

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

Minutes of Water Trust Board Meeting
October 3RD & 4TH, 2023
New Mexico State Capitol, Room 309
490 Old Santa Fe Trail, Santa Fe, New Mexico

Members Present:

AJ Forte, Vice Chair	NMML
Richard Garcia	Designee, NMC
Mark Thompson (via zoom)	NM Indian Affairs Dept.
Marquita Russel	CEO, NMFA
Priscilla Lucero	Environmental Community Representative
Tonantzin Roybal	Designee, NM Dept. of Finance/Admin
Julie Maitland	Designee, NM Dept. of Agriculture
Jason John (via zoom)	Designee, Navajo Nation
Todd Leahy	Designee, NM EMNRD
Timothy McGinn (via zoom)	Irrigation/Conservancy District Ground Water Rep.
Michael Sloane, Secretary	Director, NM Dept. of Game & Fish
Judi Kahl	Designee, NMED
Andrea Telmo	Designee, NMED

Absent:

Greg Alpers	Irrigation or Conservancy District Surface Water Rep.
Mike Hamman, Chairman	NM State Engineer
Brent Van Dyke	Soil & Water Conservation District Rep.

Finance Authority Staff:

Angela Quintana	Kryshana Madrid
Brenda Garcia	Michael Vonderheide
Cherise Martinez	Michele Cox
Connie Marquez (via zoom)	Paul Romero
Dan Opperman (via zoom)	Sharon Romero

Guests:

Adam Lucero, Sangre de Cristo MDWC
Alan Ortiz
Albert Chang
Alyssa Lopez, Middle Rio Grande
Arnie Castenda, City of T or C
Arty Consenela, T or C
Arvind Patel, NV5
Andy Edmondson, SCAFCA
Angelina Grey, NWNMCOG
Anthony Dimas Jr.
Ann Pressentin, WSP
Anna Mondragon
Ashlie Carabajal
Ashley Martinez, T or C
Brandon Howe, COG
Brian Hendrix
Brice Abeyta, City of Espanola
Byron Landfair, City of Artesia
Carlos Abeyta, Penasco MDWCA
Christella Armijo
Chuck Thomas, Petroglyph Consulting
Dave Gattermann
David Bailey, Luna County
David Sypher, City of Farmington
Deb Simpson, Pendaries MDWCA Dee
Tarr
Durward Dixon, Town of Elida
Emily Oster, City of Santa Fe
Eric Hamilton, Wilson & Company Erin
McElroy, Ecotone Landscape Planning
Estevan Lopez, Penasco MDWCA
Frank Chacon, Capulin MDWCA
Heather Dostie
Hector Ranyel, COSP
Jacob Welch, City of Raton
Jaquelyne Pena

Jeffrey Samson
Jeff Honeycutt, Lincoln County
Jesse Roach, City of Santa Fe
Jody Garcia, SMA
John Dusay, City of Portales
John Ortega
Judith McSweeny, MRGCP
Karen Nicols, Lower Rio Grande
Katty Elliot, T or C
Kim Summers, Town of Elida
Luz Carreon, ABCWUA
Marcia Infante, City of Sunland
Marc DePauli, DePauli Eng.
Mark Nassi, T or C
Marta Ortiz, Financial Officer ABCWUA
Matt Thompson, BHI all
Maya Clifford
Michelle Woods
Mickie Chippawa, Chippeway Park Water Association
Mike Morris, Mayor of Clovis
Orlando Ortega, ENMWUA
Pam Fanelli, MRGCD
Robert Storey, Souder Miller
Rodney Paris
Rodney Sherick
Sally Baxter, City of Espanola
Scott, City of Raton
Stephen Parker, Stantec
Steve King, Eldorado Area WSD
Sodder Miller, Flora Vista
Steven Parker, City of Jal
Susan Laysinger, Portales
Tracie Johnson, Enchanted Forest MDWCA
Terry Jones, President of Sierra Vista MDA
Valerie Vigil, Village of Questa
Wayne Morton, Pendaries Village MDWCA
Wesley Cooper, City of Jal

1. **Call to Order and Roll Call.** Vice Chair Forte called the meeting to order at 9:00 a.m. A quorum was established.
2. **Approval of Agenda.** Member Sloan moved, seconded by Member Russel, to amend the agenda, adding two additional presentations. The motion passed 12-0.
3. **Approval of August 10, 2023, Board Minutes.** Member Leahy moved, seconded by Member Lucero, for approval of the August 10, 2023, minutes. The motion passed 12-0.
4. **Recommendation of 2024 Water Project Fund Waiver Requests.**

4.0 Ms. Quintana presented for consideration the 2024 Water Trust Board (“WTB”) waiver requests to the WTB policies. Applicants unable to meet the expenditure target by September 2023 were instructed to include a waiver request in their application. Applications not meeting the preliminary expenditure target and not granted waivers by the Board will not continue through the evaluation process.

For the 2024 cycle, one applicant is requesting a waiver on the planning document requirement and seventeen waiver requests were submitted for the Preliminary Expenditure Target. The Project Review Committee has reviewed these requests and concurs with staff’s recommendation:

4.1 Sile MDWCA – Water Storage, Conveyance and Delivery Project

Waiver Request: Planning Document Requirement

Justification: The applicant was awarded funding from the Local Government Planning Fund (“LGPF”) in June 2023 for a Preliminary Engineering Report (“PER”) for the proposed project. The Association is expected to complete the PER by July 1, 2024.

Recommendation: NMFA staff does not recommend approval of the waiver request. Once the PER is complete, the Association will be better prepared for the next funding cycle. Staff answered questions by the Board.

4.2 City of Albuquerque (“City”) – Flood Prevention Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has two outstanding 2022 awards (\$1,250,000) with the full balances remaining (0% expended). The City currently has staff working on the demolition and prep work of the 2022 projects. Supply chain disruptions and personnel vacancies delayed the start of these projects. The City anticipates project completion of the Phil Chacon Park by early 2024 and Netherwood Park by Summer 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

4.3 Albuquerque Bernalillo County WUA (“ABCWUA”)-Water Conservation or Treatment, Recycling or Reuse and Water Storage, Conveyance and Delivery Projects

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2021 award (\$7,708,271) with the full balance remaining (0% expended) and two 2022 awards (\$9,100,000) with a balance of \$7,712,088 (15% expended). The 2021 project (To’Hajiilee pipeline) was awarded for construction. Due to the complexity of the project, redesign of the project was required which delayed the start of construction. It is estimated the design will be completed, reviewed, and approved by the end of 2023, with construction beginning in early 2024, and project completion by early 2025. The 2022 water meter project is moving forward with an expected completion between 3-12 months depending on supply availability. The second 2022 project (arsenic treatment facility), design is anticipated to be completed by the end of September with construction beginning in January 2024 and an anticipated completion by late fall 2025.

Recommendation: NMFA staff does not recommend approval of the waiver request. With the amount of funds outstanding as well as project completion timelines, the ABCWUA will not meet the expenditure requirement in the Spring of 2024.

Marta Ortiz, Financial Officer ABCWUA commented on the above projects stating that the projects were beginning to proceed more quickly. Discussion ensued, with staff answering questions from the Board. The Board commented that as a sophisticated and large organization, ABCWUA was in a better position to manage multiple projects and that many of the delays were due to supply-chain issues.

4.4 Cerro Regional MDWA (“Association”) – Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2020 award (\$2,321,800) with a balance of \$1,960,800 (16% expended). The 2020 project would have significantly completed the improvements to the system. Due to increased costs, the Association’s engineer broke out the project into four phases to be able to construct usable phases within the construction budget. The base bid (Phase I) was awarded in August 2023 with anticipated completion of the project by early February 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

4.5 Claunch Pinto SWCD (“District”) – Watershed Restoration and Management Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has two outstanding 2021 awards (\$1,200,000) with a current balance of \$790,881 (34% expended). The District has contractors working on the two projects with an anticipated completion by November 2023.

Recommendation: NMFA staff recommends approval of the waiver request.

4.6 Eastern NMWUA – Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target - 35%

Justification: The applicant has an outstanding 2022 award (\$14,510,522) with the full balance remaining (0% expended). This project is jointly supported with federal funding. The project was delayed due to increased mandatory federal requirements. The project has been deemed urgent by the Office of the State Engineer.

Recommendation: NMFA staff recommends approval of the waiver request.

4.7 El Rito Regional W&WWA – Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has a 2021 award (1,259,600) with a current balance of \$997,038 (21% expended). The project was delayed due to difficulties securing a construction contractor. The project has been awarded with anticipation of completion by January 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

4.8 City of Gallup – Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2021 award (\$7,708,271) with a current balance of \$7,285,854 (4% expended). A portion of the 2021 award is part of the Navajo-Gallup water supply project. The other portion is for water supply wells for the City. The City was forced to drill more water wells to provide water to the Regional system which delayed the project. The project is moving forward with an anticipated project completion by May 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

4.9 Luna County – Water Storage, Conveyance and Delivery Projects

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2022 project (\$3,250,000) with the full balance remaining (0% expended). The 2022 award was delayed from closing (February 2023) due to additional environmental and cultural resource permits required from NMDOT. The issues have been resolved as of August 2023. The project is moving forward with expectation of funding drawdowns within the next 4-6 months.

Recommendations: NMFA staff recommends approval of the waiver request.

4.10 Middle Rio Grande CD – Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2022 award (\$7,155,000) with a remaining balance of \$6,626,880 (7% expended). Due to the irrigation season (November- February), the project was unable to start until March 2023. The design is complete, the project has been awarded to a construction contractor with substantial completion by March 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

4.11 Pena Blanca W&SD, Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2021 award (\$165,000) with a current balance of \$162,328 (2% expended). Due to staff turnover, the design contract was not executed until 2023. It is anticipated that the final design will be completed by February 2024. This project is for design only.

Recommendation: NMFA staff recommends approval of the waiver request.

4.12 Rio Lucio MDWCA – Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target - 70%

Justification: The applicant has an outstanding 2021 award (\$1,001,186) with a current balance of \$978,406 (2% expended). The project was delayed due to securing easements and lead times associated with construction materials. The project is anticipated to be completed by January 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

4.13 City of Santa Fe – Water Conservation or Treatment, Recycling or Reuse and Storage, Conveyance and Delivery Projects

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2022 project (\$1,500,000) with the full balance remaining (0% expended). Due to the delay in submitting the FY2021 and FY2022 audits, the City is unable to secure the funding on the 2022 award.

Recommendations: NMFA staff does not recommend approval of the waiver request. The FY2021 audit has been completed and released by the Office of the State Auditor. The City anticipates the submittal of the FY2022 audit by December 4, 2023.

Jesse Roach, from the City of Santa commented on the project. City of Santa Fe will withdraw their 2022 award, agree to release the funds to the general pool to move forward with their 2024 requests. Discussion ensued, with staff answering questions from the Board.

4.14 Southern Sandoval County AFCA – Flood Prevention Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2021 award (\$800,000) and an outstanding 2022 award (\$1,150,000) with a combined remaining balance of \$1,230,000 (37% expended). The 2021 project is pending final close-out documents. The 2022 project was awarded in August with a notice to proceed beginning September 25, 2023. The Authority anticipates 90% of the funds to be expended by January 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

4.15 City of Sunland Park, Flood Prevention Project

Waiver Request: Preliminary Expenditure Target – 70%

Justification: The applicant has an outstanding 2021 award (\$125,000) and a 2022 award (225,000) with a combined balance of \$263,935 (25% expended). The 2021 project is anticipated to be completed by December 2023. The 2022 award will have expended 79 % of the funds by October 2023.

Recommendation: NMFA staff recommends approval of the waiver request.

4.16 City of Truth or Consequences - Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target - 70%

Justification: The applicant has an outstanding 2020 award (\$641,146) and a 2021 award (\$750,000) with a combined balance of \$1,068,399 (23% expended). The 2020 project went out to bid twice. Due to the increased costs, the project was repackaged to accommodate the available budget. It is anticipated that the 2020 project will be completed by February 2024. The 2021 project was awarded for plan, design, and construction of the Cantrell Dam. Verification of ownership and overall responsibility of the maintenance of the Cantrell Dam required extensive research with the N.M. Office of the State Engineer and BLM which delayed the initial planning. The planning is complete, and the design is underway with an anticipated completion by ending of 2023.

Recommendation: NMFA staff recommends approval of the waiver request.

4.17 Union del Llano MDWCA (“Association”) - Water Storage, Conveyance and Delivery Project

Waiver Request: Preliminary Expenditure Target - 70%

Justification: The applicant has an outstanding 2021 award (\$1,700,000) with a current balance of \$1,582,537 (7% expended). The 2021 project was to complete the improvements to the water system. Due to increased cost of materials and labor, the Association is seeking funds from the 2024 cycle to complete the remaining phase. The Association anticipates project completion by February 2024.

Recommendation: NMFA staff recommends approval of the waiver request.

Member Russel made a motion to deny the waiver for 4.1, approve waivers for 4.2 through 4.17 and note that 4.13 was withdrawn, the motion was seconded by Member Lucero. The motion passed 12-0.

5. 2023 Water Project Fund(“WPF”) Applications Presentations.

5.1 Presentation of the 2023 WPF Awards 2nd Iteration. Ms. Quintana introduced the applicants presenting their projects to the WTB. Below in order, are the applicants and their representatives who gave presentations to the Board:

Applicant	County	Project Name	Amount Requested
City of Albuquerque	Bernalillo	John St. ponds/storm drain	\$6,098,589
Lincoln County	Lincoln	Magado Creek concrete box culvert	\$1,190,000
McKinley County	McKinley	CR43 Superman Canyon drainage	\$3,500,000
Southern Sandoval CAFCA	Sandoval	Riparian pond flood mitigation	\$1,150,000
City of Sunland Park	Dona Ana	Municipal complex water quality and flood control	\$450,000
Claunch Pinto SWCD	Torrance	Estancia Basin Watershed	\$600,000
Claunch Pinto SWCD	Torrance	Greater Rio Grande Watershed	\$600,000
Albuquerque Bernalillo CWUA	Bernalillo	Phase 8 advanced metering infrastructure	\$2,000,000
Albuquerque Bernalillo CWUA	Bernalillo	Arsenic Treatment Facilities	\$14,000,000
Albuquerque Bernalillo CWUA	Bernalillo	Expansion of DWTP	\$15,000,000
Town of Elida	Roosevelt	Wastewater reuse project	\$2,600,000
City of Farmington	San Juan	Water treatment plants 1, 2 and distribution system	\$20,000,000
Lower Rio Grande PWWA	Dona Ana	Valle del Rio water treatment project	\$718,000
Lower Rio Grande PWWA	Dona Ana	S. Valley water system regionalization project	\$5,644,105
City of Santa Fe	Santa Fe	Canyon Rd. water treatment plant improv.	\$7,750,000
City of Santa Fe	Santa Fe	San Juan-Chama return pipeline	\$2,000,000
City of Santa Fe	Santa Fe	Nichols Dam repair	\$5,500,000
Sile MDWC&SWA	Sandoval	Water system improvements	\$480,210
Eastern NMWUA	Curry	Raw water conveyance & facilities	\$20,000,000
City of Gallup	McKinley	Cast iron/AC pipe replacement	\$6,850,796
Luna County	Luna	People’s Water Co-op design/const.	\$2,952,253
Middle Rio Grande CD	Bernalillo	Socorro division conveyance improv. Ph. II	\$10,000,000
Pena Blanca WSD	Sandoval	Waterline replacement	\$7,342,200
Rio Lucio MDWCA	Taos	Water system improvements	\$190,000

City of Truth or Consequences	Sierra	Waterline replacement	\$16,000,000
Union del Llano MDWCA	Taos	Water system improvements Ph. 4	\$1,579,260
Village of Logan	Quay	Canadian River water pipeline crossing	\$2,200,000
Board recessed at 11:53 pm and reconvened at 10:00 am with Member Telmo replacing Member Kahl			
City of Artesia	Eddy	Water supply well	\$687,650
Canon MDWCA	Sandoval	Water system improvements	\$4,854,620
Capulin MDWCA	Rio Arriba	Water system improvements	\$500,000
Chippeway Park WA	Otero	Chippeway Park Ph. 2	\$270,000
Enchanted Forest MDWCA	Lincoln	Distribution system improvements	\$2,400,000
City of Espanola	Rio Arriba	New well construction	\$2,454,887
City of Espanola	Rio Arriba	Water storage tank rehab	\$215,165
City of Espanola	Rio Arriba	Riverside waterline improvements	\$13,600,000
City of Eunice	Lea	Water tank project	\$1,818,640
Flora Vista MDWCA	San Juan	Water system improvements ph. I	\$531,222
City of Jal	Lea	Transmission line ph. III	\$3,247,654
Ojo Caliente MDWCA	Rio Arriba	Water storage tank	\$672,840
Penasco MDWC&MSWA	Taos	Water system improvements	\$1,320,000
Pendaries Village MDWCA	San Miguel	Water system improvements	\$7,000,000
City of Portales	Roosevelt	Water storage system improvements	\$500,000
City of Portales	Roosevelt	Wellfield improvements	\$19,500,000
Ramah WSD	McKinley	Water system improvements	\$440,000
City of Raton	Colfax	Water storage tank rehabilitation	\$1,250,000
Village of Ruidoso	Lincoln	Tank restoration ph. II	\$1,187,944
Village of Ruidoso	Lincoln	County Club subdivision waterline replacement	\$3,645,695
San Antonio MDWCA	Socorro	PER	\$100,000
Sangre de Cristo Regional MDWCMSWA	Guadalupe	New Dilia well	\$1,547,600
City of Santa Rosa	Guadalupe	Waterline replacement	\$2,150,000
Sierra Vista MDA	Bernalillo	Waterline replacement	\$6,381,440
Village of Taos Ski Valley	Taos	Water distribution system improvements	\$13,125,000
Village of Questa	Taos	Tank well	\$1,800,000
Eldorado Area WSD	Santa Fe	Monte Alto pipeline replacement	\$750,000

Informational Only.

6. Proposed Next Meeting:

6.1

- October 17, 2023, Project Review Committee
- October 24, 2023, Water Trust Board – Legislative Authorization Recommendations; State Capitol Rm. 307

7. Adjournment. The meeting adjourned at 12:09 p.m.



Secretary

10/24/2023

Date