

**MINUTES OF THE REGULAR MEETING OF THE NEW MEXICO  
STATE TRANSPORTION COMMISSION**

**Lodge at Angel Fire  
10 Miller Lane  
Angel Fire, New Mexico  
August 19, 2010**

The New Mexico State Transportation Commission held a regular scheduled meeting on Thursday, August 19, 2010 at the Lodge at Angel Fire, Angel Fire, New Mexico. Chairman Cope called meeting to order at 8:26 a.m. Chairman Cope led everyone in the Pledge of Allegiance.

Chairman Cope welcomed all attendees to the meeting and thanked Stuart Hamilton, Mayor, Village of Angel Fire, for hosting the reception Wednesday evening and he also thanked the Angel Fire resort and said it is a very wonderful place to visit.

Jim Franken, Commissioner, thanked everyone for attending the Commission meeting in his District and also recognized Carla Arrellanes for her 21 years of dedication to the Department and congratulated her on her retirement from NMDOT.

Paul Gray, District Four Engineer, welcomed everyone to District Four and introduced his Administrative, Maintenance, Construction and Patrol Staff.

**NMDOT Staff Present:**

Johnny Cope, Chairman, District Two  
Jim Franken, Commissioner, District Four  
Doug Peterson, Commissioner, District Three-Absent with notice  
John Hummer, Commissioner, District One  
Roman Maes, III, Commissioner, District Five  
Jackson Gibson, Commissioner, District Six  
Frank Guzman, District One Engineer  
Gary Shubert, District Two Engineer

Tammy Haas, District Three Engineer  
Paul Gray, District Four Engineer  
Miguel B. Gabaldon, District Five Engineer  
Larry Maynard, District Six Engineer  
Gary L.J. Girón, Cabinet Secretary  
Domingo Sanchez, Deputy Secretary of Business Support  
Max Valerio, Deputy Secretary of Programs and Infrastructure-Absent  
Rebecca Montoya, Adjutant Secretary  
Daniel Opperman, General Counsel  
Mark Slimp, NMDOT PIO  
Art Gottlieb, Inspector General  
Greg Geisler, NMDOT Comptroller  
Frank Sharpless, Transit and Rail  
Tim Harris, Transit and Rail  
Bernie Padilla, HR Director  
Marcos Trujillo, Bond Debt Manager  
Ron Baca, Financial Control Director  
Bryan Brock, Director, OEOP  
Ernest Archuleta, Operations Division Director  
Renee Roybal-Windham, Business Support  
Stefan Kosicki, Public Relations

### **WELCOMING REMARKS**

Stuart Hamilton, Mayor Village of Angel Fire; John Maldonado, Chairman, Colfax County Commission; Richard Cordova, Mayor, Village of Eagle Nest each said a few introductory words and thanked the Commission and the Department for all their support.

### **Approval of Agenda:**

**Chairman Cope asked for a motion to approve the Agenda; A motion to approve the agenda was made by Commissioner Franken; Seconded by Commissioner Gibson; motion carried unanimously.**

### **Approval of the Minutes of the Regular Meeting of July 15, 2010 of the State**

### **Transportation Commission:**

**Chairman Cope asked for a motion to approve the Minutes of the July 15, 2010 Regular Meeting; A motion to approve the minutes was made by Commissioner Franken; seconded by Commissioner Gibson; motion carried unanimously.**

## **PRESENTATIONS**

### **District Four Presentation**

Paul Gray, District Four Engineer, presented to the Commission the status on projects including NM 58 Ponil Creek Bridge, MP 21, Arriba Road Railroad Crossing; Construction Projects include work on US 64/87 ARRA and STIP, Raton South Interchange. Upcoming projects include Shoulder Widening on US 64, Pedestrian Improvements on US 56 and Pavement Reconstruction on I-25; in FY 2012 interchange improvements on I-25, in FY 2012-2013 Pedestrian/Bicycle Facility on NM 21 and US 64 Pedestrian/Bicycle Facilities. Mr. Gray also updated the Commission on the Projects at the La Cueva Patrol which include NM 120, Bridge Repairs on I-25 MP 356 in Watrous; Winter Snow removal challenges and District Four Chip seal projects. He also reviewed the District Four Local Lead GRIP 2 Projects and ARRA Projects and noted Charlie Romero as the District Four Employee of the Year.

### **2009 Employee of the Year & District Five Highway Hero**

Paul Gray, District Four Engineer, presented the District Four Employee of the Year to Charlie Romero, Shop Section/District Equipment Inspector and said Mr. Romero is an outstanding person whom has a great working relationship with all NMDOT Employees.

Miguel Gabaldon, District Five Engineer, presented the District Five Highway Hero award to Clyde Garduno, Taos Patrol Foreman, and thanked him for assisting a 72 year old woman from Texas in what could have been a life threatening situation. Mr. Gabaldon said the woman sent a letter praising Clyde and was extremely thankful for his heroic efforts.

### **Town of Springer**

Danny J. Cruz, Town of Springer, presented to the Commission issues and concerns regarding hazardous sidewalks along NM Highway 58 which runs from Springer to Clayton.

### **ACTION ITEMS**

#### **Approval of FY 09 Financial Statement Audit**

Janet Pacheco-Morton, Meyners & Company, presented the opinions, required communications and findings for the FYE June 30, 2009 Audit, Ms. Pacheco-Morton indicated the audit was completed on June 8, 2010 and released on June 30, 2010, the report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133-Unqualified, she also noted significant adjustments which included 126 adjusting journal entries posted; 110 were requested by NMDOT, 7 entries were reclassification adjustments and 9 were audit adjustments. Ms. Pacheco-Morton said the Department had 15 total findings in 2009; there were 16 in 2008 so there were less findings this Fiscal Year.

**Chairman Cope asked for a motion to approve the FY 09 Financial Statement Audit; A motion to approve the request was made by**

**Commissioner Hummer; seconded by Commissioner Franken; motion carried unanimously.**

**Rail Runner FY 2012 Operating Budget**

Dewey Cave, Rio Metro RTD, Interim Executive Director, presented the FY 12 Operating Budget and stated that minor adjustments were made in the revenues, and there was a slight increase in fair-box revenues. Total expenditures are \$24,957,238.67 and total revenues are \$25,008,684.00 thus providing a balanced budget.

Chairman Cope and Commissioner Maes inquired about the additional stops and fair-box revenues, Mr. Cave indicated there will not be any new delays and the ticket agents have been doing a second check to ensure collections are being made.

**Chairman Cope asked for a motion to approve the Rail Runner FY 2012 Operating Budget; A motion to approve was made by Commissioner Gibson; seconded by Commissioner Franken; motion carried unanimously.**

**Approval of Revolving \$50 million Credit Facility between the New Mexico Finance Authority and Bank of America, N.A., pertaining to monthly deposits of debt service installments required by the Master Indenture of Trust**

John Duff, NMFA, Chief Financial Officer, said the resolution will address an extension of the \$200 million line of credit to be paid off with bond issuances and approval of \$50 million line of credit facility for making set aside

payments to the trustee. However, Mr. Duff added that the \$50 million item has been dropped due to legal issues related to legal authority for the Department to enter into a borrowing arrangement and other borrowing specifications and will possibly be presented at next months meeting; Daniel C. Opperman, General Counsel, stated the resolution should be approved excluding the \$50 million item and will simply extend the \$200 million line of credit date to March of 2011 which was initially due to expire August 31, 2010. Mr. Opperman also indicated the \$50 million item will possibly be addressed in September.

**Chairman Cope asked for a motion to approve the Resolution extending the \$200 million line of credit excluding the \$50 million item; A motion to approve the request was made by Commissioner Hummer; seconded by Commissioner Franken; motion carried unanimously.**

**Budget Adjustment Request (BAR)**

Domingo Sanchez, Deputy Secretary of Business Support, presented BAR # PINF 3 and will transfer \$3 million from Programs & Infrastructure Federal portion of Road Betterments (20100) to the Transit and Rail Bureau's Federal CMAQ Improvement Fund, 10030. These federal issues are for the continuation of the Rail Runner Express Operations and Maintenance for Phase II Bernalillo to Santa Fe and BAR # THOPS 1 which is an increase of \$3.6 million in the Transportation and Highway Operations program will provide budget to the Road Betterments division for eligible expenditures made by the department in association with the warranty provided by mesa PDC for the U.S. 550 Corridor.

**Chairman Cope asked for a motion to approve BAR # PINF 3 and BAR # THOPS 1; A motion to approve the request was made by Commissioner Franken; seconded by Commissioner Maes; motion carried unanimously.**

**FY 12 Operating Budget (OPBUD)**

Domingo Sanchez, Deputy Secretary of Business Support, presented the FY 12 Operating Budget and gave a summary of the three components including Base operating expenditures of \$802,822,300, expansion items totaling \$2,228,400 and the ICIP related portions of the budget totaling \$3,350,000 plus other financing uses totaling \$6,938,000 for a grand total Request of \$815,338,700. Mr. Sanchez stated total Revenue sources for Business Support, Programs & Infrastructure and Transportation Highway Operations are \$815,338,700.

**Chairman Cope asked for a motion to approve the FY 12 Operating Budget with a 2% variance for change; A motion to approve the request was made by Commissioner Maes; seconded by Commissioner Franken; motion carried unanimously.**

**FY 12 ICIP Budget-Recommended Projects**

Max Valerio, Deputy Secretary of Programs & Infrastructure, presented the FY 12 ICIP Capital Projects and asked for approval on ICIP -2012-2 item which will provide funds to the contractor that NMDOT selects to conduct capital improvements including the replacement of the signal system, ties, structures, crossings, switches, etc. The \$2 million for these capital improvements will be

funded with projected state road fund, fund balance; the second project is ICIP-2012-3 which will provide funds to the Rio Metro RTD to address bridge, track, and other capital project needs, and the \$1 million for these capital improvements will be funded with projected state road fund, fund balance.

**Chairman Cope asked for a motion to approve ICIP Projects 2012-2 and 2012-3; A motion to approve the request was made by Commissioner Hummer; seconded by Commissioner Franken; motion carried unanimously.**

**Designation of the Proposed Route “Paseo Del Volcan” in District 3 as NM**

**347**

Tamara Haas, District Three Engineer, presented the request to add Paseo Del Volcan to the State Highway System as NM 347 and stated that Paseo Del Volcan begins at interstate 40 in Bernalillo County and ends at the intersection with US 550 in Rio Rancho in Sandoval County, the length of the route is approximately 29.5 miles, the route is constructed or under construction from its intersection with Unser Boulevard to US 50 in Rio Rancho for a distance of 7.1 miles. Mrs. Haas indicated that the Southern portion of the route has been identified and acquisition of right of way is ongoing for approximately 22.4 miles. This action will increase the mileage on the NM State Highway system by a total of 29.5 miles and in cooperation with the Transportation Planning Division, District Three is proposing that this proposed route be designated as NM 347 and placed on the state highway system. Mrs. Haas is requesting approval of the State



Transportation Commission to add Paseo Del Volcan to the State Highway System as NM 347.

**Chairman Cope asked for a motion to approve the request to add Paseo Del Volcan to the State Highway System as NM 347; A motion to approve the request was made by Commissioner Franken; seconded by Commissioner Maes; motion carried unanimously.**

**Approval of the Statewide Transportation Improvement Program (STIP) FY 2010-2013, amendment 5 and opportunity for public comment by those registered with the Secretary of Commission**

Max Valerio, Deputy Secretary of Programs & Infrastructure, presented the STIP August 2010 Quarterly Amendment 5 approved by the Secretary of Transportation for the FY 2010-2013 Statewide Transportation Improvement Program and said the District Engineers and MPO's have requested that the revisions to the STIP be made as part of this Quarterly STIP amendment in response to project prioritization changes, costs, and project readiness and this amendment also include modifications to project termini and funding.

Attachments were presented to preview description of the proposed changes presented as Amendment 5 of the FY 2010-2013 STIP sorted by District.

Mr. Valerio asked the Commission for Approval of Amendment 5 of the FY 2010-2013 STIP subject to any public comments from those registered with the Secretary of Commission.

**Chairman Cope asked for a motion to approve the STIP Amendment 5; A motion to approve the request was made by Commissioner Maes; seconded by Commissioner Franken; motion carried unanimously.**

**LGRF FY 2010/2011 Financial Hardship Match Waiver Program**

Ernest Archuleta, Operations Division Director, presented the LGRF Financial Hardship Match Waiver and said the Legislature authorized up to \$1 million of the LGRF use by County and Municipal Governments, in accord with 67-3-28.2 NMSA 1978, Mr. Archuleta is requesting approval on projects for entities for the Town of Mesilla, Sierra County, Village of Hatch and Hidalgo County.

**Chairman Cope asked for a motion to approve the FY 2010/2011 Financial Hardship Match Waiver Program; A motion to approve the request was made by Commissioner Maes; seconded by Commissioner Franken; motion carried unanimously.**

**2010 Equipment Hardship Program**

Ernest Archuleta, Operations Division Director, presented the 2010 Hardship Program and stated that each year a grant of \$500,000 is available for entities in need, however, this year due to budget shortfalls it has been reduced to \$250,000 and there are 16 entities that qualify and will receive \$12,500 with a few entities qualifying for \$25,000. Mr. Archuleta said the sale is scheduled for September 1, 2010 at the NMDOT District Five office in Santa Fe.

**Chairman Cope asked for a motion to approve the 2010 Equipment Hardship Grant as presented; A motion to approve the request was made by**

**Commissioner Franken; seconded by Commissioner Hummer; motion carried unanimously.**

**STAFF BRIEFINGS**

**Budget Adjustment Request (BAR)**

Domingo Sanchez, Deputy Secretary of Business Support, presented 2 BARS; the first one is BAR # PINF 4 and will add \$780,000 of additional Federal Transit Administration grant funding into the FY 11 Transit Bureau budget, in fund 10030, \$700,000 will be added to the Other Services Category and the remaining \$80,000 will be added to Personnel Services and Employee Benefits and will allow Transit Bureau to add recently awarded Federal Transit Administration grant funds to the FY11 budget; the second bar is BAR # PINF 5 and is a Capital Budget Bar Increase (CAPBUD) of \$6,952,000 and will be used for Rail Capital replacement and expansion, Mr. Sanchez said this will be funded from 2006 GRIP Investment Earnings.

**Financial Reports**

Domingo Sanchez, III, Deputy Secretary of Business Support, updated the Commission on the Financial Report and discussed the Agency Operating Budget Financial Summary for Month ending July 31, 2010 (FY11) which totals \$803 million, FY11 actuals thus far total \$11,674,289 and FY 11 Budgeted Expenditures total \$29,237,014. Mr. Sanchez said the roll over is currently being prepared and should be completed in September, he said that Personnel Services and Employee Benefits total expended is \$10,723,181; Contractual Services total expenditures are \$1,721,5625; and Other costs total expenditures are \$25,513,142.

Chairman Cope asked about the \$20 million DOE funding, Marcos Trujillo, Bond and Debt Manager, said that for FY 10 the Department should have received approximately \$26 million, however, it will receive a payment of \$7 million by the end of August 2010, and the Department will receive \$26.1 by FY11 and zero in FY12.

Mr. Sanchez reviewed the cash balances and said total balance for July 31, 2010 is \$98,543,971 and the Department is now holding their own, he also reviewed the NMDOT State Revenue Tracking for FY2010 vs. Projection and vs. FY 2009 for August 3, 2010 and the Vacancy Percentages by Classification as of July 31, 2010.

#### **Financial Statement FY10 Audit Update**

Larry Carmony, Moss Adams, Partner, introduced his firm as the new Auditing firm for the Department and assured the Commission they would be covering compliance issues and will complete the audit in a quality fashion and stated they are confident Moss Adams can work together to prepare a timely audit and will meet with FHWA to assist in any processes. Mr. Carmony indicated they would like to meet with the Commission to provide a mid-audit update and will be available to meet with any Commissioners at any time through the Audit preparation. Chairman Cope thanked Mr. Carmony and his firm and said he is looking forward to their working relationship.

#### **SHARE.DOT Go Forward Plan**

Domingo Sanchez, Deputy Secretary of Business Support, briefed the Commission on the GO FORWARD III Project List and said there are 4 areas that

will be addressed; first is Asset Management Architecture, second is Accounts Receivable, third is Inventory and fourth is Grants Billing. Mr. Sanchez stated that the next steps will be to finalize a list of deliverables for each track and lay out schedules for each track now that kick off meetings have been held and working environments have been refreshed.

**GRIP Investment Report/NMFA Update**

John Duff, NMFA, Chief Financial Officer, overview of consolidated investment report and said as of July 31, 2010 was at \$206.7 million, a net increase of \$8.9 million from June and the change is attributed to debt service payments of \$1.5 million, draws totaling \$555,882 plus total earnings of \$83,562 and \$10.9 million in debt service set asides sent to the trustee for the month. Mr. Duff said the overall yield is 1.27% and there was an upward movement in treasury rates and project fund is down \$13.6 million on July 31, 2010, he also said the termination value of the SWAPS was at \$94 million and the accrued interest was at \$2.3 million. Mr. Duff shared some breaking news with the Commission and said there is a possibility of terminating the knock out options and noted one positive piece of information received was that JP Morgan has given a definitive answer and stated they would be glad to tear up their option and cease making payments to NMDOT, Mr. Duff said the other provider which is UBS, has cut personnel for their entire municipal SWAP area and they have one staff person assigned to 1500-2000 SWAPS, he also said that an email received today stated UBS believes they could provide a payment of \$1.5 million

to NMDOT in exchange for cancellation; one concern is that the quote is not a firm number and it did not come from an authorized broker at UBS.

### **Statewide Program GRIP, GRIP II, STIP, ARRA and TIGER II Update**

Max Valerio, Deputy Secretary of Programs & Infrastructure, presented the update for GRIP, GRIP II, STIP and ARRA and gave the Fiscal Year closeout Summary Report for projects they will be letting between August and December. Mr. Valerio also presented the ARRA program for Highway programs and it has been broken down by District to reflect what has expended and the balances that were redistributed and the planned approach for project amendments. Mr. Valerio also updated the Commission on the ARRA Audits and stated the Department has had two FHWA National Review Team Audits with no significant findings and USDOT OIG has completed one Audit with no significant findings, and there will be another FHWA National Review Team Audit the week of September 13, 2010 and will continue until ARRA projects have been completed.

Art Gottlieb, Inspector General, updated the Commission on the ARRA Compliance Reviews and Project Audits and gave a quick overview of how a compliance review is performed and said all reviews are completed by the Investigations Unit of the Office of Inspector General.

### **Disadvantaged Business Enterprise Update**

Bryan Brock, Director, OEOP, briefed the Commission on current Disadvantaged Business Enterprise and said 192 DBE firms are certified to date; there are 81 Construction Firms, 30 Trucking Firms, 66 Engineering/Consulting Firms and 22 Manufacturer/Supplier Firms.

## **Federal Reimbursements and Inactive Obligations Report**

J. Don Martinez, FHWA Administrator, presented the FHWA reimbursement and inactive obligations report and stated that FHWA has reimbursed over \$13 million to the Department and in the regular federal aid program another \$17.6 million has been reimbursed for a total of \$31 million in reimbursements for July, he also stated the reimbursements have substantially increased from FY08. Mr. Martinez stated the department is doing a great job in submitting their current bills for reimbursement.

## **Inactive Obligations and Federal Reimbursement Report & Inactive Projects**

Dolores Gallegos, Financial Control Manager, Programs & Infrastructure, presented Federal Fund balance detail as of August 1, 2010 with a balance of \$515.4 million down \$11.7 from June 31, 2010 and Inactive Projects are 0.52%, the recreation trails and pooled funds decreased to \$1.1 million excluding these would bring NMDOT to .69%. Mrs. Gallegos said the Inactive Summary for Tiers I, II, III with a total funds subject to limitation is at \$653,594,409.28 and total funds inactive (Tiers, I, II and III) is \$6,439,126.30.

## **Commission Policies**

Daniel C. Opperman, General Counsel, presented two policies to the commission for briefing; first is Commission Policy 65 which involves Interstate Access and directs that new or modified interstate accesses shall be approved by the Commission provided that no impact or minimal impact on public safety can be assured. The policy also describes the specific procedure that must be followed when new or modified interstate access is requested by local

government agencies, Indian nations, tribes, and pueblos or their representatives. The second is Commission Policy 84, which relates to Snow Removal Priorities and provided that it is a policy of the Commission that the Department shall be responsible for removing snow and applying chemicals and/or abrasives on the roads and highways under its maintenance jurisdiction.

### **Traffic Safety Corridor**

Max Valerio, Deputy Secretary of Programs & Infrastructure, presented the Traffic Safety Corridor Update and stated that pilot program was initiated in 2002 and has been federally funded with District assistance with its focus on high crash rural road sections and goal to reduce the number of crashes. Mr. Valerio stated under legislative authority there are double fines in construction zones and double fines in safety corridors as designated by NMDOT and also briefed the Commission on the Corridor analysis which indicates a reduction in crashes.

### **Informational Items**

#### **Commission Communication/Questions**

None

#### **New Business**

None

### **Executive Session**

**At 1:11 pm Chairman Cope informed all present that the Commissioners would go into a closed meeting to discuss matters related to the purchase, acquisition or disposal of real property or water rights and matters subject to attorney-client privilege pertaining to threatened or**



pending litigation as allowed by NMSA 1978, Section 10-15-1 (H) (2), (7) and (8) contingent on an agreement.

The Commission reconvened at 1:50 and Chairman Cope advised that they did not discuss the matters stated in the motion for the Closed Meeting and no actions were taken.

### **ACTIONS BY STATE TRANSPORTATION COMMISSION**

#### **District 2**

1. Army Corps of Engineers: request of airspace agreement to construct a bridge over US 54 for tank and military crossing

#### **District 3**

2. I-40 and Tramway for a sale of non right-of-way property
3. Bernalillo County requested airspace (not a donation) for use by Bernalillo County for facility located on I-40 and Tijeras

#### **District 5**

4. Second Street Brewery and Investors to purchase rail right-of-way between St. Michaels and 2<sup>nd</sup> street
5. Burlington Resources Oil and Gas Co. in the Navajo Lake Airport requesting easement for pipeline and roadway through Navajo Airport Property
6. City of Santa Fe requesting airspace agreement at no cost for construction of tunnel on St. Francis Drive
7. Nambe Pueblo request to reacquire portion of right-of-way that the Department bought previously

**District 6**

**8. DPS requesting to lease Cuba patrol yard to be used as impound facility**

**Chairman Cope asked for a motion to approve all 8 transactions; A motion to approve the request was made by Commissioner Maes; seconded by Commissioner Hummer; motion carried unanimously.**

**There being no further items to discuss Chairman Cope motioned to adjourn the meeting at 2 pm; a motion to adjourn was made by Commissioner Hummer ; seconded by Commissioner Franken; motion carried unanimously.**

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Chairman  
Johnny Cope

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Secretary  
Jim Franken