

New Mexico Finance Authority  
207 Shelby St.  
Santa Fe, NM 87501

**Water Trust Board**  
Meeting Minutes, April 8, 2015  
State Capitol, Room 317  
Santa Fe, NM

**Members Present:**

Tom Clifford, Chairman	New Mexico Department of Finance and Administration Secretary
Steve Kopelman, Secretary	New Mexico Association of Counties Executive Director
Greg Alpers	Irrigation or Conservancy District/Ground Water Representative
Tom Blaine	State Engineer
Robert Coalter	New Mexico Finance Authority CEO
Ryan Flynn	New Mexico Environment Department Secretary
Gerri Harrison	Navajo Nation President's Designee
Debra Hughes, Treasurer	Environmental Community Representative
Julie Maitland	New Mexico Department of Agriculture Designee
Alexandra Sandoval	New Mexico Department of Game and Fish Director
Brent Van Dyke	Soil & Water Conservation District Representative
Ralph Vigil	Acequia Water Users Representative
Brett Woods	New Mexico Energy, Minerals and Natural Resources Department Designee

**Members Absent**

William Fulginiti, Vice Chairman	New Mexico Municipal League, Executive Director
Richard Luarkie	New Mexico Indian Affairs Commission Representative
Tim McGinn	Irrigation or Conservancy District/Surface Water Representative

**NMFA Staff:**

Robert Brannon, Int. Chief Financial Officer	Leslie Medina, Director of Loan Operations
Mark Chaiken, Assistant General Counsel	Dan Opperman, General Counsel
Frank Ibarra, IT Systems Analyst	Bryan Otero, Assistant General Counsel
Mona Killian, IT Security Analyst	Angela Quintana, Senior Program Administrator
Charlotte Larragoite, Sr. Admin. Asst.	Marquita Russel, Chief of Programs

**Guests:**

David Chakroff, Eldorado Area WSD	George Knotts, Village of Milan
Jack Chatfield, CRRRD	Ramon Lucero, Souder Miller & Associates
Jim Chiasson, NM Environment Dept.	Jack Molerres, Village of Milan
Abenicio Fernandez, Dona Ana MDWCA	Alfredo Montoya, Alcalde MDWCA
Jim Honea, P.E., CH2M Hill, Inc.	Richard Rose, Office of the State Engineer
Jennifer Horton, Dona Ana MDCWA	Clayton Ten Eyck, MS, PE, Molzen-Corbin & Associates
Mario Juarez-Infante, P.E., Wilson & Co.	

1. **Call to Order and Roll Call**

Chairman Clifford called the Water Trust Board (WTB) to order at 9:05 a.m. Roll Call was taken and a quorum was established.

2. **Approval of Agenda**

Chairman Clifford called for comments on the agenda, commenting that the agenda first provided to the Board had been revised to remove committee appointments. The Chairman said he would like another month to consider appointments and asked that members contact him to let him know if they wish to remain or be added to any committee.

There being no further comment or amendments, the Chairman called for a motion to approve the agenda. **Steve Kopelman moved, seconded by Debra Hughes, for approval of the agenda as presented. The motion passed.**

3. **Approval of December 3, 2014 WTB Meeting Minutes**

Chairman Clifford called for comments on the minutes, and there being none, asked for a motion to approve. **Robert Coalter moved, seconded by Alexandra Sandoval, for approval of the December 3, 2014, WTB minutes as presented. The motion passed.**

4. **Consideration and Approval of Open Meetings Act Resolution.**

Mark Chaiken, NMFA Assistant General Counsel, presented the Open Meetings Act (“Act”) Resolution for adoption by the Board. Mr. Chaiken informed the Board that the Resolution provided is identical to the Resolution currently in place, and that the Act calls for annual adoption of a resolution.

**Brent Van Dyke moved, seconded by Greg Alpers, for approval of the Open Meetings Act Resolution. The motion passed.**

5. **NMFA Budget Recommendation.**

Robert Brannon, NMFA Interim Chief Financial Officer, presented the WTB budget recommendation for FY16 for the Board’s consideration, which is prepared in accordance with the WTB Cost Recovery Resolution.

The WTB FY16 budget is projected as essentially flat compared to the FY15 budget at \$1,122,813, which is about a 6% increase from projected FY15 actuals. The WTB is the second largest program of the NMFA and makes up approximately 12% of the overall NMFA budget.

The WTB portfolio has grown to an outstanding principal balance of \$25.2 million, which is a 4% increase from last year as of February 28, 2015. Ten projects have closed this fiscal year for a total of \$11.5 million, a 75% increase in volume from FY14. Project draws also continue at a strong pace with \$24 million in requisitions this fiscal year.

According to Mr. Brannon, loan repayments and administrative fees are projected to generate nearly \$2 million a year, almost twice what is needed to cover operating costs of the program and still have funds available for new projects. The balance in this “tier-two” account has more than doubled over the last twelve months from \$3 million to \$6.5 million, all earmarked for new projects and cost recovery.

For FY16, project closings are projected at \$51.5 million and draws at \$44.9 million. This is a 150% increase in closing activity from projected closings in FY15.

Mr. Brannon provided schedules showing WTB Revenue and Expenditures projections and actuals, WTB Expenses and Reimbursements by Fiscal Year, and WTB FY16 budgeted employee equivalent hours dedicated to the WTB (approximately 4.3 FTE equivalents).

*(Board Member Gerri Harrison arrived during discussion of the budget.)*

The WTB Expenses and Reimbursements schedule show the loan repayments, administrative fees, and interest earnings. There was a significant repayment of loans in 2014 due to projects that paid off, approximately \$4.4 million.

Chairman Clifford asked if an independent auditor has reviewed the cost allocations, which Mr. Brannon confirmed.

Ms. Hughes asked about the decrease in contract costs and if the funds are for NMED or other contracts. Mr. Brannon informed the Board that the line item includes the MOU with NMED and legal costs, and that the decrease in contract costs is due to the additional costs related to the audit in 2013.

Mr. Van Dyke asked about previous WTB discussion if watershed oversight should be moved to NMDA and if any action was ever taken. Ms. Russel replied that the NMED MOU provides for oversight all of the projects funded from the Water Project Fund, including endangered species act, flood prevention, watershed and others. Ms. Russel went on to say there was conversation last year that watershed oversight might be subcontracted to NMDA, but Ms. Russel was not aware of any monetary impact and does not know the status of those conversations. The current contract is with the NMED for oversight all projects. The policies going forward anticipate the Board determining specific oversight agencies within the policies.

Secretary Flynn, NMED, said there has not been a final decision made about subcontracting, but that NMED would be happy to work with NMDA, the State Forestry Division at EMNRD. Each of the agencies plays a role in watershed management and would work together. Secretary Flynn suggested that perhaps the WTB Policy Committee might make a recommendation.

Ms. Hughes asked if the budgeting amount is sufficient for watershed projects and the increased workload. Secretary Flynn said that the arrangement between NMFA/WTB and NMED is working well at this time. He went on to say the administrative work of billing and generating invoices is more burdensome than the technical work, and suggested for next year to develop a strategy to supply an appropriate budgetary increase for NMED or another agency's administrative costs and possibly eliminate the MOU with NMFA.

Mr. Woods commented that he believes the Board contracting through NMED is the most efficient way to go. He believes it would be onerous for the Board to have multiple subcontracts, and that one point of contact is the best way to continue.

Ms. Maitland, NMDA, commented for the record that conversations have taken place and NMDA is agreeable regarding contracting for the watershed projects oversight, but still need decisions to determine how to structure financial and reporting requirements.

Continuing with discussion of the budget, Chairman Clifford asked about the grant revenue line item and reverting funds. Mr. Brannon said the budget reflects draws, as the money is pulled down from the State Board of Finance, it is booked as revenue, then out again as expenses. The line item will not always match, as some of the amount may go toward loan receivables instead of grant expense. In addition, some of the money may come from the appropriation line item rather than from State Board of Finance. Chairman Clifford said he would like to see beginning balances and ending balances reflected. The total proceeds of the

bond sale are not reverted, and need to revisit that. The State Board of Finance ("SBOF") understands this is a reverting fund and they have some questions, so communication with SBOF needs to be more specific regarding reversions and reauthorizations to new projects.

Chairman Clifford said it would be helpful to see what is happening with bond proceeds. Ms. Russel explained that the budget anticipates significantly higher grant activity in FY16 due to an increased pace in closings and some larger projects ramping up. Mr. Brannon said several projects approaching are the end of their three years, which, combined with the project continuation policy for the new application cycle, encourages spending. Ms. Russel added that policy changes would simplify closing process and increase project spending making it clearer to the applicants earlier in the process what is required.

Chairman Clifford asked for an explanation of the 6% increase in projected expenditures as FY15 expenditures are coming in a little below budget, so why the big increase relative to actuals? Mr. Brannon said that the internal audit contract, which is a significant expense, will be pushed into FY16. The total contract is about \$200,000 annually, and the WTB portion is approximately \$20,000.

Ms. Russel noted a vacancy savings for two staff positions for water programs. NMFA expected to fill the positions earlier in the year, but hiring is taking place later in the fiscal year. Discussion continued on the allocation of funds from the NMFA budget for staff to oversee the WTB program.

Chairman Clifford asked who the program administrator is currently. Ms. Russel said Angela Quintana would continue to be the Senior Program Administrator for the WTB and Colonias Infrastructure Board. The new hires, a Senior Program Administrator and another Program Administrator, will work on WTB closings, requisitions and distributions, as well as Colonias, Local Planning Government Fund, and Drinking Water programs.

**Secretary Flynn moved, seconded by State Engineer Blaine, for approval of the WTB Budget as presented. The motion passed.**

6. **Alcalde MDWCA 180-WTB Request for Scope Change and Time Extension.**

Angela Quintana, Senior Program Administrator, presented a request by Alcalde MDWCA ("Alcalde") for a change of scope and time extension for 180-WTB. Alcalde has a balance of \$195,172.29, which it requests to use for the plan, design and construction of a supplemental water supply well, pump house, including all appurtenances and transmission line. In addition, because the project has expired, Alcalde requests a time extension of 24 months (November 18, 2016). Although the project is within 2010 legislative authorization for water storage and conveyance, this project did not go through the review process established in the 2010 cycle. The Project Review Committee has reviewed this request and it concurs with staff's recommendation to deny the change of scope and time extension. Staff recommends that Alcalde complete a hydrology study and planning and design with their current capital outlay funding, and then apply to the WTB in the new application cycle.

Mr. Alfredo Montoya, President of the Alcalde MDWCA, and Ramon Lucero, Project Manager, Souder Miller & Associates, addressed the Board to provide additional information about the proposed supplemental well, and to answer questions from the Board.

Ms. Hughes expressed concerns regarding the need to complete the hydrology study. She also stated concern that approval of the change of scope without following the WTB funding process would set a precedent.

Secretary Flynn commended Alcalde for its progress and actions in conservation and utility rates, and expressed concern about Alcalde's supply issue. He also stated that until the hydrology report is completed, there is a significant question regarding the supplemental well's location and viability.

Chairman Clifford asked about the use of the capital outlay funding received by Alcalde. Mr. Lucero responded that the funding award of \$125,000 closed in December 2014, and has not been spent.

State Engineer Blaine asked Mr. Montoya about the proposed location of the new well. Mr. Montoya replied that the proposed well site would be near a New Mexico State University well, which has done extensive studies and readings of wells in the same corridor and concluded the site to be an excellent location allowing a higher recharge level. There are two or three potential sites in the same vicinity, somewhat removed from the current wells. Mr. Montoya also replied that recent water rights acquired, approximately 75 acre feet, will be in excess of what they are currently using. Mr. Blaine said that local impairment is also an issue in applying for use of a supplement well, and the SEO will look at those factors before acting on a permit.

In response to Engineer Blaine's questions about supply issues, Mr. Montoya said that the system has never run out of water, although they came close. In addition, construction of a new elementary school put additional demands on the system, requiring installation of a booster pump, as well as other commercial demands placed on the system. Last year Alcalde started experiencing problems due to contamination and lower production in its existing wells. Mr. Montoya also told the Board about possible connection to Ohkay Owingeh Pueblo, and that they need approximately \$200,000 for the line.

Mr. Kopelman commented that the information about the existing wells was not made available to the Project Review Committee, so he believes the WTB does not have enough information at this time to make a decision on the request. He suggests tabling the item until Alcalde's emergency status can be determined and the hydrology report is complete.

Chairman Clifford commented that this project would have been better submitted in a new application and asked Secretary Flynn if there are other mechanisms available to Alcalde in case of emergency. Secretary Flynn mentioned the State Board of Finance and asked for comment from Jim Chaisson. Mr. Chaisson said that Alcalde has capital outlay funds to develop information for a supplemental well and concurred with Engineer Blaine's comments that perhaps additional capital outlay funds can be acquired to continue the extension of a line to Ohkay Owingeh Pueblo, in addition to possible State Board of Finance funds for an emergency.

Mr. Montoya commented that while the line to Ohkay Owingeh Pueblo seems to be a good resource in the short-term, but the reason they did not pursue the line construction, in the long run they do not know how much it will cost. Alcalde is on a very tight budget, and the arsenic treatments for one of their wells are very expensive and they did not want to purchase the line if they did not have to.

**Brett Woods moved, seconded by Alexandra Sandoval, to accept staff's recommendation to not approve Alcalde's request for change of scope and time extension. The motion passed 12-1 with Mr. Kopelman voting no.**

Engineer Blaine commented that it would be advantageous to the WTB and Alcalde to find a way to go forward and asked if Alcalde could apply for an extension to use the \$195 thousand balance of WTB funds for an extension for the line to Ohkay Owingeh Pueblo, if that would be more in line with the original grant purpose. The funds expired in November 2014 and Alcalde's current extension request was to extend the time and change the purpose for use of those funds.

Secretary Flynn said he believes that is premature. His recommendation to Alcalde is to complete the hydrology report, and pursue water purchase with Ohkay Owingeh Pueblo or another municipal system. Secretary Flynn said he encourages Alcalde to look at those issues, and said that the NMED Water Infrastructure Team can help guide them to the next appropriate step using the capital outlay money Alcalde has now. He believes Alcalde could then come back to WTB to apply for funding for new project. If there is an emergency, there are other mechanisms available with State Board of Finance, and that NMED will stand in support of and work with Alcalde.

Mr. Chaiken commented to the WTB that the unexpended funds from the Alcalde award revert pursuant to the Severance Tax Bond statute.

7. **Doña Ana MDWCA 271-WTB Request for Scope Change.**

Angela Quintana, Senior Program Administrator, presented a request by Doña Ana MDWCA (“Doña Ana”) for a change of scope for 271-WTB. The project has a current balance of \$2,927,958 that will expire in March 2017. The project has essentially completed, with the exception of some paving issues being addressed with the contractor’s bonding company, and permits for two railroad crossings. Doña Ana estimates a cost of \$350,000 if the paving and permit issues cannot be resolved, and asks to use the remaining balance towards three different projects, which have a total estimated cost of \$4,286,000 (construction of new tank, construction of fill line for Barcelona Rd., and construction of fill line for Anthem Rd.). The Project Review Committee has reviewed this request and it concurs with staff’s recommendation to deny the change of scope request for new projects.

Jennifer Horton, Executive Director of the Doña Ana MDWCA, and Abenicio Fernandez, Project Manager for Doña Ana MDWCA, addressed the Board to provide additional information and answer questions.

Member Debra Hughes commented that Doña Ana’s request is the same as the Board just discussed in that the original project has been completed and the request for scope change is for a completely different project. She further commented that it would not be fair to other applicants and that changing the scope for a new project sets a precedent contrary to WTB’s policies.

Secretary Flynn commended Doña Ana for its management and efficient use of funds, and as a standard-bearer for mutual domestic water associations in the management of their projects. The Secretary concurred with Ms. Hughes comments that this is a new project and approval of the request would set bad precedent.

**Secretary Flynn moved, seconded by Mr. Kopelman, to concur with the Project Review Committee’s recommendation to not approve Doña Ana’s request for change of scope and time extension. The motion passed.**

Ms. Hughes asked if Doña Ana has tried other repair methods, such as heavy-duty rubberized coating. Ms. Horton said there is no way to repair the tank without draining it, and that is not an option.

Mr. Coalter applauded Doña Ana’s efficient use of funds and asked what made the difference in getting bids so substantially lower. Ms. Horton said that Doña Ana was unexpectedly able to put in additional pipe in the first phase prior to receiving 271-WTB funds.

8. **Village of Milan 320-WTB Request for Time Extension.**

Angela Quintana, Senior Program Administrator, presented the Village of Milan’s (“Village”) second request for a readiness to proceed (“RTP”) time extension for 320-WTB. The Village is waiting for a permit and approval from the US Army Corps of Engineers (“USACE”), which requires a comprehensive analysis of proposed channel re-alignment and two alternatives. The Village requests a one-year (March 30, 2016)

extension to submit RTP items. The Project Review Committee has reviewed this request and recommends a time extension for one year (March 30, 2016) to submit the required RTP items in order to secure the funding for 320-WTB.

Mario Juarez-Infante, P.E., Wilson & Company, Inc., addressed the Board on behalf of the Village and answered questions from the Board. Secretary Flynn asked if the Village knows how long the USACE approval process. Mr. Juarez-Infante explained that most of the environmental “leg work” has been done, the next step is to complete the Environmental Impact Statement (“EIS”) and go through the public process. Mr. Juarez-Infante said the Village should have its EIS document in six months but requests one year to be certain of enough time to receive USACE permit. The only remaining comment is the permit from USACE.

Chairman Clifford asked if the Village was aware of the permit requirement when it requested its first extension. Mr. Juarez-Infante said what triggered the USACE permit requirement was the regulatory requirement to remove a flood plain and they did not know at the time that a USACE permit was required to remove a flood plain. Jim Chaisson, NMED, explained that NMED made the engineer aware of the oversight after approval in subsequent review.

**Motion made by Brett Woods, and seconded by Secretary Flynn, to approve the Village’s request for a one-year extension. The motion passed.**

9. **Final Approval of NMAC 19.25.10 – Review and Eligibility of Proposed Water Projects.**

Marquita Russel, NMFA Chief of Programs, reported on the rulemaking process, public hearings held, and the effect of the proposed amendments.

Chairman Clifford commented that he knows the legislative interim committees received briefing on the rule change, but asked if they actually saw the rule amendment. Ms. Russel explained that the interim committees had stopped meeting by the time the rulemaking process was initiated, so they did not view the actual draft of the amendment. However, Ms. Russel said the committees knew of the proposed changes reverting to a former process of vetting projects before presenting a list to the legislature for authorization. Chairman Clifford asked for clarification on the two-step process, criteria to evaluate projects, and comparison of the “new list” to the “old list” presented to the legislature. Ms. Russel reported that prior to the 2014 amendments, prioritization was based first upon applicant readiness or eligibility, and then secondly the applications were prioritized based upon the project benefits and readiness. Staff recommends that going forward the WTB evaluate the applications based upon the project and recommend to the legislature a list that has been vetted in some manner. The WTB can determine at that time whether to recommend all vetted projects or whether to cull the list in some manner, but that the rules only require evaluation of the applications prior to legislative submittal. Staff recommends prioritizing projects in the fall and requiring demonstration of regulatory compliance in the spring, which would give the State Board of Finance the list an earlier than they have been receiving it.

Chairman Clifford reflected that the legislative authorization bill would look like it currently does, only shorter, with no dollar amounts attached to the projects. Ms. Russel said that is correct, but that the list would not have to be shorter, but that it would likely be shorter.

Secretary Flynn commented that the legislature says that they want the WTB to do this vetting, which is the appropriate thing to do, but that next year when they see a shorter list they are not going to be happy. He said that while they will get a list of 30 good, viable, ready-to-go projects, he thinks they will want to be back at the larger list so they can tell their constituents they had a bill for a project in the district even though it is not going to be funded.

Chairman Clifford agreed that is a risk, which will beg other questions for the legislators as to how much of the project the WTB will fund and how much additional funding is needed.

Gerri Harrison questioned if the changes in Board and Authority responsibilities is consistent with the Board's Bylaws. Chairman Clifford said that his understanding is that the rules clarify NMFA's role from the WTB's role, the philosophy being that this board makes awards but NMFA actually has to structure financial assistance arrangements. Ms. Russel explained that statute requires that prior to making a loan or a grant, NMFA must determine that the project meets financial requirements set forth by the WTB. What is proposed is adding financial capacity language to the policy to make it clear what this Board determines as financial capacity so that NMFA has a clear mark in determining if any project meets the criteria. This rule allows streamlining of the recommendation and approval process between the WTB and the NMFA Board and creates a clear definition of financial capacity in the WTB policies.

Chairman Clifford commented that this board sets the broad parameters of the financial arrangement and NMFA administers the arrangement and ensures compliance with what WTB has established. Ms. Russel confirmed his understanding, that it is a two-step process, one happens in rule and the other in policy, which sets forth the current standards.

The Board next discussed outreach performed by the NMFA Board on behalf of the WTB as an administrative function. Ms. Russel iterated previous board discussion that WTB does not have staff outside NMFA so it was not clear what the Board would do in terms of outreach. The proposed amendment clarifies that that NMFA does the outreach, as it is NMFA responsibility under the Water Project Finance Act to provide the application forms. Chairman Clifford said the current language does not do any harm and that he likes the idea of the NMFA and WTB working together on outreach. He asked if the Board would be agreeable to retaining to the existing language. Mr. Chaiken reminded the Board that these amendments have gone through public hearings and any change in the amendments or other changes in the rule language must go through the public process.

Ms. Hughes commented that she initially had the same thoughts as Chairman Clifford, but pointed out that the rest of the paragraph is not just outreach, but also a narrower, administrative function to notify the entities whose applications are accepted and those whose are not accepted. It is NMFA's duty to notify qualifying entities, which is what NMFA staff currently does. Ms. Russel said staff reads the section to allow notification that application cycles are open, allow sending proposals, and to hold seminars throughout the State. Chairman Clifford asked about identifying all qualifying entities, if there is some method to identify all qualifying entities. Ms. Russel said that staff believes all entities in the State have been identified such as certain associations and sister agencies, who can, in turn, provide access to the maximum potential qualifying entities.

**Steve Kopelman made a motion, seconded by Robert Coalter, to approve the amendments to NMAC 19.25.10. The motion passed.**

**10. Revisions to Project Management Policies and Appointment of Policy Subcommittees Update.**

Marquita Russel, Chief of Programs, presented the WTB with an update on changes to the Project Management Policies. Staff solicited public comment on areas of concern, and worked with the Office of the State Engineer to identify areas lacking clarity. This led to recommending to WTB a reformat of policies to streamline according to the project type. Each qualifying project type has its own set of relevant policies and within those policies, there would be criteria used to evaluate applications, the required information to constitute a complete application, the required information to close on a grant or loan, to identify specific documents required, and who would be responsible for oversight. For example, in a water conservation project, define what is a water conservation project, treatment or recycling, what aspect is eligible for water

project funds, who is responsible for overseeing the project, and whether it is required to have certain documents to be considered. There are five different types of applications, all of which are very different in their requirements and what is required to close.

Ms. Russel took the Board through the proposed changes, in redlined version and clean format.

In reviewing proposed changes, Ms. Russel said the five project type categories in the policies require the expertise of WTB members. Chairman Clifford asked if staff recommends forming a committee of the WTB to review the policies. Ms. Russel suggested using WTB members to form task forces and stated that changes could be brought to the WTB at its June meeting. Ms. Hughes and Ms. Maitland expressed their willingness to serve.

Ms. Harrison asked if proposed language in Section 4 adding paragraphs C, D, and E, is already in the loan agreement. Ms. Russel said the language is in the NMFA policies as well as the adopted policy of the WTB that were not incorporated into the master policy document. Ms. Harrison asked if the policy allows project management fees. Ms. Russel said there is no specific language addressing project management fees. Finally, Ms. Harrison asked if the list of sister agencies is exhaustive and Ms. Russel replied that only NMED is currently the only agency designated and recommend it be broadened.

Chairman Clifford decided to form two task forces and designated Secretary Flynn as chair for Water Conservation and Storage project types, and Director Sandoval as chair of Watershed, Endangered Species Act and Flood Prevention project types. Chairman Clifford asked them to assemble the rest of the task forces.

#### 11. **2015 Application Cycle Update.**

Angela Quintana, NMFA Senior Program Administrator, presented the calendar for the current application cycle and an applications update (127 applications approved to present for legislative authorization, bill is awaiting signature).

April 1 was the deadline for compliance certification from the regulatory agencies, SEO, NMFA, and NMED. April 13 is the deadline to submit applications. The Project Review Committee will meet April 21, and the WTB on April 29 to hear project presentations. Ms. Quintana provided a draft list of applications to the WTB received to date. There have been some withdrawals due to applicants' inability to meet regulatory compliance.

Ms. Russel commented that staff is attempting to adhere to the SBOF request for an earlier funding determination. This resulted in moving the WTB funding awards meeting to June 3. Ms. Russel reminded the Board that any entity seeking a waiver must have submit the waiver with its application. The Project Review Committee will make recommendations to the WTB on the waiver requests.

Chairman Clifford directed staff to send invitations for the Project Review Committee meeting and WTB meetings for application presentations.

Ms. Harrison asked for the reason for withdrawal of applications and Ms. Quintana explained the entities had indicated that many could not meet regulatory compliance.

Chairman Clifford asked for the total funds requested and available. Ms. Russel said that requests total approximately \$159 million and that approximately \$32 million is available, pending a final reconciliation of loan repayments available to fund projects and other items.

12. **Review of Proposed Timeline and Process for the 2016 WTB Application Cycle.**

Marquita Russel, Chief of Programs, presented a proposed calendar for the 2016 WTB Application Cycle, to for approval by the Board at its June 3 meeting. Ms. Russel explained that staff recommends the current two-step process continue, in addition to the Pass/Fail mechanism for certain readiness and regulatory issues. Staff also recommends opening the application in August, which will provide six weeks to complete an application, applicants' project presentations would be heard in the fall, and then the WTB would be able to recommend a project list to a legislative committee, such as the Water and Natural Resources Committee, which historically meets later than the NMFA Oversight Committee and whose interests also align with the WTB projects.

Chairman Clifford asked if legislative interim committee review is required. Ms. Russel said she is not aware of a requirement and that this is at the discretion of the Board. Chairman Clifford asked if the Policy Committee will review the proposed timeline and process and asked that the Project Review Committee also review the proposed timeline and process.

13. **Eldorado Area WSD Update 313-WTB**

Clayton Ten Eyck, MS, PE, Molzen-Corbin & Associates, and David Chakroff, General Manager of the Eldorado Area Water and Sanitation District ("EAWSD") addressed the Board regarding the progress of 313-WTB. EAWSD is in continued negotiations with Santa Fe County ("County") for a proposed pipeline and purchase of water. In October, when asked for Readiness to Proceed ("RTP") documents, EAWSD had not reached agreement with the County. A pipeline was to be in place in 2013 or 2014, but they have no confirmation from the County if or when the pipeline will be constructed. EAWSD reported to WTB that no agreements were in place for water sales or pipelines, and had to revert the funds.

Mr. Chakroff provided a handout updating EAWSD's other projects. Included in the report were 246-WTB (closed March 1, 2013, 99% completed, closing out); 277-WTB (closed January 17, 2014, 99% completed, closing out); 278-WTB (closed January 17, 2014, 50% complete); 279-WTB (closed January 17, 2014, 99% completed, waiting for operating permit); and 297-WTB (closed March 20, 2015, 1% complete).

Ms. Harrison commended EAWSD on its efforts in completing its projects, and for providing the WTB with photos of the projects.

Mr. Chakroff offered a comment regarding policy changes related to the project completion timeline, stating that, for the entities, it would be better to tie project completion deadlines to execution of the contract as that is where the entities have to start. He explained that for project 297-WTB, the contract was not completed until March 20, 2015, so drawdowns have not been active. Ms. Russel noted that this project was second iteration funding. She said she did not have a specific answer as to why the 297-WTB contract was delayed, but noted that other second iteration projects were able to close much faster as they submitted their readiness items earlier than EAWSD; however, staff will get an answer and report to the Board. Mr. Chakroff added that part of the delay was due to conflicts with EAWSD's district board schedule and board election. EAWSD' attorneys did not want to get approval of the contract before the election, which created a couple of months' delay.

Ms. Hughes commented on the reason why the WTB wanted update on project 317-WTB. Mr. Chakroff commented that part of the issue in coming to an agreement with the County is not that the County is being uncooperative. Mr. Chakroff said that part of the negotiation is that the County wants the EAWSD to purchase water year-round, while EAWSD's need to purchase water is for emergencies or catastrophe only during the summer months when demand on its wells is greater. In addition, the County cannot confirm water will be available in the summer. This information was not available at the time of the award, when EAWSD thought an agreement was imminent.

14. **Public Comment**

Jim Honea, P.E., Project Manager with Ch2M Hill, Inc., addressed the Board on behalf of Eastern New Mexico Water Utility Authority Chair Gayla Brumfield, who could not attend this meeting but asked Mr. Honea to convey to the Board the community's appreciation for the support of the WTB. He advised of the completion of the intake facility and that the next phase of ENMWUA's project is shovel-ready. Chairman Clifford asked if ENMWUA would be making application in the new funding cycle and Mr. Honea said it would.

15. **Next Meeting Date**

Chairman Clifford announced that the next WTB meeting would be April 29, 2015. After discussion of the proposed date, staff was directed to send an email polling the members for their availability on April 29.

16. **Adjournment**

Greg Alpers made a motion for adjournment, seconded by Alexandra Sandoval. The motion passed.

The meeting adjourned at 11:45 a.m.



Secretary Tom Clifford, Chairman

Date: 5/1/15

ATTEST:

  
Steve Kopelman, Secretary