



# **New Mexico Colonias Infrastructure Board**

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**2017 Annual Report**

**September 30, 2017**

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## **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***

**Doug Moore**, *Chairman*, Minority Leader of the Senate Appointee

**Oscar Vasquez Butler**, *Vice Chair*, President Pro Tempore of the Senate Appointee

**Robert Coalter**, *Secretary*, New Mexico Finance Authority Chief Executive Officer

**Mary Helen Garcia**, Minority Leader of the House of Representatives Appointee

**Orlando-Antonio Carillo Jimenez**, Speaker of the House of Representatives Appointee

**Duffy Rodriguez**, Department of Finance and Administration Cabinet Secretary

**Butch Tongate**, Environment Department Cabinet Secretary

### ***Advisory, Non-Voting Members***

**Jay Armijo**, South Central Council of Governments Executive Director

**Dora Batista**, Southeastern NM Economic Development District Executive Director

**Jay Czar**, New Mexico Mortgage Finance Authority Executive Director

**Steven Kopelman**, New Mexico Association of Counties Executive Director

**Priscilla Lucero**, Southwest New Mexico Council of Governments 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 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, Finance Authority staff conducts application workshops for the public targeting the southeastern, south central and southwestern areas of the state. These workshops provide an in-depth review and instruction to all entities on the application process, requirements for eligible entities and projects, and financial assistance structures, as well as guidance on the rules, policies, and processes of the program.

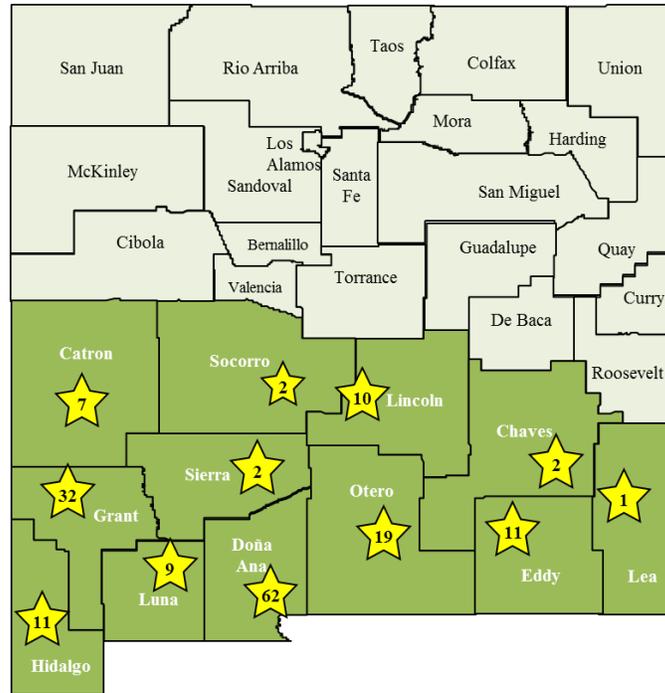
### ***Project Activity in FY 2017***

In FY 2017, the Finance Authority closed 13 funding agreements totaling approximately \$11.5 million which reflects 13 out of the 14 awarded projects in the 2017 funding cycle. Also in FY 2017, 40 projects were certified as complete. In addition, approximately \$15.1 million of CIF funds was drawn during FY 2017.



## Board Activity in FY 2017

Since 2012, 136 designated Colonias have been approved for 168 funding awards totaling more than \$75 million.



County	# of Awards	Amount
Catron	7	\$ 3,231,018
Chaves	2	\$ 981,845
Doña Ana	62	\$ 26,249,831
Eddy	11	\$ 4,460,892
Grant	32	\$ 14,596,462
Hidalgo	11	\$ 5,012,221
Lea	1	\$ 320,602
Lincoln	10	\$ 7,406,745
Luna	9	\$ 3,583,598
Otero	19	\$ 7,961,003
Sierra	2	\$ 1,500,000
Socorro	2	\$ 104,000
<b>Total</b>	<b>168</b>	<b>\$ 75,408,217</b>

## ***Focus on Expenditures***

- ❖ Board and staff are focused on increased pace of spending; projects not timely expending prior awards were bypassed in 2017.
- ❖ 13 projects were approved in May 2017 and given until September 29th to submit all project readiness items/conditions of closing. To date, eleven of the 13 projects have submitted their readiness items; four have closed, and the others are scheduled to close.

### **Current Expenditure Summary**

Colonias Cycle	Awarded		Awards Pending		Awards Secured		Open Awards		Funds Expended	Projects Completed
2012	\$12,801,965	39	\$0	0	\$12,801,965	39	\$0	0	100%	100%
2013	\$16,640,461	37	\$0	0	\$16,640,461	37	\$496,673	4	97%	89%
2014	\$13,079,904	37	\$0	0	\$12,719,872	37	\$5,030,957	16	60%	73%
2015	\$15,562,611	28	\$0	0	\$15,562,611	28	\$6,886,593	22	56%	21%
2016	\$11,958,068	14	\$497,153	1	\$11,460,915	13	\$10,285,205	14	14%	0%
<b>TOTAL</b>	<b>\$70,043,009</b>	<b>155</b>	<b>\$497,153</b>	<b>1</b>	<b>\$69,185,824</b>	<b>154</b>	<b>\$22,699,428</b>	<b>56</b>	<b>68%</b>	<b>64%</b>

## ***2017 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. For the 2017 funding cycle, 41 Notices of Intent totaling \$22,947,764 were submitted. The 2017 on-line application was open to qualified applicants from December 1, 2017 through January 13, 2017. A total of 32 applications requesting \$18.1million were submitted. On, March 14, 2017, the CIB invited all applicants to present their projects directly to the CIB, as many communities had asked for that opportunity. The presentations also provided the CIB and the technical reviewers with a better understanding of the projects and allowed the Board members to ask questions. The CIB application evaluation and prioritization considered project eligibility, regulatory and policy compliance, evidence of matching funds, and project readiness. Of the applications received, 13 projects were ultimately recommended for funding.

For FY 2017, the Fund received a distribution equal to 4.5% of the senior Severance Tax Bond (“STB”) capacity as determined by the State Board of Finance. The STB distribution totaled \$5,222,483. In addition to the STB distribution, the CIB reawarded rescinded funds from a previous year’s allocation(s). The total available amount awarded for the 2017 cycle was \$5,365,208.

2017 COLONIAS INFRASTRUCTURE FUND AWARDS					
Recipient	Benefiting Colonia	County	Project Description	Scope	CIB Award
<b>FLOOD CONTROL PROJECTS</b>					
Anthony, City of	Anthony	Dona Ana	Design of the South Anthony Arroyo from I-10 to NM 460	Design and Surveying	\$ 132,500
Sunland Park, City of	Sunland Park	Dona Ana	Construction of Anapra flood control pump station to include re-grading of wet well, grading and drainage of roadway.	Construction	\$ 400,000
<b>ROAD PROJECTS</b>					
Silver City, Town of	Silver City	Grant	Design street improvements on Ridge Road from NM 90 to City limits	Design	\$ 177,137
Hurley, Town of	Hurley	Grant	Resurfacing, curb/gutter, ADA drivepads and sidewalks to Cortez Avenue	Construction/Survey	\$ 153,870
Lordsburg, City of	Lordsburg	Hidalgo	Construction to include paving and drainage crossing	Construction	\$ 555,867
<b>WASTEWATER INFRASTRUCTURE PROJECTS</b>					
Dona Ana MDWCA	San Ysidro	Dona Ana	Design and construction for the Vacuum WW collection system includes valve pits, buffer tanks, valves and WW collection lines.	Design and Construction	\$ 780,000
Reserve, Village of	Reserve	Catron	Design and construct an effluent discharge line.	Design and Construction	\$ 198,364
Reserve, Village of	Reserve	Catron	Design and construct WWT facility improvements.	Design and Construction	\$ 423,637
<b>WATER INFRASTRUCTURE PROJECTS</b>					
Silver City, Town of	Silver City, Arenas Valley, Rosedale	Grant	Replacements of waterline and service line along NM Hwy 15 from Newsham Street to Pine Street	Construction	\$ 407,838
Casas Adobes MDWCA	Mimbres	Grant	Construct water tank, automate system and purchase water rights.	Construction/Water Rights purchase	\$ 517,500
Hope, Village of	Hope	Eddy	Design and construct water system improvements including new 200,000 gal water storage tank.	Design and Construction	\$ 571,200
Tularosa, Village of	Tularosa	Otero	Design and construction of waterline replacement of existing 6" asbestos cement waterlines	Design and Construction	\$ 686,868
Cloudcroft, Village of	Cloudcroft	Otero	Construct and install new 4-inch water and 6-inch wastewater service lines.	Construction	\$ 360,427
<b>TOTAL</b>					<b>\$ 5,365,208</b>

In addition to the funding provided directly from the Fund, the CIB is instrumental in leveraging funds from other sources to complete colonias projects. With the FY 2017 funding, the total awarded to date by the CIB is \$75,408,217 which leveraged an additional \$45,758,283 totaling more than \$121,166,500 in infrastructure projects.

Year	Applications Received		CIB Awards Made		Additional Funds Leveraged	Total Funding Provided
	#	Amount	#	Amount		
2012	75	\$40,360,527	39	\$12,801,965	\$13,141,403	\$25,943,368
2013	59	\$37,736,894	37	\$16,640,461	\$8,357,897	\$24,998,358
2014	77	\$40,351,172	37	\$13,079,904	\$10,437,286	\$23,517,190
2015	54	\$38,154,397	28	\$15,562,611	\$7,916,095	\$23,478,706
2016	36	\$30,842,183	14	\$11,958,068	\$5,366,034	\$17,324,102
2017	32	\$18,176,363	13	\$5,365,208	\$539,568	\$5,904,776
<b>TOTAL</b>	<b>333</b>	<b>\$205,621,536</b>	<b>168</b>	<b>\$75,408,217</b>	<b>\$45,758,283</b>	<b>\$121,166,500</b>

Beginning with the 2017 application cycle, applications were submitted through EnABLE, the Finance Authority’s on-line system that is part of its comprehensive database system. The implementation was successful and will continue to streamline the collection of application materials.

### ***Looking Forward to Fiscal Year 2018***

As part of its continuing effort to improve project management and to make improvements to the overall project application and selection process, the CIB directed the Policy Committee to review the application ranking criteria and project management policies. For the 2018 cycle, proposed changes to the evaluation criteria are to further clarify and define the criteria for more uniformed scoring by reviewers. With regards to the Policies, the proposed changes further outline the requirements from applicants on project completion at time of award; from securing the funding; to project completion. These changes will be presented to the CIB at its October 5, 2017 meeting for consideration and approval. The CIB is dedicated to reviewing its policies, criterion and processes annually to further improve on the program and adapt to any changes that may affect either the timeliness of expenditures or the availability of future funding to the Colonias Infrastructure Fund.