

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

Minutes of the Meeting of the Water Trust Board

August 28, 2015
State Capitol, Room 307
Santa Fe, NM

Members Present:

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| Tom Clifford, Chairman | New Mexico Department of Finance & Administration Secretary |
| William Fulginiti, Vice Chairman | New Mexico Municipal League Executive Director |
| Tom Blaine | New Mexico State Engineer |
| Jim Chiasson | New Mexico Environment Department Designee |
| Robert Coalter | New Mexico Finance Authority CEO |
| Joy Esparsen | New Mexico Association of Counties Designee |
| Richard Luarkie | New Mexico Indian Affairs Department Representative |
| Julie Maitland | New Mexico Department of Agriculture Designee |
| Tim McGinn | Irrigation/Conservancy District-Ground Water Representative |
| Alexandra Sandoval | New Mexico Department of Game and Fish Director |
| Brent Van Dyke | Soil and Water Conservation Districts Representative |
| Brett Woods | New Mexico Energy Minerals & Natural Resources Dept. Designee |

Members Absent:

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| Greg Alpers | Irrigation/Conservancy District-Surface Water Representative |
| Russell Begaye | Navajo Nation President |
| Debra Hughes, Treasurer | Environmental Community Representative |
| Ralph Vigil | Acequia Water Users Representative |

NMFA Staff

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| Frank Ibarra, IT Systems Analyst | Bryan Otero, Assistant General Counsel |
| Charlotte Larragoite, Sr. Admin. Asst. | Angela Quintana, Sr. Program Administrator |
| Dan Opperman, General Counsel | Marquita Russel, Chief of Programs |

Guests:

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| Patrick Banegas, Village of Hatch | Cody Stropki, SWCA Environmental Consultants |
| Brian Cesar, City of Alamogordo | Vincent Tovar, City of Gallup |
| Marc DePauli, City of Gallup | Dierdre Tarr, Claunch-Pinto SWCD |
| Susie Galea, City of Alamogordo | Kim Van Dyke |
| Alan Hook, City of Santa Fe | Jose Varela Lopez, SF-Pojoaque SWCD |
| Ramon Lucero, Souder Miller & Assoc. | Chuck Thomas, SSCAFCA |
| Elmer Martinez, City of Las Vegas | Joe Zebrowski, El Creston MDWCA |
| Alfonso Ortiz, Jr., City of Las Vegas | |

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.

Mr. Woods made a motion to approve the Agenda, seconded by Mr. Van Dyke. Motion passed.

3. **Approval of Minutes from the June 3, 2015 Meeting**

Chairman Clifford called for questions or discussion of the June 3, 2015 WTB meeting minutes.

Mr. Fulginiti made a motion, seconded by Mr. Coalter, to approve the June 3, 2015 WTB Meeting Minutes as presented. The motion passed.

4. **Appointment of Committee Membership** – Chairman Clifford announced the appointment of the Policy Committee and Project Review Committee as follows:

Policy Committee:

State Engineer Tom Blaine, Chair
Secretary Tom Clifford
Robert Coalter
William Fulginiti
Debbie Hughes
Richard Luarkie

Project Review Committee:

Secretary Ryan Flynn, Chair
Greg Alpers
President Russell Begaye
Steve Kopelman
Secretary David Martin
Brent Van Dyke
Secretary Jeff Witte

Ms. Sandoval made a motion, seconded by Mr. Fulginiti, to approve the members of the Policy Committee and the Project Review Committee as appointed by Chairman Clifford. The motion passed.

5. **Consideration and Approval of Change of Scope for the Village of Hatch Water Transmission Project (249-WTB)** – Angela Quintana, Senior Program Administrator, presented a request from the Village of Hatch for change of scope, Project 249-WTB (2013).

The Village secured funding on March 22, 2013 for a water storage conveyance and delivery project in an amount not to exceed \$110,262, with 10% delivered as a 20-year loan and 90% delivered as a grant. The approved project was for planning, design and permitting of a new supplemental water production well.

To date, the Village has completed the plan and design of the project with the use of funding from the Community Development Block Grant (CDBG). The plans/specifications have been approved by NMED-CPB and are ready for the bidding process.

The Village is requesting a change of scope for 249-WTB to include construction. This funding along with the remaining balance from CDBG will complete this project. The timeline for completion is January 2016.

The Project Review Committee has reviewed this request and it concurs with staff's recommendation for approval of change of scope to include construction for funding agreement 249-WTB.

Mr. Fulginiti made a motion, seconded by Mr. Chiasson, to approve staff's recommendation for approval of change of scope for the Village of Hatch Water Transmission Project (249-WTB). The motion passed.

6. **Consideration and Approval of Request for Extension and the Change of Scope for the City of Gallup (111-WTB)** – Angela Quintana, Senior Program Administrator, presented the City of Gallup's third request for an extension of time and change of scope for project 111-WTB (2008).

In April 2008, the WTB approved funding for the City for the Navajo Gallup water supply project in the amount not to exceed \$5,883,865.

To date, the City has been awarded \$28,041,352 for the Navajo Gallup Pipeline project. As of today, the total current balance is \$9,180,466.05. This is comprised of a balance of \$885,299.05 for 111-WTB (2008), which closed March 2010; \$4,000,000 for project 283-WTB (2013), which is scheduled to close in September 2015; and \$4,295,167 for project 334-WTB (2015), which is pending the submission of certain readiness to proceed items.

Since the funds for project 111-WTB became available in 2010, the City has requested and been approved for three separate extensions and changes of scope, in April 2011, December 2012, and in March 2014. The April 2011 scope change included using any unspent funds for planning, design, rights of way and easement acquisition for the remaining Gallup Rural Navajo Water Supply Projects. In December 2012, a one-year time extension (until March 5, 2013) was approved to address planning and design on Projects 7, 9, 10, 11, 12, and 13 and to complete construction on Projects 3 and 4. In March 2014, the WTB approved an 18-month time extension (until September 5, 2015), and scope change to include the planning, design and construction of the remaining reaches of the Project.

The City has completed Planning and design of Projects 1 and 3; Planning, design, and construction bidding on Project 4; and Design on Projects 5 and 8 with the 111-WTB grant.

The City is waiting on the completion of cultural resources/archeological clearances for projects 6, 7A and B, 9-13 and environmental sufficiency review on projects 7B and 11. As a result, the City is requesting an 18-month time extension to complete Project 4 construction (March 2016); Project 6 design (March 2016); Projects 7A & 13 design (June 2016), and Projects 7B, 9, 10-12 design (March 2017). In addition, the City is requesting a scope change to include connection to the Twin Lakes Well/Reach 12A (December 2016).

On April 29, 2015, the WTB approved policy waiver (project continuation) for the City on its 2015 application. The City has indicated that it will forgo the next application cycle (2016) in order to ensure that the existing funds will be fully utilized.

The Project Review Committee has reviewed this request and the members concur with staff's recommendation to extend the funding agreement time for the requested 18-months, from the time of the current expiration date, September 5, 2015, to March 5, 2017.

Staff does not recommend the change of scope to include connection to the Twin Lakes Well/Reach 12A. Staff requests that the City provide quarterly updates on the existing project scopes until completion.

Vincent Tovar and Marc DePauli appeared on behalf of the City of Gallup to answer questions from the Board regarding the status and progress of the project, and the effect of the recent mine waste spill into the Animas River.

Mr. Chiasson made a motion, seconded by Mr. Fulginiti, to amend staff's recommendation to include change of scope, to approve the extension of time, and to include staff's recommendation for quarterly updates for the City of Gallup project 111-WTB. The motion passed.

Chairman Clifford asked that staff provide the quarterly updates to the Board when received. Mr. Tovar said the City will provide an update in December.

7. **Consideration and Approval of Request Update and Approval of Scope Change - El Creston MDWCA (274-WTB)** – Angela Quintana, Senior Program Administrator, presented El Creston MDWCA’s project update and request for approval of scope change for project 274-WTB.

On May 16, 2014, the Association secured a \$998,855 (90% grant/10% loan) agreement for the construction of a water supply well, pump house, water storage tank, waterline, fire hydrant, service connections and a fill station in the northern portion of the project area. The agreement expires May 16, 2017 and has a current balance of \$915,093.25.

On December 3, 2014, the Association received conditional approval for a scope change to include planning and design work to address water quality issues resulting from test results of an exploratory well. The scope change was to supplement the existing PER and evaluate and determine how best to proceed with moving the project forward. The condition for approval was to identify alternative(s) that would define the project, and to bring the final plan to the Water Trust Board for approval. The Association evaluated several alternatives considering the cost effectiveness of the design. The Association’s consulting engineer recommends the Association pursue the original scope and that it proceed without treatment. The water quality is within the National Secondary Drinking Water Standards, and the original scope would require water customers to install home filtration devices or similar technologies. Due to the current conditions of the existing wells, many customers already have installed devices.

This request was presented to the Project Review Committee without recommendation, as the NMED Construction Programs Bureau engineer had not yet completed the review at the time of the PRC meeting. Since then, NMED has reviewed the supplement to the PER and concurs with chosen alternative. Staff recommends approval of the original scope, which includes construction of a water supply well, pump house, water storage tank, waterline, fire hydrant, service connections and a fill station for Water Trust Board funding agreement 274-WTB.

Ms. Esparsen made a motion, seconded by Mr. Blaine, to approve staff’s recommendation for approval of change of scope for El Creston MDWCA Project 274-WTB. The motion passed.

8. **Consideration and Approval of Project Management Policies for Public Review and Comment** – Marquita Russel, Chief of Programs, provided the Board with a printed presentation on the Water Trust Board Project Management Policies and Project Evaluation Criteria, including background information, excerpts from the Water Project Finance Act, and highlights of the proposed changes. An editable format of the proposed changes to the Policies, along with staff’s presentation, will be posted in on the NMFA public website, emailed to entities on the WTB contact list, and emailed to the Board, with the request that comments be submitted by September 24, 2015.

Mr. Fulginiti made a motion, seconded by Mr. Van Dyke, to release the proposed policy amendments for public comment. The motion passed.

9. **Update on the 2016 Application Cycle Timeline** – Marquita Russel, Chief of Programs, provided the Board with an updated timeline for the 2016 Application Cycle, including WTB meetings. Chairman Clifford asked that the members clear their calendars to attend the meetings. Staff will send email invitations to the WTB members for the meetings.
10. **Presentation from the City of Alamogordo on Progress on its Regional Water Supply Project and Lessons Learned** – Susie Galea, City of Alamogordo Mayor at Large, and Brian Cesar, Public Works Director for the City of Alamogordo, addressed the Board to provide an update on the City’s regional water supply project.

The City has experienced some disruption in management in recent months and current staff is working diligently to bring themselves up to speed on the water project. Mayor Galea said that Phase 4 of the project will be completed by December 9.

The Mayor said that they have determined that the City needs a more centralized approach in processing permits, for example working with the Bureau of Land Management, and obtaining right-of-way, in addition to quicker preparation of the environmental impact statement.

Mayor Galea said she believes there is still time to do this project better, and Mr. Cesar said that for future projects the City would have everything ready to hit the ground running. WTB Member Mr. McGinn expressed his support for the City's projects and efforts.

11. **Public Comment**

Mr. Alfonso Ortiz, Jr., Mayor, City of Las Vegas and Mr. Elmer Martinez, City Manager, provided the board with a general statement of progress on the City's projects and expressed their appreciation to the WTB and the NMFA for its work and support.

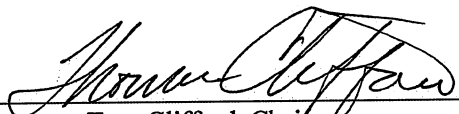
WTB member Mr. Luarkie expressed his appreciation to the Board and his intention to be more active in the WTB.

12. **Next proposed meeting date**

The next meeting of the WTB is scheduled October 14, 2015.

13. **Adjournment**

Mr. Blaine made a motion for adjournment, seconded by Ms. Esparsen. The meeting adjourned at 11:35 a.m.



Secretary Tom Clifford, Chairman
Date: 3/17/16

ATTEST:



Steve Kopelman, Secretary