

# WATER TRUST BOARD

September 26, 2018, 9:00 a.m.

New Mexico State Capitol, Room 311  
490 Old Santa Fe Trail, Santa Fe, New Mexico

## AGENDA

1. **Call to Order and Roll Call.**
2. **Approval of Agenda.**
3. **Approval of Minutes from the May 9, 2018, Meeting.**
4. **Consideration and Recommendation of Request for RTP Time Extension:** Village of Columbus Project No. 4340-WTB18 – *Michael Vonderheide, Director of Water Resources*
5. **Consideration and Recommendation of Request for RTP Time Extension:** Canoncito at Apache Canyon MDWC&MSWA Project No. 4325-WTB18 – *Michael Vonderheide, Director of Water Resources*
6. **Consideration and Recommendation of Request for Time Extension:** Town of Mesilla Project No. 3558-WTB16 – *Michael Vonderheide, Director of Water Resources*
7. **Water Trust Board 2019 Application Cycle Overview** – *Michael Vonderheide, Director of Water Resources*
8. **State Water Plan Update** – *Lucia Sanchez, Water Planning Program Manager, OSE/ISC*
9. **Public Comment.**
10. **Next proposed meeting dates:**
  - October 18, 2018, 10:00 a.m. WTB Project Review Committee meeting (NMFA Second Floor Conference Room)
  - October 23 and 24, 2018, 9:00 a.m. WTB Board Meeting (Rm 311, State Capitol)
  - November 14, 2018, 10:00 a.m. WTB Project Review Committee meeting (NMFA Second Floor Conference Room)
  - November 28, 2018, 9:00 a.m. WTB Board Meeting (Rm 311, State Capitol)
11. **Adjournment**

**Direct any questions concerning the agenda or the meeting to:**

Angela Quintana, Sr. Program Administrator  
New Mexico Finance Authority  
207 Shelby Street, Santa Fe, NM 87501  
Phone: (505) 992-9648 E-mail: [WTBAdmin@nmfa.net](mailto:WTBAdmin@nmfa.net)

New Mexico Finance Authority  
207 Shelby St.  
Santa Fe, NM 87501  
(505) 984-1454

**Minutes of the Water Trust Board Meeting**

September 26, 2018

State Capitol, Room 311, Santa Fe, NM

**Members Present:**

|                                       |  |
|---------------------------------------|--|
| Tom Blaine, Chairman                  | New Mexico State Engineer                                    |
| William Fulginiti, Vice Chair         | New Mexico Municipal League Executive Director               |
| Greg Alpers, <i>telephonically</i>    | Irrigation/Conservancy District-Surface Water Representative |
| Robert Baracker                       | Acequia Water Users Representative                           |
| Wesley Billingsley                    | New Mexico Department of Finance & Administration Designee   |
| Zach Dillenback                       | New Mexico Finance Authority Designee                        |
| Joy Esparsen                          | New Mexico Association of Counties Designee                  |
| Judi Kahl                             | New Mexico Environment Department Designee                   |
| Julie Maitland                        | New Mexico Department of Agriculture Designee                |
| Timothy McGinn, <i>telephonically</i> | Irrigation/Conservancy District-Ground Water Representative  |
| Ken McQueen                           | New Mexico Energy Minerals Natural Resources Department      |
| Michael Sloane                        | New Mexico Department of Game and Fish                       |
| Brent Van Dyke                        | Soil and Water Conservation Districts Representative         |

**Members Absent:**

|                         |   |
|-------------------------|---|
| Russell Begaye          | Navajo Nation                                       |
| Debra Hughes, Treasurer | Environmental Community Representative              |
| Richard Luarkie         | New Mexico Indian Affairs Department Representative |

**New Mexico Finance Authority Staff:**

|  |  |
|--|--|
| Michelle Harding, Administrative Assistant   | Bryan Otero, Assistant General Counsel           |
| Frank Ibarra, IT Systems Analyst             | Michael Vonderheide, Director of Water Resources |
| Charlotte Larragoite, Water Resources Admin. |  |

**Guests:**

Eric Aaboe, Santa Fe County  
Lucia Sanchez, Office of the State Engineer Interstate Stream Commission  
Zachery Stoll, Molzen-Corbin & Associates

1. **Call to Order and Roll Call.** Chairman Tom Blaine called the Water Trust Board (“WTB”) meeting to order at 9:00 a.m. Roll call was taken and a quorum was established.
2. **Approval of Agenda.** Ms. Julie Maitland made a motion, seconded by Mr. Zach Dillenback, to approve the Agenda. The motion passed unanimously on voice vote.

3. **Approval of May 9, 2018, Board Minutes.** Mr. Bill Fulginiti made a motion, seconded by Mr. Robert Baracker, to approve the minutes of the May 9, 2018, meeting. The motion passed unanimously on voice vote.
4. **Village of Columbus, Consideration and Recommendation of Request for RTP Time Extension, Project No. 4340-WTB18,** Michael Vonderheide, Director of Water Resources, and Charlotte Larragoite, Water Resources Administrator, presented a request for time extension to submit readiness to proceed (“RTP”) items necessary to secure the funding agreement from Village of Columbus (“Village”) for Project No. 4340-WTB18.

The WTB approved conditional funding to the Village on May 9, 2018, for a flood prevention project in an amount not to exceed \$1,681,500. The approved project is for the construction of the Altura Avenue Phase 2 Channel Diversion. The conditional approval is dependent on the submission of the following RTP items needed to secure the loan/grant funding agreement:

- Monthly draw-down schedule of project expenditures (completed)
- Verification of required match (completed)
- Executed Fiscal Administrator Agreement (completed)
- Approval from NMED-CPB on all construction plans and specifications.

Applicants, whose projects have been awarded for construction only, must obtain approval from the New Mexico Environment Department-Construction Programs Bureau (“CPB”) for completed plans and specifications. The Village submitted its plans and specifications to CPB in June, and the Village’s engineer is currently addressing comments provided by CPB.

The Village requests a one-month extension to October 10, 2018, to submit the required RTP items to secure the funding agreement for 4340-WTB18.

The Project Review Committee reviewed this request at its meeting on September 14, 2018, and concurs with staff’s recommendation to approve an extension to October 10, 2018, to submit RTP items for Project No. 4340-WTB18.

**Mr. Fulginiti made a motion, seconded by Ms. Maitland to approve the time extension to submit RTP items necessary to secure the funding agreement from Village of Columbus for Project No. 4340-WTB18. The motion passed unanimously on voice vote.**

5. **Canoncito at Apache Canyon MDWC&MSWA, Consideration and Recommendation of Request for RTP Time Extension, Project No. 4325-WTB18,** Michael Vonderheide, Director of Water Resources, and Charlotte Larragoite, Water Resources Administrator, presented a request for time extension to submit readiness to proceed (“RTP”) items necessary to secure the funding agreement from Canoncito at Apache Canyon MDWC&MSWA (“Association”) for Project No. 4325-WTB18.

The WTB approved conditional funding to the Association on May 9, 2018, for water storage, conveyance and delivery project in an amount not to exceed \$1,632,000. The approved project is for

the construction of 17,000 feet of waterlines, 120 service meter assemblies, and installation of hydrants. The conditional approval is dependent on the submission of the following RTP items needed to secure the loan/grant funding agreement:

- Updated Open Meetings Act resolution (completed)
- Monthly draw-down schedule of project expenditures (completed)
- Verification of required match (completed)
- Verification of consent to additional debt by other lenders (completed)
- Approval from NMED-CPB on all construction plans and specifications.

One of the requirements to ensure that recipients of WTB funds have adequate governance structure is evidence that the WTB loans will not trigger any default covenants in other loans. The Association has two Rural Infrastructure Program (“RIP”) loans with the New Mexico Environment Department (“NMED”). As part of the RTP requirements, NMED must consent to additional debt of the Association. The Association is currently delinquent on one of their NMED RIP loans. Santa Fe County, as a partner with the Association, is working with the Association and the NMED to address the delinquent RIP loan. As of the afternoon of September 25, 2018, a check was hand-delivered to NMED to take care of the delinquent payments. The Association requests an extension until September 28, 2018, to submit the required RTP items to secure the funding agreement for 4325-WTB18.

The Project Review Committee reviewed this request at its meeting on September 14, 2018, and concurs with staff’s recommendation to approve an extension to September 28, 2018, to submit RTP items for Project No. 4325-WTB18.

Chairman Blaine asked if it would be appropriate to extend the extension request from September 28, 2018, to October 10, 2018, to allow for more latitude in completing the RTP items. Mr. Vonderheide noted that the Board could entertain additional time for Canoncito to complete the RTP items.

**Mr. Brent Van Dyke made a motion, seconded by Ms. Maitland, to approve a time extension to October 10, 2018, to submit RTP items necessary to secure the funding agreement from Canoncito at Apache Canyon MDWC&MSWA for Project No. 4325-WTB18. The motion passed unanimously on voice vote.**

6. **Town of Mesilla, Consideration and Recommendation of Request for Time Extension, Project No. 3558-WTB16**, Michael Vonderheide, Director of Water Resources, and Charlotte Larragoite, Water Resources Administrator, presented a request for time extension from Town of Mesilla (“Town”) to complete Project No. 3558-WTB16.

The Town secured funding on November 4, 2016, for a water storage, conveyance and delivery project in an amount not to exceed \$267,000. The approved project is for the design and construction of waterlines, gate valves, and meter replacements. The funding agreement provides two years from the date of closing to fully expend the funds. The full balance is remaining. The Town requests an additional 60 days to complete and fully close-out the project.

To date, the Town has completed the design, and the project has gone out to bid and awarded to DuCross Construction. Due to dated inventory and records of the Town's meter configuration, additional evaluation was required for size and installation. The re-designed plans and specifications were submitted to the CPB in late July 2018 and approved in August 2018.

Pursuant to Section 2.1-Recommendation to the Legislature and Section 2.5-Project Continuation Policy of the WTB Project Management Policies, the WTB requires that applicants meet preliminary expenditure targets by the submission date of the Project Application in order to be eligible for recommendation to the Legislature. Applicants that have received prior Water Project Fund awards must certify completion of all projects prior to approval of the new award for funding unless the applicant meets one of the policy conditions. The request for this time extension does not waive these policies for any current or future funding cycles.

The Project Review Committee reviewed this request at its meeting on September 14, 2018, and concurs with staff's recommendation to approve an extension from November 4, 2018 to January 3, 2019 for WTB Project No. 3558-WTB16.

**Mr. Fulginiti made a motion, seconded by Ms. Judi Kahl, to approve the Town of Mesilla's request for time extension to January 3, 2019 to complete Project No. 3558-WTB16. The motion passed unanimously on voice vote.**

7. **Water Trust Board 2019 Application Cycle Overview.** Michael Vonderheide, Director of Water Resources, and Charlotte Larragoite, Water Resources Administrator, presented an overview of the 2019 Water Trust Board Application Cycle.

The 2019 Water Trust Board Application cycle began with the Notice of Intent Period, August 6-27, 2018. The New Mexico Finance Authority ("NMFA") received 66 Notices of Intent to File an Application with requests totaling \$71,143,531. Applicants may continue to submit NOIs up until the closing of the application on October 4, 2018.

The NOI form notifies entities that per WTB policy, Applicants may not receive more than 15% of the available funds in any year. At the time of the NOI submittal period, the estimated available funding for the 2019 cycle is approximately \$22 million; therefore, the 15% cap for the 2019 cycle is approximately \$3.3 million.

The online application EnABLE™ system opened on September 5 and will close October 4. The application evaluation period will be from October 9 through November 2, when applications will be reviewed for legal and project eligibility, completeness, and policy compliance, including preliminary spenddown and planning requirements. Applicants not in compliance will be allowed to submit requests for policy waivers, which will be considered at the WTB meeting proposed in October.

Also at the October meeting, applicants will be given the opportunity to present their project information to the Board. Staff expects the meeting to be 1 ½ to 2-days for presentations and consideration of waiver requests.

Mr. Vonderheide also informed the Board that NMFA staff had traveled to Taos, Clovis, and Albuquerque to provide application training during the months of August and September. In all, there were 73 attendees. Chairman Blaine thanked NMFA staff for their outreach and public service to the communities and noted the importance of the application training. Staff also provided training for 2018 Water Trust Board awardees to offer guidance on procedures to secure the funding, access project funds after closing, submit required project status reports during the course of the project, and closeout requirements when the project funds have been expended.

To date, based on the NOIs received there are:

- 7 or 8 projects requesting the maximum of \$3.3 million
- 42 storage projects
- 13 flood projects
- 6 conservation projects
- 5 watershed projects

8. **State Water Plan Update.** Lucia Sanchez, Water Planning Program Manager, Office of the State Engineer Interstate Stream Commission (“ISC”) presented an overview of the 2018 Draft State Water Plan.

State statute states the ISC, in collaboration with the State Engineer and the Water Trust Board, is required to prepare and implement a comprehensive water plan. In 1987, the State implemented the Regional Water Plan with 16 regional water planning regions across the state. From 2014 through 2016, all 16 regional water plans were reviewed and revised to meet the mandate of updating the State Water Plan, which included 2600 projects, programs and policies from infrastructure, watershed, supply and demand, and water conservation. As a result of updating the 16 regional water plans, communities decided they wanted to work collectively between mutual domestics, acequia associations, and municipalities to leverage for funding, advocate for policy changes, and to advance implementation.

In 2003, the first State Water Plan was developed, statute was created, and the ISC was formed. The Act mandates one-on-one consultations with Tribe Nations and Pueblos to incorporate their water plans with the State Water Plan. The Tribe Nations and Pueblos have their own water adjudication and settlement needs and were able to work with the State Engineer with the help of the Tribal liaison. The Tribes continue to want to participate in Water Trust activities while applying for funding.

The State Water Plan is comprised of three parts: Policy, Technical Report, and Legal Landmarks. The Policy encompasses policy topics that contain goals and strategies. The Technical Report is the compilation of everything learned during the statewide regional planning process such as water demand, supply-demand gap, key water issues, strategies, history/background and water supply (quantity and quality). The last part of the State Water Plan originated during the end of the planning process from public comment as it became apparent that water law was misunderstood. The Legal Landmarks portion of the Plan was compiled from the 1907 Water Code, Acequias and Special

Districts, Interstate Compacts, Drought and Flood, Groundwater Connection to Surface Water, Adjudications, Native American Water Rights, Environmental Regulations, and Water Planning.

A public review period has taken place and all comments are being reviewed while making improvements to plan. The target date to complete the Plan was December 31, 2018, however November may be the final presentation. The next step is public outreach to the struggling, drought-ridden communities.

9. **Public Comment.** None.

10. **Next meeting.**

- October 18, 2018, 10:00 a.m. WTB Project Review Committee meeting (NMFA Second Floor Conference Room)
- October 23 and 24, 2018, 9:00 a.m. WTB Board Meeting (Rm 311, State Capitol)
- November 14, 2018, 10:00 a.m. WTB Project Review Committee meeting (NMFA Second Floor Conference Room)
- November 28, 2018, 9:00 a.m. WTB Board Meeting (Rm 311, State Capitol)

The proposed October 23 and 24, 2018, WTB Board Meeting was rescheduled to November 1 and 2, 2018.

11. **Adjourn.**

**Mr. Van Dyke made a motion to adjourn, seconded by Mr. Baracker.**

The meeting adjourned at 10:18 a.m.



State Engineer Tom Blaine, Chairman

Date: Nov. 01, 2018

ATTEST:

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Steve Kopelman, Secretary

Districts, Interstate Compacts, Drought and Flood, Groundwater Connection to Surface Water, Adjudications, Native American Water Rights, Environmental Regulations, and Water Planning.

A public review period has taken place and all comments are being reviewed while making improvements to plan. The target date to complete the Plan was December 31, 2018, however November may be the final presentation. The next step is public outreach to the struggling, drought-ridden communities.

9. **Public Comment.** None.

10. **Next meeting.**

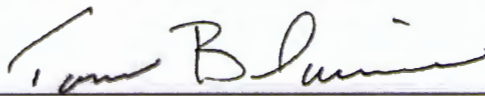
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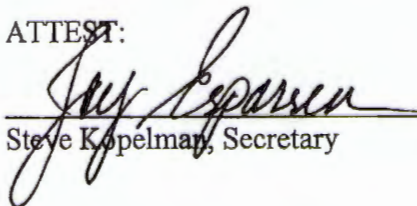
11. **Adjourn.**

**Mr. Van Dyke made a motion to adjourn, seconded by Mr. Baracker.**

The meeting adjourned at 10:18 a.m.

  
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State Engineer Tom Blaine, Chairman  
Date: Nov. 01, 2018

ATTEST:

  
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Steve Kopelman, Secretary