

New Mexico Finance Authority
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Minutes of the Colonias Infrastructure Board Meeting
October 6, 2016

Lordsburg City Council Chambers
409 W. Wabash St., Lordsburg, NM

Voting Members Present:

Doug Moore, Chair	Senate Minority Leader Appointee
Oscar Vasquez Butler, Vice Chair	Senate President Pro Tempore Appointee
Jim Chiasson	New Mexico Environment Department Designee
Mary Helen Garcia	House of Representatives Minority Leader Appointee (via telephone)
Keith Riddle	Speaker of the House of Representatives Appointee
Jimmy Rodriguez	NM Dept. of Finance & Administration Designee (via telephone)

Voting Members Absent

Robert Coalter	New Mexico Finance Authority
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Non-Voting Members Present:

Jay Armijo	South Central Council of Governments (via telephone)
Rose Baca-Quesada	NM Mortgage Finance Authority Designee (via telephone)
Priscilla Lucero	Southwest New Mexico Council of Governments
Hubert Quintana	Southeastern New Mexico Economic Development District

Non-Voting Members Absent

Steve Kopelman	New Mexico Association of Counties Designee
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Finance Authority Staff:

Angela Quintana, Senior Program Administrator
Bryan Otero, Assistant General Counsel
Charlotte Larragoite, Senior Administrative Assistant
Marquita Russel, Chief of Programs (via telephone)

Guests:

Shaun Bivens, City of Lordsburg	Bob Livingston, Casas Adobes MDWCA
Richard Chaires, Hidalgo County	Beverly Malo, Casas Adobes MDWCA
Pauline Dempster, Hanover MDWCA	Kristy Ortiz, City of Bayard
George Esqueda, Occam Engineers Inc.	Lori Ortiz, Town of Hurley
Glenda Greene, City of Lordsburg	Jeannie Palacios, City of Lordsburg
Bob Hill, Hidalgo County	Bridget Payne, Village of Virden
Rulene Jensen, Village of Virden	Roxann Randall, City of Lordsburg
Glory Juarez, Luna County	Mercy Roybal, Wilson & Co. Engineering
Mario Juarez-Infante, Wilson & Co. Engineering	Martha Salas, City of Lordsburg
Mischa Larisch, Grant County	Emily Schilling, SWNMCOG

Darr Shannon, Hidalgo County
Arthur Clark Smith, City of Lordsburg

Millie Soto, Hanover MDWCA
Joe Soto, Hanover MDWCA

1. **Call to Order and Roll Call.** Chairman Moore called the Colonias Infrastructure Board meeting to order at 10:00 a.m. Roll call was taken and a quorum was established.

The Chairman recognized City of Lordsburg Mayor Arthur Clarke Smith. Mayor Smith introduced City Councilors Glenda Greene and Roxann Randall, and Hidalgo County Commissioners Darr Shannon and Richard Chaires. Chairman Moore thanked the City for hosting the Board in the Council Chambers.

2. **Approval of Agenda.** Mr. Chiasson made a motion to approve the agenda as presented, seconded by Mr. Riddle. The motion passed unanimously on voice vote.
3. **Approval of July 12, 2016, Board Minutes.** Mr. Riddle made a motion, seconded by Mr. Chiasson, to approve the minutes of the July 12, 2016 meeting as presented. The motion passed unanimously on voice vote.
4. **Chairman's Report.** No report.
5. **Appointment of Committee Members and Board Confirmation.** Chairman Moore appointed standing committee members as follows:

Policy Committee:

Oscar Vasquez Butler, Chair
Mary Helen Garcia
DFA Secretary Designate Duffy Rodriguez
Advisory Members/Designees from:
New Mexico Association of Counties
New Mexico Mortgage Finance Authority
South Central Council of Governments
Southeastern NM Economic Development
District
Southwest NM Council of Governments

Project Review Committee:

Doug Moore, Chair
Keith Riddle
NM Environment Department Secretary
Designate Butch Tongate
Advisory Members/Designees from:
New Mexico Association of Counties
New Mexico Mortgage Finance Authority
South Central Council of Governments
Southeastern NM Economic Development
District
Southwest NM Council of Governments

Chairman Moore made a motion, seconded by Mr. Vasquez Butler, to approve the committee appointments as presented. The motion passed unanimously on voice vote.

6. **Consideration of Hanover Mutual Domestic Water Consumers Association request for Extension of Time, Project No. 2971-CIF12.** Angela Quintana, Senior Program Administrator, presented a request from Hanover Mutual Domestic Water Consumers Association ("Association") for a 9-month extension of time, from March 28, 2017 until December 28, 2017, to complete Project No. 2971-CIF12.

The Association secured funding on March 14, 2014, for a water infrastructure project in an amount not to exceed \$175,206 (90% grant/10% loan). In September 2014, the Colonias Infrastructure

Board (“CIB”) approved a scope to include rehabilitation of the existing wells. The overall scope as confirmed in March 2016 includes the plan, design and construction of water system improvements including installation of new waterlines and rehabilitation of the existing wells.

The project was halted due to the resignations of the President and Vice President of the Association in April 2016. To date, the Association has issued an RFP for engineering services and has hired Occam Engineers, Inc. Including this award from Colonias, the Association has secured funding from Colonias Infrastructure Fund \$175,206 (2013); Water Trust Board - \$185,990 (2013); Capital Outlay - \$100,000 (2014); and NMED RIP loan - \$18,599 (2014).

The estimated cost for the project is from \$400,000 - \$450,000. Permitting and final design is estimated to be completed by December 2016. Pending on winter weather conditions, the project will begin construction in January 2017 with an anticipated completion by December 2017.

The Association is requesting a nine-month extension from the current expiration date (March 14, 2017) to December 31, 2017 for the completion of project 2971-CIF13.

Per CIB policies Section 1.5-Project Continuation, the Board requires applicants that have received prior Fund awards to certify completion of all projects prior to approval of the new award for funding. This request, if approved, does not waive the policy on future funding.

The Project Review Committee has reviewed this request and concurs with staff’s recommendation for approval of the Hanover MDWCA request for a time extension of 9 months from March 14, 2017 to December 31, 2017 for project 2971-CIF13.

Joe Soto, President of the Association, and George Esqueda, project engineer with Occam Engineers appeared on behalf of the Association. They covered several points regarding the project’s status, including that the extension aligns with termination date of other funding, and that the Association has a new board that is unified in defining its priorities.

Ms. Lucero added that the previous board had too many things it was trying to accomplish and that the main priority is the delivery of potable water to the residents.

Mr. Vasquez Butler asked if the original project is regional. Ms. Lucero responded that yes, that regional is occurring. The Town of Hurley’s Phase I project will connect and supplement other areas and projects, including North Hurley and Bayard, and that the City of Bayard provides emergency water to Hanover. Mr. Esqueda said that another regional project is starting in 2 weeks within the mining district area, Santa Clara and Arenas.

Chairman Moore asked if the project has to get additional approval from the Office of the State Engineer (“OSE”). Mr. Esqueda said that Occam Engineers Inc. has not had a discussion with OSE, but that the previous engineer did, and that the project is working within existing permits, as there are no changes to rights or location.

Mr. Vasquez Butler made a motion, seconded by Mr. Riddle, to approve staff recommendation to approve Hanover Mutual Domestic Water Consumers Association request for a 9-month

extension of time, from March 28, 2017 until December 28, 2017, to complete Project No. 2971-CIF12. The motion passed unanimously on a voice vote.

7. **Consideration of Colonias Project Management Policies Proposed Revisions.** Marquita Russel, Chief of Programs, and Angela Quintana, Senior Program Administrator, presented final recommendations for policy revisions.

At the July 12, 2016 CIB meeting, the Policy Committee submitted the proposed amendments to the Policies and Criteria for the Boards consideration. The proposed amendments went through a 30-day public review period from July 25th through August 24th. Staff received one public response from the Lower Rio Grande Public Water Works Authority.

Other than the suggestion of the removal of the Safe Drinking Water Act Compliance, the other comments made were more for clarification on the proposed changes. No comments were received from any other entity.

Staff noted, however, that in reviewing the Policies as part of its updates to the CIB funding agreement templates, one section of the Policies puts in place a forward-looking and on-going requirement, while the remainder is in place as either application requirements or selection criteria. Specifically, Section 3.5 of the Policies require enterprise fund systems to put in place a rolling-five year financial plan that is reviewed and updated annually by the CIB, and includes revenues, operations and maintenance budget payments into various reserve funds. Staff recommends two amendments to this section 1) change to “recommend” a financial plan rather than “require” one, and 2) that the approval of the annual update be changed from the CIB to the borrower/grantee’s governing board.

Staff also included some clean-up editing of the policies that do not change the intent or the proposals as presented to the Board in July. Staff recommends adoption of the proposed amendments as presented.

Mr. Quintana stated that the Policy Committee went through the proposed policy revisions very thoroughly and that Board had reviewed the revisions before. Mr. Quintana recommends approval.

The Board discussed the effect and repercussions of the language for financial planning regarding “recommended” as opposed to “required”, and the Board’s inability to enforce a required financial plan. Ms. Russel pointed out that Section 3.5 is not an application requirement, but a post-closing requirement that without enforcement, creates technical default on loan agreement

Mr. Chiasson made a motion, seconded by Mr. Rodriguez, to approve the revisions as proposed. The motion passed unanimously on a voice vote.

8. **2016 Colonias Awards Update.** Angela Quintana, Senior Program Administrator, provided the Board with the closing status of the 2016 Colonias

On April 26, 2016, the CIB approved conditional funding for 14 awards in the 2016 CIF funding cycle. The conditional approval is dependent on the submission of readiness to proceed (“RTP”)

items needed to secure the loan/grant funding agreements. For the 2016 cycle, the approved deadline submission date was September 30, 2016.

All of the 14 awardees have submitted the required RTP items, and they will move forward with the closing process to secure the funds. Currently, seven awardees have been scheduled to close within the next few months. The Village of Columbus secured their funding on September 23, and is moving forward with its 2016 project.

The Board discussed past and potential legislative action affecting the Colonias Infrastructure Project Fund ("CIF"), including sweeps and reductions of the amount of severance tax bonds, both available funds and the percentage allocated to the CIF.

9. **Public Comment.** Chairman Moore called for public comment.

Ms. Lucero asked staff about the application timeline and Notice of Intent. Chairman Moore asked that staff be flexible with the dates in the event of technology issues. Ms. Quintana informed the Board that the Notice of Intent timeline starts October 11, and has been extended from the original due date of November 4 until November 11.

Mario Juarez-Infante from Wilson & Company Engineering commented on PER requirements for applications and that PERs are not relevant for Roads and Drainage projects. Mr. Vasquez Butler said the Policy Committee would discuss the issue at its next meeting.

Mr. Quintana informed the Board that Colonias Day at the 2017 legislative session is February 22, 2017. There will be information tables in the east lobby of the Capitol and a program beginning at noon in the Rotunda. He encouraged communities to submit photos of their projects for display.


10. **Next Meeting.**

The next meeting of the Project Review Committee is March 21, 2017, to review policy waiver requests as part of the 2017 application cycle. Two days are reserved for the next Board meeting, March 29 and 30, 2017, to hear application presentations and waiver requests. This may be changed to one day depending upon the number of applications and waiver requests received.

11. **Adjournment.**

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

The meeting adjourned at 11:49 a.m.


Chairman
Date: March 29, 2017