

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

**Minutes of Water Trust Board Meeting**  
**April 15, 2021**  
**Teleconference/Zoom Meeting**

**Members Present:**

John D'Antonio Jr., Chairman  
A.J. Forte, Vice Chairman  
Michael Sloane, Secretary  
Brent Van Dyke, Treasurer  
Greg Alpers  
Debra Hughes  
David Bishop  
Joy Esparsen  
Mark Thompson  
Jason John  
Wesley Billingsley  
Marquita Russel

New Mexico State Engineer  
Executive Director, NMML  
New Mexico Department of Game & Fish  
Soil & Water Conservation District  
Irrigation or Conservancy District – Surface Water  
Environmental Community Representative  
Designee, New Mexico Environment Dept.  
Designee, New Mexico Counties  
New Mexico Indian Affairs Department  
Designee, Navajo Nation  
Designee, New Mexico Dept. of Finance & Administration  
CEO, New Mexico Finance Authority

**Members Absent:**

Robert Baracker  
Tim McGinn  
Jeff Witte  
Sarah Cottrell Propst

Acequias Water Users Representative  
Irrigation or Conservancy District Group Water Rep.  
New Mexico Dept. of Agriculture  
New Mexico Energy, Minerals & Natural Resources

**Finance Authority Staff:**

Bryan Otero  
Dan Opperman  
Anthony Silva  
Angela Quintana  
Michael Vonderheide  
Joe Maldonado  
Connie Marquez

Legal and Compliance Counsel  
Chief Legal Officer  
Database Analyst  
Senior Program Administrator  
Managing Director, Program Administration  
Senior Administrative Assistant  
Executive Assistant

**Guests:**

Alan Hook  
Stevie Olson  
Chuck Thomas  
Deidra Tarr, Claunch-Pinto SWCD Rep.  
Jody Garcia  
Casey Cook  
Rolf Schmidt-Petersen, ISC, Director

Joshi Uday  
Ashley Martinez  
Andrew Salas  
M. Armijo  
Agnes Valencia, Sangre de Cristo MDW & SWA  
MQ Juarez

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.** Chairman D’Antonio made a motion for approval of the agenda adding agenda item #8, the Desalination Pilot Project Workgroup Report. Seconded by Member Van Dyke, to approve the amended agenda. The motion passed unanimously by a voice vote.
3. **Approval of the November 24, 2020 Board Minutes.** Member Forte made a motion, seconded by Member Esparsen, to approve the minutes of the November 24, 2020 meeting. The motion passed by a voice vote with Member Thompson abstaining.
4. **Appointment of Nominating Committee** – *Chairman John D’Antonio.*

Chairman D’Antonio asked for volunteers to serve on the Nominating Committee. Member Russel noted that there should be five members on the Nominating Committee including two public members. Members Russel, Hughes, Forte, Van Dyke and Thompson volunteered to serve. Chairman D’Antonio appointed this five-member group to serve as the Nominating Committee.

5. **Consideration and Approval of Open Meetings Act Resolution** – *Bryan Otero, Legal and Compliance Counsel.*

Mr. Otero presented the Open Meetings Act Resolution. The Water Trust Board is subject to the provisions of the Open Meetings Act. The Open Meetings Act, Section 10-15-1(D), NMSA 1978 requires the Board to determine annually what constitutes reasonable notice of its public meetings.

**Member Alpers made a motion, seconded by Member Forte, to adopt the Open Meetings Act Resolution as presented. The motion passed unanimously by a voice vote.**

6. **2021 Legislative Session Update** – *Marquita Russel, CEO, NMFA*  
Member Russel reported on two key pieces of legislation that passed the House and Senate and were signed into law during the 2021 Legislative Session. The first is Senate Bill 137 Water Trust Board (“WTB”) Authorization Bill which was approved without any changes. The second is House Bill 200 which grants authority to the WTB to evaluate proposed projects within the Southwest Water Planning Region of New Mexico and make recommendations to the Interstate Stream Commission, which shall have final decision-making authority over which projects are funded.
7. **Appointment of Sub-Committee – HB 200** – *Chairman John D’Antonio.*  
Mr. Bryan Otero recommended the Board consider appointing a Task Force consistent with the bylaws. Chairman D’Antonio appointed Members Forte, Russel, Esparsen and Bishop to serve on the HB200 Task Force. Chairman D’Antonio asked Mr. Rolf Schmidt-Petersen to serve as a consultant to the Task Force as the Director of the Interstate Stream Commission
8. **Desalination Pilot Project Workgroup Report** (*Informational Only*). Chairman D’Antonio introduced the Workgroup comprised of Ms. Julie Valdez, Water Use and Conservation Bureau Chief for OSE, Ms. Shelly Lemon, New Mexico Environment Department, Ms. Chelsea Morganti, Department of Homeland Security and Emergency Management, and Mr. Michael Vonderheide, New Mexico Finance Authority.

Chairman D'Antonio noted that this information is for the Drought Task Force ("DTF") which he also chairs but felt that since he had asked to include this as an agenda item, he would provide an update to the WTB. The Desalination Pilot Project Workgroup will be focusing on ongoing water supply issues and recommending emergency funding for a desalination pilot project

**9. Consideration and Recommendation of 2021 Water Project Fund Waiver Requests – Angela Quintana, Senior Program Administrator.**

The 2021 WTB application cycle is a two-step application process requiring a Project Application and a Readiness Application. A Project Management Team ("PMT") comprised of staff from seven agencies and the Legislative Finance Committee evaluated the applications. Of the forty-six applications evaluated, 38 applications were recommended for potential funding and legislative authorization at the November 24, 2020 WTB meeting.

The second step required all applicants recommended for legislative authorization to complete a Readiness Application which initiated a review of regulatory, policy and Executive Order Compliance ("EOC") including mandatory spending of prior WTB awards. Readiness applications were due January 27, 2021. Thirty-six legislatively authorized applicants submitted Readiness Applications. Fambrough MDWCA and NM Model Community Ditch Association did not submit applications, and the City of Santa Fe withdrew theirs. The policies require that applicants evidence compliance with all relevant regulations and WTB policies prior to receiving awards from the WTB. Applicants who had compliance issues were notified and given an opportunity to either correct the identified issues, discontinue their applications, or request a waiver from the WTB.

The applicants with their requested waivers and recommendations/comments from the responsible oversight agency follow:

**a. Claunch-Pinto SWCD (5412-WPF & 5413 WPF) Watershed Restoration: Policy Compliance-Project Continuation.**

Waiver Request: Project Continuation

Recommendation: The PMT recommends approval.

Justification: The District has two (2) 2019 WTB awards with funds expended at 77% expended which do not meet the 95% expenditure requirement for Project Continuation. Due to last year's strict Health and Safety guidelines, the District was unable to regularly meet with landowners and contractors.

The Project Review Committee ("PRC") has reviewed and concurs with the PMT recommendation.

**Member Alpers made a motion, seconded by Member Bishop to approve the waiver request for Claunch-Pinto SWCD as recommended by the PRC and staff. The motion passed unanimously by a roll call vote.**

- b. **Eastern NMWUA (5416-WPF)** Water Storage, Conveyance, and Delivery Projects: Project Compliance - Project Continuation.

Waiver Request: Project Continuation

Recommendation: The PMT recommends approval.

Justification: The Authority has a 2019 Award with \$0 expended that does not meet the 50% expenditure requirement for Project Continuation. The project could not move forward due to the upcoming expiration of the Authority's engineering contract with CH2M/Jacobs Engineering. The engineering contract was renewed in July 2020, the design is complete, and construction is currently out to bid.

The PRC reviewed this request and concurs with the PMT recommendation.

**Member Bishop made a motion, seconded by Member Russel to approve the waiver for Eastern NMWUA as recommended by the PRC and staff. The motion passed unanimously by a roll call vote.**

- c. **La Cueva MDWCA (5425-WPF)** Water Storage, Conveyance and Delivery Project: Policy Compliance - Project Continuation.

Waiver Request: Project Continuation

Recommendation: The PMT recommends approval.

Justification: The Association has a 2019 Award with 30% expended that does not meet the 95% expenditure requirement for Project Continuation. The Association anticipates full expenditure by August 1, 2021.

The PRC reviewed this request and concurs with the PMT recommendation.

**Member Van Dyke made a motion, seconded by Member Russel to approve the waiver for La Cueva MDWCA as recommended by the PRC and staff. The motion passed unanimously by a roll call vote.**

- d. **Los Alamos County (5426-WPF)** Water Conservation and Treatment, Recycling or Reuse: Policy Compliance- Project Continuation.

Waiver Request: Project Continuation

Recommendation: The PMT recommends approval.

Justification: The County has a 2019 Award with \$0 expended that does not meet the 95% expenditure requirements for Project Continuation. Construction and equipment delivery have been delayed due to the pandemic. The County indicated that the project is underway and should be completed by October 2021.

The PRC Project Review Committee reviewed this request and concurs with the PMT recommendation.

**Member Esparsen made a motion, seconded by Member Russel to approve the waiver for Los Alamos County as recommended by the PRC and staff. The motion passed unanimously by a roll call vote.**

- e. **Pena Blanca WSD (5430-WPF)** Water Storage, Conveyance and Delivery Project: Policy Compliance – Project Continuation.

Waiver Request: Project Continuation

Recommendation: The PMT recommends approval.

Justification: The District has a 2019 Award with 29% expended that does not meet the 95% expenditure requirements for Project Continuation. The District anticipates project completion by June 2021.

The PRC reviewed this request and concurs with PMT recommendation.

**Member Russel made a motion, seconded by Member Forte to approve the waiver for Pena Blanca WSD as recommended by the PRC and staff. The motion passed unanimously by a roll call vote.**

- f. **Union del Llano MDWCA (5443-WPF)** Water Storage, Conveyance and Delivery Project: Policy Compliance - Project Continuation

Waiver Request: Project Continuation

Recommendation: The PMT recommends approval.

Justification: The Association has a 2019 Award with 81% expended that does not meet the 95% expenditure requirements for Project Continuation. The Association anticipates full expenditure and project completion by May 1, 2021.

The PRC reviewed this request and concurs with PMT recommendation.

**Member Van Dyke made a motion, seconded by Member Hughes to approve the waiver for Union del Llano MDWCA as recommended by the PRC and staff. The motion passed unanimously by a roll call vote.**

- g. **Buena Vista MDWCA (5409-WPF)** Water Storage, Conveyance and Delivery Project: Policy Compliance - Project Continuation and NMED-DWBG Regulations)

Waiver Request: Project Continuation

Recommendation: The PMT does not recommend approval.

Justification: The Association has a 2019 WTB award with \$0 expended that does not meet the 95% expenditure requirement for Project Continuation. The preliminary design is approximately 26% complete. The PMT recommended the Association complete the 2019 project then reapply in the 2022 WTB funding cycle.

The PRC reviewed this request and concurs with the PMT recommendation.

**Member Sloane made a motion, seconded by Member Esparsen to accept the recommendation of the PRC and staff not to approve the waiver request for Buena Vista MDWCA. The motion passed unanimously by a roll call vote.**

- h. **City of Belen (5408-WPF)** Water Storage, Conveyance and Delivery Project: Project Compliance Project Continuation and NMED-DWB Regulations

Waiver Request: Project Continuation

Recommendation: The PMT recommends approval.

Justification: The City has a 2019 WTB Award with 85% expended that does not meet the 95% expenditure requirement for Project Continuation. The 2019 award was for the rehabilitation of Tank 5; however, during construction, the City found that the tank roof needed replacement. The City seeks additional funds to complete the project.

Waiver Request: NMED-DWB Regulations

Recommendation: NMED-DWB recommends approval.

Justification: The City has one notice of violation for Lead Consumer Notice and Administrative Order with penalties for Arsenic. The City can become compliant with the LCN violation with the Arsenic MCL as part of the readiness to proceed requirements.

The PRC reviewed this request and concurs with PMT and NMED-DWB recommendations.

**Member Van Dyke made a motion, seconded by Member Bishop to approve the waivers for the City of Belen as recommended by the PRC and Staff. The motion passed unanimously on a voice vote.**

- i. **City of Eunice (5420-WPF)** Water Storage, Conveyance and Delivery Project: OSE Regulations

Waiver Request: OSE Regulations

Recommendation: Office of the State Engineer recommends approval.

Justification: The City failed to submit the required documents relative to the Water Conservation Plan. The City provided a timeline with milestones detailing the City's plan to update their 2005 WCP by December 2021.

The PRC reviewed this request and concurs with OSE recommendation.

**Member Alpers made a motion, seconded by Member Esparsen to approve the waiver for the City of Eunice as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- j. **Otis MDWCA&SWA (5429-WPF)** Water Storage, Conveyance and Delivery Project: Regulatory Compliance - OSE – Water Conservation Plan (NMED-DWB Regulations)

Waiver Request: NMED-DWB Regulations

Recommendation: NMED-DWB recommends approval.

Justification: The Association has administrative orders with penalties for Consumer Confidence Reports (“CCRs”). The Association can return to compliance prior to the funding determination provided NMED-DWB approves the major modifications as part of the readiness to proceed requirements.

The PRC reviewed this request and concurs with the NMED-DWB recommendation.

**Member Hughes made a motion, seconded by Member Van Dyke to approve the waiver for Otis MDWCA & SWA as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- k. **Village of Ruidoso (5435-WPF)** Water Storage, Conveyance and Delivery Project: Regulatory Compliance - NMED-DWB Regulations.

Waiver Request: NMED-DWB Regulations

Recommendations: NMED-DWB recommends approval.

Justification: The Village has three Trihalomethanes (“TTHM”) Maximum Contaminate Level (“MCL”) notice of violations. The Village can return to compliance by 12/31/2021.

The PRC reviewed this request and concurs with the NMED-DWB recommendation.

**Member Esparsen made a motion, seconded by Member Bishop to approve the waiver for the Village of Ruidoso as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- l. **Sangre de Cristo MDW&SWA (5437-WPF)** Water Storage, Conveyance and Delivery Project: EO-Compliance.

Waiver Request: EO-Compliance

Recommendations: The PMT does not recommend approval.

Justification: The Association has not submitted the FY2020 AUP audit to the Office of the State Auditor. The Association recently hired an auditor and anticipates submission of the audit by April 30, 2021. The Association’s 2020 WTB award was for the design of the current proposal. The Association should complete the design then reapply in 2022 for construction.

The PRC reviewed this request and concurs with the PMT recommendation.

**After lengthy discussion, Member Thompson made a motion, seconded by Member Sloane to table the waiver request for Sangre de Cristo MDW&SWA to the April 29, 2021 Project Review Committee meeting. The motion passed by a unanimous voice vote.**

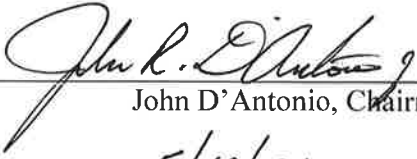
#### **10. Proposed Next Meetings.**

- April 29, 2021, 10:00 a.m., Project Review Committee (Teleconference)
- May 6, 2021, 9:00 a.m., Water Trust Board Meeting (Teleconference)

#### **11. Adjournment.**

**Member Russel made a motion to adjourn, seconded by Chairman D’Antonio. The motion passed unanimously by a voice vote**

The meeting adjourned at 10:00 a.m.

  
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John D'Antonio, Chairman  
5/19/21  
\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Michael Sloane, Secretary

\_\_\_\_\_  
Date