

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

Minutes of the Colonias Infrastructure Board Meeting
May 3, 2022
Teleconference Via Zoom

Voting Members Present:

Mary Kay Papen, Chair	Appointee, President Pro Tempore of the Senate
Janice Baca Argabright, Vice Chair	Appointee, Minority Leader of the Senate
Marquita Russel, Secretary	CEO, New Mexico Finance Authority
Wesley Billingsley	Designee, Dept. of Finance & Administration
Steven Deal	Designee, Environment Department

Voting Members Absent:

Mary Helen Garcia	Appointee, Leader of the House of Representatives
Orlando-Antonio Carrillo-Jimenez	Appointee, Speaker of the House of Representatives

Non-Voting Member Present:

Priscilla Lucero	Appointee, Southwest NM Council of Governments
Jay Armijo	Appointee, South Central Council of Governments
Hubert Quintana	Designee, Southeastern NM Economic Development District
Richard Garcia	Designee, NM Counties
Donna Maestas-DeVries	Designee, NM Mortgage Finance Authority

Finance Authority Staff:

Angela Quintana	Senior Program Administrator
Joe Maldonado	Senior Administrative Assistant
Bryan Otero	Legal and Compliance Counsel
Cherise Martinez	Board Administrator
Michael Vonderheide	Managing Director, Program Administration

Guests:

Brent Westmoreland, CRRUA	Lori Ortiz, Town of Hurley
Alvin Dominguez, BHI	Bridgette Fuller, Wilson & Co.
Michelle B.	Alan Berg, Tyrone W&WWA
David Shields, BHI	Marty Howell, Souder Miller
Michael Garza, Dona Ana County	Eric Navarrete, Dona Ana County
Heather Lutz, Luna County	Priscilla Shoup, Grant County
Tyler Hopkins, BHI	George Esqueda, Stantec
Alfredo Olguin, Wilson & Co.	Cally Carswell-LFC
Matt Thompson, BHI	Kristina Ortiz, City of Bayard
Ashley Martinez, Wilson & Co.	Diane Gomez, BHI
David Shields, BHI	Jonathan Macias, Dona Ana County

Mayor Stevens, Town of Hurley
Fernando Macias, Doña Ana County
Cheri Moore, La Luz MDWCA
Michael Garza, Dona Ana County

Frank Madrid, City of Lordsburg
Martin Lopez, LRGPWWA
Karen Nichols, LRGPWWA

1. **Call to Order and Roll Call.** Chair Papen called the Colonias Infrastructure Board (“CIB”) meeting to order at 9:04 a.m. Roll call was taken, and a quorum was established.
2. **Approval of Agenda.** Chair Papen made a motion to approve the agenda as presented. Motion passed without objection.
3. **Approval of March 17, 2022, Board Minutes.** Chair Papen made a motion to approve the March 17, 2022, Board Minutes as presented. Motion passed without objection.
4. **Report from Nominating Committee.** – presented by Mr. Hubert Quintana
Mr. Quintana reported that the Nominating Committee which was comprised of Members Lucero, Armijo, and Quintana met via phone on April 12, 2022. The Committee nominated Janice Baca-Argabright as Vice Chair of the CIB.

Member Marquita Russel joined the meeting.

5. **Election of Officers.** – Chair Papen
Chair Papen requested a roll call vote from the Board. **Roll taken, with the 5 voting members passing the election of Member Baca-Argabright as the Vice-Chair.**
6. **Discussion on Funding Set-Aside for 2022 Colonias Cycle** – Marquita Russel, CEO, NM Finance Authority

Member Russel requested consideration from the Board to set aside funding to assist awarded projects that may have overruns due to higher costs on construction and materials. Member Russel also indicated that the Board should reconsider charging an administrative fee to help NMFA pay for operating cost of administrating the Colonias program and Board. Member Russel recommended a starting point of 5% of the 2022 STB Funding be held for cost overruns. Following further discussion, Chair Papen asked staff to bring the request for the “set aside fund” back to the Board in May as part of the funding determination. Member Russel suggested that the Policy Committee meet in the Summer to look at including changes to the cost of operating the program within the policies.

7. **Consideration and Recommendation of 2022 Colonias Infrastructure Fund Waiver Requests.** – presented by Ms. Angela Quintana, Sr. Program Administrator

Consideration of requests from 2022 Colonias Infrastructure Fund (CIF) applicants for waivers to CIF policies.

On September 16, 2021, the Colonias Infrastructure Board (“CIB”) approved the timeline for the 2022 application cycle. The timeline provided target dates for policy and regulatory compliance to applicants. The compliance deadline date was March 30, 2022.

The policies required that applicants evidence compliance with all relevant regulations and CIB policies prior to receiving awards from the CIB. Applicants who had compliance issues were notified of all outstanding issues and were given an opportunity to: 1) become compliant by March 30, 2022; 2) remove their application and correct compliance issues in preparation for the next funding cycle; or 3) request a waiver from the Colonias Infrastructure Board.

Staff received ten Project Continuation policy waiver requests and three requests for State Audit Rule/EO-Compliance. Section 1.3 Project Continuation requires applicants that have received prior fund awards to certify completion of all projects prior to the approval of a new award for funding unless the new project will alleviate a condition considered Urgent. The Policies require that the remaining sum of any prior award(s) not certified as complete must be less than 50% of the awarded total for all awards from prior years. Awards from the most recent application cycle (2021) are excluded from this calculation.

Section 5 Compliance requires entities to substantiate their compliance with all applicable federal and state laws and regulations including, Executive Order 2013-006 and the State Audit Rule.

Below are the applicants with their requested waivers and staff's recommendation:

- a. City of Bayard (5747-CIF, 5748-CIF, & 5749-CIF) Water and Wastewater Infrastructure Projects (Project Continuation)

Waiver Request: Project Continuation

Recommendation: NMFA staff recommends approval of the request.

Justification: The City has a 2019 CIF award-\$973,313 (43% expended) that does not meet the 50% expenditure requirement for Project Continuation. The project went out to bid twice (2020) with bids coming in higher than the available budget. The City sought and acquired additional funds and was able to re-advertise and award the project in August 2021. The project is currently under construction with an estimated completion date of August 7, 2022.

The Project Review Committee reviewed this request and concurs with staff's recommendation for approval.

- b. Village of Columbus (5757-CIF) Water Infrastructure (Project Continuation)

Waiver Request: Project Continuation

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

Justification: The Village has a 2019 award-\$900,000 (1% expended) that does not meet the 50% expenditure requirement for Project Continuation. The Village requested and was granted a change of scope and time extension by the Colonias Board at its December 2021 meeting which does not waive this policy for any current or future funding cycles. The Village anticipates beginning the design by May 2022 with the anticipated project completion by March 2023. With the current project timeline, the Village can complete the 2019 project and may be prepared to apply in the next funding cycle.

The Project Review Committee reviewed this request and concurs with staff's recommendation to deny the request.

- c. Dona Ana County (5760-CIF, 5761-CIF, 5762-CIF, & 5763-CIF) Wastewater, Flood Prevention, Housing Infrastructure Project (Project Continuation)

Waiver Request: Project Continuation

Recommendation: NMFA staff recommends approval of the request.

Justification: The County has three 2020 awards-\$4,407,180 combined (14% expended-combined) that do not meet the 50% expenditure requirement for Project Continuation. The design scope for the projects is complete and all of the projects are moving forward with construction. The County anticipates completion of all the 2020 projects by December 2022.

The Project Review Committee reviewed this project request and concurs with staff's recommendation for approval.

- d. Village of Hatch (5770-CIF & 5771-CIF) Flood Prevention and Roads/Drainage Infrastructure Projects (Project Continuation)

Waiver Request: Project Continuation

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

Justification: The Village has a 2020 award-\$720,000 (2% expended) that does not meet the 50% expenditure requirement for Project Continuation. The Village estimates beginning the design of the project by May 2022 and anticipates project completion by November 2023. With the current project timeline, the Village can complete the 2020 project and may be prepared to apply in the next funding cycle.

The Project Review Committee has reviewed this request and concurs with staff's recommendation to deny the request

Alfredo Holguin, Wilson & Co. spoke on behalf of the Village.

- e. Village of Hope (5772-CIF) Water Infrastructure Project (Project Continuation)

Waiver Request: Project Continuation

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

Justification: The Village has a 2020 award-\$862,873 (0% expended) that does not meet the 50% expenditure requirement for Project Continuation. The design has been completed, and the project is estimated to begin construction by mid-May. Because of the tank delivery schedule, the Village anticipates project completion by September 2023. With the current project timeline, the Village can complete the 2020 project and may be prepared to apply in the next funding cycle.

The Project Review Committee has reviewed this request and concurs with staff's recommendation to deny the request.

- f. City of Lordsburg (5779-CIF & 5780-CIF) Water and Wastewater Infrastructure Projects (Project Continuation)

Waiver Request: Project Continuation

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

Justification: The City has two 2020 awards-\$514,000 combined (0% expended) that do not meet the 50% expenditure requirement for Project Continuation. The City sought and secured federal funds after the Colonias projects were awarded. Because of the complexity in coordination and requirements for the federal funds, the projects were delayed from moving forward. The City anticipates 30% completion of design for both projects by October 2022 and anticipates project completion by October 2023. With the current project timeline, the City can complete both 2020 projects and may be prepared to apply in the next funding cycle.

The Project Review Committee has reviewed this request and concurs with staff's recommendation to deny the request.

Alfredo Holguin, Wilson & Co. spoke on behalf of the City.

- g. Malaga MDWCA&SWA (5785-CIF) Water Infrastructure Project (Project Continuation)

Waiver Request: Project Continuation

Recommendation: NMFA staff recommends approval of the request.

Justification: The Association has a 2020 award-\$844,186 (4% expended) that does not meet the 50% expenditure requirement for Project Continuation. The design is complete pending NMED approval. The Association plans to go out to bid by April-May 2022 with construction beginning in mid-June. The Association anticipates project completion by December 2022.

The Project Review Committee has reviewed this request and concurs with staff's recommendation for approval.

- h. City of Sunland Park (5794-CIF & 5795-CIF) Roads/Drainage Infrastructure Project (Project Continuation)

Waiver Request: Project Continuation

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

Justification: The City has a 2020 award-\$1,209,639 (0% expended) that does not meet the 50% expenditure requirement for Project Continuation. Because of the irrigation season (October – March), the City will begin construction of the project in August 2022 and then commence during the non-irrigation season. The City anticipates the completion of the project by March 2023. With the current project timeline, the City can complete the 2020 project and may be prepared to apply in the next funding cycle.

The Project Review Committee has reviewed this request and concurs with staff's recommendation to deny the request.

i. City of Truth or Consequences (5798-CIF) Water Infrastructure Project (Project Continuation)

Waiver Request: Project Continuation

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

Justification: The City has a 2020 award-\$1,000,000 (0% expended) that does not meet the 50% expenditure requirement for Project Continuation. The project was delayed because of the City's timeframe required for procurement of on-call engineering services. The design is currently in progress with anticipation of construction beginning in September/October. The City estimates that the project will be complete by April 2023. With the current project timeline, the City can complete the 2020 project and may be prepared to apply in the next funding cycle.

The Project Review Committee has reviewed this request and concurs with staff's recommendation to deny the request.

j. City of Elephant Butte (5766-CIF & 5767-CIF) Water and Wastewater Projects (EO-Compliance)

Waiver Request: EO-Compliance

Recommendation: NMFA staff recommends approval of the request.

Justification: Due to a change in administration and a new City Manager and Clerk-Treasurer, the FY2021 audit was delayed. The City has been working diligently to complete the FY2021 audit and has anticipated submission of their 2021 audit on or before the week of May 2, 2022.

The Project Review Committee has reviewed this request and concurs with staff's recommendation for approval.

k. Town of Lake Arthur (5777-CIF) Water Infrastructure Project (EO-Compliance)

Waiver Request: EO-Compliance

Recommendation: NMFA staff recommends approval of the request.

Justification: The Town was classified as a Tier 6 Agreed Upon Procedures ("AUP") and began the audit process with the continued calculations. A month prior to year-end, the Town received unbudgeted revenues from NM Gross Receipts which exceeded the limit for the Tier 6, requiring a full audit and approval from the State. The request for State permission on the current auditor (approved for Tier 6 only) and initiating a new contract delayed the submission of the audit. The Town has received the draft audit and is currently in the process of reviewing it before submission to the State Auditor. The Town estimates the audit being submitted the week of May 2, 2022.

The Project Review Committee has reviewed this request and concurs with staff's recommendation for approval.

l. Southwest Solid Waste Authority (5793-CIF) Solid Waste Infrastructure Project (EO-Compliance)

Waiver Request: EO-Compliance

Recommendation: NMFA staff recommends approval of the request.

Justification: The Authority has completed the audit work and is waiting for its auditor to submit it to the state auditor’s office. The Authority anticipates audit submission by April 15, 2022. *As of April 28, 2022, the status of the audit is unknown.

The Project Review Committee has reviewed this request and concurs with staff’s recommendation for approval.

Member Russel made a motion, seconded by Member Deal to concur with staff’s recommendations for waiver requests for agenda items “a.” through “i.” Motion passed unanimously by a 5-0 roll call vote.

Member Russel made an amendment to the motion to include items j. through l. Sub-Motion passed unanimously by a 5-0 roll-call vote.

8. 2022 Colonias Infrastructure Fund Application Presentations. – Part 1 - presented by Ms. Angela Quintana, Sr. Program Administrator

App. #	Applicant	Project Name	Amount Requested
5782-CIF	Lower Rio Grande PWWA (Karen Nichols, Martin Lopez)	Mesquite-Brazito sewer project	\$5,715,000
5750-CIF	Camino Real RUA (Brent Westmoreland, Tyler Hopkins)	Vacuum lift station replacement	\$2,216,670
5751-CIF	Camino Real RUA (Brent Westmoreland, Matt Thompson)	Sunland Park WWTP Ph. 2	\$2,494,426
5754-CIF	Chamberino MDWCA (Marty Howell)	Hwy 28 waterline connections	\$636,500
5760-CIF	Dona Ana County (Fernando Macias, Tyler Hopkins)	Chaparral Ph. 2c	\$5,144,000
5761-CIF	Dona Ana County (Diana Gomez)	South Central WWTP Ph. 4	\$2,850,494
5762-CIF	Dona Ana County (Michael Garza)	La Union drainage project	\$5,715,000
5766-CIF	City of Elephant Butte (David Shields)	Water system improvements	\$500,000
5767-CIF	City of Elephant Butte (David Shields)	Wastewater collection system	\$2,900,000
5768-CIF	Grant County (Priscilla Shoup)	Little Walnut Rd. improvements	\$2,000,000
5769-CIF	Grant County (Priscilla Shoup, Alvin Dominguez)	San Lorenzo PER	\$125,000
5773-CIF	Town of Hurley (Mayor Ed Stevens, George Esqueda)	Anza, Cortes, E. St. Improvements	\$99,300
5775-CIF	La Luz MDWCA&MSWA (Cheri Moore, Marty Howell)	Waterline extensions	\$782,457

Village of Hatch, City of Sunland Park, and City of Truth or Consequences did not make presentations due to non-approval of their waiver requests.


9. Next Meetings.

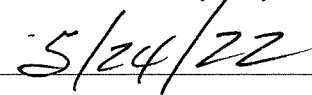
- May 4, 2022, 9:00 a.m. - Part II-Project Presentations via Teleconference
- May 24, 2022, 9:00 a.m. Colonias Board Meeting (2022 CIF award considerations) via Teleconference
- September 2022 TBD

10. Adjournment.

Member Russel made a motion to adjourn, seconded by Chair Papen. No objection from the Board.


The meeting adjourned at 10:57 a.m.

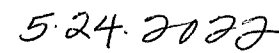


Mary Kay Papen, Chair


Date

ATTEST:



Marquita Russel, Secretary


Date