

**NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING**

**Video Conference Meeting
July 16, 2020**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting via video conference on July 16, 2020. Chairman Adams called the meeting to order at 9:00 a.m. He asked for a roll call to establish a quorum. Jennifer Martinez, Office of the Secretary, New Mexico Department of Transportation (NMDOT), proceeded to call the roll. Commissioners Bruce Ellis, Hilma E. Chynoweth, Walter G. Adams, Thomas C. Taylor, and Charles Lundstrom were present.

Approval of the STC Meeting Agenda

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

Approval of the STC Minutes

Chairman Adams asked for a motion to approve the May 21, 2020 STC regular teleconference meeting minutes; Commissioner Ellis made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

State Transportation Commissioners Present:

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

NMDOT Staff Present:

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

Elected Officials and Delegations Present:

None.

Introduction

Chairman Adams asked for a moment of silence for NMDOT employee, Erica Dalton, who passed away on July 14, 2020. Erica was employed by the Ports of Entry Division. Chairman Adams, on behalf of the STC, sent condolences and prayers to the Dalton family.

Finance Reports

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 June 30, 2020. NMDOT's balance at the end of May was \$123 million. In June, \$121.8 million in debt service payments were made, and interest in the amount of \$13,450 was

earned, bringing NMDOT's balance at month end to almost \$1.2 million. A debt service payment in the approximate amount of \$31 million will be due on December 15, 2020. Currently, there is approximately \$230,000 in the arbitrage rebate account and approximately \$6.7 million in the project account. The balance in NMDOT's taxable line of credit at Wells Fargo for the BNSF requirement is \$50 million. A commitment fee in the amount of \$24,000 was paid in June. NMDOT paid a total of \$155.2 million in debt service for fiscal year 2020.

Approval of FY21 Budget Adjustment Request (BAR) No. 4 - P562 - PDC

Dean Serna, Utilities Manager, NMDOT, presented and requested approval of FY21 BAR No. 4 - P562 - PDC. The BAR is required to establish budget authority for the Project Design and Construction Program in Contractual Services (Category 300) for the amount of \$1,100,000. The funds will be used to configure, license, implement, train and data host an electronic utility permitting system. The project will greatly improve the relationship between NMDOT and stakeholders occupying NMDOT right of way, as well as stakeholders applying for access (turn out) permits. The project will include a GIS database to manage the information for future project development. These funds are 100% state funded through State Road Fund balance.

Chairman Adams asked for a motion to approve FY21 BAR No. 4 - P562 - PDC; Commissioner Taylor made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Approval of FY21 BAR No. 5 - P565 - Modal - FTA CARES Act

David Harris, Transit and Rail Division Director, NMDOT, presented and requested approval of FY21 BAR No. 5 - P565 - Modal - FTA CARES Act. The BAR is required to increase budget authority in Professional Services (Category 300) by \$800,000, and Federal Grants and

Services (Category 400) by \$12,000,000, for the Transit Bureau in a total amount of \$12.8 million. The funds are 100% federal reimbursable, and are part of an apportionment to the State from the Federal Transit Administration under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020. The funds will be utilized to pay for eligible local rural public transportation administrative and operating expenses at 100%, with no local match requirements. This \$12.8 million request is the second using the \$36.5 million in Federal CARES Act funding appropriated to the State of New Mexico. A BAR for the remaining amount of \$10,874,320 will be requested later in FY21, as needed.

Chairman Adams asked for a motion to approve FY21 BAR No. 5 - P565 - Modal - FTA CARES Act; Commissioner Taylor made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of FY21 BAR No. 6 - P564 - BSUP - Energy Conservation General Office and District 5

Richard Chavez, Buildings and Grounds Bureau Chief, NMDOT, presented and requested approval of FY21 BAR No. 6 - P564 - BSUP - Energy Conservation General Office and District 5. The BAR is required to increase establish authority for the Business Support Program, and will increase budget authority in Contractual Services (Category 300) by \$11 million for the Building and Grounds Division. The BAR will fund the second phase of General Office and District 5 energy conservation projects, including HVAC replacement, LED lighting and replacement of windows and electric wiring. Both projects have a completion date of June 2021. The BAR is funded by State Road Fund balance.

Chairman Adams asked for a motion to approve FY21 BAR No. 6 - P564 - BSUP - Energy Conservation General Office and District 5; Commissioner Taylor made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

Approval of FY21 BAR No. 7 - P565 - Modal - Aviation

Mallery Manzanares, Budget Director and Acting Administrative Services Director (ASD), NMDOT, presented and requested approval of FY 21 BAR No. 7 - P565 - Modal - Aviation. The BAR is required to increase budget authority in Grants (Category 400), by \$3 million, for the Aviation Division within the Modal Program. The Division will fund construction and maintenance projects for any of the eligible 54 New Mexico airports at 90% of the project cost, and the airports will have a 10% match requirement. The BAR is supported by State Aviation Fund balance.

Chairman Adams asked for a motion to approve FY21 BAR No. 7 - P565 - Modal - Aviation; Commissioner Taylor made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of FY21 BAR No. 8 - P562 - PDC - Category Change

Mallery Manzanares, Budget Director and Acting ASD, NMDOT, presented and requested approval of FY 21 BAR No. 8 - P562 - Project Design and Construction - Category Change. The BAR is required to establish a category transfer for the Project Design and Construction Program. The BAR will move \$6.5 million budget authority from Contractual Services (Category 300) to Grants (Category 400) to fund 100% State grant projects for local entities. The funding derives from NMDOT's FY21 operating budget.

Chairman Adams asked for a motion to approve FY21 BAR No. 8 - P562 - Project Design and Construction - Category Change; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Approval of FY21 BAR No. 9 - P564 - Business Support - Brine Well Remediation Transfer

Mallery Manzanares, Budget Director and Acting ASD, NMDOT, presented and requested approval of FY21 BAR No. 9 - P564 - Business Support - Brine Well Remediation Transfer. The BAR is required to establish budget authority for the Business Support Program, and will increase budget authority in Other Financing Uses (Category 500) by \$10 million. NMDOT will transfer the funds from State Road Fund balance to the Energy, Minerals and Natural Resources Department for the brine well remediation project. This transfer is being made pursuant to 2018 Senate Bill 226, and is the last payment NMDOT is required to make.

Chairman Adams asked for a motion to approve FY21 BAR No. 9 - P564 - Business Support - Brine Well Remediation Transfer; Commissioner Ellis made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval and Adoption of Authorizing Bond Resolution No. 2020-03 (JUL)

Tammy Haas, P.E., Capital Programs & Investments Division Director, NMDOT, introduced Peter Shellenberger, Managing Director, PFM Financial Advisors LLC | Public Financial Management, Inc., who presented the New Mexico Department of Transportation Market Update and Debt Portfolio Overview, and discussed bond reissuance and refunding opportunities as well as the potential for new money borrowing.

Secretary Sandoval discussed the proposed refunding of NMDOT's Transportation Revenue Bonds and requested the STC to take action to approve the refunding. He also reported regarding the bonding authority granted to NMDOT during the 2020 Special Legislative Session. He explained that as of July 1, 2022, NMDOT will be able to bond for up to \$75 million to make up for the \$75 million in capital appropriations the Legislature reverted from NMDOT in the Special Session. Due to certain favorable market and other conditions that currently exist, NMDOT asked the Legislature for authority to immediately bond for that amount instead of waiting, but unfortunately did not prevail. Accordingly, NMDOT will make the request again during in the 2021 Legislative Session.

Mrs. Haas introduced Ken Guckenberger, NMDOT Bond Counsel, who outlined the provisions contained in STC Resolution No. 2020-03 (JUL).

Resolution No. 2020-03 (JUL) authorizes and approves the New Mexico Finance Authority (NMFA) to issue Transportation Revenue Refunding Bonds for the purpose of refunding fixed rate Transportation Revenue Bonds previously issued by NMFA. The aggregate principal amount will not exceed \$75 million. With interest rates near all-time lows, NMDOT could generate debt service savings through a refunding of the bonds. The timing of the refunding would be to have a delivery date no earlier than November 30, 2020. NMDOT will work with NMFA for the purpose of refunding the Transportation Revenue Bonds previously issued by NMFA.

On behalf the STC, Chairman Adams requested Mrs. Haas to schedule and present to the STC in the near future, a workshop on bonds. Mrs. Haas agreed to do so, and to have Messrs. Shellenberger and Guckenberger participate.

Chairman Adams asked for a motion to approve and adopt STC Resolution No. 2020-03 (JUL); Commissioner Taylor made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Policy Reports

Proposed Town of Red River Request to Designate Additional Segments of NM 38 for the Operation of Recreational Off-Highway Vehicles (“ROVs”)

Paul Brasher, P.E, District Five Engineer, NMDOT, briefed the STC concerning the Town of Red River’s proposed request to designate additional segments of NM 38 for the operation of ROVs (“Route Designation Request”). The specific state highway segments the Town requested to be designated as a recreational off-highway vehicle route (“Designated Route”) are more particularly described as: (1) NM 38 from Caribel Trail to Jayhawk Trail; and (2) NM 38 from Wild Oak Trail east to the Town limits. Designating the additional segments of NM 38 for operation of ROVs will require STC review and approval of the proposed Route Designation Request and adoption of a Commission Resolution, contingent upon the following conditions: (1) the Town’s approval, passage and adoption of a new Ordinance that conforms with the Off-Highway Motor Vehicle Act and NMSA 1978, Sections 66-3-1001.1 and 66-3-1011; (2) the Town and NMDOT’s execution of an amendment to the Maintenance Agreement - Recreational Off-Highway Vehicle Route Signage between NMDOT and the Town, effective as of September 10, 2018, which defines the roles and responsibilities for construction and maintenance of Designated Route facilities; (3) construction and completion of any improvements to the Designated Route, including signage, required by NMDOT for the operation of ROVs; (4) that all-terrain vehicles

“ATVs”) shall not be operated upon the Designated Route; and (5) the Town shall be responsible for patrolling the Designated Route and enforcing the provisions of the Off-Highway Motor Vehicle Act and CP 71.

The STC asked Mr. Brasher to ensure that all appropriate traffic safety and impact studies are completed before this matter is presented for Commission approval. The STC also requested NMDOT to provide information on the status of certain ROV route designations the Commission approved in the past.

Approval of STC Resolution No. 2020-02 (JUL) Dedicating the Bridge Located on Cañoncito School Road over Interstate 40 in Cibola County (Bridge No. 8635), as the “PFC Raymond Platero Memorial Bridge”

Stephanie Nemett, Government Affairs Director, NMDOT, presented and requested approval of STC Resolution No. 2020-02 (JUL) Dedicating the Bridge Located on Cañoncito School Road over Interstate 40 in Cibola County (Bridge No. 8635), as the “PFC Raymond Platero Memorial Bridge”.

Private First Class Raymond Platero was a native New Mexican of Navajo descent, born on March 10, 1944. He joined the U.S. Army in or about 1969, and was tragically killed in action in Thua Thien Province, South Vietnam on January 26, 1970. In 2019, the To'Hajiilee Navajo Chapter hosted an Eastern Navajo Agency Council meeting at which Private First Class Raymond Platero was honored, and the To'Hajiilee Navajo Veteran's Organization discussed naming the bridge located on Cañoncito School Road over Interstate 40 in his memory. On May 21, 2020, the Honorable Harry Garcia, New Mexico State Representative, District 69, appeared before the STC,

on behalf of the To'Hajiilee Navajo Veteran's Organization, to formally request the dedication of the subject bridge.

The proposed Resolution dedicates the bridge located on Cañoncito School Road over Interstate 40 as the “Private First Class Raymond Platero Memorial Bridge” to honor and recognize PFC Platero for his patriotism, bravery, dedication and distinguished military service.

Chairman Adams asked for a motion to approve STC Resolution No. 2020-02 (JUL) Dedicating the Bridge Located on Cañoncito School Road over Interstate 40 in Cibola County (Bridge No. 8635), as the “PFC Raymond Platero Memorial Bridge”; Commissioner Chynoweth made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

Secretary’s Report

Secretary Sandoval gave a brief update on the current status of COVID-19 conditions in New Mexico, and discussed telework and setting dates for future STC meetings. He again discussed bonding authority and attempting to obtain permission to bond in March, immediately after the 2021 Legislative Session. He also reported that NMDOT was able to retain \$135 million from a 2020 legislative appropriation and, as a result, NMDOT’s regular operating budget of almost \$1 billion was not touched. NMDOT was also awarded \$180 million of additional General Fund appropriations during the 2020 Legislative Session, \$45 million of which was reverted by the Legislature in 2020 Special Session. NMDOT, however, was very lucky to retain \$135 million for projects, and has promised to spend that money within the next year in order to inject it into the State’s economy. NMDOT will gain access to those funds around August 1, 2020, and the majority of it, approximately 90-95%, should be spent by August or September 2021. Each District

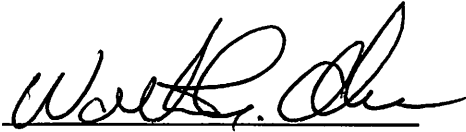
will receive \$20 million, and the remaining \$15 million will be held by the Office of the Secretary for projects that are ready to construct and that could provide economic development or benefit. Decisions are currently being made as to where that money will be spent. Each of the six Districts has a plan to spend their \$20 million in the next 12-13 months so NMDOT can make some road improvements and inject that money into the economy. Currently, there is a Road Fund deficit of approximately \$25 - \$75 million for this fiscal year because of reduced gasoline and other tax revenues.

The Secretary briefly discussed Congress' proposed federal stimulus package and highway funding bill. He concluded his report by discussing recent hires to fill open positions and thereby successfully reduce NMDOT's vacancy rate. He also recognized Paul Brasher, P.E., District Five Engineer, NMDOT, and Rick Padilla, P.E., Executive Director of Highway Operations, NMDOT, for managing NMDOT's responsibilities at the State emergency command center.

Chairman Adams, on behalf of the STC, thanked Secretary Sandoval and NMDOT staff for all the work currently being done.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 11:35 a.m.; Commissioner Ellis made a motion to adjourn the regular meeting; Commissioner Taylor seconded. Motion carried unanimously.



Chairman

Walter G. Adams

Secretary

Charles Lundstrom

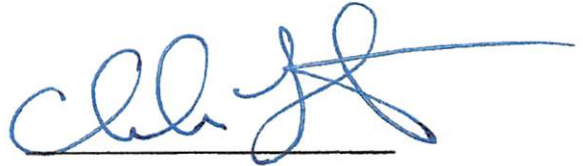
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Chairman

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Secretary

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