San Juan County Commission
Regular Meeting
May 6, 2014

Chairman Fortner called the San Juan County Commission meeting to order on May 6, 2014 at 4:00 P.M. in the Commission Chambers located in the County Administration Building, 100 S. Oliver Drive, Aztec, New Mexico. Chairman Fortner gave the invocation and Chairman Pro-Tem Johns led the Pledge of Allegiance. Those present were:

CHAIRMAN	Jack L. Fortner
CHAIRMAN PRO-TEM	Keith Johns
MEMBER	GloJean Todacheene
MEMBER	Margaret McDaniel
MEMBER	Scott Eckstein
ASSESSOR	Clyde Ward
CHIEF DEPUTY ASSESSOR	Jimmy Voita
CLERK	Debbie Holmes
COUNTY EXECUTIVE OFFICER	Kim Carpenter
COUNTY OPERATIONS OFFICER	Mike Stark
ASSISTANT CEO	Linda Thompson
ATTORNEY	Jim Durrett
DEPUTY ATTORNEY	Joe Sawyer
DEPUTY ATTORNEY	Doug Echols
EMERGENCY MANAGER	Don Cooper
CHIEF FINANCIAL OFFICER	Marcella Brashear
PARKS & FACILITIES ADMINSTRATOR	Mike Davidson
PARKS & FACILITIES DEPUTY ADMINISTRATOR	Daniel Hill
PUBLIC WORKS ADMINISTRATOR	Dave Keck
CHIEF HUMAN RESOURCES OFFICER	Charlene Scott
ADULT DETENTION CENTER DEPUTY ADMINISTATOR	Daniel Webb
ALTERNATIVE SENTENCING ADMINISTRATOR	Jennifer Miller
JUVENILE SERVICES ADMINISTRATOR	Traci Neff
CHIEF	Doug Hatfield
DEPUTY FIRE CHIEF	Craig Daugherty
INDIGENT HOSPITAL CLAIMS COORDINATOR	Liza Gomez
GEOGRAPHIC INFORMATION SYSTEMS COORDINATOR	Sandi Spencer
HOUSING EXECUTIVE DIRECTOR	Faye Anderson
SAFETY & COMPLIANCE MANAGER	Stewart Logan
PRESS: Farmington Daily Times	Dan Schwartz

VISITORS: 19

A motion was made by Chairman Pro-Tem Johns, seconded by Commissioner McDaniel to call to order the Indigent Hospital Board Meeting. Upon voice vote, the motion passed unanimously.

Indigent Hospital Claims Board Meeting

1. Review of Claims
2. Approval of Minutes of April 15, 2014.

A motion was made by Chairman Pro-Tem Johns, seconded by Commissioner McDaniel to adjourn the Indigent Hospital Board Meeting and call to order the Regular Meeting. Upon voice vote, the motion passed unanimously.

The Indigent Hospital Board Meeting Minutes are taken separately and are made a part of the permanent minute's folder.

Regular Meeting

Approval of Agenda

Kim Carpenter, CEO stated that there is one change to the agenda. It was requested that the verbiage of item #4 "Proposal of San Juan County Ordinance No. 85, Regulating the Location of Adult Entertainment Businesses and Establishing a Procedure for Such Businesses to Obtain a Permit Authorizing the Location of the Same" be changed from proposal to adoption. A motion was made by Commissioner Eckstein, seconded by Commissioner McDaniel to approve the agenda as amended. Upon voice vote this motion passed unanimously.

Consent Agenda

1. Approval of Appointment to the Northwest New Mexico Seniors Board of Directors
2. Approval of Governmental Services Agreement Amendment #8 with Children, Youth and Families Department
3. Approval of Alternative Sentencing Division Policies
4. Approval of April 15, 2014 Regular Meeting Minutes

A motion was made by Chairman Pro-Tem Johns, seconded by Commissioner McDaniel to approve the Consent Agenda. Upon voice vote this motion passed unanimously.

Old Business

A motion was made by Commissioner Todacheene, seconded by Commissioner McDaniel to remove Old Business items #1 Ordinance No. 86 New Mexico Economic Development Department Grant for Warehouse Expansion Project to Raytheon Dine Facility at NAPI Industrial Park and #2 Award of Architectural Design Services for the Raytheon Warehouse Expansion Project to Horizons of New Mexico, Albuquerque, NM from the table. Upon voice vote, this motion passed unanimously.

1. **Consideration of Adoption of San Juan County Ordinance No. 86, New Mexico Economic Development Department Grant for Warehouse Expansion Project to the Raytheon Dine Facility at NAPI Industrial Park**

Joe Sawyer, Deputy Attorney stated at the April 15, 2014 meeting, the Commission tabled consideration of Ordinance No. 86 because final language of the Project Participation Agreement was still being negotiated with Raytheon. That Project Participation Agreement is now in its final form. A letter of guaranty from Raytheon still needs to be finalized but will be forthcoming. The Navajo Nation has received a $200,000 grant from the State Economic Development Department for procurement of architectural design of a 30,000-foot warehouse expansion to its Raytheon Dine facility. The State Economic Development Department has asked the County to serve as fiscal agent for the grant. Ordinance No. 86 would approve an intergovernmental agreement with the State Economic Development Department to accept the $200,000 grant and act as fiscal agent. The Ordinance also approves a Project Participation Agreement between the Navajo Nation and the County. The Navajo Nation Division of Economic Development has secured $3.3 million in funding for the actual construction of the project. The County will not be involved in the actual construction. A motion was made by Commissioner McDaniel, seconded by Commissioner Todacheene to approve Adoption of San Juan County Ordinance No. 86, New Mexico Economic Development Department Grant for Warehouse Expansion Project to the Raytheon Dine Facility at NAPI Industrial Park. Upon voice vote this motion passed unanimously.

2. Consideration of Award of Architectural Design Services for the Raytheon Warehouse Expansion Project to Horizons of New Mexico, Albuquerque, NM

Linda Thompson, Assistant CEO briefed the Commission on the award of the architectural design services for the Raytheon Warehouse Expansion to Horizons of New Mexico was tabled on April 15th, 2014. Joe Sawyer continues to work with the Navajo Nation, Raytheon and the State to finalize all documentation related to the Participating Parties Agreement (PPA) for the grant received from the State Economic Development. In the interest of time, staff simply requests that the Commission authorize the CEO to award the Architectural Design Services to Horizons of New Mexico, Albuquerque, NM once all necessary documentation has been finalized and approved. A motion was made by Commissioner McDaniel, seconded by Chairman Pro-Tem Johns to authorize CEO to Award of Architectural Design Services for the Raytheon Warehouse Expansion Project to Horizons of New Mexico, Albuquerque, NM. Upon voice vote this motion passed unanimously.

New Business

1. Update on San Juan Regional Medical Center Safety Net Care Pool Funding

Rick Wallace, CEO, San Juan Regional Medical Center (SJRMC), provided an update on issues surrounding the State of NM's Safety Net Care Pool Funding and its impact on San Juan Regional Medical Center and San Juan County. He stated the purpose of the Safety Net Care Pool Funding was to generate Medicaid matching funds for Sole Community Hospitals to fund services to the citizens of San Juan County who do not have the ability to pay with indigent care. The funds provided for the expansion of services meeting community needs and assisted in offsetting costs incurred form disproportionate share of indigent and 55% of Medicaid costs. Effective January 1, 2014 there will be no direct payments to the hospital. There is a possibility of increased Medicaid payments, covering only 85% of actual cost as a source of funding making them 15% short for the cost. With the redirection of the 1/12th gross receipts tax increment from Counties to the State to maintain the payment levels to the sole community provider hospital funding is pooled into two mechanisms:

- Uncompensated Care Pool = $69 million

- Distributed via formula 60-30-10-0%
- Enhanced Medicaid Reimbursement = $123 million
  - Distributed via Medicaid Inpatient Discharges

Mr. Wallace stated the impact on SJRMC is:

- $16 million fiscal year estimate (FYE 2014) annual funding
- $7.5 million in future anticipated from the Enhanced Funding

Steps SJRMC would like to take:

- Educate Human Services Department (HSD) that this is not a workable or sustainable program.
- Challenge the 60-30-10-0 formula
  - 60% of funding will go to hospitals with 25 beds or less
  - 30% to hospitals with 25-75 beds
  - 10% to hospitals with 75-150 beds
  - 0% to hospitals that have over 200 beds. There are 3 hospitals in the State of New Mexico, SJRMC, Memorial Hospital and St. Vincent hospital.
- Educate legislators that this Safety Net Care Pool is under funded
- Budget as if Medicaid Enhancement Rates are the only funding source for the future
- Projecting a $9.5 million loss of revenue.

The economic impact of employment population in our community:

- Jobs Impact
  - Direct Jobs: 2,139
  - Secondary Jobs: 1,369
  - Total County Jobs: 3,508
- Income Impact (Wages, Salaries. Benefits)
  - Direct Income: $149,220,529
  - Secondary Income: $40,289,543
  - Total County Income: $189,510,072

Mr. Wallace stated they are proud to be working with San Juan County to resolve this. The Commissioners asked various questions and voiced various concerns about the Safety Net Care Pool Funding. This was a presentational item only.

2. Consideration of Resolution 13-14-48, Supporting the Renewal of the Four Corners Power Plant Lease with the Navajo Nation

Kim Carpenter, County Executive Officer informed the Commission the Navajo Nation, APS, BHP Billiton and the Navajo Transitional Energy Company are working together to renew the Four Corners Power Plant lease with the Navajo Nation. The project also includes the expansion of mining operations and implementation of environmental controls which would further reduce air emission while CO2 emissions would be reduced by 30%, and the reduction of water use by almost two billion gallons per year. San Juan County will directly benefit from the lease renewal as follows:

- The project, including retirement of Units 1, 2 and 3, will preserve approximately 758 jobs.
- Income generated from direct labor will be approximately $102M.
- The direct Gross State Product for San Juan County will be approximately $288M.

Indirectly, this project will benefit San Juan County by:

- Future supplier purchases will indirectly maintain approximately 341 jobs.
- Income generated from indirect labor will be approximately $15M.
- The indirect Gross State Product for San Juan County will be approximately $23M.

The Office of Surface Mining Reclamation is preparing an environmental impact statement and is soliciting comments on the draft EIS. Mr. Carpenter read the Resolution supporting the renewal of the lease with the Navajo Nation and the economic and environmental benefits to San Juan County.

BOARD OF SAN JUAN COUNTY COMMISSIONERS
Resolution 13-14-48

A RESOLUTION SUPPORTING THE RENEWAL OF THE FOUR CORNER'S POWER PLANT LEASE WITH THE NAVAJO NATION

WHEREAS, the Navajo Nation, Arizona Public Service Company (APS), Navajo Transitional Energy Company (NTEC) and BHPB are all working together and with multiple federal and tribal agencies to renew the Four Corners Power Plant (FCPP) lease, to reconfigure its operations to significantly reduce air emissions and expand mining operations through 2041; and

WHEREAS, the Office of Surface Mining Reclamation and Enforcement (OSM) is preparing an environmental impact statement (EIS) under the National Environmental Policy Act known as NEPA. The environmental review is referred to as the Four Corners Power Plant and Navajo Mine Energy Project; and

WHEREAS, once fully implemented, the environmental improvement projects to be undertaken by APS will result in the further reduction of emissions, while CO2 emissions will be reduced by 30%, and water use reduced by almost two billion gallons per year; and

WHEREAS The proposed project will have a significant direct and indirect impact on San Juan County, through the preservation of approximately 758 jobs, income generation from direct labor of approximately $102 million dollars and Gross State Product for San Juan County in an approximate amount of $288 million.

NOW, THEREFORE, BE IT RESOLVED by the Board of San Juan County Commissioners, to affirm its support of the renewal of the Four Corners Power Plant (FCPP) lease; and

BE IT FURTHER RESOLVED by the Board of San Juan County Commissioners that the Four Corners Power Plant and Navajo Mine Energy Project will have a significant economic and environmental benefit to San Juan County.

PASSED, APPROVED AND ADOPTED this 6th day of May, **2014**

A motion was made by Chairman Pro-Tem Johns, seconded by Commissioner McDaniel to approve Resolution 13-14-48, Supporting the Renewal of the Four Corners Power Plant Lease with the Navajo Nation. Upon voice vote this motion passed unanimously.

3. <u>Consideration of Animal Shelter Services Agreement with the City of Farmington</u>

Mike Stark, County Operations Officer stated that recently they met with City of Farmington to discuss animal shelter operational costs and budget for the upcoming fiscal year (FY15) per the existing intergovernmental agreement. The agreement remains essentially unchanged with the exception of added language to allow for the cost of care for out of county and out of state animals to be split between the City of Farmington and San Juan County. The cost for FY15 is $350,395, which is $176 more than this previous fiscal year or a half-percent increase. Mr. Stark

recommended approval of the Animal Shelter Services Agreement. A motion was made by Commissioner Eckstein, seconded by Chairman Pro-Tem Johns to approve Animal Shelter Services Agreement with the City of Farmington. Upon voice vote this motion passed unanimously.

4. Adoption of San Juan County Ordinance No. 85, Regulating the Location of Adult Entertainment Businesses and Establishing a Procedure for Such Businesses to Obtain a Permit Authorizing the Location of the Same

Doug Echols, Deputy Attorney briefed the Commission at the April 1, 2014 meeting, a Notice of Intent to Adopt San Juan County Ordinance No. 85 was approved, regulating adult entertainment businesses in the unincorporated areas of San Juan County. The Ordinance requires such businesses to obtain a license from the Community Development Administrator and submit to a background check of all owners, partners, members, officers, and directors of the business. Any felony or misdemeanor conviction of moral turpitude will result in denial of a license. The Ordinance requires a minimum separation distance of 1,000 feet from any established residence, religious assembly, library, cultural service, childcare center, elementary or secondary school, community center, Public Park, or any other adult entertainment business. The Notice of Intent to Adopt was published in the Daily Times on Sunday, April 6. Mr. Echols opened the discussion to public comment. Chairman Fortner called for a motion and second to open discussion for public comment. A motion was made by Commissioner Eckstein and seconded by Commissioner McDaniel to open discussion for public comment. Joe Wojcik, owner of Something Sexy for Couples, a local adult retail business informed the Commission he has a problem with being the only business to be zoned, when no other businesses are required. Mr. Wojcik also is concerned with licensing requirements. Mr. Echols stated this is not zoning but the ordinance would be to try and create separation with this type of business and its location to schools and churches. An amendment was made to #14 Revocation of License to add F from Commissioner Todacheene to add participation in any acts of human trafficking. A motion was made by Commissioner Eckstein, seconded by Commissioner McDaniel to approve the Proposal of San Juan County Ordinance No. 85, Regulating the Location of Adult Entertainment Businesses and Establishing a Procedure for Such Businesses to Obtain a Permit Authorizing the Location of the Same as amended. Upon voice vote this motion passed unanimously.

5. Proposal of San Juan County Ordinance No. 87, Dedicating Payments to the Newly-Created State of New Mexico Safety Net Care Pool Fund

Doug Echols, Deputy Attorney stated in the recent 2014 Legislative Session, the New Mexico Legislature passed Senate Bill 268, an amendment to the Indigent Hospital and County Health Care Act. This amendment creates the Safety Net Care Pool Fund to be administered by the State Human Services Department. The Safety Net Care Pool Fund is a non-reverting fund consisting of public funds transferred from counties for use by the Human Services Department to make payments to qualifying hospitals under an agreement with the federal Centers for Medicare and Medicaid Services. This legislation requires counties to adopt an ordinance to be effective by July 1, 2014 which dedicates an amount equal to gross receipts tax receipts of 1/12 (one-twelfth) percent during the prior fiscal year to the Safety Net Care Pool Fund. Ordinance No. 87 states that those payments to the State will be made quarterly on the last days of March, June, September, and December beginning with September 30, 2014. If approval is given for publication of the Notice of Intent, the Legal Department will schedule the proper publication of the Notice and will place this item on the June 3, 2014 Commission meeting agenda requesting adoption of the Ordinance at that time. A motion was made by Chairman Pro-Tem Johns, seconded by Commissioner Todacheene to approve the Proposal of San Juan County

Ordinance No. 87, Dedicating Payments to the Newly-Created State of New Mexico Safety Net Care Pool Fund Upon voice vote this motion passed unanimously.

Reports From Elected Officials And Department Heads

Cricket Long, Benefits Compensation Manager reported to the Commission on the success of the Stat Doctors over the last 90 days. During February thru March a total of 34 members accessed the service, 28 were employees, 4 spouses and 2 were children. Of the 34 members that have used the service, there was one complaint due to using the wrong type of phone. Of the 534 insurance members 142 members have registered to use the service. This is free to employees through June 2015.

Comments / Input From The General Public

Ralph Meyer, Flora Vista, Thanked Mr. Carpenter, Rusty Smith, Clarence and Prisoners for their help in cleaning up a residence next door to his that is abandoned. He asked the Commission to consider an ordinance for weed control that would put the responsibility of clean up on the property owner. Mr. Carpenter stated that the fire department had wrote a letter to the home owners with no response. With the help of the Assessor's office they were able to track down the homeowners and the Solid Waste Director reached out and asked their permission to clean up the property. The Commissioners stated various concerns about the lack of weed control. The fire department has concerns of added fuels and a fire bomb waiting. Chairman Pro-Tem Johns asked to look into an ordinance for weed control.

Traci Neff, Juvenile Services Administrator introduced Brian Mason as the new Training Coordinator at the Juvenile Facility.

Closed Executive Session

NONE

Adjourn

Being no further business a motion was made by Chairman Pro-Tem Johns, seconded by Commissioner Eckstein to adjourn the meeting. Upon voice vote this motion passed unanimously and the meeting adjourned at 5:08 p.m.

APPROVED THIS 20th DAY OF MAY, 2014

BY THE SAN JUAN COUNTY BOARD OF COMMISSIONERS:

Chairman Jack L. Fortner

Chairman Pro-Tem Keith Johns

Margaret McDaniel

GloJean Todacheene

Scott Eckstein

ATTEST:

Debbie Holmes, County Clerk