

**Presentation to the  
New Mexico Finance Authority  
Legislative Oversight Committee**

**COLONIAS INFRASTRUCTURE BOARD**

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September 19, 2017





# COLONIAS INFRASTRUCTURE ACT

- ❖ The Colonias Infrastructure Act (the “Act”, NMSA 1978, Sections 6-30-1 – 6-30-8), defines a Colonia as a rural community with a population of 25,000 or less located within 150 miles of the United States-Mexico border that has been designated by a county or municipality due to:
  - ❖ Lack of potable water;
  - ❖ Lack of adequate sewage systems;
  - ❖ Lack of decent, safe and sanitary housing; and
  - ❖ Has been in existence as a Colonia prior to November 1990.
- ❖ There are 171 Colonias within NM’s 12 southern-most counties
- ❖ The Act provides that NMFA may make loans and grants from the Fund to qualified entities for projects prioritized by the CIB, including:
  - ❖ Water Infrastructure
  - ❖ Wastewater infrastructure
  - ❖ Solid waste infrastructure
  - ❖ Housing infrastructure (pre-development)
  - ❖ Flood and drainage control
  - ❖ Road infrastructure



# COLONIAS INFRASTRUCTURE BOARD

The Act creates the Colonias Infrastructure Board (CIB), a 12-member Board comprised of seven voting members and five advisory, non-voting members. Current members:

Name	Representing
Doug Moore, <i>Chair</i>	Minority Leader of the Senate Appointee
Oscar Vasquez Butler, <i>Vice Chair</i>	President Pro Tempore of the Senate Appointee
Butch Tongate, <i>Treasurer</i>	Environment Department
Robert P. Coalter, <i>Secretary</i>	New Mexico Finance Authority
Mary Helen Garcia	Minority Leader of the House of Representatives Appointee
Orlando Antonio Carrillo Jimenez	Speaker of the House of Representatives Appointee
Duffy Rodriguez	Department of Finance & Administration
Jay Armijo*	South Central Council of Governments
Dora Batista*	Southeastern Economic Development District Council of Governments
Jay Czar*	New Mexico Mortgage Finance Authority
Steve Kopelman*	New Mexico Association of Counties
Priscilla Lucero*	Southwest Council of Governments

\*Advisory, non-voting members

# COLONIAS INFRASTRUCTURE PROJECT FUND

- ❖ Colonias Infrastructure Project Fund (the “Fund”) is created within the NMFA and annually receives an earmark of senior Severance Tax Bond (“STB”) proceeds held by the State Board of Finance.
- ❖ HB 236/aa from the 2015 Regular Session amended the STB Act to phase in reductions to bonding capacity to increase the amount of severance tax receipts deposited in the severance tax permanent fund. The bill contained provisions that lessened the impact of the reduction by increasing the percentage of STB capacity dedicated to the Fund from 5% to 6.5% in FY 2016 and 5.5% thereafter.
- ❖ Senate Bill 8 from 2016 Special Session reduced the percentage of STBs directed to Colonias to 4.5% beginning with the FY 2017 cycle

# **COLONIAS INFRASTRUCTURE PROJECT FUND**

- ❖ The CIB uses comprehensive Project Management Policies and Selection Criteria for prioritizing projects to be recommended for funding by the NMFA
- ❖ To the greatest extent possible, the CIB leverages local and federal funds to complete projects; state funds do not count towards the required contribution (minimum 10%)

Year	Applications Received		CIB Awards Made		Additional Funds Leveraged	Total Funding Provided
	#	Amount	#	Amount		
2012	75	\$40,360,527	39	\$12,801,965	\$13,141,403	\$25,943,368
2013	59	\$37,736,894	37	\$16,640,461	\$8,357,897	\$24,998,358
2014	77	\$40,351,172	37	\$13,079,904	\$10,437,286	\$23,517,190
2015	54	\$38,154,397	28	\$15,562,611	\$7,916,095	\$23,478,706
2016	36	\$30,842,183	14	\$11,958,068	\$5,366,034	\$17,324,102
2017	32	\$18,176,363	13	\$5,365,208	\$539,568	\$5,904,776
<b>TOTAL</b>	<b>333</b>	<b>\$205,621,536</b>	<b>168</b>	<b>\$75,408,217</b>	<b>\$45,758,283</b>	<b>\$121,166,500</b>

# FOCUS ON EXPENDITURES

- ❖ Board and staff are focused on increased pace of spending; projects not timely expending prior awards were bypassed in 2017.
- ❖ 13 projects approved in May 2017 and given until September 30<sup>th</sup> to submit all project readiness items/conditions of closing. To date, eight of the 13 projects have submitted their readiness items; one has closed and the others are scheduled to close

## Current Expenditure Summary

Colonias Cycle	Awarded	#	Pending	#	Secured	#	Open	% of Funds Expended	Open Projects	% Projects Completed
2012	\$12,801,965	39	\$0	0	\$12,801,965	39	\$0	100%	0	100%
2013	\$16,640,461	37	\$0	0	\$16,640,461	37	\$496,673	97%	4	89%
2014	\$13,079,904	37	\$0	0	\$12,719,872	37	\$5,030,957	60%	16	73%
2015	\$15,562,611	28	\$0	0	\$15,562,611	28	\$6,886,593	56%	22	21%
2016	\$11,958,068	14	\$497,153	1	\$11,460,915	13	\$10,285,205	14%	14	0%
<b>TOTAL</b>	<b>\$70,043,009</b>	<b>155</b>	<b>\$497,153</b>	<b>1</b>	<b>\$69,185,824</b>	<b>154</b>	<b>\$22,699,428</b>	<b>68%</b>	<b>56</b>	<b>64%</b>

## Overview of Closing Timelines by Funding Cycle

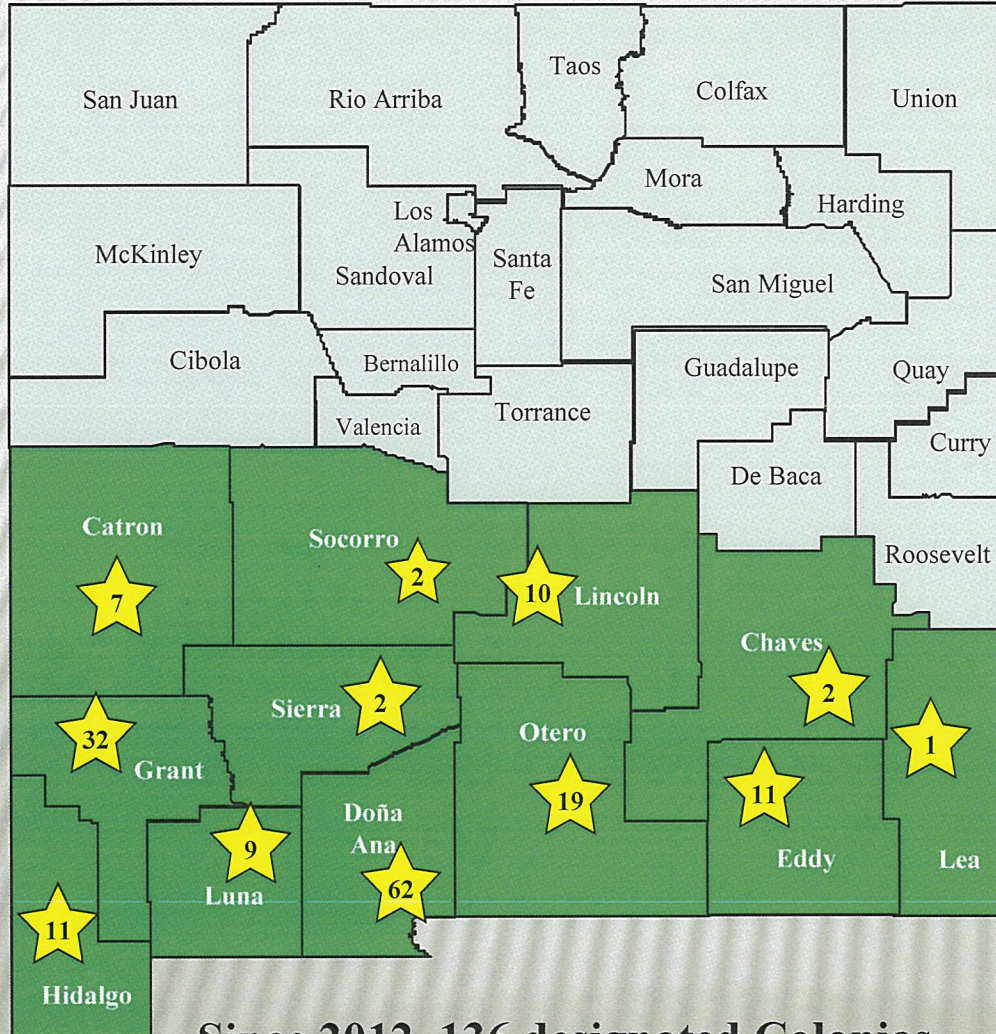
Award Year	# of Projects	Date of Decision by CIB	Average Days to close from CIB Decision Date	Change	FROM NMFA BOARD APPROVAL				Average from closing to first drawdown
					Average days to close	Change	Average days to project completion	Change	
2012	39	6/8/2012	300	-	286	-	1163	-	409
2013	38	6/13/2013	341	41	298	12	1142	-21	353
2014	37	6/4/2014	329	-12	279	-19	1102	-40	212
2015	28	6/4/2014	258	-71	237	-42	748	-354	76
2016	14	4/26/2016	242	-16	212	-25			



# COLONIAS PROJECT ADMINISTRATION

- ❖ In 2015, NMFA moved the administration of the Colonias program to its Water Resources Department
  - ❖ Aligned Colonias and Water Trust Board processes which provides client with greater predictability, oversight and outreach
  - ❖ Same NMFA personnel oversee both Colonias and Water Trust Board programs
    - ❖ Michael Vonderheide, NMFA Director of Water Resources
    - ❖ Angela Quintana, Senior Program Administrator (Primary Program Contact)
    - ❖ Charlotte Larragoite, Program Administrator (Secondary Program Contact)
    - ❖ Michelle Harding, Senior Administrative Assistant (Board Administrator)
  - ❖ Staffing changes resulted in an increased pace of project expenditures and accelerated closing process
- ❖ In FY 2016, NMFA entered into an Memorandum of Understanding with NM Environment Department to provide engineering and construction oversight services
- ❖ For FY 2018 Application Cycle: On-line application from December 4, 2017 – January 12, 2018, with training provided in November

# Colonias Infrastructure Project Fund Awards 2012 - 2017



County	# of Awards	Amount
Catron	7	\$ 3,231,018
Chaves	2	\$ 981,845
Doña Ana	62	\$ 26,249,831
Eddy	11	\$ 4,460,892
Grant	32	\$ 14,596,462
Hidalgo	11	\$ 5,012,221
Lea	1	\$ 320,602
Lincoln	10	\$ 7,406,745
Luna	9	\$ 3,583,598
Otero	19	\$ 7,961,003
Sierra	2	\$ 1,500,000
Socorro	2	\$ 104,000
<b>Total</b>	<b>168</b>	<b>\$ 75,408,217</b>

Since 2012, 136 designated Colonias have been approved for 168 funding awards totaling more than \$75 million

