

**Board of Director's Meeting
April 9, 2021
Virtual Meeting
Minutes**

1. Call to Order

The quarterly meeting of the Board of Directors of the Southeastern New Mexico Economic Development District/COG was called to order virtually by Board President Raye Miller at 10:00 a.m.

2. Pledge of Allegiance

3. Roll Call and Introduction of Guests

The following Member Governments were represented by Directors or Alternates:

MEMBER GOVERNMENTS-PRESENT

Chaves County—Dara Dana, Commissioner
Lea County—Mike Gallagher, County Manager
Lincoln County—Elaine Allen, Commissioner
Otero County—Vickie Marquardt
Alamogordo—Nadia Sikes, Commissioner
Artesia—Raye Miller, Mayor
Capitan—Stephanie Bason, Clerk/Treasurer
Carlsbad—Lisa Anaya-Flores, Councilor
Dexter—Ruby Parks, Clerk/Treasurer
Hagerman—Tony Garcia, Mayor
Lovington—David Rodriguez, Interim City Manager
Roswell—Jeanine Corn-Best, Councilor
Ruidoso—Lynn Crawford, Mayor
Tatum—Marilyn Burns, Mayor
Tularosa—Margie Trujillo, Mayor

NON-GOVERNMENT MEMBERS-PRESENT

Chaves County—Jon Hitchcock
Lea County—Robbie Roberts
Lincoln County—Coda Omness
Otero County—Sid Gordon

MEMBER GOVERNMENTS-NOT PRESENT

Eddy County—Fred Beard, Commissioner
Lincoln County--Lynn Willard, Commissioner
Carrizozo—Cynthia Johnson, Trustee
Cloudcroft—William Denney, Mayor
Corona—Sam Seely, Mayor
Eunice—Jordan Yutzy, City Manager
Hobbs—Todd Randall, City Engineer
Hope—Rudy Sales, Public Works Director
Jal—Stephen Aldridge, Mayor
Lake Arthur—Ysidro Salazar, Mayor
Loving—Pete Estrada, Mayor
Ruidoso Downs—Dean Holman, Mayor

NON-GOVERNMENT MEMBERS-NOT PRESENT

Eddy County—John Waters

A quorum was present with 15 of the 26 Member Governments represented. Four of the five Non-Government Members were also present.

GUESTS AND VISITORS PRESENT

Elizabeth Stefanics, Senator
Cathrynn Brown, Representative
Candy Ezzell, Representative
Greg Nibert, Representative
Randall Pettigrew, Representative
Glenda Allen

Jon Cronk
Evelyn Holguin
Tom Stewart, Commissioner
Monica Steeby
Claudia Garcia
Meredith Hildreth
Judy Stubbs, Councilor
Tiffany Roth
Susie Russell
Yasmeen Jalil, CPA Axiom
Lisa Dunlap, Roswell Daily Record

SNMEDD/COG STAFF PRESENT

Dora Batista, Executive Director
Mary Ann Burr, SERPTO Program Manager
Pansy Moffitt, Office/Finance Administrator
Hubert Quintana, Consultant
Debi Lee, EDA CARES ACT Consultant

4. Approve Virtual Meeting Agenda for April 9, 2021:
Lisa Flores made a motion to approve the agenda and Tony Garcia seconded. Motion carried.
5. Approve Minutes of January 8, 2021:
Jon Hitchcock approved minutes seconded by Mike Gallagher. Motion carried.
6. Legislative Review by Area Legislators:

Representative Cathrynn Brown, Representative Greg Nibert, Representative Candy Spence-Ezzell,
Representative Randall Pettigrew and Senator Elizabeth Stefanics:

Due to the pandemic, the New Mexico Capital Building was closed to the public and to lobbyists. Because the Legislators were not able to meet face-to-face there was less collaboration than what was experienced in the past years. A legislator would have to be contacted by cell phone or through their office to answer any questions.

They did not feel that the remote way of handling the legislative session was a good way to receive public comments, or draft public policy. There were 500 people on a Zoom call and not all would get to speak and if they did, they were limited to 1 minute.

There was a general consensus that there should have been a better way to use their time. It was felt that a lot of legislation that went through should not have gotten through and that there were votes that got passed that should not have passed and as a result, they will have to be amended in the future.

The budget is above the seven billion dollar mark for 2021-2022. The road budget, and the transportation department, is over the \$1 billion dollar mark. There was concern about the realistic budget because it was above what it should have been due to the federal dollars that were coming in, mostly pandemic related.

One of the problems Representative Brown felt was going to occur in the future is that there would be a wash in federal dollars and as an example, we were told we will be getting a \$1 billion dollars in federal funding for the New Mexico schools. The Appropriations Committee tried to emphasize that the State shouldn't spend these one-time dollars. The federal dollars are not recurring expenses and should be used on non-recurring programs, capital expenses and one-time needs.

Looking at the volatility of our major source of revenue for the state, which is oil and gas industry, it is unknown what those markets will do. For the years 2023, 2024, 2025, she feels that we're going to find that we've gotten accustomed to spending these higher levels of money and we are not thinking what the impact of closures and the lack of knowledge will have on the state.

Another legislative concern was the passing of recreational psychoactive drug use. The legislators were not in favor of it because they felt it would result in an awful lot of social problems. They expressed their discontent concerning the special session called by the Governor so soon after the regular session pertaining to the legalization of marijuana. The original bill did not pass in the regular session. The governor called a special session which cost approximately \$250,000 to fund that session. It allowed \$970,000 plus for the state police to become trained as far as checking for driver impairment. The recreational marijuana aspect of it did nothing to help our sheriff's department or the municipality police departments. There is no opting out for any counties.

For each adult person living in a household, they will be allowed six plants per each person.

They felt the Bill should have stated that it would be a person's duty to disclose or inform others that a covered dish taken to an event could possibly have cannabis in it. If people are not informed of this, they could have their body integrity violated because they were not informed that there was a substance in it. Also, the bill actually said that marijuana cannabis would no longer be considered an adulteration. The time limit ran out therefore, there was not an opportunity to debate the matter.

There was a concern is-that a lot of people, whether it's deliberate, like spiking, the punch at a party or it's not deliberate will be exposed to it and possibly getting addicted from that one-time exposure.

There is also a labeling requirement for the sale of the product, but again, the home baker cook has no obligation under the bill.

It was also felt that people are going to lose their lives because of people driving impaired, whether it's alcohol or now the substance as well.

Representative Brown spoke of two other topics one was the Carlsbad Brine Well Situation. It's a Brine Well that was abandoned years ago. If it were to collapse it would cause at least a \$1 million dollars of economic damage and could lead to loss of life. Money was put into that project a couple of years ago. Work stopped a few months ago because they realized there was not enough money to complete the project. They were short \$18 million. Money had already been allocated as a legislature, and this included local contributions from the state, or from the city and the county, but the total cost at that time was \$54 million that the legislator had managed to get together. Representative Brown's great obligation was to try to find the additional funding needed to complete the project. The money has to be all upfront at \$80 million. Senator Kernan and Representative Brown had suggested back in October 2020, with a letter to the Governor, that the state considered giving one more year's worth of motor vehicle, excise tax revenue, from the 1% increase that occurred from 3% on a new or used car.

Funding for the Brine Well gave us \$10 million and \$5 million was coming from other state funds, \$3 million from the General Fund, \$3 million and \$2 million from the Corrective Action Fund. The last piece of the puzzle was to get \$3 million from the state, \$1 million to \$3 million from the local governments, Eddy County, and City of Carlsbad.

A bill sponsored by Representative Brown and Senator Kernan was to propose that the New Mexico State University branch campus in Carlsbad transition into an independent community college. The main reason for doing this is to have more focus on local needs, rather than the overall animus system. The governor did sign that Bill. It was House Bill 212 and the Governor signed it on April 6, 2021. It will be called South-East New Mexico College as of July 1, 2021. The closing date will be April 10th of 2022, In the fall of 2022, the school would be under the banner of South-East New Mexico College.

There were 807 bills introduced, 353 from the House side and 454 from the Senate side 158 of the 807 bills actually passed both the Senate and the House to the Governor for her signature.

The big one that we do have to do is pass a budget forecast of \$7.4 billion dollar budget. That's a 4.8% increase over last year's budget.

The House Joint Resolution 1 passed and will go to the voters in the next election for a vote, and that is the additional 1.25%, payment out of the State's permanent fund. "PROPOSING AN AMENDMENT TO ARTICLE 12, SECTION 7

OF THE CONSTITUTION OF NEW MEXICO, SUBJECT TO THE APPROVAL OF CONGRESS, TO PROVIDE FOR ADDITIONAL ANNUAL DISTRIBUTIONS OF THE PERMANENT FUNDS, INCLUDING DISTRIBUTIONS FROM THE PERMANENT SCHOOL FUND FOR EARLY CHILDHOOD EDUCATIONAL SERVICES”

There was a Bill presented that substantially overhauled the liquor license that was desperately needed. This Bill was felt by those who have invested in and have received liquor licenses. “RELATING TO LIQUOR CONTROL; AMENDING AND ENACTING SECTIONS OF THE LIQUOR CONTROL ACT TO PERMIT CERTAIN PERSONS TO DELIVER ALCOHOLIC BEVERAGES; ADDING A NEW TYPE OF RESTAURANT LICENSE THAT ALLOWS SALE OF ALCOHOLIC BEVERAGES IN RESTAURANTS; IMPOSING LICENSE ISSUANCE FEES; ALLOWING DISPENSER'S LICENSES TO BE TRANSFERRED OUT OF A LOCAL OPTION DISTRICT INTACT; ALLOWING CERTAIN DISPENSER'S LICENSES TO REINSTATE RETAIL PRIVILEGES. BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO: SECTION 1. A new section of the Liquor Control Act is enacted to read: “[NEW MATERIAL] ALCOHOLIC BEVERAGE DELIVERY PERMIT--THIRDPARTY DELIVERY LICENSE.”

But it does provide for some economic opportunities for expanding Liquor sales, and in other establishments within communities.

There were 5 or so energy bills passed dealing with energy and environmental issues.

One was House Bill 76, where the Environmental Improvement Board can deny air quality permit. “RELATING TO THE ENVIRONMENT; AMENDING A SECTION OF THE AIR QUALITY CONTROL ACT TO ALLOW THE DEPARTMENT OF ENVIRONMENT TO DENY A PERMIT APPLICATION BASED ON POOR COMPLIANCE HISTORY.”

If that entity requesting the permit has a poor history of compliance, House Bill 51 sets up an environmental database. The Environmental Improvement Board can deny air quality permit. “RELATING TO STATE GOVERNMENT; ENACTING THE ENVIRONMENTAL DATABASE ACT; PROVIDING FOR THE DEVELOPMENT, OPERATION AND MAINTENANCE OF A WEB-BASED INFORMATION PORTAL THAT ALLOWS PUBLIC ACCESS TO STATE ENVIRONMENTAL DATA; PROVIDING DUTIES.”

House Bill 92, allowed for safe drinking water testing to occur.

RELATING TO WATER; ESTABLISHING THE SAFE DRINKING WATER TESTING FUND; INCREASING FEES; PROVIDING FOR DUTIES OF THE TAXATION AND REVENUE DEPARTMENT; REQUIRING REPORTING AND WATER TESTING.

Senator Stefanics stated that Senate Bill 8 was dealing with air quality regulations and allowing the state to impose more stringent air qualities than the Federal Government.

They promoted Albuquerque as local control, but they only the only community that has local control over air quality is Bernalillo County, so none of the counties represented here would be able to, weigh in on this issue. And will be subject to whatever the environment department may propose in that regard. “AN ACT RELATING TO THE ENVIRONMENT; AMENDING THE AIR QUALITY CONTROL ACT AND THE HAZARDOUS WASTE ACT TO ALLOW FOR THE PROMULGATION OF RULES MORE STRINGENT THAN FEDERAL LAW; REQUIRING A DETERMINATION, AFTER NOTICE AND A HEARING, THAT A MORE STRINGENT RULE WILL BE MORE PROTECTIVE OF THE PUBLIC HEALTH AND ENVIRONMENT; REORGANIZING A RULEMAKING PROVISION RELATED TO OZONE INTO THE POWERS AND DUTIES SECTION OF THE AIR QUALITY CONTROL ACT”

There were a number of broadband pieces of legislation that went through House Bill, Senate, Bill 93. RELATING TO BROADBAND; ENACTING THE BROADBAND ACCESS AND EXPANSION ACT; ESTABLISHING THE OFFICE OF BROADBAND ACCESS AND EXPANSION; PROVIDING POWERS AND DUTIES.

The legislature agreed that that one aspect of infrastructure that New Mexico needs to invest in is broadband. Legislature received wide, wide bipartisan support.

Another concern was the Civil Rights Act of House Bill 4 that passed.

Their concern is that the entities that each of the Board members represent are going to see additional lawsuits that are going to have to be defended as a result of actions. RELATING TO CIVIL RIGHTS; ENACTING THE NEW MEXICO CIVIL RIGHTS ACT; PERMITTING AN INDIVIDUAL TO BRING A CLAIM AGAINST A PUBLIC BODY OR PERSON ACTING ON BEHALF OF OR UNDER THE AUTHORITY OF A PUBLIC BODY FOR A VIOLATION OF THE INDIVIDUAL'S RIGHTS, PRIVILEGES OR IMMUNITIES ARISING PURSUANT TO THE BILL OF RIGHTS OF THE CONSTITUTION OF NEW MEXICO; PROHIBITING THE USE OF THE DEFENSE OF QUALIFIED IMMUNITY; PERMITTING ATTORNEY FEES; LIMITING RECOVERY; PROVIDING A THREE-YEAR STATUTE OF LIMITATIONS.

Various governmental employees are alleged to have violated the civil rights of a citizen. Those actions could only be brought under the Tort Claims Act, "The New Mexico Tort Claims Act is codified at New Mexico Statutes section 41-4. The Act states that, generally speaking, both government entities and government employees "are granted immunity from liability for any tort." (Note: "Tort" is just another word for "personal injury".)". This act requires a notification to the governmental entity within 90 days, and if they didn't meet that standard, they could not bring their action. This does not have a 90 day notice requirement. Representative Nibert feels that we are going to see some actions or assault and potentially some liability on each of the entities that the counties and municipalities are represented by the Board.

Another concern with the Civil Rights bill is that there are going to be some attorneys that are serving in the House and the Senate that are going to be able to make a profit as a result. The Senate changed that particular bill to read that as a member of the body, you cannot participate in any way for five years.

There were some efforts to shore up the pension funds through Public Employee Retirement Association. They did not pass. This is an issue that needs to be dealt with for governmental employees. One of the aspects of governmental employment is retirement. The retirement systems for both teachers and for public employees are underfunded. There needs to be a better way to invest those funds and make sure that people making those investment decisions know what they're doing. Representative Nibert does not feel that the current system allows for that.

Representative Nibert expressed his appreciation of what the lobbyists do in helping the legislators to do their jobs by catching some of the small details. Without having the expertise of the lobbyists this session made their job more difficult.

He also expressed his appreciation to Hubert Quintana helping with the Capital Outlay process by prioritizing the projects and making the Capital Outlay dollars go as far as they could stretch.

Another aspect was capital improvements Senator Stefanics focuses were on water, sewer, fire, and public safety. She chaired the Senate Conservation Committee.

Senator Stefanics worked with Senator Pat Woods on Senate Bill 49. It allows some of the municipalities to utilize some of their own funds for LEDA projects. "RELATING TO PUBLIC FINANCES; AMENDING THE LOCAL ECONOMIC DEVELOPMENT ACT; INCLUDING RETAIL BUSINESSES LOCATED IN UNINCORPORATED AREAS OF A COUNTY IN THE DEFINITION OF "RETAIL BUSINESS"; CLARIFYING THAT FUNDING MAY BE USED FOR REHABILITATION OR REMODELING AS WELL AS CONSTRUCTION OF A BUILDING FOR USE BY A QUALIFYING ENTITY."

Senator Kernan and Senator Stefanics had a big bill for malpractice. It did not pass, but much of the bill was put into House Bill 75, "RELATING TO MEDICAL MALPRACTICE; CLARIFYING AND MODERNIZING THE MEDICAL MALPRACTICE ACT; RAISING PERSONAL LIABILITY AND RECOVERY CAPS; LIMITING PARTICIPATION BY HOSPITALS AND OUTPATIENT HEALTH CARE FACILITIES; REQUIRING A THIRD-PARTY ADMINISTRATOR FOR THE PATIENT'S COMPENSATION FUND; REQUIRING ANNUAL FUND AUDITS; CREATING AN ADVISORY BOARD; REQUIRING ANNUAL ACTUARIAL STUDIES; REQUIRING SURCHARGES SUFFICIENT TO BRING THE FUND TO SOLVENCY BY DECEMBER 31, 2026; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978." which now means that the Patient Compensation Fund will cover nurses, doctors, and hospitals. The Original House, through 75 tried to take out all the hospitals. That would have been very detrimental to about 54 different clinics and hospitals around the state.

Senator Stefanics was the main sponsor of community solar, and by the time the bill passed, PNM, El Paso Electric, Excel, and the Rural Electric co-ops were on board. Community solar is only a pilot and it's only for a few projects to happen over the next three years. The PRC the Public Regulation Commission has to do to develop the rules and it will allow cities, counties, tribes, schools, and community colleges to become an anchor tenant in a community solar project. Then they will invite residents to subscribe much like a Netflix subscription to that project. This is really for entities, people who maybe can't afford solar, people who are renting, people who don't have the ability to use rooftop solar in their yards.

A few business things that did pass were that \$200 million was provided in business grants, \$500 million business loans and \$600 was provided to low wage earners in tax rebates.

We provided low wage earners with a \$600 tax rebate. The low income comprehensive tax rebate and the working families' tax credit were expanded. This was part of an effort to try to help people not only during the pandemic but to help people get out of poverty.

Another concern of the legislators is the oil and gas industry. It is the number one supplier of the state's budget, followed by Agriculture, then horse racing. They contributed over \$800 million in 2019 to the state budget.

Representative Ezzell serves on the House Appropriations Committee. She stated that budget amounts have increased to 4.8% over last year's budget.

Businesses are shut down, and the Governor has signed a bill that employers are now going to pay employees who work 30 hours 1 hour of sick pay. Representative Ezzell's concern is that when businesses are trying to open back up, they are having a difficult time finding someone to employ because of the federal stimulus money coming in. This is our taxpayers' dollars and she would rather see people working instead of receiving a hand out.

House Bill 325 was "AN ACT RELATING TO THE PUBLIC PEACE, HEALTH, SAFETY AND WELFARE; ENACTING THE RURAL AIR SERVICE ENHANCEMENT ACT; MAKING AN APPROPRIATION." It has to do with Essential air service, and Representative Ezzell does support this particular bill at this time.

Representative Pettigrew spoke of Senate Bill 84 "RELATING TO UTILITIES; ENACTING THE COMMUNITY SOLAR ACT; PRESCRIBING REQUIREMENTS FOR COMMUNITY SOLAR FACILITIES, SUBSCRIBER ORGANIZATIONS AND SUBSCRIPTIONS; PRESCRIBING REQUIREMENTS FOR ADMINISTRATION OF A COMMUNITY SOLAR PROGRAM; PROVIDING THAT RENEWABLE ENERGY CERTIFICATES ASSOCIATED WITH A COMMUNITY SOLAR FACILITY ARE THE PROPERTY OF THE QUALIFYING UTILITY; PROVIDING EXCEPTIONS FOR NATIVE COMMUNITY SOLAR PROJECTS; DIRECTING THE PUBLIC REGULATION COMMISSION TO ADOPT RULES TO IMPLEMENT A COMMUNITY SOLAR PROGRAM; ALLOWING THE COMMISSION TO ESTABLISH AND COLLECT FROM SUBSCRIBER ORGANIZATIONS REASONABLE APPLICATION FEES."

SPS, Excel, and El Paso Electric we're all in support of suitability for this. It was amended close enough that they quit speaking out against it.

Representative Pettigrew felt that things were done that would hurt our taxpayers. Taxes will go up, in addition to that, people that do not pay taxes will get bigger refunds.

Legislators were successful in stopping some very negative bills. The Water Bill made it almost impossible for us to do work in the oil and gas industry.

The Air Quality Act is still going to be a huge burden on the oil and gas industry.

He stated as an example, someone had a facility in Florida that had an Air Quality Permit issue and in a half day it was yanked or suspended for a three month period. That specific issue can keep you in New Mexico from getting an air quality permit. One simple violation, something that was corrected can still keep you from receiving a permit.

The aggression in the oil and gas industry pays for 40% of our budget and 92% of the schools' funds comes from the oil and gas industry. He felt that some representatives and senators were making it harder for oil and gas to continue to work in New Mexico. The rig counts in New Mexico are falling off every week while the Texas ones continue to grow.

They've successfully made another session where we're punishing people that are providing a livelihood for the state and it's disappointing, it's heartbreaking.

Some legislation was pushed through that would track and come up with a process with respect to trapping of predators. The results are that now there are 1,700 people in the state of New Mexico out of business making it harder for farmers and ranchers to try and keep rogue animals from destroying the herds.

Representative Pettigrew felt that the focus should be on making New Mexico more business friendly and help New Mexico to grow a revenue stream. He does not feel that the legislation is focused on the right things.

It is now more difficult for an honest New Mexican to live and it's easier for the criminals to have a license. If you go for anything from a second degree to a sixth degree felony they made life easier on you. The Minority Whip made a statement at the end of the session that "if you are in the oil and gas business in corporate America or a corporation, life will be difficult, if you're a criminal, life will be easier."

On a positive note, one of the good things that came out of session was redistricting and to be able to at least get some pieces into the redistricting.

In respect to the Abortion Law that passed, is that the Criminal Appeals Act Section 35, 1, 3, 3. was taken away. What Senate Bill 10 "REPEALING SECTIONS 30-5-1 THROUGH 30-5-3 NMSA 1978 (BEING LAWS 1969, CHAPTER 67, SECTIONS 1 THROUGH 3), WHICH PROVIDE DEFINITIONS, EXEMPTIONS AND CRIMINAL PENALTIES FOR CERTAIN ABORTIONS" did not do was to not get rid of 35, A, 1 through 5. So long term or late term abortions are still criminal in the State of New Mexico.

Representative Brown put together a Bill again this year to try to remove the tax on Social Security. Representative Pettigrew favored that Bill. He was in favor of protecting our senior citizens. He was disappointed that that Bill did not make it. The argument being that we need those tax dollars. The people that are on fixed incomes are affected.

He expressed his concern that those that are in the state illegally receive more consideration and assistance than those that are here legally. He felt that the Governor will help them to achieve business licenses in the state of New Mexico without documentation.

7. Review and Adopt 2019-2020 Audit Report—Axiom Certified Accountants—Yasmeen Jalil:

The district received an unmodified opinion, which is the highest level of assurance you can receive. Ms. Jalil informed the Board that the Office of the State Auditor has changed the requirement to rotate auditors. Axiom can essentially be SNMEDD's auditors for another two years now without any transition.

Dora thanked Pansy for her hard work and for a successful audit.

A motion was made by Mike Gallagher to approve the audit report and was seconded by Marilyn Burns. Motion passed.

8. Review and Accept Financial Report and Budget Adjustments:

Dora Batista went over the finances. At the end of the third quarter, we're at 76%, our income and 64.95% of our expenses. Our expenses are a little low partly because we have not paid the final audit bill. We used very little travel money due to the pandemic.

There is an entry of \$3,501 in Unbudgeted Revenue; this is due to the sale of the 2011 Dodge Nitro that we had originally asked for sealed bids and did not receive any. It was suggested that we go to a county auction and Chaves County graciously allowed us to go on their auction. We received 3 bids with the highest one being \$3,501.

When we received payment, we put it towards one of the other automobiles we own which shows the entry on the last line of the expenses, the vehicle debt service, thus paying off that vehicle. So we're happy to say that we don't have any car payment expenses anymore.

A motion was made by Lisa Flores to accept the Financial Report and was seconded by Mike Gallagher. Motion carried.

9. Review and Approve 2021-2022 Membership Dues:

The April Board Meeting is the time that the annual dues are voted on. The dues have remained the same since 2016. Due to the Cares Act funding that we have received, we are meeting our budget needs. It is our recommendation at this time the dues remain the same. If for some reason a municipality is unable to pay the dues, please call Ms. Batista and she will try to work something out. She stated that she is cognizant of the struggles or adjustments of other budgets and would like to keep the dues at the same structure as last year.

A motion to approve to keep the Dues Structure the same as last year was made by Lisa Flores and seconded by Tony Garcia. Motion carried.

10. New Board Officers: Due to the retirement of Board President, James Williams, City Manager of Lovington, a vacancy was left on the Board for Lea County and the President position. It was recommended that Vice President Raye Miller, City of Artesia, fill the presidency position and Mike Gallagher, Lea County Manager replace Raye Miller as Vice President. Mr. Gallagher will also represent Lea County on the Executive Board.

The Nominating Committee presented the adjusted slate of officers for the 2021 year as following:

| | | |
|---------------------|------------------------------------|-----------------------------------|
| President | Raye Miller, Mayor | City of Artesia |
| Vice President | Mike Gallagher, Lea County Manager | Lea County |
| Treasurer | Tony Garcia, Mayor | Town of Hagerman |
| Secretary | Dora Batista, Executive Director | SNMEDD |
| Executive Committee | Nadia Sikes, Commissioner | City of Alamogordo, Otero County |
| Executive Committee | Sam Seely, Mayor | Village of Corona, Lincoln County |

The Executive Committee consists of a representative from each of the five counties and the officers are within the Executive Committee.

A motion was made by Lisa Flores and seconded by Jon Hitchcock. Motion carried.

11. Approve New Bank Signature Authorization Cards Allowing New Officers to Sign Checks and Other Financial Documents for our Bank Accounts:

Two signatures are needed to sign bank checks. The Director is one signature and an Executive Committee Member is the second. We need to remove James Williams and add Raye Miller and Mike Gallagher.

A copy of the Board Minutes will also be taken to the bank to showing they were approved in order to add them to the authorization card.

Tony Garcia moved to approve the Bank Authorization Cards. Lisa Flores seconded. Motion carried.

12. Review and Approve the Annual Work Plan:

A copy of the Annual Work Plan was included in the Board Packet. This a plan that we have to submit to the state Department of Finance every year in order to receive funding from the Grant and Aid Program. The one change that we did add this year is the addition of the Regional Economic Recovery Plan funded by the EDA Cares Act.

Mike Gallagher made a motion to approve the Annual Work Plan. Lisa Flores seconded. Motion carried.

13. Program and Activity Reports:

- Tiffany Roth—NM Workforce Development System Redesign
- Dora Batista—District Activity Report
- Mary Ann Burr—SERTPO
- Hubert Quintana—Consultant Report
- Debi Lee—EDA CARES ACT Update

Tiffany Roth—NM Workforce Development System Redesign:

Ms. Roth wanted to inform the elected officials in the Eastern to be aware of the fact that the State is planning on changing up what the local Workforce Boards look like and had an opportunity to review the report. They spent a year meeting in committee to determine what they wanted to suggest to the Governor. They have made a recommendation as of April 1, 2021. The recommendation to the Governor is that she move to two local Workforce Boards as opposed to the four that currently exist. The CEO's would now be County officials. The new structure was sent to the Governor for her approval and will create an Urban Board and a Rural Board. Bernalillo, Sandoval, Santa Fe and Dona Ana Counties will make up the Urban Board. The remainder of the state will make up the Rural Board. There are some concerns about that being that the Rural Board would have 29 counties to administer. The Eastern Board currently administers 12 counties. This is very difficult with the limited staff. The biggest concern seems to be to insure that there are opportunities for rural communities. This is probably their biggest concern.

The second concern is specifically within. The training service providers are the ones that enroll participants in the system. And then, through the vast majority of community colleges, New Mexico State, Dona Ana, and New Mexico Junior College, Clovis Community College. A vast majority of about \$2 million a year is spent at the community college level.

The state wants to align and encourage workforce participation with the economic development districts. This is a real opportunity to actually improve some things that the local boards have not done as well as maybe we could have.

The next steps in this program are going to be that we fully expect that the Governor is going to approve this change. The gentleman, Dan Slagle, the Chair of the Transformation Committee, is the Governor's appointee on the state workforce board. We anticipate that he will make this change, and that it will go to the elected officials for engagement. At that point, we want to make sure that we keep the public informed about the discussions that are being had at the state level, so that we can ensure that what is important to south-east New Mexico, is conveyed to the state workforce board and that our concerns are addressed.

They are changing the definition of a chief elected official for the state of New Mexico. They are changing it from it being any municipality to only being counties. Right now, the way it's structured is the Eastern area workforce board has 56 entities that we serve, 44 villages or cities, and 12 counties. When they change this, only voting members would be county commissioners. One county commissioner would be appointed as the workforce liaison to the rural consortia is what the state is saying.

They've assured us that that doesn't preclude other municipalities from being involved, but they have also told the other municipalities that once the Governor approves this change, and it goes through the process, that the current CEO consortia which exist will be dissolved and it will become just a county representation.

We are concerned that that we'll limit some of our more active CEO's at the city, and other levels, where we have a public comment period. Ms. Roth will ensure that she will keep the board in the loop about the public comment period. It is anticipated that over about the next 90 days there will be several opportunities distribute the information about where this has headed.

The state has been very thoughtful about making sure that the funding formula is based by county, it's usually a population within the county. The funding formula is three part unemployment, percentage of poverty and population. They've indicated very specifically, that it looks to be about a 55, 45 split, so 55% of the funding will go to the four counties in yellow and 45% of the funding will go to the remainder of the counties.

The Eastern area Board and its funding that we receive right now won't actually exist in the new system. Once the new board is in place, then we would phase out the eastern board.

The transformation committee has been very clear that they want new boards, new administrative entities, new fiscal agents, and new service providers beginning July 1 of 2022. They plan on completely redoing the entire scope of the system.

There are some concerns about the timing of it but the federal statute is clear that the governor and the governor alone has the authority to re designate local workforce boards in her state.

Our biggest concerns around sector strategies is they typically pick 3 or 4 things that they're going to concentrate and spend the training money on, health care.

The challenge will be getting 29 counties on board with this.

Dora Batista—District Activity Report:

Suggested dates for the virtual CDBG application workshops are May 19 & 20, 2021; Threshold Compliance Deadline is April 30, 2021; LMI Methodology Approval Deadline, June 1, 2021; and LMI Calculation & Documentation Deadline, July 22, 2021. The applications submission deadline is August 13, 2021. ICIP trainings are tentatively scheduled for July and August. The counties and municipalities would have to turn their ICIP's by September 17, 2021. Again, these dates are tentative and may change.

The CDC meeting dates are as follows: CDC Meeting for Approval of 2021 Action Plan is June 16, 2021 (HUD Consolidated Plan/Action Plan submission deadline is August 16, 2021). The CDC application hearing is September 24, 2021 and the CDC Allocation Hearing is October 21, 2021. These are tentative dates.

It was suggested to have virtual CDBG Application Workshops on May 19th and 20th, 2021. The training will be possibly from 8 to 12, on one day and finish it up the next day from 8 to 12.

If you want to apply for 2021 CDBG funds, you would have to have any current CDBG applications closed out by the April 30th deadline.

The LMI, low to moderate methodology, if you're already 51% or higher, you automatically qualify if the project serves the entire Town if not, then you may have to do surveys. They're coming up with some other type of technique since a lot of people don't want to go door to door during this pandemic asking about people's income and so forth.

The public hearings will also look different because they can be virtual.

One reminder is that you have to have a prehearing and a post hearing, so after your project is selected, you still have to conduct a hearing to inform the public about what project was selected. They're looking at an August 13th deadline for turning applications in.

The CDC, the Community Development Council, would then have the hearings on September 24th and the allocation awards the 21st. When we know that these dates are finalized we will get the information out to you.

We had several colonias applications submitted by our district for the 2021 Colonias cycle. We assisted with five (Lake Arthur, Capitan, Tularosa, Loving, and Carrizozo and I know of two others that were submitted. They are currently being reviewed by the Colonias Infrastructure Board.

Thank you to those who participated last week with Senator Heinrich's office information sharing session. The American Rescue Plan Act (provided in the board packet) includes \$350 billion for state and local governments. New Mexico will receive an estimated \$2.5 billion including \$1.6 billion for the state of New Mexico \$134 million for "State Capital Projects," and \$700 million for cities, counties and the non-entitlement communities in New Mexico.

The State Capital Projects Program will aid states with critical capital projects directly enabling work, education, and health monitoring in response to the pandemic.

The Plan also includes \$20 billion for Tribes with \$1 billion divided equally among each of the Tribal governments.

New Mexico's larger cities will receive funding directly for the Treasury Department based on a modified Community Development Block Grant formula. Counties will also receive funding from the Treasury. The other entitlement municipalities will receive funding based on their population.

EDA also received a large amount of money. They will be releasing those funds in five separate Notices of Funding Availability.

Mary Ann Burr—SERTPO:

SERTPO had a meeting in February. Action items included the approval of an RWP amendment and election of officer. The Technical Committee Vice-Chair had stepped down. Jeffrey Honeycutt, Lincoln County, was elected to that position. Also, SERTPO had a presentation on the TAP, RTP and CMAQ Programs. The application cycle for these federal programs are every two years. A copy of the Power Point presentation was included in the Board meeting packet.

SERTPO will be meeting in May where official application deadlines for the TAP/RTP/CMAQ Programs will be officially approved. As mentioned previously, a RTPO quarterly meeting will be held soon. At this meeting, the NMDOT Planning Division and RTPO staff statewide will get together and discuss the Transportation Project Fund, which is hopefully funded this year. In summary, SERTPO should have two program application cycles open soon.

Regarding the status of CDBG Comprehensive Plans, Ms. Burr stated that, for some of the planning grants, draft copies of the Comprehensive Plans are now being received. SNMEDD has a new planning grant for the Town of Dexter who recently went under contract. SNMEDD will proceed in fulfilling the federal requirements and other documentation to move the grant forward to the point of selecting a Planning agency.

Dora Batista commented that on April 5, 2021, during a DFA call, there were a couple of comments about the planning grants that CDBG gives out. The comments were to the effect that planning grants are not needed and such funding could be redirected towards construction projects. Ms. Batista stated that she disagreed—SNMEDD has seven projects that are funded by that planning grant money: Town of Lake Arthur, Village of Loving, Town of Hagerman, Town of Tatum, City of Ruidoso Downs, Town of Carrizozo, and Town of Dexter.

Ms. Batista added that anytime one of the communities in the region is 51% + LMI, they automatically qualify. For planning funding, comprehensive plans can be updated, and then move onto asset management plans. If a local government does a survey that shows the community is over 51% LMI, SNMEDD automatically attempts to update any plan needing an update. Ms. Batista plans to contact Carmen Morin, Acting Bureau Chief, to let her know that she is going to argue against the idea of doing away with planning grant monies as our area has benefited from it.

Hubert Quintana—Consultant Report:

Mr. Quintana presented each board member with a spread sheet outlining the results of the Capital Outlay funding.

He had an omitted grid that showed the projects in priority order as the community requested them and the dollar amount that they were requesting. We were able to assist a lot of projects that were a million dollars or more but didn't get a whole lot of money or enough money to accomplish the project.

There was concern that their own particular projects, depending on how much money was put into them would be vetoed by the Governor because it wasn't enough money to make it work.

For example, if there was a million-dollar project and were only going to fund \$250,000 unless you're going to sign it and let us do it in phases or she will veto it because there wasn't enough to get the project done. So that was the big concern. Mr. Quintana re-iterated that if you do these projects and, and you come in for more than a million dollars or more, it is going to be very difficult to get those projects signed and funded. Approximately \$44 million was awarded to the District.

The legislature had been told back in 2019, that there would never be House Bill 2 Junior money again because it created so many problems. We, the District members, did get HB 2 Jr. funding.

In addition, we requested six reauthorization projects. They all got funded.

EDA is going to have their own package Economic American Recovery Plan Money for us to work with the EDA and they are going to have five different notice and financial opportunities. They are looking at mid May.

The categories will be travel and tourism, planning, but that money is going to be limited to states only and there will be money for regional growth incentives. This will be for groups, like us and the district, to work with the EDA, and developing CEDs and SETs plans, and furthering that effect with our local governments.

There will be another for Workforce and a fifth one for projects under the regular CARES funding that we had last year, but they ran of money. The example was for the City of Jal Project along with LEACO with their broadband activity to provide broadband services and availability in, in city of Jal. This program would run broadband from Hobbs through Monument down to Eunice and then over to Jal.

We'll know more about what's going to be happening after the middle of May, when the rules get straightened out.

We don't know what the Treasury Department is going to do but as soon as we find out, we will inform the board.

And so, we're also waiting to hear more on the American Recovery Program from Senator Heinrich's office, then. There'll be quite a bit of money available in June, and June and July, through this ARP Program.

Debi Lee—EDA CARES ACT Update:

A recovery framework has been adopted by the Recovery Team which is basically a process to guide the recovery planning efforts, and it will be done, as mentioned, in the previous meeting, in three phases:

1. Short-Term-Respond, Dealing with the present situation and managing continuity needs. (Existing 2 years)
2. Intermediate-Recovery, Learning and emerging stronger. (2-5 years)
2. Long-Term-Thrive, Preparing for and shaping the "new normal" (5-20 years)

The Recovery Framework is what we believe we are going to be need for the Recovery Plan to be put together and it includes the guiding principles along with the framework continuum that outlines the process that will we use.

The Economic Recovery Team has met and one particular concern that Toby Spears brought up, is that New Mexico Department of Finance and Administration is changing the way you report your gross receipts tax. The State is changing the CRS codes from location to destination reporting beginning July 1, 2021 and some revenue will now be reported to the county instead of the city. But there is concern on those cities that depend on gross receipts tax that we may see a decrease because of being reported based on destination codes.

So, the great concern that was presented on the March 25th Economic Recovery meeting was what's happening with oil and gas. The Biden Administration has issued an Executive Order on tracking the climate crisis at home and abroad, and as a result, he has stopped all drilling and mining permits, as well as any other associated permits on federal land. If you already have permits then you're, fine, but if you're trying to drill a permit on private or state land and you need to cross federal land, you're not going to be able to get that permit approved.

Lea and Eddy County have concerns how the impact of the loss of gross receipts tax in drilling and oil and gas will have on the communities. What oil and gas revenue does for New Mexico, it's not just Lea and Eddy county, but a significant amount of money, \$341 million, 11.6%, gross receipts taxes support the State's budget. So, if we lose that oil and gas revenue here in New Mexico, it's going to be troublesome.

The analysis that was presented by John Waters, is that even with the passing of the Cannabis Act, the new revenues anticipated on wind energy and other sources, is maybe going to make up half of what you're going to lose in the oil and gas.

Ms. Lee urges everyone to pay attention to what is going on there, and even if you're not an oil and gas dependent community, it is going to affect the State of New Mexico.

Ms. Lee provided quarterly economic summaries in your board packet that are actually done by the New Mexico Department of Economic Development and are very detailed by county and easy to understand.

Ms. Lee reported that an overview of the American Rescue Plan funds was presented in the April Economic Recovery Meeting. As previously stated by Dora, the ARP provides \$1.9 Trillion in additional relief to respond to the COVID-19 pandemic and an outline of how the funding will be directed is included in my report.

We are being encouraged to rethink, rebuild, and recover using this money to build back better than before COVID-19. Another thought and possible challenge for us is going to be understanding and complying with the regulations and the guidelines that are currently being drafted.

Ms. Lee pointed out two things:

1. Hubert mentioned that EDA is a great opportunity for us to provide some project money and some additional revenue sources for you. We will be working really tightly with EDA.
2. Then lastly, earmark money, which provided funding years ago, is again available if you have a big project. You could submit your project description to your Senator or Congressmen in Washington and if funded would bring back money for big projects.

The deadline to submit to the House is right now, April 30th with a deadline to the Senate following in May.

If you already have a big project, you could pursue funding through Congress with earmark money.

Mr. Quintana said a SET and CEDs plan was done and in it they used an economist in MSU, and so Ms. Burr has been in contact with them, and they're very interested in participating with us.

14. Announcements and Information Sharing

15. Adjourn: The meeting was moved by Mike Gallagher to adjourn and seconded by Robbie Roberts. Meeting adjourned at 12:20 pm.

APPROVED:

Raye Miller 7/9/2021
Raye Miller, President Date

ATTESTED BY:

Dora Batista 7-9-21
Dora Batista, Secretary Date