



Chamorro Land Trust Commission

(Kumision Inangokkon Tano' Chamoru)

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Commission Members

Oscar A. Calvo
Acting Chairman

David J. Matanane
Vice-Chairman

Carmen G. Tajalle
Commissioner

Andrew S. Leon Guerrero
Commissioner

(Vacant)
Commissioner

Jesse G. Garcia
Administrative Director

COMMISSION MEETING MINUTES

2nd Flr. Division of Highways, DPW Compound, Tumon
Reconvened meeting, Thursday, April 29, 2010; 1:43pm - 4:05pm

I. CALL TO ORDER

Meeting was called to order at 1:43pm by Acting Chairman Oscar Calvo.

II. ROLL CALL

Present were Acting Chairman Oscar Calvo, Vice-Chairman David Matanane, Commissioner Andrew Leon Guerrero, Commissioner Carmen Tajalle, Legal Counsel Delia Lujan and Administrative Director Jesse Garcia.

VI. PENDING BUSINESS

3. Block 24, Hagatna

Joseph Cruz (DLM) - Good afternoon, my name is Joseph Cruz from Department of Land Management. We're here relative to the resolution that was approved by the Commission back in November that authorized the reservation of Block 24 as our new building site. We are now requesting for the resolution to be amended or revised to substitute the word reservation to transfer management authorization of Block 24 due to the conveyance and consolidation of fractional lots in those lots and also for the financial purpose for the mortgage for the new building.

Vice-Chairman Matanane - Can you explain to me Mr. Cruz if it has gone through legislation right if this particular transfer of property has gone to the legislature then Land Management would have to the authority to go ahead and has it gone through the legislature yet?

Joseph Cruz (DLM) - No not yet.

Vice-Chairman Matanane - It hasn't gone through legislation so we're just talking up till such time that the legislature has dealt with it.

Joseph Cruz (DLM) - Yes.

Vice-Chairman Matanane - As far as we are concerned we have already made the resolution I believe and it's up to the legislature and it's not us that will authorize the Land Management to do that such item.

Joseph Cruz (DLM) - The intent of the transfer authority is that we did submit a document to the AG relative to the conveyance of the land exchange but based on the citation of Section 75105 it identified that the department authorized to do the conveyance or disposition is Department of Land

Management. In order for us to comply with that the parcel has to be transferred to Department of Land Management for their disposition.

Vice-Chairman Matanane - That's where I'm coming from Mr. Cruz and such time that the legislature has authorized it then that's the time that Land Management would have free and clear title because of the law for the Chamorro Land Trust we don't really condone in giving property and for free and clear title. But if that law does pass then that would clear Chamorro Land Trust as to contrary to law where it's mentioned in the previous meeting that they had. That's all I have to say thank you.

Acting Chairman Calvo - So basically what do you want us to do today?

Joseph Cruz (DLM) - To amend the resolution to reflect transfer authority of the portion that we're entertaining for land disposition and the portion that is to be used to finance the construction of the new building.

Acting Chairman Calvo - If we did the resolution back then you know and yes it is I okayed it back then but I'll take full responsibility because at the time I was knowledgeable to the issue and I was just new into the Board but if the resolution was passed back then why can't you just use that same resolution now?

Joseph Cruz (DLM) - The AG requires that the verbiage instead of reservation is to have the authority because on the approval of that reservation is for the building to be constructed. The site that was affected by this project encountered three fractional lots and those fractional lots are being addressed to dispose portions of Block 24 as an area for area exchange and that's where this transfer authority kicks in for us to dispose portions of Block 24 in lieu of the portion that we're acquiring from the fractional lot. The revised resolution that I provided to you last week it states whereas and the intent.

Vice-Chairman Matanane - So in essence you're saying once this has gone through then you guys will take care of the transfer of properties?

Joseph Cruz (DLM) - Yes it would have to request for a legislature approval for us to dispose that portion after we get the...(interrupted).

Vice-Chairman Matanane - Because right now Chamorro Land Trust can't do it right?

Joseph Cruz (DLM) - Yes.

Vice-Chairman Matanane - Only for such department that was mentioned on the resolution?

Joseph Cruz (DLM) - No the department is identified under the citation of Section 75105 that says department is Department of Land Management.

Vice-Chairman Matanane - I'm just clarifying that Mr. Cruz because as of right now Chamorro Land Trust can't transfer any property to anybody that's my concern. So in essence you guys are taking that burden where you go through the legislature to get it transferred.

Joseph Cruz (DLM) - Yes, to finalize the disposition.

Acting Chairman Calvo - Quote me if I'm wrong on the resolution to reserve lot number 14 you just wanted to change that resolution instead of reserve, authorizing.

Joseph Cruz (DLM) - Yes that will cover the action of Land Management to dispose.

Acting Chairman Calvo - Yeah.

Vice-Chairman Matanane - Well I received a resolution here it says resolution to transfer management authority of lots number 1NEW -3 and 1NEW-6 and 1NEW-R6, Block 24 municipality of Hagatna, Guam to the Department of Land Management so is this two resolutions having it out or what?

Acting Chairman Calvo - No, no this is the old one.

Joseph Cruz (DLM) - No that's the revised one.

Vice-Chairman Matanane - Well according to this resolution we have approved that.

Joseph Cruz (DLM) - No that's not approved yet that's on the table now.

Acting Chairman Calvo - This is the one that was on the beginning back then okay.

Vice-Chairman Matanane - Yes back in what?

Joseph Cruz (DLM) - November.

Acting Chairman Calvo - November 2006, so actually here we're just changing instead of reserve we're giving them the authorization for them to...(interrupted).

Vice-Chairman Matanane - And this resolution is promulgated in April 15th?

Acting Chairman Calvo - Yeah.

Vice-Chairman Matanane - So it says resolution to transfer management authority so we do have the resolution already.

Joseph Cruz (DLM) - I prepared that and I gave a copy to Mr...(interrupted).

Acting Chairman Calvo - Yeah he gave a copy.

Vice-Chairman Matanane - We did vote on it.

Joseph Cruz (DLM) - No it wasn't yet the revision hasn't been voted on.

Commissioner Leon Guerrero - This revision just came to us today.

Acting Chairman Calvo - What we did is recessed on that issue on the last board meeting.

Vice-Chairman Matanane - So we're ahead of time but we did have this resolution.

Acting Chairman Calvo - No we didn't have that last time.

Vice-Chairman Matanane - If we can read back the minutes we have made a motion to do this right?

Acting Chairman Calvo - Yeah.

Vice-Chairman Matanane - And it's been approved.

Commissioner Leon Guerrero - Yes it has been approved but I think the verbiage was different.

Joseph Cruz (DLM) - The title yes.

Vice-Chairman Matanane - No it's different.

Joseph Cruz (DLM) - That's a draft.

Vice-Chairman Matanane - Because this one is November 22, this is April 15 which we are continuing and we have already...(interrupted).

Commissioner Leon Guerrero - Do you have a copy of the original April 15th?

Joseph Cruz (DLM) - That's just a draft that we prepared when we were supposed to meet with Mr. Calvo last week and then we finalized it two days ago. Those are just drafts for your review that we provided Mr. Calvo for discussion. That's what we're supposed to be addressing today. The recorded one, that was approved back in November. So all these copies are still draft until you guys vote for it.

Vice-Chairman Matanane - Yeah but it already has a voting section down here.

Joseph Cruz (DLM) - Like I said that's a draft.

Vice-Chairman Matanane - Passed by the following votes.

Joseph Cruz (DLM) - No that's a draft.

Vice-Chairman Matanane - Oh, so we haven't done the resolution?

Joseph Cruz (DLM) - No.

Vice-Chairman Matanane - We haven't gone into the motion to do that?

Joseph Cruz (DLM) - Not the revision.

Vice-Chairman Matanane - Okay because you threw me off because I was reading it and I said did we? I was hoping that we would have the minutes for the April 15th and I was wondering did I vote for something like this?

Joseph Cruz (DLM) - No.

Vice-Chairman Matanane - So I guess not.

Acting Chairman Calvo - No we took a rest on that.

Vice-Chairman Matanane - But it is a resolution already. I mean it was given to me and the resolution has already been seconded it by Carmen Tajalle.

Joseph Cruz (DLM) - No like I said that's a draft. It's a draft. We were following the format of the first one.

Acting Chairman Calvo - So where's the final resolution?

Joseph Cruz (DLM) - That one without the names, that's the final.

Commissioner Leon Guerrero - But Joe the only difference right is the transfer authority that's the only difference.

Joseph Cruz (DLM) - Yes.

Acting Chairman Calvo - Mr. Cruz on this resolution that we had there was something that was brought and I brought this up with you when we sat down and talked on the rent issue. According to Mr. Borja and I was hoping that he would be here, at the time but you know it will be for us to I don't know how the other board members feel on this issue right now but there was that rent issue there. And I've always thought and I understood all along that we were given that issue that the Chamorro Land Trust if the building was to be built at the, Chamorro Land Trust was to move into that building at no cost for us. I don't know if your Director was informed or back then and I did bring that up to you in our meeting last week. I wished that the other members would have been here to you know act because there are some issues too that the board members you know have reserved on this. I was hoping like I said Mr. Borja and you said that Mr. Borja, when I spoke to Mr. Borja last time he told me you know that was one of the things that they discussed back then. So I don't know where the other board members stand at this point in time. As far as the resolution to make that changes you know it's within their take right now but we need to know too on that issue.

Joseph Cruz (DLM) - I am in no position to make any comments on that we would have to wait for the Director.

Acting Chairman Calvo - I know.

Vice-Chairman Matanane - If this property is transferred to the Department the whereas here is for you to solicit financing or what not. We don't authorize it, it's yours right so you can do as you please. As far as the resolution is concerned really we can't tell you what to do but to transfer it and stuff right? We can't tell you what you are going to do with that

piece of property after. So the whereas is here as to for you guys to authorize to solicit and secure funds we don't authorize for you guys to do that. It's really up to the department once that thing has gone through. That's the question on the resolution itself where as soon as we transfer that it is really up to the department what they want to do with it, what they are going to do with it you know. It doesn't stipulate here any saying that Chamorro Land Trust will occupy that piece of property so you know that's where my take is here. It doesn't say anything here that as soon as you build that building Chamorro Land Trust will occupy the same building that we have transferred to you know. In that case it will still be in Chamorro Land Trust property per say. I think that's where I'm coming from, right? This is where it's really burning around my mind where once we transfer this piece of property and if the legislature agrees with it because any resolution can be void right? But the legislature will decide that but us authorizing you guys to go solicit for financing but it doesn't say our resolution it didn't say that we will occupy this at such time that you guys acquire the property, build the building, Chamorro Land Trust will occupy that building. I would like to see that in the resolution.

Joseph Cruz (DLM) - Okay on the second statement it says several administrations has passed and numerous CLTC public hearing meetings were conducted in communications and coordination with Chamorro Land Trust Commission and Department of Land Management for the development of the proposed Government of Guam Land Resource Building Facility for housing their Government of Guam office operations on Lot 1NEW-R6, Block 24. That's to include Chamorro Land Trust and Land Management.

Acting Chairman Calvo - But see it doesn't really indicates whether the Chamorro Land Trust is really it just says government. That could be any government agencies that can come in.

Vice-Chairman Matanane - Yeah I was discussing that.

Joseph Cruz (DLM) - Okay so you can rephrase the statement here as to your desire as long as we settle the land issue for us to build the building.

Vice-Chairman Matanane - It will be a very complicated issue Mr. Cruz but once we do that and like I said you know yeah we try to do the right thing here and it's up to the legislature really to really look into it and as I always emphasize right now it hasn't gone through but the Chamorro Land Trust says that you can't transfer any property to nobody. And here we are trying to do that same thing that you are discussing. As I mentioned that not contrary to law I just keep poking that because right now we are entrusted to do such thing as to not let any of the properties of Chamorro Land Trust go to anywhere. I mean as long as maybe this will be an agreement if we have a resolution that tend to lead to an agreement between Land Management, Chamorro Land Trust stating that once this place is built and you know itemizing it saying that I think Land Management, Ancestral and the other, Chamorro Land Trust right, three of those...(interrupted).

Joseph Cruz (DLM) - But what we consider land resource agencies are Chamorro Land Trust, Land Management, Ancestral Lands Commission...(interrupted).

Vice-Chairman Matanane - A law was already passed out previously, last year or a year ago that Guam Resource agency that combines both the departments with land right? It

didn't even mention that here in our resolution. I would like to see that that once this thing has gone we would have to go in between the new Guam Department of Resources whatever, Land Use, Land Resources in our resolution so we will be included in it. Maybe not to secure on the ownership but at least there's some statement saying that Chamorro Land Trust still got a hold on that piece of property. You know where I'm coming from? That we once we do that that Chamorro Land Trust is not obliterated and say oh they're no longer involved in this particular piece of property. At least a statement there in our resolution.

Acting Chairman Calvo - You know like what I mentioned to you in our last meeting last Friday and I did emphasize strongly on that issue and yes you are not in that position to say okay we'll just do it. I think because you know from the resolution that was passed back then and then now knowingly that it has to go it went to the Attorney General and so forth now the Attorney General is saying that the Chamorro Land Trust can't do all these things. But I think what Mr. Matanane was always and you know I did state the fact to you on this that I think what we want to do is the language in there on that resolution so that way you know we're not going to be left out in the woods for that matter. But I did emphasize that to you a lot in our talk last week and you know I think it would be a very simple matter for us to resolve this if I guess your Director and Paul and those guys can you know go back and pretty much you know what you've heard today and it's actually up to the Board now to you know whether they want to approve this resolution or not today or.

Joseph Cruz (DLM) - Okay.

Acting Chairman Calvo - Okay.

Commissioner Leon Guerrero - Joe I have no problems with changing of the word from reserve to transfer authority but on the second part or second paragraph on whereas and then it states here several administrations had passed so forth with Chamorro Land Trust Commission and Department of Land Management for the development of the proposed Government of Guam Land Resource Facility for housing their Government of Guam office operations on Lot so forth and you said that's to include CLTC right?

Joseph Cruz (DLM) - Yes.

Commissioner Leon Guerrero - Okay, can we stipulate here because I'm being told and I've heard that the original agreement was that the CLTC would not be charged with that. Is that the original agreement?

Joseph Cruz (DLM) - I have no knowledge of that agreement.

Commissioner Leon Guerrero - Okay because I would like to see that in this paragraph and stipulated or stipulated somewhere that that would be the case if that was the original agreement.

Vice-Chairman Matanane - And the whereas on number three here it states here Government of Guam Land Resource Building Facility pursuant to public law 29-135 and public law 29-146 and would require certificate of title for Lot No. 1NEW-R6, Block No. 24 to Land Management see I would like to see it reverse where it would become Government of

Guam Land Resource Building rather than just to Land Management because actually it's stating here that from Guam Land Resource Building Facility pursuant to law to Land Management so in essence it's directly giving it to Land Management but inclusive of, Land Management is included in this Guam Resource Building. I would like to see it where it should go to Guam Land Resource Building.

Joseph Cruz (DLM) - But the public law indicate Department of Land Management as an applicant to the financing company.

Vice-Chairman Matanane - There it is.

Joseph Cruz (DLM) - So we are taking the lead of getting a loan approved under Land Management for the Government of Guam. If you want Chamorro Land Trust to take the lead and take the rest of the loan then so be it.

Vice-Chairman Matanane - No, no that's not where I'm coming from.

Joseph Cruz (DLM) - We can always change it to Department of, because we're only following the law pursuant to public law 135 authorizes us to solicit financial and public law 146 authorizes us to build. Those are the only two laws that we're working with but the hurdle is to get the title under the Government of Guam within the public law.

Vice-Chairman Matanane - Believe me Mr. Cruz I want that building to go up and house us over there.

Joseph Cruz (DLM) - I think we're blood brothers here.

Vice-Chairman Matanane - But it's not in black and white where it's saying it's not really.

Joseph Cruz (DLM) - Everything in here is Chamorro Land Trust and Land Management it never says Land Management alone. We might be singled out in a law where we take the application by the lead but that doesn't mean you're not in there.

Vice-Chairman Matanane - Yeah I always thought that the Government of Guam Land Resource Building that law that public law 29-135 included all three departments you know.

Joseph Cruz (DLM) - The law authorize Land Management to solicit it didn't consolidate the agency.

Vice-Chairman Matanane - I understand that part but here where we're kind of saying that we want to be included also in that but once we give it to you it's really up to you that financing we have nothing to do with it and all that.

Joseph Cruz (DLM) - Then let's get your budget together and we'll put it together with us so we can join the loan together, we'll assess as a package deal.

Vice-Chairman Matanane - Maybe we should go to another route where we can lease it to you guys and we give you the authority to go ahead and finance it. You know Mr. Cruz I don't know maybe your Director and Mr. Garcia will get together and maybe if that's

possible to be inclusive of Chamorro Land Trust in that way it's stronger that we're still partners, blood brothers I guess. But to give it out totally and divvy out I'm kind of hesitant about that. That's where I'm coming from you understand?

Joseph Cruz (DLM) - Yes.

Acting Chairman Calvo - I think what overhaul in general too is too many times the Chamorro Land Trust really has been bypassed by the other government agencies and I think what we're doing now is we really want to protect the interest of the Chamorro Land Trust property. And you know like what Mr. Matanane is saying there is we just want something to clarify in this resolution stating that you know because it doesn't really indicate us here in this basically and if come in there you can be easily and of course and know that the building is going to be for that you know. But maybe when that building goes up you guys might be what about four storeys, three storeys I don't know how many storeys that's going to be we might be put down in the parking lot for that matter so we just want to make sure that we have a piece of that rock. You know Joe I mentioned to you with this on our last meeting and I told you what the hurdle part of it you know and I did mention that to you very strongly and I told you about that. I have no problem like what Mr. Leon Guerrero here to change that to transfer I have no problem in doing that but I think you know where about in the sticking portion is we really want to see that portion. It's really easy for you guys to go back and redo that and just you know just that we're assured that because it just says you know for resources for the government agencies okay. And yes the Chamorro Land Trust, the Ancestral and Land Management are the three you know that deals with land basically.

Joseph Cruz (DLM) - Why don't we schedule a work meeting with the Director and I think we can iron that out. Right now we're just doing the leg work of what we need to go to overcome our constraints with the mortgage and the loan so the issue of rent I think is a minute situation now because it's up to..(interrupted).

Acting Chairman Calvo - I think set up the meeting and let us know but don't just set it up tomorrow and then call us give us a week in advance.

Joseph Cruz (DLM) - No you tell us the time we'll be there for you.

Acting Chairman Calvo - No you because you're going to have to set up that meeting.

Joseph Cruz (DLM) - No we're ready if you have the time and we'll attend we'll schedule on your time.

Commissioner Leon Guerrero - It's up to you guys, obviously Joe the sooner the better. I think the most important part is I think we're all in agreement of the change of the word that's the most important part without that you can't move forward right.

Joseph Cruz (DLM) - Yes.

Commissioner Leon Guerrero - I'd just like to see on the second paragraph that the CLTC will be included in occupying the building and to specify that it would not be charged any rent and I don't know if you can legally do it or not but even through amendments after the

fact that we're all set and gone you know what I mean. I just want to make sure that the Chamorro Land Trust will occupy that building and will not be charged rent. And I'm just saying that because I heard, I've heard that was the original agreement when this was actually negotiated and I just want it stipulated, that's all and that's easy.

Joseph Cruz (DLM) - Like I said I'm not aware with the agreement.

Acting Chairman Calvo - Yeah and like I said to you Joe it's like you're giving me your property but guess what you know Joe this is my property but Oscar I'm going to be charging you rent for that reason you know.

Commissioner Tajalle - In other words don't bite the hand that provided that.

Vice-Chairman Matanane - It has to be in black and white stating that Chamorro Land Trust is given a part of that.

Acting Chairman Calvo - You want to do this next week Dave?

Commissioner Leon Guerrero - I think the sooner the better.

Acting Chairman Calvo - Yeah the sooner the better you set it up. What's your best time?

Commissioner Tajalle - What we want is a win-win situation.

Vice-Chairman Matanane - And that particular language that Chamorro Land Trust is not out in the cold.

Acting Chairman Calvo - Because like I said we have no problem changing that portion and I made this clear to you Joe and I told you what the hurdles were right?

Joseph Cruz (DLM) - That's fine.

Acting Chairman Calvo - But you got to understand too where the Board really stands on this issue, we've been surpassed and bypassed and whatever.

4. Proposed Rules and Regulations

Legal Counsel Lujan - On April 15 during the Commission meeting the Commission was provided a draft of a proposed bill which would modify 21GCA, Chapter 75 which is regarding the Chamorro Land Trust Commission and also other relevant statutes affecting the Chamorro Land Trust and would also add new rules and regulations regarding the commercial leasing of Chamorro Land Trust property. Today I handed out a revised draft to the draft that was previously provided on April 15th. I'd like to point out the changes that were made to that April 15th draft and I apologize that these changes were not contained at the time but upon further review the Commission wanted to make further changes. So if we can go through the draft that was handed out today we can look at page 2, just a simple change there for section 2, the fourth line it just puts in the new section providing a section 32 and that's just to I believe that the April 15th draft incorrectly stated section 9 and because of the modification to this current draft the appropriate section regarding the administrative adjudication law is on section 32. So that's just one change and then there's

page 3, at the bottom is section 7, now this was present in the previous draft the only change that was made is to subsection (e) of section 75103, the only change was made to, you'll find it on page 4, which was it allowed the Commission to establish development districts as provided to the provisions of Chapter 69 and what was added was Chapter 61 if applicable of Title 21GCA and Chapter 61 is the chapter relating to zoning. You'll also find that same change on the fifth line from the top and that will be regarding the starting of number 6 designate and plan subdivision, so the change that was made was to insert Chapter 61 if applicable. The previous draft allowed the Commission to designate and plan subdivisions in accordance with Chapter 62 which is the chapter regarding subdivisions but Chapter 61 again is regarding zoning. So the changes to this section is just to ensure that the development districts and subdivisions are in accordance to zoning. Page 11 if you see in the middle of the page section 18, section 18 was added to the previous draft and what it does is it modifies subsection (a) of section 75108 and that section regards conditions and leases to Chamorros and it states that the original lessee shall be a native Chamorro not less than 18 years of age, but the law contained a further sentence which this draft deletes and that further sentence is that in case two lessees either original or in succession marry shall chose the lease to be retained and the remaining lease shall be transferred or cancelled in accordance with provisions of succeeding sections. So what the current law does is it actually states that when two lessees marry that they have to chose to give up one lease regardless of what kind of lease that is so it can be a subsistence agriculture lease, it can be a commercial agricultural lease. It will be regardless whether or not both leases contained a residence and so the changes that the Commission recommended was that when two lessees marry you saw that in one of the provisions in the previous draft when they marry they shall give up one of the residences so that there's not two leases with two residences. So this clarifies that to not require them to give up a lease regardless of whether or not there is a residence. Of course the Commission has the discussion to accept that or to maintain the current law which requires them to give up a lease. Page 12, Section 20, subsection (c) (i) of Section 75108, this is conditions to leases to native Chamorros and I simply added to the first section what I believe was lacking from the previous version and that is in the second line of roman numeral (i) it says twenty (20) trees per acre of land acre leased and what I added was during the first, second, third and fourth year respectfully after the date of the lease. And this was actually in the law and in the rules it was just omitted and so now it's being returned to the language so that the lessee of agricultural lands is required to plant and maintain not less than five, ten, fifteen and twenty trees per acre of land leased during the first, second, third and fourth years, so that's just added there and no other changes were made to that. Page 13, adds a Section 22 at the bottom.

Acting Chairman Calvo - On page 11 where that lease pursuant to 75107 and the following terms I wanted to clarify more on this issue here on the years of the agriculture shall be in terms of forty years. I just want to make sure that the other Board members fully understand that and the lessee of subsistence agricultural lease shall pay rent of a hundred dollars a year, I think we inserted that in right?

Legal Counsel Lujan - This was in the previous draft, I didn't make no changes.

Acting Chairman Calvo - Okay I just wanted to bring that out.

Legal Counsel Lujan - For now when I move on on this draft I'm not foreclosing the possibility of your discussion, I'm just pointing out the changes and then you can have your discussion on which ever provisions interest you. Page 13, that will be section 22 at the bottom, this was added and what it does is it deletes and substantially restates subsection (e) and (g) of 21GCA, section 75108 and the reason why is first of all subsection (e) is a prohibition on a lessee's ability to encumber the leasehold and it also allows however a lessee to pledge or mortgage it's interest to another Chamorro. It also forbids that the leasehold would be subject to attachment, levy or sale upon court process except if there is a mortgage or a pledge to a Chamorro, the Chamorro who had that interest could attach levy or sell it on court process. So what we did is we deleted the ability to encumber the leasehold period and we stated that the leasehold shall not be subject to attachment levy or sale upon court process, there were no exceptions to those prohibitions and we deleted it from this section which relates only to Chamorro leases and we placed the prohibition in the 75108.2 subsection (a)11 which we will be seeing later.

Vice-Chairman Matanane - But most of these properties the loan will be within the Chamorro Land Trust we have that program. I don't foresee any mortgages forthcoming not on the outside where not Chamorro Land Trust mortgaging the property itself because if we guaranty right the loan guaranty that any loans that are out there within the Chamorro Land Trust, Chamorro Land Trust guaranties that mortgage.

Legal Counsel Lujan - Yes the Commission can guarantee but what it does is it restricts the lessee from pledging its leasehold interest so the Commission instead of encumbering the leasehold it guarantees it so that the Commission would always have the power over the leasehold. Subsection (g) and that again was something that was placed in the provision for all leases, Chamorro and in general public leases, the commercial leases is deleted and instead restated in subsection (a) (11) and (13) of the new 21GCA subsection 75108.2 and that just basically says that the lessee shall perform all conditions in the lease not in conflict with any provisions of this Chapter or in the rules and regulations of the Commission. So that's all it basically makes that a requirement for all leases without having to restate everything in both sections and at the last line in section blank that is actually section 26. In Section 26 you can see how subsections (e) and (g) were substantially restated in subsection (a) 11 and 13 of section 75108.2 which again regards all leases Chamorro and to non-Chamorro. This section also because (e) and (g) are deleted it also re-letters the remaining subsections of 75108, the remaining (f) and (h) are now (e) and (f) respectively. Page 14, Section 23 there was just a change in the lettering. Section 23 is a new subsection (g) I believe that the original draft the previous draft said (h) so it's (g). When you go to the middle of the page roman numeral (i), first of all this is a prohibition on the transfer assignment of Chamorro leases but it says that the transfer or assignment with the approval of the Commission may be done, roman numeral (i) for residential or agricultural leases, the leasehold contains the personal residence of the lessee and the assignment or transfer is to and this is what was changed is to a native Chamorro who is the lessees husband, wife, child, widow or widower of the brother or sister, niece or nephew. I believe that this was a concern this tracks the language that is already in the current law regarding successors to lessees and this was actually the order of succession. These were the relatives who qualified for succession and in the absence of a designation these were the order of relatives for the Commission to designate as a successor and so the original draft actually stated that the assignment or transfer would be to a lessee's direct lineal

descendants. Meaning child, grandchild, great grandchild so that is a change that the Commission may accept or reject but this tracks the language in the law.

Vice-Chairman Matanane - I have a little problem here where it says widow or widower doesn't it have to be blood line? Let's say for instance an example you're married to a non-Chamorro.

Legal Counsel Lujan - If you can look at right before who is the, whoever is the transferee or designee has to be a native Chamorro. There was discussion on widow or widower of the brother or sister because in the current law the lessee cannot designate as a successor the lessee's own brother or sister it would have to be the widow or widower and who knows that there is even a widow or widower at the time anyway they could not designate it directly to the brother or sister it would have to be the widow or widower of the sibling or the niece or nephew. So that's already in the law and of course the Commission can recommend that it be changed to allow a transfer assignment to his own brother or sister and then widow or widower of the brother or sister. I just want to point that out and the Commission may want to discuss that.

Vice-Chairman Matanane - In that particular I think we need further discussion on the widower because I think we had problems a couple of months back or last year where we have non native widower.

Legal Counsel Lujan - If it relates to a succession of a lease the non native would not qualify. I don't believe that they would qualify so you would look to other relatives who could qualify. And in absence of those the Commission I believe what they would do is pay out the value of the leasehold interest and improvements on the lease to the legal representative of the deceased lessee.

Vice-Chairman Matanane - Because we have encountered a particular case where the widower is not really native Chamorro and she's claiming the lot itself.

Acting Chairman Calvo - I remember in our early stage with the Board we did encounter one of that issue but that one was pretty much because they didn't have any siblings themselves so it was just husband and wife but the wife was not Chamorro. But she was trying to recover at least some of her expenses to the building.

Legal Counsel Lujan - Yes I saw the legal opinion on that and in those instances where there are no other qualified or if there is no niece or nephews that qualifies then what happens is that it would go back to Chamorro Land Trust and then there will be an appraisal of the value of the improvements on the lease and then the appraised value will be distributed to the legal representative of the deceased lessee. So in other words it will be distributed in accordance with the law if there is no will or in accordance with a valid will.

Acting Chairman Calvo - I think the only thing that we want to really emphasize is on the and we did talk about this on the issue that if they're non Chamorro and whatever money or building invested in there it will not be what they would have spent initially. Let's say they build a hundred thousand dollar home they're not expected to get a hundred thousand dollars and that's got to be very, you got to clarify that issue because easily they could say oh I spent a hundred grand for a building but you lived in it for the last ten years or five

years or even regardless whether you lived in it for one year for that matter. So the appraisal value it would depreciate in some way or another but we can't ideally give them the total amount.

Legal Counsel Lujan - Oh yes there's already in the law that section 75109 regarding successors to lessees and it's in the current law that already states that in those instances where you don't have a designation of a beneficiary who the Commission has approved or if you don't have a qualified relative of one of those listed then the Commission would appraise the value according to three appraisals. One selected by the Commission, the other selected by the legal representative of the deceased lessee and the third appraiser selected by the two appraisers and so those three appraisers will set the fair market value of the value of the leasehold and then distribute. The next change on page 14 is on roman numeral three this again is the circumstances where an assignment or transfer may be made, the lessee becomes mentally or physically disabled and what was added was and it is the opinion of the Commission that due to such disability the lessee is unable to perform the lease conditions. So in other words a physical or mental disability will not simply permit it the Commission would have to be in the opinion that they cannot perform the lease conditions. Page 16 just to re-letter on section 24 it's just a new subsection (h) and in the previous one I believe it said (i) or it was a different letter. Page 17, Section 25 it just says a new subsection (i). Page 20, number 11, this is part of the conditions, the lease restrictions relating to leases to native Chamorros or the general public so these are just the general conditions that apply to both kinds of leases. Number 11 states that the lessee shall not in any manner transfer to, or mortgage, pledge, or otherwise hold for the benefit of, any other person or group of persons or organizations of any kind, his interest in the tract. Such interest shall not be subject to attachment, levy or sale upon court process. So that's just the general restriction this is what I was referring to earlier subsection (e) from the Chamorro leases was deleted and then it's just been placed here for number 11 and it's just a flat prohibition without any exceptions.

Vice-Chairman Matanane - That would include Land Management?

Legal Counsel Lujan - Well the original law said that such interest shall not be subject to attachment, levy or sale upon court process except if it there was mortgage to a Chamorro. So this was just tracking the language but deleting the prohibition. But perhaps we can add a provision except as otherwise provided in the law. Actually no I wouldn't add that because this is just a leasehold interest again and they would owe the taxes to the Chamorro Land Trust anyway.

Vice-Chairman Matanane - So in essence to break the monotony Land Management would be paying taxes on it in lieu of taxes?

Legal Counsel Lujan - Well this is a leasehold interest and then they pay their taxes to the Commission.

Administrative Director Garcia - I don't think anybody pays taxes.

Legal Counsel Lujan - Yeah but the Commission doesn't. Page 21, number 12 was added it was not in the original. This simply takes one of the conditions stated in 75108 it's already the law and transfers it to all leases general, public and Chamorro and it just simply says

the lessee shall pay all taxes assessed upon the tract and improvements thereon. So that makes that one a requirement for all lessees. Number 13 this was the subsection (g) of the Chamorro leases, Section 75108 and this is being made to apply to all leases and now the lessee shall perform all conditions in the lease not in conflict with any provisions of this Chapter or in the rules and regulations of the Commission. So it's just requiring that they comply with the lease conditions. Subsection (b) was also added, now again this is for all kinds of leases, Chamorro, general public, commercial and it just states that no lease shall be transferable or assignable without the Commission's prior approval except as otherwise provided in the law or in the rules and regulations or applicable law. With the approval of the Commission the assignment and transfer of a lease or any unit thereof may be made if: number 1; Extreme economic hardship is demonstrated to the satisfaction of the Commission. Now I'll note that this was originally in the previous draft it related only to Chamorro leases now this one relates to Chamorro and general public commercial leases. Now the Commission can decide that it doesn't want any assignment for this reason. Just to reiterate that this doesn't require an assignment it's just one of those conditions where the Commission may approve an assignment if this is present, an extreme economic hardship so it does not automatically result in an assignment or transfer if they can prove this the Commission has to approve. Number two, again this was just for the Chamorro leases but now it's also for general public leases. You can have the assignment for small business or commercial leases which is either Chamorro or general public the transferee or assignee is the buyer of the business or of substantial assets of the business of the original lessee. So what that means is like a corporate successor so the Commission may approve a transfer to a corporation who buys the previous lessee out and so I guess kind of like how MCI to Verizon if you're familiar with that so now that's applying to all leases. Number 3, this applies to all leases it says the Commission determines that the assignee or transferee is willing and able to assume all the financial, performance and other obligations of the original lessee. This simply requires that the Commission evaluate the assignee or transferee's willingness and ability to perform the obligation of the original lessee. Subsection (c) that was there originally it's just the processing fee schedule. What else is new on page 22 is section 27 it says the title of 21GCA Section 75109 is amended to read; successors to lessees of residential or agricultural leases. Now the original title of section 75109 was simply successors to lessees. So what we've done is to add of residential or agricultural leases so that it only applies to the Chamorro leases because that was the intent of the Section 75109. That's the one where the lessee designates a beneficiary and has to be Chamorro with the relatives so that's subsection (a). Subsection (b) is after cancellation of the lease, I'm just explaining section 75109 why it only applies to Chamorro leases, that after cancellation or surrender of the lease the Commission is authorized to transfer the lease to another Chamorro or to issue a new lease. Or if the successor or successors is a minor or minors then the Commission may appoint a guardian. So these were really just in the residential or agricultural leases that Section 75109 had in mind and not your general public leases or even the small business or any commercial leases. Section 28, Page 22, this one was added to the previous this is new and what this does is it amends subsection (a) of that same section 75109 regarding successors to lessees and the change that was made to this section which is existing right now is on page 23 the last paragraph. Before I read that I want to summarize what subsection (a) already provides; it allows a lessee to designate who their successors will be and it says in the absence of a designation the Commission shall select from the relatives and that was the husband, wife, child, children, widows, widowers or nieces and nephews and what we added is if the lessee chooses not to designate a beneficiary but instead chooses the value of his interest

to be paid to his legal representative upon death as described below then the lessee may so specify in a writing filed with the Commission and the legal representative shall be so paid. So what that does is it allows a lessee and this is just agricultural and residential lessees the Chamorro leases it allows them rather than maybe in a circumstance maybe they have multiple children rather than choose a child, one child of two or three or many they simply say that upon my death I prefer that the value of my interest in this lease be paid out to my legal representative whoever that would be. And so the value of the lease the improvements, these are the improvements that the lessee makes, brings to the lease, the value of that will be paid according to law if there is no valid will or according to a valid will so that it will be divided according to the intestacy law which will be an equal distribution among the children if any or if there's a set distribution or according to whoever they say in their will. Page 24, first paragraph, in the case of the death of a lessee leaving no such relative qualified to be a lessee of Chamorro homelands; and what I've added was, or choosing to have the value of his interest paid to his legal representative upon death, that was added, the land subject to the lease shall resume its status as unleased Chamorro homelands and the Commission is authorized to lease such land to a native Chamorro or Chamorros. So that just says that if they choose to have the value paid to the legal representative then the Commission can lease out the property to someone else. So those were the only changes made to this existing subsection (a). And then Mr. Matanane you were asking questions regarding what happens to the lease when they die and you can see that upon the death of a lessee leaving no such..nothing there was changed, that's the current law in this paragraph.

Vice-Chairman Matanane - On the legal representative what if there's nobody as the legal representative then what happens?

Legal Counsel Lujan - Well if there's no one designated then well it's simply an option. If they haven't designated anyone then it would go to whoever is the legal representative that's the current law.

Vice-Chairman Matanane - And the legal representative will..(didn't finish).

Legal Counsel Lujan - It will be incumbent upon the heirs or who ever wanted an interest from the deceased lessee to begin a probate case. Page 24, Section 29, this one was added, I believe this was added to the previous draft and it's regarding cancellation of leases. This already exists and what was simply added was on page 25 when you get into the text of that section in line 2 it just adds in Section 75108.2 or the rules and regulations of the Commission. So in other words where the Commission has reasons to believe that any condition enumerated in Section 75108 and what was added was or 75108.2 or any provision of 75109 of this Chapter or in the rules and regulations of the Commission has been violated the Commission shall give due notice and afford opportunity. So in other words it just adds the conditions of 75108.2 and the rules and regulations as I guess if there are violations of these then the Commission has to give notice to the lessee an opportunity for a hearing and then there could be a cancellation for violation of those conditions. Now we're going into the exhibit to Section 31 of this bill and the exhibit these are the rules and regulations. Pages 1, 2 and 3 were added up until 6.9 and these were basically just to harmonize the existing rules with the changes that are being made to this draft bill. The first change that was made was subsection (b) defining agricultural tract. Originally it says an area of not less than one-quarter acre nor more than twenty acres but this draft bill reduces

the acreage to ten. Another acreage change is in the subsistence agriculture definition which changed I believe it was not less than one-quarter acre nor more than one-half acre so this one actually increased subsistence agricultural leasehold to one acre. And it also modified the definition of subsistence agriculture because originally it says farming for home consumption so what I did was I just took the language from agriculture earlier in this bill and just inserted here the growing, care and use of plants and animals including acts and things related thereto for home consumption. I will note that I did not include the following language, I just want to point this out you can of course decide to have it included but it does not include the further definition of agriculture which is and also includes grazing, stock raising, ornamental production and aquaculture. That one was not included because I'm not sure how that really applies to subsistence agriculture but grazing, stock raising, ornamental production and aquaculture it could be included here but that's up to the Commission to decide to include it.

Administrative Director Garcia - Legal Counsel I think we need to go back to (b) here, agricultural lots are no less than half acre. You put a quarter acre but if you're looking at the subdivision law it's a half acre.

Legal Counsel Lujan - Okay well this is actually the current rule which says the one-quarter acre.

Administrative Director Garcia - I think for residential, I don't know but if you look at the subdivision law half acre is agricultural.

Legal Counsel Lujan - Okay.

Acting Chairman Calvo - Jess there was a law passed on that years ago because agriculture now you can convert that as also as a residential.

Administrative Director Garcia - Yeah but the thing there is when you're talking agricultural it's a half acre in the subdivision law.

Acting Chairman Calvo - Yeah.

Legal Counsel Lujan - Okay well that's what we have in here.

Dr. Bob Barber - We have talked about this and if the subdivision no we haven't checked it against as Jesse says the subdivision law says a half acre for agriculture is the minimum then we need to make it a half acre. We had looked at a quarter acre for the outside possibility if somebody had a quarter acre next to theirs you know a quarter acre of Chamorro Land Trust next to property they have already lived on but they may want a lease for agricultural purposes. But I would think in general if someone is getting an ag lease for the purpose of living on it and farming on it you would need I'm sure you would need a half acre just to be able to get a septic tank. We know we can't engage in the ag well some ag activity you cannot engage in a quarter acre lot like poultry and things like that because you have to be fifty feet away from the structure and that's pretty difficult to get on a quarter acre lot. You all may consider that maybe one thing you need to think about modifying today. In terms of grazing and the other stuff all these half acre to one acre things the aquaculture, the grazing because remember grazing could be a single goat these things can be done on

subsistence ag but it doesn't matter I mean the definition you have here is fine because it doesn't limit it just gives examples. Where it's important and you have it here is on the ag use. So you may want to think carefully and we may need to be absolutely sure what is the minimum you can go on an ag zone designation.

Acting Chairman Calvo - Well a quarter acre basically is like a hundred by hundred type of lot.

Administrative Director Garcia - Bob and Joanne you guys have an MOA with the Chamorro Land Trust you can come up because you're part of this.

Dr. Bob Barber - This was one we had talked about a lot and in the meetings when we had met with the working group as Delia pointed out there is a case where it gives flexibility to have a quarter acre. We probably need to do, can you pass this thing with the provision giving Delia a chance to check with subdivisions..(interrupted).

Legal Counsel Lujan - Yes subject to..(interrupted).

Dr. Bob Barber - Subject to this and then just check because if it's explicitly stated in agricultural area cannot be less than a half acre then we do need to go back to the half acre. It was never intended to a quarter acre ag lot to be allowed to put a home on it, it was just that someone wanted it solely for farming and there was land available in an ag tract that came to that level. If we were subdividing there we would never subdivided the quarter acre things for ag purposes.

Acting Chairman Calvo - But if you do hypothetically on a piece of property and investors are to come in okay and there are some places that they can narrow it down to a quarter acre to a master plan development they can do that.

Administrative Director Garcia - That would be on the parental subdivision but we're not doing a parental it's all strictly agricultural use.

Dr. Bob Barber - And they're trying to keep agricultural and residential separate. You might have a giant block that has both but they really want to clearly define it separately so that we don't start running into problems when people complain about odor or noise or all the other nuisances that are considered nuisances in a residential.

Acting Chairman Calvo - Actually half an acre would be more than efficient to me personally I think it'll meet all the setback.

Dr. Bob Barber - The half acre it definitely fits the idea of going down to a quarter just allows a little bit of flexibility I believe.

Legal Counsel Lujan - Yes.

Acting Chairman Calvo - It just allows that there will be more land available if you do that on a quarter acre and like what Jess was saying earlier on the half an acre would be more than reasonable for even for an ag for farming for that matter. If it's a quarter acre you know it's

just like your back yard. On this one here I think on the agricultural tract on homeland it should be I think we should make that a half an acre I think you know.

Legal Counsel Lujan - You're talking about a minimum or a maximum?

Acting Chairman Calvo - Minimum.

Legal Counsel Lujan - Well just to point out again the current law is a quarter acre although that's the minimum right now by raising it to a half acre the Commission is taking away its discretion to give less than that and the Commission always has the power to give a subsistence agricultural lease within the one quarter acre or one acre so if it wanted to do a half acre it had that power. But by making it a one half acre it's takes away its power to give the quarter acre which is the current law. But it's up to the Commission.

Administrative Director Garcia - But you want to keep it standard to what the current laws of subdivision is. The reason why it can go down to a quarter acre on a half acre is only in a parental subdivision but they would have to meet certain requirements to get it. They would have to have the sewer lines and stuff but if there's no sewer lines probably the Land Use Commission would not approve it. I think you should just leave it at a half acre to keep it standard with the subdivision law.

Dr. Bob Barber - Since that's in the subdivision law, Chapter 62 I would probably agree with Jesse on that. Land Management when I met with them on Monday were very one of the reason she put together and the reason the zoning was in Land Management and Planning Statistics said they wanted three things referred to the subdivision law. They wanted to be sure that this whole document was in harmony with the zoning which was the 61 was that it and then the 67 or 69 which was the development district laws. They wanted those three plus to be sure that we were in harmony with those.

Acting Chairman Calvo - Well zoning is very important on this one too any way so we need to put that in.

Dr. Bob Barber - This would be a change from the existing law then. At some point they had made it down to a quarter acre so you'll be making for ag back up to a half acre minimum. So you're doing two things you're reducing the maximum and you're increasing the minimum would be what you'd be doing.

Legal Counsel Lujan - For agriculture.

Dr. Bob Barber - For agriculture.

Legal Counsel Lujan - But actually the subsistence agriculture has been increased from a half acre to one acre.

Dr. Bob Barber - Yeah. That fits more what you look internationally or nationally in terms of subsistence lot size but people talk between one half and a hectare which is one acre to two and a half acres. The half would fit I think.

Legal Counsel Lujan - Well you could also have the situation where perhaps the land requested is next to the lessee's land so that they only need a quarter acre for their subsistence agriculture and they don't need to build so you can have different scenarios where it's possible.

Dr. Bob Barber - Yeah you have examples where you have leased ag lands right next to privately owned land and we've already inspected one in Talofofo where the guy has a quarter acre house lot but then behind him he had a three acre ag lease, it is entirely feasible. We've seen the same thing up in Yigo where some subdivisions Land Trust has lands back and some of the people with the houses on the edge of the subdivision has gotten small ag leases. Will that be the kind of subdivision you're speaking of Jesse if we were doing that where you have privately owned land next to Land Trust land and you gave out these quarter? Would that meet that you separate parental subdivision? I'm not familiar with the terms.

Administrative Director Garcia - See what it is is that once we get the inventory settled we're going to have to come up with a land use master plan for the Chamorro Land Trust so from there you're going to designate the type of zonings, lot number whatever would be agricultural zoning, Lot number two would be for actual residential.

Acting Chairman Calvo - Then if you get that master plan then you no longer would need the parental.

Administrative Director Garcia - Yes as soon as the master plan is completed and then say for example a commercial company wants to come in and put a commercial lot in the agricultural area or residential it would have to go to the Guam Land Use Commission. It's no longer going to be the Commission to approve it they would have to go and apply to get the zone changed through the Guam Land Use Commission to keep it consistent with the existing zoning laws and the requirements that Land Management is asking. So once we come up with a master plan that's it, you follow that and if changes from there you would have to go to...(interrupted).

Acting Chairman Calvo - It's really in a sense it's good that it's going through the Land Use Commission because ultimately they're really the commercial that would really determine that and then also it would help the community side because of the environmental impact of that particular property would it affect the surrounding areas of this. Even though it was designated but the Land Use Commission would be the one to determine that because they would be the one to really and then you get the surrounding of the community you know and we'll research on that whatever they do to get that actual approve and if it's going to happen or not that would be the Land Use Commission to be one to determine that. The only thing there is if it does go through and everything of course it would help the Chamorro Land Trust because then you're looking at a higher taxes to be paid in to the Chamorro Land Trust and whatever the lease.

Administrative Director Garcia - Like all the lots adjacent to main roads I guess the Commission was planning to put it as commercial.

Acting Chairman Calvo - Yeah.

Administrative Director Garcia - So if they want to have it changed to light industrial or whatever then they would have to go to the...(interrupted).

Acting Chairman Calvo - Get to the Land Use Commission.

Commissioner Leon Guerrero - But we would never have parental subdivisions.

Administrative Director Garcia - No, parental subdivision is specifically for families.

Commissioner Leon Guerrero - No but even the families that have agricultural lots cannot apply for parental subdivision we won't allow it.

Administrative Director Garcia - No because that is diverting from the intent of the Chamorro Land Trust program.

Dr. Bob Barber - And you guys removed that ability to subdivide an ag lot, I mean you took out subdividing off the residential and the rest so.

Administrative Director Garcia - Because that's not the intent of the Commission.

Commissioner Leon Guerrero - Actually just even subdividing is just illegal.

Administrative Director Garcia - Yeah.

Acting Chairman Calvo - Because if you got four acres and then the guy actually you know then it just becomes it's for the family members so he or she decides to subdivide that into four knowing that they know they can get four pieces out of that.

Dr. Bob Barber - Well that's why Delia's added this whole thing about having it go to be able to, it can be left aesthetic to picking a single beneficiary, they can leave it to the estate or the legal representative. That way the equity can be drawn out and split up because you do not want to come and say I want my four kids. The original law allowed for multiple beneficiaries, the rules and regs later passed disallowed it and only allowed one. Many families don't like that and you don't want to have a four acre ag, good ag, a commercial ag farm being subdivided into four subsistence. You don't want your valuable ag lands dwindled down so that's why that was put in so someone can extract out the equity they built in their home from the land that means you're going to have to develop your home loan fund because someday you're going to be paying these things.

Joanne Brown - Because otherwise Mr. Chairman the perception that's out there we've discussed this a lot of people still very much have the view that they have these larger acres very much with that intent that they think they have a sense of ownership. You know I have six kids I'm going to subdivide among six children. But I think if the Land Trust is going to maintain the integrity of the agricultural properties because years into the future that's going to be the most valuable lands that we're going to have. Because previously if they were allowed to subdivide that every fifty years even though you know we're not going to be around in fifty years but it's going to continue to but it'll maintain that integrity. And also as we've discussed in our previous meetings it should not be an incentive to award someone especially if they're not we've discussed previously let's say I got the property for

agricultural purposes and then I stopped farming or whatever and then we've talked in the past oh we'll just cut out that house lot and let them keep the house lot and then we'll have someone else work on the rest of the property. That almost is like an incentive to fail because if my original intent is to get a land just to live on and not really farm then you're rewarding me for not performing. And it should be very clear especially provisions down the road are going to have to be done to address perhaps if someone gets older and they no longer physically can farm they have children that don't want to farm then maybe other provisions need to be made on how do we assist them. Maybe to put them on a residential property or something where they can continue to live but yet somebody new who has the interest to come in and farm can go back and bring that property up to productivity.

Acting Chairman Calvo - And not only that it defeats the purpose of the Chamorro Land Trust you know the intent of that because basically what it was but the you know the law was so vague it didn't really describe now that we're and it gives an ultimate chance to other people that are waiting for you know. And when you got a piece whether it be one acre or two acres but you know that's four people that could really be in there versus just one because to me it's just the idea of saying just grab it. And they have this notion of saying it belongs to me and it's got to be really publicly because it's been in many ways they think that they got this lease I own, you never own that piece of property. But technically they always think to have that mentality that I own this because I got a lease. Well guess what that lease can be revoked any time of the day you know for whatever reasons whether you be in violation or anything. And I always made this clear to the other people when they tell me but I own this lease Mr. Calvo, no you don't own that lease. You only have a piece of paper that can be allowed you know it can be thrown away for that matter versus if I own a piece of property that I bought personally then that one you own, you can honestly claim it belongs to you. But when you just have a lease the lease itself is you know..(interrupted).

Joanne Brown - You're a temporary that's what it comes down to.

Vice-Chairman Matanane - Like Land Management.

Joanne Brown - You should get that rent free.

Legal Counsel Lujan - Another change is commercial agriculture the definition, it now says means the growing, care and use of plants and animals including act and things related thereto and again it doesn't include the further definition which would be the grazing, stock raising, ornamental production and aquaculture; for commercial sale on an agricultural tract with an area of not less than one acre for subsistence and commercial use or three acres for solely commercial use no more than ten acres. So that just modifies the acreage to recognize the new types of Chamorro leases and the new acreage limitations for those and then it also updates the definition of agriculture. Again like I said it doesn't specify the grazing, stock raising, ornamental production and aquaculture.

Acting Chairman Calvo - Dave what we did on this one too Dave just to elaborate more we went down to one acre up to three acres to solely up to ten but initially we would give them at one acre with their planning you know making sure that you know you start out with this one acre. But you know in the past it's always been ten, fifteen, twenty acres okay so there's no control over that. Now if you come in there and you say you're going to farm okay I'll start you with one acre and then you know build up for that matter so I think this

would be because the past of what was in that current law it's just hey I want twenty acres okay no problem here's twenty. Now what I wanted to do and it's always been my intention I've always said that we should always cut that down and improve yourself and you got to have a plan at the same token at the same time that you're going to have that one acre what are you going to plant okay. Well you don't really know but when you do know come back with your plan. Because a lot of these people that really are asking they're really just more or less the (inaudible) farmers, they're not the eight to five farmers and a lot of them don't. By the time they get home and change its dark.

Joanne Brown - And not only that Mr. Chairman I know that Dr. Barber can elaborate but also in going out and doing the field inspections they really are not maximizing the potential of those twenty properties. So you have that much land in the hands of a limited amount of people that are really not maximizing the use of it and part of it again if I had an opportunity to get twenty acres on Guam close to land value about a million dollars I would take it. But the fact that most of them are not using all of that property for its intended purpose and unless you're a full time farmer, full time full time, unless you have people working with you or large family members working with you you're not going to be able to cultivate that much land on a regular basis. And that allows opportunities for other Chamorros that are interested to even if for some a simple half acre would be more than enough for what they need versus a select few that has so much property.

Dr. Bob Barber - Let me point out one thing to you all this is going to probably you're going to have a bit of an outcry for two reasons on these sections here in the ag thing. You're going to have an outcry because you've reduced it to twenty acres, everybody wants their twenty acres and they're going to be mad. You're also going to have an outcry because since agricultural leases cannot be taxed and the rate was originally a dollar a year there was no way to even cover the cost that the ag leases has cost you to maintain annual, annually and ag leases cost you somewhere around four hundred to a thousand dollars a year to manage depending if they're in compliance they're cheap, if they're out of compliance it gets expensive. So you're charging a hundred dollars an acre for all these ag leases and the subsistence is just a flat hundred dollars. So there are going to be these outcries but then the response is when you did that thing back where remember the ones you talked about earlier where the married, basically what you've now allowed is you've allowed no more than one residence to an individual or a couple but you are allowing multiple leases. You can have a residential lease and a commercial, you can have a residential lease and an ag lease, you can have an ag lease and you can have another ag lease but the issue is they get their ten acres while they're in line now. If they really maximize that because honestly if we get this thing fixed and we get the land inventory done over the next five years I believe there will be plenty for the people who want to farm now to go around. These people have five to ten years to develop their ten acres and they can apply then for a second ag lease because the way the law reads now there's nothing preventing a second ag lease. It just means they don't get twenty acres all at once because we're seeing more, I'm not going to say more violations in terms of lack of production but what we're seeing is when we see a twenty acre lease unutilized it's a form of serious underutilization. Underutilization of a one or two acres is usually something they can bring into a very short period of time. To bring twenty acres into full production is a ten year process or a five year process. So I think that's your response back is to note that if they're a good farmer of ten acres you can get in line for another ten acres and we want to make sure that everybody gets their ten acres first before some the twenty.

Joanne Brown - Not only that you're maximizing the opportunity for other people other Chamorros to have land because I mean even though we don't have a full inventory of what you have in terms of these properties once we do get that we're going to realize what the limitations are and then you're going to be able to quantify only how much Chamorros actually would ever benefit from the Land Trust. Especially if the lands continue to go down to their descendants and there's many other Chamorros, there's Chamorros being born every day that will never have an opportunity to even have so much of a spoonful of Chamorro Land Trust land to live on or farm.

Dr. Bob Barber - Delia let me check with you I am right in what I just said about the we now changed that you cannot have more than one residence but you can have more than one lease is the way this thing's been written out is it not?

Legal Counsel Lujan - Yes there's no prohibition on that there is a priority.

Dr. Bob Barber - Right so that's why you have to get through your priority list first and starts with those who signed up on 1995 and then other issues.

Legal Counsel Lujan - The next definition is agricultural use which basically lists the language from the definition of agricultural which is relating to agriculture and this just takes the definition of agriculture there the use of the homeland and improvements for growing, care and use of plants and animals including acts and things related thereto and also including grazing, stock raising, ornamental production and aquaculture. Now the and also including and up to aquaculture that's the language that's not specifically included in the definition of subsistence agriculture or commercial agriculture so I don't know. Bob what do you think about that?

Dr. Bob Barber - Well I think since these are all ag leases these activities would fall in. Anytime you get in to commercial animal or aquaculture there are laws and we've said later we'll make them follow the laws of the land. But it does allow for the industries you know grazing I frankly personally don't believe there should be grazing leases for twenty acres and stuff like that but I do believe a family should be allowed to have a goat or a cow, small scale because I don't think economic...(interrupted).

Joanne Brown - Because grazing I mean you're talking almost an acre or more for a single cattle.

Dr. Bob Barber - Right and the economic returns just don't justify it's like no one grows rice here because the economics of rice production don't make sense. What we've done is we've taking all these different because everybody kept adding these other categories of agriculture. Ornamentals is a major agricultural thing that sometimes gets overlooked, grazing is one and we've basically taken all the different mentioning definitions of ag in the law and put it in here. Now in the above part about defining subsistence and commercial I think the definitions are fine. The commercial goes into notes a bit more but in the subsistence it's for home use so any of those things when it's for home use you could have a twelve foot kiddie pool and raise talapia for home and that's aquaculture but its not commercial aquaculture and this ag thing is more it just has the categories.

Legal Counsel Lujan - Personally I think the reason why I didn't include it in this draft is because all those things can fall under the growing, care and use of plants and animals.

Dr. Bob Barber - Exactly.

Legal Counsel Lujan - It's broad enough to include everything. So the next definition is residential tract and this is an existing definition in the rules. The change here was that it just sets the maximum acreage of one half acre okay. Now the law right now the maximum is one acre so we reduced it to one half acre for residence and the rule contains a minimum of no less than ten thousand square feet no more than one half acre. This is with the rule that's not contained in the law but to make this consistent with the law it's reduced to one half acre. Next change page 2, 6.1 (c) Residential tract leases this again was just to replace the maximum one acre with the now maximum one half acre. Lot size nor or less than one half acre with no public sewer connection available but in neither case shall be more than one half acre and then again at the bottom in no circumstance may the area exceed one half acre.

Acting Chairman Calvo - One of the reasons why we did that too Dave and we talked about that was also it will meet all the setbacks and the requirements for you know as far as EPA, Public Works you know everything with that half an acre instead of one acre and then you gain a piece of property again for another residential.

Joanne Brown - You know as we've been meeting on our weekly taskforce meetings as we look to developing the next set of properties that meet all the requirements and standard survey in the future if those things if sewer can be put in then you can reduce that to even less to a quarter acre instead of half acre because of the sewage disposal issue you know if they're using septic that's why they have the larger land mass. But as time goes on you want to make sure particularly for residential that there's more properties available. It's more in our interest even though we know it's very expensive but to have sewer installed to maximize the land area it will really make a big difference and it provides more opportunity for Chamorros to have a residential lot. Because you're almost building estates right now you know an acre is such a luxury to have that big an area for a single family home.

Dr. Bob Barber - Well one acre would encourage subdividing I mean when you have a one acre it's just to be hard to temptation to put a second home or with a half acre. As she said in the beginning it gives you two lots instead of one. In any case a half acre it meets GovGuam requirements for residential.

Acting Chairman Calvo - Because even with a half acre you know...(interrupted).

Dr. Bob Barber - That's big.

Acting Chairman Calvo - Yeah it's big not only that you can still subdivide that to what half an acre.

Dr. Bob Barber - If you have sewer.

Acting Chairman Calvo - Yeah if you have the sewer yeah.

Joanne Brown - But it's depending too what location is the home built.

Acting Chairman Calvo - And depends where there the property..(interrupted).

Joanne Brown - If they build it right in the middle of that acre how do you subdivide it down let's say when sewer becomes available and you know we're looking at existing maps already where buildings are right on the border where the lot is. I just think for future development it's something to keep in mind. Again the objective, personally I can understand the desire to have more land that's just human nature. I would love to have more land but if you're going to maximize the opportunity the agriculture, residential your commercial, to maximize income you know the lot areas are something you're not going to want to make bigger in the future you want them especially for residential make it smaller.

Administrative Director Garcia - If you look at the GHURA subdivisions most of those lots are like five hundred some square meters.

Joanne Brown - They're not very big.

Administrative Director Garcia - They're not very big they're just for residential but they have sewer in there.

Joanne Brown - That's what makes a difference is the sewage disposal.

Administrative Director Garcia - But you know we're just going to a quarter acre so to me if you want to reduce that quarter acre to five hundred square meters depending if there's sewer.

Joanne Brown - But you know even for future subdivisions on residential from here on you might want to decide what part of that property a home may be located so that down the road when that lease expires and infrastructure can be put in there then it can be divided into two and some other person can apply to the adjacent property.

Dr. Bob Barber - I think he's referring to GHURA's five hundred square meters I wonder how that relates to square feet, I'm getting confused. Ten thousand square feet is just a little, it's forty-six thousand square feet in an acre so it's about..(interrupted).

Acting Chairman Calvo - I think to get an acre it's about forty-two hundred square meters.

Commissioner Leon Guerrero - No that's square feet, you can go thirty-six hundred square meters for an acre that's a regular acre size. But you can take the ten thousand divide it by nine because that's a square yard or about a meter. So whatever that comes out to be that would be in square meters.

Dr. Bob Barber - So it really is about a quarter acre then.

Administrative Director Garcia - Okay I think we should reduce it down to four sixty-two square meters.

Legal Counsel Lujan - Well this is square feet though.

Administrative Director Garcia - Square feet so we just got to convert that.

Dr. Bob Barber - And that's suitable when there's sewer.

Commissioner Leon Guerrero - No, no it cannot be four sixty-two square feet that's too small.

Administrative Director Garcia - Yeah, nine twenty-nine square meters is one hundred so divide it by two.

Dr. Bob Barber - Oh wait he's saying square meters and you're saying four sixty-two square meters would be like a little less than a tenth of an acre.

Commissioner Leon Guerrero - It's about an eighth of an acre. That's square meters though.

Administrative Director Garcia - If there's sewer if we're going to maximize the use of the Chamorro Land Trust for residential...(interrupted).

Commissioner Leon Guerrero - No it cannot be feet it's got to be...(interrupted).

Administrative Director Garcia - No it's square meters.

Commissioner Leon Guerrero - Oh I thought you're saying square feet.

Administrative Director Garcia - Four sixty-two square meters.

Commissioner Leon Guerrero - Oh I'm sorry.

Joanne Brown - Yes he said square meters.

Dr. Bob Barber - He said square meters I said square feet.

Administrative Director Garcia - But you know what I'm saying is if we put it at a quarter acre which is nine twenty-nine square meters...(interrupted).

Acting Chairman Calvo - You'll still get your setback and everything.

Administrative Director Garcia - Yeah but if there's sewer you can make that into two lots instead of one which will maximize the residential lot size.

Acting Chairman Calvo - Okay.

Administrative Director Garcia - Because it's only for residential.

Acting Chairman Calvo - It's not for farming.

Administrative Director Garcia - So I think we should go down to what the law says is minimum.

Joanne Brown - Keep it consistent.

Dr. Bob Barber - Yeah if you put it down there and then you say or either which may be specified by zoning, you're covered by whatever the law says and no more than a half acre. That would allow you to do.

Acting Chairman Calvo - So we'll just with the quarter acre.

Legal Counsel Lujan - Well the law currently says that the residential tract is an area of not less than ten thousand square feet. The only change I did was the no more than one acre, I just made it to no more than one half acre.

Administrative Director Garcia - But if the Chamorro Land Trust is going to take it to the best use then..(interrupted).

Legal Counsel Lujan - Are you trying to reduce the, this ten thousand square feet are you trying to make the minimum smaller?

Administrative Director Garcia - Smaller.

Dr. Bob Barber - It's cutting it pretty close to four to five thousand square feet. We can do that for conversion but what we can do...(interrupted).

Administrative Director Garcia - Actually you should just put down five thousand square feet.

Acting Chairman Calvo - Half of this of the ten thousand square.

Administrative Director Garcia - Yeah.

Dr. Bob Barber - Yeah it'll be an eighth of an acre. That will be a little more generous than the absolute minimum with GovGuam then.

Joanne Brown - Give or take a few square feet.

Dr. Bob Barber - Yeah exactly.

Acting Chairman Calvo - It should be enough square meters.

Dr. Bob Barber - You know it's subject to the zoning so as GovGuam zoning would change yours would change too.

Legal Counsel Lujan - So this is to change it to five thousand square feet. You'll need me to verify if that's acceptable?

Administrative Director Garcia - Yeah that is.

Legal Counsel Lujan - The next change was in the middle of page 2 of the exhibit which is 6.5 agricultural tract leases and that is an existing subsection (c) right now. Basically the change here was just to make it consistent with the change that we've already made to the

law basically this is just a repeat of the law. And so the changed law that we have is on page 12 and that's section 20, page 12 of the same draft basically it's just the same language of what's there on section 20. It may be excess but the current rule is already in excess.

Dr. Bob Barber - Delia on this page 2 you'll also need to change the ten thousand on (c).

Legal Counsel Lujan - Okay yes at the 6.1 (c) it's changed to five thousand. So basically it's just the lessees, agricultural lessees planting requirements and then this is really the change that we made to our bill, changing the law and the rule which is such trees shall be types and uses recommended by the Department of Agriculture. I believe that the original law was approved by the Department of Agriculture. But these are ones recommended by Agriculture and such planting and maintenance shall be by or under the immediate control and direction of the lessee. Actually we deleted a sentence from the existing law which is such trees shall be furnished by the Department of Agriculture free of charge. So in other words Agriculture will not be providing free trees for the lessee.

Dr. Bob Barber - They specifically asked for that because they have never been able to the only reason they're giving them right now is because you're giving them five thousand dollars this year and we thought I don't think the Land Trust wants to keep paying Ag to do trees and I certainly don't want to keep growing them in the nursery for Ag. What we're doing in these trainings we're going to teach the people to do their own nursery so they can generate their own trees. There's no reason for Ag to go out and buy fruit, plant the seeds and then give them out when we can teach the lessees how to do it instead.

Acting Chairman Calvo - But actually Bob it will be beneficial for the Agriculture too if they were to plant and sell their product.

Dr. Bob Barber - Well they do, do that, they sell for ten dollars, that's in the law they can sell for a nominal fee. It's just we took out the other thing we took out that Ag tells them exactly where to plant the trees. What we wanted is they follow the recommendations of Ag but the key thing is they plant them and that's the key thing.

Legal Counsel Lujan - Yes the trees should be the types and uses recommended by DoA.

Dr. Bob Barber - And by uses we mean like in a wind break or a barrier planting or those types.

Legal Counsel Lujan - The next change is at the bottom of page 2, the 6.6 residence permitted on agricultural lot, this again is an existing rule and it allows a lessee of an agriculture lease to build a residence subject to the following conditions; what we changed was the existing number 3. Number 3 the existing says conformance to all territorial zoning and building requirements. What we added was and submission of copies of all required permits to the Commission. So this one specifically requires lessees to provide permits to the Commission. Actually I'm going to have to delete residential leases to say requires lessees.

Joanne Brown - Delia does it mention already in the other parts of the law where they have to get approval of the Commission?

Dr. Bob Barber - Yes.

Legal Counsel Lujan - Yes actually that's existing law.

Administrative Director Garcia - Let me just bring something up that house that burned on Battulo Road that's Chamorro Land Trust property. The information that I got was that they were preoccupants of the lots so I'm pretty sure the house, it didn't get any permits or permission from the Commission to build, it was probably a substandard structure. That's another reason why we need to get this thing.

Dr. Bob Barber - And the reason we're asking for the permits and it's not just for the house it's for livestock operations and all these other things is when we go out to try to do compliance we should be able to look at the file and say okay as far as permits they're in compliance. We have to go out and ask them and get them to bring it in. It should be at the time they construct these things whether their constructing a livestock operation or whether they're constructing a home. They should be making copies of the permits and submit them because many people probably did the permit process when they started but they don't have those permits at records. I certainly haven't kept all the things I've gotten at Public Works when I've done additions to my house and so what we're doing is if we don't get them to put the copies there it means that we're going to have to then have them go and take more of Public Works time, more of the Land Trust time when it's better to just have them at the beginning do it and now we have it in an archive that we don't lose.

Acting Chairman Calvo - And also it also helps the Chamorro Land Trust that way itself they also the individual will be in compliance to the issues. Now if you went up there for whatever reason and didn't have all the compliance whether it be a septic tank or whatever and they're not in compliance then you know because that's what happened in the past was its I got a lease like I can do what I want.

Joanne Brown - That's the impression they have.

Acting Chairman Calvo - So now we have to be more stringent on the rules.

Legal Counsel Lujan - The same change was made to 6.7 livestock and crops, these are existing again, we added to number 3 and submission of copies of required permits to the Commission and the comment there is that it again requires submission of permits to the Commission for those who are raising animals on a commercial basis on an agricultural leasehold.

Acting Chairman Calvo - There's only one thing here and I don't know if they're in a livestock issue and they say I want to raise some chickens or for that matter that could be an arguable issue.

Dr. Bob Barber - They can raise up to twenty chickens per thing as long as the chicken structure is fifty feet from where they have, the chickens it has to be confined and the confinement area has to be fifty feet from the structure and that's a Public Health rule that they can do. But personal noncommercial hogs it depends on the number of pigs, depends on their waste management system. If they're using dry litter they can probably raise up to about four pigs without being commercial. If they're using a washout where they're using

water because the way they determine commercial as soon as you get a hundred pounds a day of waste including water so a washout system they vary rapidly with one or two pigs will be a commercial. If they use a dry litter they can use a little bit more. They would never be permitted for on ground raising hogs. EPA won't allow they have to have some form of confinement and so that's covered under the and earlier in the law you say livestock has to follow that's why it's very important they have the permits because they have to submit to EPA a livestock waste management plan. EPA has to say we approve it and Public Works would require that before they allow those structures and then they have to get the Public Works to construct the structure following this approved plan then they have to put those copies with you guys. Before they even start they have to request of you permission to engage.

Acting Chairman Calvo - In some sense they might just say well I'm only going to raise two pigs but that's not the point whether you raise one or two pigs is and then also the environmental around that area whether you're going to be giving a smelly area. I mean you give a pig one whole week and you know if you don't clear that rightly and everything it's just..(interrupted).

Joanne Brown - But you know Mr. Chairman that's where the advantage is of now the funding you guys provided for the training program just this weekend you know demonstration happened up at Dededo but where the examples were there so that the Land Trust recipients can actually go and get the training. They can see how these things are built, what the practices are and how they can implement it themselves so we're also providing that opportunity not saying we require you to meet all these we're showing you steps of how you can do that.

Dr. Bob Barber - We were talking yesterday there was an extension giving up to three years to build a home but it's only for residential leasehold.

Legal Counsel Lujan - We're not changing that if that's the law right now. The next change is page 4 of the exhibit that's 7.2 in the middle there industrial or commercial activities what it does is this already is an existing rule and the change that was made to subsection (a) it allows it says no industrial or commercial activities shall be allowed on Chamorro homeland leaseholds except those which are authorized by the Act, now the original rule just ends there period. Now what we added here is which are authorized by the Act, the rules and regulations of the Commission or as otherwise approved by the Commission but in no event shall such activity occur which was not previously approved by the Commission. So what it does is it broadens the possible commercial or industrial activity that occurs so long as it's with the approval of the Commission. (b) this is an existing subsection and it says no leasehold or portion thereof shall be used for commercial activities of such a nature as to constitute a nuisance. Now the change here was there was a further sentence that is now being deleted in this draft and the further sentence it excuses agriculture as commercial activity and so by doing that it's basically allowing that if that's a nuisance. Excusing that from the definition of commercial activities so the change by deleting that is that it prohibits any such activity even if commercial agricultural use which constitutes a nuisance. Now the Commission can decide to keep the language as is the current language which excuses commercial agriculture from this prohibition against nuisances or it can simply by deleting that provision though it makes sure that the Commission approves commercial agriculture which doesn't constitute a nuisance for neighbors. That's what it is. In other words it

makes sure the Commission won't approve a piggery next to a neighborhood so that it constitutes a nuisance and so those approved activities are in an appropriate agricultural area.

Acting Chairman Calvo - So it's almost like if I mean we're not supposed to approve that residential in an area besides to raise a pig on the side for that matter I don't want to go against the rules and regs regardless even though the person is individually cleaning it up and keeping it up to where it is but it doesn't constitute that issue that he or she has that authority.

Dr. Bob Barber - What she's point out is say you've got a private neighborhood over here and you now got your whole ag zone a poorly management hog operation can smell for up to a mile or even worse a poorly managed poultry operation can smell for up to five to ten miles. What we're saying is just because it's agriculture it's not allowed to be a nuisance because in no case it's just like you won't want crop dusters to not shut off their sprayers and go in to the neighborhood just because they're on ag. They still have to obey the laws and a nuisance is usually a sign of poor management. We've got hog operations that are scentless I mean they have no odor because we're doing good management. The ones that really do a good clean out and have a proper septic system you smell them but you don't smell them a mile away. And so I first argued with Delia on this but she convinced me that you know in an ag zone a minor amount of odor is not considered a nuisance and would not be by the zone. But if you're getting where you're causing problems right outside and what you would do is you might let someone know that if they're getting into an ag zone they may not want it, they're thinking they're going to do livestock they might want to be right on the boundary with the residential area, they might want a lot a little more inside. So you need that as you do your zone let's think about the kind of operations but just because it's agriculture it shouldn't be allowed to constitute a nuisance to the public. And you didn't want where the Commission is authorizing nuisances. So did I say that correctly?

Legal Counsel Lujan - Pretty much yes. Okay the last change to the rules is on page 5, 12.1 provisions for commercial leases to native Chamorros and general public, on subsection (a) these are the requirements that a prospective lessee must provide to the Commission, the name, address and telephone number. The change that was made here is it deleted a requirement that they prove that they're native Chamorro or an organization or corporation owner and controlled by native Chamorros. The reason why that's deleted is because this is in the provision of general leases to both Chamorros and the public. So that's been deleted. One last change page 6, I found a mistake and that was in the middle and because of the changes I just have to change in the parenthesis See Section 24 of Bill No. blank, in that comment it's Section 26. Because that's where the section 75108.2 (b) is and then there's no other change from the rules which were already provided on April 15.

Vice-Chairman Matanane - Section 24 bill number what?

Legal Counsel Lujan - That's just this bill.

Joanne Brown - Once the bill gets introduced then they'll assign a number to it.

Legal Counsel Lujan - Yes so it's now Section 26. So those were the only changes that were made to the April 15th and if there are any questions or discussions that the Commission has regarding the rest.

Dr. Bob Barber - Oscar the thing that we've seen when we did the presentation on Friday the thing that seem most contentious that we had the most difficulty was this designation of heirs. So the big change threw out was she went and took the original language and that's how you got that. From what I was talking to Ron Teehan the other day and he believes that that just came in on the original bill Angel Santos took that and put that in in those words in that way. I suspect that the reason was he didn't want to give it to the brothers and sisters as next because they were able to take care of themselves but the widow of your brother and sister you might be considered some way responsible for and it allows then for that person to serve in guardianship as it goes down. But we just put that, that's something we probably want to note to the legislature at the time that they may want to look at that. The other thing is this whole thing of more than one lease we've had a lot of discussions and decided you don't want more than one residence but since someone can have a residential and a commercial and others so we've kept those. The third thing I think we talked about was the multiple leases there was one other thing and I'm blanking out on it but all of those she's gone through and shown you the points everything else basically follows the discussions we had as we went through all those other areas. So to me it looks good now.

Acting Chairman Calvo - Of course I know we made a lot of modification I mean we really ratted it out a lot.

Dr. Bob Barber - In the presentation to the legislature we're probably going to need some kind of an outline classifying the groups of changes and then just note each section of it which of these groups it falls into because there's changes to residential there's changes to ag, there's changes to strengthen the Commission, there's changes to make sure that money goes at the Commission's discretion not preset accounts, there's changes that has to do with the commercial leases. So we should group these up when we get called in to present I think.

Joanne Brown - And then also be able to provide the justifications as to why there's a need for it now. You know this has been in practice for some time and finding some of these things need to be changed. I think it's important to balance it and say these are the changes we've made and these are the reasons why we've made these changes.

Dr. Bob Barber - The other thing is when this becomes a bill it's going to need an economic impact statement. What I was able to do was I had Antoinette type up because all you had was a xerox from the Teehan document, I had that typed up I'll be looking at that over in the next few days and trying to add to that for you and I'll send that to you on it. And in that I might be able to group some of these categories that we've changed.

Acting Chairman Calvo - Well you know we present this tomorrow to the legislature.

Dr. Bob Barber - Oh you're going before the legislature tomorrow or you're delivering it to them?

Joanne Brown - Actually my understanding Mr. Chairman I believe you have to transmit this to the Governor and then the Governor will officially transmit it to the legislature on your behalf. So you just need to have your appropriate cover letter to him and I assume you as Chairman will sign it, I'm sure it's probably going to take a few days for his legal counsel to review it. But at least for the legislature the Commission did act on it prior to the 30th of April.

Acting Chairman Calvo - Okay Jess I know that you're in a situation right now.

Administrative Director Garcia - No we'll get it done, she's going to do it now, I'll have it printed and then we'll make copies for everybody.

Acting Chairman Calvo - No but I mean we still need to, the Governor still has to..(interrupted).

Administrative Director Garcia - Yes we'll get a cover memo to the Governor showing that we're transmitting it to him.

Acting Chairman Calvo - Okay.

Dr. Bob Barber - You all still got to approve it you haven't approved it.

Legal Counsel Lujan - You could still if the Commission were to approve it you could still approve the form that was submitted today with those edits.

Joanne Brown - You could make a motion to approve the document with the amended changes that have been identified and then have the staff complete it and prepare it for transmittal to the Governor.

Acting Chairman Calvo - Any one of you guys want to make a motion?

Legal Counsel Lujan - Andy's not here.

Acting Chairman Calvo - Andy won't be in he had to go do something.

Joanne Brown - You still have a majority of the members here you still have a quorum.

Vice-Chairman Matanane - Move to approve the revision of the procedures, rules and regulations subject to we submit it to the Governor as soon as it's all completed and revised.

Legal Counsel Lujan - To clarify that that would be a motion to approve this draft bill with the edits.

Vice-Chairman Matanane - Yes.

Commissioner Tajalle - I second it.

There were no objections.

Acting Chairman Calvo - She second it so it's approved.

VII. DIRECTOR'S REPORT - None.

VIII. EXECUTIVE SESSION - None.

IX. ADJOURNMENT

Meeting was adjourned at 4:05pm.

Transcribed by: Teresa T. Topasna: *Teresa Topasna*
Date completed: May 6, 2010

Approved by Board motion in meeting of: May 20, 2010

Administrative Director, Jesse G. Garcia: *Jesse Garcia*
Date: May 20, 2010

Chairman (Acting), Oscar Calvo: *Oscar Calvo*
Date: May 20, 2010