

**NEW MEXICO STATE TRANSPORTATION COMMISSION
MEETING**

**Los Lunas Transportation Center
101 Courthouse Rd.
Los Lunas, New Mexico 87031
July 16, 2015**

The New Mexico State Transportation Commission (STC or Commission) held a regular meeting on July 16, 2015, at the Los Lunas Transportation Center, Los Lunas, New Mexico. Chairman Schmeits called the meeting to order at 8:30 a.m. Commissioner Mortensen led meeting attendees in the Pledge of Allegiance.

Approval of the Agenda

Chairman Schmeits asked for a motion to approve the agenda; Commissioner Sepich made a motion to so approve; Commissioner White seconded; motion carried unanimously.

Approval of the Minutes

Chairman Schmeits asked for a motion to approve the minutes of the regular meeting of June 18, 2015; Commissioner White made a motion to so approve; Commissioner Sepich seconded; motion carried unanimously.

Elected Officials and Delegations:

Charles Griego, Mayor, Village of Los Lunas
Helen Cole, Commissioner, Valencia County
Frank F. Ortega, City Councilor, City of Belen

State Transportation Commissioners Present:

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

NMDOT Staff Present:

Tom Church, Cabinet Secretary
Anthony Lujan, Deputy Secretary
NMDOT Staff

Welcoming Remarks

The Honorable Charles Griego, Mayor, Village of Los Lunas, welcomed the STC and NMDOT staff to Los Lunas. He thanked Timothy Parker, P.E., District Two Engineer, NMDOT, for his assistance while serving as the District Three Engineer and stated that he looks forward to working with Kenneth Murphy, P.E., acting NMDOT District Three Engineer.

Presentations by Elected Officials and Delegations

Greg Martin, Administrator, Village of Los Lunas, and Kevin Eades, P.E., Vice President, Molzen Corbin, gave a brief on the proposed I-25 Interchange / East-West Corridor project, during which they spoke about recent work and showed a video.

Public Comment

The following public comments were made at the STC meeting:

Helen Cole, Commissioner, Valencia County, commented on the I-25 Interchange / East-West Corridor project. She stated that the Village of Los Lunas is diligently working on this project and Valencia County is assisting; they would appreciate the STC's consideration of this project.

Frank F. Ortega, City Councilor, City of Belen, commented regarding his support of the I-25 Interchange / East-West Corridor project. He believes that it will help increase the population in the Belen area. Mr. Ortega inquired as to whether the project is eligible for federal funding.

J. Don Martinez, Division Administrator, FHWA, responded to Mr. Ortega's query. He stated that the new interchange may be eligible for federal funds; however, in order to make that determination, an interstate justification study will need to be performed and subsequently reviewed and approved by FHWA. He also stated that the State's resources are presently very limited given the sizeable debt it is currently carrying. Consequently, to get this project added to the State Transportation Improvement Plan (STIP), it would require state and/or federal aid. At this point in time, that is unlikely because the U.S. Congress' current transportation funding resolution is set to expire on July 31, 2015.

Brian Jones, representative for the Asphalt Pavement Association of New Mexico, introduced David Otoski, President of Mountain States Construction. Mr. Jones commented regarding the Coors / I-40 corridor project in Albuquerque.

Lucio Lanucara, Professional Faculty, University of New Mexico (UNM), commented regarding his previous professional experience in the railroad industry. He relocated to the United States two years ago and is now employed by UNM where he specializes in

transportation research and advises international governments on transportation issues. Mr. Lanucara also commented on NMDOT's Long Range Plan; he stated that he hopes to be of help to NMDOT on future transportation matters.

Workshop Agenda

Infrastructure Committee

Transportation Asset Management Plan Update

Tamara Haas, P.E., Asset Management & Planning Division Director, NMDOT, provided an overview of the NMDOT Transportation Asset Management Plan. On February 20, 2015, FHWA published a Notice of Proposed Rulemaking entitled "Asset Management Plan." The rule is intended to address three provisions of the Moving Ahead for Progress in the 21st Century Act (MAP 21): (1) Development of asset management plans by state departments of transportation (DOTs) as required under 23 USC 119; (2) setting minimum standards for state DOTs to use in developing and operating bridge and pavement management systems as required under 23 USC 150(c)(3)(A)(i); and (3) establishing an approach for determining if there are reasonable alternatives to roads, highways, and bridges requiring repair or reconstruction due to emergency events under section 1315(b) of MAP 21.

FY 2014 Annual Report to State Auditor Regarding Regional Transit Districts

David Harris, Transit Manager, NMDOT, gave a brief presentation on the FY 2014 report to the State Auditor regarding Regional Transit Districts. NMSA 1978, Section 73-25-15B requires the STC to file an annual report with the State Auditor concerning the activities of all active Regional Transit Districts. The report details how many districts have been created,

describes their boundaries, and identifies the regional transit systems that are being provided and how they are being funded.

Summary of Public Input on NMDOT's Long Range Plan (LRP)

Anne McLaughlin, Asset Management and Planning Division, NMDOT, gave a brief report summarizing public input on NMDOT's LRP. NMDOT released its LRP for public review on May 13, 2015. The public comment period closed on June 26, 2015. Comments were received from individuals, public agencies and the Pueblo of Laguna. Prior to implementation, the LRP will be published on NMDOT's website to make it available to the public at large.

Finance Committee

Monthly Financial Report

Bridgette Long, Accounting Services Deputy Director, NMDOT, reported on the NMDOT operating budget financial summary for the month ending June 30, 2015. She stated the total Road Fund budget remains the same from last month with no new Budget Adjustment Requests. Road Fund actuals are \$324.5 million and currently tracking \$9.5 million ahead of budget, FHWA funding is \$356.04 million on a reimbursement basis, and Road Fund balance reserves are \$106 million. With regard to expenditures: Personnel Services are \$147 million, and currently tracking \$1.1 million under budget, with an overall vacancy rate of 11.9%; Contractual Services total \$379.2 million; other Operating Costs equal \$99.3 million; and Debt Service is \$133.5 million, with \$74 million in principal and \$59 million in interest.

New Mexico Finance Authority (NMFA) Monthly Report

Mark Lovato, Investment Manager, NMFA, provided an update regarding NMDOT portfolio funds under NMFA management. As of June 30, 2015, the balance in the portfolio was \$91.1 million, a net decrease of \$104.4 million from May. The change is attributed to debt service payments of \$103.8 million, draws of \$4.4 million, plus total earnings of \$3,850, and \$3.8 million from escrow to pay on the 2006 bonds. There is 97% in the project account, of which \$8.4 million is in the 2010A and \$80 million in 2014A Highway Infrastructure Fund (HIF), 1% in debt service, and 2% in the arbitrage rebate account. On June 30, 2015, the balance in the taxable line of credit at Bank of America was \$39.5 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 July 16, 2015, the amount to exit the swaps was \$101 million. Mr. Lovato also provided a breakdown regarding NMDOT/NMFA outstanding debt service.

New Mexico Rail Runner Express (NMRX) Annual Report

Terry Doyle, Director, Rio Metro Transit District, presented the NMRX Annual Report. He explained that the Memorandum of Agreement between NMDOT and Rio Metro Regional Transit District (RMRTD) regarding NMRX management, funding, and operation requires RMRTD to provide a report to the STC every year at the STC's July meeting. The report includes information on the NMRX annual operating and capital budgets, annual service plan, the five-year capital maintenance plan/capital improvement plan, NMRX ridership, and performance targets.

FY17 Road Fund Forecast

Clinton Turner, Chief Economist, NMDOT, presented the FY17 Road Fund Forecast. Mr. Turner explained that the July 2015 Road Fund Forecast will be used in NMDOT's FY17

appropriation request. NMDOT's state revenue sources are: (1) Road Fund - ordinary revenue; (2) Road Fund - extraordinary income; and (3) Restricted Funds, including Highway Infrastructure Fund, Local Government Road Fund, Aviation Fund, and Transportation Fund. The forecast is one of two annual forecasts of NMDOT revenues. It will be updated in January 2016, before the FY17 budget is set. This update increases FY 2016 Road Fund revenue expectations by \$3.2 million from the budgeted January 2015 estimate. The FY17 Road Fund revenues are currently estimated at \$403 million.

FY17 Appropriation Request

Mike Friel, Budget Director, NMDOT, presented NMDOT's FY17 appropriation request, which is based on the July 2015 Road Fund Forecast. He explained that a follow-up presentation on the appropriation request will be made to the STC at its August 2015 meeting, and the STC's action will be requested at that time. The FY17 appropriation request is for the amount of \$844 million, which is a reduction of \$20 million from FY16 budget authority. The FY17 appropriation will be submitted to the State Budget Division and the Legislative Finance Committee on September 1, 2015. The FY17 appropriation request will be introduced in the 2016 legislative session as House Bill 4, and will be analyzed and debated by the Appropriations Consensus Group that is comprised of House Transportation and Public Works Committee members and appointed staff from the Department of Finance and Administration, Legislative Finance Committee, and NMDOT.

Policy Committee

Proposed Update of Commission Policy 84 - Snow Removal Priorities (CP 84)

David Stevens, Assistant General Counsel, NMDOT, discussed the proposed update of CP 84. CP 84 directs that NMDOT shall be responsible for removing snow and applying chemicals and/or abrasives on the roads and highways under its maintenance jurisdiction. CP 84 will expire in September 2015, if not reauthorized. No changes to CP 84 are proposed by NMDOT at this time.

Initial Rulemaking Action for the Repeal and Replacement of Certain NMDOT Rules

Franklin Garcia, Bureau Chief, Traffic Safety Division, NMDOT, presented NMDOT's request concerning approval of initial rulemaking action for the repeal and replacement of NMDOT rules: (1) 18.20.3 NMAC - Driver Education Schools; (2) 18.20.8 NMAC - Driving Safety Schools; (3) 18.20.10 NMAC - New Mexico's Motorcycle Training Program; (4) 18.20.11 NMAC - Ignition Interlock Devices; and (5) 7.32.20 NMAC - Driving While Impaired (DWI) Schools. He explained that the initiation of a proposed rule action involves the STC passing a motion to authorize the Secretary of Transportation to give public notice (at least 30 days) of the repeal and replacement of the rules, and to schedule a public hearing or hearings (following the notice period) to receive oral and written public comment on the proposed rules. After the STC adopts the proposed rules, they will be filed and published as soon as practicable.

Regular Meeting Agenda

Staff Briefings

Secretary Report

Tom Church, Cabinet Secretary, NMDOT, gave a brief update to the STC. He stated that NMDOT is doing excellent work on its various plans, programs and projects. A new DWI/Safety Campaign has been initiated, on which the public has provided both positive and negative comments. He also mentioned the major flood issues throughout the State that the District Engineers have been dealing with and thanked NMDOT employees for all the work they have done. He concluded his report by stating that if New Mexico loses its federal funding, set to expire on July 31, 2015, it will hurt the State. If Congress does not act, NMDOT faces a loss of \$614 million in active projects and 7,000 private industry jobs. On July 15, 2015, the U.S. House of Representatives passed a five-month funding extension, which will now go to the Senate for a vote and then to the President by July 31, 2015.

FHWA Report

J. Don Martinez, Division Director, FHWA, provided a brief update to the STC. He stated that despite NMDOT's limited funding, he believes it is doing a great job. He also commented on NMDOT's efforts in connection with MAP-21 and commended Tammy Haas and NMDOT staff on the Asset Management Program that requires NMDOT to establish and meet performance targets. In closing, Mr. Martinez praised NMDOT Planning Division staff on the Long Range Plan.

District Three Presentation

Ken Murphy, P.E., acting District Three Engineer, NMDOT, gave a presentation regarding District Three activities. He discussed the District's (1) current construction work on the NM 314 railroad overpass, which includes bridge replacement, roadway construction, sidewalks, and bicycle accommodations; (2) upcoming construction projects, including Belen

Main Street, I-25 Business Loop 13, and I-25 South of Belen; and (3) future construction work on the I-25 Rio Bravo Interchange. Mr. Murphy also reported on the recent work of the Belen Patrol (pipe repair under NM 6) and knowledge management (B2GNow training).

Southeast New Mexico Safety Campaign

Michael R. Sandoval, Transportation Programs, NMDOT, reported regarding the Southeast New Mexico Safety Campaign. He explained that over the last several years, southeast New Mexico has seen an increase in motor vehicle related crashes, injuries, and deaths. Many of the crashes can be attributed to the increased interaction between commercial vehicles and standard vehicles. NMDOT has been working on a new media and public awareness campaign specific to the area. Mr. Sandoval outlined the process NMDOT used to develop the campaign and highlighted the activities scheduled for the latter part of 2015. Radio and outdoor advertising is slated to begin on July 21, 2015.

Action Items

Approval of Initial Rulemaking Action for the Repeal and Replacement of Certain

NMDOT Rules

Franklin Garcia, Bureau Chief, Traffic Safety Division, NMDOT, requested the STC's approval of initial rulemaking action for the repeal and replacement of NMDOT rules, 18.20.3 NMAC - Driver Education Schools; 18.20.8 NMAC - Driving Safety Schools; 18.20.10 NMAC - New Mexico's Motorcycle Training Program; 18.20.11 NMAC - Ignition Interlock Devices; and 7.32.20 NMAC - Driving While Impaired (DWI) Schools.

Chairman Schmeits asked for a motion to approve initial rulemaking action for the repeal and replacement of NMDOT rules, 18.20.3 NMAC, 18.20.8 NMAC, 18.20.10 NMAC,

18.20.11 NMAC, and 7.32.20 NMAC; Commissioner White made a motion to so approve; Commissioner Gibson seconded; motion carried unanimously.

Commissioner Comments

Commissioner White expressed his appreciation to the Village of Los Lunas for hosting the meeting and thanked NMDOT staff.

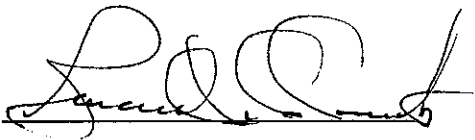
Commissioner Sepich thanked Secretary Church and NMDOT staff and expressed his appreciation to the Village of Los Lunas for hosting the meeting.

Commissioner Mortensen also expressed his gratitude to the Village of Los Lunas and NMDOT staff.

Commissioner Gibson expressed his appreciation to the Districts for their hard work in response to flooding events in the state. He stated he is looking forward to everyone visiting Gallup for the August STC meeting.

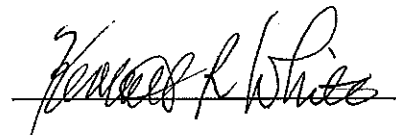
Chairman Schmeits expressed his gratitude to the Village of Los Lunas for the use of its facility. He also expressed his appreciation to NMDOT staff.

Chairman Schmeits asked for a motion to adjourn the regular meeting at 12:17 p.m.; Commissioner Gibson made a motion to so adjourn; Commissioner White seconded; motion carried unanimously.



Chairman

Ronald Schmeits



Secretary

Kenneth R. White

