

**MINUTES
of the
THIRD MEETING
of the
TRANSPORTATION INFRASTRUCTURE REVENUE SUBCOMMITTEE**

**September 3-4, 2019
Bassett Auditorium
100 W. 11th Street
Roswell**

The third meeting of the Transportation Infrastructure Revenue Subcommittee was called to order by Senator John Arthur Smith, chair, on September 3, 2019 at 10:16 a.m. at the Bassett Auditorium in Roswell.

Present

Sen. John Arthur Smith, Chair
Rep. Anthony Allison
Rep. Randal S. Crowder
Rep. David M. Gallegos
Rep. Jane E. Powdrell-Culbert
Sen. Clemente "Memé" Sanchez
Sen. Pat Woods

Absent

Rep. Patricio Ruiloba, Vice Chair
Rep. Harry Garcia
Rep. Joy Garratt
Rep. Roberto "Bobby" J. Gonzales
Sen. Ron Griggs
Rep. Patricia A. Lundstrom

Advisory Members

Rep. Alonzo Baldonado (9/3)
Rep. Kelly K. Fajardo (9/3)
Sen. Stuart Ingle (9/3)

Rep. Abbas Akhil
Rep. Rachel A. Black
Sen. Carlos R. Cisneros
Rep. Susan K. Herrera
Rep. Dayan Hochman-Vigil
Rep. Willie D. Madrid
Rep. Antonio Maestas
Rep. Rodolpho "Rudy" S. Martinez
Sen. William H. Payne
Rep. Angelica Rubio

Guest Legislators

Rep. Phelps Anderson
Sen. Gay G. Kernan
Rep. Greg Nibert

(Attendance dates are noted for members not present for the entire meeting.)

Staff

Peter Kovnat, Bill Drafter, Legislative Council Service (LCS)

Nancy Martinez, Staff, LCS

Shannon Rodriguez, Intern, LCS

Guests

The guest list is in the meeting file.

Handouts

Handouts and other written testimony are in the meeting file and posted on the legislature's website.

Tuesday, September 3**Welcome and Introductions**

Senator Smith asked subcommittee members to introduce themselves. Dennis Kintigh, mayor, City of Roswell, welcomed the subcommittee to southeastern New Mexico and emphasized the roles that southeastern New Mexico plays in the gas, oil and agriculture industries.

Mayor Kintigh said that the City of Roswell hired a contractor to complete a pavement assessment so the city could begin using a less expensive road-repair process called "hot in-place recycling". He emphasized the need to upgrade United States Route 285 and United States Route 380, and he said that United States Route 380 is a high-density traffic route connecting west Texas to Roswell and Ruidoso.

In response to a question, Mayor Kintigh said that there is a shared responsibility between the City of Roswell and the Department of Transportation (DOT) on some streets such as Main Street, where the state is in charge of some parts and the city is in charge of others.

Transportation District 1 Update

Trent Doolittle, P.E., District 1 engineer, DOT, discussed the fiscal year (FY) 2020 budget for District 1; the district's ongoing construction projects, equipment needs and unfunded or not fully funded projects; and General Fund appropriation projects. Mr. Doolittle said that the district is able to donate salvage materials such as concrete barriers to other governmental entities as long as they are excess materials.

In response to a question, Mr. Doolittle said that for the inmate litter pick-up program, ideally, each crew should have two guards per every twelve inmates but due to frequent lock-downs at the Dona Ana County Detention Center, the district is often left short-handed, sometimes with only two inmates to perform the work.

A subcommittee member asked if the district charges for overweight traffic entering New Mexico highways. Mr. Doolittle said that, for what falls under the DOT's jurisdiction, it does, but cities and counties are in charge of billing for use in their respective jurisdictions.

Transportation District 2 Update

Timothy L. Parker, M.S., P.E., District 2 engineer, DOT, discussed the FY 2020 budget for District 2, and he noted that District 2 has a 17.17% vacancy rate. He discussed the district's Statewide Transportation Improvement Program projects, priority projects, equipment needs, projects in the engineering and development stage and the top five underfunded or not fully funded projects.

In response to a question, Mr. Parker said that a standard project could take between three and four years to complete, given that safety is always the DOT's top priority.

A member asked how the district is dealing with the additional work that the oil and gas industry has created. Mr. Parker said that it is especially hard to recruit engineers, in part due to the lack of affordable housing in the Hobbs and Carlsbad areas.

Transportation District 3 Update

Kenneth Murphy, P.E., District 3 engineer, DOT, discussed the FY 2020 budget for District 3 and the district's ongoing construction projects, equipment needs, projects in the engineering and development stage, top five underfunded or not fully funded projects and critical unfunded needs.

In response to a question, Michael Sandoval, secretary, DOT, said budgets depend on the size of the project. He said that each district gets a different amount of funding based on needs, some of which are more urgent than others.

In response to a question, Secretary Sandoval said that the DOT is most concerned about maintaining existing infrastructure. He said that the DOT is at a critical point where, if there is no investment, the cost to repair infrastructure will only increase.

Highway Contracts 101

Tisha M. Clark, P.E., acting state construction engineer, DOT, said that the DOT awards construction contracts to the lowest, most responsible and most responsive bid. Ms. Clark explained how the prequalification score works in the bidding process and how it helps ensure that the materials and the work are high quality.

Tamara P. Haas, P.E., director, Capital Programs and Investments Division, DOT, discussed the total cost of maintenance and preservation for interstate pavements. She said that there is \$251 million in needs, with a funding gap for pavement and bridges of \$226.9 million per year.

In response to a question, Ms. Haas said that one of the major challenges the DOT faces is finding technologies to address the problems caused by extreme temperatures in the region. Ms. Haas said that New Mexico requires all contractors to carry liability insurance and performance and payment bonds so that if a contractor goes bankrupt, the bonding can be used to complete the project.

In response to a question, Ms. Clark said that the prequalification score is calculated to reflect a three-year rolling average. Secretary Sandoval said that the prequalification system is only used for federally funded projects.

Highway Maintenance: Assessment, Work and Schedule

Rick M. Padilla, P.E., state maintenance manager, DOT, said that the DOT performs road assessments and maintains a five-year maintenance program. Mr. Padilla discussed the importance of keeping roads in a state of good repair.

Public Comment

Larry Conlee urged the subcommittee to raise the gasoline tax. He said that the American Trucking Associations (ATA) would have no complaints if the state were to raise the gasoline tax, given that the ATA wants quality roads.

Timothy Jennings, former New Mexico senate president pro tempore, discussed several transportation and infrastructure problems that Roswell faces. He said that there is a real funding problem and that if there were to be a \$.10 increase on gasoline and diesel fuel, there would be a sustainable amount of money going into highway funding. However, he said that if there are not any bonding restrictions in place, the state will end up with the same problems it faces today.

Wednesday, September 4

Update on Local Road Needs

Louis Najar, city engineer, City of Roswell, provided an update of Roswell's 2019 projects funded by the legislature, including the Deming bridge and Main Street. He also discussed the city's 2020 legislative requests and reassured subcommittee members that the city understands that it will have to match funds on each project.

In response to a question, Mr. Najar said that the city usually has two bidders, who are both local contractors, but if the DOT has ongoing projects in the area, the city sometimes gets a third bidder.

Economic Importance of New Mexico Oil and Natural Gas Infrastructure

Harry Vidas, vice president, ICF, was asked to determine the environmental impacts of building infrastructure in the New Mexico portion of the Permian Basin. He presented two scenarios, as detailed in handouts A and B under item 6.

He concluded that the oil and gas industry plays a major role in the state's economy and that in the future, the industry's contributions could be much larger. For this to happen, however, he said that infrastructure needs to be built. Economic losses will be high if the needed infrastructure is not built, and the environmental impacts need to be weighed against potential economic losses.

In response to a question, Mr. Vidas said that holding back on extraction now could mean that there is not a market for it in the future; however, there are other factors to take into consideration, given that drilling too quickly can also ruin the wells.

Adjournment

There being no further business before the subcommittee, the meeting adjourned at 12:20 p.m.