

NEW MEXICO STATE TRANSPORTATION COMMISSION

MEETING

**New Mexico Highlands University
800 National Avenue
Las Vegas, New Mexico 87701
July 21, 2022**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on July 21, 2022, at the New Mexico Highlands University, Las Vegas, New Mexico. Chairman Adams called the meeting to order at 8:34 a.m. He asked for a roll call to establish a quorum. Mershawn Griego, Office of the Secretary, New Mexico Department of Transportation (NMDOT or the Department), proceeded to call the roll. Commissioners Jennifer Sandoval, Bruce Ellis, Hilma Chynoweth, Walter G. Adams, and Charles Lundstrom were present.

Approval of the STC Meeting Agenda

Commissioner Ellis recommended the removal of Item 10(d), “Approval of BAR No. 6 – Raton Port of Entry”, from the agenda.

Chairman Adams asked for a motion to approve the STC meeting agenda, as amended; 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 May 19, 2022 STC regular meeting minutes; Commissioner Lundstrom made a motion to approve the minutes, as written; Commissioner Chynoweth seconded; motion carried unanimously.

State Transportation Commissioners Present:

Jennifer Sandoval, Vice-Chair, District One
Bruce Ellis, Commissioner, District Two
Hilma E. Chynoweth, Commissioner, District Three
Walter G. Adams, Chairman, District Four
Thomas C. Taylor, Commissioner, District Five (absent with notice)
Charles Lundstrom, Secretary, District Six

NMDOT Staff Present:

Ricky Serna, Cabinet Secretary
Justin Reese, Deputy Secretary, Business Support
Rick Padilla, P.E., Executive Director of Highway Operations
Jerry Valdez, Executive Projects Director
Kenneth B. Baca, General Counsel
NMDOT Staff

Elected Officials and Delegations Present:

The Honorable Pete Campos, New Mexico State Senator, District 8
The Honorable Ambrose Castellano, New Mexico State Representative, District 70
Harold M. Garcia, Chairman, Board of County Commissioners, San Miguel County, District 1
Kenneth C. Medina, Commissioner, Board of County Commissioners,
San Miguel County, District 5
Walter C. Hall, Commissioner, Board of County Commissioners, Union County
Monte Gore, County Manager, Colfax County
Michael L. Montoya, Las Vegas City Council, Ward II
David G. Romero, Las Vegas City Council, Ward IV
Scott Berry, City Manager, City of Raton
Filandro R. Anaya, Commissioner, Town of Edgewood, District 2
Eldie R. Cruz, Mayor Pro Tem, Village of Wagon Mound
The Honorable Billie Jo Barnes, Mayor, Village of San Jon

Introductions

Chairman Adams and Ricky Serna, recently appointed NMDOT Cabinet Secretary, welcomed STC meeting attendees, and acknowledged the elected officials and certain others in attendance. Secretary Serna and Justin Reese, Deputy Secretary, NMDOT, introduced the NMDOT District Engineers, various NMDOT staff members and FHWA officials in attendance.

Welcoming Remarks

Chairman Adams thanked the meeting attendees for their participation. He expressed his gratitude to the NMDOT, San Miguel County, City of Las Vegas and others for their assistance during the fires, and recently, the floods. Chairman Adams introduced San Miguel County Sheriff, Chris Lopez, and acknowledged him for his efforts during the crisis.

Tribute to Michael Sandoval, Former Cabinet Secretary, NMDOT

Chairman Adams introduced and recognized Michael Sandoval, former Cabinet Secretary, NMDOT, for the excellent work he did during his tenure with the NMDOT. The other STC Commissioners also acknowledged and thanked Mr. Sandoval for his hard work and dedication to the NMDOT and wished him well on his retirement. Secretary Serna, Deputy Secretary Reese, and various other NMDOT executive staff members thanked Mr. Sandoval for his exceptional leadership and presented him with a commemorative plaque. Thereafter, a video of numerous tributes from NMDOT staff members, colleagues and friends was presented, followed by

comments from the former Secretary, and a standing ovation from the STC and meeting participants.

Chairman Adams introduced and welcomed Ricky Serna as NMDOT's new Cabinet Secretary and informed everyone that his employment with NMDOT began on Monday, July 18, 2022.

Public Comment

Michael L. Montoya, Las Vegas City Councilman, on behalf of Mayor Trujillo and the City Council, welcomed the STC and NMDOT to Las Vegas. He acknowledged and thanked former NMDOT Secretary, Michael Sandoval, welcomed Secretary Serna, and congratulated him on his appointment. He then thanked District Four Engineer, James Gallegos, and his staff for all they have done to assist the community.

Harold M. Garcia, Chairman, Board of County Commissioners, San Miguel County, District 1, on behalf of the County Commission, County Manager and staff, welcomed the STC and meeting attendees. He briefly outlined how the community and local government came together during the fire, and acknowledged and thanked NMDOT District Four staff, local and state government, and Governor Michelle Lujan Grisham for their efforts and assistance.

Kenneth C. Medina, Commissioner, District 5, Board of County Commissioners, San Miguel County, welcomed and congratulated Secretary Serna. He thanked Commissioner Adams, NMDOT District Four Engineer, James Gallegos, and the NMDOT for their help with funding the County is receiving.

Scott Berry, City Manager, City of Raton, discussed the designation of Interstate 27 and the FY22 omnibus appropriations bill signed by President Biden that added the Ports to Plains corridor from Raton, New Mexico to Laredo, Texas to the Federal Highway system. He referenced the *Ports to Plains Corridor Economic Impact Study* completed in June 2021, that was prepared for the Eastern Plains Council of Governments and NMDOT. The report addresses the economic impacts and opportunities created by the designation for the City of Raton and State of New Mexico. He asked for the STC and NMDOT's continued support for the project and for both to prioritize its development and construction. Walter C. Hall, Commissioner, Board of County Commissioners, Union County, followed Mr. Berry with additional comments in support of the designation of Interstate 27. He also mentioned that (1) Highway 402, from Clayton south, for approximately 40 miles, does not have shoulders and that there is a lot of school activity (buses, etc.) on the road; (2) Highway 370 north of Clayton is only partially paved; and (3) Highway 406 needs repair.

John Paul Romero, Cordova Contracting & Development, LLC, commented in support of the implementation of the electric vehicle charging station program. His company has reached out to over 18 communities in the State of New Mexico to propose the placement of charging stations. The company represents various pueblos and private and public sector entities that have requested its assistance in implementing the program.

Eldie R. Cruz, Mayor Pro Tem, Colleen Engelhardt, Deputy Clerk, Village of Wagon Mound (Village), and Tom Blaine, retired New Mexico State Engineer, discussed their concerns about a NMDOT project in Wagon Mound. There is a crusher that has either started or is going to start blasting less than a mile of the Village's water source, Santa Clara Natural Springs (Springs), which could affect the aquifer and the health and safety of the Village. The blasting

and construction could impact the bedrock in a negative way and the fracturing could divert the water away from the Springs. The Village has established water rights to the Springs dating back to 1936, and two other private entities, Harper Cattle Co., Inc. (Harper Cattle) and Daniels Ranch, Inc. also maintain water rights to the Springs. The Village requests the STC consider the Village's water rights in the project. The Village would like a little more time to assess the situation and sort out issues and concerns. It is unknown if the fracturing could cause contamination to enter into the Springs via gasoline, diesel, hydraulic fluid, blasting residue, etc. If the Springs were to be lost, the Village would also be lost.

Tom Blaine detailed the geology of the area around the Springs. He explained that water travels in unique fractures and any disruption of those fractures could alter the flow of water underground to the Springs which is very concerning. Blasting activity can result in a change in those fracture patterns. He asked that NMDOT suspend the project to allow for a full evaluation of the possible effects of the fracturing and explosions in the area, and how they may affect the ground water. Mr. Blaine suggested NMDOT ask Fisher Sand & Gravel (Contractor) to obtain another source for the sand and gravel for this project.

Rick Padilla, Executive Director of Highway Operations, NMDOT, stated the New Mexico Environment Department (NMED) permitted the Contractor's use of the pit. NMDOT does not have the authority to overrule what NMED has permitted the Contractor for, i.e., producing material out of the identified pit. However, NMDOT could ask the Contractor to look for other sources for material.

Chairman Adams asked Mr. Padilla to stay in contact with the Village and Mr. Blaine, keep them apprised, and to inform the Contractor about the identified concerns. He also asked NMDOT to do the best it can to mitigate the situation.

Mayor Pro Tem Cruz stated that NMED issued an air quality permit, it did not do anything about water, underground water or surface water. The existing pit is approximately 20 years old. He believes the pit was condemned and Lafarge was stopped from drilling due to concerns about the Village's water source

Chairman Adams suggested Mr. Padilla meet with Mayor Pro Tem Cruz, the Village, Fisher Sand & Gravel, NMED, and NMDOT Environmental Bureau staff to discuss possible solutions. Mr. Blaine commented that there is no state agency with regulatory authority over this type of mining operation. They have reached out to NMED, the Office of the State Engineer, County Commissioners, Senators, and Representatives. They have exhausted all avenues for relief in this matter, which is the reason they came to the STC.

Commissioner Ellis asked who issues the permit for gravel extraction. Mr. Padilla responded that NMED is the lead on issuing permits. NMDOT asks its contractors to follow NMDOT rules and regulations, one of which is to follow proper procedures when securing a materials site. In this case, the Contractor did. NMED knows about the blasting and the operation that is taking place on the site.

Commissioner Ellis asked if the Village made the same request to the Environment Department that it is making to the STC. Mr. Blaine confirmed that the Village has and clarified that NMED does not permit the effects of blasting on subsurface "things". NMED issues an air quality permit to ensure there are no emissions released from that activity, which is completely

unrelated to the identified concerns. The concerns about the effects that blasting will have in changing the ground water that supplies the Village and Harper Cattle have not been addressed.

David G. Romero, Las Vegas City Council, Ward IV, congratulated Secretary Serna, thanked Secretary Sandoval, James Gallegos, and Deputy Secretary Reese for their service and the STC Commissioners for all they have done to support the City and County.

Monte Gore, County Manager, Colfax County, expressed his support for the I-25/I-27 interchange. He stated that the interchange is used primarily for trucking and should be engineered for increased truck and semi traffic hauling double or triple trailers.

Dr. Clarence Sanchez, Regent, New Mexico Highlands University, on behalf of the Board of Regents, welcomed the STC Commissioners and Secretary Serna, and thanked Secretary Sandoval for his work. He stated that given three years of COVID, and the recent fires and flooding, the community and the University need a lot of help.

Jim Garcia, Executive Director, Associated Contractors of New Mexico (ACNM), on behalf of ACNM membership, thanked former Secretary Sandoval. His leadership, friendship and direction made an incredible impact not just on the NMDOT, but on New Mexico and how it operates. He also thanked Deputy Secretary Reese; Rick Padilla; Cindy Vigue, New Mexico Division Administrator, FHWA; and Marisa Maez, Director of Communications, NMDOT.

Filandro R. Anaya, Commissioner, Town of Edgewood, District 2, discussed Edgewood's need for a new intersection/off-ramp to help with traffic flow and safety, and to assist with economic growth. Chairman Adams suggested that Commissioner Anaya meet with Justin Gibson, District Three Engineer, NMDOT and Paul Brasher, District Five Engineer, NMDOT, regarding the matter.

Keanna Lovato, “Future NMDOT Visionary”, commented (via video recording) regarding technology, robotic/driverless vehicles and future modes of travel.

District Four Update

James Gallegos, P.E., District Four Engineer, NMDOT, recognized District Four staff members in attendance at the meeting and thereafter provided an update (via video recording) regarding District Four, during which he discussed the District’s budget, projects and other activities. He described the work the District did to assist during the fires and is currently doing to assist with flood mitigation. He also reported on the District’s Employee Recognition Program, acknowledged recent award winners, and thanked District Four staff members for their work.

Staff Briefings

Secretary’s Report

Justin Reese, Deputy Secretary, NMDOT, thanked District Four staff for all the work they did during the wildfires. He also acknowledged all the other Districts for coming together to assist. In December, the NMDOT received American Rescue Plan Act (ARPA) funds in the amount of \$172 million that to date have been distributed as follows: \$10 million to airports, \$10 million to rest areas, and \$10 million to statewide electric vehicle (EV) infrastructure. NMDOT is presently working on distributing \$142 million to projects. In addition, NMDOT received approximately \$80 million in funding from the federal Bipartisan Infrastructure bill that has been programmed into the current four-year State Transportation Improvement Program (STIP). The funds are presently being used to fill gaps and cover cost escalations for materials, fuel, trucking, asphalt,

etc. Bids are now coming in at approximately \$10 - \$11 million over estimates because of cost escalations, with some 30 - 40% over engineers' estimates. NMDOT's maintenance costs are also rising due to fuel costs. Gaps need to be filled and hopefully can be addressed with legislation in the 2023 Session. To help offset cost escalations, NMDOT has applied for three federal RAISE grants in the amount of \$25 million each: one for US 180, one for the NM 4 Jemez bypass, and one for NM 128 in Jal. NMDOT also applied for two federal INFRA grants: \$40 million for the St. Francis extension in southern New Mexico, and \$42 million for downtown Clovis. NMDOT is currently working with McKinley County to try to improve the 10 bridges recently reported on in the news and, in the next cycle, will apply for an INFRA grant to assist with costs. In addition, NMDOT has applied for a Mega grant for the \$180 million Comanche/Montgomery bypass project in Albuquerque.

Secretary Serna and Deputy Secretary Reese will be reviewing the Transportation Project Fund (TPF) projects this week. This year, NMDOT will distribute \$105 million in TPF grant funding, including hardship funds.

Deputy Secretary Reese reported that contractors have been working on litter pick up in the state, specifically, on I-10 (New Mexico/Texas state line to Las Cruces) and I-25 (Santa Fe to Los Lunas). To date, they have covered over 300 miles and have removed approximately 8,200 bags of trash and other material. Phase two of the work will cover an area from Santa Fe to Las Vegas, US 285 in the Roswell area, NM 117, NM 122, and NM 547 in the Grants area.

NMDOT recently held two job fairs to facilitate hiring. NMDOT employees have returned to work three days a week in-office and will soon return to a normal five-day work week. Also,

the first phase of NMDOT's new E-permitting system for utility companies and broadband went live on August 15.

Jerry Valdez, Executive Director, NMDOT, provided an update regarding the New Mexico Electric Vehicle (EV) Infrastructure Deployment Plan (Plan). A copy of the Plan is available on NMDOT's National EV Infrastructure (NEVI) webpage (<https://www.dot.nm.gov/nevi>). New Mexico received an appropriation of approximately \$38 million through the Infrastructure Investment and Jobs Act (IIJA) to help expand EV infrastructure in the State and connect with other states to ensure the motoring public has access to efficient, safe, and standardized methods of travel when driving across the country in EVs. Use of EVs is critical to climate and decarbonization goals set by federal and state governments.

NMDOT was first state in the country to submit its Plan. It worked with other state agencies and entities to obtain their input to develop a Plan that meets the unique needs of New Mexico. The Plan is built for New Mexicans first and ensures that disadvantaged communities are not left behind. It addresses the State's unique needs, including energy capacity. The development of EV infrastructure will help New Mexico to create jobs in local communities as well as provide communities with the opportunity to operate and maintain EV charging stations.

Federal Highway Administration (FHWA) Report

Cindy Vigue, New Mexico Division Administrator, FHWA, commented regarding the federal grants and congratulated NMDOT on being the first in the nation to submit its NEVI plan. She also recognized NMDOT for its New Mexico Freight Plan that was submitted ahead of schedule. The Plan is critical because it provides funding for projects on key corridors, including

Interstates 25, 40 and 10, and in the future, 27. New Mexico received about \$500 million in federal funding this year. Usually, in its fourth quarter (July, August, September), and particularly in September, there will be a big push for FHWA to obligate all its funds, which means dedicating the funds to the projects. She is very happy to learn that as of today, 71% of the funds have been obligated to NMDOT projects. This is significant considering the extra funds the State received. She appreciates the NMDOT team and looks forward to continuing to work with them to obligate the remaining funds.

Communications Campaign Update

Marisa Maez, Communications Director, NMDOT, reported regarding NMDOT's Communication program. She identified staff and their roles and discussed the particulars of the Communications program, including internal and external outreach matters (social media, campaigns and recruitment). She introduced Candace Barela, new District Two Public Information Officer (PIO), and acknowledged Travis Martinez, District Four PIO, for his accomplishments and recent work with the New Mexico Department of Homeland Security.

Chairman Adams suggested that NMDOT do some public service radio announcements to raise awareness about children returning to school and as a reminder to look out while driving.

Finance Reports

NMDOT Financial Status Update

Mallery Manzanares, Administrative Services Director, NMDOT, presented the NMDOT financial status update as of June 30, 2022. State Road Fund: To date, NMDOT has received a

total of \$969.9 million in revenue and spent \$877.8 million. Restricted Funds: To date, NMDOT has received \$110.9 million in revenue and spent \$73 million. Mrs. Manzanares also discussed NMDOT's FY22 cash balances for operating budget funds: Road Fund: \$465.3 million and Restricted Funds: \$106.5 million. At present, NMDOT's projected FY22 year end fund balances ("savings account" amounts) are: Road Fund: \$24.8 million and Restricted Funds: \$47.6 million.

Approval of FY23 Budget Adjustment Request (BAR) No. 4 – NM 109 (Jarales Road)

David Quintana, P.E., Chief Engineer, NMDOT, presented and requested approval of FY23 BAR No. 4 - P562 – PDC – NM 109 (Jarales Road). The BAR is required to establish budget authority for the 100% State program. It will increase the Contractual Services (Category 300) by \$9.6 million to fund the right of way and relocations for NM 109 (Jarales Road). NMDOT received \$14.5 million from BNSF to use toward the completion of this project. NMDOT has spent \$4.9 million on right of way, design and safety activities.

Chairman Adams asked for a motion to approve FY23 BAR No. 4 – NM 109 (Jarales Road); Commissioner Lundstrom made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

Approval of FY23 BAR No. 5 – NM 4/East Jemez

Rick Padilla, P.E., Executive Director of Highway Operations, NMDOT, presented and requested approval of FY23 BAR No. 5 - P562 – HOPs – NM 4/East Jemez. The BAR is required to establish budget authority for the 100% State program. It will increase Contractual Services (Category 300) by \$9.5 million to fund the NM 4/East Jemez Road project. NMDOT entered into a cooperative agreement with the Department of Energy (DOE). The DOE will reimburse the

NMDOT \$7.5 million; all salary and change orders costs will be the responsibility of NMDOT. The funds are supported by State Road Fund.

Chairman Adams asked for a motion to approve FY23 BAR No. 5 – NM 4/East Jemez; Commissioner Chynoweth made a motion to so approve; Commissioner Sandoval seconded; motion carried unanimously.

Approval of FY23 - BAR No. 7 – Coronavirus Response and Relief Supplemental

Appropriation Act (CRRSAA)

Mallery Manzanares, Administrative Services Director, NMDOT, presented and requested approval of FY23 BAR No. 7 - P562 – PDC – to establish budget authority for the Project Design and Construction and Highway Operations Programs. The BAR will increase the Contractual Services (Category 300) by \$18.5 million and the Other Costs (Category 400) by \$10 million. These funds will be used to compensate for project shortfalls due to inflation and assist with maintenance activities.

NMDOT received \$82.5 million from CRRSAA, \$54 million of which was used in FY22. These funds are to supplement the NMDOT revenue shortfall caused by the pandemic. These funds can be used for preventative maintenance, routine maintenance, construction, operations, personnel, or debt service.

Chairman Adams asked for a motion to approve FY23 BAR No. 7 – CRRSAA; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

New Mexico Finance Authority (NMFA) Report

Mark Lovato, Managing Director, Investments, NMFA, provided an update regarding NMDOT's investment portfolio funds under NMFA management and NMDOT/NMFA's outstanding bond debt service as of June 30, 2022. At the beginning of June, NMFA was holding approximately \$197 million towards NMDOT's debt service. On June 15, 2022, a semi-annual debt service payment in the total amount of \$196.7 million was made (\$172 million in principal, plus \$24.5 million in interest). NMFA is currently holding approximately \$568,000 towards NMDOT's next debt service payment. NMDOT has two project fund accounts: \$302.5 million in the 2021A project account and \$6.7 million in the 2014A project account. NMDOT has a \$50 million line of credit with Wells Fargo, pursuant to certain agreements with BNSF. A commitment fee of approximately \$24,000 was paid in the month of June. With NMDOT's June 15 debt service payment of \$196.7 million, \$157.5 million was used to pay off its 2012 bond series. Including NMDOT's December 15, 2021 payment of \$22 million, NMDOT's total fiscal year debt service was \$218 million. NMDOT's next bond payment in the approximate amount of \$22 million (for interest only), is due on December 15, 2022. NMDOT will have about 90% of its debt portfolio paid off in the next 7 years.

Policy Reports

Discussion Regarding Proposed Memorial Dedication for Fallen Officer, Sergeant (Sgt.)

Robert Baron, at Milepost 254.5 on I-25

Justin Gibson P.E., District Three Engineer, NMDOT, discussed a proposed memorial sign dedication for fallen officer, Sgt. Robert Baron at Milepost 254.5 on I-25, pursuant to Commission

Policy 61, *Memorial or Honorary Designation or Dedication of Highways, Transportation Facilities and Structures* (CP 61). Allen Mills, Chief Deputy Sheriff of the Sandoval County Sheriff's Office, with the support of Sgt. Baron's family, has requested the installation of a fallen officer sign on I-25 to memorialize Sgt. Baron. District Engineer Gibson asked if it would be possible to dedicate and install a memorial sign as opposed to dedicating a highway or a corridor. Chairman Adams directed District Engineer Gibson to work with NMDOT staff on the proposed dedication to ensure compliance with CP 61, and then present the request to the STC at a meeting later this year.

New Mexico Rail Runner Express (NMRX) Annual Report

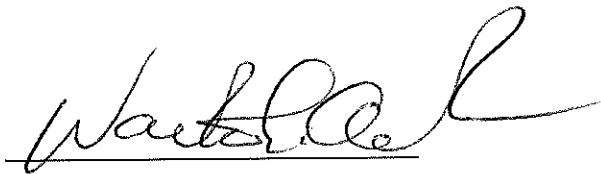
Dewey Cave, Executive Director, Mid-Region Council of Governments (MRCOG) and Rio Metro Regional Transit District (RMRTD) gave a brief update on the NMRX. He explained that RMRTD has served as the fiscal agent for and operator of the NMRX for approximately 16 years. Last spring, due to high gas prices RMRTD worked with Governor's Office to offer reduced train fares of 75%, or approximately \$2.00 a day, from Albuquerque to Santa Fe. As of August 1, RMRTD will implement a new schedule for the NMRX that will include the addition of a couple of mid-day trains on weekdays and weekends. This should benefit commuters as well as tourists.

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 highlighted three

critical capital improvement projects: Centralized Traffic Control / Main 2 Extension (\$17 million); NMRX Maintenance Facility, Phase 1 (\$3 million in 2023, \$51 million total); and Strategic Track and Platform Improvements (\$56 million in FY2024 - FY2029). He reported that rail ridership increased about 104% from June 2021 to June 2022, discussed increased service and mentioned that fares will remain discounted 75% through the end of the year.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 1:02 p.m.; Commissioner Chynoweth made a motion to adjourn the regular meeting; Commissioner Lundstrom seconded. Motion carried unanimously.



Chairman

Walter G. Adams

Secretary

Charles Lundstrom

