

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

Minutes of Board Meeting
June 22, 2023
Room 309, State Capitol

Present:

Kathy Keith, Chair	LANL
Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Alison Nichols	Designee for Executive Director, NMML
Andrew Burke	Public Member, Las Cruces, NM
Joy Esparsen	Executive Director, NMC
Judi Kahl	Designee for Secretary, NM Environment Dept.
Marcos Trujillo	Designee for Secretary, NM Dept. of Finance/Admin.
Matthew Lovato (via zoom)	Designee for Secretary, NM EMNRD

Absent:

Ronald Lovato	Public Member, Ohkay Owingeh
Jon Clark	Designee for Secretary, NM Economic Development

Finance Authority Staff:

Angela Quintana	Brenda Garcia
Brian Duboff	Charlotte Larragoite
Cherise Martinez	Chip Pierce (via zoom)
Connie Marquez	Dan Opperman
Deborah Larranaga	Dora Cde Baca
Joe Maldonado	John Brooks
Kryshana Madrid	Mark Dalton
Mark Lovato	Mark Montoya
Marquita Russel	Michael Vonderheide
Nicole McCollum	Norman Vuylsteke
Oscar Rodriguez	Paul Romero
Ron Cruz	Ryan Decker
Ryan Olguin	Susan Pittard
Susan Rodriguez	

Guests:

Blake Brie	Stifel
Cally Carswell	LFC
Carla Najjar	Virtue, Najjar
Katherine Miller	Former NMFA Chair
Leo Valdez	Municipal Capital Markets Group, Inc.

1. **Call to Order and Roll Call.** Chair Kathy Keith called the meeting to order at 9:01 a.m.
2. **Approval of Agenda.** Ms. Russel notified the Board that item 8.1 will be taken off today's agenda. **Member Suazo moved, seconded by Member Esparsen, to approve the agenda as amended to remove item 8.1. The motion passed 8 – 0.**

3. **Approval of Board Minutes.**

3.1 Approval of Minutes. Member Suazo moved, seconded by Member Esparsen, for approval of the May 25, 2023, board minutes. The motion passed 8 – 0.

4. **Report from the Chief Executive Officer (“CEO”).**

4.1 Report from the CEO.

✓ *Board Vacancy:* Dr. Cleve McDaniel has stepped down from his role as New Mexico Tech's Vice President for Administration and Finance thereby ending his eligibility to serve as an NMFA Board Member. NMFA is working with the Governor's office for a replacement.

✓ *Staff Introductions, Realignment and FY 2024 Priorities:* Ms. Russel introduced the NMFA administrative support team and the members of the legal department as part of familiarizing the Board with the NMFA staff post pandemic. Ms. Russel also presented a gift to former chair, Katherine Miller, for her service to the NMFA Board.

The Innovations and Operations Unit, led by NMFA Chief of Programs, Mr. Adam Johnson, was created to develop technology solutions to fill gaps identified through the Operational Excellence initiatives and to bridge Salesforce with our other enterprise software such as EnABLE, NMFA's loan servicing system, and MIP, NMFA's accounting system. To continue those initiatives, the program administration departments will be moved under Mr. John Brooks, thus allowing Mr. Johnson to focus on the operational elements of the departments. This transition will occur in July.

The NMFA is preparing for the electronic records management project. The project entails the elimination of duplicate files and filing systems, the verification of records being kept, and the standardization of filing systems. This multi-year project will be managed by the Support Services Group, headed by Dora Cde Baca. A request to issue an RFP for consultation services was presented to the Finance & Disclosure Committee this month, to assist in this project.

✓ *Initiative on Inclusive Entrepreneurship (“IIE”):* Ms. Russel and Ms. Ryan Decker traveled to Washington D.C. last week to participate in a roundtable discussion focused on using federal State Small Business Credit Initiative (SSBCI) funding and philanthropic investment to increase access to capital for small businesses in rural communities and businesses owned by people of color. New Mexico was added to the IIE because of NMFA's innovative work.

✓ *USDA Consent:* Ms. Russel met with Mr. Andy Berke, RUS Administrator and Mr. Steve Polacek, Acting Assistant Administrator, regarding NMFA’s increasing difficulty in gaining consent from the regional USDA office to make subordinated loans. NMFA is awaiting consent on seven requests made last year totalling \$338,629.00 and are part of \$3.25 million in total funding being awarded. This year, NMFA anticipates another twelve awards may be held up due to USDA consent. These loans total \$3.8 million and are part of \$31.75 million in total awards. Ms. Russel had a subsequent meeting with Senator Lujan’s office regarding these same concerns.

✓ *Legislative Oversight Committee:* The Legislative Oversight Committee held their organizational meeting on May 31. The Committee requested NMFA provide recommendations on program consolidation and/or elimination, NMFA’s role in public-private partnerships and capital outlay reform. The Committee is scheduled to meet on July 28 in Albuquerque.

✓ *Opportunity Enterprise Application:* On June 7, the Opportunity Enterprise Review Board met and authorized the opening of the application cycle. The application had a soft opening on June 14 and will close on Monday, July 31. NMFA provided a notice of intent for communities or developers wanting to file an application but that are not yet ready to do so. The notice of intent will capture helpful data for subsequent application phases. It will also provide the legislature with data should they want to appropriate additional funds in the upcoming session.

✓ *Building Update:* Staff anticipates having more refined bids from sub-contractors at the end of June in order to present substantially final costs for the building to the Audit Committee and Board in July. Our tenants have moved out and the building is now vacant.

5. Other Items.

5.1 Approval of the NMFA Opportunity Enterprise Revolving Fund Program Policies. Ms. Ryan Decker presented the Opportunity Enterprise Revolving Fund Program policies approved by the Opportunity Enterprise Review Board at their May meeting. Ms. Russel clarified that the policies can be amended by the Board but amendments to the rules would require the approval of the oversight committee. Discussion continued regarding the application process.

Member Suazo moved, seconded by Member Burke, for approval of agenda item 5.1. The motion passed 8 – 0.

6. Public Lending Committee Report. *(Committee members are Mr. A.J. Forte, Chair, (Ms. Alison Nichols), Secretary Wayne Propst (Mr. Marcos Trujillo), Secretary James Kenney (Ms. Judi Kahl), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

6.1 Update on Activities. The Public Lending Committee met on June 14, 2023, via Zoom. Member Alison Nichols chaired the meeting with Members Marcos Trujillo, Judi Kahl, and Richard Garcia in attendance. Six Local Government Planning Grants (“LGPF”) grant applications and four Public Project Revolving Fund (“PPRF”) applications were reviewed and approved. An overview of

the 2023 Colonias Infrastructure Fund (“CIF”) award cycle with thirty-one CIF awards recommended for Board approval. The Committee discussed 4 of the proposed awards because they did not meet coverage, and those projects will be required to raise rates.

7. Consent Agenda.

7.1 El Prado WSD (Taos County). PG-6188. \$37,500. Water Conservation Plan. El Prado Water and Sanitation District applied to the LGPF for \$37,500 to fund a Water Conservation Plan.

7.2 Taos County. PG-6189. \$50,000. Comprehensive Plan with LEDA. Taos County (“County”) applied to the LGPF for \$50,000 for an update to the 2017 comprehensive plan to reflect current County needs. This plan will identify and address land use, zoning, housing, transportation, parks and recreation, facilities, utilities, and economic development. The plan will also include an update to the LEDA ordinance.

7.3 Sile MDWC&SWA (Sandoval County). PG-6190. \$50,000. Preliminary Engineering Report. Sile MDWC&SWA (“Association”) applied to the LGPF for \$50,000 to fund a preliminary engineering report addressing water supply and distribution issues of the Association.

7.4 Rio Arriba County. PG-6191. \$50,000. Comprehensive Plan with LEDA. Rio Arriba County (“County”) applied to the LGPF for \$50,000 for a comprehensive plan to map out its current and future priorities and update the LEDA ordinance.

7.5 Town of Clayton (Union County). PG-6192. \$50,000. Metropolitan Redevelopment Act Plan. The Town of Clayton (“Town”) applied to the LGPF for \$50,000 for a Metropolitan Redevelopment Act Plan (“MRA”) to define the vision of the community for an MRA district, identify priority projects to revitalize and attract public and private sector investment, examine existing conditions and community assets, analyze the economic market and potential redevelopment sites, implementation strategies and specific funding sources.

7.6 Quay County. PG-6193. \$50,000. Comprehensive Plan with LEDA. Quay County (“County”) applied to the LGPF for \$50,000 for a comprehensive plan to map out its current and future priorities and update the LEDA ordinance.

7.7 Des Moines Municipal School District (Union and Colfax Counties). PPRF-6185. \$255,000. 2023 Education Technology Note. Des Moines Municipal School District (“District”) applied to the PPRF for \$255,000 to finance the purchase of Education Technology Equipment for District-wide projects.

The proceeds will provide for a combination of Education Technology Equipment for the District. The New Mexico State Constitution does not require voter approval for education technology equipment and related projects when purchased through a lease-purchase agreement. The District will enter into a lease-purchase agreement with NMFA secured by ad valorem property tax.

7.8 Village of Cimarron (Colfax County). PPRF-6186. \$100,000. 2023 Park Improvement Loan. The Village of Cimarron (“Village”) applied to the PPRF for \$100,000 for Park Improvements to include the installation of a pavilion, sidewalks, lighting, and handicap accessibility in the public park located at the center of the Village.

Member Suazo moved, seconded by Member Trujillo, for approval of agenda items 7.1 – 7.8. The motion passed 8-0.

8. Regular Agenda.

8.1 Taos Regional Landfill Board (Taos County). PPRF-6173. \$1,845,000. 2023 Construction Loan of a New Landfill Cell. Item removed from the agenda.

8.2 Espanola School District (Rio Arriba County). PPRF-6187. \$2,000,000. Education Technology Note. The Espanola School District (“District”) applied to the PPRF for \$2,000,000 to finance the purchase of Educational Technology Equipment for District-wide projects.

The proceeds will provide for a combination of Education Technology Equipment for the District. The New Mexico State Constitution does not require voter approval for education technology equipment and related projects when purchased through a lease-purchase agreement. The District will enter into a lease-purchase agreement with NMFA secured by ad valorem property tax.

Member Suazo moved, seconded by Member Esparsen, for approval of agenda item 8.2. The motion passed 8 – 0.

9. Colonias Infrastructure Board (“CIB”).

9.1 2023 Colonias Infrastructure Fund (“CIF”) Awards. Approval of grants and loans to thirty-one applicants recommended by the CIB from the 2023 application cycle.

Ms. Angela Quintana provided a summary of the 2023 Colonias Application Cycle. By statute, the NMFA makes grants and loans to projects recommended by the CIB, which uses an annual application process to determine which projects to recommend to the NMFA for approval.

For 2023, the CIB has \$67,560,000 available from Severance Tax Bond distributions. The grant/loan components consist of 90% grant and 10% loan based upon CIF policies, with the exception of five applicants who will take an additional loan in lieu of the required match component (80% grant / 20% loan). All loans are structured as construction loans allowing up to twenty-four months for the project to be completed prior to the first principal payment coming due.

9.2 City of Anthony (Doña Ana County). CIF-6101. \$200,00. Roads/Drainage Infrastructure Lee Ave Roadway/Draining Improvements. Recommended funding: 90% grant - \$180,000 and 10% loan - \$20,000 totaling \$200,000.

- 9.3 City of Anthony (Doña Ana County). CIF-6102. \$800,000. Solid Waste Infrastructure/Solid Waste Transfer Station.** Recommended funding: 90% grant - \$720,000 and 10% grant - \$80,000 totaling \$800,000.
- 9.4 Casas Adobes MDWCA (Grant County) CIF-6106. \$2,562,800. Water Infrastructure/Water System Improvements.** Recommended funding: 90% grant - \$2,306,520 and 10% loan - \$256,280 totaling \$2,562,800.
- 9.5 Catron County. CIF-6107. \$98,182. Roads/Drainage Infrastructure Menges Lane Road/Drainage Improvements.** Recommended funding: 90% grant - \$88,364 and 10% loan - \$9,818 totaling \$98,182.
- 9.6 Catron County. CIF-6108. \$240,181. Roads/Drainage Infrastructure Rowe Grade Road/Drainage Improvements.** Recommended funding: 90% grant - \$216,163 and 10% loan - \$24,018 totaling \$240,181.
- 9.7 Village of Cloudcroft (Otero County). CIF-6109. \$2,608,123. Water Infrastructure Mountaintop Subdivision Water/Sewer.** Recommended funding: 90% grant - \$2,347,311 and 10% loan - \$260,812 totaling \$2,608,123.
- 9.8 Village of Columbus (Luna County). CIF-6110. \$1,339,500. Water Infrastructure Northside Tanks/Water Distribution.** Recommended funding: 80% grant - \$1,071,600 and 20% loan - \$267,900 totaling \$1,339,500.
- 9.9 Doña Ana County. CIF-6113. \$8,909,090. Wastewater Infrastructure Chaparral Ph. 2-C-pkg #2.** Recommended funding: 90% grant - \$8,018,181 and 10% loan - \$890,909 totaling \$8,909,090.
- 9.10 Doña Ana County. CIF-6114. \$3,856,859. Wastewater Infrastructure Rincon and Salem WWTP Improvements.** Recommended funding: 90% grant - \$3,471,173 and 10% loan - \$385,686 totaling \$3,856,859.
- 9.11 Doña Ana County. CIF-6115. \$1,058,390. Wastewater Infrastructure Chaparral WWTP Effluent Disposal Field.** Recommended funding: 90% grant - \$952,551 and 10% loan - \$105,839 totaling \$1,058,390.
- 9.12 Doña Ana County. CIF-6116. \$1,500,000. Flood Prevention Abeyta Pond.** Recommended funding: 90% grant - \$1,350,000 and 10% loan - \$150,000 totaling \$1,500,000.
- 9.13 Doña Ana MDWCA (Doña Ana County). CIF-6118. \$1,930,637. Water Infrastructure West Mesa Water System Rehabilitation.** Recommended funding: 90% grant - \$1,737,573 and 10% loan - \$193,064 totaling \$1,930,637.

9.14 Doña Ana MDWCA (Doña Ana County). CIF-6120. \$6,000,000. Wastewater Infrastructure SE Collection System Final Phase. Recommended funding: 90% grant - \$5,400,000 and 10% loan - \$600,000 totaling \$6,000,000.

9.15 Garfield MDC&MSWA (Doña Ana/Sierra Counties). CIF-6123. \$947,843. Water Infrastructure North Arrey Well Project. Recommended funding: 80% grant - \$758,274 and 20% loan - \$189,569 totaling \$947,843.

9.16 Grant County. CIF-6124. \$4,943,203. Roads/Drainage Infrastructure North Hurley Road Phase III. Recommended funding: 90% grant - \$4,448,883 and 10% loan - \$494,320 totaling \$4,943,203.

9.17 Grant County. CIF-6125. \$350,000. Roads/Drainage Infrastructure Crum Road Improvements. Recommended funding: 90% grant - \$315,000 and 10% loan - \$35,000 totaling \$350,000.

9.18 Grant County. CIF-6126. \$135,000. Roads/Drainage Infrastructure Franks Road Improvements. Recommended funding: 90% grant - \$121,500 and 10% loan - \$13,500 totaling \$135,000.

9.19 City of Jal (Lea County). CIF-6129. \$10,120,000. Wastewater Infrastructure Wastewater Treatment Plant. Recommended funding: 90% grant - \$9,108,000 and 10% loan - \$1,012,000 totaling \$10,120,000.

9.20 Lincoln County. CIF-6131. \$1,500,000. Roads/Drainage Infrastructure Palo Verde. Recommended funding: 90% grant - \$1,350,000 and 10% loan - \$150,000 totaling \$1,500,000.

9.21 City of Lordsburg (Hidalgo County) CIF-6132. \$2,179,000. Northside Water System Improvements Phase I. Recommended funding: 80% grant - \$1,743,200 and 20% loan - \$435,800 totaling \$2,179,000.

9.22 City of Lordsburg (Hidalgo County). CIF-6133. \$2,410,000. Water Infrastructure Northside Water System Improvements Phase II. Recommended funding: 90% grant - \$1,928,000 and 10% loan - \$482,000 totaling \$2,410,000.

9.23 Lower Rio Grande PWWA (Doña Ana County). CIF-6136. \$517,000. Water Infrastructure Rincon Water System Improvements. Recommended funding: 80% grant - \$413,600 and 20% loan - \$103,400 totaling \$517,000.

9.24 Luna County. CIF-6138. \$316,818. Roads/Drainage Infrastructure Keeler Farm Road/Drainage Improvements. Recommended funding: 90% grant - \$285,136 and 10% loan - \$31,682 totaling \$316,818.

9.25 Malaga MDWC&SWA (Eddy County). CIF-6139. \$1,582,368. Water Infrastructure Water System Improvements. Recommended funding: 90% grant - \$1,424,131 and 10% loan - \$158,237 totaling \$1,582,368.

9.26 San Pablo MDWCA (Doña Ana County). CIF-6140. \$310,610. Wastewater Infrastructure Vacuum System Improvements. Recommended funding: 80% grant - \$248,488 and 20% loan - \$62,122 totaling \$310,610.

9.27 Town of Silver City (Grant County). CIF-6141. \$3,300,000. Water Infrastructure Grant Co. Regional Water Project. Recommended funding: 90% grant - \$2,970,000 and 10% loan - \$330,000 totaling \$3,300,000.

9.28 Town of Silver City (Grant County). CIF-6142. \$140,000. Wastewater Infrastructure Mill Road. Recommended funding: 90% grant - \$126,000 and 10% loan - \$14,000 totaling \$140,000.

9.29 Town of Silver City (Grant County). CIF-6143. \$1,559,000. Roads/Drainage Infrastructure Little Walnut Road Phase IV. Recommended funding: 90% grant - \$1,403,100 and 10% loan - \$155,900 totaling \$1,559,000.

9.30 City of Sunland Park (Doña Ana County). CIF-6144. \$2,500,000. Roads/Drainage Infrastructure Riverside Phase I. Recommended funding: 90% grant - \$2,250,000 and 10% loan - \$250,000 totaling \$2,500,000.

9.31 Timberon WSD (Otero County). CIF-6145. \$681,818. Water Infrastructure Water System Improvements. Recommended funding: 90% grant - \$613,636 and 10% loan - \$68,182 totaling \$681,818.

9.32 Village of Tularosa (Otero County). CIF-6147. \$2,848,578. Water Infrastructure Water System. Recommended funding: 90% grant - \$2,250,349 totaling \$2,500,388. Ms. Quintana state that this loan also does not meet coverage and will also be required to raise its rates.

Member Suazo moved, seconded by Member Burke, for approval of agenda items 9.2 – 9.32. The motion passed 8 – 0.

10. Economic Development Committee Report. *(Committee members: Secretary Alicia Keyes (Mr. Jon Clark), Chair, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), Secretary James Kenney (Ms. Judi Kahl), Secretary Wayne Propst (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

10.1 Update on Activities. The Economic Development Committee met on Tuesday, June 13, 2023, via Zoom. Member Jon Clark chaired the meeting with Members Judi Kahl and Marcos Trujillo in attendance. NMFA staff presented the Program Report for May 2023.

11. Finance and Disclosure Committee Report. *(Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Wayne Propst (Mr. Marcos Trujillo) and Ms. Joy*

Esparzen (Mr. Richard Garcia).

11.1 Update on Activities. The Finance & Disclosure Committee met on June 14, 2023, via Zoom. Member Martin Suazo chaired the meeting with Members Richard Garcia, Alison Nichols, and Marcos Trujillo in attendance. NMFA staff presentations included Presentment of the Investment Report and Bond Issuance Outlook Report. The Committee Board approval of an award of contract for an investment consultant for the Venture Capital Program Fund. The Committee also approved an existing contract procurement with Eastern Research Group, LLC (“ERG”) for engineering review, project and construction oversight services for certain water programs that are funded by NMFA and a Memorandum of Agreement (“MOA”) with the New Mexico Environment Department’s Construction Programs Bureau (“CPB”) for engineering, review, and construction oversight services for certain water programs that are funded by NMFA and not included in the contract with ERG. The Committee also approved the issuance of a Request for Proposals (“RFP”) for Document and Data Management, Storage, Inventory, Categorization and Retention Schedule Consulting Services and updated the Committee on the past month’s procurement notifications.

11.2 Approval of Proposed Award for Venture Capital Investment Consultant. Ms. Ryan Decker presented the results for the venture capital consultant. The evaluation committee heard presentations from Meketa Investment Group and Avivar Capital. Based on the final scores, staff recommended the award to Meketa Investment Group subject to satisfactory negotiation of final terms.

Member Suazo moved, seconded by Member Burke, to award the contract for the Venture Capital Investment Consultant to Meketa Investment Group. The motion passed 8 – 0.

12. Audit Committee Report. *(Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), and Secretary Alicia Keyes (Mr. Jon Clark).*


12.1 Update on Activities. The Audit Committee met on June 14, 2023, via Zoom. Member Andrew Burke chaired the meeting with members Martín Suazo and Jon Clark present. The April 2023 Financial Statements were presented. Moss Adams held the entrance conference for the FY2023 external audit. Staff provided a project update on the new office building noting that cost estimates appear to be significantly above the construction budget.

13. Next Board Meeting

13.1 Thursday, July 27, 2023 – 9:00 a.m. Room 309, State Capitol

14. Adjournment

The meeting adjourned at 10:05 a.m.



Secretary
8/24/23

Date