

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

Minutes of the Colonias Infrastructure Board Meeting
April 26, 2016
Truth or Consequences Civic Center
Truth or Consequences, New Mexico

Present – Voting Members:

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

Present – Non-Voting Members:

Jay Armijo	South Central Council of Governments
Santiago Chavez	New Mexico Association of Counties Designee (via telephone)
Rose Baca-Quesada	NM Mortgage Finance Authority Designee (via telephone)
Priscilla Lucero	Southwest New Mexico Council of Governments
Hubert Quintana	Southeastern New Mexico Economic Development District

Absent

Keith Riddle	Speaker of the House of Representatives Appointee
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Finance Authority Staff:

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

Guests:

Abenicio Fernandez, Doña Ana MDWCA	Glenda Greene, City of Lordsburg
Alex Brown, Town of Silver City	Howie Morales, State Senator, Bayard
Dale Graham, City of Ruidoso Downs	Jennifer Horton, Doña Ana MDWCA
Danny Legarretta, SWSWA	Jim Massengill, City of Deming
Dora Gonzales, SWSWA	Juan Fuentes, City of Truth or Consequences
Eric Hamilton, Wilson & Co.	Laura Breed, Hanover MDWCA
Erica Carlos, City of Deming	Lilla Reid, Souder Miller Associates
Espy Holguin, HUD	Marianne Stewart, Hidalgo County
Fernando Martinez, Town of Hurley	Mario Juarez Infante, Village of Columbus
Freddie Rodriguez, Town of Hurley	Mary Lynn Quintana
Gary Williams, City of Ruidoso Downs	Michelle Blackwell, Doña Ana County
George Esqueda, Engineers Inc.	Millie Soto, Hanover MDWCA

Nora Oliver, Doña Ana County
Pauline Dempster, Hanover MDWCA
Peter Pena, Town of Silver City
Ramon Gonzales, Doña Ana County
Richard Maynes, Engineers Inc.

Sandra Alarcon, United States Department of
Agriculture, Rural Development
Sandra Whitehead, City of Truth or Consequences
Steve Green, City of Truth or Consequences
Traci Burnette, City of Truth or Consequences

1. **Call to Order and Roll Call.** Chairman Moore called the Colonias Infrastructure Board meeting to order at 10:00 a.m. Roll call was taken and a quorum was established.

Truth or Consequences Mayor Steve Green, Mayor Pro-Tem Sandra Whitehead, City Commissioner Rolf Hechler, and City Manager Juan Fuentes, welcomed the Board and guests.

2. **Approval of Agenda.** Ms. Garcia made a motion to approve the agenda as presented, seconded by Mr. Moore. The motion passed unanimously.
3. **Approval of March 9, 2016, Board Minutes.** Mr. Chiasson made a motion, seconded by Mr. Vasquez Butler, to approve the minutes of the March 9, 2016 meeting as presented. The motion passed unanimously.
4. **Chairman's Report.** Chairman Moore acknowledged and thanked staff for their work on behalf of the Board.
5. **Appointment of Nominating Committee.** Chairman Moore asked Council of Government members Hubert Quintana, Priscilla Lucero, and Jay Armijo, to serve on the nominating committee, and appointed Hubert Quintana as chair.
6. **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" for adoption by the Board.

Mrs. Garcia made a motion to approve the Resolution, seconded by Mr. Vasquez Butler. The motion passed unanimously.
7. **Project Review Task Force Update.** Angela Quintana, Senior Program Administrator, provided the Board with an update regarding the Task Force telephone conference meeting on April 21, 2016, and information regarding the status of Colonias projects.
8. **Policy Committee Update.** Zach Thomas, Senior Water Resources Administrator, provided an update on issues to be considered by the Policy Committee. The Committee will meet May 25, 2016, in Socorro.

Chairman Moore acknowledged Senator Howie Morales and invited the Senator to address the Board. Senator Morales commended the Board for its work and dedication to the colonias.

The discussion on Colonias Policy continued. Mr. Thomas provided a recap of policy items to be discussed at the May 25 Policy Committee meeting. Issues that the committee will review include project urgency, ways to encourage timely completion of projects, ways to prioritize health and public safety projects, project regionalization, application scoring processes, infrastructure types, Executive Order compliance, project threshold issues, and the closing process.

9. **Hanover MDWCA 2971-CIF-12 – Project Update.** At the March 9, 2016 meeting, the Colonias Board asked that Hanover MDWCA provide a project update to the Board. Millie Soto, Laura Breed, Pauline Dempster, and Richard Maynes, PE, with Engineers, Inc., addressed the Board on behalf of the Association. Mr. Maynes told the Board that the existing well #2 will be drilled approximately 700' deeper, at an estimated cost of \$494,000, including all professional services. The Association has approximately \$175,000 from its 2013 Colonias Infrastructure Fund award, in addition to a Water Trust Board award, and expects to secure an RIP loan to complete funding for the project.
10. **Consideration and Approval of 2016 Colonias Infrastructure Fund Waiver Requests.** Angela Quintana, Senior Program Administrator, provided information to the Board regarding applicants who have requested loan and policy waivers pursuant to Colonias Infrastructure Fund (CIF) policy. The waiver requests were reviewed by the Project Review Committee (PRC).

(Mr. Coalter joined the meeting via telephone at 10:34 a.m.)

- 1) **Grant County (App #16-002)** Roads/Drainage Project, Waiver Request for Project Continuation Policy.

Staff does not recommend approval of the request and the PRC concurs with staff's recommendation.

Justification: The applicant has two outstanding projects: a 2013 project, original award \$299,970, which the County expects to begin construction in late September 2016; and a 2014 project, original award \$692,133, expected to begin construction in early June, 2016. As of April 1, 2016, the 2013 project has a balance of \$115,371, and the 2014 project has a balance of \$588,117. The current balances on older funds do not meet the project continuation policy.

Mr. Chiasson made a motion, seconded by Ms. Garcia, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 2) **Dona Ana County (App #16-005 through App #16-010 (six applications))** Roads/Drainage Projects and Wastewater Infrastructure Projects; Waiver Request for Project Continuation Policy.

Staff does not recommend approval of the request. The PRC concurs with staff's recommendation.

Justification: The applicant has two outstanding 2012 projects, which are pending match documentation for completion; seven outstanding projects awarded in 2013, and three outstanding projects awarded in 2014 projects. It is undetermined when these projects will be

completed. As of April 1, 2016, the 2012 projects have a balance of \$50,000; the 2013 projects have a total balance of \$888,649; and the 2014 projects have a total balance of \$492,666. The current balances on older funds do not meet the project continuation policy.

Mr. Vasquez Butler made a motion, seconded by Mr. Chiasson, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 3) **Luna County (App #16-013)** Roads/Drainage Project, Waiver Request for Project Continuation Policy. Staff does not recommend approval of the request. The PRC concurs with staff's recommendation.

Justification: The applicant has three outstanding projects: a 2012 project, original award \$173,000, which is expected to be completed by March 2016; and two 2014 projects, original awards \$151,023 and \$424,386, with full balances. The \$424,386 2014 project expects to have at least 50% spend down by October 2016. The \$151,023 project is pending approval by State Board of Finance and New Mexico Finance Authority (NMFA) Board of Directors on the change of ownership to the City of Deming. As of April 1, 2016, the 2012 project has a balance of \$174,558.17, and the 2014 projects have full award balances totaling \$575,409. The current balances on older funds do not meet the project continuation policy.

Mr. Coalter made a motion, seconded by Mr. Rodriguez, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 4) **Village of Santa Clara (App #16-024)** Roads/Drainage Project, Waiver Request for Project Continuation Policy. Staff does not recommend approval of the request. The PRC concurs with staff's recommendation.

Justification: The applicant has a 2012 project, original award \$243,193, and a 2014 project, original award \$628,153. The Village anticipates completing the 2012 project by June 2016. Regarding the 2014 project, the Village expects to received permits from the New Mexico Department of Transportation (NMDOT) and United States Army Corps of Engineers (USACOE) by April 7. If permits are completed by this timeline, the project could begin in early August 2016. As of April 1, 2016, the current balance for the 2012 project was \$174,558.17, and the 2014 project current balance was \$621,139.11. The current balances on older funds do not meet the project continuation policy.

Mr. Vasquez Butler made a motion, seconded by Chairman Moore, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 5) **Catron County (App #16-032)** Roads/Drainage Project, Waiver Request for Project Continuation Policy. Staff does not recommend approval of the request. The PRC concurs with staff's recommendation.

George Esqueda from Engineers, Inc., spoke to the Board and answered questions on the status of the Catron County projects

Justification: The applicant has three outstanding projects from 2012, 2013, and 2014. Although the County anticipates completion of the 2012 and 2014 projects by July, 2016, it is undetermined when the 2013 project can be completed. As of April 1, 2016, the 2012 project has a balance of \$736,118, the 2013 project has a balance of \$768,290, and the 2014 project has a balance of \$743,040. The current balances on older funds do not meet the project continuation policy.

Ms. Garcia made a motion to not accept staff recommendation and to allow the waiver request. The motion died for lack of a second.

Chairman Moore made a motion, seconded by Mr. Coalter, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 6) **Village of Columbus (App #16-034)** Roads/Drainage Project, Waiver Request for Project Continuation Policy. Staff recommends approval of the request. The PRC concurs with staff's recommendation.

Mario Juarez-Infante, Wilson & Co., spoke to the Board and answered questions on behalf of the Village regarding the outstanding project.

Justification: The applicant has a 2013 project, original award \$140,713, with the full balance remaining. The Village resolved its audit issues and closed the 2013 award in December 2015. The project is 75% complete, and is expected to be completed with the final reimbursement being submitted by April 15, 2016. The current balance on older funds does not meet the project continuation policy.

Mr. Chiasson made a motion, seconded by Ms. Garcia, to accept staff recommendation to approve the waiver request. The motion passed unanimously.

- 7) **Southwest Solid Waste Authority (App #16-035)** Solid Waste Project, Waiver Request for Loan Waiver. Staff does not recommend approval of the request. The PRC concurs with staff's recommendation.

Justification: As part of the funding structure of the CIF program, the Board will require that each funding package contain a loan component equal to 10% of the awarded amount, with the remainder delivered as a grant. There are provisions within the funding agreement that provide a waiver process for annual loan payments if the borrower has encountered an unforeseeable hardship.

Mr. Coalter made a motion, seconded by Mr. Rodriguez, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 8) **City of Deming (App #16-012 & App #16-011)** Wastewater & Water Infrastructure Projects, Waiver Request for Loan Waiver. Staff does not recommend approval of the request. The PRC recommends approval of the request.

Justification: As part of the funding structure of the CIF program, the Board will require that each funding package contain a loan component equal to 10% of the awarded amount, with the remainder delivered as a grant. There are provisions within the funding agreement that provide a waiver process for annual loan payments if the borrower has encountered an unforeseeable hardship.

Jim Massengill, Public Works Director for the City of Deming, spoke to the Board and answered questions regarding the City's waiver requests.

Mr. Coalter made a motion, seconded by Mr. Rodriguez, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 9) **City of Truth or Consequences (App #16-015)** Wastewater Infrastructure Project, Waiver Request for Project Continuation Policy. Staff does not recommend approval of the requests. The PRC concurs with staff's recommendation.

Justification: The applicant has a 2014 project (\$750,000) with a balance of \$706,267.50. The project was delayed by United States Department of Agriculture (USDA) requirements. At this time, it is anticipated that the project will begin by May 1, 2016, and be completed by June 2017. As of April 1, 2016, there was no change in the project balance. The current balance on older funds does not meet the project continuation policy.

Chairman Moore made a motion, seconded by Mr. Chiasson, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

- 10) **Chamberino MDWC & SA (App #16-026)** Water Infrastructure Project, Waiver Request for Project Continuation Policy. Staff recommends approval of the request. The PRC concurs with staff's recommendation.

Justification: The applicant has a 2014 project (\$94,500) with the full balance remaining. The project was delayed due to partial funding of the initial project. The Association has since completed a PER. It is anticipated that the project will be completed by July 2016. As of April 1, 2016, there was no change in the project balance. The current balance on older funds does not meet the project continuation policy.

Lilla Reid, Souder Miller & Associates, spoke to the Board and answered questions on behalf of Chamberino MDWC. Ms. Reid said the project can be phased.

Ms. Garcia made a motion, seconded by Mr. Vasquez Butler, to accept staff recommendation to approve the waiver request. The motion passed unanimously.

- 11) **City of Lordsburg (App #16-027)** Water Infrastructure Project, Waiver Request for Project Continuation Policy. Staff does not recommend approval of the request. The PRC concurs with staff's recommendation.

Justification: The applicant has three outstanding projects: a 2012 project (\$390,000) that is expected to be completed by May 2016; a 2013 project (\$725,555) expected to be completed by May 2016; and a 2014 project (\$687,792) with the full balance. The 2014 project has a bid opening scheduled in early March, and, depending upon the cost of the bids, the project may complete by August 2016. As of April 1, 2016, the 2012 project has a balance of \$81,577, the 2013 project has a balance of \$284,798, and the 2014 project has a balance of \$687,792. The current balances on older funds do not meet the project continuation policy.

Lordsburg City Councilor Glenna Green and George Esqueda, Engineers, Inc., addressed the Board and answered questions regarding the status of the City's projects.

Mr. Chiasson made a motion, seconded by Ms. Garcia, to approve the waiver request. The motion failed to pass on a 3-3 roll call vote. Voting for the motion: Chairman Moore, Ms. Garcia, and Mr. Chiasson. Voting against the motion: Mr. Vasquez Butler, Mr. Coalter, and Mr. Rodriguez.

Mr. Vasquez Butler made a motion, seconded by Ms. Garcia, to accept staff recommendation to deny the waiver request. The motion passed with Mr. Chiasson voting no.

- 12) Town of Hurley (App #16-030) Water Infrastructure Project, Waiver Request for Loan Waiver.** Staff does not recommend approval of loan waiver request. The PRC concurs with staff's recommendation.

Justification: As part of the funding structure of the CIF program, the Board will require that each funding package contain a loan component equal to 10% of the awarded amount, with the remainder delivered as a grant. There are provisions within the funding agreement that provide a waiver process for annual loan payments if the borrower has encountered an unforeseeable hardship.

Mr. Chiasson made a motion, seconded by Ms. Garcia, to accept staff recommendation to deny the waiver request. The motion passed unanimously.

(The Board recessed at 12:07 p.m. and reconvened at 12:23 p.m.)

- 11. 2016 Colonias Infrastructure Project Fund Recommendations.** Angela Quintana, Senior Program Administrator, reported the PRC's recommendations for the 2016 CIF awards, giving an overview of the process, funds available for award, and recommended awards.

The PRC recommends approval of the identified projects and scopes of work as shown on the attached spreadsheet. The NMFA Board of Directors will determine final terms of the loans and grants.

On December 18, 2015, staff received thirty-six (36) applications, totaling \$30,842,183. The project types included 12 Roads/Drainage projects totaling \$6,425,234; 1 Solid Waste project for \$750,725;

1 Flood Control project for \$270,000; 11 Wastewater Infrastructure projects totaling \$10,908,391; and 11 Water Infrastructure projects totaling \$12,722,334.

From December 21, 2015 through January 30, 2016, Staff reviewed all applications for completeness and gave applicants additional time to provide any missing information. All of the applications were reviewed for eligibility and compliance. One application was deemed ineligible, the City of Sunland Park's flood control application for a comprehensive plan that is not a capital outlay project, nor is its intent to develop infrastructure.

Pursuant to policies, the Board must grant a waiver request in order for a project to be considered for funding. Applicants who did not meet policy compliance were notified and given until February 26, 2016, either to become compliant or to submit policy waiver requests. Staff received seven policy waiver requests and four loan waiver requests.

In addition, the technical team comprised of staff from NMDOT, NMED, the Office of the State Engineer, and NMFA reviewed applications on the following established criteria: Project Urgency; Project Readiness; Fund/Source Leverage; Regionalization; Direct Cost Benefit; Long Term Community Benefit; and Long Term Sustainability, Maintenance and Operations. The technical team also made recommendations on project scope, and whether projects could be phased or not.

This year there will be \$11,958,068 available for awards. These funds are derived from severance tax bond proceeds. There are insufficient dollars available to fund all eligible projects. Fourteen of the 35 eligible applications are being recommended for funding at this time. The recommendations resulted from a comprehensive review that considered policy and regulatory compliance, project readiness and evidence of complete funding. The projects were recommended for funding in the order prioritized by project category type. Below is a summary of total applications received, total project costs, CIF requests, and recommendations.

Project Category	Eligible	Total Project Costs	Total Requests	Total Recommendations
Total Roads/Drainage	12	\$ 8,316,742	\$ 6,424,234	\$ 3,653,779
Total Solid Waste	1	\$ 1,229,230	\$ 750,725	\$ 750,725
Total Wastewater Infrastructure	11	\$ 17,372,075	\$ 10,908,391	\$ 2,794,485
Total Water Infrastructure	11	\$ 16,088,094	\$ 12,200,572	\$ 4,759,079
GRAND TOTAL	35	\$ 43,006,140	\$ 30,283,922	\$ 11,958,068

To ensure a fair allocation of funding, below is a summary of percentages as defined in policy.

Estimated Available for 2016 funding:	\$11,958,068
15% policy cap for individual project:	\$1,793,710
20% policy cap for Benefiting Entity	\$2,391,614
50% policy cap per County	\$5,979,034

Colonias Application #	Applicant / Entity	Benefitting Colonia	County	Recommended Scope	Project Description	Total 100 pts	Grant		Loan		Recommended Funding
ROADS AND DRAINAGE											
CIF16-036	Silver City	Silver City	Grant	Construction	College Ave Ph. II street and drainage improvements (Cooper St west to E St)	85.8	\$ 813,057	90%	\$ 90,340	10%	\$ 903,397
CIF16-023	Hidalgo County	Lordsburg	Hidalgo	Construction	Animas St road and drainage improvements	75	\$ 289,499	90%	\$ 32,167	10%	\$ 321,666
CIF16-020	Anthony, City of	Anthony, City of	Doña Ana	Construction	construction management and roadway reconstruction of 4th Street, Final Phase	74	\$ 1,350,000	90%	\$ 150,000	10%	\$ 1,500,000
CIF16-029	Hidalgo County	Lordsburg	Hidalgo	Design	Power Plant Rd, roadway improvements to include curb, gutter and sidewalks	70.6	\$ 105,944	90%	\$ 11,772	10%	\$ 117,716
CIF16-034	Columbus, Village of	Columbus Village	Luna	Design & Construction	Altura Ave drainage improvements	67	\$ 729,900	90%	\$ 81,100	10%	\$ 811,000
Total Roads/Drainage											\$ 3,653,779
SOLID WASTE											
CIF16-035	Southwest Solid Waste Authority	41 Colonias	Grant	Design & Construction	closure and post closure care of approximately one-fourth of the Southwest New Mexico Regional Landfill (SWRL) operated by Southwest Solid Waste Authority (SWSWA)	89	\$ 675,653	90%	\$ 75,072	10%	\$ 750,725
Total Solid Waste											\$ 750,725
WASTEWATER INFRASTRUCTURE											
CIF16-019	Anthony WSD	Anthony WSD	Doña Ana	Construction	new sonic lift stations	70	\$ 1,350,000	90%	\$ 150,000	10%	\$ 1,500,000
CIF16-003	Ruidoso Downs, City of	Ruidoso Downs	Lincoln	Design & Construction	Agua Fria Subdivision, sewer system Phase III	70	\$ 1,165,037	90%	\$ 129,448	10%	\$ 1,294,485
Total Wastewater Infrastructure											\$ 2,794,485
WATER INFRASTRUCTURE											
CIF16-025	Dona Ana MDWCA	Fairacres	Doña Ana	Construction	Water system improvements to include regional connection between Dona Ana MDWCA system, Picacho Hills, Picacho MDWCA and the Fairview area	85	\$ 1,080,000	90%	\$ 120,000	10%	\$ 1,200,000
CIF16-030	Hurley, Town of	13: Hurley, Arenas Valley MDWCA, Bayard, North Hurley MDWCA, Village of Santa Clara, Hanover MDWCA, Fierro, Vanadium, Turnerville, Pinos Altos MDWCA, Rosedale MDWCA, Tyrone MDWCA, Silver City	Grant	Design & Construction	Construction of fresh water transmission pipeline from the source of fresh water to the points of distribution in the Mining District.	76	\$ 1,614,339	90%	\$ 179,371	10%	\$ 1,793,710
CIF16-021	Garfield MDWC&MSWA	Garfield, Placitas, Salem	Doña Ana and Sierra	Design	Design and construction to upgrade old waterlines	59	\$ 237,345	90%	\$ 26,372	10%	\$ 263,717
CIF16-016	Tularosa, Village of	Tularosa	Otero	Design & Construction	Phase III (part 1) transmission replacement line portion improvements to the municipal water system	48	\$ 658,778	90%	\$ 73,198	10%	\$ 731,976
CIF16-014	Otis MDW SWA	Otis MDWSWA	Eddy	Construction	Ph. VI water line looping water system improvements	46	\$ 447,438	90%	\$ 49,715	10%	\$ 497,153
CIF16-018	Malaga MDWC SWA	Malaga	Eddy	Design & Construction	water distribution system upgrades	38	\$ 245,271	90%	\$ 27,252	10%	\$ 272,523
Total Water Infrastructure							\$10,762,261		\$1,195,807		\$ 11,958,068

Each funding package contains a loan component equal to 10% of the awarded amount, as demonstration of the applicant's commitment towards the project, with the remainder delivered as a grant. The NMFA Board of Directors will consider the Colonias Board's recommendations for approval at its May meeting. The NMFA Board will determine final terms of the loans and grants.

Chairman Moore made a motion to approve the Project Review Committee's recommendations for the 2016 Colonias Infrastructure Fund awards as presented, seconded by Mr. Vasquez Butler. The motion passed unanimously.

12. **Public Comment.** Chairman Moore called for public comment.

Chairman Moore asked the communities to send photos of their projects to the Board so that the Board can share the success stories. Mr. Quintana said the photos could also be displayed during Colonias Day at the Legislature.

Mr. Vasquez Butler introduced Sandra Alarcon from the USDA. Ms. Alarcon said that the USDA would be glad to partner with the Colonias Board to maximize the projects.

Addressing the Board were Mayor Gary Williams and Dale Graham, Public Works Director, of Ruidoso Downs, Hidalgo County Commissioner Mary Ann Stuart, Mayor Fernando Martinez and Council Richard Maynes of Hurley, all of whom expressed appreciation to the Board.

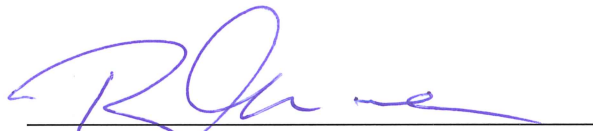
13. **Next Meeting.**

The Policy Committee will meet on May 25, 2016 in Socorro. The full Board will meet in July in Cloudcroft.

14. **Adjournment.**

Mr. Chiasson made a motion to adjourn, seconded by Mr. Vasquez Butler. The motion passed unanimously.

The meeting adjourned at 1:04 p.m.


Chairman
Date: 7-12-16