

New Mexico Finance Authority
207 Shelby St.
Santa Fe, NM 87501
(505) 984-1454

Minutes of the Colonias Infrastructure Board Meeting
October 16, 2018
Mesilla Community Center
2251 Calle de Santiago, Mesilla, New Mexico

Voting Members Present:

Doug Moore, Chairman	Senate Minority Leader Appointee
Oscar Vasquez Butler, Vice Chairman	Senate President Pro Tempore Appointee
Steven Deal	New Mexico Environment Department Designee
Mary Helen Garcia	House of Representatives Minority Leader Appointee
Wesley Billingsley	New Mexico Dept. of Finance & Administration Designee
Zach Dillenback	New Mexico Finance Authority Designee

Voting Members Absent

Orlando-Antonio Jimenez	Speaker of the House of Representatives Appointee
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Non-Voting Members Present:

Jay Armijo	South Central Council of Governments Executive Director
Priscilla Lucero	Southwest NM Council of Governments Executive Director
Hubert Quintana	SENM Economic Development District Designee
Isidoro Hernandez via telephone	New Mexico Mortgage Finance Authority Designee

Non-Voting Members Absent

Steve Kopelman	New Mexico Association of Counties Executive Director
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New Mexico Finance Authority Staff:

Michelle Harding, Administrative Assistant	Angela Quintana, Senior Program Administrator
Charlotte Larragoite, Water Resources Admin.	Michael Vonderheide, Director of Water Resources
Bryan Otero, Assistant General Counsel	

Guests:

Sandra Alarcon, USDA, Rural Development	Olga Morales, Rural Community Assistance Corporation
Chris Almy, Stantec Engineering	Karen Nichols, Lower Rio Grande Public Water Works Authority
Lisa Campbell, Stantec Engineering	Ramses Ortega, Stantec Engineering
George Esqueda, Stantec Engineering	Ariana Otero, USDA, Rural Development
Pete Estrada, Village of Loving	Karl Pennock, Rural Community Assistance Corporation
Dale Graham, City of Ruidoso Downs	Janie Portillo, Village of Tularosa
Espy Holguin, Lower Rio Grande Public Water Works Authority	
Martin Lopez, Lower Rio Grande Public Water Works Authority	

Angela Rael, Southcentral New Mexico Council
of Governments
Lilla Reid, Souder, Miller & Associates
David Shields, Bohannon Huston

Ed Stevens, Town of Hurley
Margie Trujillo, Village of Tularosa
Ronnie Wyatt, Timberon Water and Sanitation
District

1. **Call to Order and Roll Call.** Chairman Doug Moore called the Colonias Infrastructure Board (“CIB”) meeting to order at 10:01 a.m. Roll call was taken and a quorum was established.
2. **Approval of Agenda.** Ms. Mary Helen Garcia made a motion to approve the agenda as presented, seconded by Mr. Steven Deal. The motion passed unanimously on voice vote.
3. **Approval of August 29, 2018, Board Minutes.** Mr. Deal made a motion, seconded by Ms. Garcia, to approve the minutes of the August 29, 2018, meeting as presented. The motion passed unanimously on voice vote.
4. **Chairman’s Report.** Chairman Moore noted that in keeping with meeting protocol, the public should speak during the Public Comment period.
5. **Consideration and Approval of Certification of Re-Allocated Severance Tax Revenue Bond Proceeds to an Alternative Qualified Project.** Bryan Otero, Assistant General Counsel, presented the Board with a proposed Resolution for Certification of Re-Allocated Severance Tax Revenue Bond Proceeds to an Alternative Qualified Projects. The Resolution and Certification is required for the reallocation of project funds approved at the August 29, 2018 meeting.

Mr. Oscar Butler made a motion, seconded by Mr. Zach Dillenback, to approve the Resolution and Certification of Re-Allocated Severance Tax Revenue Bond Proceeds to an Alternative Qualified Project. The motion passed unanimously on voice vote.
6. **Village of Loving, Consideration for Approval of Time Extension, Project No. 3357-CIF15.** Angela Quintana, Senior Program Administrator presented a request for extension from the Village of Loving (“Village”) for Project No. 3357-CIF15.

The Village secured funding on February 19, 2016, for a Wastewater Infrastructure project in an amount not to exceed \$634,260. The approved scope of work is for the design and construction of Phase IV wastewater treatment plant and sewer distribution system. The current balance is \$593,113.34.

The Village combined the Colonias funding with funds from the Community Development Block Grant (“CDBG”) program and a state appropriation for a combined total of \$1,299,260. Final plans and specifications were approved on August 6, 2018, by the New Mexico Environment Department (“NMED”), but could not be reviewed by the Department of Finance and Administration-Local Government Division (“DFA-LGD”) until all of the easements were secured. Due to the delays in the project, DFA-LGD reverted the CDBG funding on September 7, 2018.

The Village re-packaged the bid documents to reflect the current available funding and NMED approved the repackaged documents on September 25, 2018. The Village anticipates project

completion, pending any delays, by March 4, 2019. The Village requests an extension of four months to expend the Colonias funds and complete the project.

Pursuant to Section 1.3-Project Continuation Policy of the Colonias Project Management Policies, the Board requires applicants that have received prior awards to certify completion of all projects prior to approval of a new award, subject to certain limitations. The request for this time extension does not waive this policy for any current or future funding cycles.

The Project Review Committee has reviewed this request and concurs with staff's recommendation.

Mr. Deal made a motion, seconded by Mr. Oscar Butler, to approve staff's recommendation to approve the Village of Loving's request for an extension from February 19, 2019, until June 19, 2019, to complete Project No. 3357-CIF15. The motion passed unanimously on voice vote.

7. **Village of Tularosa, Project No. 3517-CIF16, Consideration for Approval of Time Extension.**

Angela Quintana, Senior Program Administrator presented a request for extension from the Village of Tularosa ("Village") for Project No. 3517-CIF16.

The Village secured funding on February 3, 2017, for a Water Infrastructure project in an amount not to exceed \$731,976. The approved scope of work is for the design and construction of Phase III transmission line replacements and improvements to the water system. The full balance of \$731,976 remains unspent.

The Village applied for and was awarded funding from the 2017 Community Development Block Grant ("CDBG") program, using the 2016 Colonias award as part of the required match. The Department of Finance and Administration-Local Government Division ("DFA-LGD") rejected the Village's on-call RFP for design, which required the Village to issue another RFP using the approved DFA-LGD format. Proposals will be accepted until October 26, 2018. The Village has completed the design for the transmission line and treatment plant, and expects to complete the design for the waterline replacement by February 19, 2019. It is the Village's intent to combine both the Colonias and CDBG funding to complete the proposed project. The estimated Project completion is December 20, 2019. The Village requests an extension of 10-1/2 months to expend the Colonias funds and complete the project.

Pursuant to Section 1.3-Project Continuation Policy of the Colonias Project Management Policies, the Board requires applicants that have received prior awards to certify completion of all projects prior to approval of a new award, subject to certain limitations. The request for this time extension does not waive this policy for any current or future funding cycles.

The Project Review Committee has reviewed this request and concurs with staff's recommendation.

Chairman Moore made a motion, seconded by Ms. Garcia, to approve staff's recommendation to approve the Village of Tularosa's request for an extension from February 3, 2019, to December 20, 2019, to complete Project No. 3517-CIF16. The motion passed unanimously on voice vote.

8. **Town of Hurley, Project No. 3511-CIF16, Consideration for Approval of Time Extension.** Angela Quintana, Senior Program Administrator, presented a request for extension from the Town of Hurley ("Town") for Project No. 3511-CIF16.

The Town secured funding on March 3, 2017, for a Water Infrastructure project in an amount of \$1,793,710. The approved scope of work is for the design and construction of fresh water transmission pipeline. The full balance of \$1,793,710 remains unspent.

The Town completed the design of the water system improvements using 2016 NM Legislative appropriations. The Town also received USDA funding in the amount of \$2,739,500 for additional construction. The Town has met the Letter of Conditions for the USDA funds, and began the bid process on August 10, 2018. Bid opening is scheduled for October 11 with bid award scheduled for October 25, 2018. The award and construction documents will be reviewed and approved by NMED-Construction Programs Bureau and USDA, with anticipated construction beginning in December 2018.

The project timeline for completion is estimated at 365 days. The Town requests an extension of 9-1/2 months to expend the Colonias funds and complete the project.

Pursuant to Section 1.3-Project Continuation Policy of the Colonias Project Management Policies, the Board requires applicants that have received prior awards to certify completion of all projects prior to approval of a new award, subject to certain limitations. The request for this time extension does not waive this policy for any current or future funding cycles.

The Project Review Committee has reviewed this request and concurs with staff's recommendation.

Mr. Deal made a motion, seconded by Mr. Dillenback, to approve staff's recommendation to approve the Town of Hurley's request for an extension from March 3, 2019, to December 31, 2019, to complete Project No. 3511-CIF16. The motion passed unanimously on voice vote.

9. **City of Ruidoso Downs, Project No. 3514-CIF16, Consideration for Approval of Time Extension.** Angela Quintana, Senior Program Administrator presented a request for extension from the City of Ruidoso Downs ("City") for Project No. 3514-CIF16.

The City secured funding on November 18, 2016, for a Wastewater Infrastructure project in an amount not to exceed \$1,294,485. The approved scope of work is for the design and construction of the Agua Fria subdivision sewer system-Phase III. The current balance is \$289,816.85.

The design and construction of the water distribution lines, gravity sewer lines, and removal of existing roadway surfacing has been completed. The remaining scope is re-surfacing the roadways obliterated by installation of the sewer and water lines. The City anticipates that all funds will be expended by early November pending no delays.

The City requests an extension to December 31, 2018, to submit expenditures and final close-out documents for the completion of Project No. 3514-CIF16.

Pursuant to Section 1.3-Project Continuation Policy of the Colonias Project Management Policies, the Board requires applicants that have received prior awards to certify completion of all projects prior to approval of a new award, subject to certain limitations. The request for this time extension does not waive this policy for any current or future funding cycles.

The Project Review Committee has reviewed this request and concurs with staff's recommendation.

Mr. Dillenback made a motion, seconded by Ms. Garcia, to approve staff's recommendation to approve the City of Ruidoso Downs' request for an extension until December 31, 2018, to complete Project No. 3514-CIF16. The motion passed unanimously on voice vote.

10. **Timberon Water and Sanitation District, Project No. 3363-CIF15, Consideration for Approval of Time Extension.** Angela Quintana, Senior Program Administrator, presented a request for extension from the Timberon Water and Sanitation District ("District") for Project No. 3363-CIF15.

The District secured funding on February 26, 2016, for a Water Infrastructure project in an amount not to exceed \$236,929. The approved scope of work is for the design and construction of Phase IV waterlines in Carissa Springs. The current balance is \$211,436.37.

The District awarded a contract to Stantec in May 2017 for final design, bid administration, construction management, and project close out. Design documents from a previous engineering firm were revised and submitted for review to NMED in October 2017, and NMED comments were addressed by the engineer in December 2017. The District wanted to use in-house materials for the required match, which required the plans and front-end documents to be revised and resubmitted to NMED for review.

Currently the engineer is working with the NMED-CPB and Drinking Water Bureau to complete the final construction documents in preparation of going out to bid in November 2018. The District anticipates completion of the project by March 2019, pending further delays, and requests a three-month extension to complete Project No. 3363-CIF15.

Pursuant to Section 1.3-Project Continuation Policy of the Colonias Project Management Policies, the Board requires applicants that have received prior awards to certify completion of all projects prior to approval of a new award, subject to certain limitations. The request for this time extension does not waive this policy for any current or future funding cycles.

The Project Review Committee has reviewed this request and the majority concurs with staff's recommendation.

Ms. Garcia made a motion, seconded by Mr. Dillenback, to approve staff's recommendation to approve the Timberon Water and Sanitation District's request for an extension of three months from February 26, 2019, until May 29, 2019, to complete Project No. 3363-CIF15. The motion passed on a voice vote 5-1, with Mr. Butler voting in the negative.

(The Board recessed at 10:45 a.m. and reconvened at 11:00 a.m.)

11. **Colonias Policy Amendments.** Angela Quintana, Senior Program Administrator provided the Board with an update on proposed revisions to the Colonias Project Selection and Management Policy.

The Policy Committee made recommendations which were adopted by the CIB at its August 29, 2018, meeting, including:

- Section 1.3B1 – Project Continuation – Revised to exclude funds awarded in the most recent application cycle from the 50% of prior award expenditure calculation; and
- Section 2.3 – Funding Match Obligation – Revised to allow an applicant to borrow additional funds in lieu of a local match.

All other proposed revisions were tabled by the CIB. The CIB directed the Policy Committee and staff to re-work the tabled items and bring them back for consideration at the next CIB meeting.

The Policy Committee, at its October 11, 2018, meeting, reviewed the revised amendments and recommends the following revisions for CIB consideration.

- **Section 1.1A - Clarification language on “Urgent Need” criteria and identification on evaluation points for prioritization criterion;**
- **Section 3 Financial, Managerial and Technical Capacity – Removal of duplicate language and adaptation/expansion of Asset Management Plan guidelines; and**
- **Section 6.2C Eligible Use of Funds – removal of cap percentage on professional services and definition of project management requirements.**
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Chairman Moore made a motion, seconded by Mr. Butler, to approve the proposed revisions to the Colonias Project Selection and Management Policy as presented. The motion passed unanimously on voice vote.

12. **Public Comment**

Karen Nichols of the Lower Rio Grande Public Water Works Authority addressed the Board regarding the catastrophic events topic within the Policy. She urged the Board to leave some ambiguity as to what may seem catastrophic, keeping in mind the size of the community and systems.

Olga Morales, Rural Community Assistance Corporation, expressed her support for allowing individuals to apply for infrastructure funding. She also stated that smaller systems and communities need technical assistance in applying for Colonias funding.

13. **Next Meeting Dates**

Proposed and Recommendations on the following meetings and dates:

Project Review Task Force, January 2019, TBD (Recommendation)
Policy Committee, February 20, 2019, Socorro, NM (Recommendation)
Project Review Committee, March 12, 2019, Socorro, NM

Colonias Infrastructure Board, March ~~19-20~~, 20-21, 2019 *Deming, NM (Recommendation)*
Project Review Committee, April 16, 2019, Socorro, NM
Colonias Infrastructure Board, April ~~24~~, 30, 2019 *(Recommendation)*

Mr. Hubert Quintana reminded the Board that February 18, 2019, is Colonias Day at the Legislature.

Chairman Moore has been asked to attend the New Mexico Finance Authority Oversight Committee meeting on November 8, 2018, in Las Cruces. The Board asked for a copy of the LFC funding report provided to the Oversight Committee.

Chairman Moore said he plans to reappoint the committees to allow members to serve in different capacities.

14. **Adjournment**


Chairman Moore made a motion to adjourn, seconded by Mr. Deal. The motion passed unanimously on voice vote.

The meeting adjourned at 12:10 p.m.



Chairman
Date: _____

Attest:



Board Secretary
Date: 3/21/19