

New Mexico Colonias Infrastructure Board

2023 Annual Report October 1, 2023



Introduction

The Colonias Infrastructure Board (the “CIB”) was established by the Legislature, in 2011, by the enactment of the Colonias Infrastructure Act (“the Act”), NMSA 1978, Sections 6-30-1 – 6-30-8. In adopting the Act, the Legislature found that colonias lack basic infrastructure, resulting in poor social, health and economic conditions. The purpose of the Act is to address those findings by (i) ensuring adequate financial resources for infrastructure development; (ii) providing for the planning and development of infrastructure in an efficient and cost-effective manner; and (iii) developing infrastructure projects to improve quality of life and encourage economic development for colonia-recognized communities.

The Colonias Infrastructure Board is composed of 12 members, seven (7) voting members and five (5) advisory, non-voting members.

Voting Board Members

Mary Kay Papen, *Chair*, President Pro Tempore of Senate Appointee

Janice Baca Argabright, *Vice Chair*, Minority Leader of the Senate Appointee

Marquita Russel, *Secretary*, New Mexico Finance Authority Chief Executive Officer

Rebecca Dow, Minority Leader of the House of Representatives Appointee

Orlando-Antonio Carillo Jimenez, Speaker of the House of Representatives Appointee

James Kenney, Environment Department Cabinet Secretary

Wayne Propst, Department of Finance and Administration Cabinet Secretary

Advisory, Non-Voting Members

Jay Armijo, South Central Council of Governments Executive Director

Dora Batista, Southeastern Economic Development District Executive Director

Isidoro Hernandez, New Mexico Mortgage Finance Authority Executive Director

Joy Esparsen, New Mexico Counties Executive Director

Priscilla Lucero, Southwest Council of Governments Executive Director

The Act charges the CIB with prioritizing projects and recommending projects to the New Mexico Finance Authority (“NMFA”) for financial assistance to be funded by the Colonias Infrastructure Project Fund (the “Fund”). The CIB is empowered to promulgate and has established rules, by-laws, and policies to aid in the effective management of the Colonias Program.

As defined in the Act, a qualified colonia is a rural community with a population of 25,000 or less located within 150 miles of the United States-Mexico border that:

- ❖ Has been designated as a colonia by the county or municipality due to:
 - Lack of potable water;
 - Lack of adequate sewage systems;
 - Lack of decent, safe and sanitary housing; and
- ❖ Has been in existence as a colonia prior to November 1990.

Colonia communities must provide documentation to the CIB that supports the designation by the municipality or county.

Goals of the Colonias Infrastructure Board:

- ✚ Set standards for funding based on need, community impact, and feasibility utilizing sound business practices;
- ✚ Establish criteria for the prioritization of projects based upon health, safety and welfare;
- ✚ Support the public health and economic vitality of colonias in New Mexico through comprehensive planning and investment in infrastructure;
- ✚ Encourage participation in regional efforts to collaborate on long-term solutions with other community water systems; and
- ✚ Work with federal agencies to fund and co-fund multiple colonias projects within those respective jurisdictions as established by federal guidelines.

Colonias Infrastructure Project Fund:

Pursuant to the Act, NMFA may make financial assistance awards from the Fund to qualified entities for qualified projects prioritized and recommended by the CIB on terms and conditions established by NMFA. Pursuant to the Act, a qualified project means a capital outlay project intended to develop colonias infrastructure including:

1. Water systems
2. Wastewater systems
3. Solid waste disposal facilities
4. Flood and drainage control

5. Road infrastructure
6. Housing infrastructure, not including general operation and maintenance, equipment, housing allowance payments, or mortgage subsidies.

The CIB seeks to prioritize and package infrastructure projects that make the best use of local, state, and federal dollars and provide beneficial infrastructure that will have a positive impact on the quality of life for colonias residents.

For each application cycle, NMFA staff conducts application workshops for the public targeting the southeastern, south central and southwestern areas of the state. The application workshops continue to be held virtually to allow flexibility for more entities to participate. These workshops provide an in-depth review and instruction to all entities on the application process, requirements for eligible entities and projects, and financial assistance structures, as well as guidance on the rules, policies, and processes of the program.



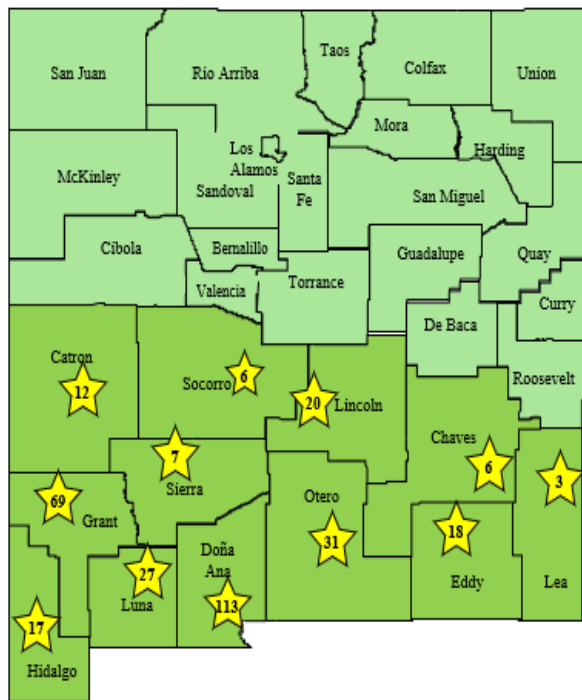
Village of Williamsburg – Roadway/Drainage Project

Project Activity in FY 2023

In FY 2023, NMFA closed 24 Colonias Infrastructure Board funding agreements and 14 projects were certified as complete. In addition, approximately \$14.2 million of CIF funds were disbursed in FY 2023 for eligible project costs.

Board Activity in FY 2023

Since 2012, 142 designated Colonias have been approved for 329 awards totaling more than \$247.1 million.



County	# of Awards	Amount
Catron	12	\$ 5,076,666
Chaves	6	\$ 3,576,220
Doña Ana	113	\$ 95,739,976
Eddy	18	\$ 10,318,766
Grant	69	\$ 47,577,161
Hidalgo	17	\$ 11,527,903
Lea	3	\$ 15,635,991
Lincoln	20	\$ 16,767,759
Luna	27	\$ 14,691,302
Otero	31	\$ 17,861,407
Sierra	7	\$ 3,410,000
Socorro	6	\$ 4,921,277
Total	329	\$247,104,428

Prepared by NMFA Staff September 2023

The Colonias Board continues to make improvements to the overall project application and selection process. The CIB directed the Policy Committee to review policies annually to further those improvements.

Focus on Expenditures:

The Board and staff continue to focus on an increased pace of CIF project spending by monitoring project status through quarterly reporting and client outreach. Due to long lead times for materials, increased construction costs, and staff turnover, project spending has slowed. In addition, timelines for securing the funding has increased for entities that have outstanding debt with the US Department of Agriculture (“USDA”).

Current Expenditure Summary

Colonias Cycle	Awarded		Awards Secured		Open Awards		% of Funds Expended	% Projects Completed
2012	\$12,411,965	38	\$12,411,965	38	\$0	0	100%	100%
2013	\$16,887,736	35	\$16,887,736	35	\$0	0	100%	100%
2014	\$12,719,872	37	\$12,719,872	37	\$0	0	100%	100%
2015	\$15,922,643	28	\$15,922,643	28	\$0	0	100%	100%
2016	\$11,460,915	13	\$11,460,915	13	\$0	0	100%	100%
2017	\$4,347,476	10	\$4,347,476	10	\$0	0	100%	100%
2018	\$9,519,823	17	\$9,519,823	17	\$0	0	100%	100%
2019	\$14,671,481	25	\$14,671,481	25	\$0	0	100%	100%
2020	\$19,996,093	26	\$19,996,093	26	\$5,533,788	12	72%	46%
2021	\$26,667,201	34	\$26,667,201	34	\$19,308,979	30	28%	12%
2022	\$35,599,014	35	\$31,266,499	25	\$33,682,234	35	5%	0%
2023	\$67,445,000	31	\$0	0	\$67,445,000	31	0%	0%
TOTAL	\$247,649,219	329	\$175,871,704	288	\$125,970,001	108	49%	67%

*2022 cycle - seven of the 10 projects not secured are pending USDA consent since June 2022
 **2023 cycle was awarded on May 24, 2023; current RTP submission deadline date is October 31, 2023

2023 Funding Cycle

Annually, the CIB reviews applications submitted by qualified entities for infrastructure projects and recommends a final list of eligible projects to be funded by NMFA. The 2023 CIF application cycle began on January 3, 2023, with the submittal of Notices of Intent (NOI). New Mexico Finance Authority staff received 55 NOIs with a total requested amount of \$109,525,297.

The application workshop was conducted virtually by NMFA staff on January 12, 2023. The 2023 cycle continued with the use of an online application through NMFA’s EnABLE system. The online system allows entities to submit applications with attachments, and also permits access to authorized technical staff so they may assist in the completion of the applications.

On March 8, 2023, 48 applications were received, totaling more than \$70.6 million. All of the applications were reviewed for eligibility and compliance. One application to purchase equipment was deemed ineligible. Three applicants were removed due to the entities not meeting policy compliance nor submitting a waiver for consideration. Ten applicants that did not meet policy (8) and regulatory (2)

compliance submitted waivers for the CIB consideration. The Board approved all but one applicant. The remaining 43 applications were reviewed by the Project Management Team, which includes staff from the Office of the State Engineer, New Mexico Department of Transportation, New Mexico Environment Department Construction Programs Bureau and Drinking Water Bureau, and NMFA. Using established criteria, the applications were evaluated and prioritized for project eligibility, regulatory and policy compliance, health and safety, evidence of matching funds, and project readiness.

Many communities faced staff turnover. During the review process, it was determined that six additional entities would not be compliant with the Executive Order/State Audit Rule. Consistent with the Executive Order 2013-006, these applicants cannot be certified to the State Board of Finance (“SBOF”) as part of the 2023 funding recommendations, and therefore could not be considered for funding.

The Fund received a distribution equal to 4.5% of the Senior Severance Tax Bond (“STB”) capacity, as determined by the State Board of Finance. The available funding for the FY 2023 STB distribution was \$67,560,000.

A total of 31 projects were awarded by the Colonias Infrastructure Board for the 2023 cycle in the amount of \$67,445,000. A remaining balance of \$115,000 was set-aside for construction cost overruns for the 2023 awardees.



Town of Silver City – Water Storage Tank Renovations

2023 Colonias Infrastructure Board Awards

Applicant	County	Benefiting Colonias	Project Name/Description	Funding Recommendation
Flood Prevention				
Dona Ana County	Dona Ana	Dona Ana	Construct of Abeyta pond to capture & retain storm water.	\$ 1,500,000
Solid Waste				
Anthony, City of	Dona Ana	Anthony	Design, environmental and archaeological surveys	\$ 800,000
Water Infrastructure				
Casas Adobes MDWCA	Grant	Mimbres	Construction /replacement of distribution pipe, flush hydrants and re-equip/replace well head discharge.	\$ 2,562,800
Cloudcroft, Village of	Otero	Cloudcroft	Construct/replacement of existing water distribution and sewer system pipes.	\$ 2,608,123
Columbus, Village of	Luna	Columbus	Design and construct replacement/rehab of existing 100,000 gallon and 250,000 gallon reservoirs	\$ 1,339,500
Dona Ana MDWCA	Dona Ana	Fairacres	Design, land purchase, ROW, upgrade of the existing water system and expand to unserved area.	\$ 1,930,637
Garfield MDWC&MSWA	Dona Ana/Sierra	Garfield, Placitas, Salem	Design and purchase water rights for a supplemental well and connecting waterlines	\$ 947,843
Lordsburg, City of	Hidalgo	Lordsburg, Glen Acres	Construct/replacement of approx. 10,780 lf of existing water mains with new 6" PVC water mains, replacement of service taps and lines, fire hydrants and water valves.	\$ 2,179,000
Lordsburg, City of	Hidalgo	Lordsburg	Construct/replacement of approx. 11,200 lf of existing water mains with new 6" PVC water mains, replacement of service taps and lines, fire hydrants and water valves.	\$ 2,410,000
Lower Rio Grande PWWA	Dona Ana	Rincon	Plan and design water system improvements including well replacement/rehab; new storage tank, access road improvements site fencing and SCADA installation/integration.	\$ 517,000
Malaga MDWC&SWA	Eddy	Malaga	Design and construct/installation of new water main piping, valves, hydrants and casings.	\$ 1,582,368
Silver City, Town of	Grant	Silver City	Design regional water project for a secondary water supply.	\$ 3,300,000
Timberon WSD	Otero	Timberon	Design and construct line, tank, waterline and meter replacements.	\$ 681,818
Tularosa, Village of	Otero	Tularosa	Design and construct an alternative water source	\$ 2,848,578
Wastewater Infrastructure				
Dona Ana County	Dona Ana	Chaparral	Construct the remaining gravity sewer collection system within the lift station area including sewer pipeline, manholes, stub outs and pavement replacement.	\$ 8,909,090
Dona Ana County	Dona Ana	Chaparral	Construction/renovation of Rincon WWTP to replace the aeration system, process/lift station equipment and expand the effluent disposal leach field including monitor wells.	\$ 3,586,859
Dona Ana County	Dona Ana	Chaparral	Design and land acquisition for above-ground sprinkler system and security fences to enclose site.	\$ 1,058,390
Dona Ana MDWCA	Dona Ana	San Ysidro	Construction/installation regional connection system.	\$ 6,000,000
Jal, City of	Lea	Jal	Construction of a new WWTP.	\$ 10,120,000
San Pablo MDWCA	Dona Ana	San Pablo	Design ww collection system including vacuum, pumping stations, pipeline and SCADA.	\$ 310,610
Silver City, Town of	Grant	Silver City	Design a new sewer lift station and associated sewer force main to bypass a 1,300 lf section of existing 12" gravity sewer main.	\$ 140,000
Roads/Drainage Infrastructure				
Anthony, City of	Dona Ana	Anthony	Plan and design roadway improvements for Lee Ave from NM/TX state line to Acosta Rd.	\$ 200,000
Catron County	Catron	Glenwood	Design roadway improvements along Menges lane from US Hwy 180 west approx. 1100 lf.	\$ 98,182
Catron County	Catron	Glenwood	Design roadway/drainage improvements along Rowe Grade rd. from Catwalk N. approx. 22,000 lf to Bursum rd.	\$ 240,181
Grant County	Grant	North Hurley	Construction of road improvements	\$ 4,943,203
Grant County	Grant	Arenas Valley	Design, survey, mapping drainage, environmental docs.	\$ 350,000
Grant County	Grant	Arenas Valley	Design, survey, mapping, drainage, environmental docs.	\$ 135,000
Lincoln County	Lincoln	Ruidoso Downs	Design and construct phase II roadway drainage improvements	\$ 1,500,000
Luna County	Luna	Keeler Farm	Design 24' wide roadway reconstruction improvements	\$ 316,818
Silver City, Town of	Grant	Silver City	Construction including paving, curb/gutter, sidewalks, drainage improvements	\$ 1,559,000
Sunland Park, City of	Dona Ana	Sunland Park	Final design and construct roadway/drainage improvements	\$ 2,500,000

In addition to the funding provided directly from the Colonias Infrastructure Fund, the CIB is instrumental in leveraging funds from other sources to complete colonias projects. Including the funding in FY 2023, the total awarded to date by the CIB is over \$247 million. These awards leveraged an additional \$124.7 million, totaling more than \$372 million in colonias infrastructure projects.

Colonias Cycle	Applications Received		CIB Awards Made		Additional Funds Leveraged	Total Funding Provided
	#	Amount	#	Amount		
2012	75	\$40,360,527	38	\$12,411,965	\$13,141,403	\$25,553,368
2013	59	\$37,736,894	35	\$16,887,736	\$8,357,897	\$25,245,633
2014	77	\$40,351,172	37	\$12,719,872	\$10,437,286	\$23,157,158
2015	54	\$38,154,397	28	\$15,922,643	\$7,916,095	\$23,838,738
2016	36	\$30,842,183	13	\$11,460,915	\$5,366,034	\$16,826,949
2017	32	\$18,176,363	10	\$4,347,476	\$539,568	\$4,887,044
2018	30	\$16,100,000	17	\$9,519,823	\$962,324	\$10,482,147
2019	29	\$17,100,000	25	\$14,671,481	\$16,839,638	\$31,511,119
2020	31	\$25,528,474	26	\$19,996,093	\$4,346,896	\$24,342,989
2021	47	\$40,011,730	34	\$26,667,201	\$3,341,823	\$30,009,024
2022	54	\$77,248,074	35	\$35,599,014	\$18,744,275	\$54,343,289
2023	48	\$90,666,959	31	\$67,445,000	\$34,742,646	\$102,187,646
TOTAL	572	\$472,276,773	329	\$247,649,219	\$124,735,885	\$372,385,104

**2023 \$30,198,077 of leveraged amount are from federal funds*

Looking Forward to Fiscal Year 2024

The Colonias Infrastructure Board, through NMFA staff, continues to communicate with clients on the status of active projects, and reaches out to communities by providing training and information for upcoming application cycles.

The CIB is dedicated to reviewing its policies, criteria and processes annually to further improve upon the program and adapt to any changes that may affect either the timeliness of expenditures or the availability of future funding to the Colonias Infrastructure Fund. With the guidance of the current CIB policies and the assistance of NMFA staff, communities are better prepared for project funding.



Chamberino MDWCA – Storage Tank and Waterline Project

“The greatness of a community is most accurately measured by the compassionate actions of its members.” Coretta Scott King

In Dedication for Outstanding Support to the Colonias Communities, Board Members, and Staff

Hubert Henry Quintana
Colonias Board Member October 2011 – September 2023

RIP – March 7, 1948 – September 12, 2023

