

San Juan County Update

Water and Natural Resources Committee
August 7, 2023



Economic Landscape has changed dramatically

| Taxpayer | 2022 | | | 2013 | | |
|--|------------------------|------|--|-------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Arizona Public Service Co. | \$ 412,107,664 | 1 | 11.7% | \$ 198,118,272 | 5 | 4.9% |
| Public Service Co. of New Mexico | 157,873,676 | 2 | 4.5% | 620,659,537 | 1 | 15.3% |
| Harvest Four Corners LLC | 68,058,281 | 3 | 1.9% | | | |
| Enterprise Field Service LLC | 49,202,834 | 4 | 1.4% | 233,351,330 | 4 | 5.7% |
| Whiptail Midstream LLC | 35,631,881 | 5 | 1.0% | | | |
| El Paso Natural Gas Co | 35,348,798 | 6 | 1.0% | 118,484,355 | 9 | 2.9% |
| Farmington, City of | 32,402,120 | 7 | 0.9% | | | |
| Salt River Project AG IMP and Power Dist | 30,686,393 | 8 | 0.9% | | | |
| Tucson Electric Power Co | 26,778,000 | 9 | 0.8% | 169,759,017 | 6 | 4.2% |
| Hilcorp San Juan LP | 26,092,496 | 10 | 0.7% | | | |
| BHP Navajo Coal Co | | | | 250,009,162 | 2 | 6.2% |
| Williams Four Corners LLC | | | | 234,743,249 | 3 | 5.8% |
| Southern California Edison Co | | | | 145,917,251 | 7 | 3.6% |
| San Juan Coal Co | | | | 128,239,455 | 8 | 3.2% |
| SCPPA | | | | 90,260,212 | 10 | 2.2% |
| Totals | \$ 874,182,143 | | 24.8% | \$ 2,189,541,840 | | 54.0% |

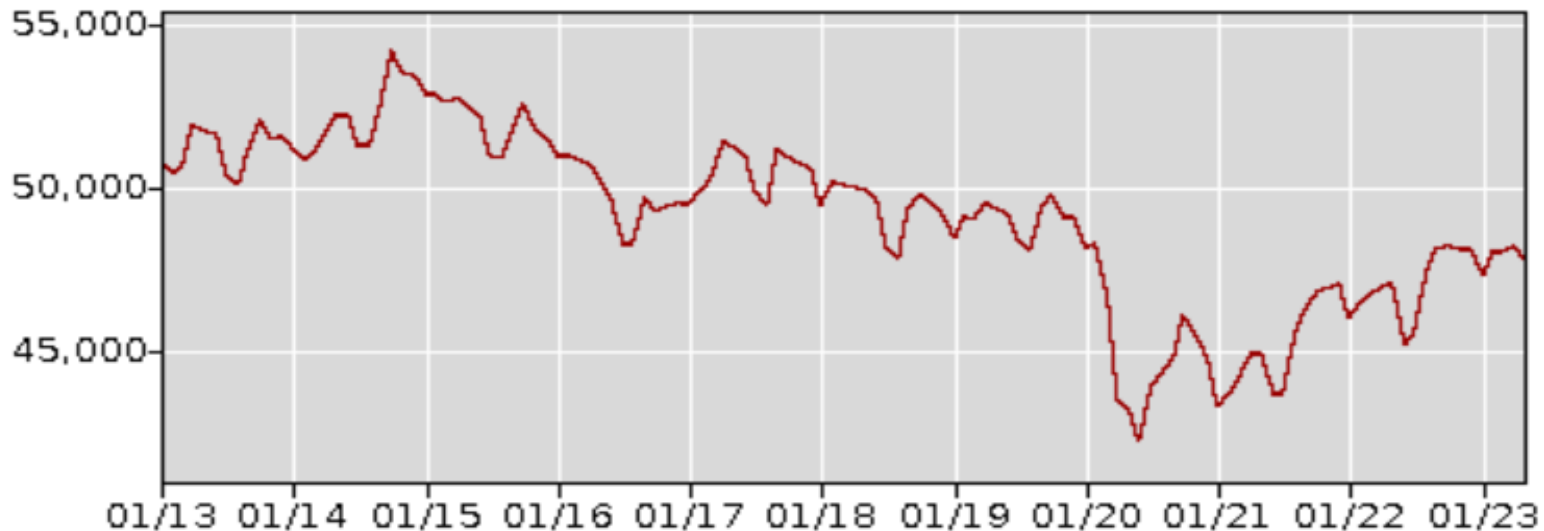
Source: San Juan County Assessor's Office

Population and Employment have trended downward

2010 Population- 130,044

2020 Population- 121,661 (6.45% decline)

employment



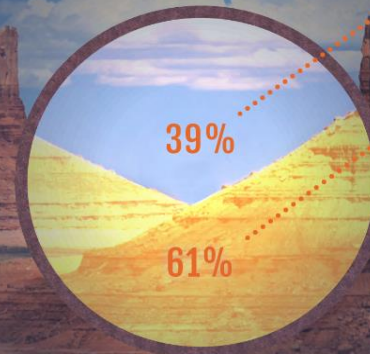
11.8% drop in employment from Oct 2014 employment

Time is of the Essence

ECONOMIC CONTRIBUTION TO THE NAVAJO NATION

NTEC has continued to grow its total economic and financial contribution to the Navajo Nation. As detailed below, NTEC's total economic contribution to the Navajo Nation in 2021 exceeded \$124 million. This annual contribution is comprised of the taxes and royalties paid by NTEC and the Navajo Mine as well as the overall payroll to employees on the Nation, contracts with qualified Navajo contractors, and charitable contributions.

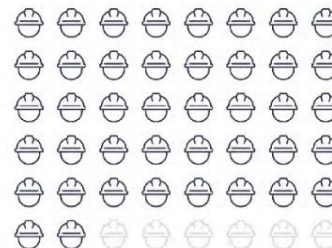
NAVAJO NATION GENERAL FUND



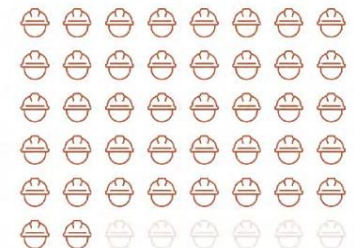
The Navajo Mine and Four Corners Power Plant contributed more than \$62 million this year to the Navajo Nation General Fund, comprising nearly 40 percent of the Fund's \$158 million budget.

| SUPPORT | TOTAL NTEC AMOUNT* | NAVAJO MINE | FOUR CORNERS POWER PLANT |
|--|----------------------|--------------|--------------------------|
| Taxes & Royalties | \$49,181,000 | \$48,200,000 | \$14,012,000 |
| Employment Wages | \$58,445,000 | \$55,444,000 | \$42,871,000 |
| Navajo Vendors | \$8,019,000 | \$5,124,000 | \$41,354,000 |
| Navajo Sales Tax | \$4,721,000 | | |
| Helium Taxes & Royalties | \$1,000,000 | | |
| Community Benefit Fund | \$250,000 | | |
| Scholarships, Education & Other Community Giving | \$192,000 | | |
| CHRP | \$2,500,000 | | |
| TOTAL | \$124,308,000 | | |

NATION MEMBER EMPLOYEES BY SITE



318 OF 370



230 OF 268

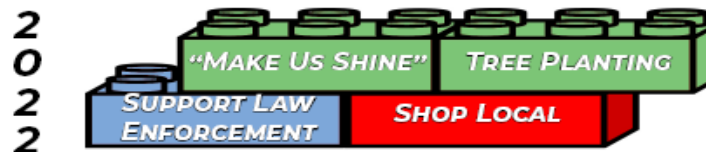
A combined 86% of employees at Navajo Mine (left) and Four Corners Power Plant (right) are members of the Navajo Nation.

*Total NTEC amount includes value of NTEC's seven-percent ownership of FCPP.

BUILDING BLOCKS FOR A STRONGER COMMUNITY

STRATEGIC INITIATIVES

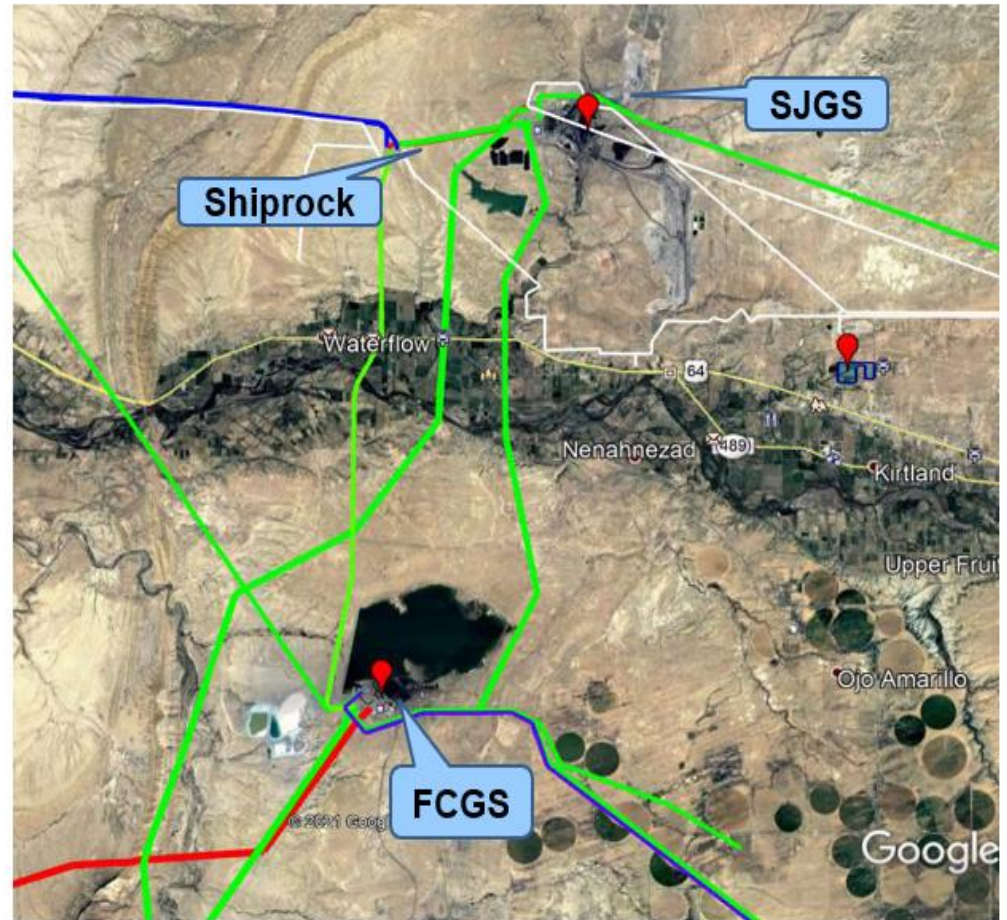
County Commission Priorities



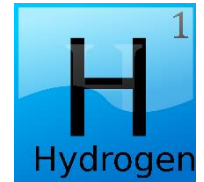
Clean Energy Projects in San Juan County

- Consistent interest in the area with San Juan Generating Station closing due to existing transmission & water assets
- 6 Large scale projects proposed to the County Commission
 - Solar
 - Pumped Storage Hydro
 - Wind transmission
- Just 1 starting construction
 - DE Shaw 300 MW
 - \$500+ million
 - 4 permanent jobs

Transmission lines: 500kv — 345kv — 230kv — 115kv —



WISHH and San Juan County



- Western Interstate Hydrogen (WISSH) and San Juan County
 - Eight projects, four states, five projects in NM and three of the five in SJ County
 - \$1.25 billion grant request
- H₂ represents a substantial clean energy strategy pivot for San Juan County, opens new fronts in solar and builds on legacy of low-cost clean natural gas industry.
- Hydrogen Manufacturing already here- PESCO and BayoTech
- Hydrogen Workforce Training- San Juan College and BayoTech
- San Juan County appreciates the strong support of WISHH from the New Mexico Departments of Environment, Energy and Economic Development.

WISHH and Clean H2 Energy Production in San Juan County

Libertad Power

Focus is on heavy haul transportation, energy storage and power generation. Clean H2 produced via electrolysis.



Focus is on building a green hydrogen ammonia plant to service regional needs for fertilizer, power and other industrial needs.

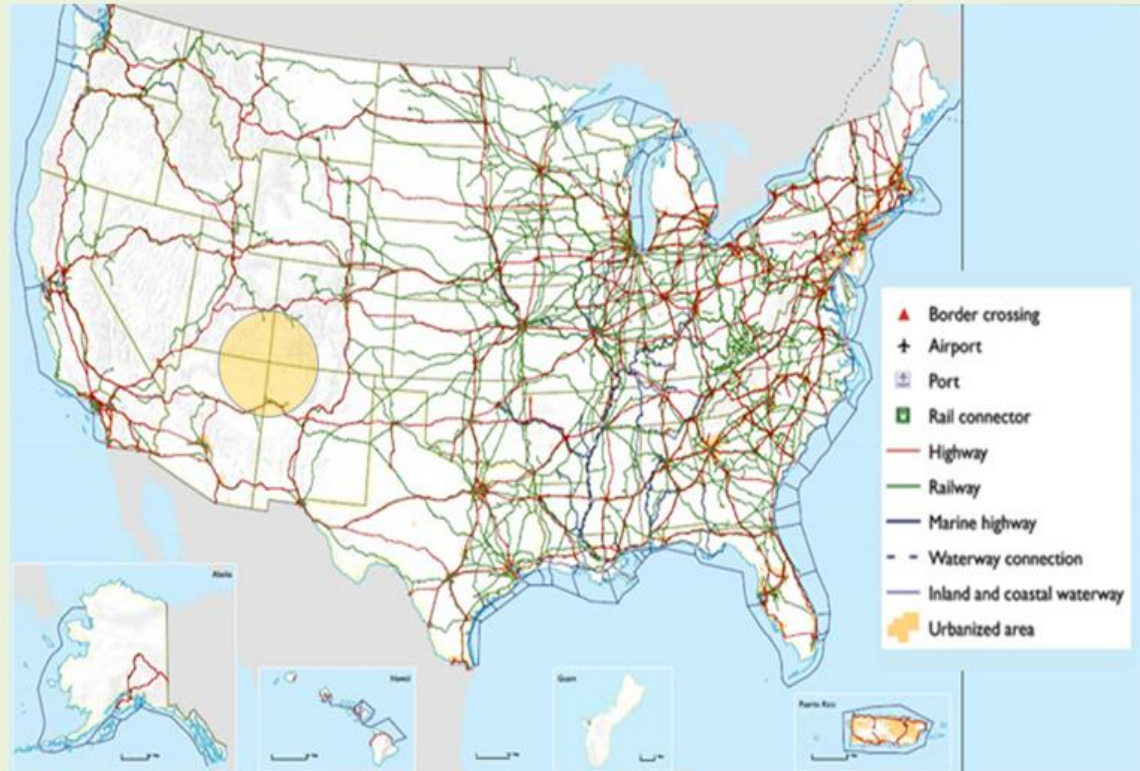


Focus is on electric energy self sufficiency to mitigate dramatically rising power costs and to replace diesel-powered ag equipment with H2 fuel cell power equipment. Developed with 4 Corners Economic Development. National scale ag demonstration project.

Other Hydrogen & Economic Development opportunities

Freight Rail powered by hydrogen

- Have no commercial transportation in the four corners area.
- One of the largest Metropolitan Statistical Area (MSA) nationwide with no freight rail line.
- The only MSA in the state without freight rail line, interstate and commercial air.



ONRT Gold King Mine Settlement Project Highlights



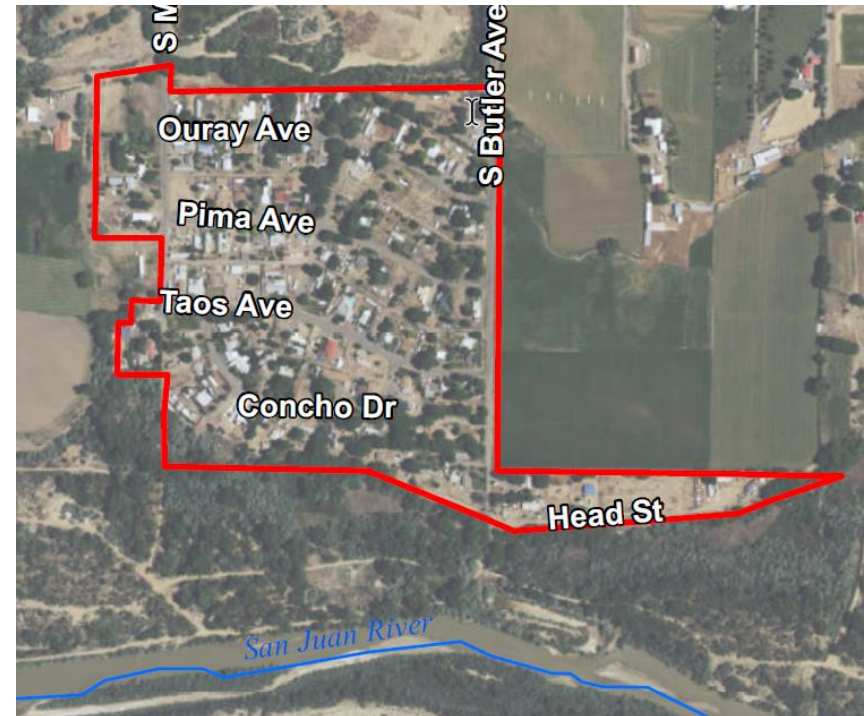
Cedar Hill Boat Ramp Project

- Provides new river recreation opportunities
- Adds most northern boat ramp location on the Animas
- 10th boat ramp on rivers in San Juan County
- Total project cost- \$209,000
- ONRT contribution- \$136,500

ONRT Gold King Mine Settlement Project Highlights

Total Subdivision Water & Wastewater Project

- 138 lot subdivision in county located just south of Farmington
- Well water service, failing septic tanks in high groundwater conditions adjacent to the San Juan River
- County to construct
- City to own & operate
- Funding
 - \$10,000,000 ARPA
 - \$1,000,000 ONRT



ONRT Gold King Mine Settlement Project Highlights

New County Extension Office

- Improve office, training, and commercial kitchen capacity
- Encourage value added agriculture production
- 2.5 million acres of farmland in San Juan County
- 4,702 ag producers of which 3,106 are Native Americans
- Total project cost- \$3,500,000
 - \$2,300,000 ONRT, \$848,840 NMAG, \$350,000 County

San Juan River Boat Ramp and Park Improvements

- McGee Park and Lions boat ramp improvements
- Park improvements at Lions Park
- Total project cost- \$762,368 (ONRT-\$681,440, County- \$80,928)

THANK YOU!

SAN JUAN COUNTY

Building A Stronger Community