

*New Mexico Finance Authority*  
**810 W. San Mateo Rd, Santa Fe, New Mexico 87505**  
**(505) 984-1454**  
**Colonias Infrastructure Board Meeting Minutes**  
**September 18, 2025**  
**NMFA Board Room**

**Voting Members Present:**

Mary Kay Papen, Chair	Appointee, President Pro Tempore of the Senate
Janice Baca-Argabright, Vice-Chair <i>virtual</i>	Appointee, Minority Leader of the Senate
Fernando Martinez	Designee, NM Finance Authority
Jose Luis Segura	Appointee, Speaker of the House of Representatives
Tonantzin Roybal	Designee, NM Dept. of Finance and Administration
Steven Deal, <i>virtual</i>	Designee, NM Environment Dept.

**Non-Voting Members Present:**

Richard Garcia, <i>virtual</i>	Designee, NM Counties
Jay Armijo <i>virtual</i>	Director, South Central Council of Governments
Priscilla Lucero <i>virtual</i>	Director, Southwest NM Council of Governments

**Non-Voting Members Absent:**

Dora Batista	Director, Southeastern NMED District
Isidoro Hernandez	Executive Director, NM Mortgage Finance Authority

**New Mexico Finance Authority Staff:**

Angela Quintana	
Arielle Lansdell	Sharon Romero
Brenda Garcia	Mark Chaiken
Luanna Salazar	Michael Vonderheide

**Guests:**

None

1. **Call to Order and Roll Call.** Chair Papen called the meeting to order at 10:02 a.m. A quorum was established.
2. **Approval of Agenda.** Member Martinez moved, seconded by Member Segura, to approve the agenda. The motion passed 6-0.
3. **Approval of Board Minutes.**
  - 3.1 Member Roybal moved, seconded by Member Baca-Argabright to approve the May 15, 2025, Board meeting minutes. The motion passed 6 - 0.
4. **Report from Nominating Committee.**

**4.1 Report from Nominating Committee.** Member Lucero reported that Mary Kay Papen has stepped down from being Chair of the Colonias Infrastructure Board but will remain on the Board. The nominating committee is recommending the election of officers as follows; Janice Baca-Argabright as the new Chair; Jose Luis Segura as Vice Chair and Marquita Russel as Secretary.

**Informational Only.**

**5. Election of Officers.**

**5.1 Election of Officers.** Janice Baca-Argabright as the new Chair; Jose Luis Segura as Vice Chair and Marquita Russel as Secretary.

**Member Roybal moved, seconded by Member Martinez to approve item 5.1 electing the new officers of the Board. The motion passed 6 - 0.**

**6. Construction Cost Overrun Update.**

**6.1 Construction cost overrun update: Town of Silver City CIF-6437; San Pablo MDWCA CIF-6435.** Staff presented an update for the Town of Silver City (“Town”) and San Pablo MDWCA (“Association”). The Association was awarded funds in 2024 for wastewater system improvements, and secured full project funding on May 16, 2025, after delays related to USDA consent. The project went to bid, with the lowest bid coming in just under available funding, leaving no contingency allowance. To address this, the Association requested an additional \$240,000 and committed to providing additional matching funds instead of securing further USDA loans to avoid further delays.

Similarly, the Town was awarded funding in 2024 for a new lift station and force main, secured its funding on March 21, 2025, and requested an additional \$526,308 to move forward with awarding the base bid and completing the project, citing concerns over delays and rising costs if alternative funding were sought.

At its July and August 2025 meetings, the NMFA Board approved the recommended additional funding \$240,000 as a 100% grant for Project No. CIF-6435 and \$526,308 as a 10% loan 90% grant for Project No. CIF-6437.

**Informational Only.**

**7. Approval of Resolution in Change of Award to Different Entity.**

**7.1 Approval of Resolution to reflect change in 2024 CIF project # CIF-6409 from Camino Real Regional Utility Authority (“CRRUA”) to City of Sunland Park.** Staff provided funding background and explained the Joint Powers Agreement (“JPA”) between the two entities. Recently, the City of Sunland Park (“City”) received notice that the Dona Ana County intends to terminate the JPA, triggering a four-year transition period for dividing assets and liabilities.

CRRUA has been responsible for managing water and wastewater services in the region but has recently faced scrutiny over water quality issues, including arsenic exceedances, and poor public communication. The current project is located within the City’s municipal boundaries, and the lift

station is considered critical to public health and environmental safety. Concerns were raised that administrative uncertainty could cause delays, posing serious environmental risks to residents of the Riverside subdivision and potentially impacting cross-border areas.

With the City's concurrence, CRRUA requested to transfer Project No. CIF-6409 to the City. A resolution has been prepared to update the original certification of need to the State Board of Finance, as approved by the CIB in May 2024. Staff recommended approval of the resolution to certify the change in awardee from CRRUA to the City for Project No. 6409. Discussion ensued with staff answering questions from the Board.

**Member Papen moved, seconded by Member Martinez to approve item 7.1 as presented. The motion passed 6 - 0.**

## **8. Approval of 2025 CIF Second Iteration Awards.**

### **8.1 Recommendation of 2025 Colonias Infrastructure Fund Awards Second Iteration.**

For the 2025 cycle, \$80.57 million was available from severance tax bonds. On May 15, 2025, the CIB awarded \$51.2 million to 32 projects. Eleven applications from four entities were not certified due to regulatory non-compliance, prompting the Board to extend the compliance deadline to August 8, 2025, and postpone decisions on the remaining \$29.36 million until September. Staff prioritized remaining projects based on original evaluations and confirmed applicants' funding needs, leading the City of Deming to withdraw six of its eight applications. Additionally, the 2025 Legislature passed HB493, the Public Finance Accountability Act, establishing criteria for grantees to remain eligible for funding if audit or reporting requirements are unmet.

The list below is recommended for funding.

Applicant	Project	Requested Amount	Compliance
<b>Water Infrastructure</b>			
Arenas Valley WDA	Water main replacement	\$1,326,000	State Audit Rule
City of Deming	Copper to Tin waterline replacement	\$840,000	State Audit Rule
Cedar Creek MDWCA	Construct/repair to Kellerman Well	\$1,200,000	State Audit Rule
<b>Wastewater Infrastructure</b>			
City of Deming	Poplar Oak St. sanitary sewer rehab.	\$1,732,000	State Audit Rule
<b>Solid Waste Infrastructure</b>			
Southwest SWA	Cell 9B/C construct	\$500,000	State Audit Rule

**TOTAL \$5,598,000**

The Project Review Committee concurs with staff's recommendation that the five projects listed above be awarded for funding from the 2025 CIB Funding Cycle Second Iteration.

**Member Baca-Argabright moved, seconded by Member Roybal to approve item 8.1 as presented. The motion passed 6 - 0.**

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

**9.1 Approval of Resolution, Notification and Certification of Need for Issuance of Severance Tax Bonds for Additional Qualified Projects.** NMFA Counsel presented for approval the Resolution, Notification, and Certification of need for issuance of severance tax revenue bonds for additional qualified projects. Counsel recommended approval of the documents relating to the severance tax revenue bonds.

**Member Papen moved, seconded by Member Martinez to approve item 9.1 as presented. The motion passed 6 - 0.**

**10. Approval of Additional Funds for the 2025 CIF Awarded Projects.**

**10.1 Approval of Additional Funds for the 2025 CIF Awarded Projects.** Staff presented a list of projects that, due to an increase in construction costs, three entities with a total of five projects anticipate a shortfall in funding to complete their projects. See the breakdown below.

Awardee	Project	Initial Project Cost	Updated Project Cost	Shortfall
Dona Ana County	Datil Pond & Channel	\$4,500,000	\$5,254,963	\$754,963
Dona Ana MDWCA	Water wells projects	\$2,200,000	\$2,700,000	\$500,000
Dona Ana MDWCA	West Mesa water system ph. I	\$5,500,000	\$6,000,000	\$500,000
Dona Ana MDWCA	Dona Ana Village lift station	\$681,435	\$771,435	\$90,000
*South Central SWA	Holman rd. transfer station	\$9,900,000	\$11,605,236	\$1,705,236
TOTAL				\$3,550,199

The Project Review Committee concurs with staff's recommendation to award additional funds to the projects listed above from the 2025 CIB Funding Cycle to address the funding shortfall.

**Member Baca-Argabright moved, seconded by Member Martinez to approve item 10.1 as presented. The motion passed 6 - 0.**

**11. Approval of Emergency Funding Set-Aside.**

**11.1 Approval of Emergency Funding Set-Aside.** Staff presented unawarded balances and recommended the funds be used for Emergency Funding for Colonias communities who have endured flooding and wildfires. Staff went over the application parameters in order to receive emergency funding. NMFA staff will be working with the State Board of Finance on these projects as well.

Unawarded Balances set-aside for Construction Cost Overruns and/or Returned Funds				
Year	Amount	Awarded	Balance	Available
2025	\$20,209,521	\$0	\$20,209,521	\$20,209,521
2024	\$4,200,855	\$769,308	\$3,431,547	\$0*
2023	\$796,818	\$0	\$796,818	\$0*
2022	\$2,995,533	\$446,755	\$2,548,778	TBD

Staff recommended setting aside any unawarded balances for Emergency Funding to the Colonias Communities and incorporating the current and additional parameters to prioritize the funding recommendations.

**Member Roybal moved, seconded by Member Baca-Argabright to approve item 11.1 as presented. The motion passed 6 - 0.**

**12. Approval of Colonias 2026 Application Timeline.**

**12.1 Approval of Colonias 2026 Application Timeline.** Staff presented the CIF 2026 Application Funding Cycle.

**2026**

- January 5-16 Notice of Intent
- January 21 2026 CIF Application Training
- Jan. 26- Mar. 5 2026 CIF On-line Application
- March 3 Colonias meeting – Santa Fe
- April 28-29 Colonias meeting – Ruidoso/Ruidoso Downs – Waiver Considerations; Project presentations
- May 14 Colonias meeting – Cloudcroft 2026 CIF Funding Awards
- September TBD Colonias meeting – Santa Fe

\*please note: dates are subject to change

**Member Martinez moved, seconded by Member Papen to approve the timeline presented in item 11.1. The motion passed 6 - 0.**

**13. Proposed Next Meeting. December 4, 2025.**

**14. Public Comment. None.**

**15. Adjournment.** The meeting adjourned at 11:33 a.m.



12 / 08 / 2025

Secretary

Date

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