bond-Cusip #3133EAD39 (2601 Acct)	8/3/2012	\$ 1,000,126.67	2.28%	10 Years 6 Mo.	2/1/2023	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313380B30 (2601 Acct.)	8/15/2012	\$ 1,000,000.00	2.20%	10 Years	8/15/2022	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313380DJ3 (2601 Acct.)	8/22/2012	\$ 1,500,000.00	2.24%	10 Years	8/22/2022	Semi-Annual
	Federal Home Loan Mtg. Bond-Cusip #3134G3A75 (2601 Acct.)	8/21/2012	\$ 995,500.00	2.55%	13 Years 3 Mo.	11/21/2025	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313379YD5 (2601 Acct.)	8/7/2012	\$ 997,240.00	1.25%	12 Years 2 Mo.	10/25/2024	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313380D87 (2601 Acct.)	8/8/2012	\$ 997,510.00	2.25%	10 Years	8/8/2022	Semi-Annual
	Federal Nat'l Mtg. Bond-Cusip #3136G0VM0 (2601 Acct.)	8/7/2012	\$ 996,740.00	1.00%	7 Years	7/30/2019	Semi-Annual
	Federal Nat'l Mtg. Bond-Cusip #3136G0VP3 (2601 Acct.)	8/21/2012	\$ 1,000,000.00	0.50%	5 1/2 Years	2/21/2017	Semi-Annual
	Federal Nat'l Mtg. Bond-Cusip #3136G0VE8 (2601 Acct.)	8/20/2012	\$ 987,500.00	2.25%	12 Years 3 Mo.	11/20/2024	Semi-Annual
	Federal Nat'l Mtg Bond-Cusip #3136G0VZ1(2601 Acct.)	8/14/2012	\$ 999,450.00	0.63%	5 Years	8/14/2017	Semi-Annual
	Federal Nat'l Mtg. Bond-Cusip #3136G0XM8 (2601 Acct.) Wells Fargo Securities	8/28/2012	\$ 998,563.89	2.30%	10 Years	8/26/2022	Semi-Annual
	Federal Home Loan Bank Bond-Cusip #313380B89 (2601 Acct.) Wells Fargo Securities	8/28/2012	\$ 1,000,333.33	1.00%	10 Years	8/16/2022	Semi-Annual
New	Federal Home Loan Bank Bond-Cusip #313380MQ7 (2601 Acct.) Wells Fargo Securities	9/10/2012	\$ 999,500.00	1.63%	7 Years	9/10/2019	Semi-Annual
New	Federal Farm Credit Bond-Cusip #3133EA2Q0 (2601 Acct.)	9/27/2012	\$ 1,000,000.00	2.07%	9 Years	9/27/2021	Semi-Annual
New	Federal Home Loan Bank Bond-Cusip 313380SY4 (2601 Acct.)	9/27/2012	\$ 1,000,000.00	1.50%	15 Years	9/27/2027	Semi-Annual

TOTAL GOVERNMENT AGENCIES (BONDS) AND TREASURY BILLS

\$ 106,039,837.25

**SANTA FE COUNTY
TREASURER'S PORTFOLIO REPORT**

LOCAL GOVERNMENT INVESTMENT POOL	BALANCE DATE	CURRENT LGIP BALANCES	OLD 5/31/2012 POOL CONT. RESERVE FUND BALANCE	6/30/2012 POOL CONT. REDUCTION IN FUND BALANCE	NEW 6-30-2012 POOL CONT. RESERVE FUND BALANCE
Santa Fe County Treasurer-Account #7081-1326 Pool Cash	9/30/2012	\$ 121.01	\$57,452.40	\$47,828.46	\$9,624.04
Santa Fe County Treasurer-Account #7574-2902 Fire Protect Rev. Bond	9/30/2012	\$ 3.93	\$249.21	\$207.46	\$41.75
Santa Fe County Treasurer-Account #7579-2971	9/30/2012	\$ 37.19	\$3,845.83	\$3,201.60	\$644.23
Santa Fe County Treasurer-Account #7580-2972	9/30/2012	\$ 16.12	\$1,593.84	\$1,326.85	\$266.99
Santa Fe County Treasurer-Account #7724-4186 SFC 2001A GOB	9/30/2012	\$ 22.99	\$10,230.58	\$8,516.82	\$1,713.76
Santa Fe County Treasurer-Account #7765-5257	9/30/2012	\$ 37.53	\$3,909.53	\$3,254.64	\$654.89
Santa Fe County Treasurer-Account #7813-9104 SFC 2005A GOB	9/30/2012	\$ 32.67	\$13,868.25	\$11,545.14	\$2,323.11
Santa Fe County Treasurer-Account #7832-10580 SFC 2007A GOB	9/30/2012	\$ 143.63	\$66,394.77	\$55,272.77	\$11,122.00
Santa Fe County Treasurer-Account #7864-11172 SFC 2007B GOB	9/30/2012	\$ 30.33	\$14,129.08	\$10,925.09	\$3,203.99
Santa Fe County Treasurer-Account #7885-11608 SFC Affordable Housing Fund	9/30/2012	\$ 10.77	\$4,544.70	\$3,783.40	\$761.30
Santa Fe County Treasurer-Account #7904-12031 2008 GRT Judicial Rev. Bond	9/30/2012	\$ 184.20	\$95,646.02	\$73,134.17	\$22,511.85
Santa Fe County Treasurer-Account#7908-12101Phase II GOB Buckman Proj.	9/30/2012	\$ 0.05	\$0.00	\$0.00	\$0.00
Total LGIP Investments as of September 30, 2012		\$ 640.42	\$271,864.21	\$218,996.40	\$52,867.91
<i>Add Charles Schwab Money Market #3820 Acct. 09/30/2012</i>		\$ -			
<i>Add Charles Schwab Money Market #2601 Acct. 09/30/2012</i>		\$ 23,001,512.73			
<i>Add Charles Schwab Money Market #3823 Acct. 09/30/2012</i>		\$ 95.50			
<i>Add Charles Schwab Money Market #1921 Acct. 09/30/2012</i>		\$ 3,441,605.07			
<i>Add Charles Schwab Money Market #9220 Acct. 09/30/2012</i>		\$ 534,089.72			
<i>Add Charles Schwab Money Market # 0920 Acct. 09/30/2012</i>		\$ 3,759,854.15			
Money Market Sub-Total All Investments as of September 30, 2012		\$ 30,737,157.17			
Los Alamos National Bank Cash Balance as of September 30, 2012		\$ 9,608,467.25			
Estimated Grand Total All Investments & Cash Balance September 30, 2012		\$ 174,851,840.36			

**SANTA FE COUNTY
TREASURER'S INVESTMENT PORTFOLIO**

ASSET CLASSIFICATION	ITEMS	YIELDS	PRINCIPAL
<u>OPERATIONS ACCOUNT #2601</u>			
FEDERAL FARM CREDIT BONDS	7	2.00%-3.34%	\$7,500,126.67
FEDERAL NATIONAL MORTGAGE	8	0.50-2.25%	\$7,850,940.19
FEDERAL HOME LOAN BANK	26	.70%-3.76%	\$25,291,230.36
FANNIE MAE BONDS	28	.35%-3.00%	\$29,990,258.74
FREDDIE MAC BOND	16	0.37%-3.03%	\$17,708,056.04
U.S. TREASURY BILLS	0	0.000%	\$0.00
FHLB U.S. DISCOUNT NOTES	0	0.000%	\$0.00
SCHWAB U.S. TREASURY MONEY MARKET	1	0.01%	\$23,001,512.73
SUB-TOTAL FOR OPERATIONS	86		\$111,342,124.73
<u>GOB 2011 REFUNDING #0920</u>			
FHLB U.S. DISCOUNT NOTES	3	0.122%-.173%	\$5,992,882.22
FREDDIE MAC BOND	0	0.00%	\$0.00
FEDERAL HOME LOAN BANK	0	0.00%	\$0.00
FEDERAL FARM CREDIT	0	0.00%	\$0.00
SCHWAB U.S. TREASURY MONEY MARKET	1	0.01%	\$3,759,854.15
U.S. TREASURY BILLS	7	0.061%-0.155	\$3,250,000.00
SUB-TOTAL FOR GOB 2011	11		\$13,002,736.37
<u>GOB 2007 A ACCOUNT #3823</u>			
FEDERAL HOME LOAN MORTGAGE	0	0.00%	\$0.00
FEDERAL HOME LOAN BANK	0	0.00%	\$0.00
U.S. DISCOUNT NOTES	5	0.29%-0.72%	\$1,459,901.92
SCHWAB U.S. TREASURY MONEY MARKET	1	0.01%	\$95.50
SUB-TOTAL FOR GOB 2007 A	6		\$1,459,997.42
<u>GRT 2008 JRB ACCOUNT #1921</u>			
U.S. TREASURY BILLS	0	0	\$0.00
FHLB U.S. DISCOUNT NOTES	4	0.122%-0173%	\$6,996,441.11
FANNIE MAE BONDS	0	0.00%	\$0.00
FEDERAL HOME LOAN BANK	0	0.00%	\$0.00
SCHWAB U.S. TREASURY MONEY MARKET	1	0.01%	\$3,441,605.07
SUB-TOTAL FOR GRT 2008 JRB	5		\$10,438,046.18
<u>GRT 2010 A&B ACCOUNT #9220</u>			
U.S. TREASURY BILLS	0	0.00%	\$0.00
U.S. DISCOUNT NOTES	0	0.00%	\$0.00
SCHWAB U.S. TREASURY MONEY MARKET	1	0.01%	\$534,089.72
SUB-TOTAL FOR GRT 2010 A&B	1		\$534,089.72
GRAND TOTAL CHARLES SCHWAB			\$136,776,994.42

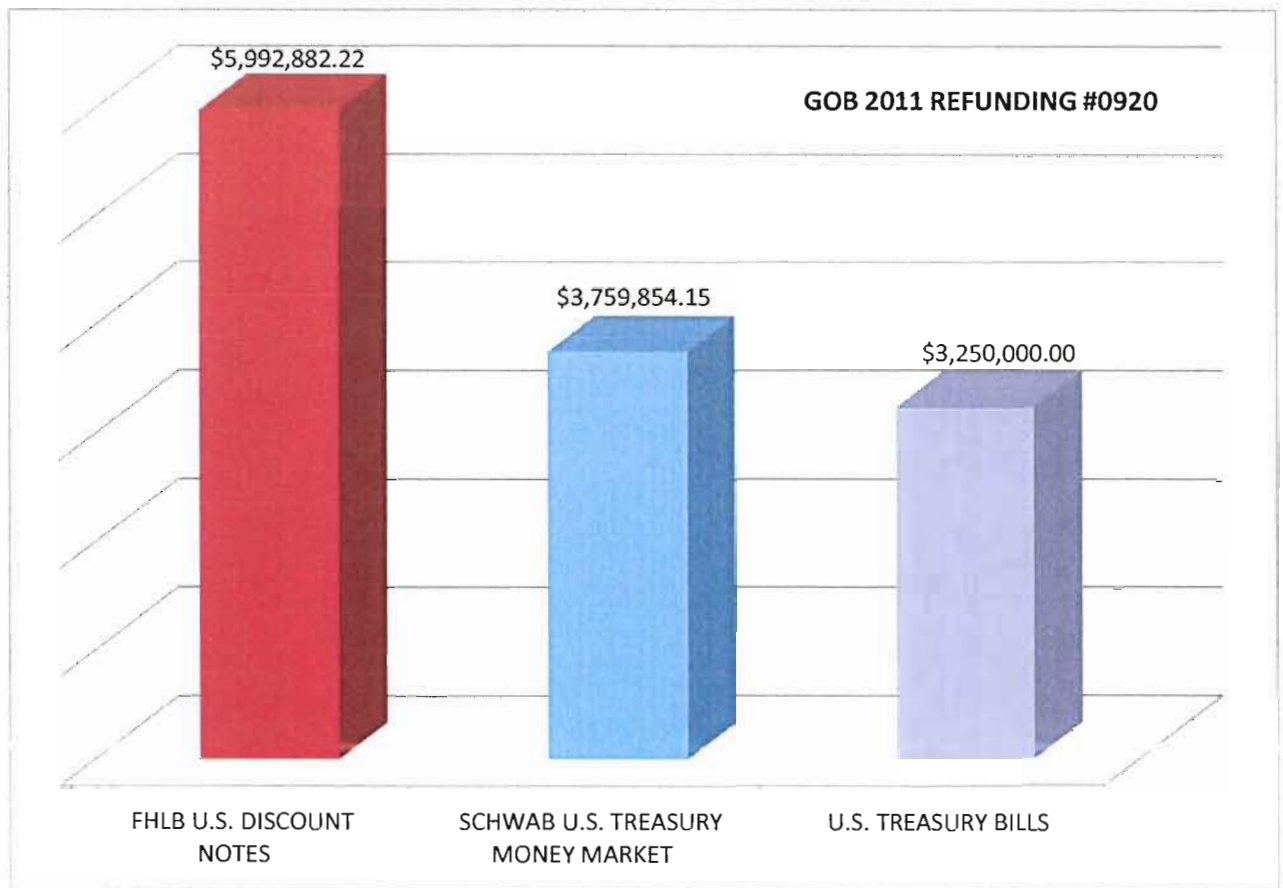
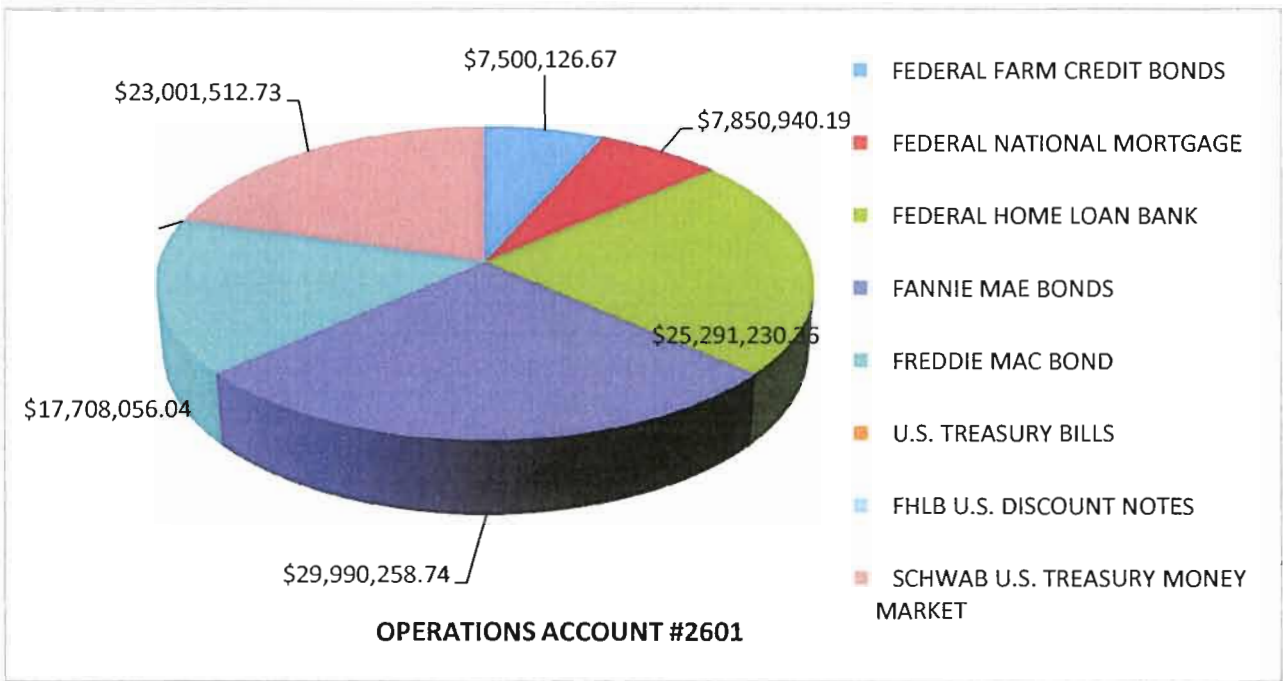
SFC CLERK RECORDED 12/05/2012

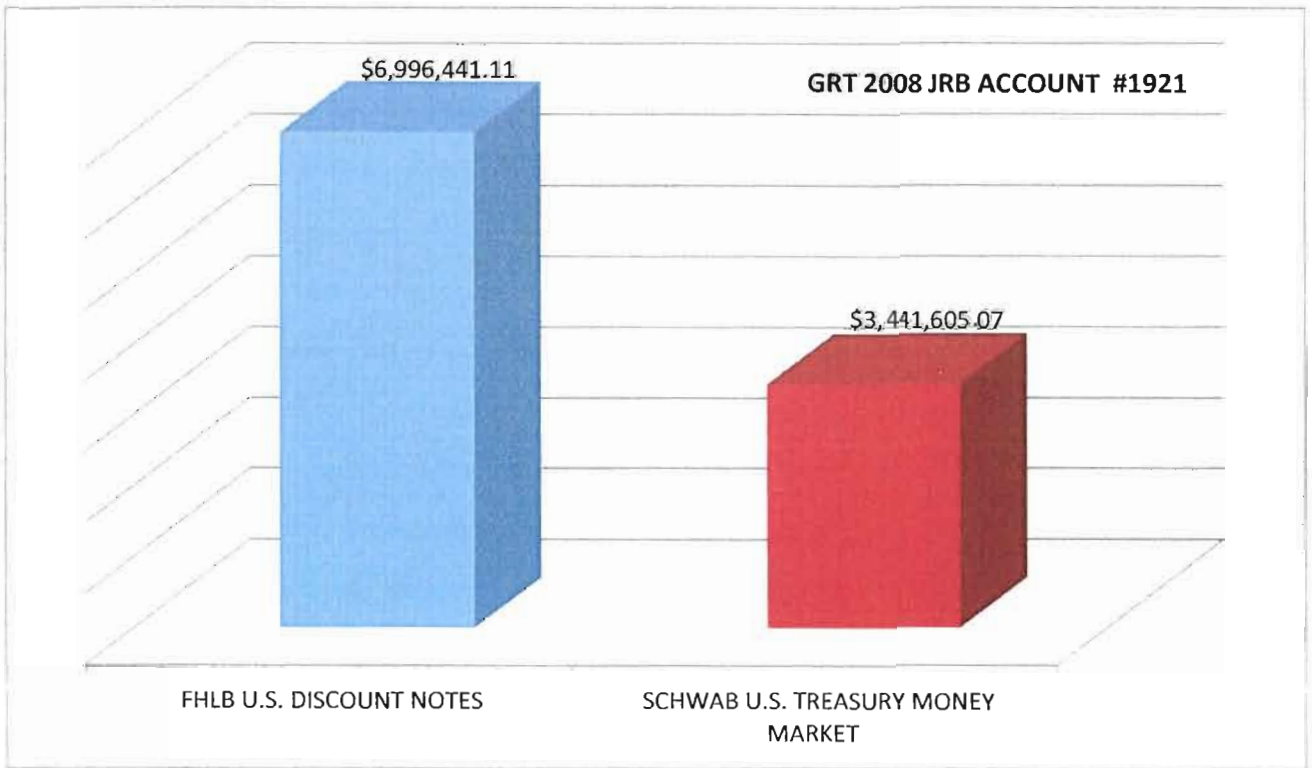
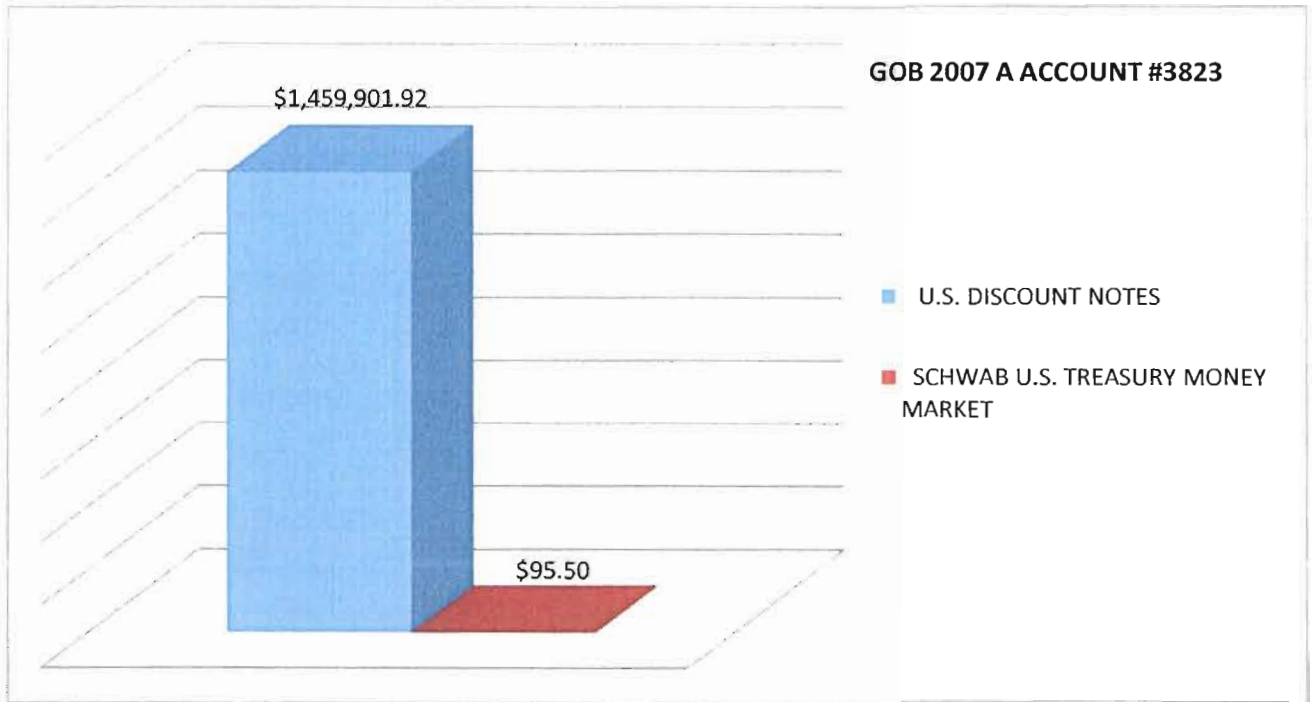
LOS ALAMOS NATIONAL BANK

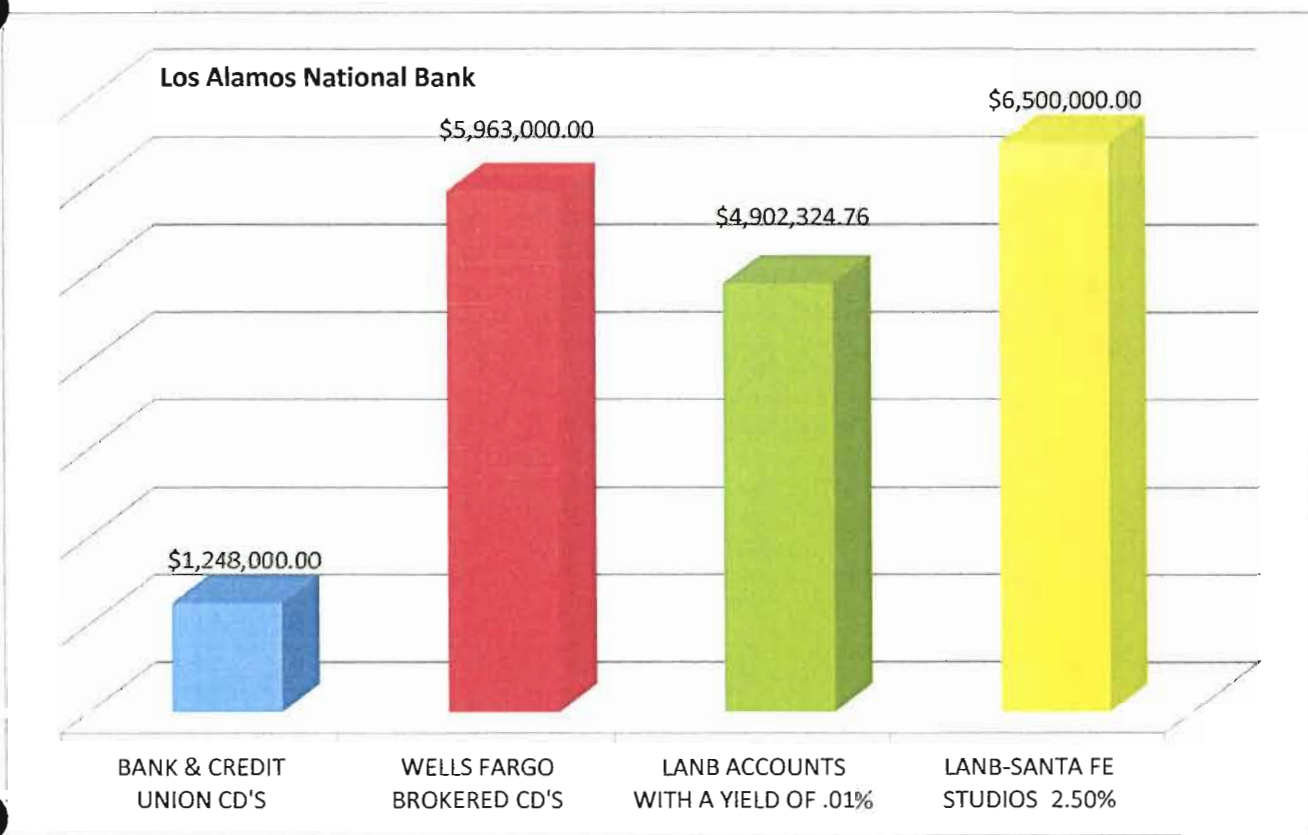
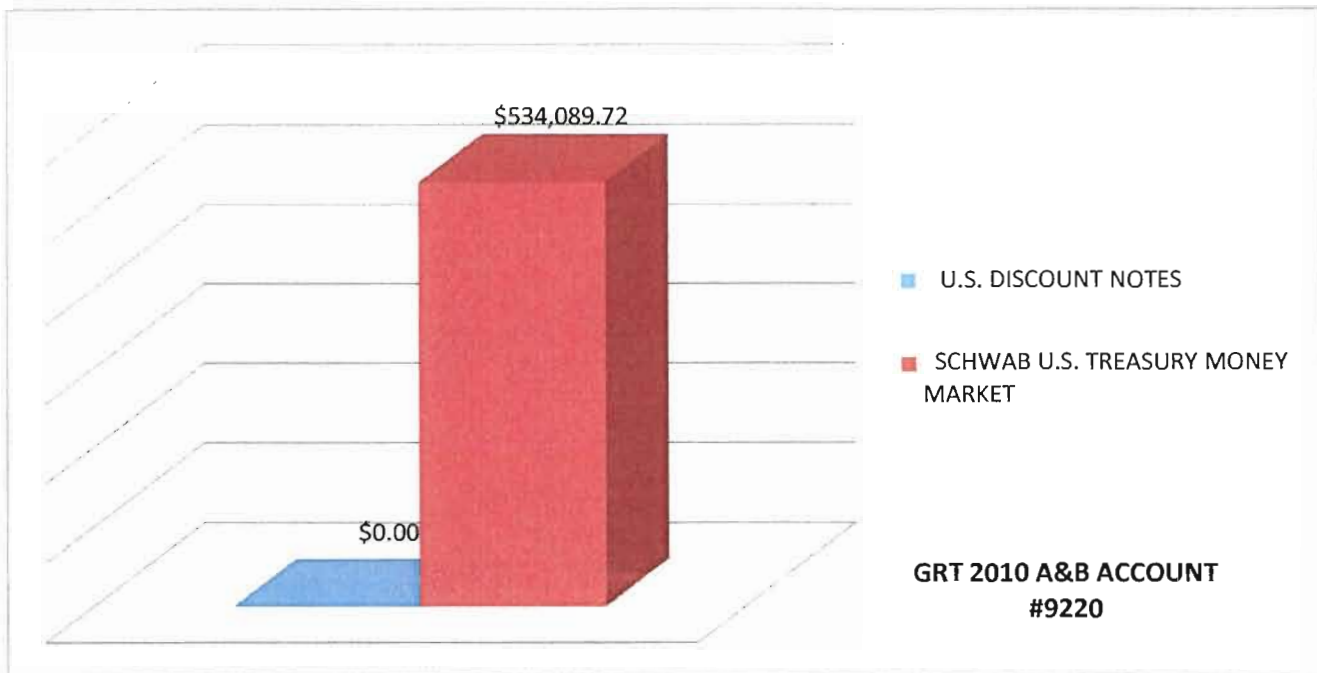
BANK & CREDIT UNION CD'S	5	0.40%-1.34%	\$1,248,000.00
WELLS FARGO BROKERED CD'S	27	.35%-4.25%	\$5,963,000.00
LANB ACCOUNTS WITH A YIELD OF .01%	16	0.01%	\$4,902,324.76
LANB-SANTA FE STUDIOS 2.50%	1	2.50%	\$6,500,000.00
TOTAL CD'S & SAVINGS ACCOUNTS	49		\$18,613,324.76
LANB VARIOUS OPERATIONS ACCOUNTS	2	0.50%	\$9,836,790.66
FIRE DEPARTMENT ACCOUNT	1	0.00%	\$2,000.00
COUNTY MANAGER'S ACCOUNT	1	0.00%	\$1,000.00
SFC REGION III HIDTA ACCOUNT	1	0.00%	\$11,913.65
SFC REGION III JAG ACCOUNT	1	0.00%	\$709.20
OTHER LANB CASH BALANCES	13	0.50%	\$9,608,467.25
TOTAL OTHER ACCOUNTS	19		\$19,460,880.76
STATE TREASURER LGIP ACCOUNTS	12	VARIOUS	\$640.42
GRAND TOTAL ALL ACCOUNTS			\$174,851,840.36

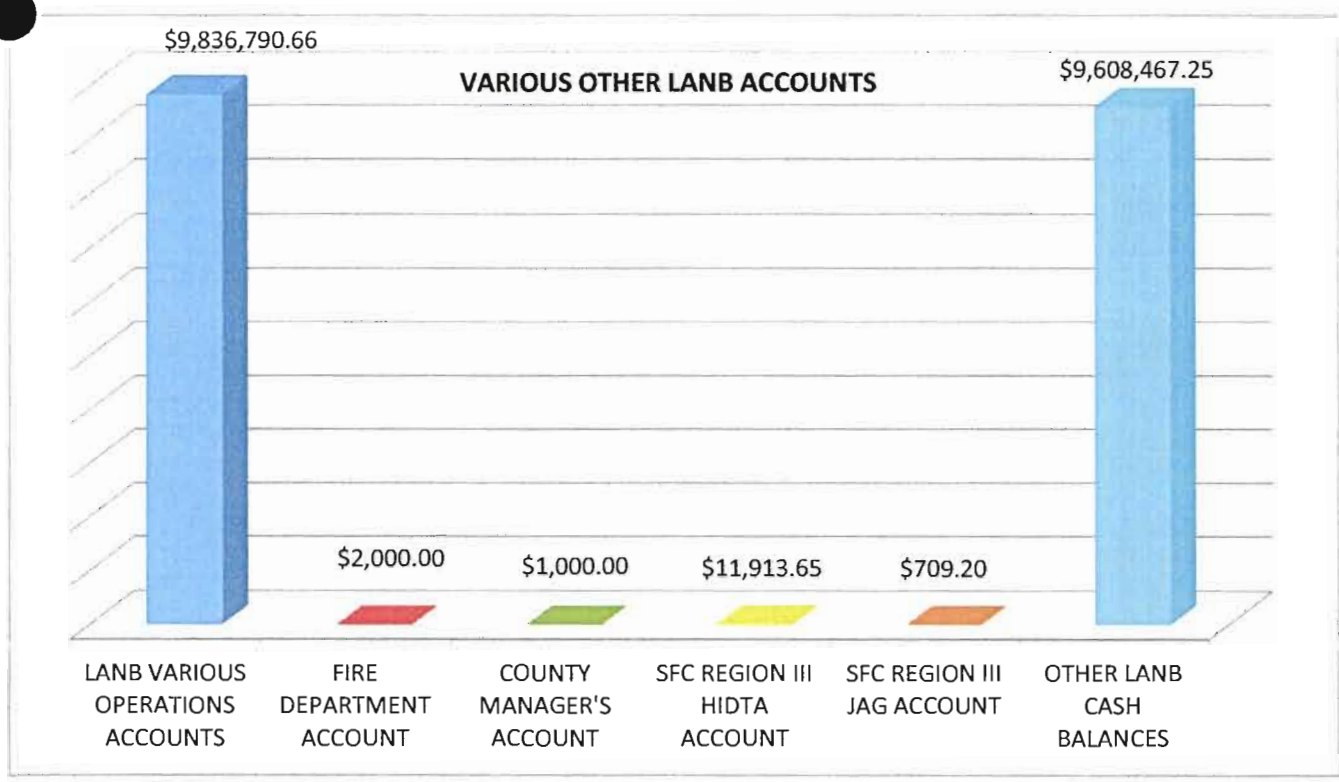
Date: September 30, 2012

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THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

RESOLUTION NO. 2012-_____

**A RESOLUTION AMENDING THE SANTA FE COUNTY
INVESTMENT POLICY AND ESTABLISHING THE SANTA FE COUNTY
INVESTMENT COMMITTEE; PROVIDING RULES AND POLICIES FOR
DEPOSITORY FINANCIAL INSTITUTIONS AND CUSTODIAL BANKS;
ESTABLISHING INVESTMENT OBJECTIVES AND IDENTIFYING
PERMISSIBLE INVESTMENTS; PROVIDING FOR SECURITY OF
INVESTMENTS AND DEPOSITS; PROVIDING FOR EQUITABLE
DISTRIBUTION OF INTEREST BEARING ACCOUNTS; RESCINDING
PREVIOUS RESOLUTIONS**

BE IT RESOLVED, AS FOLLOWS:

I. SCOPE

This Investment Policy ("the Policy" or "this Policy") governs the investment activities of the County of Santa Fe ("County"), establishes the Santa Fe County Investment Committee ("the County Investment Committee"), and applies to investment of funds held by the County Treasurer ("the Treasurer").

II. GENERAL STATEMENT OF STATUTORY RESPONSIBILITY

A. The Board of County Commissioners of the County of Santa Fe ("BCC"), acting as the Santa Fe County Board of Finance ("the Board of Finance"), is charged with the ultimate supervision and control of all County funds pursuant to NMSA 1978, §§ 6-10-8 (1987), 6-10-10 (2003), 6-10-35(G)(1987). Among other things, the Board of Finance has the statutory duty to:

1. select financial institutions for the deposit of County funds;
 2. set the collateral requirements for such depository financial institutions;
- and
3. select financial institutions to act as custodians for the collateral required of depository financial institutions.

B. Pursuant to NMSA 1978, §§ 4-43-2 (2001), 6-10-8, and 6-10-10, the Treasurer has the statutory responsibility for the day-to-day management of County deposits and investments, subject to approval of the Board of Finance. In furtherance of this duty, the Treasurer must maintain accurate books and records of deposits and investments, which must be reported and approved by the Board of Finance on a regular basis.

REC'D CLERK RECORDED: 12/05/2012

C. Pursuant to NMSA 1978, §§ 6-10-10 and 6-10-31 (1987), the Board of Finance and the Treasurer have responsibility over the selection of:

1. investment strategies for County funds that are not required to meet the County's immediate cash flow needs; and
2. suitable securities and other investment products.

D. The Santa Fe County Clerk ("the County Clerk") is *ex officio* Clerk of the BCC when the BCC is acting as the Board of Finance as set forth in NMSA 1978, § 6-10-8.

III. INVESTMENT OBJECTIVE

A. The paramount objective of this Policy is to preserve and protect County funds while earning a market rate of interest on all money that it is not immediately required to meet the County's cash flow needs. Toward that end, the County's goal is for all money that is not necessary to meet the County's immediate operational requirements to be fully invested in investments authorized by Section VII of this Policy or such other investments specifically permitted by this Policy as the County Board of Finance may expressly authorize in advance by resolution.

B. Prudent investing requires that the County Board of Finance, the County Investment Committee, and the Treasurer work closely together on an on-going basis. The County Board of Finance, the County Investment Committee, and the Treasurer must also have an accurate assessment of the County's current and future cash flow needs. This requires close coordination between the Treasurer and the County Finance Director ("Finance Director"), among other people. To achieve these goals, there is hereby created the County Investment Committee, comprised of the members and charged with the duties set forth in Section VI of this Policy. In addition, the BCC shall convene as the County Board of Finance at least once per quarter.

IV. DEFINITIONS

A. "BCC" means the Board of County Commissioners of the County of Santa Fe.

B. "CD" means Certificate of Deposit.

C. "Collateral" means the following securities and financial obligations eligible to serve as collateral for deposits of public money under NMSA 1978, §§ 6-10-16 (2000) and 6-10-16.1 (2001):

1. Securities of the United States, its agencies or instrumentalities;
2. Securities of the State of New Mexico, its agencies, instrumentalities,

counties, municipalities or other subdivisions;

3. Securities, including student loans, that are guaranteed by the United States or the State of New Mexico;

4. Revenue bonds that are underwritten by a member of the national association of securities dealers, known as "N.A.S.D.," and are rated "BAA" or above by a nationally recognized bond rating service;

5. Letters of credit issued by a federal home loan bank.

D. "County" means Santa Fe County.

E. "County Board of Finance" means the BCC acting as the County Board of Finance pursuant to NMSA 1978, Chapter 6, Article 10.

F. "County Clerk" means the Santa Fe County Clerk.

G. "Custodial Bank" means a bank that is designated by the Board of Finance as a custodial bank pursuant to Section XI of this policy, performing the functions specified for a custodial bank pursuant to Section XI.

H. "Depository Financial Institution" means a Financial Institution designated by the County Board of Finance as qualified to receive deposits of County funds in accordance with this Policy.

I. "Equitable Distribution" means the portion of the County's interest-bearing deposits that a Depository Financial Institution is eligible to receive under Section VIII of this Policy.

J. "FDIC" means the Federal Deposit Insurance Corporation.

K. "Federal Insurance" means deposit insurance provided to Financial Institutions by the FDIC, NCUA, or other United States agency.

L. "Finance Director" means the Santa Fe County Finance Director.

M. "Financial Institution" means any bank, savings and loan association, or credit union whose deposits are insured by an agency of the United States and that has its main office or a manned branch office located within Santa Fe County.

N. "County Investment Committee" of "Investment Committee" means the committee comprised of the members and charged with the duties set forth in Section VI of this Policy.

O. "Local Government Investment Pool" means the investment pool of that

name administered by the New Mexico State Treasurer.

P. "NCUA" means the National Credit Union Administration.

Q. "Risk Assessment" means the Treasurer's assessment of a Financial Institution's fitness to be a Depository Financial Institution or a bank's fitness to be a Custodial Bank. The Treasurer makes this assessment based upon the uniformly applied financial criteria set forth in this Policy.

R. "Risk Classification" means the classification assigned to a Depository Financial Institution as part of the Treasurer's Risk Assessment. A Financial Institution that fails to maintain a required ratio shall be automatically reclassified into the next lower Risk Classification. A Financial Institution that fails to meet any risk classification may not be designated or continue as a Depository Financial Institution for any amount in excess of its Federal Insurance. The Risk Classifications are as follows:

1. "CLASS A" means a Depository Financial Institution with all of the following financial ratios:

- (a) a primary capital to asset ratio, as defined by the FDIC, of 6.1 percent or greater;
- (b) a net income after taxes to average asset ratio of .61 percent or greater for the current and previous three quarters; and
- (c) a ratio of non-performing loans to primary capital ratio of 34.9 percent or less, where non-performing loans are defined as at least 90 days past due.

2. "CLASS B" means a Depository Financial Institution with all of the following financial ratios:

- (a) a primary capital to asset ratio, as defined by the FDIC, of at least 5 percent;
- (b) a net income after taxes to average asset ratio of at least .51 percent for the current and previous three quarters; and
- (c) a ratio of non-performing loans to the bank's primary capital of no more than 49.9 percent, where non-performing loans are defined as at least 90 days past due.

3. "CLASS C" means a Depository Financial Institution with any one of the following financial ratios:

- (a) a primary capital to asset ratio, as defined by the FDIC, of less than 5 percent;

(b) a net income to average asset ratio less than .51 percent for the current and previous three quarters; or

(c) a ratio of non-performing loans to the bank's primary capital of greater than 49.9 percent, where non-performing loans are defined as at least 90 days past due.

4. "CLASS D" means a Depository Financial Institution with any two of the following financial ratios:

(a) a primary capital to asset ratio, as defined by the FDIC, of less than 2 1/2 percent;

(b) a net income to average asset ratio of less than .10 percent for the current and previous three quarters; or

(c) for any two consecutive quarters during the past 12 months, a ratio of non-performing loans to the bank's primary capital of greater than 67 percent, where non-performing loans are defined as at least 90 days past due.

S. "Surety Bond" means a surety bond offered by a Depository Financial Institution as security for County funds. To qualify as security, Surety Bonds must comply with Section X.C of this Policy.

T. "Treasurer" means the Santa Fe County Treasurer.

V. COUNTY BOARD OF FINANCE MEETINGS AND REQUIRED RECORD KEEPING

A. County Board of Finance Meetings. In order to discharge its statutory responsibilities, the BCC shall convene as the Board of Finance at least quarterly **[eliminate requirement that meeting be held during administrative meeting]**. The Chair of the BCC, who shall also serve as the Chair of the Board of Finance, may order additional meetings of the Board of Finance whenever, in the Chair's opinion, such meetings are necessary and shall order such meetings whenever requested to do so by two commissioners of the BCC. A majority of the BCC, meeting as the Board of Finance, shall constitute a quorum for the transaction of business. NMSA 1978, § 6-10-8.

B. Investment Oversight. At a meeting of the Board of Finance, the Treasurer shall present a detailed report concerning the County's current investments. That report shall include, but not be limited to, the following:

1. The total amount of County funds, broken out by the amount and type of account or investment (e.g., checking accounts -- \$500,000, CD's -- \$500,000, etc.);

2. The cost basis and market value of each security as well as the amount

invested in each type of security;

3. The portfolio's maturity schedule, yields, and cash flow;
4. All transactions that occurred during the reporting period; and
5. All realized gains or losses.

In addition, the Finance Director shall present a detailed report of the County's cash flow requirements for the foreseeable future, and the Treasurer shall present an investment plan for the foreseeable future. The Board of Finance shall approve or disapprove of the Treasurer's investment plan. If it disapproves, it shall specify the portions of the plan that it finds objectionable and recommend appropriate changes to address its objections. At that or a subsequent meeting, the Treasurer may submit a revised plan for approval that incorporates the recommendations of the Board of Finance or that otherwise addresses its objections.

C. Depository Financial Institution and Custodial Bank Oversight. At its quarterly meeting, the Board of Finance shall consider (i) the application of any Financial Institution interested in becoming a Depository Financial Institution or of any bank interested in becoming a Custodial Bank, and (ii) when requested to do so by the Treasurer, the continued fitness of a Depository Financial Institution or Custodial Bank to serve in such capacity. In exercising its statutory duties in this regard, the County Board of Finance shall consider, among other factors, the following:

1. the Risk Assessment of the Financial Institution;
2. the business reputation of the Financial Institution;
3. the Financial Institution's compliance with this Policy;
4. the Financial Institution's compliance with its contractual obligations to the County;
5. the Financial Institution's willingness to pay the statutory minimum amount of interest on interest-bearing accounts, as set forth in NMSA 1978, §§ 6-10-30 (2001) and 6-10-36(E) (1997); and
6. the Treasurer's recommendation.

D. Required Records. The Treasurer shall require duplicate receipts or deposit slips be given for each deposit of County funds. NMSA 1978, § 6-10-10(D) (2003). In addition, Depository Financial Institutions shall, on the first day of each month, deliver to the Treasurer two itemized statements concerning County accounts, which shall show the daily balance of the account(s) for the preceding month and accrued interest. NMSA 1978, § 6-10-29(A) (1987). The Treasurer shall maintain one copy of the receipts,

deposit slips, and statements; the other copy shall be filed with the Clerk on the first day of each month. If the first day of the month falls on a weekend or legal holiday, the delivery and filing required under this subsection shall take place on the next business day that is not a legal holiday.

VI. COUNTY INVESTMENT COMMITTEE

A. Statement of Purpose. Prudent investing requires that the Board of Finance and Treasurer, among other people, work closely together on an on-going basis. For instance, the Board of Finance, the County Investment Committee and the Treasurer must have an accurate assessment of the County's current and future cash flow needs from the Finance Department. Likewise, the County Attorney's Office must be closely involved with investment decisions so as to stay apprised of and answer any legal issues that may arise. The County Investment Committee created by this Section shall have primary responsibility for ensuring the on-going, interdepartmental coordination that is a prerequisite for the prudent investment of County funds.

B. Investment Committee Members. The members of the County Investment Committee shall be:

1. the Chair of the Board of Finance or designee;
- 2. the Vice Chair of the Board of Finance or designee;**
3. the County Manager or designee;
4. the Treasurer or designee;
5. the Finance Director or designee;
6. the County Attorney or designee; **and**
- 7. a non-County employee nominated by the Treasurer and appointed by the Investment Committee.**

C. Investment Committee Meetings. The County Investment Committee shall meet as frequently as necessary to fulfill its purpose but in no event less than once per month. At its meetings, the Finance Director shall advise the Investment Committee of the County's cash flow requirements for the foreseeable future. The Treasurer shall update the Investment Committee on the County's current investments, including their yield and maturity dates. The Treasurer shall also advise the Investment Committee of the investment strategy for the foreseeable future, taking into account the County's projected cash flow requirements. The Investment Committee shall recommend such adjustments to the Treasurer's investment strategy as are necessary to maximize the income earned on County money while ensuring that the County has sufficient liquid funds available to meet its financial obligations as they come due.

VII. PERMITTED INVESTMENTS

A. Subject to the oversight of the Board of Finance and this Policy, the Treasurer is authorized to invest County funds in the following:

1. the Local Government Investment Pool, so long as such investments do not exceed the total sum of **One Million Dollars (\$1 million)** and so long as funds invested are general fund proceeds and not bond proceeds;

2. interest bearing accounts as well as CDs and other time deposits with Depository Financial Institutions;

3. bonds, notes, or other debt securities issued by and backed by the full faith and credit of the United States;

4. bonds, notes, or other debt securities that are direct obligations of the federal home loan mortgage association, the federal national mortgage association, the federal farm credit bank, or the student loan marketing association and either (i) backed by the full faith and credit of the United States or (ii) rated at least Aaa or AAA by Moody's Investors Service, Inc. or Standard & Poor's; and

5. in an investment company described in NMSA 1978, § 6-10-G(1) for a temporary period while funds for being held for future investment, if no other financial institution is able to accept such funds and such funds are not immediately necessary for public use. NMSA 1978, §§ 6-10-10(A)-(B) (2003), 6-10-10(F)(2), 6-10-10(G)(3), 6-10-31, and 6-10-36(C)-(D) (1997).

B. The Treasurer is prohibited from investing County funds in any other security, bond, or other investment product unless the County Board of Finance authorizes such investment in advance by resolution. Furthermore, absent exceptional circumstances or an order of the Board of Finance, the Treasurer shall hold investments until maturity.

VIII. EQUITABLE DISTRIBUTION OF INTEREST-BEARING DEPOSITS

A. Statement of Policy. In accordance with NMSA 1978, § 6-10-36 (1997), the County's policy is to equitably distribute its interest-bearing deposits among interested and qualified Financial Institutions who have their main office or manned branch offices within Santa Fe County. To be eligible for an Equitable Distribution, a Financial Institution must be designated by the County Board of Finance as a Depository Financial Institution in accordance with, and otherwise comply with, this Policy. The Treasurer, however, is not obligated to invest County funds in any interest-bearing accounts or to maintain any particular level of interest-bearing deposits. Furthermore, as set forth in Section VIII.E, the County's equitable distribution policy must yield to the paramount goal of the prudent management of County funds whenever necessary.

B. Calculating a Depository Financial Institution's Equitable Distribution of County's Interest-Bearing Deposits. The basic formula for calculating a Depository Financial Institution's equitable share of the County's interest-bearing deposits is as follows: (a) Equitable Distribution equals (b) County's interest-bearing deposits for upcoming quarter multiplied by (c) the Financial Institution's net worth divided by (d) the total net worth of all Depository Financial Institutions); i.e., $a=b(c/d)$. Each of these variables shall be derived as follows:

1. On a quarterly basis, the Treasurer shall determine the amount of County funds to be invested in interest-bearing accounts for the upcoming quarter. For purposes of this Section, interest-bearing accounts include CDs and other time deposits. 1987 N.M. Op. Att'y Gen. No. 87-50.

2. A Depository Financial Institution's net worth shall be calculated in accordance with NMSA 1978, § 6-10-36(C) and applicable rules promulgated by the Financial Institutions Division of the Regulation and Licensing Department; viz., NMAC 12.16.3. The net worth of a Depository Financial Institution shall be calculated based upon the sum of the deposits of its main office (if any) and all of its manned branches (if any) located within the County of Santa Fe. For example, if a Depository Financial Institution has its main office and two manned branches within the County of Santa Fe, each with \$1 million in deposits, the total deposits of the Depository Financial Institution for purposes of calculating its net worth would be \$3 million.

3. The total net worth of all Depository Financial Institutions means the combined net worth of all Depository Financial Institutions. For example, if there were three Depository Financial Institutions, each with a net worth of \$200,000, the total net worth of all Depository Financial Institutions would be \$600,000. Consequently, each Depository Financial Institution would be eligible to receive one-third of the County's interest-bearing deposits for the coming quarter.

C. Necessary Reductions to and Forfeiture of Equitable Distributions. A Depository Financial Institution's Equitable Distribution shall be reduced as necessary in the following situations:

1. Equitable Distribution Exceeds Security. If the Depository Financial Institution lacks sufficient Federal Insurance, Surety Bonds, or Collateral to secure the full amount of its Equitable Distribution at the level required by this Policy, the Treasurer shall give the Depository Financial Institution the opportunity to provide the necessary additional Surety Bonds or Collateral. Should the Depository Financial Institution fail to do so within ten (10) calendar days, its Equitable Distribution shall be reduced to the amount that can be secured in accordance with this Policy.

2. Credit Unions. By law, the County may only deposit money with credit unions "to the extent such deposits are insured by an agency of the United States." NMSA 1978, § 6-10-36(D). Accordingly, should a credit union Depository Financial Institution's Equitable Distribution exceed the amount of Federal Insurance available for

County deposits, its Equitable Distribution shall be reduced to the amount that is fully insured.

3. Failure to Pay Statutory Minimum Amount of Interest. A Depository Financial Institution that refuses to pay the statutory minimum amount of interest at the time of deposit forfeits its right to an Equitable Distribution. NMSA 1978, § 6-10-36(E).

D. Redistribution of Reduced and Forfeited Equitable Distributions.

1. Should a Depository Financial Institution's Equitable Distribution be reduced or forfeited as provided in Sections VIII.C(1)-(3), the forfeited or reduced amount shall be redistributed amongst the remaining Depository Financial Institutions eligible to receive additional County deposits. Such redistribution shall be done in accordance with the formula set forth in Section VIII.B; provided, however, that formula variables (b) and (d) shall be derived as follows:

i. For (b), the County's interest-bearing deposits for upcoming quarter shall mean the forfeited or reduced amounts to be redistributed.

ii. For (d), the total net worth of all Depository Financial Institutions shall mean the combined net worth of all remaining Depository Financial Institutions eligible to receive additional County deposits.

2. This process shall be repeated until (i) all County funds that the Treasurer had planned to invest in interest-bearing accounts have been distributed among Depository Financial Institutions or (ii) no Depository Financial Institutions remain that are eligible to receive additional County funds. In the latter event, the Treasurer shall make alternative plans to invest the funds in accordance with this Policy.

E. Equalizing Equitable Distribution Surpluses and Deficits.

1. Equalizing Equitable Distributions By Quarter. The prudent investment of County funds will occasionally involve investing money in CDs and other time deposits. Such deposits may have staggered maturity dates as well as terms that span multiple quarters. Notwithstanding the Treasurer's efforts to equally distribute time deposits of like maturity, this means that there may not be sufficient liquid funds earmarked for interest-bearing deposits available to fully fund a Depository Financial Institution's Equitable Distribution in any given quarter. It also means that, due to the term of the County's time deposits with them, some Depository Financial Institutions may have County deposits in excess of their Equitable Distribution for the given quarter. Under no circumstances shall the County make an early withdrawal of time deposits for the sole purpose of redistributing money so that each Depository Financial Institution receives the full amount (and no more) of its Equitable Distribution in a given quarter. Rather, when the maturity date of the County's time deposits precludes each Depository Financial Institution from receiving the full amount (and no more) of its Equitable

Distribution in a given quarter, the Treasurer shall equalize Equitable Distributions during subsequent quarters, in accordance with this subsection.

2. Cumulative Surplus and Deficit Accounts. The Treasurer shall maintain a cumulative total of each Depository Financial Institution's Equitable Distribution surpluses and deficits; i.e., the amount by which the actual money on deposit with a Depository Financial Institution exceeds (surplus) or falls-short (deficit) of its Equitable Distribution. For example, assume that there are three Depository Financial Institutions in Quarter #1, each with the same net worth and thus entitled to an equal share of the County's interest-bearing deposits. In Quarter #2, the BCC has designated a fourth Depository Financial Institution, which has the same net worth as the other three and is thus also entitled to an equal share of the County's interest-bearing deposits. Their surplus and deficit accounts would be calculated, under the additional assumptions stated, as follows:

Quarter #1: Treasurer plans to invest \$1,000,000 in interest-bearing accounts during Quarter 1.

Bank	Equitable Distribution	Actual Amount and Type of Deposit	Quarterly Surplus/Deficit	Cumulative Surplus/Deficit
A	\$333,333.33	\$333,333.33 in a 6 month CD.	\$0	\$0
B	\$333,333.33	\$333,333.33 in a 6 month CD.	\$0	\$0
C	\$333,333.33	\$333,333.33 in a 6 month CD.	\$0	\$0

Quarter #2: Treasurer plans to invest \$1,000,000 in interest-bearing time deposits during Quarter 2.

Bank	Equitable Distribution	Actual Amount and Type of Deposit	Quarterly Surplus/Deficit	Cumulative Surplus/Deficit
A	\$250,000	\$333,333.33 in a 6 month CD, set to mature in 3 months.	\$83,333.33	\$83,333.33
B	\$250,000	\$333,333.33 in a 6 month CD, set to mature in 3 months.	\$83,333.33	\$83,333.33
C	\$250,000	\$333,333.33 in a 6 month CD, set to mature in 3 months.	\$83,333.33	\$83,333.33
D	\$250,000	\$0	(\$250,000.00)	(\$250,000.00)

3. Equalizing Equitable Distributions. In order to equalize Equitable Distributions over time, the Treasurer shall increase or decrease the amount of money actually deposited with a Depository Financial Institution to account for the institution's cumulative surplus/deficit account. Deposits with a Depository Financial Institution with a cumulative surplus account shall be reduced to the extent necessary to erase the cumulative deficit account of another Depository Financial Institution, whose deposits shall be increased by a corresponding amount. For example, continuing with the above hypothetical, the County's deposits would be distributed in Quarter 3 as follows:

Quarter #3: Treasurer plans to invest \$1,000,000 in interest-bearing time deposits during Quarter 3.

Bank	Equitable Distribution	Actual Amount and Type of Deposit	Quarterly Surplus/Deficit	Cumulative Surplus/Deficit
A	\$250,000	\$166,666.67 in a 3 month CD.	(\$83,333.33)	\$0
B	\$250,000	\$166,666.67 in a 3 month CD.	(\$83,333.33)	\$0
C	\$250,000	\$166,666.67 in a 3 month CD.	(\$83,333.33)	\$0
D	\$250,000	\$500,000 in a 3 month CD.	\$250,000.00	\$0

IX. DEPOSITORY FINANCIAL INSTITUTIONS

A. Application to Become a Depository Financial Institution for Amounts that are Fully Federally Insured. A Financial Institution interested in only being qualified to receive County funds up to the limits of its Federal Insurance shall submit to the Treasurer the following:

1. A written proposal setting forth:

(a) its interest in becoming a Depository Financial Institution and its qualifications to be one;

(b) its agreement to pay the minimum interest rate established annually by the Board of Finance as required by NMSA 1978, Section 10-10-30 (2001);

(c) the account and service charges and fees it proposes to charge the County, which shall not be more than the charges and fees it customarily charges its best customers;

(d) its own calculation of its net worth, determined in accordance with Section VIII.B of this Policy and applicable law; and

(e) whether it desires regular savings deposits or time deposits.

2. A copy of its FDIC or NCUA certification.

3. The Financial Institution's quarterly call statements and its "New Mexico Financial Institution Quarterly Report," a report generated by the State Treasurer, for the preceding four quarters. Newly chartered Financial Institutions must submit the same documents for as many quarters as possible. Upon determining that the Financial Institution is Federally Insured, the Treasurer shall issue a certificate designating the Financial Institution as a Depository Financial Institution. Thereafter, the Treasurer may begin to deposit County Funds with the Depository Financial Institution, up to the limits of its Federal Insurance.

B. Application to Become a Depository Financial Institution for Amounts in Excess of Federal Insurance. A Financial Institution interested in becoming a Depository Financial Institution for amounts in excess of its federal insurance must submit to the Treasurer the following:

1. A written proposal setting forth:

a. its interest in becoming a Depository Financial Institution and its qualifications to be one;

b. its agreement to pay the statutory minimum interest rate established by the Board of Finance;

c. the account and service charges and fees it proposes to charge the County, which shall not be more than the charges and fees it customarily charges its best customers;

d. its own calculations of the financial matters set forth in Section IX.C of this Policy;

e. how it intends to secure County deposits; i.e., with Federal Insurance, Surety Bonds, or Collateral;

f. the amount of deposits for which it desires to be eligible; and

g. whether it desires regular savings deposits or time deposits.

2. A copy of its FDIC or NCUA certification.

3. The Financial Institution's quarterly call statements and its "New Mexico Financial Institution Quarterly Report", a report generated by the State Treasurer,

for the preceding four quarters. Newly chartered Financial Institutions must submit the same documents for as many quarters as possible.

4. To be considered at the next scheduled meeting of the Board of Finance, the Financial Institution must submit the above application packet at least one month before the meeting. If the material is submitted less than one month before the next scheduled meeting of the Board of Finance, the Financial Institution's application to be designated a Depository Financial Institution shall be considered at the following meeting of the Board of Finance. In that event, the Treasurer shall ask the Financial Institution to update its proposal with the most recent financial information, statements, and reports.

5. The Board of Finance shall consider all timely applications to become Depository Financial Institutions at its quarterly meetings. The Board of Finance shall notify a qualified Financial Institution of (i) its decision to designate it as a Depository Financial Institution and (ii) the minimum level of Collateral it is required to maintain for all deposits that are not Federally Insured or secured by a Surety Bond; provided, however, that the Treasurer may, in his discretion, require a higher level of Collateral, per Section X.E of this Policy. Once the Financial Institution has delivered the necessary Surety Bond or Collateral in accordance with Sections X.C, X.H, and X.I of this Policy, the Treasurer shall issue a certificate designating the Financial Institution as a Depository Financial Institution. Thereafter, the Treasurer may begin to deposit County Funds with the Depository Financial Institution, up to the amount that can be secured as required by Section X of this Policy.

C. Quarterly Submission of Required Financial Reports and Calculations.

1. In completing the Risk Assessment and Classification required by this Policy, the Treasurer shall use figures taken from the Depository Financial Institution's quarterly call statements and its "New Mexico Financial Institution Quarterly Report," a report generated by the State Treasurer. The Depository Financial Institution shall furnish both documents to the Treasurer no later than the tenth day of the second month following the end of each calendar quarter.

2. At that same time, a Depository Financial Institution qualified to receive County funds in excess of its Federal Insurance shall also submit to the Treasurer its own calculations of its:

- (i) primary capital to asset ratio, as defined by the FDIC;
- (ii) net income after taxes to total average asset ratio for the current quarter and previous three quarters; and
- (iii) ratio of non-performing loans to its primary capital, where non-performing loans are defined as loans that are at least 90 days past due;

(iv) net worth, determined in accordance with Section VIII.B of this Policy and applicable law.

3. In contrast, a Depository Financial Institution that is only qualified to receive County funds up to the limits of its Federal Insurance shall submit to the Treasurer its own calculation of its net worth, determined in accordance with Section VIII.B of this Policy and applicable law.

4. If the tenth day falls on a weekend or a legal holiday, the reports and calculations required under this subsection shall be submitted on the next business day that is not a legal holiday.

D. Certification Required. The calculations and reports provided to the Treasurer pursuant to this Section shall be certified in writing by (i) the president or an executive officer of the Depository Financial Institution or (ii) a person authorized by corporate resolution to certify the financial information of the Depository Financial Institution.

E. Additional Certified Information. At any time between quarterly reporting periods, the Treasurer may require a Depository Financial Institution to submit any additional certified information necessary to assess its risk level.

F. Failure to Qualify for a Class D Risk Classification. If a Depository Financial Institution fails to qualify for a Class D Risk Classification, the Treasurer shall (i) not deposit any additional County money with that institution, (ii) withdraw all deposits, provided that time deposits shall be withdrawn as they mature, and (iii) revoke the certificate designating the Financial Institution as a Depository Financial Institution.

G. Reporting and Effect of Final Administrative Enforcement Action. Depository Financial Institutions must immediately report to the Treasurer any final administrative enforcement action against the institution. If the Treasurer believes that such administrative action indicates a high level of risk to public deposits with that Financial Institution, the Treasurer shall report the matter to the County Board of Finance. At its next meeting, the County Board of Finance shall decide whether the Financial Institution shall remain a Depository Financial Institution and, if so, whether additional Security shall be required. The Depository Financial Institution may appear at the BCC meeting to present its position regarding those matters. Pending the County Board of Finance's decision, the Treasurer may make an emergency withdrawal of County deposits, including the early withdrawal of any deposits, if he determines that such withdrawal is reasonably necessary to protect County funds.

H. Termination of Depository Bank Designation. The status of a bank as a Depository Financial Institution may be terminated if: (i) the bank's risk classification becomes unacceptable; (ii) the bank fails periodically to report as set forth herein; or (iii) if the bank's performance is otherwise unsatisfactory. The Treasurer may recommend termination of a bank's status as a Depository Financial Institution, subject to the advice and consent of the Board of Finance.

X. INSURANCE AND SECURITY REQUIREMENTS

A. Statement of Policy. Deposits of public money in credit unions must be fully Federally Insured. NMSA 1978, § 6-10-36(D). In contrast, deposits of public money in banks and savings and loan associations must be secured by either:

1. Federal Insurance;
2. Surety Bonds; or
3. Collateral. NMSA 1978, §§ 6-10-16 and 6-10-16.1.

B. Federal Insurance. Depository Financial Institutions using Federal Insurance to secure County deposits must certify quarterly, in writing, the total amount of County money on deposit with the institution that is Federally Insured.

C. Surety Bonds. To qualify as security under this Policy, a Surety Bond must be:

1. in the form required by NMSA 1978, § 6-10-15 (1981);
2. issued by a surety company that is continually rated in the highest category by at least one nationally recognized statistical rating agency and is licensed to do business in New Mexico; and
3. approved first by the Board of Finance and then by the District Court. See NMSA 1978, §§ 6-10-15 and 6-10-16.1. Surety Bonds that meet all of the above requirements are sufficient to secure the aggregate penal amount of the Surety Bonds. All such Surety Bonds shall be filed with the Clerk, who shall record them in the “depository bond record” required to be kept by NMSA 1978, § 6-10-15. Should a surety company fall below the highest rating category, any Surety Bond issued by the company shall no longer be eligible to provide security.

D. Collateral.

1. The County’s funds shall be collateralized in accordance with New Mexico statutes, including NMSA 1978, Sections 6-10-10 and 6-10-16, and as further specified herein.

2. Authorized securities for Collateral shall include only:

- a. Obligations of the U.S. Treasury.
- b. Obligations of U.S. agencies and instrumentalities.

c. Irrevocable letters of credit issued by The Federal Home Loan Bank of Dallas.

d. Obligations of the State of New Mexico, its agencies, institutions, counties, municipalities, or other political subdivisions of the State.

3. A Depository Financial Institution shall provide a weekly listing, pricing and valuation report to the County Treasurer stating the collateral pledged, including market values and security descriptions. The County Treasurer shall provide this information to the Investment Committee.

4. A Depository Financial Institution shall provide the County Treasurer with the New Mexico Financial Institution State Deposits Quarterly Report along with a list of bank securities pledged to collateralize deposits at the rates required by New Mexico law. Collateralization reports will be provided weekly.

5. A Depository Financial Institution shall use the Federal Home Loan Bank of Dallas (hereafter "FHLB/Dallas") as the third party institution to hold all securities pledged to the County or a federal reserve bank. All securities shall be held in the name of the County and not the Depository Financial Institution. The Depository Financial Institution shall require FHLB/Dallas provide a monthly listing, pricing and valuation report directly to the County Treasurer on collateral pledged including market values and full security descriptions.

6. Securities that are obligations of the State of New Mexico, its agencies, institutions, counties, municipalities, or other subdivisions shall be accepted as security at par value. All other Collateral shall be accepted as security at market value. NMSA 1978, § 6-10-16(C).

7. The Board of Finance is responsible for determining the amount of Collateral Depository Financial Institutions must pledge as security for County deposits. NMSA 1978, § 6-10-20 (1991). The Board of Finance hereby delegates to the Treasurer the authority to establish required Collateral levels for each Depository Financial Institution, in accordance with the following Risk Classification based guidelines. Whenever, in his opinion, additional Collateral is necessary to safeguard County funds, the Treasurer may require a higher level of Collateral for a Depository Financial Institution, generally, or for a particular investment with a Depository Financial Institution. The Treasurer may not, however, reduce the level of Collateral required below that set forth in the guidelines. As used in this subsection, the (x) "Amount to be Collateralized" equals (y) the total amount of the money to be deposited with the Depository Financial Institution minus (z) the amount of money Federally Insured or secured by Surety Bonds; i.e., $x=y-z$. These collateral guidelines apply to both new deposits and reinvestments of existing deposits.

8. The Risk Classification guidelines for Depository Financial Institutions are as follows:

i. CLASS A. A Class A Depository Financial Institution shall maintain Collateral with an aggregate value equal to fifty percent (50%) of the Amount to be Collateralized; i.e., the statutory minimum level set forth in NMSA 1978, § 6-10-17.

ii. CLASS B. A Class B Depository Financial Institution shall maintain Collateral with an aggregate value equal to seventy-five percent (75%) of the Amount to be Collateralized.

iii. CLASS C. A Class C Depository Financial Institution shall maintain Collateral with an aggregate value equal to one hundred percent (100%) of the Amount to be Collateralized.

iv. CLASS D. A Class D Depository Financial Institution shall maintain Collateral with an aggregate value equal to one hundred percent (120%) of the Amount to be Collateralized.

9. A newly chartered financial institution chosen as a Depository Financial Institution shall have a Class A Risk Classification for its first year of operation. In its second year of operation, the Treasurer shall classify the newly chartered financial institution based upon the criteria set forth in Section IV.R of this Policy. For that purpose, the newly chartered financial institution's net operating income shall be annualized beginning with the first quarter of the second year.

10. The Treasurer shall have the right and responsibility to reject, either at the time of submission or at any time thereafter, Collateral that does not meet all statutory criteria or that is not of sufficient quality to secure the County's deposits.

11. As required by statute, the County must enter into a written security agreement with any Depository Financial Institution that desires to pledge Collateral as security for County deposits. NMSA 1978, § 6-10-18(A) (1991). The security agreement shall provide for a security interest in the Collateral in favor of the County and shall be in such form as the County deems acceptable.

12. A Depository Financial Institution desiring to pledge Collateral as security for County deposits must deliver the required Collateral to a Custodial Bank with whom it has a written agreement. NMSA 1978, § 6-10-21 (1991). Prior to entering into the written contract, the Depository Financial Institution shall deliver a copy of the proposed contract to the Treasurer, who shall determine whether the contract contains conditions sufficient to "adequately protect the interests of the" County in the Collateral. NMSA 1978, § 6-10-21. At a minimum, the contract shall (i) preclude the Custodial Bank from releasing or substituting Collateral without the prior written approval of the Treasurer and (ii) require the Custodial Bank to follow the Treasurer's written instructions regarding the transfer of Collateral to the Treasurer if and when the

Depository Financial Institution defaults in its obligations to the County. Upon delivery of the Collateral to a Custodial Bank, the Depository Financial Institution shall deliver to the Treasurer a "joint safekeeping receipt issued by the [C]ustodial [B]ank[.]" NMSA 1978, § 6-10-17.

13. No later than the tenth day of each month, Depository Financial Institutions shall submit a monthly collateral level report to the Treasurer, utilizing the State Treasurer's "State Treasurer Collateral Compliance Monthly Report".

14. In the event a Depository Financial Institution fails to maintain the required level of acceptable Collateral, the Treasurer shall request that the Depository Financial Institution substitute or provide additional acceptable Collateral sufficient to meet its collateralization requirements within ten (10) calendar days. If the Depository Financial Institution does not comply with the request, the Treasurer shall, within the next ten (10) calendar days, withdraw all County funds from the Depository Financial Institution without penalty, notwithstanding any other provision of law to the contrary. NMSA 1978, § 6-10-17.1.

XI. CUSTODIAL BANKS

A. Application to Become a Custodial Bank. A bank interested in becoming a Custodial Bank must submit to the Treasurer the following:

1. A written proposal setting forth:
 - (a) its interest in becoming a Custodial Bank and its qualifications to be one; and
 - (b) its own calculations of the financial ratios set forth in Section XI.B of this Policy.
2. A copy of its FDIC certification.
3. The bank's quarterly call statements and its "New Mexico Financial Institution Quarterly Report", generated by the State Treasurer, for the preceding four quarters. Newly chartered banks must submit the same reports for as many quarters as possible.
4. To be considered at the next scheduled meeting of the County Board of Finance, the bank must submit the above application packet at least one month before the meeting. If the packet is submitted less than one month before the next scheduled meeting of the County Board of Finance, the bank's application shall be considered at the following meeting of the County Board of Finance. In that event, the Treasurer shall ask the bank to update its proposal with the most recent financial information, statements, and reports.

B. Custodial Bank Risk Assessment. To qualify to be a Custodial Bank, a bank must have maintained the following ratios for each of the previous four quarters:

1. a primary capital to asset ratio, as defined by the FDIC, of greater than 6.1 percent;
2. a net income after taxes to total average asset ratio of .61 percent or higher; and
3. a non-performing loans to primary capital ratio of 34.9 percent or lower, where non-performing loans are defined as loans that are at least 90 days past due.

To qualify as a Custodial Bank, a newly chartered financial institution must have maintained the above ratios for as many quarters as it has been in business.

C. Quarterly Submission of Required Financial Reports and Calculations. In completing his Risk Assessment, the Treasurer shall use figures taken from the Custodial Bank's quarterly call statements and its "New Mexico Financial Institution Quarterly Report," generated by the State Treasurer. The Custodial Bank shall furnish both documents to the Treasurer no later than the tenth day of the second month following the end of each calendar quarter. At that same time, the Custodial Bank shall also submit its own calculations of its:

1. primary capital to asset ratio, as defined by the FDIC;
2. net income after taxes to total average asset ratio for the current quarter and previous three quarters; and
3. ratio of non-performing loans to its primary capital, where non-performing loans are defined as loans that are at least 90 days past due.

If the tenth day falls on a weekend or a legal holiday, the reports and calculations shall be submitted on the next business day that is not a legal holiday.

D. Unacceptable Risk Assessment. The Treasurer shall disqualify a bank from acting as a Custodial Bank if any of the following conditions occur:

1. The Custodial Bank maintains any one of the following risk assessment ratios for three consecutive quarters:
 - (i) a primary capital to asset ratio, as defined by the FDIC, below 6.1 percent;
 - (ii) a net income after taxes to total average asset ratio below .61 percent; or

(iii) a non-performing loans to primary capital ratio above 34.9 percent, where non-performing loans are defined as loans that are at least 90 days past due.

2. The Custodial Bank maintains any two of the following risk assessment ratios for two consecutive quarters:

(i) a primary capital to asset ratio, as defined by the FDIC, below 6.1 percent;

(ii) a net income after taxes to total average asset ratio below .61 percent; or

(iii) a non-performing loans to primary capital ratio above 34.9 percent, where non-performing loans are defined as loans that are at least 90 days past due.

3. The Custodial Bank maintains any one of the following risk assessment ratios for more than one quarter:

(i) a primary capital to asset ratio, as defined by the FDIC, below 5.0 percent;

(ii) a net income after taxes to total average asset ratio below .51 percent; or

(iii) a non-performing loans to primary capital ratio above 49.9 percent, where non-performing loans are defined as loans that are at least 90 days past due.

The Treasurer shall notify the bank in writing that it is no longer eligible to be a Custodial Bank, stating the reasons for his decision. Within three (3) business days of its receipt of the Treasurer's written notice, the disqualified Custodial Bank shall notify all Depository Financial Institutions for which it holds Collateral that it is no longer eligible to serve as a collateral custodian. Thereafter, the disqualified Custodial Bank shall cooperate in the expeditious and orderly transfer of collateral within its custody.

E. Collateral Reports. On a monthly basis, a Custodial Bank shall report to the Treasurer the type and amount of Collateral held for each Depository Financial Institution for which it holds collateral. For each item of Collateral, the report shall specifically identify the following:

1. the name and market symbol or other identifying information of the collateral (e.g., the series and issue date of U.S. Treasury Savings Bonds);

2. the total number of each item of Collateral held; and

3. the total market value or par value of each item of Collateral, as required by Sections X.B and X.C of this Policy.

The Custodial Bank shall furnish its collateral report for the previous month to the Treasurer no later than the tenth day of the month. If the tenth day falls on a weekend or a legal holiday, the reports and calculations shall be submitted on the next business day that is not a legal holiday.

F. Certification Required. The calculations and reports provided to the Treasurer pursuant to this Section shall be certified in writing by (i) the president or an executive officer of the Custodial Bank or (ii) a person authorized by corporate resolution to certify the financial information of the Custodial Bank.

G. Additional Certified Information. At any time between quarterly reporting periods, the Treasurer may require a Custodial Bank to submit any additional certified information necessary to assess its risk level.

H. Common Ownership Restrictions. A Custodial Bank may not hold the collateral of a Depository Financial Institution where the relationship between the two institutions is one of parent-subsidary or the two institutions are owned, directly or indirectly, by the same person, corporation, or other entity.

I. Safekeeping.

1. A Custodial Bank shall provide book-entry safekeeping services for County-owned or pledged securities. All County investments shall be made by the County Treasurer and instructions for clearing and safekeeping shall be given to the Custodial Bank in writing by the Treasurer.

2. Custody shall be in the Custodial Bank or a brokerage service. All securities shall be cleared on a delivery versus payment (DVP) basis and ownership documented by original clearing confirmations and safe keeping receipts provided within one business day to the County Treasurer. Funds for investments shall be drawn from one designated County DDA account. All penalty and interest payments, coupon payments, and maturities must receive same day collected credit on the designated account.

3. The Custodial Bank shall agree in writing that the correspondent bank used by the Custodial Bank shall not become an authorized broker/dealer to the County in order to perfect delivery versus payment independence on the trade.

4. The Custodial Bank shall use the Federal Reserve or a brokerage service deemed suitable by the parties hereto as the correspondent bank for the safekeeping of County securities. Transactions will be handled through the depository system and shall not require additional interaction by the County with the correspondent

bank. No delay in transactions or flow of funds shall occur under the correspondent relationship.

5. The Custodial Bank shall provide weekly statements of the securities held by the County.

XII. MISCELLANEOUS PROVISIONS

A. Minimum Interest Rates. Depository Financial Institutions must pay the statutory minimum rate of interest on the County's interest-bearing accounts and CDs and other time deposits, as set forth in NMSA 1978, §§ 6-10-30 and 6-10-36(E) as well as applicable regulations.

B. Early Withdrawal. Except for withdraw due to failure to maintain adequate collateral under Section IX.K, the Treasurer may only make the early withdrawal of County funds in accordance with federal law governing a Depository Financial Institution's ability to repay deposits before maturity. NMSA 1978, § 6-10-34 (1987).

C. Bonding of Treasurer and Deputy Treasurer. The Treasurer and Deputy Treasurer shall be bonded as required by NMSA 1978, §§ 4-44-35 (1967), 6-10-38 (1967), 6-10-39 (1953), and 10-1-13 (1967).

D. Reservation of Rights and Duties. Nothing herein shall restrict the BCC or Treasurer from the lawful exercise of other rights and duties conferred by law.

E. Use of Brokers and Financial Advisors. Given the increased costs associated with brokerage and financial advisory services, brokers and financial advisors will only be utilized if the rate of return, net of the broker's or financial advisor's commissions and other costs, exceeds the rate of return on other available investments. Furthermore, the Treasurer may only contract with brokers or financial advisors if the contract would qualify for the exemption from competitive sealed proposals set forth in NMSA 1978, § 13-1-129(A)(2) (1991).

F. Prudent Investor Standard. Investments made pursuant to this Policy shall be governed by the prudent investor rule set forth in the Uniform Prudent Investor Act, NMSA 1978, § 45-7-601 to § 45-7-612 (1995).

G. Conflict of Interest; Bribery Statutes. BCC members, the Treasurer, members of the Investment Committee, and brokers shall disclose all financial interests that (i) will be impacted by the County's investment activities, (ii) conflict with the proper execution of this Policy or the County's investment program, or (iii) otherwise affect or impair their ability to make impartial investment decisions regarding County funds. In addition, BCC members, the Treasurer, and members of the Investment Committee shall otherwise comply with Santa Fe County Ordinance No. 2004-3, as amended.

H. Notice of Bribery Statutes. State law makes it a felony to offer, pay, or receive a bribe in conjunction with the depositing or investing of County funds. See, e.g., NMSA 1978, §§ 6-10-40 (1987) and 6-10-53 (1941).

I. Previous Investment Policies Repealed; Annual Review of this Policy. This Policy supersedes any and all previously adopted investment policies, including Santa Fe County Resolution No. 1999-67, which are hereby repealed. This policy shall be reviewed on an annual basis.

J. Previous Resolutions Establishing Investment Committees Repealed. This Policy supersedes any and all previously adopted resolutions establishing any investment committee, including Santa Fe County Resolution Nos. 1999-142, 2007-102, and 2010-223, which resolutions are hereby rescinded.

K. Status of County's Fiscal Agent Unaffected. Nothing in this Policy shall preclude the County from selecting a Depository Financial Institution to act as the County's fiscal agent. The Treasurer, however, shall not deposit County funds in non-checking, interest-bearing accounts with the fiscal agent, except to the extent of the fiscal agent's Equitable Distribution under Section VIII of this Policy.

PASSED, APPROVED, AND ADOPTED THIS ____ day of October, 2012.

**THE BOARD OF COUNTY COMMISSIONERS OF
SANTA FE COUNTY**

By: _____
Liz Stefanics, Chair

ATTEST:

Valerie Espinoza, County Clerk

SANTA FE COUNTY TREASURER

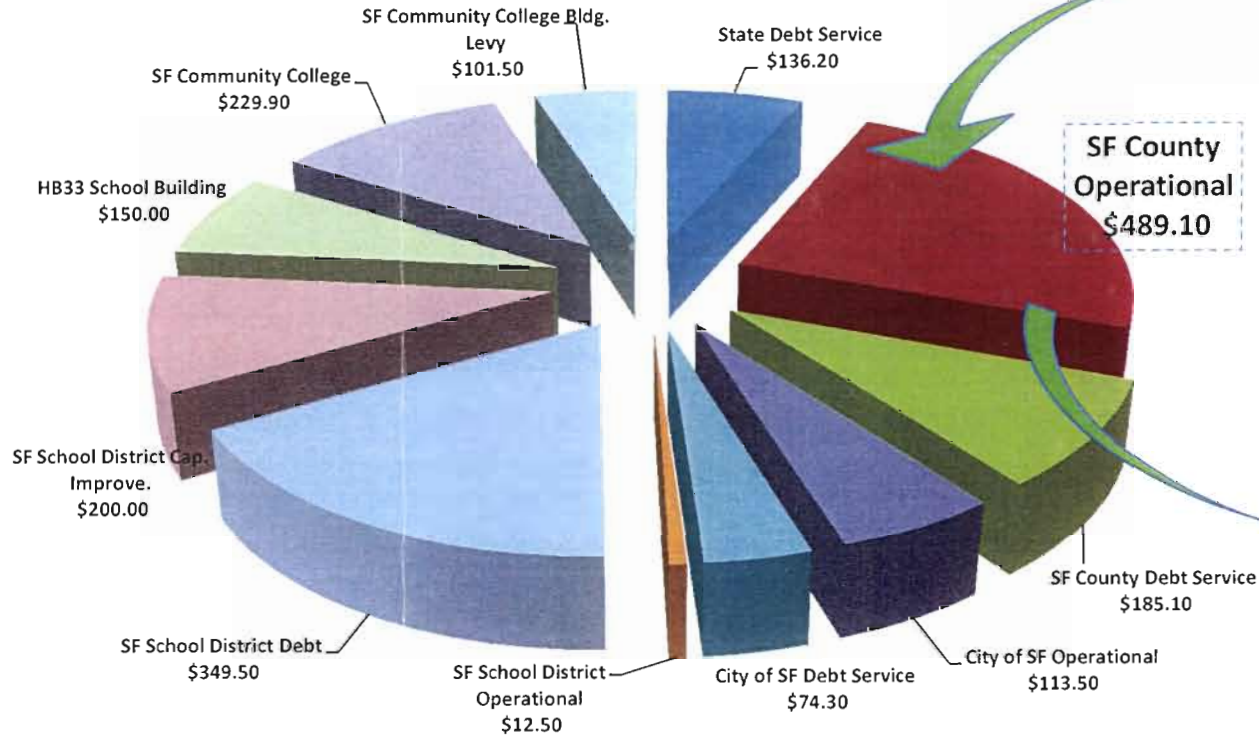
Victor Montoya, County Treasurer

APPROVED AS TO FORM:

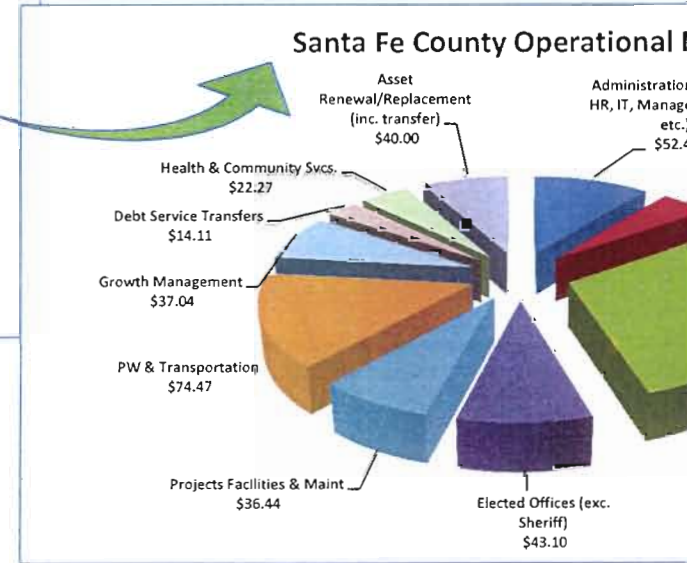
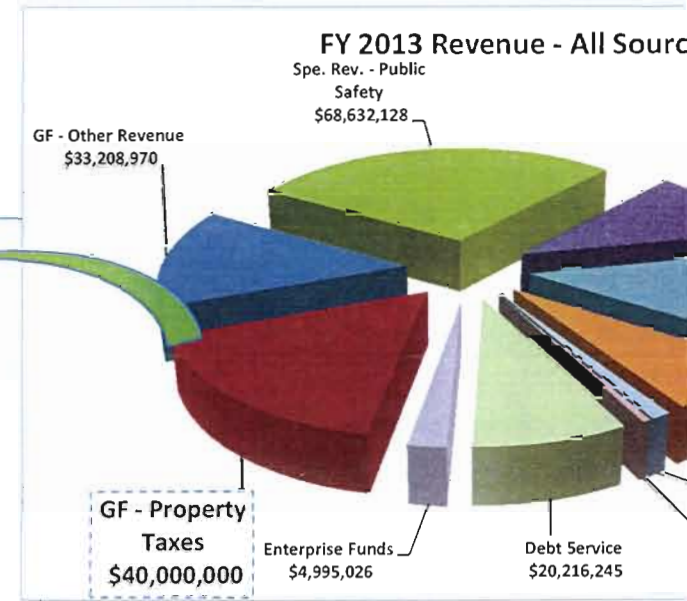
Stephen C. Ross
County Attorney

SFC CLERK RECORDED 12/05/2012

Where Do My Property Taxes Go?



Based on a home with a value of \$300,000 (market)/\$100,000 (taxable) located in the City of Santa Fe with a total tax rate of \$20.416 per \$1,000 of taxable value.



CERTIFICATE OF PROPERTY TAX RATES IN MILLS
 SANTA FE COUNTY
 TAX YEAR 2011
 NET TAXABLE VALUE:

		\$6,784,438,899									
MUNICIPALITY:		Santa Fe					Espanola				
TAXABLE VALUE:		2,654,468,968	965,822,483	2,143,789,176	491,265,632	130,604,284	47,431,256	112,340,349	32,280,107	30,465,993	
CATEGORY:		C IN R	C IN NR	C OUT R	C OUT NR	1 R	1/1D NR	8T R OUT	8T NR OUT	18 IN R	
State Debt Service		1.362	1.362	1.362	1.362	1.362	1.362	1.362	1.362	1.362	
	Total State	1.362	1.362	1.362	1.362	1.362	1.362	1.362	1.362	1.362	
County Operational		4.891	11.850	4.891	11.850	4.891	11.850	4.891	11.850	4.891	
County Debt Service		1.851	1.851	1.851	1.851	1.851	1.851	1.851	1.851	1.851	
Total County		6.742	13.701	6.742	13.701	6.742	13.701	6.742	13.701	6.742	
Municipal Operational		1.135	2.817	0.000	0.000	0.000	0.000	0.000	0.000	3.209	
Municipal Debt Service		0.743	0.743	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Municipal		1.878	3.560	0.000	0.000	0.000	0.000	0.000	0.000	3.209	
School Dist. Operational		0.125	0.490	0.125	0.490	0.174	0.470	0.355 (2)	0.500 (2)	0.168 (3)	
School Dist. Debt Service		3.495	3.495	3.495	3.495	9.580	9.580	8.836 (2)	8.836 (2)	4.830 (3)	
School Dist. Cap. Improve.		2.000	2.000	2.000	2.000	2.000	2.000	1.976 (2)	2.000 (2)	0.000 (3)	
HB33 School Building		1.500	1.500	1.500	1.500	0.000	0.000	0.000 (2)	0.000 (2)	0.000 (3)	
School Dist. Educ. Tech. Debt Service		0.000	0.000	0.000	0.000	0.000	0.000	0.000 (2)	0.000 (2)	0.706 (3)	
Total School District		7.120	7.485	7.120	7.485	11.754	12.050	11.167	11.336	5.704	
Total State, County, Municipal, & School Dist.		17.102	26.108	15.224	22.548	19.858	27.113	19.271	26.399	17.017	
Other:											
Santa Fe Comm.Col.(1)		2.299	3.000	2.299	3.000	0.000	0.000	0.000	0.000	0.000	
Santa Fe Col.Bldg.Levy (1)		1.015	1.015	1.015	1.015	0.000	0.000	0.000	0.000	0.000	
Total Other		3.314	4.015	3.314	4.015	0.000	0.000	0.000	0.000	0.000	
GRAND TOTAL		20.416	30.123	18.538	26.563	19.858	27.113	19.271	26.399	17.017	

Where Applicable:	Res	Non-Res	(1) To Santa Fe Com. College--P.O. Box 4187, Santa Fe, NM 87502
Cattle Assembly 10.000	Edgewood SWCD 1.000	1.000	(2) To Moriarty Board of Education
Sheep and Goats 10.000			(3) To Espanola Board of Education
Dairy cattle 0.000	Rancho Viejo Sp. Assmt Dist Debt 10.00		
Bison/Carabidos 10.000	El Dorado Area W&S Dist Oper: 0.949		
Horses/Asses/Trucks 10.000	El Dorado Area W&S Dist Debt: 2.411		

CERTIFICATE OF PROPERTY TAX RATES IN MILLS
 SANTA FE COUNTY
 TAX YEAR 2011
 NET TAXABLE VALUE:

		\$6,784,438,899			
	MUNICIPALITY:	Espanola		Edgewood	Edgewood
	TAXABLE VALUE:	16,807,353	47,784,382	20,044,351	61,628,333
	CATEGORY:	18 IN NR	18 OUT R	18 OUT NR	8T IN R
					8T IN NR
State Debt Service		1.362	1.362	1.362	1.362
	Total State	1.362	1.362	1.362	1.362
County Operational		11.850	4.891	11.850	11.850
County Debt Service		1.851	1.851	1.851	1.851
Total County		13.701	6.742	13.701	13.701
Municipal Operational		3.884	0.000	0.000	0.000
Municipal Debt Service		0.000	0.000	0.000	0.000
Total Municipal		3.884	0.000	0.000	0.000
School Dist. Operational		0.186 (3)	0.168 (3)	0.186 (3)	0.355
School Dist. Debt Service		4.830 (3)	4.830 (3)	4.830 (3)	8.836
School Dist. Cap. Improve.		0.000 (3)	0.000 (3)	0.000 (3)	1.976
HB33 School Building		0.000 (3)	0.000 (3)	0.000 (3)	0.000
School Dist. Educ. Tech. Debt Service		0.706 (3)	0.706 (3)	0.706 (3)	0.000
Total School District		5.722	5.704	5.722	11.167
Total State, County, Municipal, & School Dist.		24.669	13.808	20.785	26.399
Other:					
Santa Fe Comm.Col.(1)		0.000	0.000	0.000	0.000
Santa Fe Col.Bldg.Levy (1)		0.000	0.000	0.000	0.000
Total Other		0.000	0.000	0.000	0.000
GRAND TOTAL		24.669	13.808	20.785	26.399

Where Applicable:

Cattle Indemnity	10.000
Sheep and Goats	10.000
Dairy Cattle	5.000
Bison/Camelids	10.000
Horses/Asses/Mules	10.000

from Property Tax Facts - 2009

(C)

New Mexico County Operating Rates -- Imposed and Remaining Authority in Mills, 2009 Tax Year

County	Residential	Non-Residential	Ad Valorem Production & Equipment	Imposed Operating Rate	Remaining Authority ¹
Bernalillo	6.340	10.650	N/A	10.750	1.100
Catron	11.222	9.477	N/A	11.850	0.000
Chaves	6.778	10.350	10.350	10.350	1.500
Cibola	8.919	11.579	N/A	11.850	0.000
Colfax	6.412	9.648	10.350	10.350	1.500
Curry	9.788	9.850	N/A	9.850	2.000
DeBaca	11.850	11.590	N/A	11.850	0.000
Dona Ana	8.098	11.850	N/A	11.850	0.000
Eddy	6.842	7.500	7.500	7.500	4.350
Grant	6.391	11.850	11.850	11.850	0.000
Guadalupe	8.292	11.850	N/A	11.850	0.000
Harding	8.687	9.833	10.850	10.850	1.000
Hidalgo	11.850	11.850	N/A	11.850	0.000
Lea	8.141	10.600	10.600	10.600	1.250
Lincoln	4.855	8.011	N/A	11.600	0.250
Los Alamos	4.988	8.850	N/A	8.850	3.000
Luna	9.394	11.850	N/A	11.850	0.000
McKinley	5.434	11.850	11.850	11.850	0.000
Mora	7.152	9.000	N/A	11.850	0.000
Otero	7.514	11.850	N/A	11.850	0.000
Quay	5.344	10.350	10.350	11.850	0.000
Rio Arriba	4.361	11.291	11.850	11.850	0.000
Roosevelt	10.850	10.850	10.850	10.850	1.000
San Juan	5.812	8.000	8.000	8.500	3.350
San Miguel	5.644	11.104	N/A	11.850	0.000
Sandoval	5.136	6.567	10.350	10.350	1.500
Santa Fe	4.670	11.850	N/A	11.850	0.000
Sierra	9.393	11.166	N/A	11.850	0.000
Socorro	8.404	10.102	N/A	11.850	0.000
Taos	5.165	9.297	N/A	11.850	0.000
Torrance	11.409	11.057	N/A	11.850	0.000
Union	7.369	8.829	9.150	9.150	2.700
Valencia	6.501	11.850	N/A	11.850	0.000

¹11.85 mill maximum allowed by law less the imposed rate.
 Information source: compiled from DFA rate certificate files.

SFC CLERK RECORDED 12/05/2012

How does yield control work?

Section 7-37-7.1 NMSA 1978 (“Additional limitations on property tax rates”) is commonly referred to as the “yield control statute” because it limits revenue yields that result when property values are increased due to reassessment. Yield control reduces certain property tax rates from the tax rate as originally imposed (“imposed rates”) to the rates actually applied against reassessed property (“yield controlled rates”). It is applied separately to residential and non-residential properties. Since the rate of increase of property value on reassessment is typically different for residential and non-residential property, the separate application of yield control to each gives rise to different yield controlled rates on residential and nonresidential properties in the same jurisdiction. Yield control applies only to taxes imposed for certain purposes, a listing of which is attached as Table 1. In general, yield control does not apply to debt service levies.

The statute is somewhat difficult to understand because it employs text to describe some fairly complex mathematical relationships. The statute identifies a “Growth Control Factor” as a limit on the percentage by which total revenue generated by a property tax imposition may grow from year-to-year. The Factor is the sum of two components:

1. The annual increase in the implicit price deflator for state and local purchases of goods and services, as identified by the U.S. Department of Commerce (this component is limited by statute to a maximum of 5 percent); and
2. The percentage increase in property value attributable to new construction and improvements to existing property.

No increase in revenue is allowed for any addition to values attributable to valuation maintenance or reappraisal programs.

In order to limit the revenue yielded by the new property values, the statute mandates that tax rates be adjusted. The result in a district in which reappraisals have increased values is that property tax rates are reduced so that, when applied to the new property values including the reappraised values, they yield only the limited revenue growth allowed. In short, rates are adjusted downward in the same proportion that reappraisals have increased total values.

The following simplified example illustrates the core components of the yield control mechanism. Start with the following assumptions:

- Residential properties are reassessed in Catron County, and reassessment increases the taxable value of existing properties by 20% -- from the existing \$30 million to \$36 million.
- No inflation has occurred in the past year;
- No new construction has occurred in the county during the past year;
- The county currently imposes a property tax rate of 10 mills to fund operations, and
- The county’s “actual” and “imposed” rates (see below) are identical, i.e. assume there has been no adjustment for yield control in the past.

Results:

- Since the rate is 10 mills or \$10 per \$1,000 in taxable value, the county receives \$300,000 in revenue annually prior to reassessment (\$30 million x \$10/\$1,000).

- Without yield control, reassessment would cause revenues to increase by 20% to \$360,000 (\$36million x \$10/\$1,000) and owners of existing residential property would experience increases in their property tax bills averaging 20%.
- Yield control would decrease the residential rate by 20% -- the same percentage as the increase in property values due to reassessment -- to 8.333 mills or by 1.6667 mills (20% of 8.333 mills). This would limit total revenue yields to \$300,000, or \$36 million x \$8.333/1,000. Thus, under these assumptions, yield control would reduce rates by the same percentage as property values have increased due to reassessment and the net revenue yielded by the tax would be the same.

Even though there would be no change in tax obligations for owners of existing property on average, impacts of yield control on particular property owners will vary:

- Owners of properties whose taxable value did not increase or increased by less than 20 percent would have a reduction in their tax bills because their rates would decrease by more than their value increased.
- Owners of property whose assessed value increased by exactly 20 percent would experience no change in tax obligations, because the rate reduction would exactly offset their increase in assessed value.
- Owners of property whose assessed value increased by more than 20 percent due to reassessment would face a tax increase.

This discussion illustrates one of the advantages of the yield control process. By limiting the increase in a taxpayer's liability that results from the reassessment process, yield control allows assessors to perform their job – bringing all properties as close as possible to their true market value – with less concern about the possible resistance they may meet from taxpayers objecting to their higher tax liability. One result should be a more equitable property valuation process, i.e. more properties being valued at their true market value.

In practice, several additional factors make the operation of yield control more complicated than the simple example above.

Treatment of New Construction:

The first year property is added to the tax base, it is not subject to yield control, i.e. it is taxed at the imposed tax rates not the yield controlled rates. In the example, if we assume that new construction in Catron County increases taxable value by \$1.5 million, the \$1.5 million would be added to the existing base and subject to the 10 mill imposed rate in effect at the time it was added to the base. Hence new construction would increase the county's operating revenues by 5% or \$15,000. This treatment of new construction can be justified because the county's cost of providing infrastructure and public services will increase because of the new construction. New property is subject to yield control in all years after the first year it appears on the tax rolls.

Treatment of inflation:

In order to allow for increased costs of providing infrastructure and public services, the yield control formula is adjusted to allow revenue yields to increase by the amount of annual inflation. In the example, if we assume that inflation is 3 percent, Catron County's pre-existing property value of \$30 million would first be increased by 3 percent – to \$30.9 million – and the result is then compared with the reassessed value of \$36 million. The result is an increase of 16.5 percent, rather than the 20 percent of the simple

example. Thus, imposed rates would be adjusted down by 16.5 percent, so that total resulting revenue would grow by 3 percent, rather than the zero growth of the simple example.

Is the 3% limitation on value increase of certain properties a mandatory increase or is this subject to local assessor discretion?

Section 7-36-21.3 NMSA provides a 3 percent limit on valuation increases for single-family owner-occupied homes. This provision was enacted by Laws 2000, chapter 10, Section 2, (House Bill 366). As its name suggests, this section provides a limit on *increases* in assessed value only on certain classes of property. It does not eliminate the responsibility of county assessors to determine and maintain current and correct values of property (Section 7-36-16 NMSA 1978). Hence assessors are still required to evaluate properties and to make necessary adjustments to bring them closer to market value. The following scenarios are all part of the re-assessment process:

- Property other than single-family owner-occupied homes should be increased or decreased in value by whatever amount is necessary to bring that property to its correct market value.
- The value of single-family owner-occupied property whose value has decreased should be reduced by the full amount of the decrease.
- The value of single-family owner-occupied homes that have increased in value may not be increased by more than 3 percent.

The 3% limitation is thus not a mandatory increase. However, since property tax values in many markets are now substantially below current market values, many assessors may be routinely increasing such values by 3 percent.

Calculation of "remaining authority":

The New Mexico Constitution limits rates that may be imposed without voter approval to a total of 20 mills. New Mexico statutes allocate the 20-mill limit as follows: 11.85 mills to counties, 7.65 mills to municipalities, and .5 mills to school districts. The difference between the statutory limits listed above and rates imposed to date by each taxing entity is commonly called "remaining authority". Hence if a county has imposed 8 mills it is said to have "remaining authority" of 3.85 mills, or 11.85 mills less the 8 mills that have been imposed.

In addition to a list of rates that are subject to yield control, the following tables present imposed rates, yield controlled or "actual" rates and remaining authority for each county and municipality as of the 2006 property tax year. In addition, the table presents a calculation of the additional revenue that could be generated in each community if the remaining authority were imposed. This amount is calculated by multiplying the remaining tax rate authority times the net taxable value in each jurisdiction as of the 2006 property tax year.

As an example in reading the tables, Santa Fe County has imposed the maximum 11.85 operating rate and therefore has no remaining rate authority. The City of Santa Fe has imposed 2.817 mills and therefore has 4.833 mills of remaining authority. If imposed on all properties during the 2006 tax year, the remaining authority would have generated approximately \$14.2 million in operating revenues. This reflects that fact that net taxable value in Santa Fe was approximately \$2.9 billion.

Table 1: Property Tax Rates Subject to Yield Control Statute (Section 7-37-7.1 NMSA 1978)

<i>Description</i>	<i>Statutory Reference</i>
Municipal Flood Control – 5 mill maximum to construct dikes, dams, etc.	Sec 3-41-2
Municipal Parking District – 6 mill maximum	Sec 3-51-14
Special Hospital District 4.25 mill maximum	Sec 4-48A-16
County Hospitals – operating and maintaining – 6.50 mill maximum –includes UNM Hospital	Sec 4-48B-12
County Hospitals – 4.25 to 6.50 mill depending on county class	Sec 4-48-15
County Flood Control – 1.5 mill maximum	Sec 4-59-2
Community Service District – 10 mill maximum	Sec 4-54-4
Small Counties Assistance – 8.85 mill maximum.	Sec 4-61-2
Economic Advancement Districts – 2 mill maximum.	Sec 6-19-4
Low-Income Property Tax Rebate –County Option –1 mill maximum.	Sec 7-2-14.5
County Operating Rates --11.85 mill maximum.	Section 7-37-7A.
Municipal Operating Rates --7.65 mill maximum.	Section 7-37-7A
School District Operating Rates --.5 mill maximum.	Section 7-37-7A
Copper Ad Valorem Tax	Sec 7-39-8
College District Operation – 5 mill maximum	Sec 21-2a-5
Public School Capital Improvements – 2 mill maximum	Sec 22-25-7
Public School Buildings – 10 mill maximum	Sec 22-26-7
Albuquerque Metropolitan Flood Control -.5 mill maximum	Sec 72-16-22
Las Cruces Metro Flood Control -.5 mill maximum	Sec 72-17-22
Flood Control Districts -- 2 mill maximum	Sec 7-18-20
Southern Sandoval County Flood Control	Sec 7-19-22
Artesian Conservancy Districts	Sec 73-1-21
Soil and Watershed Conservation Districts	Sec 73-20-17
Solid Waste Authority	Sec 73-20-46
County Boards of Horticultural Commissioners	Sec 76-3-2
Livestock Code	Sec 77-2-16

Additional Notes:

1) Information displayed above was compiled from House Bill 948, (HB-948) introduced in the 2003 New Mexico legislative session. HB-948 proposed to eliminate the yield control statute, and thus contained all statutory references to it. The legislature did not approve the proposal.

2) Property tax levies imposed under the Education Technology Equipment Act (6-15A-1 to 6-15A-16 NMSA 1978) are not subject to the yield control statutes. Under the act, school districts are allowed to create debt without voter permission to enter into lease-purchase agreements to acquire educational technology equipment. For additional details, please see “How New Mexico Public Schools are Funded” – New Mexico Public Education Department, School Budget and Finance Analysis Bureau – available on the Public Education Department website.