

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

June 4, 2015

**Minutes of the Colonias Infrastructure Board Meeting
New Mexico Tech University, Skeen Library
Socorro, NM**

Present – Voting Members:

Oscar Vasquez Butler, Vice Chair	Senate President Pro Tempore Appointee
Zach Dillenback	New Mexico Finance Authority Designee
Orlando-Antonio Jimenez	Speaker of the House Appointee
Jimmy Rodriguez	New Mexico Department of Finance & Administration Designee
Steven Deal	New Mexico Department of Environment Designee

Present – Non-Voting Members:

Jay Armijo	South Central Council of Governments
Priscilla Lucero	Southwest New Mexico Council of Governments
Isidoro Hernandez	New Mexico Mortgage Finance Authority Designee
Santiago Chavez	New Mexico Association of Counties Designee

Absent:

Doug Moore, Chair	Senate Minority Leader Appointee
Hubert Quintana	Southeastern New Mexico Economic Development District

Finance Authority Staff:

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

Guests:

Jonas Armstrong, Legislative Finance Committee
Traci Burnette, City of Truth or Consequences WWTP
Erica Carlos, City of Deming
Abenicio Fernandez, Doña Ana MDWCA
Juan Fuentes, City of Truth or Consequences
Dale Graham, City of Ruidoso Downs
Jennifer Horton, Doña Ana MDWCA
Mario Juarez Infante, Village of Columbus
Martin G. Lopez, Lower Rio Grande Public Water Works Authority

Edward Lueras, La Luz MDWCA
Rick Martinez, The Apricot Tree
Jim Massengill, City of Deming
Kristina Ortiz, City of Bayard
Lilla Reid, Souder Miller Associates
Susanne Roubidoux, Assistant Attorney General
Martha Sales, Town of Hurley
Philip Skinner, Village of Columbus

1. **Call to Order and Roll Call.** Oscar Vasquez Butler, acting Chairman, called the meeting to order at 10:15 a.m. Roll call was taken and a quorum was established.
2. **Approval of Agenda.** Jimmy Rodriguez made a motion, seconded by Steven Deal, to approve the agenda as presented. The motion passed 4-0.
3. **Approval of May 7, 2015, Board Minutes.** Jimmy Rodriguez made a motion, seconded by Zach Dillenback, to approve the Minutes of the May 7, 2015 meeting as presented. The motion passed 4-0.

(Orlando Antonio Jimenez arrived after approval of the minutes.)

4. **Consideration and Approval of Reversion on: 3189-CIF Village of Lake Arthur; 3191-CIF Desert Aire MDW&SWA; and 3195-CIF Village of Hope** Marquita Russel, Chief of Programs, and Angela Quintana, Sr. Program Administrator, presented information for the Board's consideration regarding the reversion of funds for the following conditionally funded projects: 1) 3189-CIF, Village of Lake Arthur; 2) 3191-CIF, Desert Aire MDW&SWA; and 3) 3195-CIF, Village of Hope.

Motion by Oscar Butler, seconded by Orlando Jimenez, to open for discussion.

Ms. Russel informed the Board that these three projects are unable to move forward in the near future due to executive order compliance. The projects were identified in May for rescission: #3189-CIF, Village of Lake Arthur, \$556,400; #3191-CIF, Desert Aire MDW&SWA, \$174,336; and #3195-CIF, Village of Hope, \$300,000. All three projects were 2014 conditional awards, 90% grant and 10% loan, which have been unable to meet the conditions for funding. Staff recommends these awards be rescinded. The Project Review Committee has reviewed this request and it concurs with staff's recommendation.

Mr. Jimenez asked if the entities are aware that the funding for their projects will be rescinded. Ms. Quintana replied that all three entities have been informed and given a timeline, along with the option to ask for a waiver from the Department of Finance and Administration.

Chairman Butler provided background on the 2013 executive order and audit requirement for entities applying for state funds.

Steven Deal asked if other projects that are EO compliant can use these funds. Ms. Russel confirmed, and told the Board the next agenda item will ask the Board to consider a policy waiver allowing the 2014 funds to be used in the 2015 award cycle.

Motion made by Orlando Jimenez, seconded by Jimmy Rodriguez, to approve the reversion of funds for projects 3189-CIF, Village of Lake Arthur; 3191-CIF, Desert Aire MDW&SWA; and 3195-CIF, Village of Hope. The motion passed 5-0.

5. Consideration and Approval of Policy Waiver on Reverted Funds for Reallocation to: City of Lordsburg App #15-0013; Luna County App #15-0025; Village of Columbus App #15-0021 and La Luz MDWCA App #15-0053. Marquita Russel, Chief of Programs, informed the Board that the Governor issued a call for a special session for capital outlay projects and that staff has been told that \$2,000,000 will be appropriated from the Colonias Infrastructure Project Fund for legislative capital outlay projects.

Staff recommends a waiver of policy, Section 6.5B, and recommends the balances from 2012 and 2014 in the combined amount of \$1,561,736 be available for use in the 2015 award recommendations.

Orlando Antonio Jimenez made a motion, seconded by Zach Dillenback, to approve staff's recommendation and for discussion.

Ms. Lucero expressed her support for using the funds in the 2015 application cycle, and asked if the special session appropriation of \$2,000,000 from the Colonias Infrastructure Project Fund is definite. Ms. Russel said the amount could change during the legislative process.

Steve Deal asked if the recommendation is circumventing policy review committee and if something similar to DFA requirements for SAP grants to address if monies reverted or taken back by the legislature, could be addressed in future grant agreements.

Ms. Russel told the Board that the recommendation went through the Policy Review Committee, and that staff is recommending a policy waiver not a policy change, so the policy committee did not review. Staff is looking at revising the structure of loan/grant agreements to allow flexibility during the construction period to determine the final loan amount.

Mr. Chavez asked what are the deadlines for the bonds to be sold and if the Board should meet again after the special session when the actual amount of the legislature's appropriation is known. Mr. Rodriguez said June 10 is the deadline for submitting projects for the bond sale.

Mr. Jimenez asked if the recommendation gives the waiver without specifying projects to receive the funds does it leave at discretion of staff. The waiver is to allow the reverted funds to be used for qualifying projects in the 2015 award cycle.

Motion passed 5-0.

6. **Consideration and Approval of 2015 Colonias Infrastructure Fund Awards and Loan/Match Waivers.** Marquita Russel, Chief of Programs, presented staff's recommendation for conditional funding dependent upon action by the legislature in the special session. It is expected that the legislature will appropriate \$2 million from the Colonias Infrastructure Project Fund and staff recommends holding back that amount from awards. Staff recommendations for identified scopes of work and funding amounts for the projects are contained in a memorandum and tables attached to these minutes, including waiver request recommendations. The NMFA Board of Directors will determine final terms of the loans and grants.

Mr. Deal expressed reservations for the recommended awards to projects that do not have documentation for additional funding needed to complete the project. Ms. Russel said that all applications will be required to confirm ability to complete their project prior to closing.

There was additional discussion by the Board regarding the special session and circumstances surrounding this award cycle, and critical needs of the various projects.

Jimmy Rodriguez made a motion, seconded by Orlando Antonio Jimenez, to approve staff recommendations for 2015 Colonias Infrastructure Project Fund Awards. Motion passed 4-1 with Steven Deal voting against the motion.

7. **Consideration and Approval of Resolution, Notification and Certification of Severance Tax Bonds for Qualified Projects.** Bryan Otero, Assistant General Counsel, presented the Resolution, Notification and Certification of Severance Tax Bonds for Qualified Projects.

Ms. Lucero asked when the State Board of Finance ("SBOF") requires the questionnaires. Ms. Russel informed the Board that the questionnaires are due immediately as SBOF's bond counsel uses the questionnaires for eligibility, taxable versus tax-exempt, and to certify the timing and description of the projects for the bond sale. Ms. Lucero asked that the COGs be provided copies of the questionnaires when sent so they may assist in getting them completed.

In response to a question from Mr. Deal regarding the impact of removing \$2,000,000 for the capital outlay appropriation, Mr. Otero said that the amount as presented is appropriate at this time. Ms. Russel told the Board that the certification will include all eligible projects, not just those recommended for award at this time, so that other projects may be included at a later date if necessary. There are more than \$16,000,000 in projects on the list.

Orlando Antonio Jimenez made a motion, seconded by Jimmy Rodriguez, to approve the Resolution, Notification and Certification of Severance Tax Bonds for Qualified Projects. The motion passed 5-0.

8. **Public Comment.**

Martin Lopez with the Lower Rio Grande Public Water Works Authority asked if a revised list of recommendations would be made available. Mr. Jimenez asked that it also be emailed to the Board.

Mayor Philip Skinner, the Village of Columbus, and his associate provided a project update and said the Village would like to make a presentation to the Board regarding the status of its projects, proposed projects, and the Village's work with the USACE for Section 595 construction funding.

Chairman Butler, other members of the Board, and staff discussed options for application presentations to the Project Review Committee and the Board including the possibility of scheduling two days as part of the next application cycle for applicants to present their projects to the Board.

Anthony Gutierrez, Grant County, expressed appreciation to the Board for the award made to the County, and support for the Board's work.

Juan Fuentes, city manager for the City of Truth or Consequences expressed appreciation to the Board for the award made to the City, and for the Board's work.

Rick Martinez, Apricot Tree, said he thought setting aside time for applicant presentations is a good idea.

9. **Proposed Next Meeting Date:**

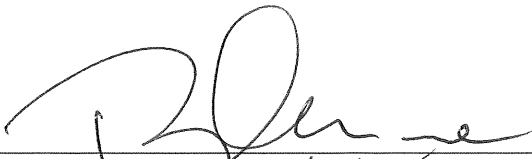
Ms. Russel said that staff will prepare a calendar for the Board at a later time with proposed meeting dates, including a Policy Meeting in July and Board Meeting in August.


Mr. Deal said that Jim Chiasson will be taking over as alternate for NMED and asked that any information be sent to Mr. Chiasson.

10. **Adjournment.**

Orlando Antonio Jimenez made a motion to adjourn, seconded by Steven Deal. The motion passed 5-0.

The meeting was adjourned at 11:10 a.m.


Chairman
Date: 9/1/15

Attest:

Secretary
Date: 9/8/15