

**New Mexico Finance Authority
207 Shelby Street
Santa Fe, NM 87501**

**Water Trust Board
Meeting Minutes
May 22, 2013
State Capitol
Santa Fe, NM**

Members Present

Scott Verhines	New Mexico State Engineer
Bill Fulginiti	New Mexico Municipal League
John Gasparich	New Mexico Finance Authority, Interim CEO
R.J. Kirkpatrick	Designee, Department of Game and Fish
Brett Woods	Designee, NM Energy and Minerals Department
Ryan Gleason	Designee, NM Department of Finance and Administration
Shelly Herbst	Representative, Environmental Community
Jim Chiasson	Designee, NM Environment Department
Joseph David Ortiz	Representative, Acequia Water Users
Trudy Healy	Representative, Irrigation or Conservancy District, Surface Water

Members Absent

Brent Van Dyke	Representative, Soil & Water Conservation Districts
Richard Luarkie	New Mexico Indian Affairs Commission
Paul Gutierrez	New Mexico Association of Counties
Ben Shelly	Navajo Nation
Jeff Witte	New Mexico Department of Agriculture

NMFA Staff

Angela Quintana	Lisa Marquez
Ryan Helton	Todd Johansen
Celina Sandoval	Marquita Russel
Rick Martinez	Dan Opperman
Bryon Otero	Darlaina Chapman

Guests

Karl Tonander	SMA
Greg Neal	Concerned Citizens Representative
Dierdre L. Tarr	Claunch – Pinto SWCD
Paul Van Gulick	OCCAM/ENMRWS
Debbie Lujan	Town of Mesilla
Barbara Crockett	CH2M Hill

Ryan Weiss	Cochiti Pueblo
Karen Nichols	Lower Rio Grande PWWA
Martin G. Lopez	Lower Rio Grande PWWA
Jeff Canney	Legislative Finance Committee
Estevan Lopez	Interstate Stream Commission
Greg Gates	CH2M Hill
Lucy Bettis	Virtue, Najjar & Brown
Tod Phinney	SMA
Jack Sullivan	SDG, Inc.
Phoebe Suina	Cochiti Pueblo
Mark DePauli	City of Gallup-DePauli Engineering
Lance Allgood	City of Gallup
Jennifer Horton	Dona Ana MDWCA
Rosanna Balderrama	Dona Ana MDWCA
Robert Fowlie	CDM Smith
Ken Garcia	City of Las Vegas
Charlie Rylander	Watermatters, LLC

1. Call to Order and Roll Call

The meeting was called to order at 9:14 a.m. Roll call was taken and a quorum was established.

2. Approval of Agenda

Chairman Verhines moved, seconded by Mr. Ryan Gleason, to approve the agenda as amended, i.e., Items 12, 13, and 14 to follow Item 6. The motion was unanimously approved.

3. Approval of the April 24, Meeting Minutes

Mr. William Fulginiti moved, seconded by Mr. Brett Woods, for approval of the April 24, 2013 Water Trust Board (WTB) minutes. The motion was unanimously approved.

4. Nominating Committee Report

Mr. John Gasparich, Chairman of the Nominating Committee, presented the report. At the April 24th WTB meeting, a Nominating Committee was appointed and charged with providing recommendations for WTB members to serve as Vice Chair and Treasurer. Each member was contacted and asked if they would like to serve in this capacity. With no interest being expressed, and on behalf of the Nominating Committee, Mr. John Gasparich contacted Mr. Bill Fulginiti, current Vice Chair and Ms. Trudy Healy, current Treasurer, to inquire of their willingness to continue serving in these positions and both have agreed.

The Nominating Committee recommends the nomination of Mr. Fulginiti as Vice Chair and Ms. Healy as Treasurer to the WTB.

5. Election of Officers

Mr. Gasparich moved, seconded by Ms. Shelly Herbst, to cease nominations and nominate Mr. Fulginiti as Vice Chair and Ms. Healy as Treasurer. The motion was unanimously approved.

6. Presentation by Concerned Citizens of Curry and Roosevelt Counties

Mr. Greg Neal, representative for the Concerned Citizens of Curry and Roosevelt Counties, provided information requesting a halt to the intake structure and pump facility in Logan, New Mexico and the reorientation of the Ute Lake Pipeline Project. Mr. Neal referred to a presentation that outlined reasons this project should cease, comparables to consider in the region, and immediate actions and near term solutions.

7. El Valle Water Alliance App-400-Policy Waiver Request

Ms. Angela Quintana presented the project continuation policy waiver request for El Valle Water Alliance.

On January 9, 2013, Section 1.9 of the Project Continuation Policy was amended to address the timely completion of projects respective to the demand of available funding in a given application cycle. The policy targets concerns that older funds are expended before new funds are awarded. The amendment clarifies which years are evaluated for policy compliance and allows for a small dollar amount (2%) to remain on older projects. The result of this amendment is an applicant may remain eligible for the funding decision in the current cycle with some degree of unexpended funding from previous awards.

The deadline to submit any readiness to proceed for funding compliance was April 24, 2013. El Valle's balance at time of deadline was \$31,527.62 from a WTB-2008 project. The PRC reviewed this project and concurs with staff's recommendation.

Staff does not recommend approval based on the following policy conditions:

1. The application states it is an urgent need and per policy, the project is not deemed urgent;
2. The application is part of a state-sponsored regional infrastructure project, determined by:
 - a. Benefiting more than one city and more than one county; and
 - b. Proven to have federal cost share as contracted by federal Authorization (Congressional action);
3. The 2% threshold for El Valle is \$9,027.62, however, there is a remaining balance of \$31,527.62;
4. As otherwise determined by the WTB.

Mr. Fulginiti moved, seconded by Mr. Chiasson, to defer project recommendation until the June 12, 2013 meeting. The motion unanimously passed.

8. Cuatro Villas MDWUA App-427-Policy Waiver Request

Ms. Quintana presented the policy waiver request for Cuatro Villas MDWUA.

On January 9, 2013, Section 1.9 of the Project Continuation Policy was amended to address the timely completion of projects respective to the demand of available funding in a given application cycle. The policy targets concerns that older funds are expended before new funds are awarded.

The amendment clarifies which years are evaluated for policy compliance and allows for a small dollar amount (2%) to remain on older projects. The result of this amendment is an applicant may remain eligible for the funding decision in the current cycle with some degree of unexpended funding from previous awards.

The deadline to submit any readiness to proceed for funding compliance was April 24, 2013. Cuatro Villa's balance at time of deadline was \$929,024.56 from a WTB-2009 project and \$1,394,315.02 from a WTB-2010 project. The PRC reviewed this project and concurs with staff's recommendation.

Staff does not recommend approval based on the following policy conditions:

1. The application states it is an urgent need and per policy, the project is not deemed urgent;
2. The application is part of a state-sponsored regional infrastructure project, determined by:
 - a. Benefiting more than one city and more than one county; and
 - b. Proven to have federal cost share as contracted by federal Authorization (Congressional action);
3. The 2% threshold for Cuatro Villas is \$104,257.45; however, there is a remaining balance of \$2,323,339.58.
4. As otherwise determined by the WTB.

Mr. Fulginiti moved, seconded by Mr. Woods, to defer staff recommendation until the June 12, 2013 WTB meeting. The motion unanimously passed.

9. Town of Mesilla WTB-159-Time Extension and Change of Scope Request

Ms. Quintana presented the change of scope and time extension request for the Town of Mesilla (Town).

On August 24, 2009, the WTB approved funding for the Town for a water storage and conveyance project in an amount not to exceed \$226,096.50, with 10% delivered as a 20-year loan and 90% delivered as a grant. This loan/grant funding agreement was secured on May 14, 2010 (the "Effective Date") and has a remaining balance of \$90,426.61.

The plans and specifications have been approved by the New Mexico Environment Department (NMED) with the contingency that a site certification be completed prior to the start of construction. The Town has secured federal funding through the Border Environment Cooperative Commission for construction and would like to use the remaining portion of the WTB funds to purchase materials needed for the construction phase. Therefore, the Town is requesting a scope of work change to include "construction" in order to purchase the needed materials.

Mr. Fulginiti moved, seconded by Ms. Healy, to approve changing the scope of work to include construction and associated costs for the water system improvements and extending the time period for six months (November 14, 2013) contingent upon the following:

- 1. Purchase of materials cannot occur until the EPA has provided its final environmental determination; and**
- 2. Verification that the plans & specifications have been approved by NMED.**

The motion unanimously passed.

10. Lower Rio Grande PWWA WTB-252-Change of Scope Request

Ms. Quintana presented the change of scope request for Lower Rio Grande PWWA (LRGPWWA).

On April 25, 2012, the WTB approved funding to LRGPWWA for water conservation, treatment, recycling or reuse project in an amount not to exceed \$750,000 with 10% delivered as a 20-year loan and 90% delivered as a grant. The approved project was for the final planning and design phase of a proposed surface water treatment facility. This loan/grant funding agreement was secured on December 21, 2012 (the "Effective Date") and has the full balance of \$750,000 remaining.

LRGPWWA is requesting a change of scope to include brackish groundwater treatment. The initial purpose of the project was for planning of a dual treatment facility beginning with surface water, however, due to the current drought conditions, the availability of surface water from the Rio Grande to conduct pilot studies for treating water is inadequate. Design for the surface water treatment will require a pilot study. LRGPWWA's intent is to modify the project to include an evaluation of the availability and treatment requirements for brackish groundwater. Since it is unclear on when the drought conditions will end, the potential to treat and use brackish water may provide a sustainable alternative source of supply for the LRGPWWA. The PRC has reviewed the project and concurs with staff's recommendation to approval the change of scope of work.

Ms. Karen Nichols, Project Manager for the LRGPWWA and Mr. Robert Fowlie, Engineer, provided information on the possibility of returning to the WTB for additional funds to complete the project.

Ms. Healy moved, seconded by Mr. Ortiz, for approval of the change of scope of work to include the planning and design phases of a proposed surface water and brackish groundwater treatment facility. The motion unanimously passed.

11. El Rito RW&WWA WTB-86-Time Extension Request

Ms. Quintana presented the time extension request for El Rito RW&WWA (El Rito).

On June 27, 2007, the WTB approved funding for El Rito for a water storage and conveyance project in an amount not to exceed \$1,000,000 with 20% delivered as a 20-year loan and 80% delivered as a grant. The approved project was to complete the regional water project and renovations to the existing system, including replacement of water mainlines, drilling and completion of a new supply well and installation of water meters and service line connections.

The loan/grant funding agreement was secured on March 5, 2010 (the "Effective Date") and has a remaining balance of \$389,473.27. The work completed to date is the replacement of approximately 13,000 linear feet of 2-inch and 6-inch waterline, 13 fire hydrants, three flush hydrants and 67 radio read water meters. The remaining item needed for the completion of the project is a supplemental water supply well. Based on a Geohydrology Report, the proposed location for the supplemental well is on US Forest Service (USFS) property. An application to drill was submitted to the USFS in February 2012 and the USFS is currently conducting an environmental review for the project. El Rito anticipates USFS approval within the next 45 days (week of June 24, 2013). Given the time for bids, construction and final close out, El Rito estimates the total project timeline for completion of the project is 240 calendar days or approximately eight months. The PRC has reviewed the project and concurs with staff's recommendation to extend the period of one year at the time of request to May 7, 2014.

Ms. Healy moved, seconded by Mr. Woods, to extend the time period for one year from the time of the request (May 7, 2014) for funding agreement WTB #86. The motion unanimously passed.

12. Governor's Executive Order 2013-006

Mr. Dan Opperman, NMFA General Counsel and Mr. Brian Otero, Assistant General Counsel, presented a summary of the Governor's Executive Order 2013-006 (EO) for the WTB's information. Mr. Opperman explained how the required documents outlined in the EO will affect the WTB, how the implementation will proceed in future funding cycles and more specifically, how it will impact the standards for the current WTB funding cycle. Mr. Otero explained how a process would be established and the audit requirements handled, and what would be expected from the agencies if discrepancies are identified. He stated that agencies must have adequate financial control to secure budget approval. Following discussions with the Department of Finance and Administration (DFA), it was clarified that the EO requires compliance with audits prior to certification of projects. However, based on timing issues with the current WTB funding cycle, DFA is considering granting an exception for projects having to meet the EO. The WTB can move forward today with certifying the dollar amount and not include the projects so that NMFA staff can meet with DFA to determine how the EO can be implemented for the current cycle.

Ms. Healy asked if there was a possibility the severance tax could be lost in this cycle and projects not funded. Mr. Bryan Otero noted DFA is working together with WTB to develop a process to grant an exception to the EO so funding is not lost.

Mr. Opperman said the WTB will need to take various decision-making actions as part of the certification approval process while working with DFA for the current funding cycle. Going forward with future years, a policy would need to be established or amended to include compliance with the EO. Mr. Ryan Gleason explained neither DFA nor the Governor's Office want to risk losing funds due to compliance of the EO but rather protect the investment of the tax dollar. The intent of the EO is to convey to communities if accepting state funds, that they must have their financial documents in order.

Discussions continued on compliance with the EO, the readiness to proceed and certification of projects, and the questionnaires being implemented by DFA.

Chairman Verhines summarized the issues discussed and asked the WTB how they would like to proceed with the certification. Mr. Opperman said the WTB could defer the certification until the June 12, 2013 WTB meeting and it would not affect the State of Board of Finance (BOF) bond sale scheduled for June 18, 2013. Chairman Verhines felt this would allow staff to meet with the Project Review Committee (PRC) to develop a recommendation of eligible projects that are ready for certification. Ms. Marquita Russell expressed concern with the limited time available for staff to complete the necessary work prior to the June 12th meeting.

A discussion ensued on postponing the certification of projects, how the EO could impact the current cycle of applications and staff's process of evaluating qualified applications.

13. Policy Direction for 2013 Funding and Recommendations for Board Action

Ms. Marquita Russel presented the policy direction for the 2013 funding and recommendations.

In 2007, the WTB established policies and criteria for a Project Management Team (PMT) comprised of staff from agencies to review and prioritize projects for funding recommendations to the WTB. As part of this protocol, compliant projects are recommended for funding, in the order prioritized by the PMT, for amounts that can be utilized in a 12-18 month process.

At the April 24, 2013 WTB meeting, the public presented their projects and staff announced the deadline for reimbursement requests from past awards, which determines if compliance with the WTB's Project Continuation Policy is met. Following the PMT review of projects, final scopes of work and funding was determined and a recommendation was made that ensured complete, stand-alone phases of projects. Projects that had not met prior award spending requirements were bypassed.

Following the announcement of the EO, NMFA legal counsel sought clarification on how it would affect the WTB funding process since several projects on the recommended list that may be affected by the EO. On May 16, 2013, the PRC reviewed the PMT's recommendations and was unable to recommend a final list of projects due to the pending clarifications on the EO. It was the recommendation of the PRC for staff to prepare an alternate list of projects taking into consideration the EO. Unfortunately, given the large number of projects not in compliance with the Project Continuation Policy, staff was unable to construct an alternate list that fully utilizes all the funds and still meets WTB policy and regulatory compliance.

Staff has therefore identified two options for the WTB's consideration for a funding protocol for the 2013 awards as a result of the EO.

- 1) Approve the list initially prepared that provides funding to projects in compliant with WTB policies and OSE regulations and make the EO compliance requirement a "readiness-to-proceed" item for the approved projects; or

- 2) Direct staff to modify one or more WTB policies for the 2013 funding cycle allowing for a larger pool of applicants and present the list to the PRC. These modified policies would be only for the 2013 funding cycle and only if the EO is deemed applicable to the WTB funding.

The WTB discussed the options in an effort to determine the best funding protocol on moving forward with the 2013 funding cycle. Ms. Russel stated if the WTB chooses to modify the Project Continuation Policy, that it is done prior to funding so that all projects are considered under the same criteria. Also discussed were the possible impacts the options could have on the severance tax bonds.

Mr. Woods and Ms. Healy supported Option 2. Chairman Verhines also supported Option 2 and recommended the pool of applicants come from existing projects so they can reach a completed phase rather than adding new projects. Ms. Russel said if the Continuation Policy is amended, several urgent projects would move forward as well as four projects that are deemed critical.

Mr. Fulginiti expressed concern with Option 2 since it would modify the project list and subject the WTB to the appeal process as before, whereas Option 1 would use the current list and simply apply the EO to it. Chairman Verhines agreed with Mr. Fulginiti and changed his support to Option 1. Ms. Russel noted the two options are not mutually exclusive since the WTB can certify for more projects that were initially identified for funding.

The WTB continued to discuss projects that are not in compliance with the Continuation Policy and how Option 2 would affect the applicants. Ms. Russel clarified that Option 2 would use the same project list that was vetted by the PMT and the 2% requirement in the Continuation Policy would be replaced with a blank dollar amount which would increase the number of qualified projects for funding.

Mr. Fulginiti moved, seconded by Mr. Gasparich, for approval of Option 1 as a primary source and use Option 2 to secure additional projects, if necessary, to develop a complete project list that meets the available allocated funds.

To clarify the motion, Ms. Russel confirmed that Option 1 would certify the entire list of projects and staff would later return with modifications, if necessary, if the larger projects could not comply with the EO, thereby allowing for additional recommendations for funding, creating two rounds of funding.

Mr. Gleason reminded the WTB that DFA would need to agree to Option 1 following discussions with staff and only if a decision is reached regarding an exception to the EO. Referring to Option 2, Mr. Chiasson suggested the motion be amended to state if it is used, the projects are selected in the order of ranking from the list. Ms. Russel asked that the motion also include the modification of the policy of the \$200,000 limit on older projects to allow for a larger pool of applicants.

The WTB deliberated on an acceptable timeline and deadline date for submittal of readiness-to-proceed documents as a result of the EO.

A friendly amendment to the motion was made for clarification:

- 1) Approve the list prepared that provides funding to projects that are compliant with the WTB policies and OSE regulations and meet compliance with the EO by November 1, 2013; use Option 2 as a secondary source if there are not enough projects in the pool; and**
- 2) Direct staff to modify one or more WTB policies for the 2013 funding cycle to allow for a larger pool of applicants and present the list to the Project Review Committee. These modified policies would be only for the 2013 funding cycle and would allow for a \$200,000 limit on older projects subject to DFA approval of the exception and only if the EO is deemed applicable to the WTB funding.**

The motion unanimously passed.

14. Resolution, Notification and Certification of Severance Tax Bonds

Mr. Opperman presented the Resolution, Notification and Certification of the Severance Tax Bonds and due to the current circumstances with the EO, also presented an alternative Resolution that includes an additional EO provision stating that the WTB shall, to the extent applicable, ensure the grantees meet the provisions of EO 2013-006, prior to receipt of funding.

Referring to earlier discussion, Mr. Fulginiti asked if it would cause any hardships if the certification was deferred to the June 12th meeting. Mr. Opperman said the certification was not binding to projects but simply allows for the BOF to sell bonds to utilize the full amount from the proceeds of the severance tax bonds for a specific amount. The resolution was prepared to conform and be in compliance with the EO.

Discussion ensued as to whether to vote on the resolution, notification and certification of severance tax bonds or to defer to the June 12, 2013 WTB meeting.

Mr. Fulginiti moved, seconded by Mr. Chiasson, for approval of the Resolution, Notification and Certification of Severance Tax Bonds. Roll call was taken and the motion failed with 6 members voting in the negative and 4 voting in the affirmative.

15. Policy Task Force Report and Consideration of Revised Application Procedures

Ms. Russel and Dr. Richard Rose with the Office of State Engineer (OSE) presented the Policy Task Force Report and recommendations for revised application procedures.

The New Mexico Finance Authority (NMFA) was tasked by the NMFA Legislative Oversight Committee (Committee) with providing a list of WTB's prioritization applications for review in November 2013, three months earlier than the current timeline of January, allowing the Committee to know which projects would appear in the Committee-sponsored legislation. The current process has a relatively short timeframe for applicants to complete the application and for

the seven-agency Project Management Team (PMT) to evaluate the submitted documents. Projects receiving a minimum “Tier I-Applicant Readiness” score of at least a 60% move onto a “Tier II-Project Review” score. This Tier II score formed the bases of the WTB prioritizations and are the projects the WTB recommends to the Legislature for funding authorization. Each spring, following the Legislative Session, the PMT then reviews a Readiness Questionnaire that is used for making funding decisions.

The Task Force was tasked with streamlining the application process to allow for more time to complete the application and for PMT to review the proposals and readiness for funding. The Task Force focused on a two phase application procedure. The first would be a short, high level application that broadly described the project, requested funding and description for the need of the project, etc. The second portion is a modified version of the larger application process currently in use.

A meeting was held with Rep. Patricia Lundstrom, Chair of the Committee, to discuss the proposed application process and timeline for the 2013-2014 application cycle. The OSE also proposed the list be more informative than years past, but not prioritized. Rep. Lundstrom supported OSE’s proposed list and stated she expected to receive frequent, if not monthly, updates on the application process. Final recommendations were presented for consideration by the Policy Committee for the 2013-14 WTB application cycle. These changes, if approved by the WTB, will be formalized into policy changes during the summer.

Highlights of the Proposed Application Cycle:

- The application will be accessed electronically through an NMFA-owned platform. Applicants will be notified that assistance is available from the NMED Drinking Water Bureau and will be advised to submit a Project Interest Form through the Sustainable Water Infrastructure Management (SWIM) Portal. NMFA will periodically provide information to NMED on the applications so that NMED may populate the SWIM “knowledge bank” of water projects statewide.
- The application will be in two phases. The first will capture high-level project information such as description, critical nature of the project and preliminary cost estimates. The second portion will capture in-depth information (the same as is currently collected) and readiness items. The second portion will be available to applicants for review in August; however editing will not be permitted until projects are deemed eligible.
- The application will open earlier than years past, now expected for August 1st, and will be open for approximately 6-8 weeks.
- Applications will be reviewed to sort out non-qualified projects, such as wastewater projects, and non-qualified entities. Any identified as non-qualified or incomplete will be allowed time to demonstrate eligibility, qualifications or completeness. A final list will be compiled and projects will be printed for review by the WTB in the fall.

- After receiving approval for presentation to the Legislature, the second portion of the application will open for the 2013-14 cycle from approximately November 1st through March 1st.
- It will clearly be noted certain regulatory items will be required to move from the “legislative authorization list” to the “fundable priority list” which will include full compliance with OSE and NMED regulations as well as the State Audit Rule. Projects not in compliance will not be considered for funding despite the urgency or critical nature, unless it is intended to bring the applicant into compliance. The application will also note certain readiness items, such as feasibility studies and preliminary engineering reports, will be considered desirable for 2013-14 and mandatory for 2014-15 application cycle. This will give applicants and potential applicants at least one year to complete planning documents and other managerial readiness items before such items become mandatory.
- From mid-January to mid-February, 2014, the Legislature must pass and the Governor must sign the legislative authorization bill. Projects amended onto the legislative authorization bill will have a very short period of time to complete the entire application and will therefore be at a significant disadvantage relative to others that had begun the process in the late summer.
- Applications will not be submitted until after the Governor’s timeframe to act on legislation passed. Once complete applications are submitted, NMFA will consult with OSE, NMED and the SAO to determine whether the authorized applicants are in compliance as of March 1, 2014.
- Applications from compliant entities will be reviewed by the seven-agency technical team using the current criteria. A “fundable priority list” will be comprised and recommendations will be made using the existing protocol of recommending funding of complete projects or stand-alone phases of projects that can be achieved within 12-18 months from the point of approval.

Highlights of the Proposed Policy Considerations

Since the adoption of the Project Management Policies in 2007, the WTB has been encouraging best practices management of water projects. This includes adequate planning and technical, managerial and financial capacity to complete the project and maintain the investment of the WTB funding. As a result, the Task Force is recommending that regulatory compliance be viewed clearly as pass/fail and certain technical, managerial and financial readiness items be viewed as desirable for the 2013-14 application cycle and mandatory in 2014-15.

Pass/Fail Criteria (as applicable): Required to Move to the 2013-14 Fundable Priority List

- Demonstrated compliance with governing regulations, such as Safe Drinking Water Act, OSE water rights and Conservation Plans for Covered Entities (unless project will bring applicant into compliance)
- Compliance with Sanitary Projects Act
- Compliance with the Open Meeting Act resolution

- Certified operator appropriate for the system
- Compliance with the State Audit Rule
- An Approved Operating Budget
- Financial statements (three year minimum, unless the applicant is newly created and three years of financial statements are unavailable)

Desirable for 2013-14 Application Cycle, But Not Required Until 2014-15 Application Cycle

- Completed Preliminary Engineering Report, Engineering Study or Feasibility Study (unless funding is sought for this purpose)
- Metering of customers (if the project does not include meters). Rates must be based on metered use (water systems only)
- Asset management plan (for 2014-15, the applicant must have at least adopted a resolution committing to implementing the plan)
- Written operating procedures
- Written job descriptions for all staff and contractors
- A written and implemented cross-connection control program (if applicable)
- An approved and implemented source-water protection plan (if applicable)
- A written emergency response plan
- Water Accounting system and Water Audit Plan (if applicable)
- Financial policy which includes internal controls and a 5 year plan

Mr. Chiasson referred to the “desirable” material for the 2013/2014 application cycle and asked if any additional consideration will be given for submitting them. Ms. Russel said they would get rewarded with additional points but would not be significant.

A discussion ensued on the required documentation and how staff will confirm the documents exist and applicants can provide them. Mr. Chiasson asked that staff also confirm the documents are reviewed and received approval by the responsible agency. Mr. Chiasson referred to the current timeline for presentations of the projects by the communities and suggested it occur prior to the PMT review and recommendation. This would allow for the PMT members to get a better understanding of the projects. Ms. Russel said staff would take the suggestion under consideration.

In response to a question regarding the SWIM portal, Ms. Russel clarified staff is not requiring entities to go through the SWIM portal since the NMFA will be maintaining the application information. The applicants will be required to use an NMFA controlled application process. They will, however, be directed to the SWIM portal should they need certain assistance.

Mr. Ortiz moved, seconded by Mr. Chiasson, for approval of the recommended Revised Application Procedures. The motion unanimously passed.

16. Public Comment

Mr. Paul VanGlick, Program Manager of Eastern New Mexico Rural Water System, provided an update.

17. Proposed Meeting Date

The next proposed meeting date is scheduled for June 12, 2013.

18. Adjournment

The meeting adjourned at 12:28 pm.



Secretary

6-17-13

Date