

NEW MEXICO STATE TRANSPORTATION COMMISSION

MEETING

Video Conference Meeting

January 22, 2021

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting via video conference on January 22, 2021. Chairman Adams called the meeting to order at 9:02 a.m. He asked for a roll call to establish a quorum. Mershawn Griego, Office of the Secretary, New Mexico Department of Transportation (NMDOT), proceeded to call the roll. Commissioners Jennifer Sandoval, Bruce Ellis, Hilma E. Chynoweth, Walter G. Adams, and Charles Lundstrom were present. Commissioner Thomas Taylor had technical difficulties connecting to the video conference but was able to join the meeting later.

Approval of the STC Meeting Agenda

Chairman Adams asked for a motion to approve the STC agenda with the following changes: move item 6(b) (Autonomous Vehicle Plan – NM & Gallup) to item 10 (Secretary Report) and move item 10 to 6(b). 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 19, 2020 STC regular teleconference meeting minutes; Commissioner Ellis made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

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State Transportation Commissioners Present:

Jennifer Sandoval, Vice-Chair, District One
Bruce Ellis, Commissioner, District Two
Hilma E. Chynoweth, Commissioner, District Three
Walter G. Adams, Chairman, District Four
Thomas C. Taylor, Commissioner, District Five
Charles Lundstrom, Secretary, District Six

NMDOT Staff Present:

Michael Sandoval, Cabinet Secretary
Justin Reese, Deputy Secretary
Rick Padilla, Executive Director of Highway Operations
Jerry Valdez, Executive Projects Director
Kenneth B. Baca, General Counsel
NMDOT Staff

Elected Officials and Delegations Present:

The Honorable Harry Garcia, New Mexico State Representative, District 69
The Honorable Joy Garratt, New Mexico State Representative, District 29
The Honorable Anthony Allison, New Mexico State Representative, District 4
The Honorable Ambrose Castellano, New Mexico State Representative, District 70
The Honorable Angelica Rubio, New Mexico State Representative, District 35
The Honorable Patricia Lundstrom, New Mexico State Representative, District 9
The Honorable Cynthia Borrego, Albuquerque City Council President, District 5
The Honorable Janis Jakino, Farmington City Council, District 4
The Honorable Anna Hansen, Santa Fe County Commission, District 2
The Honorable Candyce O'Donnell, Taos County Commission Chair, District 5
The Honorable Veronica Serna, Mora County Commission Chair, District 1
The Honorable Linda Calhoun, Mayor, Red River
The Honorable Cynthia Atencio, Mayor, Bloomfield

Introduction

Chairman Adams welcomed attendees to the STC meeting and asked if anyone in attendance would like to speak.

Public Comment

Paseo del Norte & Unser Boulevard Improvements

The Honorable Cynthia Borrego, Albuquerque City Council President, expressed her gratitude for the assistance the City of Albuquerque received on the Paseo del Norte/Unser Boulevard project. For the \$26 million public contribution for the project, the City raised \$17,749 million and received an additional \$100,000 from the Bernalillo County Commission. She also discussed the related Unser Boulevard project that requires a \$26 million public contribution. The City would like to fill an \$8 million dollar gap for the project.

Patrick Montoya, Director of Municipal Development, City of Albuquerque, gave a presentation on the project to improve roadway cross sections for Paseo del Norte (from Calle Nortena to University Boulevard) and Unser (from Kimmick Drive to Paradise Road). Unser is the main road into Rio Rancho on the west side and Paseo takes traffic onto I-40 northbound. These are the two major roads in Albuquerque that are not fully developed, but are carrying a major volume of traffic on a daily basis. Both are a part of the Long Range Roadway System and are a limited access roadways. Crashes have increased considerably since 2016. One disadvantage is where the road goes from four lanes to two lanes, there is major congestion. There have been reports of fire engines and police that cannot respond in a timely manner. It will cost approximately \$42 million to construct the road as a limited access urban arterial street. The public sector will cover \$26 million. Approximately \$18 million has been raised, and it will require an additional \$8 million to fully complete Paseo. Contributions in the amount of \$14 million will be sought from the private sector.

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By spring of 2021, right of way acquisition will begin for the 86 parcels needed for the project.

Secretary's Report

The Secretary outlined NMDOT's 2021 legislative package, which includes nine bills that have been approved to move forward. Six of the bills were pre-filed and have been introduced. The others are in the final stages of drafting. NMDOT's presentation to the House Transportation Committee is Tuesday at 8:30 a.m. The general status of NMDOT will be discussed, including budget and public transportation systems that NMDOT funds. On Thursday, starting at 8:30 a.m., each of the District Engineers will make individual presentations. The same presentations will be made to the Senate Tax, Business and Transportation Committee on Tuesday and Thursday, starting at 1:30 p.m.

Secretary Sandoval outlined the particulars and the current status of each of NMDOT's 2021 bills. He also reported that NMDOT will be discussing its operating budget with the Senate Finance Committee on February 10, at approximately 1:30 p.m., and will present its budget again at the House Appropriations and Finance meeting scheduled on February 16, at approximately 1:30 p.m.

The Secretary also reported that the President signed the latest COVID-19 Recovery Package with specific funding to go to State Departments of Transportation. There is about \$9.8 billion in that bill and through the current funding formula for states, NMDOT will receive about \$91.2 million. FHWA partners are working on establishing restrictions; when divulged, NMDOT will know what it can spend this money on. The point of this funding is to backfill some of the

revenue losses that Departments of Transportation have experienced due to reduction in gasoline revenues resulting from decreased gasoline sales. New Mexico gasoline tax revenue was down about 9%.

A portion of the \$91.2 million will go to larger Metropolitan Planning Organizations (MPO). This could be a potential funding source for the Paseo del Norte project, but will have to go through the area MPO.

NMDOT has not made any decisions with respect to the portion of funds it will receive. Secretary Sandoval will assess NMDOT's status following the legislative session and put a comprehensive plan together. The operating budget for this year is going to be about the same as last year, about \$1 billion. NMDOT is in negotiations with the House Transportation Committee that reviews the budget. The budget prepared for NMDOT by the Legislative Finance Committee (LFC) currently includes an additional \$250 million of General Fund/Severance Tax money. \$100 million is for cities and counties that will be subject to the 95% / 5% match fund requirement for local entities. \$150 million in the LFC budget will go directly to NMDOT for any type of projects.

Chairman Adams asked that the local entities have the projects shovel ready so if the money is distributed, they will be ready to use it.

Secretary Sandoval mentioned that NMDOT expended approximately \$57 million from the Transportation Project Fund in 2019. The majority of that amount has either been spent or is encumbered. About \$113 million of projects were not funded. If the \$100 million identified in the proposed FY22 budget for NMDOT is approved by the Legislature, NMDOT will issue a request for projects in May, have projects identified in June, scores in July, and present a list to the STC for approval in September.

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At the beginning of Secretary Sandoval's tenure as Cabinet Secretary, NMDOT's vacancy rate was at 21%. The rate was reduced to 15% in March 2020, but due to the pandemic and hiring freeze it increased to 20%. The vacancy rate is currently at 16%. Secretary Sandoval's goal is to reduce it to approximately 10-12%.

Secretary Sandoval discussed the security guards that are now present 24 hours a day, 7 days a week at the Taos rest area. Incidents of vandalism in the vicinity have increased and vendors have not been obeying the mask mandate. To date, the security guards have helped prevent two suicides at the Gorge Bridge. The Secretary mentioned that a budget adjustment request (BAR) to cover the costs for security services will be presented later in the STC meeting.

Commissioner Ellis requested additional information about legislative meetings and the numbers of NMDOT's bills.

District Five Update

Paul Brasher, P.E., District Five Engineer, NMDOT, provided an update regarding District Five, during which he discussed the District's various projects, pavement preservation, maintenance and other activities. He also acknowledged and thanked District Five staff for helping with COVID-19 activities.

The Honorable Cynthia Atencio, Mayor, Bloomfield, commented that the striping on US 550 and US 64 in Bloomfield is faded and inquired about when it will be redone.

District Five has issued a Purchase Order for a contractor to do striping, and will add the two identified highway segments to the work list.

The Honorable Anna Hansen, Santa Fe County Commissioner, asked about how to request budget for NMDOT let projects. David Quintana, Chief Engineer, replied that NMDOT will be looking at shovel ready projects. If they are state roads, NMDOT will consult with the MPOs in order to program the projects for funding and development.

Finance Reports

NMDOT Financial Status Update

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, presented the NMDOT financial status update as of December 31, 2020. In FY21, \$912.3 million was loaded into NMDOT's operating budget, rollover budget was \$534.6 million and increased budget authority, \$96.8 million. In six months, NMDOT received \$337.2 million in revenue and spent \$426.8 million. FY21 fund balances are as follows: State Road Fund, \$28.7 million; and Restricted Funds, \$32.6 million.

Commissioner Adams asked if NMDOT is presently on track. Mrs. Manzanares stated that current revenue projections indicate NMDOT will complete FY21 better than anticipated.

Approval of FY21 Budget Adjustment Request (BAR) No. 18 - P564 - BSUP (Broadband)

Jeremy Lovato, Chief Information Officer, NMDOT, presented and requested approval of FY21 BAR No. 18 - P564 - BSUP (Broadband). The BAR is required to increase the budget authority in Other Financing Uses (Category 500) by \$3.2 million. NMDOT will transfer the funds from State Road Fund balance to the New Mexico Economic Development Department (EDD) for broadband initiatives in rural areas throughout the State.

Commissioner Lundstrom asked about this initiative and who is leading it. Secretary Sandoval responded the request was made by EDD Secretary Alicia Keyes, and explained that EDD and NMDOT are working on a joint project. A few companies are coming to New Mexico to provide statewide broadband service. NMDOT is involved because of its patrol yard communication systems and the planned expansion of its Intelligent Transportation System (ITS). Jeremy Lovato mentioned that NMDOT has played a large part in the planning and development of the proposed state broadband network.

Commissioner Ellis asked if this will have long term benefits. Secretary Sandoval responded there is an immediate need for broadband due to the pandemic. NMDOT is focused on being a leader in broadband and would like to get service for its patrols and ITS. Commissioner Taylor commented that in other states when road work is being done, conduit is installed for fiber. He inquired if NMDOT has considered that as policy. Secretary Sandoval replied it is a NMDOT policy that has been in place for approximately 9 months. Every project in design will be considered for the placement of conduit and the cost will be part of the construction project. Any company that wants to use NMDOT right of way to install fiber for its use will also have to provide conduit to NMDOT.

Chairman Adams asked for a motion to approve FY21 BAR No. 18 - P564 - BSUP (Broadband); Commissioner Lundstrom made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of FY21 BAR No. 19 - P565 - HOPs (Security Guards)

Joseph De La Rosa, Employee Relations and Public Service, NMDOT, presented and requested approval of FY21 BAR No. 19 - P565 - HOPs (Security Guards). The BAR is required

to increase the budget authority in Contractual Services (Category 300) by \$900,000.00 for the Highway Operations program. The funds will be used to pay for security guard services at Las Cruces, La Bajada, Rio Grande Gorge Bridge, and Lordsburg rest areas/visitor centers. The security guards will be present 24 hours a day, 7 days a week through June 30, 2021. The BAR will be funded by State Road Fund Balance.

Since the pandemic began NMDOT has seen an increase in theft and vandalism at rest areas. Las Cruces and Lordsburg have a significant amount of overnight truck activity along the I-10 corridor. La Bajada has overnight camping and homeless activity. The Rio Grande Gorge Bridge, due to its remote location, has experienced a high rate of vandalism and problems with suicides. Security guards are not trained in suicide prevention but their presence has discouraged suicides. There are two documented incidents in which security guards were able to keep the individuals engaged until local law enforcement assistance arrived.

Chairman Adams asked if the security services may be extended beyond June 30, 2021. Mr. De La Rosa stated that he will update the STC on July 1, 2021, regarding whether NMDOT intends to continue these services.

The Honorable Candyce O'Donnell, Taos County Commission Chair, requested a portable building or a permanent location at the Rio Grande Gorge Bridge for the security guards. Secretary Sandoval responded the area is leased from BLM, and NMDOT has approached BLM regarding remodeling the facility.

Chairman Adams asked for a motion to approve FY21 BAR No. 19 - P565 - HOPs (Security Guards); Commissioner Sandoval made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

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FY20 External Audit - REDW LLC

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, reported that each year NMDOT must undergo an independent financial audit by an external auditor. The FY20 audit was completed in October and approved by Office of the State Auditor (OSA) in December. This is the second year that REDW LLC has performed the external audit for NMDOT.

Stephen Montoya, CPA, REDW LLC, reported that the scope of the audit included a financial statement audit and a federal compliance audit. Unmodified opinions were issued on both. There were no material weaknesses or significant deficiencies to report and no findings.

New Mexico Finance Authority (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, 2020. As of that date, NMFA was holding approximately \$108.4 million for debt service. On December 15, 2020, NMDOT made a debt service payment in the amount of \$29.3 million and paid off the 2010 A1 and A2 Series Bonds with funds in the amount of \$33.7 million being held in escrow for that purpose. NMFA is currently holding \$60 million for debt service. Presently, there is approximately \$6.7 million in the project account and approximately \$230,600 in the arbitrage rebate account. The balance in NMDOT's taxable line of credit at Wells Fargo for the BNSF requirement is \$50 million. No commitment fee was paid in December. NMDOT's current outstanding debt is \$864.87 million. A debt service payment of approximately \$122.8 million (\$101.27 million in principal plus \$21.5 million in interest) is due on June 15, 2021.

Policy Reports

Annual Determination of Notice Provisions for Open and Closed State Transportation

Commission Meetings

Ken Baca, General Counsel, NMDOT, presented and 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. Commission Policy 1, *New Mexico State Transportation Commission Organization and Meetings* (CP 1), sets forth the notice requirements for both open and closed meetings of the STC. The STC is required to take action at this time to determine the specific notice provisions for its open and closed public meetings.

Commissioner Ellis commented that the STC should consider using social media to notice meetings that fit the 3-day and 10-day requirement. Mr. Baca agreed and stated he will follow up on the request.

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 Ellis made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Proposed Reinstatement of and Amendments to State Transportation Commission Policy

No. 83, Priority Determination for Highway Improvements (CP 83)

Tamara Haas, Capital Programs and Investments Division Director, briefed the STC on the proposed reinstatement of and amendments to CP 83. She explained the proposed amendments

change NMDOT's existing project prioritization policy to a performance-driven, outcome-based system. This modification will prioritize projects in a manner consistent with FHWA policy.

Public Comment

Autonomous Vehicle Plan – New Mexico & Gallup

Michael Sage, Deputy Director, Greater Gallup Economic Development Corporation, commented regarding a new economic development initiative for Gallup and McKinley County focused on autonomous vehicles and mobility. Adam Wasserman and Lois Yates, GLD Global Logistics Development Partners, also presented on the Gallup proposition involving a statewide mobility strategy. Three hubs are proposed: one in the Gallup Region, one in the Albuquerque Region, and one in the Las Cruces Region.

Mr. Wasserman commented that there would need to be terminus facilities for automated car and truck testing and strategic locations along the interstates where vehicles could upload data. This is currently being done in eight states without a safety driver. The proposition includes a truck mobility complex be constructed in Gallup. The complex will be used for charging, off-loading cargo and an inland port. Gallup would be the charter truck mobility complex for urban testing.

Chairman Adams stated the STC needs to consider being proactive, as well as a timeline, liability, a safety study and funding. He also asked if there are any policies in place for autonomous vehicles. Ken, Baca, General Counsel, NMDOT, responded that he does not think there are any policies in place.

The Honorable Patricia Lundstrom, New Mexico State Representative, District 9, stated that New Mexico Legislative Council Service research indicates there is not a specific set of

policies. NMDOT would be the lead, but the initiative would also involve other New Mexico state agencies.

FHWA Report

Rodolfo Monge-Oviedo, Deputy Division Administrator, FHWA, introduced Melinda Roberson, the new acting FHWA New Mexico Division Administrator. John Don Martinez, former Division Administrator, retired in December 2020.

Chairman Adams asked for an update on District Two from the acting the District Engineer. Rick Padilla, Executive Director of Highway Operations and acting District Two Engineer, reported that the advertisement for District Engineer is scheduled to close on January 22, 2021. Hopefully, the position will be filled before the end of the 2021 New Mexico Legislative Session.

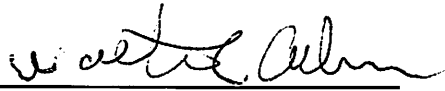
Justin Reese, Deputy Secretary of Business Support, NMDOT provided an update on the Taos and US 550 projects.

The Honorable Anthony Allison, New Mexico State Representative, District 4, commented that during the 2020 Legislative Session, he introduced a House Memorial requesting the renaming of US 491 between Gallup and Shiprock as the Senator John Pinto Memorial Highway. The highway was previously named for Chief Manuelito. Representative Allison would like the STC's help to rename the highway segment.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 12:55 p.m.; Commissioner Taylor made a motion to adjourn the regular meeting; Commissioner Lundstrom seconded. Motion carried unanimously.

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Chairman

Walter G. Adams

Secretary

Charles Lundstrom

January 22, 2021

Chairman

Walter G. Adams



Secretary

Charles Lundstrom

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