

NEW MEXICO STATE TRANSPORTATION COMMISSION

MEETING

**Drury Plaza Hotel
828 Paseo de Peralta
Santa Fe, NM 87501
January 6, 2022**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on January 6, 2022, at the Drury Plaza Hotel, Santa Fe, New Mexico. Chairman Adams called the meeting to order at 8:31 a.m. He asked for a roll call to establish a quorum. Mershawn Griego, Office of the Secretary, New Mexico Department of Transportation (NMDOT), proceeded to call the roll. Commissioners Walter G. Adams, Jennifer Sandoval, Hilma E. Chynoweth, and Tomas C. Taylor were present.

Approval of the STC Meeting Agenda

Commissioner Chynoweth made a motion to move item 10(c) on the agenda, “Approval of Proposed Dedication of the ‘John I. King Memorial Bridge’” to item number 8, “Staff Briefings”; Chairman Adams asked for a vote to approve the agenda, as amended; Commissioner Sandoval seconded; motion carried unanimously.

Approval of the STC Minutes

Chairman Adams asked for a motion to approve the December 15, 2021 STC special meeting minutes; Commissioner Chynoweth made a motion to approve the minutes; Commissioner Sandoval seconded; motion carried unanimously.

State Transportation Commissioners Present:

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

NMDOT Staff Present:

Michael Sandoval, 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 Harry Garcia, New Mexico State Representative, District 69
The Honorable Tara L. Lujan, New Mexico State Representative, District 48
The Honorable Benny Shendo, Jr., New Mexico State Senator, District 22
The Honorable Boyd Herrington, Mayor, Village of Encino
The Honorable Louie Bonaguidi, Mayor, City of Gallup
Anna Hansen, Santa Fe County Commissioner, District 2
Christine Bustos, Rio Arriba County Commissioner, District 2
Candyce O'Donnell, Taos County Commission Chair, District 5
Billy Moore, McKinley County Commission Chair, District 1

Introductions

Francisco Sanchez, P.E., District Two Engineer, NMDOT paid tribute to District Two employee, Mittie Runyan, who recently lost her life while working on US 285. She worked for her entire career, almost 22 years, with the Artesia Maintenance Patrol. She will be sadly missed by her NMDOT family. Chairman Adams extended his condolences to Mittie's family and requested a moment of silence for her.

Chairman Adams and Michael Sandoval, Cabinet Secretary, NMDOT, welcomed STC meeting attendees and acknowledged the elected officials in attendance, some of whom rose to make introductory comments. The Chairman and Secretary Sandoval then asked STC Commissioners and certain others present to introduce themselves.

Welcoming Remarks

Chairman Adams acknowledged and thanked NMDOT employees for their work and meeting participants for attending the meeting.

Public Comment

Candyce O'Donnell, Taos County Commission Chair, commented regarding the installation of security cameras and construction of a "handicapped walkway" on the Rio Grande Gorge Bridge. She read a statement of support from Taos County Sheriff, Jerry Hogrefe, regarding the placement of cameras on the bridge. He indicated they will aid all Taos County law enforcement agencies with bridge related investigations and confirmed the Sheriff's Office will take responsibility for monitoring them as it is the primary agency responsible for responding to bridge related incident calls.

Carline Murphy, sister of John I. King and resident of Fort Wingate, spoke in support of the proposed highway bridge dedication in honor of her late brother, John I. King. She identified family members and others present at the meeting, who also support the proposed dedication.

Anna Hansen, Santa Fe County Commissioner, commented regarding safety concerns related to the transport of plutonium waste from Los Alamos National Laboratory through various counties in the state, including Santa Fe.

Gallup Mobility Investment District

The Honorable Louie Bonaguidi, Mayor, City of Gallup, introduced himself and stated he wanted to share the findings of a recent study regarding the “Gallup Mobility Investment District”. The purpose of the initiative is to bring research and testing of autonomous vehicles to Gallup and McKinley County and with it, opportunities for job creation. He asked the STC to work to establish a \$20 million regional infrastructure accelerator, modeled after the U.S. Department of Transportation program, for the purpose of investing in (1) projects that advance autonomous vehicles, supply chain and clean energy; and (2) transportation projects in New Mexico that accelerate job creation and private investment. The City of Gallup is working with public and private partners on this program. Mayor Bonaguidi explained the study showed that Gallup is in need of a 7,000-foot roadway, urban research test track, an administrative building, and warehouse to service electric and other alternative clean fuel vehicles. He reported that Gallup also wants to partner with the NMDOT Aviation Division given the City’s need for air passenger service. Approximately \$6 million is needed for an air terminal building. In addition, Mayor Bonaguidi would like to see Phases Two and Three of the Allison Road crossing project completed to connect the north and west sides of Gallup to help promote economic development on the west side of town. In closing, Mayor Bonaguidi complained about the traffic on I-40 and stated Gallup would like to see a third lane added to the Interstate for trucks to help eliminate some of the City’s problems.

Michael Sage, Deputy Director, Greater Gallup Economic Development Corporation (GGEDC), introduced McKinley County Commission Chair, Billy Moore, and invited him to comment before the scheduled presentation on the ‘Gallup Mobility Investment District’.

First, Chairman Moore stated that he represents the community of Iyanbito and fully supports the proposed highway bridge dedication. He then discussed McKinley County’s partnership with the City of Gallup and its support for the City’s project. The County has set aside the 7,000 feet of road space needed for the testing of autonomous vehicles.

Mr. Sage then introduced Gallup Assistant City Manager, Jon DeYoung, and explained that Mr. DeYoung would be assisting with the Gallup Mobility Investment District presentation.

Recognizing that a detailed presentation was made to the STC at its September 30, 2021 meeting in Gallup, Mr. Sage stated that he would only provide highlights of the findings of the GLD Partners report on the Gallup Mobility Investment District, and more specifically, the opportunities related to autonomous vehicles and Gallup, northwest New Mexico, McKinley County and the State of New Mexico. (The complete report is included in the STC meeting book as Item No. 7.)

Approval of Proposed Dedication of the “John I. King Memorial Bridge”

Lisa Vega, P.E., District Six Engineer, NMDOT, presented and requested the STC’s approval of the proposed dedication of the bridge located on NM 400 over Interstate 40 in McKinley County (Bridge No. 6367) as the “John I. King Memorial Bridge”, and its adoption of related STC Resolution No. 2022-02 (JAN). She invited Andre King, son of the late John I. King, to read the proposed resolution aloud to the STC.

The Honorable Harry Garcia, New Mexico State Representative, addressed the STC regarding the proposed dedication. He stated it was his honor to support it and encouraged the Commissioners to approve and adopt the related resolution. He considers military veterans to be the backbone of the United States. Recognizing them with dedications like this is essential; it is part of the history of our state. He thanked both the STC and NMDOT.

Secretary Sandoval expressed his appreciation to the King family for attending the STC meeting and offered his condolences to them. He stated that it is his honor to be the Secretary of NMDOT at the time of this dedication to forever memorialize the life of John I. King.

Chairman Adams asked for a motion to approve the proposed dedication of the bridge located on NM 400 over Interstate 40 in McKinley County (Bridge No. 6367) as the “John I. King Memorial Bridge”; Commissioner Sandoval made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Staff Briefings

Secretary’s Report

Secretary Sandoval updated the STC regarding NMDOT’s bond program. A couple of the 2012 Series bonds are up for call and NMDOT will be looking into refinancing those bonds. It is believed they are worth approximately \$50 million dollars and that NMDOT may be able to save between \$4-\$5 million dollars, which would be refunded to NMDOT in cash. The process has started so the STC will be receiving materials to review in the next couple of months as NMDOT moves through the process. NMDOT would like to bring the matter to the STC for a vote at its

March 24, 2022 meeting. The STC will be briefed in advance. The STC's March meeting is scheduled on the same day as the New Mexico Finance Authority (NMFA) board meeting. If the matter is approved by the STC in the morning on that date, NMFA can consider the matter later the same day to allow a closing to be scheduled quickly, perhaps April or May, to enable NMDOT to take advantage of lower interest rates before the anticipated rate increases by the Federal Reserve.

NMDOT's priority for the upcoming 2022 legislative session is the passage of its Construction Manager General Contractor (CMGC) bill. If passed, it will enable NMDOT to use a different tool for project delivery.

During the recent special legislative session, NMDOT received \$172.5 million of American Rescue Plan Act (ARPA) funds (recovery money appropriated to New Mexico by the U.S. Congress): \$142.5 million for roads; \$10 million for electric vehicle charging stations; \$10 million for airports; and \$10 million for a litter control program. NMDOT is working on a plan for how that money will be spent. NMDOT also anticipates receiving in the upcoming regular legislative session up to \$200 million for roads, rest areas and other items. Secretary Sandoval outlined by District the particular projects NMDOT believes it will use this new funding for during the next 12-24 months: **District One:** US 180, total estimated project cost approximately \$150 million; St. Francis extension in the border area, total estimated project cost approximately \$40 million; Nogal Canyon Bridge improvements (estimated project cost not stated); **District Two:** NM 31/NM 128, total estimated project cost approximately \$60 million; NM 128, four-laning the entire highway, total estimated project cost approximately \$150 million; US 380, total estimated project cost approximately \$100 million; **District Three:** Montgomery/Comanche Interchange, total estimated project cost approximately \$170 million; Mesa del Sol/Bobby Foster; Paseo del

Volcan/Atrisco Interchange; and Gibson Interchange (total estimated project costs not stated); **District Four:** Completion of NM 39 project, total estimated project cost approximately \$30-\$40 million; **District Five:** NM 4 Bypass/Jemez, (total estimated project cost not stated); Pinon Hills river crossing in Farmington, total estimated project cost approximately \$40-\$50 million; Cerrillos Road from St. Michael's to St. Francis, total estimated project cost, approximately \$15 million; **District Six:** Six-laning I-40 from Albuquerque to the Arizona State line (total estimated project cost, approximately \$1.7-\$2 billion). The criteria for selection of these projects are based on (1) pavement conditions; (2) economic development – how building these roads can improve the economy; and (3) readiness – how soon the projects can be completed given that all of the new money has time restrictions that NMDOT must comply with.

Chairman Adams asked about the status of funding for the Transportation Project Fund (TPF). Secretary Sandoval responded that NMDOT will continue to receive \$40 million per year in funding for the TPF (local entities) based on revenue and 2021 legislation. LFC is planning to allocate an additional \$80 million of General Fund money, subject to approval. That would amount to approximately \$120 million in funding for the Transportation Project Fund (local entities).

Federal Highway Administration (FHWA) Report

Cindy Vigue, New Mexico Division Administrator, FHWA, discussed the bipartisan infrastructure law signed by President Biden on November 15, 2021. She explained that the previous federal legislation (the “FAST Act”) brought approximately \$389 million to New Mexico over five years. The new bill will bring approximately \$500 million to New Mexico over five years, which represents about a 30% increase. With additional state funds matching federal funds,

NMDOT will be able to leverage that and do the priority projects that need to be done for the citizens of New Mexico. Ms. Vigue introduced Dolores Gallegos, Transportation Finance Manager, FHWA, and asked her to address funding. Mrs. Gallegos and Ms. Vigue reported that \$120 million was allocated to New Mexico in December through a continuing resolution, which ends on February 18, 2022. Because Congress has yet to make an appropriation with funds from the new bill, FHWA does not have the full amount of \$500 million available. Instead, it is currently using the \$120 million allocation from the continuing resolution to fund traditional or legacy programs in the state. The new bill also includes 12 new programs, for which new policies, eligibility requirements and rules need to be developed. In the next few months NMDOT will be given the opportunity to comment on the requirements.

Finance Reports

FY21 External Audit Summary - REDW LLC

Mallery Manzanares, Budget Director and Acting ASD Director, NMDOT, reported that each year NMDOT must undergo an independent financial audit by an external auditor. The FY21 audit was completed and approved by Office of the State Auditor (OSA). This is the third year that REDW LLC has performed the external audit for NMDOT.

Jesse Jiron, CPA, Senior Manager, and Ernesto Ramirez, CPA, Manager, REDW LLC, reported the scope of the audit included a NMDOT financial statement audit and a NMDOT federal compliance audit. Unmodified opinions were issued on both. There were no material deficiencies identified in the 2021 audit; however, there were two audit findings. The first was a significant deficiency in controls over compliance related to the Highway Safety Cluster federal program (the

finding is detailed on page 139 of REDW's report), and the second was one instance of non-compliance with state statutes (the finding is detailed on page 141 of REDW's report).

Secretary Sandoval briefly clarified the audit findings and expressed his gratitude and appreciation to Mrs. Manzanares, and the NMDOT Finance and Accounting team.

NMDOT Financial Status Update

Mallery Manzanares, Budget Director and Acting Administrative Services Director, NMDOT, presented the NMDOT financial status update as of November 30, 2021. NMDOT's FY22 budget as of that date was \$1.6 billion. State Road Fund: To date, NMDOT has received a total of \$363.6 million in revenue and spent \$379.8 million. Restricted Funds: To date, NMDOT has received \$38 million in revenue and spent \$23.1 million. Mrs. Manzanares also discussed NMDOT's FY22 cash balances for operating budget funds: Road Fund: \$360.2 million; Restricted Funds: \$84.5 million; and Total Cash Balance: \$444.7 million. At present, NMDOT's projected FY22 year end fund balances ("savings account" amounts) are: Road Fund: \$24.8 million; Restricted Funds: \$48 million; and Operating Fund (agency total): \$72.9 million.

Approval of FY22 Budget Adjustment Request (BAR) No. 12 - Mesa del Sol

David Quintana, P.E., Chief Engineer, NMDOT, presented and requested approval of FY22 BAR No. 12 - P562 - PDC. The BAR is required to increase budget authority for the Design Program. It will increase Contractual Services (Category 300) by \$2 million to fund the design phase of the Mesa del Sol Boulevard/Interstate 25 interchange project.

Chairman Adams asked for a motion to approve FY22 BAR No. 12 - Mesa del Sol; Commissioner Taylor made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of FY22 BAR No. 13 - Federal Transit

David Harris, Transit and Rail Division Director, NMDOT, presented and requested approval of FY22 BAR No. 13 - P565 - Modal. The BAR is required to increase budget authority in Federal Grants and Services (CAT 400) for the Transit Bureau in the amount of \$2,150,626. The funds are 100% federally reimbursable. The increased budget authority will be utilized as follows: \$1,485,000 for a federal discretionary award for Los Alamos County for the purchase of electric busses and charging infrastructure; and \$665,626 in Federal Transit Section 5310 (Enhanced Mobility for Seniors and Individuals with Disabilities) funding to be used for waiver of local match requirements for participants.

Chairman Adams asked for a motion to approve FY22 BAR No. 13 - Federal Transit; Commissioner Taylor made a motion to so approve; Commissioner Sandoval 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 December 20, 2021. During the month of December, NMFA received a set aside payment in the total amount of \$15.5 million and made interest payments in the total amount of \$22.7 million, representing a net decrease of \$7.2 million in NMDOT's

portfolio. NMFA is currently holding \$69.8 million in debt service funds. It is also holding \$309.1 million in project funds: \$302.4 million in NMDOT's 2021A project account and \$6.7 million in NMDOT's 2014A project account. NMDOT has a \$50 million line of credit at Wells Fargo pursuant to certain agreements with BNSF. NMDOT made a Commitment Fee payment this month in the amount of \$24,277 for the line of credit. NMDOT's next bond debt service payment is due on June 15, 2022, for principal in the amount of \$121.2 million plus interest in the amount of \$24.5 million, for a total payment in the amount of \$145.7 million. Including the \$22.7 million interest payment made in December, NMDOT's fiscal year debt service payments currently total \$168.4 million. NMDOT's outstanding debt currently totals \$998.2 million. NMDOT's 2012 Series Senior Bonds will become callable on June 15, 2022. After NMDOT's principal payment in the amount of \$103 million on June 15, 2022, the remaining amount of \$50 million will be refunded to NMDOT.

Policy Reports

Annual Determination of Notice Provisions for Open and Closed State Transportation

Commission (STC) Meetings

Ken Baca, General Counsel, NMDOT, presented and requested the STC's approval to reaffirm the notice provisions for open and closed STC meetings pursuant to NMSA 1978, Section 10-15-1(D) of the Open Meetings Act, as set forth in Commission Policy 1, *New Mexico State Transportation Commission Organization and Meetings* (CP 1).

Chairman Adams inquired whether a Commissioner may attend a STC meeting via Zoom and vote, etc. if he or she is unable to attend in person. Mr. Baca responded that a Commissioner

can because there is a rule in place that allows for Commissioners to participate in meetings via telephone, as long as it is something that does not occur on a routine basis. There needs to some sort of hardship for the rule to apply. He believes in these times that Zoom or some other virtual technology application would suffice. To amend the rule to specifically include meeting participation via Zoom, Microsoft Teams or some other virtual technology application, the STC and NMDOT would probably have to go through the rulemaking process. Chairman Adams suggested that the matter be presented the STC at its next meeting.

Chairman Adams asked for a motion to approve reaffirmation of the Annual Determination of Notice Provisions for Open and Closed State Transportation Commission meetings; Commissioner Chynoweth made a motion to so approve; Commissioner Taylor seconded; motion carried unanimously.

Proposed Revision to 18.11.3 NMAC - Air Service Assistance Program

Pedro Rael, Aviation Division Director, NMDOT presented and requested approval to initiate rulemaking to amend existing NMDOT Aviation Division Rule 18.11.3 NMAC, Air Service Assistance Program, to (1) allow eligible recipients in New Mexico to apply for grants from the Aviation Division to assist with the marketing of passenger air service; and (2) to change the 50% match requirement for eligible recipients in order to receive an assistance grant.

Chairman Adams asked for a motion to approve the request to initiate rulemaking to amend 18.11.3 NMAC - Air Service Assistance Program; Commissioner Taylor made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of Proposed Dedication of the “Senator Carlos R. Cisneros Memorial Highway”

Paul Brasher, P.E., District Five Engineer, NMDOT, presented and requested the STC’s approval of the proposed dedication of the entire length of NM 522, from its junction with US 64 in Taos County north to the New Mexico/Colorado state line, as the “Senator Carlos R. Cisneros Memorial Highway”, and its adoption of related STC Resolution No. 2022-01 (JAN). He invited Andrea Cisneros, daughter of the late Senator Carlos R. Cisneros to read the proposed resolution aloud to the STC.

On behalf of the STC, Chairman Adams posthumously commended and thanked Senator Cisneros for all of his contributions to the State of New Mexico. He remarked that the Senator served his constituents and New Mexico as well as anyone could. He was always concerned about people and wanted to do the right things in order to get things done. His efforts were sincerely appreciated.

Secretary Sandoval offered his belated condolences to the Cisneros family members present at the meeting. He congratulated them on the dedication of the highway. Senator Cisneros was truly a wonderful man. He always cared about not only his constituents, and in particular the people of Questa, but also about infrastructure. In his role as a member of the Senate Finance Committee, he treated NMDOT very well and always made certain NMDOT was made whole at the end of every legislative session.

Commissioner Taylor stated he had the pleasure of serving with Senator Cisneros for a number of years in the legislature. He was a true statesman, a wonderful man, deliberative and really delightful to work with. He genuinely worked for the betterment of people and made a significant contribution to the State of New Mexico.

Chairman Adams asked for a motion to approve the proposed dedication of the entire length of NM 522, from its junction with US 64 in Taos County north to the New Mexico/Colorado state line, as the “Senator Carlos R. Cisneros Memorial Highway”; Commissioner Taylor made a motion to so approve; Commissioner Sandoval seconded; motion carried unanimously.

Additional Comment

Brian Jones, Executive Director, Asphalt Pavement Association of New Mexico (APANM), commented regarding his concern about the size of future NMDOT projects. If they are too big, local contractors will not be able to bid on them, which will bring in out-of-state contractors. If that can be avoided, money will stay in New Mexico. When out-of-state contractors are awarded jobs, some money is spent in state but the majority goes out of state. When local contractors are awarded jobs, money is spent in the state, including funds for housing costs, materials and equipment purchases.

Jim Garcia, Associated Contractors of New Mexico, commented that he appreciated Brian Jones' remark that it is a big concern for local contractors that the larger the project, the harder it is for them to do the work. However, he chose to emphasize what has been happening for the last two years. He commended NMDOT for its communication efforts and for making local contractors essential, allowing them to do the work they do. Because of that, contractors have had a very good two years and he wants everybody to know that despite the present emphasis on doom and gloom. He thanked Secretary Sandoval for his willingness to meet with contractors.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 11:29 a.m.; Commissioner Sandoval made a motion to adjourn the regular meeting; Commissioner Chynoweth seconded. Motion carried unanimously.



Chairman

Walter G. Adams

Secretary

Charles Lundstrom

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 11:29 a.m.; Commissioner Sandoval made a motion to adjourn the regular meeting; Commissioner Chynoweth seconded. Motion carried unanimously.

Chairman

Walter G. Adams



Secretary

Charles Lundstrom