

New Mexico Department of Transportation



2016 Annual Report





Susana Martinez
Governor

The Department of Transportation is an executive agency operated under the direction of Governor Susana Martinez. Her goals have been straight forward—transparent and accountable government.

Governor Martinez identified several projects as Major Investment Projects to make travel safer and more efficient for motorists. She provided \$45 million in Capital Outlay for the Department to get them done. Design and construction on these high-priority projects is now underway.

Governor Martinez has also spearheaded efforts to end drunk and distracted driving. Too many New Mexicans are killed each year in drunk driving crashes. That's why the Governor is committed to holding offenders accountable, monitoring the justice system and cracking down on repeat DWI offenders and absconders.

The administration will continue to focus on delivering on-time and on-budget highway projects, increasing driver safety through preventative highway maintenance, a system-wide approach to improving infrastructure and concentrated efforts to end impaired and distracted driving.

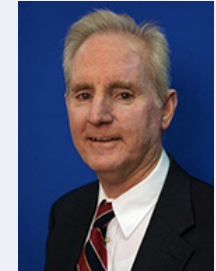
State Transportation Commission



District 1
Dr. Ken White



District 2
David Sepich



District 3
Keith Mortenson



District 4
Ron Schmeits,
Chairman



District 5
Butch Mathews



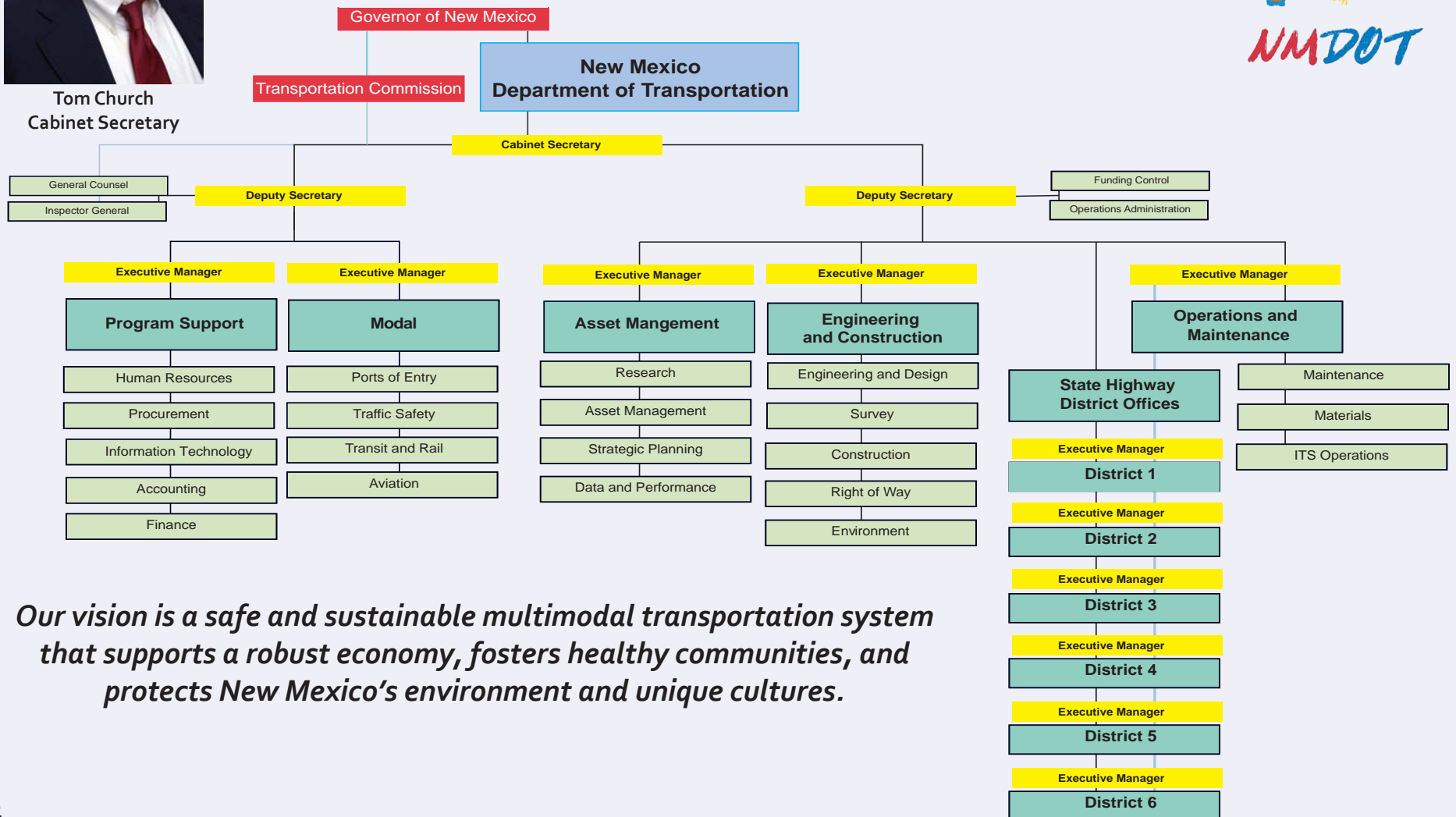
District 6
Jackson Gibson

The Transportation Commission is appointed by the Governor to set policy and direct expenditure of the State Road Fund. Each Commissioner represents a different highway district across the state. The Commission meets bi-monthly to review performance and provide executive direction to the Department of Transportation.

Department Overview



Tom Church
Cabinet Secretary



Our vision is a safe and sustainable multimodal transportation system that supports a robust economy, fosters healthy communities, and protects New Mexico's environment and unique cultures.

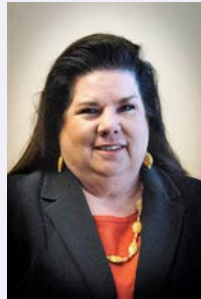
Highway and Operations



Anthony Lujan
Deputy Secretary



Armando Armendariz
Construction and Design



Tamara Haas
Asset Management



District 1
Trent Doolittle



District 2
Tim Parker



District 3
Ken Murphy (Acting)



District 4
David Trujillo

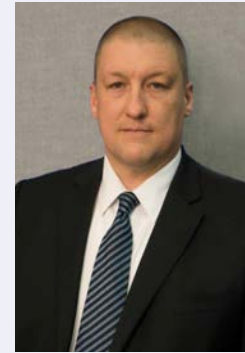


District 5
Paul Brasher (Acting)



District 6
Larry Maynard

Program Support and Modal



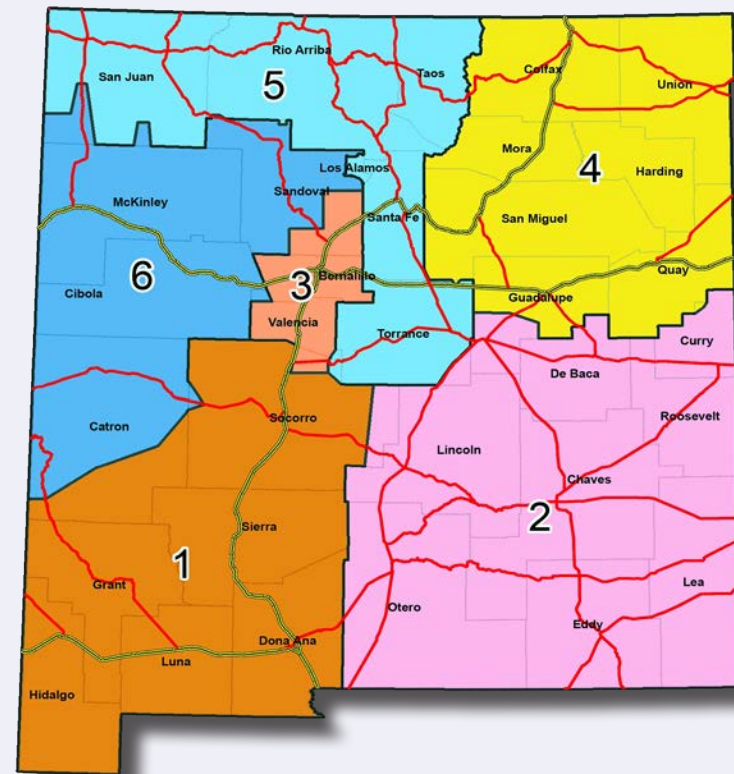
Loren Hatch
Deputy Secretary



Ron Baca
Program Support



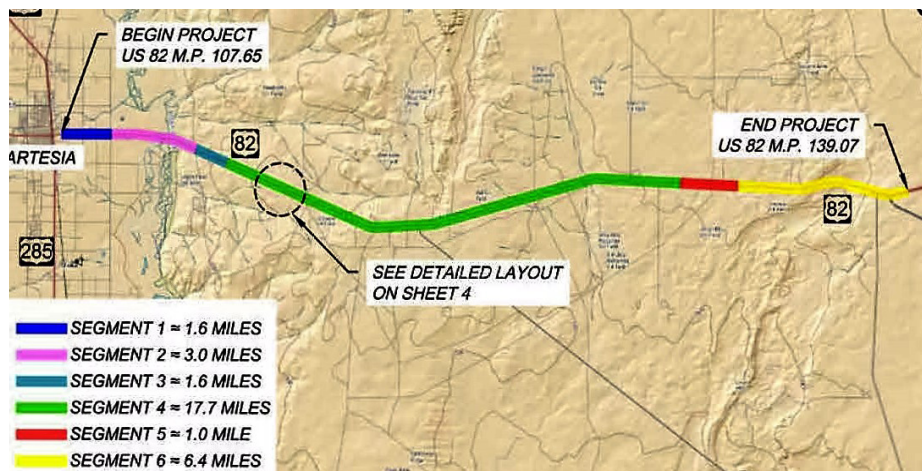
Mike Sandoval
Modal



Report on Major Investment Projects

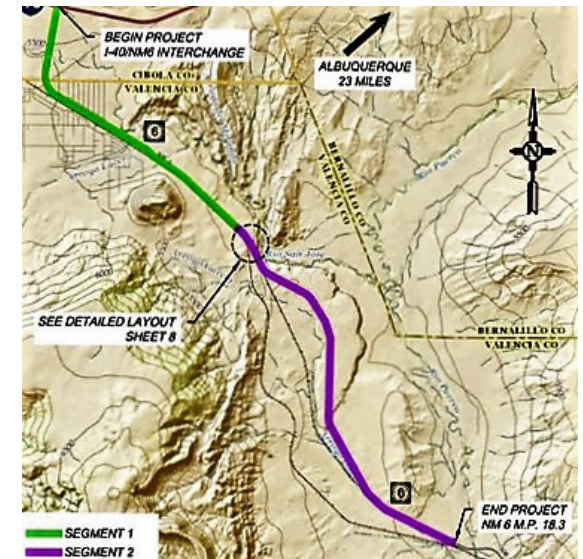
US 82 — Artesia to Lovington

Reconstruct and widen 31 miles of US 82 from Artesia to NM 529. The project improves safety by building 4 lanes and enhanced 2 lanes in an area that is both heavily traveled and experiencing high rates of vehicle accidents. \$20 million Capital Outlay and \$38 million FHWA funds. Design complete, planned letting date of December 2016.



NM 6 — I-40 to I-25 bypass

This portion of NM 6 serves as a freight relief route connecting south-bound traffic from I-40 east of Laguna Pueblo to I-25 south towards Los Lunas. The project will improve safety through redesign and reconstruction of road segments to modern design standards as well as adding shoulders and guardrails. \$31 million Capital Outlay and \$9 million FHWA funds. Final design is complete and the project is planned to let in January 2017.



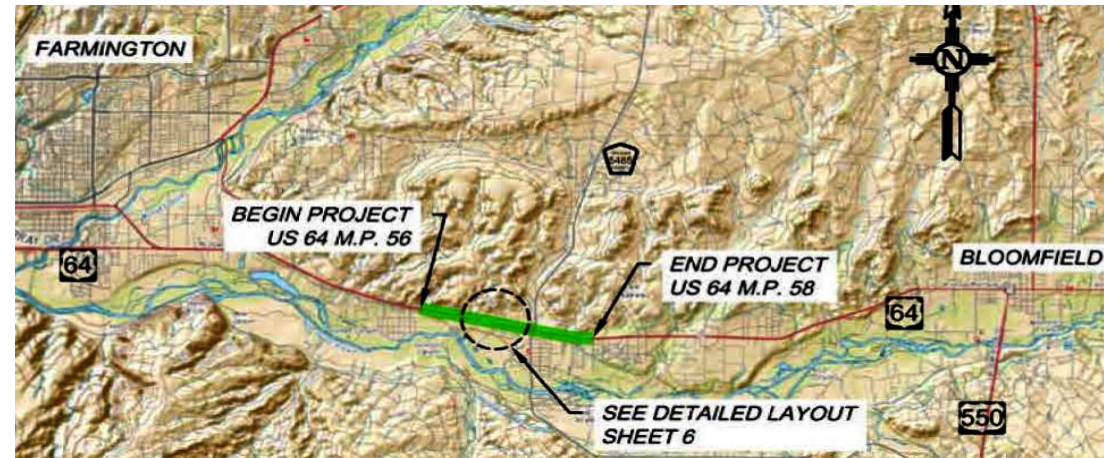
I-25 — Albuquerque Rio Bravo Interchange

Interchange reconstruction, bridge and ramp replacement, roadway reconstruction, drainage improvements and signal upgrades. The project improves the safety and relieves congestion on this section of the I-25 metro-area interstate. \$2.5 million Capital Outlay and \$49.5 million FHWA funds. Final design 90% complete with a letting planned for April 2017.



US 64 — Farmington to Bloomfield

Altogether this project has 6 phases, which began construction in 2009, rebuilding an interchange in Bloomfield and widening heavily traveled roadway sections from 4 lanes to 6 lanes between Bloomfield and Farmington. Phases I to IV have been completed for approximately \$52 million with an additional \$30 million programmed to complete Phases V and VI. These projects improve safety and capacity for the increasing traffic demands between Farmington and Bloomfield. \$5.8 million Capital Outlay and \$9.2 million FHWA funds. Final design is at 90% complete, environmental clearance and right of way acquisition are under-way with a planned letting date of September 2017.

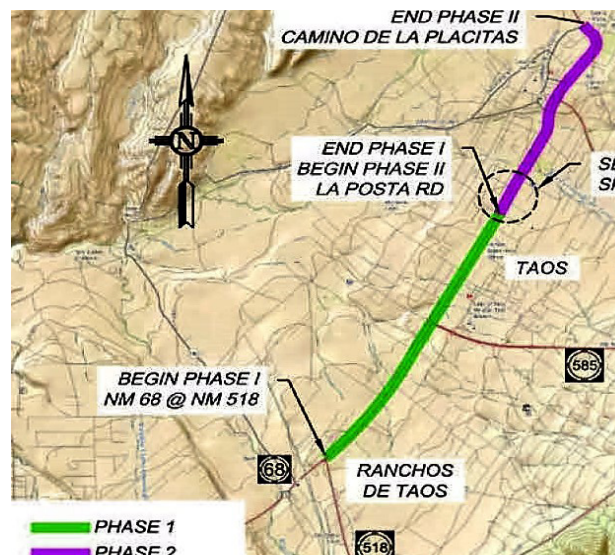


NM 68 — Town of Taos

This project consists of two phases that will improve alignment, coordinate traffic signaling, widen the roadway and add ADA compliant sidewalks through the town of Taos.

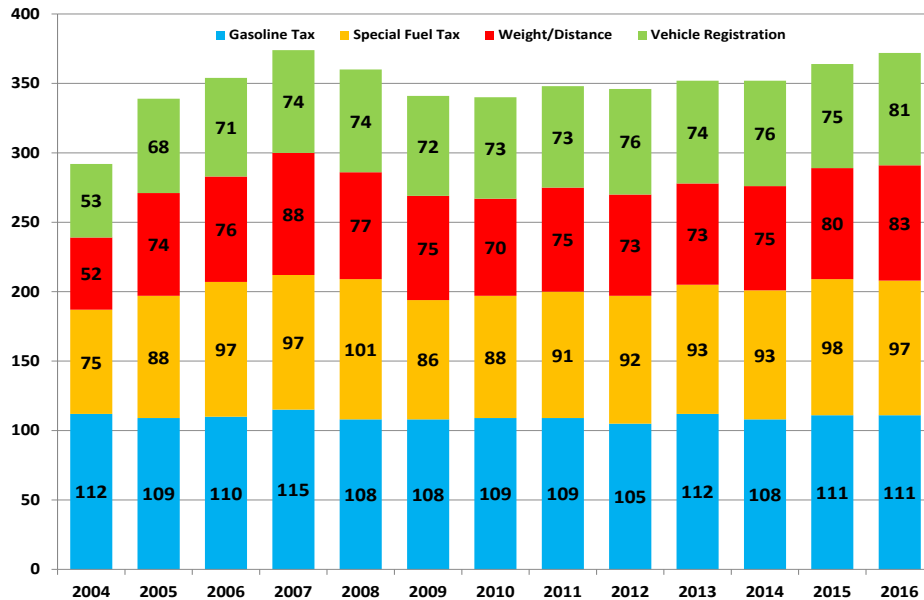
Phase I is from NM 518 to La Posta Road and is planned to be let in February 2017. \$4 million Capitol Outlay and \$1 million FHWA funds.

Phase II is in final design with planned construction in summer 2018. \$7 million Capitol Outlay and \$1.5 million FHWA funds.



State and Federal Revenue

Major State Road Fund Revenue Sources
2004 – 2016



State Revenue

Department of Transportation revenues were not immune from the latest recession. However, diversity of revenue sources helped to moderate the impact. State Road Fund revenues are split roughly half and half between passenger car and interstate trucking based sources.

Those revenues associated with trucking (Special Fuel and Weight Distance tax) were negatively influenced by the US economic recession during FY 2008 through FY 2010 and fell about 15% while passenger cars based revenues (gasoline and vehicle registrations) were comparatively more stable.

FY 2007 was the peak year for Road Fund revenues before the recession; FY 2010 was the low point with revenues falling by over \$35 million or 9%. FY 2016 has been the year that revenues finally surpassed the FY 2007 level, with

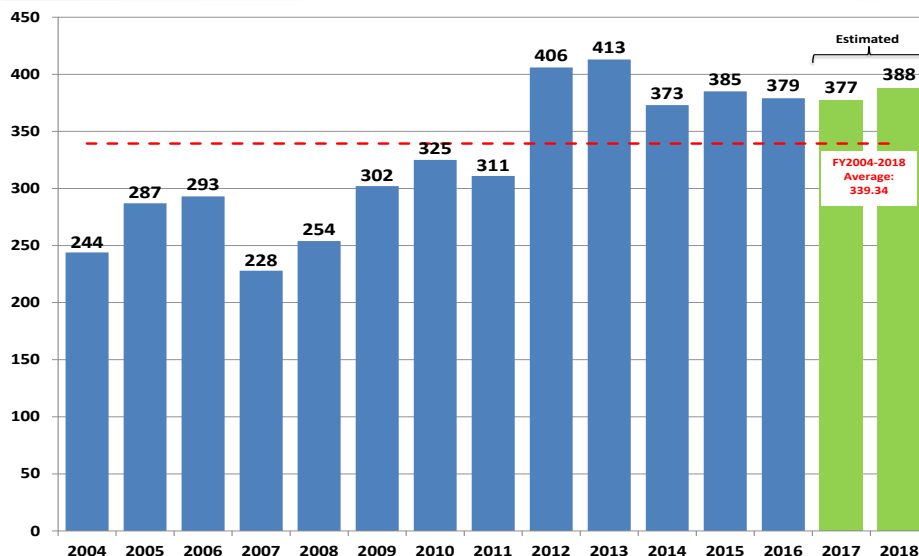
Debt Service

\$1.29 billion in total par outstanding:

- Senior Lien Obligations: \$719.96 million— AAA/ Aa1
- Subordinate Lien Obligations: \$561.99 million— AA/ Aa2



Federal Funding
2004 – 2016 Actual; 2017 – 2018 Estimated



Budget and Expenditure

the peak-to-return cycle lasting 9 years: falling for 3 years by 10% and slowly climbing for 6 years to fully recover. The revenue forecast for the Department as a whole is an 1.2% increase for FY 2017.

Gasoline tax is the largest state revenue source, providing about \$110.8 million in revenue in FY 2016. The tax is 17 cents per gallon of gasoline sold, with about three-fourths distributed to the State Road Fund and the remainder distributed to municipalities and counties.

Special fuel tax (primarily diesel) is the second largest state revenue source, providing about \$96.3 million in FY 2016. Of the 21 cents per gallon tax, the State Road Fund receives 19 cents, with the remainder going to the Local Governments Road Fund.

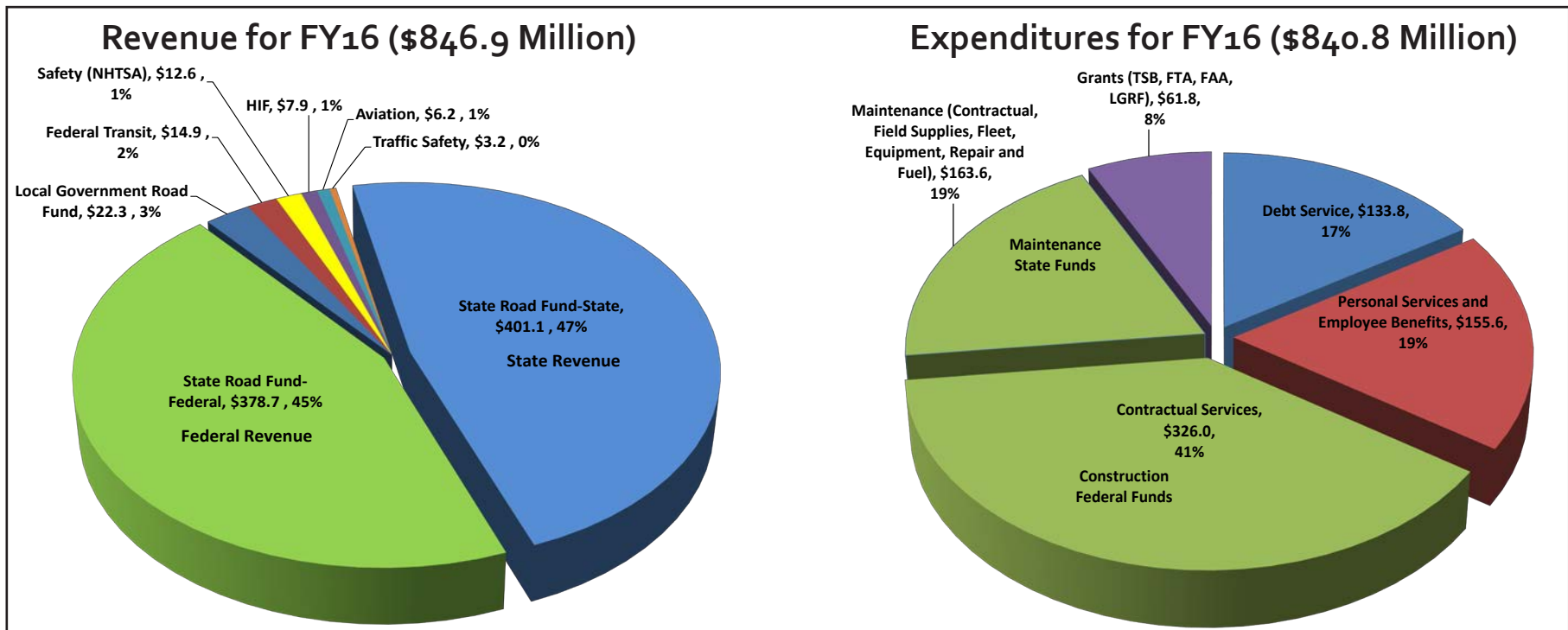
Weight Distance tax is charged on trucks over 26,000 pounds GVW and varies by maximum GVW and distance traveled in New Mexico.

Weight distance tax is historically the third largest revenue producer with about \$83 million in revenue in FY 2016.

Motor vehicle registration fees are the fourth largest state revenue source at about \$80.7 million in FY 2016. The fees are assessed based on three weight classes for passenger vehicles and 14 weight classes for trucks and commercial carriers.

Federal Revenue

The FAST Act was signed into law on December 4, 2015 and authorizes \$305 billion from both the Highway Trust Fund and the General Fund of the United States Treasury. It provides contract authority over five years for the federal-aid Highway Program. For the State of New Mexico, the Obligation Limitation for FFY17 was reduced from 94.9% to 90% reflecting a \$17.0 million reduction.



Condition of New Mexico's Highways and Bridges

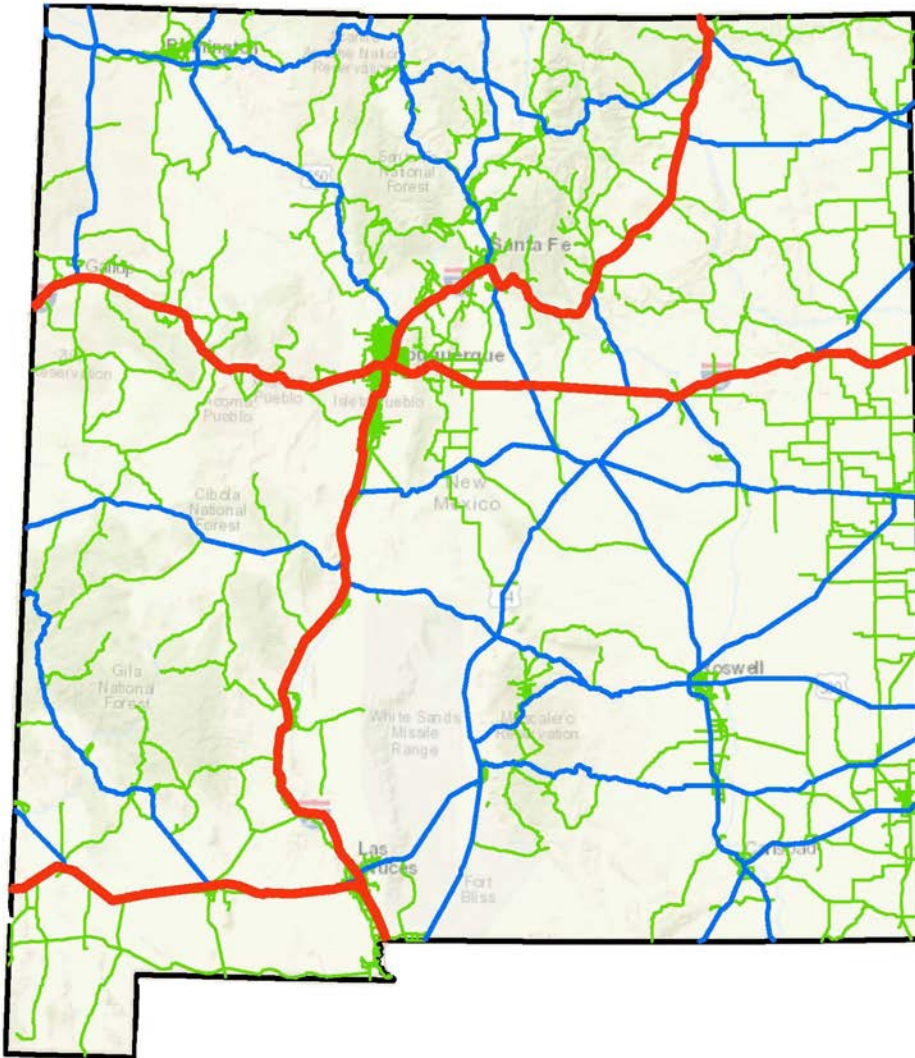
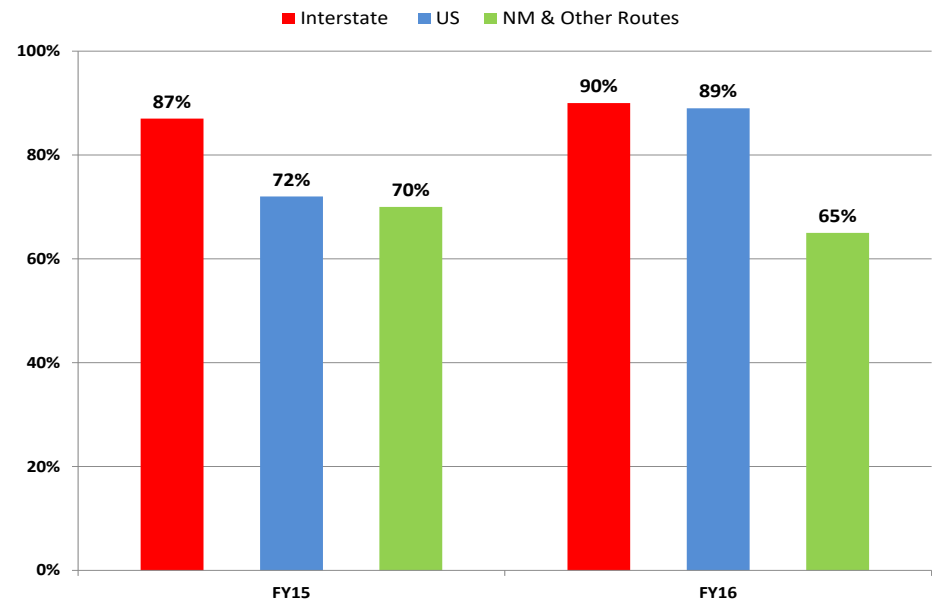
NMDOT's goal is to optimize the use of funds over the entire network and focus on projects that have the greatest benefit. New Mexico continues to face tough choices between investing in roadway preservation and roadway restoration due to budget constraints. The Interstate highway system remains in

good condition at 90%. Routes designated as U.S. routes and N.M. routes are currently at 89% and 74% good condition respectively.

Pavement data collection is fully automated to ensure accuracy and consistency. Automated collection is a more robust and comprehensive process than the previous manual method and allows data to be collected efficiently on every part of the state system.

As construction and maintenance costs continue to increase, NMDOT manages the use of limited funds for reconstruction or system preservation to limit the number of poor road mile sections throughout the system. NMDOT is maximizing its funding by using treatments typically applied as pavement preservation, in place of rehabilitation or reconstruction, to prevent failed road miles.

New Mexico State Highway Condition Rating



This map and graph illustrate the Interstate, U. S. and N.M. highways maintained by the NMDOT. The graph shows the percentage of the State Highway System rated good.

Inventory of State Highways

OVERSIGHT	TOTAL LANE MILES	Good	Bad
INTERSTATE	4,428	3,985	443
US	8,497	7,562	935
NM & OTHER ROUTES	18,008	11,705	6,303
ALL INCLUSIVE ROAD MILES	30,933	23,252	7,681

This chart shows the current counts for New Mexico's inventory of roads. The State Highway System is maintained and improved by NMDOT and FHWA funding.

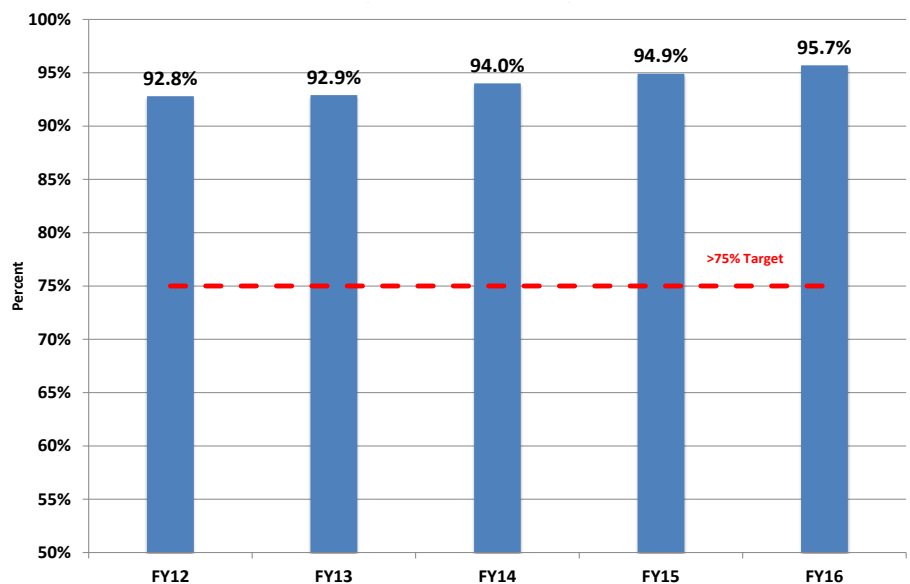


This graph represents state highway system bridges that are NMDOT and FHWA funded. NMDOT inspects approximately 3,000 state owned bridges as required by National Bridge Inspection Standards. The Department shows consistent improvement on bridges in "fair or better condition" and currently has a rating of 95.7%.

Additionally, there are over 800 bridges owned by cities, counties and local entities. NMDOT provides inspections and advice to local entities on these bridges as required by the National Bridge Inspection Standards.



New Mexico Bridge Condition Rating



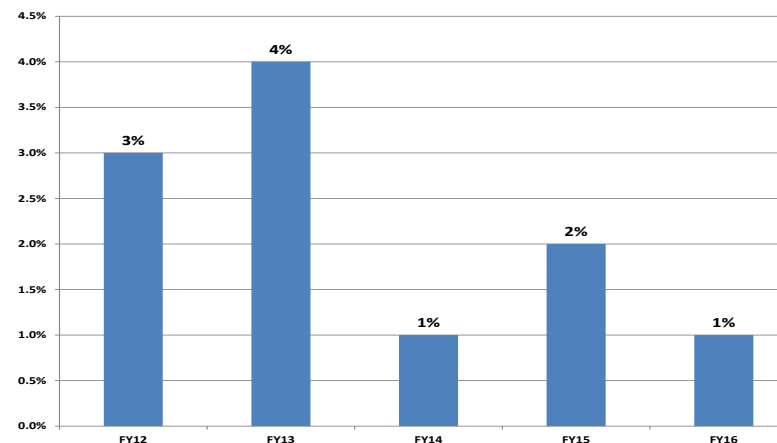
New Mexico Highway Improvement Projects

NMDOT is currently involved in 1,390 projects with an estimated total value of \$1.4 billion. In addition to programming federal funds for uses on the state system, the Department provides apportioned funding, contracts, project oversight and project inspection services to local entities in support of Federal Aid, Local Government Road Fund and Capital Outlay distributions.

NMDOT manages the State Road Fund and federal authorizations to maximize the utilization of these resources. By managing funding to maintain a low inactive obligation rate (<2%), completing projects on time (>90%), timely project closure with low change order (<3%) and contingency rates (<3%), the Department is able to fully take advantage of available federal and state funds.



Average Percent over Bid Price



The current state highway construction program is operating at an average change order rate of 1%. This is demonstrated by the difference between the initial bid and the final cost, less Gross Receipts Tax paid by the Department. This demonstrates quality construction contractors, improved project readiness and accurate site level project management.



State Transportation Construction Program

The following projects are the multi-year effect of planned and programmed statewide transportation improvement projects. This includes the processes of engineering, design, project development, approvals and certifications, contracts and construction.

Multi-year State Construction Program:

- 483 Federal Aid Projects totaling approximately \$539.9 million

Current State Construction Program:

- 101 NMDOT lead active construction projects totaling approximately \$644.6 million

Projects Funded by State and Federal Funds for Local Entities Contracted Through NMDOT:

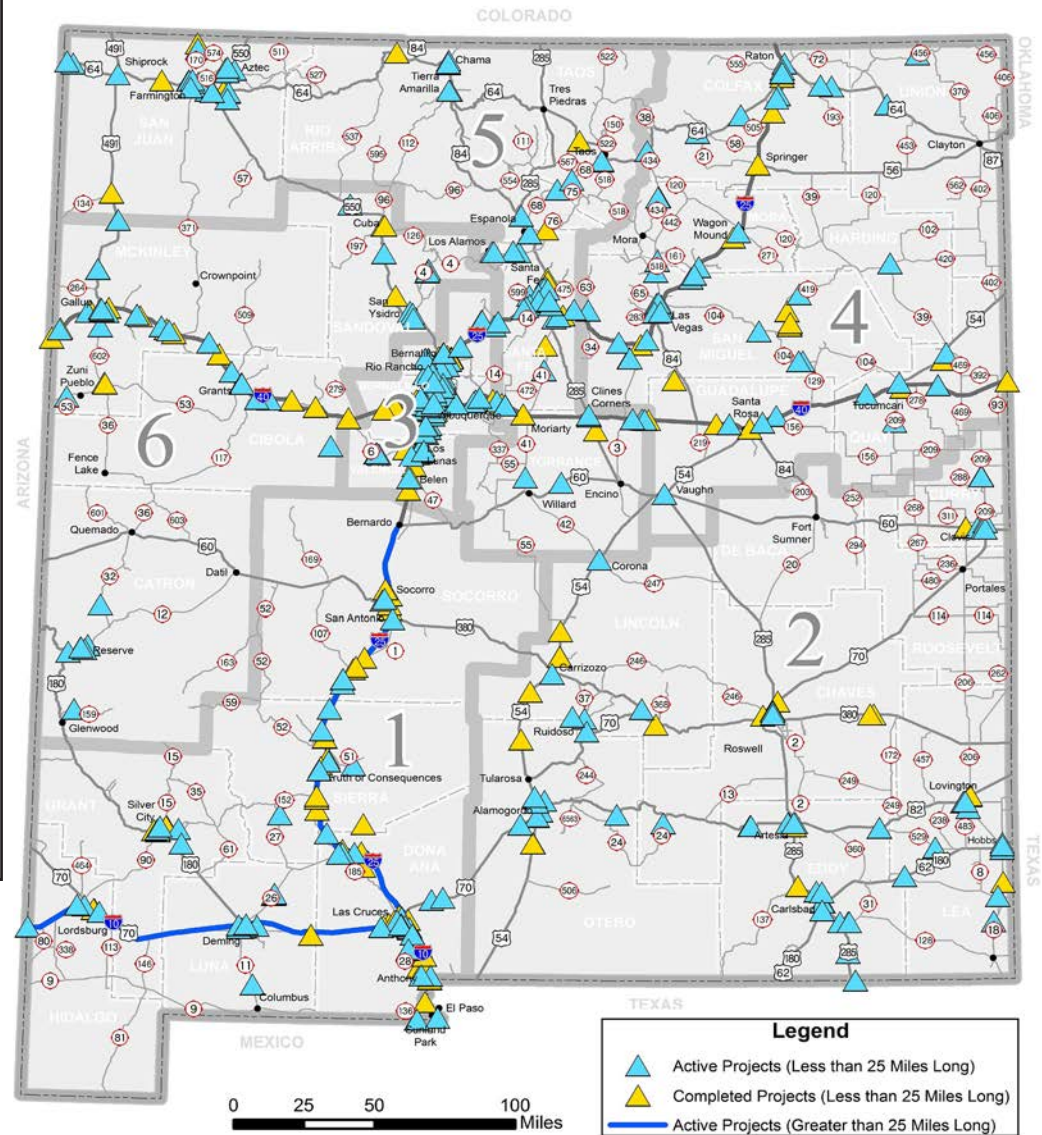
- 130 T/LPA Project programmed totaling \$143 million
- 444 Local Government Road Fund Projects for \$42 million
- 232 Capital Outlay Projects totaling \$112 million

Letting schedule activity:

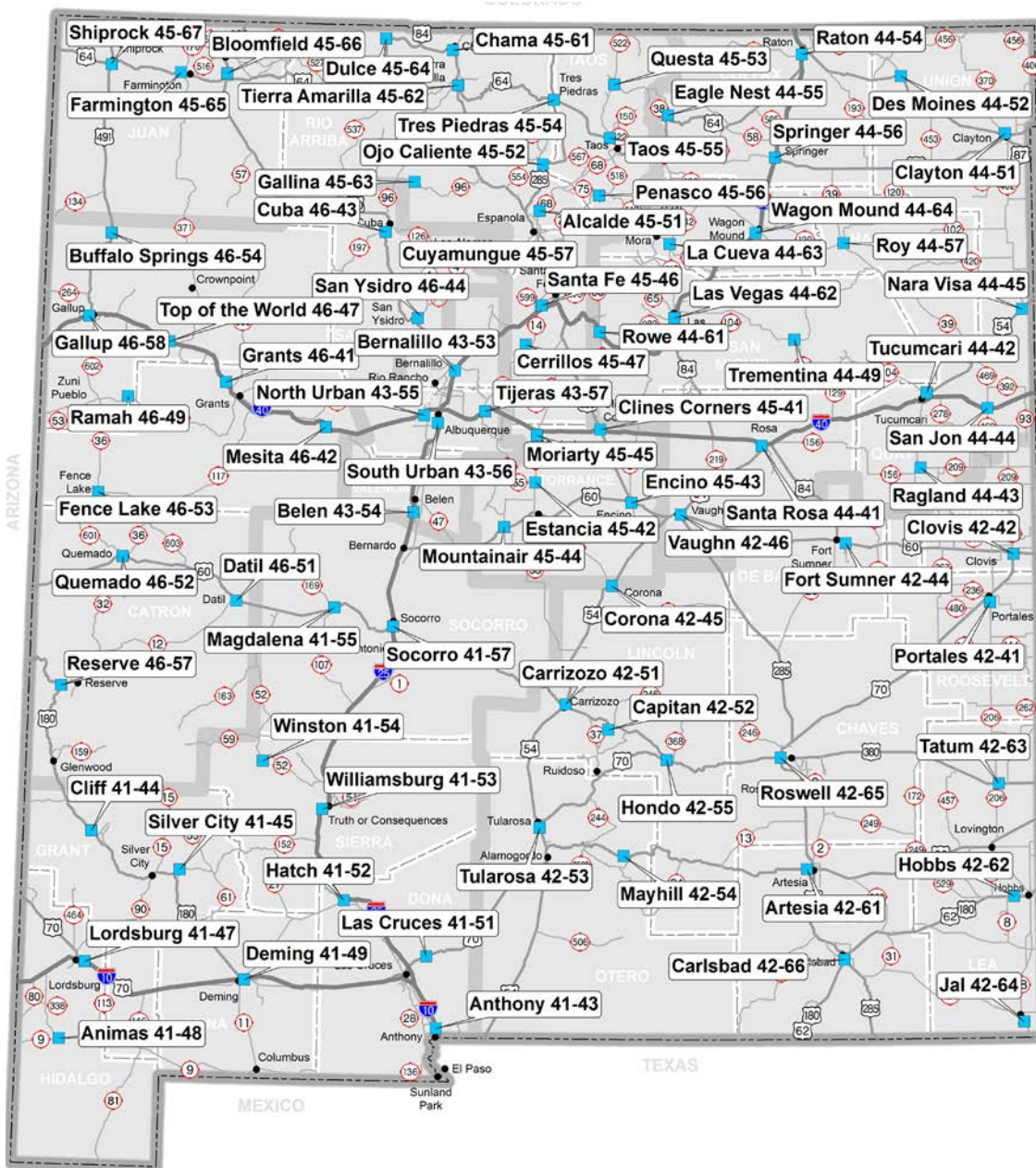
- 18 projects projected for the letting schedule over the next 3 months is approximately \$115.3 million.

This map illustrates the active and completed construction projects during this reporting period from 2015 -2016. The distribution of the Federal Aid Highway Program funding is prioritized by both formula and need through the Statewide Transportation Improvement Program. State Road Fund provides the federal match as well as funding all of the state highway maintenance costs including personnel, materials and equipment.

Active and Completed Construction Projects 2016 -present



District Operations and State Maintenance Forces



NMDOT's maintenance workforce maintains state highways throughout the year. The crews are often the first source of assistance to law enforcement on accident scenes as well as responding when natural disasters occur.

Pavement condition is an integral part of an efficient highway system. State funds and state workforces are used to maintain and preserve pavements with various processes such as fog seal, crack seal, chip seal and minor overlays. This is an ongoing effort to improve overall road performance.

During the winter months, snow and ice removal is a major work activity for the 85 patrol yards strategically placed throughout the state. Other activities include cleaning and replacing drainage structures, bridge components, guardrails, pothole patching and replacing signs and fences throughout the year.

The total labor, equipment and material costs for maintenance activities in FY16 was about \$240.5 million. The table shows the accomplishments for key maintenance activities for the past two years.





NMDOT is responsible for the preservation and life extension of all of New Mexico's transportation assets. Our goal is to use limited resources efficiently to provide the safest driving experience on New Mexico Highway System.



Activity	FY15 Accomplished Quantity	FY15 Expenses	FY16 Accomplished Quantity	FY16 Expense
Emergency Repairs	50,188 Hours	\$ 2,818,416	31,898 hours	\$ 1,555,561
Snow & Ice Removal	1,369,646 pass mile	\$ 16,579,522	1,242,950 pass mile	\$ 16,698,889
Blade Patching	41,362 cu yds.	\$ 6,745,135	53,067 cu yds.	\$ 7,866,663
Drainage & Structures Cleaning	24,990 cu yds.	\$ 426,259	25,098 cu yds.	\$ 650,263
Concrete Placement	939 cu yds.	\$ 286,662	327 cu yds.	\$ 252,141
Bridge/ CBC Repair	5,226 sq. yds.	\$ 352,200	5,392 sq. yds.	\$ 419,083
Litter Pickup	30,205 shoulder mile	\$ 2,245,028	37,328 shoulder mile	\$ 2,142,671
Chemical Spray of Vegetation	25,690 shoulder mile	\$ 1,974,049	27,808 shoulder mile	\$ 1,827,908
Guardrail Installation/ Replacement	30,391 linear feet	\$ 1,098,139	27,432 linear feet	\$ 1,150,899
Fence Maintenance	1,138,855 linear feet	\$ 1,575,823	1,716,034 linear feet	\$ 1,542,244
Pothole Patching	10,791 cu yds.	\$ 1,814,201	7,120 cu yds.	\$ 2,238,068
Right-of-Way Mowing	67,781 pass mile	\$ 4,815,149	67,101 pass mile	\$ 4,707,667
Total:		\$ 40,730,583		\$ 41,052,057

New Mexico Transportation Modal Programs

Transit

NMDOT's Transit and Rail Division administers federal transit grants to develop rural public transit services in areas with populations of less than 50,000 and to purchase vehicles for organizations providing transportation services for seniors and individuals with disabilities.

Over the last decade, over 500 transit vehicles have been awarded to public transit and special needs transportation providers. In addition, there has not been a fatality on any of New Mexico's rural public transit systems in over 15 years.

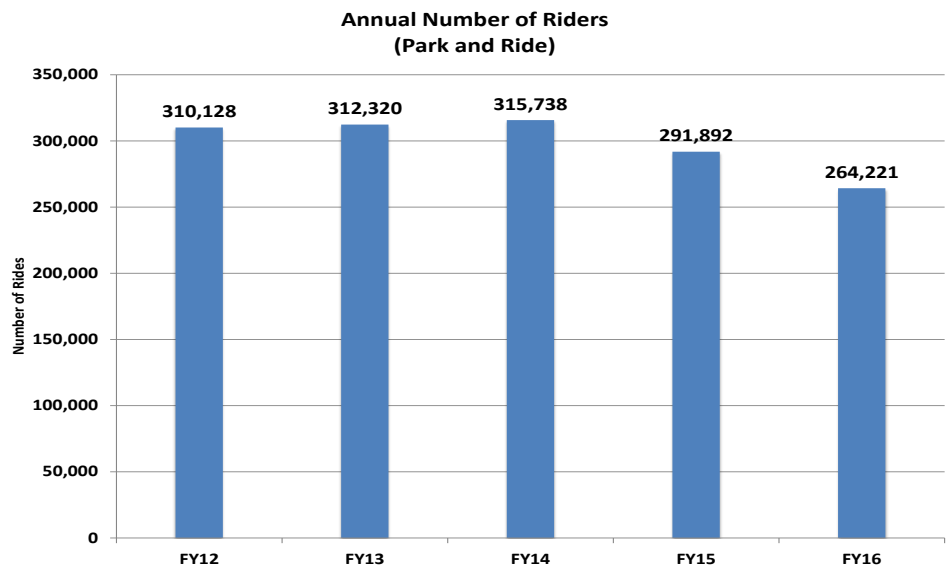
In federal FY 2015, approximately 1.8 million passenger trips were provided by the 21 rural public transit providers in New Mexico which reduced 8.9 million vehicles miles traveled on the State's roadways. This represents a 2.6% decrease from federal FY2014, and 6.3% decrease in ridership from 2013, and a 19.2% increase from federal FY 2012. This slight decrease in ridership is mirrored nationally due to an extended period of low fuel prices.



Park and Ride

NMDOT Park and Ride intercity bus system operates eleven routes, which includes three local shuttle routes, providing 115 individual bus runs each weekday.

The total ridership in FY 2016 was 264,221 passenger trips. This is a decrease in ridership from the previous year that is attributed to an extended period of significantly lower fuel prices and reflects national trends. Even with this decrease, NMDOT Park and Ride managed to reduce the number of Single Occupancy Vehicle Miles Traveled (SOVMT) by 8,338,761 miles and took an average of 33,090 passenger vehicle miles per day off of some of the state's busiest roadways. NMDOT Park and Ride buses have operated without fatality or serious injury since operations began in FY 2003.



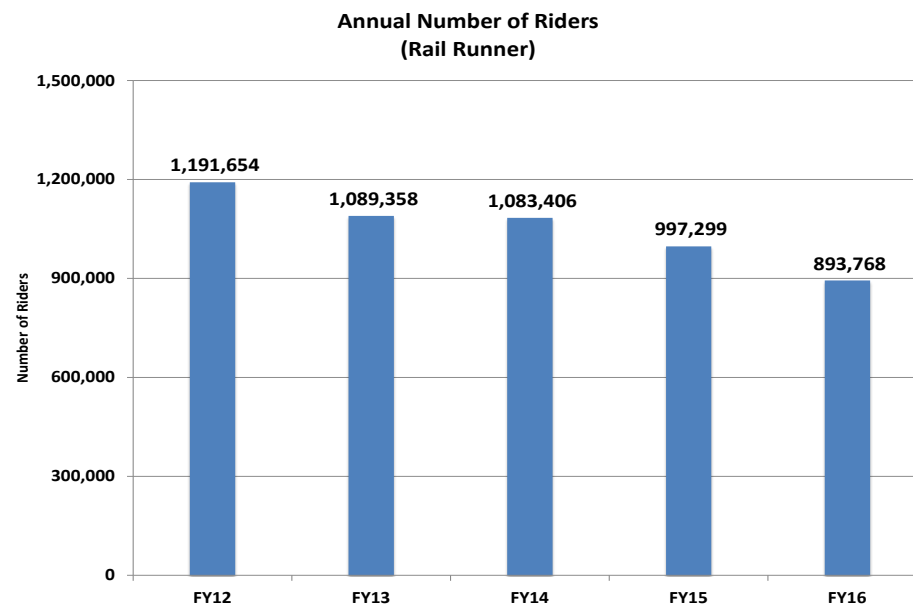
Commuter Rail in New Mexico

The Rail Runner is New Mexico's commuter rail providing service seven days a week to 14 stations along a 96.5-mile corridor that runs through Valencia, Bernalillo, Sandoval and Santa Fe counties, linking numerous communities.

The annual ridership is the most applicable and important measure of performance for commuter rail systems. Through FY 2016, Rail Runner carried a total of almost 10 million passenger trips since service began on July 14, 2006. For FY 2016, Rail Runner ridership was 893,768 and average weekday ridership was 2,983.

This service reduced traffic congestion by removing an estimated 19.8 million vehicle miles of travel from congested highways during the busiest commute hours.

Rio Metro Regional Transit District manages and funds daily Rail Runner operations. NMDOT owns the rail infrastructure and rolling stock for the Belen to Santa Fe corridor and maintains the bond repayment schedule.



Aviation

NMDOT's Aviation Division works closely with the Federal Aviation Administration (FAA) to ensure airports in New Mexico continue to provide a safe and efficient infrastructure. This year, airports in New Mexico received approximately \$27 million in FAA funding for capital projects. In FY 2016, over 1,400 aircrafts were registered to operate in New Mexico.

NMDOT's Aviation Division was successful working alongside the FAA and local entities to start several new projects across the state. Some notable projects include the rehabilitation of Runway 12-30 at the Lea County Regional Airport, the rehabilitation of Runway 8-26 at the Grant County Silver City Airport and the final phase of runway rehabilitation's at Artesia Municipal Airport and Roswell International Air Center.



Traffic Safety Initiatives

Governor Martinez has prioritized efforts to end drunk driving and distracted driving in our state. Too many New Mexicans are killed each year in drunk driving crashes.

During the last year, Traffic Safety Division (TSD), in partnership with the State Police, Department of Corrections, Mothers Against Drunk Driving and various local law enforcement agencies, has spearheaded Governor Martinez' DWI initiatives including Court Monitoring, DWI absconder and bench warrant round-ups, high visibility law enforcement events such as Operation Stop the Pain and revitalized collaboration on DWI issues across executive agencies through the DWI Workgroup.

A major focus of the TSD is to reduce impaired driving crashes, fatalities and injuries. TSD has adopted a performance-based, evidenced-based, data-driven enforcement program designed to influence drinking and driving behavior.

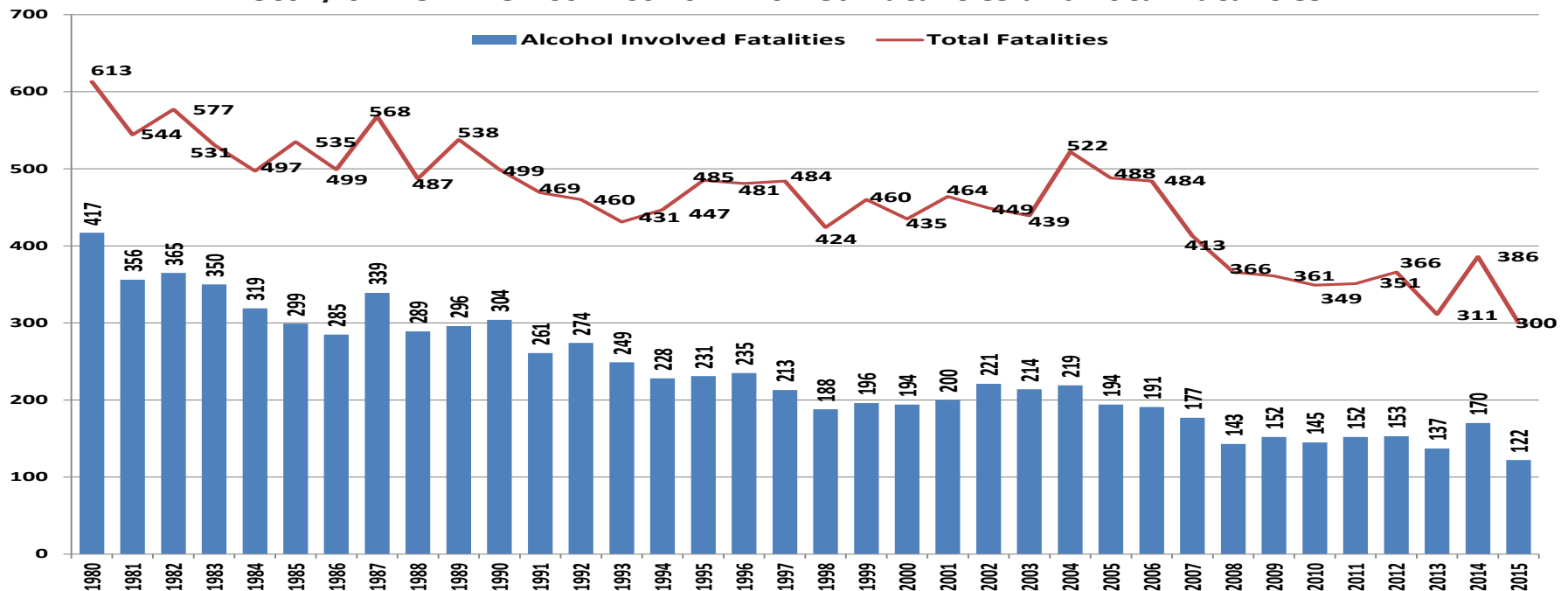
TSD supports and manages both statewide and local, community-based DWI enforcement programs involving about 75 city, county and tribal law enforcement agencies and the 12 State Police Districts. High-visibility law enforcement operations including Superblitz, the NHTSA National Crackdown, and 100 Days and Nights of Summer are coupled with high-visibility media and public awareness activities throughout

the State, especially during holiday, special event periods, and over the summer.

In addition to enforcement, aggressive prosecution of DWI offenders and underage DWI prevention programs are the strategies most likely to impact changes in impaired driving behavior, and thereby, reduce unnecessary deaths and injuries. The TSD provides funding for DWI courts, a Traffic Safety Resource Prosecutor, an Administrative License Revocation Hearing Prosecution Attorney, DWI Judicial Education, Court Monitoring, BAC and other drug testing, Drug Recognition Expert and Advanced Roadside Driving Impairment Enforcement trainings, and underage drinking enforcement and prevention programs. The reach of these activities is estimated at 85% of the State's population.

TSD administers an ignition interlock program that approves ignition interlock device manufacturers, licenses service centers and certifies installers and service providers. TSD also manages the State's ignition interlock indigent fund. TSD is actively engaged in supporting and funding a statewide traffic records system, including the electronic collection and transmission of DWI citation and other traffic report information by officers in the field.

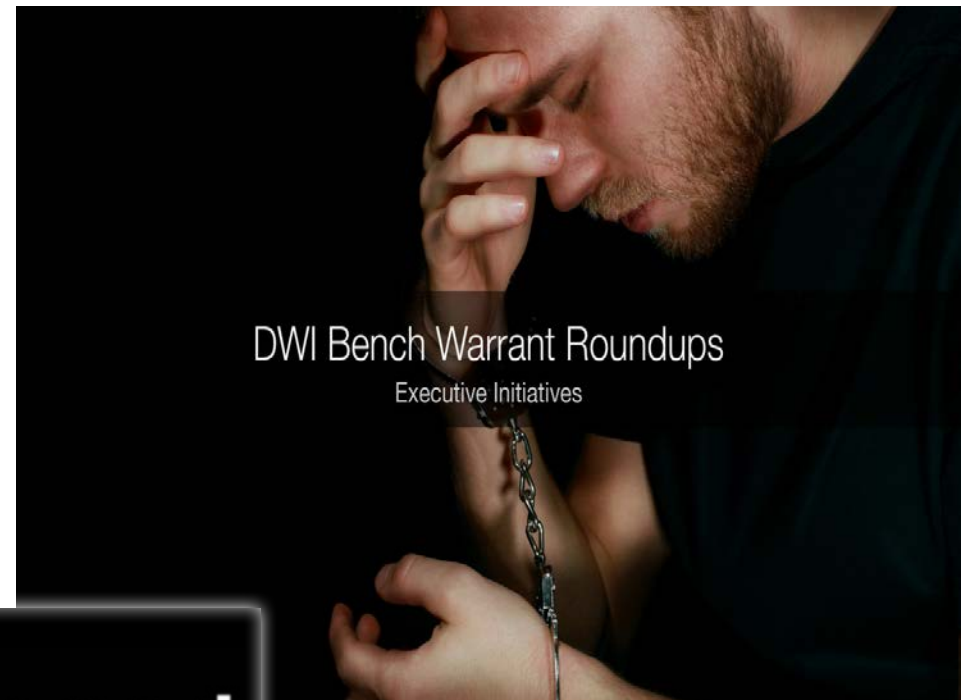
History of New Mexico Alcohol Involved Fatalities and Total Fatalities





Court Monitoring & Sentencing Transparency

Executive Initiatives



DWI Bench Warrant Roundups

Executive Initiatives



Crackdown on Repeat Offender Absconders

Executive Initiatives



Operation "Stop the Pain"

Executive Initiatives



AGENCY FINANCIAL SUMMARY ENDING JUNE 30, 2016 (UNAUDITED)

	FY16 OPBUD	ROLLOVER	BARS	CAPBUD	COMBINED FY16 BUDGET	ACTUALS
CURRENT INFLOWS						
Road Fund						
RF State Funds (Less Transfers)	\$ 391.4				\$ 382.8	\$ 401.1
RF FHWA Funding	\$ 376.7	\$ 225.2	\$ 64.1		\$ 666.1	\$ 378.7
HIF (Restricted)	\$ 7.6				\$ 7.6	\$ 7.9
LGRF (Restiricted)	\$ 22.5				\$ 22.5	\$ 22.3
Aviation Fund (Restricted)	\$ 5.7				\$ 6.5	\$ 6.2
Traffic Safety Funds (5 Restricted Funds)	\$ 2.6				\$ 2.6	\$ 3.2
NHTSA Funding (Reimbursement Basis)	\$ 15.7	\$ 7.2			\$ 23.0	\$ 12.6
FTA Funding (Reimbursement Basis)	\$ 16.1	\$ 7.3			\$ 23.4	\$ 14.9
State Infrastructure Bank Multi-Year/ Fund Balance		\$ 0.2	\$ 0.9		\$ 1.1	\$ 0.0
TOTAL INFLOWS (REVENUE)	\$ 864.7	\$ 332.3	\$ 101.8	\$ 1.9	\$ 1,300.7	\$ 846.9

CURRENT OUTFLOWS						
Personnel Services	\$ 157.0		\$ 3.1		\$ 160.1	\$ 155.6
Contractual Services	\$ 405.3	\$ 274.6	\$ 87.6		\$ 767.6	\$ 397.2
Other Operating Costs	\$ 163.0	\$ 57.7	\$ 11.1		\$ 231.8	\$ 154.2
Debt Service	\$ 139.3			\$ 1.9	\$ 1.9	\$ 133.8
TOTAL OUTFLOWS (EXPENDITURES)	\$ 864.7	\$ 332.3	\$ 101.8	\$ 1.9	\$ 1,300.7	\$ 840.8

