

# New Mexico Colonias Infrastructure Board

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## 2024 Annual Report October 1, 2024



Socorro County – San Antonio Drainage Project

## **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

**Jose Luis Segura**, 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.



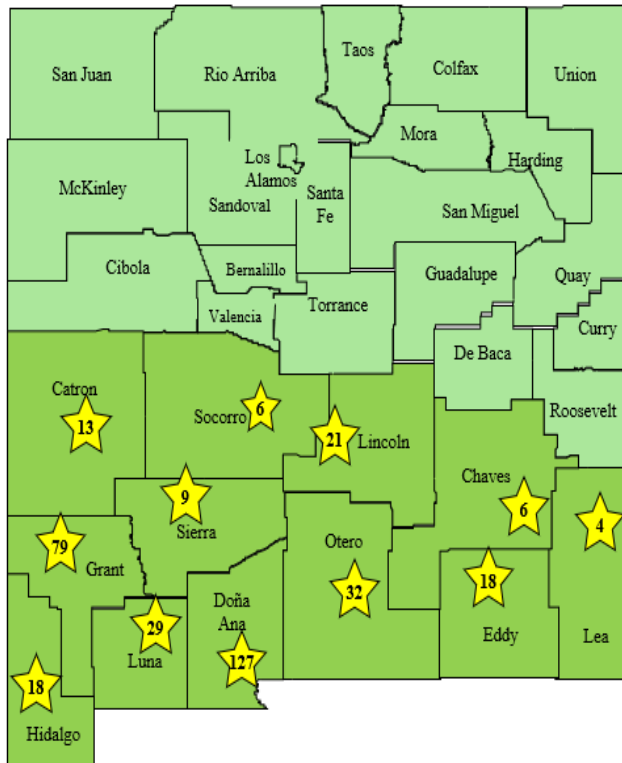
Garfield MDWCA – Replacement Well Project

## Project Activity in FY 2024

In FY 2024, NMFA closed 28 Colonias Infrastructure Board funding agreements, and 22 projects were certified as complete. In addition, approximately \$32.1 million of CIF funds were disbursed in FY 2024 for eligible project costs.

## Board Activity in FY 2024

Since 2012, 142 designated Colonias have been approved for 362 awards totaling more than \$304.6 million.



County	# of Awards	Amount
Catron	13	\$ 7,075,826
Chaves	6	\$ 3,576,220
Doña Ana	127	\$114,645,376
Eddy	18	\$ 10,318,766
Grant	79	\$ 73,695,341
Hidalgo	18	\$ 13,869,106
Lea	4	\$ 16,035,991
Lincoln	21	\$ 17,717,759
Luna	29	\$ 16,385,396
Otero	32	\$ 18,330,043
Sierra	9	\$ 8,115,400
Socorro	6	\$ 4,921,277
<b>Total</b>	<b>362</b>	<b>\$304,686,501</b>

Prepared by NMFA Staff October 2024

The Colonias Infrastructure 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 continued long lead times for materials, increased construction costs, staff turnover at the entity level, and contractor availability, project timelines have increased. With

increased timelines, spending schedules are later than anticipated. In addition, timelines for securing the funding continue to increase for entities that have outstanding debt with the U.S. Department of Agriculture (“USDA”).

### CURRENT EXPENDITURE SUMMARY

Colonias Cycle	Awarded		Open Awards		% of Funds Expended	% of Projects Completed
	Amount	Count	Amount	Count		
2012	\$12,411,965	38	\$0	0	100%	100%
2013	\$16,887,736	35	\$0	0	100%	100%
2014	\$12,719,872	37	\$0	0	100%	100%
2015	\$15,922,643	28	\$0	0	100%	100%
2016	\$11,460,915	13	\$0	0	100%	100%
2017	\$4,347,476	10	\$0	0	100%	100%
2018	\$9,519,823	17	\$0	0	100%	100%
2019	\$14,671,481	25	\$0	0	100%	100%
2020	\$19,996,093	26	\$0	0	100%	100%
2021	\$25,808,519	33	\$6,005,681	7	77%	79%
2022	\$35,217,867*	34	\$15,670,580	30	55%	12%
2023	\$66,144,992*	30	\$61,633,939	29	8%	1%
2024	\$59,577,119^	36	\$59,577,119	36	0%	0%

*\*2024 Cycle: 31 projects awarded May 16, 2024; 5 projects (2<sup>nd</sup> Iteration) awarded September 19, 2024.*



Dona Ana County – Wastewater Treatment Plant

## **2024 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 2024 CIF application cycle began on January 8, 2024, with the submittal of Notices of Intent (NOI). New Mexico Finance Authority staff received 45 NOIs with a total requested amount of \$107,856,607.

The application workshop was conducted virtually by NMFA staff on January 11, 2024. The 2024 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, 2024, 40 applications were received, totaling more than \$77.7 million. All of the applications were reviewed for eligibility and compliance. Eleven applicants that did not meet policy (7) and regulatory (4) compliance submitted waivers for CIB consideration. The Board approved all of the waivers at its April 15, 2024, meeting. All 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.

During the review process, it was determined that one applicant submitted a duplicate project that was previously funded by Colonias and therefore was removed for funding consideration. In the past two years, there has been a shortage of available auditors and many entities have had difficulty completing their audits by the deadline dates as required by the State Auditor. Three entities (7 applications) were not compliant with the Executive Order/State Audit Rule at the time the CIB made the awards. Consistent with the Executive Order 2013-006, these applicants could not be certified to the State Board of Finance ("SBOF") as part of the 2024 funding recommendations. Due to the amount of funding still available, the CIB postponed the funding decisions on these applicants until September 2024 as part of a 2<sup>nd</sup> iteration funding consideration.

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 2024 cycle was \$63,168,682.

A total of 36 projects were awarded (31 on May 16; 5 on September 19) by the Colonias Infrastructure Board for the 2024 cycle in the amount of \$59,577,119. The remaining balance will be determined at the CIB meeting in March 2025, with a possible 3<sup>rd</sup> iteration of funding for the remaining applicants.



San Antonio MDWCA – Exploratory Well Project

## 2024 Colonias Infrastructure Fund Awards

Applicant	County	Benefiting Colonias	Project Name/Description	Funding Recommendation
<b>Flood Control Infrastructure</b>				
Dona Ana County	Dona Ana	La Union	Construct conveyance channels, detention pond and roadway improvements	\$ 3,600,000
Otero County	Otero	Bent	Plan and design including a drainage master plan.	\$ 360,000
<b>Water Infrastructure</b>				
Anthony WSD	Dona Ana	Anthony, Chaparral	Design/construct replacement of district's water meters	\$ 2,710,500
Arenas Valley WDA	Grant	Arenas Valley	Construction/replacement of existing water main.	\$ 1,758,000
Bayard, City of	Grant	Bayard/Hanover	Design and construct a new chlorination disinfection system and rehab existing IMG reservoir.	\$ 1,200,800
Enchanted Forest MDWCA	Lincoln	Enchanted Forest MDWCA	Design/construct a supplemental water supply well, pumphouse and supporting waterlines.	\$ 950,000
Jal, City of	Lea	Jal	PER water/sewer/storm	\$ 400,000
La Luz MDWC&MSWA	Otero	La Luz	Construction/replacement of well#3	\$ 975,000
Leasburg MDWCA	Dona Ana	Leasburg	Design/ROW for the new groundwater well, pipeline replacement	\$ 500,000
Lower Rio Grande PWWA	Dona Ana	Vado	Design/construct High Valley waterline replacement	\$ 875,000
Luna County	Luna	Keeler Rd.	Design/construct Peoples water Co-op aging pipes, storage tanks, and existing water meters.	\$ 694,094
Mesilla, Town of	Dona Ana	Mesilla	Design a new 200k gallon tank, new well and transmission lines	\$ 609,292
Santa Clara, Village of	Grant	Santa Clara	Design/construct rehabilitation of wells, reservoirs and valves	\$ 2,230,000
Truth or Consequences, City of	Sierra	Truth or Consequences	Design/construct/replace waterlines within the City's water distribution system	\$ 4,400,000
Tyrone W&WWA	Grant	Tyrone	Construct/replace existing waterlines, services lines, valves, vaults, service connections and tank site improvements	\$ 5,697,115
Tyrone W&WWA	Grant	Tyrone	Design/construct/rehab a 200,000 gallon storage tank.	\$ 848,958
<b>Wastewater Infrastructure</b>				
Anthony WSD	Dona Ana	Anthony	Construct 21,700 lf of sewer pipe, sonic lift station, and demolish 3 lift station and old main area lift station	\$ 2,000,000
Camino Real Regional UA	Dona Ana	Sunland Park	Construct replacement of vacuum collection system to include the installation of two pre-packaged lift stations and approx. 4,200 lf of force main.	\$ 1,971,905
Dona Ana County	Dona Ana	San Miguel, La Mesa, Mesquite, San Miguel, Chamberino, Berino, Las Palmeras, Montana Vista, Vado/Del Cerro, Salem, Rincon, Union	Design/construct manhole rehab	\$ 500,000
Dona Ana County	Dona Ana	Chaparral	Design WW system including approx. 26,000lf of gravity sewer collection pipelines, 70 manholes and 230 sewer connections including paved roads.	\$ 602,000
Dona Ana County	Dona Ana	La Mesa, Mesquite, San Miguel, Vado, Del Cerro, Chamberino, Benno, Montana Vista, Las Palmeras	Design improvements to blower room	\$ 500,000
Hidalgo County	Hidalgo	Animas	Construct improvements to the Animas wastewater system	\$ 2,124,885
Lordsburg, City of	Hidalgo	Lordsburg	Construct/replacement of approx. 4600 lf of existing force main pipe, tow existing grinder pump	\$ 1,075,000
Lower Rio Grande PWWA	Dona Ana	Mesquite and Brazito	Design 10 lift stations w/upgraded pumps and improvements	\$ 404,003
San Pablo MDWCA	Dona Ana	San Pablo	Construction of WW collection system	\$ 2,432,700
Silver City, Town of	Grant	Silver City	Construct a new lift station and force main at Mill rd. sewer bypass	\$ 912,803
Truth or Consequences, City of	Sierra	Truth or Consequences	Design of the inoperable mechanical bar screen for the WWTP.	\$ 305,400
<b>Roads/Drainage Infrastructure</b>				
Catron County	Catron	Reserve	Roadway improvements to Beaverhead rd.	\$ 1,999,160
Grant County	Grant	Arenas Valley	Construct road improvements to Arenas Valley rd.	\$ 3,918,390
Grant County	Grant	Little Walnut	Construct road improvements to Little Walnut rd.	\$ 6,863,400
Grant County	Grant	Silver Acres	Design/construct approx. 0.85 miles of roadway to Ridge rd.	\$ 2,343,214
Luna County	Luna	Rockhound	Construction of a 24' wide roadway improvements to Majestic View rd.	\$ 1,000,000
Otero County	Otero	Twin Forks	Plan/design including roadway evaluation, drainage analysis and final plans/specifications.	\$ 270,000
Silver City, Town of	Grant	Silver City	Swan St. survey and design roads/drainage improvements	\$ 345,500
Sunland Park, City of	Dona Ana	Sunland Park	Design/construct Public Hsng Authority site drainage/erosion	\$ 1,800,000
Sunland Park, City of	Dona Ana	Sunland Park	Design including geotechnical investigation, drainage analysis to Anapra rd.	\$ 400,000

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 2024, the total awarded to date by the CIB is over \$304.6 million. These awards leveraged an additional \$130.6 million, totaling more than \$435 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	33	\$25,808,519	\$3,341,823	\$29,150,342
2022	54	\$77,248,074	34	\$35,217,867	\$18,744,275	\$53,962,142
2023	48	\$90,666,959	30	\$66,144,992	\$34,742,646	\$100,887,638
2024	40	\$77,700,837	36	\$59,577,119	\$5,957,712	\$65,534,831
<b>TOTAL</b>	<b>612</b>	<b>\$549,977,610</b>	<b>362</b>	<b>\$304,686,501</b>	<b>\$130,693,597</b>	<b>\$435,380,098</b>

## Looking Forward to Fiscal Year 2025

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.