

COLONIAS INFRASTRUCTURE BOARD

BYLAWS

adopted on

October 7, 2011

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|--|----|
| ARTICLE 1 NAME..... | 3 |
| ARTICLE 2 PURPOSE | 3 |
| ARTICLE 3 DEFINITIONS..... | 4 |
| 3.1 Act..... | 4 |
| 3.2 Authority..... | 4 |
| 3.3. Board..... | 4 |
| 3.4 Colonia..... | 4 |
| 3.5 Financial Assistance..... | 4 |
| 3.6 Project Fund..... | 4 |
| 3.7 Qualified Entity..... | 4 |
| 3.8 Qualified Project..... | 5 |
| 3.9 Trust Fund..... | 5 |
| ARTICLE 4 MEMBERS | 5 |
| 4.1 Number | 5 |
| 4.2 Appointment and Terms of Office..... | 5 |
| 4.3 Oath of Office | 7 |
| 4.4 Fiduciary Bond | 7 |
| ARTICLE 5 ORGANIZATION OF BOARD | 7 |
| 5.1 Officers | 7 |
| 5.2 Chairman..... | 8 |
| 5.3 Vice Chairman | 8 |
| 5.4 Treasurer | 8 |
| 5.5 Secretary | 8 |
| 5.6 Other Duties | 9 |
| 5.7 Term of Office | 9 |
| 5.8 Resignations and Removal..... | 9 |
| 5.9 Election of Officers..... | 9 |
| ARTICLE 6 COMMITTEES..... | 10 |
| 6.1 Appointments..... | 10 |
| 6.2 Standing Committees..... | 10 |
| 6.3 Task Force Committees | 11 |
| 6.4 Size of Committees..... | 11 |
| 6.5 Committee Voting Procedures..... | 11 |
| 6.6 Committee Reports | 12 |
| 6.7 Actions at Committee Meeting..... | 12 |
| ARTICLE 7 MEETINGS | 12 |

| | | |
|---------------------------------------|-------------------------------------|----|
| 7.1 | Regular Meetings | 12 |
| 7.2 | Special Meetings | 12 |
| 7.3 | Notice of Meetings | 12 |
| 7.4 | Agenda | 12 |
| 7.5 | Quorum | 12 |
| 7.6 | Voting Procedures | 12 |
| 7.7 | Minutes | 13 |
| 7.8 | Public Attendance | 13 |
| 7.9 | Public Participation | 13 |
| 7.10 | Press Releases | 13 |
| ARTICLE 8 FINANCES | | 13 |
| 8.1 | Moneys of the Board | 13 |
| 8.2 | Books and Accounts | 14 |
| 8.3 | Compensation | 14 |
| 8.4 | Fiscal Year | 15 |
| ARTICLE 9 CONFLICTS OF INTEREST | | 15 |
| 9.1 | Disclosure: Non-Participation | 15 |
| 9.2 | Permitted Interests | 15 |
| 9.3 | Governmental Conduct Act | 15 |
| 9.4 | Financial Disclosure Act | 15 |
| ARTICLE 10 REPORTS | | 16 |
| 10.1 | Annual Report | 16 |
| 10.2 | Other Reports | 16 |
| ARTICLE 11 RULES | | 16 |
| ARTICLE 12 RULES OF ORDER | | 16 |
| ARTICLE 13 OFFICIAL SEAL | | 16 |
| ARTICLE 14 AMENDMENTS | | 17 |

COLONIAS INFRASTRUCTURE BOARD BYLAWS

ARTICLE 1 NAME

The name of this public body, which is created and established by The Colonias Infrastructure Act, Laws 2010, Chapter 10, Sections 1 through 8, of the State of New Mexico, compiled as Sections 6-30-1 through 6-30-8, NMSA 1978, (the "Act"), as may be amended and supplemented from time to time, is the "Colonias Infrastructure Board" and is referred to in these Bylaws as the "Board."

ARTICLE 2 PURPOSE

The purpose of the Board is (i) ensure adequate financial resources for infrastructure development for Colonia recognized communities; (ii) provide for the planning and development of infrastructure in an efficient and cost-effective manner; and (iii) develop infrastructure projects to improve quality of life and encourage economic development, all as contemplated by and set forth in the Act.

ARTICLE 3 DEFINITIONS

As used in these Bylaws, the following words and terms will have the following meanings, unless the context clearly indicates another or different meaning or intent:

3.1 Act: means The Colonias Infrastructure Act, Laws 2010, Chapter 10, Sections 1 through 8, compiled as Sections 6-30-1 through 6-30-8, NMSA 1978, as may be amended and supplemented from time to time;

3.2 Authority: means the New Mexico Finance Authority;

3.3 Board: means the Colonias Infrastructure Board;

3.4 Colonia: means a rural community with a population of twenty-five thousand or less located within one hundred fifty miles of the United States-Mexico border that:

(A) has been designated as a Colonia by the municipality or county in which it is located because of a:

- (1) lack of potable water;
- (2) lack of adequate sewage systems; or
- (3) lack of decent, safe and sanitary housing;

(B) has been in existence as a Colonia prior to November 1990; and

(C) has submitted appropriate documentation to the Board to substantiate the conditions of this subsection, including documentation that supports the designation by the municipality or county;

3.5 Financial Assistance: means providing loans, grants, or both, on terms and conditions approved by the Authority;

3.6 Project Fund: means the Colonias Infrastructure Project Fund;

3.7 Qualified Entity: means a county, municipality or other entity recognized as a political subdivision of the State of New Mexico (the "State");

3.8 Qualified Project: means a capital outlay project selected by the Board for financial assistance that is primarily intended to develop Colonias infrastructure. A qualified project may include a water system, a wastewater system, solid waste disposal facilities, flood and drainage control, roads or housing infrastructure; but “qualified project” does not include general operation and maintenance, equipment, housing allowance payments or mortgage subsidies; and

3.9 Trust Fund: means the Colonias Infrastructure Trust Fund.

ARTICLE 4 MEMBERS

4.1 Number. The Board shall consist of seven (7) voting members and five (5) advisory, nonvoting members.

4.2 Appointment and Terms of Office

A. The seven (7) voting members are as follows:

(1) the Secretary of Finance and Administration or the Secretary’s designee from the Department of Finance and Administration;

(2) the Secretary of Environment or the secretary’s designee from the Department of Environment;

(3) the Chief Executive Officer of the Authority or the Chief Executive Officer’s designee from the Authority;

(4) one public member appointed by the President Pro Tempore of the Senate;

(5) one public member appointed by the Minority Leader of the Senate;

(6) one public member appointed by the Speaker of the House of Representatives; and

(7) one public member appointed by the Minority Leader of the House of Representatives.

B. The public members appointed pursuant to paragraphs 4 through 7 of Subsection A of this section shall be appointed with the advice and consent of the Senate, serve at the pleasure of the appointing authority, be residents of the Colonias area and have experience in capital project development or administration, and they may receive per diem and mileage as provided for nonsalaried public officers in the Per Diem and Mileage Act but shall receive no other compensation, perquisite or allowance.

C. The five (5) advisory, nonvoting members of the Board shall be as follows:

(1) the Executive Director of the South Central Council of Governments or the Director's designee;

(2) the Executive Director of the Southwest New Mexico Council of Governments or the Director's designee;

(3) the Executive Director of the Southeastern New Mexico Economic Development District or the Director's designee;

(4) the Executive Director of the New Mexico Association of Counties or the Director's designee; and

(5) the Executive Director of the New Mexico Mortgage Finance Authority or the Director's designee.

D. The Board shall choose a Chair and Vice Chair from among its voting members and such other officers as it deems necessary. A non-voting member can recommend officers subject to nomination by a voting member. A majority of voting members constitutes a quorum for the transaction of business. The affirmative vote of at least a majority of a quorum of voting members shall be necessary for an action to be taken by the Board. The Board shall meet whenever a voting member submits a request in writing to the Chair, but not less than quarterly.

E. All meetings of the Board shall be open to the public and subject to the Open Meetings Act, Sections 10-15-1 through 10-15-4, NMSA 1978, as amended, and, at each meeting, the Board shall provide an opportunity for public comment.

4.3 Oath of Office. To the extent required, before entering into upon his/her duty, each public member of the Board appointed by the Governor will take an oath of office to administer the duties of his office faithfully and impartially, and a record of such oath will be filed in the office of the Secretary of State of the State.

4.4 Fiduciary Bond. All members of the Board will, at the expense of the Board, give a fiduciary bond for the faithful discharge of their duties as provided in the Surety Bond Act, Sections 10-2-13 through 10-2-16, NMSA 1978, as amended.

ARTICLE 5 ORGANIZATION OF BOARD

5.1 Officers. The officers of the Board will be a Chairman, a Vice Chairman, a Treasurer, a Secretary, and such other officers as the Board may from time to time elect or appoint. Election of all officers shall be by an affirmative vote of at least four (4) current voting members. The Board shall elect from among the members the Chairman and Vice Chairman and such other

officers in accordance with Section 5.9 of these Bylaws for the term of office prescribed by Section 5.7 hereof. No person shall hold more than one office with the Board.

5.2 Chairman. The Chairman shall preside at all meetings of the Board, and shall perform such other duties as pertain to the office of Chairman. The Chairman shall sign, or cause to be signed, all resolutions, contracts and other instruments and documents authorized by the Board, and shall have general supervision over the Board.

5.3 Vice Chairman. The Vice Chairman shall perform the duties of the Chairman in the absence of the Chairman and shall perform any other duties delegated by the Chairman. The Vice Chairman shall assume the duties of the Chairman upon permanent departure of the Chairman until such time as a new Chairman shall be appointed and take office thereby becoming Chairman of the Board as a matter of law.

5.4 Treasurer. The Treasurer shall be responsible for the oversight of all moneys and securities of the Board, and shall ensure, in cooperation with Authority staff, deposit all such moneys, forthwith and before the close of the next succeeding business day after the receipt of the money, in the Colonias Trust Fund or the Colonias Infrastructure Project Fund in accordance with the directions or terms of the appropriation or donation of such moneys. In the absence of the Chairman and the Vice Chairman, the Treasurer shall preside at Board meetings.

5.5 Secretary. The Secretary shall keep a record of the proceedings of the Board and shall be custodian of all books, documents and papers filed with the Board, the minute book or journal of the Board and its official seal. The Secretary shall notify or cause to be notified all members of the Board of meetings, and when required by the Board shall affix or cause to be affixed to resolutions, contracts and other instruments and documents the seal of the Board and shall attest

to such seal. The Secretary shall have authority to cause copies to be made of all minutes and other records and documents of the Board and to give certificates under the official seal of the Board to the effect that the copies are true copies. In the absence of the Chairman, Vice Chairman, and Treasurer, the Secretary shall preside at Board meetings.

5.6 Other Duties. All officers shall perform such other duties as the Chairman or the Board may prescribe from time to time.

5.7 Term of Office. Except for their initial terms of office, the term of office for all officers, shall be two years ending on June 30. Any officer may serve any number of successive terms of office.

5.8 Resignations and Removal. Any officer of the Board may resign from their position at any time by giving written notice to the Chairman or the Board and unless otherwise specified in the notice, acceptance of such resignation will not be necessary to make it effective. Any officer may be removed, with or without cause, by the Board whenever, in its judgment, the best interests of the Board will be served thereby.

5.9 Election of Officers. After the election of the initial officers following the adoption of these Bylaws, officers shall be elected as follows:

(a) The Chairman shall appoint a Nominating Committee during or prior to April of each year during which the terms of the present officers expire. The Nominating Committee shall consist of three (3) members of the Board.

(b) The Nominating Committee shall be responsible for presenting nominations for officers including without limitation, the Chairman, the Vice Chairman, the Secretary and the Treasurer.

(c) The nominations shall be presented and elections conducted at the last meeting of the Board held in such year ending on June 30. The vote for officers shall be conducted by public vote in such manner as the Board may determine. There shall be no proxy voting for officers.

(d) Should an officer of the Board resign or be removed during his or her term of office, the Chairman shall immediately appoint a Nominating Committee consisting of three (3) members of the Board. In the event the Chairman resigns or is removed, the Vice Chairman shall appoint the Nominating Committee. At the next Board meeting following such resignation or removal, the Nominating Committee shall present a nomination to fill the vacant officer position. An election for such officer shall be conducted at such Board meeting by public vote in such manner as the Board may determine. There shall be no proxy voting for officers.

ARTICLE 6 COMMITTEES

6.1 Appointments. The members and the chairman of each Standing Committee and Task Force Committee shall be appointed by the Chairman of the Board, subject to confirmation by the Board.

6.2 Standing Committees. The Board may establish such Standing Committees, in addition to the Policy Committee and Project Review Committee (as defined below), as may be required to carry out the continuing functions and purposes of the Board. The areas of responsibility of Standing Committees shall be established by the Board. Members of Standing Committees must be members of the Board.

(a) Policy Committee. The Policy Committee will review recommendations of staff and make recommendations to the Board for, including but not limited to, approval or disapproval of all Board policies and rules.

(b) Project Review Committee. The Project Review Committee will review all project recommendations of staff and make recommendations to the Board.

6.3 Task Force Committees. Task Force Committees may be appointed by the Chairman of the Board as deemed necessary to the functioning of the Board. Task Force Committees shall be limited in their jurisdiction to the purpose of their establishment as set forth by the Chairman of the Board. Members of Task Force Committees must be members of the Board.

6.4 Size of Committees. All committees shall be composed of less than a majority of the voting members of the Board. All committees may include non-voting members.

6.5 Committee Voting Procedures.

(a) All members of a committee shall have the right to vote.

(b) A majority of committee members shall constitute a quorum to conduct the business of a committee, and the act of a majority of the members of a committee present at any committee meeting shall be deemed the act of the committee.

(c) There shall be no proxy voting at committee meetings.

6.6 Committee Reports. Reports of committee actions and recommendations shall be made to the Board at the Board meeting following a committee meeting or meetings.

6.7 Actions at Committee Meeting. No committee may take any action which shall establish policy for the Board or make any decision which shall be binding upon the Board.

**ARTICLE 7
MEETINGS**

7.1 Regular Meetings. The Board may establish a regular meeting schedule, the times and places of which shall be fixed from time to time by the Board.

7.2 Special Meetings. Special meetings of the Board may be called at any time and place by the Chairman or by written request of a voting member of the Board submitted to the Chairman.

7.3 Notice of Meetings. The Board shall adopt an Open Meetings Act resolution at least annually setting forth its policy with respect to notice of all meetings of the Board, whether regular or special.

7.4 Agenda. An agenda shall be prepared by the Chairman and shall be sent to the members in advance of each meeting of the Board. Additional items may be submitted by any member of the Board to the Chairman no later than 24 hours prior to the meeting for inclusion on the agenda, provided such submittal complies in all respects to the Open Meetings Act resolution adopted by the Board.

7.5 Quorum. Four (4) voting members of the Board shall constitute a quorum for the transaction of business by the Board and an action taken upon the affirmative vote of a majority of voting members of a quorum present at any meeting shall be deemed the action of the Board, with the exception of election of officers pursuant to Section 5.1 hereof.

7.6 Voting Procedures. The Chairman may vote on all matters coming before the Board. There shall be no proxy voting at Board meetings.

(a) Any member may abstain from voting.

7.7 Minutes. The draft minutes of each meeting shall be prepared within ten (10) working days after the meeting and shall be distributed to all members of the Board at least ten (10) days prior to the next meeting of the Board.

7.8 Public Attendance. Except as hereinafter provided in this Section 7.8, all regular and special meetings of the Board shall be open to the public. Meetings of the Board may be closed in accordance with applicable provisions of the Open Meetings Act.

7.9 Public Participation. The Chairman, or other presiding officer may, at their discretion, recognize anyone in the audience who indicates in writing or such other manner as shall be acceptable to the Chairman or such presiding officer at the time of the meeting that he wishes to speak, provided that such remarks by one person shall be limited to such period as the Chairman, or other presiding officer shall, at their discretion, permit.

7.10 Press Releases. All official press releases concerning activities of the Board shall have been authorized by the Chairman or the Board prior to release.

ARTICLE 8 FINANCES

8.1 Moneys of the Board. All moneys of the Board from whatever source derived, except as otherwise provided by the Act, shall be deposited, forthwith and before the close of the next succeeding business day after the receipt of the money, in the Trust Fund or the Project Fund. The Authority may establish procedures and adopt rules and policies as required to administer the Project Fund and to recover from the Project Fund costs of administering the Project Fund and originating loans, grants, or both. The State Investment Officer shall have all powers required to invest moneys

in the Trust Fund in the same manner as land grant permanent funds are invested pursuant to Chapter 6, Article 8 NMSA 1978.

8.2 Books and Accounts.

(a) Subject to the approval of the Board, the Authority shall prescribe a system of accounts for the Project Fund.

(b) The Project Fund shall be audited as part of the Authority's audit at least annually by the State Auditor or by a firm of independent certified public accountants whose proposal has been reviewed and approved by the State Auditor. The cost of the audit shall be an expense of administering the Project Fund.

(c) The Board may request an annual audit or report on the performance and balance of the Trust Fund from the State Investment Officer. The cost of any such audit or report shall be an expense of administering the Project Fund.

8.3 Compensation. The members of the Board shall receive no compensation for their services, but the public members of the Board shall be reimbursed for actual and necessary expenses of performing the duties assigned or delegated to them by the Chairman, the Board or a Committee at the same rate and on the same basis as provided for non-salaried public officers in the Per Diem and Mileage Act, Sections 10-1-1 through 10-1-8, NMSA 1978, as amended.

8.4 Fiscal Year. The fiscal year of the Board shall be the twelve-month period commencing July 1 of each calendar year and ending June 30 of the subsequent calendar year.

ARTICLE 9
CONFLICTS OF INTEREST AND FINANCIAL DISCLOSURE

9.1 Disclosure: Non-Participation. If any member or employee of the Board has an interest, either direct or indirect, in any matter to which the Board is to review, recommend or is to be a party, such interest shall be disclosed to the Board in writing and shall be set forth in the minutes of the Board. The member or employee having such interest shall not participate in any action by the Board with respect to such matter.

9.2 Permitted Interests. Nothing in Section 9.1 shall limit the right of any member of the Board to have an interest in or be a member, officer or employee of a political subdivision or state agency receiving consideration by the Board or funding or assistance from the Project Fund, provided that such interest is disclosed.

9.3 Governmental Conduct Act. To the extent not covered in these Bylaws, the provisions of the Governmental Conduct Act, Sections 10-16-1 through 10-16-18, NMSA 1978, as amended and supplemented, shall apply to all members of the Board.

9.4 Financial Disclosure Act. Members of the Board who are subject to the requirement of the Financial Disclosure Act, Sections 10-16A-1 through 10-16A-8, NMSA 1978, as amended and supplemented, including the public members of the Board eligible to receive per diem and mileage under Section 8.4 of these Bylaws, shall comply with the Financial Disclosure Act.

ARTICLE 10
REPORTS

10.1 Annual Report. The Board may, when requested or at its discretion, prepare and submit to the Governor and to the State Legislature, not later than October 1 of each year, an annual report of the total expenditures from the Project Fund, the purposes of the expenditures and an analysis of the accomplishments of the expenditures.

10.2 Other Reports. The Board may issue such other reports, and submit such reports to such persons, as may be determined from time to time by the Board.

ARTICLE 11
RULES

The Board shall adopt and may from time to time modify or repeal such rules as may be necessary to carry out and effectuate its purposes.

ARTICLE 12
RULES OF ORDER

Roberts Rules of Order, Newly Revised, shall serve as parliamentary authority for procedures not covered in these Bylaws.

ARTICLE 13
OFFICIAL SEAL

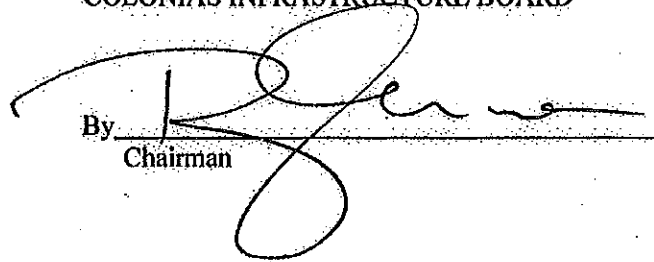
The Official Seal of the Board shall be circular in form and shall contain the name of the Board and the year of its creation inscribed thereon. Except as otherwise provided by law, the absence of the seal shall not affect the validity or enforceability of any resolution, contract or other instrument or document duly authorized, executed and delivered by the Board.

**ARTICLE 14
AMENDMENTS**

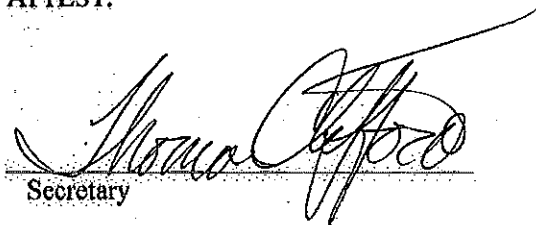
These Bylaws may be amended, suspended or revoked at any regular meeting of the Board
by a majority vote of a quorum of the Board.

PASSED, APPROVED AND ADOPTED this 7th day of October, 2011.

COLONIAS INFRASTRUCTURE BOARD

By 
Chairman

ATTEST:


Secretary