Board of Supervisors
June 17, 2026
5:30 PM

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 Libby.

ADOPTION OF AGENDA

Supervisor Molera made a motion to adopt the Agenda and deviate from the Agenda sequence as necessary; seconded by Vice-Chairman Davis; motion carried unanimously. (Ayes: Davis, Fanning, Molera)

CALL TO THE PUBLIC:

Robin Lucky, President of the Calabasas Alliance, thanked Supervisor Fanning and warned that the Humane Society's closure, along with limited veterinary services, will leave the county without adequate animal care. She urged the County to create a transitional plan, consider temporary stewardship of the facility, and explore hiring displaced staff, noting the Humane Society's long history of providing critical, affordable, no-kill services. She asked the County to act quickly, keep the community informed, and reminded the Board that a community's character is reflected in how it treats its animals.

Jay Thompson, a Rio Rico resident and Calabasas Alliance board member, reported on the 2026 National PFAS Conference and the June 7 field tour held in Santa Cruz County, which has the highest PFAS levels in Arizona and ranks 10th nationally. He thanked Supervisor Davis and Colin Bishop for joining national researchers as they visited key contamination sites and learned about local water, wastewater, and PFAS challenges. Thompson also noted Robin Lucky's keynote presentation and expressed gratitude for the Board's support as the Alliance continues working on solutions.

Gregory Benoist thanked the Board for holding an evening meeting that allows more public participation and encouraged rotating locations to better serve residents on the east side. He acknowledged recent improvements in accountability but expressed concern over the recent $22,000 increase to Mr. Valdez, litigation against the State Auditor General, and the county's past failure to act on repeated warnings, while also noting ongoing issues such as the loss of local veterinary services and support for moving forward with the July 3 fireworks event. He closed by thanking staff for implementing new audit processes that recently caught an embezzlement case and urged residents to complete county payments before July 1 as the new system comes online.

CURRENT EVENTS

1. BOARD OF SUPERVISORS

SUPERVISOR MOLERA: offered condolences to employee Claire Horton on the passing of her husband, Ken Horton. He commended Colin Bishop and his staff for the successful Santa Cruz County Contractor Forum, noting strong attendance and productive collaboration among departments, including the Health Department, to improve processes for local contractors. He concluded his report with no further items.

VICE-CHAIRMAN DAVIS: reported that he, the County Manager, and the Deputy County Manager attended the recent City of Nogales meeting, where the one-year Memorandum of Understanding (MOUs) for the library and animal control were approved. He also described visits to the U.S. Consulate in Mexico and meetings with Arizona Department of Transportation (ADOT) and community partners to explore future collaboration opportunities, including a possible countywide marathon. Davis noted his participation in the University of Arizona PFAS conference and field tour, emphasizing the importance of staying informed on local water and infrastructure challenges.

CHAIRMAN FANNING: reported that approximately 30 interns are currently working with the County and thanked the County School Superintendent and her team for organizing weekly workshops that support student career development. He noted a productive meeting with Chief Marc Meredith of the Sonoita and Elgin Fire District, and he thanked Tracy Huffstetler and his team for installing benches along Rio Rico walking paths purchased by the Rio Rico Rotary, as well as for their work related to item J6 on the consent agenda. He also thanked the Calabasas Alliance, Jay Thompson, Robin Lucky, Supervisor Davis, and Colin Bishop for their efforts on PFAS issues and concluded by congratulating Ivana, a staff member in the County office, on her recent marriage.

2. MANAGER

JESUS VALDEZ, COUNTY MANAGER, announced that beginning at the next meeting, the Communications Director will provide Arizona legislative updates to inform both the Board and the public about bills and issues affecting the County. He noted that while some of this information is also shared through County Supervisors Association (CSA) meetings, this addition will ensure the public has access to the same updates the Board receives. He concluded with no further comments.

DEPARTMENT REPORTS AND ACTIVITIES

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

Maria Martinez, Assistant Finance Director, reported \$9,689,893.55 in the General Fund, of which \$16,922,563.11 is invested; \$6,668,370.53 in the Road Fund, of which \$5,234,209.89 is invested; \$3,380,300.99 in the Flood Control District Fund, of which \$315,451.69 is invested; \$7,020,365.66 in the Jail District Fund, of which \$4,495,981.72 is invested; \$67,375,781.46 total for all funds, of which \$29,135,374.89 is invested; \$13,451,475.53 estimated end of month balance, compared to \$5,185,078.73 cash at June 2025, a difference of \$8,266,396.80.

2. DEPARTMENT(S) UPDATE

A UPDATE ON EARLY ACTIONS COMMUNITY INVESTMENT AGREEMENT BY COUNTY MANAGEMENT

Chris Young, Deputy County Manager, provided the monthly update on Early Actions under the Community Investment Agreement, noting that the Final Environmental Impact Statement record of decision is expected on July 7 and that a bilingual stakeholder input form will soon be available on the County website. He reported progress on the July 1 RFQ for the independent emergency services audit, the Patagonia flood control study on the current agenda, procurement for the County Attorney’s mobile clinic, and a proposed professional services agreement for the strategic child care plan. Young added that the Nature-Based Restorative Economy study remains under review and may require an RFQ if the University of Arizona cannot provide an implementation-focused plan, and he noted that the housing study will be on the July 1 agenda, with all early action items on track for completion toward the end of the year.

STUDY SESSION

1. OVERVIEW OF THE OPPORTUNITY ZONE 2.0 CENSUS TRACTS AND THE PROCESS USED FOR THEIR EVALUATION, SELECTION, AND PRIORITIZATION FOR THE BOARD'S RECOMMENDATION AND AUTHORIZATION FOR SUBMITTAL TO THE ARIZONA COMMERCE AUTHORITY, PRESENTED BY CHRIS YOUNG, DEPUTY COUNTY MANAGER

Deputy County Manager Chris Young introduced Community Development Director Colin Bishop and Economic Development Specialist John Moffatt, then explained the Arizona Opportunity Zones 2.0 process, the criteria for eligible census tracts, and the community input gathered through two public meetings. He reported that two tracts, one in north-west Nogales and one in Rio Rico west of I-19, were unanimously recommended and reviewed by County leadership. Colin Bishop added that both tracts are strong candidates attracting private investment, and the Board must rank a preference in case the state awards only one designation.

Board members thanked staff for the Opportunity Zones 2.0 presentation and discussed the strengths of both recommended tracts. Supervisor Molera supported selecting Rio Rico Tract 108 as the top priority, noting that development is already occurring in Nogales and that Rio Rico would benefit from the Opportunity Zone designation. Vice-Chairman Davis and Chairman Fanning agreed that both tracts are strong candidates, discussed the difference between short-term and long-term growth strategies, and asked clarifying questions about eligibility, past public input on the Rio Rico Vitality District, and current development activity in both areas.

DISCUSSION ITEMS

1. DISCUSSION/POSSIBLE DIRECTION REGARDING ANIMAL SHELTER SERVICES AND RELATED COMMUNITY RESOURCES (REQ: COUNTY MANAGER)

The Board discussed the recent announcement of the Humane Society's planned closure and the concerns raised by residents regarding animal care services in the county. County staff reported that while the Humane Society is an independent nonprofit, the County will assist with a safe transition by supporting adoption clinics, coordinating with rescue partners, and continuing essential animal control services with limited kennel capacity. Board members and members of the public emphasized the need for both short-term and long-term solutions, including exploring grants, reviewing previously allocated funds, considering facility expansion, coordinating with the City of Nogales, assisting displaced employees through Arizona@Work, and addressing the countywide shortage of veterinary services.

CONSENT AGENDA

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

1. DISCUSSION/POSSIBLE ACTION FOR AUTHORIZATION TO FILL:

A VACANT ACCOUNTANT, SENIOR POSITION (REQ: ADMINISTRATIVE SERVICES)

B VACANT DEPUTY SHERIFF POSITION (REQ: SHERIFF)

C VACANT LEGAL ASSISTANT POSITION (REQ: COUNTY ATTORNEY)

D SOON-TO-BE VACANT APPRAISER ASSISTANT POSITION (REQ: ASSESSOR)

2. DISCUSSION/POSSIBLE ACTION TO APPROVE THE TRANSFER OF MONIES FROM THE GENERAL FUND AND OTHER ELIGIBLE FUNDS TO COVER NEGATIVE CASH BALANCES AT JUNE 30, 2026 AND AUTHORIZE THE DEPUTY COUNTY MANAGER TO TRANSFER ANY ADDITIONAL MONIES NEEDED TO COVER

NEGATIVE CASH AT YEAR-END (REQ: ADMINISTRATIVE SERVICES)

3. DISCUSSION/POSSIBLE ACTION TO APPROVE THE SANTA CRUZ COUNTY PURCHASING CARD (P-CARD) POLICY ESTABLISHING UNIFORM GUIDANCE, INTERNAL CONTROLS, POLICIES AND PROCEDURES GOVERNING THE ISSUANCE, USE, AND ADMINISTRATION OF COUNTY PURCHASING CARDS (REQ: ADMINISTRATIVE SERVICES)

4. DISCUSSION/POSSIBLE ACTION TO APPROVE THE AMENDED AND RESTATED INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF NOGALES FOR ANIMAL CONTROL SERVICES PREVIOUSLY APPROVED ON MAY 4, 2021 TO EXTEND THE TERM FOR ONE (1) YEAR WITH A NEW EXPIRATION DATE OF JUNE 30, 2027 (REQ: COUNTY MANAGER)

5. DISCUSSION/POSSIBLE ACTION TO APPROVE A CHANGE ORDER WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION FOR DESIGN SERVICES FOR THE BABOCOMARI CREEK BRIDGE REPLACEMENT PROJECT IN THE AMOUNT OF $55,000 (REQ: COUNTY MANAGER)

6. DISCUSSION/POSSIBLE ACTION TO APPROVE SERVICES AGREEMENT WITH WIESE PAINTING CONTRACTORS, INC. FOR PAINTING SERVICES AND ASSOCIATED REPAIRS AT THE COUNTY COMPLEX THROUGH PROJECT COMPLETION OR JUNE 16, 2027, IN AN AMOUNT NOT TO EXCEED $100,000 (REQ: COUNTY MANAGER)

7. DISCUSSION/POSSIBLE ACTION TO APPROVE SERVICES AGREEMENT WITH ZENCITY TECHNOLOGIES, INC. FOR COMMUNITY ENGAGEMENT, PUBLIC OUTREACH, AND SURVEY SERVICES FOR A TERM OF TWO (2) YEARS IN AN AMOUNT NOT TO EXCEED $29,500 PER YEAR (REQ: COMMUNITY DEVELOPMENT)

8. DISCUSSION/POSSIBLE ACTION TO APPROVE SERVICES AGREEMENT WITH ORDINAL TECHNOLOGIES, INC. FOR KNOWLEDGE MANAGEMENT AND PUBLIC INFORMATION SERVICES FOR A TERM OF TWELVE (12) MONTHS, WITH AUTOMATIC RENEWAL FOR EACH SUBSEQUENT ONE-YEAR TERM, IN AN AMOUNT NOT TO EXCEED $23,000 PER YEAR (REQ: INFORMATION TECHNOLOGY)

9. DISCUSSION/POSSIBLE ACTION TO APPROVE CONTRACT WITH COORDINATED CONSULTING SERVICES LLC., OR THE BUSINESS IMPACT ANALYSIS AND PHASE 4 OF THE CONTINUITY OF OPERATIONS (COOP) PLAN EFFECTIVE THROUGH JUNE 16, 2027 IN AN AMOUNT NOT TO EXCEED $14,500 (REQ: EMERGENCY MANAGEMENT)

10. DISCUSSION/POSSIBLE ACTION TO APPROVE PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES, INC., FOR THE PHASE 2 OF THE PATAGONIA REGIONAL FLOOD CONTROL PROJECT IN THE REIMBURSABLE AMOUNT OF $399,455 (REQ: PUBLIC WORKS)

11. DISCUSSION/POSSIBLE ACTION TO APPROVE INTERGOVERNMENTAL AGREEMENT CONTRACT NO. CTR081717 WITH THE ARIZONA DEPARTMENT OF

HEALTH SERVICES FOR THE PUBLIC HEALTH EMERGENCY PREPAREDNESS AND RESPONSE PROGRAM EFFECTIVE JUNE 30, 2026 THROUGH JULY 1, 2031, IN THE AMOUNT NOT TO EXCEED $201,438 (REQ: HEALTH SERVICES)

12. DISCUSSION/POSSIBLE ACTION TO APPROVE BOND FOR DUPLICATE WARRANT #2-132723 IN THE AMOUNT OF $583.65 DATED 05/20/2026 PAYABLE TO ITZEL TEJEDA (REQ: CLERK)

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

A LAKESIDE MARKET IN NOGALES (PATAGONIA LAKE STATE PARK), AZ

B VEHEMENT CRAFT BEVERAGE COMPANY IN SONOITA

14. APPROVAL OF MINUTES: 06/03/2026 & 06/09/2026 SPECIAL MEETING

15. APPROVAL OF MONTHLY REPORTS

16. APPROVAL OF DEMANDS were approved in the total amount of $1,368,471.58, of which $599,085.56 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.

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

EXECUTIVE SESSION

1. PURSUANT TO A.R.S. § 38-431.03(3) & (4), DISCUSSION AND CONSULTATION FOR LEGAL ADVICE AND/OR DIRECTION REGARDING PAYMENT OF COURT-ORDERED ATTORNEY FEES IN THE AUDIT USA CASE NO. C20223426 AND APPEAL NO. 2 CA-CV 2024-0328, CURRENTLY CALCULATED AT $50,016.03 (REQ: COUNTY ATTORNEY)

2. PURSUANT TO A.R.S. § 38-431.03(3) & (4), DISCUSSION AND CONSULTATION FOR LEGAL ADVICE AND/OR DIRECTION REGARDING A PROPOSED TAX COMPROMISE AGREEMENT, PURSUANT TO A.R.S. § 42-18124, WITH DEBORAH MILLS WAHLEN AND ALEX MILLS ENTITIES (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 BOARD'S RECOMMENDED OPPORTUNITY ZONES 2.0 CENSUS TRACTS AND PRIORITIZATION AND AUTHORIZE COUNTY MANAGEMENT TO SUBMIT THEM TO THE ARIZONA COMMERCE AUTHORITY (REQ: COMMUNITY DEVELOPMENT)

Supervisor Molera made a motion to approve ranking 108 top rank and 200 as second rank, seconded by Vice-Chairman Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)

Under discussion, the Board approved submitting Opportunity Zones 2.0 census tracts 108 and 200 to the Arizona Commerce Authority, with Tract 108 designated as the top priority. Supervisors noted that both areas are strong candidates, with Tract 108 aligning with prior Vitality District planning and Tract 200 already experiencing active development. The motion was approved unanimously.

2. DISCUSSION/POSSIBLE ACTION TO APPROVE APPLICATION FOR FIREWORKS DISPLAY IN RIO RICO AT 320 STABLES LANE ON JULY 3, 2026 (REQ: CLERK)

Supervisor Molera made a motion to approve, seconded by Vice-Chairman Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)
Under discussion everything is in order by County Manager, Jesus Valdez.

3. DISCUSSION/POSSIBLE ACTION TO APPROVE PAYMENT OF COURT-ORDERED ATTORNEY FEES IN THE AUDIT USA CASE NO. C20223426 AND APPEAL NO. 2 CA-CV 2024-0328, CURRENTLY CALCULATED AT $50,016.03 (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, Robert May, Civil Bureau Chief – Civil Division, explained that the nearly four-year Audit USA public records case has concluded, with both the trial and appellate courts ordering the County to pay attorneys' fees because Audit USA was deemed the successful party. He emphasized that the County acted in good faith to protect voter privacy by refusing to release digital ballot data that could reveal how individuals voted, noting that newer case law now clearly supports this position. The Board approved payment of the ordered fees and authorized Finance to issue the checks immediately, and the motion passed unanimously.

4. DISCUSSION/POSSIBLE ACTION TO APPROVE AND ENTER INTO A TAX COMPROMISE AGREEMENT, PURSUANT TO A.R.S. § 42-18124, WITH DEBORAH MILLS WAHLEN, ALEX MILLS DEVELOPMENT CORPORATION, AN ARIZONA CORPORATION, WAMIR, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AMDC, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND BVR, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND BUENA VISTA PUBLIC SERVICE, INC., AN ARIZONA CORPORATION, OVER PROPERTIES IDENTIFIED IN THE ATTACHED AGREEMENT AND EXHIBITS, FOR A TOTAL COMPROMISE UP THROUGH DECEMBER 31, 2025, IN THE AMOUNT OF $26,690.26, AS REQUESTED BY THEIR LEGAL COUNSEL, JOSEPH MACHADO, ESQ. (REQ: COUNTY ATTORNEY)

Supervisor Molera made a motion to approve, seconded by Vice-Chairman Davis; the motion carried unanimously. (Ayes: Davis, Fanning, Molera)
Under discussion, the Board considered and approved a tax compromise agreement involving multiple Mills-related entities for parcels in the Buena Vista area, reducing interest, fees, and penalties while requiring full payment of all base taxes. Attorney Joe Machado explained the long history of the subdivision, the extensive efforts by the late Alex Mills and his family to correct past title and tax issues, and why the arrears now exceed the value of the properties. Board members expressed appreciation for the work of staff and legal counsel, acknowledged the family's ongoing efforts to restore the area, and approved the agreement unanimously.

ADJOURNMENT

The meeting adjourned at 7:38 p.m. (motion: Vice-Chairman Davis; second: Supervisor Molera; motion carried unanimously) (Ayes: Davis, Fanning, Molera)