

**New Mexico Finance Authority  
207 Shelby St.  
Santa Fe, NM 87501  
(505) 984-1454**

**Minutes of Board Meeting  
April 24, 2014  
State Capitol – Room 307**

**Present:**

John McDermott, Chair  
Katherine Ulibarri, Treasurer  
Vince Lithgow  
Tom Clifford  
Brett Woods  
Antoinette Vigil  
Santiago Chavez

McDermott Advisory Services, LLC  
V/P for Finance/Operations, Central NMCC  
Designee, NM Environment Dept.  
Secretary, Dept. of Finance & Administration  
Designee, NM Energy & Minerals Dept.  
Designee, Economic Development Dept.  
Designee, Executive Director, NMAC

**Absent:**

Jerry Jones  
William Fulginiti, Secretary  
Blake Curtis  
Terry White

CEO, Stolar Research  
Executive Director, NMML  
CEO, Curtis & Curtis Seed  
CEO, Sunwest Trust, Inc.

**Finance Authority Staff:**

Adam Johnson  
Bryan Otero  
Connie Marquez-Valencia  
David Mahooty  
Donna Trujillo  
Jim Perry  
Jolene Meadows  
Marquita Russel  
Robert Coalter

Angela Quintana  
Charles Parker  
Dan Opperman  
Donna Maestas  
Gloria Castillo  
John Brooks  
Leslie Medina  
Michael Zavelle  
Theresa Garcia

**Guests:**

Brad Patterson  
Brenda Halder  
Chip Pierce  
Chris Garner  
Craig Cummins  
Dale Lehman  
Dorothy Sanmann  
Doug Hartman

Ballard Spahr  
Mesa Vista Schools  
Western Financial  
AHDM  
T or C Schools  
Piper Jaffray  
Bank of Albuquerque  
JP Morgan

D'rese Sutherland  
Ernesto Valdez  
Felix Alderete  
Frank Lauterbur  
Gloria Lovato-Pacheco  
Jill Sweeney  
Jonas Nahoum  
Leo Valdez  
Linda Kehoe  
Lydia Flores  
Mari Hillis  
Paul Cassidy  
Pedro Ramos  
Shelby Washington  
Susan Ellis  
Susan Rodriguez  
Suzanne Bruckner  
Tracy Hofmann

T or C Schools  
Mesa Vista Schools  
Las Vegas City Schools  
B of A Merrill  
Las Vegas City Schools  
Sherman & Howard  
Virtue, Najjar & Brown  
HSE  
LFC  
Las Vegas City Schools  
Las Vegas City Schools  
RBC Capital Markets  
JP Morgan  
B of A Merrill  
Bank of Albuquerque  
DFA – LGD  
Sutin, Thayer & Browne  
Sutin, Thayer & Browne

**1. Call to Order and Roll Call.**

The meeting was called to order at 9:05 a.m. Roll was called and a quorum established.

**2. Approval of Agenda.**

Chair McDermott noted that the Internal Audit for RFP was added to the agenda.

**Mr. Brett Woods moved, seconded by Ms. Antoinette Vigil, for approval of the amended agenda. The motion was unanimously approved.**

**3. Approval of March 27, 2014, Board Minutes.**

Chair McDermott asked if the Santa Ana Pueblo Audit has been received. Mr. Adam Johnson explained that a meeting is scheduled with the Pueblo at which time he will ask about the audit and report to the Board. Chair McDermott noted that he would like to continue to monitor the audit and would like to see the report.

**Mr. Vince Lithgow moved, seconded by Ms. Antoinette Vigil, for approval of the March 27, 2014, minutes as presented. The motion was unanimously approved.**

**4. Report from Chief Executive Officer.** Mr. Robert P. Coalter, CEO, reported on the following:

- ◆ As of April 16, 2014, Ms. Marquita Russel will oversee the Private Lending and Water Programs. The Controller position was eliminated and Accounting Department will now be overseen by the CFO.

**5. Report from Finance & Loan Committee.** Ms. Katherine Ulibarri reported on the April 16, 2014, Finance & Loan Committee meeting. The Committee reviewed and recommends approval of the projects that follow.

*Items 6 thru 16 have been placed on the Consent Agenda. These projects were reviewed by the Finance & Loan Committee, and subject to Board's approval, are to be approved with one motion. The projects were discussed at depth at the Finance & Loan Committee meeting.*

- 6. Consideration for Approval of Chaves County – Sierra Volunteer Fire Department – Equipment Project – 3128-PP.** Chaves County has applied for PPRF loan financing for \$269,613 on behalf of the Sierra VFD to purchase a fire truck.

The Sierra VFD is currently utilizing the State Fire Protection Funds for the repayment of Project #2926-PP. The Sierra VFD is an ISO Class 7 and receives distributions for three main stations for a total yearly base distribution of \$166,503. The County does qualify for 3% Disadvantaged pricing; however, unless rates rise significantly before closing, the PPRF AAA/Aa1 rates are more favorable. The County is current with its Audits and financial reporting.

- 7. Consideration for Approval of Mora County – Watrous Volunteer Fire Department – Equipment Project – 3129-PP.** Mora County – Watrous VFD has applied for PPRF loan financing for \$125,945 to purchase a fire truck to address fire threats for the Watrous community. The Fire Department is contributing \$144,875 toward the purchase of the fire truck.

The Fire Department is established under the Mora County (the County) fire district and will pledge its State Fire Protection Funds as repayment for this loan. The Fire Department has an ISO 9 rating and receives an annual base distribution of \$39,058 with one main station. The County qualifies for 3% disadvantaged funding with MHI of 89.11%. This rate is applicable to the last 2 years of the loan to maximize the benefit to the Fire Department, not to exceed \$75,000. The lower of the 3% disadvantaged rate or market rates will be applied at closing.

The County serves as fiscal agent for the Watrous VFD. The County's 2013 audit was submitted on February 12, 2014. The 2013 audit resulted in a qualified opinion with six findings, one of which was a material weakness consisting of \$72,639 in cash that was not reconciled correctly, a result of the accounting software not being set up properly. The County is working to address the accounting software.

- 8. Consideration for Approval of Mora County – Infrastructure Plan – 3099-PG.** Mora County has applied for LGPF financing for \$25,000 to finance an Infrastructure Plan.

The County operates vital infrastructure for the basic operations of County government and is responsible for providing a safe and comfortable environment for County employees and the public. The Infrastructure Plan will focus on providing the best possible facilities for County government with limited resources and with the most reasonable cost.

The County has a median household income (MHI) that is 64.41% of the State average. The MHI and capacity analysis qualifies the County for 50% or \$25,000 of its requested grant funds.

9. **Consideration for Approval of Pueblo of Tesuque (Santa Fe County) – Asset Management Plan - 3112-PG.** The Pueblo of Tesuque has applied for LGPF financing for \$50,000 for an Asset Management Plan (AMP) to evaluate and estimate the costs of implementing feasible alternatives for meeting water, wastewater, and other infrastructure and facility needs.

The Pueblo has a median household income of \$38,750, which is 88.43% of New Mexico State MHI and qualifies the entity for a 25% award of the application amount. The Pueblo prepared an MHI survey to better show the income level of its residents, which was used for an earlier loan. Accordingly, by NMFA policies, the Pueblo qualifies for 25% of the available grant amount. The amount is based on actual expenditures incurred and is a 25% match on these expenditures up to \$50,000.

10. **Consideration for Approval of Pueblo of Tesuque (Santa Fe County) – Comprehensive Plan – 3113-PG.** The Pueblo of Tesuque has applied for LGPF financing for \$50,000 to finance a Comprehensive Plan in an effort to protect sensitive cultural resources, language, and traditions.

The Pueblo has a median household income of \$37,963, which is 88.43% of New Mexico State MHI and qualifies the entity for a 25% award of the application amount. The additional \$150,000 for the project will be derived from Tribal funds. This program is based on expenditures related to this Comprehensive Plan and the grant amount is 25% of total expenditures not to exceed the \$50,000 planning grant award.

11. **Consideration for Approval of Village of Pecos (San Miguel County) – Local Economic Development Plan – 3114-PG.** The Village of Pecos has applied for LGPF financing for \$50,000 to finance a LEDA/Economic Development Plan.

The Plan will identify potential economic opportunities for the Village and the region and will identify business partners and potential public and private investments. Pursuant to Section 5.2 of the Rules Governing the Local Government Planning Fund, 100% of the project is eligible because the plan is needed to implement the Local Economic Development Act for the Village.

The Village is current on its financial reporting although the FY 2013 Audit resulted in an unmodified opinion with seven findings, one being a material weakness, i.e., failure of the Village to perform a physical inventory of capital assets. The Village is seeking resources to conduct an annual physical inventory of capital assets.

12. **Consideration for Approval of Ancones Mutual Domestic Water/Wastewater Consumers Association (Rio Arriba County) –Water Master Plan – 3133-PG.** The Ancones MDWWCA has applied for LGPF financing for \$25,000 to finance a Water Master Plan (WMP).

The Association is a small water system located in the Southeast corner of Rio Arriba County that has 14 households as members. The Association is collaborating with three other water systems in the area to update the original plan with recently obtained funding for a PER and EID. The Association is now looking at funding for a WMP to include an executive summary, public

involvement process, water supply and demand, identify other gaps and ultimately implementation. The goal is to regionalize with La Madera and Vallecitos, which would serve up to 100 connections or 500 people.

- 13. Consideration for Approval of Colfax County – LEDA/Comprehensive Plan - 3122-PG.** Colfax County has applied for LGPF financing for \$50,000 to update the County's LEDA/Comprehensive Plan.

The County needs a well-written Comprehensive Plan that reflects current and future County demographics and conditions and will be a useful tool in obtaining funding and providing guidance.

Pursuant to Section 5.2 of the, 100% of the amount is eligible for funding to implement the Local Economic Development Act for the County. The County is current with its financial reporting. The FY 2013 Audit yielded an unmodified opinion with nine audit findings.

- 14. Consideration for Approval of Quay County – Water Master Plan - 3130-PG.** Quay County has applied for LGPF financing for \$37,500 to update their Water Master Plan (WMP).

The report will address surface and groundwater resources, existing and projected population and water demand, conservation, budgeting, metering, water loss audits, and water rights. The study will include the City of Tucumcari, Village of Logan, Village of San Jon, and the Village of House. The Ute Lake pipeline water supply as it applies to the County will also be considered.

Quay County is considered a disadvantaged entity with a median household income (MHI) of \$33,039, which is 73.64% of the State's MHI. The County qualifies for 50% of the project funds up to \$50,000 as Grant funds. The local burden ratio is 1.46x the State's water rate burden, which entitles the County to an additional 25% as Grant funds. The combined Grant award is 75% up to \$37,500. The County has identified the local match in the application.

- 15. Consideration for Approval of Curry County – LEDA/Comprehensive Plan – 3131-PP.** Curry County (County) has applied for LGPF financing for \$50,000 to update the County's LEDA/ Comprehensive Plan.

The County's goal is to continue to protect and enhance the desired way of life and culture as identified by its residents. The County wants to protect the existing economic structure of ranching/agriculture and Cannon Air Force Base, while expanding and developing the economic base. An updated Comprehensive Plan will also help the County with its Community Development Block Grant (CDBG) application, since the Plan is part of the requirements. The CDBG grant is essential for the County in expanding its infrastructure.

Pursuant to Section 5.2 of the Rules Governing the Local Government Planning Fund, 100% of the amount is recommended because the Comprehensive Plan is needed to implement the Local Economic Development Act of the County. The County is current with its financial reporting. The FY 2013 Audit yielded an unmodified opinion with no audit findings.

**Ms. Katherine Ulibarri moved, seconded by Mr. Brett Woods, for approval of Consent Agenda items 6 – 15. The motion was unanimously approved.**

**16. Consideration for Approval of Extensions for Funding Commitments for Several Local Government Planning Fund (“LGPF”) Applications:** Staff recommends approval of extensions of funding commitments for the Local Government Planning Fund (“LGPF”) applications as follows:

In January 2013, the NMFA Board revised the LGPF Project Management policies requiring, among other things, that any entity approved for a LGPF grant must close on the grant within 12 months of Board approval, unless explicitly provided otherwise by the NMFA. Further, the revised policies require that the plans be developed in accordance with NMFA Board-adopted guidance documents and approved prior to closing on most planning documents. Several projects require additional time for completion, approval and closing on the grant.

**1. Upper Holman MDWCA (2893-PG)** was approved by the Board on February 22, 2013 for a 100% grant up to \$50,000 to fund a Water Preliminary Engineering Report (PER). Due to system complexities that needed to be addressed in the PER, such as high fluoride levels in the drinking water, the contractor Souder Miller is currently responding to questions from the Construction Programs Bureau (CPB) engineer regarding the PER. The funding commitment expired February 22, 2014 but the MDWCA is seeking a retroactive deadline extension to August 22, 2014 to accommodate the unforeseen delay in the approval of the PER and to provide sufficient time to close on the grant.

**2. Vallecitos MDWCA (2894-PG)** was approved by the Board February 22, 2013 for a 100% grant up to \$50,000 to fund a Water PER. Contractor Scott Medina is currently addressing numerous questions raised by CPB engineers regarding the PER. A grant of \$300,000 for the project from USDA is contingent on this plan being approved. The funding commitment expired on February 22, but Vallecitos is requesting a retroactive extension to July 22, 2014.

**3. Pendaries MDWCA (2873-PG)** was approved by the Board on February 22, 2013 for a 100% grant up to \$50,000 to fund a Water Master Plan. The plan addresses future growth, the efficiency of the current system, and possible replacement of the system. The MDWCA was unaware of the 12-month deadline to have the Water Master Plan approved. Contractor Souder Miller is working with CPB on plan approval. The MDWCA is asking for a retroactive extension to July 22, 2014.

**4. Mora County (2891-PG)** was approved by the Board on February 22, 2013 for a 100% grant up to \$50,000 to fund an LEDA/Comprehensive Plan. The plan will update the County’s old plan within the Comprehensive Land Use Plan and focus on economy, educated workforce, agriculture related employment, and other areas. Mora County has experienced staff turnover that delayed the submission of the plan but is now on course to complete the plan by June 30, 2014. The funding commitment expired on February 22, 2014 and the County seeks a retroactive extension

to September 22, 2014.

**5. Village of Cloudbrook (2823-PG)** was approved by the Board on February 22, 2013 for a 100% grant up to \$50,000 to fund a LEDA/Comprehensive Plan. The plan is to address and identify strategies, programs and projects for an improved economy. The contractor Architectural Research Consultants, Inc. was only recently hired and the Village is requesting a retroactive extension on the LEDA/Comprehensive Plan to September 22, 2014.

**6. Village of Wagon Mound (3026-PG)** was approved by the Board on August 23, 2013 for a 100% grant up to \$50,000 to fund a Water System PER to address emergency situations. The Village has more than 150 users and gets its water from the Sana Clara Spring, which is severely affected by the drought. The Village needs to locate another water source. The extension request is based on administrative changes that have transpired over the last few months. The Village is currently working with Dennis Engineering to complete the PER and is requesting a six (6) month extension. The grant commitment does not expire until August 25, 2014 but the Village is asking for an extension to January 25, 2015.

**7. The City of Lovington (3074-PG)** was approved by the Board on October 24, 2013 for a 100% grant up to \$50,000 to fund a LEDA/Comprehensive Plan. The City has selected a consultant for the development of its LEDA/Comprehensive Plan and determined the project will take approximately eleven (11) months to complete and have proposed several amendments to the project scope. The City is requesting an additional six (6) months to complete the report and close on the funding from the October 24, 2014 to April 24, 2015.

Chair McDermott asked if the requests for the project extensions were a result of NMFA understaffing. Ms. Marquita Russell explained that the extensions are a result of policy change and inadequate staffing. The consulting engineers and the entities needed time to review and understand the policy change and complete the documents. Once the information was conveyed and the requirements were understood, the entities and the consultants were able to submit the project. However, additional time is needed for completion, approval and closing. Due to the policy change, NMFA will receive a second set of projects for review.

Mr. Brett Woods asked if there were any legal issues due to the retroactive extension. Ms. Russel noted that the change was in the policy and that she does not see any legal issues.

**Ms. Katherine Ulibarri moved, seconded by Ms. Antoinette Vigil, for Approval of Extensions for Funding Commitments for Projects #s 2893-PG; 2894-PG; 2873-PG; 2891-PG; 2823-PG; 3026-PG and 3074-PG. The motion was unanimously approved.**

**17. Consideration for Approval of Las Vegas School District (San Miguel County) – School Improvements – 3094-PP.** The Las Vegas School District (the District) has applied for PPRF loan financing for \$2,800,000 for costs associated with various school improvements.

In attendance from the Las Vegas School District were Lydia Flores, Interim Superintendent; Mari Hillis, Finance Director; Gloria Lovato-Pacheco, Board President; Felix Alderete, Board Member; and Chris Garner, 2013 Auditor.

In January 2014, the Finance and Loan Committee recommended the purchase of the District's bonds to the full NMFA Board. Upon further discussion and consideration, the project was tabled and the NMFA Board requested the results of the District's 2012 audit. The 2012 audit has since been released from the Office of the State Auditor. The 2012 audit opinion is Unqualified with regard to the financial statements audit and Qualified with regards to the Federal Awards. The District held the 2012 audit exit conference on August 27, 2013, yet OSA did not receive the report until December 10, 2013. The sequence of the events is evidence that the inactions of the District's previous auditor prevented the 2012 audit from being available at NMFA's January meeting. The District, and their new auditor, plan to submit the 2013 audit within 4 - 6 weeks.

Despite the aforementioned challenges, the District's staff and Board members have made significant improvements to their financial management systems. The improvements began by forming a financial advisory committee that meets monthly and reviews the budget reports submitted to PED; hiring a financial consultant to assist with the reconciliation of accounts and monitoring budgets; hiring a new Finance Director in August of 2012; and selecting a new auditor. The new team has responded to all of the findings on the 2012 audit aggressively and effectively through a corrective action plan.

NMFA staff, including the CFO, discussed the 2012 Audit findings and the status of the 2013 and 2014 audits with the District's leadership. In summary, many of the findings should be resolved on the 2013 audit; most of the 2012 audit findings resulted from the District being understaffed, or the ineffectiveness of the District's previous auditor. Responses to NMFA questions led to our decision to confidently re-submit this project to the Finance & Loan Committee and ultimately the full Board for approval.

The District is still within NMFA audit policy. Additionally, the GO purchase risk is greatly mitigated by Section 22-18-13 NMSA, which contains a Statutory Guarantee providing that the State Treasurer's Office will make payments on behalf of a School District, through the State's equalization fund, if the District fails to make timely payments. This Guarantee also provides an underlying AA rating for all school districts throughout the State of New Mexico. Lastly, the timing of this bond purchase is critical because the summer school construction season is near.

In February 2013, the District received voter approval in the amount of \$6,000,000 to erect, remodel, make additions to and furnish school buildings, purchase or improve school grounds, or any combination of these purposes within the District. The District will issue its General Obligation Bonds that the NMFA will purchase through the PPRF. The NMFA processing fee has been included in the interest rate at an additional 0.2427% above the market rate. This will yield a fee of \$21,199 (NPV of \$21,000) over the first 10 years of the loan.



The District qualifies for a PPRF disadvantaged interest rate of 0%. This rate has been applied to \$200,000 of this request. Per the PPRF Loan Management Policy, "To maximize the benefit provided by this "Disadvantaged Entity" interest rate benefit, the NMFA may limit these reduced interest rates to loans of \$2 million or less." Staff requests that a consideration be made for this loan request to allow the District to take advantage of the 0% interest rate.

Chair McDermott asked if staff reviewed the financial condition of the Las Vegas School District and whether the recommendation is based on protecting the NMFA credit. Chair McDermott noted that there is a history of not receiving a clean audit. He asked about any corrective action plans for improving over the next period and further inquired as to how NMFA determines that the loans being made by NMFA are secure?

Mr. Adam Johnson explained that the district had fallen behind on their audits; however, over the past years, the staff has made significant improvements. Mr. Chris Garner noted that the District is working with the finance person and the administration to complete the audit. Based upon the testing and documentation there have been vast improvements. The previous auditor did not provide the current auditors with the documentation from the prior year audit adjustments.

Chair McDermott asked if the Las Vegas School District has a corrective action plan. Mr. Felix Alderete explained that a corrective action plan has been prepared. The Las Vegas District School Board meets monthly with the administration and the Finance Director to review the financial condition of the District. He also noted that the bank reconciliations are now being completed on time. A new Financial Advisor has been hired to oversee the bond financing. Mr. Alderete also explained that the staff is receiving appropriate training and implementing those practices. If the previous auditor provides the documentation from the FY 2012, the FY 2013 audit will be completed by May 15. Mr. Johnson noted that the corrective action plan for the Las Vegas School District has been provided to the NMFA.

Ms. Katherine Ulibarri noted that the pledged revenues are from property taxes and there is a dedicated revenue stream to repay the bonds. Chair McDermott noted that NMFA tries to provide low cost capital with the ability to review the security of the repayments. NMFA also has an obligation to promote excellence in financial management.

Secretary Tom Clifford said he would like to see an annual report of the progress for the findings. The Audit Committee of the Las Vegas School District will provide the documentation to NMFA as requested. Chair McDermott noted that the report can be sent to NMFA after their Audit Committee meets. This will allow NMFA to review the report and keep up to date.

Chair McDermott asked Mr. Bob Coalter to have the staff come up with a process to catalog the loans that have been approved and need review. The process will allow the Board to be updated without having to create additional work. Mr. Coalter noted that he is currently working on a process and will bring the plan back to a future meeting.

Mr. Johnson noted that all applicants must submit their audits annually. If the Board wants to see other type of documentation during the discussion or review of the loan, staff can provide that

information. There are financial controls on loans of entity. All loan recipients should submit financials on an annual basis.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Las Vegas School District School Improvements Project #3094-PP with the condition that the School District provides the NMFA with quarterly updates. The motion was unanimously approved.**

- 18. Consideration for Approval of Town of Edgewood (Santa Fe County) – Buildings & Infrastructure Project – 3125-PP.** The Town of Edgewood has applied for PPRF loan financing for \$3,670,000 for buildings and infrastructure projects.

In March of 2014, the Town received voter approval to issue \$3,000,000 worth of Street Bonds and \$670,000 worth of Public Building and Facility Bonds. The Town will issue its General Obligation Bonds that the NMFA will purchase with its PPRF loan fund.

The NMFA processing fee of \$27,525 is capitalized into the non-callable portion of the loan at a rate of .28582%. NMFA's maintenance fee of 0.100% has been applied to the entire financing structure. The above interest rate also includes a .75% interest rate cap on the market component for credit approval purposes. The District is up-to-date with its audits and financial reporting.

Secretary Tom Clifford asked if there is a specific revenue source for the proposed project. In response, Mr. Adam Johnson noted that the Ad Valorem Property Tax is pledged for this loan.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Town of Edgewood Building and Infrastructure Project #3125-PP. The motion was unanimously approved.**

- 19. Consideration for Approval of Truth or Consequences Municipal School District (Sierra County) – School Improvements -3127-PP.** The Truth or Consequences Municipal School District has applied for PPRF loan financing for \$3,000,000 for school improvements.

In attendance from the Truth or Consequences Municipal School District were Dr. Craig Cummins and Ms. D'rese Sutherland.

In February 2013, the District received voter approval to construct, remodel, make additions to and furnish school buildings, purchase or improve school grounds, or any combination of these purposes within the District. The District will issue General Obligation bonds in the amount of \$3,000,000, which the NMFA will purchase through the PPRF. The District will use the bond proceeds for the final phase of construction of the Elementary School. These proceeds will represent the final match of their PSCOC Award. The total project cost is \$14,577,531 and the local match is 60%, which equals \$8,746,519.

The District qualifies as a disadvantaged entity with its MHI of \$21,775, which is 48.53% of the State's MHI. Per the PPRF Loan Management Policy, "To maximize the benefit provided by this 'Disadvantaged Entity' interest rate benefit, the NMFA *may limit* these reduced interest rates to loans

of \$2 million or less." Staff requests that NMFA not limit this loan request to allow the District to take advantage of the 0% interest rate. The benefit received from the disadvantaged funding directly benefits the property tax payers of the disadvantaged District.

The NMFA processing fee is capitalized into the first 10 years of the loan, in the amount of 0.2043% added to the market rate. The NMFA maintenance fee of 0.10% was applied to life of the loan. The above interest rate also includes a 0.75% credit margin.

The District is late with its audit reporting. Per the PPRF policy, NMFA received a letter of explanation from the District. The Audit firm started the FY 2013 audit in early Fall 2013. In December 2013, when the District did not hear from the Audit firm and did not receive any response to their calls and emails, they notified the State Auditor's Office. On March 31, 2014, the State Auditor informed the District that the FY 2013 report was finally submitted by the firm. The FY 2013 Audit is currently in review with the State Auditor. The summer school break is prime time for finishing construction; therefore, timing is a crucial factor. The GO Bond purchase risk is significantly reduced by NMSA Section 22-18-13 which contains a Statutory Guarantee stating the State Treasurer's Office will make payments on behalf of a School District, should the District default.

Chair McDermott asked about the problems with the 2012 Audit. Dr. Craig Cummins explained that in November 2013, they had their exit conference, but as of December 2013, the State Auditor's Office had not received the audit. The District attempted to contact the auditor several times but was unsuccessful. In February 2013, the State Auditor's Office got involved and finally received the audit. Dr. Cummins reported that the audit is currently in process for review and approval.

Chair McDermott asked if the audit was conducted with the proper standards. Dr. Cummins said that he had a draft copy of the audit and was confident that it was conducted correctly. He noted that of the eighteen findings on the FY 2012 Audit, all but three have been resolved and the District has already contracted with a new auditor to perform the FY 2013 audit.

Ms. Katherine Ulibarri asked if other school districts had difficulties with the same auditor. Ms. Donna Maestas explained that the Las Vegas School District previously worked with the same auditor.

Chair McDermott asked why the Finance and Loan Committee deferred the recommendation to the Board. Ms. Ulibarri noted that the Committee had an extensive discussion at the meeting, but the request was brought to the Board without recommendation because there were unanswered questions. She noted that those questions have been answered at the Board meeting. Ms. Ulibarri commented that the request has time constraints for the projects. The District would like to begin the project as soon as school is out in May in hopes to have it completed before the next school year.

Mr. Vince Lithgow asked if the CFO can provide oversight to ensure timely submittal of the audit. Dr. Cummins noted they have a Business Manager that will oversee those tasks.

Chair McDermott asked if the staff studied the previous audits to assure that the school district is in control of the finances. Ms. Maestas noted that the opinions have been unmodified.

Mr. Brett Woods noted that he would like to see the results of the State Auditor. He asked if the loan was postponed until May, will the results from the audit be available. Ms. Maestas explained that if the loan is postponed the closing will not occur until July. Mr. Woods noted that he has concerns regarding the audit not being updated and monitored.

Mr. Santiago Chavez noted that repayment is from Ad Valorem Property Tax and is a safe credit. He said the late audit is not the fault of School Board; the process failed them and it was out of the School District's control.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Truth or Consequences Municipal School District School Improvement Project #3127-PP. Roll call vote taken with Chair McDermott, Mr. Santiago Chavez and Ms. Katherine Ulibarri voting for and Secretary Tom Clifford, Mr. Vince Lithgow, Mr. Brett Woods, and Ms. Antoinette Vigil voting against. The motion failed.**

- 20. Consideration for Approval of Fort Sumner Municipal School District (De Baca County) – School Improvements -3126-PP.** The Fort Sumner Municipal School District has applied for PPRF loan financing for \$1,500,000 to finance the costs associated with various school improvements.

In February 2013, the District received voter approval to construct, remodel, make additions to and furnish school buildings, purchase or improve school grounds, or any combination of these purposes within the District. The District will issue General Obligation Bonds in the amount of \$1,500,000, which the NMFA will purchase with the PPRF.

The District qualifies as a disadvantaged entity with its Median Household Income (MHI) of \$24,417, which is 54.42% of the State's MHI. Therefore, \$200,000 of the loan amount receives a 0% interest rate. The NMFA processing fee is capitalized into the first 10 years of the loan, in the amount of 0.126% added to the market rate. The NMFA maintenance fee of 0.10% was applied to life of the loan. The above interest rate also includes a 0.75% credit margin. The District is up-to-date with its audits and financial reporting.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Fort Sumner Municipal School District School Improvement Project #3126-PP.**

- 21. Consideration for Approval of Town of Silver City (Grant County) – Silco Theater Renovations -3123-PP.** The Town of Silver City has applied for PPRF loan financing for \$362,332 to rehabilitate the historical Silco Theater.

The Town, with the help of the PPRF, purchased the Silco Theater building in 2013. Originally built in 1923, the Town seeks to renovate the theater to function as a modern movie theater while

restoring its historical charm. The Town will lease the theater to the Silver City Main Street Program, who will contract with a professional theater operator. Silver City Main Street is an economic development program designed to stimulate economic growth in Silver City's downtown area. The New Mexico Economic Development Department has provided a letter of support for this project. The Town will contribute \$382,263 toward the project.

Silver City has pledged the 1st and 2nd increments of Municipal Infrastructure GRT. Staff used the Taxation and Revenue RP-500 data for the analysis. The revenues have been increasing over the last three years; Staff used the 3-year average to determine coverage. Taxable interest rates were applied to this loan, as the theater will be operated by a private company. Because this is a small taxable rate loan, the Town will have the ability to make pre-payments. The Town is current with its Audits and financial reporting.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Town of Silver City project #3123-PP. The motion was unanimously approved.**

22. **Consideration for Approval of Mesa Vista Consolidated School District (Rio Arriba & Taos Counties) – School Improvements -3132-PP.** The Mesa Vista Consolidated School District has applied for PPRF loan financing for \$865,000 for various school improvements.

In attendance from Mesa Vista School District were Mr. Ernesto Valdez, Ms. Brenda Halder, and Mr. Leo Valdez

The District received voter approval through a February 2013 bond election in the amount of \$4,325,000. The District is issuing the GO bond, which NMFA will purchase through its PPRF program.

The District will be pledging ad valorem property tax for this loan. The assessed valuation for 2013 was approximately \$74 million. Of this, 6% or \$4,439,421 is the allowable assessed valuation. The outstanding indebtedness for the District is \$2,421,680. Adding the \$865,000 request would result in remaining allowable assessed capacity at \$1.15 million.

Since the District resides in both Rio Arriba and Taos Counties, staff used the average MHI for both counties resulting in MHI of 83.17% comparative to the State qualifying the District for 3% disadvantaged funding. The disadvantaged rate is applicable to \$200,000 in the last year of the loan to maximize the benefit to the District. Staff will apply the lower of the 3% disadvantaged rate or market rates at closing. The NMFA origination fee is capitalized into the 9 years of the loan at a rate of 0.09204%, which is added to the market rate along with the NMFA maintenance fee of 0.10% and the 0.75% credit margin.

The District is up-to-date with its audits and financial reporting. The 2013 Audit resulted in an unmodified opinion with no material weaknesses.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Mesa Vista Consolidated School District Project #3132-PP. The motion was unanimously approved.**

- 23. Consideration for Approval of Town of Bernalillo (Sandoval County) – Amended & Restated Loan Agreement -2155-PP.** The Town of Bernalillo has requested an amendment to the loan allowing for pay-off of the loan.

Bernalillo has sufficient balances in its Program Account and Debt Service Reserve Fund to pay off its 2008 PPRF Land Acquisition Loan (2155-PP) and requests that its loan agreement be amended to allow for a current pay off.

On July 11, 2008, the Town closed on a PPRF loan in the amount of \$1,016,321 for the purposes of acquiring land (approximately 8 acres) within the Town's incorporated area. The Town sought to acquire the vacant land to construct water infrastructure improvements, including a new arsenic treatment plant and a new well.

According to the Town and its consultants, the Town did purchase the land as intended; however, it failed to reimburse itself with the tax-exempt loan proceeds. Reasons for the reimbursement failure resulted from the loss of the Town's leadership who were directly involved with the project and loan, including the Town Manager, Treasurer/Finance Director, and Mayor.

Per IRS Rules and Regulations, the loan is currently past its deadline for the use of its tax-exempt loan proceeds. NMFA's arbitrage rebate specialists, AMTEC, have performed an arbitrage rebate report which confirms that positive arbitrage does not exist.

Since the Town did not draw on the Program Account, in addition to the Debt Service Reserve Fund, sufficient balances remain to pay off the loan. Section 8.1 of the loan agreement states that the loan cannot be prepaid in whole or in part prior to ten (10) years after the closing date of the loan. Given the unforeseen events that prevented the Town from expending the Program Account as required, the Town requests that Section 8.1 of the loan agreement be amended to allow for a current pay off so that the Town does not bear the defeasance costs through the July 11, 2018 redemption date. Allowing a current pay off will save the Town approximately \$128,616 in defeasance costs.

Chair McDermott asked how the project was paid. Mr. David Mahooty explained that the project was funded by other proceeds. The loan has existed with NMFA in the program account and has never been funded. However, the town made regular payments on the loan. Mr. Mahooty explained that it is a GRT pledge and therefore payments are made on a regular basis. The loan is current.

Chair McDermott asked if the Finance and Loan Committee discussed the precedence of making prepayments. Ms. Katherine Ulibarri noted that the Committee did not discuss that topic; however, the Committee discussed how unfortunate the situation is. They also discussed strategies to help other communities that may end up in a similar type of situation.

Chair McDermott asked if there are unintended side effects in situations that have prepayments. Mr. Michael Zavelle explained that the question regarding the loan is whether it should be repaid with or without penalty. There are instances when an entity borrows money for the project and then realizes the project cannot be completed. NMFA has taken a waiver approach and can attach a ten-year loan. If a situation occurs, the loan will not be pledged to bonds. NMFA is then able to decline the waiver and execute if needed.

**Ms. Katherine Ulibarri moved, seconded by Mr. Vince Lithgow for approval of Town of Bernalillo Project #2155-PP. The motion was approved with Mr. Santiago Chavez abstaining.**

- 24. Consideration for Approval of Hidalgo County – Gila-Neblett Volunteer Fire Department – Amended & Restated Loan Agreement -2555-PP.** The Gila-Neblett VFD in Hidalgo County (the County) has requested an amendment to NMFA Loan 2555-PP to allow for pre-payment.

In February of 2011, the NMFA closed on a loan with the County in the amount of \$147,175. The proceeds of the loan were used to purchase a fire pumper truck. The loan is secured by the County's annual distribution of State Fire Protection Funds and was approved with a ten-year term and 2.06x coverage.

PPRF Loan Management Policy Section 3.2, G states that "All loans approved by the Board except those specifically identified as equity loans, will be structured with the expected 'pre-payment' or 'call' options of the bonds anticipated to be issued to reimburse the PPRF."

This loan was not reimbursed by a specific PPRF bond issue; however, the current loan agreement does not allow for prepayment. The County is requesting that the NMFA approve an amendment to the loan agreement that would allow the County to prepay this loan. The County is closing the Gila-Neblett Volunteer Fire Department. The current balance is \$118,832.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Hidalgo County Gila-Neblett Project #2555-PP. The motion was unanimously approved.**

- 25. Recommendation for 2013 Project Funding: Second Iteration.** The Water Trust Board recommends approval of three projects for the second iteration of 2013 Water Project Fund awards.

On March 12, 2014, the WTB granted conditional approval to three projects for funding from the Water Project Fund. This action concluded a second iteration of 2013 WTB application reviews to take advantage of \$1,476,340 of recently available funds from projects that were unable to meet the funding conditions set by the WTB.

- 26. Consideration for Approval of Eldorado Area Water & Sanitation District (Santa Fe County) – Meter Replacement -0297-WTB.** Eldorado Area WSD has applied for WTB loan

financing for \$\$256,670 as follows: 90% grant for \$231,007; 10% loan for \$25,667 and 10% match for \$25,667.

This project will support the District's transition from a direct-read meter system to an Automatic Meter Reading (AMR) system utilizing newer, electronic "smart" meters. More than one-third of the residential and commercial water meters are over 15 years old.

**Mr. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Eldorado WSD Project #0297-WTB. The motion was unanimously approved.**

- 27. Consideration for Approval of Village of Ruidoso (Lincoln County) – Grindstone Canyon Dam – 0298-WTB.** The Village of Ruidoso has applied for WTB loan financing for \$553,000 as follows: 90% grant for \$497,700; 10% loan for \$55,300 and 15% match for \$82,950.

This project includes the completion of the plan/design for the installation of a synthetic liner on the upstream face of the Grindstone Canyon Dam to mitigate water leakage and increase stability of the Dam.

Secretary Clifford asked how the Village plans to repay the loan. Ms. Marquita Russel noted that the Village used a GRT that is used to supplement the revenues; however, it is not pledged to the loan. The Village has been making regular payments on their loans.

**Ms. Katherine Ulibarri moved, seconded by Mr. Brett Woods, for approval of Village of Ruidoso Project #0298-WTB. The motion was unanimously approved.**

- 28. Consideration for Approval of Santa Clara Pueblo (Rio Arriba County) – Phase III – Waterline Replacement/Metering – 0299-WTB.** The Santa Clara Pueblo has applied for WTB loan financing for \$666,666 as follows: 100% grant for \$666,666; 15% match for \$100,000 and 10% match in lieu of a loan for \$6,667.

The project includes upsizing and replacing the existing distribution lines in the West Village and Guachupangue, completion of improvements in the East Village and construction of a new well.

Chair McDermott asked for clarification on the 0% loan and 100% grant. Ms. Marquita Russel explained that the Water Trust Board Policies indicate that specific entities are not supported by rate paying constituency and can substitute additional cash match in lieu of the lump component.

Mr. Santiago Chavez asked for clarification on the action being taken. Ms. Russel explained that NMFA, by statute, is authorized to make grants and loans while the Board makes the decision to extend the financing. The Water Trust Board acts as a recommending subcommittee for the loans.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of Santa Clara Pueblo Project # 0299-WTB. The motion was unanimously approved.**



**29. Consideration for Approval of PPRF Series 2014A-1 and 2014A-2 Tax-Exempt and Taxable Bonds Preliminary Official Statement.** Staff recommends approval of the substantially final Preliminary Official Statement to be used in the marketing of Series 2014A Bonds.

The authorizing resolution that will among other things, direct Finance Authority staff and its consultants to prepare for the issuance of the Subordinate Lien Public Project Revolving Fund Revenue Bonds, Tax-Exempt Series 2014A-1 (the “Series 2014A-1 Bonds”) and Taxable Subordinate Lien Public Project Revolving Fund Revenue Bonds, Series 2014A-2 (the “Series 2014A-2 Bonds”) and together with the Series 2014A-1 Bonds, the “Series 2014A Bonds”). The Series 2014A Bonds will be issued in an approximate amount of \$32,985,000 and will be used by the Finance Authority for the purposes of (i) originating loans to or purchasing securities from certain governmental entities that will be used to finance certain Projects for such governmental entities or reimbursing loans previously made to or securities purchased from such governmental entities and (ii) paying costs incurred in connection with the issuance of the Series 2014A Bonds. Finance Authority staff and consultants will continue to prepare for the sale of the Series 2014A Bonds, now expected to occur on May 22, 2014.

Mr. Michael Zavelle reported that RBC Capital Markets will be senior tax counsel on the tax-exempt bonds with R.W. Baird serving as co-counsel. On the taxable bonds, J.P. Morgan will take the senior position with Piper Jaffray serving as co-counsel.

Chair McDermott noted that his term is listed incorrectly, as his term will end in 2015. Secretary Clifford also noted that Secretary Designates should be updated as he, along with Secretary Flynn, and Secretary Martin were confirmed by the Senate.

Secretary Tom Clifford inquired about the debt service schedule, specifically if any new issues are reliant on revenue growth. Mr. Michael Zavelle explained that when bonds are issued, and have debt service, the loans are reimbursed with equal to or greater revenue. The ability to make new loans comes from the excess revenue, the GGRT, and repayments. NMFA does monitor the capacity.

Secretary Clifford requested a projection schedule be provided. Mr. Zavelle noted that NMFA will provide the Board with the projections. Secretary Clifford said that he would like to see the financial plan that demonstrates how the issues are factored into the plan.

**30. Consideration for Approval of Authorizing Resolutions for Issuance of PPRF Series 2014A-1 and 2014A-2 Tax-Exempt and Taxable Bonds.** Staff recommends approval of the subordinate lien authorizing resolution for issuance of PPRF Series 2014A-1 and 2014A-2 Tax-Exempt and Taxable Bonds.

Authorizing the issuance and sale by the New Mexico Finance Authority (the “Finance Authority” or “NMFA”) of the Finance Authority’s subordinate lien Public Project Revolving Fund revenue bonds, tax-exempt series 2014A-1 (the “Series 2014A-1 bonds”) in an aggregate principal amount to be determined, but not to exceed \$18,000,000 and the Finance Authority’s subordinate lien public project revolving fund revenue bonds, taxable series 2014A-2 (the “Series 2014A-2 bonds” and

together with the series 2014a-1 bonds, the “Series 2014A bonds”) in an aggregate principal amount to be determined, but not to exceed \$19,000,000, provided, however, that the Series 2014A bonds shall be in an aggregate principal amount to be determined but not to exceed \$37,000,000 and within certain parameters for the purpose of providing funds to finance public projects within the state of New Mexico and to pay costs of issuance of the series 2014A bonds; providing for a sale resolution to be subsequently adopted specifying details of the series 2014A bonds, including, without limitation, the dates, denominations, maturities, redemption provisions, interest rates and payment terms; authorizing the execution of tenth supplemental indenture of trust, a bond purchase agreement, a continuing disclosure undertaking, and a disclosure dissemination agent agreement, if advisable, for the series 2014A bonds; authorizing the use of a preliminary official statement and official statement with respect to the series 2014A bonds; and authorizing the taking of all other actions necessary to the consummation of the transactions contemplated by this resolution; ratifying prior actions consistent with this resolution and repealing prior inconsistent action.

Ms. Jill Sweeney reviewed the highlights of the Authorizing Resolution. She noted that the Authorizing Resolution should set the parameters for final approval. If the parameters are not achieved the resolution cannot move forward.

**Ms. Katherine Ulibarri moved, seconded by Mr. Santiago Chavez, for approval of authorizing resolutions for issuance of PPRF Series 2014A-1 and 2014A-2 tax-exempt and taxable bonds. The motion was unanimously approved.**

**Report from the Chairperson of the Economic Development Committee.** *Committee members are Jerry Jones, Chair; Terry White, Vice-Chair; Blake Curtis; and Secretary Jon Barela or his designee.*

31. **Update on Activities.** Ms. Antoinette Vigil reported on the Economic Development Committee meeting of April 16, 2014. The Committee reviewed the Private Lending Portfolio and discussed the revised Private Lending Portfolio Concentration Policy which appears on today’s agenda under item 32.
32. **Consideration and Approval of Private Lending Portfolio Concentration Policy.** The Economic Development Committee and staff recommend approval of the Portfolio Concentration Risk Policy limiting loans to the hospitality industry.

In December 2013, staff presented a policy that provides guidance on appropriate industry concentration limits for the Private Lending Portfolio. The proposal was discussed at length with the Board requesting that staff do more research and analysis to support the limits contained in the proposed policy. Staff conducted more research including conversations with other states that have similar programs, banks, and federal regulators – FDIC and OCC, and the US Treasury SSBCI Group. Based on that research, staff is recommending changes from 20% to 30% in any the hospitality industry. The policy will allow for waivers based on economic development impact and encourages geographic dispersion with each investment.

Chair McDermott inquired about the process and asked if staff is recommending a cap or a guideline. Mr. John Brooks explained that it is a cap. The process will allow staff to review the portfolio on a month-to-month basis. If a project is submitted and meets the economic criteria, staff will be able to review and present to the Board for approval.

Chair McDermott asked what criteria staff is using to bring the project forward for approval. Ms. Marquita Russel noted that NMFA will require the Economic Development Department to provide the supporting documentation with the economic impact. Ms. Russel also explained that the process is not much different than what is required in the existing policy. The Economic Development Department determines that the project is worthy of financing and has an economic impact.

Ms. Antoinette Vigil noted that the Economic Development Department supports the policy. The agency already works with the communities on their economic and comprehensive plans, which keeps the Department connected. The process that NMFA staff is requesting does not add any additional requirements to the Economic Development Department. The ability to support the request for the project is still great for businesses and communities.

Chair McDermott noted the importance of job creation adding that he does not want to hinder those jobs by setting caps. Ms. Russel noted that staff will bring back a draft of the policies with the language that will allow a guideline rather than a cap.

Ms. Vigil noted that the Economic Development Committee did not want to limit the projects but wanted to allow good projects that are financially worthy, to be reviewed by the Board. The approach was a balanced method that will still allow the Economic Development Department to continue to review the projects being brought forward.

Secretary Tom Clifford noted that he would like to see a report for these programs and how the funds are committed. Ms. Russel said that staff will bring the policy amendments so that the Board can see if they are too rigorous.

After brief discussion, approval of the Policy was tabled.

**Report from the Chairperson of the Audit Committee.** *Committee members are Secretary Tom Clifford or designee Ricky Bejarano, Chair; Secretary David Martin; Mr. Steve Kopelman; and Ms. Katherine Ulibarri.*

- 33. Update on Activities.** Secretary Tom Clifford reported on the April 21, 2014 Audit Committee meeting. Mr. Ricky Bejarano chaired the meeting in Secretary Clifford's absence. Discussed were the following items: 1) external auditor RFP responses and scores; 2) internal auditor RFP and 3) lines of communication that need to occur with the Audit Committee.

**34. Consideration for Approval of Internal Auditor RFP.**

**Secretary Tom Clifford moved, seconded by Ms. Antoinette Vigil, for approval of the internal auditor RFP. The motion was unanimously approved.**

**Report from the Investment Committee.** *Committee members are Mr. Terry White, Chair, Mr. Blake Curtis, and Secretary David Martin.*

35. **Update on Activities.** Mr. Michael Zavelle reported on the Investment Committee meeting of April 16, 2014.

Investment Report:

- ◆ Total invested funds at the end March was \$456.5 million of which \$344 million is NMFA funds and \$112.5 million is DOT GRIP funds. This compared to total fund invested at this time last year of \$526.6 million. Weighted Average yield in all fund invested at the Authority at month end was .55% compared to .54% this time last year.

NMFA Portfolio Performance:

- ◆ The NMFA portfolio was .23% at the end of March compared to the weighted average yield of the benchmarks at .11%. The weight average duration in the portfolio was .639 vs. the weighted average duration of the benchmarks of .541.
- ◆ Currently there is 38% of the portfolio in Money market Mutual funds, and 62% in Fixed Income Securities (21% US Agencies and 41% US Treasuries).
- ◆ Total net income on NMFA invested Funds for FY 2014 so far was \$542,625 over the last 9 months.

In response to a question from Secretary Clifford, Mr. Zavelle reported that the advisor was Davidson; however, Davidson has moved to a new firm, as did the people who dealt with the NMFA account. On an emergency basis, NMFA also moved with Davidson in order to provide continuity. The Investment Committee is awaiting approval of the RFP.

36. **Acceptance of Investment Report for the Period Ending March 31, 2014.**

**Mr. Brett Woods moved, seconded by Secretary Tom Clifford, for acceptance of the March 2014 Investment Report. The motion was unanimously approved.**

**Report from the Chairperson of the Contracts Committee.** *Committee members are Secretary Ryan Flynn, Chair; Secretary Jon Barela; Mr. Steve Kopelman; and Mr. Jerry Jones.*

37. **Update on Activities.** Mr. Dan Opperman reported on the special Contracts Committee meeting of April 10, 2014. The Committee met to review the agreement and assignment of the contract. The contract has been awarded to Sherman Howard with Ms. Jill Sweeney continuing work with the bonds and will act as the NM Tax Credit Lending and Private Loan Counsel as needed. The Contracts Committee unanimously agreed with the concurrence of the assignment. The regular meeting of April 21, 2014 met to review the Request for Quotations for Process Documentation, Process Mapping, Workflow, and Standard Operating Procedures.

Ms. Antoinette Vigil moved, seconded by Mr. Santiago Chavez, for approval of the Contracts Committee report. The motion was unanimously approved.

**38. Consideration for Approval of Statewide Price Agreement Request for Quotations for Process Documentation, Process Mapping, Work-flow and Standard Operating Procedure Development Services.**

Chair McDermott asked if the Statewide Price Agreement has sufficient representation of service that can help with the specifications of Process Mapping. Mr. Bryan Otero noted that there are currently eight firms listed that have Statewide Price Agreements. The entities are required to provide documentation to NMFA for evaluation to determine if the organization can provide the services required. Mr. Robert Coalter noted that he will assure that the contractor has the ability to do the work correctly from the beginning.

**Mr. Vince Lithgow moved, seconded by Mr. Santiago Chavez, for approval of statewide price agreement request for quotations for process documentation and mapping, work-flow and standard operating procedure development services. The motion was unanimously approved.**

**Report from the Chairperson of the Disclosure Committee.** *Committee members are Mr. William Fulginiti, Chair; Secretary Tom Clifford; and Ms. Katherine Ulibarri.*

**39. Update on Activities.** Mr. Dan Opperman reported on the Disclosure Committee meeting of April 16, 2014. The Committee discussed the following: The POS process and an MOU regarding federal laws that relate to the Board's obligations.


**Mr. Santiago Chavez moved, seconded by Secretary Tom Clifford, for approval of the Disclosure Committee report. The motion was unanimously approved.**

**40. Next Board Meeting**

Thursday, May 22, 2014 – 9:00 a.m.  
State Capitol – Room 322  
Santa Fe, NM

**41. Adjournment**

The meeting adjourned at 11:25 a.m.

  
Secretary

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Date