

**New Mexico Finance Authority  
207 Shelby St.  
Santa Fe, NM 87501  
(505) 984-1454  
June 04, 2014**

**Colonias Infrastructure Board Meeting  
Deming, NM**

**Present – Voting Members:**

Doug Moore, Chair	Senate Minority Leader Appointee
Oscar Vasquez-Butler	Senate President Pro Tempore Appointee
Zach Dillenback	Designee - NMFA
Jimmy Rodriguez	Designee - DFA
Orlando-Antonio Jimenez	Speaker of the House Appointee
Steven Deal	Designee - NM Environment Department

**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
Jim Grantner	House Minority Leader Appointee

**Finance Authority Staff:**

Bryan Otero	Mark Dalton
Rick Martinez	

**1. Call to Order and Roll Call.**

The meeting was called to order at 10:07 a.m. Roll was called and a quorum was established.

**2. Approval of Agenda.**

**Mr. Orlando Jimenez moved, seconded by Mr. Jimmy Rodriguez, to approve the agenda. The motion passed with Mr. Oscar Vasquez-Butler voting in the negative.**

**3. Approval of April 30, 2014 Board Minutes.**

**Mr. Oscar Vasquez-Butler moved, seconded by Mr. Steven Deal, for approval of the minutes. The motion passed.**

**4. Chairman's Report.**

Chairman Doug Moore did not present a report.

**5. Affirmation of the Governmental Conduct Act.**

Mr. Bryan Otero, Assistant General Counsel, presented the Governmental Conduct Act advising the Board that they are subject to the Act, and that each Board member is to serve in the public's best interests and to act in the best interest of the Board. Each Board member was asked to acknowledge receipt of the Governmental Conduct Act.

**6. Consideration for Approval to allow Arenas Valley MDWCA to use the unspent balance of Project 2776-CIF from the 2012 Funding Cycle.**

Mr. Rick Martinez informed the Board that Arenas Valley Water Development Association is requesting to use the remaining funds for the design of further improvements to the fresh water distribution system.

Mr. Martinez informed the Board if they were to deny this request the remaining funds would revert to the State Permanent Fund. Mr. Hubert Quintana inquired as to why the funds would revert to the State Permanent fund and not to the Colonias fund. Mr. Martinez responded that the States Severance Tax Bond Act states that remaining funds that have not been spent in the allotted time will revert to the State Permanent Fund. Chairman Moore inquired about the remaining balance for the Arenas Valley. Mr. Martinez replied that \$108,298.86 remains.

Mr. Martinez invited the representatives from Arenas Valley to speak. Ms. Julie DeBusk, office manager for Arenas Valley water association, and Mr. Delbert Folfer, President of the Board, were in attendance. Ms. DeBusk requested that the remaining funds be used for design and replacement of an existing 8 inch water line. Mr. Vasquez-Butler inquired if the \$108,298.86 would complete the project. Ms. DeBusk stated the funds would complete the design phase of the project with the entity requesting funds next year for construction.

Ms. Priscilla Lucero commented that it would be in the Board's best interest to approve this request. Mr. Vasquez-Butler inquired if the Board had the authority to approve this request. Mr. Martinez responded in the affirmative.

**Chairman Moore moved, seconded by Mr. Oscar Vasquez-Butler, for approval to allow Arenas Valley MDWCA to use the unspent balance in Project 2776-CIF from the 2012 funding cycle for the design for replacing the pipe line.**

**7. Consideration for approval to allow Otis MDWCA to use the unspent balance of Project #2772-CIF from the 2012 Funding Cycle.**

Rick Martinez informed the Board that Otis MDWCA withdrew their request.

**8. Consideration for approval for Luna County to be the fiscal agent for the Village of Columbus regarding Colonias Project 3004-CIF and request for waiver of loan component.**

Chairman Moore asked Mr. Rick Martinez if anything had changed since the April Board meeting. Mr. Martinez stated that as far as he knows nothing had changed. The Village of Columbus cannot meet the executive order requirements; however, Luna County has agreed to serve as fiscal agent provided the loan requirement is waived because the County cannot afford the loan component. Mr. Martinez invited Mayor Phillip Skinner and Ms. Jessica Etcheverry, Luna County representative, to join him at the speaker's table.

Mr. Oscar Vasquez-Butler expressed concern with the Village of Columbus asking for a waiver of the loan component given that the entity does not meet the Executive order or Audit requirements, which do not impact the Village's revenues to meet the loan requirements. Mr. Vasquez-Butler also noted that in the application ranking process that entities are given points for taking on the loan but the Board is now finding entities coming back to ask for waivers after the funds have been awarded. Mr. Vasquez-Butler asked the Mayor if the Village could take on the loan. Mayor Skinner apologized for not being at the last meeting and stated "yes" the Village does have the money to pay the loan.

Mr. Hubert Quintana noted the loan repayment process does not begin until the first year after the project has been completed, and annual payments can be made, as long as an agreement is in place with the fiscal agent. Doing so would allow the Village one year to collect revenues to make the loan payment to Luna County.

Mr. Orlando Jimenez asked if Luna County is willing to enter into such an agreement with the Village. Ms. Etcheverry responded that Luna County is willing to enter into an agreement with the Village; however, the County is not willing to take the money out of the General Fund to fund the project. She continued that if the Village of Columbus is going to be paying Luna County then that would be acceptable.

Mr. Jimmy Rodriguez asked if the Village is up-to-date on their audits. Mayor Skinner responded that the Village is about 2 years behind on their audits, but expect to catch up within the next six months. Mr. Rodriguez noted the Executive Order does not allow the uses of a fiscal agent if the entity is not current with their audits. Mr. Bryan Otero concurred with Mr. Rodriguez and recommended amending the motion to say pending approval of a waiver from DFA on the Village audits. Mr. Rodriguez agreed with Mr. Otero and said he would be willing to see if DFA would be able to grant the waiver.

Mr. Oscar Vasquez-Butler asked if it is possible to get the waiver and what would be the likelihood of DFA approving the waiver. Mr. Rodriguez responded saying he was not sure of all the details with the Villages audits, but they can go through the process and try. Mr. Vasquez-Butler noted he would not mind voting for approval if DFA grants the waiver.

**Mr. Orlando Jimenez moved, seconded by Mr. Steven Deal, to approve Luna County to be the fiscal agent for the Village of Columbus regarding Colonias Project #3004, provided that the Village works with DFA to get a waiver on completion of their audits.**

**9. Consideration for approval of the project Review Committee's recommendations for project funding and waivers of local match and loan component of 2014 Colonias Infrastructure Funds allocation.**

Mr. Rick Martinez presented the list of projects that the Project Review Committee recommended for 2014 Colonias funding, Mr. Martinez noted that three entities have asked for loan component waivers. 1) CIF14-053 Tyrone MDWCA; 2) CIF14-076 Otero County; and 3) CIF14-044 San Antonio MDWCA. Mr. Martinez also noted that 4 other entities will not meet the Executive Order requirements.

Mr. Martinez spoke briefly about the color coding on the list of projects and where matching funds were appropriated from. Ms. Priscilla Lucero also spoke briefly on this.

Chairman Moore asked Mr. Martinez if the entities requested waivers in the original application. Mr. Martinez stated "yes it was". Mr. Steven Deal expressed concern about some projects on the list that state they have received funds from SAP, even though they have not come across his desk yet and noted that those entities may not receive those funds if they do not meet SAP requirement. Mr. Deal also informed the Board that Truth or Consequences indicate they have received funds from Clean Water State Relief Fund, but noted that Truth or Consequences refused their offer. Mr. Martinez responded that the Project Review Committee looked at the project and some of the funds are from years past; the application also requested entities to list potential funds.

Ms. Lucero commented that the project review committee was very diligent in reviewing all the projects. Mr. Deal noted that he is the only engineer on the Board and is not on the Project Review Committee.

Chairman Moore suggested they approve the 2014 projects first and have a second vote to approve the projects requesting the waivers.

**Mr. Chairman Moore moved, seconded by Mr. Oscar Vasquez-Butler, for approval of the project Review Committee's Recommendations for project funding for 2014. The motion passed unanimously.**

Mr. Martinez presented the three projects requesting waivers. Mr. Martinez informed the Board that CIF14-076 Otero County and CIF14-044 San Antonio MDWCA will be funding the additional match on their own.

Ms. Lucero stated that at the time of application Tyrone did not have the funds for the matching requirement which is why they asked for the waiver. Mr. John Baldwin, president of the Tyrone MDWCA, reported that the mutual domestic increased their water rates to help increase revenues to pay for the loan. Chairman Moore asked Mr. Baldwin if the funds they are requesting will complete their project. Mr. Baldwin indicated it would be enough to complete the project.

**Mr. Chairman Moore moved, seconded by Mr. Steven Deal, for approval of the waivers of the loan component and local match on the three listed projects. The motion passed unanimously.**

**10. Discussion, consideration, and adoption of a Resolution to certify the need of the 2014 Colonias infrastructure allocation of Senior Severance Tax Bonds.**

Mr. Bryan Otero presented the Resolution to the Board with the list of recommended projects. Mr. Otero reminded the Board this is a two-step process, the second step being approval of this resolution. He noted that at last month's meeting the Board certified the need for the first resolution without the list of projects.

**Mr. Steven Deal moved, seconded by Mr. Jimmy Rodriguez, to approve the Resolution as presented. The motion passed unanimously.**

**11. Consideration for Approval of a letter requesting an Attorney General's Office opinion with respect to "housing infrastructure," the Anti-Donation Clause, and awards by the Colonias Infrastructure Board.**

Mr. Bryan Otero presented the Board with two letters on the Anti-Donation Clause, one drafted by the NMFA and the other by MFA regarding the Anti-Donation Clause, Mr. Otero commented that the letters are different.

Mr. Oscar Vasquez-Butler asked if the requests address the question of waste water hookups to private homes. Mr. Isidoro Hernandez responded that the request to the attorney general is asking his opinion on whether or not the Affordable Housing Act can be applied in donating some funds to the local governments, who in turn would make loans or grants to private individuals for hook-ups. However, it would be up to this Board to define what housing infrastructure is and what work can be done on private land.

After reviewing the letters Chairman Moore noted that he liked the NMFA draft but also liked points on the MFA letter and suggested making a hybrid letter. Mr. Rodriguez asked if staff has received input from State Board of Finance. Mr. Otero stated "no" they have not. Mr. Rodriguez recommended that State Board of Finance input be included. Ms. Priscilla Lucero noted that she would like to have a decision made before the next application cycle.

A lengthy discussion ensued. Mr. Quintana recommended that staff obtain input from all parties and prepare a draft letter to be sent out to the Board prior to the next meeting.

**Chairman Moore moved, seconded by Mr. Steven Deal, to have NMFA staff work with MFA in drafting a hybrid letter for the Board's consideration. The motion passed unanimously.**

**12. Nomination of Officers.**

Ms. Priscilla Lucero presented the recommendations from the nominating committees as follows: New Mexico Finance Authority continues to be the Treasurer, Department of Finance & Administration continues as Secretary, Oscar Vasquez-Butler continues as Vice Chairman, and

Doug Moore continues as Chairman of the Board. Ms. Lucero noted that the committee felt that it was important to maintain consistency.

**13. Election of Officers.**

**Mr. Orlando Jimenez moved, seconded by Mr. Jimmy Rodriguez, for approval for the Nominating Committee recommendations of board officers. The motion passed unanimously**

**14. Public Comment.**

Mr. Juan Fuentes, City Manager for Truth or Consequences thanked the Board for all their support.

Mayor Gary Williams, Ruidoso Downs, thanked the Board for the last two years of funding. He voiced disappointment in not get any funding this year.

Mayor Dave Venable, Cloudcroft, thanked the Board for the funding they have received in the past and let the Board know they are spending it.

State Representative Rudy Martinez thanked the Board and the communities for all the hard work they have put into this program.

**15. Proposed Next Meeting Date.**

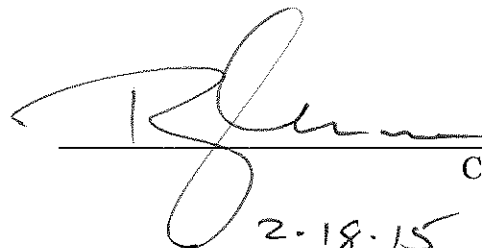
September 15<sup>th</sup> 2014

Location TBD

**16. Adjournment.**

**Mr. Orlando Jimenez moved, seconded by Mr. Oscar Vasquez-Butler, to adjourn the meeting. The motion passed unanimously.**

The meeting adjourned at 1:17 p.m.

  
\_\_\_\_\_  
Chairman  
2-18-15  
\_\_\_\_\_  
Date