

New Mexico Finance Authority
810 W. San Mateo Road., Santa Fe, New Mexico 87505
(505) 984-1454
Water Trust Board Meeting Minutes
August 27, 2025
Zoom

Members Present:

Elizabeth Anderson, Chair	NM State Engineer
AJ Forte, Vice-Chair	NM Municipal League
Mark Thompson <i>virtual</i>	NM Indian Affairs Department
Marquita Russel	CEO, NM Finance Authority
Tonantzin Roybal	Designee, NM Department of Finance & Admin.
Erin Taylor	Designee, NM Energy, Minerals and Natural Resources Dept.
Timothy McGinn <i>virtual</i>	Irrigation/Conservancy District Ground-Water
Priscilla Lucero <i>virtual</i>	Environmental Community Representative
Max Henkels <i>virtual</i>	Designee, NM Department of Agriculture
Joy Esparsen	Director, NM Association of Counties
Dennis Romero <i>virtual</i>	Designee, NM Environment Department
Jason John <i>virtual</i>	Designee, Navajo Nation
Michael Sloane	Director, NM Department of Game & Fish
Greg Alpers <i>virtual</i>	Irrigation/Conservancy District Ground-Surface Rep.
Brent Van Dyke <i>virtual</i>	Soil & Water Conservation District Representative

Members Absent:

New Mexico Finance Authority Staff:

Angela Quintana
Arielle Lansdell
Donnie Quintana
Fernando Martinez
John Brooks
Kryshana Madrid
Laura Williams
Luanna Salazar
Mark Chaiken
Sharon Romero

Guests:

Colleen Cunningham	Interstate Stream Commission
Michelle Jones	Town of Estancia
Nathan Dial	Mayor of Estancia <i>virtual</i>
Ron Sena	Village of Ruidoso <i>virtual</i>
Sara Rhoton	NMENV <i>virtual</i>

1. **Call to Order and Roll Call.** Chair Anderson called the meeting to order at 10:00 a.m. A quorum was established.
2. **Approval of Agenda.** Member Forte moved, seconded by Member Sloane, to approve the agenda. The motion passed 13-0.

3. **Approval of Board Minutes.**

3.1 Member Lucero moved, seconded by Member McGinn for approval of the June 25, 2025, minutes. The motion passed 13-0 on a roll call vote.

4. **Approval of NM Unit Fund Pilot Cycle Projects .**

4.1 **Recommendation of NM Unit Fund Pilot Cycle Projects.** Staff reviewed the 2024 NM Unit Fund Pilot Cycle Policy which establishes a framework and guidance for water utilization project applicants. The WTB subsequently adopted its own version of the policy incorporating NMISC’s language on eligibility and outlining evaluation criteria for project prioritization.

The NMFA, in coordination with NMISC staff, opened an online application. 21 applications were received, requesting \$12,841,744 in funding. One application was deemed ineligible and another was withdrawn. The remaining 19 applications were scored according to the following criteria: contribution to regionalization, system resiliency, water security, economic health, cultural lifeways, community engagement, and project urgency.

Staff recommends 11 projects that scored 60 or higher be recommended to the NMISC for funding consideration from the NM Unit Fund. These recommended projects total \$4,290,109 in proposed funding and represent all four counties in the Southwest Region—Catron, Grant, Hidalgo, and Luna. Two applicants submitted more than one project that is included in the recommendation. The Project Review Committee concurs with staff’s recommendation.

(Member John and Member Thompson joined virtually)

Member Russel moved, seconded by Member Sloane for approval of item 4.1. The motion passed 15-0 on a roll call vote.

5. **Approval of Change of Scope.**

5.1 **Recommendation on change of scope for City of Santa Rosa (the “City”) WPF-6317.** Staff presented a scope change request from the City. The City received funding from the 2024 WTB cycle in the amount of \$2,150,000 (90% grant / 10% loan). The funding was approved for the design and construction of new waterlines along 4th and 5th Streets, from Corona to Smith Street.

However, it was later identified that the City had already received Community Development Block Grant funds in 2023 for the replacement of waterlines on 5th Street. This duplication of effort was inadvertently missed. To correct this error, the City is requesting a scope modification to expand the project area to 2nd

Street and Baca Street. The City has confirmed that rights-of-way and easements are in place, and the need for infrastructure improvements on these streets remains critical.

Although the revised project location differs from the original scope, the purpose and intent of the funding award remains unchanged. The Project Review Committee has reviewed this request and concurs with staff's recommendation. Staff recommends approval of the proposed scope change as outlined for Project No. WPF-6317.

Member Lucero moved, seconded by Member Roybal for approval of item 5.1. The motion passed 15-0 on a roll call vote.

6. Approval of Change of Scope.

6.1 Recommendation on change of scope for Village of Ruidoso (the "Village") WPF-6608. Staff presented a scope change request from the Village. The Village was awarded funding through the 2025 WTB cycle for a Water Storage, Conveyance, and Delivery project in the amount of \$5,100,000 (90% grant / 10% loan). The approved scope of work includes the construction and replacement of the Two Rivers raw water intake and transmission lines. As part of the Village's required funding match, the design portion of the project was nearly complete in anticipation of receiving construction funds.

However, recent severe flooding in the area has significantly altered the river landscape within the project site. As a result, the existing design must be updated to reflect the new site conditions. The Village is therefore requesting an expansion of the project scope to include the updated design work. The Project Review Committee has reviewed the request and agrees with staff's recommendation to approve the scope change to include design services for Project No. WPF-6608.

Member Russel moved, seconded by Member Forte for approval of item 6.1. The motion passed 15-0 on a roll call vote.

7. Approval of Construction Cost Overrun.

7.1 Recommendation on construction cost overrun for Village of Ruidoso (the "Village") WPF-5981. The Village is requesting additional funding due to a construction cost overrun. The project was awarded funding through the 2023 WTB cycle for a Water Storage, Conveyance, and Delivery project in the amount of \$918,415 (90% grant / 10% loan).

However, unanticipated and severe flooding resulting from the South Fork and Salt Fires, caused significant damage to the diversion structure. To complete the project, the Village must undertake immediate repairs and implement upstream protective measures. As a result, the Village is requesting an additional \$1,157,840 in funding to cover these unforeseen costs.

On August 10, 2023, the WTB approved a set-aside of returned funds from the 2023 cycle to support awarded projects facing construction shortfalls. Additionally, Senate Bill 275, passed during the 2024 Legislative Session, allocated \$18 million for WTB projects awarded in 2023 or earlier. The Project Review

Committee has reviewed this request and concurs with staff's recommendation. Staff recommends approval of the additional funding as construction cost overrun in the amount of \$1,157,840 for WPF-6608.

Member Lucero moved, seconded by Member Esparsen for approval of item 7.1 as presented, the motion passed 15-0 on a roll call vote.

8. Approval of 2025 Water Project Fund Awards 2nd Iteration.

8.1 Recommendation of 2025 Water Project Fund Awards 2nd Iteration. Staff presented the 2nd iteration funding recommendations. On April 2025, the WTB awarded 60 projects totaling \$146,603,384. At the time of the awards, the WTB postponed awarding decisions on 18 projects submitted by 11 applicants due to unmet regulatory compliance requirements.

Following the Board's decision, staff prioritized the remaining projects based on their initial project application evaluations, scores and available funding. In addition, the applicants were contacted to confirm their funding needs had not changed. Due to duplicate applications between funding programs, the City of Deming withdrew its applications. All but four applicants (representing five applications) met the extended compliance deadline.

In the 2025 Legislative Session, HB493-Public Finance Accountability Act established funding criteria for a grantee to be eligible for funds in the event that the grantee is unable to meet the current year's audit/reporting requirements.

Additionally, the Village of Ruidoso received \$5.1 million in April for construction of the Two Rivers raw water intake and transmission lines. Due to recent severe flooding that reshaped the river's landscape, the original design required modification. Therefore, the Village is requesting an additional \$60,000 to cover the cost of updated design work.

The following applications are recommended for funding in the 2025 WTB 2nd Iteration:

Applicant	Project	Requested Amount	Compliance
Water Conservation			
City of Alamogordo	Transmission line replacements	\$3,035,050	State Audit Rule
Water Storage			
City of Alamogordo	Waterline replacement	\$3,083,455	State Audit Rule
Cedar Creek MDWCA	Water system improvements	\$500,000	State Audit Rule
Village of Cloudcroft	Water storage	\$1,032,000	State Audit Rule
Village of Des Moines	Water system improvements	\$422,518	State Audit Rule
EMWT Regional WA	Ph. 1 McIntosh water	\$14,000,000	OSE Compliance
City of Espanola	Prince 2 carter well	\$2,710,000	State Audit Rule
City of Espanola	Riverside waterline improvements	\$14,600,000	State Audit Rule
City of Espanola	Tank rehabilitation	\$278,000	State Audit Rule
Town of Estancia	New well and water system improv.	\$4,950,000	State Audit Rule and NMED Compliance
Nogal MDWCA	Water supply project	\$325,000	OSE Compliance
City of Portales	Wellfield improvements	\$12,000,000	State Audit Rule
City of Portales	Water storage system improvements	\$4,701,743	State Audit Rule
Village of Ruidoso	Two Rivers raw water/transmission line	\$60,000	Additional Funding
Sile MDWCA	Water system improvements	\$499,999	State Audit Rule

TOTAL: \$62,197,765

The Project Review Committee concurs with staff's recommendation to fund the 14 additional projects, including additional funding for the Village of Ruidoso, as presented.

Member Russel moved, seconded by Member Forte for approval of item 8.1. The motion passed 15-0 on a roll call vote.

9. Approval of Resolution, Notification and Certification of Need for Issuance of Severance Tax Revenue Bonds to Additional Qualified Projects.

9.1 Approval of Resolution, Notification and Certification of Need for Issuance of Severance Tax Revenue Bonds to Additional Qualified Projects. Staff presented a resolution to certify the use of severance tax bond proceeds for additional qualified water projects. This follows the Board's April 2025 certification of \$161.1 million in bond funding for previously approved projects. Since that time, new projects have met eligibility requirements. The resolution will formally notify the State Board of Finance that bond proceeds are needed to fund these additional projects, confirming all legal conditions have been satisfied.

Member Russel moved, seconded by Member Sloane for approval of item 9.1. The motion passed 15-0 on a roll call vote.

10. WTB Technical Assistance Program.

10.1 Update on WTB Technical Assistance Program. Staff provided a status update on the WTB/Technical Assistance Program to support water and wastewater systems through regionalization and system planning services. As of now, eleven applications have been received since the application opened on June 30, 2025, with nine approved and two under review. Of the approved, two request regionalization support and seven focus on individual system planning. Contractors have been identified for all approved projects, and initial coordination meetings are scheduled to define scopes, deliverables, timelines, and budgets. Once finalized, NMFA will issue purchase orders and encumber funds from the \$3.5 million allocated. The Project Oversight Team will oversee progress and manage invoicing and reporting. Staff provided a list of the entities who have applied.

Informational Only.

11. Next Board Meeting.

- ◆ October 1-2, 2025, Water Trust Board Meeting – NMFA (Project Presentations)
- ◆ October 29, 2025, Water Trust Board Meeting – NMFA (Legislative Authorization)

12. Adjournment. The meeting adjourned at 11:00 am.



Secretary

10 / 02 / 2025

Date