CITY CLERK'S OFFICE
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Joint Santa Fe City/County Meeting
County Commission Chambers
County Administration Building

July 19, 2012 at 5:30pm -7:30pm

Please turn off Cellular Phones during the meeting.

Amended Agenda

I. **Call To Order**
II. **Roll Call**
III. **Approval Of Agenda**
Amendments
Tabled Or Withdrawn Items

IV. **City County Joint Services And Annexation Discussion**
A. **Regional Planning Authority (RPA) (WITHDRAWN)**
1. **Discussion On Future Of RPA**
a. Possible Action To Amend Or Terminate The RPA Joint Powers Agreement
B. **Annexation**
1. **Status** (Steve Ross And Geno Zamora)
2. **Next Steps** (Robert Romero And Katherine Miller)
3. Police And Fire (Sheriff Garcia And Police Chief Rael)
4. **Road Maintenance**
5. **Utilities (Water, Wastewater, Solid waste)**
6. Public Comment

C. **Regional Emergency Communication Center (RECC)(WITHDRAWN)**
1. **JPA And Funding**
2. **Funding**
D. **Future Meetings**
1. City/County Issues
2. Next Meeting

V. Adjournment

Santa Fe County makes every practical effort to assure that auxiliary aids or services are available for meetings and programs. Individuals who would like to request auxiliary aids or services should contact Santa Fe County Manager's Office at (505) 986-6200 in advance to discuss specific needs (e.g., interpreters for the hearing impaired or readers for the sight impaired).

CITY CLERK'S OFFICE
DATE 7/13/12 TIME 1:00p
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County Administration Building
102 Grant Avenue

July 19, 2012 at 5:30pm

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Agenda

I. Call To Order
II. Roll Call
III. Approval Of Agenda
    Amendments
    Tabled Or Withdrawn Items
IV. City/County Issues

V. City County Joint Services And Annexation Discussion
    A. Regional Planning Authority (RPA)
        1. Discussion On Future Of RPA
            a. Possible Action To Amend Or Terminate The RPA Joint Powers Agreement
    B. Annexation (Public Hearing)
        1. Status And Next Steps
        2. Road Maintenance
        3. Utilities (Water, Wastewater, Solid waste)
        4. Police And Fire
    C. Regional Emergency Communication Center (RECC)
        1. JPA And Funding
        2. Funding
    D. Future Meetings
VI. Adjournment

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MINUTES OF THE

JOINT MEETING OF THE

SANTA FE CITY COUNCIL & COUNTY COMMISSION

July 19, 2012

This special joint meeting of the Santa Fe County Commissioners and the City of Santa Fe Councilors was called to order on the above-cited date in the Santa Fe County Chambers, at the County Courthouse at approximately 5:30 p.m. by County Commission Chair Liz Stefanics.

Roll call indicated the presence of a quorum with the following representatives present:

Commissioners Present:
Liz Stefanics, Chair
Robert Anaya [6:10 arrival]
Danny Mayfield
Virginia Vigil

Councilors Present:
Patti Bushee
Chris Calvert
Bill Dimas
Carmichael Dominguez
Peter Ives
Christopher Rivera
Ronald Trujillo
Rebecca Wurzburger

Mayor David Coss

Commissioner(s) Excused:
Kathy Holian

Councilors Excused:
None

Commissioner Stefanics welcomed the participants. She advised those in attendance that the meeting was being televised and noticed as a two-hour public hearing. County commissioner-elect Miguel Chavez was recognized in the audience. Those in attendance introduced themselves.

III. APPROVAL OF AGENDA

Commissioner Stefanics stated that the agenda was developed and refined between the City and County managers and further refined by the Mayor, the Chair and the Mayor pro tem.

Councilor Dominguez moved to approve the agenda. His motion was seconded by Councilor Wurzburger and passed by unanimous voice vote. [Commissioner Anaya was not present for this action.]

Commissioner Stefanics said during a 2011 two-day Commission retreat the annexation issue came up and she noted that only one of the five commissioners was serving at that time of annexation agreement. She said the Commission has been looking forward to this joint meeting.

Today's agenda includes public comment and the plan is to begin that item at 7 p.m. Following public input, the joint body will determine whether future meetings will be beneficial and what topics should be discussed.

Mayor Coss said the Council was pleased to be meeting with the Commission to discuss the process in the annexation agreement.

B. Annexation

1. Status [*Exhibit 1: Packet of agreements relative to annexation*]

STEVE ROSS (County Attorney): Good evening everybody. What I've just handed out is a packet of material that is slightly supplemented from the packet I handed out to the County Commission last week, with some relevant documents that describe where we are with the whole annexation project.

I'll briefly start by going through some of these documents. The first document, of course, is the settlement agreement that started it all. As you recall, the City and the County had disagreements about annexations that matured into at these five different lawsuits. There were developers involved in the disagreements and things kind of came to a head around 2007, 2008 and as a result the parties entered into this first document that is on top which is the Settlement Agreement and Mutual Release of Claims. It's by and between the City and the County and any developer who had lawsuits involving the City and the County at the time and it is quite detailed and it provides a roadmap for completing a five-year annexation process in what's called the "presumptive city limits" and establishing presumptive city boundaries for a period of 20 years. So it is quite an ambitious agreement. It has quite a few parts, many of which have been accomplished already. We're halfway maybe through accomplishment of what was set out in agreement.

Now the second document behind the alarming pink paper here is a progress sheet that I put together a couple of weeks ago that describes where we've been and where we're going with the agreement. I'll just turn that over because we talk a little bit about that in a second.

The next document gives an example of something the City and the County have accomplished consistent with this agreement. One of the things that was agreed to and that was insisted upon in the Settlement Agreement by the City of Santa Fe was that the County create the Low-Income Tax Rebate which is something counties are permitted to create by law, by state law. Essentially it is a rebate for low-income persons that reside in the city or the county that meet income tax relief to stay on their homes. I got some statistics I got concerning that property tax. When we first implemented it in tax year 09, which is year 2011, there were a total of approximately $331,000 of rebates that went to Santa Fe residents as a result of the imposition of this new program. In tax year 10, 2012, $421,000 and this year we estimate that we will pay out $505,000. How this work is that people claim the rebate on their income tax return and then Taxation and Revenue Department sends us a bill. So thus far the County has paid well over $1 million in furtherance of this goal that was described in the Settlement Agreement.

The next document is a document we are all familiar with. It is the Annexation Phasing

Agreement. The Settlement Agreement didn't resolve the question of when and how to do the annexations. It's very complicated. I think there were 17 different land areas that were described within the Settlement Agreement within the presumptive city limits that were to be eventually annexed. So this agreement followed the annexation agreement by about a year and was intended to put out a schedule for all of us to follow. Now the schedule was drafted by City and County staff based on a best estimate of how long it would take to do things. What you'll hear tonight is that those estimates were good. They are not perfect and that we might need to adjust some of these schedules. For example, if you look at page 2 of the Annexation Phasing Agreement you'll see that Las Soleras was suppose to have been done immediately and it was. Phase One of annexation was a number of properties, mostly in-holdings within the City. Those are all accomplished in a timely way. Phase Two of annexation which was supposed to have been at least filed by the end of 2011 has not been accomplished and Phase Three of annexation is supposed to be filed by the end of this year.

The next document you're going to find is an Amendment No. One to that agreement we were just looking at. And you'll see just glancing through the agreement you're going to see a number of blanks and we're hoping that at some point in the near future we can fill in some dates in those blanks to get it on a reasonable track – more reasonable track than we agreed to back in 2008. We'll discuss that more in a sec.

The next document is the Extraterritorial Land Use Joint Powers Agreement. As you'll recall, one of the key provisions of the Settlement Agreement was that City land use planning and zoning would immediately encompass the area within the ultimate City limits and that's what this agreement did. And the ELUA, Extraterritorial Land Use Authority, several years ago passed a zoning ordinance to zone the entire area within the presumptive City limits. This task is a big one and it's taken care of – it's done.

And then the final document, ah, yes, the final document is a document that is only in draft form. Myself and Geno have been working on this document for off and on six months or so, and it's a document that supplements the Annexation Phasing Agreement and gives us some guidance on how to accomplish the transfer of water and sewer customers between the City and the County based on where they're located as well as address the solid waste issue. Now, I'll remind you in Phase One we had kind of a rocky transition from County to City in Phase One with respect to solid waste and that's what part one of this agreement hopes to resolve that by providing some spin-out time for the City solid waste folks to get in place and get their equipment ordered and stuff out there and ready to go by the time annexation occurs.

That's where we're at. The big things that need to be addressed are obviously water and sewer, the transfer of customers, scheduling the next phase of annexation which is the big one, Phase Two, Airport Road and that whole area. And we need to address law enforcement concerns. The agreement provides that upon annexation of any area – upon annexation of Phase Two, that the city will match the current level of law enforcement in that area. Our numbers are that we currently have six deputies that are responsible for Phase Two of the annexation. So if we respect the agreement that would mean that at a minimum on time annexation, a minimum of six City police officers would be assigned to that area on that date and then the agreement provides that we'll have a subsequent agreement between the Sheriff and the Chief of Police that gradually phases out County law enforcement with a corresponding beefing up of City law enforcement.

We probably ought to talk more about fire because there's been discussion about the needs of fire. The agreement says that as of annexation the City takes over responsibility for fire protection and EMS and that's a topic that is going to need some further discussion. We've

discussed having a global fire and police agreement to address both of those topics in one place but there are other ways to do that obviously. We could take them separately. There might not need to be a further agreement and then I think that's it. Geno, do you want to –

GENO ZAMORA (City Attorney): Sure. Thank you, Madam Chair, members of the Commission and members of the City Council. Steve has provided the lion's share of the status and done a very good review of the documents in your packet.

I think a good way to summarize the status I believe from the City's perspective is certainly agreement that Phase One is primarily complete. Phases Two and Three are achievable and that staff has been working diligently over the last couple of years to reach – staff in both the City and the County – have been working diligently over the last couple of years to develop the agreements that are required under the Annexation Settlement Agreement as well as the Phasing Agreement. But further guidance for resolution may be necessary from our respective governing bodies to assist staff in coming toward agreements as Steve has mentioned we need to reach agreement on roads and the condition of roads in Phase Two prior to transfer of those roads into the City. A public safety JPA is in the works and again as Steve mentioned the terms are for the City to match the County's coverage immediately upon annexation and then over three years the City will phase in this coverage and the County will phase out its public safety coverage/law enforcement coverage in that area.

The transfer of water rights, water and wastewater facilities as well as customers and you've seen a draft of that document in your packet, that is continues to be worked on. Now, what is readily apparent is that there's a lot of transition in both with the County and within the County and so certain words and certain perspectives may evolve over time. We folks like Commissioner Vigil who is here from the beginning and of course the Mayor and other members of Council but over time words may look different to separate entities and that's become apparent in a lot of wastewater customer transfers who need additional guidance in that respect.

As was presented in City Council last week through a memo on an inventory of annexation items and issues as it relates to roads this settlement agreement was quite clear – it's quite clear as to the obligations and the language itself is what staff is working on which in paragraph 2.k of the Settlement Agreement, "The County shall maintain existing county roads within the Areas to…customary county maintenance standards until annexation by the City." I believe staff will need some guidance in that area regarding what customary county maintenance standard was agreed to upon signing of this settlement agreement.

Utilities: the City shall provide municipal services including solid waste collection and disposal within the areas annexed. I believe that language is pretty clear and pretty agreeable.

COUNCILOR BUSHEE: Geno, I'm not sure people can hear you back there.

MR. ZAMORA: Okay.

CHAIR STEFANICS: That's a great point. If people cannot hear any speaker can you just wave and we'll kind of redirect them. Thank you for bringing that up.

MR. ZAMORA: With regard to utilities in paragraph 2.q, the City shall provide municipal services including solid waste, collection and disposal within the areas annexed, I believe that language is pretty clear and there's pretty clear agreement upon staff. It's just important to note that the City needs a certain amount of ramp-up time for taking that over. This report presented to Council stated that would be about – it would take about nine months to start that up – to make logistical arrangements nine months prior to taking that over.

Another important point in the matrix that Steve put together that covers everything very well and the status of everything very well but one thing that didn't quite make it in that we need to address is what is the status of the Las Soleras water rights which the County is transferring

over to the City. That's another issue that at least the City will need information on.

I've already addressed the law enforcement issue where the City will match and then ramp-up over three years. And, of course, the other issue post-annexation issue regarding utilities is the transfer of customers, and, again, the appraisal and reimbursement of the systems to be transferred between the City and the County, and, again, I think this is another area where the respective governing bodies will need to provide some direction to staff because the language is may be interpreted two different ways by two different entities. So that's another area of guidance.

But to really continue with fixing begun by Steve the lion's share of annexation issues have either been completed or are started and have considerable progress but for it to move forward. I believe it was a very good choice of both the Commission and the City to come together in a joint meeting and take this opportunity to provide additional guidance to staff.

CHAIR STEFANICS: Thank you. So Councilors, Commissioners are there questions for the attorneys before we go on to hear from the City manager and the County manager on how they're moving along? Okay, anybody?

COMMISSIONER VIGIL: I actually think I'll have questions after staff presents.

CHAIR STEFANICS: Okay, so let's move on to staff. Thank you very much Steve and Geno and I'm sure you'll stick around. So if we could have our City manager and our County manager.

2. Next Steps

ROBERT ROMERO (City Manager): Commissioners, Councilors, Mayor, I believe that Geno and Steve have really covered really all the issues. I believe that the next steps that have finalized the agreement that they spoke about. I'm not sure that I have anything more to add. They've spoken to every issue that we've discussed in regards – at least the major issues – in regards to moving forward with annexation. Again, I would say that the next steps would be to finalize the agreement specifically on roads, utilities, public safety.

KATHERINE MILLER (County Manager): Madam Chair, Commissioners and Councilors there is one thing and I think Steve mentioned it in his packet but it might be helpful to moving to the next step. In the packet about five sections back there is an amendment to the Annexation Agreement, Amendment 1 to the Phasing Agreement. What this is, it's a draft that was put together and we kind of talked about it from a staff perspective and what it does is actually picks out those few things about Phase Two of annexation and setting some time lines. If the Commission and Council want to do that, it is basically taking the items that are in the annexation agreement and the phasing agreement and saying, okay, here's what it says and we'll do it by such and such date. This is just a draft, it's a proposal but it's a possibility of laying out a framework for the next step and giving some deadlines if that was something that the Council and Commission was interested in. We did include that in the packet as a discussion item if that would be helpful to setting some dates for the phasing agreement.

CHAIR STEFANICS: Okay, Councilor Bushee.

COUNCILOR BUSHEE: Okay, just to make sure I understand and I like this approach of filling in the dates and I think that we're all a little bit behind in meeting the initial agreements meaning the Settlement Agreement. However, when I look on page 3 in item 9 roads, say two of instance, it says we will acknowledge that the City and County manager and appropriate staff are already working to implement the paragraph of the agreement with respect to roads. The parties do not anticipate that a written agreement will be required to complete

these tasks, and anticipate reaching full agreement on this issue no later than X date.

What that still is unknown for me is what that means. What kind of financial burden will be on the City for improvements? What level of maintenance and/or improvements will be achieved by the County before they are handed off to the City? Those are the kinds of things that I feel are still missing both from the Settlement Agreement and any other document that I've seen tonight that would extend to water, water customers, facilities and it's great to hear that we don't need to have a written agreement but I really don't know what we've agreed upon in terms of those kinds of details.

CHAIR STEFANICS: On that point, I'd just like to add that almost everyone of these has a financial impact to the City and to the County and if there was some analysis that could be put out side-by-side that would be very transparent to all of the Commissioners and all of the Councilors about what they're really making decisions in spending as we move forward.

Councilor Dominguez?

COUNCILOR DOMINGUEZ: Thank you, Madam Chair. I guess just to piggyback a little bit on what Councilor Bushee mentioned. A quick question that I had and if either County or City staff could answer this, well actually I'll just ask the City staff to answer it because it's really the City's memo. With regards to roads and this statement that just 11 roads all in Phase 3 do not meet customary County standards; so does all of Phase Two roads meet customary County standards? Is that in the analysis that staff has been able to come up with?

MR. ROMERO: Madam Chair, Mayor and Commissioners and Councilors, we have a list of roads of all of the roads that we'll be taking over that are currently maintained by the County and we've inventoried each other's roads and for example, if it's a base course road it might need new base course. One road may need new paving. A road may need a crack seal –

CHAIR STEFANICS: Robert, you're going to have to speak more directly into the microphone for people in the back.

MR. ROMERO: Okay. So we've looked at all of these roads and we have a list that we've gone over and I spoke with some of the County staff earlier today and it seems like they feel that what we put together is consistent with what they think. I think we need to again develop some kind of an agreement, whether it's written or non-written, on what has to happen for each road consistent with what we did in Phase One. So they don't in Phase Two all meet the customary County standards. I don't know that. I know that we have a list of roads that do need improvement and what improvements they – so that list that you're referring is a list that was in the BBER report.

COUNCILOR DOMINGUEZ: And, then I guess so maybe I can understand the process that maybe the staff is going through in talking about these roads; I know that part of the reason that we put that language in the original agreement regarding coming up to County standards was so that that wouldn't be any neglect. So when we talk about standards and the County standards is there some sort of – I imagine that County standards and City standards are different but is there a different standard that we can all look for or look towards?

MR. ROMERO: Madam Chair, Mayor, Commissioners and Councilors, I believe that when we did the agreement several years ago the intent was that if it's a paved road and the County standard is a 12 foot lane without shoulder it would stay like that and we wouldn't have to bring it up to City standards, it might be shoulders, curb, gutter sidewalks but the agreement was that if it was a paved road and it needed an overlay it would come to us with an overlay so that when we got the road we wouldn't have to spend a significant amount of money to bring it up to a standard, a minimum standard, immediately when it came to the City. So I hope that answered your question.

The intent really was that we weren't going to expect that they rebuild every road to meet our City standards but if it was a paved road or a base course road it would at least be in good condition so we wouldn't have to invest money immediately.

COUNCILOR DOMINGUEZ: Okay, I think that's all I have for now, Madam Chair. I may have some a few others.

CHAIR STEFANICS: Thank you. I have Councilor Wurzburger and then Councilor Calvert.

COUNCILOR WURZBURGER: Thank you, Madam Chair, and thank you all for being here. First of all I want to thank the County Commission for their leadership in bringing this together. I think the longer we waited the worse the rumors were. So it's very important just to be sitting at this table and I particularly want to thank Commissioner Mayfield for the thoughts that he's had on the importance of our moving forward. And, secondly, I would like to thank the staff. I know that you have been working intensely for over a year on bringing these ideas to us. I would like to support the idea that staff has presented that maybe a first step is indeed for us to deal with a mechanical issue of that we're not being responsible for the timeline. I would like to hear from staff what suggested revision dates are for the Annexation Agreement to see if we could at least get consensus on that item so that we are working on the context of an agreement that has legitimate dates, recognizing that things happen and we may not be able to exactly meet the timeline but I think that would give us the context for showing that we are moving forward by coming up with an agreement in the next one hour and 23 minutes.

So the specific question I have of staff is do you have a recommendation for the timelines of which could be incorporated based on your work that has been ongoing?

MR. ROMERO: What we've done at the City staff is to put together the budget that would – the big date would be the date we would take over Phase Two and we're proposing –

CHAIR STEFANICS: I'm sorry, Robert, people just can't hear.

MR. ROMERO: What City staff has worked on and you'll see it in this packet is a phased approach toward annexation of Phase Two. The approach that we put together is that we would annex Phase Two in the beginning of the next fiscal year. So if we were to as we move on into the three years then by the third year we would be able to take over everything from police, fire and the roads assuming that all of the roads have been brought up to that standard. That's what we have put together in our budget. That's what we presented in the budget process this year and I think that that was the goal.

On all of these others some are complicated – it would be hard for me to give specific dates for what we can come up with, let's just say on the road agreement, the utility agreement, the solid waste agreement, but if that was the goal to annex Phase Two at the beginning of next fiscal year I think we could sit down and look at specific dates for the rest of the agreement that has to be made.

COUNCILOR WURZSBURGER: Thank you. So point of clarification: the date would be?

MR. ROMERO: July 1, 2013.

COUNCILOR WURZBURGER: Okay, July 1, 2013, page two, paragraph one blank; correct? You're saying that would fit in that blank; is that correct, for the other documents that you and Kathryn referred to earlier?

MR. ROMERO: I believe we would have to file a petition probably sometime before. I would guess it would have to be sometime between January and maybe March so that everything would get filed appropriately and we would actually annex – the annexation would

actually become effective on July 1st then it would have to be before that date that we would have to file the petition for annexation – I'm not sure how much before that.

COUNCILOR WURZBURGER: But certainly no later than July 1, 2013?

MR. ROMERO: That's correct.

COUNCILOR WURZBURGER: That's correct.

MS. MILLER: Madam Chair, Councilor Wurzburger, for some of the others I think for instance for the water and sewer and solid waste agreement and a law enforcement agreement, we could do a roads agreement, I think coming to an agreement as long as we have some direction on some of the issues that were brought up by the attorneys we can probably bring agreements forward in through the six months because we've got framework of draft agreements but it's those few issues of like what does it mean to bring a road to the County customary maintenance schedule and would it be good to say, okay, we could improve roads and maybe put money towards that as opposed to paying for infrastructure that is already in the ground if we're limited on the financial matters. So I think there's a couple things where they're not huge issues but getting some direction as to what would be palatable and we could put agreements together to bring forward to the individual bodies in three to six months. So for instance on water and wastewater and law enforcement and roads agreement by the end of the year.

CHAIR STEFANICS: I'm sorry to interrupt but I'd like to welcome Commissioner Anaya who joined the meeting. Thank you.

COMMISSIONER ANAYA: Thank you, Madam Chair.

CHAIR STEFANICS: Councilor Wurzburger you still have the floor.

COUNCILOR WURZBURGER: Thank you very much. I appreciate that. I want to make sure I understand what staff thinks that we could do on it because again I'm following what I thought was a preference of staff that get an agreement, as well as ourselves, to get an actual agreement. Are these written so that we're diligently working toward – are you saying that those could be done and we could put six-month dates in that? And that would apply to item three?

MR. ROMERO: Madam Chair, Councilor Wurzburger, yes.

COUNCILOR WURZBURGER: And six months from now is when? Mas o menos?

MR. ROMERO: The beginning of January.

COUNCILOR WURZBURGER: Would you just clarify what you were saying with respect to a date around Phase Three? Are you giving a suggested date for that?

MR. ROMERO: On Phase Three?

COUNCILOR WURZBURGER: For goals we have document with blanks and I'm trying to see if the blanks can be filled. We talked about one. You talked about three. You didn't talk about two or if you did I didn't properly infer what you were suggesting.

MR. ROMERO: In the budget that we presented, we budgeted for Phase Three in 15/16 and most of those expenses are fire so if we move over to Phase Three I would recommend that that happens in 15/16 so we can incrementally –

COUNCILOR WURZBURGER: -- So we could have a goal with respect to that that is more reflective of reality than what we have currently in the agreement; is that correct?

MR. ROMERO: That's correct.

COUNCILOR WURZBURGER: Is that the last one? There's one more – no, there's two more. The law enforcement and then –

CHAIR STEFANICS: We are going to be hearing from our law enforcement in a few minutes as a separate item from the Sheriff and the Police Chief.

COUNCILOR WURZBURGER: But having done the work that you've done on this, whether it's an issue, a definition or clarification which I will end my comments on, do you have any perception as to what a date might be?

MR. ROMERO: I think within the six months we could –

COUNCILOR WURZBURGER: It's still six months. Okay. And then finally the roads, is that the same? I would like for purposes of discussion and moving this forward so that we could go back to the hard work and the issue of definition where we have perhaps difference in the languages, interpretation of the language as you have stated but yet we do not collectively have an understanding of those differences but for purposes of moving a revised agreement forward I would like to make a motion that we approve this with the dates as were suggested.

CHAIR STEFANICS: Councilor Wurzburger, we're not noticed for any action at this meeting.

COUNCILOR WURZBURGER: Oh, we're not.

CHAIR STEFANICS: This is a discussion meeting.

COUNCILOR WURZBURGER: I think that this was helpful for me and perhaps these dates could come back to us at a very – at a meeting very soon with the dates actually in so that's not direction. That's just an editorial comment.

The last comment I'll make is that one of my goals for this evening is again to move us collectively from issue, not only from issue identification, these are the four things or these are the five areas we need to work on but some actual issue definition. I hope that will help structure comments from staff as we go through the next topic. Thank you.

CHAIR STEFANICS: Thank you and on her point if the City and County manager and respective staff come to agreement on dates it would be appropriate to bring it to our separate bodies for agreement as well. We don't have to wait for this meeting to happen again.

Councilor Calvert, you have the floor next.

COUNCILOR CALVERT: Thank you, Madam Chair. I guess I see it a slightly different way than my esteemed colleague Councilor Wurzburger. I think how we got ourselves here in the first place is that we set some deadlines for overall phases without having details worked out so I think that I would sort of work these two pages in the reverse order in which they are presented. In other words, I think we need to work some of these details out and not just have a date by which we think they're going to be worked out but know that they will be worked out before we start setting dates for Phase Two or Phase Three, because, again, that's how we got ourselves here in the first place. So I think that all of these – utilities, law enforcement, roads – I think there's been a lot of discussion and I thank staff for those discussions but I think there's still areas where there's disagreement and until we get closer to agreement on some of those issues I think that setting target dates for Phase Two or Phase Three is not a prudent course of action. We're just going to have to be adding an amendment to the phasing agreement.

I would like to work these issue items first and make sure we have dates and solutions to those and then based upon that that we can start filling in the dates for the different phases of annexation. Thank you.

CHAIR STEFANICS: Thank you. Next I have Councilor Trujillo.

COUNCILOR TRUJILLO: Thank you, Madam Chair. Robert, I guess going to the roads. We have a list of roads that we are going to take over. Councilor Dominguez said to City/County standards as we're working this out, can you bring this to public works, our committee, within the City because my concern is that you have a lot of County residents and

they take their own trash and they're used to doing that and now we're going to start picked up that trash even if it is a gravel road and putting one of those 50 ton vehicles on that more damage could be. If it is base course or chip seal and these are my concerns now putting heavier vehicles on these County roads which probably can't maintain them; how much more is that going to cost us as a City to bring them being as how they're going to be at County standards to bring those back up to, you know, City standards because we're putting heavy vehicles that usually aren't traveled on those roads?

MR. ROMERO: Madam Chair, Councilor Trujillo, yes, we can look at that and bring that forward to the public works committee.

COUNCILOR TRUJILLO: Okay, and the other thing I would ask, Madam Chair, is we are going to have [inaudible] dealing with the police and fire and I see Sheriff Garcia and I would also ask that our fire safety be able to talk a little.

CHAIR STEFANICS: Certainly. We were going to do law enforcement first separately and then we were going to do fire after that. Certainly. Next I have Commissioner Vigil and then Mayor Coss.

COMMISSIONER VIGIL: Thank you, Madam Chair, and Mayor, members of the Commission and members of the City Council, I feel very confident in having the conversation that we're having so far. I really just have a comment and a question and they're unrelated. My comment and I have mentioned this to several of my colleagues is that the City is probably never been through an annexation agreement per se at least within our history and the County has. We do have other municipalities within the county and we actually entered into separate agreements when Edgewood wanted to go through annexation and I think we started with a zero base law enforcement/fire response. So those agreements need to include state support too. So as long as we're looking towards creating resolution with the services continue and the residents receive the benefit of that I think that we're in the right direction. That's sort of the underlying comment and I'm very anxious to hear what law enforcement and fire has to say about their concerns.

One of the things that I think is an issue of concern particularly to the City that I think I can pose the question at this point in time and maybe we could just step back is to ask our legal counsel what is the status of the water rights with Las Soleras.

MR. ROSS: Madam Chair, Mayor, Councilors, Commissioners, I think I have run that to ground now. What happened was there was a certain amount of period between the drafting of the initial settlement agreement and the signature on the settlement agreement. At the time we drafted the agreement the Las Soleras development of course was in process through the County and one of our requirements was that they deposit water rights up front. That never happened so the water rights are still held by Las Soleras. In order to do any development within the City they're going to need to bring those to the City but the County doesn't have them. And that's just an artifact of how long it took the agreement to get signed from the time it was drafted.

COMMISSIONER VIGIL: Okay, so there is no issue with the County being the fiscal agent or the transfer agent or anything like that. It really has to be when the development goes before the City Council for any development to go through their process for water rights transfer.

MR. ROSS: Yes, the City Ordinance requires them to bring water rights to the table so they'll have to trot out that 36 acre-feet that they were promising to us. Now remember the application that was approved through the EZA at the time was dependent on a Jicarilla Apache lease for the remainder of the water rights for their development. They only had at the time 36 acre-feet so that will be a discussion that they'll have to have with the City I'm sure.

COMMISSIONER VIGIL: Okay. Is that core to –

CHAIR STEFANICS: On that point? Councilor Bushee.

COUNCILOR BUSHEE: It's my understanding that Las Soleras has already had some development and so, if so, did we not seek those rights and is it – I'm unaware that we're willing to accept leased rights.

MR. ZAMORA: Madam Chair, Councilor Bushee, that is a question – most of that is a question that I will take to Marcos Martinez, our water lawyer at the City who is unable to be present tonight. What I can tell you though is what I have seen of Las Soleras who has come before the City with certain developments and I believe that this is Las Soleras but I don't have first hand experience with it – is that they have, either the developer or the occupant has brought with them water rights or we are in the process of negotiating how they bring those water rights for the specific smaller developments within that. But I will check the status of the overall 36 acre-feet. Like I said, prior to now the City was not aware of the status of the Las Soleras rights. It was the understanding of the City pursuant to the agreement that those were rights that the County held that were in the process of being transferred over to the City. With this revelation we will go back and examine the status of what needs to be brought to the City by the developer.

COUNCILOR BUSHEE: So I need to be more clear. I think the County's attorney just said that they don't have them. But you're saying that the agreement requires that the County provide them?

MR. ZAMORA: The agreement, Madam Chair, Councilor Bushee, the agreement made an assumption that Las Soleras was going to complete its transfer of the water to the County and then the County would be required to transfer those same rights over to the City. What we were informed of this evening is that the transfer did not occur from the developer to the County, therefore, the County cannot transfer those rights to the City. So for the City as it researches that and follows up, will then have to require a transfer either directly from the developer through the City or otherwise.

COUNCILOR BUSHEE: And if you could also verify with Marcos that I don't think we want leased water rights.

MR. ZAMORA: Correct. Madam Chair, Councilor Bushee, again, I will look into that also but I am not aware that we would accept leased water rights.

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

COMMISSIONER VIGIL: Thank you, Madam Chair. I'm done.

CHAIR STEFANICS: Thank you. Mayor Coss.

MAYOR COSS: Thank you, Madam Chair. First, again, thanks to the County for asking for this meeting and I think we've moved through a lot. And, I want to first put out there for Councilor Calvert on how did we get here? Part of how we got here was the great recession. It wasn't that the agreement was miss thought or we couldn't do the details it was that we lost 10 percent of our revenues and several thousand jobs and we had other things on our mind for about three years. But I would very much like to see this proceed and I don't think it's an either or question. I think it's a both hand question.

Following up on where Councilor Wurzburger was and the work that the City and the County staff were doing if we said we wanted to do the annexation of Phase Two a the beginning of next year at this time essentially then we could backup from that and could use the County experience on this and we'd have to file on around January 13 and that – around January of 2013 and then we'd need to have those specifics done by then and that's what we would be tasking our public safety officials and our utilities and roads officials and we could have a couple more of

these meetings or a couple of work groups between now and January and tie up those details and make sure that everybody understands the public safety, the police and fire, the roads and the utilities. I just think that's very doable. Phase Three I'm going to wait and see 2015 sounds reasonable but that's just further out there.

I think Phase Two is what we've been struggling over as two local governments for about 25 years now and we should try and get it settled.

The other thing I would just say and this is an observation is that we as elected work on this and as staff works on this it reminds me a lot of collective bargaining and sometimes you look at that language and you say, Why did I ever agree to that? And yet we did. And I think that's pertinent on utilities language, on roads language maybe on some of the public safety questions and so we're still in negotiations but in some cases the language says what the language says and we ought to be very very careful about reinterpreting it or changing it to dramatically derail 25 years worth of here.

I think July 1, 2013 is a really good target date and I think from where we are now to the end of the year we should be able to figure out those details which were identified very well in the draft documents.

CHAIR STEFANICS: Thank you, Mayor. Councilor Ives.

COUNCILOR IVES: Thank you, Madam Chair and Mr. Mayor and Commissioners and Councilors. I was not a participant obviously back in 2008 as the settlement agreement was being reached and was not familiar before that with the various items that were in litigation. I will say that in reading through the Settlement Agreement what I found most significant about it were the goals that were stated as part of the [inaudible] for the terms that were agreed to and as I look to those and I would just like to quote certain provisions: whereas the disputes outlined above, the lawsuits have significantly burdened the parties, affected City County relations, impaired the reasonable development of the City, and has burdened the County with an area that is largely urban, and it goes on to say, whereas the parties desire to resolve all differences in lawsuits in a way that does not unreasonably impact the City, the County or the citizens residing in those areas resolves annexation issues for a period of no less than 20 years and enables the City and the County to effectively plan their respective jurisdictions, addresses the need to establish sensible water and wastewater utility service areas that the City and County have remedies existing inconsistencies in the service areas in a reasonable way focuses City County interactions on positive intergovernmental projects rather than lawsuits and controversy.

Those I think are just incredibly good statements of why this process was begun and is clearly why we should continue with process to successful resolution. I note specifically that it does talk about these bodies mutually addressing the needs of the City and the County and our citizens in ways that are reasonable. So I think that if those are our guiding principles as we move this forward I have no doubt of our success in this endeavor.

I am pleased to be here tonight and do thank the County for gathering us. I think it does present an opportunity for us to very affirmatively move together in terms of that positive relationship that the recitals in the Settlement Agreement refer to. And I certainly bring that spirit of cooperation and desire to be reasonable in terms of my participation and so I look forward to engaging with the County toward that end. Thank you.

CHAIR STEFANICS: Thank you. Does anyone else have a question or – Commissioner Anaya.

COMMISSIONER ANAYA: Madam Chair, just a quick logistical question. Staff was going over some next steps and it would seem to me that hearing out police and fire and some of the other issues and then come back to the next steps – is that the intended plan to

do that because I'm going to reserve my comments if we're going to come back to next steps at the end after we've heard from police and fire and some of the other broader discussion items that need to be discussed.

CHAIR STEFANICS: Commissioner, one of the things we said at the beginning is that this meeting is noticed only until 7:30 so we will conclude at 7:30. We were going to offer the public an opportunity to comment at 7 p.m. and we would discuss also among ourselves future meetings and either continuation of the topic or new topics. So this could be the start of either ongoing meetings. It could be every three months, every six months, every year. That would be a topic of discussion as well.

COMMISSIONER ANAYA: So, Madam Chair, are we going to hear from law enforcement and fire and those folks tonight?

CHAIR STEFANICS: We are. And I just have one more question after everybody finishes for the managers but fire and – I'm sorry, public safety is next and we have the Sheriff and the Police Chief next.

COMMISSIONER ANAYA: So I'll reserve my comments for right now. Thanks.

CHAIR STEFANICS: Thank you. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, thank you and on that note I think I'm just going to reserve my comments to hear from fire and public safety and are we going to allow our public to make any comments tonight?

CHAIR STEFANICS: Yes, at 7 p.m. the public comment period will open.

COMMISSIONER MAYFIELD: Thank you. Ill just reserve my comments for later. Thank you.

CHAIR STEFANICS: Thank you. My comment – oh, any further questions? Okay, my question and Ms. Miller I would like for you to address this. We did implement the low-income tax rebate. Would you talk about the impact of the loss of funds to the County and the amount of funds we pay the state and the potential loss of funds to the City because the City will have a loss of funds too in the property taxes.

MS. MILLER: Madam Chair, yes. We actually, in this agreement we're the ones, the County is actually the one that is providing that rebate whether somebody is in the City or the County and that has – we're estimating that and Steve has given you the figures that it's gone from $300,000, $4000,000, $500,000 so every year it's gone up over the three years we've had it about $100,000. More and more individuals are being made aware of it and that's a recurring cost to us. What happens when people file their taxes, income taxes with the state, at the end of the tax year they send us the bill. So we have no way of knowing until after the tax bill what that figure is going to be. We did implement that three years ago and have been paying that bill every January when Tax and Rev sends that to us.

As far as revenues that will be lost to the County, we will lose any gross receipts tax revenue for taxes that are in the unincorporated areas and then the City will pick up revenues that are – they'll pick up gross receipts tax and property tax but the City does not have a real high property tax rate and the BBER details that because it uses 2010 property value so it's probably a little different now. And, one thing I would like to add is that the County in its countywide reappraisal wants to make sure that the values are all good and that benefits to City and the County to make sure we have accurate property data because it will help all the way across the County line whether it's incorporated or not on property values and general obligation bond revenues.

CHAIR STEFANICS: Thank you very much.

COMMISSIONER MAYFIELD: Madam Chair, on that point.

CHAIR STEFANICS: Yes.

COMMISSIONER MAYFIELD: ml, Manager Miller do we know as far as the annexed area or presumed annex area what we're rebating back to X resident between the City and the County?

MS. MILLER: Madam Chair, Commissioner Mayfield, no we're not – Tax and Rev will not give us the specific individual. I can get an average amount of the rebate but that's confidential information.

COMMISSIONER MAYFIELD: Thank you.

CHAIR STEFANICS: Thank you. Any further questions at this point before we move on to law enforcement? Thank you. I'd like to invite our Police Chief and our Sheriff up.

3. Police and Fire

CHAIR STEFANICS: Thank you very much for joining us this evening. We would be very interested in hearing what you have to say about your separate situations and what you're doing together. We're all ears.

SHERIFF GARCIA: The one thing about law enforcement is that we do work together. We do care for each other and will continue to do so. I hear that, I've been hearing discussions with annexation since 1980 when I first started as a police officer with the City and it's finally moving in that direction. And I've heard the three-year commitment on the agreement that I do not agree with. I do not agree with having to provide three years of law enforcement after the City takes it over. I do agree that we will provide support to the City. I understand that if you do move forward with July 2013 which is a year from now, I could see myself continuing to provide a year of support which will allow the City police to work towards filling the positions that they need to take over full law enforcement control with continued support from the County. So that would allow two years of us until next July and then allowing an additional year that I would be willing to work with.

I will continue to have deputies assigned to that area of the proposed annexation. I still have the two deputies that I have on average – and these two deputies are not only covering the annexed area but these two deputies are not only covering this one area but they're covering La Tierra, La Cienega, Cieneguilla, the Village of Agua Fria, and anything north of 599. So we're not only assigned to that one area but the deputies are covering more than what the annexed area is. I will continue to have two deputies which is required for the area and look forward to working with Chief Rael as we always have in our continued support to make sure that law enforcement services are provided not only to the annexed area but anywhere beyond it.

Thank you, ma'am.

CHAIR STEFANICS: Thank you. I would just like to note for the public that the Sheriff is an elected office and the only oversight that the County Commission has for the Sheriff's Office is his budget and we do not affect the staffing, the routes, the duties, the responsibilities, the way he has his office organized. We basically consider his budget request and approve or amend. So, thank you.

POLICE CHIEF RAEL: Madam Chair, Mayor, Councilors and Commissioners, I agree with the Sheriff that we law enforcement does and will work together to ensure public safety. We will all contribute what we need to in order to insure that happens. I do have to disagree with the Sheriff though, my preference is that we stick with the phasing plan. Our studies conducted by [inaudible] and BBER has shown that in order to absorb all the calls we're

going to need approximately 21 commissioned officers over time and six additional civilians. We're going to need time to ramp up and hire new officers in order to fill these positions with the next phase we're anticipating that we need to hire nine officers and two civilians to more forward. The sooner we get that information or approval of that the sooner we can start gearing up to recruit as it takes an officer at least a year from the date of hire to the date that he or she is street ready. Our preference is for phasing; however, whatever direction we are given we will work with the Sheriff's department to make sure that we achieve the goals of protecting our citizens.

CHAIR STEFANICS: Thank you. Questions comments? Commissioner Vigil.

COMMISSIONER VIGIL: Thank you. I want to take this opportunity to thank law enforcement for all the work that they do. I feel very comfortable in the fact that I live in a very safe community because the response that I've been involved with has always been there. I have the unique position of being the elected official for the historic traditional village for an area that has cross-jurisdictional issues and that's District 2. And I guess my perspective if first of all thank you because I actually was driving down Rufina last week and I said a Sheriff's officer responding to a City call. So the cross-jurisdictional issues have always been there particularly in that area because it is very urbanized no matter which way you look at it. So I very much appreciate the cooperation that has gone on there.

I actually am wondering if we could create a focus for transitionalizing in a manner that both of you felt very comfortable with and of course Robert, you were here partially when we had to transitionalize for law enforcement in Edgewood and the Edgewood community and we had to in our agreement bring in the State Police for them because there was very little support system. They actually did not have a law enforcement agency in Edgewood so that transition required some phasing. I actually think that if start looking at it with demographics we might be able to address the issue because population, the census, has not increased that much It's really rather flat with most of the growth has been in the southern part of the County which is south of Airport Road and that isn't particularly in District 2. So I'm referencing the district I sort of represent with regard to that. So when you are making your recommendations for keeping your officers there for a year and you wanting them for three years, is there somewhere where there an agreement to make some kind of a transition even if we had to look for other support.

SHERIFF GARCIA: This next year from July to July, I know the Chief has several vacancies that he has to deal with just like the Sheriff's office and as we move from July 13 to July 14 for the second year as an example, we will transition very smoothly. In the meantime as we continue to work with City police as the annexation goes through and the City takes over that annexation we will continue to be there and as he is able I would think, I'm hoping he's in agreement with me, that as we move – as he moves toward filling his vacant positions or the positions that he's allotted within his budget for the annexation I'm sure we'll be able to phase it gradually and I think it will work smoothly.

With regards to the County deputies responding to City police calls as an example, the County has jurisdiction within City limits. We don't enforce City ordinance but we do enforce the statutes. And as we transition to the annexed area with the Village of Agua Fria I would be more than happy to commission any of his officers to assist me in responding to any calls in Agua Fria Village and I'm sure that we can work things out very smoothly. Thank you.

SHERIFF RAEL: Madam Chair, Mayor, Councilors and Commissioners, I believe with the staffing levels building we can certainly work things out but I would still prefer a phase-in as we fill positions perhaps we identify as example, nine positions for the first year, we start filling those nine positions, they're street ready the Sheriff can now start moving people

out and reallocating some of his resources.

But I still think it's critical that we fill those positions and get everybody ramped up and out there in order to allow both of our departments some breathing room to address our concerns.

CHAIR STEFANICS: Thank you. I next have Councilor Bushee, Councilor Trujillo and Councilor Dimas. Councilor Bushee.

COUNCILOR BUSHEE: I've always understood that it was much easier in terms of the present jurisdiction with the police and perhaps fire given the different ways that we're organized around those responses. But so I'm clear, cause I'm back there in the camp with Councilor Calvert in terms of the devil is in the details, so that I'm clear in the details, Chief, you've outlined 21 total – well, 27 with civilians and that would be by fiscal year what?

CHIEF RAEL: Madam Chair, Mayor, Councilor Bushee, that would be over the four year term that would fiscal year –

COUNCILOR BUSHEE: So is the additional cost if I'm reading this right 1.821 million?

CHIEF RAEL: Yes, I believe so, ma'am.

COUNCILOR BUSHEE: That's the total with equipment and everything else?

CHIEF RAEL: That's correct.

COUNCILOR BUSHEE: And you anticipate just by completing the Phase Two or at least within a year if that were to be the deadline or timeline that we're trying to follow only need to have nine new officers, two civilians and what percentage of the equipment; do you have a cost estimate for that?

CHIEF RAEL: I don't, Madam Chair, Mayor, Councilor Bushee, I don't have a cost estimate before me. I know it's broken down in the BBER report.

COUNCILOR BUSHEE: We're not actually working off the BBER we seem to be working off the [inaudible] numbers, which seem to be less than BBER. So I'm adding up and trying to figure out given that I don't have a feeling we're out of any great recession, in fact, our finance director kind of alluded to depression just this past Monday. I'm just looking at what you would need for Phase One year and what you would need us to go back and find.

CHIEF RAEL: Madam Chair, Mayor, Councilor Bushee, I believe if you look at the report the numbers are for the nine officers and two civilians it would be $781,000. For the equipment, cars, uniforms and desks it would be $405,000, car maintenance is $135,000 and the total for that first two year – but those would be the costs.

COUNCILOR BUSHEE: It goes through these numbers on my spreadsheet.

CHIEF RAEL: Fiscal year 13/14, Phase Two –

COUNCILOR BUSHEE: All right, great. We've had a lot of different spreadsheets and I just wanted to be clear.

And are there any other agreements that need to be completed? Are you okay with just the one-year with additional support? I know you want more – as much time as you can get probably.

CHIEF RAEL: Madam Chair, Mayor, Councilor Bushee, as long as we can fill the positions we need to get them on board, advertised and hired. The problem I anticipate is getting the positions filled.

COUNICLOR BUSHEE: Okay. I think that's it for me, thank you.

CHAIR STEFANICS: Thank you. Councilor Trujillo.

COUNCILOR TRUJILLO: Thank you, Madam Chair. So Sheriff Garcia you're telling me if I heard you're sheriff department isn't fully staffed with deputies.

SHERIFF GARCIA: By next week on the 28th I will have eight vacancies that we

are working on aggressively to try and fill those positions. The other thing that you have to understand here is that I have a new judicial complex that is coming up January 1st – well, we'll wait and see – and that's not my concern, the furniture is not my concern – but the size of the judicial complex will require more resources to be able to secure that place. I went through a tour there and I anticipate more resources being placed there because I do not have adequate staffing right now. I have nine that are at this complex and I've been seriously looking to increase those numbers. The one-year I'm telling you, you're looking at a two-year period to try and fill positions that you're looking at right now. I don't know what the chief's vacancies are right now but you're looking at a two-year period to try and move toward that goal. We are hoping here, I will commit myself to the one year and at that time I listened to the Chief earlier that we can come back and revisit the issue and if we're still in the position that we have to continue to assist because of vacancies, we will do so. We are not going to abandon the City police. They're my fellow law enforcement. We will not do that and I am committed to working with him as we move forward.

COUNCILOR TRUJILLO: So, Chief, how many police officers are we down in the City?

CHIEF RAEL: Madam Chair, Mayor, Councilor Trujillo, right now we have seven vacancies. I received a letter of resignation today from an officer moving on to another department so we'll have eight vacancies currently.

COUNCILOR TRUJILLO: Okay. So this is my concern. I've been doing this since 2006 trying to fill all the vacancies in the City and maybe we've been down 27 officers, 16, 8 and right now eight looks very good and I have all the confidence that we're going to get those eight filled. But my concern is that we annex and Sheriff Garcia your deputies can move on to other areas, hopefully the new judicial complex but you have said that you are willing to stay the one year and that you will not abandon us and you know these are things that I hope we work out in agreements be it because that is my concern. If the City isn't fully staffed and we have this other annexation and we're not able to fully respond to these areas – I take your word and I know you're a man of good word but I just want to make sure as you say you won't abandon us because this is my concern with the new residents that we'll be getting from the County that will become now City and that they have issues with burglaries something that our police staff is over exhausted as well and we've been having it here at the City as well and you know that and that's my biggest concern that we do have full staff in these areas that we annex.

SHERIFF GARCIA: Councilor Trujillo, as a I mentioned earlier, that area right now for annexation and the surrounding areas are now on an average being patrolled by two deputies on a daily basis per shift, like Steve Ross mentioned earlier, six per day. On an average you're looking at about 12 a week up to 14. So we will still have two, on average, present deputies assigned to the general area, which is now District 2 which includes that annexation area. Those two deputies are responsible not only for covering that one area of annexation but everything around it. So those – I honestly assure you, you have my word that I will not abandon Agua Fria Village, La Cienega, Cieneguilla, La Tierra, Las Campanas, Tano Road. I still have to serve those areas so the same deputies will still be in the area to try and assist as we move forward.

COUNCILOR TRUJILLO: That's all I have, Madam Chair. Thank you.

CHAIR STEFANICS: Thank you. We now have Councilor Dimas and then Commissioner Anaya.

COUNCILOR DIMAS: Thank you, Madam Chair. I'm also one of the new kids on the block and I wasn't involved in this annexation when it took place. And I'm particularly

interested in obviously in the public safety issue. Sheriff, could you answer just one real quick question if you know the answer and I'm not real sure if you have this figure or not – how many calls do you actually average per day would you say in that newly affective area that will be annexed in?

SHERIFF GARCIA: I don't have those numbers, Councilor Dimas, but I want to say that our largest call volume for the County in calls is within that area of annexation. It is the largest call volume. But I don't have those numbers.

CHAIR STEFANICS: Yes, Mayor Coss.

MAYOR COSS: I think Robert can correct me if I'm wrong but I think it's about a 10 percent increase in our police department and our fire department call volumes, calls that are in Phase Two. I'm not sure of the total number but it's about a 10 percent increase in calls.

MR. ROMERO: Mayor Coss, Madam Chair, in your packet that we handed out there's about 10,000 calls a year in that Phase Two area which is a little less than 1,000 a month or –

COUNCILOR DIMAS: Chief, this question is for you. With this new online reporting system that we have now in the City, the type of calls that are coming in from that area, and I guess, Sheriff you can answer too, is what type of calls are we taking there primarily at this point? Do you have any kind of feel for actually what's happening in that newly annexed area?

CHIEF RAEL: Madam Chair, Mayor Coss, Councilor Dimas, it runs the gamut. There's a lot of burglaries. A lot of felony issues coming in. The recording system will in fact reduce some of the lower end calls but it's not going to affect the response times of the actual calls generally speaking.

The other thing I'd like to point out is that we've asked for nine officers and the Sheriff indicates that there's six officers patrolling per day but that does not take into account the replacement factor because you've got the 24-hour shift, the days off, the annual leave for vacation so the additional officers are to ensure that we can maintain that six officer per day patrol per area.

COUNCILOR DIMAS: Right. And, Sheriff, right now you're working with two deputies in that area basically and also patrolling all the other areas at the same time?

SHERIFF GARCIA: Councilor Dimas, and I'm sorry Madam Chair, and Mr. Mayor for not addressing before I addressed Councilors or Commissioners, I didn't do that out of disrespect. But Councilor Dimas, I'm sorry I lost my train of thought, could you repeat your question?

COUNCILOR DIMAS: I even forgot what the question was myself.

SHERIFF GARCIA: The average for the area is two deputies and usually you have a supervisor that is assigned central, but two deputies usually cover this whole area at any given time. I have an almost 2,000 square mile County. I have, as an example, one that I usually try and assign up north and I'm hoping to have more as we move forward up north and down south I have one assigned. I have one assigned to the east and one assigned to the Eldorado area alone. On my average I believe my minimum staffing level on any given day is – I would have to refer to my under-sheriff but I believe on the minimum staffing per day it is six and on common day Fridays my minimum staffing is at nine.

COUNCILOR DIMAS: And those two are able to pretty much take care of that area 24-hours a day or are they put on a priority list or how long does it generally take to answer calls in that newly annexed area?

SHERIFF GARCIA: They're usually able to handle what is coming from the area. Sometimes we have to pull other deputies from other areas in order to be able to handle the

caseload. In a lot of cases they do go from call to call the majority of the time. The Chief mentioned the types of crimes that may take place there. Like anywhere else in the City you do have drug dealing, burglaries of all sorts, domestic violence, criminal sex through penetration, so you have the whole spectrum of different types of crime.

COUNCILOR DIMAS: In your opinion, how many officers would it actually take working there on a steady basis say on an eight-hour shift to maintain the public safety adequately in that area?

SHERIFF GARCIA: It would be in the annexed area alone within itself, and I don't recall the number of population that we have in there but you're talking about 7,000 or 8,000 people in there – more like 10,000 – okay, two to three to be able to break it down by districts and from the experience of having worked in the City myself I would probably say two to three within that area.

COUNCILOR DIMAS: Per shift?

SHERIFF GARCIA: Per shift.

COUNCILOR DIMAS: So making it per shift, Chief, how many officers would that entail saying it's two to three officers that would be necessary just for that annexed area?

CHIEF RAEL: Madam Chair, Mayor, Councilor Dimas, if it's two officers per shift we would be needing the nine officers in order to count for the regular days off, annual leave, training, et cetera. So minimum of the nine in order to maintain two for day-shift, two for swing-shift, and two for the graveyard-shift.

COUNCILOR DIMAS: Okay, so those nine have been accounted for and that's the reason for the nine the first year.

I'm a little curious as to why with annexation of three, the third phase of the annexation, why we would require 21 new officers? I mean that's an additional 12 more officers added to the payroll for just another areas that even smaller than that first one or the second phase.

CHIEF RAEL: Madam Chair, Mayor, Councilor Dimas, in an effort to spread out the cost and better absorb some of the things that we need to deal, training officers, putting officers out, we did the bare minimum of coverage on the first phase. We're also incorporating a much larger area and we have additional personnel such as in the 21 officers which is a total for the four years are included in specialty areas, such as, traffic division for handling the accidents that we've incorporated on I-25 and on 599. So that's part of all the calculations that will meet all of the staffing levels to meet the additional call volume and call type.

COUNCILOR DIMAS: Okay. I'm sure that this has been studied to death but before this gets to Finance Committee and we do all of these things I really want to know what the necessity is – the absolute necessity of what we actually need before we go forward with something like this. And, I know, Sheriff, that you said that you wouldn't abandon the City and I know you wouldn't anyway because let's face it if our police department fell apart and we had no police department you would have to take the calls anyway because the City is in the County and that's all your jurisdiction so actually you'd be required to answer calls here anyway so – I just wanted to bring that little fact forward. So I know that you would be more than willing to help out the City PD and answering calls in that area if that necessity arose.

That's all I have, Madam Chair.

CHAIR STEFANICS: Thank you. Next we have Commissioner Anaya and then Councilor Dominguez.

COUNCILOR CALVERT: Madam Chair, point of order. And, all due respect to those that still want to speak but we said that we would start at 7 with public comment and it's past that now. So, I'm wondering – I would respectfully request that those yield to the public for

time to comment.

CHAIR STEFANICS: I was going to try and rush our next list but how many people in the audience are here to make a comment? Okay, so let's move to public comment and then we'll come back if that's okay with the remaining people. So, just make yourself comfortable, get a drink, and we'll come back because we have a few more questions. We are going to set up the podium. We're just going to roll it forward and all of those who would like to speak please start making your way forward and if you would make your comments succinct, short, sweet – as you can see we still want to discuss many things that are important too.

Okay, so anyone who wants to speak just move forward and if you would all introduce yourselves with your name and your address for the group. Thank you and welcome.

6. Public Comment

KEITH WALLER: Hi, I'm Keith Waller. I own Norton Hill Wood Company. It's a business on the south side of Airport Road close to Sweeney Elementary School. I own it with my partner John Alexander. We've been there since '78, that's a lot of County business licenses. So we sort of have seen this whole process and as I think it was mentioned here we've been in kind of this overlap between City and County for an excess of 20 years. It's clear at this point that there's no agreement between the City and the County and it think that's the fairest way we could put it right now. It's kind of like a bad marriage. Unfortunately, your children are being impacted. It makes it very difficult to do anything at all.

Currently I'm called the County, which I am, I'm County. Oh, no, we signed off on you and gave you away. Talked to the City. I'm required now, I'm in the County, to get a City business license. So now I'm paying taxes to an entity that's governing me and I have no representation in that entity. I'm sorry that's a violation of the most basic American constitutional laws and it can't continue. I'm going to go to some trouble to make sure that it doesn't. Thank you.

CHAIR STEFANICS: Thank you very much for being here and for speaking. Yes, Mr. Siebert.

JIM SIEBERT: My name is Jim Siebert. Let me say that I've been a planner in Santa Fe for 40 years both public sector and private sector. I guess just a personal observation I have is that a July deadline is actually a very ambitious goal. There are a lot of details to work out. I'm familiar with a lot of those details that still need to be worked out between the City and the County and I think when it comes down – I mean at some point it comes down to dollars and cents and you have to figure out where those dollars and cents come from. That's just a personal observation.

I have as a planning consultant I do have a request. I have several clients that are in Phase Two that had developments that were approved by the Extraterritorial and were served by City water and City sewer and part of the agreement was that the City would not take over the road or the sewer until it was annexed. Well, they have been hoping for this to happen, well in some cases for 15 years and in some cases for 18 years and I think that given the possibility that this could continue on for a longer period than you anticipate what I would request if it would be possible for my clients to petition the City Council and do this on a case-by-case basis coming from the Council and see if the Council would be willing to inspect these and take over the maintenance of both the utilities and the roads. And these are projects that were approved by the City. Were designed to City standards. The City held the letter of credit. The City did the inspections and the City did the final sign-off. So these are all built to City specifications but

we've never been able to proceed forward to get the City to accept them for maintenance.

Thank you very much.

CHAIR STEFANICS: Thank you. Next please.

SID MONROE: Good evening. My name is Sid Monroe. I live in the Coyote Ridge neighborhood which is in Phase Three. It's also known as Area One. And I'd like to thank everybody for all the work and the information here and as many questions as you all have, imagine us residents. We just by way of information for those of you who were not here at some of the beginnings of this annexation settlement, Area One was the only area on that map not to have a public meeting prior to the settlement of the annexation. I have represented Coyote Ridge neighborhood and the surrounding neighborhoods throughout this process and for myself personally and for some of the members who were here prior, Mayor Coss, Commissioner Vigil, and there was a standing invitation to the entire City Council and County Commissioners to come out to our neighborhood and visit. Mayor Coss and Commissioner Vigil have done that. I invite everybody here that that invitation stands. Because my point is, I believe it was Commissioner [sic] Ives was reading about the settlement agreement and he quoted that, "when an area is largely urban" and we are no such thing and it was an exception made in the annexation agreement that the rural residential character of Area One would be respected. It was not. We had to go through extraordinary lengths to overturn a Council decision to make it a higher density. We settled on R-1 which is lower than our existing density and we still have a lot of questions that have not been answered. Most of the questions here this evening have seemed to have been concerned with Phase Two. I'm hearing we may not get in the game until 2015, 2016 which is eight years after the annexation agreement will have been ratified or whatever the right terms is.

As a gentleman said before me, we're in the County although our permitting is done through the City. We are in no man's land. We've been there for three years. And it looks like we're going to be there for a while. So I would like to ask everybody here, staff, City Councilors, County Commissioners, please help us.

I've been very fortunate over the last few years Mr. Ross has provided me with a lot of information. I would wonder if the County progress report is available to the residents; the amendments if that is available to the residents, the draft water facilities and wastewater – we have no sewers. We have no City water. So that's a big question.

We have a lot of concerns about public safety. I'm very proud of our Sheriffs. They try and get there when we call. It's a very difficult neighborhood to navigate. Frequently, because I'm on the road I have to give deputies directions to a house that is having a call. And it would take some time for the City to learn those roads and fire trucks. We have no fire hydrants. One of our neighbors houses burned down – no water. So when the fire department – I hope the City has pumper trucks that can bring enough water out to the County to put out fires.

And, lastly, I would just like to point out, and I don't know that this has made it into the record, I tried to find it – there's a final ELUA meeting April 27, 2009 where we were designated to have R-1 zoning and it was stipulated that Area One would have a dedicated community planning process. I watched that on the videotape that is still there and I can't find that in any minutes. Mr. Ross, do you know if that has made it into documents in any form?

MR. ROSS: Madam Chair, Mr. Monroe, I don't know but I'll tell you I do remember the conversation so I'll see if I can find out and let you know.

MR. MONROE: Thank you very much. That's all I have to say. Please remember us and we would be more than willing to participate in this process.

CHAIR STEFANICS: Thank you very much. Next.

WILLIAM MEE: I'm William Mee, 2073 Camino Samuel Montoya. I sent you earlier a letter from our Agua Fria Village Association of which I am the president and I'm not going to rehash that. But basically Agua Fria has opposed City annexation going back to like 1960. There was another attempt in 1970 and then in the 1980s there was one and that actually went through a Municipal Boundary Commission appointed by the Governor and at that particular time the finding were that the City really couldn't provide the services and so when this last cost benefit analysis had come out from the BBER I wasn't too surprised that that was again kind of the finding, that, you know, they couldn't provide the services for the potential revenues that they're getting out of that area. And, so, I mean there's some historical things that we should maybe talk about and Agua Fria would really like to be a part of continued negotiations and discussions.

Thank you very much.

CHAIR STEFANICS: Thank you, Mr. Mee.

MELVIN GOERING: I'm Melvin Goering and I live in Hyde Park Estates. I happen to be the president of the Hyde Park Estates Cooperative Domestic Water.

CHAIR STEFANICS: Okay, could you tell use your name again; I'm sorry.

MR. GOERING: Melvin Goering.

CHAIR STEFANICS: Garring?

MR. GOERING: Goering G-O-E-R-I-N-G.

CHAIR STEFANICS: Okay, yes. Thank you.

MR. GOERING: First of all, I would congratulate you for carrying on this discussion. Those of us who are on the outside are often perplexed about what's really going on with annexation particularly in the areas where we live. I would also note, as the Councilor did, that the settlement agreement talks about how this should impact and take care of citizens and I come to you from the standpoint of what homeowners are thinking at least in Hyde Park Estates. We see very little benefit to annexation for our area and as a result nearly 70 residents of our area have signed a petition asking for reconsideration of the implementation of Phase Three. We are opposed to the annexation to the City. As far as we can tell there are few benefits, perhaps more costs. We clearly are more in tune with the terrain and the interest in the County domain if you've ever been in Hyde Park Estates.

So I would simply encourage you not to simply say because two entities, the County and the City, at one time solved their problem through the court in a settlement agreement that you don't look at new facts and maybe consider instead of spending all the incredible hours that are being spent in the City and the County to discuss these issues that maybe Phase Three never needs to happen. Thank you

CHAIR STEFANICS: Thank you very much, Mr. Goering.

ADAM STIVELY: Madam Chair, Councilors, Commissioners, my name is Adam Stively, 2813 Don Quixote in Santa Fe in the City. My comments are going to seem a little bit late to the party so I apologize but I would ask you to consider them in the context of 2012 and the significantly different time of 2008 especially economically. I believe that Councilor Bushee was beginning to allude to this in some of her comments and questions. We also saw a financial report come out shortly after the City vote on three bonds in March that showed costs of this annexation were substantially higher than we thought and I think we've only begun to scratch the surface of what those costs are going to be.

So here's my pitch to you in that context is let's look at this annexation, step back and is it too late to stop. I understand some things are. Perhaps Phase One is. Could we stop and look at Phase Two and look at Phase Three? Do we really want to do this with the cost and trouble,

the water issues that are going to be involved? So I appreciate your consideration.

CHAIR STEFANICS: Is there anyone else in the audience? Councilor Bushee has a comment from one of her constituents that she would like to present.

COUNCILOR BUSHEE: She would be a potential constituent. One of the questions that is being forwarded to our City Attorney and I suggested that there was perhaps not public hearing this evening. It's a business owner up on Hyde Park would be near Hyde Park Estates. Their question really is given that there is a presumptive City limit and they're engaging in an expansion; do they fall under impact fees? Basically, I think that's their question. Do you have that email? I've had no response. I suggested to them that maybe perhaps this evening wouldn't be available for them for an answer. I don't know if you want to give one now or if you want to finally answer an email. But he's waiting for an answer.

CHAIR STEFANICS: Okay, we're not going to take any responses. We're going to go back to our topic. I just wanted to put that on the record as a concern and hopefully Councilor Bushee will follow up with City staff about that.

Is there anybody else in the audience who would like to speak in the public comment period? Come up please because we're going to go back to the conversation about law enforcement and then hopefully Councilors and Commissioners we will determine if we want to set up another meeting to continue the discussion on other areas.

Yes, sir. Your name and address.

MILAN COSE: My name is Milan Cose and I live at Hyde Park Estate. My question is very simple. I would like to know what is the reason for the annexation? And the solution, I would suggest that we have a referendum of the citizens of the County about the annexation. Thank you.

CHAIR STEFANICS: Thank you very much for your comment. I would like to thank everyone from the public who came today to speak. As you can see we have many things between the City and the County that we're going to continue discussing and all of your comments are going to be taken into consideration. We do need to accept that there is a court settlement agreement and it happened before many of us were on the City Council or County Commission but I believe that we are seeing progress maybe not as much. And I know many homeowners are very confused and upset by being in that no man's land – like City, County, both, representation, et cetera.

So could we have the Sheriff and the Police Chief back we still had Commissioner Anaya and Councilor Dominguez who wanted to address some issues or questions.

3. Police and Fire (con't)

COMMISSIONER ANAYA: Madam Chair, Mayor, members of the Council and Commission, a couple of things that I'd like to do now and some of it I'll reserve for a more detailed discussion later. First I would concur with the Sheriff and support the Sheriff's statements relative to the period of transition that has been suggested. I would concur with his recommendation therein. I would also stated publicly that the Sheriff's Department, although the County Commission provides budget approval from a legal standpoint as far as the work of the Sheriff's Department I want to say that the Sheriff's Department and their entirety with the Sheriff at the head of the organization have always been very amenable to working with Commissioners. Myself, I appreciated Sheriff in particular to resolve issues and concerns relative to public safety.

Relative to some of the statements made and I appreciate former judge Dimas, former

police officer, asking the questions he asked. He provided some clarity but, Chief, if you could, if you could help me understand a little better – and it goes to the core and maybe a little more depth to what Councilor Dimas was referring to – six officers, Santa Fe County. 21 officers City of Santa Fe. And the specific question I have is why, number one but number two you have Tierra Contenta and places like that to take care of and subdivisions where you guys were both patrolling through these neighborhoods right now. You're both patrolling and processing calls in the various areas but there's literally across the street from one another. So I'm trying to understand in my mind why the ratchet-up in officers on the City side and are the calls different on one side of the street than they are on the other?

CHIEF RAEL: Madam Chair, Mayor, Commissioner Anaya, no, sir. The truth of the matter is and I believe the Sheriff can verify this, is that they're running from call to call. We have very little unobligated time in order to address the other issues that come up including the pro-active patrols, the preventive burglary patrols and all of the other things. In some situations we're in the same boat if you will. The analysis that determined the 21 officers was done based on accepted law enforcement formulas that determines call volume which is right off of the Sheriff's Department's numbers. The call volume, the time obligated versus non-obligated, the level of service, the amount of time we allocate to respond to these calls and unfortunately in meeting City standards of minimum staffing and all of the other issues that we have through City obligations including union contracts, whatever, this was the minimum staffing that was identified that would allow us to meet all of those obligations and yet maintain this preventive patrol and respond quickly and appropriately.

COMMISSIONER ANAYA: Thank you, Chief. I have a couple more follow up questions. Madam Chair, Mayor, Chief, if we analyze the response times associated – taking in consideration some of the factors that you said – but ultimately, having been a first responder myself for several years, ultimately it comes down to when did you get there? How fast did you respond to the call? If we analyze response times in that area, let's say Tierra Contenta on one side of the road and the County property right next to the golf course, literally adjacent to one another, would the response times be two to three times faster from the City if we looked at those? Is that what – is there some implied perspective in that or are they similar? Or do we even know the answer to that?

CHIEF RAEL: Madam Chair, Mayor, Commissioner Anaya, at this point I'm not sure what the Sheriff's Department's response times are. I can tell you what ours are but I have not compared the level of response or the time periods of response from the Sheriff's Department are. I will tell you however in discussions that we've had we're both in the situation where quite often we're going call to call with calls pending and I'm certain the Sheriff could use additional personnel in order to address some of these proactive patrols and reduce those response times himself.

COMMISSIONER ANAYA: So, Madam Chair, Mayor, Chief, how many City officers currently are in that sector? I think you call them sectors I think I heard it on one of the previous meetings. How many are in that sector in the Tierra Contenta area, Las Acequias, Agua Fria area that are the current incorporated area? Like right now, how many are there right now?

CHIEF RAEL: Madam Chair, Mayor, Commissioner Anaya, I'd have to defer to my operations deputy chief to give you the exact number. I will tell you that we're running approximately – well, nine is our minimum staffing throughout the City at any given point – that's minimum staffing. So I would be surprised if we had more than one officer per area in that location at this point.

COMMISSIONER ANAYA: So, so, Madam Chair, Mayor, and Chief, correlate

the nine, roughly how many people in the City of Santa Fe; 50,000 residents right now in the City of Santa Fe? Correlate the nine officers – we have six, Sheriff, in the balance of the County on patrol at one time, six total in the 2,000 square mile area of Santa Fe County.

SHERIFF GARCIA: Minimum staffing, yes, sir.

COMMISSIONER ANAYA: Okay, and so you have nine? And the Councilor tells me there's 65,000 and adding – and adding the number of people in this annexation is going to require you ratchet up to 21; I'm still kind of – and here's the bottom line with me and see if this helps any. I've heard from people and Councilor Dimas said new kid on the block, I'm the new kid on the block still here and I appreciate that and Commissioner Mayfield and I. But I've been asking for a dialogue with the City for a long time now since I started. So I want to continue this dialogue and I want to build on this dialogue because I think it's the obligation and responsibility to the public to do so. But I also want to make sure that they clearly understand what they're getting. That there's some direct benefit. And what I'm hearing, to be quite honest, is that it doesn't seem to match up with the additional officers that you've requesting and what you currently have on patrol right now. And if there's something that I want to bring out of this it's that we go to the public and we make sure that we're clear on what was said in the settlement agreement and what we're doing and that we do so in accordance with those obligations. But go ahead and comment because I know I said a lot but I wanted to provide maybe a framework for you.

CHIEF RAEL: Madam Chair, Mayor, Commissioner Anaya, first of all I would be more than happy to sit down with you and show you the studies and the process that we've gone through and that might help to explain how. Secondly, we're talking minimum staffing at this point. Both the Sheriff and I were referring to minimum staffing. That's the bare minimum we need in order to be able to handle calls running from call to call to call. Often our staffing levels are something totally different.

The other is that our department for some time now has been understaffed in terms of the population and the call volume. So all of this would help us get back on track and that is again – the way it is determined it would be appropriate to serve the additional area, the additional call volume and the additional population.

Ca: Thanks, Chief. Madam Chair, one last comment, Mayor, members of the Council and the Commission, I'm at this table and want to continue to come back to this table sooner rather than later. I think it has been a disservice to the public that we haven't met sooner. I think we need to step it up. I think it's our obligation. We heard comments, that I get on a regular basis from businessmen and homeowners in the community some of which didn't favor annexation and some of which did but they're not aware. They are in no man's land. And I don't think that as elected officials that it's fair to do that.

So I'm at the table. I'm going to continue to be at the table to work with -- through these issues. The bottom line is the service to those residents and I'll say this, on the west sector, the west side, and my side, the part that I represent in my district. It does, as a citizen, not as a commissioner, but as a citizen it does appear that that side of town is kind of at the end of the pecking order. That sector off of Airport Road. And as a commissioner for that district I want to continually work with Councilor Dominguez, the rest of the councilors and commissioners around this table to make sure that as we pursue this annexation, as we uphold the settlement agreement that we do so in the interest of all the citizens in the entire area because it does seem that many times that area gets the short end of the stick. And, as a commissioner, I want to work with you, Mayor and my colleagues around this table to come to resolution.

So I'm ready to meet as often as we need to but I also – there are several other items on

this agenda that are very important to the Commission and to me as a commissioner that I think we need to put on the table and if we need to take more time, well let's do that. But I'm prepared to do that with my colleagues, with the Council and the Mayor. Thank you.

CHAIR STEFANICS: Thank you. After Councilor Dominguez, Mayor Coss will transition us into the future and I wanted to let the public know, those who are listening or watching or those of you here, all the materials that we're looking at have been already posted on the web, the County web and the City web – the City web? Oh, just the County web but I'm sure the City will be posting it so that everybody can access the same information we're talking to.

Councilor Dominguez and then Mayor Coss.

COUNCILOR DOMINGUEZ: Thank you, Madam Chair. I guess just a couple of quick comments. As a resident of the Phase Two annexation I can see how the fact that we have not been able to move forward as impacted human beings and impacted people and so I would respectfully ask any elected official and any person before you draw the line in the sand to please consider the fact that we're dealing with people who need services whether they're in the City or whether they're in the county. So I implore you all that before you draw the line in the sand and you make any hard line statements that you consider that fact. And, I understand that there's economic impact or factors that are involved. I think that we're all dealing with some economic struggles, if you will, and so I would just respectfully ask for my colleagues, elected, staff members, before you draw the line in the sand just consider those facts. And, really we're talking about quality of life. I often wonder when we talk about student achievement and the fact that students in the phase two part of our annexation have challenges. If it's not a result of the fact that we haven't been able to annex, the lack of quality life services that don't exist there, the fact that you have very few recreation amenities and lots of other things. I can go on and on and on. But I often wonder if there's a correlation between that student achievement and the fact that we haven't been able to move forward.

I like the dialogue we had today and I would recommend that we continue to have that dialogue. That we continue to maybe establish dates. I know the Mayor is going to take us into this next phase and I look forward to what comes next. But I think we need to really work at moving things forward because student achievement also relates to economic development and that's something that this community desperately needs is some different, more, whatever kind of economic development you want to call it and until we get over that hump then we need to be able to address some of these things that in inherently part of the annexation effort. So I just wanted to make that comment.

There was a question that I wanted to ask the Sheriff but I'll just wait until maybe we have some other time to dialogue more. Thank you, Madam Chair.

CHAIR STEFANICS: Thank you. Commissioner Mayfield, you had a clarification question before the Mayor?

COMMISSIONER MAYFIELD: Yes, Madam Chair. I know we're pressed for time but are we still going to hear from Fire?

CHAIR STEFANICS: Not this evening.

COMMISSIONER MAYFIELD: Okay.

CHAIR STEFANICS: We are ending at 7:30 and it's already 5 minutes past. So that apparently will be part of the Mayor's discussion.

MAYOR COSS: You know what I wanted to say just following up on what Councilor Dominguez and Commissioner Anaya said because they both represent the area of the community, and I'll call it community rather than City or County, in Phase Two that I think is the most immediate thing in front of us. I agree with Commissioner Anaya that we should meet

again. We should meet in August. And I wanted to do is to ask Robert and Katherine to find in all the days we meet in August to do this again and start with fire and go to those other issues. To keep hashing this out because I think what we're talking about, to just follow what Councilor Dominguez said, is an increase in services in the southwest part of town, the Airport Road corridor and I just think we have to keep moving and so we have to keep talking.

I don't want to try and hash this all out now because we're only committed to a two-hour meeting but I think we need to meet again.

CHAIR STEFANICS: Mayor, I think and there are other people here who might want to add, but perhaps we all could give our respective managers the topics that are important to you, one, two, three, so we can see what consensus their might be in going to fire and RECC and anything else that you want to speak on. And, as he said for the managers to start looking at dates.

Councilor Bushee.

COUNCILOR BUSHEE: Well, I've actually been asking questions more than commenting but I do think that at this point I'm a little frustrated in that a year or more ago a put a resolution in asking us to look at are we meeting our phasing deadlines and it disappeared into a black hole at your committee, Councilor, and on top of that we were waiting for a BBER study that seemed to go nowhere for at least the same amount of time. So we have compounded the problem and to be honest I don't believe that we can actually as a council, as the governing body, we can continue the dialogue with so many of the devil details in how we're going to pay for these things. It was said by the gentleman that was on Don Quixote and that's really where we're at. And it's not as if the economy has improved and things are very different. I understood when we first discussed annexation that Phase Two was going to be a problem because it really doesn't have a lot of build-out; it's already built-out, so there's not a lot of new revenue. But on top of that, that's where the bulk of costs are going to be and that we don't have the money for a lot of this. I also understood and I appreciated Commissioner Anaya's questioning of you, Chief, because I assumed we would deliver the level of services that the County was doing for the start and that's also what I assumed as a cost level. And then I got the BBER study and it was three-times what I had imagined. Staff has somewhat whittled it down and I'm not sure what the differences are there. So I don't feel that – there's still some unanswered details that we glossed over and I have to be honest the first really red flags about whether or not we could meet these phasing levels came from fire because it's very unclear how we will transition, how we will have a fire station – you know, all those details – that's very important. They're very important to the people who live there and I don't believe it's fair to leave people in suspension and not be represented.

I share some of your frustration of those that spoke and I am equally concerned that we're rushing to say, okay, we can meet these new phasing deadlines and let's hold hands and sway, when we're very uncertain at the City level as to how to pay for most of this.

CHAIR STEFANICS: Thank you. Are there any final comments before we adjourn? Yes, Councilor Trujillo.

COUNCILOR TRUJILLO: Thank you, Madam Chair. I'm kind of disappointed that we didn't get to fire so I am hoping that if we do have another meeting, like you said, Mayor, that they're first in line because I think the County Commission, I think the public needs to know – you know, we had that bond issue, it failed. We would have already started building a fire station in these areas and now we're looking at 2016 possibly when we get that fire station. And those are some issues that definitely need to come out. And, I'm going to ask the Chief to make sure that you have a report when you're called back because I want the public and I want the

County Commissioners to know exactly what ramifications will happen with the fire in these areas. Thank you.

COMMISSIONER MAYFIELD: Madam Chair.

CHAIR STEFANICS: Thank you. Commissioner Mayfield.

COMMISSIONER MAYFIELD: Madam Chair, I just want to state that I'm very encouraged by this meeting of these joint bodies. It's very educational to me. I'm very appreciative of hearing what the public has to say. I will go back with some questions to our County manager and City manager regarding some of the questions that were raised but I think that this is a great avenue. There are a lot of new people sitting on both these joining boards and I think it's beneficial. I just would ask and support that we continue these joint and I also am in concurrence with the recommendation by Councilor Wurzburger here of let's just look at some dates. We made a lot of movement right now with our two chief law enforcements in the City and the County of Santa Fe tonight and I'm very impressed by that and I just feel encouraged. Thank you.

CHAIR STEFANICS: Thank you. Councilor Calvert.

COUNCILOR CALVERT: Thank you, Chair. I know there has been a lot of talk tonight about budget and dollars and how long annexation has been out there and how many people are working on it and it's been a goal but I think the most important thing that we all to keep in mind and I'm sure that we do is that the goal of what we should be looking at is that annexation results and better service for all the constituents involved. And not any personal goals we may have around when we're going to do annexation but that we do it in a manner that achieves that goal.

CHAIR STEFANICS: Thank you very much. Any last comments before we adjourn. We are now adjourned and I'd like to thank everyone who came from the public, the staff, the City Council, the County Commission. We'll look forward to our next meeting.

V. ADJOURNMENT

Chair Stefanics declared this meeting adjourned at approximately 7:45 p.m.

Approved by:

Liz Stefanics, Commission Chair

FILED BY:

VALERIE ESPINOZA
SANTA FE COUNTY CLERK

ATTEST TO:

YOLANDA VIGIL
SANTA FE CITY CLERK

Respectfully submitted,

Karen Farrell, Wordswork

CITY OF SANTA FE

DAVID COSS, MAYOR

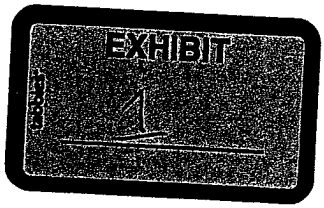
DATE: 9/19/12

(SEAL)

ATTEST:

YOLANDA Y. VIGIL
CITY CLERK

ITEM # 08-0382



SETTLEMENT AGREEMENT
AND MUTUAL RELEASE OF CLAIMS

This Settlement Agreement is entered by and between the Governing Body of the City of Santa Fe, New Mexico, a municipal corporation organized and existing under the Laws of the State of New Mexico (hereinafter referred to as "the City"), the Board of County Commissioners of Santa Fe County, a political subdivision of the State of New Mexico (hereinafter referred to as "the County"), the Extraterritorial Zoning Authority and the Extraterritorial Zoning Commission, extraterritorial planning and zoning bodies created through a Joint Powers Agreements by and between the City and County (entities created by the 1991 Joint Powers Agreement of the City and County and hereinafter referred to as "the EZA" and "the EZC"), and the owners of land within Area 10, as defined herein, whose signatures are included at the end of this Agreement (hereinafter collectively referred to as "Las Soleras"), all collectively referred to herein as "the parties."

WHEREAS, a dispute has arisen among the parties hereto over the proposed annexation of the proposed development known as "Las Soleras" and the dispute resulted in the filing of six lawsuits in the federal and State courts in New Mexico;

WHEREAS, the dispute concerning the annexation of Las Soleras led to differences of opinion between the City and the County over the issue of annexation in general;

WHEREAS, part of the mandate of the Regional Planning Authority, a joint City and County Board devoted to regional planning and established by the Fifth Amended

and Restated Joint Powers Agreement for the Regional Planning Authority (hereinafter referred to as "the RPA"), is to address the annexation issue, but the controversy over Las Soleras' application to the EZC and EZA arose before the RPA could complete its work;

WHEREAS, the dispute outlined above and the lawsuits have significantly burdened the parties, affected City/County relations, impaired the reasonable development of the City, and has burdened the County with an area that is largely urban;

WHEREAS, the parties desire to resolve all the disputes and lawsuits in a comprehensive settlement that: (i) permits annexation of Las Soleras (portions of area 10, identified on Attachment A hereto), (ii) permits annexation of Areas 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, the unannexed portion of Area 13, Areas 15, 16, 17 and 18, identified on Attachment A, in a way that does not unreasonably impact the City, the County, or the citizens residing in those areas, (iii) resolves annexation issue for a period of no less than twenty years and enables the City and County to effectively plan in their respective jurisdictions; (iv) addresses the need to establish sensible water and wastewater utility service areas for the City and County and remedies existing inconsistencies in the service areas in a reasonable way; and (v) focuses City/County interactions on positive intergovernmental projects rather than lawsuits and controversy; and

WHEREAS, the parties hereto therefore desire to enter into a binding agreement to settle the remaining lawsuits and all issues related thereto.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. **STIPULATED DISMISSAL OF ALL PENDING LITIGATION.** Upon final execution of this Agreement by all of the parties hereto, the parties shall file a stipulation of dismissal of each of the following cases:

a. *Las Soleras Oeste Ltd. Co., Geronimo Partnership, the Crossing LLC, Crowne Santa Fe LLC, Randall Schmille, Tierra de la Amigos LLC, and Burttram Family Investments LLC v. City of Santa Fe*, First Judicial District Court Cause No. D-0101-CV-2006-02397; and

b. *City of Santa Fe v. Santa Fe Extraterritorial Zoning Authority, Santa Fe Extraterritorial Zoning Commission and Las Soleras Ltd., J. Harmon Burttram and Anne Janssen, Faye E. Gardner, and Building Services Co., as owners of the proposed Development Known as the Las Soleras Development*, First Judicial District Court Cause No. D-0101-CV-2006-01555.

2. ANNEXATION OF AREAS 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, THE UNANNEXED PORTION OF AREA 13, AREAS 15, 16, 17 AND 18.

a. The City shall annex Areas 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, the unannexed portion of Area 13, Areas 15, 16, 17 and 18, all as shown on Attachment A.[1]

b. The annexations referred to in the previous paragraph shall be accomplished within the five year period commencing on the effective date of this Agreement. Annexations shall be accomplished through any of the means described in NMSA 1978, §§ 3-7-1 through 3-7-18 (1965)(as amended), but the petition method set forth in NMSA 1978, § 3-7-17.1 (2003) shall be preferred. In the event the Municipal Boundary Commission method set forth in NMSA 1978, §§ 3-7-11 through 3-7-16 (1965)(as amended) is used, or the petition method is used but all owners fail to sign the petition thus requiring action of the Extraterritorial Land Use Authority as set forth in

[1] The remaining portion of Area 10 will be annexed, but is addressed specially in Section 3 of this Agreement.

NMSA 1978, § 3-7-17.1(C) (2003), then the County shall fully cooperate with the City in the prosecution of the applications.

c. Area 1 and Area 12 shall be annexed but the rural residential zoning prevalent in the area shall be respected by the City following annexation and urban densities shall not be established within Area 1 or Area 12 during the term of this Agreement. Appropriate zoning shall be developed by the City for these areas prior to annexation.

d. Residents of Area 1 shall be permitted to submit a petition or petitions with the Board of County Commissioners to include portions of Area 1 in the Agua Fria Traditional Historic Community prior to annexation.

e. Area 7 shall be annexed concurrently or following annexation of Areas 2, 3, 4, and 5.

f. The City may annex Areas 1, 2, 3, 4, 5, 6, 8, 9, 11, 12, the unannexed portion of Area 13, 15, 16, 17 and 18,) immediately or, alternatively, may annex the areas sequentially over a period not to exceed five years. Specific target dates for filing of the appropriate petition with the Municipal Boundary Commission or the appropriate petition pursuant to the petition method shall be established by a separate written City-County Agreement. The City and the County immediately shall undertake a joint comprehensive survey of existing conditions within Areas 2, 4 and 5 to identify relevant public infrastructure in those areas that will be subject to the terms of this Agreement and to identify relevant public nuisances. The information gathered may be used to establish specific target dates for annexation and to plan annexation within those areas. Once agreed upon, the target dates may only be changed by subsequent written amendment.

g. Territory to be annexed pursuant to this Agreement shall be referred to herein as "Areas to be Annexed" and current city boundaries augmented by these Areas to be Annexed shall be referred to as within the "Presumptive City Limits." No areas outside the Presumptive City Limits shall be annexed for twenty years unless the City and the County specifically agree by separate written agreement. Area 14, the Rodeo Grounds and County Fair Grounds, shall remain unannexed.

h. The County approves the annexation of Areas 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, the unannexed portion of Area 13, Areas 15, 16, 17 and 18, and shall provide to the City such approvals in writing and in appropriate forums after due notice and opportunity to comment on annexations initiated by the petition method pursuant to NMSA 1978, § 3-7-17.1 (2003).

i. The Beatty annexation (a portion of area No. 10 described on Attachment C to this Agreement) shall be recorded immediately without objection by the County.

j. County roads lying within parcels to be annexed shall be annexed contemporaneously with the adjoining parcels, and any County road that serves as a boundary for annexed property shall be annexed contemporaneously to the right of way boundary opposite the parcel being annexed. Upon annexation of any road owned by the County as provided for in this paragraph, the City shall assume ownership and maintenance responsibilities, and the County thereafter shall have no responsibility for the road.

k. The County shall maintain existing county roads within the Areas to be Annexed to customary county maintenance standards until annexation by the City. This

Agreement shall not be construed to require the County to provide significant capital improvements to an existing road or construct a new road within the Areas to be Annexed in the absence of a separate written agreement by and between the City and County that provides a means for financing the capital improvements. No construction or other capital improvements to roads within the Presumptive City Limits shall be undertaken by the County after execution of this Agreement without first having obtained written approval from the City. Nothing in this Agreement shall absolve any person or entity from an obligation to complete roads as specified in any approved development plan the Areas to be Annexed.

l. The City shall not construct or maintain roads within the Areas to be Annexed except as provided in a separate written agreement of the City and the County.

m. The City shall provide water and wastewater service within the Presumptive City Limits and shall not provide water and wastewater service outside the Presumptive City Limits unless required by a current contract with a customer, decrees of a court, or applicable rulings of the Public Regulation Commission, unless otherwise agreed upon between the City and the County in a separate written agreement.

n. The water and wastewater utility service areas of the City and County shall coincide with the Presumptive City Limits; the City water and wastewater utility service area shall be within the Presumptive City Limits and the County utility service area shall be outside the Presumptive City Limits.

o. City water and wastewater customers outside the Presumptive City Limits will be transferred to the County when the County is able to provide service unless prohibited by a current contract with a customer, decrees of a court, or applicable rulings

of the Public Regulation Commission. Accordingly, upon consent or assignment, water and wastewater customers not in the City and outside of the Presumptive City Limits, such as those in the Aldea development, IAIA, and the Santa Fe Community College shall become County customers when the County is able to provide water and wastewater service. County water customers within the Presumptive City Limits shall be transferred to the City when the City is able to provide service unless prohibited by a current contract with a customer, decrees of a court, or applicable rulings of the Public Regulation Commission. Accordingly, upon consent or assignment, water customers within Area 7 shall become City customers when the City is able to provide service. The City and County Managers shall meet and confer and develop a plan to accomplish these transfers, and the plan shall be documented in a subsequent written amendment to this Agreement. The Plan shall include provisions for reimbursement of the City and County for the actual value of the infrastructure transferred as established by an appraisal prepared by an appraiser chosen by mutual agreement of the parties. If either party assumes a water delivery obligation for which the customer transferred water rights to the City or County, the City or County shall transfer those water rights, along with the customers, to the other party.

p. The County agrees to adopt an ordinance pursuant to NMSA 1978, § 7-2-14.3 (2003) to provide a partial property tax rebate for low-income taxpayers who have their principal place of residence in the County and, if deemed necessary by the Board of County Commissioners, to adopt a resolution to submit to the qualified electors of the County pursuant to NMSA 1978, §§ 7-2-14.4 (2001) and 7-2-14.5 (1994), the question whether to impose a property tax increase to fund the property tax rebate.

q. In addition to roads and water and wastewater service, discussed previously, the City shall provide municipal services within areas annexed pursuant to this Agreement, including but not limited to solid waste disposal, law enforcement and fire protection.

r. The County shall provide law enforcement and fire protection services to all areas outside of the Presumptive City Limits and to all Areas to be Annexed until annexation. In the area to be annexed that is most densely populated (between Airport Road and Agua Fria Road) and most in need of augmented law enforcement services, the County shall maintain its current level of law enforcement services until annexation and thereafter, by separate Joint Powers Agreement, for a period up to three years following annexation. The City shall immediately upon annexation match that level of law enforcement service provided by the County and over the three year period replace the County law enforcement services.

s. Nothing herein shall preclude interagency coordination of fire protection and law enforcement as set forth in other agreements or through informal means and the County shall continue to provide fire protection and law enforcement services at levels required by such agreements currently in force.

t. The City shall provide to the County, through electronic means if feasible, information concerning the boundaries of each annexation as soon as possible after the annexation is complete so that the City and County will each have the correct City limits on their respective books and records.

u. No further annexation except those specifically set forth in this Agreement will be permitted for twenty years from the effective date of this Agreement unless agreed to in writing specifically by the City and County.

v. Supplemental joint service agreements may be negotiated from time to time between the City and County whereby City services may be provided in advance of annexation, on terms agreeable to the parties.

w. The parties shall sign and record all documents necessary to accomplish the foregoing.

3. ANNEXATION, AREA 10.

a. Las Soleras (a portion of Area No. 10, Attachment A) shall be annexed via a landowner-initiated "Petition Method" application as set forth in NMSA 1978, §3-7-17 A (2) The application shall be submitted to the City of Santa Fe Governing Body immediately upon execution of this Agreement and shall consist of an (1) Annexation Petition, (2) General Plan Amendment and (3) Rezoning, all consistent with the map attached as Attachment B, which map includes the approvals granted by the Extraterritorial Zoning Authority in Case # Z/V 04-4592 (the "Presbyterian Project"). It is expressly understood and agreed that this Agreement does not constitute an approval of any portion of the Application or the map attached hereto as Attachment B.

b. Richards Avenue between Governor Miles and Interstate 25, together with its right of way, shall be annexed contemporaneously with Area 10 as described in paragraph 3(a). The County will consent in writing to the annexation, including the annexation of Richards Avenue. Upon annexation, the County shall provide a quitclaim deed to the City for Richards Avenue between Governor Miles and Interstate 25. The

City shall, upon annexation of Richards Avenue, assume ownership and maintenance and the County shall have no responsibility therefore.

c. The portion of Beckner Road owned by the County shall be annexed along with the annexation of Area 10 as described in paragraph 3(a). The County will consent in writing to the annexation of Beckner Road. Upon annexation, the County shall provide a quitclaim deed for the portion of Beckner Road that it owns. The City shall, upon annexation of Beckner Road, assume ownership and maintenance and the County shall have no responsibility therefore.

d. Any changes to the zoning of Area 10 after the Governing Body's approval of the Annexation Petition, General Plan Amendment, and Rezoning, as described in 3(a) above, shall require rezoning pursuant to City ordinances. Immediately following the Governing Body's approval of the Annexation Petition, General Plan Amendment and Rezoning described in 3(a) above, all additional approvals necessary for development of Area 10 including, but not limited to, preliminary and final development approval, shall be within the City of Santa Fe's jurisdiction.

e. The success of Area 10 is critical to the success of the annexation strategy set forth herein. Accordingly, the City shall in accordance with its applicable ordinances, regulations and rules, issue building permits and other necessary approvals when request by Las Soleras without unreasonable delay.

f. The parties shall sign and record all documents necessary to accomplish the foregoing, including documents, plans, plats and ordinances required.

g. As of the effective date of this Agreement, Las Soleras is within the water service area of the County. The parties acknowledge that Las Soleras has submitted

a Water Dedication and Acknowledgment form to the County in accordance with adopted County water policy in the amount of 36 acre-feet of valid pre-1907 consumptive use water rights (the "Water Rights") and is beginning the process of transferring the Water Rights to the County to provide for delivery of that amount of water to serve the proposed Presbyterian Project.

The Parties agree that after annexation to the City, the Water Rights shall be transferred by the County to the City and the entitlements to water service from the County will be accepted by the City after they have assumed ownership of the Water Rights. The City shall provide water service to the proposed Presbyterian Project or successor project in the amount of Water Rights transferred to it by the County and in accordance with its water transfer ordinance in effect at that time; provided however, that Las Soleras agrees that after the Water Rights are transferred the City, if the City requests that the transferred Water Rights be transferred to the Buckman well field, Las Soleras agrees to ensure that the point of diversion for use of the transferred Water Rights shall be the Buckman well field.

h. As of the effective date of this Agreement, Las Soleras is within the sewer service area of the County. The parties acknowledge and agree that upon application for annexation of Las Soleras in accordance with subsection a, above, the City shall issue a "can and will serve" letter to Las Soleras for sewer service in accordance with its rules and regulations.

4. THE EXTRATERRITORIAL ZONING AUTHORITY AND EXTRATERRITORIAL ZONING COMMISSION.

a. The City and County will execute a Joint Powers Agreement for the two mile extraterritorial zone and the five mile planning and platting jurisdiction to abolish the EZA and the EZC in their present form and to establish by ordinances an Extraterritorial Land Use Authority and Extraterritorial Land Use Commission pursuant to NMSA 1978 §3-21-3.2 (2003) exclusively for the following three purposes: (1) to delegate all authority possessed by the City over areas *outside* the Presumptive City limits to the County, including specifically the City's concurrent planning and platting and subdivision approval authority pursuant to NMSA 1978, § 3-20-5 (1965) and the City's concurrent zoning authority pursuant to NMSA 1978, § 3-21-2 (2003) which areas shall be zoned and platted by the County pursuant to its Land Development Code, including specifically the County's concurrent planning and platting authority pursuant to NMSA 1978, § 3-20-5 (1965) and the County's concurrent zoning authority pursuant to NMSA 1978, § 3-21-2 (2003); (2) to delegate planning, platting, subdivision approval and zoning jurisdiction over areas *inside* the Presumptive City Limits to the City, as set forth in this Agreement, which areas shall be zoned and platted based on the RPA Land Use Plan and other appropriate planning tools such as the Southwest Area Master Plan or subsequently-developed plans; upon annexation, property within the areas to be annexed shall receive, as preliminary zoning, the zoning in place prior to annexation; and (3) to address annexation petitions filed with the City pursuant to this Agreement and NMSA 1978, § 3-7-17.1 (2003).

5. **RELEASE OF CLAIMS.** In consideration of full performance of the terms recited herein, the parties hereby release and forever discharge each other, and their Elected Officials, officers, directors, employees, agents, adjusters, assigns, insurers,

underwriters and attorneys from any and all past, present, or future claims that can, may or should arise from any of the various lawsuits detailed above, or for any other injuries, losses or damages arising out of the lawsuits or disputes outlined above. In consideration of full performance of the terms recited herein, the parties hereby release and forever discharge each other, and their Elected Officials, members, officers, directors, employees, agents, adjusters, assigns, insurers, underwriters and attorneys, from any and all past, present or future claims for violations of ordinances, laws, statutes or property damage, economic loss, or any other claims, injuries, losses or damages which the parties have or claims to have arisen out of the lawsuits or disputes.

6. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico. The parties have participated substantially in the negotiation and drafting of this Agreement and each Party hereby disclaims any defense or assertion in any litigation that any ambiguity herein should be construed against the draftsman.

7. ENTIRE AGREEMENT. This Agreement, including the Attachments hereto, and the documents delivered pursuant hereto, and excepting the subsequent amendments and agreements specifically mentioned herein that are required to effectuate the terms of this Agreement, constitute the entire agreement between the parties and supersede all prior and contemporaneous agreements, discussions, negotiations, representations, and understandings of the parties pertaining to the subject matter contained herein. No changes of, modifications of, or additions to this Agreement shall be valid unless the same shall be in writing and signed by all parties hereto.

8. **SEVERABILITY.** If any provision of this Agreement shall be determined to be contrary to law and unenforceable by any court, the remaining provisions shall be severable and enforceable in accordance with their terms. Failure of any party to insist upon strict conformance to the provisions of this Agreement shall not constitute a waiver of any of the provisions hereof.

9. **COUNTERPARTS.** This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which counterparts collectively shall constitute one instrument representing the Agreement between the parties hereto.

10. **ATTORNEYS FEES.** The parties agree that should this matter be settled under the terms herein, each party will bear its own costs and attorneys fees, except that the City shall reimburse the County for one-half of the attorneys' fees the County expended defending the EZA and EZC, and their members, of the matters referred to in paragraph 1 of this Agreement.

11. **REQUIRED APPROVALS.** The parties acknowledge that this Settlement Agreement must be adopted by the Governing Body of the City of Santa Fe and the Board of County Commissioners of Santa Fe County to be of legal force and effect.

12. **ADMISSIONS.** Nothing in this Settlement Agreement shall constitute or be construed as an admission on behalf of any party as to the validity of any claims, defenses or allegations asserted in the litigation.

13. **LEGAL COUNSEL.** The parties represent and warrant that each has been represented by separate legal counsel of its own choosing throughout the negotiations; that each party has carefully and thoroughly reviewed this Settlement Agreement with its

counsel; that its counsel has approved it as to form; and that each party understands the terms herein. Each of the parties acknowledges that in executing this Settlement Agreement, it relies solely on its own judgment, belief and knowledge and on such advice as it has received from its own counsel.

14. AMENDMENTS. This Settlement Agreement can only be amended or modified by a written agreement duly executed by all of the parties.

15. EFFECTIVE DATE. This Settlement Agreement shall become effective as of the date of the last signature below.

16. TERM. The term of this agreement shall be twenty years.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of last signature below.

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

By: _____ 5/14/08
Jack Sullivan, Chair — Date

ATTEST:

_____ 5-15-08
Valerie Espinoza, County Clerk — Date

Approved as to form:

_____ 5-5-08
Stephen C. Ross, County Attorney — Date

THE GOVERNING BODY OF THE CITY OF SANTA FE

By: David Coss
David Coss, Mayor

5/19/08
Date

ATTEST:

Yolanda Y. Vigil
Yolanda Y. Vigil, City Clerk

5/19/08
Date

Approved as to form:

Frank D. Katz, City Attorney

5/19/08
Date

LAS SOLERAS DEL SUR, LLC
a New Mexico Limited Liability Company

By: _____
Gordon L. Skarsgard, Managing Operations Member BY JOSH SKARSGARD, ATTY. IN FACT

By: _____
John J. Mahoney, Managing Operations Member

By: _____
J. Harmon Burttram, Managing Oversight Member

GERONIMO EQUITIES, LLC
a New Mexico Limited Liability Company

By: _____
Fred Gardner, Managing Member

STATE OF NEW MEXICO)
) ss.
COUNTY OF Bernalillo)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me on the 2nd day of May, 2008 by John J. Mahoney, Vice President of Beckner Road Equities, Inc., and Attested to by Joshua J. Skarsgard, Secretary of Beckner Road Equities, Inc.

OFFICIAL SEAL
Sandra D Levy
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 10-19-2011

_____
Notary Public

My Commission Expires: 10-19-2011

STATE OF NEW MEXICO)
) ss.
COUNTY OF Bernalillo)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me on the 2nd day of May, 2008 by Gordon L. Skarsgard, Managing Member and John J. Mahoney, Managing Member of Las Soleras Community Design, LLC, a New Mexico limited liability company.

OFFICIAL SEAL
Sandra D Levy
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 10-19-2011

Sandra D. Levy
Notary Public

My Commission Expires: 10-19-2011

STATE OF NEW MEXICO)
) ss.
COUNTY OF Bernalillo)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me on the 2nd day of May, 2008 by John J. Mahoney, Managing Operations member, and Gordon L. Skarsgard, Managing Operations Member, and Randall W. Eakin, Managing Oversight Member of Las Soleras Oeste, Ltd. Co., a New Mexico limited liability company.

OFFICIAL SEAL
Sandra D Levy
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 10-19-2011

Sandra D. Levy
Notary Public

My Commission Expires: 10-19-2011

STATE OF NEW MEXICO)
) ss.
COUNTY OF Bernalillo)

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me on the 2nd day of May, 2008 by Gordon L. Skarsgard, Managing Operations Member, John J. Mahoney, Managing Operations Member of Las Soleras Del Sur, LLC, a New Mexico Limited Liability Company.

OFFICIAL SEAL
Sandra D Levy
NOTARY PUBLIC - STATE OF NEW MEXICO
My Commission Expires: 10-19-2011

Sandra D. Levy
Notary Public

My Commission Expires: 10-19-2011

SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS

ANNEXATION PHASING AGREEMENT

EXTRATERRITORIAL AND USE JOINT POWERS AGREEMENT

PROGRESS MATRIX

ACTION	PROGRESS	CITATION
Pending litigation dismissed	Action completed	1.a, 1.b
Annexation of areas designated on maps	Phase I complete	2.a
Preference for annexation through petition method	Action completed. City/County Extraterritorial JPA	2.b
Rural residential zoning preferred for Areas 1 and 12	Accomplished -- ELUA - Ordinance No. 2009-01	2.c
Finalization of Agua Fria Traditional Historic Community boundary	Accomplished	2.d
Annexation of Area 7 concurrently with Areas 2, 3, 4 and 5	Accomplished -- Annexation Phasing Agreement	2.e
Annexation Phasing -- three phases over "five years"	Annexation Phasing Agreement	2.f
Annexation Phasing Agreement -- Phase I filed no later than 12-31-08	Action completed	
Las Soleras Annexation filed immediately	Action completed	
Beatty annexation	Action completed	2.i

City water and wastewater customers outside Presumptive City Limits transferred to the County when the County is able to provide service	Not completed. Pending agreement.	2.o
Water and wastewater customers shall become County customers when the County is able to provide service	Not completed. Pending agreement.	2.o
Water and wastewater customers shall become City customers when the City is able to provide service	Not completed. Pending agreement.	2.o
City and County managers to confer and develop a plan to accomplish transfers, document in a separate written agreement	In process. City and County managers leading discussions. Agreement in draft form.	2.o
Low income property tax	Accomplished -- Ordinance No. 2009-02	2.p
City provides municipal services (solid waste disposal, law enforcement and fire protection) in areas that are annexed	Phase I - completed.	2.q
County provides law enforcement and fire service until annexation	Phase I -- completed	2.r
County provides law enforcement on Airport Road and Agua Fria Road until annexation and then at a level specified in a written agreement	Not completed - areas not annexed. Three year phase out	2.r

SFC CLERK RECORDED 04/16/2009

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

ORDINANCE NO. 2009- 2

AN ORDINANCE CREATING THE LOW INCOME TAX REBATE; ESTABLISHING THE TAX YEARS TO WHICH THE REBATE APPLIES; PROVIDING FOR REPEAL FOLLOWING THE PUBLIC HEARING PROVIDED FOR IN NMSA 1978, SECTION 7-2-14.3 (2003)

BE IT ORDAINED BY THE GOVERNING BODY OF SANTA FE COUNTY, NEW MEXICO:

Section One. Creating the Low Income Tax Rebate. The low income tax rebate provided by NMSA 1978, Section 7-2-14.3 (2003) shall be and hereby is adopted in Santa Fe County for the 2009.

Section Two. Tax Years to Which Rebate is Applicable. The Low Income Tax Rebate created in Section 1 of this Ordinance shall apply to the 2009 tax year and to subsequent tax years until repealed as set forth in Section Three of this Ordinance.

Section Three. Repeal. Repeal of the Low Income Tax Rebate may be accomplished by ordinance, following the biannual public hearing described in NMSA 1978, Section 7-2-14.3.

PASSED, APPROVED AND ENACTED this 14th day of April, 2009, by the Board of County Commissioners of Santa Fe County.

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

By: _____
Mike Anaya, Chair

ATTEST:

_____
Valerie Espinoza, Santa Fe County Clerk

COUNTY CLERK SANTA FE COUNTY NEW MEXICO VALERIE ESPINOZA

Approved As To Form:

_____
Stephen C. Ross, County Attorney

COUNTY CLERK SANTA FE COUNTY NEW MEXICO VALERIE ESPINOZA

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC ORDINANCE
PAGES: 1

I Hereby Certify That This Instrument Was Filed for Record On The 16TH Day Of April, 2009 at 09:22:26 AM And Was Duly Recorded as Instrument # 1559323 Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Valerie Espinoza
Deputy _____ County Clerk, Santa Fe, NM

ITEM # 08-1112

SFC CLERK RECORDED 02/12/2009

ANNEXATION PHASING AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE COUNTY

This Agreement is entered by and between the Governing Body of the City of Santa Fe, New Mexico, a municipal corporation organized and existing under the Laws of the State of New Mexico (hereinafter referred to as "the City"), the Board of County Commissioners of Santa Fe County, a political subdivision of the State of New Mexico (hereinafter referred to as "the County").

WHEREAS, the City and County entered into a Settlement Agreement and Mutual Release of Claims dated May 19, 2008 (the "Agreement");

WHEREAS, the Agreement provided for the annexation over the succeeding five years of 17 areas of land currently within the County the phasing of which would be set by further agreement;

WHEREAS, the Agreement provides for Area 10 to be annexed by landowner-initiated petition and such petition has been file with the City;

WHEREAS, the Agreement calls for the replacement of the Extraterritorial Zoning Commission (EZC) and Extraterritorial Zoning Authority (EZA) with the Extraterritorial Land Use Commission (ELUC) and the Extraterritorial Land Use Authority (ELUA);

WHEREAS, the City and the County, by Ordinance, have established the ELUC and ELUA and have by Joint Powers Agreement abolished the EZA and EZC and specified the authorities and powers of the ELUC and ELUA; and

WHEREAS, the parties hereto now desire to specify target dates for the filing of appropriate petitions for annexations anticipated in the Agreement.

SFC CLERK RECORDED 02/12/2009

NOW, THEREFORE, THE CITY AND THE COUNTY AGREE AS FOLLOWS:

1. **LAS SOLERAS ANNEXATION.** The City will continue to process the annexation petition filed by the Las Soleras owners for a portion of Area 10.

2. **PHASE ONE OF ANNEXATION.** The City will file a petition for annexation of Areas 3, 6, 8, 9, the remaining portion of 10, 11, 13, 15, 16, 17 and the I-25 right-of-way from NM 599 to Old Pecos Trail and that portion of NM 14 (Cerrillos Road) from I-25 to the current city limit by the end of 2008.

3. **PHASE TWO OF ANNEXATION.** The City will file a petition for annexation of Areas 2, 4, 5, 7 and the NM 599 right-of-way from I-25 to the city limits east of Camino La Tierra by the end of 2011.

4. **PHASE THREE OF ANNEXATION.** The City will file a petition for annexation of Areas 1, 12, 18 and the NM 475 (Hyde Park Road) right-of-way from the current city limits to the Santa Fe National Forest boundary by the end of 2012.

5. **AMENDMENT.** This Annexation Phasing Agreement can be amended or modified only by a written agreement duly executed by all of the parties.

6. **EFFECTIVE DATE.** This Annexation Phasing Agreement shall become effective as of the date of the last signature below.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of last signature below.

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

By: Mike Anaya 2/10/09
Mike Anaya, Chairman — Date

ATTEST:
Valerie Espinoza 2/10/09
Valerie Espinoza, County Clerk — Date

COUNTY CLERK SANTA FE COUNTY NEW MEXICO

SFC CLERK RECORDED 02/12/2009

Approved as to form:

Stephen C. Ross, County Attorney — 1-27-09 Date

THE GOVERNING BODY OF THE CITY OF SANTA FE

By: David Coss — 11/24/08 Date
David Coss, Mayor

CITY OF SANTA FE ORGANIZED 1610 SEAL

ATTEST:

Yolanda Y. Vigil, City Clerk — 11-25-08 Date

Approved 11/12/08

Approved as to form:

Frank D. Katz, City Attorney — 11/13/08 Date

David N. Millican, Finance Director — 11/20/08 Date

ANNEXATION AGREE (N/C)
PAGES: 3

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

I Hereby Certify That This Instrument Was Filed for Record On The 12TH Day Of February, 2009 at 09:45:42 AM And Was Duly Recorded as Instrument # 1552072 Of The Records Of Santa Fe County

COUNTY CLERK SANTA FE COUNTY NEW MEXICO VALERIE ESPINOZA

Witness My Hand And Seal Of Office
Valerie Espinoza
Deputy _____ County Clerk, Santa Fe, NM

DRAFT

AMENDMENT NO. 1 TO THE ANNEXATION AGREEMENT BETWEEN THE CITY OF SANTA FE AND SANTA FE COUNTY

This Amendment No. 1 to the Annexation Phasing Agreement is entered by and between the Governing Body of the City of Santa Fe, New Mexico, a home-rule municipality organized under the Laws of the State of New Mexico (hereinafter referred to as "the City"), and the Board of County Commissioners of Santa Fe County, a political subdivision of the State of New Mexico (hereinafter referred to as "the County").

WHEREAS, the City and County entered into the Settlement Agreement and Mutual Release of Claims dated May 19, 2008 (the "Agreement");

WHEREAS, the Agreement provided for annexation over a five year period of seventeen areas of land, and the phasing of the annexation was to be established by subsequent agreement of the parties;

WHEREAS, the Parties entered into the Annexation Phasing Agreement in February of 2009 to establish the timing of annexation;

WHEREAS, since May 2008, the parties hereto have accomplished many items necessary for satisfaction of the Agreement, but several important items remain, including two additional phases of annexation, execution of an agreement implementing the water/sewer/solid waste items in the Agreement, a law enforcement agreement, and a formal or informal agreement concerning roads and fire protection within the areas to be annexed;

WHEREAS, the process of annexation has taken longer than anticipated, and additional time will be required to complete the items described; and

WHEREAS, the parties therefore desire to set forth herein new target dates for the completion of the various remaining tasks specified in the Agreement.

DRAFT

NOW, THEREFORE, THE PARTIES HERETO AGREE that the Annexation Phasing Agreement shall be and hereby is amended as set forth below:

1. Paragraph 3 of the Annexation Phasing Agreement shall be amended, as follows:

> "**3. PHASE TWO OF ANNEXATION.** The City will file a petition or petitions for annexation of Areas, 2, 4, 5, 7 and the NM 599 right-of-way from I-25 to the city limits east of Camino La Tierra no later than _____."

2. Paragraph 4 of the Annexation Phasing Agreement shall be amended, as follows:

> "**4. PHASE THREE OF ANNEXATION.** The City will file a petition or petitions for annexation of Areas, 1, 12, 18 and the NM 475 (Hyde Park Road) right-of-way from the current city limits to the Santa Fe National Forest boundary be filed no later than _____."

3. A new paragraph 7 of the Annexation Phasing Agreement is created, as follows:

> "**7. WATER/SEWER/SOLID WASTE AGREEMENT.** The City and County Managers and staff will diligently work towards finalization and final execution of the "Agreement Required By the Settlement Agreement and Release of Claims," which is required by paragraph 2(o) of the Agreement, and concerns water, wastewater and solid waste service issues during and following annexation; the Agreement shall be completed no later than _____."

DRAFT

4. A new paragraph 8 of the Annexation Phasing Agreement is created, as follows:

"**8. LAW ENFORCEMENT/FIRE AGREEMENT.** The City and County will diligently work towards finalization and final execution of an agreement that will specify the manner in which the County and the County Sheriff will assist the City police during the three years following annexation of certain specified areas within Phase Two, which is required by paragraph 2(r) of the Agreement; this Agreement shall be completed no later than _____."

4. A new paragraph 9 of the Annexation Phasing Agreement is created, as follows:

"**9. ROADS, PHASE TWO.** The parties acknowledge that the City and County Managers and appropriate staff are already working to implement paragraph 2(k) of the Agreement, with respect to roads within the areas to be annexed, and paragraphs 2(q), 2(r) and 2(s), which concern fire protection in the areas to be annexed and annexed areas. The parties do not anticipate a written agreement will be required to complete these tasks, and anticipate reaching full agreement on this issue no later than _____."

5. This Amendment No. 1 to the Annexation Phasing Agreement shall become effective as of the date of the last signature below.

DRAFT

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of last signature below.

THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

By:_____ _____
Liz Stefanics, Chair Date

ATTEST:

_____ _____
Valerie Espinoza, County Clerk Date

Approved as to form:

_____ _____
Stephen C. Ross, County Attorney Date

THE GOVERNING BODY OF THE CITY OF SANTA FE

By:_____ _____
David Coss, Mayor Date

ATTEST:

_____ _____
Yolanda Y. Vigil, City Clerk Date

Approved as to form:

_____ _____
Geno Zamora, City Attorney Date

_____ _____
Dr. Melville L. Morgan, Finance Director Date

ITEM # 08-0903

SANTA FE COUNTY AND CITY EXTRATERRITORIAL LAND USE JOINT POWERS AGREEMENT

This EXTRATERRITORIAL LAND USE JOINT POWERS AGREEMENT ("Agreement") between Santa Fe County ("County"), a political subdivision of the State of New Mexico, and the City of Santa Fe ("City"), a municipal corporation, is entered into on this 10th of September, 2008, for the purpose of clarifying matters of jurisdiction and approvals relating to planning, platting, subdivisions, zoning and annexation in the extraterritorial zones within the concurrent jurisdiction of both the County and the City.

RECITALS

WHEREAS

A. In accordance with the Joint Powers Agreement Act, §§11-1-1 through 11-1-7 NMSA 1978 the City and the County are public agencies and are authorized by law to enter into this agreement;

B. The City and County desire to clarify the jurisdiction each has over planning and platting, subdivisions, zoning, permitting and annexation with regard to the extraterritorial territory within two and five miles of city boundaries that are within the concurrent jurisdiction of the City and the County;

C. NMSA 1978 §3-21-3.2 authorizes cities and counties to enter into joint powers agreements and enact ordinances to work cooperatively on issues of planning, platting and subdivision, zoning, permitting and annexation in the territory within the concurrent jurisdiction of the City and the County;

D. The City and County have previously entered into a Joint City/County Extraterritorial Zoning and Subdivision Agreement establishing an Extraterritorial Zoning Authority and Extraterritorial Zoning Commission, which Agreement has been amended several times;

E. Disputes arose over planning and annexation matters within the extraterritorial zone that led to several lawsuits involving the City, the County and others; and

F. The City and County have resolved differences over annexation issues with a Settlement Agreement dated May 19, 2008, in which the City and County have agreed to a different approach to handling planning and plating, subdivision, zoning, permitting and annexation matters in the extraterritorial zone.

NOW, THEREFORE, THE CITY AND THE COUNTY HEREBY AGREE:

I. TERMINATION OF THE JOINT CITY/COUNTY EXTRATERRITORIAL ZONING AND SUBDIVISION AGREEMENT (1991)

The City and County hereby terminate the Joint City/County Extraterritorial Zoning and Subdivision Agreement (1991), as amended.

II. EXTRATERRITORIAL LAND USE AUTHORITY AND EXTRATERRITORIAL LAND USE COMMITTEE.

A. Establishment - By City and County Ordinances, the City and the County shall establish a Santa Fe Extraterritorial Land Use Authority (ELUA) and Santa Fe Extraterritorial Land Use Commission (ELUC) pursuant to NMSA 1978 § 3-21-3.2.

B. Extraterritorial Land Use Authority - The ELUA shall be made up of three members of the City Council or two members of the City Council and the Mayor, and four members of the Board of County Commissioners. The remaining member of the board of county commissioners shall be appointed as an alternate to the ELUA and the City shall appoint alternates from among the remaining city councilors. The alternates shall be notified prior to a meeting of the ELUA if an appointed member cannot attend. When replacing a member, an alternate shall have the same duties, privileges and powers as other appointed members.

C. Extraterritorial Land Use Commission - The ELUC shall be composed of five members of the county planning commission appointed by the Board of County Commissioners of Santa Fe County and five members of the Planning Commission of the City of Santa Fe appointed by the City Council. Alternates to the ELUC shall be appointed by the Board of County Commissioners from the remaining members of the Santa Fe County Planning Commission and by the City of Santa Fe from the remaining members of the Planning Commission, who shall be notified prior to a meeting of the ELUC if an appointed member cannot attend. When replacing a member, the alternate shall have the same duties, privileges and powers as other appointed members.

III. ANNEXATION - The ELUC shall review and recommend to the ELUA approval or disapproval of annexation petitions brought pursuant to NMSA 1978 § 3-7-17.1, and the ELUA shall approve or disapprove such petitions.

IV. EXTRATERRITORIAL JURISDICTION OVER ZONING - With regard to that area lying outside the municipal boundaries and within two miles of the municipal boundary over which the City and the County have concurrent zoning authority, the City and the County through this Joint Powers Agreement hereby provide for zoning as follows:

A. over those lands lying outside the Presumptive City Limits, as defined in that certain Settlement Agreement entered into between the City and County dated May 19, 2008, the City and the County, through the ELUC and the ELUA, shall adopt County zoning ordinances as the Extraterritorial Zoning Ordinance for that zone and shall expressly delegate to the County all decisions with regard to zoning in that area and by such delegation hereby ratify such decisions; and

B. over those lands within the Presumptive City Limits, the City and the County, through the ELUC and ELUA, shall adopt City zoning ordinances as the Extraterritorial Zoning Ordinance for that zone and shall expressly delegate to the City all decisions over zoning in that area and by such delegation hereby ratify such decisions.

V. PLATTING AND SUBDIVISION APPROVAL - With regard to that area lying outside municipal boundaries but within five miles of the municipal boundaries over which the City and the County have concurrent planning, platting and subdivision jurisdiction, the City and the County through this Joint Powers Agreement hereby provide for planning, platting and subdivision determinations as follows:

A. the City and County, through the ELUC and the ELUA, shall adopt County ordinances as the applicable platting and subdivision rules for lands outside the Presumptive City Limits and shall expressly delegate to the County platting and subdivision review and approval decisions for that area and by such delegation hereby ratify those decisions; and

B. the City and the County, through the ELUC and the ELUA, shall adopt City ordinances as the applicable platting and subdivision rules for lands within the Presumptive City Limits and shall expressly delegate to the City planning, platting and subdivision review and approval decisions over lands within that area and by such delegation hereby ratify those decisions.

VI. PERMITTING – With regard to lands within the Presumptive City Limits for which final development approvals have been granted by the City pursuant to the delegations described above, the permitting of construction shall be delegated by the County to the City under applicable building codes.

V. REGIONAL PLANNING AUTHORITY – The City and the County shall conduct regional planning through the Regional Planning Authority established in the Sixth Amended and Restated Regional Planning Authority Joint Powers Agreement dated _____, 2008. The ELUC shall provide such information and consultation to the Regional Planning Authority as the Regional Planning Authority may direct.

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF SANTA FE

DAVID COSS, MAYOR

ATTEST

YOLANDA Y. VIGIL, CITY CLERK

ccmtg 9/10/08

APPROVED AS TO FORM:

FRANK D. KATZ, CITY ATTORNEY

THE BOARD OF COUNTY COMMISSIONERS OF
SANTA FE COUNTY

_____
PAUL CAMPOS, CHAIR

ATTEST:

_____
VALERIE ESPINOZA, COUNTY CLERK

APPROVED AS TO FORM:

_____
STEPHEN C. ROSS, COUNTY ATTORNEY

THIS Agreement HAS BEEN APPROVED BY:

State of New Mexico
Department of Finance Administration

By: _____

Date: _____

DRAFT

AGREEMENT REGARDING WATER, WASTEWATER AND SOLID WASTE REQUIRED BY THE SETTLEMENT AGREEMENT AND MUTUAL RELEASE OF CLAIMS

THIS AGREEMENT is made and entered into as of this ___ day of _____, 2011, by and between **the Board of County Commissioners of Santa Fe County**, a political subdivision of the State of New Mexico (hereinafter referred to as "the County") and the **City of Santa Fe**, a municipal corporation organized and existing under the laws of the State of New Mexico (hereinafter referred to as "the City").

WHEREAS, the City and the County entered into a Settlement Agreement and Mutual Release of Claims (hereinafter referred to as "the Settlement Agreement") dated May 19, 2008 to resolve ongoing lawsuits concerning the proposed annexation of Las Soleras and annexation generally;

WHEREAS, the Settlement Agreement established the presumptive city limits for a twenty-year period ("Presumptive City Limits") and the coincident service areas of the City and County utilities;

WHEREAS, the Settlement Agreement at paragraph 2(o) specifies that "City water and wastewater customers outside the Presumptive City Limits will be transferred to the County when the County is able to provide service unless prohibited by a current contract with a customer, decrees of a court, or applicable rulings of the Public Regulation Commission";

WHEREAS, the Settlement Agreement at paragraph 2(o) also provides that "County water customers within the Presumptive City Limits shall be transferred to the City when the City is able to provide service unless prohibited by a current contract with a customer, decrees of a court, or applicable rulings of the Public Regulation Commission";

WHEREAS, paragraph 2(o) also provides that the City and County managers shall meet and confer and develop a plan to accomplish these transfers;

WHEREAS, the plan specified in Paragraph 2(o) was to include "provisions for reimbursement of the City and County for the actual value of the infrastructure transferred as established by an appraisal prepared by an appraiser chosen by mutual agreement of the parties";

WHEREAS, paragraph 2(o) also provides that "[i]f either party assumes a water delivery obligation for which the customer transferred water rights to the City or County, the City or County shall transfer those water rights along with the customers, to the other party";

WHEREAS, the parties desire to enter into a written agreement that sets forth how the duties described in paragraph 2(o) of the Settlement Agreement will be accomplished and describes a process of water and wastewater transfers of customers and infrastructure between the City and the County based on the Presumptive City Limits;

WHEREAS, the Settlement Agreement at paragraph 2(q) provides that "the City shall provide municipal services within areas annexed pursuant to this Agreement, including but not limited to solid waste disposal . . .";

WHEREAS, paragraph 2(v) of the Settlement Agreement provides that "[s]upplemental joint service agreements may be negotiated from time to time between the City and County whereby City services may be provided in advance of annexation, on terms agreeable to the parties;"

WHEREAS, the Annexation Phasing Agreement Between the City of Santa Fe and Santa Fe County (hereinafter referred to as "the Phasing Agreement"), dated February 10, 2009, has been partially satisfied to the extent that Areas 3, 6, 8, 9 and portions of 10, 11, 13, 15, 16, 17 and the I-25 right-of-way from NM 599 to Old Pecos Trail and that portion of NM 14 from I-25 to the current city limits have been annexed;

WHEREAS, plans for staffing and equipment sufficient to provide solid waste services in the areas designated for annexation must be implemented well in advance in order to ensure a seamless transition; and

WHEREAS, the City desires to provide solid waste services within the Presumptive City limits in advance of the Settlement Agreement and the County is presently revising its solid waste ordinance to provide for curbside collection and is willing to facilitate such an arrangement for the benefit of the City; and

WHEREAS, and the parties desire to address the solid waste issue herein, and realign the respective water and sewer infrastructure of the parties to be consistent with the Settlement Agreement and otherwise to set forth herein the respective agreements on these and other points in general furtherance of the goals expressed in the Settlement Agreement.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

I. SOLID WASTE AND REFUSE SERVICE

A. The County shall enact an ordinance that establishes a mandatory system of solid waste collection within the Presumptive City Limits that includes curbside pickup of residential and commercial refuse, curbside pickup of recyclable materials. The ordinance shall prohibit refuse collection and collection of recyclable materials within the Presumptive City Limits (and other areas) by any hauler except from those designated specifically in the ordinance.

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B. The ordinance referred to in the previous paragraph shall contain substantially similar conditions of service and provisions concerning penalties and enforcement as those found in the Santa Fe City Code.

C. Once the ordinance referred to in the previous paragraphs is enacted, the County shall delegate to the City responsibility for refuse collection within the Presumptive City Limits. The ordinance and the delegation shall be completed on or about August, 2012. The City shall be delegated responsibility to impose its usual and customary charges on solid waste customers within the Presumptive City Limits.

II. WATER AND SEWER SERVICE

A. Pursuant to the Settlement Agreement, water and wastewater services shall be provided by the entity in whose jurisdiction the services are provided. Water and wastewater services within the Presumptive City Limits shall be provided by the City. Water and wastewater services outside of the City and outside of the Presumptive City Limits shall be provided by the County.

B. Water and wastewater services that are not consistent with the previous paragraph shall be made consistent by transferring the system and customers to the other party as specified in this Agreement.

C. The City and the County shall provide detailed information on those portions of their respective systems that are to be transferred to the other party pursuant to this Agreement, including, if available, engineer/surveyor-sealed as-built drawings, GIS-mapped lines, valve and meter locations, meter numbers, location of manholes, water quality data, water compliance documents, and other pertinent information.

D. The City and County managers shall appoint members to a technical transition team comprised of water and wastewater staff of the City and County, who will inventory all of the water and wastewater resources subject to this Agreement, determine the technical issues to be confronted in connection with this Agreement, develop schedules for transfer of assets and responsibilities, and deal with technical issues as they arise. Any issues which cannot be resolved by the technical transition team shall be resolved by the city and county managers and, as appropriate, by the City Council and the Board of County Commissioners.

E. Any infrastructure that is malfunctioning or in disrepair, which has routinely failed water quality compliance testing, or that has suffered from deferred maintenance, shall be repaired and brought into compliance before that infrastructure is transferred to the other party.

F. The transferring party shall identify any current contracts, court decrees, or applicable rulings of the Public Regulation Commission that are applicable to water and wastewater service of a given customer. The parties shall indentify the proper process by which to transfer such customer, consistent with the contracts, court decrees or applicable

rulings of the Public Regulation Commission, and shall jointly complete the process. If it is not legally possible to transfer a customer, the parties shall address the issue by specific amendment to this agreement.

G. Annually, the County and the City will review billing information for the transferred area to verify meter accuracy and the extent to which unaccounted-for water passes each master meter.

H. Each party shall share data, information or reports that would be helpful, useful or necessary to achieve the goals and objectives of this Agreement upon request of the other party.

I. Any improvements made by a party to water or wastewater infrastructure originally provided by a real estate developer in connection with a real estate development, and that is not required for continuation of service, may be removed at the party's own expense prior to transfer of the infrastructure to the other party, but the removing party shall give the other party prior notice of the proposed removal through the technical transition team.

III. CUSTOMER INFORMATION, NOTICE

A. The City and the County shall exchange account information about water and wastewater customers being transferred between the parties. Account information shall include the name, address, telephone number, twelve months of account activity (e.g. notes, history, etc.), water meter size, bill item tables, sewer rate calculation, solid waste refuse and recycling rates and level of service, and any other information determined by either party to be relevant. The account information shall include any balances owed by customers and the basis for those balances. An unpaid balance shall not be transferred to the other party, but the parties may cooperate to ensure payment of the unpaid balance through techniques such as withdrawal of service to compel payment.

B. Account information shall be provided to the other party's utility director ninety (90) days prior to date of transfer of each area identified in this agreement to provide a seamless transition of billing and customer service to the customers.

C. Customers whose service will be transferred from one party to another shall receive a notice of the transfer in a utility bill stuffer for two (2) consecutive months prior to the transition. Utility bill stuffers shall provide links to City and County websites for additional information; the City and County websites shall provide detailed information about the transition, the transfer of customers, this Agreement, changes in the rules of service, and any changes in billing structure.

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IV. AS-BUILT DRAWINGS AND MAINTENANCE RECORDS

A. Each party shall provide to the other party as-built drawings and maintenance records of all infrastructure transferred as a result of this Agreement ninety (90) days prior to date of transfer of the infrastructure. If a transferring party has digital data regarding the infrastructure, that data shall also be provided. Data to be transferred shall include, but not be limited to, as-built drawings, valve maps detailing location of valves based on known features, GIS shape files and scanned as-built drawings and valve maps in .pdf format.

B. Each party shall provide the other party with maintenance records as well as video imaging, televised inspection tapes and DVDs of infrastructure transferred as a result of this Agreement. Maintenance records shall be provided ninety (90) days prior to date of transfer.

V. APPRAISAL OF AND PAYMENT FOR INFRASTRUCTURE

A. Any water and wastewater infrastructure installed at the expense of the City or County (i.e. not funded by developers/users or by state or federal grants or loans) and identified for transfer from one party to the other party as provided in Paragraph II, shall be appraised to determine the depreciated value of the infrastructure at the time of transfer.

B. The cost of the appraisal shall be borne equally by the Parties and the identity of the person appraising shall be mutually agreed upon.

C. Each party shall pay the appraised value of any infrastructure transferred to the other party pursuant to Article II and paragraph A of this Article V within a reasonable time. The parties reserve the right to negotiate further the payment issue, and the terms of payment, the details of which will be set forth in an amendment to this Agreement.

D. Any easements or rights-of-way supporting infrastructure shall be transferred to the other party along with the infrastructure; if an easement is needed along a City street or County road, the easement shall be granted by the other party, as appropriate, or a blanket approval may be granted. Should any survey work be needed to identify or locate any infrastructure, real property, infrastructure, necessary easements, access, or other matters, the cost of that survey shall be borne by the party receiving the real property, infrastructure, easement, or access.

E. Disputes concerning appraisal of a given item of infrastructure shall be first presented to the technical transition team. Any issues which cannot be resolved by the technical transition team shall be resolved by the city and county managers and, as appropriate, by the City Council and the Board of County Commissioners. Disputes may also be resolved through mediation.

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VI. WATER RIGHTS

A. If either party hereto assumes a water delivery obligation for which a customer transferred water rights to a party to support water service, the party shall transfer the water rights to the other party to support deliveries.

B. If either party assumes a water delivery obligation that the party has met with water rights owned by the party as opposed to water rights supplied by a customer or developer, no water rights shall be transferred to the other party and the party making deliveries subsequent to transfer shall be responsible for providing water rights to support the subsequent deliveries.

C. If water rights that should be transferred to the other party pursuant to paragraph A of this Article VI cannot be transferred, are impractical to transfer, or carry a point of diversion that if transferred to a point of diversion chosen by the other party would result in a loss of the value of the water right, suitable equivalent water rights may be selected and transferred in lieu of water rights that would be transferred pursuant to Paragraph A of this Article V.

D. The technical transition team shall address all technical issues concerning the transfer of water rights, including technical issues about the transfer, the amount to be transferred, the method of transfer, the timeline of transfer, any issues related to the Buckman Direct Diversion project, and any issues arising from paragraph C of this section. Any issues which cannot be resolved by the technical transition team shall be resolved by the city and county managers and, as appropriate, by the City Council and the Board of County Commissioners.

VII. SERVICE CONNECTIONS

A. Water Service Connections

1. Each party shall provide the other party with reasonable access to water from the Buckman Direct Diversion through the party's water service infrastructure, utilizing master meters to meter the flow for purposes of billing and accountability. Each party may charge the other party a reasonable fee for wheeling water across its water infrastructure, as established through a cost of service study.

2. The party desiring a water service connection shall pay all costs of installation of the required master meter, which shall become the property of the party desiring the service connection. The party desiring the service connection shall be responsible for maintenance and subsequent replacement of the master meter.

3. The party desiring a service connection shall be fully responsible for construction of any facilities necessary to take delivery of water at the delivery point, and such facilities shall be constructed in accordance with standards established by the other party.

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4. Each party shall furnish water at a reasonably constant pressure at all designated delivery points. If a different pressure than that normally available at the point of delivery is required, the cost of providing such different pressure shall be borne by the party desiring the service connection. Emergency failures of pressure or supply due to main supply breaks, power failure, flood, or use of water to fight fire, earthquake or other catastrophe shall excuse either party from this provision for such reasonable period of time as may be necessary to restore service.

5. The party requesting a service connection shall define a water budget and provide a demand scenario for a ten year period for each service connection and master meter. The water budgets and demand scenarios will provide information to the party to permit efficient water system operations. In the event of an extended shortage of water or the supply of water available is otherwise diminished over an extended period of time, the supply of water through the service connection and master meter shall be reduced or diminished in the same ratio or proportion as the supply to the party's other customers is reduced or diminished.

6. Each party shall notify the other party in writing when it requests a service connection pursuant to this Article. The request shall provide all the information described in this Article. Any such request must be made a reasonable time in advance of the need for service. Any party taking water service through a service connection on the party's system shall provide no less than sixty (60) days advance written notice of any anticipated change in required monthly deliveries that amount to ten (10) percent or more of the highest monthly delivery levels.

7. The technical transition team shall address all technical issues concerning service connections and master meters. Any issues which cannot be resolved by the technical transition team shall be resolved by the city and county managers and, as appropriate, by the City Council and the Board of County Commissioners.

B. Wastewater Service Connections

1. Each party shall provide the other party with access to its wastewater collection and treatment system to ensure that customers are served through a wastewater treatment plant rather than being served by septic systems or small wastewater treatment facilities.

2. Each party shall pay a collection and treatment charge for use of the other party's wastewater collection and treatment system in accordance with the usual and customary rates established through a cost of service study.

3. Each party requesting access to the other party's wastewater collection and treatment system shall pay all costs of connecting to the wastewater collection system and shall make all connections in accordance with the standards established by the party.

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4. All wastewater service connections must comply with all relevant rules, regulations and practices of the party into who system a wastewater service connection is being established. The party establishing a wastewater service connection shall be responsible for all engineering and construction costs related to such connection.

C. Records. Each party shall maintain records of all water and/or wastewater collection system customers who receive service from the party as a result of this Agreement, and shall provide the other party with copies of such those records when requested, during reasonable business hours and with reasonable notice. The records shall at a minimum contain customer location, customer class, connection size, industrial pretreatment compliance records and water meter readings.

D. Metered Water Use. Individual water consumption of each customer discharging wastewater through the system of the other party to this Agreement shall be metered to facilitate a determination of the usage of the wastewater system and to facilitate billing and system management.

VIII. CONSISTENCY WITH SETTLEMENT AGREEMENT/INTERPRETATION

All questions concerning interpretation of this Agreement shall be consistent with the goals, objectives, and express language of the Settlement Agreement and Mutual Release of Claims, dated May 19, 2008.

IN WITNESS WHEREOF, the parties have executed this Amendment to Agreement as of the date first written above.

THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY

By_____ _____
Liz Stefanics, Chair Date

ATTEST:

_____
Valerie Espinoza, Santa Fe County Clerk

DRAFT

APPROVED AS TO FORM:

_____ _____

Stephen C. Ross
Santa Fe County Attorney

Date

DRAFT

CITY OF SANTA FE:

_____ _____

David Coss, Mayor
City Manager

Date

APPROVED AS TO FORM:

_____ _____

Geno Zamora,
Santa Fe City Attorney

Date

APPROVED:

_____

Dr. Melvin Morgan
City of Santa Fe Finance Director