

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

**Minutes of Water Trust Board Meeting**  
**April 11, 2023**  
**Teleconference/Via Zoom**

**Members Present:**

Mike Hamman, Chairman  
A.J. Forte, Vice Chairman  
Michael Sloane, Secretary  
Tim McGinn  
Joy Esparsen  
Mark Thompson  
Marquita Russel  
Priscilla Lucero  
Tonantzin Roybal  
Julie Maitland

New Mexico State Engineer  
New Mexico Municipal League  
New Mexico Department of Game & Fish  
Irrigation or Conservancy District Surface Water Rep.  
New Mexico Counties  
New Mexico Indian Affairs Department  
CEO, New Mexico Finance Authority  
Environmental Community Representative  
Designee, NM Department of Finance and Administration  
Designee, NM Department of Agriculture

**Absent:**

Dr. Buu Nygren  
Brent Van Dyke  
Robert Baracker  
Sarah Cottrell Propst  
Greg Alpers  
James Kenney

Navajo Nation Representative  
Soil & Water Conservation Districts Representative  
Acequias Water Users Representative  
NM Energy, Minerals and Natural Resources Dept.  
Irrigation or Conservancy District Surface Water Rep.  
New Mexico Environment Department

**Finance Authority Staff:**

Angela Quintana  
Joe Maldonado  
Cherise Martinez  
Michael Vonderheide  
Bryan Otero  
Kryshana Madrid  
Adam Johnson  
Lynn Taulbee

Senior Program Administrator  
Senior Administrative Assistant  
Board Administration Manager  
Managing Director, Public Programs  
Compliance Officer and Deputy General Counsel  
Legal Assistant  
Chief of Program Operations  
Managing Director, Communications

**Guests:**

Cecilia Delgado  
Juan Fuentes  
ENMWUA  
Luz Carreon

Vandora Casados  
Jody Garcia  
Jaqueline Bowen  
Ramon Lucero

Ashley Martinez  
Dr. Carlos Abeyta  
Megan Hodgins  
Alan Hook  
Emily Oster  
Georgiana Rael  
Cally Carswell

David Bailey  
Adam Lucero  
  
J.L. Stack  
John Blair  
Jesse Roach  
Richard Runyon

1. **Call to Order and Roll Call.** Chairman Hamman, called the Water Trust Board (“WTB”) meeting to order at 9:05 a.m. Roll call was taken, and a quorum was established.
2. **Approval of Agenda.** Member Forte made a motion to approve the agenda, seconded by Member Russel. The motion passed unanimously by a voice vote.
3. **Approval of November 8, 2022, Board Minutes.** Member Forte made a motion, seconded by Member Russel, to approve the minutes of the November 8, 2022, meeting. The motion passed unanimously by a voice vote.
4. **Consideration and Approval of Open Meetings Act Resolution.** Bryan Otero, Compliance Officer and Deputy General Counsel

Mr. Bryan Otero presented the Open Meetings Act Resolution which is required to be reviewed and adopted annually by the Board.

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

5. **Appointment of Nominating Committee.** Mike Hamman, Chairman  
Chairman Hamman requested (5) volunteers to serve on the Nominating Committee. The (5) volunteers are as follows: Members Forte, Lucero, Russel, Esparsen and McGinn.
6. **Water Task Force Update.** Marquita Russel, CEO-NMFA (*informational only*)  
Member Russel reported that the Water Task Force consisting of 25 members from various backgrounds met between June and December 2022. The goal of the Task Force was twofold as described by Member Russel. One was to inform the members of the 50 Year Water Plan which deals with climate change and the other was to plan for the use of Federal funds to benefit water interests. The Task Force published a report that can be found at [nmwater.org](http://nmwater.org), which included the group charter and reports from sub-committees involved in making recommendations. Member Russel also mentioned that the Task Force was informed that phase two of the working meetings will resume in 2023. Various bills presented during the 2023 Legislative Session were passed related to Task Force initiatives. The bills were Regional Water System Resiliency, SB1; Legacy Permanent Funds, SB9; and the Water Security Planning Act, SB337.

7. **Consideration and Recommendation of Scope Change for Rodarte MDWCA Project #5433-WPF21.** Angela Quintana, Senior Program Administrator

The Rodarte MDWCA (“Association”) is requesting a scope change for Project No. 5433-WPF21.

The Association secured funding on April 22, 2022, for a Water Storage, Conveyance and Delivery project in an amount not to exceed \$1,675,328.12 (76% grant/ 24% loan). The approved scope of work is to construct an interconnection to Peñasco MDWCA.

The design portion of the project was funded with WTB award 5110-WPF20, which has been certified complete. The Association and its engineer mistakenly requested reimbursement for NMDOT construction permits from the 2020 WTB project which left a shortage on an outstanding invoice for design. The Association is requesting a scope change to include design so that the outstanding invoice can be paid.

The Project Review Committee (“PRC”) has reviewed this request and concurs with staff’s recommendation.

Staff recommends approval of a scope change to include the design for Rodarte MDWCA Project No. 5433-WPF21.

**Member Forte made a motion, seconded by Member Lucero to approve the Scope Change for Project No. 5433-WPF21 as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

8. **Consideration and Recommendation of 2023 Water Project Fund Waiver Requests.** Angela Quintana, Senior Program Administrator

Consideration of requests from 2023 Water Trust Board (WTB) applicants for waivers to WTB and Regulatory policies.

The 2023 WTB application cycle is a two-step application process that includes a Project Application and a Readiness Application. A Project Management Team comprised of staff from seven agencies and the Legislative Finance Committee evaluated the Project Applications. Fifty-nine applications were evaluated, and all were recommended for potential funding and legislative authorization at the November 8, 2022, 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 including mandatory spending of prior WTB awards. Readiness Applications were due January 27, 2023. Fifty-seven legislatively authorized applicants submitted Readiness Applications (Chapelle MDWCA and Upper Chama SWCD did not submit readiness applications). 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 of all outstanding issues and were given an opportunity to: 1) correct identified issues by March 22, 2023; 2) discontinue their applications and correct compliance issues in preparation for the next funding cycle; or 3) request a waiver from the WTB.

Below are the applicants with their requested waivers and recommendations/comments from the responsible oversight agency.

- a. Albuquerque Bernalillo County WUA (5935-WPF) Watershed Restoration and Management Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: The Authority has a 2021 WTB award (0% expended) that does not meet the 95% expenditure requirement for Project Continuation. Concerns regarding a surge analysis and potential surge conditions required design modifications which involved additional amendments to the plans and specifications. The 2021 construction project is currently at 95% design completion. The Authority estimates final approval of the plans and specifications by NMED-CPB and DWB by May/June with construction commencing by August/September 2023.

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

**Member Forte made a motion, seconded by Member Russel to approve the waiver request for Albuquerque Bernalillo County WUA as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- b. Claunch Pinto SWCD (5946-WPF & 5947) Watershed Restoration and Management Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: The District has two 2021 Awards (11% expended) that do not meet the 95% expenditure requirement for Project Continuation. The 2021 WTB projects were delayed and/or shut down due to the federal injunction of the Mexican spotted owl, some contractors closed their businesses after losing too much money and employees during the pandemic, and current contractors were unable to find employees to do the work. Due to the fires in Northern New Mexico, the number of landowners applying for restoration work has increased. The District has since sought/brought in out-of-state contractors to help complete some of the work. The District anticipates fully expending the remaining 2021 funds by November 2023.

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

**Member Lucero made a motion, seconded by Member Thompson to approve the waiver request for Claunch Pinto SWCD as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- c. City of Deming (5950-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: At the time of the compliance deadline (January 27, 2023), the City had a 2020 Award that did not meet the 95% expenditure requirement for Project Continuation. The project has since met the 95% expenditure requirement. The City anticipates final drawdown and project completion by late April 2023.

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

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

- d. Eastern NMWUA (5952-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: The Authority has a 2021 Award (20% expended) that does not meet the 50% expenditure requirement for Project Continuation. The 2021 WTB project includes federal funds which require additional Federal mandatory guidelines/components that delayed the construction bidding process. A contractor has been awarded and the Notice to Proceed was issued on November 28, 2022. The Authority has expended the required match of \$1,320,000 and anticipates meeting the 50% threshold of WTB funds by May 2023 with substantial project completion by October 2023.

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

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

- e. El Salto MDWA (5954-WPF) Water Conservation or Treatment, Recycling and Reuse Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: The Association has a 2021 Award (6% expended) that does not meet the 95% expenditure requirement for Project Continuation. The Association was unable to secure the Point of Diversion (POD) permit from the OSE in the Fall and has since resubmitted the POD as part of their corrective action plans. The Association anticipates project completion by the funding deadline of November 12, 2023.

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

**Member Lucero made a motion, seconded by Member Maitland to approve the waiver request for the El Salto MDWA as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- f. City of Gallup (5959 WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: The City has a 2021 Award (5% expended) that does not meet the 50% expenditure requirement for Project Continuation. The project's alignment crosses several land jurisdictions including BLM, Indian Allotment, Navajo Nation Trust, and private properties which delayed the project from moving forward until all ROW issues were complete. The project went out to bid in February 2023 and was awarded on March 14, 2023. The City anticipates meeting the 50% expenditure by August 2023 with substantial completion of the project by December 2023.

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

**Member Forte made a motion, seconded by Member Lucero to approve the waiver request for City of Gallup as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- g. Los Alamos County (5966-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: At the time of the compliance deadline (January 27, 2023), the County had a 2020 and 2021 award that did not meet the 95% expenditure requirement for Project Continuation. The County certified completion of the 2020 project in February. The 2021 Award (5% expended) went out to bid in February 2022 and was awarded on June 28, 2022. Due to continued material supply delays, the construction could not move forward. The materials were ordered and arrived in February 2023. The construction commenced on March 17, 2023, with an anticipated completion date of November 15, 2023.

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

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

- h. Rio Lucio MDWCA (5977-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: The Association has a 2021 Award (1% expended) that does not meet the 95% expenditure requirement for Project Continuation. Issues in securing the ROW, easements and utility permits during the design phase delayed the start of construction until May 2023. The project has gone out to bid with the anticipation of issuing a Notice to Proceed in May 2023 and substantial project completion by August 2023.

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

**Member Russel made a motion, seconded by Member Forte to approve the waiver request for Rio Lucio MDWCA as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- i. City of Roswell (5979-WPF & 5980-WPF) Flood Prevention/Water Storage, Conveyance and Delivery Projects (*Project Continuation*);

Waiver Request: Project Continuation

Recommendation: Staff recommends approval

Justification: The City has a 2021 Award (5% expended) that does not meet the 95% expenditure requirement for Project Continuation. The project went out to bid and was awarded in March 2022. Utility failures and the priority to repair utilities in the project area delayed the construction. Construction operations began in January 2023 with an anticipated substantial completion of April 2023 and project completion by June 2023.

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

**Member Maitland made a motion, seconded by Member Lucero to approve the waiver request for City of Roswell as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- j. Village of Ruidoso (5981-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendations: Staff recommends approval

Justification: At the time of the compliance deadline (January 27, 2023), the Village had a 2021 award that did not meet the 95% expenditure requirement for Project Continuation. The Village certified the completion of the 2021 project on March 15, 2023.

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

- k. Upper Rio Grande WSD (5991-WPF) Flood Prevention Project (*Project Continuation*);

Waiver Request: Project Continuation

Recommendations: Staff recommends approval

Justification: At the time of the compliance deadline (January 27, 2023), the District had a 2021 award that did not meet the 95% expenditure requirement for Project Continuation. The District certified completion of the 2021 project on February 28, 2023.

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

- l. Buena Vista MDWCA (5939-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation; EO Compliance*)

Waiver Request: Project Continuation

Recommendations: Staff recommends approval

Justification: The Association has a 2021 Award (94% expended) that does not meet the 95% expenditure requirement for Project Continuation. The project is currently at substantial completion and awaiting final close-out documents. The Association anticipates project completion by the end of April 2023.

Waiver Request: State Audit Rule, EO-Compliance

Recommendations: Staff recommends approval

Justification: The Association's FY2021 Tier 3 audit was delayed due to the evacuation of the area from the Hermit's Peak Fire. It is anticipated that the FY2021 Tier 3 audit will be completed and submitted by mid-April. The Association is also working on submitting the FY2022 audit by the May 2023 due date.

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

**Member Russel made a motion, seconded by Member Lucero to approve the waiver requests for Village or Ruidoso, Upper Rio Grande and Buena Vista MDWCA as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- m. Lower Arroyo Hondo MDWCA (5967-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation; OSE Compliance*)

Waiver Request: Project Continuation

Recommendations: Staff recommends approval

Justification: The Association has a 2019 Award (56% expended) that does not meet the 95% expenditure requirement for Project Continuation. The 2019 project was delayed due to private land ownership and site certificate issues. Construction is underway with the anticipated completion of the project by June 2023.

Waiver Request: OSE Regulations

Recommendations: OSE Staff recommends approval



Justification: The Association needed to submit eight applications of Extensions of Time to extend the deadline for the Proof of Beneficial Use. On March 10, 2023, the Association submitted the required documentation.

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

- n. Sangre de Cristo Regional MDWCA&SWA (5983-WPF) Water Storage, Conveyance and Delivery Project (*Project Continuation; OSE Compliance*)

Waiver Request: Project Continuation

Recommendations: Staff recommends approval

Justification: The Association has a 2020 Award (45% expended) that does not meet the 95% expenditure requirement for Project Continuation. The system's current well going dry and finding a property for the proposed well delayed the project. The design is moving forward, and the anticipated project completion is June 2023.

Waiver Request: OSE Regulations

Recommendations: OSE Staff recommends approval

Justification: The Association required an application to Combine and Commingle water rights. The Association submitted the application in February 2023. Although the hydrology analysis for the application is ongoing, the proposed project can move forward.

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

- o. Chippeway Park Water Association (5945-WPF) Water Storage, Conveyance and Delivery Project (*NMED-DWB Compliance*)

Waiver Request: NMED-DWB Regulations

Recommendations: NMED-DWB staff recommends approval

Justification: The Association has the following deficiencies: 1) Pressure in distribution system too low; 2) major modifications not approved. The Association is currently working with the DWB engineer and consultant to return to compliance by May 2023.

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

- p. Village of Cuba (5949-WPF) Water Storage, Conveyance and Delivery Project (*NMED-DWB Compliance*)

Waiver Request: NMED-DWB Regulations

Recommendations: NMED-DWB staff recommends approval

Justification: The Village has several deficiencies noted in their 2021 Sanitary Survey. The Village has submitted a corrective action plan to NMED-DWB with an anticipated return to compliance by April 2023.

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

**Member Lucero made a motion, seconded by Member Russel to approve the waiver requests for Lower Arroyo Hondo MDWCA, Sangre de Cristo Regional MDWCA&SWA, Chippeway Park Association and the Village of Cuba as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

- q. El Valle Water Alliance (5955-WPF) Water Storage, Conveyance and Delivery Project (*OSE Compliance*)

Waiver Request: OSE Regulations

Recommendations: OSE staff does not recommend approval

Justification: The Ilfield MDWCA requires submittal of Extensions of Time from 3-year periods ranging from 2011 to 2014; 2014 to 2017 and May 31, 2017, to May 31, 2023, for their Proof of Beneficial. Prior to May 31, 2023, Ilfield MDWCA is required to submit Application for Proof of Beneficial Use for UP-1603 and UP-16035. The Alliance has hired a consultant to assist in the filing of the applications and is requesting until May 31, 2023, to meet the compliance. Per OSE the Alliance has not delivered on any compliance issue.

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

**Member Russel made a motion, seconded by Member Forte to not approve the waiver request and defer the decision on whether they can access 2023 funding to a later date. The motion passed unanimously by a voice vote.**

- r. Ojo Caliente MDWCA (5971-WPF) Water Storage, Conveyance and Delivery Project (*NMED-DWB compliance*)

Waiver Request: NMED-DWB Regulations

Recommendations: NMED-DWB staff recommends approval

Justification: The system had violations for exceeding Uranium MCL related to the exhaustion of the treatment media. The proposed project will assist with compliance issues.

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

- s. Village of Pecos (5972-WPF) Water Storage, Conveyance and Delivery Project (*NMED-DWB Compliance*)

Waiver Request: NMED-DWB Regulations

Recommendations: NMED-DWB staff recommends approval

Justification: The Village has received various violations cited by NMED-DWB. The Village has submitted corrective action plans to address the violations with an anticipated return to compliance by August 2023.

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

- t. Peñasco MDWCA (5973-WPF) Water Storage, Conveyance and Delivery Project (*OSE Compliance*)

Waiver Request: OSE Regulations

Recommendations: OSE staff recommends approval

Justification: The Association had compliance issues regarding the filing of meter readings, proof of installed totalizing meters, proof of application of beneficial use and/or extension of time, and proof of completion of well. The proposed project will assist with addressing compliance issues.

- u. The Project Review Committee has reviewed this request and concurs with staff's recommendations. Town of Red River (5976-WPF) Water Storage, Conveyance and Delivery Project (*OSE Compliance*)

Waiver Request: OSE Regulations

Recommendations: OSE staff recommends approval

Justification: The Town's response to OSE hydrology recommendations/comments to meet conditions of approvals 3, 4, 10 and 11 of permit RG-20184 issued on May 11, 2018, was submitted the week of March 27. OSE staff will outline the agency's specific needs for data when reviewing the documents. It is expected that the proposed project may help address diversions in the distribution system.

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

**Member Lucero made a motion, seconded by Member Forte to approve the waiver requests for Ojo Caliente MDWCA, Village of Pecos, Peñasco MDWCA, and the Town of Red River as recommended by the PRC, OSE, and staff. The motion passed unanimously by a voice vote.**

- v. City of Santa Fe (5984-WPF & 5985-WPF) Water Conservation or Treatment, Recycling and Reuse and Water Storage, Conveyance and Delivery Project (*EO-Compliance*)

Waiver Request: State Audit Rule/EO-Compliance

Recommendations: Staff does not recommend approval

Justification: The City is behind on its FY2021 and FY2022 audits. The City was awarded in 2022 by the WTB with the understanding that the FY2021 audit would be completed and submitted by June 30, 2022. The City anticipates the completion of the FY2021 by June 2023. It is unclear when their FY2022 audit will be completed.

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

**Member Lucero made a motion, seconded by Member Russel to take no action on the waiver request and defer the decision pending an update by the City of Santa Fe at the next Board Meeting on May 3, 2023,. The motion passed unanimously by a voice vote.**

- w. Storrie Project WUA (5987-WPF) Water Storage, Conveyance and Delivery Project (*EO-Compliance*)

Waiver Request: State Audit Rule/EO-Compliance

Recommendations: Staff recommends approval

Justification: The Association is a newly formed system and has been working with the OSA to determine which Tier level of audit is required. If the proposed project is awarded, verification of audit submission will be part of the Readiness to Proceed requirements.

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

- x. Watrous MDWCA (5992-WPF) Water Storage, Conveyance and Delivery Project (*NMED-DWB Compliance*)

Waiver Request: NMED-DWB Regulations

Recommendations: NMED-DWB staff recommends approval

Justification: The Association's system has an inadequate storage tank deficiency. The proposed project will assist in returning the system to compliance.

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

**Member Russel made a motion, seconded by Member Lucero to approve the waiver requests for Storrie Project WUA and Watrous MDWCA as recommended by the PRC and staff. The motion passed unanimously by a voice vote.**

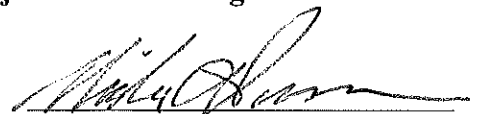
9. Next Meetings.

- April 21, 2023, 2:00 p.m. WTB Project Review Committee Meeting (Via Teleconference)
- May 3, 2023, 9:00 a.m. Water Trust Board Meeting (NM State Capitol-Room 315/Teleconference)
- August 2023, WTB Meeting, TBD

10. Adjournment.

**Member Russel made a motion, seconded by Member Forte to adjourn the meeting.**

The meeting adjourned at 10:43 a.m.



Mike Hamman, Chairman

5/3/23 Date

ATTEST:



Michael Sloane, Secretary

5/3/2023

Date