

New Mexico Colonias Infrastructure Board

2022 Annual Report October 1, 2022



Introduction

The Colonias Infrastructure Board (the “CIB”) was established by the New Mexico 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 the Senate Appointee

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

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

Mary Helen Garcia, Minority Leader of the House of Representatives Appointee
(*August 14, 2015 - May 1, 2022*)

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

James Kenney, Environment Department Cabinet Secretary

Debbie Romero, Department of Finance and Administration Cabinet Secretary

Ross Townsend, Minority Leader of the House of Representatives Appointee
(*September 6, 2022 – present*)

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

Steven Kopelman, 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; or
 - Lack of adequate sewage systems; or
 - 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.



Camino Real Regional Utility Authority – Sunland Park Wastewater Treatment Plant Project

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.

In previous application cycles, NMFA staff conducted in-person application workshops for the public targeting the southeastern, south central and southwestern areas of the state. Due to the health and safety concerns related to the COVID-19 pandemic, the application workshops were held virtually this year. 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.



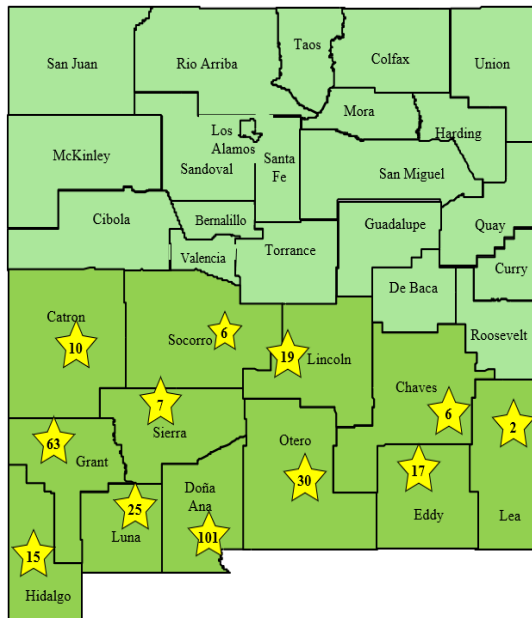
North Park MDWCA – Water Distribution Project

Project Activity in FY 2022

In FY 2022, NMFA closed 36 Colonias Infrastructure Board funding agreements and 17 projects were certified as complete. In addition, approximately \$11 million of CIF funds were disbursed in FY 2022 for eligible project costs.

Board Activity in FY 2022

Since 2012, 142 designated Colonias have been approved for 301 awards totaling more than \$180.8 million.



County	# of Awards	Amount
Catron	10	\$ 4,738,303
Chaves	6	\$ 3,576,220
Doña Ana	101	\$ 67,479,547
Eddy	17	\$ 8,736,398
Grant	63	\$ 34,686,458
Hidalgo	15	\$ 6,938,903
Lea	2	\$ 5,515,991
Lincoln	19	\$ 15,267,759
Luna	25	\$ 13,034,984
Otero	30	\$ 12,576,078
Sierra	7	\$ 3,410,000
Socorro	6	\$ 4,921,277
Total	301	\$180,881,918

Prepared by NMFA Staff June 2022

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.



Village of Williamsburg – Mona and Doris Ave. Road and Drainage Project

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.

CURRENT EXPENDITURE SUMMARY

Colonias Cycle	Awarded		Awards Secured		Open Awards		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	\$1,147,271	3	92%	88%
2020	\$19,996,093	26	\$19,996,093	26	\$11,955,497	20	40%	23%
2021	\$26,667,201	34	\$26,667,201	34	\$25,223,362	34	5%	0%
2022	\$36,276,713	38	\$0	0	\$36,276,713	38	0%	0%
TOTAL	\$180,881,918	229	\$144,605,205	229	\$74,602,843	95	76%	74%

**2022 cycle was awarded on May 24, 2022; RTP deadline date was October 31, 2022*

2022 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 2022 CIF application cycle began on January 3, 2022, with the submittal of Notices of Intent (NOI). New Mexico Finance Authority staff received 59 NOIs with a total requested amount of \$76,292,373.

An application workshop was conducted virtually by NMFA staff on January 13, 2022. The 2022 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 3, 2022, 54 applications were received, totaling \$77.2 million. All of the applications were reviewed for eligibility and compliance. One entity removed their wastewater application. Twelve applicants that did not meet policy (9) and regulatory (3) compliance submitted waivers for CIB consideration. The Board did not approve six applicants (nine applications combined) that failed to meet policy compliance due to significant unspent funds from previous Colonias awards. The remaining 44 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.

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 2022 STB distribution was \$38,213,400 which included CIB re-awarded funds rescinded from previous year’s allocations (\$73,400).

Many communities are facing increased construction costs due to equipment and material shortages. The Colonias Board approved a set aside of at least 5% of the 2022 Severance Tax Bond proceeds for possible shortfalls in construction costs for the 2022 awards. A total of 38 projects were awarded by the Colonias Infraestructure Board for the 2022 cycle in the amount of \$36,276,713.



Town of Silver City – Ridge Road Street and Drainage Improvements

2022 Colonias Infrastructure Board Awards

Applicant	County	Benefitting Colonias	Project Name/Scope Description	Amount Recommended
Flood Control				
Dona Ana County	Dona Ana	La Union	La Union Drainage Project design and land acquisition	\$ 800,000
Socorro, County of	Socorro	San Antonio	Water drainage & flood mitigation final design and construction	\$ 2,481,818
Roads and Drainage				
Catron, County of	Catron	Reserve	Beaver Head rd./drainage improvements design	\$ 162,500
Grant, County of	Grant	Little Walnut	Little Walnut Rd. improvements Ph. I construct	\$ 2,000,000
Hurley, Town of	Grant	Hurley	Anza, Cortes, E St. survey and design	\$ 99,300
Lincoln, County of	Lincoln	Ruidoso Downs Colonia	Palo Verde Slope subdivision construction	\$ 1,000,000
Loving, Village of	Eddy	Loving	4th Street and Drainage improvements design	\$ 225,903
Luna, County of	Luna	Rockhound	Roads and Drainage construction of county roadways .	\$ 1,013,819
Luna, County of	Luna	Rockhound	Rockhound and McCan Rd. construct improvements	\$ 1,080,000
Silver City, Town of	Grant	Silver City	32nd St. drainage improvements construct	\$ 2,176,000
Solid Waste				
Southwest SWA	Grant	several	Cell 9/9B design/construction	\$ 700,000
Wastewater Infrastructure				
Bayard, City of	Grant	Bayard	Sewer system improvement design	\$ 121,300
Bayard, City of	Grant	Bayard, Hurley, Santa Clara	Wastewater Facility planning grant	\$ 100,000
Camino Real RUA	Dona Ana	Sunland Park	Vacuum lift station replacement design/survey/ROW acquisition	\$ 267,027
Camino Real RUA	Dona Ana	Sunland Park	Sunland Park WWTP Ph. 2 improvements design	\$ 267,027
Dona Ana County	Dona Ana	San Miguel, La Mesa, Mesquite, Chamberino, Berino, Las Palmeras, Montana Vista and Vado/Del Cerro	South Central WWTP Ph. 4 final design/construct	\$ 2,850,494
Dona Ana MDWCA	Dona Ana	Dona Ana, San Ysidro	Dona Ana Village system construct/rehabilitation	\$ 910,000
Lower Rio Grande PWWA	Dona Ana	Anthony, Brazito, Mesquite, Del Cerro, La Mesa, Vado, Berino, Montana Vista, Joy Drive Subdivision, Las Palmeras, Organ, Mountain View, Butterfield Park	Mesquite-Brazito sewer project 2 construct	\$ 5,715,000
Water Infrastructure				
Bayard, City of	Grant	Bayard	Backup power system well fields design	\$ 127,400
Carrizozo, Town of	Lincoln	Carrizozo	Surface water treatment plant design	\$ 310,360
Chamberino MDWCA	Dona Ana	Chamberino	Hwy 28 waterline connection design and construct	\$ 636,500
Cloudcroft, Village of	Otero	Cloudcroft	Curlew to Corona waterlines design, construct/replace waterlines	\$ 210,000
Cloudcroft, Village of	Otero	Cloudcroft	Sugar Pine waterline replacement design and construct	\$ 295,000
Deming, City of	Luna	Deming	Encanto Circle waterline replacement Ph. III - construct	\$ 198,415
Elephant Butte, City of	Sierra	Elephant Butte	Water storage capacity design	\$ 70,000
Jal, City of	Lea	Jal	Water transmission line design/survey/construct	\$ 5,195,389
La Luz MDWCA & MSWA	Otero	La Luz	Waterline extensions design/construct	\$ 782,457
La Union MDS & WA	Dona Ana	La Union	Water PER	\$ 64,000
Lake Arthur, Town of	Chaves	Lake Arthur	Waterline replacement design	\$ 543,022
Malaga MDWC SWA	Eddy	Malaga	Water pipeline upgrade design	\$ 174,176
Mesilla, Town of	Dona Ana	Mesilla	University Ave. waterline replacement construct	\$ 675,034
Reserve, Village of	Catron	Reserve	New metering/disinfection bldg. design/construct	\$ 454,546
Rosedale MDWCA	Grant	Rosedale	Waterlines/meters construct	\$ 456,729
Ruidoso Downs, City of	Lincoln	Ruidoso Downs	East and West Circle waterline improvements design/construct	\$ 1,823,000
Silver City, Town of	Grant	Silver City, Tyrone, Pinos Altos, Rosedale, Arenas Valley	Water storage tank replacement-Franks Wellfield construct	\$ 1,138,320
Timberon WSD	Otero	Timberon WSD	Waterline replacements design and construct	\$ 454,546
Tularosa, Village of	Otero	Tularosa	Plan and design well siting study	\$ 315,311
Tyrone Water & WW Association	Grant	Tyrone	Pipe replacements design	\$ 382,320

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 2022, the total awarded to date by the CIB is over \$180 million. These awards leveraged an additional \$89.9 million, totaling more than \$270 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	38	\$36,276,713	\$18,744,275	\$55,020,988
TOTAL	524	\$381,609,814	301	\$180,881,918	\$89,993,239	\$270,875,157

Looking Forward to Fiscal Year 2023

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.



Town of Carrizozo – Street/Drainage Waterline Replacement