

**NEW MEXICO STATE TRANSPORTATION COMMISSION  
MEETING**

**Best Western Plus Raton Hotel  
473 Clayton Road  
Raton, New Mexico 87740  
June 16, 2016**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on June 16, 2016, at the Best Western Plus Raton Hotel, Raton, New Mexico. Chairman Schmeits called the meeting to order at 8:35 a.m. Commissioner Mathews led meeting attendees in the Pledge of Allegiance.

**Approval of the STC Agenda**

Chairman Schmeits asked to change the order of the STC agenda by moving item 8 (District Four Presentation) ahead of item 5 (Welcoming Remarks); he subsequently requested a motion to approve the STC agenda, as amended; Commissioner Mathews made a motion to so approve; Commissioner White seconded; motion carried unanimously.

**Approval of the STC Minutes**

Chairman Schmeits asked for a motion to approve the minutes of the regular STC meeting of April 21, 2016; Commissioner White made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.

**Elected Officials and Delegations:**

Neil Segotta, Mayor Pro Tem, City of Raton  
Richard Cordova, Mayor, Village of Eagle Nest  
Linda Calhoun, Mayor, Town of Red River

Craig Mulford, Road Superintendent, Colfax County  
Leonard Baca, Jr., Under Sherriff, City of Raton  
Rick Sinclair, Sheriff, City of Raton

**State Transportation Commissioners Present:**

Kenneth White, Secretary, District One  
David Sepich, Commissioner, District Two (Absent with Notice)  
Keith Mortensen, Commissioner, District Three  
Ron Schmeits, Chairman, District Four  
Butch Mathews, Vice-Chairman, District Five  
Jackson Gibson, Commissioner, District Six

**NMDOT Staff Present:**

Anthony Lujan, Deputy Secretary  
Loren Hatch, Deputy Secretary  
NMDOT Staff

**District Four Presentation and Employee Recognition**

David E. Trujillo, P.E., District Four Engineer, NMDOT, gave a presentation regarding District Four activities, during which he discussed the District's various projects and maintenance accomplishments. He also reported on the District's Employee Recognition Program and acknowledged Clyde Sanchez as Employee of the Year; the District Shop as 2015 Crew of the Year; the La Cueva and Tucumcari Patrols as 2015 Best Practice award winners; the Wagon Mound Patrol as 2015 Best Patrol; the NM 419 Bridge Installation as 2015 Best Maintenance project, and, in conclusion, introduced the District Four Statewide Equipment Road'eo winners. Mr. Trujillo closed his presentation with a memorial video honoring Anthony Rivera and David Eggert, the two District Four employees who were tragically killed in the line of duty in March 2016.

## **2015 Equipment Road'eo Commissioner's Cup and Traveling Plaque**

Anthony Lujan, Deputy Secretary, NMDOT, presented the 2015 Equipment Road'eo Commissioner's Cup and Traveling Plaque award to District Four as the best overall district team.

### **Welcoming Remarks**

The Honorable Neil Segotta, Mayor Pro Tem, City of Raton, welcomed the STC and NMDOT staff to Raton. He spoke about Raton's concern regarding the continued operation of the Amtrak Southwest Chief and the line's historical importance to New Mexico communities. He also informed the STC that Raton will be participating in for a Transportation Investment Generating Economic Recovery (TIGER) grant this year to aid in funding the continued operation of the train, which transports numerous boy scouts to and from the Philmont Scout Ranch each year.

### **Presentations by Elected Officials and Delegations**

Scott Berry, City Manager, City of Raton, gave a presentation entitled "Local Transportation Assets and How those Assets are Utilized in the Local Economic Development Plan." He discussed local transportation issues and stressed the importance of the continued operation of the Amtrak Southwest Chief. He also commented on the significance of the working partnership between the City of Raton and NMDOT's District Four Office.

Mary Lou Kern, County Manager, Colfax County, welcomed the STC and NMDOT to Raton. She expressed her appreciation for the funding and contributions that Colfax County has received. She also spoke in support of the TIGER Grant application for funds to aid the

continued operation of the Southwest Chief, and commented that she and Colfax County would greatly appreciate NMDOT's support of the application.

David Smith, Marshal, Town of Red River, and The Honorable Linda Calhoun, Mayor, Town of Red River, commented regarding "Off-Highway Vehicles." Mayor Calhoun specifically addressed proposed new Commission Policy 71 - Recreational Off-Highway Vehicles on Paved State Highways (CP 71). She reported that Red River held a very successful community meeting. She and the community are excited about CP 71 and the economic boost they believe it will have on the tourism within the Town.

Marshal Smith presented a map showing the proposed Red River routes and an off-highway vehicle ordinance that was passed by the Town.

#### **Public Comment**

The Honorable Richard Cordova, Mayor, Village of Eagle Nest, expressed his appreciation for the work performed by NMDOT District Four staff and informed the STC that the Village of Eagle Nest will support any legislation that allocates funding to NMDOT for New Mexico roads.

#### **Workshop Agenda**

#### **Finance Committee**

#### **Monthly Financial Report**

Michael Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented the NMDOT operating budget financial summary for the month ended May 31, 2016. He reported that NMDOT is in good financial standing. The current adjusted budget for Programs and Infrastructure is \$672.3 million, \$278.4 million in encumbrances, expenses of \$335.6

million, of which approximately 90% has been committed. The current adjusted budget for Highway Operations is \$250.2 million, \$20.9 million encumbered, and \$204.2 million expensed. The current adjusted budget for Business Support is \$42.9 million, \$3.2 million encumbered, and \$32.8 million expensed.

### **New Mexico Finance Authority (NMFA) Monthly Report**

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT's portfolio funds under NMFA management. As of May 31, 2016, the balance in the portfolio was \$140.1 million, a net increase of \$10.6 million from April. The change is attributed to debt service payments of \$194,675, no draws for the month, plus total earnings of \$23,353, and \$10.6 million in debt service set asides payments. There is 41% in the project account, of which \$211,854 is in the 2010A bond fund account, \$56.6 million in the 2014A Highway Infrastructure Fund (HIF) account, 59% in debt service accounts, and less than 1% in the arbitrage rebate account. On May 31, 2016, the unused balance in the taxable line of credit at RBC was \$36 million for collateral needs, and the balance in the taxable line of credit at Wells Fargo was \$50 million for the BNSF Escrow account. As of June 6, 2016, the amount to exit the swaps was approximately \$123.9 million. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

### **FY17 NMDOT Office of Inspector General (OIG) Annual Performance Audit Plan**

Jeff Canney, Inspector General, NMDOT, presented the FY17 OIG Annual Performance Audit Plan (Audit Plan). He explained that the Audit Plan provides an efficient allocation of limited resources to address broad and effective coverage of NMDOT's programs. He also explained that the proposed OIG 2017 audits were selected based on risk, as well as input from senior NMDOT management, federal partners, and OIG staff. The Audit Plan identifies

prospective audits in NMDOT's four programs: (1) Business Support; (2) Infrastructure and Maintenance; (3) Highway Operations; and (4) Modal. In addition, part of the Audit Plan is devoted to follow-up reviews that will assess the progress made to correct findings identified in previous audits in which corrective action plans were issued.

**FY16 Budget Adjustment Request (BAR) No. 11 for P562/Programs & Infrastructure - Interlock Device Fund**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented FY16 BAR No. 11 for P562/Interlock Device Fund, which will increase budget authority from the Interlock Device Fund balance (Fund #82600) to cover a projected shortfall in Category 400/Other in the amount of \$200,000 in order to cover the University of New Mexico's increased monitoring of 60 service center providers and 10 interlock device manufacturers.

**FY16 BAR No. 12 for P562/Programs & Infrastructure – Aviation**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented FY16 BAR No. 12, which is required to increase the budget authority for the Aviation Division, from fund balance, to cover a projected shortfall of \$1 million within Fund #20500. The shortfall will result from the reduction in Gross Receipts Tax collected from the sale of jet fuel as a consequence of (1) the expiration of the Wright Amendment, which allowed Southwest Airlines to eliminate 7 long haul routes and reconfigure other shorter routes, and has resulted in a reduction in jet fuel sales at the Albuquerque Sunport; and (2) a 51% per gallon drop in the price of jet fuel in the past 12 months, i.e., \$1.84 per gallon to \$0.90 per gallon.

**FY16 BAR No. 13 for P562/Programs & Infrastructure - Waste Isolation Pilot Plant**

**(WIPP) Settlement**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented FY16 BAR No. 13, which is required to increase budget authority for Programs and Infrastructure/Category 300 by \$7,200,000, pursuant to the receipt of certain federal funds via a settlement agreement and Stipulated Final Order between the U.S. Department of Energy and the New Mexico Environment Department. The funds are specifically earmarked to be used to repair and repave the approximately 13 mile WIPP North Access Road near Carlsbad, New Mexico, located between U.S. Highway 62/180 and the WIPP site.

**FY17 BAR No. 1 for P565/MODAL**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, presented FY17 BAR No. 1 for the P565 MODAL Program, which will establish budget authority of up to \$8,500,000 for the New Mexico ports of entry program. The funding will enable NMDOT to hire temporary workers, purchase equipment for commercial truck permitting, and contract for maintenance and certain capital improvements to port of entry facilities.

**FY17 Local Government Road Fund (LGRF) Program**

Clarissa Martinez, Project Oversight Division, NMDOT, reported regarding the FY17 LGRF Program. She explained that the LGRF is a designated state fund administered by NMDOT, which assists local governments to pay for approved local construction and maintenance projects. The state provides 75% of the project funding, which local entities must match at 25%. Ms. Martinez also discussed the proposed FY17 LGRF project list, the specific

costs allocated to each program within the LGRF, and the aggregate amount of \$21.4 million for all six transportation districts.

### **Policy Committee**

#### **Proposed New Commission Policy 71 Relating to the Implementation of Senate Bill 270 - Off-Highway Vehicles on Paved Roads (SB 270)**

Loren Hatch, Deputy Secretary, NMDOT, discussed the proposed draft of a new Commission Policy (CP 71) relating to the implementation of SB 270 – Off-Highway Vehicles on Paved Roads. He reported that NMDOT’s SB 270 Implementation Committee has been meeting regularly in effort to develop the draft of CP 71. The draft outlines the specific provisions and procedures pursuant to which the STC may designate certain segments of the state-owned or controlled paved highway system for the reasonable and safe operation of Recreational Off-Highway Vehicles.

Commissioner Mathews suggested modifying the proposed “30 miles per hour or less” speed limit provision in CP 71 to “up to 45 miles per hour,” and thereby allow the requesting entities to decide a safe speed limit for the requested route, provided the speed limit does not exceed 45 miles per hour.

#### **Initial Rulemaking Action for the Repeal and Replacement of NMDOT Rule, 18.20.5 NMAC (New Mexico Administrative Code) - Removal of Encroachments, Obstructions, Abandoned Motor Vehicles and for Restriction of Vending**

Anthony Lujan, Deputy Secretary, NMDOT, discussed initial rulemaking action for the repeal and replacement of NMDOT rule, 18.20.5 NMAC – Removal of Encroachments,



Obstructions, Abandoned Motor Vehicles and for Restriction of Vending. He explained that due to the Federal Highway Administration's new guidance regarding encroachments on federal-aid highway projects, NMDOT's subject matter experts reviewed the existing 18.20.5 NMAC rule and determined that revisions were required to bring the rule into compliance. He presented a proposed draft of the revised rule that outlined suggested changes and informed the Policy Committee that later in the day at the STC meeting, he would request the STC's approval to proceed with the rulemaking process.

### **Regular Meeting Agenda**

#### **Staff Briefings**

#### **Secretary Report**

Loren Hatch, Deputy Secretary, NMDOT, reported that NMDOT is currently performing exceptionally well. A very productive construction season is planned, and it is anticipated that this may be the biggest construction year as far as work performed and dollars committed since the Big I project. This includes the normal STIP projects that are already planned, as well as projects funded through the Governor's Major Investment Program that was funded during the Special Session. In conclusion, he provided an update on the WIPP settlement between the U.S. Department of Energy and the New Mexico Environment Department.

#### **Action Items**

**Approval Proposed New Commission Policy 71 Relating to the Implementation of SB 270 - Off-Highway Vehicles on Paved Roads (SB 270)**

Loren Hatch, Deputy Secretary, NMDOT, requested the STC's approval of proposed new Commission Policy 71 - Recreational Off-Highway Vehicles on Paved State Highways (CP 71), as amended to include the "up to 45 miles per hour" speed limit provision suggested by Commissioner Mathews.

**Chairman Schmeits asked for a motion to approve CP 71, as amended; Commissioner Mathews made a motion to so approve; Commissioner White seconded; motion carried unanimously.**

**Approval of FY17 NMDOT Office of Inspector General (OIG) Annual Performance Audit Plan**

Jeff Canney, Inspector General, NMDOT, requested the STC's approval of the FY17 NMDOT OIG Annual Performance Audit Plan.

**Chairman Schmeits asked for a motion to approve the FY17 NMDOT OIG Annual Performance Audit Plan; Commissioner White made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.**

**Approval of FY16 Budget Adjustment Request (BAR) No. 11 for P562/Programs & Infrastructure - Interlock Device Fund**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, requested the STC's approval of FY16 BAR No. 11 for P562/Programs & Infrastructure - Interlock Device Fund.

**Chairman Schmeits asked for a motion to approve FY16 BAR No. 11 for P562/Programs & Infrastructure - Interlock Device Fund; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.**

**Approval of FY16 BAR No. 12 for P562/Programs & Infrastructure - Aviation**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, requested the STC's approval of FY16 BAR No. 12 for P562/Programs & Infrastructure - Aviation.

**Chairman Schmeits asked for a motion to approve FY16 BAR No. 12 for P562/Programs & Infrastructure - Aviation; Commissioner Mathews made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.**

**Approval of FY16 BAR No. 13 for P562/Programs & Infrastructure - Waste Isolation Pilot Plant (WIPP) Settlement**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, requested the STC's approval of FY16 BAR No. 13 for P562/Programs & Infrastructure - WIPP Settlement.

**Chairman Schmeits asked for a motion to approve FY16 BAR No. 13 for P562/Programs & Infrastructure - WIPP Settlement; Commissioner White made a motion to so approve; Commissioner Mathews seconded; motion carried unanimously.**

**Approval of FY17 BAR No. 1 for P565/MODAL**

Michael S. Friel, Accounting Services Director/Chief Financial Officer, NMDOT, requested the STC's approval of FY17 BAR No. 1 for P565/MODAL.

**Chairman Schmeits asked for a motion to approve FY17 BAR No. 1 for P565/MODAL; Commissioner Mathews made a motion to so approve; Commission Mortensen seconded; motion carried unanimously.**

**Approval of FY17 Local Government Road Fund (LGRF) Program Projects**

Clarissa Martinez, Project Oversight Division, NMDOT, requested the STC's approval of FY17 LGRF Program projects in the total amount of \$21.4 million.

**Chairman Schmeits asked for a motion to approve FY17 LGRF Program projects in the total amount of \$21.4 million; Commissioner White made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.**

**Approval of Initial Rulemaking Action for the Repeal and Replacement of NMDOT Rule, 18.20.5 NMAC - Removal of Encroachments, Obstructions, Abandoned Motor Vehicles and for Restriction of Vending**

Anthony Lujan, Deputy Secretary, NMDOT, requested the STC to approve the initial opening of rulemaking for the repeal and replacement of NMDOT rule, 18.20.5 NMAC - Removal of Encroachments, Obstructions, Abandoned Motor Vehicles and for Restriction of Vending.

**Chairman Schmeits asked for a motion to approve the initial rulemaking action for the repeal and replacement of NMDOT rule, 18.20.5 NMAC; Commissioner Mathews**

**made a motion to so approve; Commissioner Mortensen seconded; motion carried unanimously.**

### **Commissioner Comments**

Commissioner White stated that he appreciated hearing from the local communities and enjoyed visiting the City of Raton.

Commissioner Mortensen thanked the local communities and the City of Raton for their hospitality.

Commissioner Gibson extended his thanks to David Trujillo, P.E., District Four Engineer, NMDOT, for presenting the memorial video for honoring Anthony Rivera and David Eggert, the two District Four employees who were tragically killed in the line of duty in March 2016. He also expressed his appreciation to all NMDOT employees for all the work they do.

Commissioner Mathews also thanked to David Trujillo, P.E., District Four Engineer, NMDOT, for his presentation and stated that he thinks Mr. Trujillo is a great leader. Commission Mathews congratulated District Four, as well, for winning the Equipment Road'eo two years in a row.

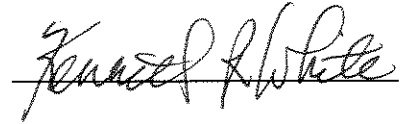
Chairman Schmeits thanked all of the meeting attendees and stated that he enjoyed the District Four Presentation.

**Chairman Schmeits asked for a motion to adjourn the regular meeting at 11:35 a.m.; Commissioner Mathews made a motion to so adjourn; Commissioner Mathews seconded; motion carried unanimously.**



**Chairman**

**Ronald Schmeits**



**Secretary**

**Kenneth R. White**