NEW MEXICO
DEPARTMENT OF TRANSPORTATION

TRANSPORTATION COMMISSION MEETING

November 16, 2017

New Mexico Department of Transportation
District One Auditorium
2912 E. Pine Street
Deming, New Mexico 88030
NEW MEXICO STATE TRANSPORTATION COMMISSION
New Mexico Department of Transportation
District One Auditorium
2912 E. Pine Street
Deming, New Mexico 88030
November 16, 2017
8:30 a.m.

Meeting Agenda

1) Call to Order: Ronald Schmeits, Chairman
   a) Pledge of Allegiance

2) Approval of Agenda: Ronald Schmeits, Chairman

3) Approval of Minutes: September 21, 2017 STC Regular Meeting

4) Introductions: Ronald Schmeits, Chairman
   a) Elected Officials
   b) Commission Members
   c) NMDOT Executive Staff

5) Welcoming Remarks: Ronald Schmeits, Chairman

6) Public Comment

7) District One Presentation & Employee Recognition:
   Trent Doolittle, P.E., District One Engineer, NMDOT

8) STC Workshops:
   a) Finance Committee - Ron Schmeits, Chairman
      1. Monthly Financial Report: Michael S. Friel, Accounting Services Director CFO, NMDOT
      2. FY18 Budget Adjustment Requests (BAR’s) No.’s 6 and 7: Michael S. Friel, Accounting Services Director CFO, NMDOT
         • BAR No. 6 FHWA
         • BAR No. 7 WIPP
   3. Engineers and CETs to Mid-Point: Anthony Lujan, Deputy Secretary, NMDOT and Armando Armendariz, P.E., State Construction Bureau, NMDOT
   4. Information Technology Classifications to Mid-Point: Ron Baca, Administrative Services Director, NMDOT
5. **FY17 OIG Annual Report**: Jeff Canney, Inspector General, NMDOT

b) **Infrastructure Committee** - Butch Mathews, Chairman
   1. **FHWA Process Review Non-Participating Change Orders**: Max Valerio, FHWA
   2. **Request to Change the Designated Primary and Alternate Routes to the WIPP for the National TRU Program Southern Transportation Corridor**: James Mason, DOE-CBFO, and Elizabeth Travis, Deputy General Counsel, NMDOT

c) **Policy Committee** - Kenneth White, Chairman
   1. **Brief on Proposed Designation of a Portion of NM 347/Paseo Del Volcan as the “Pete V. Domenici Memorial Highway” in Albuquerque New Mexico**: Kenneth Murphy, P.E., District Three Engineer, NMDOT
   2. **Commission Policies**: Stephen Thies, Assistant General Counsel
      a. **Proposed Amendments to CP No. 4, New Mexico State Transportation Commission Rules and Policies**
      b. **Proposed Amendments to CP No. 5, Involvement in Operations**
      c. **Proposed Amendments to CP No. 41, Budget**

3. **Proposed 2018 STC Meeting Schedule**: Anthony Lujan, Deputy Secretary, NMDOT

4. **FY2017 Draft Annual Report**: Tom Church, Cabinet Secretary, NMDOT

9) **Action Items**:
   a) **Approval of FY18 Budget Adjustment Requests (BAR’s)**: Michael S. Friel, Accounting Services Director CFO, NMDOT
      - BAR No. 6 FHWA
      - BAR No. 7 WIPP

   b) **Approval of the Request to Change the Designated Primary and Alternate Routes to the WIPP for the National TRU Program Southern Transportation Corridor**: James Mason, DOE-CBFO

c) **Approval of the Proposed 2018 STC Meeting Schedule**: Anthony Lujan, Deputy Secretary, NMDOT

d) **Approval of Engineers and CETs to Mid-Point**: Anthony Lujan, Deputy Secretary, NMDOT, and Armando Armendariz, P.E., State Construction Bureau, NMDOT

e) **Approval of Information Technology Classifications to Mid-Point**: Ron Baca, Administrative Services Director, NMDOT
f) Approval of FY2017 Draft Annual Report: Tom Church, Cabinet Secretary, NMDOT

10) Action Items - Commission Policies:
   Stephen Thies, Assistant General Counsel
   a) Approval of Proposed Amendments to CP No. 4,
      *New Mexico State Transportation Commission Rules and Policies*
   b) Approval of Proposed Amendments to CP No. 5,
      *Involvement in Operations*
   c) Approval of Proposed Amendments to CP No. 41,
      *Budget*

11) Adjournment
Tab 1-2
Call to Order and Approval of the Agenda
Agenda Items 1-2

1. Call to Order: Ronald Schmeits, Chairman
   a) Pledge of Allegiance

2. Approval of Agenda: Ronald Schmeits, Chairman
Tab 3
Approval of Minutes
The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on September 21, 2017, at the New Mexico Department of Transportation, District Two Conference Room, Roswell, New Mexico. Chairman Schmeits called the meeting to order at 8:30 a.m. Commissioner Mathews led meeting attendees in the Pledge of Allegiance. The Commissioners and NMDOT staff subsequently observed a moment of silence for Commissioner Jackson Gibson, who passed away in August 2017.

Approval of the STC Meeting Agenda

Chairman Schmeits asked for a motion to approve the STC meeting agenda; Commissioner Sepich made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

Approval of the STC Minutes

Vice-Chairman Mathews asked for a motion to approve the minutes of the STC special meeting of August 24, 2017; Commissioner Sepich made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.
**Elected Officials and Delegations:**

Paul Grider, Commissioner, Roosevelt County, District Five  
The Honorable Greg Nibert, State Representative, District 59  
The Honorable Candy Spence Ezell, State Representative, District 58  
Amber Hamilton, County Manager, Roosevelt County

**State Transportation Commissioners Present:**

Kenneth White, Secretary, District One  
David Sepich, Commissioner, District Two  
Keith Mortensen, Commissioner, District Three (absent with notice)  
Ron Schmeits, Chairman, District Four  
Butch Mathews, Vice-Chairman, District Five

**NMDOT Staff Present:**

Tom Church, Cabinet Secretary  
Anthony Lujan, Deputy Secretary  
Kenneth B. Baca, Chief Deputy General Counsel  
NMDOT Staff

**Welcoming Remarks**

The Commissioners and NMDOT Executive Staff introduced themselves and welcomed all meeting attendees. Chairman Schmeits invited the elected officials present to speak.

Representative Greg Nibert welcomed the STC. He expressed his appreciation to Timothy Parker, P.E., District Two Engineer, NMDOT, for the District’s responsiveness to reported issues. He mentioned a damaged bridge in Lincoln County which is of concern to the ranching community and stated that any help District Engineer Parker and NMDOT might be able to provide with respect to the bridge would be appreciated.

Representative Candy Spence Ezell spoke briefly about needed projects within the District. She commended District Engineer Parker and NMDOT Two District staff for their responsiveness to reported concerns.
Public Comment

Amber Hamilton, Roosevelt County Manager, thanked District Two staff for training provided to local governments regarding contract processes and procedures. She also expressed her gratitude for the teamwork between Roosevelt County and District Two.

Perry Toles, a member of the Roswell bicycle community, thanked NMDOT for the outstanding road surface improvements made to NM 409 (Bottomless Lakes Road).

District Two Presentation and Employee Recognition

Timothy Parker, P.E., District Two Engineer, NMDOT, gave a presentation regarding District Two activities, during which he discussed the District’s various projects and maintenance accomplishments. He also reported on the District’s Training for Excellence and Employee Recognition Programs and acknowledged all recent award winners.

Workshop Agenda

Finance Committee

Monthly Financial Report

Michael Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented the NMDOT operating budget and financial report as of September 1, 2017. The current adjusted budget for Project Design and Construction (P562) is $536 million, $125.9 million in encumbrances, and $53.1 million in expenses; Highway Operations (P563), $233.8 million, $38.9 million in encumbrances, and $24.1 million in expenses; Business Operations (P564), $42.2 million, $6.7 million in encumbrances, and $3.7 million in expenses; Modal (P565), $64.4
million, $13.7 million in encumbrances, and $1.9 million in expenses. Overall, the main operating budget is at $876.4 million, $185.3 million in encumbrances, and $82.8 million in expenses, with $608.2 million remaining. NMDOT is in good financial standing at this time. Current NMDOT program vacancy rates are as follows: Project Design and Construction, 20.8%, Highway Operations, 13%, Business Operations, 10%, and Modal, 19.2%.

The Commissioners and NMDOT staff briefly discussed NMDOT vacancy rate percentages.

**New Mexico Finance Authority (NMFA) Monthly Report**

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT’s investment portfolio funds under NMFA management. As of August 31, 2017, the market value of the portfolio was $61.3 million, a net increase of $14.8 million from July. The change is attributed to variable rate bond payments of $413,862, no draws this month, plus interest earnings of $30,740, and a debt service set aside of $15.3 million. There is 45% in the project account, all of which is in the 2014A Highway Infrastructure Fund (HIF) account, 55% in debt service accounts, and less than 1% in the arbitrage rebate account. On August 31, 2017, the balance in the taxable line of credit at RBC was $50 million for collateral needs, and the balance in the taxable line of credit at Wells Fargo was $50 million for the BNSF Escrow account. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

**Proposed Withdrawal of Rulemaking Action Regarding Amendments to NMDOT Rule, 2.40.30 NMAC, State Infrastructure Bank**

David Harris, Transit and Rail Division Director, NMDOT, discussed the proposed withdrawal of the rulemaking action previously approved by the STC on July 20, 2017, for the
purpose of amending NMDOT rule, 2.40.30 NMAC, State Infrastructure Bank. Mr. Harris explained that the proposed amendments to the rule are no longer necessary because the definition of “eligible projects” does not need to be modified at this time.

Potential New Mexico State Infrastructure Bank (SIB) Loan to Rio Metro Regional Transit District (RMRTD) to Upgrade Highway Railroad Grade Crossings for New Mexico Rail Runner Express (NMRX)

David Harris, Transit and Rail Division Director, NMDOT, reported that RMRTD intends to apply for a SIB loan to help fund highway railroad grade crossing improvements along the NMRX corridor. The improvements will increase effectiveness and enforcement of stop and proceed protocols in the event a gate malfunction is reported. This positive train control (PTC) safety improvement will directly benefit highway safety, and is therefore eligible under the SIB capitalized program.

Infrastructure Committee

Local Government Road Fund (LGRF) FY2017/2018 Financial Hardship Match Waiver Recommendation

Clarissa Martinez, Project Oversight Division, NMDOT, presented the LGRF FY2017/2018 Financial Hardship Match Waiver Recommendation. The recommendation includes 20 local projects that the Department of Finance Administration (DFA) has recommended to receive match waiver grants, the aggregate amount of which is approximately $710,109. The STC, at its May 18, 2017 meeting, reviewed and approved the FY2017 LGRF
project list, the approximate total of which was $20.1 million. The local government entities on that list, with the assistance of their respective transportation District offices, submitted proposal packages to DFA requesting match waiver funding assistance for their projects.

**Policy Committee**

**Proposed Dedication of the “Max Coll Corridor” in Santa Fe County and Related STC Resolution No. 2017-04 (SEP)**

Tom Church, Cabinet Secretary, NMDOT, presented proposed STC Resolution No. 2017-04 (SEP). The Resolution proposes to dedicate a 6.2 mile portion of U.S. 285 between the Lamy turnoff (Milepost 284), commonly known as “Old Lamy Trail”, to the intersection of I-25 at exit 290 (Milepost 290), commonly known as the “Lamy Exit”, in Santa Fe County, as the “Max Coll Corridor”.

Secretary Church introduced Eric Coll, nephew of former New Mexico State Representative Max Coll, who subsequently read the proposed Resolution to the STC. On behalf of the Coll family, he thanked NMDOT and the STC for recognizing his late uncle and considering the proposed corridor dedication.

**Request to Initiate Rulemaking Action Regarding Repeal of NMDOT Rule, 18.31.4 NMAC, Litter Control and Beautification Grant Requirements**

Tamara P. Haas, P.E., Asset Management and Planning Division Director, NMDOT, presented a request to initiate Rulemaking Action to repeal NMDOT rule, 18.31.4 NMAC, *Litter Control and Beautification Grant Requirements*. She explained that the New Mexico Legislature
transferred the state beautification grant program from NMDOT to the New Mexico Tourism Department in 2001 through House Bill 338, *Amend Litter Control & Beautification Act*, which was subsequently codified as NMSA 1978, Sections 67-16-1 through 67-16-14. At the request of the New Mexico Tourism Department, NMDOT is seeking to repeal the existing rule, 18.31.4 NMAC, *Litter Control and Beautification Grant Requirements*.

**Withdrawal of Rulemaking Action for Repeal and Replacement of NMDOT Rules, 18.20.3 NMAC, Driver Education Schools; 18.20.8 NMAC, Driving Safety Schools; 18.20.10 NMAC, New Mexico’s Motorcycle Training Program; 18.20.11 NMAC, Ignition Interlock Devices; and 7.32.20 NMAC, Driving While Impaired (DWI) Schools**

Franklin Garcia, Traffic Safety Division, NMDOT, presented a request to withdraw the rulemaking action approved by the STC in 2015 to repeal and replace NMDOT rules, 18.20.3 NMAC, *Driver Education Schools*; 18.20.8 NMAC, *Driving Safety Schools*; 18.20.10 NMAC, *New Mexico’s Motorcycle Training Program*; 18.20.11 NMAC, *Ignition Interlock Devices*; and 7.32.20 NMAC, *Driving While Impaired (DWI) Schools*. Mr. Garcia explained that per certain provisions in the State Rules Act, as recently amended by the Legislature, a rulemaking action must now be completed within two years of the date it was commenced. The date of that two year limitation is approaching; accordingly, NMDOT will soon need to request the STC’s approval to initiate a new rulemaking action in order to ensure compliance with the law. In the interim, the existing rules will remain in effect.
Proposed Amendments to Commission Policy No. 4, New Mexico State Transportation Commission Rules and Policies (CP 4)

In follow-up to the July 20, 2017 STC meeting discussion regarding proposed amendments to CP 4, Stephen Thies, Assistant General Counsel, NMDOT, responded to the Commissioner’s inquiries concerning the reasons for publication of rulemaking notices in three newspapers of general circulation as opposed to at least one newspaper in all six transportation districts. Mr. Thies suggested an alternative whereby when the STC approves a rulemaking action, NMDOT could publish notice in one general circulation newspaper and newspapers in any additional districts as requested by Commissioners.

The STC determined that additional information regarding advertising in other areas around the State and the costs to do so will be required before the STC can grant final approval of the proposed amendments to CP 4. Accordingly, the matter was tabled and will be reintroduced for further discussion and consideration at the November 2017 STC meeting.

Proposed Amendments to Commission Policy No. 69, Landscape Development on State Transportation Facilities (CP 69)

In follow-up to the July 20, 2017 STC meeting discussion regarding proposed amendments to CP 69, Stephen Thies, Assistant General Counsel, NMDOT, revisited the subject amendments. CP 69 is the policy governing the expenditure of eligible state and federal transportation funds for landscaping projects on state transportation facilities.

The Commissioners briefly discussed the proposed amendments to CP 69 and agreed that the policy, as amended, is now ready for STC approval.
Proposed Update of Commission Policy No. 88, Special Construction Features (CP 88)

In follow-up to the July 20, 2017 STC meeting discussion regarding NMDOT’s proposal to update CP 88, Stephen Thies, Assistant General Counsel, NMDOT, again discussed the policy update. CP 88 is the policy that requires the most economical use of State and Federal funds when constructing highway and roadway enhancement projects on the State’s transportation system.

The Commissioners briefly discussed the proposed update of CP 88 and agreed that the policy is now ready for STC approval.

Proposed Amendments to Commission Policy No. 90, Certification of Regional Transit District (CP 90)

In follow-up to the July 20, 2017 STC meeting discussion regarding proposed amendments to CP 90, Stephen Thies, Assistant General Counsel, NMDOT, revisited the subject amendments. CP 90 is the policy that outlines the procedures by which the State Transportation Commission carries out certain requirements set forth in the Regional Transit District Act, NMSA 1978, Chapter 73, Article 25, which was enacted to provide, among other things, regional networks of safe and efficient public transit systems.

The Commissioners briefly discussed the proposed amendments to CP 90 and agreed that the policy, as amended, is now ready for STC approval.
Staff Briefings

Secretary Report

Tom Church, Cabinet Secretary, NMDOT, reported that NMDOT is doing well and to date, all federal funds have been obligated. He commended staff for their hard work. He also reported regarding NMDOT’s SHARE system upgrade, as well as the status of recent State Personnel Office (SPO) changes and how they have affected NMDOT human resources staff.

Action Items

Chairman Schmeits asked for a motion to approve STC agenda action items 10(a) LGRF FY2017/2018 Financial Hardship Match Waiver Recommendation; and 10(b) Proposed Dedication of the “Max Coll Corridor” in Santa Fe County and Adoption of Related STC Resolution No. 2017-04 (SEP).

Commissioner White made a motion to approve STC agenda action item 10(a) LGRF FY2017/2018 Financial Hardship Match Waiver Recommendation; Commissioner Sepich seconded; motion carried unanimously.

Commissioner Mathews made a motion to approve STC agenda action item 10(b) Proposed Dedication of the “Max Coll Corridor” in Santa Fe County and Adoption of Related STC Resolution No. 2017-04 (SEP); Commissioner Sepich seconded; motion carried unanimously.
Chairman Schmeits asked for a motion to approve STC agenda action items 11(a), (b), (c), and (d), Proposed Amendments to CP Nos. 4, 69, and 90, and Update of CP No. 88.

Commissioner Sepich made a motion to table STC agenda action item 11(a) regarding proposed amendments to CP 4, subject to further review and discussion by the Commissioners; Commissioner Mathews seconded; motion carried unanimously.

Chairman Schmeits asked for a motion to approve action items 11(b), (c) and (d), Proposed Amendments to CP Nos. 69 and 90, and Update of CP No. 88.

Commissioner White made a motion to so approve STC agenda items 11(b), (c) and (d), Proposed Amendments to CP Nos. 69 and 90, and Update of CP No. 88; Commissioner Sepich seconded; motion carried unanimously.

STC Agenda Action Items - Rulemaking

Chairman Schmeits asked for a motion to approve action item 12(a) Withdrawal of Rulemaking Action for Repeal and Replacement of NMDOT Rules 18.20.3 NMAC, Driver Education Schools; 18.20.8 NMAC, Driving Safety Schools; 18.20.10 NMAC, New Mexico’s Motorcycle Training Program; 18.20.11 NMAC, Ignition Interlock Devices; and 7.32.20 NMAC, Driving While Impaired (DWI) Schools.

Commissioner White made a motion to so approve action item 12(a) Withdrawal of Rulemaking Action for Repeal and Replacement of NMDOT Rules 18.20.3 NMAC, Driver Education Schools; 18.20.8 NMAC, Driving Safety Schools; 18.20.10 NMAC, New Mexico’s Motorcycle Training Program; 18.20.11 NMAC, Ignition Interlock Devices; and 7.32.20
NMAC, Driving While Impaired (DWI) Schools; Commissioner Mathews seconded; motion carried unanimously.

Chairman Schmeits asked for a motion to approve action item 12(b) Request to Initiate Rulemaking Action Regarding Repeal of NMDOT rule, 18.31.4 NMAC, Litter Control and Beautification Grant Requirements.

Commissioner Mathews made a motion to so approve action item 12(b) Request to Initiate Rulemaking Action Regarding Repeal of NMDOT rule, 18.31.4 NMAC, Litter Control and Beautification Grant Requirements; Commissioner Sepich seconded; motion carried unanimously.

Chairman Schmeits asked for a motion to approve action item 12(c) Withdrawal of Rulemaking Action Regarding Amendments to NMDOT rule, 2.40.30 NMAC, State Infrastructure Bank.

Commissioner White made a motion to so approve item 12(c) Withdrawal of Rulemaking Action Regarding Amendments to NMDOT rule, 2.40.30 NMAC, State Infrastructure Bank; Commissioner Sepich seconded; motion carried unanimously.

Adjournment

Chairman Schmeits asked for a motion to adjourn the regular meeting at 11:00 a.m.; Commissioner Sepich made a motion to so adjourn; Commissioner Mathews seconded; motion carried unanimously.
Tab 4-6
Introductions, Welcoming Remarks and Public Comment
Agenda Items 4-6

4. Introductions: Ronald Schmeits, Chairman

5. Welcoming Remarks: Ronald Schmeits, Chairman

6. Public Comment
Tab 7
District One
Presentation and Employee Recognition
Commission Brief

SUBJECT: District One Presentation

PRESENTER: Trent Doolittle, P.E., District One Engineer, NMDOT

BACKGROUND:

ACTION: No Action
DISTRICT ONE

Trent Doolittle, P.E.
District Engineer
NEW MEXICO
DEPARTMENT OF
TRANSPORTATION

District One
## COMPLETED PROJECTS

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<th>Details</th>
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<td>I-10 Mesquite &amp; Vado Interchange</td>
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PROJECTS UNDER CONSTRUCTION

US 70/N. Main/Solano/Spitz Roadway Reconstruction
Mile Post 149.20 – 149.5
$7,456,700
Contractor: AUI. Inc.
Mogollon
Roadway Reconstruction
Mile Post 8 - 10
$7,900,590.60

Contractor:
La Calerita Construction, LLC.
I-25 Lemitar

Roadway & Bridge Reconstruction

Mile Post 154 – 157.839
$21,987,373.24

Contractor:
Mountain States Co., Inc.
UPCOMING PROJECTS

I-25/University Interchange
• Bridge Replacement & Roadway Rehabilitation
• Dona Ana Co.
• $25,000,000.00

Corridor Interchange Improvements NM 404
• Roadway Reconstruction
• Dona Ana Co.
• $25,000,000.00

I-10 mile post 44.6 - 59
• Pavement Preservation & Guardrail replacement
• Luna Co.
• $10,000,000.00

NM 187 Bridge Replacement
• 8 bridges in total
• Dona Ana Co.
• $20,000,000.00

I-25 EXIT 41 Interchange
• Roadway Reconstruction
• Dona Ana Co.
• $10,000,000.00
# CONTRACT MAINTENANCE PROJECTS

## Roadway Maintenance

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## Bridge Maintenance

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<td>NM 187/ NM 26</td>
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<td>$40,624.10</td>
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MAINTENANCE ACCOMPLISHMENTS

Chip Seal
- 301.5 Lane Miles
- $2,650,151
MAINTENANCE ACCOMPLISHMENTS

Erosion Repair
- 59,760 Cubic Yards
- $1,471,007
MAINTENANCE ACCOMPLISHMENTS

I-10 Dust Storm Measures

NMDOT will place clusters of five sequential signs every two miles in each direction (in Burma Shave theme) warning drivers: IN A DUST STORM. PULL OFF ROADWAY. TURN VEHICLE OFF. FEET OFF BRAKES. STAY BUCKLED.
Welcome to Deming, NM
EMPLOYEE OF THE YEAR
DISTRICT ONE & STATEWIDE WINNER

Angel Gonzales
Lordsburg Patrol
2016 Winner
CREW OF THE YEAR

Crew: Curtis Jandt, Steven McGuire, Talmadge Knull, Kevin Wright, David Ovalle, Enrique Salido, Tony Fore, Jose Varela, Hugo Nieto, Joshua Torres, Kenneth McCoy, Lee Odic Black

Heavy Maintenance 41-88
Ben Lopez Best Maintenance Patrol
DISTRICT BEST PATROL & STATEWIDE BEST PATROL WINNER

Crew: Ernest Sedillo, Jose Porras, Miguel Farias, Charles Herrera, Jaime Garces, Ernest Lascano, Clayton Alsberge, Chris Mirabal, Jesus Morones, Charles Blanton, Andrew McLaughlin, Hector Sanchez

ANTHONY PATROL 41-43
BEST PROJECT

Heavy Maintenance - Scour Project

Total Project Cost: $111,317.00
- Equipment: $57,695.00
- Labor: $28,448.00
- Material: $20,442.00
- Shot Concrete Pump Rental: $4,731.98

Project Start: March 22, 2016
Project Finish: June 21, 2016

Crew: Curtis Jandt, Steven McGuire, Talmadge Knull, Kevin Wright, David Ovalle, Enrique Salido, Tony Fore, Jose Varela, Hugo Nieto, Joshua Torres, Kenneth McCoy, Lee Odie Black
BEST PRACTICE WINNERS

**Gabion Wire Roller**  
**Heavy Maintenance Crew**

**SOLUTION:** Instead of rolling out the wire with your hands and manhandling the rip rap into place, the crew made an easy way to unroll the wire using a loader. By inserting a pipe into the roll, chained to the bucket that connects to the spool. With the use of the loader the spool unrolls; saving backs, smashed fingers and time.

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**Tailgate Spreader Attachment**  
**Silver City Patrol**

**SOLUTION:** Improvements were made to the chip box. The 8’ wide chip spreader was modified to have an adjustable feed gate. The feed gate has 4 two-foot wide sections with flaps. Each section can be opened or closed independently with a handle that was built into the box to control the application rate. This allows the spread width to be adjusted in two foot increments. One pass spreads 8 feet wide. Then the operator easily shuts off half of the spreader to spread a 4 feet wide layer of chips. This attachment gives you the ability to distribute the chips evenly across a 12 feet wide road.
2016 BEST OF NEW MEXICO URBAN HIGHWAY RESURFACING

I-10 Mile Post 133 to 164

Crew: Benito Trevino, Andrew Gonzales, Feliciano Bravo, Selina Portillo, Mary Alvarado, Erik Madrid, Mike Castillo, Terri Borden, Eddie Holguin

Anthony Construction 41-18
PAVEMENT SMOOTHNESS AND QUALITY AWARD

I-10 Mile Post 28 to 30

Deming Construction

41-17

Crew: Brian Torres, Jose R Martinez, Jose Luis Gonzales, Joseph Garcia, Alma Quintana, Johnny Muriel, Louie Escalante, Cordale Gillis
HIGHWAY HERO

Joseph Volpato

Joey showed exceptional valor while traveling on NM 68 out of Espanola, driving up on a family in need and saving the life of a man who was choking in the back seat of the stopped car.

Joey’s First Aid Training came into play as he performed the Heimlich dislodging the stuck food.
DISTRICT ONE EMPLOYEES,
THANK YOU FOR MAKING A DIFFERENCE AT NMDOT. WE ARE PROUD THAT YOU ARE PART OF THE DISTRICT ONE TEAM.
Tab 8a1
Monthly Financial Report
| PRESENTER: | Michael S. Friel, Accounting Services Director, CFO |
| BACKGROUND: | |
| ACTION: | No Action |
### New Mexico Department of Transportation

#### Base Budget for FY 2018 - as of 10/31/17

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<th>Adj. Budget</th>
<th>Encumbrance</th>
<th>Expense</th>
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### Multi-Year FY2017/FY2018 - as of 10/31/17

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Subtotal   | 420,880,572 | 420,880,572 | 274,880,163 | 111,451,016 | 26% | 34,549,393 | 8% |

Total      | 876,395,600 | 876,395,600 | 1,297,276,172 | 578,926,268 | 21% | 447,972,900 | 35% |

47
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<td>Aviation Fund (Restricted)</td>
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<td>0.0</td>
<td>0.0</td>
<td>-</td>
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<tr>
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<td>Traffic Safety Funds (5 Restricted Funds)</td>
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<td>0.0</td>
<td>2.6</td>
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<td>15</td>
<td>NHTSA Funding-(Reimbursement Basis)</td>
<td>15.7</td>
<td>8.1</td>
<td>0.0</td>
<td>23.8</td>
<td>4.3</td>
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<tr>
<td>16</td>
<td>FTA Funding-(Reimbursement Basis)</td>
<td>16.6</td>
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<td>17</td>
<td>Highway Infrastructure Fund Reserves</td>
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<td>-</td>
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<td>Local Gov't Road Fund Reserves</td>
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<td>Aviation Fund Balance Reserves</td>
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<td>Traffic Safety Fund Balance Reserves</td>
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<td>21</td>
<td>State Infrastructure Bank Reserves</td>
<td>$0.0</td>
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<td>22</td>
<td><strong>1) TOTAL INFLOWS (REVENUES):</strong></td>
<td>$71.2</td>
<td>$47.9</td>
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<td>23</td>
<td><strong>CURRENT OUTFLOWS:</strong></td>
<td>23</td>
<td></td>
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<td>24</td>
<td>Personnel Services</td>
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<td>25</td>
<td>Contractual Services</td>
<td>10.4</td>
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<td>26</td>
<td>Other Operating Costs</td>
<td>50.7</td>
<td>43.8</td>
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<td>Debt Service</td>
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<td>$8.2</td>
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<td>28</td>
<td><strong>2) TOTAL OUTFLOWS (EXPENDITURES):</strong></td>
<td>$71.2</td>
<td>$47.9</td>
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<td>29</td>
<td><strong>3) CURRENT INFLOWS MINUS OUTFLOWS</strong></td>
<td>$0.6</td>
<td>29</td>
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<tr>
<td>30</td>
<td><strong>4) PLUS Beginning FY18 FUND BALANCE RESERVES (FY17 less ReBudgeted &amp; RO)</strong></td>
<td>$32.9</td>
<td>30</td>
<td></td>
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<tr>
<td>31</td>
<td><strong>5) CURRENT FY18 OPERATING FUND BALANCES</strong></td>
<td>$33.5</td>
<td>31</td>
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<td>32</td>
<td><strong>CASH POSITION:</strong></td>
<td>32</td>
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<td>33</td>
<td>Cash Balance as of 10/31/2017</td>
<td>$61.0</td>
<td>33</td>
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**Actual FY 18 Rev/Exp PCT**
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<tr>
<th>NMDOT FUNDS</th>
<th>Jul-16</th>
<th>Aug-16</th>
<th>Sep-16</th>
<th>Oct-16</th>
<th>Nov-16</th>
<th>Dec-16</th>
<th>Jan-17</th>
<th>Feb-17</th>
<th>Mar-17</th>
<th>Apr-17</th>
<th>May-17</th>
<th>Jun-17</th>
<th>Jul-17</th>
<th>Aug-17</th>
<th>Sep-17</th>
<th>Oct-17</th>
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<tbody>
<tr>
<td>ROAD FUND (10040,20100) Unrestricted</td>
<td>68,474,313</td>
<td>82,366,585</td>
<td>40,586,163</td>
<td>12,366,910</td>
<td>(12,503,059)</td>
<td>(13,341,999)</td>
<td>39,027,613</td>
<td>81,960,176</td>
<td>55,476,574</td>
<td>47,471,305</td>
<td>58,709,671</td>
<td>120,841,048</td>
<td>113,404,182</td>
<td>135,261,863</td>
<td>98,249,717</td>
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<tr>
<td>SIF (89200) Restricted</td>
<td>4,187,355</td>
<td>3,948,917</td>
<td>3,729,501</td>
<td>3,391,545</td>
<td>3,238,974</td>
<td>3,005,354</td>
<td>2,908,586</td>
<td>2,509,798</td>
<td>1,768,926</td>
<td>1,975,561</td>
<td>2,005,540</td>
<td>2,791,276</td>
<td>1,966,990</td>
<td>1,924,539</td>
<td>1,955,723</td>
<td>1,405,177</td>
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<tr>
<td>AVIATION (20500) Restricted</td>
<td>19,126,983</td>
<td>18,941,915</td>
<td>16,806,144</td>
<td>16,255,928</td>
<td>16,017,202</td>
<td>16,415,335</td>
<td>16,617,481</td>
<td>16,769,518</td>
<td>16,362,963</td>
<td>18,163,634</td>
<td>16,300,352</td>
<td>15,427,671</td>
<td>16,546,835</td>
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<tr>
<td>NHTSA (10010) Restricted</td>
<td>(2,552,220)</td>
<td>(1,834,480)</td>
<td>(1,961,713)</td>
<td>(2,376,478)</td>
<td>(2,116,995)</td>
<td>(1,075,934)</td>
<td>(1,385,227)</td>
<td>(2,080,529)</td>
<td>(2,151,910)</td>
<td>(1,699,368)</td>
<td>(1,923,966)</td>
<td>(1,315,215)</td>
<td>(1,684,559)</td>
<td>(1,417,506)</td>
<td>(2,488,391)</td>
<td>(2,193,120)</td>
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<td>INTERLOCK (82600) Restricted</td>
<td>2,454,855</td>
<td>2,442,003</td>
<td>2,403,117</td>
<td>2,381,192</td>
<td>2,358,387</td>
<td>2,313,717</td>
<td>2,103,611</td>
<td>2,555,631</td>
<td>2,549,070</td>
<td>2,495,193</td>
<td>2,472,261</td>
<td>2,474,621</td>
<td>2,490,374</td>
<td>2,407,722</td>
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<td>TOTAL CASH BALANCES</td>
<td>121,795,481</td>
<td>111,283,210</td>
<td>98,602,703</td>
<td>70,887,248</td>
<td>24,883,207</td>
<td>44,906,204</td>
<td>44,392,330</td>
<td>117,184,911</td>
<td>110,819,444</td>
<td>102,605,680</td>
<td>174,490,429</td>
<td>177,188,859</td>
<td>171,747,742</td>
<td>193,595,304</td>
<td>154,906,839</td>
<td>141,176,600</td>
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## FY18 FUND BALANCES AS OF October 31, 2017

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<tr>
<th></th>
<th>&quot;Un-Audited&quot;</th>
<th>(Less)</th>
<th>&quot;Projected&quot;</th>
<th>(Less)</th>
<th>Unbudgeted</th>
<th>Fund Balances</th>
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<td>Fund Balances</td>
<td>Encumbrance</td>
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<td>Rollover-Non-Federal</td>
<td>FY18</td>
<td></td>
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<td></td>
<td>End FY17</td>
<td>Re-Budgeted in</td>
<td>BARS &amp; OPRS</td>
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<td><strong>NMDOT-FUNDS</strong></td>
<td>6/30/2017</td>
<td>Begin FY17 Budget</td>
<td>FY17/FY18 Budget</td>
<td>6/30/2018</td>
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<tr>
<td><strong>Unrestricted:</strong></td>
<td></td>
<td></td>
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<tr>
<td>ROAD FUND (20100) + INVENTORY (10040)</td>
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<td>(27,955,000)</td>
<td>(84,560,321)</td>
<td>0</td>
<td>84,726,111</td>
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<tr>
<td><strong>Restricted Funds:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>LOCAL GOVT (20300)</td>
<td>25,365,677</td>
<td>0</td>
<td>(21,550,859)</td>
<td>0</td>
<td>3,814,818</td>
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<td>HIF (20200)</td>
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<td>0</td>
<td>0</td>
<td>2,815,566</td>
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<tr>
<td>SIB (89300)</td>
<td>20,936,383</td>
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<td>0</td>
<td>0</td>
<td>20,936,383</td>
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<tr>
<td>AVIATION (20500)</td>
<td>10,862,993</td>
<td>0</td>
<td>(6,313,042)</td>
<td>0</td>
<td>4,549,951</td>
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<td>MOTORCYCLE (20600)</td>
<td>157</td>
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<td>(28,061)</td>
<td>0</td>
<td>(27,904)</td>
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<td>DRIVER IMPROVEMENT (10020)</td>
<td>406,304</td>
<td>0</td>
<td>(439,476)</td>
<td>0</td>
<td>(33,172)</td>
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<td>DWI PREVENTION (20700)</td>
<td>472,475</td>
<td>0</td>
<td>(452,514)</td>
<td>0</td>
<td>19,961</td>
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<td>STATE TRAFFIC SAFETY (20800)</td>
<td>1,369,282</td>
<td>0</td>
<td>(1,125,788)</td>
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<td>243,494</td>
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<td>NHTSA (10010)</td>
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<td>0</td>
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<td>(1,219,337)</td>
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<td>FTA (10030)</td>
<td>(483,786)</td>
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<td>0</td>
<td>(483,786)</td>
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<tr>
<td>INTERLOCK (82600)</td>
<td>2,432,551</td>
<td>0</td>
<td>(177,811)</td>
<td>0</td>
<td>2,254,740</td>
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<td>Total Restricted Funds:</td>
<td>62,958,718</td>
<td>0</td>
<td>(30,087,551)</td>
<td>0</td>
<td>32,871,167</td>
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<tr>
<td><strong>TOTAL OPERATING FUND BALANCES</strong></td>
<td>260,200,150</td>
<td>(27,955,000)</td>
<td>(114,647,872)</td>
<td>0</td>
<td>117,597,278</td>
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</tbody>
</table>
Uncommitted Fund Reserves as of October 31, 2017

UNRESRICTED FUND BALANCES--- Fund 20100-State Road Fund = **$84,726,111**
(This is the operating fund of the department and used to account for substantially all of the department’s financial activities. Created by section 67-3-65, NMSA 1978.)

RESTRICTED FUND BALANCES---- TOTAL= **$32,871,167**

Fund 20300-Local Government Road Fund = **$3,814,818**
(This fund accounts for construction and reconstruction of highways, streets and parking lots not on the state highway system as well as maintenance, improvements, and construction of school bus routes and public school parking lots and county roads. Created by Section 67-3-28.2 NMSA 1978.)

Fund 20800-State Traffic Safety Fund = **$243,494**
(This fund accounts for state matching monies received for various traffic safety programs. Created by Section 66-7-512, NMSA 1978.)

Fund 20500-State Aviation Fund = **$4,549,951**
(This fund is used to account for planning, construction and maintenance of a system of airports, navigation aids, and related facilities serving New Mexico. Created by Section 64-1-15, NMSA 1978.)

Fund 10010-Federal Traffic Safety Fund = **($1,219,337)**
(This fund accounts for federal grant monies received for various traffic safety programs from NHTSA.)

Fund 10020 – Driver Improvement Program Fund = **($33,172)**
(Used account for the operation of a driver improvement program. Created by Executive Order 87-20.)

Fund 20700 – DWI Prevention and Education Fund = **$19,961**
(This fund is used to account for the operation of DWI prevention and education program for elementary and second school students. Created by Section 66-5-35 NMSA 1978.)

Fund 89300 – State Infrastructure Fund = **$20,936,837**
(This fund is used to track funding, loans and repayments associated with the State Infrastructure Bank.)

Fund 20200 – Highway Infrastructure Fund = **$2,815,566**
(This fund is used to account for acquisition of right of ways, planning, design, engineering, construction or improvement of state highway projects pursuant to provisions of Laws of 1998, Chapters 84 and 85.). This fund was created by NMSA 67-3-59.2.)

Fund 82600-Interlock Device Fund = **$2,254,740**
(This fund is used to account for the fees used to pay for interlock devices for indigent people. (Created by Section 66-8-102.3 NMSA 1978.)

Fund 10030 – Federal Mass Transit Fund = **($483,786)**
(This fund is used to account for Urban Mass Transit Authority grant monies and state matching funds for mass transit program activities.)

Fund 43100- Fund 43100 – WIPP Projects Fund = **$0.00**
(This fund is used to account for monies received from the U.S. Department of Energy for special designated roads associated with WIPP.)
Tab 8a2
FY18 Budget Adjustment Requests BAR’s No. 6 FHWA & No. 7 WIPP
Commission Brief

SUBJECT:

FY18 BAR #6 P562 – PDC

PRESENTER: Michael S. Friel, Accounting Services Director, CFO

BACKGROUND:

A FY18 BAR is required to establish budget authority for the FHWA program. The BAR will increase contractual services (category 300) by $287.1 million dollars of which $249.4 is federal funds and $37.8 million is state match requirement. The State Road Fund balance will be utilized for $37.8 million dollars in order to meet state match requirements.

The BAR constitutes for:

- $100.0 million- Successful Quarterly Letting Schedule.
- $41.6 million- Redistribution.
- $60.4 million- Prior Year Releases.
- $85.1 million- Prior Year Letting/ Encumbrances.

ACTION: Request BAR Approval
**Budget Adjustment Request (BAR)**

**In Brief**

- **Date of Request:** 11/16/2017
- **Date to Commission:** 11/16/2017

**Program:** P562- Project Design and Construction

**Division:** Project Oversight

**Director/DE:** Michael S. Friel

**Bureau/District:** N/A

**Bureau Chief:** N/A

**BAR Type:** N/A

**Administrator:** N/A

<table>
<thead>
<tr>
<th>Amount Requested</th>
<th>Category Increase</th>
<th>Budget Appr./Category</th>
<th>Purpose/Justification for BAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$ 287,200,000</strong></td>
<td><strong>300</strong></td>
<td><strong>Contractual Services</strong></td>
<td>FY18 BAR is required to establish budget authority for the FHWA program. The BAR will increase contractual services (category 300) by $287.1 million dollars of which $249.4 is federal funds and $37.8 million is state match requirement. The State Road Fund balance will be utilized for $37.8 million dollars in order to meet state match requirements.</td>
</tr>
</tbody>
</table>

**Funding Source:**
- State Road Fund: $37,800,000
- Federal Funds: $249,400,000
- Other State Funds: $-

**Total:** $287,200,000

**Fund:** 20100

<table>
<thead>
<tr>
<th>Source Type (revenue/cash/grant):</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Road Fund Balance</td>
</tr>
</tbody>
</table>

**Significant Issues:**

**Attachments:**
- Commission Brief

(Support Documentation)

**Approvals:** To Submit to Commission and if approved, to DFA.

- **Bus. Support Dep Sec:**
- **Secretary/Deputy Sec.:**
  - **DATE:**
- **Budget Office Review:**
- **DATE:**

**Assigned BAR #:** 8

**Budget Director:** Michael S. Friel, CFO

**DATE:** 11/16/2017
SUBJECT: FY18 BAR #7 P562 – PDC

PRESENTER: Michael S. Friel, Accounting Services Director, CFO

BACKGROUND:
FY18 BAR is required to establish budget authority for the WIPP Program. The BAR will increase contractual services (category 300) by $12.5 million dollars of Federal funds received in pursuant to the settlement agreement and Stipulated Final Order between the United States Department of Energy and the State of New Mexico Environment Department.

The BAR will cover:

- US 285- MP 158-174; Hot In-Place Recycle w/Wearing Course.
- US 285- MP 55-63.5; Hot In-Place Recycle w/Wearing Course.
- US 285- MP 146-158; Heater Scarification w/Overlay.
- NM 176- MP 37.5-41; Hot In-Place Recycle w/Wearing Course.

ACTION: Request BAR Approval
**Budget Adjustment Request (BAR)**

**In Brief**

**Date of Request:** 11/16/2017  
**Date to Commission:** 11/16/2017

**Program:** P562- Project Design and Construction  
**Division:** Project Oversight  
**Director/DE:** Michael S. Friel  
**Bureau/District:** N/A  
**Bureau Chief:** N/A  
**BAR Type:** Category Increase  
**Administrator:** N/A

**Amount Requested:** $12,500,000  
**Fund:** 20100  
**Source Type:** DOE Settlement

**Funding Source:**  
- State Road Fund: $-  
- Federal Funds: $12,500,000  
- Other State Funds: $-  
**Total:** $12,500,000

**Budget Appr./Category:** 300, Contractual Services

**Purpose/Justification for BAR:**  
FY18 BAR is required to establish budget authority for the WIPP Program. The BAR will increase contractual services (category 300) by $12.5 million dollars of Federal funds received in pursuant to the settlement agreement and Stipulated Final Order between the United States Department of Energy and the State of New Mexico Environment Department.

**Significant Issues:**

**Attachments:**  
Commission Brief

**Approvals:** To Submit to Commission and if approved, to DFA.

**Bus. Support Dep Sec:**  
**Secretary/Deputy Sec.:**  
**Budget Office Review:**

**Assigned BAR #:** 8

**Budget Director:** Michael S. Friel, CFO  
**DATE:** 11/16/2017
Tab 8a3
Engineers and CETs to Mid-Point
SUBJECT: Engineering and Engineering Type Classifications to Mid-Point

PRESENTER: Anthony Lujan, Deputy Secretary & Armando Armendariz, Chief Engineer

BACKGROUND:
On June 16, 2017, the State of New Mexico State Personnel Board approved the adoption of the two new Engineer & Surveyor and Architect specific salary structures with 33 new job classifications. The planned implementation date for the salary structure and classifications was July 15, 2017. The new job families and classifications were developed to result in significantly more career growth opportunities for affected incumbents and the new salary structures will provide market-competitive salaries and greater opportunities for recruiting and retaining staff.

The leadership of the executive branch agencies supported the implementation of this statewide classification and compensation study. Agencies involved in the implementation included NMDOT, OSE, EMNRD, NMED, PRC and GSD.

As a result, the department is proposing to increase NMDOT Engineering and Engineering type classifications salaries that fall below mid-point of their new classification, to mid-point, in an effort to retain professional, trained and hard to recruit Engineering talents within NMDOT. Approximately 448 out of 715 current Engineering and Engineering type staff within the department fall below midpoint within their new classification. This effort allows for a maximum of 10% increase per fiscal year per position in accordance with SPO rules and to minimize the budget impact. The estimated fiscal impact to NMDOT for 448 Engineering and Engineering Type Classification positions is $3,376,250.39 to be phased in over four years.

ACTION: Commission approval on Engineering and Engineering Type Classifications to mid-point.
Tab 8a4
Information Technology Classifications to Mid-Point
SUBJECT: Information Technology (IT) Classifications to Mid-Point

PRESENTER: Ron Baca, Administrative Services

BACKGROUND:
On June 23, 2016, at the State of New Mexico State Personnel Board special meeting, as the result of a completed Information Technology (IT) Classification study, the Board approved the adoption of a new IT-specific salary structure and 55 new job classes for state government. The planned implementation date for the salary structure and classifications was July 30, 2016 (FY17). The new salary structure adopted provides market-competitive salaries and greater opportunities for recruitment and retaining of IT talents within in state agencies. Additionally, the adoption of many new job families and classifications will result in significantly more career growth opportunity for state employees. The leadership of the executive branch agencies supported the implementation of this statewide IT classification and compensation study.

As a result, the department is proposing to increase NMDOT IT staff salaries that fall below midpoint of their new classification, to mid-point, in an effort to retain hard to recruit IT talents within NMDOT. Approximately 48 current IT staff within the department fall below midpoint within their new classification. This effort allows for a maximum of 10% increase per fiscal year in order to minimize the budget impact. The estimated fiscal impact to NMDOT for 48 IT Classification positions is $620,000 to be phased in over three years.

ACTION: Commission approval on Information Technology (IT) Classifications to mid-point.
Tab 8a5
FY17 OIG Annual Report
SUBJECT: Office of Inspector General
FY17 Annual Report

PRESENTER: Jeff Canney, Inspector General

BACKGROUND: Summary of FY17 audit plan performance and OIG Annual Report.

ACTION: No Action
October 20, 2017

To: State Transportation Commissioners and NMDOT Leadership

From: Jeff Canney, Inspector General

This annual report summarizes the objectives and accomplishments of the NMDOT Office of Inspector General (OIG) for the fiscal year (FY) 2017, ending June 30, 2017. The report is presented by the functional areas of the Office, which are Internal Audits, Construction Audits, Investigations and other operational areas required by Commission Policy 30. Commission Policy 30 serves as the OIG Audit Charter, stating the purpose, authority and responsibilities of the NMDOT OIG.

Organization:
The staff and responsibilities of the OIG were created to comply with State Transportation Commission Policy 30 (CP-30) and the OIG closely follows the principles and standards for Offices of Inspectors General, established by the Association of Inspectors General, a nationally recognized organization promoting public accountability and integrity.

Consistent with CP-30, the OIG:
- conducts performance audits,
- conducts investigations,
- provides bid analysis on construction contract data,
- chairs and provides administrative support for the Policies & Procedures Committee (PPC) as required by Administrative Directive 116
- maintains the library of policies and forms for the NMDOT,
- administers the Damage Claims Program,
- maintains the position of Information Security Officer,
- provides reasonable assurance of federal compliance of overhead rates for engineering and design related contractors, and
- administers the prequalification and scoring of contractors as required by NMAC 18.27.5 Contractor Prequalification Rule
The NMDOT OIG is staffed with 24 full time positions:

- Management: 7
- Administration: 2
- Internal Audit: 4
- External Audit: 2
- Construction Audit: 2
- Bids and Prequalifications: 2
- Investigations: 3
- Audit Special Projects: 1
- Information Security Officer: 1

At the NM State Transportation Commission meeting held in Raton in June of 2016, the OIG received approval of the Annual Audit Plan for FY17. This Audit Plan presented a risk-based plan to commit OIG resources to achieve the goals of improving the Department’s operations and increasing accountability.

In general, the Audit Sections at the OIG followed the FY17 audit plan and achieved a 100% completion rate as of the date of this report. The OIG audit plans do not perfectly align with the fiscal year, as audits do not always start and finish according to the fiscal year. Accordingly, five audits from FY16 audit plan were completed in FY17 and five audits from the FY17 audit were completed in FY18. The audits completed from audit plans for FY16 and FY17 are shown in Exhibits 1 and 2 respectively, at the end of this report.

The following sections summarize the progress made by the functional teams at the OIG: Audits, Investigations, Damage Claims and Information Security.
Construction Audits (Manager Geraldine Aguilar):

The Construction Audit Section completed four construction audits in Districts 1, 2, 3 and 5. These audits were selected for projects based on the following risk criteria:

- More than $2 million in project funds
- >25% completion of project
- New project manager

The Construction Audit Section also completed a Special Inquiry for disproportionate bid items and a Special Inquiry of federal non-participations involving change orders. Four follow-up reviews were conducted to ensure previous audit findings were resolved in District 1 (Anthony), 2 (Carlsbad), 5 (Moriarty) & 6 (Milan). All Construction reports are summarized in Table 1, below.

Table 1. Construction Audit Section assignments completed in FY17:

<table>
<thead>
<tr>
<th>AUDIT REFERENCE</th>
<th>AUDIT NAME</th>
<th>REPORT DATE</th>
<th>NO. OF FINDINGS</th>
<th>SYSTEM IMPROVEMENTS</th>
<th>PLANNED OR FOLLOW-UP DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-C-03*</td>
<td>Grants Project Office</td>
<td>3/28/16</td>
<td></td>
<td></td>
<td>9/14/16</td>
</tr>
<tr>
<td>16-C-05*</td>
<td>Anthony Project Office</td>
<td>8/8/16</td>
<td></td>
<td></td>
<td>9/20/16</td>
</tr>
<tr>
<td>17-C-01*</td>
<td>Moriarty Project Office</td>
<td>10/24/16</td>
<td>5</td>
<td>4</td>
<td>11/17/16</td>
</tr>
<tr>
<td>17-C-02</td>
<td>Hilltop Project Office</td>
<td>11/7/16</td>
<td>0</td>
<td>2</td>
<td>none</td>
</tr>
<tr>
<td>17-C-03</td>
<td>Williamsburg Project Office</td>
<td>4/18/17</td>
<td>7</td>
<td>2</td>
<td>pending</td>
</tr>
<tr>
<td>17-C-04*</td>
<td>Carlsbad Project Office</td>
<td>4/4/17</td>
<td>5</td>
<td>0</td>
<td>4/28/17</td>
</tr>
<tr>
<td>17-SI-01</td>
<td>Disproportionate Bid Items</td>
<td>7/5/17</td>
<td>0</td>
<td>0</td>
<td>none</td>
</tr>
<tr>
<td>17-SI-02</td>
<td>Non-Participating Change Orders</td>
<td>9/29/17</td>
<td>0</td>
<td>0</td>
<td>none</td>
</tr>
</tbody>
</table>

*Project Office audits included corrective actions as to how they were going to correct the audit findings as well as OIG follow up reports to confirm corrections.
Other accomplishments in FY17:

- FY17 Physical Inventory Observations.
- Monthly Contractor Prequalification meetings.
- Updates to Pre-qualification Booklet.
- Attended monthly Bid Lettings and Bid Reviews.
- Provided Average Unit Bid Prices for the year as well as Quarterly Major Average Unit Bid Prices.
- Ran data from DSS for the Estimator Catalogue and the web based preconstruction application.
- Prequalification - July 2016 (369 prequaled) and June 2017 (330 prequaled)

Staffing:

Hired:

- Christine Carriaga hired 1/17/17 (Management Analyst Supervisor)
- Lisa Lyon hired 6/3/17 (Auditor Advance)
- Tanya Lewis hired 10/7/17 (Management Analyst Operational)

Internal Audit Section (Manager Dustene Facteau):

The Internal Audit Section conducts performance audits and management reviews. In the past year, the following assignments were completed:

Table 2. FY16 Audit Plan reports completed during FY17

<table>
<thead>
<tr>
<th>AUDIT REFERENCE</th>
<th>AUDIT NAME</th>
<th>REPORT DATE</th>
<th>NO. OF FINDINGS</th>
<th>NO. OF SYSTEM IMPROVE</th>
<th>NO. OF CONCERNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>16-11-04</td>
<td>Accounting of Capital Assets/Heavy Equipment Transfers</td>
<td>12/29/2016</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>16-PL-03</td>
<td>Farmington MPO</td>
<td>10/3/2016</td>
<td>3</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>16-PL-02</td>
<td>NW Regional Transportation Planning Org.</td>
<td>12/12/2016</td>
<td>7</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
Table 3. Completed FY17 Audit Plan reports

<table>
<thead>
<tr>
<th>AUDIT REFERENCE</th>
<th>AUDIT NAME</th>
<th>REPORT DATE</th>
<th>NO. OF FINDINGS</th>
<th>NO. OF SYSTEM IMPROVE</th>
<th>NO. OF OBSERVATIONS</th>
<th>PLANNED FOLLOW-UP DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>17-13-01</td>
<td>Engineering Design Manual Contract</td>
<td>6/7/2017</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>12/7/2017</td>
</tr>
<tr>
<td>17-11-01</td>
<td>WEX Fuel Cards</td>
<td>7/27/2017</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>1/27/2018</td>
</tr>
<tr>
<td>17-12-01</td>
<td>NMDOT Facility Security (management review)</td>
<td>7/27/2017</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>17-18-01</td>
<td>Termination of IT Access</td>
<td>9/12/2017</td>
<td>4</td>
<td>0</td>
<td>1</td>
<td>3/12/2018</td>
</tr>
<tr>
<td>17-14-01</td>
<td>Federal Transit Administration (FTA) Public Transportation Funds (Sections 5307,5311,5310,5316,5317)</td>
<td>10/5/17</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>4/5/18</td>
</tr>
</tbody>
</table>

Staﬀing

The Audit Bureau has 8 full-time staﬀ: Audit Manager, Audit Supervisor, 2 Advanced Auditors (Auditor-A), and 4 Operational Auditors (Auditor-O).

FY17 Hires

Kathy Mattison, Audit Supervisor, 4/22/17
Sara Cordova, Auditor-A, 12/31/16
Riley Teeters, Auditor-O, 1/14/17
Marlene Montoya, Auditor-O, 1/28/17
Nancy Hun-Lopez, Auditor-O, 2/11/17
Training

- The State of Auditing in New Mexico (September 29, 2016) – 1 hr. CPE
- Conducting Risk Assessments (April 27, 2017) – 4 hrs. CPE

Summary of Internal Audits Conducted:

16-11-04, Accounting of Capital Assets/Heavy Equipment Transfers – Jessie Rios

We verified 20 items were accounted for at their assigned Districts as a follow-up to the 2015 Disposal of Public Property audit.

We determined that 13 out of 170, or 7.6%, of the assets tested were not correctly accounted for and that accountability of assets needs improvement. We recommended amending AD 310 Capital Assets and the Equipment Transfer Form A-0249 to require a copy of the form be sent to the GO Fleet Management Bureau. We also recommended ensuring all capital assets are accurately listed and identified in both the SHARE financials and Fleetweb systems.

Management agreed with the finding and provided their Corrective Action Plan.

16-PL-03, Farmington MPO – Anders Engstrom

We found several links on the FMPO website that did not work and some information was not updated. The FMPO billed for expenses incurred prior to the award period, the federal authorization of funds, and NMDOT work authorization. We also found that the Planning Bureau authorized work prior to processing the encumbrance of funds. We recommended:

- FMPO ensure all required documents are available on the website, the website contains the most current information, and ensure all links are directed correctly.
- NMDOT Planning Bureau encumber the total amount awarded to the MPOs prior to authorizing work and update the manual to reflect the process.
- NMDOT Planning Bureau consult with FHWA to determine eligibility of expenses identified in the audit report and agree on a resolution for any reimbursement.
We identified a need to improve the Unified Planning Work Program (UPWP), Monthly Task Schedule as we identified approximately 70 deviations in which the Task Schedule was not followed for completing tasks and work products.

Management concurred with the findings and improvement suggestion, and submitted their Corrective Action Plan.

16-PL-02, NW Regional Transportation Planning Org (NWRTPO) – Dustene Facteau

Located in Gallup, we determined the NWRTPO’s payroll system, work descriptions, and travel report forms allows for good accountability over payroll and travel activities and expenditures. We determined the NMDOT State Planning Bureau (SPB) needs improvement in their monitoring of financial activities. We found that:

- Authorization for the sub-recipient to begin work was given prior to encumbering the grant funds to ensure funds would be available.
- Costs were incurred prior to the award period, Federal funding authorizations, and the NMDOT work authorization.
- Travel expenditures were invoiced in the wrong federal fiscal years.
- Line item expenditures exceeded the budgeted amount for their respective item categories, in which budget adjustments were not requested.
- The NWRTPO website had links that uploaded incorrect or noncurrent documents. The website also lacked links to NMDOT and FHWA.

Management agreed with the findings and submitted their Corrective Action Plan.


We determined that the Manual was professionally prepared, comprehensive and achieved the purpose intended. We identified 5 out of 15, or 33%, of the invoices were billed prior to funds being encumbered. We also identified 9 out of 15, or 60%, of the invoices were paid over 30 days late.

We recommended the NMDOT Engineering Design Bureau encumber the total amount awarded to contractor prior to authorizing work and ensure timely payments.
The NMDOT Engineering Design Bureau submitted their Corrective Action Plan.

17-11-01 WEX Fuel Cards – Sara Cordova

We determined that transactions were allowable and appropriate, and we found no instances of irregularities. We identified there were 232% more fuel credit card PINs that remain active than there are NMDOT employees (4,981 active PINs and 2,148 current employees). We also determined that in an 8-month period, private fueling stations were used 12.33% of the time, totaling $37,088.41.

We recommended:

- Highway Equipment Managers (HEMs) and Division HEMs deactivate all separated/terminated employees and ensure all active employees have their employee SHARE identification number added to their profile.
- Update AD 301 State of New Mexico Fuel Card Usage, NMDOT Fleet Management Policies and Procedures Handbook, and Form A-797 Employee Separation Checklist to reflect policy, procedures, and internal control processes for universal fueling cards, adding new user PIN profiles, deactivating separated employee PIN profiles, and reconciliations to HR employee reports.
- Use of comprehensive outreach such as trainings and brochures to educate employees on utilizing NMDOT fueling facilities and make physical addresses of fueling facilities available so employees can obtain driving directions.

Management concurred with the findings and improvement suggestions, and submitted their Corrective Action Plan.

17-12-01, NMDOT Facility Security (management review) – Anders Engstrom

All District offices, with the exception of D4, have video surveillance cameras. There are a total of 188 cameras of which 110, or 59%, are operable. All Districts use employee badge access for their main offices and front gates, except D2, which uses a lock for their front gate. Only D3 uses badge access for patrol yard access. An overarching theme throughout the review was that there are no written procedures for oversight of camera surveillance and access systems. As a result, the Agency is not
consistent in the use and maintenance of these assets. Most districts believe the greatest benefit of video surveillance cameras is their influence as a deterrent.

**17-18-01, Termination of IT Access – Riley Teeters**

We identified 46% of separated employees and 49% of agency-to-agency transfers whose IT module and/or badge access remained active after the employee’s effective date of departure. We identified active accounts for ex-employees such as:

- 65 active cell phone accounts, with a potential estimated loss of $21,132 for open accounts assuming the cell numbers are not open for a legitimate reason.
- 102 open email accounts, with a potential estimated loss of $9,024 for open accounts, assuming the emails are not open for a legitimate reason.
- 83 active user login IDs.
- 125 active badges.

We recommended:

- Disconnecting the remaining open accounts associated with departed employees.
- Creating checks and balance processes to ensure the IT Division receives equipment and/or required documentation so that departing employee accounts can be deactivated, unless needed by the NMDOT for some legitimate purpose.
- Requiring all requests for deactivations, and associated forms, to be submitted exclusively via IT work orders in the NMDOT IT Track-It application.
- Creating agency-wide procedures for administering the badge system.
- Revising *AD 112 Use of State Mobile Communications Equipment (MCE) and AD 405 Information Systems Security* to reflect updated requirements and processes.

Prior to the end of the audit, the IT Division had flagged 36% of the open cell accounts for disconnection. Management agreed with the findings and submitted their Corrective Action Plan.
17-14-01, FTA Public Transportation Funds –

Marlene Montoya/Nancy Hun-Lopez

We identified $200 of ineligible costs and a need for improved financial processes regarding fuel calculations, timeliness of billed expenditures, recording of mileage, and payroll accuracy. We also identified 3 drivers that were not in compliance with training requirements.

Prior to the end of the audit, some of the required training had already been completed. Management agreed with the findings and submitted their Corrective Action Plan.

FY17 NMDOT Physical Inventory Observations

The Audit Bureau observed NMDOT’s physical inventory process at D1, D2, D5, D6, Training Academy, GO Stores, GO Sign Shop, and GO Service Center. Physical Inventory was conducted June 19-23, 2017. In the FY16 financial audit, the NMDOT reported $15.8 million in stockpiles, supplies and fuel. A report was not issued.

FY17 NMDOT Public Auction Observations

The Audit Bureau observed the NMDOT’s hardship sale, entity sale, and public auction for the disposal of public property. In FY16, these sales resulted in net revenue totaling $820K. This includes $347K from the hardship sale, $79K from the entity sale and $395K from the public auction. A report was not issued.

External Audit (Dustene Facteau – Manager, Anders Engstrom – Auditor)

Effective 6/1/17, the NMDOT amended the oversight process for engineering & design consultants’ overhead rates. The OIG determines reasonable assurance of overhead rate compliance and contractual eligibility for those companies who wish to do business with NMDOT. This amended procedure resolves a 2009 Legislative Finance Committee (LFC) audit recommendation for a comprehensive update of the OIG overhead audit procedures to include best practices from comparable states.

As of the September 1, 2017, 34 consultants were approved for eligibility. A current list of approved vendors is provided at the end of this report as Exhibit 3.
Special Audit Section (Greg Lineberger - Auditor)

The following audits were completed in FY17:

Engineering and Design Consultant Overhead Costs (completed 11/7/16)

The OIG planned for a redesign of the auditing process of overhead rates for engineering consultants. The redesign began with a management review by Mr. Lineberger of AASHTO best practices from member states. The resulting report included recommendations for implementation and served as the foundation for the NMDOT new procedures, which began January 2017. The effective date of the new procedures was June 1, 2017.

Having implemented the new procedures, the process provides an improved level of compliance with federal regulations with 34 engineering firms approved as eligible to submit proposals to the NMDOT. Of the 34 approved, only 4 were conditionally approved and were provided a one-time extension until they could meet all requirements. The resulting procedures are available on the NMDOT website:

http://dot.state.nm.us/content/dam/nmdot/OIG/Procedure_Determining_Overhead_Rate.pdf

Local Government Road Fund (LGRF) - selected high-risk cooperative agreements (completed 5/18/2017)

This audit was prompted by an OIG investigation, which identified instances of non-compliance with Sandoval County. This audit identified process problems with the Project Oversight Division (POD) not tracking or enforcing project closeout procedures. The audit also identified the D3 LGRF Liason was not maintaining the required project documentation. Specifically, the D3 LGRF Liason did not produce the Project Certifications and the As-Built Summary of Costs, in all ten of the ten projects sampled.

Investigations Section (Supervisor Amos Padilla)

An investigation tracking process was implemented in FY15 to provide the basis for future comparisons, types of investigations, sources of allegations and outcomes. The following Tables 4 through 8 identify FY17 measures.

The Investigations Section received 56 allegations in FY17. Of these, 6 reports were completed as ‘supplementals’ with additional information provided, 41 were completed as full investigations, 7 are on-going and 14 were closed with no report. Cases that were closed with no report either lacked the potential for evidence, the credibility of the allegation was not reliable or the allegation was previously resolved.
Table 4. OIG Investigation Count & Disposition

<table>
<thead>
<tr>
<th>Source</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opened</td>
<td>48</td>
<td>54</td>
<td>56</td>
</tr>
<tr>
<td>Supplemental Cases:</td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Total Reports:</td>
<td>51</td>
<td>55</td>
<td>62</td>
</tr>
<tr>
<td>Completed</td>
<td>43</td>
<td>40</td>
<td>41</td>
</tr>
<tr>
<td>On-Going</td>
<td>8</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Closed No Report</td>
<td>0</td>
<td>12</td>
<td>14</td>
</tr>
<tr>
<td>Referred to HR</td>
<td>0</td>
<td>2</td>
<td>0</td>
</tr>
</tbody>
</table>

Similar to prior years, internal leads continue to be the strongest source of allegations. The OIG promotes ethical behavior during monthly presentations at the New Employee Orientation Meetings. This was expanded upon in FY17 by presenting Ethics Training with the Technician Training and Certification Program (TTCP) at Districts 2 and 6. External leads became the second strongest source of allegations, followed by the hotline. Many hotline callers request anonymity, which the OIG will continue to honor unless required by law. In FY17, the OIG received 12 anonymous allegations, of which half resulted in evidence supporting the allegation.

Table 5: Sources of Allegations

<table>
<thead>
<tr>
<th>Source</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY17 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>External</td>
<td>6</td>
<td>21</td>
<td>19</td>
<td>34%</td>
</tr>
<tr>
<td>Gov's Office</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Hotline</td>
<td>15</td>
<td>4</td>
<td>13</td>
<td>23%</td>
</tr>
<tr>
<td>Hotline email</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Internal</td>
<td>25</td>
<td>28</td>
<td>23</td>
<td>41%</td>
</tr>
<tr>
<td>OSA</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>48</td>
<td>54</td>
<td>56</td>
<td>100%</td>
</tr>
</tbody>
</table>

The types of allegations are varied and classified into the following 12 categories, identified in Table 6 below. The top four most common allegations were: (1) misconduct, (2) theft, (3) per diem fraud and (4) misuse of state vehicle.
Table 6: OIG Type of Allegation by Category

<table>
<thead>
<tr>
<th>Type of Allegation</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>3 yrs combined</th>
<th>3 yrs combined %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Conflict of interest</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>8</td>
<td>5%</td>
</tr>
<tr>
<td>2 Drugs/Alcohol</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>3</td>
<td>2%</td>
</tr>
<tr>
<td>3 Fraud</td>
<td>2</td>
<td>0</td>
<td>3</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>4 Inappropriate Computer Use</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>4%</td>
</tr>
<tr>
<td>5 Improper Payments</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>5</td>
<td>3%</td>
</tr>
<tr>
<td>6 Misconduct</td>
<td>11</td>
<td>9</td>
<td>15</td>
<td>35</td>
<td>22%</td>
</tr>
<tr>
<td>7 Misuse of a State Vehicle</td>
<td>5</td>
<td>8</td>
<td>7</td>
<td>20</td>
<td>13%</td>
</tr>
<tr>
<td>8 Other</td>
<td>7</td>
<td>5</td>
<td>3</td>
<td>15</td>
<td>9%</td>
</tr>
<tr>
<td>9 Per Diem Fraud</td>
<td>6</td>
<td>11</td>
<td>5</td>
<td>22</td>
<td>14%</td>
</tr>
<tr>
<td>10 Theft</td>
<td>10</td>
<td>8</td>
<td>11</td>
<td>29</td>
<td>18%</td>
</tr>
<tr>
<td>11 Time Fraud</td>
<td>1</td>
<td>7</td>
<td>2</td>
<td>10</td>
<td>6%</td>
</tr>
<tr>
<td>12 Tobacco Use in state vehicle</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>48</td>
<td>55</td>
<td>56</td>
<td>159</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: OIG Investigation Log

The following Table 7 shows allegation categories where evidence supported the allegation or not. This may indicate which categories offer more availability of evidence, as well as the credibility of the allegation. For example, the inappropriate computer use has a percentage of 75% supporting the allegation, while the per diem fraud category has a percentage of 75% where the evidence refutes the allegation. The OIG Investigations Section showed much improvement in cases supported by evidence from 29% FY16, to 58% in FY17.
Table 7: FY17 OIG Closed Investigations by Type and Disposition*

<table>
<thead>
<tr>
<th>Type of Allegation</th>
<th>Closed no report</th>
<th>Does Not Support</th>
<th>Evidence Supports</th>
<th>Inconclusive</th>
<th>Grand Total*</th>
<th>% Closed no report</th>
<th>% Evidence does not support</th>
<th>% Evidence supports</th>
<th>% Inconclusive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict of interest</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>0%</td>
<td>33%</td>
<td>67%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fraud</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>50%</td>
<td>0%</td>
<td>50%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inappropriate Computer Use</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>0%</td>
<td>0%</td>
<td>75%</td>
<td>25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misconduct</td>
<td>3</td>
<td>2</td>
<td>8</td>
<td>23%</td>
<td>15%</td>
<td>62%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Misuse of a State Vehicle</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>0%</td>
<td>14%</td>
<td>71%</td>
<td>14%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>3</td>
<td>3</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per Diem Fraud</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>0%</td>
<td>75%</td>
<td>25%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theft</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>10</td>
<td>40%</td>
<td>10%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>Time Fraud</td>
<td>1</td>
<td>1</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
<td>0%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>8</td>
<td>9</td>
<td>29</td>
<td>4</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Grand Total % 16% 18% 58% 8% 100% 16% 18% 58% 8%

*note: 6 cases are on-going and have not been completed

Source: OIG Investigation Log

The following Table 9 identifies OIG activity by District. This measure indicates the volume of allegations reaching the OIG, not necessarily an indication of conduct. The Districts are encouraged to use the OIG services and an increase in activity is viewed as a positive trend.

Table 8: FY17 OIG Allegations by District

<table>
<thead>
<tr>
<th>Type of Allegation</th>
<th>D1</th>
<th>D2</th>
<th>D3</th>
<th>D4</th>
<th>D5</th>
<th>GO</th>
<th>Multiple</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflict of interest</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Fraud</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Inappropriate Computer Use</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td>2</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Misconduct</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Misuse of a State Vehicle</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Per Diem Fraud</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td>1</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Theft</td>
<td>1</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td>Time Fraud</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>2</td>
<td>7</td>
<td>8</td>
<td>13</td>
<td>11</td>
<td>2</td>
<td>12</td>
<td>1</td>
</tr>
<tr>
<td>Grand Total % 4% 13% 14% 23% 20% 4% 21% 2% 100%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: OIG Investigation Log
Vehicle Abuse:

On April 28, 2014, the Santa Fe New Mexican ran a front-page story that identified 191 state workers lost vehicle privileges in FY13. The NMDOT was not listed in the report because the General Services Department (GSD) did not receive or track complaints for NMDOT vehicles.

On May 29, 2014, the GSD Transportation Services Director, requested that the NMDOT comply with 1.5.3.10 (C)(2) NMAC, “all state vehicles must display the 1-800-627-6639 vehicle abuse bumper sticker”. On July 18, 2014, the NMDOT Fleet Manager began distributing the bumper stickers for all NMDOT vehicles. By August of 2014, all NMDOT vehicles complied with the NMAC and the GSD began receiving complaints of alleged NMDOT vehicle abuses.

The OIG began tracking vehicle abuse data in FY15. This data includes the source of the complaint, the type of abuse reported and the District where the allegation occurred, provided in Tables 9, 10 and 11 below. The NMDOT improved (decreased) the number of complaints by 16, or 22%, from FY16 to FY17 (Table 9). The FY17 number remains above the FY15 count. The majority of the complaints were received from the General Services Department (GSD) and represent 77% of the total (Table 9).

<table>
<thead>
<tr>
<th>Source of Complaint</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY17 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXTERNAL</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>GSD</td>
<td>42</td>
<td>63</td>
<td>43</td>
<td>77%</td>
</tr>
<tr>
<td>HOTLINE</td>
<td>6</td>
<td>4</td>
<td>9</td>
<td>16%</td>
</tr>
<tr>
<td>INTERNAL</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>5%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>54</td>
<td>72</td>
<td>56</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: OIG Speeding & Reckless Driver Data

The NMDOT has seen a 52% reduction in speeding, from 27 complaints in FY16 to 13 in FY17, but a small increase in cell phone use. Reckless driving was the top allegation, followed by speeding (Table 10).
Table 10. NMDOT Vehicle Allegations by Category

<table>
<thead>
<tr>
<th>Allegation:</th>
<th>FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY17 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cell phone use</td>
<td>5</td>
<td>5</td>
<td>7</td>
<td>13%</td>
</tr>
<tr>
<td>Illegally parked</td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Reckless driving</td>
<td>27</td>
<td>32</td>
<td>29</td>
<td>52%</td>
</tr>
<tr>
<td>Reckless Driving &amp; cell phone</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Speeding</td>
<td>20</td>
<td>27</td>
<td>13</td>
<td>23%</td>
</tr>
<tr>
<td>Reckless driving AND Speeding</td>
<td>0</td>
<td>4</td>
<td>3</td>
<td>5%</td>
</tr>
<tr>
<td>Texting while driving</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Discourteous driver</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>54</td>
<td>70</td>
<td>56</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: OIG Speeding & Reckless Driver Data

Similar to previous years FY15 and FY16, the General Office had the highest number of allegations. (Table 11).

Table 11. FY17 NMDOT Vehicle Abuse Allegations by Location

<table>
<thead>
<tr>
<th>Allegation:</th>
<th>D1</th>
<th>D2</th>
<th>D3</th>
<th>D4</th>
<th>D5</th>
<th>D6</th>
<th>GO</th>
<th>ITS</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discourteous driver</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Driving w cell phone</td>
<td></td>
<td>2</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>Illegally Parked</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Reckless driving</td>
<td>3</td>
<td>1</td>
<td>9</td>
<td>1</td>
<td>5</td>
<td>3</td>
<td>6</td>
<td>1</td>
<td>29</td>
</tr>
<tr>
<td>Reckless Driving &amp; cell phone</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Reckless driving AND Speeding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Speeding</td>
<td>3</td>
<td>1</td>
<td></td>
<td>2</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Texting while driving</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>FY17 Grand Total</td>
<td>6</td>
<td>3</td>
<td>13</td>
<td>2</td>
<td>10</td>
<td>4</td>
<td></td>
<td>2</td>
<td>56</td>
</tr>
<tr>
<td>FY17 Grand Total % by District</td>
<td>11%</td>
<td>5%</td>
<td>23%</td>
<td>4%</td>
<td>18%</td>
<td>7%</td>
<td>29%</td>
<td>4%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: OIG Speeding & Reckless Drivers Data

Compared to the prior FY, nearly all Districts showed improvement (reduction) in the number of NMDOT vehicle abuse allegations received (Table 12).
Table 12. Vehicle Abuse Trend from Prior FY

<table>
<thead>
<tr>
<th>Location</th>
<th>FY16</th>
<th>FY17</th>
<th>Incr/decr from FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>5</td>
<td>6</td>
<td>20%</td>
</tr>
<tr>
<td>D2</td>
<td>6</td>
<td>3</td>
<td>-50%</td>
</tr>
<tr>
<td>D3</td>
<td>13</td>
<td>13</td>
<td>0%</td>
</tr>
<tr>
<td>D4</td>
<td>3</td>
<td>2</td>
<td>-33%</td>
</tr>
<tr>
<td>D5</td>
<td>17</td>
<td>10</td>
<td>-41%</td>
</tr>
<tr>
<td>D6</td>
<td>5</td>
<td>4</td>
<td>-20%</td>
</tr>
<tr>
<td>GO</td>
<td>18</td>
<td>16</td>
<td>-11%</td>
</tr>
<tr>
<td>ITS</td>
<td>0</td>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>Training Acad</td>
<td>2</td>
<td>0</td>
<td>-100%</td>
</tr>
<tr>
<td>Unknown</td>
<td>3</td>
<td>0</td>
<td>-100%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>72</td>
<td>56</td>
<td>-22%</td>
</tr>
</tbody>
</table>

Source: OIG Speeding & Reckless Drivers Data

The OIG Vehicle Abuse Program requires the supervisor of the employee to respond in writing to both the OIG and the GSD to comply with 1.5.3.1(F) NMAC. The NMAC requires a copy of a current Defensive Driving Certificate, driver’s license number, and corrective action taken to be provided to the GSD for each allegation. This process was expanded in FY17 to include a signed statement by the employee.

**Damage Claims:**

The Commission Policy 30 requires the OIG to maintain records of claims for damages to NMDOT property, and coordinate with the Financial Services Division (FSD) to collect amounts owed. The collections function is performed by the FSD and the OIG performs the valuation of the damages working in concert with the Risk Managers at the various District and General Office locations. Only damages that have been repaired and have an actual cost are tracked as claims. Those claims that are considered collectible are forwarded to the FSD for collections.

The majority of the accidents occur to guardrails, followed by barbed wire fences, signs and cable barriers.

During FY17, the Damage Claims Programs forwarded 14 claims to the Accounting Services Division totaling $16,460. The collections rate improved over the previous FY, with $25,160 collected in FY17, compared to $14,304 in FY16. These collections include amounts billed from prior years. The NMDOT will consider outsourcing the collections piece of this Program in FY18.
Information Security Officer:

During the past year, the Information Security Officer (ISO), Shannen Barela, has worked closely with management in reviewing the agency’s policies and procedures in order to expand and advance the Department’s security initiatives. Quarterly ISO meetings are conducted to identify and mitigate risks.

Several 2017 accomplishments include improving compliance with our AD-405 Information Systems Security. For the Fiscal Year ending 6/30/17, the following accomplishments are recognized:

- Varonis – Several new reports were generated within Varonis software to improve audit trails and accountability. Established separation of job duties within Varonis audit server.
- Admin rights granted to OIG in order to conduct investigations and ensure compliance to all security servers.
- Deleted anonymous and guest accounts with network team.
- Established IT security training via display monitor in GO Lobby and Intrans.
- Established process for all network IT work orders to be sent to ISO in order to perform audits with Varonis.
- Generated report of users with external personal hard drives. This audit will be conducted annually.
- Generated report using Varonis to find 400+ stale accounts. Accounts were then disabled and emails were closed out.
- Discontinued Forcepoint software and now utilizing Check Point to perform our URL filtering resulting in $40,000 in Department savings.
- Established procedure to have users create TrackIT tickets for blocked websites.
- Established procedure for cloud storage documents sent via FTP.
- Established email alerts in Check Point to receive IT audit reports such as policy modifications and suspicious IP’s.
- Initiated a process to have IT managers comply with AD 405, 4.01e (2) on 6 month basis.
- Established procedure for security logs to be sent to ISO once a month.
- Established procedure when firewall alerts are received.
- Established rule for SSN email alerts being sent out of the Department.

Certified Property Losses:

When losses occur from lost, damaged or stolen property, Certified Property Loss (CPL) forms are sent by the Districts and the General Office to the Asset Management Section within the Financial Services Division. The Asset Management
Section forwards these forms to the OIG and Risk Management. Of the losses reviewed in FY17, all Districts are providing the CPL’s as required by policy.

### Table 13. NMDOT Damaged, Lost, Stolen or Destroyed Items

<table>
<thead>
<tr>
<th>District</th>
<th>FY 15 Count of Incidents</th>
<th>FY 15 Dollar Value</th>
<th>FY 16 Count of Incidents</th>
<th>FY 16 Dollar Value</th>
<th>FY 17 Count of Incidents</th>
<th>FY 17 Dollar Value</th>
<th>3 Year Total Count of Incidents</th>
<th>3 Year Total Dollar Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>$0</td>
<td>-</td>
<td>$0</td>
<td>4</td>
<td>$34,473</td>
<td>4</td>
<td>$34,473</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>$54,914</td>
<td>-</td>
<td>$0</td>
<td>5</td>
<td>$65,900</td>
<td>8</td>
<td>$120,814</td>
</tr>
<tr>
<td>3</td>
<td>6</td>
<td>$16,011</td>
<td>1</td>
<td>$1,090</td>
<td>7</td>
<td>$12,844</td>
<td>14</td>
<td>$29,945</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>$1,400</td>
<td>1</td>
<td>$300</td>
<td>4</td>
<td>$12,500</td>
<td>8</td>
<td>$14,200</td>
</tr>
<tr>
<td>5</td>
<td>15</td>
<td>$27,770</td>
<td>17</td>
<td>$3,691</td>
<td>2</td>
<td>$14,306</td>
<td>34</td>
<td>$45,767</td>
</tr>
<tr>
<td>6</td>
<td>3</td>
<td>$32,610</td>
<td>2</td>
<td>$25,001</td>
<td>2</td>
<td>$102,476</td>
<td>7</td>
<td>$160,087</td>
</tr>
<tr>
<td>GO</td>
<td>1</td>
<td>$18,789</td>
<td>2</td>
<td>$2,555</td>
<td>3</td>
<td>$4,556</td>
<td>6</td>
<td>$25,900</td>
</tr>
<tr>
<td>Training Academy</td>
<td>-</td>
<td>$0</td>
<td>2</td>
<td>$2,076</td>
<td></td>
<td></td>
<td>2</td>
<td>$2,076</td>
</tr>
<tr>
<td>Grand Total</td>
<td>31</td>
<td>$151,494</td>
<td>25</td>
<td>$34,713</td>
<td>27</td>
<td>$247,055</td>
<td>83</td>
<td>$433,262</td>
</tr>
</tbody>
</table>

Source: OIG Certified Property Loss Data

Of the amount reported from all Districts and the GO, the top eight are provided below.

### Table 14. Top eight CPL losses reported FY17

<table>
<thead>
<tr>
<th>District</th>
<th>Type of Loss</th>
<th>Police Report (Yes/No)</th>
<th>Item Description</th>
<th>FA#</th>
<th>Acquisition</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>Destroyed</td>
<td>Yes</td>
<td>2002 International 99001</td>
<td>16459</td>
<td>$69,084.00</td>
</tr>
<tr>
<td>2</td>
<td>Destroyed</td>
<td>Yes</td>
<td>2008 Chevrolet Silverado/1GCHK29668E183726</td>
<td>31095</td>
<td>$34,129.00</td>
</tr>
<tr>
<td>6</td>
<td>Destroyed</td>
<td>Yes</td>
<td>2015 Ford F250 crew cab 4WD</td>
<td>50599</td>
<td>$33,392.00</td>
</tr>
<tr>
<td>2</td>
<td>Total Loss</td>
<td>No</td>
<td>1991 belly dump trailer</td>
<td>35897</td>
<td>$24,543.00</td>
</tr>
<tr>
<td>1</td>
<td>Damaged</td>
<td>Yes</td>
<td>1998 Chevy Pickyp</td>
<td>37005</td>
<td>$15,925.00</td>
</tr>
<tr>
<td>5</td>
<td>Stolen</td>
<td>soon</td>
<td>Welding Trailer, Miller Bobcat Welder, O2 &amp; Acetylen tanks, supplies</td>
<td>3468N</td>
<td>$13,127.00</td>
</tr>
<tr>
<td>1</td>
<td>Destroyed</td>
<td>Yes</td>
<td>2006 Dodge Sedan</td>
<td>30286</td>
<td>$12,188.00</td>
</tr>
<tr>
<td>1</td>
<td>Stolen</td>
<td>Yes</td>
<td>Steam Cleaner 15031396</td>
<td>00077N</td>
<td>$4,381.26</td>
</tr>
</tbody>
</table>

Source: OIG Certified Property Loss Data
OIG Goals for 2018 include:

- Refining the external audit procedures for engineering consultant overhead rates.
- Participation in professional organizations such as ACFE, IIA and AIG to promote training and professional certifications within the OIG in the areas of Certified Fraud Examiner and Certified Internal Auditor.
- Pro-active Investigator visits to District Patrols and Project Offices
- Working towards a paperless records process
- Contracting the collection services for Damage Claims Program
- OIG Self-Assessment for GAGAS compliance to include file retention
- Updated OIG Handbook FY18

For more information or questions, please contact Jeff Canney, Inspector General at 505-469-9107 or Nicole Frankland, Deputy Inspector General at 505-795-4590.
**FY17 Annual Report: Exhibit 1**
**OIG Reports from Previous Fiscal Year Plan, Completed in FY17**

<table>
<thead>
<tr>
<th>Count</th>
<th>Reports started in Previous FY but Completed in FY17:</th>
<th>Status/Findings:</th>
<th>Corrective Action:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Professional Service Agreements</td>
<td>completed 7/5/16, purchase orders (encumbrances) being completed after contract execution</td>
<td>Procurement Division will implement business process to prevent expenditures incurred prior to encumbrance.</td>
</tr>
<tr>
<td>2</td>
<td>Farmington Metropolitan Planning Organization</td>
<td>completed 10/3/16, FMPO billed for expenditures prior to award, work began prior to encumbrance</td>
<td>NMDOT adopted 'advance construction policy' to obligate &amp; encumber 100% of funding on October 1st to eliminate incurring costs prior to encumbrance.</td>
</tr>
<tr>
<td>3</td>
<td>Northwest Regional Transportation Planning Organization</td>
<td>completed 12/12/16, work began prior to encumbrance, costs incurred prior to award</td>
<td>Planning Procedures Manual is scheduled for amendments Spring 2017, to standardize templates and improve budgets and invoicing.</td>
</tr>
<tr>
<td>4</td>
<td>Accounting of Capital Assets/Heavy Equipment Transfers</td>
<td>completed 12/29/16, 8% of items tested (13/170) were not accurately accd for in SHARE and/or Fleet</td>
<td>identified Fleet Mgt was not involved in trnsfr process, policy AND form was amended.</td>
</tr>
<tr>
<td>5</td>
<td>NMDOT Per Diem Expenditures and Policy</td>
<td>completed 10/14/2016, identified an incr trend in expenditures, confusing policy for staff and mgt</td>
<td>assigned to PPC for possible rewrite.</td>
</tr>
</tbody>
</table>

Source: OIG 3/7/17
### Exhibit 2
FY17 OIG Audit Plan Status: October 5, 2017

<table>
<thead>
<tr>
<th>Program: Count</th>
<th>FY17 Audit Plan:</th>
<th>Status/Findings:</th>
<th>Corrective Action:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business Support</strong></td>
<td>1</td>
<td>Closing computer access and employed status for past NMDOT employees and contractors</td>
<td>Completed 9/12/2016</td>
</tr>
<tr>
<td><strong>Infrastructure &amp; Maintenance</strong></td>
<td>2</td>
<td>Local Government Road Fund – Selected high-risk cooperative agreements</td>
<td>Completed 5/18/17</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Indirect cost rate process and internal controls for Engineering Design contracts</td>
<td>Completed 11/7/16: Best practices identified for implementation</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>Engineering Design Manual contract, deliverables and process</td>
<td>Completed 6/7/17</td>
</tr>
<tr>
<td><strong>Highway Operations &amp; Construction</strong></td>
<td>5</td>
<td>Construction federal non-participations</td>
<td>Completed 9/25/17</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Construction change orders on disproportionate bid items exceeding 10%</td>
<td>Completed 7/5/17</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>Wright Express fuel reports - trend analysis and internal controls</td>
<td>Completed 7/27/17</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>NMDOT Security Cameras – assess inventory and internal controls</td>
<td>Completed 7/27/17</td>
</tr>
<tr>
<td><strong>Construction audits of selected federal, state and local projects:</strong></td>
<td>9</td>
<td>Moriarty Project Office</td>
<td>Completed 10/24/2016</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Hilltop Project Office</td>
<td>Completed 11/7/2016</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>Williamsburg Project Office</td>
<td>Completed 4/18/17</td>
</tr>
<tr>
<td></td>
<td>12</td>
<td>Carlsbad Project Office</td>
<td>Completed 1/14/17</td>
</tr>
<tr>
<td></td>
<td>13</td>
<td>Follow up of Milan Project Office</td>
<td>Completed 9/14/2016</td>
</tr>
<tr>
<td></td>
<td>14</td>
<td>Follow up of Carlsbad Project Office</td>
<td>Completed 4/28/17</td>
</tr>
<tr>
<td></td>
<td>15</td>
<td>Follow up of Moriarty Project Office</td>
<td>Completed 11/17/2016</td>
</tr>
<tr>
<td></td>
<td>16</td>
<td>Follow up of Anthony Project Office</td>
<td>Completed 9/20/2016</td>
</tr>
<tr>
<td><strong>Modal</strong></td>
<td>17</td>
<td>Federal Transit Administration (FTA) Public Transportation Funds: Section 5310 Enhanced Mobility of Seniors &amp; Disabled and Section 5311 Other Than Urban Areas</td>
<td>Completed 10/5/17</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status</th>
<th>Count of Reports: FY17</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>completed on FY17 plan</td>
<td>17</td>
<td>100%</td>
</tr>
<tr>
<td>assigned/not completed FY17 plan</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total</td>
<td>17</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: OIG 10/5/17
<table>
<thead>
<tr>
<th>Company/Organization</th>
<th>Date of O/H Rate (aka FYE)</th>
<th>OIG approval expiration date: 6 mos after NEXT FYE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AECOM Technical Services, Inc.</td>
<td>9/30/2016</td>
<td>4/1/2018</td>
</tr>
<tr>
<td>Applied Pavement Technology</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Bohannan-Huston, Inc.</td>
<td>3/31/2016</td>
<td>5/31/2018</td>
</tr>
<tr>
<td>Cambridge Systematics, Inc.</td>
<td>11/30/2016</td>
<td>6/1/2018</td>
</tr>
<tr>
<td>Cardno</td>
<td>6/30/2016</td>
<td>12/30/2017</td>
</tr>
<tr>
<td>CH2M HILL</td>
<td>12/30/2016</td>
<td>7/1/2018</td>
</tr>
<tr>
<td>CobbFendley</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Delta Airport</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Golder Assoc.</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Halff Associates</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>HDR Engineering, Inc.</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Horrocks Engineers, Inc.</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Huitz Zollars</td>
<td>1/31/2017</td>
<td>8/2/2018</td>
</tr>
<tr>
<td>Interia, Inc.</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Jacobs Engineering</td>
<td>9/30/2016</td>
<td>4/1/2018</td>
</tr>
<tr>
<td>Lee Engineering</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Louis Berger</td>
<td>7/1/2016</td>
<td>12/31/2017</td>
</tr>
<tr>
<td>Molzen Corbin</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Occam Consulting Engineers, Inc.</td>
<td>12/31/2016</td>
<td>5/31/2018</td>
</tr>
<tr>
<td>Parametrix</td>
<td>12/30/2016</td>
<td>7/1/2018</td>
</tr>
<tr>
<td>Quantum Spatial, Inc.</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Quiroga Pfeiffer Engineering</td>
<td>12/31/2016</td>
<td>5/31/2018</td>
</tr>
<tr>
<td>Radian Engineering, LLC.</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Respec Consulting Services</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Smith Engineering Company</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Souder Miller &amp; Associates</td>
<td>10/31/2016</td>
<td>5/2/2018</td>
</tr>
<tr>
<td>T.Y. Lin International</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Terracon Consultants, Inc.</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>Tierra Right of Way</td>
<td>12/31/2016</td>
<td>5/31/2018</td>
</tr>
<tr>
<td>TRC Companies, Inc.</td>
<td>6/30/2016</td>
<td>12/30/2017</td>
</tr>
<tr>
<td>WHPacific</td>
<td>9/30/2016</td>
<td>4/1/2018</td>
</tr>
<tr>
<td>Wilson &amp; Company</td>
<td>12/30/2016</td>
<td>7/1/2018</td>
</tr>
<tr>
<td>WSP</td>
<td>12/31/2016</td>
<td>7/2/2018</td>
</tr>
<tr>
<td>YeDoma Consultants, LLC.</td>
<td>5/31/2018</td>
<td></td>
</tr>
</tbody>
</table>
Tab 8b1
FHWA Process Review Non-Participating Change Orders
SUBJECT: FHWA Process Review
   Non-Participating Change Orders

PRESENTER: Max Valerio

BACKGROUND:

FHWA conducted a Process Review to assess the impact on NMDOT’s construction program as a result of Non-Participating Change Orders. The review provided causes as well as recommendations for improvement.

ACTION: No Action
FHWA – New Mexico Division Office
Santa Fe, New Mexico
1. To assess the impact on NMDOT’s construction program as a result of Non-participating Change Orders.

2. Identify causes and trends.

3. Evaluate and recommend opportunities for improvement.
Process

- Evaluated three Federal Fiscal years of Change Order data (2014-2016)
- Identify the number and costs of Non-participating Change Orders (Type 16)
- Categorize major attributable causes resulting in a Non-participating Change Order
- Assemble data by cause and by District
- Develop recommendations
The charts above reflect the NMDOT program under construction for each respective year as reported by its State Construction Bureau.

FFY 2014 reported 68, Type 16 change orders at a value of $2,782,034 which represents 0.90% of the total program under construction that year.

FFY 2015 reported 64, Type 16 change orders at a value of $1,381,712 which represents 0.41% of the total program under construction that year.

FFY 2016 reported 76, Type 16 change orders at a value of $2,990,911 which represents 1.24% of the total program under construction that year.
Categories by Cause

FFY 2014 - Type 16 Breakdown

- 49% Utility Delays
- 30% LPA Assigned
- 11% Interst/Late Payment
- 6% Settlements
- 3% Ineligible Work/Item
- 0% Construction Established
- 0% GRT

FFY 2014 - Type 16 Breakdown

- $9,928 Utility Delays
- $165,588 GRT
- $305,254 Settlements
- $85,238 Interst/Late Payment
- $822,655 LPA Assigned
- $30,898 Ineligible Work/Item
- $9,131 Design Error
Categories by Cause

FFY 2015 - Type 16 Breakdown

- Design Error: 0%
- Ineligible Work/Item: 0%
- Construction Established: 18%
- LPA Assigned: 24%
- Interst/Late Payment: 6%
- Settlements: 0%
- GRT: 0%
- Utility Delays: 52%

FFY 2015 - Type 16 Breakdown

- Design Error: 0%
- Ineligible Work/Item: 0%
- Construction Established: 18%
- LPA Assigned: 24%
- Interst/Late Payment: 6%
- Settlements: 0%
- GRT: 0%
- Utility Delays: 52%

* $720,000

* $1,201

* $243,564

* $331,446

* $85,459
Impact by District

FFY 2014 - Type 16 District Breakdown

District Breakdown:
- D-1: $74,272.73
- D-2: $1,720,299.74
- D-3: $275,940.99
- D-4: $775,621.72
- D-5: $113,649.79

Type 16 Total: $2,782,034 (0.9%)
FFY Total Bid Amount: $310,232,462

FFY 2015 - Type 16 District Breakdown

District Breakdown:
- D-1: $206,208.67
- D-2: $965,672.08
- D-3: $206,208.67
- D-4: $6,242.14
- D-5: $105,387.90
- D-6: $23,586.44

Type 16 Total: $1,381,712 (0.41%)
FFY Total Bid Amount: $334,925,923

FFY 2016 - Type 16 District Breakdown

District Breakdown:
- D-1: $688,905.44
- D-2: $244,192.18
- D-3: $40,282.97
- D-4: $732,941.10
- D-5: $234,183.21
- D-6: $1,050,044.97

Type 16 Total: $2,990,911 (1.24%)
FFY Total Bid Amount: $241,998,320
Conclusion

- Overall impact on NMDOT’s construction program is fairly insignificant with the average of three fiscal years being less than 1%.

- Impact on an individual District’s annual State Maintenance budget may be impacted as a result of having to use 100% state money.

- Highest costing causes by order were:
  1. Settlements & justifications therein
  2. Inadequate documentation or justification.
  3. Design Errors and Omissions
Recommendations

- Improve change order documentation and supporting information
- Ensure independent analyses are included in every change order
- Implement Design QC/QA procedures to minimize potential for Design Errors
- Implement NMDOT’s new Design Error and Omission policy which may allow for recovery of costs
Questions??
Tab 8b2
Request to Change the Designated Primary and Alternate Routes to the WIPP for the National TRU Program Southern Transportation Corridor
SUBJECT: Approval of the Request to Change the Designated Primary & Alternate Route to the WIPP for the National TRU Program Southern Transportation Corridor

PRESENTER: James Mason, DOE-CBFO

BACKGROUND:

ACTION: Respectfully Request the STC Take Action
Mr. Tom Church  
Cabinet Secretary  
New Mexico Department of Transportation  
P.O. Box 1149  
Santa Fe, NM 87504

Subject: Request to Change the Designated Primary and Alternate Routes to the Waste Isolation Pilot Plant for the National TRU Programs Southern Transportation Corridor

Dear Secretary Church:

Currently shipments from Savanna River Site (SRS) and Oak Ridge National Laboratories (ORNL) utilize the designated primary Southern Corridor approach entering New Mexico on US 285 from Pecos, Texas, through Carlsbad to the Waste Isolation Pilot Plant (WIPP) Site. The negotiated primary route approved for use is as follows:

- Starting at the TX/NM border on US 285 from Pecos TX, proceeding north on US 285 to the junction with US 62/180 in Carlsbad NM, then proceeding east on US 62/180 to the intersection with the WIPP North Access Road, then traveling south on the WIPP North Access Road and terminating at WIPP site.

Since 2008 due to issues on US 285 beginning with required box culvert repairs and later concerns with the potential sinkhole at the intersection of US 285 and US 62/180, it has been necessary to maintain designated alternate routes for the final approach to WIPP. The State Transportation Commission has provided an annual reauthorization to the WIPP to utilize three alternate routes in Southeastern New Mexico. During calendar year 2015 these alternate routes were not utilized during the ongoing recovery effort at the WIPP and lack of shipping activities, subsequently the alternate routes were not reauthorized.

With the resumption of TRU Waste shipments, State Transportation Commission, Resolution No. 2017-01 authorized the temporary use of and created the “Hobbs Alternate Route” for the estimated 23 shipments departing from Waste Control Specialists (WCS) in Andrews, Texas destined for the WIPP facility in Southeast New Mexico. The negotiated alternate route approved for use in Resolution 2017-01 is as follows:

- With the point of origin at the WCS Andrews site, in Texas approximately 150 yards from the TX/NM border, proceeding west on NM 176 to the junction of NM 18, then traveling north on NM 18 to the Hobbs South Bypass to US 62/180, proceeding west on US 62/180 to the intersection with the WIPP North Access Road, then traveling south on the WIPP North Access Road and terminating at WIPP site.

After 6 months concurrent use of both the designated primary Southern Corridor approach from SRS and ORNL, and the Hobbs Alternate Route from WCS, it has become readily apparent that the traffic and road conditions along the Hobbs Alternate Route afford a far greater level of safety for WIPP destined transports in the shipping of TRU waste.
The congested traffic conditions, ongoing construction, narrow shoulders and bridges, and frequent turnouts along U.S. 285, a two lane road with many blind curves and hills, between Carlsbad and Pecos, TX presents far more threats and hazards to the safe transport of TRU waste than the predominately 4 lane divided highways of NM 18 and US 62/180.

Pursuant to the controlling federal rules under the Code of Federal Regulations (CFR) Title 49, Section 397, and in accordance with the provisions of the Western Governors’ Association (WGA) WIPP Program Implementation Guide (WIPP-PIG), and the exclusive authorities granted to the STC by the Radioactive and Hazardous Materials Act, NMSA 1978, Sections 74-4A-1 through 74-4A-14 (1991) to designate highway routes for the transportation of radioactive material; the USDOE desires to permanently designate the Hobbs Alternate Route as the “Primary Southern Corridor Approach” to the WIPP site for all future shipments entering the state of New Mexico from the south and east (Southern Corridor); and designate the Pecos/ 285/Carlsbad/62/180 route as the “Alternate Southern Corridor Approach”.

Authorizing the use of the Hobbs Alternate Route as the Primary Southern Corridor Approach will help comply with Federal Motor Carrier Safety Requirements preferring routes that limit risk to the public by maximizing use of divided highways. Use of this route will also address concerns raised by the State Transportation Commission regarding the use of the more rural roads currently utilized, where heavy oil field traffic, construction and lack of shoulders have been often cited.

Thank you for your consideration of our request. Should you require further information, please contact me at (575)234-7300 or Mr. James Mason, Institutional Affairs Manager, at (575) 234-7335.

Sincerely,

Todd Shrader, Manager
Carlsbad Field Office

cc:
J. Carswell, CBFO
M. Hall, CBFO
B. Mackie, CBFO
G. Basabivazo, CBFO
J. R. Stroble, CBFO
M. Brown, CBFO
A. Walker, CBFO
J. Mason, CBFO
*ED A. Johnson, WTS
ED A. Lujan, NMDOT
ED E. Travis, NMDOT
ED T. Parker, NMDOT
ED R. Padilla, NMDOT
ED R. Meeks, NMDOT
ED E. Trujillo, NMEMNRD
ED CBFO M&RC

*ED denotes electronic distribution
NM DOT WIPP ROUTES

Steps for Permanent Route Designation

Office of the General Counsel - Elizabeth Travis Deputy General Counsel (Nov 2017)
Andrews Highway, Eunice, NM to WIPP, Carlsbad, NM
Hobbs Alternate Route

Drive 72.7 miles, 1 h 10 min
Exclusive authority to designate permanent routes for the transport of radiological waste is vested in the State Transportation Commission.


The routes are designated in the federal “National Hazardous Materials Route Registry,” maintained by the USDOT, Federal Motor Carrier Safety Administration.

The routes are also identified by NMDOT rule. 18.20.9 NMAC (2001)
WHEN IS A ROUTE EFFECTIVE?

- The process is governed, in part, by
  - 49 CFR Part 397 and
  - the US DOT Guidelines for state selection of preferred routes for Controlled Quantity Shipments of Radioactive Materials

- A route analysis, which considers overall risk to the public
  - Substantive consultation with local jurisdictions and other neighboring states
  - State rule-making
  - Notice to FMSCSA and
  - Publication in the Registry
Authorize NMDOT to initiate the required activities; and

To work cooperatively with DOE-CBFO
  - Route Analysis
  - Public Outreach and
  - Consultations

Allow DOE-CBFO continued use of the temporary negotiated alternate route
  - during the pendency of the study and rule-making activities;
  - With periodic review and renewal of the STC Resolution permitting use
WHEREAS, on May 23, 2017, NMDOT received a request by the Department of Energy - Carlsbad Field Office (DOE-CBFO) to extend the term of State Transportation Commission (STC) Resolution No. 2016-05, as amended, to allow continued use of a temporary, negotiated alternate route allowing transuranic (TRU) waste shipments, highway route controlled quantity shipments of radioactive materials, originating at the Waste Control Specialists, L.L.C. (WCS) Andrews, Texas site to be delivered to the Waste Isolation Pilot Plant (WIPP); and

WHEREAS, DOE-CBFO was unable to complete the transport of the authorized shipments within the allotted timeframe of Resolution No. 2016-05 and requires additional time to schedule, coordinate, and prepare for the safe transport of the WCS materials to the WIPP site; and

WHEREAS, DOE-CBFO has revised the number of potential shipments from 11 to 23 as necessary to transport the WCS materials to the WIPP site; and

WHEREAS, DOE-CBFO proposes amending the negotiated alternate route approved for use in Resolution 2016-05 to create a revised negotiated, alternate route (the “Hobbs Alternate Route”), which is as follows:

With the point of origin at the WCS Andrews site, in Texas approximately 150 yards from the TX/NM border, proceeding west on NM 176 to the junction of NM 18, then traveling north on NM 18 to the Hobbs South Bypass to US 62/180, proceeding west on US 62/180 to the intersection with the WIPP North Access Road, then traveling south on the WIPP North Access Road and terminating at WIPP site, (see Attachment I); and

WHEREAS, the Hobbs Alternate Route is 13 miles shorter than the negotiated alternate route approved for use by Resolution 2016-05, (the “Jal Alternate Route”); and

WHEREAS, the WIPP Program Coordinator confirmed both the New Mexico Department of Public Safety and New Mexico State Police agree to a waiver of in-route TRU shipment CVSA Level VI inspections at the border, based on location of the point of origin and the more stringent point of origin inspection protocols for each of the identified shipments; and

WHEREAS, the Radioactive and Hazardous Materials Act, NMSA 1978, §§ 74-4A-1 through 74-4A-14 (2003), provides exclusive authority to the STC to designate highway routes for the transportation of radioactive material; and
WHEREAS, DOE-CBFO requests the Hobbs Alternate Route, a temporary, negotiated alternative route, be established within New Mexico to allow the shipments access to the WIPP site pursuant to the controlling federal rules under the Code of Federal Regulations (CFR) Title 49, Section 397, and in accordance with the provisions of the Western Governors' Association (WGA) WIPP Program Implementation Guide (WIPP-PIG); and

WHEREAS, 49 CFR 397.101 permits DOE-CBFO to operate over a route, other than a designated, preferred route, where there is only one practicable highway route available, and where such deviation complies with criteria minimizing radiological risk and mileage based upon an appropriate route analysis determining the level of radiological risk; and

WHEREAS, WIPP-PIG, Section 12, “Highway Routing of WIPP Shipments” provides, as an alternative to designating an alternate route pursuant to 49 CFR 397.103, that a state routing agency may determine an alternate WIPP shipment route through a negotiation process with DOE-CBFO, where such negotiated alternate route takes into account the overall risk to the public, segment lengths, vehicle speeds, population, emergency response capabilities and other relevant factors and specific conditions with regard to WIPP shipments; and

WHEREAS, DOE-CBFO confirms that with respect to the proposed route, DOE-CBFO performed the route analysis required by the governing federal rule and the WGA WIPP-PIG; and

WHEREAS, the New Mexico State Transportation Commission and the NMDOT acknowledge DOE-CBFO’s relevant special expertise in this matter as well as its commitment to provide this technical, analytic assistance as part of its obligations to the State of New Mexico under the Memorandum of Agreement between the Western Governors and the U.S. Department of Energy concerning regional protocol for the safe transportation of transuranics to and from the Carlsbad WIPP site; and

WHEREAS, the need for the alternate route is both pressing and temporary, NMDOT concurs with DOE-CBFO assessment that the protocol adopted by the WGA was preferable, and best addressed the need for an alternate southern WIPP route; and

WHEREAS, as part of the negotiated alternate route agreement, DOE-CBFO will comply with any conditions related to the use of the temporary route should such be required by the New Mexico Department of Public Safety, Motor Transportation Division, or as further identified by the NMDOT; and

WHEREAS, in accordance with WIPP-PIG, Section 12, the temporary, negotiated Hobbs Alternate Route is effective upon notice to DOE-CBFO of the State Transportation Commission’s adoption of this Resolution, and will terminate on December 31, 2017, or after the 23rd shipment from the WCS, whichever occurs first.

NOW, THEREFORE, IT IS RESOLVED THAT THE NEW MEXICO STATE TRANSPORTATION COMMISSION approves the NMDOT-DOE agreement concerning a temporary, negotiated alternate southern WIPP route, identified as the Hobbs Alternate Route, for use by DOE for no more than 23 TRU shipments from the WCS site in Andrews, Texas to the WIPP facility; and
IT IS FURTHER RESOLVED, that the use of the Hobbs Alternate Route is conditioned on DOE-CBFO performance of any and all arrangements related to the transportation of transuranics along the route as may be required by the New Mexico Department of Public Safety, Motor Transportation Division or by the NMDOT, including but not limited to prior approval by the NMDOT District 2 Engineer and NMDOT Risk Management Director; and

IT IS FURTHER RESOLVED, that the temporary, negotiated alternate route is immediately effective and shall terminate after the 23rd shipment or on December 31, 2017, whichever occurs first.

ADOPTED BY THE STATE TRANSPORTATION COMMISSION IN OPEN MEETING ON JUNE 13, 2017.

[Signatures]

Ronald Schmeits, Chairman
District 4

Butch Mathews, Vice-Chairman
District 5

[Signature]
Dr. Kenneth White, Secretary
District 1

David Sepich, Commissioner
District 2

Keith Mortensen, Commissioner
District 3

Jackson Gibson, Commissioner
District 6
Tab 8c1

Brief on Proposed Designation of NM 347/Paseo Del Volcan as the “Pete V. Domenici Memorial Highway”
SUBJECT: Proposed dedication of a portion of NM 347/Paseo Del Volcan located in the City of Rio Rancho, Sandoval County, as the "Pete V. Domenici Memorial Highway."

PRESENTER: Kenneth Murphy, P.E., District Three Engineer

BACKGROUND:

The City of Rio Rancho and Sandoval County have respectively passed official resolutions requesting the Commission to consider designating NM 347/Paseo Del Volcan as the “Pete V. Domenici Memorial Highway,” and have submitted the same to the Commission and NMDOT, together with letters supporting the requested designation.

The total proposed length of NM 347 is 29.7 miles. The 7.1 mile section from US 550 to Unser Boulevard has been constructed and is currently owned by the State of New Mexico.

ACTION: No action is required at this time. The purpose of this briefing is to initiate discussion only.

November 16, 2017
October 11, 2017

Keith Mortensen, District 3 Transportation Commissioner
New Mexico Department of Transportation
P.O. Box 91750
Albuquerque, NM 87199-1750

Dear Commissioner Mortensen:

As the City of Rio Rancho’s Commissioner on the New Mexico Department of Transportation Commission, I am writing to make you aware of recent action taken by the Rio Rancho Governing Body.

At its September 27, 2017 meeting, by a vote of 6-0, the Governing Body approved of the attached resolution: Requesting the New Mexico State Transportation Commission to Consider Designating New Mexico 347/Paseo Del Volcan as the Pete V. Domenici Memorial Highway.

The City recognizes that the Commission has a policy and guidelines in place regarding the naming of State infrastructure. In regards to the fact that another State roadway in Dona Ana County (New Mexico 136) is already named after Senator Domenici, the City believes naming a second roadway after the senator is more than warranted and justified based upon Domenici’s nearly four decades of public service. Furthermore, this dual roadway designation should not cause confusion for the traveling public because of the distance between New Mexico 347 and New Mexico 136, which is more than 200 miles.

As you know, the only portion of New Mexico 347/Paseo Del Volcan that is currently constructed is in the City of Rio Rancho. This section of roadway was the impetus for all the economic activity, jobs, educational opportunities, and access to health care you see today in this area: Cleveland High School, UNM West, CNM, UNM Sandoval Regional Medical Center, City Hall, Santa Ana Star Center, and the Hewlett-Packard building home to three different employers.

While we hope that this roadway will ultimately be extended to Interstate 40 in the City of Albuquerque, the timeline for doing so is uncertain. Because of the Senator’s recent passing and support for Paseo Del Volcan, which is a very important roadway for Rio Rancho and the region in relation to current and future users, the City believes the appropriate time is now to make this designation. Waiting to do so at a later date, such as the completion of all extension work, would not be timely and could dilute the honor and recognition the City of Rio Rancho would like to see bestowed upon Senator Domenici, which is very much deserved.

Thank you for your time and consideration of this request.

Sincerely,

Keith J. Riesberg, City Manager
City of Rio Rancho

Enclosure: Adopted City of Rio Rancho Resolution Requesting the New Mexico State Transportation Commission to Consider Designating New Mexico 347/Paseo Del Volcan as the Pete V. Domenici Memorial Highway

Cc: Mayor of Rio Rancho Gregory D. Hull
    District 1 City Councilor Jim Owen
    NMDOT Cabinet Secretary Tom Church
    District 3 Engineer Kenneth Murphy
CITY OF RIO RANCHO
RESOLUTION

RESOLUTION NO. 55

SPONSOR: DISTRICT 1 CITY COUNCILOR JIM OWEN

ENACTMENT NO. 17-055

RESOLUTION REQUESTING THE NEW MEXICO STATE TRANSPORTATION
COMMISSION TO CONSIDER DESIGNATING NEW MEXICO 347/PASEO DEL VOLCAN AS
THE PETE V. DOMENICI MEMORIAL HIGHWAY

WHEREAS: Pete V. Domenici passed away on September 13, 2017; and

WHEREAS: Domenici was the longest-serving United States Senator in New
Mexico’s history having been elected to six, six-year terms beginning in 1972; and

WHEREAS: Senator Domenici’s tenure in the United States Senate resulted in him widely being
recognized as a statesman, a strong advocate for the people of New Mexico, and a
skilled legislator in relation to many policy matters; and

WHEREAS: approximately 7 miles of New Mexico 347/Paseo del Volcan is constructed in Rio
Rancho and extends from U.S. 550 to Unser Boulevard, and approximately 23
miles remain to connect Paseo del Volcan to Interstate 40 in the City of
Albuquerque; and

WHEREAS: Senator Domenici supported the construction of New Mexico 347/Paseo
del Volcan and in particular the portion constructed in Rio Rancho; and

WHEREAS: to honor Senator Domenici’s service to the State of New Mexico, the Rio Rancho
Governing Body would like to recognize Senator Domenici by naming a roadway
he supported after him; and

WHEREAS: Pursuant to State law and New Mexico State Transportation Commission policy,
the Commission must approve of the designation or dedication by name of any
New Mexico Department of Transportation building, bridge, interchange, highway,
transportation facility or other structure.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF RIO
RANCHO:

That the Governing Body requests that the New Mexico State Transportation
Commission consider designating New Mexico 347/Paseo del Volcan as the Pete V.
Domenici Memorial Highway.

ADOPTED THIS 27TH DAY OF SEPTEMBER, 2017.

Gregory D. Hull, Mayor

ATTEST:

Stephen J. Ruger, City Clerk
(SEAL)
October 10, 2017

Mr. Tom Church, Secretary
NM Dept. of Transportation
P.O. Box 1149
Santa Fe, NM, 87504-1149

Dear Secretary Church,

At the last Sandoval County Commission meeting Commissioner Dave Heil introduced the attached Resolution requesting consideration of re-naming Paseo del Volcan in Sandoval County to the Pete V. Dominici Boulevard.

The full commission voted in support of this measure. The Resolution outlines some of the history and desire to ask the NM Department of Transportation for consideration.

Please let me know if I need to share this resolution with anyone else or if there are other steps that may be taken to ensure that this request is considered and others are aware of this Resolution.

Thank you,

Dianne Maes, County Manager
Sandoval County

cc: Commissioner Dave Heil
Ken Murphey P.E., District 3
COUNTY OF SANDOVAL

RESOLUTION NO. 10-05-17.8A

REQUESTING THE NEW MEXICO STATE TRANSPORTATION COMMISSION TO CONSIDER DESIGNATING NEW MEXICO 347/PASEO DEL VOLCAN AS THE PETE V. DOMENICI MEMORIAL

WHEREAS, the governing body in and for the County of Sandoval, State of New Mexico, recognizes Pete V. Domenici as the longest serving United States Senator in New Mexico’s history having been elected to six, six year terms beginning in 1972; and

WHEREAS, Domenici supported the construction of New Mexico 347/Paseo del Volcan and to honor Domenici’s support and service, the Sandoval County Governing Body would like to recognize Domenici by naming a roadway after him; and

WHEREAS, Sandoval County has begun the process of obtaining right of way for the completion of Paseo Del Volcan, beginning at Unser to Rainbow and continues to identify resources to acquire the right of way from Rainbow to the Sandoval/Bernalillo County line to submit for federal assistance in the development; and

WHEREAS, pursuant to State Law and the New Mexico State Transportation Commission policy, the commission must approve of the designation or dedication by name of any New Mexico Department of Transportation building, bridge, Interchange, highway, transportation facility or other structure.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY:

Section 1. That all lawful actions previously taken by the Governing Body and the County of Sandoval and their respective officers and employees in connection with the Request are hereby ratified, approved and confirmed.

Section 2. All acts and resolutions in conflict with this Resolution are hereby rescinded, annulled and repealed.

Section 3. This Resolution shall take effect immediately upon its adoption.
APPROVED AND ADOPTED this 5th day of October, 2017.

BOARD OF COUNTY COMMISSIONERS
OF COUNTY OF SANDOVAL

Don G. Chapman, Chairman

David L. Heil, Vice Chairman

James Frederick Holden-Rhodes, Member

Jay C. Block, Member

F. Kenneth Eichwald, Member

Eileen Garbagnati, County Clerk

APPROVED AS TO FORM:

Heather Smallwood,
Assistant Sandoval County Attorney
Tab 8c2a
Proposed Amendments to CP No. 4, New Mexico State Transportation Commission Rules and Policies
SUBJECT: Proposed amendments to Commission Policy No. 4, New Mexico State Transportation Commission Rules and Policies (CP 4).

PRESENTER: Stephen Thies, Assistant General Counsel

BACKGROUND: CP 4 is the policy that governs the procedures by which the State Transportation Commission reviews and approves policy statements and NMDOT rules.

During the 2017 regular legislative session, the New Mexico legislature passed a bill that amended the New Mexico State Rules Act, NMSA 1978 Sections 14-4-1 et seq. Governor Martinez signed the bill on April 7, 2017, which became effective as of July 1, 2017.

It is necessary to amend Commission Policy 4 to align with the amended State Rules Act because the changes to the Act: (1) revise the definition of “rule”; (2) imposes additional rulemaking notice and filing requirements upon state agencies; (3) codifies emergency rulemaking requirements previously not enumerated in statute; (4) qualifies the content of a Notice of Proposed Rulemaking; (5) set new requirements for public rulemaking hearings; (6) imposes new requirements for posting every part of the rulemaking record; and (7) imposes new requirements for making every part of the rulemaking record available to the public.

On September 21, 2017, supplemental information was presented to the Commission concerning rulemaking publication in newspapers in each of the six transportation districts. At the conclusion of the presentation, the Commission requested additional information regarding publication costs and circulation numbers. NMDOT staff has compiled that information. A summary of the data is attached hereto.

ACTION: No action is required at this time. This is a draft to initiate discussion only.

November 16, 2017
New Mexico State Transportation
Commission Rules and Policies

Reference: New Mexico State Rules Act, NMSA 1978 Sections 14-4-1 et seq. and NMSA 1978, Sections 14-4-2, 67-3-2, and 67-3-11.

This Commission Policy supersedes Commission Policy No. 4 dated September 18, 2014/2009.

NMSA 1978, Section 67-3-2 charges the Commission with the determination of all matters of “policy” relating to the New Mexico Department of Transportation (hereinafter “Department”). Section 67-3-11 authorizes the Commission to make all rules and regulations as may be necessary to carry out the provisions of Chapter 67. Section 14-4-2 of the “State Rules Secords Act” defines “rules” as “any rule, regulation, or standard, including those that explicitly or implicitly implement or interpret a federal or state legal mandate or other applicable law and amendments thereto or repeals and renewals thereof, issued or promulgated by any agency and purporting to affect one or more agencies besides the agency issuing the rule or to affect persons not members or employees of the issuing agency, including affecting persons serviced by the agency including “statements of policy including amendments thereto or repeal thereof purporting to affect one or more agencies besides the agency issuing such rule or to affect persons not members or employees of such issuing agency.” Under law, the Commission’s power to set policy involves two (2) distinct procedures depending upon whether outside substantive interests are directly and intentionally affected by the promulgation of policy.

A. If the policy statement has only internal Departmental application without intent to enforce procedures directly affecting other agencies or non-employees, the following procedures apply:

1. The proposed policy shall be submitted to the Commission for study and evaluation prior to being submitted to the Commission for action.

2. The Commission shall submit proposed new and revised policy statements and policy statement waivers to the Secretary of Transportation (hereinafter “Secretary”) for placement on a future agenda for Commission action.

3. A policy shall be effective immediately upon approval of the Commission at a regular meeting, unless otherwise stipulated.
B. If a policy statement has external application that clearly and directly affects the substantive rights of agencies or individuals outside the Department when enforced, the policy shall be drafted, noticed and filed as a Department Rule in compliance with state law as follows:

1. A rule actionmaking, including new rules, rule amendment, rule supersession or rule repeal, may be proposed to the Commission at any time by any person.

2. A proposed rule actionmaking shall be submitted to the Commission for study and evaluation.

3. The Secretary may delegate rulemaking duties to Department staff or to others pursuant to a professional services contract.

4. The Secretary or designee shall report to the Commission a summary of the proposed rule actionmaking. When appropriate agenda notice has been given, the Commission may act upon the proposed rule actionmaking, which could include directing the Secretary or designee to hold informal consultation meetings with persons who may be affected by a proposed rule actionmaking to identify specific areas of agreement, disagreement and compromise.

5. When the Commission’s action is to initiate procedures to affect the proposed rule actionmaking, the Secretary or designee shall schedule a public hearing concerning the proposed rule actionmaking in Santa Fe, and such other hearing or hearings as the Commission may direct. The Secretary or designee shall publish a Notice of Proposed Rulemaking (NOPR) the hearing or hearings at least thirty (30) days prior to the hearing date or dates consistent with this Commission Policy, the State Rules Act, Department policy on rulemaking, and other applicable law, regulation or policy. This includes, in addition to the publishing requirements for NOPR in the State Rules Act and Department policy, that the NOPR shall be published in Santa Fe, Albuquerque, and Las Cruces general circulation newspapers and be provided to the Division Administrator of the Federal Highway Administration, New Mexico Division. The NOPR shall be published once in state and regional newspapers of general circulation located in the state and in any additional newspapers of general circulation as requested by the Commission. The NOPR shall also be provided to the Division Administrator of the Federal Highway Administration, New Mexico Division.

866. During the notice period and prior to any scheduled final action by the Commission only through the conclusion of the scheduled hearing(s), any person may communicate orally or in writing with individual Commissioners, the Secretary and the Department staff concerning the proposed rule actionmaking. The final rule action taken by the Commission shall be based upon substantial evidence in the rule action hearing record.

977. The Department will hold public rulemaking hearings in accordance with the State Rules Act. Public hearing or hearings may be held before the Commission at a regular or special Commission meeting or TThe Commission may designate the Secretary as the hearing officer. The Secretary may delegate hearing officer
duties through an appointment letter, to Department staff or to others pursuant to a professional services contract agreement. If the Secretary or designee is the hearing officer, the hearing or hearings shall be held independently from a Commission meeting.

1088. The hearing shall be open to the public and shall be recorded by a court reporter. A hearing record shall be kept by the hearing officer in the form of a written summary. A verbatim transcript may be provided at the expense of the person requesting the transcript.

a. The hearing officer shall conduct the hearing in a fair and equitable manner.

b. The purpose of the hearing shall be for public comment on the adoption of a new rule, amendment to a current rule or repeal of an existing rule. Members of the public shall be given a reasonable opportunity to submit data, views or arguments orally or in writing during the hearing. No data, views or arguments whether submitted orally or in writing will be accepted after the close of the hearing.

c. If there is more than one hearing conducted on a rulemaking, then no data, views or arguments whether submitted orally or in writing will be accepted after the record in the last hearing scheduled has closed.

d. No comments including data, views or arguments orally or in writing will be accepted by any Commissioner, NMDOT staff person or by the hearing officer after the hearing officer closes the record of the last hearing.

1199. Following the conclusion of the noticed hearing or hearings on the proposed rule action, the Secretary shall review the proposed rule action, the rule action hearing record and prepare a final rule action report and recommendation for the Commission. Copies of the final report and recommendation shall be submitted to individual Commissioners and shall be provided to the public to any other person making pursuant to the State Rules Act a written request for the report and recommendation. At a regular or special Commission meeting following submission of the Secretary’s final rule action report and recommendation to individual Commissioners, the Secretary or designee shall formally shall present his or her report and recommendation to the Commission. The final rulemaking action taken by the Commission shall be based upon the findings set forth in the Secretary’s report as required by a provision of law for adoption of the final rule.

12100. Following the Secretary or designee’s formal presentation, the Commission may question the Secretary or designee regarding the report and recommendation and take any action it deems appropriate. Unless the Commission has directed and the notice of proposed rule action indicates, the Commission shall not entertain further comments from other persons concerning the proposed rule action.
13111. When the Commission adopts the proposed rule action, with whatever alterations the Commission deems appropriate as supported by the rule action hearing record, the rule action shall be filed with the New Mexico Commission of Public Records - State Records Center and Archives (CPR/SRCA) and published in the New Mexico Register as soon as practicable.

14122. Once a rule action is filed and published in the New Mexico Register, it has the force of law unless alteration or rescission is required subject to by superior federal or state law or an appropriate rule action is completed as provided in this Policy.

15133. Notwithstanding any other provision of this Policy and in an emergency situation affecting the public health, safety and welfare as determined by the Secretary, the Secretary may take any necessary rule action deemed appropriate pursuant to the State Rules Act. The action shall be effective immediately after it is filed with the CPR/SRCA. The action shall be published in the New Mexico Register within thirty (30) days of filing. An emergency rule action shall be noted in the rule and the rule shall contain a statement describing the necessity for emergency action. No emergency rule action shall continue in effect longer than sixty (60) days unless during that time the Commission initiates action to adopt the emergency rule action following the normal rule action procedures set forth in this Policy. Should the Commission initiate normal rule action, the emergency rule action shall remain in effect until a permanent rule takes effect or the normal rule action proceedings are completed. In no event, shall an emergency rule remain in effect for more than one hundred and twenty (120) days.

C. The Secretary shall develop procedures by which rules, Commission policy statements and administrative directives are reviewed for applicability on a regular basis:

1. Rules shall be reviewed by the appropriate Department division or other organizational unit every five (5) years from their effective date.
   a. Rules that retain applicability shall be certified to that fact.
   b. Rules requiring amendment or repeal shall be advertised and scheduled for a public hearing to amend or to repeal. The amended rules or notices of repeal shall be filed with the SRCA and published in the New Mexico Register.
   c. Rules affecting speed limits are exempted from the annual review requirements in this section.

2. Commission policy statements and administrative directives shall expire five (5) years from their effective dates.
   a. Commission policy statements and administrative directives shall be issued for review and comments six (6) months prior to the fifth (5th) anniversary of the effective date.

Comment [GR6]: Any rescission required by state or federal law would require a rulemaking to rescind.

Comment [AF7]: AD shall be consistent with Commission Policy, the State Rules Act, and other applicable law.
b. Commission policy statements and administrative directives may be revised or reissued with a new effective date.
## Summary – New Mexico Newspaper Circulation and Publication Rates

State Transportation Commission Meeting on November 16, 2017

Updated on 10/18/2017

<table>
<thead>
<tr>
<th>Name of Newspaper (Listed by Largest to Smallest in Circulation Throughout the State)</th>
<th>Circulation Coverage Area in New Mexico</th>
<th>Print Circulation</th>
<th>Online Hits</th>
<th>Estimated Cost to Publish Legal Notice for 1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albuquerque Journal – D3</td>
<td>Journal North (Santa Fe); West Side Journal (Metro Westside); Rio Rancho Journal (Rio Rancho, Corrales, Bernalillo, Sandoval County); Torrance and Valencia Counties</td>
<td>Sunday – 116,826 Week Days – 96,825</td>
<td>1,237,280</td>
<td>$104.00</td>
</tr>
<tr>
<td>Santa Fe New Mexican – D5</td>
<td>Santa Fe Metro, Capital Bureau, Santa Fe County, N. New Mexico</td>
<td>Daily – 50,000</td>
<td>300,000</td>
<td>$247.60</td>
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<tr>
<td>Gallup Independent – D6 (Published Tuesday through Saturday)</td>
<td>Gallup, Northwest New Mexico, Northeast Arizona, Southeastern Utah, Navajo Nation, Hopi Reservation, Pueblo of Zuni, Pueblo of Acoma, Laguna Pueblo</td>
<td>Weekday – 16,176 Saturday – 19,696 (No Sunday Paper)</td>
<td>$183.72</td>
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<tr>
<td>Las Cruces Sun News – D1</td>
<td>Las Cruces, Mesilla Valley, Doña Ana County</td>
<td>Daily – 7527 Sunday – 12,215</td>
<td>$139.00</td>
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<tr>
<td>Roswell Daily Record – D2 (Published Tuesday through Sunday)</td>
<td>Roswell, Chavez County, Pecos Valley</td>
<td>Daily – 10,500</td>
<td>$151.20</td>
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<tr>
<td>Farmington Daily Times – D5</td>
<td>Four Corners, Farmington, Aztec, Bloomfield and the Navajo Nation</td>
<td>Daily – 9605 (per month)</td>
<td>200,000</td>
<td>$192.64</td>
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<tr>
<td>Hobbs News-Sun – D2</td>
<td>Southeast New Mexico</td>
<td>Weekly – 8000</td>
<td>10,000 (per day)</td>
<td>$100.00</td>
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<tr>
<td>Silver City Daily Press – D1</td>
<td>Silver City and Mining District</td>
<td>Daily – 6400</td>
<td>$120.42</td>
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<tr>
<td>Eastern New Mexico News – D2 (Encompasses Portales New Tribune)</td>
<td>Clovis, Portales, Tucumcari, Curry and Roosevelt Counties</td>
<td>Daily – 6300</td>
<td>$170.00</td>
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<tr>
<td>Las Vegas Optic – D4</td>
<td>Las Vegas, San Miguel County, Mora County</td>
<td>Daily – 3885</td>
<td>$113.79</td>
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<tr>
<td>Carlsbad Current Argus – D2 (Not published on Mondays)</td>
<td>Carlsbad, Artesia, Lovington, all of Eddy County</td>
<td>Daily – 3200</td>
<td>10,000 (per day)</td>
<td>$138.11</td>
</tr>
</tbody>
</table>
New Mexico State Transportation Commission Rules and Policies

Reference: New Mexico State Rules Act, NMSA 1978 Sections 14-4-1 et seq. and NMSA 1978, Sections 67-3-2 and 67-3-11.

This Commission Policy supersedes Commission Policy No. 4 dated September 18, 2014.

NMSA 1978, Section 67-3-2 charges the Commission with the determination of all matters of policy relating to the New Mexico Department of Transportation (Department). Section 67-3-11 authorizes the Commission to make all rules and regulations as may be necessary to carry out the provisions of Chapter 67. Section 14-4-2 of the State Rules Act defines “rule” as “any rule, regulation, or standard, including those that explicitly or implicitly implement or interpret a federal or state legal mandate or other applicable law and amendments thereto or repeals and renewals thereof, issued or promulgated by any agency and purporting to affect one or more agencies besides the agency issuing the rule or to affect persons not members or employees of the issuing agency, including affecting persons serviced by the agency.” Under law, the Commission’s power to set policy involves two (2) distinct procedures depending upon whether outside substantive interests are directly and intentionally affected by the promulgation of policy.

A. If the policy statement has only internal Departmental application without intent to enforce procedures directly affecting other agencies or non-employees, the following procedures apply:

1. The proposed policy shall be submitted to the Commission for study and evaluation prior to being submitted to the Commission for action.

2. The Commission shall submit proposed new and revised policy statements and policy statement waivers to the Secretary of Transportation (Secretary) for placement on a future agenda for Commission action.

3. A policy shall be effective immediately upon approval of the Commission at a regular meeting, unless otherwise stipulated.

B. If a policy statement has external application that clearly and directly affects the substantive rights of agencies or individuals outside the Department when enforced, the policy shall be drafted, noticed and filed as a Department rule in compliance with state law as follows:
1. A rulemaking, including new rules, rule amendment, rule supersession or rule repeal, may be proposed to the Commission at any time by any person.

2. A proposed rulemaking shall be submitted to the Commission for study and evaluation.

3. The Secretary may delegate rulemaking duties to Department staff or to others pursuant to a professional services agreement.

4. The Secretary or designee shall report to the Commission a summary of the proposed rulemaking. When appropriate agenda notice has been given, the Commission may act upon the proposed rulemaking, which could include directing the Secretary or designee to hold informal consultation meetings with persons who may be affected by a proposed rulemaking to identify specific areas of agreement, disagreement and compromise.

5. When the Commission's action is to initiate procedures to affect the proposed rulemaking, the Secretary or designee shall schedule a public hearing concerning the proposed rulemaking in Santa Fe, and such other hearing or hearings as the Commission may direct. The Secretary or designee shall publish a Notice of Proposed Rulemaking (NOPR) at least thirty (30) days prior to the hearing date or dates consistent with this Commission Policy, the State Rules Act, Department policy on rulemaking, and other applicable law, regulation or policy. The NOPR shall be published once in state and regional newspapers of general circulation located in the state and in any additional newspapers of general circulation as requested by the Commission. The NOPR shall also be provided to the Division Administrator of the Federal Highway Administration, New Mexico Division.

6. During the comment period and only through the conclusion of the scheduled hearing(s), any person may communicate orally or in writing with individual Commissioners, the Secretary and Department staff concerning the proposed rulemaking.

7. The Department will hold public rulemaking hearings in accordance with the State Rules Act. The Commission may designate the Secretary as the hearing officer. The Secretary may delegate hearing officer duties through an appointment letter, to Department staff or to others pursuant to a professional services agreement. If the Secretary or designee is the hearing officer, the hearing or hearings shall be held independently from a Commission meeting.

8. The hearing shall be open to the public and shall be recorded by a court reporter.
   a. The hearing officer shall conduct the hearing in a fair and equitable manner.
   b. The purpose of the hearing shall be for public comment on the adoption of a new rule, amendment to a current rule or repeal of an existing rule. Members of the public shall be given a reasonable opportunity to submit data, views or arguments orally or in writing during the hearing. No data, views or
arguments whether submitted orally or in writing will be accepted after the close of the hearing.

c. If there is more than one hearing conducted on a rulemaking, then no data, views or arguments whether submitted orally or in writing will be accepted after the record in the last hearing scheduled has closed.

d. No comments including data, views or arguments orally or in writing will be accepted by any Commissioner, NMDOT staff person or by the hearing officer after the hearing officer closes the record of the last hearing.

9. Following the conclusion of the hearing or hearings on the proposed rulemaking, the Secretary shall review the proposed rulemaking, the rulemaking hearing record and prepare a final rulemaking report and recommendation for the Commission. Copies of the final report and recommendation shall be submitted to individual Commissioners and shall be provided to the public pursuant to the State Rules Act. At a regular or special Commission meeting following submission of the Secretary’s final rulemaking report and recommendation to individual Commissioners, the Secretary or designee shall formally present his or her report and recommendation to the Commission. The final rulemaking action taken by the Commission shall be based upon the findings set forth in the Secretary’s report as required by a provision of law for adoption of the final rule.

10. Following the Secretary or designee’s formal presentation, the Commission may question the Secretary or designee regarding the report and recommendation and take any action it deems appropriate.

11. When the Commission adopts the proposed rulemaking, with whatever alterations the Commission deems appropriate as supported by the rulemaking hearing record, the rulemaking shall be filed with the New Mexico Commission of Public Records - State Records Center and Archives (SRCA) and published in the New Mexico Register as soon as practicable.

12. Once a rulemaking is filed and published in the New Mexico Register, it has the force of law subject to superior federal or state law.

13. Notwithstanding any other provision of this Policy and in an emergency situation affecting the public health, safety and welfare as determined by the Secretary, the Secretary may take any necessary rulemaking action deemed appropriate pursuant to the State Rules Act.

C. The Secretary shall develop procedures by which rules, Commission policy statements and administrative directives are reviewed for applicability on a regular basis.

1. Rules shall be reviewed by the appropriate Department division or other organizational unit every five (5) years from their effective date.

   a. Rules that retain applicability shall be certified to that fact.
b. Rules requiring amendment or repeal shall be advertised and scheduled for a public hearing to amend or to repeal. The amended rules or notices of repeal shall be filed with the SRCA and published in the New Mexico Register.

c. Rules affecting speed limits are exempted from the annual review requirements in this section.

2. Commission policy statements and administrative directives shall expire five (5) years from their effective dates.

a. Commission policy statements and administrative directives shall be issued for review and comments six (6) months prior to the fifth (5th) anniversary of the effective date.

b. Commission policy statements and administrative directives may be revised or reissued with a new effective date.
Tab 8c2b
Proposed Amendments to CP No. 5, Involvement in Operations
Commission Brief

SUBJECT: Proposed amendments to Commission Policy No. 5, Involvement in Operations (CP 5).

PRESENTER: Stephen Thies, Assistant General Counsel

BACKGROUND: CP 5 is the directive which provides that it is the Commission’s policy that the Secretary of Transportation shall be in complete charge of Department operations.

ACTION: No action is required at this time. This is a draft to initiate discussion only.

November 16, 2017
Involvement in Operations

Reference: NMSA 1978, Sections 67-3-2, 67-3-7, 67-3-8 and 67-3-23


A. It is the policy of The New Mexico State Transportation Commission (Commission) is responsible that to determine all matters of policy for the Department of Transportation (hereinafter "Department").

A.B. shall be under the control of The Secretary of Transportation (hereinafter "Secretary") is charged with the control and efficient management of the Department.

B.C. No Commissioner shall unilaterally direct the duties of any Department employee, in public or private. Commissioners shall advise the Secretary, or his/her designee, of any operational or management issues and concerns.

C.D. This policy should is not be construed intended to eliminate restrict the ability of any Commissioners’ free to communicateions with a District Transportation Engineers and or other Department employees.
Involvement in Operations

Reference: NMSA 1978, Sections 67-3-2, 67-3-7, 67-3-8 and 67-3-23

This Commission Policy supersedes Commission Policy No. 5 dated September 20, 2012.

A. The New Mexico State Transportation Commission (Commission) is responsible to determine all matters of policy for the Department of Transportation (hereinafter “Department”).

B. The Secretary of Transportation (“Secretary”) is charged with the control and efficient management of the Department.

C. No Commissioner shall unilaterally direct the duties of any Department employee. Commissioners shall advise the Secretary, or his/her designee, of any operational or management issues and concerns.

D. This policy is not intended to restrict the ability of any Commissioner to communicate with a District Transportation Engineer or other Department employee.
Tab 8c2c
Proposed Amendments to CP No. 41, Budget
Commission Brief

SUBJECT: Proposed amendments to Commission Policy No. 41, Budget (CP 41).

PRESENTER: Stephen Thies, Assistant General Counsel

BACKGROUND: CP 41 is the policy governing the Commission’s authority to review and approve the Department’s proposed annual budget request.

ACTION: No action is required at this time. This is a draft to initiate discussion only.

November 16, 2017

The purpose of this policy is to document the annual budget and project budgeting process to be followed by the Department to allow of the New Mexico State Transportation Commission to effectively exercise its review and approval authority over the Department’s budget.

A. At or before the Commission’s regularly scheduled July meeting, the Secretary of Transportation (hereinafter “Secretary”) shall provide to the Commission a list of budget priorities and estimated costs for the upcoming appropriation request.

B. At or before the Commission’s next regularly scheduled August meeting, the Secretary shall provide to the Commission for its review and approval a copy of the Department’s proposed annual budget request. The Commission shall approve the annual budget request at said August meeting. Any and all changes that are made to the Department’s Commission approved proposed annual budget request subsequent to Commission approval shall be reported to the Commission at its next regularly scheduled September meeting. Such changes shall be limited to:

1. Projected changes in State Road Fund and federal revenues;

2. Updates to Department administrative overhead costs related to services provided by the General Services Department and the Department of Information Technology; and/or

3. Updates required by the Department of Finance and Administration.

C. The Secretary shall ensure that be ultimately responsible to the Commission for the expenditure of appropriated funds are in accordance with the as legislatively approved budget intended.

D. All budget adjustments shall require prior Commission approval, except the Secretary may make budget adjustments to meet:
1. Emergency situations as authorized by state law with the Commission Chairperson's approval, or

2. Any other situation, with the Commission Chairperson's approval, where a Budget Adjustment Request (BAR) is required prior to a regularly scheduled Commission meeting. The Secretary shall report these budget adjustments to the full Commission at the regularly scheduled meeting immediately following the adjustment.

E. The Secretary shall formulate directives and procedures for the implementation of this Policy.
The purpose of this policy is to document the annual budget and project budgeting process to be followed by the Department to allow the New Mexico State Transportation Commission to effectively exercise its review and approval authority over the Department’s budget.

A. At or before the Commission’s regularly scheduled July meeting, the Secretary of Transportation (hereinafter “Secretary”) shall provide to the Commission a list of budget priorities and estimated costs for the upcoming appropriation request.

B. At or before the Commission’s next regularly scheduled meeting, the Secretary shall provide to the Commission for its review and approval a copy of the Department’s proposed annual budget request. Any changes to the Commission approved proposed annual budget request shall be reported to the Commission at its next regularly scheduled meeting. Changes shall be limited to:

1. Projected changes in State Road Fund and federal revenues;

2. Updates to Department administrative overhead costs related to services provided by the General Services Department and the Department of Information Technology; and/or

3. Updates required by the Department of Finance and Administration.

C. The Secretary shall ensure that the expenditure of funds are in accordance with the legislatively approved budget.

D. All budget adjustments shall require prior Commission approval, except the Secretary may make budget adjustments to meet:

1. Emergency situations as authorized by state law with the Commission Chairperson’s approval, or

2. Any other situation, with the Commission Chairperson’s approval, where a Budget Adjustment Request (BAR) is required prior to a regularly scheduled Commission meeting. The Secretary shall report these budget...
adjustments to the full Commission at the regularly scheduled meeting immediately following the adjustment.

E. The Secretary shall formulate directives and procedures for the implementation of this Policy.
Tab 8c3
Proposed 2018 STC Meeting Schedule
Commission Brief

SUBJECT: Proposed 2018 STC Meeting Schedule

PRESENTER: Anthony Lujan, Deputy Secretary, NMDOT

BACKGROUND:

ACTION: Respectfully Request the STC take Action
PROPOSED 2018 STC SCHEDULE
NEW MEXICO STATE TRANSPORTATION COMMISSION
LOCATION, DATES DEADLINES

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
<th>Agenda deadline</th>
<th>Legal Notice deadline</th>
</tr>
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<tr>
<td>January 17, 2018</td>
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<td>Roswell (D2)</td>
<td>October 31, 2018</td>
<td>November 5, 2018</td>
</tr>
</tbody>
</table>

Note: All meetings begin at 8:30 am unless specified
SUBJECT: FY2017 Draft Annual Report

PRESENTER: Tom Church, Cabinet Secretary, NMDOT

BACKGROUND:

ACTION: Respectfully Requests the STC to Take Action
Tab 9a
Approval of FY18 Budget Adjustment Requests (BAR’s)
No. 6 FHWA & No. 7 WIPP
Subject: FY18 BAR #6 P562 – PDC

Presenter: Michael S. Friel, Accounting Services Director, CFO

Background:
A FY18 BAR is required to establish budget authority for the FHWA program. The BAR will increase contractual services (category 300) by $287.1 million dollars of which $249.4 is federal funds and $37.8 million is state match requirement. The State Road Fund balance will be utilized for $37.8 million dollars in order to meet state match requirements.

The BAR constitutes for:
- $100.0 million- Successful Quarterly Letting Schedule.
- $41.6 million- Redistribution.
- $60.4 million- Prior Year Releases.
- $85.1 million- Prior Year Letting/Encumbrances.

Action: Request BAR Approval
Budget Adjustment Request (BAR)

In Brief

Date of Request: 11/16/2017
Date to Commission: 11/16/2017

Program: P562 - Project Design and Construction
Division: Project Oversight
Bureau/District: N/A
BAR Type: Category Increase

Amount Requested: $287,200,000
Funding Source:
- State Road Fund: $37,800,000
- Federal Funds: $249,400,000
- Other State Funds: -
Total: $287,200,000

Fund: 20100
Source Type: (revenue/cash/grant):
State Road Fund Balance

Purpose/Justification for BAR:
FY18 BAR is required to establish budget authority for the FHWA program. The BAR will increase contractual services (category 300) by $287.1 million dollars of which $249.4 million is federal funds and $37.8 million is state match requirement. The State Road Fund balance will be utilized for $37.8 million dollars in order to meet state match requirements.

Attachments:
Commission Brief

Approvals: To Submit to Commission and if approved, to DFA.

Bus. Support Dep Sec: ___________________________ DATE: ____________
Secretary/Deputy Sec.: ___________________________ DATE: ____________
Budget Office Review: ___________________________ DATE: ____________

Assigned BAR #: 8

Budget Director: Michael S. Friel, CFO DATE: 11/16/2017
SUBJECT:

FY18 BAR #7 P562 – PDC

PRESENTER: Michael S. Friel, Accounting Services Director, CFO

BACKGROUND:

FY18 BAR is required to establish budget authority for the WIPP Program. The BAR will increase contractual services (category 300) by $12.5 million dollars of Federal funds received in pursuant to the settlement agreement and Stipulated Final Order between the United States Department of Energy and the State of New Mexico Environment Department.

The BAR will cover:

- US 285- MP 158-174; Hot In-Place Recycle w/Wearing Course.
- US 285- MP 55-63.5; Hot In-Place Recycle w/Wearing Course.
- US 285- MP 146-158; Heater Scarification w/Overlay.
- NM 176- MP 37.5-41; Hot In-Place Recycle w/Wearing Course.

ACTION: Request BAR Approval
## Budget Adjustment Request (BAR)

### In Brief

**Date of Request:** 11/16/2017  
**Date to Commission:** 11/16/2017

<table>
<thead>
<tr>
<th>Program</th>
<th>Division</th>
<th>Director/DE</th>
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<tbody>
<tr>
<td>P562- Project Design and Construction</td>
<td>Project Oversight</td>
<td>Michael S. Friel</td>
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<td>Federal Funds</td>
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<td></td>
<td>$12,500,000</td>
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<td>Other State Funds</td>
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<tr>
<td></td>
<td></td>
<td>Total</td>
<td>$12,500,000</td>
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</tbody>
</table>

**Funding Source:**  
- State Road Fund: $201,000  
- Federal Funds: $12,500,000  
- Other State Funds: $0  
- Total: $12,500,000

**Purpose/Justification for BAR:**  
FY18 BAR is required to establish budget authority for the WIPP Program. The BAR will increase contractual services (category 300) by $12.5 million dollars of Federal funds received in pursuant to the settlement agreement and Stipulated Final Order between the United States Department of Energy and the State of New Mexico Environment Department.

**Significant Issues:**

**Attachments:**  
Commission Brief

**Approvals:**  
To Submit to Commission and if approved, to DFA.

**Budget Director:** Michael S. Friel, CFO  
**DATE:** 11/16/2017
Tab 9b
Approval of Request to Change the Designated Primary and Alternate Routes to the WIPP for the National TRU Program Southern Transportation Corridor
SUBJECT: Approval of the Request to Change the Designated Primary & Alternate Route to the WIPP for the National TRU Program Southern Transportation Corridor

PRESENTER: James Mason, DOE-CBFO

BACKGROUND:

ACTION: Respectfully Request the STC Take Action
Mr. Tom Church  
Cabinet Secretary  
New Mexico Department of Transportation  
P.O. Box 1149  
Santa Fe, NM 87504

Subject: Request to Change the Designated Primary and Alternate Routes to the Waste Isolation Pilot Plant for the National TRU Programs Southern Transportation Corridor

Dear Secretary Church:

Currently shipments from Savanna River Site (SRS) and Oak Ridge National Laboratories (ORNL) utilize the designated primary Southern Corridor approach entering New Mexico on US 285 from Pecos, Texas, through Carlsbad to the Waste Isolation Pilot Plant (WIPP) Site. The negotiated primary route approved for use is as follows:

Starting at the TX/NM border on US 285 from Pecos TX, proceeding north on US 285 to the junction with US 62/180 in Carlsbad NM, then proceeding east on US 62/180 to the intersection with the WIPP North Access Road, then traveling south on the WIPP North Access Road and terminating at WIPP site.

Since 2008 due to issues on US 285 beginning with required box culvert repairs and later concerns with the potential sinkhole at the intersection of US 285 and US 62/180, it has been necessary to maintain designated alternate routes for the final approach to WIPP. The State Transportation Commission has provided an annual reauthorization to the WIPP to utilize three alternate routes in Southeastern New Mexico. During calendar year 2015 these alternate routes were not utilized during the ongoing recovery effort at the WIPP and lack of shipping activities, subsequently the alternate routes were not reauthorized.

With the resumption of TRU Waste shipments, State Transportation Commission, Resolution No. 2017-01 authorized the temporary use of and created the “Hobbs Alternate Route” for the estimated 23 shipments departing from Waste Control Specialists (WCS) in Andrews, Texas destined for the WIPP facility in Southeast New Mexico. The negotiated alternate route approved for use in Resolution 2017-01 is as follows:

With the point of origin at the WCS Andrews site, in Texas approximately 150 yards from the TX/NM border, proceeding west on NM 176 to the junction of NM 18, then traveling north on NM 18 to the Hobbs South Bypass to US 62/180, proceeding west on US 62/180 to the intersection with the WIPP North Access Road, then traveling south on the WIPP North Access Road and terminating at WIPP site.

After 6 months concurrent use of both the designated primary Southern Corridor approach from SRS and ORNL, and the Hobbs Alternate Route from WCS, it has become readily apparent that the traffic and road conditions along the Hobbs Alternate Route afford a far greater level of safety for WIPP destined transports in the shipping of TRU waste.
The congested traffic conditions, ongoing construction, narrow shoulders and bridges, and frequent turnouts along U.S. 285, a two lane road with many blind curves and hills, between Carlsbad and Pecos, TX presents far more threats and hazards to the safe transport of TRU waste than the predominately 4 lane divided highways of NM 18 and US 62/180.

Pursuant to the controlling federal rules under the Code of Federal Regulations (CFR) Title 49, Section 397, and in accordance with the provisions of the Western Governors' Association (WGA) WIPP Program Implementation Guide (WIPP-PIG), and the exclusive authorities granted to the STC by the Radioactive and Hazardous Materials Act, NMSA 1978, Sections 74-4A-1 through 74-4A-14 (1991) to designate highway routes for the transportation of radioactive material; the USDOE desires to permanently designate the Hobbs Alternate Route as the “Primary Southern Corridor Approach” to the WIPP site for all future shipments entering the state of New Mexico from the south and east (Southern Corridor); and designate the Pecos/ 285/Carlsbad/62/180 route as the “Alternate Southern Corridor Approach”.

Authorizing the use of the Hobbs Alternate Route as the Primary Southern Corridor Approach will help comply with Federal Motor Carrier Safety Requirements preferring routes that limit risk to the public by maximizing use of divided highways. Use of this route will also address concerns raised by the State Transportation Commission regarding the use of the more rural roads currently utilized, where heavy oil field traffic, construction and lack of shoulders have been often cited.

Thank you for your consideration of our request. Should you require further information, please contact me at (575)234-7300 or Mr. James Mason, Institutional Affairs Manager, at (575) 234-7335.

Sincerely,

Todd Shrader, Manager
Carlsbad Field Office

cc:
J. Carswell, CBFO *ED
M. Hall, CBFO ED
B. Mackie, CBFO ED
G. Basabivelazo, CBFO ED
J. R. Strobile, CBFO ED
M. Brown, CBFO ED
A. Walker, CBFO ED
J. Mason, CBFO ED
A. Johnson, WTS ED
A. Lujan, NMDOT ED
E. Travis, NMDOT ED
T. Parker, NMDOT ED
R. Padilla, NMDOT ED
R. Meeks, NMDOT ED
E. Trujillo, NMEMNRD ED
CBFO M&RC

*ED denotes electronic distribution
Tab 9c
Approval of the Proposed 2018 STC Meeting Schedule
SUBJECT: Proposed 2018 STC Meeting Schedule

PRESENTATION: Anthony Lujan, Deputy Secretary, NMDOT

BACKGROUND:

ACTION: Respectfully Request the STC take Action
# Proposed 2018 STC Schedule

**New Mexico State Transportation Commission Location, Dates Deadlines**

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Note: All meetings begin at 8:30 am unless specified.
Tab 9d
Approval of Engineers and CETs to Mid-Point
Commission Brief

SUBJECT: Engineering and Engineering Type Classifications to Mid-Point

PRESENETER: Anthony Lujan, Deputy Secretary & Armando Armendariz, Chief Engineer

BACKGROUND:

On June 16, 2017, the State of New Mexico State Personnel Board approved the adoption of the two new Engineer & Surveyor and Architect specific salary structures with 33 new job classifications. The planned implementation date for the salary structure and classifications was July 15, 2017. The new job families and classifications were developed to result in significantly more career growth opportunities for affected incumbents and the new salary structures will provide market-competitive salaries and greater opportunities for recruiting and retaining staff.

The leadership of the executive branch agencies supported the implementation of this statewide classification and compensation study. Agencies involved in the implementation included NMDOT, OSE, EMNRD, NMED, PRC and GSD.

As a result, the department is proposing to increase NMDOT Engineering and Engineering type classifications salaries that fall below mid-point of their new classification, to mid-point, in an effort to retain professional, trained and hard to recruit Engineering talents within NMDOT. Approximately 448 out of 715 current Engineering and Engineering type staff within the department fall below midpoint within their new classification. This effort allows for a maximum of 10% increase per fiscal year per position in accordance with SPO rules and to minimize the budget impact. The estimated fiscal impact to NMDOT for 448 Engineering and Engineering Type Classification positions is $3,376,250.39 to be phased in over four years.

ACTION: Commission approval on Engineering and Engineering Type Classifications to mid-point.
Tab 9e
Approval of Information Technology Classifications to Mid-Point
SUBJECT: Information Technology (IT) Classifications to Mid-Point

PRESENTER: Ron Baca, Administrative Services

BACKGROUND:
On June 23, 2016, at the State of New Mexico State Personnel Board special meeting, as the result of a completed Information Technology (IT) Classification study, the Board approved the adoption of a new IT-specific salary structure and 55 new job classes for state government. The planned implementation date for the salary structure and classifications was July 30, 2016 (FY17). The new salary structure adopted provides market-competitive salaries and greater opportunities for recruitment and retaining of IT talents within in state agencies. Additionally, the adoption of many new job families and classifications will result in significantly more career growth opportunity for state employees. The leadership of the executive branch agencies supported the implementation of this statewide IT classification and compensation study.

As a result, the department is proposing to increase NMDOT IT staff salaries that fall below mid-point of their new classification, to mid-point, in an effort to retain hard to recruit IT talents within NMDOT. Approximately 48 current IT staff within the department fall below midpoint within their new classification. This effort allows for a maximum of 10% increase per fiscal year in order to minimize the budget impact. The estimated fiscal impact to NMDOT for 48 IT Classification positions is $620,000 to be phased in over three years.

ACTION: Commission approval on Information Technology (IT) Classifications to mid-point.
Tab 9f
Approval of FY2017 Draft Annual Report
SUBJECT: FY2017 Draft Annual Report

PRESENTER: Tom Church, Cabinet Secretary, NMDOT

BACKGROUND:

ACTION: Respectfully Requests the STC to Take Action
Tab 10a
Approval of Proposed Amendments to CP No. 4, New Mexico State Transportation Rules and Policies
SUBJECT: Proposed amendments to Commission Policy No. 4, New Mexico State Transportation Commission Rules and Policies (CP 4).

PRESENTER: Stephen Thies, Assistant General Counsel

BACKGROUND: CP 4 is the policy that governs the procedures by which the State Transportation Commission reviews and approves policy statements and NMDOT rules.

During the 2017 regular legislative session, the New Mexico legislature passed a bill that amended the New Mexico State Rules Act, NMSA 1978 Sections 14-4-1 et seq. Governor Martinez signed the bill on April 7, 2017, which became effective as of July 1, 2017.

It is necessary to amend Commission Policy 4 to align with the amended State Rules Act because the changes to the Act: (1) revise the definition of “rule”; (2) imposes additional rulemaking notice and filing requirements upon state agencies; (3) codifies emergency rulemaking requirements previously not enumerated in statute; (4) qualifies the content of a Notice of Proposed Rulemaking; (5) set new requirements for public rulemaking hearings; (6) imposes new requirements for posting every part of the rulemaking record; and (7) imposes new requirements for making every part of the rulemaking record available to the public.

On September 21, 2017, supplemental information was presented to the Commission concerning rulemaking publication in newspapers in each of the six transportation districts. At the conclusion of the presentation, the Commission requested additional information regarding publication costs and circulation numbers. NMDOT staff has compiled that information. A summary of the data is attached hereto.

ACTION: Staff requests that the Commission take action to approve the amendments to CP 4.

November 16, 2017
New Mexico State Transportation
Commission Rules and Policies

Reference: New Mexico State Rules Act, NMSA 1978 Sections 14-4-1 et seq. and NMSA 1978, Sections 67-3-2 and 67-3-11.

This Commission Policy supersedes Commission Policy No. 4 dated September 18, 2014.

NMSA 1978, Section 67-3-2 charges the Commission with the determination of all matters of policy relating to the New Mexico Department of Transportation (Department). Section 67-3-11 authorizes the Commission to make all rules and regulations as may be necessary to carry out the provisions of Chapter 67. Section 14-4-2 of the State Rules Act defines “rule” as “any rule, regulation, or standard, including those that explicitly or implicitly implement or interpret a federal or state legal mandate or other applicable law and amendments thereto or repeals and renewals thereof, issued or promulgated by any agency and purporting to affect one or more agencies besides the agency issuing the rule or to affect persons not members or employees of the issuing agency, including affecting persons serviced by the agency.” Under law, the Commission’s power to set policy involves two (2) distinct procedures depending upon whether outside substantive interests are directly and intentionally affected by the promulgation of policy.

A. If the policy statement has only internal Departmental application without intent to enforce procedures directly affecting other agencies or non-employees, the following procedures apply:

1. The proposed policy shall be submitted to the Commission for study and evaluation prior to being submitted to the Commission for action.

2. The Commission shall submit proposed new and revised policy statements and policy statement waivers to the Secretary of Transportation (Secretary) for placement on a future agenda for Commission action.

3. A policy shall be effective immediately upon approval of the Commission at a regular meeting, unless otherwise stipulated.

B. If a policy statement has external application that clearly and directly affects the substantive rights of agencies or individuals outside the Department when enforced, the policy shall be drafted, noticed and filed as a Department rule in compliance with state law as follows:
1. A rulemaking, including new rules, rule amendment, rule supersession or rule repeal, may be proposed to the Commission at any time by any person.

2. A proposed rulemaking shall be submitted to the Commission for study and evaluation.

3. The Secretary may delegate rulemaking duties to Department staff or to others pursuant to a professional services agreement.

4. The Secretary or designee shall report to the Commission a summary of the proposed rulemaking. When appropriate agenda notice has been given, the Commission may act upon the proposed rulemaking, which could include directing the Secretary or designee to hold informal consultation meetings with persons who may be affected by a proposed rulemaking to identify specific areas of agreement, disagreement and compromise.

5. When the Commission’s action is to initiate procedures to affect the proposed rulemaking, the Secretary or designee shall schedule a public hearing concerning the proposed rulemaking in Santa Fe, and such other hearing or hearings as the Commission may direct. The Secretary or designee shall publish a Notice of Proposed Rulemaking (NOPR) at least thirty (30) days prior to the hearing date or dates consistent with this Commission Policy, the State Rules Act, Department policy on rulemaking, and other applicable law, regulation or policy. The NOPR shall be published once in state and regional newspapers of general circulation located in the state and in any additional newspapers of general circulation as requested by the Commission. The NOPR shall also be provided to the Division Administrator of the Federal Highway Administration, New Mexico Division.

6. During the comment period and only through the conclusion of the scheduled hearing(s), any person may communicate orally or in writing with individual Commissioners, the Secretary and Department staff concerning the proposed rulemaking.

7. The Department will hold public rulemaking hearings in accordance with the State Rules Act. The Commission may designate the Secretary as the hearing officer. The Secretary may delegate hearing officer duties through an appointment letter, to Department staff or to others pursuant to a professional services agreement. If the Secretary or designee is the hearing officer, the hearing or hearings shall be held independently from a Commission meeting.

8. The hearing shall be open to the public and shall be recorded by a court reporter.
   a. The hearing officer shall conduct the hearing in a fair and equitable manner.
   b. The purpose of the hearing shall be for public comment on the adoption of a new rule, amendment to a current rule or repeal of an existing rule. Members of the public shall be given a reasonable opportunity to submit data, views or arguments orally or in writing during the hearing. No data, views or
arguments whether submitted orally or in writing will be accepted after the close of the hearing.

c. If there is more than one hearing conducted on a rulemaking, then no data, views or arguments whether submitted orally or in writing will be accepted after the record in the last hearing scheduled has closed.

d. No comments including data, views or arguments orally or in writing will be accepted by any Commissioner, NMDOT staff person or by the hearing officer after the hearing officer closes the record of the last hearing.

9. Following the conclusion of the hearing or hearings on the proposed rulemaking, the Secretary shall review the proposed rulemaking, the rulemaking hearing record and prepare a final rulemaking report and recommendation for the Commission. Copies of the final report and recommendation shall be submitted to individual Commissioners and shall be provided to the public pursuant to the State Rules Act. At a regular or special Commission meeting following submission of the Secretary’s final rulemaking report and recommendation to individual Commissioners, the Secretary or designee shall formally present his or her report and recommendation to the Commission. The final rulemaking action taken by the Commission shall be based upon the findings set forth in the Secretary’s report as required by a provision of law for adoption of the final rule.

10. Following the Secretary or designee’s formal presentation, the Commission may question the Secretary or designee regarding the report and recommendation and take any action it deems appropriate.

11. When the Commission adopts the proposed rulemaking, with whatever alterations the Commission deems appropriate as supported by the rulemaking hearing record, the rulemaking shall be filed with the New Mexico Commission of Public Records - State Records Center and Archives (SRCA) and published in the New Mexico Register as soon as practicable.

12. Once a rulemaking is filed and published in the New Mexico Register, it has the force of law subject to superior federal or state law.

13. Notwithstanding any other provision of this Policy and in an emergency situation affecting the public health, safety and welfare as determined by the Secretary, the Secretary may take any necessary rulemaking action deemed appropriate pursuant to the State Rules Act.

C. The Secretary shall develop procedures by which rules, Commission policy statements and administrative directives are reviewed for applicability on a regular basis.

1. Rules shall be reviewed by the appropriate Department division or other organizational unit every five (5) years from their effective date.

a. Rules that retain applicability shall be certified to that fact.
b. Rules requiring amendment or repeal shall be advertised and scheduled for a public hearing to amend or to repeal. The amended rules or notices of repeal shall be filed with the SRCA and published in the New Mexico Register.

c. Rules affecting speed limits are exempted from the annual review requirements in this section.

2. Commission policy statements and administrative directives shall expire five (5) years from their effective dates.

a. Commission policy statements and administrative directives shall be issued for review and comments six (6) months prior to the fifth (5th) anniversary of the effective date.

b. Commission policy statements and administrative directives may be revised or reissued with a new effective date.
Tab 10b
Approval of Proposed Amendments to CP No. 5, Involvement in Operations
SUBJECT: Proposed amendments to Commission Policy No. 5, Involvement in Operations (CP 5).

PRESENTER: Stephen Thies, Assistant General Counsel

BACKGROUND: CP 5 is the directive which provides that it is the Commission’s policy that the Secretary of Transportation shall be in complete charge of Department operations.

ACTION: Staff requests that the Commission take action to approve the amendments to CP 5.
Involvement in Operations

Reference: NMSA 1978, Sections 67-3-2, 67-3-7, 67-3-8 and 67-3-23

This Commission Policy supersedes Commission Policy No. 5 dated September 20, 2012.

A. The New Mexico State Transportation Commission (Commission) is responsible to determine all matters of policy for the Department of Transportation (hereinafter “Department”).

B. The Secretary of Transportation (“Secretary”) is charged with the control and efficient management of the Department.

C. No Commissioner shall unilaterally direct the duties of any Department employee. Commissioners shall advise the Secretary, or his/her designee, of any operational or management issues and concerns.

D. This policy is not intended to restrict the ability of any Commissioner to communicate with a District Transportation Engineer or other Department employee.
Tab 10c
Approval of Proposed Amendments to CP No. 41, Budget
Commission Brief

SUBJECT: Proposed amendments to Commission Policy No. 41, Budget (CP 41).

PRESENTER: Stephen Thies, Assistant General Counsel

BACKGROUND: CP 41 is the policy governing the Commission’s authority to review and approve the Department’s proposed annual budget request.

ACTION: Staff requests that the Commission take action to approve the amendments to CP 41.

November 16, 2017
NEW MEXICO STATE TRANSPORTATION COMMISSION

Annual Budget Policy

Reference: NMSA 1978, Sections 67-3-2 and 67-3-14

This Commission Policy supersedes Commission Policy No. 41 dated April 19, 2012.

The purpose of this policy is to document the annual budget and project budgeting process to be followed by the Department to allow the New Mexico State Transportation Commission to effectively exercise its review and approval authority over the Department's budget.

A. At or before the Commission's regularly scheduled July meeting, the Secretary of Transportation (hereinafter “Secretary”) shall provide to the Commission a list of budget priorities and estimated costs for the upcoming appropriation request.

B. At or before the Commission’s next regularly scheduled meeting, the Secretary shall provide to the Commission for its review and approval a copy of the Department's proposed annual budget request. Any changes to the Commission approved proposed annual budget request shall be reported to the Commission at its next regularly scheduled meeting. Changes shall be limited to:

1. Projected changes in State Road Fund and federal revenues;
2. Updates to Department administrative overhead costs related to services provided by the General Services Department and the Department of Information Technology; and/or
3. Updates required by the Department of Finance and Administration.

C. The Secretary shall ensure that the expenditure of funds are in accordance with the legislatively approved budget.

D. All budget adjustments shall require prior Commission approval, except the Secretary may make budget adjustments to meet:

1. Emergency situations as authorized by state law with the Commission Chairperson’s approval, or
2. Any other situation, with the Commission Chairperson's approval, where a Budget Adjustment Request (BAR) is required prior to a regularly scheduled Commission meeting. The Secretary shall report these budget...
adjustments to the full Commission at the regularly scheduled meeting immediately following the adjustment.

E. The Secretary shall formulate directives and procedures for the implementation of this Policy.