

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

**Minutes of the Colonias Infrastructure Board Meeting**  
**November 10, 2015**  
**Doña Ana County Government Center**  
**Las Cruces, NM**

**Present – Voting Members:**

Doug Moore, Chair	Senate Minority Leader Appointee
Oscar Vasquez Butler, Vice Chair	Senate President Pro Tempore Appointee
Jim Chiasson	New Mexico Department of Environment Designee
Zach Dillenback	New Mexico Finance Authority Designee
Mary Helen Garcia	House of Representatives Minority Leader Appointee
Keith Riddle	Speaker of the House of Representatives Appointee
Jimmy Rodriguez (via telephone)	New Mexico Dept. of Finance & Administration Designee

**Present – Non-Voting Members:**

Santiago Chavez	New Mexico Association of Counties Designee
Izzy Hernandez	New Mexico Mortgage Finance Authority Designee
Priscilla Lucero	Southwest New Mexico Council of Governments

**Absent**

Jay Armijo	South Central Council of Governments
Hubert Quintana	Southeastern New Mexico Economic Development District

**Finance Authority Staff:**

Marquita Russel, Chief of Programs (via telephone)  
Angela Quintana, Senior Program Administrator  
Bryan Otero, Assistant General Counsel  
Charlotte Larragoite, Senior Administrative Assistant

**Guests:**

Abenicio Fernandez	Doña Ana Mutual Domestic Water Consumers Assoc.
Marty Howell	Souder Miller & Associates
Martin Lopez	Lower Rio Grande Public Water Works Authority
Karen Nichols	Lower Rio Grande Public Water Works Authority
Jesus Ramos, Jr.	Engineers, Inc.
Lilla Reid	Souder Miller & Associates
Jose Terrones	Anthony WSD

1. **Call to Order and Roll Call.** Chairman Moore called the meeting to order at 10:05 a.m. Roll call was taken and a quorum was established.

2. **Approval of Agenda.** The Agenda was amended to move Item 8 (San Antonio Project 3186-CIF-14, Rescinded Funds) before Item 6 (Dona Ana MDWCA, Project No. 3349-CIF-15) and renumber accordingly. Chairman Moore made a motion, seconded by Mr. Vasquez Butler, to approve the agenda as presented. **The motion passed unanimously.**
3. **Approval of October 1, 2015, Board Minutes.** Mrs. Garcia made a motion, seconded by Mr. Riddle, to approve the minutes of the October 1, 2015 meeting as presented. **The motion passed.** Chairman Moore abstained because he did not attend the October 1, 2015, meeting. Mr. Chiasson arrived after the vote.
4. **Chairman's Report.** Chairman Moore said that due to the number of items usually on the Project Review Committee's agenda compared to the distance for members to travel for meetings, he recommends that future committee meetings be held by teleconference. This would depend on the number of project issues that need to be addressed between full board meetings and if they can be fully discussed over the telephone.
5. **Project Review Task Force Report.** Keith Riddle presented the Board with an update on the meetings of the Project Review Task Force (Task Force). The Task Force met on October 1, 2015 to establish a work plan and tasked staff with identifying potential issues in project delays.

On October 27, 2015, NMFA staff presented the Task Force with an analysis of the awarded projects and identified issues for delays in closing and fund drawdowns. At this time, staff has divided the issues into two categories: 1) Closing Requirements, and 2) Project Readiness. There are several general issues identified in each category. Staff has been contacting awardees regarding deadlines, and concerns regarding project completion.

The Task Force concluded that the Board's updates to the policy have addressed many of the core issues that delayed closing and spending for the current and future funding cycles. In addition, the current application training will educate applicants on the existing and updated policies as well as the expectations from application submissions - application review - application awards - securing of funds and finally completing projects.

For older projects, staff has put entities on notice. Reminder notices have been sent to entities whose projects will soon expire. Notices are sent 90, 60, and 30 days prior to expiration date. Entities that have not spent funds for over a year from the time of closing (securing of funds) will be notified.

6. **Rescinded Funds; San Antonio MDWCA, 3186-CIF-14 (Information Item).** Angela Quintana, Senior Program Administrator, provided the Board with information regarding returned funds from the San Antonio Mutual Domestic Water Consumers Association ("Association") Colonias Infrastructure funding 3186-CIF-14.

On July 24, 2014, the Board approved conditional funding to the Association for design and construct of a retrofit of the Luis Lopez well with arsenic treatment equipment in an amount not to exceed \$257,499, as 100% grant.

The basis for the funding request came from estimates provided by the Association's former engineer. The Association's current engineer believes that the funding may not be sufficient to complete the project and has recommended the Association first complete a Preliminary Engineering Report before proceeding with the project. Since it is undetermined when or if the project can move forward, the Association notified staff on November 4, 2015 that it is returning the funding and will seek future funding from the Colonias Infrastructure Board once the project has been fully planned.

Per Section 6.5, Reallocation of Unused Financial Assistance Awards, of the CIB Project Management Policies: should a qualified entity decline an award, the Board may reallocate to a different qualified project within the most recent funding cycle. Given the timing of the return, staff has not been able to complete the standard protocols for recommendations of funding, which include receiving from the applicant a proposal about how the additional funds would be used and vetting the recommendation through the Project Review Committee.

At this time, there are two options relative to the reallocation of the funds. The first is to wait until staff can complete its funding recommendation procedures and make a recommendation to the Board at its March 2016 Board Meeting. The second would be to reallocate the funds to Doña Ana MDWCA, which is the only 2015 applicant that staff believes can utilize the amount of funds available, with conditional funding from Doña Ana MDWCA provided to staff with a final project scope and breakdown of project costs. If the Association cannot provide that information by February 1, 2016, the funding will be made available to another project.

7. **Consideration and Approval of Funding Reallocation, Doña Ana MDWCA, Project No. 3349-CIF-15.** Angela Quintana, Senior Program Administrator, provided information to the Board to consider reallocating returned funds from the City of Carlsbad 3193-CIF-14 award to Doña Ana MDWCA project 3349-CIF-15.

On July 24, 2014, the Board approved conditional funding to the City of Carlsbad (City) for a PER on new water and sewer lines within the Spencer Addition and Standpipe Road. The project was awarded an amount not to exceed \$102,533.

As one of the requirements needed to secure the funding, the City had to certify that it obtained all the necessary rights-of-way (ROW) within the project area. The City identified ROW necessary to begin the project, but it does not know how long it will take to secure the necessary ROW. As a result, the City declined the conditional funding, and it will seek future funding from the Board once it has acquired the necessary ROW.

Per Section 6.5, Reallocation of Unused Financial Assistance Awards, of the CIB Project Management Policies: To be eligible for reallocated financial assistance, potential

replacement qualified project(s) must have submitted a financial assistance application as part of the most recent funding cycle.

Staff reviewed the awarded 2015 projects to help determine which projects may be in need of additional funds. During the initial review of the 2015 applications, the Project Review Committee had prioritized three awarded projects for consideration if additional funds were available. The following projects were awarded lesser amounts than what was initially requested:

- La Luz MDWCA – 3356-CIF-15;
- Village of Tularosa – 3365-CIF-15; and
- Garfield MDWCA & MSWA – 3350-CIF-15.

Because of the small amount of funds available (\$102,533), staff recommends that the funding be awarded to Doña Ana MDWCA as their project can be scaled to efficiently utilize the additional funding. The Project Review Committee has reviewed this item and it concurs with staff's recommendation. The funds will be reallocated under the terms of the original agreement.

**Chairman Moore made a motion, seconded by Mr. Riddle, to approve reallocation of funds to Doña Ana MDWCA project 3349-CIF-15, in an amount to include \$257,499 returned from project 3186-CIF-14 and \$102,533 returned from project 3349-CIF-15. The motion was approved unanimously.**

8. **Consideration and Approval of Readiness to Proceed Time Extension – Anthony Water and Sanitation District, 3340-CIF-15.** Angela Quintana, Senior Program Administrator, presented information to the Board for Anthony Water & Sanitation District (District), which is requesting a time extension to submit certain readiness to proceed (RTP) items for 3340-CIF.

On June 4, 2015, the Colonias Infrastructure Board (CIB) approved conditional funding for the District for a water infrastructure project in an amount not to exceed \$786,082 (10% loan/90% grant). The approved project is for construction of water system improvements to include the expansion of waterlines to areas unserved.

Pursuant to the CIB's approval, the District was required to submit several items by September 30, 2015. As of the deadline date, the District has submitted all but the following:

- Verification/update of detailed project description;
- Approval of construction plans and specifications from regulatory agency; and
- Verification of loan payment.

The District is in contract with an engineer and is currently working on the design of the project. At the time of the request, the design was at 40% completion and the District expects completion of the design within the next 3 months. The District is requesting a 6-month time extension to submit the remaining RTP items.

Staff recommends approval of the District's request for a time extension to March 30, 2016 to accept the submission of the remaining RTP items to secure the funding for 3340-CIF. The Project Review Committee has reviewed this request and it concurs with staff's recommendation.

**Mr. Vasquez Butler made a motion, seconded by Mr. Dillenback, to approve a time extension for project 3340-CIF-15, Anthony WSD, to March 30, 2016, to accept the submission of the remaining RTP items to secure the funding. The motion was approved unanimously.**

9. **2016 Application Update.** Angela Quintana, Senior Program Administrator, provided the Board with an update on the 2016 application cycle, including the timeline, training and information sessions.
10. **Public Comment.** Chairman Moore called for public comment.

Abenicio Fernandez from Doña Ana MDWCA thanked the Board for the award of additional funding

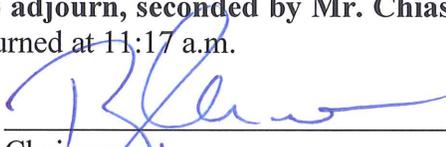
Jose Terrones from Anthony WSD thanked the Board for approving the requested time extension, and praised Ms. Quintana for her assistance and work with the District.

Priscilla Lucero announced that Colonias Day at the Legislature is scheduled on February 16, 2016. The COG representatives are organizing events for Colonias Day, which will include tables available for exhibitors. They are also looking for sponsors.

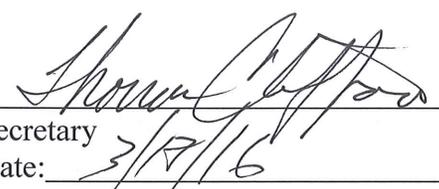
Santiago Chavez suggested scheduling a meeting on February 16 in Santa Fe since some Board members will be at the Legislature for Colonias Day, to take care of any business that may need to be addressed at that time.

11. **Next Meeting.**  
The full Board will tentatively meet on February 16, 2016 in Santa Fe, and then meet March 8 and 9, 2016, in Ruidoso to hear application presentations.

12. **Adjournment.**  
**Mr. Vasquez Butler made a motion to adjourn, seconded by Mr. Chiasson. The motion passed unanimously. The meeting adjourned at 11:17 a.m.**

  
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Chairman

Date: MARCH 9, 2016

  
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Secretary

Date: 3/7/16