

New Mexico Finance Authority
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Santa Fe, NM 87501
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Minutes of the Colonias Infrastructure Board Meeting
December 14, 2022
New Mexico Farm & Ranch Heritage Museum
4100 Dripping Springs Road
Las Cruces, NM 88001

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 (Via Phone)	CEO, New Mexico Finance Authority
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

Voting Member Absent:

Ross Townsend	Appointee, Minority Leader of the House of Representatives
Orlando Antonio Jimenez	Appointee, Speaker of the House of Representatives

Non-Voting Members Absent:

Izzy Hernandez	NM Mortgage Finance Authority
Joy Esparsen	NM Counties

Finance Authority Staff:

Angela Quintana	Senior Program Administrator
Alysia Sanchez	Program Administrator
Joe Maldonado	Senior Administrative Assistant
Bryan Otero	Legal and Compliance Counsel
Mark Dalton	Administrative Support Specialist

- Call to Order and Roll Call.** Chair Papen called the Colonias Infrastructure Board (“CIB”) meeting to order at 10:01 a.m. Roll call was taken, and a quorum was established.
- Approval of Agenda.** Member Deal made a motion to approve the agenda as presented, seconded by Member Billingsley. The motion passed unanimously by a voice vote.

3. **Approval of September 15, 2022, Board Minutes.** Member Baca-Argabright made a motion, seconded by Member Deal to approve the September 15, 2022, Board Minutes as presented. The motion passed unanimously by a voice vote.
4. **Recognition of Service to the Colonias Board for Oscar Vasquez-Butler.** Due to an unexpected appointment, Mr. Vasquez-Butler arrived after the CIB meeting was adjourned. The CIB presented Mr. Vasquez-Butler with a gift of appreciation for his service and dedication as a CIB Board Member since the program's inception in 2011 to 2021.
5. **Consideration of Allocation of Returned Funds.** – presented by Ms. Angela Quintana, Sr. Program Administrator

Re-allocating returned funds from the 2022 Colonias Infrastructure Project Fund.

Section 6.3 of the Colonias Infrastructure Board ("CIB") Project Management Policies provides that full awards returned by the borrower or rescinded by the Board may be reallocated to a different qualified project. To be eligible for reallocated financial assistance, potential replacement qualified project(s) must have submitted a financial assistance application as part of the most recent funding cycle. Reallocated award monies may be utilized for the most recent cycle or held to be awarded at the next upcoming cycle.

The Colonias Board at its May 3, 2022, meeting, directed staff to set aside 5% of the 2022 Severance Tax Bond proceeds for possible shortfalls from the 2022 awarded projects. The full amount of the set-aside including an unawarded balance of \$26,017 is \$1,936,687.

The Village of Cloudcroft ("Village") was awarded funding in the 2022 Colonias funding cycle for the following projects:

- 5755-CIF22: water infrastructure project in an amount not to exceed \$210,000. The project was for designing and constructing/replacing waterlines, service taps, and fire hydrants from Curlew to Corona. The Village does not have the funds and/or workforce to replace and maintain the road to its original structure after replacing the infrastructure.
- 5756-CIF22: water infrastructure project in an amount not to exceed \$295,000. The project was for designing and constructing/replacing waterlines, service taps, and fire hydrants at Sugar Pine Road. The Village does not have the funds and/or workforce to replace and maintain the road to its original structure after replacing the infrastructure.

The Town of Hurley ("Town") was awarded funding in the 2022 Colonias funding cycle for the following project:

- 5773-CIF22: roads/drainage project in an amount not to exceed \$99,300. The project was for the survey and design of roadway improvements along Anza St. and Cortez Ave. The Town received NMDOT funding for the same scope and therefore no longer requires the Colonias funds.

Staff reviewed the 2022 list of applicants, and based on the list, those that were awarded for a phased amount (design only) and/or not awarded either require more funds than are available or have been secured or are

in the process of securing the funds. To prevent further delays in moving the projects forward, staff does not recommend using the returned funds to fund any projects from the current cycle.

For the upcoming 2023 Colonias cycle, the available funds are estimated at \$61.6 million. With the increase of funds for the upcoming cycle, staff does not recommend adding the additional \$604,300 from the returned funds to the 2023 cycle.

Construction projects are continuing to experience increased costs in equipment and materials. It is unclear whether the 2022 awards will see a steady and/or decrease in costs by the time the projects are underway. In preparation for possible continued increases, staff recommends adding the returned funding in the amount of \$604,300 to the set-aside for possible construction cost overruns for the 2022 awards.

Staff recommends that the Board waive the policies regarding reallocation of declined or rescinded awards and add the \$604,300 from the returned funds from the Village of Cloudcroft (2-\$505,000) and the Town of Hurley (\$99,300) to the set-aside for construction cost over-runs from the 2022 Colonias awards.

Member Baca-Argabright made a motion, seconded by Member Deal to approve re-allocating returned funds from the 2022 Colonias Infrastructure funding cycle as recommended by staff. The motion passed unanimously by a voice vote.

6. Next Meetings.

- March 16, 2023, Colonias Infrastructure Board, Teleconference-Via Zoom
- 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

7. Public Comment.

No public comment

8. Colonias Infrastructure Board Training Workshop. – Bryan Otero, Legal and Compliance Counsel; Angela Quintana, Sr. Program Administrator

Mr. Bryan Otero and Ms. Angela Quintana provided the CIB members with a brief overview and written Orientation and Training Manual that outlines the Board's duties and responsibilities.

9. Adjournment.

The meeting adjourned at 11:45 a.m.

Janice Baca Argabright
Janice Baca Argabright, Vice-Chair

3/21/23
Date

ATTEST:

Marquita R Russel

Marquita Russel, Secretary

03 / 27 / 2023

Date