The Board met in a Regular Meeting at the Santa Cruz County Complex, 2150 N. Congress Drive, Room #120, Nogales, AZ. Present: John Fanning, Chairman; Luis Carlos Davis, Vice-Chairman; Rudy Molera, Member; Jesus Valdez, County Manager; Mauricio Chavez, Deputy County Manager; Chris Young, Deputy County Manager; Robert May, Civil Bureau Chief; Alma Schultz, Clerk of the Board.

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chairman Fanning called the meeting to order, and the Pledge of Allegiance was recited, led by Mary Dahl.

ADOPTION OF AGENDA

Supervisor Molera made a motion to adopt the Agenda with corrections to the Action Item missing a T for it to reflect Corte, remove Jail District item 2 and deviate from the Agenda sequence as necessary; seconded by Vice-Chairman Davis; motion carried unanimously. (Ayes: Davis, Fanning, Molera)

CALL TO THE PUBLIC:

Susan Anderson presented comments on behalf of Dr. Bonnie Titre regarding the Vatere lots. Dr. Titre stated she was previously advised by county staff and officials that she would have the right of first refusal if the lots became available. She noted that her long-term plan is to place the property into a wildlife conservatory trust and that the remaining lots are critical to that effort. She requested the Board reconsider right-of-first-refusal for adjoining property owners to help restore trust in the process.

Susan Faubion, a resident of Rio Rico, commented on an agenda item involving the renewal or extension of a contract. She stated that she was previously advised she would receive additional information on her notice of claim once the county's insurance was billed, but she has not been notified whether the claim was billed, denied, or paid. She expressed concern that appointed positions may lack oversight compared to elected positions and noted that her case remains open. She stated she is still seeking resolution and referenced a passage from Proverbs before concluding her remarks.

David Hathaway, speaking as a private resident, thanked the Board for advancing the discussion on the Vatere lots. He stated he has tried for several years to purchase the lot next to his home and remains concerned about transparency in the process. He emphasized that many adjacent property owners want an opportunity to buy these lots and asked that any future sale be clearly communicated and publicly advertised. He reserved further comments for the study session.

Anita Connor of Rio Rico expressed concern about the short notice given for the study session on the Vatere lots and the lack of background information made available to residents in advance. She noted that decisions regarding existing restrictions will influence whether the lots appeal to developers and could significantly impact Rio Rico's rural character, infrastructure, and water supply. She supported a phased approach to selling the lots, beginning with maintaining current restrictions to allow existing residents a fair opportunity to purchase them. She emphasized that the issue's long-term impact warrants clear communication and the sharing of options and analysis with the public before decisions are made.

CURRENT EVENTS

1. BOARD OF SUPERVISORS

SUPERVISOR MOLERA: reported attending the Small Counties meeting in Phoenix, followed by the County Supervisors Association Board of Directors meeting, where the primary topic was the ongoing state budget, which remains unresolved. He also participated in interviews conducted by County Superintendent Maya Donnelly and Carrie Muñoz for the SCC Leaders in Training program and commended the quality of the student applicants. He concluded by wishing his mother a happy belated 92nd birthday.

VICE-CHAIRMAN DAVIS: reported attending several graduation ceremonies across Santa Cruz County, including Rio Rico High School, Downtown Academy, and the SCC Continuing Education Title II program. He congratulated all graduating students and their families. He also met with Matthew Earl Jones and the Arizona Commerce Authority's film and digital media team to discuss opportunities to attract film industry activity to Santa Cruz County and potential collaboration with Sonora. He noted that Shannon will provide a fuller update during departmental reports.

CHAIRMAN FANNING: reported attending the Rio Rico High School graduation and noted it was an excellent event. He also held the District Three Advisory Committee meeting in Sonoita and thanked Amy Weistrack and the Stakeout for hosting. He observed that over 70 students applied for the county internship program, of which 30 can be selected, and expressed appreciation to School Superintendent Maya Donnelly and Carrie Muñoz for managing the program. He also attended the Santa Cruz County Continuing Education Celebration and the ribbon-cutting ceremony at Double R Ranch. He thanked Supervisor Molera for his guidance and service as he transitions into the role of Chairman.

2. **MANAGER**

JESUS VALDEZ, COUNTY MANAGER, no report at this time.

<u>DEPARTMENT REPORTS AND ACTIVITIES</u>

1. FINANCE: CASH & INVESTMENTS, EXPENDITURES & REVENUE REPORTS

Mauricio Chavez, Deputy County Manager, reported $ in the General Fund, of which $ is invested; $ in the Road Fund, of which $ is invested; $ in the Flood Control District Fund, of which $ is invested; $ in the Jail District Fund, of which $ is invested; $ total for all funds, of which $ is invested; $ estimated end of month balance, compared to $ cash at month year, a difference of $.

2. DEPARTMENT(S) UPDATE:

A RECOGNITION OF HECTOR GUTIERREZ, CHIEF CARTOGRAPHER, IN HONOR OF HIS RETIREMENT AND IN APPRECIATION OF THIRTY (30) YEARS OF DEDICATED SERVICE (REQ: COUNTY ASSESSOR)

Assessor Pablo Ramos recognized Hector Gutierrez for 30 years of service to the Assessor's Office and presented him with a plaque in appreciation of his contributions.

Hector Gutierrez thanked colleagues for their support and stated he is ready for retirement, offering best wishes to everyone.
Supervisor Molera, added personal remarks, noting a long-standing connection with Hector, including having him as a student, and praised his loyalty, helpfulness, and positive presence within the community.
A plaque was also presented to Assessor Pablo Ramos in appreciation of his distinguished service to Santa Cruz County from August 6, 1990, to April 6, 2020.

3. AWARDS, RECOGNITIONS & ACCOMPLISHMENTS:

A RECOGNITION OF ADDISON HIX, 2026 GIRLS TRACK AND FIELD DIVISION III STATE CHAMPION IN THE 100M HIGH HURDLES AND RUNNER-UP IN THE 300M HURDLES, CELEBRATING HER OUTSTANDING ATHLETIC ACHIEVEMENT AND COMMITMENT TO EXCELLENCE

The Chairman introduced agenda item 3A, recognizing Addison Hicks as the 2026 Girls Track and Field Division III State Champion in the 100-meter high hurdles and runner-up in the 300-meter hurdles. He invited Ms. Hicks to the podium and presented her with a certificate and a token of appreciation on behalf of the Board of Supervisors in honor of her outstanding athletic achievements and commitment to excellence. Ms. Hicks was congratulated and given the opportunity to speak.

B RECOGNITION OF EMERGING LEADERS OF SANTA CRUZ COUNTY GRADUATES FOR THEIR ACHIEVEMENT IN COMPLETING THE ACADEMIC LEADERSHIP AND COMMUNITY PROJECT CURRICULUM

The Board introduced item 3B, recognizing graduates of the Emerging Leaders of Santa Cruz County program for completing the academic, leadership, and community-based curriculum. Dr. Morales-Martinez provided an overview of the 10-month program, noting the students' commitment, monthly full-day classes, presentations, readings, and community projects. Supervisors expressed appreciation for the program's focus on emotional intelligence, teamwork, and leadership development, and commended the students for their hard work and contributions.
The Chair invited the graduates forward for recognition and a group photo, and read their names for their certificate.

4. DEPARTMENT UPDATE(S) CONT.

Sheriff Hathaway thanked attendees of the recent Law Enforcement Memorial Ceremony and noted the participation of local agencies, volunteers, and community partners. He also provided context on Jail District item J3, explaining that the jail was originally financed through bonds that did not generate the expected revenue and has required general fund support. He stated that the current administration and Board are managing the district conservatively and, based on recent budget discussions, believe the Jail District fund is now healthy enough to begin reimbursing the general fund for past contributions. He noted that the upcoming transfer of $457,793 reflects the start of that repayment process.

Supervisor Molera added that he agreed with the Sheriff's remarks and stated that the Law Enforcement Memorial Ceremony was, in his opinion, the best the county has held. He praised the guest speaker and noted the excellent performance of the national anthem.

Shannon Hall, Communication Director and Public Relations Director, reported that a recent film production based in Tubac generated substantial economic activity, with most of the filming occurring locally and contributing significant revenue through lodging, food services, and related spending. She noted that the county's film-ready designation helped attract the project. Following the production, Hall, Supervisor Davis, and the County Manager met with the Arizona Commerce Authority's film and media division to explore ways to make Santa Cruz County more welcoming to future film projects and to support continued economic benefits for local businesses. Additional updates will be provided as plans develop.

Community Development Director Colin Bishop invited the public to participate in the county's comprehensive plan process and announced a virtual meeting scheduled for that evening. He encouraged especially younger residents to complete the online survey, noting its importance in shaping future county policies and community priorities. Bishop added that staff will continue outreach at community events throughout the summer and urged participants to share the survey with others. He also announced a contractors' forum to be held the following afternoon in Room 202 to discuss building-related topics and process improvements. In response to questions from the Board, Bishop noted the need for greater representation from younger generations on the upcoming technical advisory committees and directed the public to the county website for comprehensive plan information and survey links. Chairman Fanning requested that Bishop coordinate with Dr. Morales-Martinez to help share information with students, and Bishop agreed.

Treasurer Alejandro Paz reported that the new treasury system will go live on July 20, with a blackout period from July 1–19 during which payments may still be submitted but will not be reflected in the system until after the transition. He noted that this information will be included in a press release, posted on the county website, and displayed at the Treasurer's Office to reduce confusion during the blackout period. Paz emphasized that payments received during this period will be held and processed once the system is active, and the public is being advised in advance to avoid repeated inquiries. He added that delinquency notices are expected to be mailed around July 26 and reminded taxpayers that these are courtesy notices and that the office can confirm any outstanding balances.

Deputy County Manager Mauricio Chavez reported that the department is finalizing its annual budget work following meetings with elected officials and department heads in April. He noted that the state-required budget schedules must be balanced and that final figures cannot be completed until the fiscal year closes on June 30. Chavez stated that the tentative budget is expected to be presented to the Board at a special meeting on July 8.

Vice-Chairman Davis made a motion to recess the Regular Meeting to convene the Flood Control District Board, seconded by Supervisor Molera; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

<u>FLOOD CONTROL</u>

1. DIRECTOR'S/PROJECT REPORT

Floodplain Coordinator Allan Sanchez reported light May rainfall overall, with heavier storms in parts of the county but no flooding. He noted ongoing drought conditions, varying from moderate to abnormally dry. The district processed 170 flood hazard information requests, eight floodplain use permits, and one drainage complaint. Project updates included progress on the Patagonia Regional Flood Control Project, issuance of the Potrero Creek letter of map revision, completion of the Nogales Downtown Redevelopment feasibility report, and continued work on the Catalpa Canyon and Monte Carlo subdivision studies. No reports were submitted by Patagonia or the City of Nogales.

2. MONTHLY REPORT FROM CITY OF NOGALES

No Report.

3. MONTHLY REPORT FROM THE TOWN OF PATAGONIA

Report included.

4. PUBLIC COMMENT

No public comment.

The Board adjourned as the Flood Control and reconvened into Regular Session. (Motion: Supervisor Molera; second: Vice-Chairman Davis; motion carried unanimously) (Ayes: Davis, Fanning, Molera)

<u>STUDY SESSION</u>

1. INFORMATION AND PROCESS REGARDING THE SALE AND DISPOSITION OF THE REAL PROPERTY COMMONLY KNOWN AS THE VATERE LOTS, LOCATED IN RIO RICO (REQ: COUNTY MANAGER)

Robert May, Bureau Chief – Civil Division provided an overview of the legal framework and process related to the upcoming auction of the Vitari lots. He noted that approximately 100 lots will be

included in the initial auction and emphasized that all interested bidders must conduct thorough due diligence, including reviewing lot information, inspecting properties, and consulting title or lending professionals as appropriate. He stated that all lots will be sold by public auction as required under A.R.S. § 11-251(9), with starting bids set at 90 percent of the assessed value and notices to be published in advance. May clarified that there is no right of first refusal under statute and that lots will be conveyed by quitclaim deed, meaning the county provides no warranties and buyers assume all risks. He also explained that questions remain regarding the validity and enforceability of recorded covenants or restrictions and advised potential buyers to seek legal counsel if they intend to develop or improve purchased lots. Slides from the presentation were provided for reference.
Additional discussion focused on the overall process for preparing the lots for auction, the importance of public transparency, and the need for clear communication tools such as online maps, schedules, and public notifications. It was noted that the initial group of approximately 100 lots is intended to avoid overwhelming county departments while staff evaluates workload impacts. Members of the public expressed concerns regarding water availability, title complications, potential market effects, parcel combinations, and feasibility of development, including limitations on percolation testing prior to purchase. Staff indicated that some parcels may be retained by the county for flood control or wildlife corridors and that selection methods for the first auction group remain under review. The Board emphasized the need for ongoing updates, further public engagement opportunities, and development of a process that ensures fairness, clarity, and accessibility as the auction procedures move forward. The Board emphasized transparency, public outreach, and the need for regular updates as the process develops. Additional public meetings may be scheduled. The goal is to establish a clear process and begin auctions as soon as practical.

Vice-Chairman Davis made a motion to recess the Regular Meeting to convene into Executive Session seconded by Supervisor Molera; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

EXECUTIVE SESSION

1. PURSUANT TO A.R.S. § 38-431.03(A)(1), (3) & (4), DISCUSSION AND CONSULTATION FOR LEGAL ADVICE REGARDING THE POTENTIAL RENEWAL OF THE EMPLOYMENT CONTRACT FOR JESUS VALDEZ, COUNTY MANAGER (REQ: SUPERVISOR MOLERA)

2. PURSUANT TO A.R.S. § 38-431.03(A)(3) & (4), DISCUSSION AND CONSULTATION FOR LEGAL ADVICE AND/ OR DIRECTION REGARDING POTENTIAL SETTLEMENT WITH USAA CASE NO. S1200-CV2026-00654 (REQ: COUNTY MANAGER)

The Board adjourned the Executive Session and reconvened Regular Session. (Motion: Vice-Chairman Davis; second: Supervisor Molera; motion carried unanimously) (Ayes: Davis, Fanning, Molera)

ACTION ITEMS

1. DISCUSSION/POSSIBLE ACTION TO APPROVE RENAMING DE ANZA LANE TO CORE DE ANZA WEST, A PRIVATE ROAD IN TUBAC (REQ: PUBLIC WORKS)

Supervisor Molera made a motion to approve, seconded by Vice-Chairman Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera) with the districtin of t

2. DISCUSSION/POSSIBLE ACTION TO APPROVE EMPLOYMENT CONTRACT WITH JESUS VALDEZ TO RENEW AND EXTEND HIS APPOINTMENT AS COUNTY MANAGER FOR AN ADDITIONAL THREE (3) YEARS (REQ: SUPERVISOR MOLERA)

Supervisor Molera made a motion to approve, seconded by Vice-Chairman Davis; the motion

carried unanimously. (Ayes: Davis, Fanning, Molera)
During discussion of the employment contract renewal, comments highlighted the strong performance of the county manager over recent years, including improvements within the organization and effective leadership. It was noted that the manager will continue to fulfill the duties of county engineer in addition to his managerial responsibilities. The Board expressed appreciation for his guidance, professionalism, and commitment to the county. No further discussion was presented.

3. DISCUSSION/POSSIBLE ACTION TO APPROVE SETTLEMENT WITH USAA IN CASE NO. S1200-CV2026-00654 (REQ: COUNTY MANAGER)

Vice-Chairman Davis made a motion to approve, seconded by Supervisor Molera; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

4. DISCUSSION/POSSIBLE ACTION TO APPROVE MASTER RECRUITING SERVICES AGREEMENT WITH FULLCIRCLE PLACEMENT TO RECRUIT AND FILL A VACANT DEPUTY COUNTY ATTORNEY POSITION RESPONSIBLE FOR MANAGING SPECIAL VICTIMS CASES, IN THE ESTIMATED AMOUNT OF $25,000 (REQ: COUNTY ATTORNEY)

Vice-Chairman Davis made a motion to approve, seconded by Supervisor Molera; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)
Under discussion, the need for additional recruitment support was explained due to difficulties filling a vacant Deputy County Attorney position. A recruitment firm was proposed, with no cost unless a successful hire is made. It was noted that the item is not budgeted, and a request was made for earlier discussion of similar items during future budget planning. No further discussion was offered.

Supervisor Molera made a motion to recess the Regular Meeting to convene the Jail District Board seconded by Vice-Chairman Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

JAIL DISTRICT

1. DISCUSSION/POSSIBLE ACTION FOR AUTHORIZATION TO FILL VACANT DETENTION OFFICER POSITION (REQ: SHERIFF)

Vice-Chairman Davis made a motion to approve, seconded by Supervisor Molera; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

2. DISCUSSION/POSSIBLE ACTION TO APPROVE AMENDMENT NO. 2 TO THE MASTER LICENSE AND SERVICES AGREEMENT WITH HOMEWAV, LLC TO REFLECT HOMEWAV'S COVERAGE OF 100% OF THE FACILITY'S INTERNET COSTS TO PREVENT A NEGATIVE BALANCE WITH ALL OTHER TERMS OF THE ORIGINAL MSA REMAINING IN FULL EFFECT (REQ: SHERIFF)

3. DISCUSSION/POSSIBLE ACTION FOR AUTHORIZATION TO REIMBURSE THE GENERAL FUND FOR ACTUAL INDIRECT COSTS BY THE JAIL DISTRICT PURSUANT TO A.R.S. § 48-4024 IN THE AMOUNT OF $457,793 (REQ: DEPUTY COUNTY MANAGER)

Supervisor Molera made a motion to approve, seconded by Vice-Chairman Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)
An explanation was provided by Mauricio Chavez, Deputy County Manager, regarding the statute governing the jail district’s financial obligations. It was clarified that the statute contains two distinct components: the annual maintenance-of-effort requirement, which is calculated using assessed values and inflation, and the indirect costs associated with county services provided to the jail district, determined through the county’s annual cost allocation plan. The current request relates only to repayment of indirect costs for the year, not the maintenance-of-effort amount. Review of the maintenance-of-effort repayment is underway with bond counsel due to potential impacts on investors,

and a separate item will return to the Board once that review is complete.

The Board adjourned as the Jail District Board and reconvened into the Regular Session. (Motion: Vice-Chairman Davis ; second: Supervisor Molera; motion carried unanimously) (Ayes: Davis, Fanning, Molera)

CONSENT AGENDA

Supervisor Molera made a motion to approve, seconded by Vice-Chairman Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

1. DISCUSSION/POSSIBLE ACTION FOR AUTHORIZATION TO FILL:

A VACANT LANDFILL OPERATOR POSITION (REQ: PUBLIC WORKS)

B SOON TO BE VACANT GIS TECHNICIAN, SENIOR POSITION (REQ: ASSESSOR)

2. DISCUSSION/POSSIBLE ACTION TO APPROVE SANTA CRUZ COUNTY LOCAL EMERGENCY PLANNING COMMITTEE HAZARDOUS MATERIALS EMERGENCY RESPONSE AND RECOVERY PLAN (REQ: EMERGENCY MANAGEMENT)

3. DISCUSSION/POSSIBLE ACTION TO ACCEPT A DONATION FROM ELIZABETH H. BRUCE TO SANTA CRUZ COUNTY ANIMAL CARE AND CONTROL SERVICES IN THE AMOUNT OF $5,000 (REQ: ANIMAL CONTROL)

4. DISCUSSION/POSSIBLE ACTION TO APPROVE A SERVICE RENTAL AGREEMENT WITH PRUDENTIAL OVERALL SUPPLY TO SUPPLY UNIFORM GARMENTS FOR THE FACILITIES MAINTENANCE DEPARTMENT (REQ: ADMINISTRATIVE SERVICES)

5. DISCUSSION/POSSIBLE ACTION TO APPROVE PROFESSIONAL SERVICES CONTRACT WITH MOFFATT CONSULTING, LLC FOR ECONOMIC DEVELOPMENT ADVISORY AND CONSULTING SERVICES FROM JUNE 3, 2026 THROUGH JUNE 2, 2027 IN THE AMOUNT NOT TO EXCEED $93,600 (REQ: DEPUTY COUNTY MANAGER)

6. DISCUSSION/POSSIBLE ACTION TO APPROVE INTERGOVERNMENTAL AGREEMENT WITH PINAL COUNTY FOR PARTICIPATION IN PINAL COUNTY'S ANNUAL SAFETY ROADEO PROMOTING SAFE OPERATION OF HEAVY EQUIPMENT FOR EMPLOYEES (REQ: PUBLIC WORKS)

7. DISCUSSION/POSSIBLE ACTION TO APPROVE AGREEMENT WITH MOTOROLA SOLUTIONS, INC. QUOTE NO. 3256570 FOR GEOVALIDATION UPGRADE SUPPORTING THE ARIZONA 9-1-1 PROGRAM AND 911 GIS SYSTEMS FOR A TERM OF FOUR (4) YEARS IN THE AMOUNT OF $118,299.36 (REQ: SHERIFF)

8. DISCUSSION/POSSIBLE ACTION TO APPROVE COOPERATIVE PURCHASE AGREEMENT AND QUOTE NO. 00504955 WITH THERMO SCIENTIFIC PORTABLE ANALYTICAL INSTRUMENTS INC. FOR THE PURCHASE OF A TRUNARC SOLUTION KIT WITH A 1-YEAR WARRANTY, FUNDED THROUGH THE LOCAL BORDER GRANT BY ARIZONA DEPARTMENT OF PUBLIC SAFETY, IN THE AMOUNT OF $33,948 (REQ: SHERIFF)

9. DISCUSSION/POSSIBLE ACTION TO APPROVE INTERGOVERNMENTAL AGREEMENTS TO CONTINUE THE IMPLEMENTATION OF THE IGNITING EARLY LITERACY PROJECT, FUNDED BY PROJECT FELT GRANT AWARD NO. CTR077332, EFFECTIVE THROUGH DECEMBER 30, 2026, IN THE TOTAL GRANT AMOUNT OF $100,000, WITH THE REMAINDER FOR THE OFFICE, IN THE AMOUNTS ALLOCATED TO THE FOLLOWING ENTITIES: (REQ: SCHOOL SUPERINTENDENT)

A NOGALES-SANTA CRUZ PUBLIC LIBRARY IN THE AMOUNT OF $7,558

B ARIZONA BOARD OF REGENTS, UNIVERSITY OF ARIZONA IN THE AMOUNT OF $70,628

10. DISCUSSION/POSSIBLE ACTION FOR RECOMMENDATION OF APPROVAL OF THE APPLICATIONS FOR LIQUOR LICENSES FOR: (REQ: CLERK)

A CLIFFROSE COUNTRY STORE IN SONOITA

B LOVE'S TRAVEL STOP #350 IN NOGALES, AZ LOCATED OUTSIDE CITY LIMITS

11. DISCUSSION/POSSIBLE ACTION TO APPROVE APPLICATION FOR FIREWORKS DISPLAY AT THE EMPTY LOT AT ST. ANN'S CHURCH ON JULY 3, 2026 (REQ: CLERK)

12. DISCUSSION/POSSIBLE ACTION TO APPROVE BOND FOR DUPLICATE WARRANT #2-122876 IN THE AMOUNT OF $1,804.17 DATED 12/02/2024 PAYABLE TO YOUNG AUDIENCES, INC. (REQ: CLERK)

13. DISCUSSION/POSSIBLE ACTION TO ADOPT AND APPROVE RESOLUTION NO. 2026-08 DESIGNATING THE VOTE CENTERS FOR THE JULY 21, 2026, PRIMARY ELECTION (REQ: ELECTIONS)

14. APPROVAL OF MINUTES: 05/20/2026

15. APPROVAL OF DEMANDS were approved in the total amount of $5,524,298.50, of which $822,402.26 is from the General Fund. Details of these expenditures are available for inspection during working hours and are to be considered as part of these minutes.

ADJOURNMENT

The meeting adjourned at 12:15 p.m. (motion: Vice-Chairman Davis; second: Supervisor Molera; motion carried unanimously) (Ayes: Davis, Fanning, Molera)