

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

Minutes of the Colonias Infrastructure Board Meeting
May 24, 2023
Grant County Veteran's and Business Conference Center
3031 US Highway 180
Silver City, NM

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
Rebecca Dow (<i>Virtual</i>)	Appointee, Minority Leader of the House of Representatives
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
Donna Maestas DeVries (<i>Virtual</i>)	Designee, New Mexico Mortgage Finance Authority

Voting Member Absent:

Orlando Antonio Jimenez	Appointee, Speaker of the House of Representatives
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Finance Authority Staff:

Angela Quintana	Senior Program Administrator
Joe Maldonado	Senior Administrative Assistant
Aaron Keyser	Credit Analyst
Michael Vonderheide	Managing Director, Public Programs
Bryan Otero (<i>Virtual</i>)	Compliance Officer and Deputy General Counsel

Guests:

Kristina Ortiz, USDA	Glenda Greene, City of Lordsburg
Marco Cortez, Wilson & Co.	Robert Esqueda, Town of Silver City
Jesse St. Clair, SWNMCOG	Cori Harvey, Casas Adobes MDWCA
Jennifer Horton, Dona Ana MDWCA	Cynthia Hernandez, Souder Miller & Associates
Shelby Morales, Dona Ana MDWCA	Frank Madrid, City of Lordsburg
Martin Lopez, LRGPWWA	Marlena Valenzuela, City of Bayard

Karen Nicols, LRGPWWA
Martha Salas, City of Lordsburg
Randy Hernandez, Grant County
Mario Juarez-Infante, City of
Sunland Park
Randy Ellison, Freeport
Peter Pena, Town of Silver City
Richard Maynes, Stantec
Erick Bauer, Freeport
Raquel Camacho, City of Deming

Mayes Freno, City of Bayard
Johnny Coburn, Casas Adobes MDWCA
Hector Rangel, City of Sunland Park
Tony Trujillo, Freeport
Laura Phelps, Freeport
Loren Cushman, Catron County
Romeo Cruz, Town of Silver City
Andrew Jay, FMI
David Bailey, Luna County

1. **Call to Order and Roll Call.** Chair Papen called the Colonias Infrastructure Board (“CIB”) meeting to order at 10:00 a.m. Roll call was taken, and a quorum was established.

Lt. Gov. Howie Morales was present at the Colonias Infrastructure Board Meeting in Silver City and welcomed the Board, staff, and attendees. Lt. Gov. Morales expressed gratitude for the work that the (CIB) does for communities in Southern New Mexico. Lt. Gov. Morales thanked the Council of Government (“COG’s”) for their work and efforts in assisting the surrounding communities with their infrastructure needs. Lt. Gov. Morales also recognized Chair Papen for becoming Dr. Papen, Ph.D. with New Mexico State University.

2. **Approval of Agenda.** Member Russel made a motion to approve the agenda as presented, seconded by Member Deal. The motion passed unanimously by a voice vote.
3. **Approval of April 25 and 26, 2023, Board Minutes.** Member Baca-Argabright made a motion, seconded by Member Russel to approve the April 25 and 26, 2023, Board Minutes as presented. The motion passed unanimously by a voice vote.
4. **Consideration and Approval of 2023 Colonias Infrastructure Fund Awards.** – Angela Quintana, Sr. Program Administrator

Funding recommendations for the 2023 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 2023 Colonias Infrastructure Fund (“CIF”) application cycle began on January 3, 2023, with the submittals of a Notice of Intent (NOI). NMFA staff received 55 NOI’s with a total requested amount of \$109,525,297. On March 8, 2023, the NMFA received forty-eight applications requesting more than \$90.6 million.

The applications were reviewed for eligibility and compliance. The City of Deming’s Solid Waste project for the purchase of equipment was deemed ineligible. Applicants that did not meet regulatory and/or policy

compliance were notified and given until March 31, 2023, 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. Three applications were removed due to the entities not meeting policy compliance nor submitting a waiver for consideration: Village of Hope, Village of Loving, and the City of Truth or Consequences. Ten waiver requests were submitted for consideration.

On April 25, 2023, the CIB considered and acted on the following waiver requests:

- City of Anthony (2) – Project Continuation – approved;
- Anthony WSD – Project Continuation – **not approved**;
- Dona Ana County (5) – Project Continuation – approved;
- Dona Ana MDWCA – Project Continuation – approved;
- Garfield MDWCA – Project Continuation – approved;
- Grant County (3) – Project Continuation – approved;
- Town of Silver City (3) – Project Continuation – approved;
- Village of Capitan – EO-Compliance – approved*; and
- City of Deming – EO-Compliance – approved*

*The Village of Capitan and the City of Deming were notified that the approval of the EO-Compliance waiver requests only allowed for additional time for the submission of their FY2022 audits. Due to the timing of award determinations by the Board, to be eligible for funding consideration, the audits would have needed to be submitted by May 16, 2023. Below is the breakdown of projects that were evaluated:

19	Water Infrastructure Projects	\$29,073,378
11	Wastewater Infrastructure Projects	\$39,332,211
2	Flood Prevention Projects	\$3,500,000
10	Roads/Drainage Projects	\$13,142,384
1	Solid Waste Projects	\$800,000
43	Total Requested Amount	\$85,847,973

Following the CIB’s consideration of waivers, staff discovered that five additional entities would also not be compliant with the Executive Order. Consistent with the Executive Order, these applicants cannot be certified to the State Board of Finance (SBOF) as part of the FY2023 funding recommendations on May 24, 2023, and therefore cannot be considered for funding.

*At the time of the Project Review Committee, Tyrone W&WWA’s audit submission was believed to be a Tier I/II which would require submission of paperwork to the State Auditor’s office. The Association has since been determined a Tier V/VI level which requires a full audit.

Applicant	Project	Requested Amount	Compliance
Water Infrastructure			
City of Bayard	Wellfield water distribution system	\$462,900	State Audit Rule
Village of Capitan	Mt. Capitan waterline replacement	\$1,978,982	State Audit Rule
City of Elephant Butte	Water system improvements	\$871,452	State Audit Rule
Town of Hurley	Wellfield water system improvements	\$720,000	State Audit Rule
*Tyrone W&WWA	Water storage tank design	\$115,000	State Audit Rule
Wastewater Infrastructure			
City of Deming	Poplar and Oak street sewer lines	\$984,949	State Audit Rule
City of Elephant Butte	Wastewater collection/treatment	\$4,160,505	State Audit Rule

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%)

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.” The current estimated 15% cap based on available funding is:

2023 Severance Tax Bond estimate (4.5%)	\$ 67,560,000
15% CAP	\$10,134,000

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	6	\$10,561,952
Wastewater Infrastructure Projects	5	\$29,944,339
Flood Prevention	1	\$1,500,000
Roads/Drainage Projects	6	\$7,402,203
Solid Waste Projects	1	\$800,000
Total Amount	19	\$50,208,494

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 and project readiness.

	# of Projects	Recommended Amounts
Water Infrastructure Projects	6	\$12,345,715
Wastewater Infrastructure Projects	2	\$450,610
Roads/Drainage Projects	4	\$4,440,181
Total Amount	12	\$17,236,506

Below is the final breakout and amounts for the 2023 CIF funding consideration:

12	Water Infrastructure Projects	\$22,907,667
7	Wastewater Infrastructure Projects	\$30,394,949
1	Flood Prevention Projects	\$1,500,000
10	Roads/Drainage Projects	\$11,842,384
1	Solid Waste Projects	\$800,000
31	Total Recommended Amount	\$67,445,000
	Balance Set-Aside	\$115,000

The following project(s) were phased:

Applicant	Requested Amount	Recommended Amounts	Recommended Scope
CIF-6123 Garfield MDWCA	\$1,961,601	\$947,843	Design and water rights purchase
CIF-6140 San Pablo MDWCA	\$2,588,418	\$310,610	Design only
CIF-6101 City of Anthony	\$2,500,000	\$200,000	Plan and Design

The Project Review Committee has reviewed these recommendations and concurs with staff's recommendations. Due to the determination of the Tyrone W&WWA audit compliance after the Committee met, staff recommends the unawarded balance be set aside for cost overruns.

Member Russel made a motion, seconded by Member Baca-Argabright to approve the Project Review Committee's recommendation for the approval of the 2023 Colonias Infrastructure Board Awards as presented. The motion passed unanimously by a 6-0 roll call vote.

5. **Consideration and Approval of Resolution, Notification and Certification of Need of Issuance of Severance Tax Revenue Bonds for Qualified Projects.** – Bryan Otero, Compliance Officer and Deputy General Counsel presented the Resolution, Notification, and Certification of Need for Issuance of Severance Tax Revenue Bonds for Qualified Projects.

Member Russel made a motion, seconded by Member Deal to approve the Resolution, Notification, and Certification of Severance Tax Revenue Bonds for Qualified Projects. The motion passed unanimously by a 6-0 roll call vote.

6. Next Meetings.

- September 2023 TBD

7. Adjournment.

The meeting adjourned at 10:41 a.m.



Mary Kay Papen, Chair

Sept 12, 2023

Date

ATTEST:



Marquita Russel, Secretary

9/15/2023

Date