

NEW MEXICO STATE TRANSPORTATION COMMISSION

MEETING

Video Conference Meeting

September 17, 2020

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting via video conference on September 17, 2020. Chairman Adams called the meeting to order at 9:01 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 Walter Adams, Jennifer Sandoval, Bruce Ellis, Hilma E. Chynoweth, 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 Ellis made a motion to approve the agenda; Commissioner Lundstrom seconded; motion carried unanimously.

Approval of the STC Minutes

Chairman Adams asked for a motion to approve the July 16, 2020 STC regular teleconference meeting minutes; Commissioner Chynoweth made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

September 17, 2020

State Transportation Commissioners Present:

Jennifer Sandoval, Vice-Chair, District One
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:

The Honorable Patricia A. Lundstrom, New Mexico State Representative, District 9

Introduction

Chairman Adams welcomed attendees to the STC meeting and asked if anyone in attendance would like to speak.

District Six Update

Larry Maynard, P.E., District Six Engineer, NMDOT, provided an update regarding District Six, during which he discussed the US 491 - Carbon Coal Road project and other District activities and projects.

Finance Reports

New Mexico Finance Authority (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 August 31, 2020. As of that date, NMFA was holding approximately \$30.5 million for debt service, including a \$14.7 million set aside received in August. Currently, there is approximately \$6.7 million in the project account and approximately \$230,000 in the arbitrage rebate account. The balance in NMDOT's taxable line of credit at Wells Fargo for the BNSF requirement is \$50 million. The line of credit that commenced in July 2013 will expire in June 2022. To date, NMDOT has paid a commitment fee of \$663,514 toward the line of credit. NMDOT's current outstanding debt service is \$881,060. A payment of approximately \$31 million is due on December 15, 2020, which includes \$9.470 million in principal and \$21.5 in interest. NMDOT's Preliminary Official Statement (POS) for its 2020A bond series will be presented to NMFA's board for approval next week and, at that point, it will be posted.

Secretary Sandoval discussed the refinancing of certain existing NMDOT fixed rate bonds. As a result of that process, NMDOT will be able to save approximately \$7 million to \$7.5 million because interest rates are presently at an all time low. Everything appears to be on schedule to complete the transaction in the next few months. NMDOT will see those savings this year and next year. Upon completion of the transaction, the Secretary will provide a status report to the STC.

Secretary Sandoval also reported that NMDOT executive staff recently met with members of the Transportation Infrastructure Revenue Subcommittee and informed them about (1) the

aforementioned bond refinancing transaction; and (2) that NMDOT will be pursuing a bill in the upcoming legislative session to try to amend the authorized date of July 1, 2022 to begin using the \$75 million bonding authority granted in 2020 Special Legislative Session Senate Bill 5. Specifically, NMDOT will seek to amend the date to April 2021. In addition, NMDOT will try to use remaining GRIP bonding, which is approximately \$234 million.

Approval of FY21 Budget Adjustment Request (BAR) No. 10 - Capital Purchases

David Harris, Transit and Rail Director, NMDOT, presented and requested approval of FY21 BAR No. 10 - Capital Purchases. The BAR is required to increase the budget authority in Grants (Category 400) for the Transit Bureau by \$600,000. The funds will provide local match assistance with transit capital purchases and will be distributed to local public transportation operators.

Chairman Adams asked for a motion to approve FY21 BAR No. 10 - Capital Purchases; Commissioner Lundstrom made a motion to so approve; Commissioner Sandoval seconded; motion carried unanimously.

Approval of FY21 BAR No. 11 - Build Grant

Tamara Haas, Capital Programs and Investments Division Director, NMDOT, presented and requested approval of FY21 BAR No. 11 - P565 - Build Grant. The BAR is required to establish budget authority for the Project Design and Construction Program in Contractual Services (Category 300) by \$12,500,000. NMDOT received an allocation of BUILD Grant funds for the US 285 safety and resilience project in southeast New Mexico from the Texas state-line north to Loving. In order to receive the allocation of federal funds, NMDOT needed to execute a

BUILD Grant Agreement. The Grant Agreement was executed on August 4, 2020. The BUILD Grant requires a 20% non-federal match, which has already been funded with state revenues.

Chairman Adams asked for a motion to approve FY21 BAR No. 11 - Build Grant; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Approval of FY21 BAR No. 12 - Federal Redistribution

Mallery Manzanares, Budget Director and Acting Administrative Services Director (ASD), NMDOT, presented and requested approval of FY21 BAR No. 12 - Federal Redistribution. The BAR is required to establish budget authority for the FHWA program. It will increase Contractual Services (Category 300) by \$75,065,175, \$59.3 million of which is federal funds and \$14.8 million is the state match requirement. FHWA awarded NMDOT with a redistribution obligation increase in FFY20.

Chairman Adams asked for a motion to approve FY21 BAR No. 12 - Federal Redistribution; Commissioner Chynoweth made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

NMDOT FY22 Budget (Appropriation) Request

Mallery Manzanares, Budget Director and Acting Administrative Services Director (ASD), NMDOT, and Laura Bianchini, Ph.D., Chief Economist, NMDOT, presented the NMDOT FY22 Budget (Appropriation) Request. Dr. Bianchini discussed the July 2020 Road Fund Forecast and State Road Fund revenues. Mrs. Manzanares presented and requested approval of the NMDOT FY22 appropriation request. The FY22 annual appropriation request totals \$958.5 million, a \$31.8

million reduction from the approved FY21 operating budget. The request is supported by \$472.7 million from State Road Fund revenues: \$75.3 from restricted fund revenues, \$6.4 million from other state agencies, and \$404.1 million from federal sources. The request includes a \$21.5 million decrease to the Project Design and Construction Program, a \$6.6 million decrease to the Highway Operations Program, a \$1.1 decrease to the Business Support Program, and a \$2.5 million decrease to the Modal Program. Mrs. Manzanares outlined the major differences between the FY21 and FY22 budget requests, and the particulars of each NMDOT program.

Chairman Adams asked for a motion to approve the NMDOT FY22 Budget (Appropriation) Request; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Updated Letting Schedule

David Quintana, Chief Engineer, NMDOT, reported regarding NMDOT's FY19 - FY20 baseline letting performance and updated letting schedule. He discussed total project costs by District and lead agency, quarterly bid letting and amounts, and the project count.

Policy Reports

Approval of Request for Vacation and Abandonment of Construction Easement (CME-5) Located on the West Side of University Blvd. between Sunport Blvd. and Woodward Road, District 3, Albuquerque

Rick Padilla, P.E., Executive Director of Highway Operations, NMDOT, presented and requested approval of the request for vacation and abandonment of CME-5 located on the West

Side of University Blvd. between Sunport Blvd. and Woodward Road, District 3, Albuquerque. NMDOT, through its Property Management Unit (PMU), received a request from Homewood Suites c/o Waramaug Albuquerque W, LLC (Homewood Suites) to abandon a portion of NMDOT right of way previously acquired as a CME for Project No. A300111. Homewood Suites requested the abandonment after NMDOT informed Homewood Suites that its parking lot was an illegal encroachment. The City of Albuquerque (City), under the mistaken belief it owned the property, conveyed the parcel to Homewood Suites for fair market value, prior to NMDOT's notice of encroachment. The City subsequently corrected the mistake and reimbursed Homewood Suites the amount paid for the parcel. Upon receipt of the request for abandonment, the PMU requested an internal review in accordance with the NMDOT Right of Way Handbook and received no adverse comments. District 3 and the NMDOT Chief Engineer, David Quintana, have also approved the request for vacation and abandonment of CME-5.

Chairman Adams asked for a motion to approve the request for vacation and abandonment of CME-5 located on the West Side of University Blvd. between Sunport Blvd. and Woodward Road, District 3, Albuquerque; Commissioner Chynoweth made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

State of the System Presentation

Rick Padilla, P.E., Executive Director of Highway Operations, NMDOT, gave a report on the state of the system, during which he discussed roadway assets; snow and ice removal activity; the annual pavement preservation program; highway lane miles chip sealed and related costs; accomplishments; litter operations; wildland fire and suppression activity and costs; and COVID-19 operations expenditures from March - August 2020.

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Rio Metro Regional Transit District (RMRTD) Annual Report Regarding New Mexico Rail Runner Express (NMRX)

Tony Sylvester, Planning and Development Manager, RMRTD, presented the NMRX Annual Report regarding NMRX management. The Memorandum of Agreement between NMDOT and RMRTD regarding NMRX management, funding and operation requires RMRTD to provide a report to the STC every year. The report includes information on the NMRX annual operating and capital budgets, annual service plan, the five year capital maintenance/capital improvement plan, NMRX ridership, and performance targets. Mr. Sylvester also discussed two primary events that occurred this year: (1) completion and implementation of the federally mandated positive train control system; and (2) completion of capital and deferred maintenance projects during the suspension of NMRX service.

FY20 NMDOT Office of Inspector General (OIG) Annual Report

Jeff Canney, Inspector General, NMDOT, presented the FY20 NMDOT OIG Annual Report. The report summarizes the objectives and accomplishments of the OIG for the fiscal year ended June 30, 2020. It includes information presented by the functional areas of the OIG, including construction audits, internal and external audits, investigations and damage claims. Commission Policy 30, *Office of Inspector General* (CP 30), serves as the OIG charter, stating the purpose, authority and responsibilities of the OIG. CP 30 was last reviewed and updated at the STC meeting on August 15, 2019. The OIG vision is to be the trusted provider of professional investigative and audit services. The OIG mission is to conduct professional investigations and performance audits to assess risks, improve operations and increase accountability in order to add value to NMDOT.

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NMDOT Annual Report to State Auditor Regarding Regional Transit Districts

David Harris, Transit and Rail Director, NMDOT, presented NMDOT's Annual Report to the State Auditor regarding Regional Transit Districts. He explained that under the provisions of Section 73-25-15(B), NMSA 1978 and Commission Policy 90, *Certification of Regional Transit District (RTD)*, 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 is usually presented to the STC sometime between May and July, but this year it is a bit late due to COVID. This report is for FY 2019. It was sent to the State Auditor in August this year.

2020 State-Tribal Collaboration Act - Agency Report

This agenda item was tabled until the November 2020 STC meeting.

Public Comment

The Honorable Patricia Lundstrom, New Mexico State Representative, District 9, thanked the STC and NMDOT. She briefly commented on the US 491 - Carbon Coal Road project, which is a very important economic development project to the District. She expressed her appreciation for the opportunity to get a preliminary look at NMDOT's budget information, as presented to the STC. It gives her an idea of what to expect when NMDOT comes before the Legislative Finance Committee later this year.

Secretary's Report

Secretary Sandoval gave a brief update to the STC. He reported that over the next 12 months, NMDOT will have approximately \$300 million of construction projects, which is good for both the State and NMDOT. NMDOT received an appropriation in the amount of \$135 million from the Legislature this year, plus \$75 million, including the match from the redistribution, and approximately \$100 million from 2019 funding for projects. He expressed his appreciation to the Governor and the Legislature for the funding. He briefly discussed NMDOT's vacancy rate, hiring procedures and budget status. NMDOT is hopeful that Congress and the White House will agree on a stimulus package that will provide additional funds to NMDOT to make up for lost revenues and related budget shortfalls due to COVID. Federal FAST Act highway reauthorization funding expires on September 30, 2020. It is likely a continuing resolution will be passed to continue federal funding. The Secretary also discussed NMDOT's proposed pre-qualification rule change and an upcoming STC workshop on bonding.

Chairman Adams thanked NMDOT staff and the District Engineers for all their work during the pandemic.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 12:04 p.m.; Commissioner Lundstrom made a motion to adjourn the regular meeting; Commissioner Sandoval seconded. Motion carried unanimously.



Chairman

Walter G. Adams



Secretary

Charles Lundstrom

September 17, 2020

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 12:04 p.m.; Commissioner Lundstrom made a motion to adjourn the regular meeting; Commissioner Sandoval seconded. Motion carried unanimously.

Chairman

Walter G. Adams



Secretary

Charles Lundstrom