

**Board of Director's Meeting
October 8, 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

Lea County—Mike Gallagher, County Manager
Lincoln County—Elaine Allen, Commissioner
Otero County—Pamela Heltner
Alamogordo—Nadia Sikes, Commissioner
Artesia—Raye Miller, Mayor
Capitan—Ron Lowrance, Mayor
Corona—Sam Seely, Mayor
Cloudcroft—William Denny, Mayor
Dexter—Ruby Parks, Clerk/Treasurer
Eunice—Billy Hobbs, Mayor
Hagerman—Tony Garcia, Mayor
Hobbs—Todd Randall, City Engineer
Hope—Rudy Sales, Public Works Director
Jal—Stephen Aldridge, Mayor
Lovington—David Rodriguez, City Manager
Roswell—Judy Stubbs, Councilor
Ruidoso—Tim Coughlin, Councilor
Tatum—Marilyn Burns, Mayor
Tularosa—Patrick Garcia, Trustee

NON-GOVERNMENT MEMBERS-PRESENT

Lea County—Robbie Roberts
Otero County—Sid Gordon

MEMBER GOVERNMENTS-NOT PRESENT

Chaves County—Dara Dana, Commissioner
Eddy County—Fred Beard, Commissioner
Lincoln County--Lynn Willard, Commissioner
Carlsbad—Lisa Anaya-Flores, Councilor
Carrizozo—Cynthia Jonson, Trustee
Lake Arthur—Ysidro Salazar, Mayor
Loving—Pete Estrada, Mayor
Mescalero Apache Tribe—Gabe Aguilar, President
Ruidoso Downs—Dean Holman, Mayor

NON-GOVERNMENT MEMBERS-NOT PRESENT

Chaves County—Jon Hitchcock
Eddy County—John Waters
Lincoln County—Coda Omness

A quorum was present with 19 of the 26 Member Governments represented. Two Non-Government Members were also present.

GUESTS AND VISITORS PRESENT

Barbara Garcia
Lisa Dunlap, Roswell Daily Record
Stephanie Bason, Clerk/Treasurer
Sheila Baker
Scott Bucher, SBDC Director
Kevin Maevers, Community Development Director

SNMEDD/COG STAFF PRESENT

Dora Batista, Executive Director
Mary Ann Burr, SERPTO Program Manager
Pansy Moffitt, Office/Finance Administrator
Paul Pappas, Project Coordinator
Kristina Casaus, Administrative Assistant
Hubert Quintana, Consultant
Debi Lee, EDA CARES ACT Consultant

4. Approve Virtual Meeting Agenda for October 8, 2021:
Patrick Garcia made a motion to approve the agenda and Tony Garcia seconded. Motion carried.
5. Guest Speaker—Jennifer Jackson, Pivotal New Mexico Rural Infrastructure Needs Study 2021.
Jennifer Jackson is the Program Manager and Grant Writer for Pivotal New Mexico is a non-profit organization that focuses on capacity building and technical support. They have been hired by the Legislative Council Service to research New Mexico's rural critical infrastructure needs in four areas: broadband, electric, and water and sewer.

A Rural Infrastructure Needs Study handout was sent to each Board Member and is available if requested.

It is a demographic analysis, looking at census tracks, which areas are most underserved, providing a profile of what those statistics look like.

Pivotal New Mexico is partnering with the University of New Mexico's Bureau of Business and Economic Research (BBER), Bohannon Huston, Inc. (BHI) and The Grant Plant (TGP). They are undertaking a comprehensive study of New Mexico's rural infrastructure. The team encompasses broad and relevant competencies for this multi-faceted project. Their experiences range from engineering design and costing for infrastructure projects to identifying funding and developing sustainability plans to research and policy advisement. The Pivotal team has experience with designing and executing complex projects, conducting in-depth funding research, developing plans to sustain projects and drafting recommendations for policy and practices. BBER provides well-regarded data and policy analysis competencies. BHI provides support and ensures that estimates and recommendations are feasible and rooted in experience designing and constructing major infrastructure projects across the state. TGP is a state leader in finding and securing funding for public entities and nonprofits.

The goal of this report is to help develop strategies to provide New Mexico with reliable running water, electricity, and broadband in underserved areas by 2030 and is due in December 2021.

The Legislative Council Services will use the recommendations in the report to craft policy, and make legislative decisions for the next number of years.

The final project scope of work will contain six chapters covering the following:

1. Demographic information relating to infrastructure needs in New Mexico such as tables and maps showing

their needs at the county level with census tract-level information on highest need rural areas including basic demographic profiles.

2. Policies and best practices of other states that have succeeded in improving infrastructure through research and interviews with state and industry leaders. This will illustrate best practices on how other states are closing their infrastructure gaps by using creative partnership models and innovative funding. This will consist of three areas of information: 1. Initiatives for infrastructure development undertaken by other states; 2. Strategies and practices employed by other states and their successes and failures; 3. Qualitative data obtained through interviews of policy makers and administrators.
 3. Estimated costs to achieve basic infrastructure because each community has its own unique needs. This will include various scenarios and estimated cost ranges.
 4. Cataloguing financial opportunities. A preview of funding resources containing the Interim Report with a more robust database of public and private loans and contracts, loans, and other funding mechanisms to be presented in the Final Report.
 5. Affordability analysis of infrastructure investments and impact on costs to consumers by building a new infrastructure and ensuring that the residents can afford the service. The final report will analyze existing programs that New Mexico could utilize more widely to decrease utilities costs as well as more recommendations on ways to assist consumers.
 6. Recommendations and action steps to tie together all research and findings. The final report will offer strategies for being more effective at fully infrastructure projects and related policy recommendations to assist the state's closing of infrastructure gaps by 2030.
6. Approve Minutes of July 9, 2021:
Mayor Miller pointed out two typing errors on pages 6 & 7. These items have been corrected. Tony Garcia made a motion to approve minutes seconded by Nadia Sikes. Motion carried.
7. Review and Accept Financial Report and Budget Adjustments: A copy of the budget was sent out with the Board Packet. Our revenues are at 28% of our budget for the first quarter. We are at 20% of expenses.

With the EDA CARES ACT we have been able to put a little into our savings account due to the fact that we have been able to charge some of our expenses to the ACT.

A motion was made to approve the financials. Sam Seely made a motion and Tony Garcia made a second. Motion carried.

8. Appoint Nominating Committee to Develop the 2022 Slate of Board Officers:
The Nominating Committee consists of the executive committee. A representative from each county serves on the Nominating Committee. The Committee will meet in late November or early December. Mrs. Batista asked for any volunteers who would like to serve on the committee to let her know, or if anyone would like to hold an office.

9. Program and Activity Reports:

Dora Batista—District Activity Report:

The staff summary report was included in the Board packet and is the format in which we have to report to DFA.

CDBG application presentations will be held on October 14th virtually. We have submitted 4 applications Carrizozo, Lake Arthur, Hobbs, and Eddy County. Many of the 2018 and 19 Grants are in the process of

closing right now. Mrs. Batista anticipates that we should have approximately 8 to 10 applications next year. She suggested that if anyone of the applicants who currently don't have a CDBG project or will be closed out by February 2022 to start doing their public hearings. If you need any assistance, please contact Dora or Paul at the office. We will try to 3 to 4 for each city. That will be approximately 40 hearings so they need to be scattered out. It's mandatory that a pre-hearing and a post hearing is held.

We were contacted by DFA regarding COVID funds under CDBG. They can only be used in existing CDBG projects that were currently under construction and have been directly affected by COVID. Three municipalities applied. Overall statewide there were 21 requests totaling over \$7 million and they were all funded resulting in approximately \$363,488 for our District.

The Rural Task Force met on October 7, 2021. One of the questions asked was what would the COGs do if they were funded additional money? The majority said they would hire more staff. With additional staff members, we could reach out with more grant writing; more technical assistance; and we could create more reports that are of interest to members of the District. Currently the majority of the COGs have limited staff some with just 4 or 5 people.

This Rural Infrastructure Task Force in Jennifer Jackson's report can also make recommendations to the Legislature. We have been communicating with Mark Edwards with the Legislative Council and he has been asking the COGs to present that information. We did so in writing. Hopefully that will make it in one of the bills in the next session.

One of the reports we prepared for this meeting was the ICIP need of the region. We asked each of you for your recently submitted top 5 priorities. Paul put them into a spreadsheet.

What Ms. Batista thought was interesting was:

<u>THIS YEAR 2023-2027</u>		<u>LAST YEAR</u>
33%	Facility requests	30%
23%	Roads/Bridges	27%
20%	Equipment	12%
17%	Water Projects	16%
13%	Waste Water Projects	10%
3%	Water Rights	1%
1%	Utility Improvements	1%
3%	Other....	3%

She was surprised that it was facilities two years in a row, so she had Paul track exactly what type of facility requests were requested: We considered facilities to be buildings that housed people or things and parks/monuments. 23% were emergency services building renovations or new buildings: police station and fire station improvements; dispatch facilities; and 1 detention center upgrade; 23% were City Hall or courthouse improvements; administration building improvements; 23% were outdoor or park venues improvements; 18% were new buildings for equipment; warehouse; animal shelters; community housing; and 13% were for memorials/museums; historic monuments; and libraries.

The Capital Outlay process will be similar to last year's, all requests will be online. The deadline is January 13, 2022. The site will open October 13, 2021. But, we do need the requests in our office before so that we can prepare the legislator's books for review at the hearings.

The Capital Outlay Hearings dates have been set. This will give you the opportunity to present your projects to the Legislators and for them to ask questions.

The State Workforce Board is meeting on October 8, 2021 for community input sessions concerning the redistricting or the re-organizing of the regions under the Workforce Act. Hand outs were sent out explaining the redistricting. If you did not receive one and are interested, please contact Dora and one will be sent out.

They explained why they are looking at redistricting areas. Based on the information presented at the sessions, the Governor may review a local area and local designations. She may evaluate at any time if that area is meeting the performance goals or the performance requirements that were assigned and to see if they are spending the money down or if they are meeting the goals set forth.

The local designated area must be reviewed before submitting the state plan every four years.

At this time there are four boards, North, Northern Central, South Western, and Eastern Area Workforce Board. All of the SNMEDD's counties are in the Eastern Area.

They have been reviewing the performance for the past several years. The figures show that there's little to no growth. The total number of job seekers that have been served, or successfully placed participants, or the businesses that have been served are in their figures.

The statistics are in the reports compare to similar states, like Kansas, Iowa, Oklahoma, and Oregon. Those states are serving more people with less money than New Mexico gets, so there's some kind of big disparity there, and they're not really sure why.

Those failures in many of the areas that were looked at are adult employment, dislocated worker, employment and youth employment. It breaks down each region and shows where the exact breakdown was.

The northern area was really bad. Our eastern area met or exceeded about eight measures and failed, or so they have the graphs which show that statewide there was ineffective spending practices federal review had findings of the northern board and southwestern board. Low levels of performance costs were questions and fiscal compliance issues. The State Workforce Board, who has jurisdiction over the local boards, decided to do a subcommittee and they have researched all of this. This is why they're looking at re-designating them.

The two models that they have are the Rio Grande, a corridor that runs from Santa Fe, Albuquerque and keeps going straight down to Las Cruces and they would call that the Urban area. The other areas are the rural area.

The pros and cons would be how much it would cost per participant.

One of the other handouts is on the e-mail that was sent out is a position taken by the Eastern Area Workforce Board. They feel there's inequity with funding in the rural areas. They question the data that's being reported, and they have concerns about the impact on rural communities.

There's a lot of material that needs to be looked at. Ms. Batista asked that the report be read because

ultimately the chief elected officials are going to be responsible. They referred to the county leaders, but they keep talking about our chief elected officials would still be responsible for the boards. So, it'll either be county or a chief selected, or a combination of both.

In the back of the handouts there's contact information where you can ask your questions to the Deputy Secretary or the State Workforce, Board Chair. The communities need to be informed, especially when they're going to have a say in it when it's all said and done.

Mary Ann Burr—SERTPO:

Ms. Burr spoke to the status of the comprehensive plans. Some of the grants have closed or are about to enter the close-out process with the exception of Dexter, which is a newer grant. Dexter expects to select a Planner in the upcoming week. She continued by speaking to safety educational outreach to the youth with the distribution of "Buckle Up for Safety" and "Practicing Bike Safety" coloring book/crayon fun packs to Lovington Schools, Lovington Main Street and Town of Tatum. Distribution to Town Halls and communities will continue.

SERTPO met during the month of September and had two good presentations, one on the NMDOT Highway Safety Program and the other on the NMDOT Traffic Data Program. The traffic data presentation included a demonstration of how the public may access the MS2 traffic data link, where annualized 2020 AADTs are available. The link and related information was forwarded to SERTPO representatives but is also available to anyone that is interested. Discussions included the possibility of combining the two SERTPO committees into one committee, and SERTPO has formed a subcommittee. The next meeting is planned for the month of November for public transit prioritization at the Roswell Convention Center.

Paul Pappas—Project Coordinator:

The CDB applications are finalized and submitted to DFA. The applications this year were Eddy County, Carrizozo, and Lake Arthur. We also assisted Hobbs with their applications. Hearings are set for October 14th 2021. Hopefully all the projects will be funded. Once they are funded Mr. Pappas will be working with Ms. Batista to see projects through completion.

Mr. Pappas worked and visited the close out inspections for Corona, Jal and Hope. Close out hearings are scheduled for October 13th, 2021 for Chaves County, Lincoln County, Corona, and Jal.

He has been actively attending construction project meetings with the New Senior Center Project and Carlsbad.

Other new construction includes a new Senior Center expansion in Cloudcroft.

He has been virtually attending project meetings with polishing pond project in Loving.

I've also been tasked with the doing a little small project for the Department of Tourism involving some of the ICIP.

Mr. Pappas participated with Dora, Debi, Hubert, Mary Ann, and Dr. Patrick with the District's Recovery Team, meeting the week of September 27, 2021.

Hubert Quintana—Consultant Report:

A note and invitation was sent out to remind everyone about the virtual meetings we are conducting for the Capital Outlay vetting process with our legislators

The applications for Capital Outlay request forms became available October 7, 2021. We have requested the forms be turned in to our office by October 20, 2021 so that we can put the legislator's books together. We are hoping to get the books to the legislators by November the 10th so that we can begin the hearings.

The first hearing for Chaves County on the 18th of November, Eddy County on the 23rd of November, Lincoln County on the 30th of November, Lea County on December 2nd, and Otero County on December 8th 2021. We'll work with you to try and get those things done.

He reminded our communities requesting Capital Outlay funds to be reasonable on their requests.

The Capital Outlay money is divided into thirds, one third to the Governor, one third, to the House and one third to the Senate. Then it's divided by the number of seats in both the House and the Senate.

If you have a great big project it's going to need help beyond what the legislators can provide. There's also a checkpoint in the application that you can ask the Governor for assistance with your project. He encouraged that box be checked if there is a large project.

The good news the week of September 27th is an EDA Cares application was submitted to the EDA by the City of Roswell for two point eight million dollars to do rehab work for an addition to hanger 84 also referred to as the "doghouse". The addition to the exterior B the hangar building will make it possible for larger airplanes to be serviced there.

It is our understanding is that once we add this doghouse to hanger 84, it will be able to handle the largest of the larger carriers that are available to use in the world such as the air bus 777. All of those planes will now fit into a hanger here in Roswell so that repairs, service, and maintenance work can be done to the aircraft. In addition, they're going to be adding some tarmac. There's enough room to bring in those great Big Monster airplanes and turn them so they can get into the hangar.

This application was submitted about 14 months ago, through the CARES Program, and we're just now getting word that the project will be funded.

We're doing a similar project that we've been on, for almost a year, as well, with the City of Jal, the Jal Hospital District, and Leaco. We are hoping to expand broadband service from Hobbs to Monument down to Eunice and finally over to Jal. It will be a great addition to provide much better internet service. Up to this point internet service has been by satellite and this creates problems when we have inclement weather. We are hoping EDA will fund the project. They seem to have a lot of interest in the project.

The problem is that the project has to be owned, operated, and maintained by the applicant. In this case, the applicant going to have to be Leaco, who is a private, non for-profit corporation. They're eligible under EDA rules to get the money but the problem is the city of Jal, and the Jal Hospital District, are willing and have already budgeted to put in the match about one point six million dollars, so we're almost there. The problem is the Anti Donation Clause. The City of Jal and the Hospital District put money into LEACO to make this happen.

Mr. Quintana understood that couple of years ago or so, LEACO was able to work on that deal with EDC of Lea County and the county funneled money above 400 grand for a similar broadband program in northern part of the county. If possible, we would like to get a copy of the MOU

A PBR is done, cost estimates are done and we have the route, the survey of all the poles in the area we will be using that we know will stand up. We have an idea of where the service lines are going to be in the communities. Some are going to be in alleys and streets.

Mr. Quintana participated in the Legislative Rural Economic Task Force. He explained to the Taskforce that the reason that many grants will be left on the table is because the small communities like Lake Arthur, Dexter, and Corona can't come up with the match and most of them have already reached their loan capacity as well so they can't borrow money, and they don't have money revenue from the General Revenue Budget. They are living on Small Cities Assistance therefore, it is hard to come up with 5% or 10% match. In some cases, we've had some communities ask for a loan from an MFA to be able to meet their match requirement. So now instead of having that 10% loan part of the grant, they now have a 20% loan.

Before the meeting was over several members of the group who sit on the, the finance Committee, went off into a corner to see how they can come up with some kind of bond that would be available to small communities to meet their match. This would be a great assistance for small communities all over the state.

Another issue that was discussed was the lack of staff members to handle all the projects requested by the State.

We're trying to help our communities administer grants, why do we have to check to see whether an employee being paid out with CDBG grant or something is having their money garnished and how much of it is garnished. Also, why do we have to go out every time a new subcontractor shows up on a job site?

It's neither efficient nor feasible to be having to do that, and so if we can get additional staff people that can help it would very helpful.

The other thing we discussed was about water being a priority. We have a few of our communities that need water rights, new water wells, and some that need pipelines and distribution systems redone. Some also need transmission lines that need to be redone so we need to look at how that's going to be done.

Dora asserts her efforts to get the asset management plans in place and in order make sure that communities have them and are valuable tools and planning for taking care of our water problems.

We've got some communities that use heat lamps inside the well house to keep the pumps from freezing in the wintertime.

In the past 10 years this District has pulled down a quarter of all the CDBG money throughout the state.

Debi Lee—EDA CARES ACT Update:

A copy of Ms. Lee's report was included in the Board Packet.

She reported that the good news is that Southeast New Mexico is recovering. She provided details from a variety of sources that was included in her report.

She is tracking the economic activity month by month, by City and County and verifies her information with the New Mexico Economic Development Quarterly Economic Report. The economic quarterly reports are by county and shows an economic review overall whereas her reports are by each entity. She reported that the oil and gas industry have 32,792 jobs in south-east New Mexico, and it produces a significant amount of revenue for the State's budget. Revenue from our region support New Mexico with \$2.8 B revenue and where \$1.4 B of that goes to education, with many dollars allocated to capital projects.

The retail industry continues to be the majority revenue source coming in through gross receipts taxes. The numbers in the MTGR show how many of the communities are doing well. The arts and entertainment industry had the greatest decline, but the mining, oil and gas industry actually saw the greatest negative impact of \$766 M which is a 37% decline from last year to this year. Lea County did see an increase in the last quarter and their economy is still being supported strongly by the oil and gas Industry as is the same for Eddy County. Oil &

Gas -Mining is a significant contributor to the state of New Mexico and it's important that SRI include this in the State plan.

Southeastern New Mexico is economically driven by five industries which are: 1) Agriculture, which is your food processing and technology, 2) Transportation and logistics, 3) Energy, (fossil and renewables), 4) Defense and security, and 5) Arts and entertainment, recreation, and tourism. What is interesting about that is 32,792 jobs come out of the energy sector, Transportation has 4783 jobs while Defense is the second highest with 6,566 overall. She stated that 64.8% of all the jobs in the State are coming out of our southeast region.

Eddy County's unemployment right now is 5.65% where previously it was 12%, Lea County is at 8.6% and their highest was at 16.6%. Chaves is at 6.3%. and their highest was 13.1%. Otero is at 6.1%, and in July they were at 12.7%. Lincoln County is at 5.6%, and in July of 2020, they were at 11%.

She reported that the next Economic Recovery Team meeting will be October 19, 2021.

She also reported that the business finance finder website <https://edd.newmexico.gov/business-development/edd-programs> was created to help businesses connect to capital funding. She has had calls from businesses in our region trying to stay open but also looking to possibly expand.

Ms. Lee reported that the Purdue University Industry Cluster Analysis, discussed in the last meeting was included in the Board Packet. This information is a very critical document if you are serious about working on economic development opportunities in your community. This analysis provides details on the five economic industries that drive our District.

She stated that five focus group meetings are scheduled, one in each county and they plan to discuss the Industry Cluster Analysis. Eddy and Lea Counties have already met and discussed Energy and on October 18, we will be in Lincoln County and concentrate on the arts, entertainment, recreation, and tourism. We will then travel to Otero County and meet in Alamogordo where the focus will be defense and security along with agriculture. The final focus group meeting will be Chaves County where we will discuss on agriculture and transportation. We will include tourism, arts and entertainment since Roswell has a lot of tourism in their community.

A request was made in the first focus group meeting of Lea and Eddy, to break out fossil from renewable in the Energy Industry Cluster Analysis. All the cluster analyses represent the region which is the SNMEDD boundaries. Participants in the focus groups are asking to have that information broken down by County and Dora has approved us to have Purdue University complete that task. We will have that information to present to each County.

The first summary report from all the focus group meetings has been drafted and it has been sent to the participants for their review. We are asking that they submit their top three priorities, identifying resources and strategies. November 16, 2021, we will be combining all of the focus groups so the participants can present their top priorities to be included in the summary reports. Then we can move into SMART goals and action plans which will be used in the Recovery Resilience Plan. Additional information that we have commissioned includes job creation and income growth impact reports and is being prepared by NMSU. This will tell what job creation and income growth opportunities are possible and will support the SMART goals. This is the piece that really helps you as a community plan for economic growth and sustainability.

Collectively Dr. Patrick and Debi Lee will begin to draft the plan and will present it to the Board of Directors for their consideration prior to the due date in June 2022.

The goal is to provide a plan that's useful, and that will benefit for community's plan for economic growth and be sustainability. This information can also be used if you're writing grants.

13. Announcements and Information Sharing:

We were contacted by the Department of Tourism to put together a spreadsheet of tourism capital outlay requests in our area. Mr. Pappas has been working on that list. They had a spreadsheet of all the projects that we're related to tourism. They went back on the ICIPS list from last year beyond the top five priorities. They asked us to double check them and their rankings and if they had been previously funded because they wanted to come up with a list for the legislators.

The Department of Tourism promotes these projects. Dora asked if the Tourism Department if they were looking for money from the legislature so the tourism department can fund some of the projects. The Tourism Department is just making recommendations not seeking funding for their department.

The concern is that the Department of Tourism is going to push this regardless of how important it is to the community because it may be of more importance to the Department of Tourism than it is to the community.

We made sure that the ranking was on the list and Dora wanted to be sure the legislators knew the ranking in the list of priorities when they get the report.

Dora wanted to make note of this because she didn't want a community to get a project that wasn't a priority to the city or town but to the Department of Tourism.

14. Adjourn: The meeting was moved by Mike Gallagher to adjourn and seconded by Robbie Roberts. Meeting adjourned at 11:40 am.

APPROVED:



Mike Gallagher, Vice President

January 14, 2022

Date

ATTESTED BY:



Dora Batista, Secretary

January 14, 2022

Date