



QUAY COUNTY GOVERNMENT  
300 South Third Street  
P.O. Box 1246  
Tucumcari, NM 88401  
Phone: (575) 461-2112  
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AGENDA  
REGULAR SESSION  
QUAY COUNTY BOARD OF COMMISSIONERS  
AUGUST 14, 2017

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**9:00 A.M. Call Meeting to Order**

Pledge of Allegiance

Approval of Minutes-Regular Session July 24, 2017

Approval/Amendment of Agenda

**Public Hearing**

**Franklin McCasland, Quay County Commission Chairman**

- Quay County Infrastructure/Capital Improvement Plan (ICIP) Update

**Public Hearing Adjourned**

**Public Hearing**

**Franklin McCasland, Quay County Commission Chairman**

- Road Closure – Quay Road 51 from Blocks 3400 to 3750

**Public Hearing Adjourned**

**Public Comment**

**Ongoing Business**

**New Business**

**I. Christopher Cothran, Project Director NextEra Energy Resources**

- NextEra Energy Presentation
- Request Approval of Resolution No. 9 - A RESOLUTION FOR THE NEW MEXICO WIND ENERGY CENTER REPOWER PROJECT
- Request Approval of Resolution No. 10 - A RESOLUTION FOR THE CASA MESA WIND PROJECT

**II. Russell Shafer, Quay County Sheriff**

- Presentation of Sheriff's Report



DOC #CM-00422

08/30/2017 09:26 AM Doc Type: COCOM

Fee (No FieldTag Finance TotalFees found)

Quay County, NM Ellen White - County Clerk, County Cle

Pages 21



- III. Larry Moore, Quay County Road Superintendent**
- Request Approval of **Road Closure of Quay Road 51 from Blocks 3400-3750**
- IV. Richard Primrose, Quay County Manager**
- Request Approval of **Fence and Canopy at Courthouse**
  - **Correspondence**
- V. Request Approval of Accounts Payable**
- VI. Request for Closed Executive Session**
- Pursuant to Section 10-15-1(H) 7. **The New Mexico Open Meetings Act Pertaining to Threatened or Pending Litigation**
- VII. Other Quay County Business That May Arise During the Commission Meeting and/or Comments from the Commissioners**

**Adjourn**

*Lunch-Time and Location to be Announced*

# REGULAR SESSION-BOARD OF QUAY COUNTY COMMISSIONERS

August 14, 2017

9:00 A.M.

BE IT REMEMBERED THE HONORABLE BOARD OF QUAY COUNTY COMMISSIONERS met in regular session the 14<sup>th</sup> day of August, 2017 at 9:00 a.m. in the Quay County Commission Chambers, Tucumcari, New Mexico, for the purpose of taking care of any business that may come before them.

## PRESENT & PRESIDING:

Franklin McCasland, Chairman  
Mike Cherry, Member  
Sue Dowell, Member  
Ellen L. White, County Clerk  
Richard Primrose, County Manager

## OTHERS PRESENT:

Daniel Zamora, Quay County Rural Addressing  
Christopher Cothran, Project Director NextEra Energy Resources  
Gail Houser, Tucumcari MainStreet Director  
Curtis Simpson, Quay County Emergency Management Coordinator  
Russell Braziel, KTNM Radio Station  
Rusty Shafer, Quay County Sheriff  
Janie Hoffman, Quay County Chief Deputy Assessor  
Patsy Gresham, Quay County Treasurer  
Cheryl Simpson, Quay County Manager's Office  
Larry Moore, Quay County Road Superintendent  
Vic Baum, Quay County Assessor  
Thomas Garcia, Quay County Sun

Chairman Franklin McCasland called the meeting to order. Larry Moore led the Pledge of Allegiance.

A MOTION was made by Mike Cherry, SECONDED by Sue Dowell to approve the minutes from the July 24, 2017 regular session as printed. MOTION carried with Cherry voting "aye", McCasland voting "aye", and Dowell voting "aye".

A MOTION was made by Sue Dowell, SECONDED by Mike Cherry to approve the Agenda as presented. MOTION carried with Cherry voting "aye", Dowell voting "aye" and McCasland voting "aye".

A Public Hearing regarding the Quay County Infrastructure/Capital Improvement Plan was opened for discussion by Chairman McCasland. Time noted 9:05 a.m.

County Manager, Richard Primrose distributed the items of interest on the plan and asked for audience and Commissioners input. The list is attached.

Commissioner Dowell asked if the County would add other roads to the plan outside of the area around the recently completed Quay Road 63. Dowell said she thinks a lot of emphasis has been placed in that area and would like to diversify where funding is spent. County Manager, Richard Primrose said the ICIP request is simply a wish list and any areas of concern can be added and items changed. He asked Dowell to get him a list of the roads she would like to add. Chairman McCasland stated the ICIP is for Capital Outlay funding from the State and more than likely won't get funded. McCasland said he thinks the County does an excellent job of spreading out the CAP, COOP and School Bus Projects throughout the County.

With no further comments, the Public Hearing ended. Time noted 9:15 a.m.

Chairman McCasland opened a Public Hearing regarding the closure of the 3400-3750 block of Quay Road 51. Time noted 9:15 a.m.

County Manager, Richard Primrose stated the request to close this portion of Quay Road 51 came from Gary Massey. Massey is the sole land owner adjacent to this Road. Primrose said registered letters were sent to nearby land owners and one response was received from Robert Abercrombie supporting the closure. Larry Moore, Quay County Road Superintendent reported the road serves no purpose but access to the Massey property. Moore said there is no State Lease Land affected by the closure.

With no further comments, the Public Hearing ended. Time noted 9:20 a.m.

PUBLIC COMMENTS: NONE

ONGOING BUSINESS: NONE

NEW BUSINESS:

Christopher Cothran, Project Director for NextEra Energy Resources presented an overview of the current New Mexico Wind Energy Center project. Cothran explained the equipment has served its purpose for the original project that became operational in 2003, but several improvements need to be made at the project.

Cothran explained the improvements will require a significant monetary investment but will provide for a longer life of the equipment and increase productivity for substantial benefits to Quay County and their landowners.

Cothran informed the Board the original project consisted of 86 turbines in Quay County. The initial construction included the installation of all components including the turbine generators, collection systems and substations.

At this time, NextEra will be requesting a new 30-year IRB for the renovation (repowering) of the equipment at the facility. The repowering will consist of larger rotors for higher productivity. As well, each Nacelle will be replaced. The existing equipment that will continue to be subject to the original IRB's from 2002 will include the foundations, towers and collection system/substations.

In addition to the renovations, NextEra will begin their new wind ranch, Casa Mesa, which will be located due east of the current NM Wind Energy Center. Cothran said the operation date for both the repowering renovations and Casa Mesa are slated to begin December 31, 2018. The Casa Mesa project will be home to nineteen 2.5 MW turbines and two 1.75 MW turbines. Of

those turbines, 12 will be located in Quay County and 9 in De Baca County. The two 1.75 MW turbines will be stationed in Quay County. Cothran said Quay County will have the first of the higher capacity turbines installed and operational by NextEra. Cothran said it's exciting to be installing this cutting edge technology in Quay County, which is lucky enough to have the North American Wind Program at Mesalands Community College.

The Casa Mesa project will consist of new turbines, collection system, substation and a new battery storage component. Attached is the IRB analysis for the project.

Chairman McCasland requested a ten minute break. Time noted 10:00 a.m.

Return to regular session. Time noted 10:10 a.m.

In conclusion, Cothran requested approval of the following Resolutions:

1. Resolution No. 9; Proposed Industrial Revenue Bonds for the Repowering of the NM Wind Energy Center in the amount of \$107,100.00. A MOTION was made by Mike Cherry, SECONDED by Sue Dowell to approve said Resolution. MOTION carried with Cherry voting "aye", McCasland voting "aye" and Dowell voting "aye". A copy of said Resolution is attached and made a part of these minutes.
2. Resolution No. 10; Proposed Industrial Revenue Bonds for the Casa Mesa Project in the amount of \$48,500,000.00. A MOTION was made by Sue Dowell, SECONDED by Mike Cherry to approve said Resolution. MOTION carried with Cherry voting "aye", McCasland voting "aye" and Dowell voting "aye". A copy of said Resolution is attached and made a part of these minutes.

Commissioner Cherry asked Mr. Cothran what happened to Florida Light and Power, the original constructors of the NM Wind Energy Center. Cothran responded it was a name consolidation/change and now known as NextEra.

Commissioner Dowell thanked Cothran and NextEra for their continued projects in Quay County.

Chairman McCasland said Quay County is eager for the new project and looks forward to the possibility of the jobs this could provide. McCasland encouraged Cothran to schedule tours of the new facility as it's being built and at completion to keep the public aware and informed. Chairman McCasland also introduced Cothran to Larry Moore and said Quay County will do whatever is in their means to make sure roads are prepared to handle the equipment needed to be delivered to the location and to work with Moore and Primrose directly if he needs anything.

Cothran said NextEra prides itself on providing local people with jobs. They go to great lengths to employ and keep their jobs for New Mexico residents.

Quay County Sheriff, Rusty Shafer presented the monthly report from his office for July. Shafer said he will have one officer returning to modified duty on the 21<sup>st</sup> of August. Sheriff Shafer informed the Board that Deputy Ben Gates will be retiring at the end of September.

Larry Moore, Quay County Road Superintendent requested approval of the following items:

1. Closure of 3400-3750 block of Quay Road 51 as discussed in the Public Hearing at the beginning of the meeting.

A MOTION was made by Mike Cherry, SECONDED by Sue Dowell to approve the closure. MOTION carried with Dowell voting "aye", Cherry voting "aye" and McCasland voting "aye". Commissioner Dowell asked if corresponding paper work needed to be signed by the Commission regarding this closure. Ellen White, County Clerk responded saying all closures and additions are noted on the Certified Maintained Mileage Reports that are signed each March. Primrose responded saying all the proper documentation is also included in the commission meeting minutes.

Moore gave the following roads update:

1. Quay Road BH will be at two miles completion today.
2. The close-out of the 2015-2016 CAP, COOP and School Bus Projects will be tomorrow.
3. The environmental studies for Rt. 66 and the Road Department yard are ongoing.

Chairman McCasland said he received a call regarding weeds on Quay Road AD. McCasland informed the caller it would need to dry out some before a mower could get into the bar ditches to mow.

Commissioner Dowell said the calls she has received have already been passed on to Mr. Primrose including Doyle Frasier regarding trees; Chris Koehler regarding weeds; Veronica Montano regarding weeds and an issue with asphalt at the entrance to her drive-way on QR 63; and Larry Hines.

Richard Primrose, Quay County Manager presented the following items for approval:

1. Requested approval to accept the quote of \$11,953.75 for locked fencing and canopy on the back parking lot of the courthouse to secure Sheriff Department vehicles. The quote is from Pacheco Construction and Trucking, Inc. This will include 10 parking spots.

A MOTION was made by Mike Cherry, SECONDED by Sue Dowell to approve the project. MOTION carried with Cherry voting "aye", Dowell voting "aye" and McCasland voting "aye".

Primrose distributed the following correspondence:

1. Letter from NMAC regarding their focus for the 2017-2018 year.
2. Letter from State Fire Marshal regarding first payment of Fire Protection Funds. Quay County received \$223,815.00 on July 28, 2017.
3. Email from EPCOG regarding a free Brownfield Workshop to be held in Tucumcari on August 31. This event is co-hosted by EPCOG and NM Environmental Department.
4. A public meeting will be held at 10:00 a.m. at the Liberty Room of the Tucumcari Convention Center on August 17 to discuss the Ute Reservoir Watershed Based Plan.
5. A picnic has been planned for Friday, September 8 beginning at 5:30 p.m. for county employees and their families. Also invited to attend is the District Court staff, Domestic Violence staff, Magistrate Court staff, District Attorney employees and Extension Office employees. The picnic will be on the lawn of the Courthouse.

Chairman McCasland asked Primrose to begin moving the portion of the agenda for "Commissioners Comments and Other Business" to be prior to Executive Session. Having said that, Chairman McCasland asked Quay County Treasurer, Patsy Gresham about the process for properties that are delinquent in taxes to make the sale list. Gresham replied, she has learned of several things the County can do to ensure properties stay on the list and aid the County in

getting them sold. She plans to visit at length with a representative from Taxation and Revenue to assist her with ideas and get answers for the Commissioners.

ACCOUNTS PAYABLE: A MOTION was made by Sue Dowell, SECONDED by Mike Cherry to approve the expenditures included in the Accounts Payable Report ending August 10, 2017. MOTION carried with Dowell voting "aye", Cherry voting "aye" and McCasland voting "aye".

A MOTION was made by Mike Cherry SECONDED by Sue Dowell to go into Executive Session pursuant to the Open Meetings Act pursuant to Section 10-15-1(H)7 to discuss Threatened or Pending Litigation MOTION carried with Cherry voting "aye", McCasland voting "aye" and Dowell voting "aye".

Time noted 11:00 a.m.

-----EXECUTIVE SESSION-----

Return to regular session. Time noted 11:45 a.m.

A MOTION was made by Sue Dowell, SECONDED by Mike Cherry that only the items listed above were discussed during Executive Session and no action was taken. MOTION carried with Cherry voting "aye", Dowell voting "aye" and McCasland voting "aye".

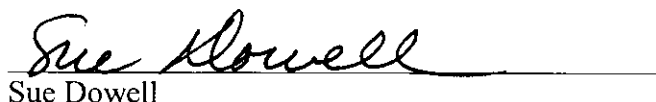
Other County Business/Comments from Commissioners: NONE

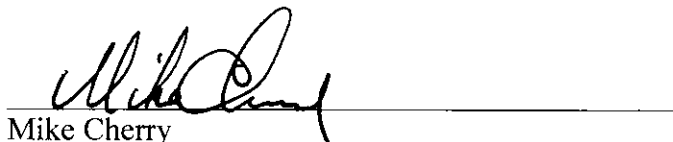
There being no further business, a MOTION was made by Mike Cherry, SECONDED by Sue Dowell to adjourn. MOTION carried with Cherry voting "aye", McCasland voting "aye" and Dowell voting "aye". Time noted 11:50 a.m.


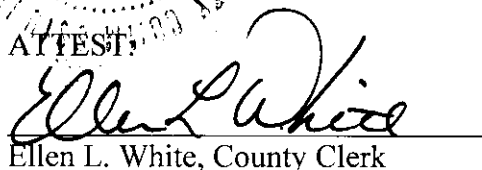
Respectfully submitted by Ellen White, County Clerk.

BOARD OF QUAY COUNTY COMMISSIONERS

  
Franklin McCasland

  
Sue Dowell

  
Mike Cherry

  
ATTEST:  
  
Ellen L. White, County Clerk

**Infrastructure Capital Improvement Plan FY 2019-2023**

**Quay County  
Project Summary**

**DRAFT**

ID	Year	Rank	Project Title	Category	Funded to date	2019	2020	2021	2022	2023	Total	Amount	Phases?
											Project Cost	Not Yet Funded	
27887	2019	001	Quay County Detention Center Renovations	Adm/Service Facilities (local)	0	300,000	0	0	0	0	300,000	300,000	No
33936	2019	002	Quay Road AR Improvements	Hiways/Roads/Streets/Bridges	0	750,000	0	0	0	0	750,000	750,000	No
22065	2019	003	Rodeo/Fairgrounds	Adm/Service Facilities (local)	0	500,000	0	0	0	0	500,000	500,000	No
33939	2019	004	Quay Road 63/Quay Road AP Improvements	Hiways/Roads/Streets/Bridges	0	750,000	0	0	0	0	750,000	750,000	No
24423	2019	005	Bridge #1042 and #1044 on Historic Rt. 66	Hiways/Roads/Streets/Bridges	0	2,000,000	1,000,000	0	0	0	3,000,000	3,000,000	Yes
24424	2020	001	Detention Isolation Cells	Adm/Service Facilities (local)	0	0	250,000	0	0	0	250,000	250,000	No
31133	2020	002	Asset Management Procedure Plan	Adm/Service Facilities (local)	0	0	50,000	0	0	0	50,000	50,000	No
32711	2020	003	Ute Reservoir Watershed Restoration	Storm/Surface Water Control	0	0	500,000	0	0	0	500,000	500,000	No
19910	2020	004	Detention Center Equipment	Public Safety Equipment/Bldgs	0	0	175,000	0	0	0	175,000	175,000	No
23125	2020	005	Dump Truck Equipment	Hiways/Roads/Streets/Bridges	0	0	350,000	0	0	0	350,000	350,000	No
27731	2020	006	Courthouse Window Replacement	Adm/Service Facilities (local)	0	0	400,000	0	0	0	400,000	400,000	No
23108	2021	001	Dozer Equipment	Hiways/Roads/Streets/Bridges	0	0	0	750,000	0	0	750,000	750,000	No
22058	2021	002	County Vehicles	Adm/Service Facilities (local)	0	0	0	300,000	0	0	300,000	300,000	No
23127	2021	003	Pneumatic Roller	Hiways/Roads/Streets/Bridges	0	0	0	170,000	0	0	170,000	170,000	No

Number of projects: 14



NextEra Energy Resources, LLC - Wind Development

IRB PILOT Analysis

Quay County Summary Calculations

	New Mexico Wind Energy Center			Casa Mesa	New Total	% Increase
	Existing Project	Repowered Project	% Increase	New Project		
Nameplate Capacity (MW)	200	204	2%	51	255	28%
Old PILOT/MW of Nameplate	2,250					
New PILOT/MW of Nameplate		2,700	20%	2,700		
Total PILOT	450,000	550,800	22%	137,700	688,500	53%
PILOT Payable to Quay/House	269,670	330,076	22%	82,519	412,595	53%
County Portion	213,320	261,090	22%	65,273	326,363	53%
School Portion	56,350	68,986	22%	17,246	86,233	53%

**QUAY COUNTY  
FY 2017-2018  
RESOLUTION NO. 9**

**A RESOLUTION RELATING TO THE PROPOSED INDUSTRIAL REVENUE BONDS ENTITLED QUAY COUNTY, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (NEW MEXICO WIND ENERGY CENTER REPOWER PROJECT), SERIES 2017; DECLARING THE INTENT OF QUAY COUNTY TO ISSUE SUCH INDUSTRIAL REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$107,100,000 IN CONNECTION WITH A PROPOSED PROJECT LOCATED WITHIN THE BOUNDARIES OF QUAY COUNTY FOR THE PURPOSE OF INDUCING NEXTERA ENERGY RESOURCES, LLC TO DEVELOP THE PROJECT SITE AND TO CONSTRUCT AND INSTALL THE PROJECT; AND DIRECTING THE COUNTY CLERK TO PUBLISH NOTICE OF INTENT TO CONSIDER AN ORDINANCE AUTHORIZING ISSUANCE AND SALE OF THE BONDS IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE COUNTY.**

**WHEREAS**, the New Mexico legislature has passed the “County Industrial Revenue Bond Act” (the “Act”), Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Quay County, New Mexico (the “County”) to issue industrial revenue bonds and to acquire project as defined in the Act; and

**WHEREAS**, the County desires to promote industry and develop trade by inducing manufacturing, industrial and commercial enterprises to locate in the County promoting the agricultural products and natural resources of the County and to secure and maintain a balanced and stable economy in the County and to promote public health, safety, security, and the general welfare of the citizens of the County; and

**WHEREAS**, NextEra Energy Resources, LLC, a Delaware limited liability company, has made a proposal to the County (the “Proposal”) whereby the County will acquire, from a limited liability company to be formed by NextEra Energy Resources, LLC and authorized to do business in New Mexico (the “Company”), wind energy generation equipment to be installed in a wind farm located in the County which will constitute an industrial development project (the “Project”); and

**WHEREAS**, the County’s issuance of industrial revenue bonds (the “Bonds”) to finance the Project will constitute one of the inducements whereby the Company will determine to proceed with the Project; and

**WHEREAS**, the Board of County Commissioners (the “Commission”) of the County constitutes the governing body of the County within the meaning of the Act; and

**WHEREAS**, the Project has been considered by the Commission and the Commission has concluded that the Project will promote the health, safety, security, and general welfare of the citizens of the County, and the Commission desires to indicate its intent to consider proceeding with the issuance of the Bonds for the financing of the Project; and

**WHEREAS**, concurrently with the issuance of the Bonds, the Company will enter into an installment sale, lease or other financing agreement with the County under which the County will acquire the Project and which will provide for the payment of installments, lease rentals or other payments by the Company from the revenues generated by the Project or other funds of the Company sufficient to pay the debt service on the Bonds, subject to the prior adoption by the Commission of an ordinance approving such agreements and authorizing issuance of the Bonds (the “Bond Ordinance”); and

**WHEREAS**, the County and the Company understand that the adoption of this Resolution shall not obligate the County to issue the Bonds except in full compliance with the terms of the Bond Ordinance to be considered for adoption by the Commission prior to the issuance of the Bonds and with the terms of the related bond documents; and

**WHEREAS**, Section 4-37-7 NMSA 1978 requires that publication of the title and a general summary of the subject matter of any proposed ordinance be made in a newspaper of general circulation within the County at least two weeks prior to the meeting of the Board of County Commissioners at which the ordinance is proposed for final passage.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, THE GOVERNING BODY OF QUAY COUNTY, NEW MEXICO:**

Section 1. All actions (not inconsistent with the provisions hereof) heretofore taken by the Commission and the officers and employees of the County, related to the Proposal, the acquisition of the Project, and the sale and issuance of the Bonds therefor, be and the same hereby are, ratified, approved and confirmed.

Section 2. The Commission has been informed as follows.

A. New Mexico Wind Energy Center, a wind energy electric generation facility, was originally constructed in 2003, and is located in part in Quay County. The Project will consist of the repair, refurbishment and material modification of 86 GE-S 1.5 MW turbines with 70.5 meter rotors atop 65 meter towers. The GE-S turbines will not receive a capacity uprate from repowering, and the nameplate capacity of the project will not change from its original project capacity of 129 megawatts.

B. None of the turbines will be relocated as part of the Project.

C. The Project will utilize an existing substation, which is located outside the County.

D. The developer and operator of the Project will be the Company, or permitted successors or assignees.

E. The development, installation and operation of the Project will continue to be subject to land-use regulations of, and approval by, the County.

F. The Company will make all necessary arrangements with the proposed bond purchaser for the purchase of the Bonds and the County shall have no responsibility to make such arrangements.

G. The Company has agreed to pay or reimburse the County for all costs of legal counsel, including independent bond counsel, and financial advisors of the County directly related to adoption of this Resolution, consideration and adoption of the Bond Ordinance and issuance of the Bonds. The Company has agreed to such payment or reimbursement irrespective of whether the Bonds are issued.

H. As provided in the Proposal, the Project will enable the replacement of worn-out or otherwise obsolete wind generating equipment which was installed in connection with a project financed with industrial revenue bonds issued by the County (the "Original Project"). The Project property shall not include any of the Original Project property, and the issuance of the Bonds shall not result in any of the Original Project property being exempt from ad valorem taxation for more than 30 years.

I. In connection with the Original Project, the Company has made payments in lieu of taxes equal to \$2,250 per megawatt of generating capacity (the "Original PILOT"), which is shared between the County and the House Municipal Schools.

J. As provided in the Proposal, a new PILOT equal to \$2,700 per megawatt of generating capacity of the Project will supersede and replace the Original PILOT for each year in which the Series 2017 Bonds are outstanding.

Section 3. In order to promote the health, safety, security and general welfare of the citizens of the County, it is the Commission's intent to take all necessary and advisable steps to consider and, if appropriate, to effect the issuance of the Bonds in an aggregate principal amount up to \$107,100,000 in order to defray part or all of the costs of the Project located within the County. The Bonds are to be entitled substantially as follows: "Quay County, New Mexico Taxable Industrial Revenue Bonds (New Mexico Wind Energy Center Repower Project), Series 2017," provided, however, that the Bond Ordinance may authorize a different title and series designation for the Bonds. This expression of the Commission's intent is subject to the provisions of Section 6 of this Resolution and conditioned upon the issuance of the Bonds on or before December 31, 2019, or by such other deadline for issuance of the Bonds as may be provided by the Bond Ordinance or the documents executed and delivered in connection with issuance of the Bonds.

Section 4. The Bonds shall be payable from the revenues of the Project or other moneys payable by the Company with respect thereto, and shall not constitute a debt or

indebtedness of the County within the meaning of any provision or limitation of the Constitution or statutes of the State of New Mexico. In addition, if the Bonds are issued, the Company shall indemnify and hold harmless the County, the Commission and their respective officers, employees, designated representatives and agents (collectively, the "Indemnified Persons") from and against any liability to the Company or to any third parties that may be asserted against the County with respect to the County's ownership of or leasehold interest in the Project or the issuance of the Bonds. Nothing contained in this Resolution or in any other instrument shall be considered as obligating the County to any pecuniary liability or a charge upon the general credit of the County or against its taxing power, it being understood that no costs are to be borne by the County and that all costs incurred by the County in connection with the Bonds are to be promptly reimbursed by the Company. The County's adoption of this Resolution shall not be deemed a conclusion or expression of approval by the County or any Indemnified Person of the Company or the Project.

Section 5. The Company, as agent for the County, will acquire the Project. For this purpose, by adoption of this Resolution, the County authorizes the Company to act as agent for the County for the purchase of "wind generation equipment" and "related equipment", as such terms are defined in Section 7-9-54.3 NMSA 1978. For other tangible personal property relating to the Project, the County will cooperate with the Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates ("Certificates") that have been properly executed for acquisition of tangible personal property relating to the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. The Company shall not use the Certificates other than for such things as may be permitted by law, if any, nor shall the Company use such Certificates after the completion of the Project. Prior to the use of such Certificates by the Company as agent for the County, the County Manager and the Company will agree to certain procedures regarding the use of the Certificates and protection of the County from any unpaid taxes determined to be due to the Taxation and Revenue Department. No costs, expenses or other monetary relief will be recoverable from the County by vendors of wind generation equipment.

Section 6. The County Commissioners and other appropriate County officials and employees are hereby authorized and empowered to take such steps and to do such things as may be necessary to achieve the purposes of this Resolution; provided, however, the issuance of the Bonds and the execution and delivery of any documents to which the County is a party in connection therewith shall be subject to the approval and authorization of the Commission pursuant to the Bond Ordinance, adopted following public notice of the Commission's intent to adopt such Bond Ordinance at least fourteen days prior to the consideration of the Bond Ordinance by the Commission at a public meeting, such public notice to specify the time, date and place of the Commission's public hearing on the Bond Ordinance and the meeting at which the Bond Ordinance will be considered. In particular, no provision of this Resolution shall in any way obligate the County or any other person to issue the Bonds or any other bonds, or to in any way finance the Project; and the County retains full and complete discretion with respect thereto.

Section 7. If Bonds are issued by the County, the documentation evidencing the obligations of the Company shall provide that the Company shall make annual payments in lieu of taxes to the County and to House Municipal Schools for so long as the Bonds are outstanding.

Section 8. This Resolution shall not give rise to a pecuniary liability of the County and shall not give rise to a charge against its general credit or taxing powers.

Section 9. The County Clerk is hereby directed, in accordance with Section 4-37-7 NMSA 1978, as amended, to publish in the *Quay County Sun*, a newspaper of general circulation within the County, a title and general summary of the ordinance relating to and authorizing issuance of the Bonds at least two weeks prior to the meeting at which the County Commission will consider such ordinance. The County Clerk may undertake such publication upon her own initiative, following consultation with the County Manager and receipt by the County of a draft Bond Ordinance and any necessary documents related thereto.

Section 10. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; provided, however, this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.

Section 12. This Resolution shall take effect immediately upon its adoption and approval by the Commission.

PASSED, ADOPTED, SIGNED AND APPROVED this 14<sup>th</sup> day of August, 2017.

BOARD OF COUNTY COMMISSIONERS,  
QUAY COUNTY, NEW MEXICO

By: Franklin McCasland  
Franklin McCasland, Chairman

By: Sue Dowell  
Sue Dowell, Member

By: Mike Cherry  
Mike Cherry, Member

[SEAL]

ATTEST:

By: Ellen White  
Ellen White, County Clerk

**QUAY COUNTY  
FY 2017-2018  
RESOLUTION NO. 10**

**A RESOLUTION RELATING TO THE PROPOSED INDUSTRIAL REVENUE BONDS ENTITLED QUAY COUNTY, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (CASA MESA WIND PROJECT), SERIES 2017; DECLARING THE INTENT OF QUAY COUNTY TO ISSUE SUCH INDUSTRIAL REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT UP TO \$48,500,000 IN CONNECTION WITH A PROPOSED PROJECT LOCATED WITHIN THE BOUNDARIES OF QUAY COUNTY FOR THE PURPOSE OF INDUCING NEXTERA ENERGY RESOURCES, LLC TO DEVELOP THE PROJECT SITE AND TO CONSTRUCT AND INSTALL THE PROJECT; AND DIRECTING THE COUNTY CLERK TO PUBLISH NOTICE OF INTENT TO CONSIDER AN ORDINANCE AUTHORIZING ISSUANCE AND SALE OF THE BONDS IN A NEWSPAPER OF GENERAL CIRCULATION WITHIN THE COUNTY.**

**WHEREAS**, the New Mexico legislature has passed the “County Industrial Revenue Bond Act” (the “Act”), Sections 4-59-1 to 4-59-16 inclusive, NMSA 1978, as amended, which authorizes Quay County, New Mexico (the “County”) to issue industrial revenue bonds and to acquire project as defined in the Act; and

**WHEREAS**, the County desires to promote industry and trade by inducing manufacturing, industrial and commercial enterprises to locate or expand in the County, to promote the use of the natural resources of the County, and to promote a sound and proper balance in the State of New Mexico between agriculture, commerce and industry, and to promote the public health, safety, security, and the general welfare of the citizens of the County; and

**WHEREAS**, NextEra Energy Resources, LLC, a Delaware limited liability company, has made a proposal to the County (the “Proposal”) whereby the County will acquire, from a limited liability company formed by NextEra Energy Resources, LLC and authorized to do business in New Mexico (the “Company”), land and equipment located in the County which will constitute an industrial development project (the “Project”); and

**WHEREAS**, the County’s issuance of industrial revenue bonds (the “Bonds”) to finance the Project will constitute one of the inducements whereby the Company will determine to proceed with the Project; and

**WHEREAS**, the Board of County Commissioners (the “Commission”) of the County constitutes the governing body of the County within the meaning of the Act; and



**WHEREAS**, the Project has been considered by the Commission and the Commission has concluded that the Project will promote the health, safety, security, and general welfare of the citizens of the County, and the Commission desires to indicate its intent to consider proceeding with the issuance of the Bonds for the financing of the Project; and

**WHEREAS**, concurrently with the issuance of the Bonds, the Company will enter into an installment sale, lease or other financing agreement with the County under which the County will acquire the Project, and which will provide for the payment of installments, lease rentals or other payments by the Company from the revenues generated by the Project or other funds of the Company sufficient to pay the debt service on the Bonds, subject to the prior adoption by the Commission of an ordinance approving such agreements and authorizing issuance of the Bonds (the "Bond Ordinance"); and

**WHEREAS**, the County and the Company understand that the adoption of this Resolution shall not obligate the County to issue the Bonds except in full compliance with the terms of the Bond Ordinance to be considered for adoption by the Commission prior to the issuance of the Bonds and with the terms of the related bond documents; and

**WHEREAS**, Section 4-37-7 NMSA 1978 requires that publication of the title and a general summary of the subject matter of any proposed ordinance be made in a newspaper of general circulation within the County at least two weeks prior to the meeting of the Board of County Commissioners at which the ordinance is proposed for final passage.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, THE GOVERNING BODY OF QUAY COUNTY, NEW MEXICO:**

Section 1. All actions (not inconsistent with the provisions hereof) heretofore taken by the Commission and the officers and employees of the County, related to the Proposal, the acquisition of the Project, and the sale and issuance of the Bonds therefore, be and the same hereby are, ratified, approved and confirmed.

Section 2. The Commission has been informed as follows.

A. The Project will consist of a 28.43 megawatt wind energy project comprised of 10 GE 2.5 megawatt turbines with 127 meter rotors atop 88 meter towers and two GE 1.715 MW turbines with 103 meter rotors atop 80 meter towers.

B. The developer and operator of the Project will be the Company, or permitted successors or assignees.

C. The proposed Project site is located in an unincorporated area of the County, approximately five miles west-southwest of the Village of House, New Mexico.

D. The development, installation and operation of the Project are subject to land-use regulation and approval by the County.

E. The Company will make all necessary arrangements with the proposed bond purchaser for the purchase of the Bonds and the County shall have no responsibility to make such arrangements.

F. The Company has agreed to pay or reimburse the County for all costs of legal counsel, including independent bond counsel and financial advisors of the County directly related to adoption of this Resolution, consideration and adoption of the Bond Ordinance and issuance of the Bonds. The Company has agreed to such payment or reimbursement irrespective of whether the Bonds are issued.

G. The Company has proposed to make payments in lieu of taxes equal to \$2,700 per megawatt of generating capacity, to be shared between the County and the House Municipal Schools.

Section 3. In order to promote the health, safety, security and general welfare of the citizens of the County, it is the Commission's intent to take all necessary and advisable steps to consider and, if appropriate, to effect the issuance of the Bonds in an aggregate principal amount up to \$48,500,000 in order to defray part or all of the costs of the Project. The Bonds are to be entitled substantially as follows: "Quay County, New Mexico Taxable Industrial Revenue Bonds (Casa Mesa Wind Project), Series 2017," provided, however, that the Bond Ordinance may authorize a different title and series designation for the Bonds. This expression of the Commission's intent is subject to the provisions of Section 6 of this Resolution and conditioned upon the issuance of the Bonds on or before December 31, 2019, or by such other deadline for issuance of the Bonds as may be provided by the Bond Ordinance or the documents executed and delivered in connection with issuance of the Bonds.

Section 4. The Bonds shall be payable from the revenues of the Project or other moneys payable by the Company with respect thereto, and shall not constitute a debt or indebtedness of the County within the meaning of any provision or limitation of the Constitution or statutes of the State of New Mexico. In addition, if the Bonds are issued, the Company shall indemnify and hold harmless the County, the Commission and their respective officers, employees, designated representatives and agents (collectively, the "Indemnified Persons") from and against any liability to the Company or to any third parties that may be asserted against the County with respect to the County's ownership of or leasehold interest in the Project or the issuance of the Bonds. Nothing contained in this Resolution or in any other instrument shall be considered as obligating the County to any pecuniary liability or a charge upon the general credit of the County or against its taxing power, it being understood that no costs are to be borne by the County and that all costs incurred by the County in connection with the Bonds are to be promptly reimbursed by the

Company. The County's adoption of this Resolution shall not be deemed a conclusion or expression of approval by the County or any Indemnified Person of the Company or the Project.

Section 5. The Company, as agent for the County, will acquire the Project. For this purpose, by adoption of this Resolution, the County authorizes the Company to act as agent for the County for the purchase of "wind generation equipment" and "related equipment", as such terms are defined in Section 7-9-54.3 NMSA 1978. For other tangible personal property relating to the Project, the County will cooperate with the Company to obtain and allow use of Type 9 Nontaxable Transaction Certificates ("Certificates") that have been properly executed for acquisition of tangible personal property relating to the Project as applicable under the New Mexico Gross Receipts and Compensating Tax Act. The Company shall not use the Certificates other than for such things as may be permitted by law, if any, nor shall the Company use such Certificates after the completion of the Project. Prior to the use of such Certificates by the Company as agent for the County, the County Manager and the Company will agree to certain procedures regarding the use of the Certificates and protection of the County from any unpaid taxes determined to be due to the Taxation and Revenue Department. No costs, expenses or other monetary relief will be recoverable from the County by vendors of wind generation equipment.

Section 6. The County Commissioners and other appropriate County officials and employees are hereby authorized and empowered to take such steps and to do such things as may be necessary to achieve the purposes of this Resolution; provided, however, the issuance of the Bonds and the execution and delivery of any documents to which the County is a party in connection therewith shall be subject to the approval and authorization of the Commission pursuant to the Bond Ordinance, adopted following public notice of the Commission's intent to adopt such Bond Ordinance at least fourteen days prior to the consideration of the Bond Ordinance by the Commission at a public meeting, such public notice to specify the time, date and place of the Commission's public hearing on the Bond Ordinance and the meeting at which the Bond Ordinance will be considered. In particular, no provision of this Resolution shall in any way obligate the County or any other person to issue the Bonds or any other bonds, or to in any way finance the Project; and the County retains full and complete discretion with respect thereto.

Section 7. If Bonds are issued by the County, the documentation evidencing the obligations of the Company shall provide that the Company shall make annual payments in lieu of taxes to the County and to House Municipal Schools for so long as the Bonds are outstanding.

Section 8. This Resolution shall not give rise to a pecuniary liability of the County and shall not give rise to a charge against its general credit or taxing powers.

Section 9. The County Clerk is hereby directed, in accordance with Section 4-37-7 NMSA 1978, as amended, to publish in the *Quay County Sun*, a newspaper of general

circulation within the County, a title and general summary of the ordinance relating to and authorizing issuance of the Bonds at least two weeks prior to the meeting at which the County Commission will consider such ordinance. The County Clerk may undertake such publication upon her own initiative, following consultation with the County Manager and receipt by the County of a draft Bond Ordinance and any necessary documents related thereto.

Section 10. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11. All orders and resolutions, or parts thereof, in conflict with this Resolution are hereby repealed; provided, however, this repealer shall not be construed to revive any order, resolution or part thereof, heretofore repealed.

Section 12. This Resolution shall take effect immediately upon its adoption and approval by the Commission.

PASSED, ADOPTED, SIGNED AND APPROVED this \_\_\_ day of \_\_\_\_\_, 2017.

BOARD OF COUNTY COMMISSIONERS,  
QUAY COUNTY, NEW MEXICO

By: Franklin McCasland  
Franklin McCasland, Chairman

By: Sue Dowell  
Sue Dowell, Member

By: Mike Cherry  
Mike Cherry, Member



ATTEST:

By: Ellen White  
Ellen White, County Clerk