NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING

New Mexico Department of Transportation
District Four Auditorium
28 Bibb Industrial Road
Las Vegas, New Mexico 87701
May 18, 2017

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on May 18, 2017, at the New Mexico Department of Transportation, District Four Auditorium, Las Vegas, New Mexico. Chairman Schmeits called the meeting to order at 8:30 a.m. Commissioner Mortensen 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 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 March 16, 2017; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.
Elected Officials and Delegations:

Tonita Gurule-Giron, Mayor, City of Las Vegas
Richard Cordova, Mayor, Village of Eagle Nest
James “Landon” Newton, Commissioner, District Three, Colfax County

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
Jackson Gibson, 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, NMDOT Executive Staff and J. Don Martinez, Division Administrator, FHWA introduced themselves and welcomed all those in attendance at the meeting.

Presentations by Elected Officials and Delegations

Brian Jones, Executive Director, Asphalt Pavement Association of New Mexico, presented awards for the following prize winning projects completed by NMDOT: (1) District One, 2016 Best of New Mexico Urban Highway Resurfacing, Mountain States Constructors, contractor; (2) District Two, 2016 Best of New Mexico Rural Highway Reconstruction, Fisher Sand and Gravel, contractor; (3) District Two, 2016 Best of New Mexico Rural Highway
Rehabilitation, James Hamilton Construction, contractor; (4) District Four, National Asphalt Pavement Association (NAPA) Quality in Construction Award (over 50,000 tons), Fisher Sand and Gravel, contractor; (5) District Four, NAPA Quality in Construction Award (under and over 50,000 tons), Fisher Sand and Gravel, contractor; and (6) District Five, NAPA Quality in Construction Award (over 50,000 tons), Mountain States Constructors, contractor.

NMDOT Prequalification Program

Armando Armendariz, State Construction Bureau, NMDOT, discussed NMDOT’s (Pre-Qualification Program). He explained that the program was created as an experimental project (Special Experimental Project 14 (SEP-14)) by NMDOT and is fully supported by the Federal Highway Administration (FHWA). It has resulted in an increase in the average number of bidders on projects and has been so successful that other states, including Pennsylvania, New Jersey and Utah, and other countries, including Canada and Saudi Arabia, are now interested in the program.

Public Comment

Todd Shrader, Manager, U.S. Department of Energy, Waste Isolation Pilot Plant (WIPP), Carlsbad Field Office, gave a brief presentation regarding the status of the WIPP facility in New Mexico. He reported that WIPP has reopened, has started taking shipments again, and that Congress recently appropriated $26.8 million for the facility. He discussed funding status and budget, projected shipping estimates, alternate WIPP routes, the consideration of a new route and the advantages therefor, as well as the need to request a further extension of an existing alternate route, the current authorization for which ends on May 31, 2017.
Lynn Aldrich, Town of Taos, volunteer with New Mexico Rail and the New Mexico Representative to the National Association of Rail Passengers Council, commented regarding the Amtrak Southwest Chief and, on behalf of train riders, thanked the STC, the Secretary of NMDOT, and NMDOT staff for their work with Colorado and Kansas last year on the TIGER Grant application that was approved. The grant provided funding for track upgrades and ultimately helped save the Southwest Chief.

Morris Madrid, Public Works Director, San Miguel County, expressed his gratitude to David Trujillo, P.E., District Four Engineer; NMDOT, Heather Sandoval, Assistant District Engineer for Engineering, NMDOT; and NMDOT District Four staff for their outstanding work, as well as the assistance they provided on the cooperative multi-purpose trail project with the City of Las Vegas.

**District Four Presentation and Employee Recognition**

David Trujillo, P.E., District Four Engineer, NMDOT, gave a presentation regarding District Four 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 2016 award recipients, Matthew Ulibarri, Crew 44-40, Santa Rosa, as Employee of the Year; Crew 44-54, Raton Patrol, as Crew of the Year; and the hands-free jig, developed by Ricardo Archuleta, Las Vegas Patrol, and the blade changing tool, developed by the Wagon Mound Patrol, as Best Practice Program winners.

District Engineer Trujillo also acknowledged Anthony Rivera and David Eggert, the two District Four employees who were tragically killed while performing highway work in March 2016. He reported that Messrs. Rivera and Eggert were recently recognized by Governor
Martinez and their names were placed on the traveling National Work Zone Memorial well dedicated to the memories of those lost in the Nation’s roadway work zones.

District Engineer Trujillo introduced Tonita Gurule-Giron, Mayor, City of Las Vegas, who welcomed the STC to the City and thanked District staff for their work in and around the community and their collaboration on cooperative projects with the City.

**Workshop Agenda**

**Finance Committee**

**Monthly Financial Report**

Michael Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented the NMDOT operating budget and financial report as of May 5, 2017. The current adjusted budget for Programs and Infrastructure is $647.9 million; Highway Operations, $240.2 million; Business Operations, $42.1 million; and Modal, $74.5 million. There is $292.1 million in encumbrances, and expenses of $474.8 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 21.8%; Highway Operations, 12.2%; Business Operations, 14.7%; and Modal, 14%.

**FY17 Budget Adjustment Request (BAR) No. 20**

Mallery Martinez, Acting Budget Director, NMDOT, presented FY17 BAR No. 20. Bar No. 20 for Modal is required for a “program transfer” in the amount of $500,000. The BAR will provide budget authority from Project Design and Construction (P562) to cover a projected shortfall in Modal (P565) personal services and employee benefits (Category 200) as a result of
(1) the transfer of 31 FTEs from Project Design and Construction to Modal; and (2) vacancy rate reductions attributable to aggressive recruitment efforts.

**FY18 NMDOT Operating Budget**

Mallery Martinez, Acting Budget Director, NMDOT, outlined the particulars of NMDOT's FY18 Operating Budget in the total amount of $876,395,600. She indicated that later in the meeting she would be requesting the STC's approval of NMDOT's FY18 Operating Budget, as appropriated by the General Appropriation Act of 2017 (2017 Regular Legislative Session, House Bill 2) and signed by Governor Susana Martinez on April 7, 2017. NMDOT's total FY18 Operating Budget is $876,395,600, which includes Project Design and Construction, $536,056,700; Highway Operations, $233,794,900; Business Operations $42,165,700; and Modal $64,378,300.

**Clarification of FY17 Budget Adjustment Request (BAR) No. 18**

In compliance with the STC's request at its March 16, 2017 meeting, Michael Sandoval, Executive Manager, Modal Program, NMDOT, presented supplemental information regarding FY17 BAR No. 18. He explained that the BAR would increase budget authority by $400,000 in Category 300/Contractual Services for the Traffic Safety Driver Improvements Fund. The BAR would support the Driver Improvements Program (1) by funding a contractual service agreement for data entry processing and front end quality control of uniform crash reports to be entered into the TRACs system to ensure accurate data for traffic fatalities and crash data; and (2) by providing funds for a continuing education contract to develop and implement a quality assurance monitoring, licensing and training system that ensures existing applicants and renewal
of licenses for driving schools comply with governing state statues, state rules, and TSD policies and procedures.

**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 April 30, 2017, the balance in the portfolio was $125.2 million, a net increase of $8.6 million from March. The change is attributed to debt service payments of $384,381, draws of $3.9 million, plus total earnings of $51,704, and $12.8 million in debt service set asides. There is 23% in the project account, of which $15,069 is in the 2010A bond fund account, $28.9 million in the 2014A Highway Infrastructure Fund (HIF3) account, 77% in debt service accounts, and less than 1% in the arbitrage rebate account. On April 30, 2017, 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. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

**Infrastructure Committee**

**Update on Airport Projects**

Steve Summers, Aviation Division Director, NMDOT, updated the STC regarding New Mexico airport projects. In response to concerns the STC expressed at its March 16, 2017 meeting regarding FY17 BAR No. 19, which increased Aviation Division budget authority by $2.75 million for multiple construction/maintenance projects and equipment needs, Mr. Summers introduced the Aviation Division’s list of priority and shovel ready projects. He reported that the federal omnibus funding bill was approved on May 5, 2017. The bill included
Federal Aviation Administration (FAA) funding that will now filter through the FAA to the five states in southwest region. The Aviation Division will be negotiating with the FAA to initiate as many of the projects on the priority list as possible. Mr. Summers anticipates providing a more detailed update to the STC at its July meeting. He also responded to the questions the STC asked in March regarding the reasons that projects take so long to complete. He explained (1) projects are subject to available FAA funding and are subject to FAA’s fiscal year, which is different from NMDOT’s fiscal year; (2) in certain areas of New Mexico, there is a very short construction season due to weather conditions; and (3) project funding is only allocated in portions because of FAA’s continuing resolutions. Accordingly, aviation projects are always at least a year behind.

**FY18 Local Government Road Fund (LGRF) Program**

Clarissa Martinez, Project Oversight Division, NMDOT, reported regarding the FY18 LGRF Program. She explained that the LGRF 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 FY18 LGRF project list, the specific costs allocated to each program within the LGRF, and the total FY18 LGRF budget request of $20.1 million for all six transportation districts.

**Policy Committee**

**Request to Complete Rulemaking Action on Proposed Amendments to NMDOT Rule 18.31.6 NMAC, State Highway Access Management Requirements**

May 18, 2017
Rick Padilla, F.E., State Maintenance Manager, NMDOT, presented a rule action report package regarding proposed amendments to NMDOT Rule 18.31.6 NMAC, State Highway Access Management Requirements. Following discussion, the STC concluded that further information is required and additional amendments may be warranted prior to granting final approval to complete the rulemaking action.

Regular Meeting Agenda

Staff Briefings

Secretary Report

Tom Church, Cabinet Secretary, NMDOT, reported that NMDOT is currently doing very well and all operations running efficiently. He thanked NMDOT staff for their good work.

Federal Highway Administration (FHWA) Report

J. Don Martinez, Division Administrator, FHWA, reported that NMDOT will have funding until the end of September; however, he does not know what will happen after that.

FY18 NMDOT Office of Inspector General (OIG) Audit Plan

Jeff Canney, Inspector General, NMDOT, presented the FY18 NMDOT OIG Audit Plan (Audit Plan). He explained that the Audit Plan provides an efficient allocation of limited resources to address broad and effective coverage of NMDOT’s programs. The proposed OIG 2018 audits were selected based on risk, as well as input from senior NMDOT management, federal partners, and OIG staff. The Audit Plan identifies prospective audits in NMDOT’s four programs: Business Support, Infrastructure and Maintenance, Highway Operations, and Model.
In addition, part of the Audit Plan is devoted to follow-up reviews that will assess the progress made to correct findings identified in previous audits in which corrective action plans were issued.

**NMDOT Annual Report to State Auditor Regarding Regional Transit Districts**

David Harris, Transit and Rail Division Director, NMDOT, presented NMDOT’s Annual Report to the 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 2017.

**Consent Action Items**

Chairman Schmeits asked for a motion to approve STC agenda consent action items 11(a) Approval of FY17 Budget Adjustment Requests No. 18, Modal, Driver Improvement Program, and No. 20, Modal, Project Design and Construction; 11(b) Approval of NMDOT FY18 Operating Budget; 11(c) Approval of FY18 NMDOT OIG Audit Plan; 11(d) Approval of Amendments to Commission Policy 30, Office of Inspector General (CP 30); and 11(e) Approval of FY18 Local Government Road Fund Program.

Commissioner Mathews made a motion to so approve; Commissioner White seconded; motion carried unanimously.
STC Agenda Action Item 12(a), Approval of Final Rulemaking Action Regarding Proposed Amendments to NMDOT Rule 18.31.6 NMAC, State Highway Access Management Requirements

Chairman Schmeits inquired regarding the STC’s desire with respect to STC agenda action item 12 (a) Final Rulemaking Action regarding Proposed Amendments to NMDOT Rule 18.31.6 NMAC, State Highway Access Management Requirements.

Commissioner Mathews made a motion to table STC agenda action item subject to making further improvements to the rule at special STC meeting to be scheduled prior to June 30, 2017; Commissioner Gibson seconded; motion carried unanimously.

Adjournment

Chairman Schmeits asked for a motion to adjourn the regular meeting at 11:50 a.m.; Commissioner Mathews made a motion to so adjourn; Commissioner Gibson seconded; motion carried unanimously.

Chairman
Ronald Schmeits

Secretary
Kenneth R. White