

New Mexico Colonias Infrastructure Board

2025 Annual Report October 1, 2025



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

Vacant, 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

Joy Esparsen, New Mexico Counties Executive Director

Isidoro Hernandez, New Mexico Mortgage Finance Authority 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.

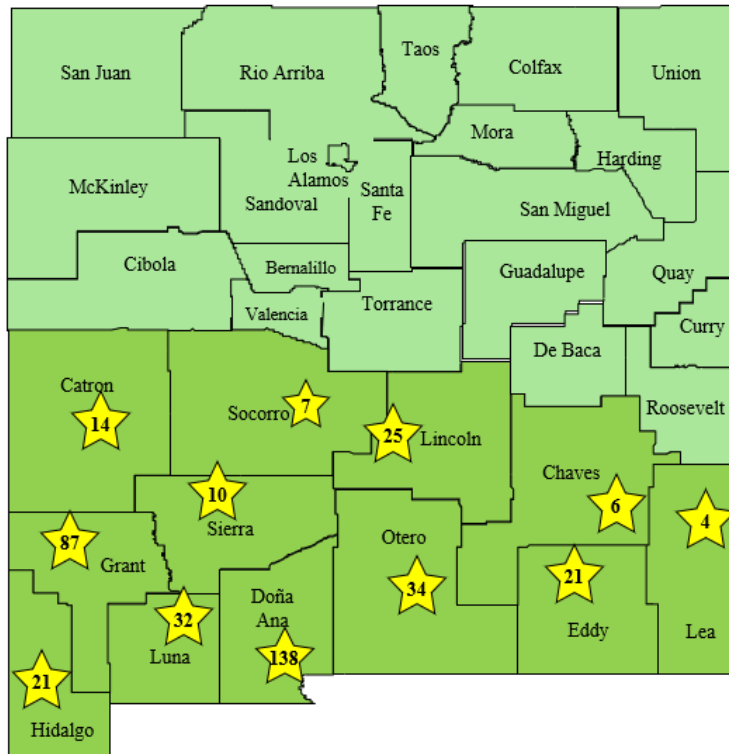


Lincoln County – Subsurface Stormwater Drainage Project

Project Activity in FY 2025

In FY 2025, NMFA closed 46 Colonias Infrastructure Board funding agreements, and 25 projects were certified as complete. In addition, approximately \$34.8 million of CIF funds were disbursed in FY 2025 for eligible project costs.

Since 2012, 143 designated Colonias have been approved for 399 awards totaling more than \$364.89 million.



County	# of Awards	Amount
Catron	14	\$ 7,945,826
Chaves	6	\$ 3,576,220
Doña Ana	138	\$ 145,740,591
Eddy	21	\$ 15,795,903
Grant	87	\$ 88,212,360
Hidalgo	21	\$ 15,220,458
Lea	4	\$ 16,035,991
Lincoln	25	\$ 20,174,467
Luna	32	\$ 19,926,248
Otero	34	\$ 18,780,043
Sierra	10	\$ 8,306,400
Socorro	7	\$ 5,184,317
Total	399	\$364,898,824

Prepared by NMFA Staff October 2025

Board Activity in FY 2025

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 local level and contractor availability, project timelines continue to increase. With increased timelines, spending schedules are later than anticipated. In addition, longer timelines for securing funding continues 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
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	\$2,014,378	2	99%	94%
2022	\$35,017,868	33	\$3,246,973	1	91%	97%
2022	\$446,755	1	Awarded for Construction Cost Overrun			
2023	\$66,144,992	30	\$46,803,170	25	29%	17%
2024	\$58,967,827	35	\$57,374,090	35	3%	0%
2024	\$769,308	2	Awarded for Construction Cost Overrun			
*2025	\$60,364,628	37	\$0	0	0%	0%

**2025 Cycle: 32 projects awarded May 18, 2025; 5 projects (2nd Iteration) awarded September 18, 2025.*



City of Jal Water Transmission Line Replacement

2025 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 2025 CIF application cycle began on January 6, 2025, with the submittal of Notices of Intent (NOI). New Mexico Finance Authority staff received 51 NOIs with a total requested amount of \$84,399,908.

The application workshop was conducted virtually by NMFA staff on January 22, 2025. The 2025 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 6, 2025, 43 applications were received, totaling more than \$63.6 million. All of the applications were reviewed for eligibility and compliance. Ten applicants that did not meet policy (6) and regulatory (4) compliance submitted waivers for CIB consideration. The Board approved all the waivers at its April 30, 2025 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, Drinking Water Bureau and Solid Waste 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.

In the past few years, there continues to be a shortage of available auditors and many entities have had difficulties completing their audits by the deadline dates as required by the State Auditor. Four entities (11 applications) would not be 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 2025 funding recommendations. Due to the amount of funding available, the CIB postponed the funding decisions on these applicants until September as part of a 2nd iteration of 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 2025 cycle was \$80,574,147.

A total of 37 projects were awarded (32 on May 18; 5 on September 18) by the Colonias Infrastructure Board for the 2025 cycle in the amount of \$60,364,628.

Emergency Assistance Application

In the past few years, the southern part of New Mexico has endured many disasters such as flooding and wildfires. These disasters directly affect many Colonias communities that have little to no resources or financial capacity for assistance.

At the Colonias Board meeting on September 18, 2025, the Board set aside the remaining balance of the 2025 cycle for these communities to apply for emergency assistance due to natural disasters.

On September 29, 2025, the Notice of Intent (“NOI”) process began which allows staff to determine funding needs. Beginning on October 20, 2025, NMFA will open the on-line application for those who submitted a NOI to apply for emergency assistance, with an anticipated award determination by the CIB in December 2025.



La Luz MDWC&MSWA Waterline and Hydrant Replacement

2025 Colonias Infrastructure Fund Awards

Applicant	County	Benefitting Colonias	Project Name/Description	Funding Recommendation
Water Infrastructure				
Arenas Valley WDA	Grant	Arenas Valley	North ROW Hwy 180 water main replacement	\$ 1,326,000
Cedar Creek MDWCA	Lincoln	Cedar Creek	Water system improvements to Kellerman well	\$ 1,200,000
Deming, City of	Luna	Deming and Luna County	Copper to Tin waterline replacement	\$ 840,000
Dona Ana MDWCA	Dona Ana	Village of Dona Ana, San Ysidro, Fairacres, Old Picacho, Radium Springs, Fort Selden, Winterhaven, & Leasburg	Design and construct 2 water wells.	\$ 2,500,000
Dona Ana MDWCA	Dona Ana	Fairacres	West Mesa water system improvements ph. I	\$ 5,500,000
Enchanted Forest MDWCA	Lincoln	Enchanted Forest MDWCA	Redundant water supply/reliability of current system.	\$ 500,000
Hatch, Village of	Dona Ana	Hatch, Milagro, Placitas and Rodey	Water disinfection system replacement	\$ 592,000
Lordsburg, City of	Hidalgo	Lordsburg	2nd St. and Mary Dee Kipp water system improvements	\$ 864,000
Lordsburg, City of	Hidalgo	Lordsburg	Water distribution system improvements	\$ 487,200
Malaga MDWC&SWA	Eddy	Malaga	Water system improvements Ogden rd.	\$ 939,358
Otis MDWC&SWA	Eddy	Otis	Water system improvements tank rehab	\$ 2,485,641
San Antonio MDWCA	Socorro	San Antonio	Water meter replacements	\$ 263,040
Silver City, Town of	Grant	Santa Clara	Santa Clara well-field improvements	\$ 1,953,270
Silver City, Town of	Grant	Town of Silver City, Arenas Valley, Pinos Altos, Rosedale & Tyrone Townsite	Chloride N. Tank interior/exterior renovations	\$ 1,084,625
Wastewater Infrastructure				
Bayard, City of	Grant	Bayard	Oak St. lift station wastewater improvements	\$ 1,210,000
Deming, City of	Luna	Deming and Luna County	Poplar Oak St. sanitary sewer rehab.	\$ 1,732,000
Dona Ana MDWCA	Dona Ana	Village of Dona Ana and San Ysidro	Dona Ana Village lift station/force main Ph. III	\$ 709,487
Dona Ana MDWCA	Dona Ana	San Ysidro	East Central collection system	\$ 1,713,029
Hatch, Village	Dona Ana	Hatch, Rodey, Milagro & Placitas	WW collection system PER	\$ 350,000
Hatch, Village	Dona Ana	Hatch, Rodey, Milagro & Placitas	WWTP improvements	\$ 270,500
Lordsburg, City of	Hidalgo	Lordsburg	WWTP PER	\$ 152,455
Truth or Consequences, City of	Sierra	Truth or Consequences	Municipal WW collection system PER	\$ 191,000
Tyrone W&WWA	Grant	Tyrone	WW line replacement/rehab.	\$ 503,124
Flood Prevention				
Dona Ana County	Dona Ana	Dona Ana	Datil Pond & Channel	\$ 7,354,963
Solid Waste Infrastructure				
Carrizozo, Town of	Lincoln	Carrizozo	Drexel Blvd. roadway improvements and waterline replacement	\$ 296,708
Catron County	Catron	Glewood	Menges Lane roadway/drainage	\$ 870,000
Grant County	Grant	Arenas Valley	Arenas Valley rd. improvements ph. III	\$ 5,940,000
Lincoln County	Lincoln	Lincoln County	Rancho Ruidoso roadway/drainage ph. I	\$ 460,000
Loving, Village of	Eddy	Loving	Street/Drainage project to 4th Street.	\$ 2,052,138
Luna County	Luna	Villanueva and Adventist	Dona Ana rd. improvements	\$ 968,852
Otero County	Otero	Bent	Bent Round Mtn. rd./drainage improvements	\$ 225,000
Otero County	Otero	La Luz	La Luz section rd./drainage improvements	\$ 225,000
Silver City, Town of	Grant	Silver City	Swan st. ph. I road improvements	\$ 2,000,000
Sunland Park, City of	Dona Ana	Sunland Park	Riverside Ph. II drainage improvements	\$ 400,000
Sunland Park, City of	Dona Ana	Sunland Park	Calle Obregon/Carrosel roadway/drainage	\$ 4,000,000
South Central Solid Waste Authority	Dona Ana	Butterfield Park, Cattleland, Moongate, Mountain View	SCSWA Holman rd. transfer station on E. Mesa of Las Cruces.	\$ 10,705,236
Southwest Solid Waste Authority	Grant	Grant County - Arenas Valley, Bayard, Bear Mountain, Buckhorn, Carlisle, Cliff, Cottage San Faywood, Gila, Gila Hot Springs, Hachita, Lake Roberts, Mimbres, Mockingbird Hill, Mule Creek, Pinos Altos, Redrock, Riverside, Rosedale, San Juan, San Lorenzo, Santa Clara, Separ, Silver City, White Signal, Whitewater	Cell 9B/C - Construction of landfill disposal cell(s).	\$ 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 2025, the total awarded to date by the CIB is over \$364.9 million. These awards leveraged an additional \$135.7 million, totaling more than \$500 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	\$35,144,468	\$18,744,275	\$53,888,743
2023	48	\$90,666,959	30	\$66,144,992	\$34,742,646	\$100,887,638
2024	40	\$77,700,837	36	\$59,577,119	\$3,901,018	\$63,478,137
2025	43	\$63,674,427	37	\$60,364,628	\$7,146,586	\$67,511,214
TOTAL	655	\$613,652,037	399	\$364,977,730	\$135,783,489	\$500,761,219

Looking Forward to Fiscal Year 2026

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.