NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING

New Mexico Department of Transportation
District One Auditorium
2912 E. Pine Street
Deming, New Mexico 88030
May 17, 2018

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on May 17, 2018, at the New Mexico Department of Transportation, District One Auditorium, Deming, 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 Meeting Agenda

Chairman Schmeits asked for a motion to approve the STC meeting agenda; Commissioner White 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 STC regular meeting of March 15, 2018; Commissioner Sepich made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.
Elected Officials and Delegations:

The Honorable Benny Jasso, Mayor, City of Deming

State Transportation Commissioners Present:

Kenneth White, Secretary, District One
David Sepich, Commissioner, District Two
Keith Mortensen, Commissioner, District Three
Ron Schmeits, Chairman, District Four
Butch Mathews, Vice-Chairman, District Five (Absent with Notice)
Billy Moore, Commissioner, District Six

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.

Public Comment

Philo Shelton, Public Works Director, Los Alamos County, reported that he hopes to get the construction project on NM 502 out for bid again and thanked NMDOT staff for completing the project designs. He also informed the STC and NMDOT staff that he was recently elected President of the New Mexico Transit Association, which includes 46 member transit agencies around the state.

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Request for Approval Proposed Dedication of the Bridge Located on NM 53 over Interstate 40 in the City of Grants, as the “Vietnam Veterans’ Memorial Bridge” and Adoption of Related STC Resolution No. 2018-06 (MAY)

Anthony Lujan, Deputy Secretary, NMDOT, discussed and requested approval of the proposed request to dedicate the bridge located on NM 53 at Milepoint 85.6 over Interstate 40 between Exits 81A and 81B at Milepoint 81.9 in the City of Grants (Bridge No. 7143), as the “Vietnam Veterans’ Memorial Bridge”. Deputy Secretary Lujan explained that during the 2018 New Mexico Legislative Session, the House of Representatives passed House Memorial 70. The Memorial requested the naming of the subject bridge to honor and recognize New Mexico’s Vietnam War veterans for their valor and military service and the sacrifices they made on behalf of the State of New Mexico and the nation.

Chairman Schmeits asked for a motion (1) to approve the proposed dedication of the bridge located on NM 53 at Milepoint 85.6 over Interstate 40 between Exits 81A and 81B at Milepoint 81.9 in the City of Grants (Bridge No. 7143), as the “Vietnam Veterans’ Memorial Bridge”, and (2) to adopt related STC Resolution No. 2018-06 (MAY); Commissioner Moore made a motion to so approve the proposed designation and to adopt the related Resolution; Commissioner Mortensen seconded; motion carried unanimously.

District One Presentation and Employee Recognition

Trent Doolittle, P.E., District One Engineer, NMDOT, introduced the Honorable Benny Jasso, Mayor, City of Deming, and invited him to speak. Mayor Jasso thanked NMDOT for the help it has provided to the community over the years. He hopes the great working relationship
will continue. Because of NMDOT’s assistance, several projects have been completed and several more are in process.

Secretary Church thanked Mayor Jasso for all of the help he and the City provided during the dust storms.

Mr. Doolittle subsequently gave a presentation regarding District One activities, during which he discussed the District’s various projects and maintenance accomplishments. He also reported on the District’s Employee Recognition Program, acknowledged the recent award winners and introduced other District staff members in attendance at the meeting.

**Staff Briefings**

**Secretary Report**

Tom Church, Cabinet Secretary, NMDOT, thanked NMDOT staff for their work on bonds, Waste Isolation Pilot Plant (WIPP) matters, right of way (ROW) issues, and positive train control. He reported that NMDOT’s recent bond rating presentations went well and that NMDOT bonds have retained a AAA rating. At the investors conference, NMDOT was rated very solid and is considered a good risk. The proposed debt refinancing transaction should occur within the next month.

**FHWA Report**

J. Don Martinez, Division Administrator, FHWA, discussed the NMDOT/FHWA Executive Dashboard Metrics report for the second quarter of federal fiscal year 2018. He outlined certain statistics concerning district change orders; claims; inactive projects and
balances; closeout transactions; the federal aid obligation execution rate; STIP obligations; and the Highway Safety Improvement Program (HSIP).

**Finance Reports**

**Monthly Financial Report**

Mallery Manzanares, Budget Director, NMDOT, presented the NMDOT operating budget and financial report as of April 30, 2018. The current adjusted budget for Project Design and Construction (P562) is $835.7 million, $366.6 million in encumbrances, and $263.5 million in expenses; Highway Operations (P563), $246.7 million, $39.1 million in encumbrances, and $155.2 million in expenses; Business Operations (P564), $42.2 million, $3 million in encumbrances, and $28.6 million in expenses; Modal (P565), $64.9 million, $25.3 million in encumbrances, and $23.5 million in expenses. Current program vacancy rates are as follows: Project Design and Construction, 30%; Highway Operations, District One, 9.2%, District Two, 17.1%, District Three, 20.4%, District Four, 21.7%, District Five, 12.8%, and District Six 12.5%; Business Operations, 14.3%; and Modal, 4.11%.

**Approval of FY19 Operating Budget**

Mallery Manzanares, Budget Director, NMDOT, presented and requested approval of NMDOT’s FY19 operating budget in the total amount of $886.4 million, as appropriated by the General Appropriation Act of 2018 (House Bill 2, 2018 Regular Legislative Session) signed by Governor Susana Martinez on March 7, 2018 (Laws 2018, Chapter 73). The $886.4 million FY 19 operating budget incorporates a $9.9 million increase from the approved FY18 operating budget, and includes: $420.1 million in State Road Fund revenues, $39.1 million in restricted

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fund revenues, a $3.5 million transfer from other State agencies, $22.3 million in State Road Fund balance and restricted fund balance, and $401.3 million from federal sources. This represents a $0.6 million increase to Project Design and Construction (total budget, $536.7 million); $1.8 million increase to Highway Operations (total budget, $235.6 million); $0.6 million increase to Business Support (total budget, $42.7 million); and a $6.9 million increase to Modal (total budget, $71.3 million). The FY19 operating budget differs from the FY 18 budget in that (1) there is an increase of 3 FTE transfers from the New Mexico Department of Public Safety (DPS) to NMDOT, to help staff the ports of entry; (2) the elimination of a $6.0 million transfer to the New Mexico Taxation and Revenue Department (TRD); (3) a $13.1 million increase in State Road Fund revenue; (4) a $0.6 million increase in restricted fund revenue; and (5) a $2.0 million transfer from TRD/DPS for the ports of entry initiative.

Chairman Schmeits asked for a motion to approve NMDOT's FY19 Operating Budget; Commissioner Moore made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

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 April 30, 2018, the market value of the portfolio was $120.8 million, a net increase of $12.8 million from the previous month. The change is attributed to variable rate debt service payments of $728,576, no draws, plus interest earnings of $128,812, a debt service set aside of $12.9 million, and $499,264 from swaps receipts. There is 14% in the project account, all of which is in the 2014A Highway Infrastructure Fund (HIF) account, 86% in the debt service accounts, and less than 1% in the
arbitrage rebate account. On April 30, 2018, 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. As of May 4, 2018, the total to exit or unwind the SWAPs was $65.7 million.

**Request Approval of FY19 Local Government Road Fund (LGRF) Program Budget**

Clarissa Martinez, Project Oversight Division, NMDOT, presented and requested approval of FY19 LGRF Program budget. She explained that the Local Government Road Fund is a designated State fund administered by NMDOT, which assists local governments to pay for approved local construction and maintenance projects. The State provides 75% of the project funding, which local entities must match at 25%. Ms. Martinez also discussed the proposed FY19 LGRF project list and the specific amounts allocated to each program within the LGRF. The total FY19 LGRF program budget is $22.2 million.

**Chairman Schmeits asked for a motion to approve the FY19 Local Government Road Fund Program budget; Commissioner Mortensen made a motion to so approve; Commissioner Moore seconded; motion carried unanimously.**

**Request for Approval of $10.9 Million State Infrastructure Bank (SIB) Loan to Rio Metro Regional Transit District (RMRTD)**

David Harris, Transit and Rail Division Director, NMDOT, and Terry Doyle, Director, RMRTD, presented and requested approval of a $10.9 million SIB loan from NMDOT to RMRTD. The loan is to assist in the implementation of positive train control (PTC) system improvements at highway railroad grade crossings along the New Mexico Rail Runner Express (NMRX) corridor.

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Messrs. Harris and Doyle explained that pursuant to NMDOT rule, 2 NMAC 2.40.30.13, *Expenditure of Public Funds - Infrastructure Bank*, the NMDOT Secretary is required (1) to perform an analysis of the loan application to support findings and recommendations for the STC; and (2) to submit the application together with the findings and recommendations to the STC for consideration and approval.

RMRTD estimates the project implementation at $55 million. The SIB proceeds will be used as the local match funds for the project. The requested loan amount of $10.9 million will be repaid by FY 2036, using RMRTD Regional Transit Gross Receipts Tax as the source of repayment. RMRTD has agreed to pay $1,219,238.06 in interest charges to the SIB (1.0% simple interest per year over 18 years) for a total scheduled repayment of $12,119,238.06 over 18 years.

Chairman Schmeits asked for a motion to approve the $10.9 million SIB loan to RMRTD; Commissioner Moore made a motion to so approve; Commissioner White seconded; motion carried unanimously.

**2018A Bond Transaction Status Update**

Marcos B. Trujillo, Project Finance Director, NMDOT, provided a status update regarding the the proposed 2018A bond transaction. He reported that he, Secretary Church and Chairman Schmeits met with two credit rating agencies in New York last week. NMDOT’s credit rating is anticipated to remain the same. Even though NMDOT is extending $220 million of its current debt by three years, 78% of the total principal outstanding will be paid off within the next eight years, which is beneficial to NMDOT.
Request for Approval of FY18 Budget Adjustment Request (BAR) Nos. 12, 13, 14 and 15

David Harris, Transit and Rail Division Director, NMDOT, and Mallery Martinez, Budget Director, NMDOT, presented and requested approval for FY18 BAR Nos. 12, 13, 14 and 15.

FY18 BAR No. 12 - P565 - Modal, is needed to increase the budget authority (Category 300) in the amount of $410,200 for the Transit Bureau to be used to update North Central Regional Transit District’s Americans with Disabilities Act (ADA) transition plan and continue the design and construction of ADA compliant bus stops. These funds are 100% reimbursable by the federal government.

Chairman Schmectis asked for a motion to approve FY18 BAR No. 12 - P565 - Modal; Commissioner Sepich made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

FY18 BAR No. 13 - P565 - Modal, is required to establish the budget authority (Category 300) in the amount of $60,000 for the Ports of Entry Bureau to be used to implement an automated system to detect and alert when commercial trucks are intentionally avoiding weight in motion stations by driving in the wrong lane or by crossing borders when the station is closed. The Ports of Entry Bureau received funding in FFY17 from TRD and not all funds were utilized. Therefore, the $60,000 will come from the remaining fund balance authority.

Chairman Schmectis asked for a motion to approve FY18 BAR No. 13 - P565 - Modal; Commissioner Sepich made a motion to so approve; Commissioner White seconded; motion carried unanimously.

FY18 BAR No. 14 - P565 - Modal, is required to establish the budget authority (Category 300) in the amount of $405,000 for the Ports of Entry Bureau to be used for Intelligent Imaging
Systems. The contract scope includes, design, engineering and installation of two smart roadside inspection systems with weigh in motion at the Texico and Hobbs ports of entry. The Ports of Entry Bureau received funding in FY17 from TRD and not all funds were utilized. Therefore, the $405,000 will come from the remaining fund balance authority.

Chairman Schmeits asked for a motion to approve FY18 BAR No. 14 - P565 - Modal; Commissioner White made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

FY18 BAR No. 15 - P564 - Business Support, is required to establish the budget authority (Category 500) in the amount of $10 million for Carlsbad Brine Well remediation efforts. These funds are to be transferred to the New Mexico Energy, Minerals and Natural Resources Department for the continued remediation efforts at the Carlsbad Brine Well. The funds will derive from State Road Fund balance.

Chairman Schmeits asked for a motion to approve FY18 BAR No. 15 - P564 - Business Support; Commissioner Sepich made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Infrastructure Reports


Rick Padilla, F.E., State Maintenance Engineer, NMDOT, and Elizabeth Travis, Deputy General Counsel, NMDOT, presented and requested ratification of the March 20, 2018...
agreement between NMDOT and the DOE-CBFO and the adoption of related STC Resolution No. 2018-07 (MAY) approving the use of a temporary negotiated alternate southern WIPP Route. On March 20, 2018, NMDOT and DOE-CBFO agreed that designation of a substitute alternate route was necessary due to the unavailability of the Hobbs Alternate WIPP Route for transportation of transuranic (TRU) waste for delivery to the WIPP facility. The effective closure of the Hobbs Route impacted pending TRU shipments for transport in March and April 2018. To facilitate DOE-CBFO pending shipments, NMDOT agreed to allow the DOE-CBFO to use a temporary alternate route previously approved by the STC, the "Jal Route," for the TRU shipments to enter the WIPP facility from the south. In the interest of public safety, NMDOT requests the STC’s ratification of this agreement and authorization for DOE-CBFO to use the Jal Route as an alternate to using the designated southern WIPP Route until DOE-CBFO obtains Lea County’s authorization to use the south Hobbs Bypass for TRU shipments to the WIPP Facility, or until December 31, 2018, whichever occurs first.

Elizabeth Travis, Deputy General Counsel, NMDOT, explained that when DOE-CBFO starts to use the route more consistently, it is anticipating two shipments per week for a certain period of time. In the interim, DOE-CBFO may obtain an agreement from Lea County to route shipments through Hobbs by using past STC resolutions for temporary routes that are set to expire at the end of calendar year 2018.

Chairman Schmeits asked for a motion to ratify the March 20, 2018 agreement between NMDOT and DOE-CBFO and adopt related STC Resolution No. 2018-07 (MAY), approving use of a temporary negotiated alternate southern route; Commissioner Moore made a motion to so approve; Commissioner Sepich seconded; motion carried unanimously.
Request Approval of Final Rulemaking Action to Amend 18.27.2 NMAC, Division 100 - General Provisions Standard Specifications for Highway and Bridge Construction

Anthony Lujen, Deputy Secretary, NMDOT, and Armando Armendariz, Design and Construction Division Director, NMDOT, presented and requested approval of final rulemaking action to amend 18.27.2 NMAC (Rule). STC approval of the proposed amended Rule is necessary in order to implement the changes to the Rule. Following the STC’s authorization to conclude the rulemaking, NMDOT will file the approved Rule with the New Mexico Commission of Public Records, State Records Center and Archives, for publication in the New Mexico Register. The Rule will thereafter become effective on January 1, 2019.

Chairman Schmeits asked for a motion to approve the request for final rulemaking action to amend 18.27.2 NMAC, Division 100-General Provisions Standard Specifications for Highway and Bridge Construction; Commissioner Sepich made a motion to so approve; Commissioner White seconded; motion carried unanimously.

Request for Approval of Taos County’s Request to Designate an Additional Segment of NM 578 for the Operation of Recreational Off-Highway Vehicles (ROVs) and Adoption of Related STC Resolution 2018-08 (MAY)

Paul Brasher, P.E., Acting District Five Engineer, NMDOT, and Kenneth B. Baca, Chief Deputy General Counsel, NMDOT, presented and requested (1) approval of Taos County’s request to designate an additional segment of NM 578 for the operation of ROVs, and (2) adoption of related STC Resolution 2018-08 (MAY). They explained that the County recently submitted a request to designate as a ROV route an additional segment of NM 578 (Designated
Route) that will extend the NM 578 ROV route previously designated by the STC on August 18, 2016 by STC Resolution No. 2016-03 (AUG).

Because certain requirements in Commission Policy 71, *Recreational Off-Highway Vehicles on Paved State Highways* (CP 71), that are necessary to designate a ROV route have not yet been satisfied by the County, STC approval of the County’s route designation request and adoption of Commission Resolution No. 2018-08 (MAY) must be contingent upon the following conditions: (1) A final recommendation from NMDOT that ROVs can be operated with reasonable safety on the Designated Route; (2) the NMDOT Office of General Counsel’s approval of the final version of Ordinance No. 2017-3 passed and adopted by the County; (3) the County and NMDOT’s execution of an agreement by and between the County and NMDOT, which defines the roles and responsibilities for construction and maintenance of Designated Route facilities, including signage, the terms and conditions for ROV operation, and the allocation of legal responsibilities pertaining to the use of ROVs on the Designated Route; and (4) construction and completion of any improvements to the Designated Route, including signage, required by NMDOT for the operation of ROVs, except that the Secretary of NMDOT may authorize use of the designated route utilizing temporary traffic control devices while the remaining contingencies are completed; (5) that all-terrain vehicles (ATVs) shall not be operated upon the designated route; and (6) the County shall be responsible for patrolling the Designated Route and enforcing the provisions of the Off-Highway Motor Vehicle Act and CP 71.

Mr. Brasher emphasized that Ordinance No. 2017-3, passed and adopted by the County, allows the use of ATVs as well as to ROVs “on paved streets owned and controlled by the County,” but the STC and NMDOT cannot authorize the use of ATVs on the Designated Route
because it has been determined that ATVs are unsafe for operation on state highways, and CP 71 does not allow such use.

Chairman Schmeits asked for a motion to (1) approve Taos County’s request to designate an additional segment of NM 578 for the operation of ROVs, and (2) adopt related STC Resolution 2018-08 (MAY); Commissioner White made a motion to so approve; Commissioner Sepich seconded; motion carried unanimously.

Policy Reports

Annual Report to State Auditor Regarding Regional Transit Districts

David Harris, Transit and Rail Division Director, NMDOT, presented NMDOT’s Annual Report to State Auditor regarding Regional Transit Districts. He explained that under the provisions of Commission Policy 90, Certification of Regional Transit District (RTD), and NMSA 1978, Section 73-25-15 (B), the STC is required to file an annual report with the State Auditor concerning the activities of all active Regional Transit Districts. The report details how many districts have been created, describes their boundaries and specifies the regional transit systems that are being provided and how they are being funded. The report will be sent to the State Auditor in August 2018.

Request for Approval of Proposed Amendments to Commission Policy No. 6, Role and Responsibilities of the Secretary of Transportation (CP 6)

Stephen Thies, Assistant General Counsel, NMDOT, presented and requested approval of proposed amendments to CP 6. CP 6 is the STC’s policy that outlines the Secretary’s role and
responsibilities pertaining to operational control of NMDOT. CP 6 has been amended to refine certain language in the policy.

Chairman Schmeits asked for a motion to approve the proposed amendments to CP 6; Commissioner Sepich made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

Request for Approval of the FY19 NMDOT Office of Inspector General (OIG) Audit Plan

Jeff Canney, Inspector General, NMDOT, presented and requested approval of the FY19 NMDOT OIG Audit Plan (Audit Plan). He explained that the Audit Plan provides an efficient allocation of resources to address broad and effective coverage of NMDOT’s four programs. The proposed OIG audits were selected based on risk and input from senior NMDOT management and OIG staff. The Audit Plan can be amended as needed throughout the year to reflect changes in areas of risk and priorities as identified by management. In addition to the audits identified in the Audit Plan, OIG will conduct follow-up reviews of previous audits and will assess progress made to remedy findings identified in corrective action plans.

Chairman Schmeits asked for a motion to approve the FY19 OIG Audit Plan; Commissioner Mortensen made a motion to so approve; Commissioner White seconded; motion carried unanimously.

Adjournment

Chairman Schmeits asked for a motion to adjourn the regular meeting at 11:48 a.m.; Commissioner Moore made a motion to so adjourn; Commissioner Mortensen seconded; motion carried unanimously.
Chairman
Ronald Schmeits

Secretary
Kenneth R. White