

**NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING**

**Santa Claran Hotel and Casino Event Center
464 N. Riverside Drive
Española, New Mexico 87532
January 16, 2020**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on January 16, 2020, at the Santa Claran Hotel and Casino Event Center, Espanola, New Mexico. Chairman Adams called the meeting to order at 8:30 a.m. He asked for a roll call to establish a quorum. Jennifer Martinez, Office of the Secretary, NMDOT, proceeded to call the roll. Commissioners Bruce Ellis, Walter G. Adams, Thomas Taylor, and Charles Lundstrom were present.

Swearing in of Commission Member

The Honorable Alexandra Naranjo, Magistrate Judge of Rio Arriba County, swore in Thomas Taylor, District Five State Transportation Commissioner, newly appointed by Governor Michelle Lujan Grisham.

Approval of the STC Meeting Agenda

Chairman Adams asked for a motion to approve the STC meeting agenda; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Approval of the STC Minutes

Chairman Adams asked for a motion to approve the November 21, 2019 STC Regular Meeting minutes; Commissioner Lundstrom made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

Introductions

Michael Sandoval, Cabinet Secretary, NMDOT, thanked everyone in attendance at the STC meeting. He introduced the elected officials present, and asked NMDOT staff to introduce themselves. Chairman Adams welcomed newly appointed Commissioner Tom Taylor.

Elected Officials and Delegations:

Peggy Sue Martinez, Councilor, City of Espanola
John Ricci, Councilor, City of Espanola

State Transportation Commissioners Present:

Jennifer Sandoval, Vice-Chair, District One (absent with notice)
Bruce Ellis, Commissioner, District Two
Walter Adams, Chairman, District Four
Thomas Taylor, District Five
Charles Lundstrom, Secretary, District Six

NMDOT Staff Present:

Michael Sandoval, Cabinet Secretary
Kenneth B. Baca, General Counsel
NMDOT Staff

Welcoming Remarks

Chairman Adams thanked and gave his appreciation to everyone in attendance and thanked the City of Espanola for hosting the meeting. Secretary Sandoval thanked all the assistant district engineers for being in attendance at the meeting.

Public Comment

Peggy Sue Martinez, Councilor, City of Espanola, welcomed the STC and staff to the City of Espanola. She commented regarding a safety issue concerning the lighting in the evening hours traveling from Santa Fe up north and stated the lighting seems to be out all along the highway. She thanked Paul Brasher, P.E., District Five Engineer, NMDOT, for the communication between the NMDOT and the City of Espanola. She also commented on maintenance issues within her area.

John Ricci, Councilor, City of Espanola, thanked his fellow councilor for the comments she made and added concerns he has for the roads and bridges up north. He thanked Paul Brasher for his communication with the City of Espanola. He looks forward to collaborating with the department.

Brent Jaramillo, Councilor Village of Questa, and Taos County Manager, commented regarding an initiative to name State Highway 522 after the late Honorable Carlos Cisneros, State Senator, District 6.

Best Paving Awards

Brian Jones, Executive Director, Asphalt Paving Association of New Mexico, presented the New Mexico Best Paving Awards. The 2019 award winners were: (1) District One for rural highways sustainability on I-10; (2) District One for preventative maintenance seal treatment; (3) District Two for preventative maintenance and rural highway rehabilitation on highway 285; (4) District Three for the Rio Bravo project; (5) District Four for rural highway reconstruction on US 87; (6) District Five for resurfacing on I-25 northbound and southbound.

District Five Presentation and Employee Recognition

Paul Brasher, P.E., District Five Engineer, NMDOT, introduced the District Five staff members in attendance at the STC meeting. He recognized Rosanne Rodriguez, District Five PIO, NMDOT, who will be retiring at the end of the month. He followed with a presentation regarding District Five activities, during which he discussed the District's various projects and maintenance accomplishments. He also reported on the District's Employee Recognition Program and acknowledged recent award winners.

District Five Best Practice

Paul Brasher, P.E., District Five Engineer, NMDOT, presented the District Five Best Practice Award to the Farmington Patrol for its portable hitch, and to the Gallina Patrol for its cutting edge blade dolly. A video was shown to demonstrate its uses. Chairman Adams thanked the employees for their innovative ideas and for participating in the program.

Staff Briefings

FHWA Report

John Don Martinez, Division Administrator, FHWA, reported that the Federal Aid Program is still under a continuing resolution which will expire January 31, 2020. FHWA expects that another continuing resolution will get passed.

Secretary Report

Michael Sandoval, Cabinet Secretary, NMDOT, commented regarding the legislature, budget and the top priority bills for the department, including a bill that would authorize the department to use the construction manager/general contractor project delivery method. A second

top legislative priority involves the new Local Transportation Project Fund. Last year tribal governments were left out of the legislation and the department is now asking to amend the law to include tribal entities. The department wants to be able to fund tribal projects out of the fund. A third priority bill involves the aviation fund tax which sunsets in 2021. The department wants to eliminate the sunset this year as aviation is a big part of the economy and funds for the airports are important. Also, in December the state had a rapid hire event and department staff conducted over 450 interviews within a three-day period. Finally, Secretary Sandoval gave an update on the clothing, boot and tool allowance for maintenance workers. The new proposed amounts will be brought forth at the next department policy and procedures committee meeting.

Communications Update

Marisa Maez, Communications Director, NMDOT, provided an update regarding the progress of the new communications program. Marisa thanked everyone under the communications group and a video was shown to demonstrate the program. Chairman Adams complimented the video and asked the communications department to work on recruitment for the department, especially the younger generation. Secretary Sandoval gave his appreciation to the district public information officers and Marisa Maez, Communications Director.

Finance Reports

NMDOT Monthly Financial Report

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, presented the NMDOT operating budget and financial report as of January 1, 2020. Current program vacancy

rates are as follows: District One, 13.9%; District Two, 17.7%; District Three, 16.9%; District Four, 20.7%; District Five, 16.6%; District Six, 12.9%; Highway Operations, 16.9%; Project Design and Construction, 23.1%; Business Support, 17.7%; and Modal, 14.4%. The original budget for Project Design and Construction is \$557.5 million, with a remaining balance of \$281.8 million; Highway Operations, \$251.5 million, with a remaining balance of \$140 million; Business Support, \$43.6 million, with a remaining balance of \$20.9 million; and Modal, \$67.6 million, with a remaining balance of \$19.5 million. Mrs. Manzanares also discussed NMDOT cash balances and restricted fund balances. Mrs. Manzanares introduced staff who worked hard with the auditors for the 2019 financial audit.

2019 Financial Audit

Stephen Montoya, REDW, NMDOT, presented the department's audit summary for the fiscal year that ended June 30, 2019. The presentation included the following: purpose and scope; standard and objectives; status of audit; audit results; single audit uniform guidance; compliance and other matters; and other communications.

NMFA Report

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT's investment portfolio funds under NMFA management and NMDOT/NMFA's outstanding bond debt service as of December 31, 2019. The current total of NMDOT's debt service being held is \$56.4 million. During the month there was a net decrease on the fund of \$18.5 million, which included about \$14.8 million that NMFA received for debt service, as well as \$33.4 million that went out for bond payments. On December 15, 2019, a debt service payment in the amount of \$33.4 million was made and a commitment fee in the amount of \$24,277 was also paid in December. Currently,

there is \$230,000 in the arbitrage rebate account and \$6.7 million in the project funds account. The balance in NMDOT's taxable line of credit at Wells Fargo for the BNSF requirement is \$50 million. On June 15, 2020, a debt service payment will be made in the amount of \$121.8 million, which will include a principal reduction of \$97.9 million, and approximately \$24 million in interest. The total annual expected debt service will be \$155 million.

Approval of Annual Determination of Notice Provisions for Open and Closed State Transportation Commission Meetings Pursuant to NMSA 1978, Section 10-15-1 (D) of the Open Meetings Act

Ken Baca, General Counsel, NMDOT, requested approval of the annual determination of notice provisions for open and closed State Transportation Commission Meetings Pursuant to NMSA 1978, Section 10-15-1 (D) of the Open Meetings Act. The Commission has previously adopted Commission Policy 1, New Mexico State Transportation Commission Organization and Meetings, for both open and closed meetings of the Commission. Accordingly, it is appropriate for the Commission to reaffirm the specific notice provisions for public meetings required by Section 10-15-1 (D), NMSA 1978.

Chairman Adams asked for a motion to approve the Annual Determination of Notice Provisions for Open and Closed State Transportation Commission Meetings Pursuant to NMSA 1978, Section 10-15-1 (D) of the Open Meetings Act; Commissioner Taylor made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Approval to Dedicate a Portion of US 285 as the "Representative Lorenzo 'Larry' Larranaga Corridor"

Justin Gibson, P.E., ADE Construction, NMDOT, presented and requested approval of State Transportation Commission Resolution No. 2020-01 (JAN) dedicating a portion of US 285 as the “Representative Lorenzo ‘Larry’ Larranaga Corridor”. The dedication is for an approximately 27-mile portion of US 285 from its intersection with US 60 in Encino, north from milepost 250 in Clines Corners. This dedication was brought up during the 2019 Legislative Session. The bill passed and became House Memorial 35 and was sponsored by The Honorable Paul Bandy, New Mexico State Representative, District 3, The Honorable Patricia Lundstrom, New Mexico State Representative, District 9, The Honorable Mark Moores, New Mexico State Senator, District 21, The Honorable William Rehm, New Mexico State Representative, District 31, and The Honorable James Townsend, New Mexico State Representative, District 54. Mr. Larranaga was a former Chief Highway Administrator for the New Mexico State Highway Department (now New Mexico Department of Transportation) and served the State of New Mexico for many years. Representative Larranaga’s family was asked to read the Resolution to the STC. Commissioners and Secretary Sandoval made comments and were honored to have this dedication come before them. Mrs. Larranaga thanked the STC for the dedication for her late husband.

Chairman Adams asked for a motion to approve Resolution No. 2020-01 (JAN) dedicating a portion of US 285 as the “Representative Lorenzo ‘Larry’ Larranaga Corridor”; Commissioner Taylor made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Approval of Request to Initiate Rulemaking Action to Repeal and Replace NMDOT Rule 18.27.5 NMAC, the “Contractor Prequalification Rule”

Justin Gibson, P.E., ADE Construction, NMDOT, respectfully requested the approval to initiate rulemaking action to repeal and replace NMDOT rule 18.27.5 NMAC, the “Contractor Prequalification Rule”. Modifications to the Contractor Prequalification Rule effecting changes to the process NMDOT follows to determine and apply contractor prequalification scores require formal rulemaking action, pursuant to Commission Policy 4. The STC’s approval to initiate the rulemaking process is necessary prior to commencement of efforts to amend the rule with stakeholder consultation. Secretary Sandoval gave comment regarding this effort.

Chairman Adams asked for a motion to approve the request to initiate rulemaking action to repeal and replace NMDOT rule 18.27.5 NMAC, the “Contractor Prequalification Rule”; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 11:31 a.m.; Commissioner Ellis made a motion to so adjourn the meeting; Commissioner Lundstrom seconded. Motion carried unanimously.



Chairman
Walter Adams



Secretary
Charles Lundstrom