

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

**Colonias Infrastructure Board Meeting
Carlsbad, New Mexico
March 20, 2013**

Present – Voting Members:

Doug Moore, Chair

Oscar Butler, Vice Chair

Zach Dillenback

Kristen Pope

Tom Blaine

Senate Minority Leader Appointee

Senate President Pro Tempore Appointee

Designee - NMFA

Minority Leader House of Representatives Appointee

Designee - NMED

Present – Non-Voting Members:

Jay Armijo

Hubert Quintana

Izzy Hernandez

South Central Council of Governments

Southeastern NM Economic Development Dist.

Designee - NM Mortgage Finance Authority

Finance Authority Staff:

Mark Dalton

Dan Opperman

Rick Martinez

Bryan Otero

1. Call to Order and Roll Call

The meeting was called to order at 9:29 a.m. Roll was called and a quorum established.

2. Approval of Agenda

Mr. Rick Martinez requested item 9 be removed from the agenda.

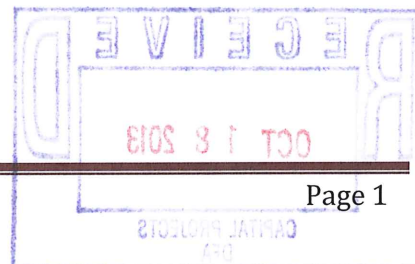
**Mr. Oscar Butler moved, seconded by Ms. Kristen Pope, to approve the agenda as amended.
The motion was unanimously approved.**

3. Approval of March 5, 2013 Board Minutes

Mr. Oscar Butler moved, seconded by Chairman Doug Moore, to approve the March 5, 2013 minutes as amended. The motion was unanimously approved.

4. Chairman's Report

Chairman Moore did not have a report.



5. Consideration for Approval of Open Meetings Act Resolution for 2013 – *Dan Opperman, NMFA General Counsel*

Chairman Moore asked if there were any changes from the 2012 to 2013 resolution. Mr. Dan Opperman said there were no changes to the resolution. He also reported that HB21 which changes the time frame allowed for posting of the agenda from 24 to 72 hours is on the Governor's desk awaiting signature.

Chairman Doug Moore moved, seconded by Mr. Tom Blaine, to approve the Open Meeting Resolution with the 72 hour notice requirement. The motion was unanimously approved.

6. Update on the status of 2012 projects awarded funding – *Rick Martinez*

Mr. Martinez referred to the following list of funded projects:

**COLONIAS INFRASTRUCTURE PROJECTS
(GRANTS ONLY)**

PROJECT NAME	PROJECT NUMBER	CLOSING DATE
Hidalgo County	2765	
Dona Ana County	2767	November 28, 2012
Dona Ana	2774	November 28, 2012
Dona Ana	2780	November 28, 2012
Dona Ana	2782	November 28, 2012
Dona Ana	2797	November 28, 2012
Dona Ana	2798	November 28, 2012
Dona Ana	2799	November 28, 2012
Dona Ana	2807	
Trout Valley	2773	December 5, 2012
Town of Silver City	2787	December 11, 2012
City of Anthony	2792	December 5, 2012
Western Regional	2795	November 30, 2012
Luna County	2802	November 30, 2012
Catron County	2808	December 5, 2012
Timberon	2811	January 18, 2013
Camino Real Regional	2771	February 22, 2013
Hanover	2803	April 26, 2013
San Pablo	2801	April 19, 2013

**COLONIAS INFRASTRUCTURE BOARD
(LOAN/GRANT PROJECTS)**

<u>PROJECT NAME</u>	<u>PROJECT</u>	<u>ADOPTION OF</u>	<u>CLOSING DATE</u>
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	<u>NUMBER</u>	<u>RESOLUTION</u>	
Lower Rio Grande	2766	February 20, 2013	March 1, 2013
Village of Reserve	2779	February 19, 2013	March 29, 2013
Desert Aire	2775	February 27, 2013	April 5, 2013
Desert Aire	2777	February 27, 2013	April 5, 2013
City of Deming	2786	February 27, 2013	April 5, 2013
Cloudcroft	2784	March 5, 2013	April 12, 2013
Arenas Valley	2776	April 1, 2013	May 10, 2013
Williamsburg	2778	March 14, 2013	April 26, 2013
Ruidoso Downs	2781	March 25, 2013	May 3, 2013
Village of Loving	2785	April 8, 2013	May 17, 2013
Lake Arthur	2788	April 4, 2013	May 17, 2013
Santa Clara	2796	March 12, 2013	April 19, 2013
Village of Capitan	2800	April 9, 2013	May 24, 2013
Virden	2804	April 9, 2013	May 24, 2013
Tularosa	2805	March 20, 2013	April 26, 2013
Village of Hope	2806	March 19	April 26
Town Carrizozo	2809	April 8, 2013	May 17, 2013
Morningside Water	2810		
Brazito	2791		
Town of Hurley	2789		

Chairman Moore requested a list of projects that are in the construction phase with a projected completion date. Mr. Martinez replied that he could give an update on the projects as they move forward. Chairman Moore asked Mr. Martinez to explain how the money flowed, are progress payment reports submitted and is staff verifying that the work has been done. Mr. Martinez responded that the entity submits an invoice to the CIB certifying progress on the project and certifying their expenses. Upon receipt and verification of the information, payment is processed. Mr. Martinez added that to date invoices have not been received for any of the projects. Mr. Butler asked if the contractors or the borrower submit the invoices. Mr. Martinez replied that the invoices would be submitted in a packet that includes back up documents from the borrowers and from the contractor as well. Mr. Butler asked how closely change orders are being monitored. Mr. Martinez replied that all change order requests require Board approval.

Mr. Jay Armijo asked for clarification on change orders to be considered by the Board. Mr. Armijo suggested that only change of scope requests be brought forward for Board consideration due to the volume of changes orders that could potentially require reconsideration. Mr. Zach Dillenback asked Mr. Martinez if the change orders require NMFA staff review and certification to the State Board of Finance. Mr. Martinez said review and certification is required. Mr. Dillenback asked if the closing documents include language that reflects when the project needs to be completed. Mr. Opperman said he believes the completion date is included but said he would look into it. Chairman Moore asked staff to create a spreadsheet that would show how much progress each project has made and how close the project is to completion. Mr. Blaine requested the spreadsheet include the following:

1) project name; funding amount; percentage complete; draw down percentage; dollar amount of draw down, completion date, certification of the last invoice including the certifier.

Mr. Hubert Quintana said that he knows why Brazito and the Town of Hurley have been held up but inquired as to why Morningside Water is also delayed. Mr. Martinez said he was not exactly sure but would look into it.

7. Listing of 2012 Colonias applicants not funded – *Rick Martinez*

Mr. Martinez referred to the list of 2012 Colonias applications not awarded funding to address the reverted funding issue.

Mr. Butler said he would like to consider those entities which are the neediest at this point due to the fact that funds are being allocated to other projects requiring review by the Technical Team. Mr. Butler said for him the deciding factor would be need. Ms. Pope agreed with Mr. Butler. Mr. Quintana said that he would recommend reconsidering Lordsburg although Mr. Armijo noted that he thought Ms. Olga Morales had indicated that the project was already funded. Ms. Morales responded that the project has secured funding. Mr. Quintana asked Ms. Morales if the project received the required amount for project completion. Ms. Morales said she was not sure about the amounts. Mr. Quintana felt the Board should move expeditiously on reversion of funds, but did not believe that a reevaluation of all the projects is necessary. He thought that the Board could consider a list of four or five projects that scored high in the initial review process. Ms. Morales said that the City of Lordsburg is short by \$250,000. Mr. Quintana said that he would recommend funding to finish the project.

Chairman Moore asked Mr. Martinez when the review process would take place. Mr. Martinez said in April. Chairman Moore asked if there were any comments from the public. Mr. Gary Burg said that if the entity and engineer are doing their job as they move forward it would be difficult to revisit a project which may no longer be valid for any number of reasons. Mr. Quintana said it is no different than what the Town of Hurley is doing and asked if Mr. Burg is arguing against considering similar action. Ms. Olga Morales felt it imperative to contact the entities to determine project feasibility.

Chairman Moore asked staff to review and eliminate any projects that go over the reverted amount, place them in the order originally ranked and send a letter advising the entities that reverted funds are available asking if their project is still feasible. Additionally he requested highlighting the projects which are for planning and explain in one paragraph if the entity is still interested, meets all requirements and also include a paragraph detailing the Technical Team's comments. Chairman Moore requested Mr. Martinez compile the list and send to the Board for review.

Mr. Lopez noted that when using reverted funds there is a shorter period to spend the funds basically cutting off one year from the allotted time. Chairman Moore requested the shortened time period be included in the letter. Mr. Butler asked if this would become policy. Mr. Armijo said that it will be Board action this time around and then go into policy. Chairman Moore asked if the Policy Team should create the review process. Mr. Armijo said that he is not sure there is enough time. Mr. Martinez felt that the Chairman is doing the right thing by having staff prepare the letters as indicated in the discussion. Chairman Moore asked the Board if it would be better to review the

resubmittals and then write the policy or to write the policy based on experiences with other boards. Ms. Pope said that she prefers the first process detailed above. Mr. Dillenback also agreed with the first suggestion.

8. Report on the 2013 Colonias Applications Received – *Rick Martinez*

Mr. Martinez reported that item 8 is information only.

Chairman Moore asked Mr. Martinez to filter the list and inform the Board if there are any counties that are not represented on this list. Chairman Moore wanted to ensure that if there are any counties that are not participating the Board is doing everything to reach out to those counties and communities.

Chairman Moore asked Mr. Martinez to send out a letter to the Review Committee members to determine their availability to continue serving on the committee along with a list of proposed meeting dates. Mr. Martinez said he would send out the letter and also inform the Board when Board meetings are tentatively scheduled.

Mr. Butler asked who serves on the Technical Review Committee. Mr. Martinez said the committee is comprised of: Tom Clifford, Oscar Butler, David Martin, Paul Gutierrez, Jay Czar, Jay Armijo, Hubert Quintana and Priscilla Lucero. The Technical Team encompasses the following agencies: Drinking Water, Solid Waste, Construction Programs Bureau, Office of State Engineers, Department of Transportation, Department of Finance Administration and the New Mexico Finance Authority.

9. Consideration of change of project scope request Project #2807-CIF – Dona Ana County This item was removed from the agenda.

10. Consideration of change of project scope request. Project #2789-CIF Town of Hurley

Mr. Martinez informed the Board that the Town of Hurley requested reconsideration of a change in the project scope for project #2789-CIF that was tabled at the last meeting in Deming. The project changed from a planning project to a construction project.

Mr. Edward Encinas, Mayor for the Town of Hurley, asked the Board to consider the change of scope for this project.

Chairman Moore asked if staff had reviewed the project after the Board adopted the policy at the last meeting and asked if staff had a recommendation. Mr. Martinez said staff reviewed the project and recommends approval to move forward.

Mr. Tom Blaine moved, seconded by Mr. Butler, to approve the project scope change for the Town of Hurley. The motion was unanimously approved.

11. Status of Western Regional Housing Authority Colonias Award – *Rick Martinez*

Mr. Martinez informed the Board that he received an email stating the Housing Authority had lost other funding sources so they could not move forward with the project; however the Housing Authority later said they might be acquiring housing from Fort Bliss and would like to move into the area using Colonias funds for infrastructure. Should that occur Mr. Martinez said it would be a change in the scope of the project. Chairman Moore asked Mr. Martinez if the funds for this project are part of the funds that would be reverted. Mr. Martinez replied yes. Mr. Quintana asked Mr. Martinez how that fits in with Board policy of not approving above ground projects prior to doing below ground. Mr. Martinez replied the funds in question are designated for infrastructure. Responding to a question from Mr. Butler, Mr. Martinez said the amount awarded to the Housing Authority is \$581,000.

12. Brazito merger with Lower Rio Grande Water Authority – LRGWWA Staff

Mr. Martin Lopez reported that the Brazito Mutual Domestic Water Consumers Association membership adopted a resolution merging with the Lower Rio Grande Public Water Works Authority (LRGPWWA) in November 2012. Brazito has provided Virtue Najjar & Brown with copies of the merger resolution, jointly adopted merger plan and deeds transferring the assets of Brazito MDWCA to the LRGPWWA. The LRGPWWA filed an application with the USDA Rural Development to transfer security and assume all Brazito MDWCA debt with that application currently under review.

At this point the LRGPWWA has assumed all functions of the Brazito MDWCA including systems operations, accounting, billing and customer service. The Brazito Board of Directors is meeting only on an as needed basis and will remain in place until the USDA Rural Development transfer and assumption is completed.

Mr. Lopez and LRGPWWA feel it would be better for the LRGPWWA to assume the Brazito MDWCA Colonias Infrastructure Trust Fund award now rather than later.

Chairman Moore asked if the Board funded Brazito or Lower Rio Grande. Mr. Martinez replied that the Board funded both Brazito and Lower Rio Grande. Chairman Moore said he would like to keep the projects separate. Chairman Moore asked Mr. Lopez how many households Lower Rio Grande serves including Brazito. Mr. Lopez replied about forty-five hundred.

Chairman Moore said the CIB encourages regionalization, but by doing so applicants could exceed the population cap on a Colonia. Mr. Lopez clarified that the LRGPWWA has not merged with the Colonias but rather serves as the water authority presently servicing 14 Colonias. Chairman Moore said he understands and is proud of the work done by LRGPWWA. Mr. Lopez asked if the CIB limits Colonias are counties also going to be limited because they hit the population cap as well. Chairman Moore stated that he cannot limit anything or anyone. Mr. Martinez commented that if all of the Colonias are provided with good infrastructure they would no longer be considered a Colonia. Chairman Moore agreed saying that those entities would no longer need to come to the CIB for funds and would be able to sustain their infrastructure which is the ultimate goal. Mr. Butler said Mr. Martinez made a great point that if the infrastructure that defines a Colonia is in place it then becomes a quality of life issue.

Mr. Dillenback agreed with the Chairman that the loan should close under Brazito. Mr. Dillenback then asked Mr. Lopez if Brazito will be tying into the system. Mr. Lopez said yes, they have received funding from USDA to run a pipe 5 miles to tie in to the Mesquite pipe line. Mr. Dillenback asked Mr. Lopez if Lower Rio Grande would assume the debt and was Brazito grandfathered in under the stricter LRGPWWA rate. Mr. Lopez replied that not until the transfer is complete.

13. Consideration to allow Technical Review Team to review additional projects for funding for recommendation(s) to the Colonias Project Review Committee – *Rick Martinez*

Mr. Quintana asked to change the wording to “consideration to allow Technical Review Team to review unfunded 2012 projects for funding recommendations”. Chairman Moore asked if the Board wanted to have the Technical Review Team look at the projects again. Mr. Quintana felt it goes back to having the list with the filtered projects discussed earlier.

Chairman Doug Moore moved, seconded by Mr. Zach Dillenback, to approve the word change as requested. The motion was unanimously approved.

Ms. Pope asked what the Technical Team provides to the Project Review Committee. Mr. Martinez said that the Technical Team is comprised of the experts who know the status of the projects comparing projects on the filtered list with the original findings to determine which projects are ready to move forward.

14. Discussion of next funding cycle (2014)

Mr. Martinez said he wanted to have this discussion to see when the Board would like to start the next funding cycle. September 1 has been mentioned in the past as a possible start date.

Chairman Moore asked Mr. Martinez when other funding cycles open. Mr. Martinez said CDBG opens in January, federal funding in February, capital outlay in January during the session, and Water Trust Board in the fall. Mr. Quintana felt it would be a good idea to open Colonias first to help out the entities that are seeking other funding since deadlines to get applications in for other funds are back to back. Chairman Moore asked if the bond sale would still be in June and if so how would that affect opening up the application cycle in September. Mr. Quintana said it would not be any different than applying for funds with capital outlay or CDBG. Mr. Martinez said that if the CIB application went first entities would be able to apply for other funding sources to complete the project. Mr. Quintana said that it would be great if applicants knew they had been awarded CIB funding which could be used as matching funds when applying to HUD or capital outlay thereby funding the entire project. Mr. Quintana said he would recommend opening the funding cycle in September with applications due in October. Mr. Butler said he likes the idea of starting out first but wondered how systems would be monitored to determine where funds are being awarded. Mr. Dillenback said that he would hope that if CIB goes first, that CIB funds would get spent first.

Chairman Moore asked Mr. Martinez to place this item on the agenda for action at the May 16th meeting.

15. Public Comment

Mr. Lopez asked if issues have been resolved between the NMFA and the Constructions Program Bureau. Mr. Martinez said there is an MOU in place and are just awaiting signatures. Mr. Opperman said that the signatures were received this morning.

Mr. Lopez said that USDA, even though they do not have control of other funds, needs time to review the pay application which can add a few weeks to payment requests. Mr. Martinez said he would check with them.

Mayor Encinas thanked the Board for all their hard work.

16. Proposed Meeting Date – May 16, 2013 Alamogordo, NM. Location TBD

Mr. Quintana said he would help find a location for the next meeting, possibly at the Commission chambers.

17. Adjournment

Mr. Oscar Butler moved, seconded by Ms. Kristen Pope, to adjourn the meeting. The motion was unanimously approved.

The meeting adjourned at 11:51 a.m.


Secretary

10/25/13
Date