

SANTA FE COUNTY
BOARD OF COUNTY COMMISSIONERS
REGULAR MEETING

December 9, 2008

- Paul Campos, Chair – District 4
- Virginia Vigil, Vice Chair – District 2
- Michael Anaya – District 3
- Harry Montoya – District 1
- Jack Sullivan – District 5

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC MINUTES
PAGES: 114

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REGULAR MEETING
BOARD OF COUNTY COMMISSIONERS**

December 9, 2008

This regular meeting of the Santa Fe Board of County Commissioners was called to order at approximately 2:22 p.m. by Chair Paul Campos, in the Santa Fe County Commission Chambers, Santa Fe, New Mexico.

Following the Pledge of Allegiance and State Pledge, roll was called by Deputy County Clerk Vicky Trujillo and a quorum was present as follows:

Members Present:

- Commissioner Paul Campos, Chair
- Commissioner Virginia Vigil, Vice Chairman
- Commissioner Jack Sullivan,
- Commissioner Harry Montoya
- Commissioner Mike Anaya

Members absent:

[None]

V. INVOCATION

An invocation was given by Jim Temmerman, Santa Fe County Fire Department Chaplain.

VI. APPROVAL OF THE AGENDA

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- B. Tabled or Withdrawn Items**

CHAIRMAN CAMPOS: Mr. Abeyta, I see we have an amended agenda.

ROMAN ABEYTA (County Manager): We do, Mr. Chair. The amendments are as follows: X. Matters from the Commission, we added an O: Request for approval for an expenditure of community service funds in the amount of \$2,000 for the Ken and Patty Adam Senior Center in Eldorado; and we added P: A Resolution honoring the legacy of Alice King, the First Lady of New Mexico. Turning to page 5 of the agenda under XIII, Staff and Elected Official Items, B, Community Services Department, item 3, staff is withdrawing that from the agenda and item number 4 is withdrawn from the agenda. Under public hearings, XIV, A. Growth Management Department, case number 1, Concierto at Las Campanas has been tabled and case number two CDRC Case, Armijo appeal is also tabled.

Those are the amendments by staff, Mr. Chair.

CHAIRMAN CAMPOS: Okay, Commissioners, any changes?

COMMISSIONER VIGIL: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: Item XIII, C. 1, on page five, it's an ordinance amending Ordinance 2006-12 to revise the Village of Agua Fria Traditional Historic Community Boundary – I do believe our planners have gone out and comprehensively met with the community on this. And they have announced to the community members that this hearing, because they considered it would be public hearing, would be around 5 o'clock, as close to that time as we can accommodate that, Mr. Chair, I would appreciate that. So if we're done and close to it by 5 o'clock, I would appreciate that we come back to it following executive session.

CHAIRMAN CAMPOS: We have to wait till 5, is that correct Mr. Abeyta?

MR. ABEYTA: If it was officially noticed for 5, then yes, but if it was just something that was communicated to the community then I think as Commissioner Vigil said we need to stay close to the 5 o'clock timeframe.

CHAIRMAN CAMPOS: Okay, please keep me – well, poke me in the ribs if I forget. Any other changes?

COMMISSIONER MONTOYA: Move for approval as amended.

COMMISSIONER ANAYA: Second.

The motion to approve the agenda as amended passed by unanimous [5-0] voice vote.

VII. APPROVAL OF CONSENT CALENDAR

A. Consent Calendar Withdrawals

CHAIRMAN CAMPOS: Any withdrawals?

COMMISSIONER SULLIVAN: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Items A.1 and 4.

CHAIRMAN CAMPOS: Okay, any others? Is there a motion to approve the consent calendar with the exception of items A 1 and 4?

COMMISSIONER ANAYA: So moved.

COMMISSIONER SULLIVAN: Second.

The motion to approve the consent agenda with the exception of items A. 1 and 4 passed by unanimous [5-0] voice vote.

XII. CONSENT CALENDAR

A. Budget Adjustments

- 1. Resolution No. 2008-__ A Resolution Transferring Budget from the General Fund Sourced from the Capital Package to the State Appropriations Fund 318 to Correct A Youth Shelter Project Budget Shortfall of \$19,162 (General Fund 101 Transfer to State Appropriations**

Fund 318), (Community Services Department) – ISOLATED FOR DISCUSSION

2. **Resolution No. 2008-204. A Resolution Creating A Budget for 14 Open Space Projects Totaling \$1,249,000 from Cash Carryover (Capital Outlay GRT), (Community Services Department)**
3. **Resolution No. 2008-205. A Resolution Increasing A Capital Budget in RECC for Upgrades to the AS400 Mainframe Computer System; the Cost to Be Shared Between the City of Santa Fe And Santa Fe County. The Increase Includes \$79,150 from Cash Carryover for the County Share And \$187,722 for the City Share (EMS Health Care Fund 232)**
4. **Resolution 2008-__ A Resolution Transferring Cash Balance from the Road Projects Fund to the General Fund to Complete Construction of the Stanley Transfer Station for \$306,000 (Growth Management Department) – ISOLATED FOR DISCUSSION**

B. Miscellaneous

1. **Request Approval of the Collective Bargaining Agreement Between the Santa Fe County And CWA-Local 7911 (Human Resources)**
2. **Resolution No. 2008-206. A Resolution Authorizing the County Manager to Execute Contracts for RFP #29-0042-CSD/HGR for Material Testing And Special Inspection Services for the New Steve Herrera District Courthouse (Community Services Department)**
3. **Approval of 2008 Capital Cooperative Agreement Between Santa Fe County and the N.M. Department of Transportation in the Amount of \$150,000 for Multimodal Transportation Along the Old Santa Fe Trail (Community Services Department)**
4. **Resolution No. 2008-207. A Resolution Requesting Authorization Approval and Execution of a Capital Cooperative Agreement Between Santa Fe County and the N.M. Department of Transportation Supporting Road Improvements for Multimodal Transit Along the Old Santa Fe Trail, Including El Gancho Way (Community Services Department)**
5. **Request Approval of A 99-Year Property Lease in Galisteo Between the County of Santa Fe and the Galisteo Community Corporation for Use As A Community Park (Community Services Department)**
6. **Resolution No. 2008-208. A Resolution Authorizing the County Manager to Execute Contracts and Easements Concerning Construction of Improvements to the Santa Fe County Rail Trail (Community Services Department)**
7. **Resolution No. 2008-209. A Resolution to Enter into an Agreement With NMDOT to Receive COOP SB -7786(976)09 Funding in the Amount of \$177,737.33 for CR 42 Road Project Phase II – 0.83 Miles (STA 139+98.83 TO STA 193+57.73) – NMDOT Local Government Road Program (Growth Management Department)**
8. **Resolution No. 2008-210. A Resolution to Enter into an Agreement With NMDOT to Receive COOP SP-5-09(079) Funding in the Amount of \$119,546.67 for CR 42 Road Project Phase II – 0.75 Miles (STA 183+57.73)**

- TO STA 223+00.00) NMDOT Local Government Road Program (Growth Management Department)
9. Resolution No. 2008 -211. A Resolution to Enter Into an Agreement With NMDOT to Receive COOP CAP-5-09(446) Funding in the Amount of \$181,386.67 for CR 42 Road Project Phase II - 0.91 Miles (STA 223+00.00 TO STA 271+11.47) NMDOT Local Government Road Program (Growth Management Department)
 10. Request Approval of the Accounts Payable Disbursements Made for All Fund for the Month of November 2008 (Administrative Services Department)
 11. Request Approval for Grant PA#09-AL-K8-091 Between the State of New Mexico And the Santa Fe County Sheriff's Office for \$34,344.00 for A One-Year Term Start October 1, 2008 And Expiring September 30, 2009 (Sheriff's Office)
 12. Consideration And Approval of a Water Rights Purchase Agreement By And Between Santa Fe County And Paisano LLC for 63 Acre Feet of Pre-1907 Water Rights (Legal Department)
 13. Resolution No. 2008 -212. A Resolution Rescinding County of Santa Fe Resolution No. 2008-189 to Correct an Incorrect Date, And Authorizing Legal Holidays And Closing of County Offices for Calendar Year 2009 (Human Resources)
 14. Adoption of Resolution No. 2008-113 for Grant Approval for the Northern Santa Fe County Water And Wastewater System (Sombrillo Area) SAP 08-5334-GF - \$500,000 (Growth Management Department)
 15. Adoption of Resolution No. 2008-114 for Signature Authority And Project Representatives for the Northern Santa Fe County Water And Wastewater System (Sombrillo Area) SAP 08-5334-GF - \$500,000 (Growth Management Department)

C. Findings of Fact

1. CDRC CASE # MP/DP 07-5380 Calply Master Plan Zoning and Preliminary Development Plan. Calply, Applicant, and Liaison Planning Services (Dolores Vigil), agent, requested master plan zoning and preliminary development plan approval to allow a wholesale warehouse distribution facility on approximately 3.40 acres. The property is located at 7608 Baca Lane, within Section 11, Township 16 North, Range 8 East (Commission District 3). Approved unanimously 3-0 voice vote
2. AFRDC Case # V 07-5410 Joe Mier Variance Joe and Carmella Mier, applicants, Paramount Surveys (Paul Rodriguez), agent, request a variance of Article III, Section 2.4.1a.2.b (Access) to allow access through Camino Dos Antonios which is a legal non-conforming road which does not meet current County Standards for a three-lot family transfer land division. The property is located in the Village of Agua Fria Traditional Historic Community at 1800 Camino Dos Antonios, which is off Agua Fria Street, within Section 32, Township 17 North, Range 9 East, (Commission District 2) Approved 5-0

VII. APPROVAL OF MINUTES

A. November 7 & 14, 2008

COMMISSIONER VIGIL: Move to approve November 7 and 14.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER ANAYA: Second.

CHAIRMAN CAMPOS: Any discussion.

COMMISSIONER SULLIVAN: Mr. Chair, I'll say "aye" but I wasn't present for those. I think Mr. Ross has said I can still vote in the affirmation.

CHAIRMAN CAMPOS: That's correct.

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

IX. MATTERS OF PUBLIC CONCERN –NON-ACTION ITEMS

CHAIRMAN CAMPOS: This is an opportunity for members of the public to address the County Commission on items that are not on the agenda. Anybody here that wants to address the County Commission please come forward. No one has come forward, okay.

X. MATTERS FROM THE COMMISSION

A. Election of Chair/Vice-Chair For 2009

COMMISSIONER VIGIL: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: I think – first of all I hope we have ample opportunity to appreciate you and Commissioner Sullivan for your services as chair and vice chair – but with regard to the rotation that we have started and continue traditionally in this Commission, I am going to nominate as a slate the next available Commissioners on this rotation for chair and vice chair. For chair that would be Commissioner Mike Anaya and for vice chair it would be Commissioner Harry Montoya.

COMMISSIONER ANAYA: Second.

CHAIRMAN CAMPOS: Okay, any other nominations for chair and vice chair? I'd nominate Harry Montoya for chair and Virginia Vigil for vice chair.

Any other nominations? Okay, we have two candidates for chair that's Mike Anaya and Harry Montoya.

COMMISSIONER SULLIVAN: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Chair, I think this should be up to the newly elected Commission in January to select their officers. They may want to go by this informal rotation or they may not; but I would feel a little uncomfortable deciding for them who their chair and vice chair should be.

CHAIRMAN CAMPOS: It is on the agenda and historically it used to be on the agenda in January; wasn't it?

MR. ABEYTA: Mr. Chairman our rules of order require it to be done in December. We're just following the rules, but given that we have two new Commissioners coming in, the Commission could postpone it to January.

CHAIRMAN CAMPOS: I remember in 2001 when Commissioner Sullivan and I came on it was done in December and we objected strenuously. I thought the rules had changed.

STEVE ROSS (County Attorney): Mr. Chair, there is actually an ordinance, the County has an ordinance that establishes the term of the chair at one year. The problem is that you are currently the chair and the practice has been to appoint a chair in January but unless you elect an interim chair, there will be no chair for the first meeting in January. That's the problem that presents itself, and actually by doing it January in subsequent years we've not been following the ordinance.

COMMISSIONER VIGIL: And, Mr. Chair, I'd like to withdraw my name from nomination for the slate that you proposed.

CHAIRMAN CAMPOS: Okay, we'll vote for chair. We have Commissioner Anaya, do you want to vote for yourself?

COMMISSIONER ANAYA: Sure.

CHAIRMAN CAMPOS: Commissioner Sullivan, who do you want to vote for?

COMMISSIONER SULLIVAN: Mr. Chair, I'm voting the negative on vote. I feel it should be handled not by this Commission but by the future Commission. This is nothing to say one way or the other about the nominees, I just don't feel it's appropriate to do that now.

CHAIRMAN CAMPOS: I'll vote for Montoya. Commissioner Vigil.

COMMISSIONER VIGIL: I vote for Commissioner Anaya and Commissioner Montoya as the next –

CHAIRMAN CAMPOS: Hold on, we're just voting for chair right now.

COMMISSIONER VIGIL: Commissioner Anaya.

CHAIRMAN CAMPOS: Okay, Commissioner Montoya, do you vote for yourself?

COMMISSIONER MONTOYA: Yes.

CHAIRMAN CAMPOS: Okay you've got two vote – we've got two for Commissioner Anaya and two for Commissioner Montoya. Do we flip a coin or do you want to break it?

COMMISSIONER SULLIVAN: I vote no. The motion fails.

CHAIRMAN CAMPOS: Some help from legal counsel.

COMMISSIONER SULLIVAN: There's no flipping of coins in our regulation.

COMMISSIONER VIGIL: You know to avoid the awkwardness here I would just propose that we move forward without taking action on this. I am currently vice chair so in the absence of the chair I would conduct the January meeting and we can take action on this then. Is that correct?

CHAIRMAN CAMPOS: Well, we have a two-two tie and – question to counsel, what do we do with a two-two tie?

MR. ROSS: The motion fails.

CHAIRMAN CAMPOS: There's no other way? There's no flipping of the coin or poker or anything like that?

MR. ROSS: No, no.

CHAIRMAN CAMPOS: Okay, it's tied and nobody wants to change their vote?

COMMISSIONER ANAYA: Mr. Chair, I think the motion was that I would become chair and Harry would become vice chair and that's not what you –

CHAIRMAN CAMPOS: There was a nomination process.

COMMISSIONER ANAYA: But that was the motion from the board and we didn't go with that motion.

CHAIRMAN CAMPOS: I think when you're electing officers you have to have nominations and you can have as many nominations as you want to have and there were two.

How about this, you become vice chair and let Harry become chair and we'll take that on right now.

COMMISSIONER ANAYA: Mr. Chair, I believe that in the past and which I have strongly supported you being the chair was the rotation process. We've all rotated through it and when it came up for your turn and we all strongly supported it for you and Commissioner Sullivan to have a chance at being chair. I remember the discussion and we agreed on it. It sounds like we're changing paddles upstream but I don't mind waiting until the new Commission comes on to make a decision.

CHAIRMAN CAMPOS: Okay, it looks like it's two-two and it's going to stay that way. So let's move on. Do we do anything with the vice chair position?

COMMISSIONER SULLIVAN: Mr. Chair, I move to table item X.A. until the first County Commission meeting in 2009.

CHAIRMAN CAMPOS: Is there a second? The motion to table dies.

MR. ROSS: Mr. Chair, I think there is a motion on the table that was seconded for chair and vice chair.

CHAIRMAN CAMPOS: Who are the candidates for vice chair, Vigil and Montoya. Do you guys want to go through the vote or do you want to table it?

COMMISSIONER VIGIL: Mr. Chair, I think what has been pointed out is that we do have a motion on the floor with a second that we need to take action on. That motion was for the plate of Commissioner Anaya and Commissioner Montoya.

CHAIRMAN CAMPOS: We're talking about vice chair now.

COMMISSIONER MONTOYA: Mr. Chair, you know the reason I would consider being the chair is because Commissioner Anaya your responsibility with the Association of Counties and the presidency and running for another at least six or seven months. If you don't think that's going to interfere or whatever with your role as chair on this Commission, I'm fine to go with the motion that Commissioner Vigil has made. That is the only reason that I would consider being the chair in terms of your capacity as the president of the Association.

COMMISSIONER ANAYA: Thank you, Mr. Chair, Commissioner Montoya. I thought long and hard about it and I believe that I can handle being chairman of the Santa Fe County Commission and the president of the Association of Counties at the same time.

CHAIRMAN CAMPOS: Commissioner Montoya, are you wanting to make a motion that Commissioner Anaya be made the chair or do you want to go along till next year? What are you saying?

COMMISSIONER MONTOYA: Commissioner Holian, what do you want to do?

CHAIRMAN CAMPOS: I think it's a good idea to decide now that way the new Commissioners can come on without creating a lot of conflict with all the Commissioners. I think it is wise that we act today. I need to know Commissioner Montoya what do you want to do?

COMMISSIONER MONTOYA: Mr. Chair, having heard from Commissioner Anaya that he is able to fulfill both roles, then that's fine with me.

CHAIRMAN CAMPOS: So you're nominating Commissioner Anaya for the chairmanship –

COMMISSIONER MONTOYA: No, I'm going along with Commissioner Vigil.

CHAIRMAN CAMPOS: Okay, so you're seconding. So, there's two vote, three votes – let's vote on it.

COMMISSIONER VIGIL: The motion that has been seconded is for the nomination slate of Commissioner Anaya as chair and Commissioner Montoya as vice chair. It's been on the floor since we started discussion.

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

CHAIRMAN CAMPOS: Okay, the election is concluded. That was interesting.

X. B. Consideration and Approval of Amendment No. 1 to the Water Service Agreement Between Santa Fe County and the Agua Fria Community Water Association (Commissioner Vigil)

COMMISSIONER VIGIL: I'm going to pass this on to Steve Ross who has been working with this community on this amendment.

CHAIRMAN CAMPOS: Okay, and Attorney Ross?

MR. ROSS: Mr. Chair and members of the Commission, as you know we have a water service agreement with the Agua Fria Community Water Association currently and it provides for the delivery of I think 30 acre-feet of water from the Buckman Direct Diversion Project to the Agua Fria Association after the completion of the Buckman Direct Diversion Project. I understand that Commissioner Vigil has dedicated a substantial amount of money, I believe it was \$400,000 towards the purchase of water rights to support that agreement. So what this amendment does is adds additional water to the water service agreement that's been previously approved by this body that corresponds to the value of the water rights divided by the amount of money that Commissioner Vigil I believe it's \$400,000 has dedicated to this project.

We're basically increasing the amount of water that is pledged to the Agua Fria Water Association in this amendment. That's all it does.

CHAIRMAN CAMPOS: Attorney Ross, you're saying that the \$400,000 is to pay for the water rights that will be used for the Agua Fria Community Water System?

MR. ROSS: The County will purchase water rights and then make them available to fulfill the terms of this agreement, correct.

CHAIRMAN CAMPOS: And that's the \$400,000 that you're talking about that Commissioner Vigil has come up with?

MR. ROSS: Yes.

CHAIRMAN CAMPOS: And this is coming out of – where is the money coming from?

MR. ABEYTA: Mr. Chair, this is the allocation that we talked about maybe 18 months ago where each Commissioner got \$500,000.

CHAIRMAN CAMPOS: Okay. Any questions?

COMMISSIONER MONTOYA: Move for approval.

COMMISSIONER SULLIVAN: Second.

CHAIRMAN CAMPOS: Discussion?

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

X. C. Recognition of Major Ron Madrid's 25th Anniversary With Santa Fe County Sheriff's Department (Commissioner Anaya)

COMMISSIONER ANAYA: Thank you, Mr. Chair. If I could I would like to bring forward Major Ron Madrid and Detective Martin Rivera to the front so that we can see who these gentlemen are. I would like to turn this over to Sheriff Greg Solano and then after he is done I'd like to say a few words myself. And, Mr. Chair, we also have another retiree who is not here today and that's Detective Mary Garcia and I believe the Sheriff will speak to her also.

CHAIRMAN CAMPOS: Sheriff.

SHERIFF GREG SOLANO: Thank you, Mr. Chair and Commissioner Anaya. We'll start out with Major Ron Madrid. Major Ron Madrid has been through five different Sheriff administrations in his career and that says a lot. A lot of times we say that the walls of these public buildings if they could talk they could tell a lot. Well, Ron could tell the stories of the Santa Fe County Sheriff's office for the last 25 years. And I know that he's probably been as invaluable or valuable to every sheriff's administration as he's been to mine. I really couldn't operate my administration as efficiently without having him with us. Today actually marks to the date 25 years that Major Ron Madrid has been with the Sheriff's Office. He's worked in just about every capacity in the Sheriff's office throughout his career and has excelled in everything he has ever done. You know, I often joke around with him and say, "When I grow up, Ron, I want to be just like you."

On behalf of the Sheriff's Office and Santa Fe County and if I could on behalf of the Commissioners as well I have a plaque here recognizing him for his 25 years of service with the Sheriff's Office from 1983 to 2008. And, it's just a heartfelt thank you Ron for everything that you've done for citizens, for the public and most importantly for me. You know, my administration is not Sheriff Greg Solano, it's the people behind the office that makes everything work and you're one of those people. I just want to really thank you from the bottom of my heart.

[Major Ron Madrid received a round of applause.]

MAJOR RON MADRID: Mr. Chair, Commissioners, I'm not much for speeches but I just want to tell everybody thank you very much especially those attending from the Sheriff's Office and just everybody that I deal with. You know, I retired and I came back and everybody says aren't you tired of it. And the thing about the job is that when I left I really realized it's not the job it's dealing with the individuals everyday. You miss everybody that you work with and when I came back - it's just great. Actually, it's better the second time around.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN CAMPOS: Yes, please.

COMMISSIONER ANAYA: First of all, I'd like to just thank the Major on the years service that he put to Santa Fe County. Not very often do people retire from Santa Fe County and when they do it's good that we bring them forward and recognize them. But the major I met maybe 10, 12 years ago and he and I have become good, good friends. I just want to thank you Major for being a good friend. He and I, I honestly have to say like the same things. He likes what I like and I like what he likes and we've become good friends and hunting partners and we do everything together and I appreciate the friendship.

Thank you Mr. Chair and thank you Major.

X. D. Recognition of Martin Rivera's 20th Anniversary with Santa Fe County Sheriff's Department (Commissioner Anaya)

SHERIFF SOLANO: The next person I want to recognize is Martin Rivera. Martin Rivera has been with us for 20 years since November of 1988. He has also worked in many capacities throughout the Sheriff's Office and is also considered one of our stellar employees. Just recently, as recent as today, if anybody looked on the front of today's paper, you'll see that Santa Fe unfortunately had the prosecution of the very first voyeurism case under the new state law and that case was handled by Detective Martin Rivera and as you can see by today's paper it ended in a conviction today. It is the first conviction in the State of New Mexico for this law.

Martin Rivera once on patrol stopped a wrong way driver from committing another tragedy such as we saw in the Dana Pabst case. And these are just some of the most recent things that he has done in his 20 years. I really appreciate his service to the Sheriff's Office and I thank you for your 20 years. I hope you'll still be around a few more and I just want to thank you for all the work that you've done.

[Detective Martin Rivera received a round of applause.]

DETECTIVE MARTIN RIVERA: Commissioners, audience, I just wanted to say I'm proud to be a member of the best department, the best county – Santa Fe County.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: I'll wait until you recognize Mary because I'd like to include her in my comments.

SHERIFF SOLANO: Unfortunately, Mary just called us and said she wasn't able to make it. But Detective Mary Garcia just completed 20 years with the Sheriff's Office and she has opted to retire and we're going to miss her. One of the biggest accomplishments that she recently did in the last couple of years was to computerize and make more efficient the registration of sex offenders in Santa Fe County. She took over a position that was newly created to handle all the new laws regarding sex offenders and made the implementation of that law pretty seamless to the Sheriff's Office now. I really want to thank her for that and I wish she were here so I could thank her in person. Once again, she's another stellar employee with 20 years with the Sheriff's Office and I hope she enjoys her retirement. Thank you.

COMMISSIONER VIGIL: Thank you, Mr. Chair. I want to thank Greg for bringing forth these recognitions today. Ron and Martin, I don't know if you'll remember but about 15 or 16 years ago I was a fresh Assistant District Attorney with the 1st Judicial District and it was a pleasure being such a new face and beginning attorney to work with professionals like yourselves who brought forth comprehensive records and were so willing and able to testify. And since then through that 15 year period that I've know you, what I consider the entire Sheriff's Department perhaps under the leadership of Greg Solano is like silent giants. You don't toot your own horn you just do your work and get it done and you do it so efficiently that it makes the criminal justice system run so smoothly. I so appreciate your dedication and I want to toot your horn today and say thank you very much for your committed professionalism to law enforcement.

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: I think it would be nice if we could get a picture with the Major and the Detective. I would like to, if it's okay with the Chairman, to get his staff, the deputies and all that are here to come up and take a picture with them.

CHAIRMAN CAMPOS: Of course that's okay, Chairman-elect Anaya.

COMMISSIONER MONTOYA: Mr. Chair, before we do that, I want to thank and congratulate Major Ron and Martin on your 25 and 20 years and congratulate Mary on her retirement. When I can't get a hold of you Sheriff, I can call Major Ron and it's like talking to you in that things get done. You've got a good person there in Major Madrid, things get done and things happen. I really appreciate everything that you've done for District 1 and the people that live and rely on the public safety that you provide for that particular area. Thank you and congratulations.

- X. E. Discussion and Possible Approval to Allocate \$500 from District 2 Community Service Funds to the Santa Fe County Public Works Department to Support the Recycling Program (Commissioner Vigil)
- F. Discussion and Possible Approval to Allocate \$1,000 from District 2 Community Service Funds to the Santa Fe Boys and Girls Club to Support Their Summer Aquatics Program (Commissioner Vigil)
- G. Discussion and Possible Approval to Allocate \$1,500 from District 2 Community Service Funds to Santa Fe Girls Inc. to Support the Zona del Sol Satellite Program (Commissioner Vigil)
- H. Discussion and Possible Approval to Allocate \$2,000 from District 3 Community Service Funds to the Santa Fe Girls Inc. to Support the Zona Del Sol Satellite Program (Commissioner Anaya)
- I. Discussion and Possible Approval For an Expenditure of Community Service Funds in the Amount of \$5,000 to Literacy Volunteers of Santa Fe, For the Provision of Books, Videos and Educational Materials for the Family Literacy (PACT) Parents and Children Together Program (Commissioner Vigil)
- J. a Request For Approval For an Expenditure of Community Service Funds in the Amount of \$18,000 to Santa Fe County Community Services Department For the Provision of Purchasing Energy Efficient Fixtures For Installation At Santa Fe County Facilities (Commissioner Campos)
- K. A Request For Approval For an Expenditure of Community Service Funds in the Amount of \$2,000 to Santa Fe County Community Services Department, Community Health and Human Services Division for the Provision of Supporting the Patty Adam Senior Center in Eldorado (Commissioner Campos)
- L. A Request For Approval For an Expenditure of Community Service Funds in the Amount of \$1,500 to Santa Fe County Community Services Department, DWI Program For the Provision of Supporting Their Hosted Youth Leadership Conference in April 2009 (Commissioner Montoya)
- O. A Request For Approval for an expenditure of Community Services Funds for the Ken and Patty Adam Senior Center in Eldorado (Commissioner Anaya)

COMMISSIONER VIGIL: Basically, that's what it is, Mr. Chair.

COMMISSIONER MONTOYA: Mr. Chair, I would move for the approval of items E, F, G, H, I, J, K and L.

CHAIRMAN CAMPOS: And O?

COMMISSIONER MONTOYA: Yes, and O.

COMMISSIONER ANAYA: Second.

CHAIRMAN CAMPOS: Okay, so you're highlighting your own stuff. That's a transparent ploy

COMMISSIONER MONTOYA: Yes, I'd like to.

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

X. M. Update Summary of North Central New Mexico Economic Development District Board (NCNMEDD) (Commissioner Montoya)

COMMISSIONER MONTOYA: I just saw that Barbara Deaux walk in who is the Executive Director for the District Board. We had a meeting a couple of weeks ago, Mr. Chair, and discussed some of the major projects that were ongoing, some of the things that the Economic Development District will continue to work on and I just wanted to very brief – and Barbara, I don't know if you want to add to that – that's about as much as I want to say and if you want to add to that okay. But, Mr. Chair, I just think it is important that as the representative of Santa Fe County make available the minutes and the agenda items that we have and leave them in a central place here for people to review and we'll do that also in my role and responsibility for the North Central Regional Transit District. Barbara, I don't know if you're here for this agenda item or another one?

BARBARA DEAUX: Mr. Chair, members of the Commission, my name is Barbara Deaux, actually I am not here for this but anytime a councilor or commissioner would like to have any further information about the district I would be happy to provide it. I am here for another agenda item.

COMMISSIONER MONTOYA: Thank you, Barbara. Thank you, Mr. Chair. That's all I wanted to highlight about myself.

COMMISSIONER VIGIL: Is it possible that these minutes can be available to us by email, electronically? That would be my preferred venue for reviewing them.

COMMISSIONER MONTOYA: Okay.

COMMISSIONER VIGIL: And if those could be sent to us regularly I would appreciate the opportunity to stay informed not only for this but perhaps maybe those representative capacities that we have like with the Northern Transit District or any other capacity that we only have one representative, that those minutes could be made available for the remainder of the Board. I think keeping the lines of communication and understanding what's going on in those entities is quite helpful for the Commissioners as a whole. Thank you, Mr. Chair and Commissioner Montoya.

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: Since I see Barbara Deaux in the audience, Barbara has Jennifer tried to get a hold of you to meet with me on the Leadership New Mexico? Okay, we'll follow up on that later. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya, is that it for you.

COMMISSIONER MONTOYA: Yes, thank you.

CHAIRMAN CAMPOS: Okay, let's go to P, the resolution to honor Alice King.

X. P. A Resolution Honoring the Legacy of Alice King, the First Lady of New Mexico (1930-2008) (Commissioner Anaya) [Exhibit 1: Resolution Text]

COMMISSIONER ANAYA: Thank you, Mr. Chair. As you all know we lost a very lovely lady who did a lot for the great State of New Mexico, Alice King the wife of three-time

governor, Bruce King. There's a resolution commemorating the life and legacy of Alice King: Whereas, Alice King served New Mexicans in the 1970s, 80s and 90s going from her graduate class of 13 at Moriarty High School to her family ranch to the Governor's Mansion; Whereas, Alice Martin the daughter of a dairy farmer in Moriarty was 17 when she married Governor Bruce King, a cattle rancher from Stanley; Whereas, Mrs. King was a three-time former New Mexico First Lady; Whereas, Mrs. King created the first office of the First Lady in New Mexico; Whereas, Mrs. King is credited with creating the New Mexico Children, Youth and Family Department the first of its kind in the nation; Whereas, Mrs. King shined the light on the importance of helping the most vulnerable children in New Mexico her cause making sure that children who are abused and neglected go the care they deserved; Whereas, Mrs. King was a major supporter of the Carey Tingley Children's Hospital and was also chairwoman of New Mexico's Children Trust Fund; Whereas, Mrs. King's legacy always will be children, children, children, a mother, a grandmother, First Lady, a private citizen she has always put New Mexico's children first; Whereas, New Mexico has lost an invaluable citizen, one whose accomplishments are part of our history and part of our future.

Mr. Chair, I would go ahead and move for approval of this resolution and after it is approved, I'd like to say a few more words.

COMMISSIONER VIGIL: Second.

COMMISSIONER MONTOYA: Second.

CHAIRMAN CAMPOS: Okay, this is resolution 2008-203. Do you want to vote on it first and then say a few words?

COMMISSIONER ANAYA: Yes.

The motion to adopt Resolution 2008-203 passed by unanimous [5-0] voice vote.

CHAIRMAN CAMPOS: Now, therefore, be it resolved that the Board of County Commissioners declares December 9th as designated Alice King Day in Santa Fe County, approved, adopted and passed this ninth day of December 2008 by the Board of County Commissioners Santa Fe County.

Thank you, Mr. Chair. We did lose a great individual for this great State of New Mexico.

COMMISSIONER VIGIL: Mr. Chair.

CHAIRMAN CAMPOS: Thank you. Commissioner Vigil.

COMMISSIONER VIGIL: Commissioner Anaya, I know that the Honorable Alice King will be lying in state tomorrow, I believe from 10 to 2 o'clock at the Rotunda at the Round House. Do you know if there are any services scheduled and if they are, what time?

COMMISSIONER ANAYA: Thank you, Mr. Chair and Commissioner Vigil, there will be services in the City of Moriarty at the high school starting at 9 o'clock on Thursday morning.

COMMISSIONER VIGIL: And are you familiar with any services that will be provided at the Rotunda?

COMMISSIONER ANAYA: Mr. Chair, Commissioner Vigil, that is the first that I've heard of what you said. Can you tell me the time of that again?

COMMISSIONER VIGIL: I thought it was 10 to 2; can anyone verify that for me? Yes, 10 to 2. Do you know, Vicki, is there any kind of formal services? Okay, thank you.

CHAIRMAN CAMPOS: Anything further on that matter?

X. N. Presentation By Public Service of New Mexico (PNM): "Empowering New Mexico's Future" by Mr. Robert Castillo, PNM Government Affairs [Exhibit 2: Additional Material]

CHAIRMAN CAMPOS: Rhonda Mitchell, last but not least. You guys have 30 seconds.

COMMISSIONER MONTROYA: Mr. Chair, while they're coming up I also want to offer my condolences to the King family. I did have the opportunity to serve with former First Lady on the Children's Trust Fund and she was certainly a delight. Saying she was passionate about children is an understatement and may she rest in peace.

COMMISSIONER SULLIVAN: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner.

COMMISSIONER SULLIVAN: I would add to that also about the First Lady Alice King. I worked with her at the state prison. She sponsored for years a program providing a place for families to visit the inmates – a place for the children to be cared for while the families were visiting the inmates. They had a couple of portable buildings there and a nursery setup and volunteers who would enable the family to have some time with their loved ones who were incarcerated and she handled that program for many years and I allocated some discretionary fund money to that which is appreciated. And I think some others may have done that also. That's just the kind of thing that she did quietly, trying to make life a little better where she could. A tremendous role model. I really felt close to her and to her husband as well.

CHAIRMAN CAMPOS: Thank you, Commissioners. Mr. Robert Castillo.

ROBERT CASTILLO: Chairman Campos and members of the Commission my name is Robert Castillo and I'm the director of governmental affairs for PNM. I have with me today Rhonda Mitchell, she has been our local governmental affairs representative. We thank you for this opportunity to come and give you a briefing. It's very timely in the sense that PNM, I think you've been reading, is in the process of divesting itself of the Gas Company. It will become an independent company and I just wanted to briefly mention that and then get into a very serious matter and that's the rate case that PNM Electric will be presenting. As far as the divestiture goes, I wanted to report to all of you that Rhonda Mitchell who you are all more familiar with than you are with me, will be going over to the Gas Company. So she'll continue to represent the Gas Company here in any related proceedings. I will be remaining with PNM Electric and most likely representing the company on the electric side at any meetings that we need to be at here.

One of the good things about the divestiture is that the new gas company has agreed to freeze rates to customers for a three-year period. So I think that's a big positive and that will be good for New Mexico and the citizenry, namely the ratepayers.

The bad news, and I'm going to be emphasizing this today, it's the rate case on the electric side is going to be presenting at the PRC. It's not something that I want to make light of; it's a very serious issue. It's not the most opportune time to be introducing a rate case so I wanted to give a little bit of perspective as to why we're doing it, why the timing, how much we're asking for and I want to go over – you've got a handout here and I'm going to go over it at a pretty high level. It's got various slides and there are three other documents that I've also handed out. I'm not going to spend time in this meeting because I know that time is of the essence here, but we wanted you to have the three different fact sheets: PNM proposed new rates, again this would be PNM Electric; PNM's efforts on cleaner energy and renewables and energy efficiency; and the third sheet is bill and energy management assistance for low-income and other PNM Electric customers.

The one I'd like you to focus on now is the handout with nine slides and I will go over them quickly with you. If you go to the slide with the light switch, PNM is going to be requesting a rate increase of \$123 million and that is very significant and that is why we think an explanation is warranted. To give a little perspective I'm going to talk about what is rate case, it's primarily the timeframe that is involved in a rate case and the scrutinization that really does take place before any level of rate increase is permitted. I'm going to talk a little bit about what's driving the rate increases for PNM that caused the need for a rate increase and how PNM is meeting the need for more energy in this state and how PNM's rates compare regionally and nationally.

On the next slide the title is utility rate case 101. I prefer to call it utility rate case timeline. There's two bar charts here, the top one is PNM's last rate case. As you know last May the Commission ordered a rate increase in the amount of \$34.8 million. What I'd like to point out is that the rates that were approved by the Commission were actually based on a test year which began in October of 2005 and ended in October 2006. So the rates that were approved were actually approximately two years old by the time they got approved so that is what is called a regulatory lag. It's really something that is built into the Public Regulations Commission's process. But as the years have gone by these rules were created back in the 1940s and prices are more volatile nowadays so regulatory lag places a greater burden on the company's ability to keep up with increasing costs. The lower chart shows the current rate case. It's based on a test year of '07 and it's based on 12 months again. It takes about five months to prepare a rate case. The rate case gets submitted and the Commission has in its rules a 10 month suspension period and during that time is when their staff and other interveners scrutinize the filing that the company has made and typically go to hearing and it's a litigated hearing. Subsequently the Commission does have the option of extending the period by three more months for further scrutiny but we are anticipating final order in roughly October, July to October of next year.

Again, we are requesting \$123 million. Last rate case we requested \$77 million and they approved \$34 million. I can't say it enough that these are very significant figures and it's very serious and therein we wanted to make sure and we're notifying people across the state within our service territory to give people an adequate heads up to be prepared and to get involved in the proceeding at the PRC if people deem that necessary.

I want to go to the next one now, it's a pie chart, mostly blue with a little gold. Why a rate increase is needed in 2009? PNM's technical experts calculate that PNM needs \$807 million to provide electric service to all its customers. With the current revenues we're generating it's totaling \$684 million so there's a net shortfall of 18 percent or \$123 million and that's what is being requested. And the fact is, it's an 18 percent increase over current rates.

What are the main drivers of the rate case? If you go to the next slide, it's a large pie chart in gold. You can see that the most significant cost. There are various costs, many drivers that go into the rate case. New power sources will constitute about 35.6 percent of our rate increase request and because our economy continues to grow across the nation we hear about some states that are decline, our economy as a whole is in decline, but PNM has continued to grow at a pretty good pace the last several years and that's requiring more generating facilities to serve not only more people but the same people tend to use more electricity than historically. So, we're going to be asking the Commission to incorporate two additional gas fired plants in our array of generating capacity so that we can sustain the added load that we have and that's the cause for that increase.

The second largest increase is increase cost of capital and that's partially attributed to our last rate case and the fact that prior to the last rate case we hadn't asked for a rate increase in 22 years. As our revenues have dwindled our cost of borrowing money has gone upward because they see that we're

not generating enough revenues. So, people ask why you have to have a rate increase and it's kind of a two-edged sword. If we increase the rates, people don't like it. If we don't increase the rates for extended periods to keep our customers rates more affordable, our cost of borrowing increase so that when we have to add facilities we wind up paying more money.

And I'll just highlight one more – the next highest component is the San Juan Environment Upgrade. As we all know the environment in today's world is extremely important to the general population. As a utility our job is to balance the amount of money that we charge our customers with the environment. And as we all know, the environment is winning – that's at the forefront of majority of peoples' minds and so we as a utility, it is incumbent upon us to focus on that as well and that means more money to clean up our coal fired plants and to move away from using more coal in the future and go toward renewal energy. We're in the midst of that.

Today technologies, they work but they tend to be more expensive than conventional technologies for coal and natural gas and nuclear.

Let me take you to the next slide. New Mexico's need for electricity is growing. I've already touched on that. The yellow portion of the chart is the resources that PNM owns to serve our customers. The orange portion is the customer peak and as you can see from '08, where we are today, we projected through to 2026 and beyond and the customer needs are increasing and our resources are not only staying flat but in the next few years they're going to decline a little bit. And what's happening there is PNM not only owns its assets that it generates from but we also own some power contracts and the declines you see are those contracts that will be expiring over the next few years and so we'll have to either build more capacity or buy new contracts to serve people so that's why you see that PNM will actually have fewer resources over the next few years.

The next chart, economic growth is tied to energy use, and visa versa. Like I said, our residents, businesses, industries are tending to use more and more electricity and there's more of them here in New Mexico as we go forward. So we kind a track our customer use kind a tracks economic growth as jobs grow, more people are working, there's more people using more electricity and those are the things that our planners have to look out for because we're not your typical private business that operates in a free market place. We are a regulated monopoly so by that we are obligated to provide service to whomever request that service – within reason obviously.

Next slide, it's just an example that per customer use is up. More and more of our kids, not to mention ourselves, are using cell phones, laptops, iPods, more DVDs. Everybody now – you know, I was out over the holidays I went to the mall down in El Paso, Texas I went down there for a wedding. Anyway, I was at the mall and I saw – I was trying to catch the football game so I went to where the flat screen TVs were being sold and that's all they had. They had nothing but flat screens. There was one traditional type television that was on the shelf for sale. These newer televisions are actually using, especially the plasmas, use much more energy than do the old television sets. And computers at home, when we turn them off they're still consuming power. Unless you unplug them, they're still consuming power. The DVD player, if you have a cable box, I don't know if you've noticed but at my house when it's off, it's still consuming power. All of those things are contributing to greater demand and greater use and just more people involved.

The next slide, how do we make our energy dollars go farther? You know PNM is engaged, and I can say this as a PNM employee, I'm a former regulator myself. I worked for the old Public Utility Commission many years ago and we regulated PNM amongst all the other companies, and back then there was excess capacity and rates were very high. People were telling PNM why don't you sell some of those extra assets that you have and bring the rates down. Well, over time PNM has actually –

they didn't sell Palo Verde but we grew into Palo Verde and beyond. And we're looking at the next generation of utility power plants and that means more money.

Now what I've noticed is different than when I was a regulator is back then we could not convince and I'm not going to single PNM out but any utility, we could not convince to get involved in energy efficiency and renewables and programs to save because everybody had excess capacity. The idea was, Hey tell everybody to use more so that we can use up that excess capacity. Well, today there is no excess capacity so it actually benefits utilities to promote efficiency; although it sounds counter intuitive in the private sector you make money by selling. When you're a regulated utility, yes you do make money by selling but there comes a time that it's more expensive to implement new generation than to encourage your customers to save. So PNM and I won't speak for the other utilities because I don't work for them, but PNM I know is a big proponent of energy efficiency and renewables and all utilities are into renewables now to an extent because it is mandated by the Public Regulation Commission.

Our job is work with places, with stakeholders, with customers, like the County, like the City of Santa Fe we're trying to work with them right now on photovoltaics to the sewage treatment plant for example and with approval from the Commission there will be a program that they can share in the benefits and sell back – the benefits of savings – and sell back to PNM any excess power that they generate. And these are things that PNM is sincerely cooperating with nowadays and I couldn't have said that 15, 20 years ago. And so again these are just some programs that PNM is presently engaged in.

CHAIRMAN CAMPOS: Commissioner Montoya, you've got a question?

COMMISSIONER MONTOYA: Mr. Chair, in that regard, the charts show, Robert, that things are continuously going up but the energy efficiency program that you – I guess my question is have they made an impact on the use?

MR. CASTILLO: Not a significant impact. Renewables are really still in their infancy. They're still very expensive without government subsidies, tax breaks and so forth, they don't sustain – they don't match up well with your traditional sources of power. However, our national government and our state government is committed to making renewables work and PNM is in agreement with that because the alternative is building more expensive power plants. So people can be more efficient and we can improve the technologies in renewable then everybody should benefit. Do we know that for a fact? Absolutely not. Just like our economy today, we don't know what the next step is and we're not sure how we got where we're at and we're not sure what the precise solution is. But we can't sit back and do nothing.

COMMISSIONER MONTOYA: Thank you. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: Thank you, Robert for your presentation. When will this rate increase go before the PRC?

MR. CASTILLO: Again, it was filed in September and we're expecting that in the February to March timeframe hearings will actually be scheduled and that will be in '09. And we're expecting a final decision in mid-summer, July to early fall.

COMMISSIONER VIGIL: And when will it affect the ratepayer if the decision is to increase?

MR. CASTILLO: How will it affect --

COMMISSIONER VIGIL: When?

MR. CASTILLO: Pretty much at the same time that the final order comes

out, within a few weeks of the final order so if they put out a final order in July of next year I would expect that by August 1st it will be impacting ratepayers. Because once they approve the rate case it goes into our next billing cycle that we're allowed to start incorporating those rates.

COMMISSIONER VIGIL: With regard to the energy efficiency component there are so many ways that I think local government can partner with a utility and I think I've spoken to you a little bit about those before. One of the things that I appreciate because I like the concept is that if we work more closely together we might be able to come up with something that creates a larger benefit to our community and that is your incentive program for conservation. You have sort of a rate incentive program of some kind if a customer – well, I guess it's maybe a contra-positive if a customer goes beyond a certain amount of usage then the charge is a little higher. So in a sense that's an incentive to keep conservation measures in place.

I'd like to be able to find out how local government, Santa Fe County in particular, and PNM can work on furtherance of conservation measures for our utility ratepayers and I'm sure whether you have a specialized consultant within your organization or how that would happen. But there are so many avenues that we can take but that's a starting place, conservation.

MR. CASTILLO: Chairman Campos, Commissioner Vigil, I think that that's a very viable idea. I've mentioned that we've been in contact with and actually working to a degree with the City of Santa Fe. We recently had an RFP process for third parties to become involved in renewables. We do have our in-house experts in this area so we'll be more than happy to have somebody in contact with you or whomever you were to designate to see how the County and PNM might be able to partner in areas that are of interest to the County. Earlier you had mentioned to me that you might have an opportunity to work with the City and if something like that came about where it was a County, City, PNM arrangement, that could be beneficial as well.

COMMISSIONER VIGIL: Thank you. I'll look forward to hearing from someone from your organization.

MR. CASTILLO: Okay, thank you, Commissioner.

CHAIRMAN CAMPOS: Mr. Castillo, how much more time do you need?

MR. CASTILLO: I am done with my presentation. Any questions that you might have – this was for your information. If you have questions I would do my best to respond or to get back with you.

CHAIRMAN CAMPOS: Commissioners, any other questions?

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTOYA: Just curious, Robert, part of my district gets service from Jemez Mountain Electric Co-op; how do your rates compare to theirs? I don't want to put you on the spot, I was just wondering if you might know.

MR. CASTILLO: I don't know specifically. I think that PNM is slightly lower than Jemez Electric but I could check and get back to you on that.

CHAIRMAN CAMPOS: Thank you, Mr. Castillo and Rhonda Mitchell. You're so serious, Rhonda – what's going on?

MR. CASTILLO: Thank you, Commissioners, we appreciate the time.

CHAIRMAN CAMPOS: The price of gas is going down, that's good for us, right?

MR. CASTILLO: And rates will be frozen on the gas side.

CHAIRMAN CAMPOS: Thank you very much.

X. OTHER MATTERS FROM THE COMMISSION

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: Thank you, Mr. Chair. I would like to invite staff and whoever would like to go that the open house the New Mexico Association of Counties is having on Friday, December 19th from 12 to 4 p.m. Please come join us and that is at 613 Old Santa Fe Trail.

Roman, I know that we have an MPO meeting on Thursday at 10 or 11, now that Alice King is at that time, I believe it is at 9 o'clock on Thursday, if we could see if we could try to reschedule that.

MR. ABEYTA: Okay.

COMMISSIONER ANAYA: That's all I have, Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTOYA: Thank you, Mr. Chair. I believe that, and Steve's not here now, but I believe that we're probably at the point in time where what's gone on with the Aamodt settlement it would behoove us to go back to the public/community to let them know that the settlement agreement is completely done, the cost settlement agreement that the Feds are coming to the table, legislation has been introduced. So I would like to, Roman, ask that staff sets up some community meetings just to inform the public in the Pojoaque Valley of where things are at with the Aamodt case at this point. I believe that up until this point there were still too many questions and things that had not yet been discussed and decided but I believe that those things have been done and we're at a point now where it's probably going to benefit the public to know what's going on with this case.

The other thing is, Joseph Gutierrez, I just had a question, Joseph, regarding change orders in the Public Works facility. What does that look like and what have those amounted to?

JOSEPH GUTIERREZ: Mr. Chair, Commissioner Montoya, I don't have the exact number before me, Paul Olafson is here, but I believe we're at about 8 to 8.5 percent of that project and that project was about \$16 million so we're about at 1.2 to 1.3 million on change orders and they're pretty much - I think we've seen most of them. Public Works is setting up furniture this week and they'll be moving in a couple of weeks so the project is moving through the close out process. We do have some small change orders that we'll probably be talking to them and even mediating possibly, but they're small amounts at this point. So, I'm saying it'll be about \$1.3 million more or less when we're all said and done. And, Paul can validate that or correct that if he wants.

COMMISSIONER MONTOYA: Okay, so that's about right.

MR. GUTIERREZ: Ten percent would have \$1.6 million but we don't have any major change orders coming to the Commission at this point.

COMMISSIONER MONTOYA: I would just like to invite people to the Pojoaque Feast Day. We were invited I believe by the Governor for his Friday, December 12th if you can make it there.

At this time I wanted to thank Commissioner Campos and Commissioner Sullivan for their service. Believe it or not I'm going to miss both of you guys. Just wish you both well in whatever you decide to do next professionally or politically or personally whatever you decide. Also, I want to wish everyone a Merry Christmas, Happy New Year or however you all celebrate the season with greetings.

CHAIRMAN CAMPOS: Thank you, Commissioner Montoya. Commissioner Sullivan.

COMMISSIONER SULLIVAN: Thank you, Mr. Chair. I think, Mr. Chair, after eight years I congratulate you on your stick-to-it-ness as well. At least for me it's important that I express some thanks to some people and also reflect on some things that the County has accomplished. I

certainly won't be anywhere near as long as the PNM presentation. But I do want to acknowledge and thank the entire County staff, the Commission, and County residents and especially those in District 5 for the support they've provided me in fulfilling my duties as a Santa Fe County Commissioner for the past eight years.

If I tried to name every staff person and volunteer who has contributed I would certainly miss someone very important to our team success and I wouldn't want to do that. Certainly, I want to acknowledge Roman Abeyta and Steve Ross and their staffs, as well as our division and department directors and their staff for their dedication and hard work. I couldn't have fielded all of my constituent inquiries without their help or the diplomatic efforts of my constituent liaison Jennifer Jaramillo.

I would like also to offer my thanks to our County Chaplain Jose Villegas. At each Commission meeting his thoughtful prayers have allowed me to reflect on what I'm doing and why I'm doing it. It gives me the inspiration I need to carry on.

Nor should we forget the volunteers that make the County function. Those who serve on the CDRC, the EZC, COLTPAC, Community Development Review Committees, our senior center volunteers, the Vista Grande Library Board, the Road Advisory Committee, the housing boards, our Health Policy and Planning Commission, our fire and EMT personnel, our DWI, youth and maternal health volunteers, the Corrections Advisory Committee and the many ad hoc committees formed over the years to advise the Commission on issues such as energy and affordable housing.

Additional thanks goes the media, especially Santa Fe's newspapers and hardworking reporters for enduring sometimes long and tedious meetings. Their efforts to capture the story behind the formalities provide the primary resource available for the public to learn about the workings and decisions of County government as well as notification of upcoming issues of interest to residence.

And, I certainly can't let my term end without acknowledging the support and patience of my wife, Vicki, who has been there as my unwavering advocate and supporter to share in the successes as well as to provide a patient listening post for the occasional frustrations.

With these important thank yous said, I'm proud of what we have accomplished during this eight year period including many first ever initiatives: capital improvement projects, ordinances and regulations. Key in all of this has been far greater public transparency in the County decision making process and greater Commission scrutiny of County programs, expenditures, and land use proposals. There are several notable team accomplishment initiatives that I would like to mention. The first being the first ever televising of County Commission meetings in 2001. Believe or not, prior to that, what we now consider to be routine was not at all. Successful completion of a historic water service agreement with the City of Santa Fe allocating the disputing Rio Grande/San Juan-Chama water rights. An agreement with the City for joint ownership and management of the Buckman Direct Diversion Project which is the largest project ever in the City or the County at about \$200 million to divert, treat and deliver water from the Rio Grande. As we know it's now under construction with completion scheduled in 2011. The first County water conservation and water harvesting ordinance including a requirement for instant hot water heating devices to conserve water. A Countywide road inventory and master plan which was completed in 2002. A County Fairgrounds master plan, completion of the Regional Emergency Communications Complex with joint City/County participation for dispatch and emergency services, construction of new fire stations in key locations throughout the County, and passage of a bond issue to provide a greater level of fulltime staffing. The first ever County sobering center for short term treatment of substance abusers who were previously incarcerated in the County jail, plus staffing and housing of a new CARE connection program to provide long-term follow-up on federal voucher assistance. Take over of the operation of the County jail and the youth detention

facility from private operators. The first ever inclusive affordable housing ordinance in Santa Fe County requiring 30 percent of affordable housing in all new subdivision with 446 affordable homes are now obligated and 214 have been constructed and closed. Passage of an ordinance requiring developers to identify water sources and proof of water availability at master plan approval stage, curtailing land speculation and sprawl. Reduction of the use of variances as rezoning loopholes. Construction of a new \$18 million public works complex with the first 100 foot wind generator in the County to assist in powering the facility. Completion and construction in operational funding for the County's first and only library in Eldorado. Start up of the County's first commuter bus service route. Opening of three satellite offices to reduce the need for constituents to travel to Santa Fe to conduct County business. Completion of a comprehensive management plan and annexation agreement approved by the City and enlarging the City and eliminating City/County jurisdictional conflicts of the past. Completion of the construction and the opening of a new senior center serving the rapidly growing 285 corridor. The first senior center to be independently operated by the County providing lunches and senior activities and Meals on Wheels to seniors who are unable to travel. Voter approval for a \$38 million judicial complex, sited and beginning construction in downtown Santa Fe to maintain the city's urban vitality. Completion of a major hydrologic evaluation of County water resources and with public input, a water sustainability report to plan for a reliable County water supply in future drought years. A site and financial evaluation for a combined County/private partnership affordable housing project to be located on the former County Public Works Departments site. Initiation of standard contracts for County healthcare providers. A more thorough financial community benefit reporting by our sole community provider, CHRISTUS/St. Vincent Hospital and continued active negotiations of an annual memorandum of understanding providing services and funding to Santa Fe's non-profits and other providers. And, as we'll talk about later today, completion of a new oil and gas element of Santa Fe County General Plan as well as an oil and gas ordinance for the Galisteo Basin. This is part of a new countywide general plan that will more specifically address four unique areas of our county.

So having accomplished all of this that I haven't mentioned it goes without saying that there is still more to do. There are opportunities and challenges ahead for the new Commission. We have with us today one of the new Commissioners and I will direct this at her as well as our three remaining Commissioners. Some of these opportunities and challenges include completion of a major revision to the County Land Use Code with focus on better land use planning, elimination of conflicting code provisions, and closing water service and family transfer loopholes that affect public health and safety. Completion of the new recently begun new County Land Use Plan - which I view as a proactive rather than a reaction approach to planning for the future - providing greater enforcement of the County Land Use Code and subdivision approval conditions by adequately funding and assuming the inspection duties currently performed by the Construction Industries Division of the State. Implementing a well monitoring program in subdivisions with approved water budgets. To conserve water and meet the goals of our conjunctive water use strategy. Implementing regional water service to the Eldorado area and the northern part of the County plus regional sewer service south along State Route 14 and in the Pojoaque area. Initiating a County transit system through the Regional Planning Authority in cooperation with the City utilizing gross receipts tax revenues from the recent element. Providing greater oversight of the North Central Regional Transit District to control excessive spending, track federal funds and establish a service plan that is based on demonstrated demand. Restructuring the sole community provider health services program for greater County and public input and transparency by CHRISTUS/St. Vincent Hospital. Upon completion of the new judicial complex, renovation of the old district court and complete reorganization of County office space to provide better constituent

service. With the successful road bond issue revision of the 2002 Comprehensive Road Improvement Plan before funding future road projects to integrate road planning with future land use planning. And, lastly, restructuring of the Metropolitan Planning Organization to better reflect County rather than New Mexico Department of Transportation priorities for transportation.

In summary, my belief is that you will enjoy your job if you bring a passion to it and advocate for your ideas. In that regard I can tell you that I have enjoyed my job and the opportunity to do just that. The County's accomplishments as well as its current direction highlight our response to several objectives that I heard from constituents during two campaigns and throughout my tenure as a Commissioner and those are five of them. 1) Better cooperation with the City in all government issues. 2) Better communication with the community. 3) Better planning for and control of our scarce water supply and our aquifer. 4) Better land use planning and subdivision control restricting sprawl and requiring greater green and sustainable components in subdivision and buildings plans. 5) Better roads.

The County is well on its way to achieving these objectives and I'm proud to have been a part of that effort. Again, my thanks to all who have worked so diligently to efficiently provide the basic services that the County must provide on a day-to-day basis and well as those whose thinking out-of-the-box has moved the County forward to the cutting edge on a number of new initiatives. Good luck, Godspeed.

CHAIRMAN CAMPOS: Thank you, Mr. Commissioner. Commissioner Vigil.

COMMISSIONER VIGIL: Thank you. Well put, Commissioner Sullivan. Actually, I'm going to reserve my comments for Matters from the County Manager. I think we planned a comment period there and I'll reserve mine for that time.

CHAIRMAN CAMPOS: I would like to thank the Commissioners for the great job that each of you do everyday when you wake up. All the things, all the demands, all the issues that you consider everyday. I really appreciate all your efforts in our interactions. I know we've worked together and just listening to Commissioner Sullivan, that outline is a tremendous list of things that have been done in a very positive way. So I thank all of you for doing and being a part of this team which has led this County in a way that it has never seen before.

I see it for the new generation as a foundation of a new Santa Fe County government that excel in service, leadership, innovation. I want to thank our staff: Roman, Steve, James, Stan, Joseph – all of you that are here for your great job. I really, really appreciate what you guys do everyday. You guys love what you're doing and because you love what you're doing it shows and people appreciate that.

Commissioner Holian, I think you have a great team and I think you're going to do a great job. I appreciate you coming on board and as a Commissioner we need you and the capacity that you have.

For me, I've been fortunate to be on the Commission. I am thankful. It's a great job. It's tough some days but it's something I have enjoyed. I'm grateful and I thank you. I look forward to working you in any way possible. Thank you very much.

XI. APPOINTMENTS/REAPPOINTMENTS/RESIGNATIONS

A. Appointments to the County Open Land and Trails Planning and Advisory Committee (COLTPAC) (Community Services Department)

BETH MILLS: Good afternoon, Mr. Chair and Commissioners. I'm Beth Mills and I'm the planner for the Open Space and Trails Program. I'm here today for Colleen Baker who is our

program manager and unfortunately she is ill today. So I am here to present and receive your recommendation about the COLTPAC Committee.

Currently, COLTPAC has six vacancies requiring appointment and three existing members that need to be reappointed. So we're doing two things: the reappointments and then the new members – excuse me, for the existing members for their reappointment of their second term. Staff is requesting that the Board appoint members to COLTPAC for the currently available positions and then reappoint the three members whose first term expires in December and January of this year.

We have vacancies for two members from the northern part of the County, one member from the central region, two members from the south region and one City member as well as the reappointments of one from the south, one at-large and one alternate. At last Thursday's COLTPAC meeting the existing committee asked staff to go through and review the applications – we had over 30 this is the greatest response that we've ever had to requests to sit on this committee and volunteering. So we were really impressed with that. We did go through pretty carefully and look at who was volunteering and in a separate meeting that I think Paul just gave you, at COLTPAC's request staff did recommend particular people that we saw rising above this crowd of 30 people because of their abilities and the particular skills and experience that they would bring. And I'll stand for questions.

CHAIRMAN CAMPOS: Questions, Commissioner Vigil.

COMMISSIONER VIGIL: Yes, thank you for bring this forward and it's wonderful to know that so many people are interested in this. For example it would be really easy for me to make a motion to appoint the two northern positions because you only have two positions there; correct?

MS. MILLS: There are two openings and four people who have volunteered for them.

COMMISSIONER VIGIL: Okay, the recommendations that you have on this memo are two. Shelley Winship and Sandra Massengill. Okay. So where are the other two?

MS. MILLS: The other two should have come in your packet with all of the Xeroxed material that the candidate/volunteers submitted. We have two other folks in addition but it's in an Excel spreadsheet.

COMMISSIONER VIGIL: Then to take this one step further in questioning, for example, central you need one member from the central region and the current memo has three recommendations. Am I following this right?

MS. MILLS: Yes, that's exactly right. We just wanted to make sure and highlight those folks in each region that we thought had extraordinary abilities or backgrounds. In other words if you were to go with our recommendations or looking through our recommendations you would have to select one from three in that case.

COMMISSIONER VIGIL: In a sense the difficulty I have with this is that while each one of these candidates have exemplary credentials to be a part of this, I don't know how they fit in with what our current COLTPAC existing committee is. For example, there's an outstanding person here who has a wonderful economic background and would be able to assist with financials and things of that nature but and I don't know if there's anyone on the COLTPAC committee who has that background and if not I can see how he would be favorable to me. So I guess what I'm asking for is more a sense of where are the gaps in the current COLTPAC committee. Do we have economics on there? We have planners and we have excellent recommendations for planners, do we have more planners than we do our backgrounds and that sort of thing. I am looking for diversification.

MS. MILLS: Right.

COMMISSIONER VIGIL: And I'm wondering if those people who staff COLTPAC can appreciate that and if they think that would be beneficial or is it more beneficial to pack the committee with planners?

MS. MILLS: Commissioner Vigil, to give you a view of where we are and where we want to go in COLTPAC might be helpful. We had a lot of these applicants have experience with trails construction and trails planning and are interested in and are trail users. A great many of these people, in fact, I sifted out 10 or 12 I hope to engage separately as a subcommittee because they have energy and talent. But for instance we wouldn't want to pack the committee with everyone who was only interested in that and that's part of what we did in a preliminary way by pulling these folks out in the hopes of being able to engage them as a subcommittee or a different sort of committee in January and we'd have to come back to the Commission with some of those ideas.

I think that you're right, that we do want diversity and with the folks who are on there at the moment who are going to stay, I think we do have that diversity. I'm trying to help you out here in terms of what I know.

COMMISSIONER VIGIL: I suppose I'm trying to help you help me make my job easier by identifying the particular recommended candidate who has a background that doesn't currently exist with COLTPAC.

MS. MILLS: In terms of the central region, we have these three folks and --

COMMISSIONER VIGIL: Yes, but where we have more than the required amount of recommendations for, say, three folks for one position. Are you following me?

MS. MILLS: Yes, I am.

COMMISSIONER VIGIL: And maybe that's a piece of information that you don't have easily at your disposal. It's just something that I would prefer to have before I make an appointment. I thoroughly would understand that because you would have to remember what everybody's background is in the current COLTPAC and it is a large community. So anyway, if you don't have that information I'm fine with moving forward.

PAUL OLAFSON (Community Services): Mr. Chair, Commissioner Vigil, this is the first time we've put together a list of kind of recommendations and the idea was generated through COLTPAC. We felt that instead of just giving you one name per district traditionally it's been the Commission's discretion to throw out the number of names that might be there. And so we tried to narrow the list down to any one of these people that are listed on the second memo would be a benefit to the committee. However, we didn't narrow it down to just one specific name per se.

COMMISSIONER VIGIL: That I understand, so I'm ready to move forward, Mr. Chair.

CHAIRMAN CAMPOS: Okay. Any other questions or discussion? Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, how did you notify the southern part? I see that there's nobody that responded. Are we going to not appoint them and try to get two people from the southern part?

MS. MILLS: Commissioner Anaya, we're going to have to do further outreach in the south and we are in the midst of doing that. We didn't receive anything by the November 25 deadline, so what we're going to have to do there is reach out there further and come back in January requesting the recommendations for the south.

COMMISSIONER ANAYA: And I'd like to see the boundary of that, so I can possibly help you.

MS. MILLS: Okay. We'll be happy to do that.

COMMISSIONER MONTOYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTOYA: I would like to recommend for the north positions Sandra Massengill and Martin Gabaldon.

CHAIRMAN CAMPOS: Martin Gabaldon?

COMMISSIONER MONTOYA: Yes.

CHAIRMAN CAMPOS: He's not on this list. Could you tell us a little bit about him?

COMMISSIONER MONTOYA: Not on the recommended list but he was an applicant.

CHAIRMAN CAMPOS: Tell us a little bit about him.

COMMISSIONER MONTOYA: Well, according to his résumé he's currently an engineer working with the Department of Transportation, has worked in Los Alamos, computer technician, computer systems administrator, been a civil survey designer, also in Los Alamos, and I believe has lived in the valley probably most if not all of his life.

CHAIRMAN CAMPOS: Okay.

COMMISSIONER VIGIL: I'll second that recommendation.

CHAIRMAN CAMPOS: Okay. Any other recommendations? There's a motion and a second.

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

CHAIRMAN CAMPOS: Okay, so that's Sandra Massengill and Martin Gabaldon.

COMMISSIONER MONTOYA: Yes.

CHAIRMAN CAMPOS: Question for you. Susan Martin is already a member, right?

MS. MILLS: No. She's a former member.

CHAIRMAN CAMPOS: Okay. I thought we had nominated her a few months ago and she would be on COLTPAC. Oh, CDRC. I'm sorry. Okay. Central, one position. Any nominations?

COMMISSIONER VIGIL: I would like to nominate Brent Bonwell, who's been an alternate and apparently a dedicated member for COLTPAC. He might be able to take the ball and run with it.

COMMISSIONER MONTOYA: Second.

CHAIRMAN CAMPOS: Any other nominations? Okay, there's the nomination of Mr. Bonwell and a second.

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

CHAIRMAN CAMPOS: Okay. South position, we're going to keep looking. The city position, one position. I'd like to nominate Judy McGowan for that one position. Any other nominations?

COMMISSIONER MONTOYA: I'd like to nominate Scott Stovall.

COMMISSIONER VIGIL: I second Scott Stovall's nomination.

CHAIRMAN CAMPOS: Any other nomination? Okay, we have two nominations. [Commissioner Vigil and Commissioner Montoya voted for Mr. Stovall, and Commissioner Campos and Commissioner Anaya voted for Ms. McGowan.]

COMMISSIONER SULLIVAN: What is Scott Stovall's background and particular expertise?

CHAIRMAN CAMPOS: Would you like to address that question? Other than what's stated in your summary, is there anything else that stands out in his background that would make him a good candidate for the position?

MS. MILLS: Mr. Chair, I haven't interviewed or don't know Mr. Stovall so I just put together whatever I could glean from his résumé. So what I know is what you see before you here in this brief bio.

CHAIRMAN CAMPOS: But he is a resident of Santa Fe County.

MS. MILLS: He is a city resident, right.

CHAIRMAN CAMPOS: Because he does have his ranch in Anton Chico, New Mexico, which would be another county.

MS. MILLS: Yes, he has a residence in the city.

COMMISSIONER SULLIVAN: Was it Commissioner Montoya who recommended him? What is your knowledge of his ability?

COMMISSIONER MONTOYA: Mr. Chair, Commissioner Sullivan, just in terms of his background, I don't know if there are any economists on the COLTPAC committee. I just thought that was kind of an added piece and profession. I don't know if it's there. I just saw economist and thought, well, this country needs economists now I guess.

MS. MILLS: Commissioner Vigil, to my knowledge there are no economists on the committee.

COMMISSIONER VIGIL: I actually think that's kind of attractive to me, that kind of generalized background, particularly in this time, I think is beneficial to COLTPAC. In addition, he has 50 years of trail planning and construction. He also has been involved with the Continental Divide Alliance and is also a planner. He's broad-based in what he brings forth.

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: Hearing that I'll support Scott Stovall.

CHAIRMAN CAMPOS: So that's three for Scott. Okay. There's a motion that Scott Stovall be the appointee for the city.

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

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: We have a councilor, Rita Loy Simmons here. She's a councilor from Edgewood, and maybe you could help us out with two southern COLTPAC people, if you know some people that could help us.

COMMISSIONER SULLIVAN: I nominate Rita Loy.

COMMISSIONER MONTOYA: Second.

RITA LOY SIMMONS: This was a trapped and I walked right in. I have some suggestions. We have a very active Parks and Recreation Director in Edgewood. His name is Roger Holden. And if you could simply email him the need for this, our Parks and Recreation Department and attendance is very, very good. And I'm sure that's where we're going to find our COLTPAC representatives because trails are very important to them as well as further acquisitions of properties in that area. It's been I'm sure 10, 15 years since we acquired the one property adjacent to Wildlife West. So we would be very happy to – six years? It's been six years. Thank you. I've had a lot of deaths in that six years. I kind of went into – but I'm out, into another trap. So if you wouldn't mind, and our publications are the *East Mountain Telegraph*, which is the *Journal*, and then the *Independent*. So that's where we're needing publication and requests for – I served on that committee and it was wonderful. I really enjoyed it from the very beginning until I realized I had other fish to fry at the moment. Thank you so much.

COMMISSIONER SULLIVAN: Thank you, Councilor.

CHAIRMAN CAMPOS: I think that's good direction. Any other direction from the Commission? Okay. I think that's good direction, a good contact.

MS. MILLS: We'll be sure to follow up. There's another item. We need to be sure to reappoint or to consider reappointing the other three members – one from the south and the at-large member and the alternate.

CHAIRMAN CAMPOS: Okay. Is that something we have on our agenda today?

MS. MILLS: You should have it in the agenda dated 9 December. The reappointment from the south would be Matthew McQueen. The at-large member would be Jan-Willem Jansens, and the alternate would be Jack Frost.

COMMISSIONER VIGIL: So moved.

COMMISSIONER SULLIVAN: Second.

CHAIRMAN CAMPOS: Discussion?

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

COMMISSIONER SULLIVAN: There is diversity there too. Jan plays the trumpet. I don't know exactly what that brings to COLTPAC but if they get tired I guess he could help out.

XII. A. 1. Resolution No. 2008-215. A Resolution Transferring Budget From The General Fund Sourced From The Capital Package To The State Appropriations Fund 318 To Correct A Youth Shelter Project Budget Shortfall of \$19,162 (General Fund 101 Transfer To State Appropriations Fund 318), (Community Services Department)

COMMISSIONER SULLIVAN: Mr. Chair, the question I had for staff on this issue was the proposal is to take \$19,162 from the capital package for stuccoing the exterior of the law complex and to transfer it to the youth shelter project to accommodate an overrun on the youth shelter project. So I guess the obvious question is where will we get the money to stucco the exterior of the law complex?

MR. OLAFSON: Mr. Chair, Commissioner Sullivan, we initially identified stuccoing the exterior of the DA's building, basically, the law complex, as a priority for capital. When we got the funding approved through the budget and got into the project we looked at the roofing as part of that project because they were tied in and we determined there was more immediate need to do the roofing first and then do the stuccoing. And we also anticipated that while we are doing the – finishing up the new courthouse and looking and the remodeling of the existing courthouse and this building we could include stuccoing of the DA's complex within that project scope. Because we're going to have to look at basically all three buildings as we're realigning the County office structures and spaces downtown.

And so we had a cost savings from the roofing versus the stucco and we had the budget need for the youth shelter, and that's how we've determined that we're getting the job done on the DA's building as well as finishing out the youth shelter project.

COMMISSIONER SULLIVAN: So the stucco on the exterior of the law complex also included reroofing it?

MR. OLAFSON: I think – I can't answer that exactly. I think we had determined we needed to stucco but then when we started to really look into the building we saw the roof had more problems than the immediate stuccoing, and the roof and particularly the parapets need to be sealed so the water wasn't running down into the stucco crack and it was determined to do that first.

COMMISSIONER SULLIVAN: Okay, so that's been completed and from having done that you have \$19,000 left.

MR. OLAFSON: Correct.

COMMISSIONER SULLIVAN: But not enough money to do the stucco.

MR. OLAFSON: Correct.

COMMISSIONER SULLIVAN: Because I doubt \$19,000 would handle the stucco of that building.

MR. OLAFSON: No, sir.

COMMISSIONER SULLIVAN: So you're wanting to shift that over. All right. I think I understand this now, Mr. Chair.

CHAIRMAN CAMPOS: Okay. Do you have a motion?

COMMISSIONER SULLIVAN: Move for approval.

CHAIRMAN CAMPOS: Approval of Resolution 2008-215.

COMMISSIONER MONTOYA: Second.

CHAIRMAN CAMPOS: Motion and a second.

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

XII. A. 4. Resolution 2008- A Resolution Transferring Cash Balance From The Road Projects Fund To The General Fund To Complete Construction of The Stanley Transfer Station For \$306,000 (Growth Management Department)

COMMISSIONER SULLIVAN: Mr. Chair, I hadn't heard any reports on this but apparently we've had a major problem here with this Stanley transfer station which according to the staff memo was designed and construction apparently started and then they ran into unexpected buried trash and now have to move to a complete new site. The original cost being \$665,923 and now we need another \$306,000 in order to provide a change order in order to move it to a new site. My concern is, any time I see a change order that's 50 percent of the cost of the original project I'm thinking that we need to back up and redesign and readvertise because we obviously are doing something different on a different site under different conditions. James, what's happened?

JAMES LUJAN (Growth Management Director); There are several issues. Part of this, in this change order, we had to remove trash and haul it off from the location to Caja del Rio which cost quite a bit. That came up to the neighborhood of about \$75,000. So that's in there. That's not part of the building increase. We did that. We started that, and then as we kept getting into this, that trash was deeper than what was anticipated by the engineers, so we moved to the next ten-acre site we have at that same location. It is within the Stanley property. And there was no trash buried in these other locations. And that should have been done in the first place. There were some major engineer flaws, design flaws, which we have turned over to Legal. We're looking into those issues. So the whole amount is not a change order to the building.

This is a steel building and there were problems from engineering design and we have corrected those with the supplier of the materials for the metal building. So that's basically - also a part of it was hauling of the trash.

COMMISSIONER SULLIVAN: And I understand that those things happen. Now we're going to be on a different site. We obviously have a different topographic situation. We have different drainage. We have different access and roads. It can't be the same; it's a different site.

MR. LUJAN: Mr. Chair, we have 20 acres there. We're going to use the same entrance. We're just moving off the trash, where the cells were when it was a landfill. We're moving it to the west approximately 90 feet where the cells are not and it's the same topography. We're doing a different grading plan so we can get our grading permit from CID so we have to do just minor details on that grading plan. The building is the same.

COMMISSIONER SULLIVAN: Okay. So is all of this \$306,000, less the \$75,000 that you already spent on the trash, let's say \$231,000. Is all that for a new site plan and topographic survey?

MR. LUJAN: No. It is part of the materials for the metal building. There are some design flaws from the engineer within the metal – it did not meet CID's code, our current code. So they had to beef it up a bit, and that's what part of this cost is, a change in design of the metal building. It's the same building, it's just a different design.

COMMISSIONER SULLIVAN: And Mr. Chair, I'm not familiar with this particular engineering firm so I don't have an axe to grind one way or the other. It just seems to me if you have the problems that you've had here it may not be wise to continue on and encounter perhaps other problems.

MR. LUJAN: We are not using this engineer anymore. We got the design from a steel manufacture that manufactures the building. So we are very confident that we're going to get a good design. We are no longer using this engineer and it's been turned over to Legal.

COMMISSIONER SULLIVAN: Are you going to get the shop submittals and all that handled by the County or are you getting another engineer to do that?

MR. LUJAN: We're going to get another engineer in to do that, and we're using also the manufacturer of the steel. He stamps the plans so we get our permit from CID. We couldn't even get a permit with the old plans because it did not meet code.

COMMISSIONER SULLIVAN: So the \$230,000 additional is all the steel building, and you said everything else is the same.

MR. LUJAN: Most of it is the steel building and yes, and some of the earthwork. And then I got to pay for construction serving, because we had already paid for it.

COMMISSIONER SULLIVAN: And obviously you're recommending this. You don't feel it's better to back up and just readvertise this for another contractor?

MR. LUJAN: At this point it's not to do with the contractor. The building contractor was very confident that he could build it. It was the design engineers that had the flaws. And we're in a temporary location right now. Commissioner Anaya can vouch for it. We're using temporary bins. We've got to move forward with the project. That's my recommendation.

COMMISSIONER SULLIVAN: But there's additional clearing, grubbing, mobilization, additional fencing on this site, apparently additional building utilities, because those weren't built yet, additional building fixtures.

MR. LUJAN: That's an extension of the utilities to the new site. There are going to be some expenses. Yes, there will.

COMMISSIONER SULLIVAN: Okay. That answers my question, Mr. Chair. I think this raises some red flags that we need to at a minimum rebid the job. I understand staff's recommendation and their interest in moving it forward and getting it done and I'm sure Commissioner

Anaya has been babysitting this job for years. You're trying to get it going, but still, this is a major change beyond the normal 10 percent of change orders.

CHAIRMAN CAMPOS: Thank you. Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, I had the same concerns that Commissioner Sullivan has but I think it's important that we move forward with this project. We demolished where the transfer station – where the constituents in my district were throwing their trash. So we have a temporary site. It would not be good to go back with that. It doesn't make sense. I think we need to continue moving forward, learn from our mistakes and get this transfer station built. The voters approved new transfer stations throughout the county. I do understand where Commissioner Sullivan is coming from but I think we need to move forward with this. And with that, I'll move for approval.

CHAIRMAN CAMPOS: Is there a second?

COMMISSIONER VIGIL: I'll second it.

COMMISSIONER SULLIVAN: Mr. Chair, another question.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Where will the money come for this?

MR. LUJAN: This is from our road fund. We get reimbursed –

COMMISSIONER SULLIVAN: Our road fund? Not our road fund again.

MR. LUJAN: From our road fund where we get reimbursed for our labor from the State Highway Department. So we have a fund for it.

COMMISSIONER SULLIVAN: We get reimbursed?

MR. LUJAN: Yes. We get reimbursements when we do projects in house, for our labor we get reimbursements, if we are doing our own building at times. So we have a fund for that.

COMMISSIONER SULLIVAN: So if anyone comes from Commissioner Anaya's district and asks why the roads haven't been completed we can say we took the road fund for the transfer station? We can do that?

MR. LUJAN: For buried trash, yes.

COMMISSIONER SULLIVAN: Okay. All right. I just want to be sure we've got that clear.

CHAIRMAN CAMPOS: Okay. There's a motion and a second. Any further discussion?

COMMISSIONER VIGIL: Roman or Steve, do you have any comment or position on any conflicts with this case or not?

MR. ROSS: Mr. Chair, Commissioner Vigil, this is obviously going to be a litigation matter, so I'd rather not comment in this forum. If we want to discuss it in closed session we certainly can, but there are some serious shortcomings with the work that was done.

COMMISSIONER VIGIL: Okay. Would you recommend that we reserve voting until we do discuss it? I would recommend that.

MR. ABEYTA: Mr. Chair, Commissioner Vigil, we can do that. Part of the discussion then is going to be the time that it's going to take to resolve this and redo this project if that's what we've got to do, and that's something that the Commission will need to consider. Staff is going to ultimately take the direction from the entire Commission, but it was due to time and wanting to get this project done that we wanted to move forward.

COMMISSIONER VIGIL: Okay. Commissioner Anaya, I'm in favor of discussing this more in depth because there are some missing pieces. I'm perfectly willing to take action after we've had an opportunity to discuss it, if in fact we can in executive session. So I think we can take action on it, but I feel as if I'm voting on something that I don't have full information on. So I just wanted to let you know I'm going to withdraw my second.

CHAIRMAN CAMPOS: Okay. I'll second it.

The motion failed by 3-2 voice vote with Commissioners Anaya and Campos voting in favor.

CHAIRMAN CAMPOS: Is there a motion to table?

COMMISSIONER VIGIL: I move to table.

CHAIRMAN CAMPOS: Let's not table it. Let's postpone it until after today's executive session. Is that okay?

COMMISSIONER VIGIL: That's what I was hoping for.

CHAIRMAN CAMPOS: Okay. Let's do that.

XII. STAFF AND ELECTED OFFICIALS' ITEMS

A. Administrative Services Department

1. Review And Discussion of The Monthly Financial Report For The Month of November 2008 Specific To The General Fund (Administrative Services Department)

TERESA MARTINEZ (Finance Director): You have before you the standard monthly report for the general fund. We're showing that we have a total revenue budget of \$74 million and total collections to date of \$8.8 million. That's about a 12 percent collection rate. Not to be alarmed, because the lion's share of the revenue is property tax and that will be materializing by the end of December. We'll have solid numbers for you.

Our expenditures are again budgeted at the same value, \$74.9 million, we have total expenditures through November 30th, if you will of \$28.1 million, which reflects a 38 percent rate of expenditure. I did some initial looking at property tax collections. When we compare what we have for November 2008 to November 2007 we are showing already that we are down four percent from the previous year. And if we take that four percent and that stays consistent we could be looking at a total shortfall, if you will, from budget of about \$1.4 million. So I had Becky in my shop run for me what we had to date so far collected for December, and we're showing that the total distribution for December would be \$21.3 million based on current numbers, which equates to about \$5.6 million for the County's share.

Last December we collected \$11.1 million. So it's close. We may just make it. So my hope is that by December 15th, we'll run another report, see what the County's share equates to and we'll have solid numbers once we close the month of December and process all lock box transactions and all deposits.

So GRT then is looking actually – it's holding its own and we expected it would, and we thought we'd start seeing the downfall, if you will for the December which would be the quarter ending March. To date, collections to November 2008 are actually six percent greater than budgeted and when I compare to the prior year collections they're actually up one percent from what we collected in the prior year. So we haven't hit a negative percentage or a negative collection. If I just compare November 08 collections to November 07 collections, we saw a three percent decline when we compare the two. So overall, we're one percent greater than what we collected last year for the first five period. So July through November, what we've collected this fiscal year is one percent greater than what we collected last fiscal year.

If I compare just the month of November it's down three percent. So we predict that again, the Rail Runner will carry us to the end of December, so I think the third quarter of our fiscal year will be the first quarter we start to see the downturn on our revenue generation. So we're preparing a midyear report for you that we'll have at the January admin meeting and we'll have much better numbers for you and come to you, if they are a shortfall, with recommended actions for cost saving measures, additional measures that we may have to take at that time. I'll stand for any questions.

CHAIRMAN CAMPOS: Questions?

COMMISSIONER SULLIVAN: The only comment I wanted to make is I appreciate the staff effort on identifying various reductions that the County Manager initiated. I was just disappointed at the Assessor's response to that. I realize the Assessor is an elected official but his response is we need all our cars and we need all our people and we need more people, and I just felt that that wasn't in the spirit of what the County Manager was trying to do, which is find realistic places where we can at least temporarily stay within budget and make reductions and then things will eventually come back as the economy changes. And I would encourage all of the elected officials that we have – the Clerk's office, the Treasurer's office, the Assessor's office, and the Sheriff's Department to really look at this seriously and not defensively. I know you get thrown in the middle of that but I would just hope that the would take a positive part in coming up with those recommendations next year that you're going to bring forward.

CHAIRMAN CAMPOS: Commissioner, I have a question for you. When you talk about the Assessor and vehicles, are you talking about the request for pickups and we had maybe suggested fuel-efficient vehicles?

COMMISSIONER SULLIVAN: No, not at all. There was recommendations that the task force made and I saw some response from the Assessor's office and it was negative. Did I remember that correct, Commissioner Montoya? I don't think it was –

COMMISSIONER MONTOYA: That was the way I interpreted it as well.

COMMISSIONER SULLIVAN: Yes. And I just hoped that we would get some better cooperation from all of our elected officials in pursuing this. That's all.

CHAIRMAN CAMPOS: Well, if we don't I think our County Manager and our director have to lay it out for the elected officials because the County Commission does make the decisions on the budget. And if everybody has to give something everybody has to give something, period. You can't just say I get everything I want but everybody else has to give something. It's not fair to the other departments necessarily. Okay. That's for review and discussion. Any other questions?

MR. ABEYTA: Mr. Chair, it's 4:30 getting close to 5:00, but some staff from different departments have come in. I have invited them to come and see you off, tell you farewell. First of all, on a personal note, I want to say thank you. Thank you for showing the confidence you did in me, in making me, appointing me County Manager, giving me the opportunity to be your County Manager during your last two years. Thank you for the support that you have shown me. Thank you for the support that you have shown the County staff.

The Employee Benefits Committee has gotten you gifts that we wanted to present you with before 5:00. We got you a cake. I'm going to ask John Michael to come up and start us off with a memory that he has of you. My earliest memory is when both of you first came into office I was in Land Use and it didn't take us long to figure out in Land Use that when you're presenting in front of Campos and Sullivan, you better have your research done. Commissioner Campos, you used to sit back, kind of like this, and then when it was time for questions, if you scooted up and put your glasses on, staff knew – uh-oh, what's he going to ask? He's going to cross-examine me.

And Commissioner Sullivan, I remember one of your earliest requests was for all the sets of plans for land use cases that came in and we knew you were going to go through every single sheet of those engineer drawings. But again, on a personal note, thank you. On a professional note, the two of you brought a balance to this Commission that we didn't have at the time. And we've seen that balance ever since. My job as County Manager, when people ask me how difficult is it? Which three are the majority on the Commission? I tell them, I don't know. Because this Commission is balanced and I don't ever have to worry about getting three votes for anything. It's a different three. Sometimes it's 4-1, sometimes it's 5-0, and that makes my life really easy as a County Manager and I just want to again tell you thank you.

As Commissioner Sullivan mentioned earlier, you guys were the first to televise Commission meetings, so we've pulled up a tape from back in 2001, one of your first Commission meetings that was televised.

[Video presentation]

MR. ABEYTA: If I could ask staff to come and join me so that we can present the two of you with plaques. The first to Commissioner Paul Campos, District 4, 2000-2004, 2004 -2008. The constituents and employees of Santa Fe County, thank you for eight years of vision, leadership and public service. Commissioner Campos.

And Commissioner Sullivan, District 5, 2000-2004, 2004-2008. The constituents and employees of Santa Fe County thank you for eight years of vision, leadership and public service.

COMMISSIONER ANAYA: Mr. Chair, I guess since we're on the subject, I didn't say anything about the two Commissioners –

COMMISSIONER SULLIVAN: Mr. Chair, I already made my long speech before the staff came; I won't repeat it again. But just to ensure that all the staff does know that I really do appreciate what you have done supporting me and Commissioner Campos and the entire Commission throughout these eight years. A great bunch of people, hard-workers, late at night, early in the morning and we've really come a long way in eight years on this Commission and you're going to go a long, long way in the next eight years and I'm looking forward to sitting back and watching it.

CHAIRMAN CAMPOS: And I want to give a special thanks for Lisa Roybal for all the work she's done for District 4. Thank you very much. Great job.

COMMISSIONER VIGIL: Mr. Chair.

CHAIRMAN CAMPOS: Anybody else want to speak?

COMMISSIONER VIGIL: That's what I will miss him for. And those of you who haven't come to most of the Commission meetings, I want you to know that he leaves these meetings with a blue bruise on his leg because I'm so busy kicking him underneath the bench. I will miss that.

CHAIRMAN CAMPOS: It's going to be hard not to have a punching bag.

COMMISSIONER VIGIL: You know I think I want – I actually was thinking about you leaving and I wanted to say that as Commissioners we develop, whether we want to or not, comradeship, camaraderie, and that is sort of nurtured and fostered, just by nature of the purpose that we have, the difficult decisions we have to make, and I think with Commissioner Campos and Commissioner Sullivan leaving I'm certainly going to miss that because the camaraderie and the comradeship certainly developed very strongly with them.

But I was thinking of who we were losing and I wanted to just identify the uniqueness and the distinction of each one of these Commissioners and how they uniquely and distinctly contributed to the Board of County Commissioners. I'm going to start by identifying a uniqueness to Paul Campos. He is

a very discriminating thinker. And Jack, well, he is actually a very discriminating thinker. Jack, he has a strength in character, and Paul, Paul has a strength in character. That character for Paul has made him a formidable advocate, and for Jack, his character has made him, well, a formidable advocate.

When Jack asked questions they were penetrating, they were probing, and at times they were provoking. But when Paul asked questions, they were penetrating, probing and provoking. I'll never forget what Jack cared most about, and that is water. And Paul, he cared most about...water. I want to say that about their backgrounds, Jack's engineering background was quite complementary to our process. But Paul's background was complementary to our process. In fact I thought, are we really losing two Commissioners?

You both as a unit provided a very dynamic, engaging process and I want to extend my appreciation for all that you have taught me and it's been in isolated experiences, sometimes just by casual conversation, many times by our own formalized process. I think that both of you, because of your strength of character, because of your distinct thinking and because of the uniqueness that you do bring from your backgrounds have created such an asset and I think have complemented our process. I look forward to the Commissioners who will be replacing you. I hope we continue the comradeship and the compatibility that we've been able to develop to achieve our ends here. It hasn't often been easy, but it certainly has been challenging, and most important for me, it's been fun. Thank you so much.

CHAIRMAN CAMPOS: Thank you.

COMMISSIONER ANAYA: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner.

COMMISSIONER ANAYA: I too want to just thank you all for all the hard work that you put in the County. Eight years is a lot of time and I know it probably went by fast. Time flies by when you're having fun. I know we always didn't agree, Commissioner Sullivan. Commissioner Campos, we never agreed. But at least, when we walked out of this meeting we shook hands, we said good night, have a good day, and then we came back every month, twice a month, and did our business. And as Commissioner Sullivan read off all the business that we did, it sure was a lot that this Board accomplished in the years that you were here.

You always - I'm glad to see that you fought to the end. And I got a gift that I want to give you all, and hopefully it will influence your decision on the Stanley transfer station. But definitely, the two Commissioners that are going to follow you are definitely prettier than both of you.

COMMISSIONER MONTOYA: Mr. Chair, your gift's in the mail. No, Mr. Chair, Commissioner Sullivan, I said in jest earlier, but I am truthfully going to miss both of you guys because of everything that's been said by Commissioner Vigil, by Commissioner Anaya, by Roman, you did bring an element to this County that had not been seen before. I just hope that we can continue what has been started in terms of all of the projects that have taken off as part of your leadership, and again, I just wish you both well. I know you're not both retiring and God bless both of you and thank you what you've done for Santa Fe County.

CHAIRMAN CAMPOS: What's next, Roman?

COMMISSIONER SULLIVAN: Mr. Chair, I wanted to say, just to finish up, that if I had to pick four other Commissioners to work with I couldn't have picked better Commissioners. As Commissioner Anaya said, there's disagreements but that's what the process is about. There's insight. Commissioners on this Commission are informed. They have meetings with the staff. They read the Commission packets, and by the way, yea to Camille for Commission packets. A great job there. And others. So working with this group has really been an experience for me. It has been such a good experience because we've gotten things done. We've accomplished things. We've moved from A to B.

Sometimes we go through X or Y to get to A or B, but it doesn't matter. We eventually get there and we've accomplished things. So that's really, I think, a testament to everyone that's here, in the audience, the staff and also up here on the Commission bench. So, thanks a bunch guys.

CHAIRMAN CAMPOS: Thank you very much. Appreciate it. Are we going to have cake or what do we do next, Roman?

MR. ABEYTA: Mr. Chair, we have cake and I would like to invite staff to have cake and thank staff for coming today.

CHAIRMAN CAMPOS: Thank you very much for being here. Appreciate it.

[The Commission recessed from 4:50 to 5:05.]

XIII. B. Community Services Department
2. Discussion And Review of November 2008 Bond Election (Community Services Department) [Exhibit 3]

MR. ABEYTA: Mr. Chair, we have a brief presentation that we could probably cover in the next five to ten minutes.

CHAIRMAN CAMPOS: Let's do it. Let's do it very quickly because we've got a lot to do tonight.

JOSEPH GUTIERREZ (Community Services Director): Mr. Chair, Commissioners, the County Manager has asked me to give you a brief overview of the bond election that just passed in November and I prepared just a quick overview of that. On the second page of my overview you can see the bond questions. We had six of them. On page 2 and page 3 it lists the six questions. You can see by the number of people that voted and how they voted that basically five of the six questions passed and they were basically a 2/3 to 1/3. That was very clear. The one question that failed was the fairgrounds question and that was the reversed – almost 2/3 against and 1/3 for. It seems like we have a great voter support for roads, open space, water, public safety. I think we're always going to be challenged on the public building sites. So we'll take a hard look at that.

On the next page we have evaluation criteria for projects. Again, the questions were based on projects that we felt that we could accomplish over the next two to four years. We use this evaluation criteria to look at the projects, the obstacles about the projects, when they could be started? When are the completion dates of the projects? Would there be design or engineering services needed? Some of these design or engineering services have already been completed or contracted for. Are we ready to go out for construction?

Some of these projects, they've been designed, but we haven't gone out for IFB for construction services. So we looked at all this criteria.

I think the most important pages on this are the next two pages, how we're going to allocate the \$32.5 million. We had a meeting with the Manager and the departments that are overseeing these projects. As you can see by the pages, on roads, we have roads and water on one page. And we broke it out – projects that we can complete within the next two years and projects that we can complete probably within the four-year period.

And we looked very closely at this, because what we're looking at is a cash flow for these projects. When we look at the cash flow it's the money needed to pay out for the design or for the construction, and that's going to dictate how the bonds are sold or the amount of bonds that we sell and when we sell these. So we broke it out in two-year increments. And as you can see, most of the road projects, with the exception of the South Meadows Road, will be completed within the next two years.

In discussing this with Robert Martinez a lot of these roads have already been designed to go out for bid.

The water projects, we looked at that, the Cañoncito-Eldorado, there are things that need to be done before it can be completed. That's probably going to be longer than a two-year period. Chimayo, it looks like that would be ready within a two-year period.

On the next page, on the public building side, the two transfer stations, Jacona after two years, San Marcos within the two years. The fire training facility is basically the purchase of a large piece of property, approximately 20 acres. That can be done – it will be done within the next two years, and then the Western Region Fire Station, which I believe is in Rancho Viejo, which is I believe being designed at this moment.

And then the open space, the Santa Fe River Corridor, it's spaced out over the next four years, so that's why that's checked in the next box. So as you can see, these are all projects that we've discussed, we've planned. It looks like they will be completed and we will be spending this \$33.5 million over the next four years. Because 2012 is the next time the County would go out to the voters for a general bond obligation for infrastructure projects.

And with me today I have Peter Franklin who is going to give you a quick overview of the steps that you'll be taking, that will be taking place in the next couple months for the sale of these bonds. And Kevin Powers is not with us today but we have Eric Harrigan with RBC Capital Markets and he'll just give you a brief overview of the capital markets. It will be very, very short.

PETER FRANKLIN (Bond Counsel): Mr. Chair, Commissioners, Peter Franklin with Modrell Sperling. As Joseph indicated, we've worked up a schedule for the sale of the first series of the bonds authorized by the voters at the last general election. We'll be looking at the Commission considering a notice of sale resolution at its second meeting in January, which I believe is the 27th. Selling the bonds at the first meeting in March, which would be March 10th, and then probably closing the transaction the third week of April, April 21st. The preliminary target amount for the bonds is about \$17 million, but we're still working on the cash flows and so on to deal with that. That's really all I have other than to say I wanted to thank Mr. Chair and Commissioner Sullivan for helping to keep the last several years interesting for me. I appreciate it, and if you have any questions, I'm here.

ERIC HARRIGAN: Mr. Chair, Commissioner, Eric Harrigan with RBC Capital Markets. Given the current economic environment I just thought it would be prudent to give a quick update on what's going on in the municipal market. The municipal market is not immune to what's been going on, however, there are some bright spots out there. To give you kind of an idea, there's about \$18 billion in supply or forward supply that is expected to be priced between now and the end of the year. So there's going to be a lot of issues out there that are going to be distracting many investors. But next year we expect to see that supply start to diminish and we hope should be a good time to sell bonds.

What we have been seeing is that credit really matters. The higher you're rated, especially if you're AA or higher, those types of bonds are getting done, as well as the smaller, say \$25 to \$20 million or less is getting done as well. We've seen the larger issues, \$100 million or more are having a lot of problems being sold in the current market. I can tell you this, that the County's general obligation bonds are rated AA1 by Moody's and AA+ by Standard & Poors, and that's one notch down from the highest possible rating of AAA by both of those rating agencies.

The finance plan calls for approximately \$17 million to be issued some time in early spring of next year with a 15-year final maturity. I'd be happy to answer any questions that you might have.

CHAIRMAN CAMPOS: Any questions? Thank you, sir.

MR. HARRIGAN: Thank you.

MR. GUTIERREZ: Mr. Chair, that's all, unless there's questions.
CHAIRMAN CAMPOS: Thank you very much.

XIII. B. 2. Resolution No. 2008-216. A Resolution Authorizing And Supporting A Community Development Block Grant (CDBG) Application For Santa Fe County (Community Services Department) [Exhibit4]

RUDY GARCIA (Community Services): Mr. Chair, Commissioners, Joseph Gutierrez is the director for our division. Doug Sayre is actually from the Water/Wastewater Division and we also have Barbara Deaux as well as Alicia back there that are participating in our presentation. As you know, the County Commissioners have had two public hearings on the CDBG application. CDBG is a community development block grant, which is a HUD grant that Santa Fe County is going to apply for, and it's up to \$500,000.

We have had, like I said, two public hearings and after an analysis staff is recommending that we actually go forward with the Valle Vista wastewater treatment facility. It's actually outlined there in the memorandum and I can go over a couple of highlights of this as to why staff would like the Commission to approve the resolution for the Valle Vista wastewater treatment plant. That plant is actually three decades old. The facility is near the end of its useful life and needs replacement. The New Mexico Environment Department, we do have a discharge permit. That discharge permit will actually end in 2011. The Valle Vista is currently permitted for 88,000 gallons per day of flow in that area. We're actually looking at, if we do get the system upgraded, we'll be able to handle a lot more flow in that area which we can hopefully serve other septic systems in the area.

Phase I will actually serve the residents of the Valle Vista housing development, nearby subdivisions. It could also potentially serve the County jail, the County public safety complex. It could serve the Santa Fe Brewing Company, the RV parks in the area and the PNM service center. One again, we recommend – the staff actually recommends that the Board of Commissioners approve the Valle Vista wastewater treatment plant for this year's CDBG application. With that, the second portion is actually going over the resolution –

CHAIRMAN CAMPOS: Hold on a second. I think Commissioner Vigil has a question. You can wait? Okay. I have a couple of questions. Is this designed as a regional wastewater treatment plant?

MR. GARCIA: Mr. Chair, the type of package plant that Santa Fe County is actually wanting to propose, yes, it can designed for a regional package plant.

CHAIRMAN CAMPOS: What does this do with our relationship to the State of New Mexico State Penitentiary treatment plant? Does it affect that relationship? Is this going to replace that?

MR. GARCIA: Mr. Chair, if I could just answer that, and Doug, if you can step in here if I'm a little bit wrong. Right now we're on a yearly basis with the New Mexico State Penitentiary wastewater treatment plant. Hopefully, if we do get the CDBG application and the funding for that, as well as placing our own monies in there from Santa Fe County we'll be able to upgrade and produce a new plant and therefore we can hopefully get our public safety complex as well as our jail off of the New Mexico State Corrections Department and on to this treatment plant.

CHAIRMAN CAMPOS: Okay.

DOUG SAYRE (Water/Wastewater Operations): Mr. Chair and Commissioners, we still leave open that we can consider the relationship. This plant could still be a regional plant. The

state facilities could come into it or we could look at slight modification of the location. They're within a half a mile of each other. We just are not getting much direction from Property Control Division or the Corrections Department about what they specifically want to do. So we are going forward with what we need to do. If they come on board we can make a modification to account for them and make it a regional facility if we need to.

CHAIRMAN CAMPOS: This would serve the Community College or close to the Community College?

MR. SAYRE: Mr. Chair, I think the Community College would be best served by the Rancho Viejo wastewater plant because they're within probably a quarter of a mile of each other. That would be a consideration over there, I think. But we have had discussions with other plants in the area about whether the County should take them over and operate them, such as Oshara or La Pradera. And that may be something in the future we consider that we have some satellite plants that we also operate.

CHAIRMAN CAMPOS: Thank you, Mr. Sayre. Proceed.

MR. GARCIA: Mr. Chair, Commissioners, one of the other points that I need to talk about is actually CDBG community development block grant is actually a HUD grant from the Housing and Urban Development through the federal government and it requires that the projects that apply for this grant are low to moderate income levels within this certain area. We looked at the 2000 census tract in this particular block, based off of the census in 2000 is 54 percent of the area that will be utilizing this project are low to moderate income levels and the requirement is 50 percent or greater. So actually we fall in this requirement that HUD requires for this grant application.

COMMISSIONER MONTOYA: Mr. Chair, I move for approval.

COMMISSIONER VIGIL: Second.

MR. GARCIA: Mr. Chair, just a couple of other things I just want to outline if it's okay on the resolution is a couple of things we're actually doing with this resolution. One of them is we're amending our ICIP plan to include the Valle Vista Water/Wastewater treatment facility. We're also recommending and acknowledging that the County of Santa Fe is going to budget approximately \$3 million out of our own money for this plant, which will add to the hopefully \$500,000 that we do hopefully receive, and one last thing is giving us signature authority for any applications that need to go either for environmental review or for signature of the County Manager as well as a certified environmental officer, which is Karen Torres, our hydrologist.

CHAIRMAN CAMPOS: And that's all in the resolution before us?

MR. GARCIA: Yes, Mr. Chair.

CHAIRMAN CAMPOS: Okay. There's a motion to approve the resolution. Any changes? Are there any changes that staff is recommending to the resolution we have in our packet?

MR. GARCIA: No, Mr. Chair, there's none. Mr. Chair, Commissioners, we are just actually outlining several points –

COMMISSIONER VIGIL: It's already here.

CHAIRMAN CAMPOS: There's a second. Any discussion?

COMMISSIONER MONTOYA: Mr. Chair, the only thing I ask staff is I like making these motions and approving them and I hope we don't miss the opportunity to do it, at least for the next two years that I'm here. We haven't actually taken any action and done this is two years because we haven't finished projects, so I just ask that projects get completed and we stay on a schedule now so that we make sure that we get these on an annual basis. Otherwise we lose out. Barbara, thank you for your assistance in helping us put this application together also.

COMMISSIONER VIGIL: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Vigil.

COMMISSIONER VIGIL: I would just forewarn – I think this is a great project but I've seen projects that go before this process that have like 84 to 90 percent low income qualification that still haven't been granted this type of project. When I originally thought about creating an advocacy for this I saw the need for it and I also recognized that there might be potentially another avenue for gaining these dollars beside the standardized HUD dollars. But apparently this is the standard avenue for going for CDBG. I think we should be prepared because those dollars are allocated statewide and they're allocated by a need basis and the need basis is evaluated by the percentage of low income families that surround the project. And 54 percent qualifies but it nowhere near gets close to the qualification number that many projects do throughout the states. So I'm prepared for that criteria really possibly holding us back here.

CHAIRMAN CAMPOS: Okay, there's a motion and a second. Are we really to proceed? Commissioner Anaya.

COMMISSIONER ANAYA: I'm glad to see this project moving forward.

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

XIII. C. Growth Management Department

1. Ordinance 2008-18. An Ordinance Amending Ordinance 2006-12, To Revise The Village of Agua Fria Traditional Historic Community Boundary (Growth Management Department) [Exhibit5]

CHAIRMAN CAMPOS: Mr. Abeyta, how long do you think this presentation will take?

MR. ABEYTA: Robert, any ideas how long this will take?

ROBERT GRIEGO (Senior Planner): We have a power point presentation, maybe five minutes for the presentation.

MR. ABEYTA: So this should take five or ten minutes. We've had meetings with the community on this issue. We already authorized title and general summary so I think we can move quickly.

CHAIRMAN CAMPOS: We're going to have public input, aren't we?

MR. ABEYTA: Yes.

MR. GRIEGO: Mr. Chair, Commissioners, this matter before you today, the Village of Agua Fria Traditional Historic Community boundary amendment, the original boundary amendment – I'll just kind of flip through these slides real quick. The original boundary was created in 1995. The boundary was amended in 1996. I wanted to show you what the original boundary was on this map behind you here. The original boundary is in yellow. It is basically from the city limits up north to the 599, all the way down to Airport Road, and it included, that whole area was over 4,300 acres.

The Board amended the boundary in 1996 to this blue area here. The Board also amended the boundary in 2004 and 2006 to the existing boundary which is shown here. The importance of this boundary is that the Board, at the time they shrunk the boundary they allowed property owners to request inclusion into the THC boundary. As the boundary has been amended property owners have requested inclusion and before you today you have requests from approximately 60 property owners who have requested inclusion into the THC.

Commissioners, as we've gone through this process with the Village of Agua Fria, at this point the boundary – it seems that we need a clear, coherent boundary for purposes of planning, especially in light of the proposed annexation by the City of Santa Fe of the areas adjacent to the village. The village, once again is exempt from annexation and at this time we'd like to bring forward a proposal for the Board to consider for a county boundary so we could have a clear, coherent boundary for the Village of Agua Fria. This process, we've gone to the community, we've done some legal notices, we've advertised in the *New Mexican*, we've held community meetings, and basically we've gotten a lot of input from the community.

What we wanted to show the Board was a couple of potential options based on the input that we've gotten thus far. The first option that we've identified would be to include only the property owners that have requested inclusion. That was shown on the map with the green areas of property owners. The pink areas on this map here show the areas that may be considered for boundary amendment based on what makes planning sense from the County's perspective. This is the Chicoma Vista area. We had a large contingent of property owners who may be here today within that area. The area between West Alameda and the river, there's a lot of property owners that have requested inclusion here. Santa Fe County owns this piece right here which is the Santa Fe River adjacent to the proposed Siler Road extension, which is proposed to go right through here.

Down to the west and south of the boundary there's a couple of property owners here who are historic properties in nature. The properties are over 100 years old and adjacent to this property here, the BLM also owns property near the river here which the Board may also want to consider for bringing into the THC boundaries. With that I'd just stand for questions from the Board.

COMMISSIONER VIGIL: Which option is the one that's proposed on this map, Robert? Option 1?

MR. GRIEGO: Option 1 would be the green areas only, and that would only include the property owners who have requested inclusion. The problem with that is that we end up with an incoherent boundary. So from our perspective we want to have a real clear boundary. The majority of property owners have requested inclusion in these areas here. There's a property owner here who recently requested today and it is adjacent to the Santa Fe County River Park here.

COMMISSIONER VIGIL: Thank you. Robert, I know that you and Renee have done a really extensive job for community outreach with regard to this, but inevitably we may get some residents who didn't know about it, and I'm really anxious to hear from the residents who are here this evening and where they live because there are some areas in this map that there are residents we have not heard from. And as I said, inevitably, if we don't have a really comprehensive outreach what we're going to hear down the line is, I didn't know about it. And that actually happened when they reduced the boundaries and it happened twice, I do believe those boundaries were reduced. I'm not real sure. Your memo says once but I think they might have been twice. Is that correct?

MR. GRIEGO: The boundaries were reduced significantly in 1996.

COMMISSIONER VIGIL: And at no other time?

MR. GRIEGO: No, we increased it in 2004 and 2006.

COMMISSIONER VIGIL: Okay, so we've changed the boundaries several times. Okay. And in effect, Robert, once we do identify clear boundaries, because these residents will be in the traditional historic village they cannot be annexed unless 51 percent of the THC actually votes to get annexed. But the surrounding property owners are going to be within the new – and I don't remember the acronym, but it's the new EZA. Is that correct?

MR. GRIEGO: Mr. Chair and Commissioner Vigil, it's identified in the City-County agreement as the presumptive city limits. And so Legal may discuss what the next steps are, but they

were going to create a couple of boards, one of them being the Extraterritorial Land Use Commission and the Extraterritorial Land Use Authority.

COMMISSIONER VIGIL: Okay. Thank you very much. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Any other questions? Mr. Griego, I have a question. Is staff taking a position, making a recommendation to the BCC to do the comprehensive or the piecemeal approach?

MR. GRIEGO: Mr. Chair, staff is making a recommendation to the Board to make a comprehensive report. We've done a comprehensive approach, meaning that we have a clear and coherent boundary. There was one issue on the boundary which we did not receive any input and I want to point it out on this map, within this area. Because we did not hear from property owners there we did not receive any negative or positive feedback. We don't know what to do with those property owners. These are the ones adjacent to Agua Fria. This area here is all city limits. The City has annexed this piece here. That's a problematic area. But the rest of the area, in the shaded pink here, staff is recommending that that be part of the traditional historic community boundary.

COMMISSIONER SULLIVAN: Mr. Chair.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: A couple of quick questions, Robert. What is the little green triangle way down on the southwest corner? What is that?

MR. GRIEGO: There are a couple of property owners here that own property that are requesting inclusion, two properties owners here. This is the Santa Fe River, this is BLM property here. BLM owns this piece and also this piece right here, so based on previous Board actions the Board may wish to include BLM properties as well, so we've outlined the public land in dark green on this map here, here and here.

COMMISSIONER SULLIVAN: It kind of sticks out there. We just put it in because the owners requested it, right?

MR. GRIEGO: These properties here, well, they're a couple of historic properties. Those properties are part of the Stacy – this is Mary Stacy's property here. Those properties have been in existence for approximately 200 years. They've requested inclusion because they feel an identify with the Village of Agua Fria and I believe there's a property owner here tonight.

COMMISSIONER SULLIVAN: Okay. And in the pink areas that you're requesting, the green areas are people that have already come forward so we know that they are in favor of inclusion. The pink areas that you've recommended to fill in the gaps, have there been any residents in those areas who have objected to being in the THC?

MR. GRIEGO: No, Mr. Chair, Commissioner Sullivan. We have not received through this property owners who are saying no, don't bring me in. We've received some people who've wanted more information but as far as – we've asked people for input, whether they want to come in or not, and this is the information we're providing for you today.

COMMISSIONER SULLIVAN: Okay, and then the last question I had was what was the reason for contracting the district so much in the first place back in – you said it was '97?

MR. GRIEGO: 1996. There was – I believe there was a lawsuit involved and I believe a lot of misinformation that was going on at that time. One of the issues was that people were talking about incorporation, but that was not what the Board had done so there was some confusion and misinformation about what the process was for the THC boundaries at that time. My understanding of that.

COMMISSIONER SULLIVAN: Okay. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Okay. Any other questions? Commissioner Montoya.

COMMISSIONER MONTOYA: Kind of on an unrelated note, have we considered requesting BLM for that property as part of the disposal?

MR. GRIEGO: Mr. Chair, Commissioner Montoya, yes. We've met with BLM. We've talked to them. There is a potential for that to occur. We talked with our Community Facilities Department and there is a potential for that. That's why we outlined them here because if the County were to acquire them it might make sense for the County to maintain ownership in the county.

COMMISSIONER MONTOYA: Part of our open space.

MR. GRIEGO: Yes.

COMMISSIONER MONTOYA: Thank you.

CHAIRMAN CAMPOS: Okay. Is that the presentation, Mr. Griego or do you have additional matters to present?

MR. GRIEGO: No, that's our presentation. I just wanted to be clear again, the pink areas are the areas that staff is identifying, recommending. The area that's hatched in the bottom portion in the lower southwest corner there in pink, we have not received any information from those property owners so I'm not sure what the Board's pleasure is on dealing with those property owners.

CHAIRMAN CAMPOS: Okay, any discussion by the Commission at this point before we go to public hearing on these issues? Preferences or inclinations? Okay. Mr. Griego, are we going to act tonight? Are we going to vote on the ordinance tonight? Is that the plan?

MR. GRIEGO: Mr. Chair, that is the Board's determination.

CHAIRMAN CAMPOS: But it's set up so that we could adopt this? These changes that you're talking about?

MR. GRIEGO: That is correct.

CHAIRMAN CAMPOS: Okay. This is a public hearing. How many people are here to testify on this case? Okay. Is there for and against? Who's against? Okay. As you know we have a lot to do tonight including the oil and gas ordinance, so we're going to ask you to be very brief and to the point. So if anybody is in opposition please come forward first. Please state your name and your address for the record. I don't think we need to swear anybody in. This is ordinance testimony. Is that right, Mr. Ross? Okay.

ALEX CRAWFORD: Alex Crawford at 609 Paseo de la Loma, Santa Fe. But I do have property in this pink area and I just wasn't aware of all this. I haven't been getting the information so I don't know which way I want to go. I just want to let you know that some people maybe haven't got it. I got it finally from my brother who happened to get a mailing but I never did.

CHAIRMAN CAMPOS: Okay. Thank you, ma'am. Okay, who wants to testify? Please come and sit in the front row here, everybody who wants to testify. And we're going to ask you to be very to the point. Okay, we have five, six people. Okay. State your name and address.

PAMELA FLAX: My name is Pamela Flax and I'm at 4751 Agua Fria. I live in the house that you asked the question about in the little green area. Many people know this as the old Stacy House. The oldest room is 160 to 210 years old, depending on who you talk to, and you can still see the handprints in the wall, the original plaster. It's a 3,400 square foot double adobe house with a three-bay adobe garage. Harold Stacy, the last owner before my husband bought it about ten years ago was an amateur anthropologist and has many artifacts and hand carvings inside and out of the house, in the garden, in the portal, and inside. They ran cattle from Agua Fria and the Santa Fe River which is behind the house to their property on Airport Road.

That rust-colored piece right here, this rust-colored piece was also part of their property and Mary Stacy is living right here. And this house where we live was the main house for the whole property. So in some ways, including this piece of land without 4751 Agua Fria is like choosing the

limb but not taking the heart. And some of the things that may be interesting to you, in terms of the architecture of the house, it really did evolve according to the history that they had in that property. They were known as having a very big, welcoming heart. In addition to their own children they adopted many children and fostered many children, many of whom were disabled, and the house kept growing according to this growing family. So there's something like the whole of the house seven or eight rooms and many of the elders in Agua Fria of Santa Fe remember that community. Dances were held in the living room because it was the biggest living room in the community and I think maybe that's all that's pertinent for the moment.

CHAIRMAN CAMPOS: In favor of the annexation?

MS. FLAX: We are in favor of the annexation. We would like to be included in the historic village.

CHAIRMAN CAMPOS: Okay. Thank you very much. Next. Please state your name and address.

MARK F. GONZALES: Mark F. Gonzales, 2130 Callejon de Rita. I was part of the original group that assisted in getting the state law to the legislature to get it passed. I was also part of the boundary committee after the law was passed to set the current boundaries for the village, at the request of Commissioner Gonzales at the time. There were six of us at that time. So I'm here to make myself available, if you have any questions, why or why not those boundaries were set. A lot of it was due to the incorporation. People favored protecting the village against annexation at that time. What they weren't comfortable with at the time, which there was an internal disagreement was incorporating as a separate village or municipality.

The settlement led to the reduced boundaries till the community could come back together. That time has come now that the village has kind of worked through those issues with our master plan and everything. What you see up there right now is that a lot of the people that had originally stayed out are seeing that it's more of a benefit coming back into the village boundaries. Our boundaries were actually bigger than that, three times the size of that, of what you're seeing right now, what we requested back in 95 and 96 and to settle internal problems within the community we reduced the boundaries.

The time has come right now to where a lot of those people have seen the benefits, the pros and cons of either going with the City or staying in the County and I think you'll see that – and we've had many discussions on this within community meetings. Many of them are ready to come in under the protection of the THC. They see that we're not going to be provided the services that the City – the City can't provide the services near term for what they need, so they're really out in the open. If they get annexed they're going to be left without services but they're going to be paying for services that they probably won't get for a while.

So a lot of these were original land transfers. A lot of the villagers, still original landowners still own parcels up there, my uncle being one of them, my aunts, relatives that live in the community of Agua Fria that's already in the THC, still own large parcels up there. So they would like their land not to be piecemealed throughout the county and city; they want their lands back in. A lot of the smaller lots that have already been sold see the value of the protection of the THC and would rather stay with the County and the THC.

CHAIRMAN CAMPOS: Okay. Thank you, sir. Appreciate it very much.

MARTA NYSTROM: Marta Nystrom, 648 Chicoma Vista. I'm one of the residents in this area that's heavily green. Our neighborhood did a lot of door-to-door canvassing to talk to residents and to get their feedback. It was overwhelmingly in favor of being with the THC. These areas in pink down here are undeveloped land so people don't live there and the property owners probably

had no way of being notified and up in this area as well. These tend to be the out of town owners of property, so they wouldn't have known about it. But overwhelmingly we feel strongly, passionately enough that all the people in Chicoma Vista who are here tonight – stand up – you can see how many of us wanted to participate in this hearing tonight, and we feel that we're very well represented by the County Commission, so we would like to remain that way. Thank you.

CHAIRMAN CAMPOS: Thank you very much.

MICHAEL SUGARMAN: I'm Michael Sugarman. I'm also from the Chicoma Vista Road. Back in 1996 or perhaps it was 1995 when the original organization of the THC took place I went and I got up a petition at that time and took it to all Chicoma Vista and to the area here over to the west and to the south also, and I also included the Coyote Ridge area, and I got all sorts of signatures at that time. We got almost everybody on Chicoma Vista at that time and probably about half the people off to the west and about half the people to the south here signing on to it.

It was always unclear to me why weren't allowed to be part of the historic district at that time but I understand that there was a lot of confusion about how was this going to work and would it be good for the County and there was kind of a tension about that. But now that everybody's had a chance after all these years to think it all through it seems to me only appropriate that we all be allowed to be a part of the historic district. In all of the meetings that have been held so far there really hasn't been any strong opposition. Now, there might be landowners like the Hansens off to the east here who were looking toward development, but I think pretty much universally the people who live in here, they think their house is about the right size, the property is the way they want it and they really don't want that kind of change that the City seems to be focusing on.

If you've looked at some of their development maps, what they're projecting for the future, some of it, like Chicoma Vista looks like a condo bomb hit it, and I'm just hoping that you'll let us into this. We'd all like to be a part of the county and remain that way. Thank you very much.

CHAIRMAN CAMPOS: Thank you, sir.

JO HARVEY ALLEN: Thank you. My name is Jo Harvey Allen. My husband Terry and I own the property at 3932 West Alameda, right at the corner there of Chicoma Vista on the south side. We're relative newcomers. We've been here a little over 20 years and we've been so proud to be part of – as we've learned about the history of Agua Fria. We would really love – we were the few out there who didn't want a road so it went right through our property on West Alameda. We were four miles of dirt road only 20 years ago. So we're really proud of our home and we're proud to be with that history in the village, and really respectful of that history. We would appreciate – we've been very happy being in the county. Thank you.

WILLIAM MEE: I'm William Mee, 2073 Camino Samuel Montoya. I'm president of the Agua Fria Village Association. Mr. Chair, Commissioners, we're the neighborhood association that represents this traditional historic community area and we've had meetings about this particular situation and our members are in favor of this proposal, even the option 2. There are a lot of relatives that we have in Agua Fria Village that also have properties up in that West Alameda area. I went door to door over the last few days. I didn't get to see the whole area but everyone I talked with seemed real supportive of it. They did have some questions, but I think any time you have a change coming on there are questions.

Most definitely people do not want to be annexed by the City and in that respect they are supportive. I think they're wondering what is this Agua Fria or what is a traditional historic community? What is Agua Fria Village Association? I've been trying to alleviate them on that. Our association has articles of incorporation on file with the Public Regulation Commission. We have bylaws. We have elections of officers. So I think we are like a normal neighborhood association so

there's really nothing to worry about. We really try to advocate for the needs of the people and we've done a lot of good things since our incorporation in 1993. We serve or are ready to serve this expanded area.

CHAIRMAN CAMPOS: Mr. Mee, a quick question for you. Staff has presented to options. Option 2 is the comprehensive option.

MR. MEE: I think option 2 makes more sense just to straighten out the boundaries. We could do a piecemeal thing but then I think we would be back here again taking another action later. The only thing I was a little bit worried about is on that western boundary up to that green triangle. But I've talked to those people. I've told them all you've got to do is fill in this form, and they've said, well, we're really busy. So I'm sort of surprised that they haven't taken advantage of it, but you can't drag them in, I guess is the saying. Thank you.

CHAIRMAN CAMPOS: Thank you, sir. Next.

JOHN WINNEBERGER: John Winneberger. When I settled in the subdivision of the BLM, a small subdivision of lots, I collected the land patents from BLM and I discovered that they had a sensible land pattern to the thoughts. But when they made the land patents they weren't followed. Right now the people are pretty well adjusted to where they are, but if they try to go to small lots they will discover that they'll have the most horrible engineering mess they can imagine. In those patents are things like one man's lot has two easements for roads that go nowhere. The entire thing is just – you just can't imagine what a mess it is and I don't think the engineers of the authorities are aware of it. So if they stay as they are now probably things will continue to – everybody will get along. If they get in the city and go to small lots I think you'll find it won't work – be a horrible mess.

CHAIRMAN CAMPOS: Thank you, John. Okay, who's next?

MARIA SIFUENTES: Maria Sifuentes at 4721 Riverside Lane. My property is considered county as of now. I would like to keep it that way, I'm a country girl and I like living out in the open, in the country. I work and live in my own property. I have not gotten much information on this and the letter that I received this past week, that's why I'm here. I would like to keep my property as county. Thank you for hearing me.

CHAIRMAN CAMPOS: Thank you for coming. Appreciate it. Ma'am, you have a brief comment?

MS. ALLEN: Yes, Jo Harvey Allen, 3932 West Alameda. I just opened this this evening. I've been traveling, and I've looking at it horrified, sitting here. I think maybe my house is not in the green. Could someone tell me? It looks like 3932 West Alameda.

MR. GRIEGO: It's not in the green. It's in the pink. We haven't received notice from you yet.

MS. ALLEN: I'm sorry. I'm very upset because this is the first that I've been aware that I wasn't even being considered to stay in the county.

CHAIRMAN CAMPOS: You're outside of the historic village.

MS. ALLEN: What determined that and when? Okay. Sorry. Well, I would like to be in the county.

COMMISSIONER ANAYA: Mr. Chair, if Maria Sifuentes could show me where she lives. Oh, she's in it? Okay. Thank you.

CHAIRMAN CAMPOS: If you're going to testify further we're going to need you to take the microphone. Are you just pointing out your property? I think that's the question. Okay. Thank you very much. Okay. I think the public hearing is closed and now we have discussion from the Commission. Option 1 or 2. That's what we're looking at. Commissioner Sullivan.

COMMISSIONER SULLIVAN: Mr. Chair, I just want to thank the staff for all their effort in getting the public input on this. I think we want to be sure that the residents understand that being included into the THC doesn't mean that there's not going to be any more development there. There are vacant tracts there and over time they're going to be developed. And the County has a plan for this area and you're going to see new homes go in there and new roads and so forth.

So I just want to be sure that sometimes we say, I don't want any more people living next to me and I want to keep my farm animals and so forth and I don't want to be subject to the City's control, and I understand all of that, but the one thing I want to be sure that we understand is that this, by virtue of being in the THC, create a moratorium on development. There are going to continue to be developments over time in this area. It's just that it will develop in a different way and in a way that we hope and our planners hope is more compatible with the character of the community.

That's all. I just don't want people to feel that if I'm in the county or in the THC nobody will ever build here again because that ain't going to happen. But I think you're safe with the assumption that what is built will be more in character with what you have in your surrounding area now. And I know that's important to you. Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Okay. Commissioner Vigil.

COMMISSIONER VIGIL: Thank you, Robert, Renee. Thank you so much. I'm impressed how expeditiously you took on this task and included so many of the community residents. I represent Agua Fria proudly. It is the first traditional historic village in the state and by that uniqueness it does represent a legal standing. But more importantly, for those of you who haven't been a part of the Agua Fria Village Association or engaged in any of the traditional events and the historical recognitions that this village has participated in I welcome you to be a part of it because the benefit that this community has had is they have a unique ability to mobilize, bring themselves together towards one end, whether it's the Blessing of the River, whether it's the Feast Day of San Ysidro, so many of the events that they participate in make me so proud because those of you who have been a part of it and those of you who haven't, this is one of the richest historical landmarks in the state. The Camino Real stopped here. There are pueblo ruins that still remain within that area. But what's more important to me is that the villagers of Agua Fria have carried these traditions in their heart and in their actions.

I'm so glad that our planners took the initiative to do the outreach to the surrounding community and I'm actually very pleased to have a proposal that has some clear boundaries. It will make it so much easier for you as residents. It will make it so much easier for us as a County and for the City as another local government entity to identify those boundaries. That creates a lot of confusion when it comes to future decisions.

With that, Mr. Chair, unless there is further comment –

CHAIRMAN CAMPOS: Hold on. Let's ask for further comment. Anyone else want to talk? Any other comments?

COMMISSIONER VIGIL: I don't know. Commissioner Anaya is –

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: Sounds good.

CHAIRMAN CAMPOS: Commissioner Montoya.

COMMISSIONER MONTOYA: Move for approval.

CHAIRMAN CAMPOS: We're looking at two options, option 1 and 2, 2 being the comprehensive option.

COMMISSIONER VIGIL: Option 2, I think.

CHAIRMAN CAMPOS: So you're asking of adoption of Ordinance 2008-18? Attorney Ross, what do we have to do to adopt option 2?

MR. ROSS: I would say the motion would be for option 2. I think the draft –

CHAIRMAN CAMPOS: Any particular exhibits, Mr. Griego, that we have to adopt?

MR. ROSS: It refers to an exhibit, Exhibit A, and we just have to make sure that the map that's attached to the ordinance that you actually adopt is of option 2.

CHAIRMAN CAMPOS: Is Exhibit A option 2?

MR. GRIEGO: Mr. Chair, this Exhibit A changed a little bit because we've gotten some additional requests today, so I would like clarification from the Board on Exhibit A with the modifications. This area, again, we did not hear from these properties owners. The Board may want to include these or leave them out. We did notice them as part of this process. Initially they were included as Exhibit A. So there's about eight property owners within this area here which we're not sure of. Then we have the BLM land that we indicated earlier, and the Santa Fe County River property that's owned here. So those are the questions that we have to you.

CHAIRMAN CAMPOS: Commissioner Vigil, what's your –

COMMISSIONER VIGIL: Including BLM land and the purple property owner area was part of my second.

CHAIRMAN CAMPOS: Including the property on the eastern side by the river?

COMMISSIONER VIGIL: Yes.

CHAIRMAN CAMPOS: Okay. Is that the second?

COMMISSIONER MONTOYA: Yes.

CHAIRMAN CAMPOS: Okay. Any discussion? Commissioner Sullivan.

COMMISSIONER SULLIVAN: Just a clarification. I think Exhibit A, at least as it's shown here is not the exact right exhibit, even with the additions, because Exhibit A shows both options as opposed – it lists green as parcels requesting inclusion and pink as potential Agua Fria parcels. So if we adopt Exhibit A, we'll adopt the pink as being potential parcels and I don't think that's what the Commission is saying. I think they're saying that they want these included here. And now I see another Exhibit A where the pink now says Village of Agua Fria Traditional Historic Community.

CHAIRMAN CAMPOS: Okay, Attorney Ross to maybe clarify. Steve.

MR. ROSS: Mr. Chair, I would suggest that we amend this map off-line, in other words tomorrow, after you've approved the ordinance, and just show it all in one color, so we depict accurately the whole THC as it is now.

CHAIRMAN CAMPOS: So the motion would be to adopt Exhibit A as amended, or just –

MR. ROSS: Yes. Or as described or something like that.

CHAIRMAN CAMPOS: As described or as amended. Is that okay with the mover and seconder?

COMMISSIONER MONTOYA: Yes.

COMMISSIONER VIGIL: Yes.

CHAIRMAN CAMPOS: Okay. So we have a motion, a second.

The motion passed by unanimous [5-0] roll call vote with Commissioners Anaya, Montoya, Sullivan, Vigil and Campos all voting in the affirmative.

CHAIRMAN CAMPOS: It's adopted. Thank you very much.

XIII. C. 2. Consideration and Adoption of the Conjunctive Management Plan for the Santa Fe Basin (Growth Management Department)

CHAIRMAN CAMPOS: Mr. Abeyta, the next is the consideration and adoption of the conjunctive management plan for the Santa Fe Basin. Is that essential that we do tonight?

MR. ABEYTA: I don't know that it is. I don't think it's essential.

CHAIRMAN CAMPOS: It's about six o'clock.

MR. ABEYTA: No, it's not. We can postpone it.

CHAIRMAN CAMPOS: Okay. As far as item XIII. C. 2, is there any inclination to just table this?

COMMISSIONER MONTROYA: Move to table.

COMMISSIONER ANAYA: Second.

The motion to table passed by 4-1 voice vote with Commissioner Vigil casting the nay vote.

XIII. D. Matters From The County Manager

1. Update on Various Issues

MR. ABEYTA: None, Mr. Chair.

XIII. E. Matters From The County Attorney

1. Executive Session

A. Discussion of Pending or Threatened Litigation

MR. ROSS: Mr. Chair, we need a closed executive session to discuss pending or threatened litigation.

CHAIRMAN CAMPOS: Okay, we're going to need about 30 minutes?

MR. ROSS: Thirty minutes, plus.

CHAIRMAN CAMPOS: Okay, it's 6:00 and we're going to start the oil and gas hearing at what time? 6:45?

MR. ROSS: 6:45.

CHAIRMAN CAMPOS: Okay, at 6:45 we will start the oil and gas hearing. We need a motion to go into executive session where we will only discuss pending or threatened litigation.

[The Commission met in closed session from 6:00 to 7:05.]

CHAIRMAN CAMPOS: It's 7:05. We've been in executive session. Is there a motion to come out of executive session where we only discussed pending litigation? Is that it, Steve? Pending litigation. Is there a motion?

COMMISSIONER ANAYA: So moved?

CHAIRMAN CAMPOS: Second?

COMMISSIONER VIGIL: Second.

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

- XII. A. 4. Resolution 2008-217. A Resolution Transferring Cash Balance From The Road Projects Fund To The General Fund To Complete Construction of The Stanley Transfer Station For \$306,000 (Growth Management Department)**

COMMISSIONER VIGIL: Move to approve.
COMMISSIONER MONTOYA: Second.

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

XIV. PUBLIC HEARINGS

A. Growth Management Department

- 3. Consideration of Ordinance No. 2008-19. An Ordinance Amending The Santa Fe County Land Development Code For The Unincorporated Area of The County Enacting An Ordinance Establishing An Oil And Gas Overlay Zoning District Governing Oil And Gas Exploration, Drilling, Production, Transportation; Abandonment And Remediation; Providing For A Three Step Development Approval Process For Oil And Gas Projects Involving: (1) Discretionary Approval of Applications For Oil And Gas Overlay Zoning District Classifications; (2) Discretionary Approval of Special Use And Development Permits; And (3) Subsequent Ministerial Approval of Grading And Building Permits And A Certificate of Completion; Providing For Consistency With State Statutes And Regulations And With The County General Plan Including But Not Limited To The Oil And Gas Element of The General Plan; Establishing For The Galisteo Basin: (1) A Land Environmental Sustainability Matrix; (2) A Capital Improvement And Public Services Program; And (3) An Improvement District For The Galisteo Basin And Authorizing Preparation of The Same For Other Areas of The County; Establishing Requirements For Reports, Studies, Plans And Assessments For Review of Applications For Development Approval of Oil And Gas Overlay Zone District Classifications As Follows: (1) A General And Area Plan Consistency Report; (2) An Environmental Impact Report; (3) A Fiscal Impact Assessment; (4) An Adequate Public Facilities And Public Services Assessment; (5) A Water Availability Assessment; (6) An Emergency Service And Preparedness Plan; (7) A Traffic Impact Assessment; And (9) A Geohydrological Report; Development Agreements; Transfer of Development Rights; Capital Improvement And Service Programs, Plans And Budgets For Roads, Stormwater Drainage, Fire, Police And Emergency Response Services; Financing of Public Facilities And Services; Creation of Improvement Districts; Providing For Bonding And Insurance Requirements; Creating Standards For**

Equipment, Operations, Emergency Service And Response Plans; Site Remediation; Grading And Soil Disturbance, Spills And Leaks; Lighting, Buffers, Landscaping And Screening, Closed Loop Systems; Operating Hours; Temporary And Permanent Abandonment; A Discretionary Beneficial Use And Value Determination Process; Application And Permit Fees; Amending A Portion of Santa Fe County Ordinance 1996-1, Article III, Section 5.2 Defining "Mineral"; Amending Article X of The Land Development Code To Add New Definitions; Providing A Table of Contents And Appendices.

CHAIRMAN CAMPOS: Who's going to start for us? Dr. Freilich? State your name and your position.

DR. ROBERT FREILICH: Thank you and good to be here again. We're here we hope with the final version of the ordinance to be adopted. I want to explain how pleased I am. Since the last time we met we have received many, many emails and requests for clarification and for additions, et cetera, from people in the community and from various groups, associations, attorneys, et cetera. So we have tried to accommodate what we thought was compatible with the ordinance, and we tried to achieve, to the greatest extent possible, those concerns.

Let me just go over some of the changes. And after I'm finished going over the changes, we're going to hear from our consulting petroleum engineer, Terry Payne, who didn't have the opportunity to appear before you. And he's going to explain to you some of the technical meaning of some of the terms, and also make clear for the record how this ordinance stands with regard to state statutes and the OCD rules and statutes governing oil and gas leasing. Then we can open it up for people to speak to the ordinance.

The first request we had was that a number of blanks should be filled in. We did. We have now reduced the size of an individual well site to a half an acre. We've provided that drill sites cannot exceed five acres, or the total number of acres of drill sites in a square mile in the high-sensitivity areas cannot exceed five acres in total. We think this is a very appropriate provision, as our engineer is going to discuss it later. It certainly fits with the current technology of the oil and gas industry. We also made a change to reflect that access roads shall not exceed 1.29 miles. It read "access roads shall exceed 1.29," we made that grammatical change. We completed the definition. We removed the definition of completion, and we redefined the certificate of completion on page 90.

We fixed up the low-sensitivity areas and fixed the boundaries there. And again, in the moderate sensitivity areas, the total number of drill site acres – remember that that means, "drill site" includes all the wells gathered on that drill site – cannot exceed a total of seven acres, and in the low sensitivity areas, cannot exceed nine acres. We've added definition of co-location to assure that co-location occurs not just to bring individual wells together, but also that drill sites should be made contiguous to one another, to reduce the amount of area that is covered on the properties. We have provided for a tighter definition of directional drilling. We've added limitations on the TDRs to make sure that there's only a certain number of TDRs that can be accepted on any given drill site in either a high, moderate, or low-sensitivity area.

We've added phasing to the powers that the Board can adopt in approving the final zoning; that is, that you can either deny, you can approve, but you can also approve a certain number and phase other numbers of drill sites to the future.

We've made changes to the prescribed list of chemicals that must be used on fracking. And we want to make clear to the public we've received a lot of concerns about that. Basically, we are

developing the prescribed list of chemicals or materials. First of all, we want to make it absolutely clear that fresh water shall be used where it's possible to be used, no salt brine or any other chemicals or materials will be used. If that cannot technologically be achieved, we provide the list of chemicals. And that list of chemicals will also be approved by a physician and by Mr. Payne, our petroleum engineer, with regard to any potentiality for toxic substances. But by us providing the prescribed list of chemicals, we prevent a disclosure of trade secrets by the operator. We've limited the well pad size, as I've indicated, and we've also, in section 11.25.5, have made a change that is very significant with regard to the fracking. We've provided now that after fracturing operations are completed, all fluids used in the operation shall, to the extent technologically possible, be removed from the well. So we've made those changes.

We've changed the hours of operation to make it clear that the only hours of operation that can exceed 8 to 5 in the evening are operations dealing with drilling and producing. All traffic into and out of the site, all deliveries, everything else, is prohibited except between the hours of 8 to 5 in the evening.

We've had several persons requesting that we delete -- that the list be established by the petroleum engineer. They were still afraid that our own petroleum engineer would be biased in favor of the oil and gas. So we've changed that to make sure that the list is adopted by the Board. That the petroleum engineer will only work with the staff in providing the recommended list.

We've responded to exploratory wells by removing from the definition of exploratory wells any reference to under-utilized areas or other areas that have not had production. That was a major concern of several people. We've required that all applications for exploratory wells have to meet all requirements of the ordinance, including the seven reports, assessments, and studies that are required. The only thing they are exempted from is paying for long-term capital improvement infrastructure. But if the well does become producing, it must supplement all reports and pay for whatever is required for long-term CIP infrastructure. That doesn't mean that an exploratory well will not be required to have access to the freeway before it can begin. It will have to have fire, police, emergency service available to the site. It will have to provide for these roads, or it'll pay the county for these roads. The only thing that they're exempted from is long term, the twenty-year capital improvement program, until that well in fact becomes producing.

We also basically have tightened up the drill sites. We've reduced the well site size from two acres to a half-acre size. We've limited the entire surface of all drill sites, as I said, in the high-sensitivity area to five acres, in the moderate sensitivity to seven, and in the low sensitivity area to nine. We've encouraged, as I said, co-location for the contiguous placement of drill sites as well as wells. And basically we've changed all the notices. Some people indicated that our language was ambiguous. So now every property owner, every association that registers, etc., will get notice of an application within five days from the time that the County receives those notices.

We have responded to what we think are all of the requests and concerns. We think you have an ordinance in front of you now that will meet the standards that we began with about ten months ago.

I also want to report on one other thing before I turn this over to Mr. Payne, and that is that, as you'll recall when we discussed the last time, the OCD has prepared an amendment to their OCD rules and regulations governing the Galisteo Basin and Santa Fe County. But since Galisteo Basin also covers a small part of two contiguous counties, they've produced rules for that. The rules basically require that before any permits for wells are given, the applicant must seek approval of an exploration and development plan. Quite a bit of data is required in the exploration and development plan. They have to give a map of the area, the operators' names, the legal description, their target area or zone for drilling, the topographical maps, maps showing ownership, including tribal ownership, municipal

country boundaries, sites of all registered cultural properties, which I think they're going to have trouble with under the existing statute, because they're forbidden from revealing sites of known cultural facilities, farms, buildings and infrastructure including highways and roads, etc., sinkholes, unstable areas, fresh water fields, existing water wells, all existing oil and gas wells, location of proposed exploratory wells and facilities. But the facilities are limited to tank batteries, gathering lines, waste disposal facilities, compressor stations, and access roads.

They also require a hydrologic and site report that provides information with regard to soils, geology, surface hydrology, and groundwater hydrology. And proposed plans for installing monitor wells, a drilling program describing air drilling, mud logging programs, waste generated during the drilling and production process, minimizing pad sizes and consolidating facilities, developing the area if the exploratory wells are productive, a written contingency plan for all releases, procedures for early detection of releases, instructions for notifying responders, identification of all equipment that will be on the site, response plans based on the severity and nature of releases.

Now the things that OCD has not provided for in their regulations is for environmental assessment of habitats, floodplains, wetlands. They haven't provided for noise or lighting. They haven't provided for nuisance effects. They haven't provided for setback requirements. There's a whole list of what we have included in our ordinance that they have not required. Accordingly, the County sent to the OCD on December 9th the following letter, which I'll read. It's very short; I'll read it to you:

To Gail McQuesten, assistant general counsel for the Energy, Minerals, and Natural Resources Department. Dear Ms. McQuesten, Santa Fe County congratulates the Oil Conservation Division on preparing amended regulations to implement the Governor's executive order and July report on the Galisteo Basin. Santa Fe County proposes additional language set forth below to add to the proposed amended state regulations. In response to the Oil Conservation Division's application for an order amending the rules to add new rules 19.15.39.9, and 19.15.39.10, Santa Fe County requests that those proposed rules be further amended to add the following provision:

In considering any application for approval of an oil and gas exploration and development plan located within Santa Fe County, including but not limited to that portion of the Galisteo Basin located within Santa Fe County, the OCD shall consider the applicable provisions of the Santa Fe County oil and gas ordinance, oil and gas elements to the County general plan, and the findings and determination of the Board of County Commissioners with regard to any application for an oil and gas overlay zoning district classification addressing the adequacy, completeness, and substantive requirements and conditions for the approval or disapproval of the applicant's exploration development plan or operating permits.

In addition, 1) The oil and gas ordinance overlay zoning district classification requirements that they shall review, relate to environmental mitigation of air and water quality, land and environmental suitability, analysis of hillsides, floodways, stream corridors, vegetation, wildlife habitats and corridors, archaeological, cultural, and historical sites, including areas of importance to Indian communities, public nuisance and land use impacts including but not limited to noise, lighting and vibration, open space and scenic vistas to promote eco-tourism, transportation, safety, and adequate stormwater management, roads, fire, police and emergency services to protect health and safety, water availability for drilling operations, proper zoning and land use regulation or reclamation for oil and gas activities, and to mitigate impacts upon surrounding properties; to protect the fiscal integrity of the County and to provide for studies, reports and assessments, including environmental impact reports, adequate public facilities and services assessments, water availability reports, traffic impact assessments, geo-hydrologic reports, emergency preparedness plans and fiscal impact assessment."

In addition to that, we ask that they adopt another section, Section L, to read, "Santa Fe County supplemental jurisdiction to adopt land-use regulations and a general plan oil and gas elements is hereby recognized, pursuant to the Governor's executive order, 2008-04, requiring state agencies to work directly with Santa Fe County and other governmental entities. The June 24, 2008 report on the Galisteo Basin from the Department of Energy, Minerals, and Natural Resources, the New Mexico Environmental Department, Game and Fish, Cultural Affairs, Indian Affairs, Tourism, Health and Agriculture containing the following recommendations:

1) For conservation planning purposes, the Department of Game and Fish should assist Santa Fe County in the identification of distributions of species of greatest conservation need and key habitats, as identified in the [inaudible], and wildlife crucial habitats and corridors, as identified in the ongoing Western Governors Association Wildlife Corridors Initiative." That was at page 60 of the Galisteo report.

2) Encourage Santa Fe County to adopt ordinances addressing those issues of public concern within the County's jurisdiction, such as setbacks from buildings, archaeological sites, noise pollution and air pollution. That was at page 25 of the Galisteo report.

3) NMED is limited with respect to its authority to acquire project proponents to consider environmental issues other than air quality, page 35.

4) Work collaboratively with other governmental entities including tribal governments on the protection of sacred places and repatriation to ensure that any concerns in the Galisteo Basin are addressed. That was at page 28.

5) Oil and gas exploration can have a significant negative effect on the landscape and communities in this area, page 72 of the report.

And finally, the OCD currently has no rules regarding setbacks from residences or other buildings. Such setbacks may be addressed in county or municipal ordinances. The OCD currently has no rules addressing setbacks from archaeological sites, page 17.

So we recited all those from the report – we added all of that to indicate that they should through an amicus brief on the question of supplemental County jurisdiction, which was submitted, this is in our letter, to the U.S. District Court in the recent Rio Arriba County litigation, which was subsequently voluntarily dismissed by the plaintiff. We also attached a copy of the adopted oil and gas element to Santa Fe County's general plan, and a copy of the proposed oil and gas ordinance amendment to the Land Development Code to be adopted on December 8, 2008. The County requests that it be heard at the public hearing scheduled for the proposed NMAC amendments on December 13, 2008. Respectfully, Steven C. Ross, Santa Fe County Attorney, copies to Roman Abeyta, Santa Fe County Manager, to myself, and to Bruce Kramer, our special oil and gas counsel.

I do urge anyone in the public that is at all interested in this process that they appear on December 13 at these hearings, and also voice their concerns for additional jurisdiction for the County and to supplement the regulations that they are proposing.

With that, I'd like to turn it over to Mr. Terry Payne, one of the nation's leading petroleum engineers, who the County retained to be our advisor during this process of comparing the plan element and also this ordinance. He's going to explain a few things and get into the question of the standards and so forth and the consistency with the state statutes and OCD regulations.

MR. TERRY PAYNE: I do appreciate this opportunity to be here in front of the Board. It's always nice to come to Santa Fe. I do appreciate this chance. My name is Terry Payne. I'm a petroleum engineer. I'm with the firm of Platt, Sparks & Associates, and we're located in Austin, Texas. I've been fortunate to work in the oil and gas industry since 1985 in numerous places, including New Mexico, Texas, lots of places domestically and a few internationally as well. As I understand, my

role here tonight is to address some of the issues from an operational perspective of the ordinance as it is proposed, and I guess first of all, to stress again that the ordinance – I'm not a lawyer, but I can read the ordinance, it comes alongside the OCD requirements, it's a supplement to them, it's not in conflict with the OCD rules. And I think that's a very important part of the ordinance.

What I would like to do, with your permission, is walk through various aspects of the ordinance that I have been involved in from an operational perspective. And I think a tool that would be helpful to us to do that is an animated video that I've got on the screen up here. I hope that you can see that. It was a presentation tool that we used the last time we were here. I'm going to try to walk through it and get to the issues that are germane to us. Please bear in mind that this was an animation that was prepared by the oil and gas industry. I'm going to try to skip through some political commentary on the front of it. That is not my purpose here today, to make a political statement. But I'm going to try to skip through that. But in the event that I cannot, please excuse that. Let me see if I can grab this and go forward here. All right. We got away from it that time.

What this animation is going to do is go through a typical drilling operation. It's going to show the pad site, the drilling, some completion operations, and then ultimately some production facilities that are put in place. It takes about seven minutes to get through it. I'm going to stop and start it in some places that are germane to what we're talking about. But if anybody has questions or anything along the way, please don't hesitate to stop me.

If we just let it roll here, it generally shows a typical pad size. I do want to, as I mentioned, stop and start it here from time to time. If I show you here with the mouse, this is a drilling pit that is a typical part of a drilling operation. That's not what we're going to have here in Santa Fe County or Galisteo Basin. We're going to be using a closed-loop system. We'll talk more about that in a minute. But we can see that is a large part of the pad that we're eliminating with the use of a closed-loop system.

That's a fairly typical rig assembly. You can see there's quite a bit of support equipment, vehicles, trailers. There are quarters facilities, depending on what operation is occurring at the rig at any given time. You may have various service companies or different service personnel out on location. Although there may be times when all that equipment is gone or not there, for those brief periods of time during the drilling and completion operation when they are required, there is a larger area that's necessary for that operation. Also, just the very nature of what we're doing here, dealing with high-pressure, flammable materials, you don't want to crowd too many people and too much equipment too close to the well location, if that's avoidable. Technological advancements that our industry is going through all the time make that more and more feasible today as opposed to in years past.

The ordinance does take into account fire prevention practices that are to be put in place. It also specifies fire prevention equipment that has to be there during the drilling operation as well as the production operation. There are sections of the ordinance that deal with the appearance and maintenance of the pad and the facility itself.

I'm going to stop it there for just a second before we go too far underground. Professor Freilich highlighted one point that I want to go back to, and that deals with the pad size. The way the ordinance has evolved is that for what are termed the high-sensitivity areas within a 640-acre area or a square mile, they would be allowed 1.6 what we call drill sites. And then for each well drilled on a drill site, the operator will be allowed a half an acre. So half an acre per well within the high sensitivity area, regardless of the number of wells that are drilled, the maximum size envisioned within a square mile is a five-acre impact area or a five-acre drill site. So that's the maximum envisioned within a high-sensitivity area. Within a moderate, a medium sensitivity area, that 1.6 well sites becomes 4.8, still get

half an acre per well with a seven-acre maximum. And then within the low-sensitivity area, it's 6.4 drill sites, half an acre per well with a nine-acre maximum. So it's a graduated system or step-rate system that's in place for what would be allowed.

I'm going to fast-forward this. We saw a good bit of this material last time. But just for the benefit of the Board, this is showing on a typical well, basically every well, during the drilling operation you have that stack of valves at the top, that's called a blow-out preventer. You can encounter high pressure in drilling a well. That prevents high pressures from escaping or mud from escaping. What this is showing here that as the well is drilled, you get down below the water table. That interval is cemented off with a string of casing, and cement is then circulated down behind that pipe and all the way to the surface. This video will actually show you a little bit of that at a later stage. And then drill on down for the total depth. This particular animation has a target depth on the order of 9,500 feet. That's probably a little deeper than the target depth here, but you get the same general concept. Then typically an operator will lower a tool down into the well. We call that "logging" the well. It's on an electric cable. And they'll gather data on the formation to help them assess the productive capability of the well and the formation, and then they make the decision as to whether or not they want to complete that well by looking at that information. It's called logging the well. If it looks bad, the whole thing could be over at that point. If it looks good, additional casing is brought to the location it's run in the well, and the cement is pumped down the casing and out around the casing between the casing and the well bore itself. You see that circulate back up the annular space. Then that's allowed to set up or dry, and then the well is ready for the completion stage.

What they just did there is drop what we call a perforating gun into the well bore. An electric current is sent down and then holes are punctured through the casing and the cement and out into the formation. That's what communicates either the natural gas or the oil that's in that formation with the well bore and allows it to flow into the well. Stop it there for just one second.

Other provisions of the plan deal with noise limits. There's a provision in there that deals with that. Also, lighting regulations are envisioned in the plan. So they're touched on in there as well. Then obviously an area that's I think of great concern to the public, not every well requires any type of stimulation. There are some wells, for the lucky operator that finds them, that the formation produces into the well bore just with what we've shown you so far, with the string of casing and perforating. Unfortunately, domestically most of the wells now require some type of stimulation treatment. What we're going to show you next is physically how that's done, by fracking the well. What's pumped into the casing is a fluid containing a sand or a [inaudible], typically a sand. You pump that out into the formation and physically cracks the rock and put high-permeability sand out into those cracks. If you have a formation that's very much like concrete or tombstone, what you do is create those cracks and then fill them with much more high-permeability sand. That allows the formation to then flow at a much higher rate into the well bore.

The plan does, as was mentioned a moment ago, basically sets forth within the plan what is to be used for the fracking operation, sand and fresh water. There are certain formations though that just do not lend themselves to the use of fresh water. The industry has discovered that over the year that certain additives are sometimes required. The plan envisions a petroleum engineer and a medical professional being involved in developing a list that would be approved by the Board that in a case-by-case basis wells would be reviewed and if additional additives or other things were required as part of the frac treatment, that would be reviewed by the petroleum engineer, by the medical professional, and then approved by the Board.

As was also discussed, the trade secret issue is something that the stimulation companies are concerned about. It is a very competitive business. But I think if we proceed in the process with an

approved list, they can then see what that list is, propose stimulation treatments that meet that list without divulging the complete proprietary nature of what they have. I think that they're a little more concerned about the quantity of the various additives, the rate at which they're applied, the combination of material that's applied, not so much just the overall nature of the material. So I think by coming forth with a list of what we would accept, it would make it easier for them to propose stimulations and still feel comfortable with their trade secret issues that they're so concerned about protecting.

All right. That's actually showing the well on production. The red signifies gas, the green signifies oil. Whatever it happens to be in a particular well then flows through the production pipe up to the surface. You see a wellhead there. One thing to notice is obviously the well site here is much smaller now without the drilling rig and all the other equipment. What's ultimately necessary to produce the well is almost always a much smaller area than the drilling operation.

There are, depending upon what the well produces, other facilities that can be required at the location by limiting the number of surface locations in the area. What the operators would find beneficial is the use, potentially, of fewer production facilities. Those could be used by more than one well. There are risks that are recognized by the industry in directional drilling. It's typically more expensive to drill a directional well as opposed to a straight well. There can be risks associated with production from directional wells. But that is a technology that the industry is very comfortable with and uses all over the world.

The typical constituents that come out of a producing oil and gas well are obviously hydrocarbons, either oil or gas. Many of them produce formation water or salt water. The plan envisions that salt water would be hauled off-site and disposed of in an approved OCD commercial disposal facility. This particular pad site is shown basically out in the middle of nowhere. That's not what the ordinance envisions. There would be a desire to locate the production facilities in areas that provide as much natural screening as possible. Where that's not deemed to be enough, other landscape material, fencing material, things like that would be used to limit the visual impact of the production facilities. And then the equipment would be painted a flat tan finish to hopefully blend in with the environment as well.

I think the last thing that I forgot to mention going along is the operational times. Typically, these wells can have very long lives, twenty, thirty, forty years. What the plan addresses first and foremost are the operational times of the very short duration drilling and completion period. Typically that can be a few days or a few weeks to drill and complete the well. The plan establishes that to occur from eight to five. There are circumstances where it's just physically not feasible to do that. It's a safety issue and it's a reservoir issue. The plan does envision, if those operations have to occur on a 24-hour basis, there's a provision to allow for that. That's the drilling operation. And then of course the wells are allowed to produce 24 hours a day, but certainly not the truck traffic in and out of the facilities. And then the normal day-to-day operational activities on the well throughout the rest of its life would be envisioned to occur from eight to five.

We're zooming out there to show you, just in a typical area, how if an initial well is a successful discovery, that additional wells and additional facilities are drilled to define the productive limits of the field. Our plan would not envision that happening. Our plan would envision much fewer operational sites, depending upon the size of the field. If the size of the field expanded many, many square miles, it would require multiple operation sites. If it was a small one, it could be done from a smaller number.

But basically I think that's what I wanted to try to communicate tonight. To me, the plan balances the County's desire to protect and promote health, safety, general welfare, but also it balances

the industry requirements and the needs that they have to explore for, drill, produce and sell hydrocarbons if they're present in commercial quantities.

CHAIRMAN CAMPOS: Any questions? Commissioner Montoya.

COMMISSIONER MONTOYA: Just one. Dr. Freilich, in terms of the drill sites being reduced, what significance does it have over the size that it was prior to making that amendment?

DR. FREILICH: The significance is that the prior amendment said that you could have two or more drill sites. But it didn't have the specific containment of the five-acre limitation, which is critical. Because that basically means that on 640 acres, no matter how many wells you have, they're only going to be set on one five-acre site. If there are two square miles or three, they might be combined together. But it's still one site, a co-location. That's why we talked about that.

I think something else needs to be clearly understood here. When you go through this environmental impact test and you go through the traffic assessment, the adequate public facilities, there's a high likelihood that many of these well sites will not be approved at all. Because they do not meet – that's the whole purpose of this. It's not basically so that everybody gets their well, and we just do some screening and we locate it and we have setbacks. The entire content of this ordinance is to make sure that there is no harm or impact to habitats, corridors, wetlands, wildlife, cultural, historic places, that they have adequate road systems to handle the truck traffic. If they're not in place, they can't build now, then they have to phased or maybe disapproved. They're going to have to make contributions to all those facilities. So I want to make it very clear that all we're saying now when the petroleum engineer comes into this picture is that having gone through this whole overlay zone district classification, if they make it, where they show they don't have these impacts and they can have these services, then we have these additional protections of closed-loop systems, major setbacks, screening with rock or natural materials or other types of things, limitation on hours. All of these other things that would go into place, including the drill site size, would take hold. So we don't expect – we expect that quite a number of well sites and so forth are not going to meet the standards required to prevent impacts to the environment. I just want everybody to understand that. That's why we have high-sensitivity areas, moderate and low, and how we're applying all these requirements and standards, to make sure that that's the screen through which they come. And then only if they pass through that screen do you get to the specifics of the site itself, and working with the OCD as supplemental to their regulations.

CHAIRMAN CAMPOS: Any questions? Okay. Public hearing. Are we ready for a public hearing, Mr. Ross.

MR. ROSS: Yes, Mr. Chair, it's time for a public hearing.

CHAIRMAN CAMPOS: Okay, how many people would like to testify? Okay. We're going to ask you to be very focused in your testimony. Come forward and sit in the front row. State your name and your address. Please come forward, whoever wants to testify. Commissioners, do you want to set a limit on the time for testimony? Okay, who wants to be first? Just try to keep it to about three minutes. Go ahead. Nobody's volunteering, so you're drafted.

GWEN LACHELT: Thank you, Mr. Chair, members of the Commission, I appreciate the opportunity to present comments tonight. My name is Gwen Lachelt and I'm the director of Earthworks' oil and gas accountability project. We're a non-profit organization. We work with communities across the country and in Canada to prevent and reduce the impacts caused by oil and gas development. I'd like to commend Santa Fe County, its consultants and its citizens for developing a strong set of oil and gas regulations that I think go a long way toward protecting public health, safety, welfare and the environment in the event of oil and gas development in Santa Fe County.

I'd like to focus my comments tonight on one section that I felt could be strengthened, and that's in your noise ordinance. The current language in the ordinance states that drilling and production operations shall not create a sound level greater than 75 decibels when measured at a distance of 300 feet from the source of the sound. I won't go through all of that because I know we want to keep the comments fairly brief. We've worked with landowners and governments in a lot of states to work towards noise regulations that are fair to both industry and effected landowners. It's the top complaint that we receive from landowners across the country is noise. So we feel pretty strongly about trying to develop as strong of an ordinance as you possibly can in that regard.

So I'm going to do a comparison. I just want to hit three points in my comments tonight: provide a comparison of the current ordinance to other jurisdictions, talk about having a separate noise standard in your ordinance for drilling and production stages, and third, addressing low-frequency noise issues. So your rule of 70 to 75 decibels at 300 feet, in Alberta, Canada, it needs to be 400 decibels from a residence, and in Colorado it's 50 decibels. So your levels are considerably higher than what is allowed in other jurisdictions. I'm sorry. I'm not being clear. 40 decibels in Alberta, and 50 decibels in Colorado at 350 feet.

The second point, separate noise standards for drilling and production stages.

CHAIRMAN CAMPOS: You have thirty seconds to wrap it up.

MS. LACHELT: Okay. Instead of a one size fits all approach, if you could leave this for the drilling stage and then have a different standard for the ongoing production stage. Low-frequency noise, we agree with comments made earlier by the Acoustic Ecology Institute on the need for a low-frequency noise standard. My comments that I have prepared for you address low-frequency noise standards and what Colorado has done to implement regulations in that regard, as well as Colorado [sic]. I hope you'll have a chance to read through all of the comments that we've prepared. Thank you for the opportunity.

CHAIRMAN CAMPOS: For the record, the letter of December 9, 2008 and the report is part of the record? Okay. Thank you. Next speaker. Please state your name and address.

DOUG STEWART: Yes, I'm Doug Stewart, and I'm coordinator of the Eldorado Gas and Oil Team. I'll just add to what Gwen has already said, because noise, in our work found that that was very important too. I'll give this to Mr. Ross and that can be distributed so we won't take additional time for that.

One of the problems with noise is the fact it is in three different forms. One of the things is that it's usually listed under nuisance. That's not a strong enough word to indicate the potential damage it can do to humans and animals when it is excessive. That's one of the needs for control. It just isn't strong enough. We need to have that as stronger.

The most common form of measurement is in decibel. That's the second reason. It's easy to measure. You can go down to Radio Shack and they'll show you exactly how to do it. But it's difficult for the public to make the connection between the decibel level and the physical health problems it can create at certain levels. So that's one of the other things to clear up.

Then, there are two types of damaging sound. That's the third element. High-level sound, which is the ones we think about, but also the low-frequency sound, which Gwen has already mentioned. That needs to have specific requirements also. Our ordinance doesn't have that yet, but that is an area where we can use some more work. For example, from the ordinance itself right now, item 11.25.3, "Fracturing operations shall not create a sound greater than 80 decibels when measured at a distance of 300 feet from the source of the sound." That's only a football field. Now, a football field that has an 80 decibel level – when standing next to your dishwasher at home at full blast, it's 60 decibels. That's a loud noise at the other end of the football field. If you're a resident within that

radius, at only 300 feet, you're going to hear a lot of noise. Continuous noise, the EPA has said it, the medical association has said it, and we have the information on that here for you, that is health-endangering. Considering that, that probably could use some further work and maybe a friendly amendment in short order.

The other thing, 9.1, says of course, sentence eight of that is that the purpose of the ordinance is to protect the health, safety, and welfare of citizens of Santa Fe, and we believe a good sound ordinance will help do that. We want to congratulate again all of our consultants and our elected officials in terms of your support for this. You've done a wonderful job at collective progress and process, public officials and everyone in terms of their professional skills. Our holiday wishes to you all. Thank you.

CHAIRMAN CAMPOS: Doug, do you have something you want to add to the record? What is it? It's titled "Noise, Noise, Noise" [Exhibit 6]

MR. STEWART: Yes. It's "Noise, Noise, Noise Pollution."

CHAIRMAN CAMPOS: Add it to the record and provide Karen with a copy of that.

MR. STEWART: I'd be glad to. Thank you.

CHAIRMAN CAMPOS: Thank you very much. Next.

STEVE SUGARMAN: Commissioners, my name is Steve Sugarman, I'm a resident of Santa Fe County and the Galisteo Basin, County Road 55A. Like Doug and like Gwen, I'd first like to thank the Commissioners, Commissioner Campos, Commissioner Vigil, Commissioner Sullivan, Commissioner Anaya, Commissioner Montoya, I can't tell you enough how much I appreciate everything that you've done over the course of the last eighteen months in taking this issue by the horns and addressing the county's concerns. For me it's been a real exercise of democracy in action and it really shows that our democratic system works and that things are still looking pretty good here in America. So again, thank you from the bottom of my heart for all that you've done.

The substantive issue that I'd like to talk about, unsurprisingly, is noise. I think that the ordinance as it's been developed is for the most part a very good ordinance. But the noise provision is woefully inadequate. The standard that has been proposed right now is a standard that's ordinarily used in municipal ordinances for an industrial-area. There's simply no reason to adopt an industrial noise standard for what is after all right now a very calm, tranquil residential area. There have been a lot of studies done by industry watchdogs and industry itself that show that industry can adhere in the production phase to a level of 45 decibels. And I would like to propose that for production that the Commission adopt provisionally a standard of 45 decibels. I will note that when Mr. Ross initially proposed an ordinance about a year ago, the approach that he took was to allow a certain increment above existing background levels as the standard. I think that that approach has a lot to recommend it in an area that's very quiet like the Galisteo Basin. But again, provisionally, I would encourage the commission to revisit the noise standard, hopefully tonight, but certainly if not tonight, then sometime within the next six months or so. I think that there are some other technical modifications that would really improve the ordinance. We can deal with those later, hopefully as a community again in a collaborative fashion. To sum up, Thank you once more, and I will say that the meeting that Dr. Freilich spoke about that the state is going to be having on its rules is going to be held this Thursday, the 11th, at 9 a.m., and not on the 13th. So for those who are interested in attending the state meeting, that will be on Thursday, 9:00 at the building down there on St. Francis. Thank you.

CHAIRMAN CAMPOS: Okay, next.

MATTHEW DROES: Mr. Chair, members of the board, my name is Matthew Drees. I'm an attorney representing Halliburton Energy Services Incorporated. I have a number of comments I'd like to make. I will note that we did submit written comments to you previously. What I'll do with

my three minutes is focus on what seems to me to be the most important of our concerns, but that's not to say it's the only concern we have. That concern is trade secrets.

It has been discussed that you are paying attention to that concern. We're grateful for that. But please bear in mind that the prescribed list that you are about to undertake is novel. It is new. No one else has done it. It will give service companies like Halliburton a great deal of pause. There's a significant possibility that the majority of our fluids, our products will be prohibited based on that list. Without those fluids, specifically our proprietary fluids, the production that comes out of wells will be significantly decreased. One of the side effects of that that you may not have considered is that means additional wells will need to be drilled, and they will need to be drilled more quickly or sooner than otherwise.

I've listened to the process whereby we can add chemicals to that list. I must only state that we are still concerned that our trade secrets will be adequately protected. There are other jurisdictions that have addressed this differently. I would suggest you look at what they have done, what Colorado has done, what the federal government has done with SARA Title Three. But without any specific provisions as to how this information, once given to the medical professional and the chemical engineer, will be handled, there will be significant reluctance on the part of service providers to provide that information, especially since those individuals, at least the way it's been described to me, are not members of the County government, and as such are not under the same confidentiality obligations that members of the County government would be.

As I said, we have written comments. Please look at those. It describes more of our comments and concerns. While the trade secrets, I think it's well intentioned, I'm glad that you're looking at it and paying attention to it, but we are still reluctant and concerned that it is not adequate for what we need. Thank you.

CHAIRMAN CAMPOS: Okay, questions.

COMMISSIONER VIGIL: It's late, we've been here a long day. So, are you proposing that we identify the substances and the limitation of those substances that can be used for drilling?

MR. DROES: That is how we read that the fracturing fluids that we're entitled to use have to be, well, the chemicals that are included in those fluids have to be part of the prescribed list. If I'm mistaken, that would be wonderful to know, but that is how we read it. And if they're not on that list, we simply can't use them.

COMMISSIONER VIGIL: Dr. Freilich, am I going down the wrong avenue with my line of questioning? My understanding from your presentation is we were going to use water, and that there are trade secrets, and that to protect those trade secrets, our process would be able to identify, once there was a disclosure of what substances would be used, whether or not those could be harmful to a doctor or an independent evaluator within our own process. I may be looking at this very basic, but isn't that where we're at with that? [Inaudible response] Can you get the –

DR. FREILICH: The problem here is that almost all regulations, state and otherwise, basically state that the operator can provide for whatever chemicals or materials it wants to use to frac the wells, and essentially do not have to disclose what they're using, because they may be processes or chemicals for which they claim they have trademark protection. What we are saying is, number one, you must use fresh water. And in most cases fresh water will be successful. But where fresh water is not successful in dealing with that, we're going to have a list of chemicals and so forth that will not affect health or human environment. You don't have to tell us which of these chemicals you use, how you use them, the numbers of injections you use per minute or any of that. We don't want to know your proprietary secrets. We're protecting you. We just want you to know that from this prescribed list, if you can't use the fresh water, you choose one of those. Now, if it turns out that they state that that

won't result in any successful operation, then we go through a whole process of determining whether or not what they are suggesting – because they'll have to disclose it – may not or may not be a threat to the human health or environment.

Frankly, I think the ordinance protects the industry. I think its purpose is to protect the industry so they don't have to disclose. And the list of materials that they can use if they can't show fresh water is going to be fairly extensive but non-harmful. And I think that's the important part that we need to understand, because a lot of the fracking chemicals that are used and other hydrocarbons and other things have resulted in serious problems. Now, truthfully a lot of them occur when it's brought back up to the surface and put on these ponds. Then therefore they invade air quality or they dissipate, they evaporate, or in a rainfall they may flush over onto surface, et cetera. We're not going to have the pond problem, because it's going to all come up on a closed loop and be removed without having any context to air or to surface materials. So we are being very protective in this regard. I think what we're suggesting is very acceptable.

Now, the other point I just want to make about the noise regulations, while we're up here, is that remember that we're saying 70 decibels at 300 feet. A residential home, there's a setback automatically of 700 feet. When you take 70 decibels at 300 and you go down to 700 feet, the level actually drops down to 50, okay? So when people are talking about these levels – secondly, we said where we can require them, we're going to have a noise assessment as part of the environmental review. If in fact there is ambient noise or interference with low surface noise, then basically we can lower that. We didn't set any lower minimum. We can go down to 45, we can go to 35. We just said that's a process that we will use if the environmental impact assessment determines that. So I think most of the people in the audience need to be aware of that. Some of them think that we're setting 70 as an absolute standard. The ordinance that was read by the very first speaker says that we go down below if the environmental impact report so assesses that.

One last thing. On materials and on noise, we have the opportunity to adopt administrative regulations to this ordinance that will have to be approved by the Board. There will be a lot of things, like fees, fee structures, timing things, the application form itself, various review processes – we'll have some administrative regulations. We can, as the audience has suggested, get to more detail on things like noise or on materials or other things. They have to be approved by the board, those administrative regulations.

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

CHAIRMAN CAMPOS: Sir, do you have anything additional?

MR. DROES: Yes, I would like to respond to a couple points by Dr.

Freilich. First of all, in his claim that fresh water will work in the majority of formations. Based on my conversations with our engineers, that is incorrect. Most formations, if you insert fresh water, it will cause the formation to swell. It will eliminate the flow of gas. You have to have approximately 1 to 2 percent saline solution in order to keep the formation from swelling. The way the rule is written, you're going to end up at the same place. You're going to end up using a saline solution. We just have to jump through a lot more hoops to get there. At the end of the day, the result is the same.

The second point is anytime Halliburton or a service provider carries frac fluids onto a site, they must bring with them what are called MSDS's for all of those fluids. And those MSDS's are going to tell you what the concerns are with the fluid. How it should be handled, how to address any sort of spill or contamination issue. So a lot of the health and risk concerns are already taken care of in those disclosures.

The third point, and we're getting back to this, and again, it's our primary concern, the prescribed list. If we have a fluid that contains twenty constituent chemicals, and if nineteen of those

chemicals are on your prescribed list, we still can't use that fluid. And the reason that one fluid isn't on your list, or that one constituent chemical isn't on your list, is because it's proprietary. And we don't want anyone knowing that that's what we're using, because that sets us apart from the crowd. And we're going to be extremely reluctant to disclose that chemical to you unless we have adequate assurance that our trade secret, the use of that chemical constituent, is going to be protected. Right now, those assurances are not included in the proposed ordinance. If those assurances are included – like I said, look at what Colorado has done. If those assurances are included, we will be much more likely to make those disclosures.

CHAIRMAN CAMPOS: What has Colorado done?

MR. DROES: Excuse me?

CHAIRMAN CAMPOS: What has Colorado done?

MR. DROES: Colorado – they're actually meeting today, tomorrow, and the next day to formally adopt these. But what they have is, disclosure is required anytime there's a spill, anytime there's an emergency medical situation, anytime a doctor is treating a patient. And we must disclose all of the information, all of the chemicals that are used, whether or not they are trade secrets, whether or not they are proprietary. However, what's important to us is they list who is entitled to receive that information, how that information must be handled. But that information, just because we disclosed it to an individual, it does not become public information. It does not become information that is available to the general public. The important part is that it details how that information is handled, who it's given to, and what those individuals must do to make sure that there isn't additional dissemination of the information.

CHAIRMAN CAMPOS: Thank you, sir. Question from Commissioner Sullivan.

COMMISSIONER SULLIVAN: Just a quick question. Without disclosing what Halliburton uses for its chemicals, even if you know it –

MR. DROES: And they would not tell me.

COMMISSIONER SULLIVAN: Yes. Well, my question is going to be generally in the industry is carbon tetrachloride used with brine solutions?

MR. DROES: I do not know the answer to that.

COMMISSIONER SULLIVAN: Okay, maybe one or the other folks who comes up –

MR. DROES: I don't know the answer. If you like, I could certainly ask and get back to you on that.

COMMISSIONER SULLIVAN: Thank you.

CHAIRMAN CAMPOS: Next. Name and address, please.

MICHELLE HENRIE: Mr. Chair, Commissioners, Michelle Henrie, P.O. Box 176, Santa Fe, 87504, representing Ortiz Mines. I've been here before, and I'm back again. Ortiz is looking for a balance. As the mineral interest owner for a large portion of Galisteo Basin, we are looking for environmentally responsible drilling. And our concern all along has been in finding that balance. Because if we don't have drilling – it's got to be protected, it's got to be done the right way. We understand that. But without the drilling, there's not the revenues and there's not the resource production that benefit both the County as well as us as mineral owners.

Our big concern, I've got two issues for you tonight. The first is the exploratory wells. I appreciate that there is now a provision for exploratory wells. We have been lobbying for that for several weeks. Months, maybe. I appreciate that being in there. My concern is that it still is too onerous. Because if a person cannot go out and actually explore and find that there is a resource, what the extent of that resource is and start thinking about, "How can I get to that pool? Can I do horizontal drilling from a place that is less sensitive than that place over there?" if you don't know those kind of

things, you really can't develop that resource in the way that the ordinance contemplates. So we're looking for a way for the exploratory drilling to happen without front-loading it to the extent that is still in there. Only one thing was taken out. All of the other requirements are still in there. For example, things like access. What I understand is that access roads now have to be paved. Why would you paved a road when you don't even know that there is going to be anything there at the end of it? What we had suggested before was prior to when the state regulations or the proposed regs came out, we now think that the proposed regs add the kind of protections we were looking for, the environmental review, the public hearing, things like that. And so maybe the solution is, for exploratory wells only, let the OCD regulations prevail for those wells. But as soon as there's any permanent or any plan going forward, they have to come in under the County process. That would be our proposal. Because again, we're looking for that balance.

The other concern we have is with the transfer of development rights. There has been a definition added for development rights which makes clear, I think, the difference between what we see and what the drafters see. Owners of mineral estates don't have just have the right to develop. That's what underlies the transfer of development rights process. They have a right to capture and fully use that resource that underlies a certain portion of ground. And that particular resource is not necessarily identical to a resource over there somewhere else under another piece of ground. So I think that there's still problems with the TDR portions of this ordinance. Thank you for your time.

CHAIRMAN CAMPOS: Thank you.

JAY LAZARUS: Mr. Chair, Commissioners, Jay Lazarus, Glorieta Geoscience, 1723 Second Street here in Santa Fe. I'd like to just add a few things to what Ms. Henrie was saying. I also represent Ortiz Mines. We are not here representing any oil and gas development or exploration company. We represent the mineral owners.

The previous round on the ordinance, we submitted thirteen pages of comments which we asked questions and also suggested language. We had one meeting with Steve Ross, we've had a couple interactions with Karen Torres, and I just want to let you know as a local it's really frustrating. The County's consultants never contacted us back, never wanted to engage in a dialogue with us, took the language that we suggested to make the ordinance stronger, used that language. We are trying to make this a good, sound ordinance, but we don't think it's there yet. We've had no communication back from your consultants. That's been exceptionally frustrating.

We've looked specifically at the drilling hours. We had this discussion earlier. We'd like to see what criteria the County would adopt that would or would not allow the 24-hour drilling. We've heard from your own petroleum engineer that there are safety and reservoir issues that could occur with this 8 to 5 limitation on the drilling. I presented testimony at the last meeting as part of our thirteen pages of comments. I went into great detail about the 24/7 drilling and the requirements for that. Especially if – stuff happens. The more you handle drill pipe, the more handle your equipment, stuff's going to happen. That's just the way the world works. If we're limited to an 8 to 5 drilling cycle, unless we get special dispensation from the CDRC, stuff's going to happen. Things that can happen would be that we lose an entire, 6, 7, 8,000 feet of drill string down the hole. We could have cross contamination of aquifers, which we're not wanting to occur, and the County doesn't want it to occur either. I think that the County has to look at the 24/7 drilling as a sound practice within the industry. Light and noise issues can be taken care of with mufflers and directed lighting.

The one thing that we would like to see added to this ordinance specifically – because there's some language that isn't very clear – is that we'd like to have language added to ensure that this ordinance specifically does not apply to any water well exploration drilling or groundwater development. At this point in time, we believe that this ordinance is well intended. I'm pretty sure it's

going to pass. I'm not so good at predicting this when I'm working on different projects, but I'm pretty sure this one's going to pass. Right now, I don't believe this is a good, sound ordinance yet. It still needs work. The pumping test requirements are inadequate and don't give the County what they need. We suggested language to help the County and give the County more information. We're volunteering additional work. We're not asking for less work. That language, in addition to everything else in the thirteen pages we submitted, wasn't addressed. And I think you guys have an ordinance that isn't ready to roll yet. Thank you.

CHAIRMAN CAMPOS: Is that enough time?

MR. LAZARUS: No, but I tried limiting it to three minutes.

CHAIRMAN CAMPOS: [Inaudible]

MR. LAZARUS: Okay. Bear with me. I'll take a few second out of that. I think what we want to be able to have language for here – and this is what we suggested – is “the drilling operation shall use best available technologies to minimize or reduce light or noise resulting from the drilling operation. Drilling shall be allowed to occur at all hours of the day, but deliveries, other than emergency situations, shall be restricted to daylight hours.” We think that's a reasonable way for anybody operating to specifically try and protect water quality and protect the environment. What we want to be able to do also is make sure that this ordinance and the plan associated with it, Commissioners, is going to be able to stand up to any challenges. That's what our clients have instructed us to do. At this point in time, we think there are so many undefined and loosey-goosey type definitions or concepts in here that we don't think this ordinance is ready for approval yet. We think it can be made ready for approval. But we've had no interaction with your consultants. They haven't shown any interest in having any discussions back with us. Thank you.

JOHNNY MICOU: Mr. Chair, Commissioners, my name is Johnny Micou. I'm a resident of 179 County Road 55A. I'm also here representing Drilling Santa Fe, Common Ground United, and as a board member of the San Marcos Association. I differ, and I think that this ordinance is very strong, well done, and we really appreciate all the hard work going into it. After listening to your concerns, one of the thoughts we had was if this ordinance were adopted this evening, to maybe establish a review committee along with a per annum date of the ordinance.

I would like to also point out that, with all due respect to the attorney from Halliburton, I don't think he has his information correct on Colorado. I just read the rules as listed for Colorado on Gwen Lachelt's from OGAP's iPod. They're more specific than what he'd lead you to believe.

Secondly, the MSDC sheets are incomplete and do not fully disclose fluids' use and operation. It's inadequate use of those. When you look at these, you can look at these proprietary fluids as a mix or a recipe, not the list of individual ingredients. What the County would be looking at is a list of individual ingredients. They're not asking for the recipe. They're asking for individual ingredients and how to protect the health and safety and welfare of the citizens of Santa Fe County. I think they're well within their rights.

I would like echo that on a meeting on October 11th [sic] for citizens who like to make public comments, there will be times probably both at noon when they break and at 5 p.m. Again, thank you very much for your time.

HENRY CAREY: Commissioners, good evening. My name is Henry Carey. I live at 72 Bauer Road in the County. I'm here tonight representing Lone Mountain Ranch, which is a 29,000-acre property pretty much right down in the middle of this potential oil belt. I also would echo a lot of the other comments in thanking you for all of your commitment to getting a great ordinance put together. I really applaud the use of the consultants that have done I think a very, very thorough job. I've had a little bit of a different experience with them, in that I've found them very responsive even

though I have not communicated with them one-on-one or with Mr. Ross one-on-one. But I've found the comments that we've sent in have been reflected in the upgraded drafts. So I'll just focus on one of those.

This is the conclusion of an eighteen-month process, we hope. I see in a lot of the comments the opportunities for all of us to spend a lot more time together and have a lot more fun in the coming years. One of the inclusions in this latest draft is section 11.36.3.7, which outlines a process for the County administrator to continue, as it were, a rule-making process to perhaps fill in a lot of these gaps that people are bringing up. Some of those gaps that we've foreseen is what exactly is going to go into the baseline data, what are the protocols for water monitoring, both surface and groundwater, and what are phase projects all about. So I see a lot of opportunity in that process. I hope that it's as open to the public as we've seen this process so far. Once again, thank you.

LINDA [inaudible last name]: Mr. Chair, Commissioners I'd like to add something about the MSDS labels that are on the drums of fracking fluids. As Johnny Micou pointed out, they are not a full list of ingredients. It's a general manufacturer's label. It lists these chemicals as hazardous waste, hazardous material. The workers that use these fluids have to don Hazmat suits. There was a case several months ago in Durango, Colorado, on the southern Ute reservation where a worker spilled seven gallons of these fluids during the hydraulic fracking process. He was rushed to Mercy Hospital in Durango. The nurse that attended him and pulled off his boots and breathed these fluids for ten minutes went into multiple organ failure. Doctors requested from the company that manufactures the product called ZetaFlow which is the brand name on this particular fluid, to please disclose the ingredients so they could know how to treat this woman. They were refused, with the reasoning that it was a proprietary, patented formula, and therefore exempt from any disclosure.

Please do not allow these fluids to be placed without full disclosure of what they are into the earth in Santa Fe County. They are hazardous materials. At least thirteen of these ingredients have been identified as SuperFund site chemicals. This knowledge is garnered from waste collected in existing pits and through spills and these MSDS labels. They are major endocrine disruptors. They are poisonous to every major life system known on earth. It is no coincidence they have been exempted by the federal government from the Safe Drinking Water Act, the Clean Air and Clean Water Act, and Surface Water Runoff Act.

I run a community oil and gas activist alert list. I did forward this article from the *Durango Herald* about this spill to the community. If you would like me to forward it for admission into the public record, I will do so. Thank you for all the work that you've done to protect the residents' life and our quality of life here in Santa Fe County. It's taken a lot of courage. And we all salute you and appreciate very much all that you have done for all of us. Thank you.

CHAIRMAN CAMPOS: Anyone else?

KIM SORVIG: Mr. Chair, Commissioners, I'm Kim Sorvig, I'm a resident of the edge of the Galisteo Basin. Although there are some things that I could speak about that I would like to improve in this ordinance, I want to look at the future. I think we have a strong ordinance. It's going to have to be a living document. It's not finished yet. We need administrative rules and so on, as has been mentioned. But I want to point out one particular thing, and that is that the industry itself is changing very rapidly. The American Petroleum Institute itself, on its website, says that the amount of land surface area required to drill a well has been decreased by about 75 percent over the last few years. World records are being broken in directional drilling every couple of months. So we really need to have an annual technological review to make sure that we're not using yesterday's standards to protect the future.

Right now, there is a lot of equipment out there that can drill a well to several thousand feet using two-tenths of an acre. It's not standard yet, but it probably will be, and it may even be improved upon. If we're giving away a half an acre now, because that seems reasonable and fair, we want to make sure that we're not giving away more than an oil and gas developer needs in six months, two years, or whenever the technology improves. So I would echo what many people have said, that we need to have regular reviews of the ordinance to make sure that it continues to be on the leading edge.

With that, I want to say, as everyone else has, thank you to the Commissioners individually and as a group for having the courage to consider even trying to get such an ordinance. When we first started, we were all so afraid, we were saying, "No, we can't." I think we've changed that to, "Yes, we can."

Incidentally, it may become moot whether we demand disclosure on these fracking chemicals or not, because there was a large article in the *New Mexican* a couple of weeks ago, maybe not even that long ago, saying that the Obama administration is considering repealing the exemptions that the former chair of Halliburton has gotten through Congress so that they are exempt from revealing what's in their toxic chemicals. We may not have to worry about that, but I don't think we should give up. I believe that that shows that we have support and that we have the wave of the future here.

I want to also thank Steve Ross, Jack Kolkmeier, and the staff on down to the secretaries that worked so hard to make this possible, and the community for all of their hard work. Thanks again.

CHAIRMAN CAMPOS: Okay. We came to the last person. Any questions? Public hearing is closed. Discussion.

COMMISSIONER ANAYA: I have a question for Bob, and that is regarding the 24/7 drilling. I heard that it could possibly emanate to the water if they drill down to a certain depth and then time runs out and they have to come back in the morning to finish that. How do you feel about that?

DR. FREILICH: That is part of the literature. What we have provided is that the hours of operation will be 24/7 for drilling and production. What will not be anything more than 8 to 5 is any movement of equipment, any movement of trucks or vehicles. Everything that has to do with supplies, resources, primary movement of the oil itself once it's produced, all has to be done within an 8 to 5 period. We have said in the hours of operation, I think it's 11.27.4, that basically drilling and production can go to the 24/7 on a case-by-case basis with the CDRC.

COMMISSIONER ANAYA: Okay, then another question, Mr. Chair. If somebody were to drill a water well in this area, Galisteo Basin, this does not apply because this is oil and gas only?

DR. FREILICH: Correct.

COMMISSIONER ANAYA: Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Any other questions? Question for Mr. Payne. The question, I think the attorney for Halliburton says if you use water only you cause a lot of swelling, which prevents the collection of gas. What your comment on that particular issue?

MR. PAYNE: Some formations do not lend themselves to being exposed to fresh water, whether it's most or a limited number, but some of them they definitely have those qualities. We won't know for sure what the quality of these formations are until they're drilled. But that's when the stimulation would be designed. The idea would be to try fresh water if it will work. But if clear and convincing evidence can be presented that it won't work, then we would go to the second part of the provision. But he's exactly right, there are some formations that you just cannot put fresh water into.

CHAIRMAN CAMPOS: Now, as far as using fresh water, I've heard the argument made that if you only use fresh water, you have to use a lot of fresh water to do the fracking. Are we looking at using a lot of water to do this process of fracking?

MR. PAYNE: It's all relative. "A lot" is a relative term. The technique you're talking about is within our industry oftentimes called "slick-water frac." A traditional frac job uses less water. It's more saline water, but it's mixed with a gel that allows the sand to be carried down into the formation. With the slick-water fracture treatment, you pump higher volumes at higher rates, but you don't have to have that viscous gel to get the sand down in there. You create enough turbulence to get that propped down into the formation, that keeps it from packing off in the well-bore. So relatively speaking, you use more fresh water than salt water.

CHAIRMAN CAMPOS: Question – Okay.

DR. FREILICH: Basically, I think the concern is far off in the future about these materials. Because number one, we have three different levels to go through before we even get to the question of whether our prescribed list is inadequate. If we ever get to that situation or circumstance, I want to assure this Board that any information that we receive regarding materials from the operator is going to be confidential information. We are not going to use materials that are harmful or [inaudible], but they will never disclose that to the public in order to protect the current federal statutory requirements. So Halliburton needn't worry about the fact that their trade secrets or their trademarks and their materials are going to get disclosed. They will be kept in strict confidentiality. If we ever have to get to that circumstance and then we have to do the reviews to see whether or not those materials are acceptable. If they're not acceptable – they'll never be disclosed under any circumstance.

CHAIRMAN CAMPOS: I have a question for you. Michelle Henrie testified that as far as exploratory wells, she thought the regulations are too onerous. Could you address that issue?

DR. FREILICH: Well, exploratory well is no different than any other drilling well. The fact of the matter is that an exploratory well is going to result in significant impact on the environment, on historic, cultural sites, on the things that we're looking for in this ordinance to protect. What we have done with the exploratory well is to say that they don't have to come up their share of the long-term capital improvement cost that would otherwise be involved in drilling and production. But I want to make it absolutely clear that just because they're an exploratory well, every single landowner in this County could say, Well, my first well is exploratory. I want to explore six wells, ten wells, whatever it is, on hundreds of thousands of acres of land. We have this ordinance to protect – they have to demonstrate that that well is going to protect the environment, and it's going to protect the land use impacts, the noise, everything else that's involved in this process. We can relieve them of some of the financial impact if that exploration results in no further – if it's going to be a shutdown, a closedown of the well, a reclamation, they don't have to participate in long-term capital improvements of roads or fire or police or other facilities. If they go into drilling and production, then they have to do that. But I don't think that – I mean, I've gone over everything that Ms. Henrie has produced, as well as the hydrological consultant that we've had. I have basically – and we've determined, we've talked with our petroleum engineer – we feel that what we're doing is absolutely consistent with the state's rules and the statutes. So that's a policy decision this Board has to make, but I don't see any reason why they should get an exemption from the studies and reports and assessments that well drilling is required to do under this ordinance.

CHAIRMAN CAMPOS: Robert, do you have any other comments as far as any of the testimony you heard tonight? Anything you think you needs to be addressed?

DR. FREILICH: The only other comment I would make is again, pointing out that essentially the fact that the access roads are going to have to be provided, even for exploratory wells.

When this heavy drill equipment and cranes and other things come in, that's the worst time for danger on the highways, particularly because of their enormous weight. The enormous danger are the roads that we have here are little more than cow paths, basically, in much of the Galisteo Basin. They have no stability. They consist of shifting soil and some rocks. They have no wide safety right-of-way or other areas. This is something that definitely – when we bring that kind of equipment into a site, we have to make sure that we don't have serious and significant danger on our highways. That's why the access roads are required for the exploratory drilling. We think that's very, very appropriate.

I've dealt with the confidentiality statements. And I believe that we have listened to the oil and gas industry. I think we've made a number of what we think are reasonable requirements, prescribed lists. We've adhered to what the OCD is trying to do. I think we've done as good a job as we can under the circumstances without allowing unbridled drilling this community. I think the ordinance stands on its feet, and I think it will be upheld.

CHAIRMAN CAMPOS: Commissioner Vigil has a question for you about TDRs.

COMMISSIONER VIGIL: Thank you. Dr. Freilich, specifically we've heard testimony that the TDR, the transfer of development rights, don't necessarily work here. Could you further explain that?

DR. FREILICH: Well, I think the point that Ms. Henrie was making was the fact that in a typical transfer of development rights, you say that we have a community or a residential subdivision that's going to be built, but it has some environmental factors. It can't build everything it can. If they will save those environmental conditions, we allow them to transfer some of the density they've lost for the environmental preservation to some other residential or commercial/industrial land-use, that they can increase their density above the zoning limit. The argument is you can't do that with these below-surface resources, because they are unique to that property. You can't transfer the resource. But we're not transferring the resource. What we're saying is that when a transfer of development rights is made to another area which can drill, that because we've saved drilling in an area which has environmental conditions that we can't allow it to develop, we're allowing up that to a very limited amount, one acre for a high-sensitivity area, three acres and five acres for the low, that they can increase the drill site size, and perhaps be able to accommodate a greater number of wells. But only within that very limited framework. But that is the resource they can use. I'm not transferring my homes from the land I'm – the sending area, to somebody else's area. They're building more on their area. They're building a greater density. There's no reason why – transfers of development rights have been used for air rights. They've been used for subsurface rights in terms of tunnels and for other, all kinds of things, and they can be used for mineral resources as well.

COMMISSIONER VIGIL: Thank you. Thank you, Mr. Chair. It seems to me, Dr. Freilich, that in effect the transfer of development rights creates another option for the mineral rights owners.

DR. FREILICH: Absolutely. It gives greater – I put that in because I was concerned about the mineral rights owner having that ability. Because we are enforcing environmental rules, we can consider having that exchange. I think it's important. It'll also prevent a lot of individuals who own property throughout the basin from suffering a total loss without compensation. And I think it's very, very important for that purpose to make sure that we protect property rights of people who own these subsurface estates and need to have some protection in the event that they cannot drill because of environmental or other land use or other restrictions that would injure other people, that we need to do that. I think it's just and fair. I think it's something that the OCD has never considered, nor anybody in New Mexico before, but I think it's a step forward for property right protection.

COMMISSIONER VIGIL: Thank you very much. Thank you, Mr. Chair. I have no further questions.

CHAIRMAN CAMPOS: Commissioner Sullivan.

COMMISSIONER SULLIVAN: Dr. Freilich? I wanted to get a clarification on your noise example. Let me be sure I understand it. The setback distance for drilling from a residence is 700 feet?

DR. FREILICH: That's correct.

COMMISSIONER SULLIVAN: So if there were a 70 decibel noise level at 300 feet, then that could be within – at that point, if you stood at that 300 foot point and you were hearing a 70 decibel level, at the residence, you would still be 400 feet from residence?

DR. FREILICH: 400 more feet, correct.

COMMISSIONER SULLIVAN: 400 feet, right.

DR. FREILICH: No, no, the drill is going to be 700 feet from the residence.

COMMISSIONER SULLIVAN: I understand that. But I'm standing at the 300 foot –

DR. FREILICH: Yes, you're standing there and you're listening to the noise.

COMMISSIONER SULLIVAN: Right. I'm standing 300 feet from the well toward the residence. So I'm now 400 feet from the residence.

DR. FREILICH: That's correct.

COMMISSIONER SULLIVAN: Okay. I'm hearing 70 decibels at that point?

DR. FREILICH: Well, that's the maximum emitted. It can go lower.

COMMISSIONER SULLIVAN: That's the maximum. What would I hear at the residence?

DR. FREILICH: You're going to hear a lot lower.

COMMISSIONER SULLIVAN: How much lower?

DR. FREILICH: Approximately 50 at the residence.

COMMISSIONER SULLIVAN: About 50 at the residence.

DR. FREILICH: Correct.

COMMISSIONER SULLIVAN: So in that 400 feet we would go from 70 down to 50.

DR. FREILICH: Correct.

COMMISSIONER SULLIVAN: Okay, so that's a doubling twice, logarithmic –

DR. FREILICH: That means there's nothing between them. If there's a hill or there's other structures, that would block further – or if there's anything we put up to shield, as was talked about by the hydrologist – we can put mufflers, we can put buffers, we can do other things that will also shield them. But I want to point out that if in fact there's going to be noise or there's going to be light disturbance of that home, that setback is a minimum setback. The environmental impact report can require 1,000 feet, or it can require that the decibel level go down even further. We may go down below – what I think a lot of people don't realize is, we're creating an ordinance in which we are not going to face a facial attack in the courts, that we are dictating absolute standards that can be attacked by saying that they're vague or irresponsible or in conflict. What we are saying is, that if further protection is required, and that's what will be reviewed in the assessment of the overlay zone application, that greater protection will be afforded. I think that's important, because that means that the person who wants to drill has to go through the application, administrative process, to get to that point. I don't want to set 45 and have some expert come into court and say that the standard in 48 states is 70, and that yours is arbitrary and capricious and so on. I want to be able to, on certain of these standards and factors, have that's exactly what the administrative review is going to do. It's going to review these factors and give us more information, particularly about that particular site, where those

homeowners are, where those other facilities are, so that we can protect them more fully than just having a facial standard that is essentially attackable without going through the process of getting the application.

COMMISSIONER SULLIVAN: And is that 700 feet minimum comparable in other states?

DR. FREILICH: It's greater than most states. You know, we come from Colorado here. I just saw a terrific film that's being made about Colorado. And you can see these drill rigs are located within 75 feet of houses. There is no Colorado law that has minimum setbacks. Nor is there a New Mexico law regarding minimum setbacks. You should see the number of hospital cases, injuries, cancer cases, everything else because they had ponds and they had other things. We're not allowing that to happen. That's the key. There is no setback requirement in Colorado, okay? And you see this, hundreds of these wells. You just go through the areas of concentrated review. That's not going to happen here. Not going to happen under this ordinance.

COMMISSIONER SULLIVAN: Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Any other questions? Commissioner Montoya.

COMMISSIONER MONTOYA: You can sit down for a little while. Mr. Chair, I just want to first of all commend staff for taking this issue head-on in terms of where we were a year and a half ago and where we are today. I realize that any ordinance that we ever adopt is never going to be fully appreciated by everybody. But I think it'll be partially appreciated by everybody. I do believe that this is one of those ordinances that certainly will lend us to appreciate what's been done in the future as we move on down. Certainly I do believe and it's been stated that this is a working document. This is not something that's going to be put on the shelf once it's approved or disapproved, whatever happens this evening. But Roman and Steve, thanks for the job that you've done. Dr. Freilich, Terry, and the other consultants that we employed during this process, certainly you have brought some expertise that I believe will put us in the forefront in terms of an ordinance that's going to be adopted in this country, much less in the state. To all the residents who have been a part of this, thank you for your perseverance and continued participation as well. We couldn't have done it without you either. With that, Mr. Chair, I would move for approval of this ordinance.

CHAIRMAN CAMPOS: 2008-19. Okay. There's a motion.

COMMISSIONER VIGIL: Second.

CHAIRMAN CAMPOS: And there's a second by Commissioner Vigil. Discussion?

COMMISSIONER VIGIL: Thank you very much. I actually would like to extend my heartfelt gratitude to everyone who worked on this. This was such an educational process for all of us. I'm particularly impressed with the expertise that we have in our own community and how that expertise surfaced throughout this process. I'm very impressed, Dr. Freilich with the work that you have done, and your team, thank you very much for your commitment and your expertise.

I'm so grateful, Steve Ross, for your patience. Roman Abeyta, for your leadership and willingness to provide the resources that are necessary, to provide guidance for us as a Commission. I'm so pleased with this ordinance. What it does, for me when I review it is basically just balance due process with environmental impact. What a simple concept and what a wonderful way to get to the place that we're balancing those through the process that you've provided in this ordinance. I'm so happy to second this ordinance.

CHAIRMAN CAMPOS: Commissioner Anaya.

COMMISSIONER ANAYA: Mr. Chair, I can remember 18 months ago when we were in the gymnasium and people were screaming and hollering at us like if we already enacted it. But I do want to thank the people that worked very hard and diligently on this ordinance. I was elected by our

constituents, my constituents, and I don't think there was one person that came to me and said they were for oil and gas or they wanted to strengthen the oil and gas ordinance. There was not one person that came to me and said, I want oil and gas in my backyard. Not one. And we, as a Board, listened to them and we all worked hard. I learned a lot about drilling for oil and gas. I'm a rancher. I had some kind of idea - I know how a windmill works, but that's basically the same thing. Just a few, minor different things. But I learned a lot about oil and gas.

And I open the first page of the ordinance, and it says this ordinance is enacted to protect and promote the health, safety, general welfare of present and future residents of the County. It not only says it but behind that wording it does it. It's going to do it. We're not prohibiting them, the oil and gas people to come, to not drill. We're just making it safer for when they do drill. I'm not against oil and gas. I need oil and gas to survive in my day-to-day operations, to get here to this meeting, to heat my home. I'm not against oil and gas. But I'm against contaminating our earth.

Thank you, Mr. Chair.

CHAIRMAN CAMPOS: Thank you. Commissioner Sullivan.

The motion passed by unanimous [5-0] roll call vote with Commissioners Anaya, Montoya, Sullivan, Vigil and Campos all voting in the affirmative.

COMMISSIONER VIGIL: I want to say yes, but I also want to recognize Jack Kolkmeier in the audience whose name I'm not sure was mentioned thus far. You and your staff in Land Use did an excellent job. My vote is yes.

CHAIRMAN CAMPOS: Ordinance is adopted. Thank you very much for coming today. I appreciate all the work of the community.

XV. ADJOURNMENT

Chairman Campos declared this meeting adjourned at 8:50 p.m.



ATTEST TO:

Valerie Espinoza
VALERIE ESPINOZA
SANTA FE COUNTY CLERK
11/27/09

Approved by:

Paul Campos
Board of County Commissioners
Paul Campos, Chairman
11/27/09

Respectfully submitted:

Karen Farrell, Wordswork
227 E. Palace Avenue
Santa Fe, NM 87501

Board of County Commissioners
Paul Campos, Chairman

**THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

RESOLUTION NO. 2008-__

**A RESOLUTION COMMEMORATING THE LIFE AND LEGACY OF ALICE
KING**

WHEREAS, Alice King served New Mexicans in the 1970s, 80s, and 90s, going from her graduating class of 13 at Moriarty High School to her family farm to the Governor's mansion;

WHEREAS, Mrs. King was a three-time former New Mexico First Lady; whereas Mrs. King created the first official Office of the First Lady in New Mexico;

WHEREAS, Mrs. King was a major supporter of the Carrie Tingley Children's Hospital, and was also Chairwoman of the New Mexico Children's Trust Fund;

WHEREAS, Mrs. King is credited with creating the New Mexico's Children, Youth and Families Department, the first of its kind in the nation;

WHEREAS, Mrs. King shined a light on the importance of helping the most vulnerable children in New Mexico; her cause making sure children who were abused and neglected got the care they deserved;

WHEREAS Mrs. King's legacy is and always will be "children, children, children";

IT IS THEREFORE RESOLVED, AS FOLLOWS:

The Board of County Commissioners declares that December 9th be designated "Alice King Day" in Santa Fe County

APPROVED, ADOPTED AND PASSED THIS **day of** **, 2008.**

**THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

By:
Paul Campos, Chair

RK RECORDED 02/10/2009

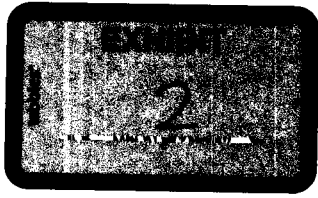
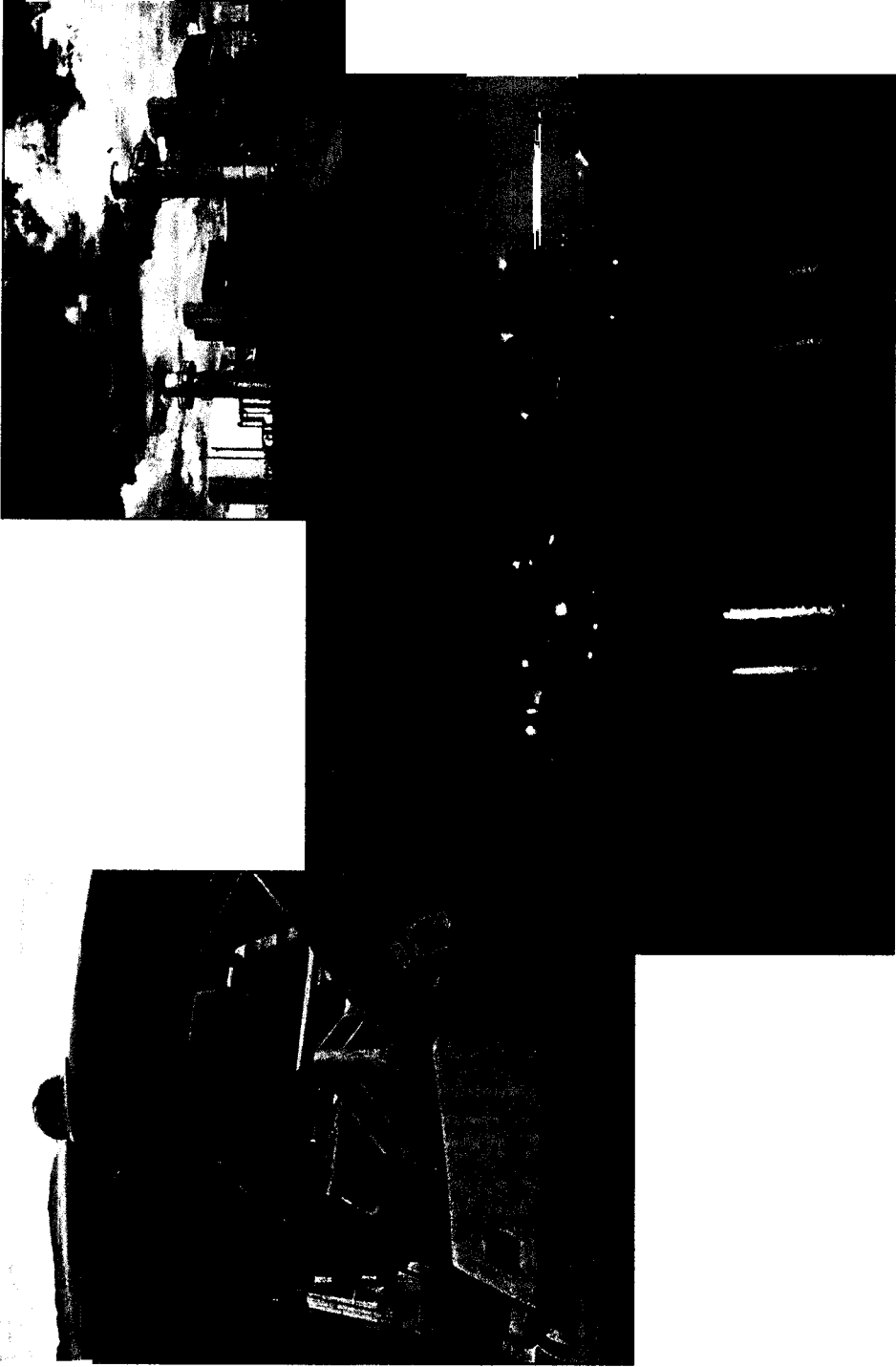
ATTEST:

Valerie Espinoza, County Clerk

Approved as to form:

Stephen C. Ross, County Attorney

EMPOWERING NEW MEXICO'S FUTURE

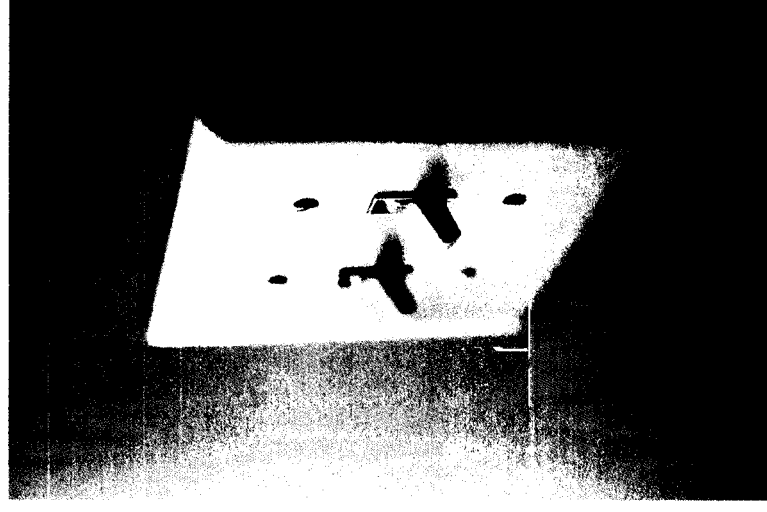


SFC CLERK RECORDED 02/10/2009

A personal commitment to New Mexico

X. N. 2.

NEW MEXICO'S ENERGY PICTURE: Today's Presentation



- \$123 million requested increase --
we owe you an explanation
- What is a rate case?
- What's driving increases
- How we're meeting the need for
more energy
- How PNM rates compare
regionally/nationally



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CLERK RECORDED 02/10/2009

UTILITY RATE CASE 101

Rate Case Filed
Request: \$77 million increase

Rate Case Resolved
Approved: \$34.8 million increase

Last rate case

10/05
Case Preparation (15 months)

10/06
Case Preparation (15 months)

10/05

10/06

2/07

1/08

3/08

Final order 5/08

Current rate case

4/07
Case Preparation (15 months)

4/08
Case Preparation (15 months)

4/07

4/08

9/08

7/09

10/09

Final order 7/09-10/09

Rate Case Filed
Request: \$123.3 million increase



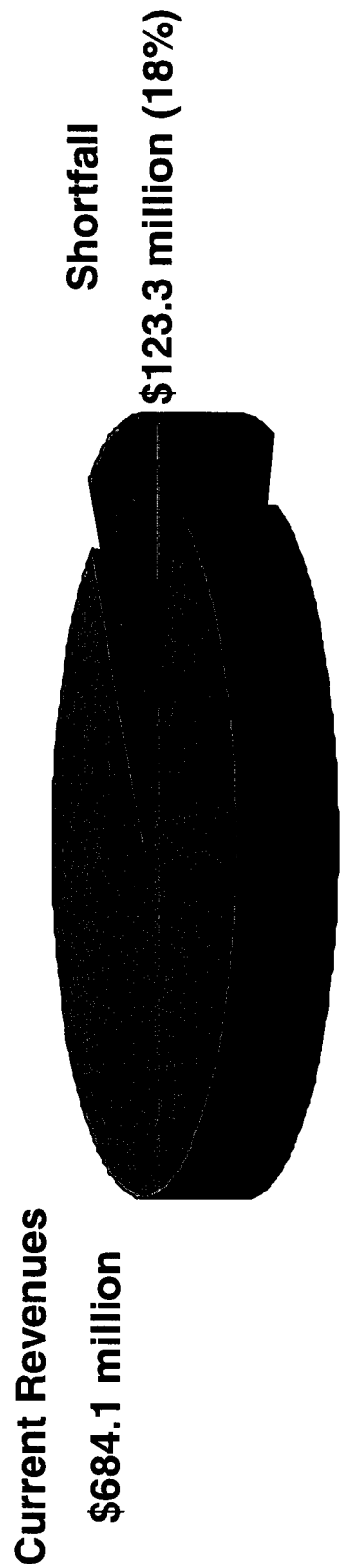
A personal commitment

6002/1020 DECD009 CFS
CLERK RECORDED
New Mexico

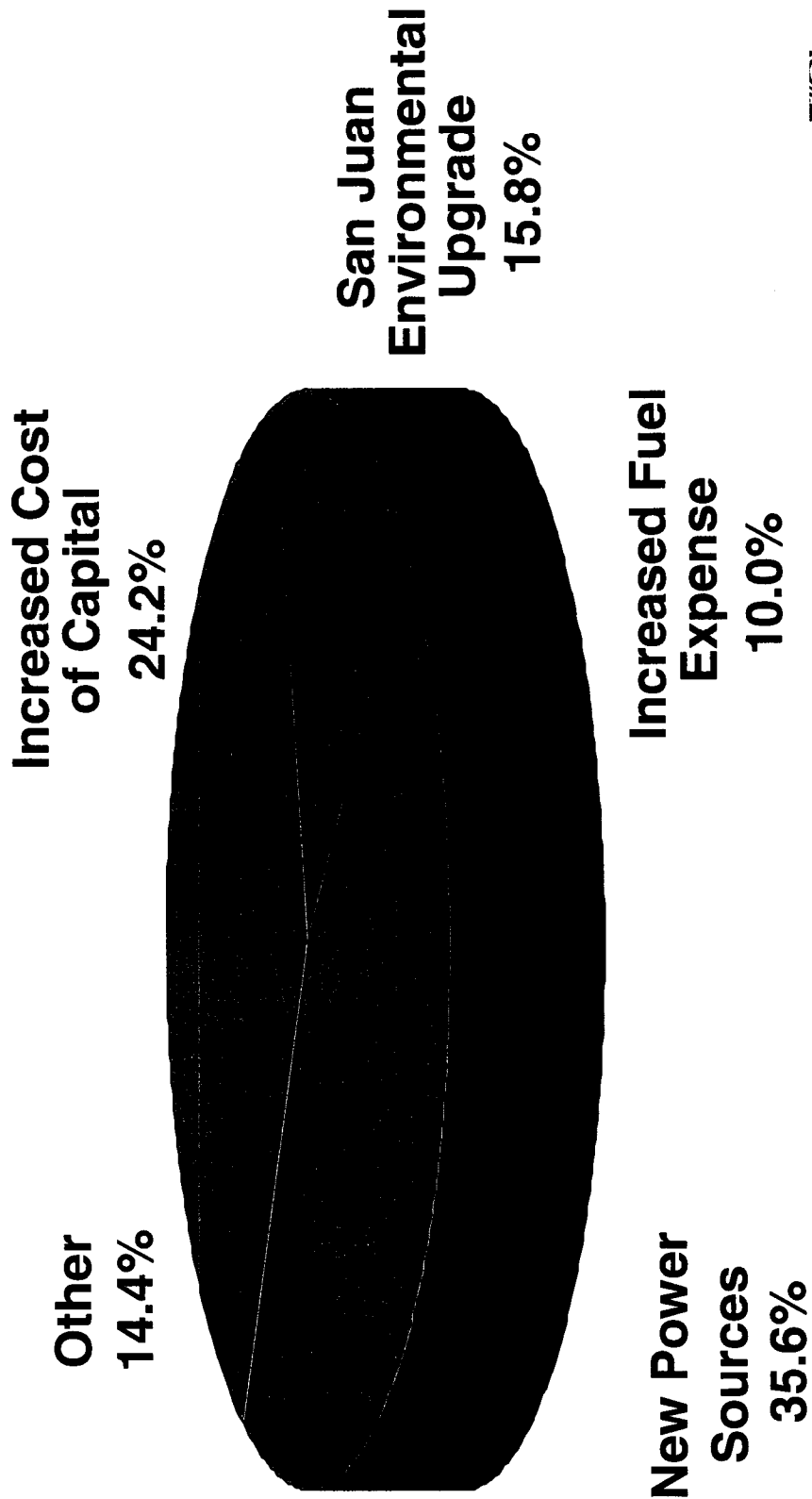
WHY A RATE INCREASE IS NEEDED IN 2009

PNM calculates that it needs \$807.4 million to provide electric service

Current revenues fall short by 18 percent

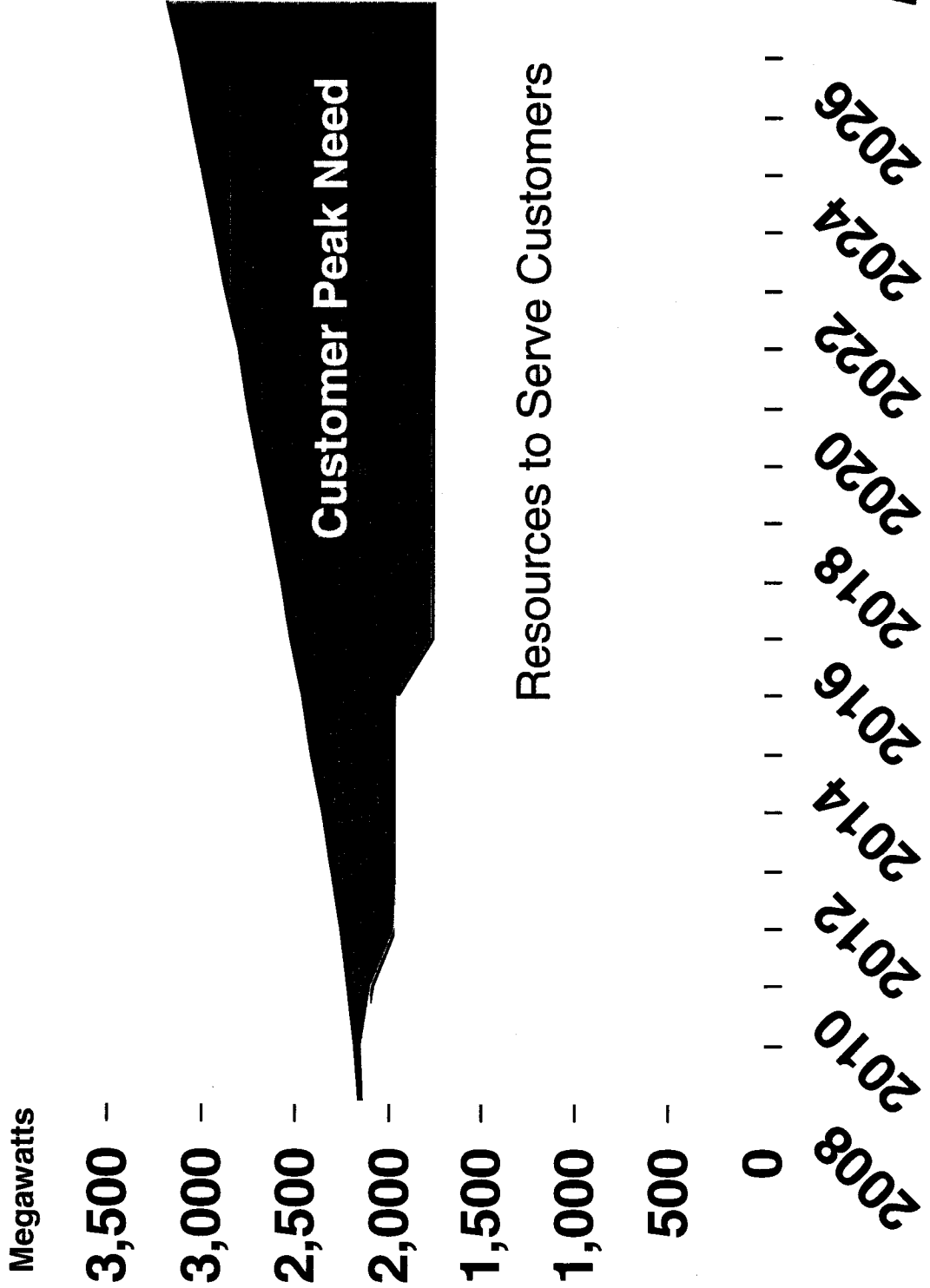


Main Drivers for Rate Increase

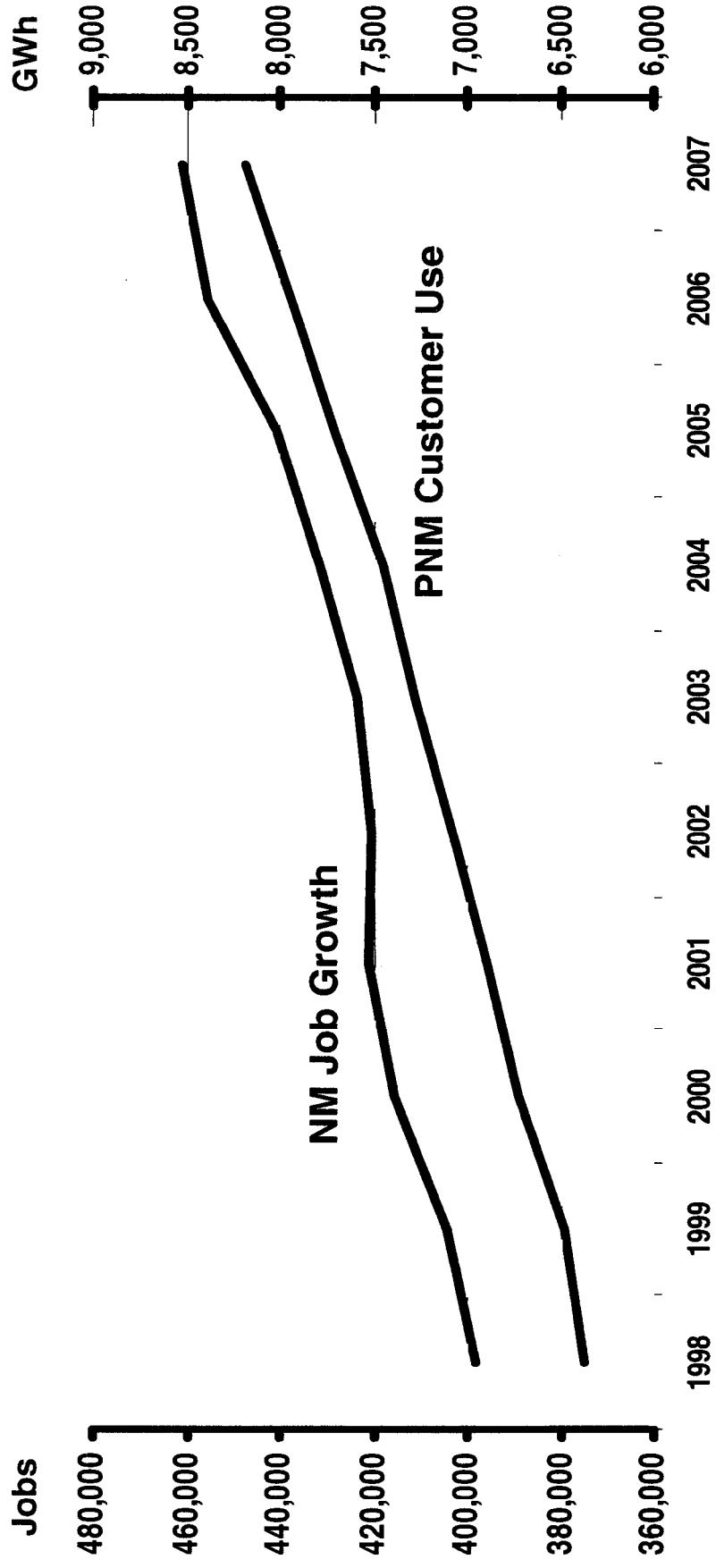


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NEW MEXICO'S NEED FOR ELECTRICITY IS GROWING



ECONOMIC GROWTH TIED TO ENERGY USE



PER CUSTOMER USE IS UP



- Average PNM customer uses 22 percent more than in 1990
- Typical U.S. household owns 24 electronic products



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HOW DO WE MAKE OUR ENERGY DOLLARS GO FARTHER?

Current Programs

1 CFL = Saves \$20.69 a year*

Recycle Old Fridge = Save \$153.92 a year, get \$30

PNM Power Saver = \$25 a year plus \$25 sign-up

Lighting and cooling programs for businesses



New Programs Savings Potential: 592 GWh

Enough to power 80,000 homes

*Assumes the difference between burning a 100W bulb versus a 23W CFL 8 hours a day.



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to New Mexico

RECORDER 02/10/2009

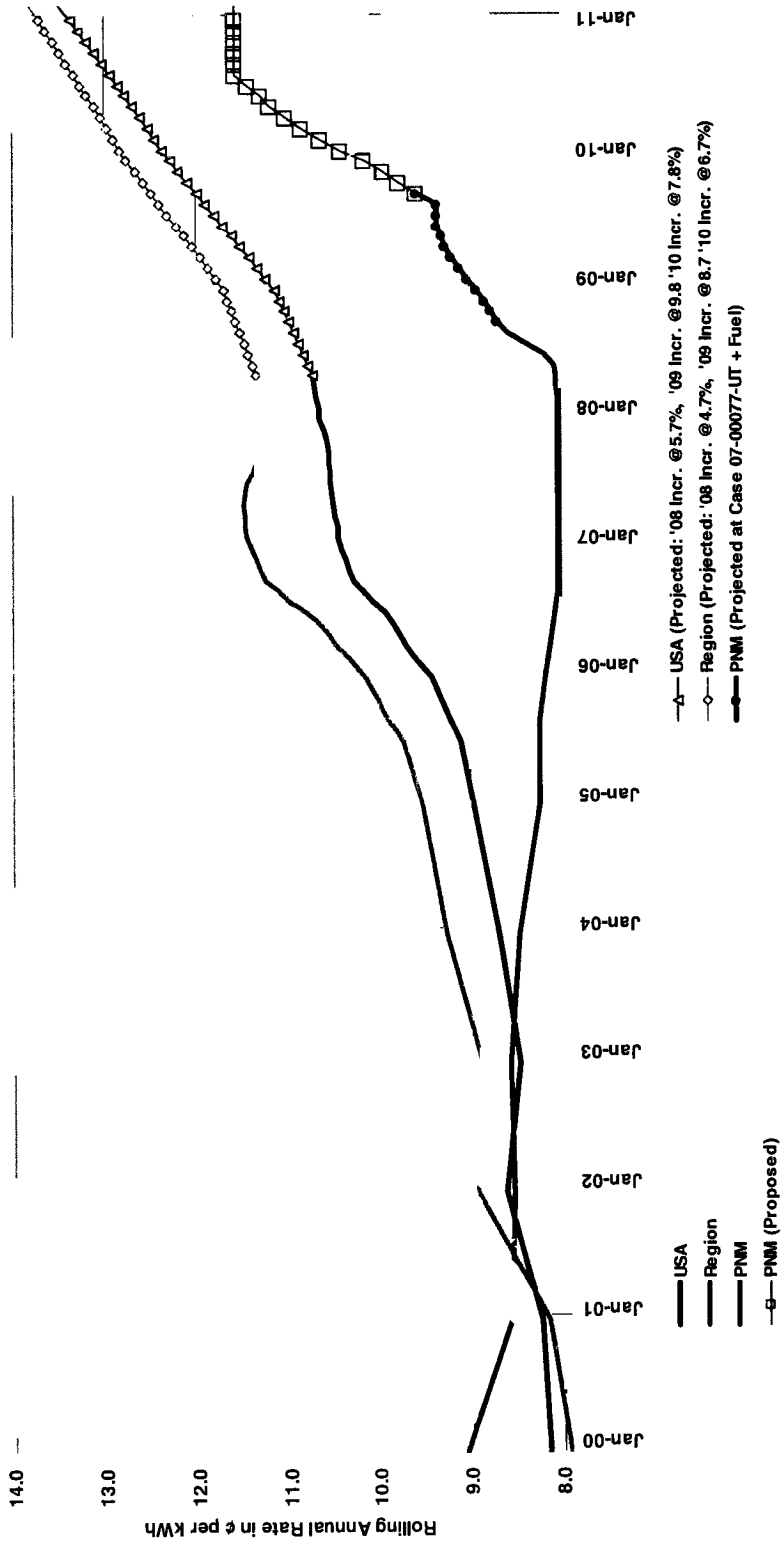
CFS

PRICES RISING EVERYWHERE: PNM Working to Stay Affordable

Annual RESIDENTIAL Rate Comparison Over Time

Region Includes: AZ, CA, CO, ID, MT, NM, NV, OR, TX, UT, WA, and WY

Source: Energy Information Administration & PNM Filing data



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FACT SHEET

PNM Electric Rate Case: Proposed New Rates

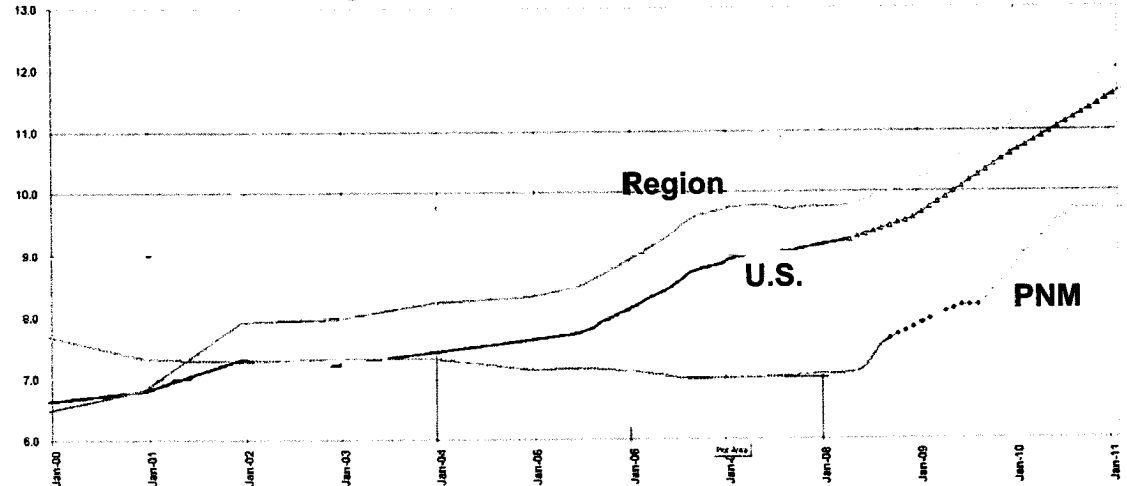
PNM has proposed new rates to allow the company to meet rising electric demand, maintain a high level of electric reliability, and add new and cleaner resources to its energy portfolio. This fact sheet highlights how the increase would affect customers and how the proposed PNM rates compare to the region and nation.

Rate Class	Current base rate revenues (Incl. Fuel Factor)	Proposed base rate revenues	Revenue Increase	Percentage Increase
Residential	\$281.7	\$347.5	\$65.8	23.4%
Small Power	\$88.6	\$106.0	\$17.4	19.6%
General Power	\$153.8	\$173.6	\$19.8	12.9%
Large Power	\$99.8	\$112.0	\$12.1	12.1%
Largest Commercial/Industrial	\$39.3	\$43.2	\$3.9	9.9%
Other (Lighting, irrigation, water & sewage pumping)	\$20.9	\$25.2	\$4.3	20.8%
TOTAL	\$684.1	\$807.4	\$123.3	18.0%

Proposed Rates Remain Regionally and Nationally Competitive

Even with the proposed increase, PNM rates are projected to remain competitive: on average, about 17 percent below the regional average and 13 percent below the national average.

PNM Rates Remain Competitive
Average Retail Rates, 2000-2011 (cents per kWh)



Residential Bill Impact

- PNM is proposing to increase the **fixed monthly charge** on residential bills to \$4.00 from \$3.10 to help pay for fixed costs such as billing, meter reading and the customer call center. This charge has increased only once in the past 20 years and currently does not reflect PNM's ongoing fixed costs.
- The following chart highlights the impact on typical and high-usage residential customers during summer months, non-summer months and annually:

**Residential Monthly Bill Impact
Average Consumption vs. High Consumption**

Usage	Bill with Current Rates (Incl. Fuel Factor)	Bill with Proposed Rates	Dollar Increase	Percentage Increase
Typical (600 kWh)	\$57.17	\$ 73.22	\$16.04	28.1%
High Usage (1,000 kWh)	\$102.67	\$132.19	\$29.52	28.8%
Non-summer Month (September - May)				
Typical (600 kWh)	\$53.72	\$65.49	\$11.77	21.9%
High Usage (1,000 kWh)	\$90.44	\$110.48	\$20.04	22.2%
Annual Average				
Typical (600 kWh)	\$54.58	\$67.42	\$12.84	23.5%
High Usage (1,000 kWh)	\$93.49	\$115.91	\$22.41	24.0%

kWh = kilowatt hour, a standard unit of measurement for energy consumption



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FACT SHEET

PNM's Efforts on Cleaner Energy, Renewables and Energy Efficiency

New Mexico's need for energy continues to grow, and meeting that need requires a thoughtful, balanced approach to keep rates affordable while meeting that need in an environmentally responsible way. PNM is approaching this challenge by bringing more clean, renewable energy into its portfolio, installing environmental upgrades at its main power plant and aggressively increasing its energy efficiency programs to help customers manage their monthly bills.

ENERGY RESOURCES

Major Environmental Upgrade at San Juan Generating Station

In 2006, PNM launched a four-year, \$320 million project to install state-of-the-art environmental controls at the coal-fired San Juan Generating Station, the main source of power for PNM's 495,000 customers. When completed in 2009, the new environmental technologies will reduce annual emissions by more than 24,000 tons and position the plant to continue to be a low-cost provider of electricity for PNM customers. The upgrades are a prudent investment by PNM to comply with pending and proposed environmental regulations. The company estimates that by having started the upgrades in 2006, rather than waiting several years, and timing the upgrades to concur with previously scheduled outages on each of the plant's four units, PNM has avoided additional costs of more than \$130 million. All of the plant's owners will pay for a portion of the upgrades commensurate with their ownership share. PNM's share of the upgrade project is about \$160 million. Currently, none of these costs are reflected in PNM customer rates.



**Workers at San Juan Test
Innovative, New Mercury Controls**

Wind Energy

PNM currently purchases all power produced by the New Mexico Wind Energy Center, near Fort Sumner, N.M. At the time it was installed (2003), it was the third largest wind farm in the world. It was built before a renewable portfolio standard existed in New Mexico and without guarantee of regulatory cost recovery. A portion of the facility's output was placed into PNM's retail rates in 2008 at the original 2003 cost – even though the cost of wind generation has almost tripled since that time due to rising construction costs. Today, PNM has one of the highest concentrations of wind resources in the country. During the months of spring and fall, when demand for electricity is low and the wind resource is high, there are periods when 25 percent of PNM's load is being met with wind. Additional wind will likely need to be coupled with a resource such as compressed air energy storage in order to be as cost effective as possible.

PNM Sky Blue, the company's voluntary wind energy program for customers, currently has nearly 20,000 subscribers and ranks among the top 10 programs offered by investor-owned utilities around the country.

Compressed Air Energy Storage

PNM is investigating the benefits of a compressed air energy storage system (CAES) as a way to regulate and/or firm our current wind resource, promote adoption of additional wind resources without introducing additional strain on the grid, and possibly delay the addition of peaking resources. CAES has the ability to respond relatively quickly and can absorb or release energy, thus making it a valuable source for grid management. Furthermore, CAES has the ability to shift energy from low-value, off-peak times to high-value, on-peak times.

Concentrating Solar Power

PNM and three other utilities are leading an effort that could result in the construction of the first large-scale, commercial solar generating plant in New Mexico by 2012. After funding and participating in a feasibility study conducted by the Electric Power Research Institute, PNM, El Paso Electric, Southwest Public Service and Tri-State Generation and Transmission in June 2008 issued a request for proposals for a parabolic trough solar thermal resource. This technology utilizes a series of trough-shaped mirrors to focus sunlight onto an oil-filled tube, and then uses the hot oil to generate steam. The steam is used to turn a generator, producing electricity. When combined with thermal energy storage, this solar technology is capable of generating electricity at night as well as during cloudy periods. While an important step forward into renewable energy, the plant will be very expensive, with some estimates putting the cost of its power output at about double the current cost of a new, combined-cycle, gas-fired power plant.

Renewable RFP

In summer 2008, PNM also issued an all-renewable request for proposals, starting a process that will likely expand the company's stake in renewable energy and reduce its reliance on fossil fuels. The RFP is seeking multiple proposals for wind, solar, geothermal and bio-fuel that will help PNM achieve a fully diversified portfolio and help it meet or exceed the requirements of New Mexico's renewable portfolio standard.

Direct Load Control

About 10,500 residential and commercial customers participate in the PNM Power Saver and PNM Peak Saver programs, which involve direct load control. The Power Saver program offers residential and small-to-medium commercial customers an incentive to allow PNM to cycle their refrigerated air-conditioning equipment during periods of high system demand. The Peak Saver program offers large commercial customers an incentive to allow PNM to control various non-essential loads, such as refrigeration, air-conditioning, lighting and process equipment during periods of high system demand. Both of these programs can reduce demand on PNM's system on peak days and may help defer the installation of new capacity. The target load for 2008 is 30 megawatts and increases to 63 megawatts by 2011. Participation is voluntary and free. Residential participants get a \$25 check each fall; commercial customers receive a quarterly incentive depending on the amount of electricity managed by the program.

Small-Scale, Customer-Owned Solar PV Program

PNM's small photovoltaic (PV) program is a production-based incentive program designed to stimulate the market for small-scale PV installations of 10kW or less. Currently, 324 customers participate in the program. The production-based incentive is a payment of 13 cents for every kilowatt hour produced. Additionally, participating customers are paid for every excess kilowatt hour they send on to the electric grid. The program is expected to add about 300 kilowatts of new PV capacity each year.

Large-Scale, Customer-Owned Solar PV Program

In mid-2008, PNM asked state regulators to approve a new production-based incentive program for customers who install solar PV facilities larger than 10 kilowatts but less than 1 megawatt in size. The program is aimed at commercial, industrial and governmental customers with sufficient roof space and solar orientation to install large systems. If approved, PNM hopes to implement the program in early 2009.

Water Conservation

PNM has installed a hybrid wet/dry cooling system at its Afton Generating Station, which uses significantly less water than a traditional wet cooling system. The hybrid system cuts water usage by about 60 percent, to approximately 600 acre-feet per year. In addition, PNM is allowing the U.S. Department of Energy to test an innovative cooling system on Unit 4 at San Juan Generating Station. The technology has the potential to recover about 3,100 acre-feet per year of fresh water that would otherwise evaporate. A final report on the project is expected by the end of 2008.

ENERGY EFFICIENCY

In September 2008, PNM proposed a significant expansion of its energy efficiency programs for customers, seeking to increase spending by 80 percent and increase annual energy savings by 110 percent. It also proposed four new programs, including two programs aimed at assisting low-income customers; expanded rebates for business customers; and a campaign to increase public awareness of the importance of energy efficiency. The new programs would be offered in addition to PNM's existing programs:



Replacement of Energy-Inefficient Lighting

More than 600,000 energy efficient light bulbs have been discounted through PNM's lighting programs. PNM offers electric customers rebates for replacing incandescent or other energy-inefficient lighting fixtures and lamps with compact fluorescent light bulbs and other, more energy-efficient lighting fixtures. Rebates range from \$1 for CFLs to \$75 for large fixtures, and there is no limit to the rebate amount a customer can receive. The rebate program provides residential electric customers with instant discounts on CFLs at participating retail locations, as well as through an online store at www.pnm.com/cfl.

Refrigerator Recycling Program

More than 6,200 refrigerators have been recycled since fall 2007 as a result of this program. For residential customers who want to recycle their old refrigerators and freezers, which can be large wasters of energy, PNM will pay \$30 for each unit (up to two units total per customer) and also pick up the units for recycling. Units must be between 10 and 27 cubic feet in size and in working order.

Advanced Evaporative Cooling Rebate

PNM offers rebates for installing energy-efficient advanced evaporative cooling equipment. Residential customers and homebuilders are eligible for the rebate, which can be up to \$400. Commercial customers are also eligible for rebates up to \$500.

ENERGY STAR® Home

PNM offers builders \$500 for every ENERGY STAR®-qualified home they build. Homes built to the ENERGY STAR® standard will save at least 15 percent more energy than those built to 2006 building codes. This can be achieved through installing items such as effective insulation, high-performance windows, , tight construction and ducts, efficient heating and cooling equipment, and ENERGY STAR®-certified lighting and appliances.

OTHER EFFORTS

Micro Grid Research

PNM and several industry partners have developed a proposal for DOE funding that will demonstrate the feasibility of a unique implementation of distributed energy resources into an existing distribution grid. These project(s) are intended to advance integration and utilization of distributed resources in meeting electric distribution system peak energy demands.

PNM's project will test, quantify and evaluate how the integration of renewable distributed energy resources can provide value and benefits to operators of electric distribution systems and end-use residential customers. PNM will conduct its project on selected homes in Mesa del Sol, a new, master-planned community in Albuquerque, N.M.

Biofuels

Since July 2005 PNM has been burning increasing amounts of B20, a biodiesel blend consisting of 80 percent diesel and 20 percent biodiesel, in our diesel fleet in Albuquerque and Santa Fe. In 2007, we burned more than 188,000 gallons of B20. We get our supply of biodiesel from soybeans processed in Colorado.

Green Purchasing and Solid Waste Recycling

PNM's solid waste reduction program includes purchasing environmentally preferable products whenever possible and diverting existing waste streams from the landfill. Green purchasing means that the total life-cycle impact of goods and services has been added to the existing decision-making process for products that the company buys and uses every day. Environmental considerations that characterize a product at each stage of its life, from the source materials used to create it to its ultimate disposal, are considered alongside traditional purchasing measures.



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to New Mexico*

FACT SHEET

SFC CLERK RECORDED 02/10/2009

PNM Electric Rate Case: Bill and Energy Management Assistance for Low Income and Other PNM Electric Customers

Electric Energy Efficiency Programs

PNM provides funding to the New Mexico Mortgage Finance Authority for weatherization of low-income customer homes. More than 300 low-income customers' homes have been fully weatherized through this program. In September 2008, PNM requested regulatory approval to increase the amount of funding for this program and add several new low income energy efficiency programs, including a refrigerator replacement program and Energy Wise weatherization kits. The expanded energy efficiency programs would increase annual energy savings of existing programs by 100 percent.

Low Income Weatherization

Each fall, hundreds of PNM employees and their guests work to weatherize more than 100 homes of low income seniors throughout New Mexico. Follow-up evaluation has shown that these customers experience a savings of more than \$50 per month off their utility bills during the coldest winter months – and also save money during the summer.

Energy Fairs

In 2008, PNM initiated a series of energy fairs throughout its service territory, including in the downtown and South Valley areas of Albuquerque. At the fairs, customers have the opportunity to get free weatherization supplies, enroll in PNM billing management programs, sign up for the Low Income Home Energy Assistance Program (LIHEAP) and food stamps, and learn about additional ways to save on their energy bills. PNM plans to continue the fairs, which already have benefited hundreds of customers.

External Advisory Group

In 2008, PNM created an external advisory group of several key nonprofit organizations that serve low-income residents. The working group allows PNM to share critical company information that impacts low income customers as well as receive feedback on decisions that impact these customers. Since meeting with this group, PNM has created a specific marketing piece that provides information on PNM programs and other assistance programs to help low income customers.

Good Neighbor Fund

The PNM Good Neighbor Fund, in existence since 1983, was established to assist people who are financially unable to pay their basic household energy bill and who have exhausted or are working to get assistance from other sources. The fund, administered by the Salvation Army of New Mexico and

funded by PNM employees, customers and shareholders, provides energy assistance to more than 5,000 PNM customer households throughout the state.

PNM Bill Management Programs

PNM has several bill management programs that can help customers with the challenge of rising energy bills. Budget Billing allows customers to pay the same amount on their PNM bill each month, removing month-to-month fluctuations caused by changing weather, changing usage and other factors. If customers are having difficulty paying an outstanding bill, they may be eligible for a payment plan or payment extension under certain circumstances.

Reduce Your Use Grants

In 2008, the PNM Fund introduced Reduce Your Use Grants, new \$2,500 grants to support efforts by nonprofit organizations to use less energy. Reduce Your Use Grants help nonprofits in communities served by PNM to stretch their budgets by funding energy-saving projects. Implementing energy efficiency measures allow organizations to lower energy costs and put more dollars directly into mission-based programs. PNM recently awarded 72 grants to nonprofits across New Mexico.

PNM Speakers Bureau

More than 200 employees participate in the PNM Speakers Bureau, where they share their knowledge and expertise with the community by giving free speeches on various energy topics. In 2007, more than 400 presentations were delivered throughout New Mexico, many of which give customers practical solutions for managing rising costs.

Other Energy Assistance

PNM works with state agencies and several nonprofits to identify ways to reach customers that need energy assistance. For example, a partnership between PNM and the Association of Community Organizers for Reform Now (ACORN) helps identify and qualify hard-to-reach low income customers for LIHEAP assistance.

2008

ELECTION OVERVIEW

GENERAL OBLIGATION

BONDS

\$35 MILLION

Bond Questions

- 1. \$3,500,000 for Open Space & Trails & Parks
 - For 44,054
 - Against 21,728

- 2. \$15,500,000 for Roads
 - For 44,079
 - Against 21,322

- 3. \$5,000,000 for Fire Facilities
 - For 46,037
 - Against 19,081

Bond Questions

- 14. \$8,000,000 for Water Projects
 - For 44,012
 - Against 21,101

- 15. \$1,500,000 for Waste Transfer Stations
 - For 39,062
 - Against 22,954

- 16. \$1,500,000 for Fairgrounds
 - For 22,832
 - Against 38,587

Evaluation Criteria for Projects

- | Project Issues or Obstacles
- | Project Start Date
- | Project Completion Date
- | Design or Engineering Services Needed
- | Design or Engineering Services Complete
- | Is the Project Ready to Construct?
- | Has the Contractor been Selected?
- | Is an IFB Required for the Project?

Allocations

\$33.5 Million

Completion	Completion
<u>Within 2 years</u>	<u>After 2 years</u>

I Roads \$15.5 Million

- South Meadows Road \$3.3 million
- Agua Fria Road – Phase III \$4.0 million
- County Road 84 \$0.8 million
- Caja Del Rio Road \$3.0 million
- Avenida Vista Grande \$0.9 million
- County Road 42 \$3.5 million

I Water \$8 million

- Canoncito / Eldorado Water Line \$5.5 million
- Chimayo \$2.5 million

Allocations

Completion Within 2 years Completion After 2 years

I Public Buildings \$8 Million

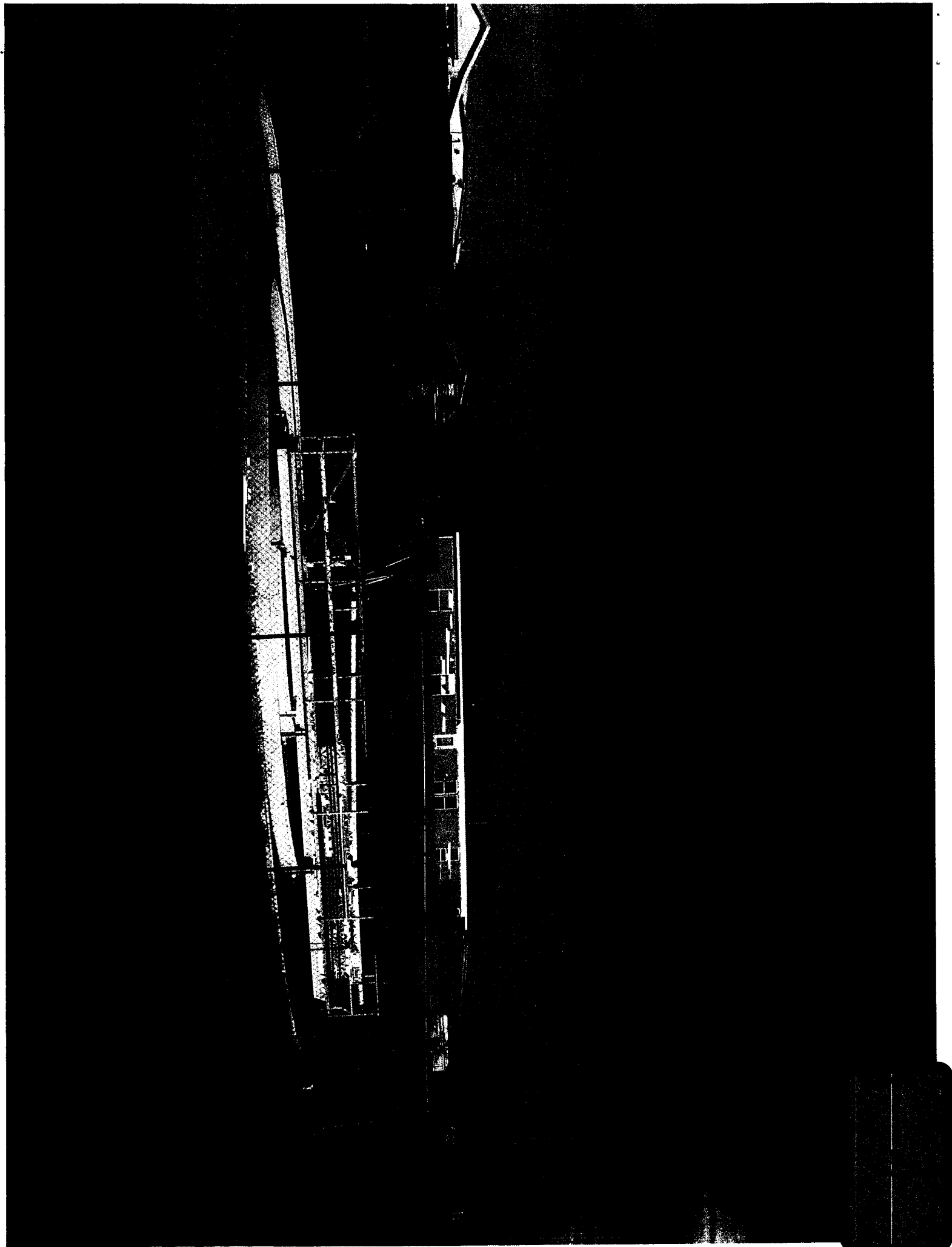
- Transfer Stations Jacona \$1.5 million
- 1 Jacona
- 1 San Marcos
- Fire Training Facility \$1.5 million
- Western Region Fire Station \$3.5 million

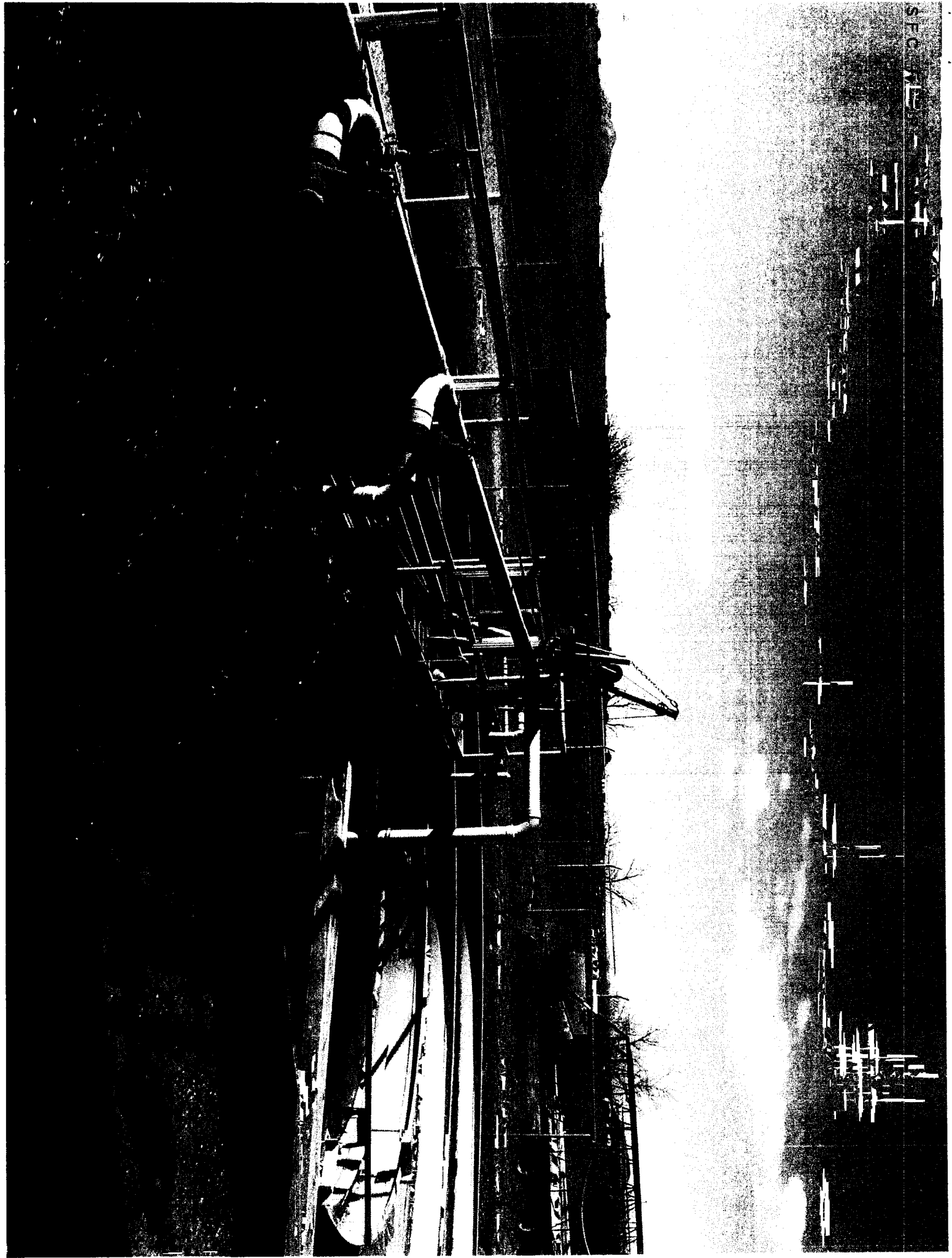
I Open Space & Trails \$3.5 million

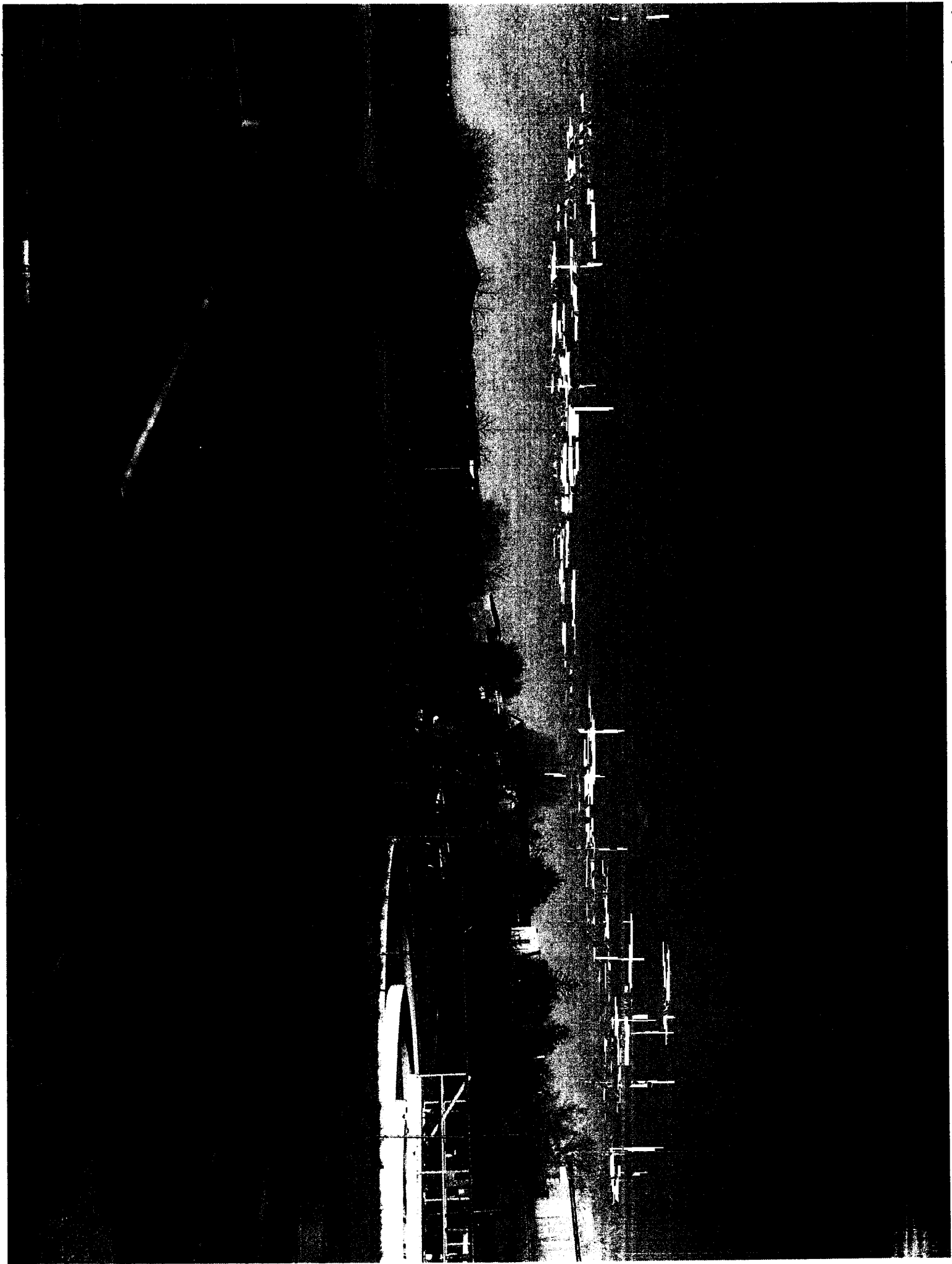
- Santa Fe River Corridor \$3.5 million

Kevin Powers Overview of Bond Market

Peter Franklin Overview of Bond Sale

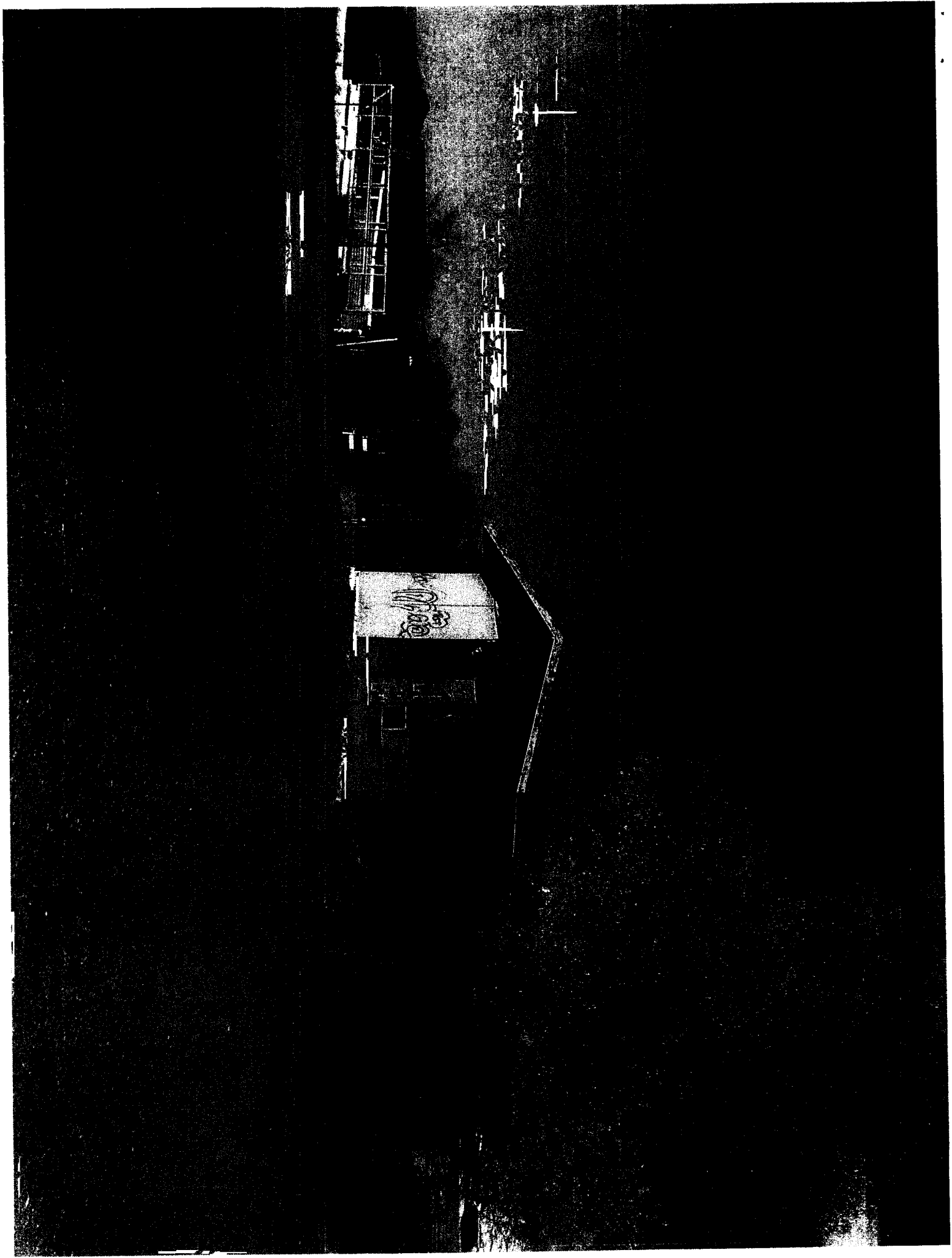




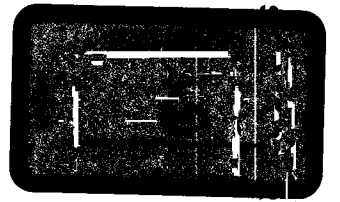


SECTION
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NOISE

NOISE

NOISE

pollution

ELDORADO GAS & OIL TEAM

7.15.08 • AlterNet

Quiet, Please! How Noise Pollution Could Send You to the Hospital

By Ursula Sautter and Mary Desmond Pinkowish , Ode [edited for length]

Posted on July 15, 2008 • <http://www.alternet.org/story/91463/>

A leaf blower, snow blower, lawn mower and two huge dogs -- Peter D'Epiro can describe in excruciating detail how his neighbor's lawn equipment and pets ruined summer afternoons and dinner parties for him and his wife for more than a decade in Ridgewood, New Jersey. But he'd rather not. "I can barely think about that situation without rushing for the Valium or the IV gin drip," he says.

With rising emotion, D'Epiro recalls how the neighbor began "warming up his rider mower, converting our idyllic backyard -- birds, squirrels, crabgrass -- into the sonic equivalent of La Guardia or Heathrow. Yes, he had a large yard, but the job could have been accomplished in 30 minutes, whereas he took, oh, say, six or seven hours on Saturday, often followed by another half-dozen on Sunday." D'Epiro goes on to describe how he and his wife, usually mild-mannered, exceedingly polite people, were reduced to screaming, fist-shaking and cursing in the face of these acoustic offenses.

Noise brings out the worst in human beings -- noisy people have been injured and even killed by their neighbors -- but neighbors are just one source of noise in a world that's increasingly cacophonous. Neighborhoods can turn into battlegrounds when clubs, restaurants, automobile sound systems and parties are acoustically unrestrained. The roadway clamor made by cars and trucks, the oppressive roar of low-flying aircraft, the rumble of commuter trains and the screeching of subway cars compound the challenges of daily life in the city or suburbs. Construction work generates lots of noise, and lots of noise complaints to civil authorities. Indoor sources include ventilation systems, office machines, home appliances, TVs and computer games.

Noise isn't just a nuisance; it's positively bad for us. We've known for decades that super-loud noise can deafen us. But damaged hearing is just the beginning. A jet flying overhead or a snoring bedmate can increase blood pressure and heart rate even when we don't stir from our slumber. Stress hormones surge into the bloodstream. Doctors worry that this chain of events creates health problems when it happens all night long, every night of the week. The ability of children to learn is compromised by noise. Noise may worsen some mental illnesses, and even people without previous mental health issues can become downright crazy when exposed to loud noise.

"We have lost our rights to enjoy our own property without the intrusion of noise," says Ted Rueter, founder and director of Noise Free America, a grassroots outfit dedicated to fighting noise pollution. **"Noise is a form of trespassing."**

For Les Bloomberg, executive director of the **Noise Pollution Clearinghouse (NPC)**, the whole idea of what constitutes noise needs to change. "The old definition of noise was 'unwanted sound,'" he says. **"But we define noise as any sound that impacts or harms the health of people.** This definition is more consistent with definitions of other forms of pollution, including air pollution."

Complaints about noise pollution are mounting, according to the World Health Organization (WHO). In Europe, 40 percent of the population is exposed to daytime road noise exceeding 55 decibels (dBA), and 20 percent of people spend their days listening to noise that exceeds 65 dBA. According

to the American Speech-Language Association, **60 dBA is about the noise level generated by a typical dishwasher.** So imagine sitting next to a running dishwasher all day.

WHO data also show that 30 percent of Europeans are forced to sleep in environments with noise that exceeds 55 dBA every night, a level known to disrupt sleep. The European Federation for Transport and Environment estimates that 44 percent of Europeans, more than 200 million people, are exposed to health-threatening noise levels.

The U.S. Environmental Protection Agency (EPA) says that to prevent hearing loss, people should be exposed to no more than 70 decibels of environmental noise in a 24-hour period. But the EPA acknowledges that noise exceeding 55 decibels outdoors and 45 decibels indoors interferes with work and conversation and annoys people. And that annoyance is becoming more pronounced. Of those who participated in the U.S. Census in 2000, nearly one-third complained of noise. More than 10 percent rated the noise as bothersome, and of these, 40 percent said they wanted to move because of noise.

The WHO reports that transportation -- road, rail and air traffic -- is the major source of noise pollution. Things haven't changed much in the past few thousand years. The ancient Romans suffered so much from the noise made by iron-wheeled wagons driven over stone pavements that they enacted laws to regulate the use of these vehicles. This is a continuing legacy in the city of Rome. Virtually every review of Rome's hotels makes note of the amount of traffic and road noise guests can expect.

"It is important to differentiate between effects like hearing loss and stress effects like high blood pressure, because two different sound sources are concerned," says Wolfgang Babisch, senior research officer at the German Federal Environmental Agency in Berlin. "On the one hand, there is industrial noise and leisure-activity noise -- things such as rock concerts, discos and iPod use -- that can cause various degrees of hearing loss and/or tinnitus [a persistent ringing in the ears]. Studies have shown, for instance, that noise levels of more than 100 decibels are absolutely normal on today's dance floors, and young people often complain of hearing problems as a result. On the other hand, there is the so-called environmental noise caused by road or aircraft traffic. Since the sound level is lower in these instances, there are usually no adverse effects on hearing. **But they can affect the whole organism by triggering stress responses.**"

The sounds of construction, especially in cramped urban areas, are another major contributor to noise pollution -- pneumatic hammers, air compressors, bulldozers, loaders, dump trucks and pavement-breakers. Hospitals can be as noisy as construction sites, and a recent study conducted at the Queen's Medical Center in Nottingham in the UK makes it difficult to believe that people are expected to recover from illness there. The WHO guidelines for hospitals stipulate that neither daytime nor nighttime noise levels should exceed 30 and 40 dBA respectively. **Chronic exposure to loud noise is bad for the cardiovascular system.**

Researchers with the Hypertension and Exposure to Noise near Airports (HYENA) project in cities across Europe conducted blood pressure measurements at 15-minute intervals, or about 30 measurements each night, in 140 people sleeping near major airports. Noise levels were measured at the same time. Even when the overhead airplane noise didn't wake the study participants, systolic blood pressure (the top number on a blood pressure reading) increased by 6.2 mm Hg and diastolic blood pressure (the bottom number) by 7.4 mm Hg. Heart rate went up by an average of 5.4 beats per

minute. For someone whose blood pressure is generally in the low or normal range (120/80 mm Hg or lower), this might not be hazardous. **But for people whose blood pressure is already too high, these constant spikes may increase the risk of stroke, heart attack or heart or kidney failure.**

Blood pressure and heart rate reactions "were similar regardless of the noise source -- aircraft, truck, or partner snoring," says Lars Jarup, a researcher with the Imperial College of London, England, and one of the principal investigators. That's right -- a partner snoring is right up there with aircraft noise as a cause of nighttime blood pressure spikes.

"We believe that it is likely that frequent repeats of nightly acute blood pressure elevations will affect blood pressure chronically, but that needs to be studied further," says Jarup, who adds **there's no evidence that people become habituated to a noisy sleeping environment.**

"Long-term exposure to environmental noise, especially at night, causes chronic disturbance of the natural sleep pattern -- even if you don't wake up completely," says Babisch of the German Federal Environmental Agency. "Studies in sleep labs have proved that persons exposed to this type of noise show increased levels of the stress hormones adrenalin and noradrenalin. These hormones regulate metabolic functions that affect risk factors such as the blood fat level and blood sugar level."

Babisch adds that these reactions occur even in people who consider themselves inured to noise and don't report disturbed sleep. "There is no 100 percent noise habituation. The ears don't switch off when we sleep. The brain still registers the information about what's going on around us."

Neurosis, hysteria, anxiety, stress, nausea, aggression, argumentativeness and social conflict -- these are just a few of the emotional problems linked to uncontrolled noise. And while noise may not cause mental illness, it's believed to worsen disorders like depression and anxiety. According to a 2004 study published in the British Medical Journal, people living near the Schiphol Airport in Amsterdam, the Netherlands, were more likely to need sleep medication, take pills for heart disease and report poor general health.

Noise may not make kids dumb, but it does make it hard for them to learn. The Road Traffic and Aircraft Noise Exposure and Children's Cognition and Health (RANCH) project is a multinational study designed to assess the relationships among road and aircraft traffic noise and reading comprehension. Included in its 2006 findings are data from more than 2,000 kids ages 9 and 10, enrolled in 89 schools near airports in three European cities. The verdict: A direct relationship exists between aircraft noise exposure at schools and problems with reading comprehension, even after the investigators account for socio-demographic factors known to interact with reading comprehension.

"Most of the long-term effects of chronic noise are detrimental to attention, learning and concentration," says Lorraine Maxwell, associate professor of design and environmental analysis at Cornell University in Ithaca, New York. "These are psychological and learning effects," according to Maxwell, not hearing problems.

She and her colleagues have also studied the effects on learning of road and air traffic, and the difficulties caused by noise in daycare centers and schools. "We know that very young kids in daycare learn to screen noise so they can stay on task," she says. "But they can get too good at this. By the time some of them are in elementary school, they've learned how not to pay attention to the classroom instruction."

Maxwell adds that noise is highly detrimental to kids when they're trying to focus on a task that happens to be difficult for them, like a math skill, for example. Noise is also a disaster for children with learning disabilities or for whom the classroom language isn't their native tongue.

"It takes too much energy to pay attention in a noisy environment," explains Maxwell. "As adults, we can usually call ourselves back to attention when it's important, but children who learn this pattern at a very young age don't do that."

The March 5, 1907, edition of The New York Times ran a story about a meeting of The Society for the Suppression of Unnecessary Noise, an organization dedicated to "an aggressive campaign against the useless and nerve-racking noises of the street." The Society reported progress in getting automobile owners to avoid driving past churches, hospitals and schools. If drivers couldn't avoid these institutions, they were asked to do two things: reduce their speed and refrain from using the horn. At about the same time in Boston, Massachusetts, hurdy-gurdy players were required to tune their instruments at least once a year.

Technological fixes aren't the only way to control noise. Legislation helps. A pub-noise crackdown is underway in the UK, while lawmakers in Brevard County, Florida, in the U.S. have enacted a law to force drivers to keep car stereos turned down. More than 600 citations were issued in accordance with similar legislation in the city of Melbourne, Australia, in 2007.

Noise Free America wants each state in the U.S. to declare noise "a dangerous form of pollution" and adopt a noise code. The proposed code would ban gasoline-powered leaf blowers, car alarms and loud exhaust pipes. The code would outline fines for the owners of barking dogs, **set time frames for construction work** and garbage collection and establish a rule stating that electronically amplified sound coming from a car can't be audible more than 10 feet from the vehicle. Other provisions include limits on the use of power equipment, Jet Skis, dirt bikes, snowmobiles, sirens and train horns.

Citing local governments (noisy trash pick-up) and businesses (noisy trucks), Bloomberg **says it's easy to pollute when you're anonymous.** We don't care about our neighbors. We don't know our neighbors." As a result, we don't necessarily care if we keep them awake at night or disrupt their quiet summer afternoons.

Which is further evidence, if we needed it, that peace and quiet must begin at home.

* * *

Mary Desmond Pinkowish is a health writer living the quiet life in Larchmont, New York.

Ursula Sautter is a freelance journalist living in Bonn, Germany.

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View this story online at: <http://www.alternet.org/story/91463/>

LOW FREQUENCY NOISE (LFN)

"Dear Mr. Tronce:

I read your article about Mr. Don Young in Ft Worth. We need help in getting the word out on an insidious disease, **Vibro-Acoustic Disease** (VAD). Most people do not hear the Low Frequency Noise (LFN) causing it; but, they are still affected. A documentary film on the Oil and Gas industry effects on people is being completed by Mr. Josh Fox out of Milenville, Pennsylvania. You may want to contact him at (917) 913-9610.

I am Charles E. Morgan, P.E. a resident of Freestone County, Texas where there are 69 natural gas compressor stations. Each compressor station serves a large number of natural gas wells by pumping the gas up the line to treatment plants. **All of these compressor stations generate Low Frequency Noise (LFN).** The noise is so intense from the Anadarko Petroleum Corporation compressor station (CS) near my home that we are suffering brain damage, intense pain in all parts of the body, restless leg syndrome, enlarged aorta of the heart, nervousness, ruptured ear drums, loss of autonomic system control. This is sheer torture to our bodies.

The Anadarko CS has eleven 1,000 horsepower compressors on this one site. There are no noise abatement controls on this equipment. We have complained to the corporation so much that they have blocked our ability to contact them. We now complain to the county sheriff. He said there is nothing he can do.

We have tried to get the Freestone County Commissioners' Court to implement ordinances to no avail. The county judge stated they could not do anything because there is no state law in Texas nor anything on noise in the State constitution; therefore, they cannot act.

There is a 1972 Noise Control and Abatement Act that required the EPA to develop rules on noise. They did that. Then in 1982 EPA closed its Noise Control Office and delegated their noise control authority to state and local governments. Only California, Maine, Massachusetts, New York and one other state have enacted state laws. The rest of us are unprotected. No one enforces the federal law in Texas.

Our only recourse is to file a law suite against the perpetrators. This costs \$50,000 or more per case. Its difficult to raise that amount of money. Plus, we have to find expert witnesses. There are only two doctors in the United States that know anything about LFN. Only one of those is competent about the affects of LFN on the human body. She went to Lisbon, Portugal's Human Development Center to find out about Vibro- Acoustic Disease (VAD). **The Human Development Center has studied LFN affects on the human body for 25 years. Most industrial countries of the world have LFN rules to control its affect;** Canada, Japan, New Zealand, The Netherlands, Great Britain and others.

The EPA rules only address decibels and not the frequency cycle of noise. Low Frequency Noise is noise having a frequency of less than 500 cycles per second. I have measured the noise in our community of Lanely and in my home at 25 cycles per second, a very damaging frequency.

I have addressed this subject to all the environmental agencies in Texas, the EPA, the Federal Energy Regulatory Commission, our state senator and our U.S. Congressman, Joe Barton all to no avail.

In October 2006, I started an environmental group, Citizens for Environmental Clean-Up, because we were being polluted by a gas treating plant south of our home. We got that cleaned up. However, the most pressing environmental problem now is the LFN that is torturing our bodies. **This VAD can kill people.**

I believe this LFN is a major issue for all Texas not just you and us. If you have any questions, you may call me at (903) 389 - 5616.

Thanks,

Charles E. Morgan, P.E.
Major, USAF, Retired
Executive Dir.,
Citizens for Environmental Clean-Up

Noise health effects

From Wikipedia, the free encyclopedia

Noise health effects are the health consequences of elevated sound levels. Elevated workplace or other noise can cause hearing impairment, hypertension, ischemic heart disease, annoyance, sleep disturbance, and decreased school performance. Changes in the immune system and birth defects have been attributed to noise exposure, but evidence is limited.

Although some presbycusis may occur naturally with age, in many developed nations the cumulative impact of noise is sufficient to impair the hearing of a large fraction of the population over the course of a lifetime.

Noise exposure has also been known to induce tinnitus, hypertension, vasoconstriction and other cardiovascular impacts. Beyond these effects, elevated noise levels can create stress, increase workplace accident rates, and stimulate aggression and other anti-social behaviors.

The most significant causes are vehicle and aircraft noise, prolonged exposure to loud music, and industrial noise.

December, 2008

Document courtesy of Eldorado Gas & Oil Team (EGOT!)

Douglas Stewart, Coordinator • stewart@rt66.com