

**OFFICIAL PROCEEDINGS OF THE APACHE COUNTY
BOARD OF SUPERVISORS MEETING
March 6, 2012
St. Johns, Arizona**

Present were: Supervisor R. John Lee, Clerk/Manager Delwin Wengert and County Attorney Michael Whiting. Vice Chairman Tom M. White, Jr. participated via the telephone. Chairman Jim Claw was unavailable due to travel.

Vice Chairman White called to order the Apache County Board of Supervisors meeting and Library District meeting at 8:30 a.m. in the Board of Supervisors chambers, County Annex Building, 75 West Cleveland Street, St. Johns, Arizona and welcomed all in attendance.

Vice Chairman White asked Mr. Lee to lead the Pledge of Allegiance.

Vice Chairman White called for the Library District items.

Judith Pepple, Library Director, requested authorization to advertise Request for Proposals to install a new roof on the Vernon Public Library. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

Judith Pepple, Library Director, requested authorization to remove Barbara Pearce from probationary status effective February 29, 2012 with the 2.5% end of probation increase. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

Mr. Lee moved to adjourn the Library District meeting, seconded by Mr. White. Motion passed.

Vice Chairman White called for the regular agenda items.

There was no member of the public wanting to address the Board in the Call to the Public.

Mr. Wengert requested authorization to reappoint three members to the Apache County Industrial Development Authority: John Lang, term to expire March 5, 2018, Steve Nicoll, term to expire March 5, 2016, and Eric Broadbent, term to expire March 5, 2014. Mr. Lee moved to approve, seconded by Mr. White. Motion passed.

Mr. Wengert presented the request approval of the adoption of a resolution approving the proceedings of the Industrial Development Authority of the County of Apache for the issuance of not to exceed \$177,000,000, the Industrial Development Authority of the County of Apache Pollution Control Revenue Bonds, 2012 Series A (Tucson Electric Power Company Project). Mr. Wengert stated that these Bonds are pollution control revenue bonds and will be used to refund and redeem some bonds that were issued in 1998. Mr. Wengert stated that there are various representatives from Tucson Electric Company present today. Mr. Wengert stated that the bonds are private bonds and Apache County has no liability related to the bonds. Mr. White called for questions or comments. Hearing none, Mr. Lee moved approval, seconded by Mr. White. Motion passed.

**RESOLUTION NO. 2012-02
A RESOLUTION OF THE BOARD OF SUPERVISORS OF APACHE COUNTY, ARIZONA**

**APPROVING THE PROCEEDINGS OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF APACHE IN CONNECTION WITH THE ISSUANCE OF NOT TO EXCEED
\$177,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE COUNTY OF APACHE POLLUTION CONTROL REVENUE BONDS, 2012
SERIES A (TUCSON ELECTRIC POWER COMPANY PROJECT)**

March 6, 2012

WHEREAS, the Board of Supervisors of Apache County, Arizona (the "Board of Supervisors") has received and duly considered the proceedings of The Industrial Development Authority of the County of Apache (the "Authority") in connection with the proposed issuance and sale by the Authority of not to exceed \$177,000,000 aggregate principal amount of The Industrial Development Authority of the County of Apache Pollution Control Revenue Bonds, 2012 Series A (Tucson Electric Power Company Project) (the "Bonds"), and the loan of the proceeds of the Bonds to Tucson Electric Power Company, a corporation organized and existing under the laws of the State of Arizona (the "Company"); and

WHEREAS, the Bonds are proposed to be issued in order to refund and redeem a portion of The Industrial Development Authority of the County of Apache Pollution Control Revenue Bonds, 1998 Series A (Tucson Electric Power Company Project), The Industrial Development Authority of the County of Apache Pollution Control Revenue Bonds, 1998 Series B (Tucson Electric Power Company Project), and The Industrial Development Authority of the County of Apache Industrial Development Revenue Bonds, 1998 Series C (Tucson Electric Power Company Project) (hereinafter collectively referred to as the "1998 Series Bonds"), which were issued to refinance costs of the acquisition, construction, improvement or equipping of certain facilities (hereinafter collectively referred to as the "Facilities"), including air and water pollution control and sewage and solid waste disposal facilities and certain related facilities at Unit No. 1 and Unit No. 2 of the Springerville Generating Station, located in Apache County (the "County"); and

WHEREAS, the proceedings of the Authority include a resolution duly adopted by the Board of Directors of the Authority at a duly convened meeting held on March 5, 2012 (the "Resolution"); and

WHEREAS, the proceedings of the Authority also include a draft form of (i) an Indenture of Trust relating to the Bonds (the "Indenture"), to be entered into by the Authority and U.S. Bank Trust National Association, as trustee, (ii) a Loan Agreement relating to the loan of the proceeds of the Bonds (the "Loan Agreement"), to be entered into by the Authority and the Company, (iii) a Bond Purchase Agreement relating to the Bonds (the "Bond Purchase Agreement"), to be entered into by the Authority, the Company, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, acting on behalf of itself and as representative of the other underwriters identified therein, and (iv) an Official Statement, describing the Bonds and related matters; and

WHEREAS, the Resolution authorizes (i) the issuance of the Bonds pursuant to the Indenture, the proceeds of which will be loaned to the Company pursuant to the Loan Agreement in order to refinance a portion of the costs to the Company of acquiring, constructing, improving and equipping the Facilities, and (ii) the sale of the Bonds pursuant to the Bond Purchase Agreement; and

WHEREAS, the principal of and interest on the Bonds are to be payable solely from the receipts and revenues of the Authority received pursuant to the Loan Agreement, and other funds pledged therefor, all in conformity with Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"); and

WHEREAS, on February 17, 1998, in connection with the issuance of the 1998 Series Bonds, the Board of Supervisors was presented with information regarding a public hearing held by the Arizona Department of Commerce (the "Public Hearing") pursuant to Section 147(f) of the Internal Revenue Code of 1986 (the "Code"), at which interested persons were permitted to express their views on the proposed issuance of the 1998 Series Bonds and on the nature and location of the Facilities being refinanced; and

WHEREAS, on February 17, 1998, the Board of Supervisors adopted a resolution (the "County Resolution") approving the issuance and sale of the 1998 Series Bonds to refinance the Facilities; and

WHEREAS, the Public Hearing and the adoption of the County Resolution constitute such action as is necessary to be undertaken by the Board of Supervisors under the Code in connection with the proposed issuance of the Bonds; and

WHEREAS, the above-mentioned actions of the Authority and the above-mentioned documents, together with the Resolution, constitute the full proceedings of the Authority to date in connection with the proposed issuance of the Bonds and the refinancing of the Facilities; and

WHEREAS, the Act requires that the proceedings of the Authority by which the Bonds are to be issued be approved by the governing body of the County; and

WHEREAS, this Board of Supervisors is the governing body of the County;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors of Apache County, Arizona as follows:

Section 1. The proceedings of the Authority providing for the issuance and sale of the Bonds are hereby approved, and such approval shall constitute such approval of the proceedings of the Authority as is required by the provisions of the Act for the issuance and sale of the Bonds.

Section 2. This Resolution shall become effective immediately.

Passed and Adopted this 6th day of March, 2012.

/s/ R. John Lee
Member of the Board of Supervisors
Apache County, Arizona

Attest:

/s/ Delwin Wengert
Clerk of the Board of Supervisors
Apache County, Arizona

Milton Ollerton, Community Development Director, presented the public hearing for consideration and possible approval of the County Zoning Ordinance changing the definition of Gross Floor area to "The sum of the horizontal areas of floors of a building measured from the exterior face of exterior walls, or, if appropriate, from the center line of dividing walls; this excludes basements, unfinished attics, private attached garages, breezeways, courts, decks, or porches; regardless of whether these excluded areas are enclosed or unenclosed, or covered by a roof or not covered by a roof," Mr. White opened the meeting to public comment. Doug Sandahl addressed the Board in support of the change to the definition of the Ordinance. Mr. Lee stated that he is aware of some contrary information from people opposed to this matter. Mr. Ollerton stated that there have been several letters received in opposition and that the Commission reconsider the definition. Mr. Lee asked why there is opposition. Mr. Ollerton explained that it is basically that they are concerned that this will increase what is on a piece of property; changing the character of the area of Greer. A discussion regarding the issue was held. Mr. Lee moved to approve the definition change as recommended by the Planning and Zoning Commission, seconded by Mr. White. Vote was unanimous.

Mr. Wengert presented the Consent Items **A-E** and recommended approval. **County Manager/Clerk of the Board:** **A.** Request approval of minutes dated February 21, 2012. **B.** Request approval of the demands. A-1 GLASS AND MIRROR \$1,238.29 ADHS AZ HEALTH CARE COST \$22,400.00 AZ COUNTIES INSURANCE POOL \$1,242.15 AZLGEBT \$308,091.42 BRADCO \$49,234.07 BURNHAM MORTUARY \$5,842.06 CRESTLINE SPECIALTIES INC. \$3,094.94 DELL COMPUTER CORPORATION \$1,273.85 Election Systems & Software \$13,664.51 FRONTIER \$3,923.53 GRAINGER \$1,454.79 GRAVES PROPANE CO., INC. \$5,418.79 HILLYARD Inc \$1,802.80 Hughes Supply \$1,286.28 INGRAM LIBRARY SERVICES \$4,264.10 J-P SALES & SERVICE INC. \$3,283.96 KB WELDING, INC \$6,828.75 Ken Garff West Valley Chrysler \$1,500.00 LABORATORY CORP OF AMERICA \$1,167.00 MOUNTAIN PAINT CENTER \$1,637.62 NAVOPACHE ELECTRIC COOP \$13,165.87 PACIFIC PONDEROSA CO. INC. \$10,218.54 ProPack, Inc. \$1,718.90 QUILL CORP. \$1,484.12 Securus Technologies Inc. \$3,077.00 SIERRA PROPANE \$3,285.77 THORNHILL, JIM \$3,555.00 TJP Communications \$7,551.37 TRAK ENGINEERING, INC. \$13,835.00 Veritas Research Consulting \$2,306.54 Watch Systems LLC \$9,250.00 WEST

PAYMENT CTR. \$3,084.50 WHOLESALE FLOORS, INC. \$9,234.11 WOODLAND BUILDING CENTER\$1,401.81 WWW.Wrist-Band.Com dba \$2,489.99 ADMINISTRATIVE ENTERPRISES INC \$1,477.87 AMAZON.COM, INC. \$3,364.17 APACHE COUNTY \$149,180.00 APACHE COUNTY TAX WITHHOLDING \$121,228.65 APACHE COUNTY TREASURER \$327,872.35 AVAYA COMMUNICATIONS \$1,345.51 AZ STATE RETIREMENT SYSTEM \$79,671.92 Bauman Home & Auto, Inc. \$1,192.34 Bob Barker Company INC \$1,082.85 BRADCO \$36,986.31 Brown, Patricia G. \$4,760.14 Canteen Correctional Service \$16,628.38 CDW GOVERNMENT INC. \$5,245.76 CHEVRON USA INC \$1,308.81 Corrections Officer Ret. Plan \$7,582.85 COURTESY CHEVROLET/Ally \$25,527.03CS&S COMPUTER SYSTEMS \$10,951.87 DELL COMPUTER CORPORATION \$2,091.82 EMPIRE MACHINERY \$6,907.61 FERRELLGAS \$1,555.53 FRONTIER \$7,892.72 GOLIGHTLY \$3,104.85 GRAVES PROPANE CO., INC. \$3,829.39 HATCH CONSTRUCTION \$1,223.45 HILLYARD Inc \$1,767.73 HORNE AUTO CENTER, INC. \$1,281.98 Hunsaker Bros. Inc.\$12,170.26 Mutual of Omaha \$1,267.70 NATIONWIDE\$1,810.84 NAVAJO TRIBAL UTILITY \$2,250.61 NAVOPACHE ELECTRIC COOP\$2,646.77 North Country Community Health \$1,250.00 OFFICE DEPOT \$2,030.96OverDrive Inc. \$3,546.37 PUBLIC SAFETY CORR. RETIREMENT \$3,584.45PUBLIC SAFETY PERSONNEL \$11,249.42 PUBLIC SAFETY SHERIFF RET. \$23,262.83 QuickSeries Publishing Inc \$1,016.43 Rachel`s Challenge \$3,319.00 RDO EQUIPMENT CO.\$1,959.02 Reserve Account \$7,500.00 Rush Truck Center\$1,369.63 SAN DIEGO POLICE EQUIPMENT \$1,018.40 Security Benefit Group \$2,021.00 SHELL-SHERIFFS OFFICE ONLY \$1,003.37 Stanley Security Solutions Inc \$4,038.82 SUPPORT PAYMENT CLEARINGHOUSE \$2,963.16 U.S. POSTMASTER \$1,665.39 VALLEY AUTO PARTS \$2,615.57VERIZON WIRELESS, BELLEVUE \$1,742.70

C. District I: Request approval to purchase food items for the Teec Nos Pos Senior Citizen Center from Bashas not to exceed \$600.00. **Human Resources:** **D. District II:** Request authorization to hire a temporary Administrative Coordinator and a Community Resource Liaison not to exceed 120 days. **E. Community Development:** Request authorization to remove Nephi Hightower from probationary status effective March 19, 2012 with the 2.5% end of probation increase. Mr. Lee moved approval, seconded by Mr. White. Motion passed. Malena Bazarro requested approval of a resolution adopting the 2012 Community Development Block Grant. Ms. Bazarro stated that at the last Board meeting, it was approved to move forward with the three projects; the first is ADA compliance restrooms for the Eagar Rodeo Grounds and the Apache County Fairgrounds, the second project is a EST heating system at the Springerville Senior Citizen's Center and the third project is a fire suppression system for the St. Johns/Concho Senior Citizen's Center. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

Resolution No. 2012 -03

A Resolution of the Apache County Board of Supervisors Approving and Adopting "2012 Community Development Block Grant".

WHEREAS, the Community Development Block Grant (CDBG) program provides grants to local communities pursuant to its guidelines and requirements of the State program. The activities which will be submitted by Apache County will be outlined in said application.

WHEREAS, Apache County wishes to participate in the support of the 2012 CDBG program.

WHEREAS, Apache County has prepared and recommended for adoption by the Board of Supervisors a formal Apache County Community Development Block Grant Program in compliance with the program guidelines and Federal Statutes and regulations.

WHEREAS, the activities within this application address Apache County's identified community development and housing needs, including the needs of low and moderate income persons; and

WHEREAS, the State CDBG Program requires that CDBG funds requested address one of the three Congressional mandated National Objectives; and

WHEREAS, the activities described within this CDBG grant include the renovation of the Apache County Fairgrounds and the Eagar Rodeo Ground restroom facilities. These improvements will provide access to disabled citizens in accordance with the Americans with Disabilities Act (ADA).

Improvements to the St. Johns-Concho Senior Citizen Center will include a fire suppression system. The Round Valley Senior Center's renovation is to include a heating system.

NOW, THEREFORE BE IT RESOLVED by the Apache County Board of Supervisors that the application for the FY12 State Community Development Block Grant be approved and adopted as the official program of Apache County pursuant to the Housing and Community Development needs and the requirements of the State CDBG program.

PASSED, ADOPTED AND APPROVED by the Apache County Board of Supervisors on March 6, 2012.

By: /s/ R. John Lee
Member of the Board, Apache County

ATTEST: /s/ Delwin Wengert
Clerk of the Board

Malena Bazarro requested approval of a resolution adopting a Residential Anti-displacement and Relocation Assistance Plan. Mr. Wengert stated that this is required when you have a Community Development Block Grant and this required in case of dislocating anyone but with these projects that will not happen but NACOG requires this be in place. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

RELOCATION ASSISTANCE PLAN
as required under Section 104(d) of the
Housing and Community Development Act of 1974 as amended
RESOLUTION NO. 2012-04

A RESOLUTION OF THE APACHE COUNTY BOARD OF SUPERVISORS ADOPTING A RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN FOR FY12, AS REQUIRED UNDER SECTION 104(d) OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974 AS AMENDED.

WHEREAS, Section 104(d) of the Housing and Community Development Act of 1974, as amended, and implementing regulations require that each applicant for Community Development Block Grant funds must adopt, make public and certify that it is following a residential antidisplacement and relocation assistance plan; and

WHEREAS, Apache County is submitting an application to the Arizona Department of Housing for Community Development Block Grant funds.

NOW, THEREFORE, BE IT RESOLVED, that the Apache County Board of Supervisors, do hereby adopt the residential antidisplacement and relocation assistance plan as described below.

RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN

Apache County will replace all occupied and vacant occupiable low/moderate income dwelling units demolished or converted to a use other than as low/moderate income housing as a direct result of activities assisted with funds provided under the Housing and Community Development Act of 1974 as amended.

All replacement housing will be provided within three years of the commencement of the demolition or rehabilitation relating to conversion.

Before obligating or expending funds that will directly result in such demolition or conversion, Apache County will make public and submit to the ADOH CDBG Program the following information in writing:

1. A description of the proposed activity;

2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than as LM dwelling units as a direct result of the assisted activity;

3. A time schedule for the commencement and completion of the demolition or conversion;

4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;

5. The source of funding and a time schedule for the provision of replacement dwelling units; and

6. The basis for concluding that each replacement dwelling unit will remain a LM dwelling unit for at least 10 years from the date of initial occupancy.

7. Information demonstrating that any proposed replacement of housing units with smaller dwelling units (e.g., a 2-bedroom unit with two 1-bedroom units), or any proposed replacement of efficiency or single-room occupancy (SRO) units with units of a different size, is appropriate and consistent with the housing needs and priorities identified in the State of Arizona's approved Consolidated Plan (ACP).

Apache County will provide relocation assistance, as described in the ACP and implementing regulations, to each LM household displaced by demolition of housing or by the conversion of a LM dwelling unit to another use as a direct result of assisted activities.

Consistent with the goals and objectives of activities assisted under the ACP, Apache County will take the following steps to minimize displacement of persons from their homes:

1. Coordinate code enforcement with rehabilitation and housing assistance programs.

2. Evaluate housing codes and rehabilitation standards in reinvestment areas to prevent undue financial burden on established owners and tenants.

3. Stage rehabilitation of apartment units to allow tenants to remain in the building/complex during and after the rehabilitation, working with empty units first.

4. Arrange for facilities to house persons who must be relocated temporarily during rehabilitation.

5. Adopt policies to identify and mitigate displacement resulting from intensive public investment neighborhoods.

6. Adopt policies that provide reasonable protections for tenants faced with conversion to a condominium or cooperative.

7. Adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas.

8. Establish counseling centers to provide homeowners and tenants with information on assistance available to help them remain in their neighborhood in the face of revitalization pressures.

Passed, adopted, and approved by the Apache County Board of Supervisors this 6th day of March, 2012.

/s/ R. John Lee
Member of the Board

ATTEST: APPROVED AS TO FORM:

/s/ Delwin Wengert /s/ Michael Whiting
Clerk of the Board County Attorney

Malena Bazarro requested approval of the Memorandum of Understanding between the City of St. Johns and Apache County for the Community Development Block Grant Project to construct new handicap accessible restroom facilities at the Apache County Fairgrounds in St. Johns and a Memorandum of Understanding between the Town of Eagar and Apache County for the Community Development Block Grant Project to construct new handicap accessible restroom facilities at the Rodeo Grounds in Eagar. Mr. Lee stated that he is legal counsel for the City of St. Johns and must abstain from voting on this and requested this item be tabled until Chairman Claw was present. Vice Chairman White tabled the item.

Mr. Wengert requested approval of a Special Event Liquor License recommendation for the Round Valley Animal Rescue, 600 Lily Lane, Springerville, for a grand opening event held on May 5, 2012. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

Mr. Wengert, on behalf of the School Superintendent's Office, requested authorization to use donation money from Salt River Project in the amount of \$300.00 for the Apache County Superintendent of Schools Teacher and Administrator of the Year awards event of April 6, 2012. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

Tim Orona, Probation, requested approval of \$1,000 in matching funds for an ongoing Family Counseling Grant. Mr. Orona stated that the State of Arizona will disburse \$4,000 in monies for a total of \$5,000 and the \$1,000 match will come from their department's general fund. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

Angela Romero, Election Director, requested approval of the official canvass of the Presidential Preference Election held on February 28, 2012. Mr. Lee moved approval, seconded by Mr. White. Motion passed.

Lance Spivey, Sheriff's Office, requested authorization to purchase a 2011 Dodge Pick up 2500 from Ken Garff Fleet Services West Valley City Utah, for a police K-9 vehicle utilizing Sheriff's Office/Attorney General RICO funds. Mr. Lee moved approval, seconded by Mr. White. Mr. Lee asked why this unit could not be purchased in Arizona. Officer Spivey stated that this is the same dealership they used for prior purchases and is fully equipped and cheaper than any other dealership. Mr. Lee stated that the funds used to purchase the vehicle are RICO (Racketeering Influence and Corrupt Organizations) funds and comes from criminals. Motion passed.

Mr. Lee moved to adjourn, seconded by Mr. White. Motion passed.

The following reports were received:

Clerk of the Court

October, 2011 – \$28,216.88

November, 2011 – \$112,695.39

December, 2011 – \$97,758.12

January, 2012 – \$23,072.23

February, 2012 – \$69,071.30

St. Johns Justice Court

September, 2011 – 3,735.21

October, 2011 – \$4,720.50

November, 2011 – \$7,321.87

January, 2012 – \$8,302.50

Recorder

September, 2011 – \$10,044.00

October, 2011 – \$8,735.50

November, 2011 – \$9,848.50

December, 2011 – \$8,737.30

January, 2012 – \$9,190.95

February, 2012 – \$5,448.77

Approved this 20th day of March, 2012.

/s/ Jim Claw
Chairman of the

/s/ Delwin Wengert
Board Clerk of the Board