NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING

New Mexico Department of Transportation
District Three Auditorium
7500 Pan American Freeway NE
Albuquerque, New Mexico 87199
October 6, 2016

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on October 6, 2016, at the New Mexico Department of Transportation, District Three Auditorium, Albuquerque, New Mexico. Chairman Schmeits called the meeting to order at 8:30 a.m. Commissioner Sepich led meeting attendees in the Pledge of Allegiance.

Approval of the STC Agenda

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

Approval of the STC Minutes

Chairman Schmeits asked for a motion to approve the minutes of the regular STC meeting of August 18, 2016; Commissioner White made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

Elected Officials and Delegations:

Ken Ladner, Mayor, Town of Silver City
State Transportation Commissioners Present:

Kenneth White, Secretary, District One
David Sepich, Commissioner, District Two
Keith Mortensen, Commissioner, District Three
Ron Schneits, Chairman, District Four
Butch Mathews, Vice-Chairman, District Five
Jackson Gibson, Commissioner, District Six

NMDOT Staff Present:

Anthony Lujan, Deputy Secretary
Loren Hatch, Deputy Secretary
NMDOT Staff

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 Employee Recognition Program and acknowledged the District Road’eo winners; Employee of the Year, Jennifer Nicholson; Supervisor of the Year, Marion Valencia; and Crew of the Year, the Corona Patrol.

Workshop Agenda

Finance Committee

Monthly Financial Report

Michael Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented the NMDOT operating budget and financial report for the month ended August 31, 2016. The current adjusted budget for Programs and Infrastructure is $537.1 million; Highway Operations, $233.7 million; Business Support, $42.2 million; and Modal, $64.3 million. There is $139.8 million in encumbrances, and expenses of $105.3 million. Mr. Friel indicated that NMDOT is in
good financial standing at this time, and, regarding the current vacancy rate within NMDOT, he reported that Project Design and Construction is at 19.9%; Highway Operations, 12.9%; District One, 8%; District Two, 11%; District Three, 16%; District Four, 16%; District Five, 14%; and District Six, 12%; overall NMDOT is at 14%, representing 357 FTE vacancies.

New Mexico Finance Authority (NMFA) Monthly Report

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT’s portfolio funds under NMFA management. As of August 31, 2016, the balance in the portfolio was $89.2 million, a net increase of $15.6 million from July. The change is attributed to debt service payments of $277,661, plus total earnings of $14,328, and $15.8 million in debt service set asides payments. There is 64% in the project account, of which $15,040 is in the 2010A bond fund account, $56.6 million in the 2014A Highway Infrastructure Fund (HIF) account, 36% in debt service accounts, and less than 1% in the arbitrage rebate account. On August 31, 2016, the unused balance in the taxable line of credit at RBC was $36 million for collateral needs, and the balance in the taxable line of credit at Wells Fargo was $50 million for the BNSF Escrow account. As of September 9, 2016, the amount to exit the swaps was approximately $118.5 million. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

FY17 Budget Adjustment Request (BAR) No. 8 for P563/Highway Operations

Mallery Martinez, Acting Budget Director, NMDOT, presented the FY17 BAR No. 8 for P563/Highway Operations. The BAR is required to process a category transfer to establish budget authority in Category 300/Contractual for a minimum of three additional “Contract: Maintenance” projects: Main Street in Las Vegas, US 285 in Tres Piedras, and Alameda
Boulevard in Albuquerque. The BAR will transfer $3 million from Category 400/Other to Category 300/Contractual.

**FY17 BAR No. 9 for P562/PDC**

Mallery Martinez, Acting Budget Director, NMDOT, presented FY17 BAR No. 9 for P562/PDC, which is required to increase budget authority for the Asset Management Division, in the amount of $250,000 for a SHRP2 renewal project. The funds will be used to implement R06D - Advanced Methods to Identify Pavement Delamination. The funds are to support a work plan for improving non-destructive testing capabilities for identifying asphalt pavement delamination. The project is 100% federally reimbursable.

**FY17 BAR No. 10 for P562/PDC**

Mallery Martinez, Acting Budget Director, NMDOT, presented FY17 BAR No. 10 for P562/PDC, which is required to increase the budget authority for the Asset Management Division, in the amount of $80,000. The funds will be used for launching and administering strategic innovation deployment programs. The project has a 20% or $20,000 match portion that will come from existing budget, whereas the $80,000 is federally reimbursable.

**FY17 BAR No. 11 for P565/Modal**

Mallery Martinez, Acting Budget Director, NMDOT, presented FY17 BAR No. 11 for P565/Modal, which is required to increase budget authority for DWI Prevention Fund 20700. The BAR will transfer $400,000 from fund balance, and the funds will be used for three contracts: (1) for a statewide media campaign targeted to youth and their parents to discuss the danger of underage crinking; (2) for media development, such as radio, television and social media public service announcements; and (3) for the “Life of an Athlete” alcohol prevention education program.
FY17 BAR No. 12 for P565/Modal

Mallery Martinez, Acting Budget Director, NMDOT, presented the FY17 BAR No. 12 for P565/Modal, which is required to increase budget authority for Traffic Safety Fund 20800. The BAR will transfer $600,000 from fund balance. The funds will be used for education and enforcement and CDWI. Specifically, (1) $300,000 will be distributed to approximately 30 law enforcement agencies and will help pay for traffic enforcement overtime, equipment, supplies, officer training, and traffic safety program costs; and (2) $300,000 will be distributed to 33 counties and will help pay for underage alcohol compliance enforcement, equipment, training, public awareness, and prevention.

Proposed State Infrastructure Bank (SIB) Loan Application - Town of Silver City (Silver City)

Michael Friel, Accounting Services Director/Chief Financial Officer, NMDOT, discussed Silver City’s SIB Loan application. He explained that Alex Brown, Town Manager, Silver City, requested a SIB Loan in the amount of $411,882, to help fund a utility relocation/replacement (water and sewer line), which will also benefit NMDOT project CN 1100810. The project is located on NM 15 from US 180 to 32nd Street (1.6 mile reconstruction with no added capacity; approximately $7 million; scheduled to be let June 2017).

Ken Ladner, Mayor, Silver City, explained that the relocation/replacement of the water and sewer line will be a cost saving measure for Silver City.

FY17 Local Government Road Fund (LGRF) Match Waiver Recommendation

Marcos B. Trujillo, Acting Project Oversight Director, NMDOT, presented the FY17 LGRF Match Waiver Recommendation. The recommendation includes 17 local projects that the Department of Finance Administration (DFA) has recommended to receive match waiver grants,
the aggregate amount of which is approximately $1.1 million. Mr. Trujillo explained that the STC, at its meeting in June 2016, reviewed and approved the FY 17 LGRF list of projects, the approximate total of which was $23.7 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.

**Infrastructure Committee**

**Temporary Alternate WIPP Route on NM 176 from the Texas/New Mexico Border at Eunice**

Loren Hatch, Deputy Secretary, NMDOT, discussed a proposed STC resolution regarding approval of a temporary alternate WIPP route on NM 176, NM 18 and NM 128. Pursuant to the provisions of the resolution, NMDOT will agree to the temporary use of a negotiated, alternate WIPP route requested by the U.S. Department of Energy, Carlsbad Field Office (DOE-CBFO) for the transport of no more than 20 shipments of transuranic (TRU) waste material. The proposed route begins on the Texas/New Mexico border at Eunice, enters New Mexico on NM 176, proceeds west on NM 176 to its junction with NM 18, continues south on NM 18 to Jal, then proceeds west on NM 128 to the South Access at WIPP Road. The proposed route is approximately 93 miles shorter than the established southern WIPP route. The STC previously approved temporary use of the subject route in December 2013 (STC Resolution 2013-03) for use in 2014. The new term of use would be from the date of the STC’s approval to December 31, 2017, or after a final shipment of TRU waste material, whichever occurs first. Each TRU waste shipment will require prior concurrence by both the NMDOT District 2
Engineer and the NMDOT Risk Management Director. Authorization to use the route may be terminated with 30 days notice to the DOE-CBFO.

Elthea Trujillo, New Mexico Radioactive Waste Consultation Task Force, Energy Minerals and Natural Resources Department, who coordinates the WIPP Transportation Safety Program for the State and collaborates with DOE-CBFO, attended the STC meeting. She explained there are no more than 20 shipments that need to be transported to the WIPP site. DOE proposes to transport 11 shipments within a two day period in April and May 2017, and the remaining shipments within an unspecified period of time prior to December 2017.

There was brief discussion between the STC members and Ms. Trujillo and Timothy Parker, P.E., District Two Engineer, NMDOT.

**Conchas Lake Airport Briefing**

Steve Summers, Aviation Division Director, NMDOT, briefed the STC regarding the status of the Conchas Lake Airport, which is owned by NMDOT. The airport is one of 50 New Mexico airports in the National Plan of Integrated Airport Systems (NPIAS). As a NPIAS airport owner, NMDOT is eligible to receive federal non-primary entitlement grants from the FAA (90% with a state match of 10%) for airport maintenance and rehabilitation, up to the amount $150,000 per year. NMDOT is in the process of rehabilitating the runway, sub taxiways and apron at the airport using 90% federal funding.

**Discussion Regarding Proposed Sale, Lease, or Donation of Certain STC and NMDOT Owned Water Rights to the New Mexico Interstate Stream Commission (ISC)**

Loren Hatch, Deputy Secretary, NMDOT, discussed a proposal to sell, lease, or donate certain water rights to ISC. The subject water rights are owned by the STC and NMDOT and are associated with 40.634 acres of real property located in the middle of the Rio Grande Basin. ISC
would like the water rights for its Strategic Water Reserve, established pursuant to NMSA 1978, Section 72-14-3.3, the primary goals of which are to: (1) assist the State in complying with the interstate stream compacts and court decrees; and (2) assist the State and water users in water management efforts for the benefit of threatened or endangered aquatic or obligate riparian species or in a program intended to avoid additional listings of species.

While investigating a potential sale of water rights to ISC by the STC and NMDOT, NMDOT established the fair market value of the water rights at $14,500 per acre-foot consumptive use; however, a compensation price of $10,000 per acre-foot consumptive use has been offered to ISC because the water rights are to be conveyed to a New Mexico State agency, ISC, which plans to use them (1) for the purpose of offsetting increased depletions resulting from habitat restoration projects; (2) to primarily benefit two species listed as endangered under the federal Endangered Species Act, the Rio Grande silvery minnow and the Southwestern willow flycatcher; and (3) to aid the federal government in compliance with both the existing 2003 Biological Opinion and a forthcoming biological opinion for Middle Rio Grande water operations.

NMDOT and ISC have not yet explored the potential of the STC and NMDOT leasing the water rights to ISC nor have NMDOT and the ISC discussed the terms of possible donation of the water rights to ISC by the STC and NMDOT.

There was discussion between the STC Commissioners; Deputy Secretary, Loren Hatch; Kim Bannerman, Attorney, ISC; and Page Pegram, Hydrologist, ISC regarding the possible terms and advisability of the STC disposing of water rights in NMDOT’s inventory.
Policy Committee

Proposed Dedication of the Hudson Street Bridge on NM 90 in the Town of Silver City

(Silver City)

Trent Doolittle, P.E, District One Engineer, NMDOT, gave a presentation regarding the proposed dedication of the Hudson Street Bridge located at Milepost 41.4 on NM 90 in Silver City. To honor and memorialize the contributions of its veterans, Silver City proposed an official dedication of the newly reconstructed Hudson Street Bridge as the “Veterans Memorial Bridge.” If its proposal is approved by the STC, Silver City will manufacture and install, in accordance with the current edition of the Manual of Uniform Traffic Control Devices, the appropriate signage for the “Veterans Memorial Bridge” within one year of its dedication, and will thereafter maintain the signage at no cost to NMDOT.

Ken Ladner, Mayor, Town of Silver City, attended the STC meeting and spoke in support of the proposed dedication.

Proposed 2017 STC Meeting Schedule

Loren Hatch, Deputy Secretary, NMDOT, presented the proposed 2017 STC meeting schedule, which was developed based on a prior discussion wherein STC Commissioners expressed their desire to have bi-monthly meetings at each of the District Offices. The proposed schedule was revised as follows: (1) the Thursday, January 19, 2017 meeting was changed to Wednesday, January 18, 2017, due to the opening of the 2017 Legislative Session on Tuesday, January 17, 2017; (2) the location of the July 20, 2017 STC meeting was changed from Deming to Milan; and (3) the November 16, 2017 STC meeting was changed from Milan to Deming. NMDOT staff and the STC also discussed and the fact that a special meeting may need to be
scheduled in December 2017 in Albuquerque to allow for the STC’s review and approval of NMDOT’s Annual Report.

**Proposed Update of Commission Policy No. 3 - Approval of Secretary (CP 3)**

Loren Hatch, Deputy Secretary, NMDOT, discussed the proposed update of CP 3, which is the policy that outlines the procedure to be followed by the STC with respect to its approval or disapproval of the person the Governor has chosen to appoint as Secretary of Transportation. CP 3 was reviewed by NMDOT staff; no changes were suggested; accordingly, the STC was requested to extend the existing policy.

**Proposed Update of Commission Policy No. 44 - Funding Assistance to Local Governments (CP 44)**

Loren Hatch, Deputy Secretary, NMDOT, discussed the proposed update of CP 44, which is the policy that authorizes funding assistance to local governments for the construction of roads, streets, parking lots and other roadway items. CP 44 was reviewed by NMDOT staff; no changes were suggested; accordingly, the STC was requested to extend the existing policy.

**Regular Meeting Agenda**

**Staff Briefings**

**Secretary Report**

Anthony Lujan, Deputy Secretary, NMDOT, reported that the 2016 Special Legislative Session is currently in process. To date, only one bill that impacts NMDOT has been introduced, Senate Bill 8 - Capital Outlay Project Changes (SB 8). Assigned staff subject matter experts will closely monitor the progress of the bill through the close of the session. If it succeeds and is
signed by the Governor, staff will review the final version of SB 8, determine the ultimate impact on NMDOT and proceed accordingly. Deputy Secretary Lujan also reported that NMDOT met its federal obligation by obligating all of its federal highway funding on time. He thanked NMDOT staff who participated in the process. He also thanked J. Don Martinez, Division Administrator, FHWA, and FHWA staff for their work. He concluded his report with an update regarding the upcoming NMDOT bid letting schedule.

**FHWA Report**

J. Don Martinez, Division Administrator, FHWA, briefly discussed inactive obligations.

**Action Items**

**Approval of Request by the U.S. Department of Energy, Carlsbad Field Office (DOE-CBFO) for a Temporary Alternate WIPP Route on NM 176 from the Texas/New Mexico Border at Eunice and Adoption of Related STC Resolution No. 2016-__ (OCT)**

Loren Hatch, Deputy Secretary, NMDOT, asked for the STC’s approval of the DOE-CBFO’s request for a temporary alternate WIPP Route on NM 176 from the Texas/New Mexico border at Eunice and the related STC Resolution No. 2016-__ (OCT). He explained that the proposed STC Resolution presented to the STC Infrastructure Committee has a proposed amendment. The amendment would modify the number of transuranic (TRU) waste shipments from 20 to no more than 11, and the Resolution will now terminate on May 31, 2017, instead of December 31, 2017. The Resolution will become effective immediately upon signature by the STC Commissioners.

**Chairman Schmeits asked for a motion to approve the DOE-CBFO’s request for a temporary alternate WIPP Route on NM 176 from the Texas/New Mexico Border at**
Eunice and the adoption of related STC Resolution No. 2016-__ (OCT), as amended; Commissioner Mathews made a motion to so approve; Commissioner Sepich seconded; motion carried unanimously.

**Approval of Proposed Dedication of the Hudson Street Bridge on NM 90 in the Town of Silver City as the “Veterans Memorial Bridge” and Adoption of Related STC Resolution No. 2016-04**

Trent Doolittle, P.E., District One Engineer, NMDOT, requested the STC’s approval of the proposed dedication of the Hudson Street Bridge located at Milepost 41.4 on NM 90 in the Town of Silver City (Bridge No. 9658) as the “Veterans Memorial Bridge” and the adoption of related STC Resolution No. 2016-04.

Chairman Schmeits asked for a motion to approve the proposed dedication of the Hudson Street Bridge located at Milepost 41.4 on NM 90 in the Town of Silver City (Bridge No. 9658) as the “Veterans Memorial Bridge” and the adoption of related STC Resolution No. 2016-04; Commissioner Gibson made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.

**Approval of FY17 Budget Adjustment Request (BAR) No. 8 for P563/Highway Operations**

Mallery Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of the FY17 BAR No. 8 for P563/Highway Operations.

Chairman Schmeits asked for a motion to approve FY17 BAR No. 8 for P563/Highway Operations; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.
Approval of FY17 BAR No. 9 for P562/PDC

Mallery Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of the FY17 BAR No. 9 for P562/PDC.

Chairman Schmeits asked for a motion to approve FY17 BAR No. 9 for P562/PDC; Commissioner Sepich made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Approval of FY17 BAR No. 10 for P562/PDC

Mallery Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of FY17 BAR No. 10 for P562/PDC.

Chairman Schmeits asked for a motion to approve FY17 BAR No. 9 for P562/PDC; Commissioner White made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Approval of FY17 BAR No. 11 for P565/Modal

Mallery Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of FY17 BAR No. 11 for P565/Modal.

Chairman Schmeits asked for a motion to approve FY17 BAR No. 11 for P565/Modal; Commissioner Sepich made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.
Approval of FY17 BAR No. 12 for P565/Modal

Mallery Martinez, Acting Budget Director, NMDOT, requested the STC’s approval of BAR No. 12 for P565/Modal.

Chairman Schmits asked for a motion to approve FY17 BAR No. 12 for P565/Modal; Commissioner Mathews made a motion to so approve; Commissioner Gibson seconded; motion carried unanimously.

Approval of FY17 Local Government Road Fund (LGRF) Match Waiver Recommendation

Marcos B. Trujillo, Acting Project Oversight Director, NMDOT, requested the STC’s approval of the FY17 LGRF Match Waiver Recommendation.

Chairman Schmits asked for a motion to approve the FY17 LGRF Match Waiver Recommendation; Commissioner Mortensen made a motion to so approve; Commissioner Gibson seconded; motion carried unanimously.

Approval of Proposed 2017 STC Meeting Schedule

Loren Hatch, Deputy Secretary, NMDOT, requested the STC’s approval of the proposed 2017 STC meeting schedule, as amended.

Chairman Schmits asked for a motion to approve the proposed 2017 STC meeting schedule, as amended; Commissioner White made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Commissioner Comments

Commissioner Gibson thanked the NMDOT District Engineers for their fine work.
Commissioner Mathews expressed his appreciation to NMDOT staff and contractors for their work.

Commissioner Mortensen praised NMDOT staff for the way in which they recently addressed an issue of concern to a constituent.

Commissioner Sepich expressed his appreciation to NMDOT staff and congratulated the District Two employees who won employee recognition and District Road’eo awards. He also thanked Federal Highway Administration (FHWA) staff.

Commissioner White also thanked District Two and FHWA staff.

Chairman Schmeits extended his thanks to District Two for hosting the meeting.

Chairman Schmeits asked for a motion to adjourn the regular meeting at 12:00 p.m.; Commissioner Mathews made a motion to so adjourn; Commissioner White seconded; motion carried unanimously.

[Signatures]
Chairman
Ronald Schmeits

Secretary
Kenneth R. White

October 6, 2016