

New Mexico Finance Authority
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**Minutes of the Colonias Infrastructure Board Meeting
March 20, 2019**

Truth or Consequences Civic Center
400 W 4th Ave., Truth or Consequences, NM

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
Wesley Billingsley	New Mexico Dept. of Finance & Administration Designee
Zach Dillenback	New Mexico Finance Authority Designee

Voting Members Absent

Mary Helen Garcia	House of Representatives Minority Leader 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
Rose Baca-Quesada	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:

Liza Alonzo, City of Sunland Park	George Esqueda, Stantec Engineering
Brian Ambrogi, Wilson and Company, Inc.	Robert Esqueda, Town of Silver City
Robert Barrera, Mayor, City of Lordsburg	Chon S. Fierro, Mayor, City of Bayard
Gary Bierner, Dennis Engineering Company	Bill Green, Catron County
Traci Burnette, City of Truth or Consequences	Eric Hamilton, Wilson & Company
Andrew Chasko, Cider Mills Farms	Alfredo Holguin, Souder, Miller & Associates
Robert Coleman, Chamberino MDWC	Jennifer Horton, Dona Ana MDWCA
Rick Collins, Northpark MDWCA	Sheila Hudman, Village of Santa Clara
Jesse Cole, City of Truth or Consequences	Mario Juarez-Infante, Wilson and Company Inc.
David Cox, Village of Capitan	Michael Larisch, Grant County

Eddie Livingston, Livingston Associates, PC
Martin Lopez, Lower Rio Grande Public Water
Works Authority
Ron Lowrance, Village of Capitan
Jim Massengill, City of Deming
Richard Maynes, PE, Occam Engineers, Inc.
Laura McInnes, Village of Capitan
Lee Morris, Morris Appraisal
Jesus Navarro, City of Truth or Consequences
Karen Nichols, Lower Rio Grande Public Water
Works Authority
Kristina Ortiz, City of Bayard
Peter Pena, Town of Silver City
Karen Perez, Grace Engineering LLC

Lilla Reid, Souder, Miller & Associates
Richard Runyon, Dennis Engineering Company
Esequiel Salas, Mayor, Village of Columbus
Martha Salas, City of Lordsburg
Dan Sambrano, Dona Ana County
Bret Sellers, Village of Reserve
Matt Thompson, Bohannon-Huston, Inc.
Azucena Vargas, City of Deming
Brent Westmoreland, Camino Real Regional
Utility Authority
Sandy Whitehead, Mayor, City of Truth or
Consequences
Gary Williams, Mayor, City of Ruidoso Downs

1. **Call to Order and Roll Call.** Chairman Doug Moore called the Colonias Infrastructure Board (“CIB”) meeting to order at 10:02 a.m. Roll call was taken and a quorum was established.
2. **Approval of Agenda.** **Mr. Oscar Butler made a motion to amend the agenda by moving Agenda Item 9 to Agenda Item 2.1 in order to rule on the Waivers before the Presentations, seconded by Mr. Orlando Jimenez. The motion passed unanimously on voice vote.**

The Chairman introduced Truth or Consequences Mayor Sandra Whitehead. Mayor Whitehead welcomed the Board and members of the audience to the community and thanked Wilson & Company, the COG’s, and the City of Deming for the snacks provided for the Board Meeting.

- 2.1 **2019 Colonias Infrastructure Project Fund Applications: Consideration and Recommendation of Requests for Waivers.** Angela Quintana, Senior Program Administrator, provided information to the Board regarding applicants who have requested waivers pursuant to CIF policy. The Project Review Committee (PRC) reviewed the waiver requests. The requests and recommendations are as follows:

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

On August 29, 2018, the Colonias Infrastructure Board (CIB) approved the timeline for the 2019 application cycle. The timeline provided target dates for policy and regulatory compliance to applicants. The compliance deadline date was February 19, 2019.

Staff sent notices of non-compliance with regulatory and policy compliance to applicants on February 8, 2019. Applicants were given an opportunity to: 1) become compliant by February 19, 2019; 2) remove their application and correct compliance issues in preparation for the next funding cycle; or 3) request a waiver from the Colonias Infrastructure Board.

Staff received three Project Continuation policy waiver requests. Section 1.3 Project Continuation requires applicants that have received prior fund awards to certify completion of all projects prior to approval of a new award for funding unless the new project will cure a condition considered Urgent.

The Policies require that the remaining sum of any prior award(s) not certified as complete must be less than 50% of the awarded total for all awards from prior years. Awards from the most recent application cycle are excluded from this calculation. Below are the applicants with their requested waivers and staff's recommendations:

1) **Casa Adobes MDWCA (Water Infrastructure application)**

Waiver Request: Project Continuation Policy.

Recommendation: NMFA staff does not recommend approval of the request.

Justification: The Association has a 2017 project (\$517,500) with a balance of \$269,363.63 (48% expenditure). The Association anticipates construction beginning in June 2019 with project completion by October 2019.

By a voice vote of 5-1, the Board approved staff's recommendation not to approve the waiver request, with Mr. Jimenez voting in the negative.

2) **Village of Hope (Water Infrastructure application)**

Waiver Request: Project Continuation Policy.

Recommendation: NMFA staff does not recommend approval of the request.

Justification: The Village has a 2017 project (\$571,200) with a balance of \$554,787.57 (3% expenditure). The estimated cost of the project is higher than what the Village anticipated. The timeline for completion of the project is unknown at this time, pending additional funding options.

The Board voted unanimously on voice vote to approve staff's recommendation not to approve the waiver request.

3) **Village of Loving (Wastewater Infrastructure application)**

Waiver Request: Project Continuation Policy.

Recommendation: NMFA staff does not recommend approval of the request.

Justification: The Village has a 2015 project (\$634,260) with a balance of \$583,919.14 (8% expenditure). The Village anticipates the completion of the project prior to the extended deadline of June 19, 2019.

The Board voted unanimously on voice vote to approve staff's recommendation not to approve the waiver request.

3. **Approval of October 16, 2018, Board Minutes.** Mr. Steven Deal made a motion, seconded by Mr. Butler, to approve the minutes of the October 16, 2018, meeting as presented. The motion passed unanimously on voice vote.
4. **Chairman's Report.** None.
5. **Appointment of Nominating Committee.** Chairman Moore appointed Hubert Quintana, Priscilla Lucero, and Jay Armijo to a Nominating Committee to present recommendations for election of officers. The committee will present its recommendations to the Board at the next meeting.

6. **Consideration and Approval of Open Meetings Act Resolution.** Bryan Otero, Assistant. General Counsel, New Mexico Finance Authority (“NMFA”) presented the Board with the annual Open Meetings Act Resolution.

Mr. Deal made a motion, seconded by Mr. Jimenez, to approve the Open Meetings Act Resolution as presented. The motion passed unanimously on voice vote.

7. **City of Lordsburg, Project No. 4630-CIF18, Consideration and Recommendation of Change of Scope.** Angela Quintana, Senior Program Administrator, presented a request for change of scope from the City of Lordsburg (“City”) for Project No. 4630-CIF18.

The City secured funding on December 14, 2018, for a Water Infrastructure project in an amount not to exceed \$554,000. The approved scope of work is for the construction/replacement of 4,700 linear feet of water main and approximately 71 new service lines to 5 designated streets.

The City prioritized and selected streets, which at the time of the application submission had numerous line breaks. Since then, the City has been experiencing a large number of line breaks at additional streets within the project area.

The City received funding from New Mexico Department of Transportation (“NMDOT”) in the amount of \$225,000 to construct street and drainage improvements. The City received authorization from NMDOT to utilize the funds for pavement patching of the affected roadways after the water system improvements project (4630-CIF18) was complete.

The pavement patching was included in the initial project cost and the City is requesting an expansion of the original project scope to include the additional troubled streets as identified on the project map, specifically E. 3rd Street and E. 7th Street. The expanded scope would provide an additional 2,020 lf of water main and approximately 29 service connection lines.

The added area does not change the timeline for project completion, which is expected to have a substantial completion date of December 2019.

Staff recommends approval of an expansion of the original project scope to include the additional streets.

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

Mr. Deal made a motion, seconded by Mr. Jimenez, to approve staff’s recommendation to approve the City of Lordsburg’s request for change of scope to Project No. 4630-CIF18 to include the additional streets as identified on the project map, specifically E. 3rd Street and E. 7th Street. The motion passed unanimously on voice vote.

8. **Chamberino MDWC&SA, Project No. 3344-CIF15, Consideration and Recommendation of Time Extension and Change of Scope.** Angela Quintana, Senior Program Administrator, presented a request for extension and change of scope from the Chamberino Mutual Domestic Water Consumers and Sewer Association (“Association”) for Project No. 3344-CIF15.

The Association secured funding on January 22, 2016 for a Water Infrastructure project in an amount not to exceed \$200,875. The approved scope of work is for the design of a secondary water source, storage tank and extension to connect to the existing system. The current balance is \$84,829.09.

The Association completed the final design in April 2018. The Association did not submit any final reports or a certificate of completion because the Association was investigating other uses or alternative project components that might be funded from the remaining balance.

On January 10, 2019, the Association submitted a request to use the unexpended funds for the purpose of acquiring water rights to offset the Association's operations over-diverting situation and to secure water in order to serve future consumers.

The Association is also requesting a retroactive time extension from the expiration date of January 22, 2019 until December 22, 2019 to purchase the water rights.

Staff reached out to the Office of the State Engineer ("OSE"). Based on the document provided by the Association, OSE determined that there is no over diversion issues and believes that the request is for future growth.

The Association's timeline for the proposed project is as follows:

- February 2019 through April 2019 – complete search for available and sellable water rights;
- May 2019 through August 2019 – obtain contracts with water rights sellers;
- September 2019 through December 2019 – complete transfers of purchased water rights

It is unclear from the above timeline where and when the OSE's approval comes into play. Based on OSE's requirements and depending on the water right owner's willingness to sell, the Association:

- Could file an application to change place, purpose, POD of a groundwater only right to move into their system;
- If there are no protests*, then OSE could review and issue a permit within a few months of the application being filed, maybe longer if hydrology is required.

*The Association withdrew their discharge credit application (filed in 2013) because EBID protested the application.

The awarded project for design is complete. NMFA staff reached out to the technical partner, NMED-Construction Programs Bureau, and verified that water rights do not fall under the current scope of the awarded project. 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 a time extension or an approval of the Association's request for a change of scope for project 3344-CIF15 to expend the current balance on the noted proposed project.

Staff recommends that the Association provide the required documents (final report, certificate of completion form and match verification) to close this project.

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

Mr. Robert Coleman spoke on behalf of the Association indicating the current state of water rights is in excess of current allocation and it is necessary to accrue additional water rights.

Mr. Zach Dillenback made a motion, seconded by Mr. Deal, to approve staff's recommendation to not approve Chamberino Mutual Domestic Water Consumers and Sewer Association's request for an extension and change of scope to complete Project No. 3344-CIF15. The motion passed unanimously on voice vote.

9. **2019 Colonias Infrastructure Project Fund Applications: Application Cycle Overview and Applicant Presentations.** Angela Quintana, Senior Program Administrator, provided an overview of the 2019 Colonias Infrastructure Fund ("CIF") application cycle.

The 2019 CIF application cycle began on October 10, 2018, with the submittals of Notice of Intent (NOI). New Mexico Finance Authority ("NMFA") staff received 29 NOIs with a total requested amount of \$21,022,576.

An application workshop was provided by NMFA staff on September 6, 2018, in Las Cruces with 49 attendees. The 2019 cycle continues with the use of an on-line application through NMFA's EnAble system. The on-line system allows entities to submit applications with attachments as well as allow authorized technical staff access to assist in the completion of the applications.

On January 17, 2019, twenty-nine (29) applications were received, totaling \$17,137,098. From January 21 through February 6, 2019, NMFA staff reviewed all applications for completeness and gave applicants additional time to provide any missing information or clarify requested amounts.

All of the applications were reviewed for eligibility and compliance. Applicants who did not meet policy compliance were notified and given until February 19, 2019 to either become compliant or submit policy waiver requests. These applicants were also informed that failure to become compliant or submit a request for waiver by the deadline would remove their applications from further consideration.

Staff notified six applicants on failure to comply with Office of the State Engineer requirements; one applicant on EO-Compliance/Audit, and five applicants on CIB Policy-Project Continuation. All but three of these applicants met the compliance deadline. Staff received three policy waiver requests.

Below is the final breakout and amounts for the 2019 CIF application cycle.

1	Solid Waste Projects	\$347,494
12	Water Infrastructure Projects	\$4,980,466
8	Wastewater Infrastructure Projects	\$5,842,760
8	Roads/Drainage Projects	\$5,966,378
29	Total Requested Amount	\$17,137,098

The applications are currently being reviewed by the technical team comprised of staff from the New Mexico Department of Transportation, New Mexico Environment Department Construction Programs Bureau and Drinking Water Bureau, Office of the State Engineer, and NMFA.

Applicants presented their projects, giving the Board and application reviewers the opportunity to hear additional information directly from the applicants. Projects were presented by category and in the order below:

App. #	Applicant	Project Name	Amount Requested
Water Infrastructure			
4901-CIF	Capitan, Village of (Laura McInnes, David Cox, Richard Runyon, Gary Bierner)	Water System Improvements	\$511,540
4914-CIF	Lake Arthur, Town of (none)	Lake Arthur Water System	\$928,475
4915-CIF	Lower Rio Grande PPWA (Martin Lopez, Karen Nichols)	East Mesa Water System, Ph. I	\$247,152
4916-CIF	Lower Rio Grande PPWA (Martin Lopez, Karen Nichols, Alfredo Holguin)	High Valley Water System, Ph. II	\$741,628
4917-CIF	Lower Rio Grande PPWA (Martin Lopez, Karen Nichols, Eric Hamilton)	Jacquez Road Waterline Extension	\$88,480
4920-CIF	North Park MDWCA (Karen Perez, Rick Collins)	North Park MDWCA Water Ph. II	\$902,442
4923-CIF	Santa Clara, Village of (Sheila Hudman, Richard Maynes)	Water System Improvements	\$117,827
4927-CIF	Truth or Consequences, City of (Traci Burnette, Jesus Navarro, Brian Ambrogi, Jesse Cole)	T or C Municipal Water System PER	\$90,000
4906-CIF	Columbus, Village of (Esequiel Salas, Brian Ambrogi)	200,000 Gallon Water Storage Tank	\$900,000
4908-CIF	Deming, City of (Jim Massengill, Azucena Vargas)	Encanto Circle Waterline Replace. Ph. I	\$251,903
Solid Waste			
4907-CIF	Deming, City of (Jim Massengill, Azucena Vargas)	Tulip Landfill Tire Bale Erosion Control	\$347,494
Lunch Break (1 hour)			
Wastewater Infrastructure			
4899-CIF	Bayard, City of (Chon Fierro)	Wastewater Dewatering Project	\$973,313
4900-CIF	Camino Real RUA (Brent Westmoreland, Matt Thompson)	WWTP Improvements	\$1,164,000
4909-CIF	Dona Ana County (Dan Sambrano, Matt Thompson)	South Central WWTP	\$675,000
4910-CIF	Dona Ana MDWCA (Jennifer Horton, Lila Reid)	Southeast Collection System	\$1,075,000
4911-CIF	Dona Ana MDWCA (Jennifer Horton, Lila Reid)	Dona Ana Village Wastewater System	\$225,000

App. #	Applicant	Project Name	Amount Requested
4921-CIF	Reserve, Village of (Bret Sellers, Richard Runyon, Gary Bierner)	Effluent Pipeline	\$553,500
4925-CIF	Silver City, Town of (Robert Esqueda, Peter Pena)	2019 WWTP Headworks/Digester	\$218,640
Roads/Drainage			
4924-CIF	Silver City, Town of (Robert Esqueda, Peter Pena)	Ridge Rd. Street & Drainage Ph. I	\$802,978
4905-CIF	Columbus, Village of (Esequiel Salas, Eric Hamilton)	Street & Drainage Improvements	\$1,350,000
4903-CIF	Catron County (Bill Green, George Esqueda)	Lane Rd. Street & Drainage	\$73,400
4904-CIF	Cider Mill Farms MDWCA (Eddie Livingston, Andrew Chasko)	Cider Mill Farms Roads/Drainage	\$150,000
4912-CIF	Grant County (Michael Larisch)	Tyrone ADA Compliance	\$920,000
4919-CIF	Luna County (Mario Juarez-Infante)	Rockhound Roadway/Drainage	\$780,000
4922-CIF	Ruidoso Downs, City of (Gary C. Williams, Richard Runyon, Gary Bierner)	Agua Fria Road Re-surfacing Ph. III	\$1,240,000
4926-CIF	Sunland Park, City of (Mario Juarez-Infante, Liza Alonzo)	Memorial Pines Road & Drainage	\$650,000

10. **Public Comment.** None


11. **Next Meeting Dates**

The next meeting of the Project Review Committee is scheduled April 16, 2019, Socorro, NM. The next Colonias Infrastructure Board meeting is scheduled April 30, 2019, in Deming, NM

12. **Adjournment**


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

The meeting adjourned at 2:14 p.m.



 Chairman
 Date: 4/30/19

Attest:



 Board Secretary
 Date: 5/1/19