

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

Minutes of the Colonias Infrastructure Board Meeting
May 24, 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
Mary Helen Garcia	Appointee, Minority Leader of the House of Representatives
Orlando-Antonio Carrillo-Jimenez	Appointee, Speaker of the House of Representatives
Ryan Serrano	Designee, New Mexico Dept. of Finance & Administration
Steven Deal	Designee, New Mexico Environment Department

Non-Voting Member Present:

Priscilla Lucero	Southwest NM Council of Governments
Jay Armijo	South Central Council of Governments
Hubert Quintana	Designee, Southeastern NM Economic Development District
Richard Garcia	Designee, New Mexico Counties

Members Not Present:

Isidoro Hernandez	New Mexico Mortgage Finance Authority
-------------------	---------------------------------------

Finance Authority Staff:

Angela Quintana	Senior Program Administrator
Alysia Sanchez	Program Administrator
Joe Maldonado	Senior Administrative Assistant
Daniel Opperman	Chief Legal Officer
Cherise Martinez	Board Administrator
Michael Vonderheide	Managing Director, Program Administration
Adam Johnson	Chief of Program Operations

Guests:

Kristina Ortiz, City of Bayard	Wesley Hall, Stantec
Matt White, City of Jal	Peter Pena, Town of Silver City
Karen Nichols, LRGPWWA	Alan Berg, Tyrone W&WWA
Ray Lara	Ashley Martinez, Wilson & Co.
Michael Garza, Dona Ana County	Eric Navarette, Dona Ana County
David Bailey, Luna County	Anthony Gutierrez, Stantec
Robert Esqueda, Town of Silver City	George Esqueda, Stantec

Michelle Blackwell, Dona Ana
County
Niva Romero, Stantec
Patricia Bollinger, Stantec
R. Castillo

Richard Runyon, Dennis
Engineering
Israel Chavez
Lisa Campbell, Stantec

1. **Call to Order and Roll Call.** Chair Papen called the Colonias Infrastructure Board (“CIB”) meeting to order at 9:07 a.m. Roll call was taken, and a quorum was established.
2. **Approval of Agenda.** Member Carrillo-Jimenez made a motion to approve the agenda as presented, seconded by Member Russel. The motion passed unanimously by a voice vote.
3. **Approval of May 3, 2022, Board Minutes.** Member Baca-Argabright made a motion, seconded by Member Russel to approve the May 3, 2022, Board Minutes as presented. The motion passed unanimously by a voice vote.
4. **Approval of May 4, 2022, Board Minutes.** Member Russel made a motion, seconded by Member Mary Helen Garcia to approve the May 4, 2022, Board Minutes as presented. The motion passed unanimously by a voice vote.
5. **CIB Committee Appointment.** –Chair Papen appointed Member Baca-Argabright to the CIB Project Review Committee
6. **Consideration and Approval of a Scope Change for Arenas Valley Water Development Association.** – presented by Ms. Angela Quintana, Sr. Program Administrator

The Arenas Valley Water Development Association (“Association”) requested a scope change for Colonias Infrastructure Fund award 5510-CIF21.

The Association secured funding on December 3, 2021, for a Water Infrastructure project in an amount not to exceed \$98,100 (90% grant/ 10% loan) to design water system improvements on the north ROW Hwy 180 between both legs of old Arenas Valley Road for the replacement of the existing 8” water main.

The Association solicited RFPs for an engineering firm and selected Stantec Consulting Services Inc. (“Stantec”). Stantec Inc. (formally Engineers Inc.) discovered completed plans for three water system improvement projects for the Association including the current project. The plans were completed in 2015 when the firm was Engineers Inc. The Association’s intent is to have the project area re-surveyed to identify any changes within the project area from the initial design. The Engineer of Record from the 2015 project is no longer with the firm so the plans will need to be updated by the current Engineer of Record for Stantec to assume professional responsibility for the project’s design.

Based on the requirements for the proposed project, it is estimated that not all of the funds will be expended. As such, the Association is requesting to increase the project area to include design and surveying for the replacement of existing 8” water mains from Peterson Drive north across US Hwy 180 east to Madison Road. This project’s design, similar to the awarded one, was completed by Engineers Inc. in 2015. The existing water main runs along the south side of US 180 and then from Madison branches off and crosses

US 180 from the south and north side. The addition along the north side of US180 will provide for a redundant supply of water from the Town of Silver City to the Association and an emergency connection to the Village of Santa Clara. The overall project will tie the existing water main from Madison to the north side of US180 for a continued connection. This proposed project will require surveying and updated plans. With the added project area, the Association will have an updated single set of plans for the two project areas.

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

Staff recommends approval of the expansion of the scope as presented for Project #5510-CIF21.

Member Carrillo-Jimenez made a motion, seconded by Member Russel to approve the change of scope for Arenas Valley Water Development Association, Project No. 5510-CIF as recommended by staff. The motion passed unanimously by a roll call vote.

7. Consideration and Approval of 2022 Colonias Infrastructure Fund Awards. – presented by Ms. Angela Quintana, Sr. Program Administrator

Funding recommendations for the 2022 Colonias Infrastructure Project Fund application cycle.

The Colonias Infrastructure Board ("CIB") annually reviews applications submitted by qualified entities for Colonias infrastructure projects and recommends a final list of eligible projects to be funded by the New Mexico Finance Authority ("NMFA").

The 2022 Colonias Infrastructure Fund ("CIF") application cycle began on January 3, 2022, with the submittals of the Notice of Intent (NOI). NMFA staff received 59 NOI's with a total requested amount of \$76,292,373. The 2022 online application was open from January 27 through March 3, 2022. Fifty-four (54) applications requesting more than \$77.2 million were submitted. The Tyrone W&WW Association withdrew its wastewater application.

The applications were reviewed for eligibility and compliance. Applicants not meeting regulatory and/or policy compliance were notified and given until March 30, 2022, to a.) correct identified issue(s), b.) remove their application and correct compliance issues in preparation for the next funding cycle, or c.) request a waiver from the CIB. Thirteen waiver requests were submitted for consideration.

On May 3, 2022, the CIB considered and acted on the following waiver requests:

- City of Bayard (3) – Project Continuation – approved.
- Village of Columbus – Project Continuation – not approved.
- Dona Ana County (3) – Project Continuation – approved.
- Village of Hatch (2) – Project Continuation – not approved.
- Village of Hope – Project Continuation – not approved.
- City of Lordsburg (2) – Project Continuation – not approved.
- Malaga MDWC & SWA – Project Continuation – approved.
- City of Sunland Park (2) – Project Continuation – not approved.

- City of Truth or Consequences – Project Continuation – not approved.
- City of Elephant Butte (2) – EO-Compliance – approved.
- Town of Lake Arthur – EO-Compliance – approved; and
- Southwest Solid Waste Authority – EO-Compliance – approved.

The remaining projects were reviewed and scored using the current established criteria by the technical team comprised of staff from NMDOT, NMED, OSE and NMFA. The established criterion evaluates and prioritizes projects based on the following factors:

- Project Urgency (30%)
- Project Readiness (20%)
- Leverage of other funds (10%)
- Regionalization (10%)
- Cost/Benefit (10%)
- Long Term Community Benefit (10%); and
- Long-Term Sustainability, Maintenance, and Operations (10%)

Below is the breakdown of projects that were evaluated

21	Water Infrastructure Projects	\$21,403,422
10	Wastewater Infrastructure Projects	\$23,595,382
2	Flood Prevention Projects	\$8,196,818
9	Roads/Drainage Projects	\$9,479,405
1	Solid Waste Projects	\$700,000
1	Housing Infrastructure Projects	\$500,000
44	Total Requested Amount	\$64,875,027

Per Section 2.4D of the CIF project management policies, “No single project may receive more than 15% of the available funds in any given funding cycle.” At the time of the application, the 15% CAP was estimated to be \$5,715,000. The current estimated amount available for funding is:

2022 Severance Tax Bond estimate (4.5%)	\$ 38,140,000
2019 returned funds balance (Catron County)	\$ 73,400
	\$ 38,213,400
<u>5% Set-Aide*</u>	\$ (1,910,670)
Total Funds to Award	\$ 36,302,730
15% CAP	\$5,732,010

**The Colonias Board at its May 3, 2022, meeting, directed staff to set-aside 5% of the 2022 STB proceeds for possible shortfalls from the 2022 awarded projects*

The attached spreadsheet is separated by project type and listed in order of scoring from highest to lowest. The first breakdown is determined by scores. Lines are drawn on average scores between project types. The initial recommendations based on the average scores are as follows:

	# of Projects	Recommended Amounts
Water Infrastructure Projects	13	\$12,556,123
Wastewater Infrastructure Projects	4	\$9,742,521
Flood Prevention	2	\$3,281,818
Roads/Drainage Projects	4	\$5,481,903
Solid Waste Projects	1	\$700,000
Total Amount	24	\$31,762,365

Staff expanded the recommendations on projects that were below the average scores with the remaining available funds. These recommendations also consider the limit on allocations by county.

	# of Projects	Recommended Amounts
Water Infrastructure Projects	7	\$1,750,402
Wastewater Infrastructure Projects	3	\$488,327
Roads/Drainage Projects	4	\$2,275,619
Total Amount	14	\$4,514,348

Below is the final breakout and amounts for the 2022 CIF funding considerations:

20	Water Infrastructure Projects	\$14,290,116
7	Wastewater Infrastructure Projects	\$10,230,848
2	Flood Prevention Projects	\$3,281,818
8	Roads/Drainage Projects	\$7,757,522
1	Solid Waste Projects	\$700,000
38	Total Recommended Amount	\$36,276,713

The following projects were phased:

Applicant	Requested Amount	Recommended Amounts	Recommended Scope
5777-CIF Lake Arthur	\$3,270,007	\$543,022	Design only
5798-CIF Tularosa	\$1,852,622	\$315,311	Plan and design
5752-CIF Carrizozo	\$1,220,073	\$310,360	Design only
5766-CIF Elephant Butte	\$500,000	\$70,000	Design, land acquisition, ROW easements
5785-CIF Malaga MDWC&SWA	\$601,317	\$174,176	Design only
5751-CIF CRRUA	\$2,494,526	\$267,027	Design only
5750-CIF CRRUA	\$2,216,670	\$267,027	Design, survey, ROW acquisition
5762-CIF Dona Ana Co.	\$5,715,000	\$800,000	Design, land acquisition
5781-CIF Loving	\$1,822,786	\$225,903	Design only

A balance of \$26,017 is recommended to be added to the 5% set aside.

Mr. Michael Garza, a representative from Doña Ana County spoke on behalf of the County's La Union flood control project. The Board explained that the project was recommended for design only. This would allow the County to complete the design in preparation for applying for construction funds at a future application cycle.

Member Russel made a motion, seconded by Member Carrillo-Jimenez to approve the Project Review Committee's recommendation for the approval of the 2022 Colonias Infrastructure Board Awards as presented. The motion passed unanimously by a 7-0 roll call vote.

8. **Consideration and Approval of Resolution, Notification, and Certification of Need of Issuance of Severance Tax Revenue Bonds for Qualified Projects.** – Mr. Daniel Opperman, Chief Legal Counsel, presented for Approval the Resolution, Notification, and Certification of need for issuance of Severance Tax Revenue Bonds for Qualified Projects.

Member Carrillo-Jimenez made a motion, seconded by Member Russel to approve the Resolution, Notification, and Certification of Severance Tax Revenue Bonds for Qualified Projects. The motion passed unanimously by a 7-0 roll call vote.

9. **Next Meetings.**

- September 2022 TBD

10. **Adjournment.**

Member Jimenez-Carrillo made a motion to adjourn, seconded by Member Mary Helen Garcia. The motion passed unanimously by a voice vote.

The meeting adjourned at 10:11 a.m.


Mary Kay Papen, Chair

Sept. 19 2022
Date

ATTEST:



Marquita Russel, Secretary

09 / 26 / 2022

Date