

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

Minutes of the Colonias Infrastructure Board Meeting
September 15, 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
Ross Townsend	Appointee, Minority Leader of the House of Representative
Wesley Billingsley	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

Voting Members Absent:

Orlando Antonio Jimenez	Appointee, Speaker of the House of Representatives
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Non-Voting Members Absent:

Izzy Hernandez	NM Mortgage Finance Authority
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Finance Authority Staff:

Angela Quintana	Senior Program Administrator
Alysia Sanchez	Program Administrator
Joe Maldonado	Senior Administrative Assistant
Bryan Otero	Legal and Compliance Counsel
Cherise Martinez	Board Administrator
Michael Vonderheide	Managing Director, Public Programs
Kryshana Madrid	Legal Secretary
Adam Johnson	Chief of Program Operations

Guests:

Israel Chavez, Dona Ana Village	John Gwynne
Nora Oliver	Cally Carswell, LFC

1. **Call to Order and Roll Call.** Vice-Chair Baca-Argabright called the Colonias Infrastructure Board (“CIB”) meeting to order at 9:11 a.m. Roll call was taken, and a quorum was established.
2. **Approval of Agenda.** Member Russel made a motion to approve the agenda as presented, seconded by Member Townsend. The motion passed unanimously by a voice vote.
3. **Approval of May 24, 2022, Board Minutes.** Member Russel made a motion, seconded by Member Townsend to approve the May 24, 2022, Board Minutes as presented. The motion passed unanimously by a voice vote.

Member Russel introduced and welcomed Mr. Ross Townsend to the Colonias Infrastructure Board. Members introduced themselves and welcomed Mr. Townsend to the Board.

(At 9:18 a.m., Chair Papen logged into the CIB Meeting and assumed the duties of Chairperson).

4. **Consideration and Approval of a Scope Change for Doña Ana County Project #5520-CIF21.** presented by Ms. Angela Quintana, Senior Program Administrator

Doña Ana County (“County”) requested a scope change for Colonias Infrastructure Fund project #5520-CIF21.

The County was awarded five projects in the 2021 cycle, three of which were for Drainage Improvements for the Village of Doña Ana:

- Design of Elks Drive Pond (5518-CIF) to expand stormwater detention pond,
- Design of Elks Drive channel (5519-CIF) to capture runoff discharging into Elks Drive Pond, and
- Design and construction of the Abeyta pond (5520-CIF) as an inlet drop structure to receive flows from Elks Drive channel and Elks Drive Pond

The County has begun the design of all three projects. 5520-CIF (“Abeyta”) was at 60% design completion when a non-profit organization known as the Doña Ana Village Association (“DAVA”) raised concerns about the development of the property because of possible historic considerations. There is a National Historic Trail, the El Camino Real de Tierra Adentro, that runs through the Abeyta Pond property. Because of the trail, the County was required to conduct an extensive environmental assessment to determine the archeological, cultural, and biological impacts of the project. DAVA has met with the County to look at an alternative footprint for the current project. DAVA was awarded a Technical Assistance Grant from the National Parks Service to facilitate a multi-objective plan including pedestrian facilities, community areas, and walking trails to preserve the Camino Real Trail. These proposed changes affect the originally intended size of the Abeyta pond and require collaboration with the National Historic Trail and National Parks Service. The collaboration on the final design with the additional interested parties will delay the project beyond the two-year funding window.

The Elks Channel and Pond projects are part of the same network:

- Elks Channel collects stormwater runoff and directs it to the Elks Pond
- Elks pond slows the water down by detaining it and releasing the water slowly to the Abeyta pond

- Abeyta pond slows down the water by detaining and releasing the water slowly out of its historic path at the historic flow rate to prevent damage downstream.

The County is requesting a scope change to 5520-CIF to include the construction of Elks Drive channel and Elks Drive Pond. All three projects were identified in the County's Drainage Master plan. All three projects have been vetted through the application process. Both 5518-CIF and 5519-CIF will complete their perspective awarded projects for design only. 5520-CIF will complete the design portion and use the remaining funds for the complete construction of Elks Drive Pond and Channel within the 2-year interim period.

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

Staff recommends approval of the expansion of the scope to include the construction of Elks Drive Pond and Elks Drive Channel for Project #5520-CIF21.

Member Deal made a motion, seconded by Member Russel, to approve staff's recommendation for a scope change for Dona Ana County, Project #5520-CIF21.

5. Colonias Infrastructure Board Project Management Policies Recommendation. – presented by Ms. Angela Quintana, Senior Program Administrator

At the May 3, 2022, Colonias meeting, the Board directed the Policy Committee to review the current policies in preparation for the upcoming 2023 application cycle. The Policy Committee was specifically asked to look at changes to account for the administrative costs of operating the program. The Policy Committee has reviewed the following Policies areas:

- Clarifying language with regards to financial capacity and analysis
- Administrative costs of operating the program

The Colonias Infrastructure Act "Act" provides that the New Mexico Finance Authority ("NMFA") may adopt separate procedures and rules to administer the fund; originate grants or loans for qualified projects recommended by the Colonias Board; recover from the Colonias infrastructure fund the costs of administering the fund and originating the grants and loans and govern the process through which qualified entities may apply for financial assistance from the fund.

As part of the application requirements, applicants must provide specific documents to demonstrate their capacity to take on the required 10% loan component. The NMFA, through credit analysis, reviews the documents and may reach out to the applicant for additional information in determining the applicant's financial strengths to undertake the loan. The NMFA credit analysts have developed a process that provides a better understanding of how an applicant's financial capacity is determined. Staff proposes clarifying existing language and providing additional language on the financial component within the policies.

As required by the "Act", the NMFA shall provide staff support for the Colonias Infrastructure Board; administer the Colonias infrastructure project fund, originate grants or loans for qualified entities; and at the direction of the board, administer qualified projects that receive financial assistance. The costs to

NMFA for administering the program and the Board are being funded by loan repayments but currently operate at a deficit. To help bridge the gap in operating costs, staff proposes, as directed by the Colonias Board, and allowed by the “Act” to charge an annual administrative fee of one-quarter of one percent calculated on the amount of the outstanding principal balance.

The Policy Committee has reviewed the revisions and recommends approval as presented.

Member Deal made a motion, seconded by Member Baca-Argabright to approve the recommended revisions to the Colonias Infrastructure Board Project Management Policies as recommended by staff. The motion passed unanimously by a roll call vote.

6. **Consideration and Approval of the Colonias 2023 Application Timeline.** – presented by Ms. Angela Quintana, Senior Program Administrator

Colonias Infrastructure Board 2023 CIF Application Cycle Timeline

Date*	Activity	Task
2022		
August 16	CIB Policy Meeting	<ul style="list-style-type: none"> Policy discussion
August 29-30	NMFA Legislative Oversight Committee	Truth or Consequences
September 8	CIB PRC Meeting	<ul style="list-style-type: none"> Board Business
September 8	CIB Policy Meeting	<ul style="list-style-type: none"> Policy discussion
September 15	Colonias Board Meeting - TBD	<ul style="list-style-type: none"> Board Business Board Training 2023 Application Timeline Policy Recommendations
September 26-27	NMFA Legislative Oversight Committee	Silver City
October 28	2022 Funding Cycle – RTP deadline	Deadline to submit RTP items for securing funding in 2022 cycle.
December 8	CIB PRC Meeting	<ul style="list-style-type: none"> Board Business
December 13	Colonias Board Meeting – TBD	Board Business
2023		
<i>2023 Legislative Session (January 17 – March 18, 2023)</i>		
January 3 – 19	Notice of Intent Period	<ul style="list-style-type: none"> Applicant Notice of Intent to Apply due to Colonias@nfma.net
January 12	2023 CIB Application Training	<ul style="list-style-type: none"> TBD
January 30	2023 Application <u>OPENS</u>	Online Application <u>Opens</u> January 30, 2023
March 8	2023 Application <u>CLOSES</u>	Online Application <u>Closes</u> March 8, 2023, 3:00 pm

March 9-10	Application Evaluations	Legal Review; Application Completeness; Compliance
March 7	CIB PRC Meeting	Board Business
March 13	Non-compliance Notifications	Applicants notified of non-compliance issues
March 14-April 21	PMT application review/scoring	PMT application review/scoring
March 16	Colonias Board Meeting – TBD	Board Business
March 31	Policy & Regulatory Compliance Deadlines; Waiver Request Deadlines	<ul style="list-style-type: none"> • <u>DEADLINE</u> to meet regulatory and policy compliance requirements • <u>DEADLINE</u> to submit waiver request
April 20	Project Review Committee	Recommendations for Waiver Requests
April 25-26	Colonias Board Meeting – TBD	Board Business Waiver Requests Consideration Project Presentations
May 18	Project Review Committee	Funding Recommendations
May 24	Colonias Board Meeting – TBD	<ul style="list-style-type: none"> • Final funding recommendations to NMFA Board of Directors • SBOF Certification
<i>June 7</i>	<i>NMFA CIB Credit Committee</i>	<ul style="list-style-type: none"> • NMFA Staff review • Write-up completion • Analysis completion
<i>June 14</i>	<i>NMFA Public Lending Committee</i>	<ul style="list-style-type: none"> • Colonias projects
<i>June 22</i>	<i>NMFA Board Meeting</i>	<i>Final Approval of CIB Awards Financial Package</i>
June 26	Award/Readiness to Proceed	Send award letters outlining Readiness to Proceed (“RTP”) items required to secure funding.
June 29	CIB Award Training	TBD
Sept 2023	Project Review Committee	<ul style="list-style-type: none"> • Board Business
Sept 2023	Colonias Board Meeting – TBD	<ul style="list-style-type: none"> • Board Business
October 31, 2023	RTP Deadline	<u>DEADLINE</u> to submit RTP items for securing the funding

- *Please Note: Dates are subject to change.*

Member Deal made a motion, seconded by Member Russel to approve the Colonias Infrastructure Board 2023 Application Cycle Timeline as presented. The motion passed unanimously by a roll call vote.

7. Project Cost Overrun Assistance Process Recommendation. – presented by Ms. Angela Quintana, Senior Program Administrator

The process and criteria for Colonias projects awarded in the 2022 cycle seeking additional funds because of construction cost overruns.

The Colonias Infrastructure Board (“CIB”) at its May 24, 2022, meeting, approved a set-aside of at least 5% of the 2022 Severance Tax Bond proceeds for possible shortfalls in construction costs for the 2022 awards.

The CIB is tasked with recommending a list of qualified projects for funding to the New Mexico Finance Authority (“NMFA”). The NMFA provides financial assistance for qualified projects as recommended by the CIB under policies jointly established by the CIB and NMFA.

Since the CIB meets at least every quarter, staff is proposing a process to provide 2022 awardees more timely access to the set-aside funds.

Once staff receives a formal request of a construction shortfall, staff will require at a minimum:

- Verification of construction costs at the time of bid.
- Concurrence from technical partners (if applicable); and
- Financial capacity of the entity.

If an entity cannot internally provide the shortfall of funds due to an increase in construction costs, and requires additional funds from the set-aside, staff will make a recommendation to the NMFA Board based on the financial capacity of the entity as prescribed by the Colonias Infrastructure Board Project Management Policies for an amendment to the existing funding agreement.

At the next Colonias Board meeting following NMFA Board approval, staff will provide an update to the CIB on the use of the set-aside funds.

Staff recommends approval of the process and criteria for project cost overrun assistance from the set-aside for 2022 Colonias awardees.

Member Deal made a motion, seconded by Member Townsend to accept the Recommendation for Project Cost Overrun Assistance Process as presented. The motion passed unanimously by a roll call vote.

(Member Armijo left the meeting at 9:52 a.m.)

8. Next Meetings.

- December 8, 2022, Project Review Committee, Teleconference
- December 13, 2022, Colonias Infrastructure Board, TBD (*Member Quintana requested an in-person meeting in Las Cruces for the 12/13/2022 meeting to honor former Board Member Oscar Vasquez-Butler*)
- March 16, 2023, Colonias Infrastructure Board, TBD
- April 25-26, 2023, Colonias Infrastructure Board, *Project Presentations*, TBD
- May 24, 2023, Colonias Infrastructure Board, *2023 Award Determination*, TBD
- September 2023, Colonias Infrastructure Board, TBD

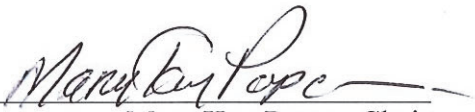
9. Public Comment.

No Public Comment

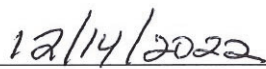
10. Adjournment.

Member Russel made a motion to adjourn, seconded by Member Deal. The motion passed unanimously by a voice vote.

The meeting adjourned at 9:59 a.m.




Mary Kay Papen, Chair



Date

ATTEST:



Marquita Russel, Secretary

12 / 19 / 2022

Date