

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

Minutes of the Water Trust Board Meeting

May 7, 2020

Teleconference/Zoom Meeting

Members Present:

John D'Antonio, Jr., Chairman	New Mexico State Engineer
Michael Sloane, Secretary	New Mexico Department of Game and Fish
Brent Van Dyke, Treasurer	Soil and Water Conservation Districts Representative
Greg Alpers	Irrigation or Conservancy District Surface Water Representative
A.J. Forte	New Mexico Municipal League
Wesley Billingsley	New Mexico Dept. of Finance and Administration Designee
Debra Hughes	Environmental Community Representative
Jason John	Navajo Nation Designee
Judi Kahl	New Mexico Environment Department Designee
Todd Leahy	New Mexico Energy, Minerals and Natural Resources Designee
Tim McGinn	Irrigation/Conservancy District-Ground Water Representative
Joy Esparsen	New Mexico Counties Designee
Marquita Russel	New Mexico Finance Authority
Julie Maitland	New Mexico Department of Agriculture Designee

Members Absent:

Robert Baracker	Acequia Water Users Representative
Richard Luarkie	New Mexico Indian Affairs Commission

NMFA Staff:

Frank Ibarra, System Administrator
Dan Opperman, Chief Legal Officer
Bryan Otero, Legal and Compliance Counsel
Angela Quintana, Senior Program Administrator
Michael Vonderheide, Managing Director, Program Administration
Lynn Taulbee, Communications and Outreach Manager
Joe Maldonado, Senior Administrative Assistant

1. **Call to Order and Roll Call.** Chairman John D'Antonio, Jr., called the Water Trust Board ("WTB") meeting to order at 9:03 a.m. Roll call was taken, and a quorum was established.
2. **Approval of Agenda.** Member Sloan made a motion, seconded by Member Maitland, to approve the Agenda. The motion passed unanimously by a roll call vote.
3. **Approval of April 17, 2020 Board Minutes.** Member Maitland made a motion, seconded by Member Sloane, to approve the minutes of the April 17, 2020 meeting. The motion passed unanimously by a roll call vote.

4. **Report from the Nominating Committee:** Chairman D'Antonio advised the Board that after a conversation with Member Russel, a group of five Board members would be required to sit on the Nominating Committee, of which at least two members shall be public members. Chairman D'Antonio added Member McGinn and Member Leahy to the Committee. Nominating Committee members are as follows: Member Russel, Member Forte, Member Leahy, Member Hughes and Member McGinn. A deferment of the Nomination of a Vice Chairman will be discussed at the next Board meeting.
5. **Election of Vice Chairman:** Member Hughes made a motion, seconded by Member Van Dyke, to table the Nomination of a Vice Chairman to the following meeting. The motion passed unanimously by a roll call vote.
6. **2020 Water Project Fund Awards: Consideration and Approval of Awards.** Angela Quintana, Senior Program Administrator, presented information to the Board for the 2020 Water Project Fund award recommendations.

The Water Project Finance Act provides that the New Mexico Finance Authority ("NMFA") may make loans and grants to projects recommended by the WTB and authorized by the Legislature. Similar to the previous years, the 2020 application cycle consisted of a two-part cycle: 1) Project Application, and 2) Readiness Application.

Project Application:

The application cycle opened on August 12, 2019 with the submission of Notices of Intent ("NOI") to file an application. The NMFA received 55 NOI's. On October 3, 2019, 48 applications totaling more than \$51.6 million were filed.

The applicants were given an opportunity to present their projects to the WTB on November 5, 2019. Two applicants submitted waiver requests for Board consideration for Preliminary Expenditure Target requirements. The WTB approved both waiver requests.

Using the criteria set forth in the WTB Project Management Policies, a Project Management Team comprised of staff from seven agencies and the Legislative Finance Committee evaluated the applications and proposed that 36 of the applications be recommended for legislative authorization. Senate Bill 19, which contained the legislative authorization for the recommended projects, passed the Legislature and was signed by Governor Lujan-Grisham.

Readiness Application:

All applicants recommended for legislative authorization were required to complete a Readiness Application which initiated a review of regulatory, policy and Executive Order compliance, including mandatory spending of prior WTB awards. Readiness Applications were due January 23, 2020. 34 applicants of the legislatively authorized projects submitted Readiness Applications. El Valle de los Ranchos MDWCA withdrew their application and Big Mesa MDWCA did not submit a readiness application. Applicants who had compliance issues were notified of all outstanding issues and given an opportunity to: 1) correct identified issues by March 16, 2020, 2) discontinue their applications and correct compliance issues in preparation

for the next funding cycle, or 3) request a waiver from the WTB. Four applicants submitted waiver requests, and all were approved at the WTB meeting on April 17, 2020.

Funding Available for the 2020 Application Cycle:

The Water Project Fund receives annually a 9% earmark of Senior Severance Tax Bonds (“STBs”) and a \$4 million distribution from the Water Trust Fund. From these amounts, 10% is sent to the Office of the State Engineer (“OSE”) and Administrative Office of the Courts for adjudication purposes.

9% Senior Severance Tax Bonds	\$	39,793,271.00
Water Trust Fund Distribution	\$	4,000,000.00
Gross Total	\$	43,793,271.00
Less Adjudication	\$	(4,379,327.10)
Available Funding	\$	39,413,943.90
15% Project Maximum per WTB Policies	\$	5,912,091.60

2020 Recommended Projects:

Using the criteria set forth in the WTB Project Management Policies, the PMT evaluated the applications from the 2020 authorization list and proposes that 29 applications be recommended for funding. The recommended list provides funding to the projects in the order in which they are prioritized and based on available funding, policy targets, and compliance requirements.

Project Category Type	Policy Targets	Funding Requested		Recommended Funding		
		# of App	Total Adjusted	# of App	Total Amount	%
Flood Prevention	Up to 10%	7	\$6,552,200	4	\$4,435,000	11.25%
Water Conservation or Treatment, Recycling or Reuse	15% - 30%	5	\$7,596,850	5	\$7,596,850	19.27%
Water Storage, Conveyance and Delivery	50% - 75%	19	\$24,479,992	17	\$25,682,094	65.16%
Watershed Restoration and Management	10% to 20%	3	\$1,700,000	3	\$1,700,000	4.31%
	TOTAL	34	\$40,329,042	29	\$39,413,944	100%

Funding Recommendations:

Project No.	Applicant	County	Project Name	Scope	Amount Requested	Funding Amount Recommended	Financial Analysis Grant/Loan
Flood Prevention							
WPF-5096	Grants, City of	Cibola	2nd Street Channel Ph II	Construction	\$ 1,200,000	\$ 1,200,000	60/40
WPF-5116	Southern Sandoval County AFCA	Sandoval	Tributary A Dam	Design, Construct	\$ 535,000	\$ 535,000	100%
WPF-5090	Columbus, Village of	Luna	NE Channel Phase 1	Construction	\$ 1,100,000	\$ 1,100,000	90/10
WPF-5095	Grants, City of	Cibola	1st Street Pond & Pump Station Ph IV	Construction	\$ 1,600,000	\$ 1,600,000	60/40
WPF-5119	Upper Rio Grande Watershed District	Rio Arriba	URGW Dam Site 18 Sediment Removal	Construction	\$ 300,000	insufficient funds	100%
WPF-5080	Grant County	Grant	Bandoni Flood Prevention	Construction	\$ 567,200	insufficient funds	60/40
WPF-5076	Anthony, City of	Dona Ana	Adams Park Pond & Pump Station Ph III	Surveying, construction	\$ 1,250,000	non-compliance	90/10
					\$ 6,552,200	\$ 4,435,000	
Water Conservation or Treatment, Recycling or Reuse							
WPF-5120	Bloomfield, City of	San Juan	Water Reclamation Facility Effluent Reuse	Construction	\$ 806,500	\$ 806,500	90/10
WPF-5103	Albuquerque Bernalillo County WUA	Bernalillo	Ph 5 Advanced Metering Infrastructure	Construction	\$ 2,000,000	\$ 2,000,000	60/40
WPF-5085	Clovis, City of	Curry	Wastewater Reuse Ph 2	Design, Construct	\$ 3,715,350	\$ 3,715,350	90/10
WPF-5084	Deming, City of	Luna	PER Wastewater Facility Reuse System	Planning	\$ 175,000	\$ 175,000	90/10
WPF-5081	Los Alamos County	Los Alamos	Bayo Booster Effluent Reuse Tank	Construction	\$ 900,000	\$ 900,000	60/40
					\$ 7,596,850	\$ 7,596,850	
Water Storage, Conveyance and Delivery							
WPF-5099	Gallup, City of	McKinley	Navajo Gallup Water Supply Project Reach 27.11	Construction	\$ 3,000,000	\$ 5,792,829	60/40
WPF-5086	Grants, City of	Cibola	Well #3 Rehabilitation	Design, Construct	\$ 1,520,000	\$ 1,520,000	60/40
WPF-5104	Portales, City of	Roosevelt	Portales Wellfield Improvements	Design, Construct	\$ 3,300,000	\$ 3,300,000	90/10
WPF-5109	Ruidoso Downs, City of	Lincoln	Riverside Waterline and Spring Tank Replacement	Design, Construct	\$ 2,230,909	\$ 2,230,909	80/20
WPF-5118	Union del Llano MD	Taos	Water System Improvements	Construction	\$ 499,999	\$ 499,999	85/15
WPF-5113	Eldorado Area WSD	Santa Fe	Santa Fe County Pipeline Extension & BPS	Construction	\$ 1,000,000	\$ 1,000,000	90/10
WPF-5112	Sangre de Cristo Regional MDWC	Guadalupe	Supplemental Water Supply Well	Design	\$ 121,736	\$ 121,736	60/40
WPF-5079	Ancones MDWCA	Rio Arriba	Water System Improvements	Construction	\$ 200,000	\$ 200,000	90/10
WPF-5087	Santa Fe, City of	Santa Fe	Nichols Dam Outlet Conduit Repair	Construction	\$ 1,500,000	non-compliance	60/40
WPF-5098	La Cueva MDWCA	San Miguel	Water Improvement Project	Construction	\$ 650,000	\$ 650,000	90/10
WPF-5108	Rio Lucio MDWCA	Taos	Radio Read Meters Project	Design	\$ 60,135	\$ 60,135	60/40
WPF-5089	Truth or Consequences, City of	Sierra	Booster Station Improvements	Design, Construct	\$ 641,146	\$ 641,146	60/40
WPF-5121	Agua Pura MD	Mora	Water Supply Well, Water Distribution Upgrade	Design, Construct	\$ 305,803	\$ 305,803	60/40
WPF-5088	Santa Rosa, City of	Guadalupe	Center Tank Rehabilitation	Design, Construct	\$ 608,409	\$ 608,409	90/10
WPF-5083	Cerro Regional MD	Taos	Cerro Water Storage, Conveyance & Delivery Project	Design, Construct	\$ 2,321,800	\$ 2,321,800	90/10
WPF-5093	Eastern New Mexico WUA	Curry	ENMWUA Water Pipeline Conveyance Project	Design, Construct	\$ 4,545,450	\$ 5,792,829	90/10
WPF-5091	El Creston MDWCA	San Miguel	Water System Improvements	Construction	\$ 499,999	\$ 499,999	90/10
WPF-5110	Rodarte MDWCA	Taos	Water System Improvements	Design	\$ 136,500	\$ 136,500	60/40
WPF-5106	Regina MDWCA	Rio Arriba, Sandoval	Water System Improvement Project	Construction	\$ 1,338,106	insufficient funds	80/20
					\$ 24,479,992	\$ 25,682,094	
Watershed Restoration and Management							
WPF-5097	Claunch-Pinto SWCD	Bernalillo, Santa Fe, Tarrant	Greater Rio Grande Watershed Alliance	Design, Construct	\$ 600,000	\$ 600,000	100%
WPF-5075	Claunch-Pinto SWCD	Bernalillo, Santa Fe, Tarrant	Estancia Basin	Design, Construct	\$ 600,000	\$ 600,000	100%
WPF-5111	San Juan SWCD	San Juan	San Juan Watershed Restoration Project 2020	Construction	\$ 500,000	\$ 500,000	100%
					\$ 1,700,000	\$ 1,700,000	

The Project Review Committee has reviewed this proposal and concurs with the PMT's recommendations.

The PMT recommends the projects as presented for funding from the Water Project Fund.

Member Maitland made a motion, seconded by Member Van Dyke, to approve the 2020 Water Project Fund awards as recommended. The motion passed unanimously by a roll call vote.

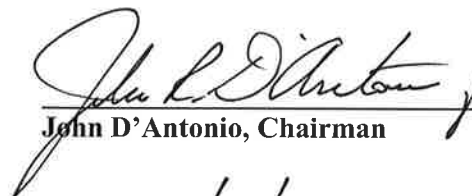
7. **Consideration and Approval of Resolution, Notification and Certification of Need for Issuance of Severance Tax Revenue Bonds for Qualified Projects:** Presented by Mr. Bryan Otero, Legal and Compliance Counsel. Mr. Bryan Otero stated that this Resolution is presented annually for consideration and adoption by the Board. The Resolution has three objectives, 1) to certify that the money or \$39M is required to fund projects, 2) ensure that State Board of Finance issues Bonds to cover these projects and 3) loans comply with laws in making the determination.

Member Russel made a motion, seconded by Member Maitland, to approve the Consideration and Approval Resolution, Notification and Certification of Need for Issuance of Severance Tax Revenue Bonds for Qualified Projects as presented. The motion passed unanimously by a roll call vote.

8. **Public Comment:** No Public Comment

9. **Proposed Next Meetings:** August or September, TBD

10. **Adjournment:** Member Maitland made a motion, seconded by Member Hughes, to adjourn the meeting. The motion passed unanimously by a roll call vote.



John D'Antonio, Chairman
Date: 10/29/2020

ATTEST:

Director Michael Sloane, Secretary