

**NEW MEXICO
DEPARTMENT OF TRANSPORTATION**

TRANSPORTATION COMMISSION MEETING



December 15, 2021

Via Zoom

NEW MEXICO STATE TRANSPORTATION COMMISSION

Via Zoom

December 15, 2021

8:30 a.m.

Special Meeting Agenda

- 1. Call to Order:** Walter G. Adams, Chairman
 - a. **Establish Quorum**
 - b. **Pledge of Allegiance**
- 2. Approval of Agenda:** Walter G. Adams, Chairman
- 3. Approval of Minutes:** Regular Meeting of November 18, 2021
- 4. Introductions:** Walter G. Adams, Chairman
 - a. **Elected Officials**
 - b. **Commission Members**
 - c. **NMDOT Executive Staff**
- 5. Welcoming Remarks:** Walter G. Adams, Chairman
- 6. Public Comment**
- 7. Approval of Proposed Amended 2022 STC Meeting Schedule:** Michael Sandoval, Cabinet Secretary, NMDOT
- 8. Adjournment**

Agenda Items 1-2

1. Call to Order: Walter G. Adams, Chairman
 - a) Establish Quorum
 - b) Pledge of Allegiance
2. Approval of Agenda: Walter G. Adams, Chairman

Agenda Item 3

Approval of Minutes:
Regular Meeting of
November 18, 2021

**NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING**

**Center of Recreational Excellence (CORE)
4827 North Lovington Highway
Hobbs, NM 88240
November 18, 2021**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on November 18, 2021, at the Center of Recreational Excellence (CORE), Hobbs, New Mexico. Chairman Adams called the meeting to order at 8:01 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, Bruce Ellis, Hilma E. Chynoweth, and Charles Lundstrom were present.

Approval of the STC Meeting Agenda

Chairman Adams asked for a motion to approve the STC meeting agenda; Commissioner Chynoweth made a motion to approve the agenda, as presented; Commissioner Ellis seconded; motion carried unanimously.

Approval of the STC Minutes

Chairman Adams asked for a motion to approve the September 30, 2021 STC regular meeting minutes; Commissioner Ellis made a motion to approve the minutes; Commissioner Lundstrom 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:

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 Randall T. Pettigrew, New Mexico State Representative, District 61
The Honorable Larry R. Scott, New Mexico State Representative, District 62
The Honorable Michael G. Miller, Mayor Pro Tem, City of Portales
The Honorable Sam Cobb, Mayor, City of Hobbs
The Honorable Stephen Aldridge, Mayor, City of Jal

Introductions

Chairman Adams asked for a moment of silence for NMDOT employee, Gilbert Gurule, who recently passed away.

Chairman Adams and Michael Sandoval, Cabinet Secretary, NMDOT, welcomed STC meeting attendees and acknowledged the elected officials in attendance. The Chairman and Secretary Sandoval then asked STC Commissioners, NMDOT staff and others in attendance to introduce themselves.

Welcoming Remarks

Secretary Sandoval thanked the City of Hobbs, Eddy County, the Permian Strategic Partnership (PSP), and others for their hospitality. He also expressed his appreciation to the oil and gas industry for the money it contributes to the General Fund, a portion of which is appropriated to NMDOT for projects.

Public Comment

The Honorable Sam Cobb, Mayor, City of Hobbs, welcomed the STC, NMDOT staff and out-of-town visitors to Hobbs. He informed the Commission that Hobbs' economy, especially the oil and gas sector, is back to pre-pandemic levels. He also discussed some of the unique impacts of the business activity in the area.

A gentleman from the Town of Carrizozo, New Mexico, who did not identify himself, thanked the State, STC and NMDOT, on behalf of the citizens of Carrizozo, for the work currently being done in the Town. It is part of a two-year, \$8.5 million historic revitalization plan project.

Deborah Hicks, President, Pettigrew & Associates, and former STC Commissioner, welcomed the STC and NMDOT to District Two and Lea County. She expressed her gratitude for all of the work being done in the area. She appreciates the Secretary and the STC's recognition that the money generated in Lea County is an extremely important economic driver for the State of New Mexico.

Tracee Bentley, President and CEO, Permian Strategic Partnership (PSP), welcomed the STC and NMDOT to the Permian Basin. The PSP is a group of 16 energy companies whose

mission is to strengthen and improve the quality of life for Permian Basin residents by partnering with local leaders to develop and implement strategic plans that include safer roads and other improvements. She briefly discussed the partnership between PSP and NMDOT, and acknowledged Secretary Sandoval, District Two Engineer Francisco Sanchez, and their teams for serving as an invaluable resource. PSP and its member companies are looking forward to working with NMDOT to pursue and implement the new federal infrastructure bill funding to support industry and save lives in the Permian Basin.

The Honorable Stephen Aldridge, Mayor, City of Jal, recognized District Two Engineer Francisco Sanchez and staff for working with the City of Jal on the rebuild on NM 128 and other projects. He also provided a brief update on road conditions in the Jal area.

District Two Update

A video recording was presented in which Francisco Sanchez, P.E., District Two Engineer, NMDOT, provided an update regarding District Two. He discussed the District's operating budget, construction and maintenance projects, best practices, and other activities. He also reported on the District's Employee Recognition Program and acknowledged recent award winners.

Staff Briefings

Secretary's Report

Secretary Sandoval reported that President Biden signed the Infrastructure Investment and Jobs Act bill. He outlined certain provisions in the bill that apply to New Mexico. The State will

receive approximately \$2.5 billion over the next five years, including: approximately \$225 million for bridge repair and replacement; approximately \$366 million for public transportation options; approximately \$38 million for electric vehicle charging stations; approximately \$100 million for broadband; funds for wildfires and cyber-attacks; approximately \$355 million to improve water infrastructure; and \$90 million to improve infrastructure at New Mexico's 52 county and municipal airports.

Secretary Sandoval reported that NMDOT met with and presented its proposed FY23 budget (appropriation request) of over \$1 billion to the Legislative Finance Committee (LFC) on November 16, 2021. It is the largest operating budget NMDOT has ever had. Also discussed at the LFC meeting was a framework for approximately \$350 million in General Fund monies that could potentially be appropriated to NMDOT for maintenance and major investment projects, including \$80 million for local entities, \$15 million to improve rest areas and \$18 million for equipment (approximately \$3 million for each District). These appropriations are only proposed at this point and are subject to change.

Secretary Sandoval acknowledged Mallery Manzanares, NMDOT Budget Director and Acting Administrative Services Director and her team for their outstanding work in tracking NMDOT funds and NMDOT's year end audit that is currently being completed. The results of the audit will be presented to the STC at its next meeting.

NMDOT is struggling with staffing challenges. The agency currently has over 400 vacant positions and is having a difficult time filling those vacancies. Present staff is operating at a high level and working well over capacity.

NMDOT's top legislative priority for the 2022 session is to pass the Construction Manager General Contractor (CMGC) bill that will shorten project delivery time and save money. It is the best delivery method for the taxpayer, both financially and timewise. It could significantly change the way NMDOT does business.

Commissioner Lundstrom asked about the CMGC bill. The Secretary explained that generally construction projects follow a linear process that includes a study, design, bid and construction, which can be a two to five-year process. With CMGC, both design and construction contractors work together from the beginning to outline the details, design, and then build the project at a fixed cost. The method shortens the amount of time it takes to do the project.

Federal Highway Administration (FHWA) Report

Rodolfo Monge-Oviedo, New Mexico Deputy Division Administrator, FHWA, discussed the federal infrastructure bill signed by President Biden last Monday. FHWA will soon provide guidelines for developing strategies and details concerning implementation critical for project delivery. FHWA is currently operating under a continuing resolution. When the new funding allocation arrives, the letter will immediately be delivered to the Secretary and NMDOT Budget Director and Acting Administrative Services Director, Mallery Manzanares. Mr. Monge-Oviedo congratulated NMDOT staff, the STC, Secretary Sandoval and District Engineers for their work in delivering federally funded transportation projects. FHWA is happy to report that NMDOT obligated over a half a billion dollars in transportation funds in Federal Fiscal Year 2021. According to FHWA standards, 2% of inactive obligation is an important milestone. New Mexico has consistently been below that amount in recent months. Moreover, with respect to the Statewide Transportation Improvement Program (STIP) development process and delivery, the State has

been consistently delivering at very high numbers, between 87% to over 90%. Those numbers are very good compared to other states. This shows how creative and consistent NMDOT staff is in advancing projects and delivering the federal-aid program. He congratulated NMDOT staff again for their achievements.

New NMDOT Website Introduction/Launch

Marisa Maez, Communications Director, NMDOT, discussed Communications' FY21 budget and expenditures. She reported that funds were primarily spent on two campaigns, "Toss No Mas" and the "Zipper Merge". Funds were also used to recreate NMDOT's website. The project took about a year to complete. She demonstrated how to navigate the new website and pointed out that for the purpose of recruitment, a direct link to the State Personnel Office website is on every page.

Commissioner Lundstrom asked if NMDOT will be holding job fairs. Ms. Maez responded that she hopes NMDOT will be able to arrange those opportunities as part of its recruitment activities in the future.

Finance Reports

NMDOT Financial Status Update

Mallery Manzanares, Budget Director and Acting Administrative Services Director, NMDOT, presented the NMDOT financial status update as of October 31, 2021. State Road Fund: To date, NMDOT has received a total of \$271.4 million in revenue and spent \$291.3 million. Restricted Funds: To date, NMDOT has received \$28.7 million in revenue and spent \$16.6

million. Mrs. Manzanares also discussed NMDOT's FY22 cash balances for operating budget funds: Road Fund: \$356.3 million; Restricted Funds: \$79.8 million; and Total Cash Balance: \$436.1 million. At present, NMDOT's projected FY22 year end fund balances ("savings account" amounts) are: Road Fund: \$28.3 million; Restricted Funds: \$48.1 million; and Operating Fund (agency total): \$76.4 million.

Approval of FY22 Budget Adjustment Request (BAR) No. 10 - Payroll

Mallery Manzanares, Budget Director and Acting Administrative Services Director, NMDOT, presented and requested approval of FY22 BAR No. 10 - P562, P563, P564, and P565 - Agency. The BAR is required to increase budget authority in Personnel Services and Employee Benefits (Category 200) by \$15.1 million. The funds are needed to cover payroll related shortfalls, continue ongoing recruitment efforts, and pay for overtime during winter and spring activities.

Chairman Adams asked for a motion to approve FY22 BAR No. 10 - Payroll; Commissioner Lundstrom made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of FY22 BAR No. 11 - Local Government Road Fund (LGRF) Waiver

John Romero, P.E., Operations Division Director, NMDOT, presented and requested approval of FY22 BAR No. 11 - P562 - PDC. The BAR is required to increase budget authority in the Other Category (Category 400) by \$500,000 for the LGRF. NMDOT conducts an annual hardship auction for local governments. The auction provides local governments with an opportunity to purchase surplus equipment no longer needed by NMDOT. The requested funds

will be distributed to local governments that qualify for financial assistance. The funds derive from LGRF balance.

Chairman Adams asked for a motion to approve FY22 BAR No. 11 - LGRF Waiver; Commissioner Ellis made a motion to so approve; Commissioner Lundstrom seconded; motion carried unanimously.

Transportation Project Fund (TPF) - FY2022 Financial Hardship Match Waiver Program Request

Clarissa Martinez, Project Oversight Division State Grants Manager, NMDOT, presented and requested approval of the TPF - FY2022 Financial Hardship Match Waiver Program request in the total amount of \$1,943,843.50. The TPF authorizes NMDOT to distribute a portion of TPF funds to local entities that can demonstrate financial hardship, for use to cover their 5% match fund requirement. The waiver amounts for the local entities identified in the list on page 73 in the STC meeting book have been reviewed by the Department of Finance and Administration (DFA) and NMDOT, and have been deemed eligible for the TPF Financial Hardship Match Waiver Program.

Chairman Adams asked for a motion to approve the TPF FY2022 Financial Hardship Match Waiver Program request; Commissioner Chynoweth made a motion to so approve; Commissioner Sandoval seconded; motion carried unanimously.

Local Government Road Fund (LGRF) - FY2021/2022 Equipment Hardship Waiver

Program Request

Clarissa Martinez, Project Oversight Division State Grants Manager, NMDOT, presented and requested approval of the LGRF FY2021/2022 Equipment Hardship Waiver Program request. The LGRF authorizes NMDOT to distribute up to \$500,000 per year to local entities that can demonstrate financial hardship, to purchase at NMDOT auction, automotive, major road and miscellaneous equipment that would otherwise be deemed unusable and sold by NMDOT. The local entities identified in the list on page 77 in the STC meeting book have been reviewed by DFA and have been deemed eligible for the LGRF Equipment Hardship Waiver Program.

Chairman Adams asked for a motion to approve the LGRF FY2021/2022 Equipment Hardship Waiver Program request; Commissioner Lundstrom made a motion to so approve; Commissioner Chynoweth 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 October 31, 2021. During the month of October, NMFA received \$31 million toward NMDOT's debt service, which brought NMDOT's debt service total to \$61.4 million. A debt service payment in the amount of \$22.7 million is due on December 15, 2021. NMDOT's 2012 Series Senior Bonds will become callable on June 15, 2022. Under Internal Revenue Service rules, NMDOT may refund up to 90 days prior to the call date; accordingly, NMFA will be working with NMDOT and its financial advisor to evaluate any potential savings.

NMFA is also holding \$309 million in project funds: \$302 million in NMDOT's 2021A project account and \$6.7 million in NMDOT's 2014A project (Highway Infrastructure Fund) account. NMDOT has a \$50 million line of credit at Wells Fargo pursuant to certain agreements with BNSF. A quarterly Commitment Fee payment for the line of credit is due in January. NMDOT's outstanding debt is currently \$998.2 million, which includes approximately \$154 million for NMDOT's 2012 Series Senior Bonds. NMDOT's next debt service payment is due on December 15, 2021. It is for interest only, in the amount of \$22.7 million.

Policy Reports

Proposed Dedication of Bridge No. 6367 Located on NM 400 over Interstate 40 in McKinley County as the "John I. King Memorial Bridge"

Lisa Vega, P.E., District Engineer, NMDOT, briefed the STC regarding the proposed dedication of Bridge No. 6367 located on NM 400 over Interstate 40 in McKinley County as the "John I. King Memorial Bridge".

On April 11, 2021, May 16, 2021 and August 5, 2021, the Iyanbito Veterans Organization, Iyanbito Navajo Chapter and the Eastern Navajo Agency Veterans Organization, respectively, passed, approved and/or adopted resolutions in support of naming Bridge No. 6367 in honor of John I. King. Thereafter, on August 23, 2021, the resolutions were submitted to the STC.

John I. King was a native New Mexican of Navajo descent, born July 11, 1953, in Gallup New Mexico. He enlisted in the United States Navy in 1972, earned the rank of EA3 and served with the Construction Battalion, better known as the "Navy Seabees". He was honorably discharged in 1975 and, in recognition of his service, received a National Defense Service Medal.

Thereafter, he was employed for over 35 years with the United States Government and served in various engineering, quality assurance and other positions. Mr. King also devoted a significant amount of his time and effort to community service and volunteer work for the Navajo Nation, including serving in Community Liaison and Community Veterans Commander positions. In 2019, he was appointed as the Executive Director of the Navajo Nation Veterans Administration. In addition to his other accomplishments, Mr. King was a gifted and distinguished artist.

If the STC grants approval to proceed with the proposed designation, a request to officially dedicate Bridge No. 6367 will be presented to the STC at a future meeting.

Approval and Adoption of Resolution No. 2021-02 (NOV) Extending the Term of Use of the “Jal Route” as a Temporary, Negotiated, Alternate Southern WIPP Route

Rick Padilla, P.E., Executive Director of Highway Operations, NMDOT, presented and requested approval and adoption of Resolution No. 2021-02 (NOV) Extending the Term of Use of the “Jal Route” as a Temporary, Negotiated, Alternate Southern WIPP route. On October 5, 2021, the U.S. Department of Energy - Carlsbad Field Office (DOE-CBFO) requested NMDOT to extend the term of use of the Jal Route to December 31, 2022. As justification for continued use of the Jal Route instead of the existing, state-designated Southern WIPP route (US 285 to US 62/180), the DOE-CBFO identified several conditions adverse to WIPP transportation safety. Accordingly, NMDOT is recommending the STC extend the term of the Jal Route until December 31, 2022, unless terminated earlier by notice.

Chairman Adams asked for a motion to approve and adopt proposed Resolution No. 2021-02 (NOV) Extending the Term of Use of the “Jal Route” as a Temporary, Negotiated,

Alternate Southern WIPP Route; Commissioner Ellis made a motion to so approve; Commissioner Chynoweth seconded; motion carried unanimously.

Approval of Proposed 2022 STC Meeting Schedule

Michael Sandoval, Cabinet Secretary, NMDOT, presented and requested approval of the proposed 2022 STC meeting schedule. Meeting dates and locations are as follows: January 6, Farmington; March 24, Roswell; May 19, Albuquerque; July 21, Las Vegas; September 15, Acoma; and November 17, Silver City. Dates and locations are subject to change.

Chairman Adams asked for a motion to approve the proposed 2022 STC meeting schedule, as presented; Commissioner Lundstrom made a motion to so approve; Commissioner Ellis seconded; motion carried unanimously.

Adjournment

Chairman Adams asked for a motion to adjourn the regular meeting at 10:11 a.m.; Commissioner Chynoweth made a motion to adjourn the regular meeting; Commissioner Lundstrom seconded. Motion carried unanimously.

Chairman

Walter G. Adams

Secretary

Charles Lundstrom

Agenda Item 4

- 4. Introductions: Walter G. Adams, Chairman
 - a. Elected Officials
 - b. Commission Members
 - c. NMDOT Executive Staff

Agenda Item 5

Welcoming Remarks: Walter G. Adams, Chairman

Agenda Item 6

Public Comment

Agenda Item 7

Approval of Proposed
Amended 2022 STC Meeting
Schedule

Commission Brief

SUBJECT: Proposed Amendment to the 2022 STC Meeting Schedule

PRESENTER: Michael Sandoval, Cabinet Secretary, NMDOT

BACKGROUND:

The proposed amendment of the 2022 STC meeting schedule would change the location of the January 6, 2022 meeting from Farmington to Santa Fe, and would add a Regular Meeting on August 18, 2022, in the Farmington area.

ACTION: Respectfully request approval to amend the 2022 STC meeting schedule by changing the location of the January meeting from Farmington to Santa Fe and by adding a Regular meeting in August in the Farmington area.

PROPOSED AMENDED 2022 STC SCHEDULE
NEW MEXICO STATE TRANSPORTATION COMMISSION
LOCATION, DATES DEADLINES

Date	Location		Agenda deadline	Legal Notice deadline
January 6, 2022	Santa Fe	(D5)	December 22, 2021	December 27, 2021
March 24, 2022	Roswell	(D2)	March 9, 2022	March 14, 2022
May 19, 2022	Albuquerque	(D3)	May 4, 2022	May 9, 2022
July 21, 2022	Las Vegas	(D4)	July 6, 2022	July 11, 2022
August 18, 2022	Farmington	(D5)	August 3, 2022	August 8, 2022
September 15, 2022	Acoma	(D6)	August 31, 2022	September 5, 2022
November 17, 2022	Silver City	(D1)	November 2, 2022	November 7, 2022

Note: All meetings begin at 8:30 am unless specified