

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

January 22, 2014

**Colonias Infrastructure Board Meeting
New Mexico Finance Authority
Santa Fe, NM**

Present – Voting Members:

Doug Moore, Chair	Senate Minority Leader Appointee
Oscar Vasquez Butler	Senate President Pro Tempore Appointee
Robert Coalter	NMFA
Jimmy Rodriguez	Designee - DFA
Steven Deal	Designee - NMED
Jim Grantner (<i>telephonically</i>)	Minority Leader of the House of Rep. Appointee
Orlando-Antonio Jimenez	Speaker of the House Appointee

Present – Non-Voting Members:

Jay Armijo	South Central Council of Governments
Hubert Quintana	Southeastern NM Economic Development Dist.
Priscilla Lucero	Southwest NM Council of Governments
Isidoro Hernandez	Designee - New Mexico Mortgage Finance Authority

Absent:

Steve Kopelman	New Mexico Association of Counties
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Finance Authority Staff:

Bryan Otero	Mark Dalton
Rick Martinez	Zach Dillenback
Jim Perry	

1. Call to Order and Roll Call.

The meeting was called to order at 2:02 p.m. Roll was called and a quorum was established.

2. Approval of Agenda.

Mr. Orlando-Antonio Jimenez moved, seconded by Mr. Oscar Butler, to approve the agenda. The motion was unanimously approved.

3. Approval of September 11, 2013 Board Minutes.

Mr. Butler requested an amendment to correct the spelling of the word “Revered” to Reverted” on Page 2 under item 5 in the first paragraph. Ms. Priscilla Lucero requested the spelling of her name be corrected on page 8 under item 13 second sentence.

Chairman Doug Moore moved, seconded by Mr. Butler, for approval of the minutes as amended. The motion was unanimously approved.

4. Approval of November 12, 2013 Board Minutes.

Mr. Oscar Butler moved, seconded by Mr. Jimmy Rodriguez, to approve the November 12, 2013 Board minutes. The motion was unanimously approved.

5. Chairman's Report.

Chair Doug Moore announced that Mr. Paul Gutierrez had left the Board and the Association of Counties. Chairman Moore thanked Mr. Gutierrez for his contributions on the Colonias Board and his work with the Association of Counties adding that he will be missed.

6. Consideration for Approval of Scope of Work Change to Project #2782-CIF

Chairman Moore asked Mr. Albert Racelis with the Doña Ana County Engineering Department to provide the Board with a brief description of the proposed change. Mr. Racelis said Doña Ana County is requesting the change in scope to add "Construction". The change is needed because during the design process it was discovered that realignment of the roadways will be necessary at the beginning of the intersection of Desert Aire and Shiprock which adds a distance of approximately 430 feet west of the right-of-way line from Shiprock bearing west on Desert Aire Drive. By adding construction to the scope of work the additional distance provided will allow the County to construct important safety improvements to the roadway.

Mr. Racelis stated the project was originally for plan and design; however they also received \$100,000 in Capital Outlay funds. He noted they cannot change the scope of work for the Capital Outlay fund but they can change the scope of work for the Colonias grant funds thereby allowing allowing the County to complete full design and construct a usable phase of the road and drainage project. The 2013 capital outlay appropriation language only allowed for construction. Mr. Racelis provided the Board with the original language of the 2013 capital outlay appropriation.

Mr. Oscar Butler moved, seconded by Mr. Orlando Jimenez, to approve the scope of work change to Project #2782. The motion was unanimously approved.

7. Discussion Regarding the Assessment of the Costs to Administer Loan Agreements for 2014 Awards and Beyond.

Mr. Rick Martinez and Mr. Zach Dillenback presented a proposal to add 25 basis points to each loan agreement to recover costs that NMFA is currently absorbing to administer the loans. Mr. Martinez stated there will be no upfront cost to the entity since it will be built into the loan agreement. Mr. Dillenback provided a presentation on the effects of the 25 basis point to the cost of the loan.

Chairman Moore requested draft language be developed so the Board can solicit input from the Legislators. Mr. Oscar Butler agreed with the Chairman.

8. Status Update of 2012 Project Awards, year to date expenditures

Mr. Martinez presented a hand-out outlining the expenditures total-to-date for the 2012 awards. Mr. Steven Deal referred to the Act stating he did not see language where administrative costs could be recouped by the NMFA. Mr. Bryan Otero referred to section 8 (E)(3) which states that the NMFA can recover the costs for administering the funds.

Mr. Martinez provided a brief explanation on the year-to-date expenditures spreadsheet. Chairman Moore asked Mr. Martinez to include the total expended to date on the spreadsheet. He also requested that the tentative completion date be included. Mr. Deal noted that Timberon had two

different requests and two different amounts. Mr. Martinez informed the Board he would look into the differences and make the changes requested.

Ms. Priscilla Lucero inquired as to how many of the 2012 awards are outstanding. Mr. Otero stated that Lordsburg will be closing on March 21, 2014, and the Village of Virden, who has since acquired an attorney, will now proceed with the closing. Ms. Lucero noted that the 2012 grant agreements did not include an expiration date which could indicate to the entities that there is no deadline for submission. She requested the 2013 grant agreements include an expiration date. Mr. Otero explained that the grant agreements do include a term and he offered to point out that language.

9. Status Update of 2013 Project Awards

Mr. Rick Martinez informed the Board that for the 2013 awards, the Village of Columbus does not meet the Executive Order requirements (EO 2013-006). Most of the other entities are working on scheduling meetings with their boards and or commissions to pass a resolution to authorize execution of a grant or loan/grant agreement. Chairman Moore asked Mr. Martinez to provide him with a spreadsheet similar to the one prepared for the 2012 awards. Mr. Otero noted there are 21 awards that have been scheduled for closing and 8 awards that should be scheduling adoption dates soon.

Mr. Rodriguez expressed concern that DFA has not yet received any of Executive Order certifications from NMFA for the 2013 awards. Mr. Martinez stated he would make sure the CFO submits the documentation to DFA. Ms. Lucero referred to her previous recommendation to include an expiration date on the grant agreements. Mr. Otero said the 2012 and 2013 grant agreements already include an expiration date. Ms. Lucero asked for clarification regarding the questionnaires and their purpose. Mr. Martinez stated it was a means to ensure compliance with the Executive Order. Ms. Lucero asked how a determination will be made on entities requiring a fiscal agent. Mr. Martinez stated that if the entities meet the requirements of the Executive Order a fiscal agent will not be needed.

Mr. Hubert Quintana noted that if an entity is going to need a fiscal agent, the fiscal agent must fully understand their responsibility. Chairman Moore agreed.

10. Review of 2013 Colonias Annual Report

Mr. Rick Martinez presented the 2013 Colonias annual report. Chairman Moore commented that it is a really well done report. Mr. Martinez mentioned that in the last two funding cycles the Colonias Infrastructure Fund, USDA and HUD/CDBG have together funded 89 Colonias projects totaling \$43,146,736 not including the entities' match. Mr. Martinez referred to the map in the report showing the dollar amount funded by county.

Chairman Moore stated he would like to see a project in Lea County funded in the 2014 cycle. Mr. Hubert Quintana stated that previously there had not been any declared colonias in Lea County but there is one now.

Chairman Moore stated that if anyone would like to work on the annual report next year he would form a committee to do so.

11. Public Comment.

Ms. Blanca Surgeon stated she was happy that the Board is looking at affordability because communities in the northern part of the state are also being considered. Chairman Moore and Mr. Butler agreed with Ms. Surgeon. A discussion on affordability ensued.

Mr. Albert Racelis stated Doña Ana County brought up an issue regarding the development process for road projects and their difference from other types of projects. A road project often ties plan and design together due to the reports needed for a road project. Chairman Moore stated that entities can apply for any type of project funding for planning or design, or plan and design; a plan and design project is also eligible for federal funds. Mr. Deal stated that it would be helpful if the application included the amount required to begin the planning and design for the project

Mr. Jim Perry offered his assistance in helping with asset management plans. A discussion ensued on this matter.

Ms. Karen Nichols asked if there is criteria in place for new applications regarding how much of the previous funds should have been spent and if so, is the criteria tied to the closing date on those funds. Mr. Martinez replied that because of the late closings that requirement will not be included until the following year.

Ms. Priscilla Lucero expressed concern that the RCAC contract has not been finalized preventing entities from meeting with them. Mr. Martinez said he is working on getting the contract signed but due to budget constraints and the fact that RCAC is paid through the NMFA budget the contract is being thoroughly reviewed. Ms. Lucero stated she understands budget constraints and if NMFA cannot retain RCAC the COG will be happy to step in and help.

12. Proposed Next Meeting Date.

April 30, 2014
Las Cruces, NM
Location TBD

13. Adjournment.

Mr. Orlando Jimenez moved, seconded by Mr. Rodriguez, to adjourn the meeting. The motion was unanimously approved.

The meeting adjourned at 4:15 p.m.


Chairman


Date