

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

**Minutes of the Water Trust Board Meeting**

October 29, 2020

Teleconference/Zoom Meeting

**Members Present:**

John D. Antonio, Jr., Chairman	New Mexico State Engineer
Michael Sloan, Secretary	New Mexico Department of Game and Fish
Brent Van Dyke, Treasurer	Soil and Water Conservation Districts Representative
Greg Alpers	Irrigation & 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
Judi Kahl	New Mexico Environment Department 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:**

Jason John	Navajo Nation Designee
Todd Leahy	New Mexico Energy, Minerals and Natural Resources Designee
Robert Baracker	Acequia Water Users Representative
Richard Luarkie	New Mexico Indian Affairs Commission

**NMFA Staff:**

Floyd Trujillo, Managing Director, Information Technology  
Dan Opperman, Chief Legal Officer  
Bryan Otero, Legal and Compliance Counsel  
Angela Quintana, Senior Program Administrator  
Michael Vonderheide, Managing Director, Program Administration  
Anthony Silva, System Administrator  
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 9:00 a.m. Roll call was taken, and a quorum was established.
- 2. Approval of Agenda:** Member Alpers made a motion, seconded by Member Sloane, to approve the Agenda. The motion passed unanimously by a voice vote.

3. **Approval of the May 7, 2020 Board Minutes:** Member Russel made a motion, seconded by Member Forte, to approve the minutes of the May 7, 2020 meeting. The motion passed unanimously by a voice vote.

4. **Report of Nominating Committee:** Presented by Marquita Russel, NMFA Chief Executive Officer

A nominating committee comprised of Members Hughes, Russel, Leahy, McGinn and Forte met to recommend a nomination for Vice Chairman of the Water Trust Board (“WTB”). Member Russel announced the Committee’s recommendation nominating Member Forte to serve as Vice Chairman.

5. **Election of Vice Chairman:**

Member Russel made a motion, seconded by Member Hughes to accept Member Forte’s nomination as Vice Chairman of the WTB. The motion passed unanimously by a voice vote.

6. **2021 Application Cycle Overview:** (Informational only) presented by Angela Quintana, Senior Program Administrator

For the 2021 application cycle, similar to the previous application cycles, applicants were guided by policies that identified minimum application standards, including mandatory planning documents and criteria for each type of eligible project. On August 25, 2020, the New Mexico Finance Authority (“NMFA”) received 55 Notices of Intent to File an Application. On October 8, 2020, 50 applications totaling more than \$59.6 million were filed. Since the 2016 cycle, the amended WTB rules provide that applications submitted by qualified entities for qualified projects will be evaluated prior to the WTB recommending projects to the Legislature.

Six applications currently do not meet the policy requirements for the Preliminary Target Spenddown and have submitted waiver requests. An approval by the Board of the individual waiver requests will be required for a project to be considered for recommendation to the Legislature.

Due to the current Health and Safety restrictions which require remote navigation, application presentations will not be part of the 2021 WTB Funding cycle. Currently, the applications are being reviewed by six agencies: New Mexico Environment Department, NM Department of Game & Fish, Department of Agriculture, Energy, Minerals & Natural Resources Department, Office of the State Engineer, and NMFA. Using the criteria set forth in the WTB Project Management Policies, a Project Management Team comprised of these agencies as well as the NM Department of Finance and Administration and staff from the Legislative Finance Council will evaluate the applications and make recommendations for potential funding to the Project Review Committee for Board consideration on November 24, 2020. Those applicants that are recommended to the Legislature for authorization will be invited to complete a readiness application which gauges regulatory and policy compliance.

7. **Consideration and Recommendation of 2021 Water Project Find Waiver Requests:** presented by Angela Quintana, Senior Program Administrator

**Item:**

Consideration of request from 2021 Water Trust Board (WTB) applicants for waivers to WTB policies.

**Background:**

The 2021 WTB application cycle process provides that projects are evaluated in the fall based upon health and safety factors, and those that are recommended to the Legislature for authorization are then invited to complete a readiness application, which gauges regulatory and policy compliance.

The Preliminary Expenditure Target ensures that applicants timely expend outstanding project funds. Specifically, Section 2.1, Recommendations to the Legislature, requires that the preliminary expenditure target be met at the time the Project Application is submitted. For the 2021 cycle, the preliminary expenditure target date was October 8, 2020. Applicants unable to meet the expenditure target by October 8 were instructed to include a waiver request with their application. Applications not meeting the preliminary expenditure target and not granted waivers by the Board will not continue in the evaluation process. Every entity with outstanding WTB balances was notified of the policy requirement and the deadline date to meet that requirement as part of the NOI review (August 10 – August 25, 2020).

In addition to the Preliminary Expenditure Target requirement, all applicants are required to submit a completed project specific planning document for their proposed project. This minimum requirement began with the 2015 application cycle and continues to be extremely important in determining project feasibility. Three applications have been deemed incomplete due to planning documents which are currently “in process”.

The maximum amount of funds expected to be available for the 2021 cycle has not been determined. When the amount is available, staff will contact those applicants whose funding request may exceed the 15% policy CAP.

For the 2021 cycle, six waiver requests were submitted for the Preliminary Expenditure Target. Below are the requested waivers and staff recommendations:

**a. Eastern NMWUA, Water Storage, Conveyance and Delivery Project; (Preliminary Target Drawdown)**

Waiver Request: Preliminary Expenditure Target – 35%

Recommendation: NMFA staff recommends approval of the waiver request.

Justification: The applicant has an outstanding 2019 award (\$2,868,106) with the full balance remaining. The project meets the policy definition of Urgent and therefore the waiver request is recommended for approval.

PRC Recommendation: Project Review Committee concurs with staff’s recommendation.

Member Van Dyke made a motion, seconded by Member Hughes, to approve the waiver request for Eastern NMWUA as recommended by the PRC and staff. The motion passed by a 12-0 roll call vote.

**b. Chapelle MDWCA, Water Storage, Conveyance and Delivery Project; (Preliminary Target Drawdown)**

Waiver Request: Preliminary Expenditure Target – 70%

Recommendation: NMFA Staff does not recommend approval of the waiver request.

Justification: The applicant has an outstanding 2019 award (\$565,000) with the full balance remaining. The delay in moving the project forward is due to obtaining permits from BNSF Railroad. At this time, there is no guarantee that the permitting will be approved by the December estimate. Even if the Association starts the project in December, it will not meet the January deadline of policy expenditure for award consideration.

PRC Recommendation: Project Review Committee concurs with staff's recommendation.

Member Kahl made a motion, seconded by Member Alpers, to deny the waiver request for Chapelle MDWCA as recommended by the PRC and staff. The motion passed by a 12-0 roll call vote.

**c. La Cueva MDWCA, Water Storage, Conveyance and Delivery Project; (Preliminary Target Drawdown)**

Waiver Request: Preliminary Expenditure Target – 70%

Recommendation: NMFA staff recommends approval of the waiver request.

Justification: The applicant has an outstanding 2019 award (\$176,478) with a current balance of \$124,294 (30%). The Association estimates project completion by the end of the year.

PRC Recommendation: Project Review Committee concurs with staff's recommendation.

Member Kahl made a motion, seconded by Member Forte, to approve the waiver request for La Cueva MDWCA as recommended by the PRC and staff. The motion passed by a 12-0 roll call vote.

**d. Los Alamos County, Water Conservation or Treatment, Recycling or Reuse (Preliminary Target Drawdown)**

Waiver Request: Preliminary Expenditure Target – 70%

Recommendation: NMFA staff does not recommend approval of the waiver request.

Justification: The applicant has an outstanding 2019 award (\$800,000) with the full balance remaining. The County secured the 2019 funding in March of 2020. Because of reduced staffing and prioritization of essential functions due to the current public health crisis, the project was delayed. The project is currently out to bid with the expectation of award by November 2020. The project timeline will not meet the January deadline of policy expenditure for award consideration.

PRC Recommendation: Project Review Committee recommends approval of waiver for Los Alamos County.

Member Kahl spoke on behalf of the PRC decision to approve the waiver. Chairman D'Antonio also commented about how difficult it is for many businesses to meet deadlines with the current health crisis.

Member Kahl made a motion, seconded by Member McGinn, to approve the waiver request for Los Alamos County as recommended by the Project Review Committee. The motion passed by a 12-0 roll call vote.

**e. Pena Blanca W&SD, Water Storage, Conveyance and Delivery Project; (Preliminary Target Drawdown)**

Waiver Request: Preliminary Expenditure Target – 70%

Recommendation: NMFA staff recommends approval of the waiver request.

Justification: The applicant has an outstanding 2019 award (\$999,300) with the full balance remaining. Due to having to bid multiple times, the District negotiated with the Contractor to lower the total cost of construction to correspond with the available funding. The project timeline may not meet the January deadline of policy expenditure, but the project is estimated to be completed by March 2021.

PRC Recommendation: Project Review Committee concurs with staff's recommendation

Member Kahl made a motion, seconded by Member Alpers, to approve the waiver request for Pena Blanca W&SD, as recommended by the PRC and staff. The motion passed by a 12-0 roll call vote.

**f. Union del Llano MDWCA, Water Storage, Conveyance and Delivery Project; (Preliminary Target Drawdown)**

Waiver Request: Preliminary Expenditure Target – 70%

Recommendation: NMFA staff recommends approval of the waiver request.

Justification: The applicant has an outstanding 2019 award of (\$499,999) with a balance of \$484,645 (4%). The project is currently in construction and is estimated to be completed by the beginning of 2021.

PRC Recommendation: Project Review Committee concurs with staff's recommendation.

Member Van Dyke made a motion, seconded by Member Forte, to approve the waiver request for Union del Llano MDWCA, as recommended by the PRC and staff. The motion passed by a 12-0 roll call vote.

**8. Consideration and Approval of Resolution, Notification and Certification of Need for Issuance of Severance Tax Revenue Bonds for Qualified Projects** presented by Brian Otero, Legal and Compliance Counsel.

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



**9. Public Comment:**

No Public Comment

**10. Proposed Next Meetings:**

- November 18, 2020, 10:00 a.m. WTB Project Review Committee (Via Zoom)
- November 24, 2020, 10:00 a.m. Water Trust Board (Via Zoom)
- April 6, 2021, 10:00 a.m. WTB Project Review Committee (Via Zoom)
- April 15, 2021, 9:00 a.m. Water Trust Board (Via Zoom)
- April 29, 2021, 10:00 a.m. WTB Project Review Committee (Via Zoom)
- May 6, 2021, 9:00 a.m. Water Trust Board (Via Zoom)

Member Russel recognized Ms. Angela Quintana for all her hard work as an essential employee from the start of the public health crisis.

- 11. Adjournment:** Member Russel made a motion, seconded by Member Kahl, to adjourn the meeting. The motion passed unanimously by a voice vote. Meeting adjourned at 9:45 a.m.

  
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John D'Antonio, Chairman

Date: 12/1/2020

ATTEST:

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Director Michael Sloane, Secretary