

**NEW MEXICO STATE TRANSPORTATION COMMISSION  
MEETING**

**New Mexico Farm and Ranch Heritage Museum  
4100 Dripping Springs Road  
Las Cruces, New Mexico 88011  
May 22, 2019**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on May 22, 2019, at The New Mexico Farm and Ranch Heritage Museum, New Mexico. Commissioner Adams called the meeting to order at 8:30 a.m.

**Approval of the STC Meeting Agenda**

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

**Approval of the STC Minutes**

**Chairman Adams asked for a motion to approve the April 18, 2019 STC regular meeting minutes; Commissioner Lundstrom made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.**

## **Introductions**

Michael Sandoval, Cabinet Secretary, NMDOT, introduced elected officials in attendance at the STC meeting, Demecio Silva, Road Superintendent/Code Enforcement, City of Socorro, and The Honorable Willie Madrid, New Mexico State Representative, District 53, who is a member of the House Transportation and Public Works Committee (HTPWC). Secretary Sandoval mentioned that the HTPWC was very supportive during the 2019 legislative session by helping NMDOT to get almost \$400 million in increased funding.

## **Elected Officials and Delegations:**

Demecio Silva, Road Superintendent/Code Enforcement Director, City of Socorro  
The Honorable Willie Madrid, New Mexico State Representative, District 53

## **State Transportation Commissioners Present:**

Jennifer Sandoval, Vice-Chair, District One  
Bruce Ellis, Commissioner, District Two  
Keith Mortensen, Commissioner, District Three (absent with notice)  
Walter G. Adams, Chairman, District Four  
Vacant, District Five  
Charles Lundstrom, Secretary, District Six

## **NMDOT Staff Present:**

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

## **Welcoming Remarks**

Secretary Sandoval and Chairman Adams thanked and welcomed NMDOT staff and members of the public who were in attendance at the meeting.

## **Public Comment**

A representative of the City of Socorro discussed a congestion problem in the area of the new Socorro rodeo arena and the convention center currently being constructed. At present, the only entrance to the rodeo arena is from State Road 1. He asked if it would be possible to obtain a temporary access permit to enter through the civic center next to the arena and only use it for events. Trent Doolittle, P.E., District One Engineer, NMDOT responded that NMDOT would not typically issue a temporary permit because a traffic analysis is unable to evaluate that type of access. Mr. Doolittle mentioned a recent coordination meeting the District had with the gentleman from Socorro, and stated that staff could meet with him again to try to find a possible solution. He reiterated, however, that typically temporary permits are not issued for regularly occurring events like the Socorro rodeos, which are scheduled every weekend.

## **CBBG Research Partnership**

Dr. Paola Bandini, Wells-Hatch Associate Professor of Civil Engineering, New Mexico State University (NMSU), gave a presentation regarding the Center for Bio-mediated and Bio-inspired Geotechnics (CBBG). She discussed CBBG's partnership with NMSU and its current structure which includes four core academic partners and an industry partners program comprised of consultants, contractors, owners and government agencies. She also discussed CBBG's mission, the type of research projects it currently conducts, and potential opportunities for collaboration between CBBG and NMDOT.

Dr. David Jauregui, Department Head of Civil Engineering, NMSU, spoke briefly about CBBG and outlined the potential benefits of NMDOT entering into a membership agreement with CBBG.

## **District One Presentation and Employee Recognition**

Trent Doolittle, P.E., District One Engineer, NMDOT, 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**

## **FHWA Report**

J. Don Martinez, FHWA, stated New Mexico has far more needs than funding; he does not know if FHWA will ever be able to provide additional funding to the State. At the last meeting between Congressional leaders and the President, they agreed on the amount of \$2 trillion for the next reauthorization. However, the next day things changed, mainly because in order to authorize that amount, they have to identify the revenue source. Therefore, unless that happens, he does not believe there will be a reauthorization package, primarily because elections are coming soon, and neither party wants to raise taxes. He then discussed his responsibilities for overseeing the federal-aid program, which includes the expenditure of federal funds, appropriations, apportionment, and obligation authority. Of primary importance is the obligation authority, because it gives NMDOT contract authority, and is the real money NMDOT receives on an annual basis and has to spend. It amounts to approximately \$377 million a year, and of that amount, about \$120 million goes to debt service. Federal funding is not a grant program; money is not received up front, it is a reimbursement program. As long as NMDOT spends the money in accordance with congressional

rules and regulations, it gets reimbursed, provided there is documentation to support the expenditure of the funds. Reimbursement occurs on a weekly basis.

### **Secretary Report**

Michael Sandoval, Cabinet Secretary, NMDOT, gave an update regarding NMDOT business and operations. He reported that to date, NMDOT has allocated a significant amount of the \$250 million 2019 legislative appropriation for major investment projects, many of which already have letting dates established in the next year or so. NMDOT is looking forward to spending the funds as soon as possible. It is also likely that NMDOT will be receiving an additional \$100 million in surplus funds. Each of the Districts will be receiving an additional \$50 million above their base budgets, and have put together plans regarding how the funds will be spent based on District needs. With regard to the new Local Government Transportation Project Fund (LGTPF) money, the call for projects has already gone out. NMDOT will be receiving responsive applications soon, and plans to present them to the STC for approval in August. At that point, there will likely be a detailed discussion regarding the entire process, and NMDOT will recommend that the \$50 million be allocated to selected local, county and tribal entities that applied for LGTPF funding. Secretary Sandoval also briefly discussed NMDOT capital outlay projects. He reported that contracts have been issued, and as soon as they are executed and returned, NMDOT can distribute funds to the entities for their projects. He also mentioned there are over 200 Local Government Road Fund projects for which NMDOT will be requesting STC approval later in the meeting.

Secretary Sandoval indicated that NMDOT is currently holding its Annual Acknowledgement trainings, and explained the process for and purpose of the meetings that are being presented at all six districts and the General Office. He also mentioned that a restructuring

committee has been convened to review NMDOT's existing structure. The committee will be evaluating the consolidation and changes effected by the former administration. Committee members include David Trujillo, Rick Padilla, Gilbert Archuleta, Mallery Manzanares, Tammy Haas, and Gabby Apodaca. The objectives of the proposed restructuring are to (1) shorten NMDOT's project delivery schedule; (2) ensure NMDOT's process is as efficient as possible; and (3) eliminate any existing bottlenecks in the system.

The Secretary also discussed other matters, including (1) the Memorandum of Understanding that NMDOT recently entered into with Permian Strategic Partnership (PSP) regarding a grant application for funds to help pay for improvements to roads in the southeast part of the state; (2) \$50,000 to be spent from Road Fund budget to contract with a company to write a grant application to help pay for improvements in the Shiprock area; (3) recent discussions that took place at the Statewide Tribal Summit regarding a project in Taos and issues concerning road easements within Santa Clara Pueblo; (4) repairing the rippling on NM 41; and (5) issues with a Los Alamos project.

## **Finance Reports**

### **NMDOT Monthly Financial Report**

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, presented the NMDOT operating budget and financial report as of May 1, 2019. Current program vacancy rates are as follows: District One, 11.6%; District Two, 17.7%; District Three, 1.9%; District Four, 21.6%; District Five, 13.5%; District Six, 11.0%, with an overall agency-wide vacancy rate of 18.1%. The current budget for Project Design and Construction is \$608.4 million, with a remaining balance of \$203.4 million; Highway Operations, \$247.6 million, with a remaining

balance of \$59.8 million; Business Support, \$42.7 million, with a remaining balance of \$10.7 million; and Modal, \$71.3 million, with a remaining balance of \$16.1 million. Ms. Manzanares also discussed NMDOT cash balances and restricted fund balances.

#### **Approval of FY19 Budget Adjustment Request (BAR) No. 13 - Motorcycle Fund**

Franklin Garcia, Modal Division Director, NMDOT, presented and requested approval for FY19 BAR No. 13 - Motorcycle Fund. The BAR is required to establish budget authority for the Motorcycle Fund. It will increase contractual services by \$30,000 for motorcycle training curriculum and safety-oriented operational skills. The motorcycle registration revenue NMDOT received in FY19 will fund this program.

**Chairman Adams asked for a motion to approve FY19 BAR No. 13 - Motorcycle Fund; Commissioner Lundstrom made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.**

#### **Approval of FY20 BAR No. 4 - Business Support**

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, presented and requested approval of FY20 BAR No. 4 - Business Support. The BAR is required to establish budget authority for the Business Support program to increase contractual services by \$10 million to pay for improvements to the General Office campus (\$8 million) and the District Five campus (\$2 million) for the purpose of reducing energy consumption. Improvements include LED lighting, an HVAC system, renewable energy, electrical system upgrades, and a utility management program. The project will guarantee cost savings for NMDOT. Funds will derive from State Road Fund balance.

**Chairman Adams asked for a motion to approve FY20 BAR No. 4 - Business Support; Commissioner Lundstrom made a motion to so approve; Commissioner Sandoval 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 and NMDOT/NMFA's outstanding bond debt service as of April 30, 2019. During the month of April, NMDOT made a set aside payment of \$13.2 million, plus interest in the amount of \$162,000, totaling \$116.8 million. A payment of \$119.9 million is due on June 15, 2019. Currently, there is \$226,368 in the arbitrage rebate account and \$8.1 million in the project 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 this month; the next payment is due in June. Since the line of credit was established, NMDOT has paid a total of \$542,500 in commitment fees. On June 15, 2019, a principal debt service payment of \$93.650 million is due, plus interest in the amount of \$26.3 million, for a total of \$119.9 million. NMDOT currently has \$1,082,320,000 outstanding, which will be reduced by the \$93.650 million payment on June 15, 2019. A principal debt service payment in the amount of \$9.1 million is due on December 15, 2019, plus interest in the amount of \$25.7 million, for a total payment of \$34.9 million. After the December payments are made, NMDOT debt service payments for the fiscal year will total \$154.9 million.

### **Request for Approval of FY20 Local Government Road Fund (LGRF) Projects**

Clarissa Martinez, Local Government Program Manager, NMDOT, presented and requested approval of FY20 LGRF projects. 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 match at 25%. The local entities take the lead in developing and contracting to construct the projects. The total FY20 LGRF Program budget is \$23.7 million. Ms. Martinez discussed the proposed FY20 LGRF project list and the specific amounts allocated to each program within the LGRF.

**Chairman Adams asked for a motion to approve the FY20 LGRF projects; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.**

**Infrastructure Committee**

**Approval of Continued Use of the Jal Route as a Temporary, Negotiated Alternate Southern WIPP Route and Adoption of Related STC Resolution No. 2019-03 (MAY)**

Rick Padilla, P.E., State Maintenance Engineer, NMDOT, presented and requested approval of the continued use of the Jal Route as a temporary, negotiated alternate Southern WIPP route. Mr. Padilla explained that on May 8, 2019, the Department of Energy – Carlsbad Field Office (DOE-CBFO) requested NMDOT to extend the term of use of the temporary, negotiated alternate Southern WIPP route (the “Jal Route”) beyond the termination date of June 30, 2019, established by the STC in Resolution No. 2018-14 (DEC). As justification for the continued use of the Jal Route, instead of the existing, designated Southern WIPP route (US 285 to US 62/180), DOE-CBFO identified on-going safety concerns related to portions of US 285, as well as anticipated impacts, including lane shifts and detours, during a planned, multi-year sink-hole remediation project south of Carlsbad, adjacent to the Southern WIPP Route. Mr. Padilla

requested the STC's approval of a six month extension to the term of use of the Jal Route until December 31, 2019, unless terminated earlier by notice, and the adoption of related STC Resolution No. 2019-03 (MAY).

**Chairman Adams asked for a motion to approve the continued use of the Jal Route as a temporary, negotiated alternate Southern WIPP route, and to adopt related STC Resolution No. 2019-03 (MAY); Commissioner Lundstrom made a motion to so approve; Commissioner Sandoval seconded; motion carried unanimously.**

### **Policy Reports**

#### **Approval of Proposed Changes to STC Meeting Schedule Dates and Locations**

Michael Sandoval, Cabinet Secretary, NMDOT, presented and requested approval of certain proposed changes to the 2019 STC meeting schedule. The proposed changes include rescheduling the June and July meetings to allow for the scheduling of a STC orientation workshop in July in Albuquerque, and holding STC meetings on August 15, 2019 in Ruidoso; September 19, 2019 in Milan; October 17, 2019 in Hobbs; and November 21, 2019 in Las Vegas.

**Chairman Adams asked for a motion to approve the proposed changes to the 2019 STC meeting schedule; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motions carried unanimously.**

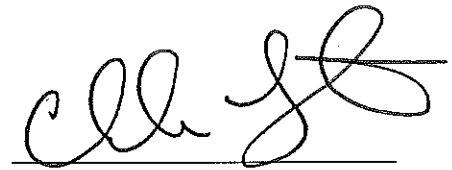
### **Adjournment**

**Chairman Adams asked for a motion to adjourn the regular meeting at 11:15 a.m.; Commissioner Ellis made a motion to adjourn the regular meeting; Commissioner Lundstrom seconded. Motion carried unanimously.**

A handwritten signature in cursive script, appearing to read "Walter Adams", written over a horizontal line.

**Chairman**

**Walter Adams**

A handwritten signature in cursive script, appearing to read "Charles Lundstrom", written over a horizontal line.

**Secretary**

**Charles Lundstrom**

