

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

February 18, 2015

**Colonias Infrastructure Board Meeting
Santa Fe, NM**

Present – Voting Members:

Doug Moore, Chair	Senate Minority Leader Appointee
Oscar Vasquez Butler, Vice Chair	Senate President Pro Tempore Appointee
Robert Coalter	Chief Executive Officer, New Mexico Finance Authority
Jimmy Rodriguez	Designee, New Mexico Department of Finance & Administration
Steven Deal	Designee, New Mexico Department of Environment

Present – Non-Voting Members:

Jay Armijo	South Central Council of Governments
Hubert Quintana	Southeastern New Mexico Economic Development District
Priscilla Lucero	Southwest New Mexico Council of Governments
Isidoro Hernandez	Designee, New Mexico Mortgage Finance Authority
Santiago Chaves	Designee, New Mexico Association of Counties

Absent:

Jim Grantner	House Minority Leader Appointee
Orlando-Antonio Jimenez	Speaker of the House Appointee

Finance Authority Staff:

Marquita Russel, Chief of Programs
Angela Quintana, Sr. Program Administrator
Charlotte Larragoite, Sr. Administrative Assistant
Dan Opperman, General Counsel
Bryan Otero, Assistant General Counsel

Guests:

Abenicio Fernandez	Doña Ana Mutual Domestic Water Consumers Association
Alex Brown	Town of Silver City
Anita Norero	Town of Silver City
Bill Young	Balleau Groundwater Inc.
Gary L. Williams	Mayor, City of Ruidoso Downs
Jennifer Horton	Doña Ana Mutual Domestic Water Consumers Association
Kristina Ortiz	City of Bayard
Martha Salas	Town of Hurley
Richard Maynes	Engineers Inc.

Ruline Jensen
Zoann Adams

Mayor, Village of Virden
Village of Virden

1. Call to Order and Roll Call.

Chairman Doug Moore called the meeting to order at 2:05 p.m. Roll call was taken and a quorum was established.

2. Approval of Agenda.

Mr. Oscar Vasquez Butler made a motion, seconded by Mr. Steven Deal, to approve the agenda as presented. The motion passed 4-0.

3. Approval of September 16, 2014, Board Minutes.

While the Board reviewed the minutes, Chairman Moore asked Mr. Robert Coalter to introduce Board staff. Mr. Bryan Otero, Assistant General Counsel for New Mexico Finance Authority (NMFA), also clarified that staff counsel represents NMFA, and that representatives from the New Mexico Attorney General's office were present as counsel for the Board. The Chair welcomed Assistant Attorney General Mona Valicent and Assistant Attorney General Jennifer Salazar.

(Jimmy Rodriguez, designee for the NM Department of Finance and Administration (DFA), arrived during staff introductions and discussion.)

Mr. Deal made a motion to approve the minutes of the September 16, 2014, meeting, as presented. Mr. Coalter seconded. The motion passed 4-0, with Mr. Vasquez Butler abstaining.

4. Consideration and Approval of Open Meetings Act Resolution.

Mr. Otero presented the Open Meetings Act Resolution for adoption by the Board.

Mr. Vasquez Butler made a motion, seconded by Mr. Rodriguez, to approve the Open Meetings Act Resolution. The motion passed 5-0.

5. Consideration and Approval of a Change of Scope by Village of Virden, Project #2804-CIF

Ms. Angela Quintana, NMFA Senior Program Administrator, presented the Village of Virden's (Village) request for a change of scope of work on the funding agreement for Project 2804-CIF. The Village is asking the Board to approve broadening the scope of the 2012 award for design and construction of repairs to the Village's water system to include nonoperation isolation valves, non-functioning altitude valves and looping of dead-end water lines along the east and north-central areas of the Village. The Village was awarded colonias funding in the 2014 cycle (3192-CIF) to address the construction portion of some of these repairs. If approved, the unused 2012 funds can be combined with the 2014 award and

maximize the benefit of the Colonias funding by covering emerging water system improvement priorities.

Chairman Moore made a motion, seconded by Mr. Deal, to approve the Village of Virden's request for change of scope.

Chairman Moore asked about the timing of the request in relation to the 2012 award. Ms. Priscilla Lucero explained that the Village experienced delays in retaining an attorney to approve the right-of-way certificates and other required documents.

The motion passed 5-0.

Chair Moore asked staff if in the future the project numbers could indicate the award year. Staff agreed to make that revision.

6. Consideration and Approval of a Change of Scope by City of Bayard, Project #3162-CIF.

Ms. Quintana presented the City of Bayard's (City) request to change the scope of 3162-CIF 2014 award to mirror the existing 2013 award (3005-CIF) since the City received other funding to complete the initial 2014 project. Staff recommended that the Board revert the funds no longer needed for the City's 2014 project.

Ms. Kristina Ortiz, City Treasurer, presented the Board with additional information in support of the City's request, asking that the language in the scope be amended to include construction of a new well, and explained that not all of the 2014 money was used as requested because of funds received from the USDA in their early round of capital contributions.

Mr. Deal made a motion, seconded by Mr. Vasquez Butler, to accept staff's recommendation 1) to not approve the City of Bayard's request for a change of scope for Project #3162-CIF, and 2) to allow the remaining project funds to revert and be re-awarded. The motion passed 5-0.

7. Consideration and Approval of Release of Funds: Morningside MDWCA 2810-CIF.

Ms. Quintana presented a request to revert Colonias Infrastructure funding that was conditionally awarded to Morningside MDWCA (Association) under application number 2810-CIF.

The Association applied for and received funding as a co-operative which is not an eligible entity pursuant to the Colonias Infrastructure Act. Although the Association has re-organized under the Sanitary Projects Act as a mutual domestic water consumers association, it is currently not in good standing under the laws of New Mexico.

Mr. Hubert Quintana told the Board of the Southeastern NM Economic Development

District's (District) efforts to work with the Association to remedy the issues at large, that the District is willing to take over administration responsibility to get the project completed, and that he estimates another 90-120 days are needed to secure an engineering contract.

Chairman Moore made a motion to table action on this item for six (6) months. The motion died for lack of a second.

There was additional Board discussion of the processes in place for verifying applicant eligibility, and staff's explanation of the criteria and Board policy requirements for reversion of funds to projects in the same award year.

Chairman Moore said he would work with staff to add an agenda item for the next Board meeting to clarify the Board's reversion policy and the criteria to establish applicant eligibility.

Mr. Vasquez Butler made a motion, seconded by Mr. Deal, to accept staff's recommendation to revert the funding from 2810-CIF in the amount of \$406,000 and award the funds to another project. The motion passed 5-0.

(Mr. Jay Armijo, South Central Council of Governments, and Mr. Santiago Chavez, designee, New Mexico Association of Counties, arrived during discussion of Agenda Item #7.)

8. Status update of CIF Project Awards, year-to-date expenditures.

Ms. Quintana presented the Board with a spreadsheet detailing the status of CIF awards for Funding Cycles 2012, 2013, and 2014. The spreadsheet highlighted several projects that staff is currently working with the applicants to complete the funding process, including applicants who have not met Executive Order (EO) compliance.

Ms. Marquita Russel explained that it is possible for an applicant to be in compliance one year, but for various reasons, such as an audit preparation, not be in compliance the next year. Mr. Otero added that for this Board to certify an award, the applicant must be EO compliant, and that staff has pulled those projects needing EO compliance. The Board previously conditionally approved award pending compliance. Mr. Rodriguez pointed out that the EO does allow conditional approval, although the project must be EO compliant for the bond sale.

Chairman Moore suggested the Board discuss "trigger dates" for EO compliance at the next meeting. He also asked if staff plans to send letters for projects that have not completed funding to ask what is causing the delay. Mr. Vasquez Butler asked if the various councils of government (COGs) could also work with staff to follow up on projects in their districts. The Board directed staff to provide this year-to-date report at each meeting of the Board. Ms. Russel informed the Board that NMFA is in the process of bringing on additional staff who will be responsible for obtaining status reports on the projects.

9. 2015 CIF application submittals update.

Ms. Quintana presented the Board with an informational spreadsheet of the 54 applications received for 2015 Colonias Funding Cycle. Currently, the Office of the State Engineer is reviewing the applications for water rights, and NMFA staff is reviewing applications for compliance and missing information.

Staff provided additional information regarding the status and timelines of the application process, including confirmation with the technical review agencies, and told the Board that the technical review should be complete by March 13.

Chairman Moore said that the Board needs a white paper every year to refresh the Board on the application process, and to keep the Board up-to-date on any changes or requirements.

10. Consideration and Approval of Mortgage Finance Authority (MFA) opinion request – Housing Infrastructure and Anti-Donation Clause.

Mr. Otero presented draft letters from the NMFA and the MFA that have been previously reviewed by the Board (and redlined to show changes) regarding clarification of the Anti-donation Clause and potential use of CIF funds to make improvements on private land in the course of completing public projects.

The Board engaged in extensive discussion of options to combine the letters and resolve conflicting issues in perspective and terminology, including providing two separate letters to the Attorney General's office through the Board's assigned AGs.

Chairman Moore made a motion, seconded by Mr. Vasquez Butler, directing staff to prepare a "clean" version of the NMFA letter, and attach a revision of MFA's letter, to be provided by MFA as an addendum to the letter, which addresses Housing Infrastructure issues. Chairman Moore and Vice-Chairman Vasquez Butler will prepare a list of examples indicated in the letter. The motion passed 5-0.

11. Review Colonias Calendar.

Ms. Quintana presented a proposed calendar for the Board's consideration. Staff recommends the Board have one meeting on April 30, 2015, to take action to certify need for Severance Tax Bonds and to make awards. The Project Review Committee will meet April 9 and 10 to review the applications.

The Board discussed its quarterly meeting requirements and directed staff to schedule meetings in July, to be held in Ruidoso Downs, and in October, location to be announced. The April meeting will be in Silver City.

Chairman Moore made a motion, seconded by Mr. Deal, to approve the tentative calendar as printed. The motion passed 5-0.

12. Public Comment:

Chairman Moore invited members of the public to address the Board.

Ms. Jennifer Horton with the Doña Ana Mutual Domestic Water Consumers Association expressed the Association’s appreciation to the Board for its support.

Mr. Rick Martinez told the Board about current legislation that may adversely affect the Colonias Infrastructure Fund, including Senate Bill 25, Senate Bill 159, and Senate Bill 172.

Mr. Hubert Quintana provided an Agenda for Colonias Day at the Legislature, and the various activities scheduled on February 19, in Room 326 and in the Rotunda at the Capitol Building. Chairman Moore asked Mr. Quintana to provide him with a list of sponsors so that he may write thank you letters.

Ms. Priscilla Lucero commended staff for the Board Book and materials provided to the Board for review in advance of this meeting, and for staff’s efforts and support in working with local governments.

13. Proposed next meeting Date:


The next meeting of the Colonias Infrastructure Board will be April 30, 2015, in Silver City, beginning at 10:00 a.m., location to be announced. The Project Review Committee will meet on April 9 and 10 in Las Cruces.

14. Adjournment.


The Chair called for further comments or discussion. There was none.

Mr. Vasquez Butler made a motion to adjourn, seconded by Mr. Deal. The motion passed 5-0.

The meeting adjourned at 4:23 p.m.



Chairman Doug Moore
Date: May 7, 2015

Attest:


Secretary Tom Clifford
Date: 5/11/15