

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

**Minutes of the Colonias Infrastructure Board Meeting
April 25, 2018**

New Mexico Farm and Ranch Heritage Museum
Las Cruces, New Mexico

Voting Members Present:

Doug Moore, Chairman	Senate Minority Leader Appointee
Oscar Vasquez Butler, Vice Chairman	Senate President Pro Tempore Appointee
Orlando-Antonio Jimenez	Speaker of the House of Representatives Appointee
Steven Deal	New Mexico Environment Department Designee
Mary Helen Garcia	House of Representatives Minority Leader Appointee
Debbie Romero	New Mexico Dept. of Finance & Administration Designee

Voting Members Absent

Robert Coalter, Secretary	New Mexico Finance Authority Chief Executive Officer
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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

Non-Voting Members Absent

Steve Kopelman	New Mexico Association of Counties Executive Director
Jay Czar	New Mexico Mortgage Finance Authority

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:

Azucena Vargas, City of Deming	Karen Nichols, Lower Rio Grande PWWA
Beth Morgan, Vista del Rey Estates MDWCA	Kristina Ortiz, City of Bayard
Beverly Malo, Casas Adobes MDWCA	Lilla Reid, Souder Miller & Associates
Bill Green, Catron County	Linda Cooke, Catron County
Dale Graham, City of Ruidoso Downs	Lucy Madrid
Espy Holguin, Wilson & Company	Martin Lopez, Lower Rio Grande PWWA
Gary Williams, Mayor, City of Ruidoso Downs	Michael Larisch, Grant County
George Esqueda, Occam Engineers, Inc	Michelle Blackwell, Dona Ana County
Jennifer Horton, Dona Ana MDWCA	Millie Soto, Hanover MDWCA
Joe Soto, Hanover MDWCA	Nora Oliver, Dona Ana County

1. **Call to Order and Roll Call.** Chairman Doug Moore called the Colonias Infrastructure Board (“CIB”) meeting to order at 10:04 a.m. Roll call was taken and a quorum was established.
2. **Approval of Agenda.** Ms. Debbie Romero made a motion to approve the agenda as presented, seconded by Mr. Steven Deal. The motion passed unanimously on voice vote.
3. **Approval of March 14, 2018, Board Minutes.** Mr. Orlando-Antonio Jimenez made a motion, seconded by Mr. Oscar Butler, to approve the minutes of the March 14, 2018, meeting as presented. The motion passed unanimously on voice vote.
4. **Chairman’s Report.** Chairman Moore commended both the Board and Staff for a job well done.
5. **Consideration and Recommendation of Change of Scope Request for Dona Ana Mutual Domestic Water Consumers Association, Project No. 3507-CIF16.** Angela Quintana, Senior Program Administrator presented a request from Dona Ana Mutual Domestic Water Consumers Association for a change of scope for Project No. 3507-CIF16 to include another water feedline from Picacho Hills to the Fairview Estates system.

The Association secured funding on January 6, 2017, for a Water Infrastructure project in an amount of \$1,200,000. The approved scope of work is for the installation of waterlines to tie into the existing Association system, Picacho Hills and Fairview Estates area. The current balance is \$549,075.

To date, the Association has constructed almost 6000 linear feet of 12” waterline from Picacho Hills to Fairview Estates along Picacho Avenue and Picacho Hills Drive. They have at least one pending invoice before the project can be certified complete. The actual construction cost of the original project was \$768,752, which includes the Association’s matching funds as well as the Colonias funding. The actual cost was significantly lower than the initial estimate \$1,545,000, which has resulted in a large remaining balance.

The Association is requesting a change of scope to include another water feedline from Picacho Hills to the Fairview Estates system. The estimated cost for the proposed project is \$557,278 to install 12” and 8” waterlines with pressure reducing valves and isolation valves to a project identified as “West Mesa to Fairview Interconnection Project.” The Association is purchasing the West Mesa water system and intends to use the existing lines to send water from Picacho down to Fairview which would reduce the amount of piping needed to supply the second connection to the Picacho Hills. Construction of the proposed project would begin in September 2018 with project completion following the January 6, 2019, which is the expiration date of Project No. 3507-CIF16.

Although this proposed project would install waterlines, the documents provided indicate that it is a different project from the one initially awarded. NMFA staff reached out to our technical partners, NMED-Construction Programs Bureau, and it appears that there is no direct feed to Fairview but possibly to the West Mesa water system. The proposed project has not been reviewed and therefore has not met any of the required criteria associated with submission of a project for Colonias funding. Staff does not recommend approval of the Association’s request for a change of scope.

The Project Review Committee has reviewed this request and concurs with staff's recommendation. The Committee also requested that staff reach out to the Association to verify that no other work is required for the approved project.

Jennifer Horton with the Association spoke to the Board regarding the letter and a map submitted with the Association's request for a scope change. Ms. Horton explained that bids came in low and the Association plans on using the remaining funds to tie-in Picacho Hills to the existing line, which she stated would feed Fairview Estates. Ms. Horton said the Association's intent is to install an additional line for the same purpose that the original funding was designed for, but to a different route.

Mr. Vasquez Butler questioned Ms. Horton whether the project fell within the same scope and asked if a site visit had been performed. Mr. Deal stated that although it is a good project, the request is for a separate project and is not within the original scope. Mr. Deal added that the original project is complete. Mr. Vasquez Butler when on to question whether the request addresses a public safety need by supplying safe drinking water.

Ms. Romero stated that she cannot support the request since it was not included in the original application, nor vetted and scored against the other applications. Chairman Moore reiterated that the request is for a worthy project, but such request was not originally contemplated and that the project is complete. Consistent with Policy, the Chairman stated that the request should unfortunately be denied.

Ms. Romero made a motion, seconded by Mr. Jimenez, to approve staff's recommendation to deny Dona Ana Mutual Domestic Water Consumers Association's request for change of scope. The motion passed on voice vote of 5-1, with Member Vasquez Butler voting against.

6. **Colonias Infrastructure Fund Applications: Consideration and Approval of Awards.** Angela Quintana, Senior Program Administrator presented the 2018 Colonias Infrastructure Fund Applications Award Recommendations from the CIB Project Review Committee. Staff provided the Board with a spreadsheet listing the applications by project type and in order of scoring from highest to lowest.

On January 12, 2018, NMFA staff received thirty applications requesting more than \$16.1 million. All of the applications were reviewed for eligibility and compliance. Those applicants that did not meet policy compliance were notified and given until February 19, 2018 to become compliant or submit waiver requests. One applicant, Camino Real Regional Utility Authority did not meet the compliance deadline nor submit a waiver and was removed for funding consideration.

On March 14, 2018, seven waiver requests were presented to the CIB. Luna County, Town of Silver City and City of Truth or Consequences requests for project continuation were not approved by the Board. The remaining projects were reviewed and scored using the current established criteria by the technical team comprised of staff from NMDOT, NMED, OSE and NMFA. The established criterion evaluates and prioritizes projects based on:

- Project Urgency (30%)
- Project Readiness (20%)
- Leverage of other funds (10%)
- Regionalization (10%)
- Cost/Benefit (10%)
- Long Term Community Benefit (10%); and
- Long-Term Sustainability, Maintenance and Operations (10%)

The Project Review Committee (“Committee”) met on April 17, 2018, and reviewed and concurred with staff recommendations. Staff separated the projects by type and listed them in order of scoring from highest to lowest. Staff’s recommendations were based upon funding availability, 15% policy cap, average scores within each project type and projects that scored high on urgency, health and safety, and readiness.

Dona Ana County reduced its request for funding for the Chaparral Wastewater Ph. 1C project from \$1,279,203 to \$965,463, resulting in the addition of \$313,740 to be considered in the distribution of funds. In recalculating the total requested funds compared to available funds, staff proposed 1) the inclusion of the Village of Columbus Wastewater Infrastructure project, and 2) reduction of amounts recommended for the two larger projects, Grant County and Dona Ana Mutual Domestic, by \$37,153 each. Staff informed the Board that the Grant County and Dona Ana Mutual Domestic projects could be phased:

Estimated Available Funding

2018 Severance Tax Bond estimate (4.5%)	\$ 8,800,000
2016 rescinded funds (Otis MDWSWA)	\$ 497,153
2017 rescinded funds (Village of Reserve)	\$ 198,364
Total	\$ 9,495,517

Per Section 2.4D of the CIB Project Management Policies, “No single project may receive more than 15% of the available funds in any given funding cycle.” The 15% cap for the 2018 funding cycle is \$1,424,328.

Initial Recommendations by Project Type

Project Type	# of Projects	Recommended Amount
Flood Control Projects	1	\$928,864
Water Infrastructure	4	\$454,100
Wastewater Infrastructure Projects	3	\$2,315,269
Roads/Drainage Projects	4	\$2,509,836
Total	12	\$6,208,069

Staff expanded the recommendations to add projects that were below the average scores, but that scored high on urgency, health and safety, and readiness:

Added Project Type	Recommended Funding
1 Flood Control Projects	\$247,500
3 Water Infrastructure Projects	\$2,062,791
2 *Wastewater Infrastructure Projects	\$1,051,463
Total 6 Projects:	\$3,361,754

**Change reflects reduced amount from Dona Ana County application adjustment, which was not available at time of the Project Review Committee meeting.*

Adjusted Funding Recommendation

Project Type	# of Projects	Recommended Funding
Flood Control Projects	2	\$1,176,364
Water Infrastructure	7	\$2,516,891
Wastewater Infrastructure Projects	5	\$3,366,732
Roads/Drainage Projects	4	\$2,509,836
Total	18	\$9,569,823

As previously noted, the total funding available is \$9,495,517. To make up the overage of \$74,306, two projects were identified that could be phased, and their funding recommendations were reduced as follows:

<u>Applicant</u>	<u>Project Type</u>	<u>Requested Funding</u>	<u>Recommended Funding</u>
Dona Ana MDWCA	Wastewater Infrastructure (Application 4634-CIF)	\$1,100,000	\$1,062,847
Grant County	Roads/Drainage (Application 4644-CIF)	\$1,100,000	\$1,062,847

2018 CIB Funding Recommendation Summary

Project Type	# of Projects	Recommended Funding
Flood Control Projects	2	\$1,176,364
Water Infrastructure	7	\$2,516,891
Wastewater Infrastructure Projects	5	\$3,329,579
Roads/Drainage Projects	4	\$2,472,683
Total	18	\$9,495,517

**Colonias Infrastructure Board
2018 Funding Cycle Recommendations**

Recipient	Benefiting Colonia	County	Project Description	Scope	Award
FLOOD CONTROL PROJECTS					
Columbus, Village of	Columbus	Luna	Planning & design of the NE Channel from NM11 to NMB, including surveying, mapping and ROW acquisition.	Planning and Design	\$ 247,500
Socorro County	San Antonio	Socorro	Design, construct & EA for 7 water retention/drainage projects, including detention pond, roadway improvements.	Design and Construction	\$ 928,864
ROADS/DRAINAGE PROJECTS					
Carrizozo, Town of	Carrizozo	Lincoln	Design & construct street improvements and waterline replacement	Design and Construction	\$ 824,733
Catron County	Reserve	Catron	Design & construct road/drainage improvements to Foster Rd in Reserve.	Design and Construction	\$ 535,103
Cider Mill Farms MDWCA	Cider Mill Farms	Otero	Design of improvements and access to maintenance roads.	Design	\$ 50,000
Grant County	Grant County	Grant	Reconstruction and safety improvements between Mesa Rd and Rosedale Rd within Silver City limits.	Construction	\$ 1,062,847
WASTEWATER INFRASTRUCTURE PROJECTS					
Columbus, Village of	Columbus	Luna	Design of a new additional facultative pond adjacent to existing pond at POE.	Design	\$ 86,000
Deming, City of	Deming	Luna	Construct/replace sewer piping, including manholes, trenching, backfill and testing.	Construction	\$ 458,045
Dona Ana County	Chaparral	Dona Ana	Construct Phase 1C, including gravity lines, manholes, service and roadway reconstruction to Golden Eagle Road.	Construction	\$ 965,463
Dona Ana MDWCA	San Ysidro	Dona Ana	Design & construct vacuum ww collection system, including valve pits/buffer tanks and ww collection lines.	Design and Construction	\$ 1,062,847
Ruidoso Downs, City of	Ruidoso Downs	Lincoln	Design & construct North Parker Rd wastewater collection system.	Design and Construction	\$ 757,224
WATER INFRASTRUCTURE PROJECTS					
Bayard, City of	Bayard	Grant	Design & construct/rehab, equip #3 well.	Design and Construction	\$ 171,000
Hanover MDWCA		Grant	Final design & construction, equip Well #2, including well riser pipe, well pump and concrete foundation.	Design and Construction	\$ 50,000
Lake Arthur, Town of	Lake Arthur	Chaves	Design & construct water system improvements, including electrical, new pumps, and new transmission line; upgrading storage tank and automated meters and readers.	Design and Construction	\$ 819,162
La Luz MDWCA & MSWA	La Luz	Otero	Design & construct a new water well to replace existing Well #5.	Design and Construction	\$ 689,629
Lordsburg, City of	Lordsburg	Hidalgo	Construct/replace 4,700 lf of water mains; installation of approx 71 new services lines to existing meters; install fire hydrants and gate valves.	Construction	\$ 554,000
Lower Rio Grande PWWA	Vado	Dona Ana	Design & construct well improvements to rehabilitate well and booster station and create interconnection with Vista Del Rey Estates MDWCA.	Design and Construction	\$ 145,860
Vista Del Rey Estates MDWCA	Vado	Dona Ana	Design water system improvements, including interconnection and distribution with neighboring High Valley MDWCA.	Design and Construction	\$ 87,240
TOTAL					\$9,495,517

Chairman Moore made a motion, seconded by Mr. Jimenez, to approve the Project Review Committee recommendations for 2018 Colonias Infrastructure Fund Awards, as adjusted. The motion passed unanimously on voice vote.

7. **Consideration and Approval of Resolution, Notification and Certification of Need for Issuance of Severance Tax Revenue Bonds for Qualified Colonias Infrastructure Fund Projects.** Bryan Otero, Assistant General Counsel, presented the Board with a proposed Resolution, Notification and Certification of need for issuance of Severance Tax Revenue Bonds to fund eligible Colonias infrastructure projects.

Ms. Romero made a motion, seconded by Mr. Deal, to approve the Resolution, Notification and Certification of need for issuance of Severance Tax Revenue Bonds to fund eligible Colonias infrastructure projects. The motion passed unanimously on voice vote.

8. **Consideration and Approval of Certification of Re-Allocated 2016 and 2017 Severance Tax Revenue Bond Proceeds to an Alternative Qualified Project.** Bryan Otero, Assistant General Counsel, presented a Resolution for Certification of Re-Allocated 2016 and 2017 Severance Tax Revenue Bond Proceeds to an Alternative Qualified Project.

Mr. Butler made a motion, seconded by Mr. Jimenez, to approve the Resolution for Certification of Re-Allocated 2016 and 2017 Severance Tax Revenue Bond Proceeds to an Alternative Qualified Project. The motion passed unanimously on voice vote.

9. **Public Comment.**

Addressing the Board were Gary Williams, Mayor of City of Ruidoso Downs; Roberto Gutierrez, Mayor of Village of Columbus; Azucena Vargas, City of Deming; and Bill Green, Catron County Manager, all of whom expressed appreciation to the Board.

Martin Lopez, Lower Rio Grande Public Water Works Authority, asked if there was a possibility of reducing the debt service or loan for unused funds.

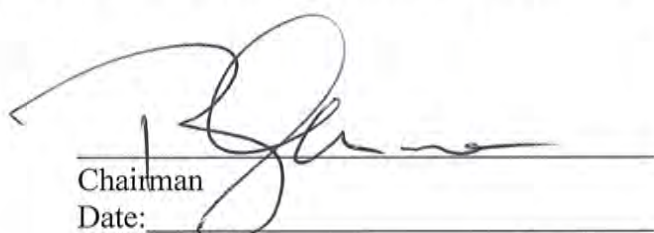
10. **Next Meetings.**

Staff will contact members of the Policy Committee and Project Review Task Force to discuss meeting dates. The next CIB meeting will be scheduled during the first week of August.

11. **Adjourn.**

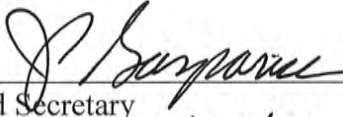
Mr. Jimenez made a motion to adjourn, seconded by Mr. Butler. The motion passed unanimously on voice vote.

The meeting adjourned at 10:48 a.m.


Chairman

Date: _____

Attest:



Board Secretary

Date: 8/30/18