



Doña Ana MDWCA Inter-connecting water systems - extending waterlines to serve additional residents

New Mexico Colonias Infrastructure Board

2015 Annual Report

October 1, 2015

Introduction

The Colonias Infrastructure Board (the “CIB”) was established by the Legislature, effective July 2011, through the enactment of the Colonias Infrastructure Act (“the Act”), NMSA 1978, Sections 6-30-1 – 6-30-8. In adopting the Act, the Legislature found that colonias lack basic infrastructure resulting in poor social, health and economic conditions. The purpose of the Act is to address those findings by (i) ensuring adequate financial resources for infrastructure development; (ii) providing for the planning and development of infrastructure in an efficient and cost-effective manner; and (iii) developing infrastructure projects to improve quality of life and encourage economic development for colonia recognized communities.

The Colonias Infrastructure Board is comprised of 12 members, seven (7) voting members and five (5) advisory, non-voting members

Voting Board Members

Mr. Doug Moore, Minority Leader of the Senate Appointee (*CIB Chair*)

Mr. Oscar Vasquez-Butler, President Pro Tempore of the Senate Appointee (*CIB Vice Chair*)

Ms. Mary Helen Garcia, Minority Leader of the House of Representatives Appointee

Mr. Keith Riddle, Speaker of the House of Representatives Appointee

Mr. Robert Coalter, New Mexico Finance Authority Chief Executive Officer

Dr. Tom Clifford, Department of Finance and Administration Cabinet Secretary (*CIB Secretary*)

Mr. Ryan Flynn, Environment Department Cabinet Secretary(*CIB Treasurer*)

Advisory, Non-Voting Members

Mr. Jay Armijo, South Central Council of Governments Executive Director

Ms. Priscilla Lucero, Southwest New Mexico Council of Governments Executive Director

Mr. Hubert Quintana, Southeastern NM Economic Development District Executive Director

Mr. Steven Kopelman, Executive Director, New Mexico Association of Counties

Mr. Jay Czar, New Mexico Mortgage Finance Authority Executive Director

Definition of a qualified colonia as defined in the Act:

- ✚ A rural community with a population of 25,000 or less located within 150 miles of the United States-Mexico border that:
 - ✚ Has been designated as a colonia by the county or municipality due to:
 - ✚ Lack of potable water;
 - ✚ Lack of adequate sewage systems;
 - ✚ Lack of decent, safe and sanitary housing; and
 - ✚ Has been in existence as a colonia prior to November 1990.

Colonia communities must provide documentation to the CIB that supports the designation by the municipality or county.

The CIB is charged with prioritizing projects and recommending projects to the New Mexico Finance Authority (“Finance Authority”) for financial assistance to be funded by the Colonias Infrastructure Project Fund (the “Fund”). The CIB is empowered to promulgate and has established rules, by-laws, and policies to aid in the effective management of the colonias program.

Goals of the Colonias Infrastructure Board:

- ✚ Set standards for funding based on need, community impact, and feasibility utilizing sound business practices;
- ✚ Establish criteria for the prioritization of projects based upon health, safety and welfare;
- ✚ Support the public health and economic vitality of colonias in New Mexico through comprehensive planning and investment in infrastructure;
- ✚ Encourage participation in regional efforts to collaborate on long-term solutions with other community water systems; and
- ✚ Work with federal agencies to fund and co-fund multiple colonias projects within those respective jurisdictions as established by federal guidelines.

Colonias Infrastructure Project Fund

Pursuant to the Act, the Finance Authority may make financial assistance awards from the Fund to qualified entities for qualified projects prioritized and recommended by the CIB on terms and conditions established by the Finance Authority. Pursuant to the Act, qualified project means a capital outlay project intended to develop colonias infrastructure including:

1. Water system
2. Wastewater system
3. Solid waste disposal facilities
4. Flood and drainage control
5. Road infrastructure
6. Housing infrastructure, not including general operation and maintenance, equipment, housing allowance payments, or mortgage subsidies.

The CIB seeks to strategically prioritize and package infrastructure projects that make the best use of local, state, and federal dollars and provide beneficial infrastructure that will have a positive impact on the quality of life for colonias residents.

The CIB continuously strives to develop an efficient process for entities to apply for funding and complete much needed infrastructure projects that have a positive impact on the standard of living for those colonias residents.

Annually, the Finance Authority staff conducts application workshops for the public targeting the southeastern, south central and southwestern areas of the state. This is an in-depth review and instruction to all entities on the application process, requirements for eligible entities and projects, and financial assistance structures and all the rules, policies, and processes of the program.

Project Activity in FY 2015

FY 2015 saw increased activity. During the year, the Finance Authority finalized the funding agreements for 33 CIB projects totaling \$12,137,558 and disbursed \$10,011,438.97. In addition, 14 CIB projects were certified as complete.

2015 Funding Cycle

Annually, the CIB reviews applications submitted by qualified entities for infrastructure projects and recommends a final list of eligible projects to be funded by the Finance Authority. The 2015 application was open to qualified applicants from November 3, 2014 through January 16, 2015. A total of 54 applications requesting more than \$37.5 million were submitted. Of the 54 applications received, 28 were ultimately recommended for funding. The recommendations resulted from a comprehensive review that considered project eligibility, Executive Order compliance, evidence of matching funds, and project readiness, as well as the applicant's history of timely securing and expending prior CIB awards.

For FY 2015, the Fund received a distribution equal to 5% of the senior Severance Tax Bond (“STB”) capacity as determined by the State Board of Finance. For 2015, the STB distribution totaled \$16,000,875. In addition, the Board had \$1,561,736 in available funds available from five projects that never moved forward primarily due to Executive Order compliance. This brought the total available funds for award to \$17,562,611.

Prior to approving a final recommended list, the CIB was made aware that the Capital Outlay Bill that had been negotiated for the upcoming 2015 Special Legislative Session contained two appropriations totaling \$2 million from the Fund to the Border Authority for projects at the port of entry in Columbus. As a result, the CIB did not re-award \$1,561,736 from the rescinded awards and it held back \$438,264 from its 2015 STB appropriation to cover the appropriation to the Border Authority.

2015 COLONIAS INFRASTRUCTURE FUND AWARDS					
Recipient	County	Benefiting Colonias	Project Name	WTB Award	Scope of Work
FLOOD/DRAINAGE CONTROL					
Anthony, City of	Dona Ana	Anthony	Lift station, force-main, drain system to St. Anthony ponds	\$ 688,420	Construction
PLANNING					
High Valley MDCWA	Dona Ana	Vado	PER and Environmental document to water system	\$ 50,000	Planning
Socorro County	Socorro	San Antonio	PER for San Antonio Colonias	\$ 54,000	Planning
ROADS/DRAINAGE					
Carrizozo, Town of	Lincoln	Carrizozo	Street improvements to include replacement of water lines	\$ 773,598	Design, Construct
Deming, City of	Luna	Deming	Drainage improvements to Nickel, Buckeye and Iron Streets	\$ 697,777	Design, Construct
Grant County	Grant	North Hurley	Phase 1 - Drainage infrastructure improvements to main intersection	\$ 629,608	Construction
Grant County	Grant	Tyrone	ADA compliance	\$ 101,770	Plan, Design
Hidalgo County	Hidalgo	Lordsburg	Improvements of S. Animas project	\$ 587,281	Design, Construct
Hurley, Town of	Grant	Hurley	Cortez Ave drainage and roadway improvements	\$ 679,176	Design, Construct
Silver City, Town of	Grant	Silver City	Street/Drainage improvements to Camino de Suenos and Kelly Sts.	\$ 963,649	Construction
SOLID WASTE INFRASTRUCTURE					
Deming, City of	Luna	Deming	Improvements to solid waste landfill	\$ 487,805	Plan, Design
WASTEWATER INFRASTRUCTURE					
Dona Ana County	Dona Ana	Chaparral	Phase 1C-Chaparral Wastewater System	\$ 900,000	Construction
Dona Ana MDWCA	Dona Ana	San Isidro	Vacuum wastewater collection system	\$ 317,611	Construction
Loving, Village of	Eddy	Loving	Phase IV-WWTP & sewer distribution system improvements	\$ 634,260	Design, Construct
Ruidoso Downs, City of	Lincoln	Ruidoso Downs	Improvements to the Agua Fria sewer system	\$ 1,185,840	Plan, Design, Construct
Silver City, Town of	Grant	Silver City, Rosedale, Tyrone Townsite	PISTA grit removal system	\$ 457,824	Construction
Truth or Consequences, City of	Sierra	TorC, Williamsburg	Phase 2A-improvements to TorC WWTP	\$ 750,000	Design, Construct
Winterhaven MDWC&SWA	Dona Ana	Winterhaven	Improvements to City Collection system	\$ 48,751	Design, Construct
WATER INFRASTRUCTURE					
Anthony WSD	Dona Ana	Anthony	Water System Improvements	\$ 786,082	Construction
Bayard, City of	Grant	Bayard, Hanover, Fierro, Vanadium, Turnerville	Construct of 2nd head/surge tank	\$ 381,419	Construction
Camino Real Regional Utility Authority	Dona Ana	Sunland Park	Well replacement	\$ 1,023,000	Design, Construct
Capitan, Village of	Lincoln	Capitan	Phase II-waterline replacement	\$ 75,000	Design
Chamberino MDWC&SA	Dona Ana	Chamberino	Design of secondary water source	\$ 200,875	Design
Garfield MDWCA&MSWA	Dona Ana	Garfield, Placitas, Salem	Phase 1&2 water system improvements	\$ 1,126,567	Design, Construct
La Luz MDWCA	Otero	La Luz	Waterline replacement	\$ 848,526	Construction
Santa Clara, Village of	Grant	Bayard, Hurley, N. Hurley, Silver City, Arenas Valley, Rosedale, Fierro, Vanadium	Water transmission lines of Cameron Creek, Ft. Bayard Rd and NM 152	\$ 788,843	Design, Construct
Timberon WSD	Otero	Timberon	Phase IV-collection points and waterlines in Carissa springs	\$ 236,929	Design, Construct
Tularosa, Village of	Otero	Tularosa	Phase III municipal water system improvements	\$ 88,000	Design
Total Awarded 28				\$ 15,562,611	

In addition to the funding provided directly from the Fund, the CIB is instrumental in securing funds from other state and federal sources to complete colonias projects. With the FY 2015 funding, the total awarded to date by the CIB is \$59,646,677 which leveraged an additional \$39,852,681 totaling nearly \$100 million in infrastructure projects over the past four years.

Year	Applications Received		CIB Awards Made		Federal Funds Leveraged		Total Funding Provided
	#	Amount	#	Amount	Sources	Amount	
2012	75	\$40,360,527	40	\$13,207,965	USDA, BECC & CDBG	\$13,141,403	\$26,349,368
2013	59	\$37,736,894	37	\$16,640,461	USDA & CDBG	\$8,357,897	\$24,998,358
2014	77	\$40,351,172	43	\$14,235,640	BECC & EPA	\$10,437,286	\$24,672,926
2015	54	\$38,154,397	28	\$15,562,611	USDA, CDBG & DWSRF	\$7,916,095	\$23,478,706
TOTAL	265	\$156,602,990	148	\$59,646,677		\$39,852,681	\$99,499,358

Looking Forward to Fiscal Year 2016 and Beyond

House Bill 236, as twice amended, was approved by the Legislature during the 2015 Regular Session and signed into law by Governor Martinez. The bill amends the Severance Tax Bonding Act to phase in reductions to bonding capacity to increase the amount of severance tax receipts deposited in the severance tax permanent fund. The bill contains provisions that lessen the impact of the bonding capacity reduction on the Fund by increasing the percentage of senior STB capacity dedicated to the Fund from 5% to 6.5% in FY 2016 and 5.5% thereafter. The estimated impact to the Fund in FY 2016 is a modest increase in funding and thereafter decreases for a net impact of \$1.7 million reduction over a 10-year horizon.

In the first quarter of fiscal year 2016, the CIB revised its policies to help ensure that projects awarded funding are ready to quickly invest the funds in colonias infrastructure as intended by the Act. The revised policies will be in effect for the 2016 funding cycle.