

*New Mexico Finance Authority*  
207 Shelby St. Santa Fe, N.M. 87501  
(505) 984-1454  
**Minutes of NMFA Board Meeting**  
**September 28, 2023**  
New Mexico State Capitol, Room 309  
490 Old Santa Fe Trail, Santa Fe, New Mexico

**Members Present:**

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

**Members Absent:**

Sarah Cottrell Propst	Secretary, EMNRD
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**Finance Authority Staff:**

Bob Spradley	Mark Montoya
Bradley Fluetsch	Marquita Russel
Brenda Garcia	Michael Vonderheide
Brian DuBoff	Michelle Cox
Bryan Otero	Neyli Castillo Suarez
Carmela Manzari	Norman Vuylsteke
Cherise Martinez	Oscar Rodriguez
Chip Pierce (via zoom)	Paul Romero
Dan Opperman	Ron Cruz
Dora Cde Baca (via zoom)	Ryan Olguin
Joanne Johnson	Ryan Decker
John Brooks	Scott Morrison
Katie Lucero	Susan Pittard
Kryshana Madrid	Susan Rodriguez
Krystal Hurtado	Theresa Garcia
Lukas Elliot	Todd Nordby
Maria Ruelas	Todd Johansen
Mark Lovato	

**Guests:**

Aaron Hamilton  
Adam Silverman  
Brad Patterson  
Brian Birk  
Carla Najjar  
Chris Japp  
Dan Brooks  
Ethan Samson  
Jared Pratt  
Joey Juang  
Katie Rice  
Leo Valdez  
Mitch Daubert  
Micheal Pellutz  
Steven Hartt  
Sabrina Ciampa  
Suzanne Bruckner  
Susen Ellis  
Shenelle Salcido  
Taylor Raymond

Moss Adams  
Geltmore, LLC  
GilmoreBell  
Sun Mountain Capital  
Virtue & Najjar  
Tramway Ventures  
Sun Mountain Capital  
Meketa Investment Group  
Meketa Investment Group  
Tramway Ventures  
Tramway Ventures  
Rio Arriba County  
Mayor of Dextor  
Meketa Investment Group  
Meketa Investment Group  
Meketa Investment Group  
Sutin, Thayer & Browne  
BOKF  
GilmoreBell  
Orrick, Herrington & Sutcliff

- 1 **Call to Order and Roll Call.** Chairman Keith called the meeting to order at 9:00 a.m. A quorum was established.
2. **Approval of Agenda.** Member Suazo moved, seconded by Member Kahl, to approve the agenda. The motion passed 9 – 0.
3. **Approval Board Minutes.** Member Suazo moved, seconded by Member Burke, for approval of the August 24, 2023, board minutes. The motion passed 9 – 0.
4. **Report from the Chief Executive Officer (“CEO”), Marquita Russel.**

**4.1 Report from the CEO.**

Ms. Russel introduced the finance and accounting staff.

**NMTC News**

The CDFI Fund of the Department of Treasury announced that 102 applications were selected for a total \$5 billion in NMTC allocation. Finance New Mexico will receive \$25 million from this latest application, bringing our total allocation to \$346 million. Finance New Mexico was one of 33 allocatees that represent a statewide, citywide, or countywide service area. A big congratulations to the NMFA’s New Markets Tax Credit team: John Brooks, Theresa Garcia, Dan Opperman, Joanne Johnson, Ryan Decker, and Lynn Taulbee.

## Program Development Update

The internal Venture Capital Investment Committee recommended to the Economic Development Committee its first two investments under the new authority. The Economic Development Committee reviewed the recommendations along with presentations from Tramway and Sun Mountain. Gratitude to Ryan Decker, Susan Pittard, who led the internal development team and to the Meketa team, NMFA's Venture Capital consultants.

Last month, the Opportunity Enterprise Review Board ("OERB") met to consider recommendations under its first application cycle. NMFA received 33 complete applications and reviewed the applications using the OERB policies. Seven projects appear on the priority list. Pursuant to OERB rules, NMFA will underwrite the projects for loans in the order prioritized.

In early September, representatives from Moody's Investor Services and S & P Global Ratings came to Santa Fe to hear the upcoming senior lien bonds and to review structuring proposals on the PPRF Junior Lien Indenture. NMFA expects to receive feedback from the rating agencies in a few months.

Staff has been working with the NM Economic Development Department and associations representing banks and credit unions on proposed uses of funding for the federal State Small Business Credit Initiative ("SSBCI"). Two programs have received positive feedback: the loan participation program, which can help businesses needing short term capital or small subordinated pieces of longer-term loans. The rules and policies for this will be refreshed and presented to the NMFA Board and Oversight Committee in October.

The second program is a pooled loan guarantee fund that works like a loan loss reserve fund for enrolled lenders. NMFA will evaluate and approve participating lenders who will then be able to enroll qualifying loans as they make them. Upon demonstration that the enrolled loans meet the terms of the program, NMFA contributes a portion of federal funds (4% to 7% of the enrolled loan) to the participating lender's loan loss reserve, which the participating lender will match. As the participating lender makes more qualifying loans, the amount in the loan loss reserve will grow and should be sufficient to cover any losses arising from an enrolled loan.

Staff is proposing a model that targets short-term loans of \$100,000 to \$500,000, too big for most microlenders and too small for most commercial lenders. At the end of the program, funding not needed to cover losses from enrolled loans, will return to the state for use in other programs. Under the SSBCI 1.0 program, this tool was successful in incentivizing loans to these small businesses by mitigating the risk to the lender. Because of New Mexico's constitutional Anti-Donation Clause, this program can only be operated with federal dollars.

### 5. Other Items.

**5.1 Review of Draft Rules Governing the Administration of the Capital Access Program under the Federal SSBCI.** Ms. Russel introduced the draft rules for the Capital Access Program, including how NMFA would accept lenders, the underwriting process, monitoring lenders, and what is prohibited use under this program, minimum contributions, asset control, and business loan maximums. NMFA will continue to receive feedback in refining the rules and processes to encourage small businesses to engage

in the program. NMFA will present the draft rules to the Oversight Committee in October. Ms. Russel answered questions from the Board.

### **Informational Only.**

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.** A quorum of the Public Lending Committee met on September 20, 2023, via Zoom Teleconference. Member Alison Nicols chaired the meeting with Members Marcos Trujillo, Judi Kahl, Ron Lovato, and Richard Garcia in attendance. Two Planning Grants applications were recommended for approval. Five Public Project Revolving Fund (“PPRF”) applications were reviewed and approved. A recommendation was made to amend the call date on loans to Gameraco Townsite Water and Sanitation District (PPRF-5730A/B), which is unable to go forward with the project due to cost overruns and now needs to pay-off the loans. The committee approved to change the pledged revenue for two Colonias Infrastructure loans for the Village of Tularosa (CIF-5798 and CIF-6147). One DWSRLF request for an amended and restated loan for the Village of Maxwell was also approved. Five Water Trust Board projects were recommended for approval of the NMFA Board.

### **Informational Only.**

7. **Consent Agenda.**

**7.1 City of Grants (Cibola County). PG-6238. \$50,000 - Comprehensive Plan with LEDA.** The City of Grants is applying to the LGPF to fund a comprehensive plan that includes a LEDA update. This plan will reflect current socioeconomic, demographic, and economic trends to identify future development needs. The comprehensive plan will also include a detailed economic development section that will highlight key development zones and a special economic analysis of I-40 interchanges and their potential to support economic growth of the city. This plan will update the current LEDA ordinance.

**7.2 Village of Questa (Taos County). PG-6259. \$50,000 - Comprehensive Plan with LEDA.** The Village of Questa has come to the LGPF to fund a comprehensive plan with a LEDA component. This plan will assist the community and develop policies and strategies for achieving an enhanced quality of life. It will be used for decisions about physical development and future growth. The most current comprehensive plan is from 2002 and is outdated and needs revision. This plan will also include a LEDA component update.

**7.3 Harding County Rural Fire District. PPRF-6242. \$237,128. 2023 Fire Equipment Loan.** Harding County, on behalf of Harding County Rural Fire District (“The District”) applied to the PPRF to purchase firefighting apparatus and equipment. The equipment is replacing both an initial attack truck and a tender truck. This new vehicle will be replacing an older vehicle that is nearing the end of its useful life. This will maintain the public health, safety, and welfare of the community and surrounding area. The District currently has an ISO rating of nine. The District receives an annual base distribution of \$85,333 from State Fire Protection Funds. The District will contribute \$75,000 for this purchase from accumulated fire protection funds. The State Fire Marshall has provided a letter of approval for this loan.

**7.4 Gamercio Townsite Water and Sanitation District. PPRF-5730A/B. Memorandum to Request to Amend Call Date to Payoff Loans. Ms. Manzari presented the memorandum concerning Gamercio Townsite Water and Sanitation District.** In April 2022, the Board approved PPRF-5730 (A/B) in the amount of \$403,432. The proceeds were to finance the purchase of a new trash truck and respective equipment. The loan closed on September 2022, in the amount of \$399,411 with a Market Loan component of \$250,906 and a Disadvantaged Loan component of \$148,505. The District was contributing \$20,000 to the equipment purchase. The debt service coverage ratio was 1.35x (135%) and the loan has a ten-year prepayment call provision. The District contacted the NMFA, requesting the cancelation of the existing loan. The District has not drawn down any of the project funds. The District has made ongoing monthly loan payments as outlined in their loan agreement and are in good standing. With a payoff date of October 31, 2023, the payoff totals for PPRF-5730 (A/B) consist of \$381,196.12. As of August 29, 2023, the total account funds held at NMFA are \$420,495.25 in both the debt service accounts and the debt service reserve accounts. The estimated excess funds of \$39,299.13 will be distributed to the District once the loans are paid in full. NMFA Staff recommends approval amending the call date to remove the prepayment provision thereby allowing PPRF-5730 (A/B) to be paid off.

**7.4 Village of Tularosa. Change in Pledge Revenue for Loans CIF-5798 and CIF-6147.** The Board approved loan CIF-5798 for \$31,531 in June 2022, and CIF-6147 was approved for \$250,039 in June 2023. The initial credit analysis for each of these two loans was completed utilizing net system revenue of water and sewer. The loans were placed into a lien position subordinate to a 2004 USDA loan. It was determined that the USDA loan pledge is the revenues attributed to sewer. The USDA has continued to delay consent for CIF-5798. To close, revenues from the sewer and water must be removed from CIF-5798 and CIF-6147. The Village has asked NMFA to change the pledge for the two pending loans to State Shared GRT. With a pledge of State Shared GRT the two loans will now be subordinate to an existing loan secured by a pledge of State Shared GRT, PPRF-5062. Staff recommends approval to change the pledged revenue on CIF-5798 and CIF-6147 to a pledge of State Shared GRT for the Village of Tularosa.

**Member Suazo moved, seconded by Member Esparsen, for approval of agenda items 7.1 – 7.5. The motion passed 9-0.**

## **8. Regular Agenda.**

**8.1 Village of Maxwell. DW-5646. Amended and Restated Loan. \$2,260,000.** The Village of Maxwell (“The Village”) has requested an increase in their loan and principal forgiveness subsidy for DW-5646. Cost overruns have contributed to the increase in the project funding request. The financing package will fund water improvement projects but are not limited to: new water storage tank, planning, design, and construction of a new storage facility, design, and construct appurtenances to the shallow well including electrical capabilities and connections and design of a new cloud-based Supervisory Control and Data Acquisition to replace the current system.

The original loan closed on July 2022, in the amount of \$440,000 and DWSRLF principal forgiveness subsidy in the amount of \$1,320,000. The total term of the loan was twenty-two years with a debt service coverage ratio of 1.84x. The Village is requesting an increase in the loan and principal forgiveness subsidy amounts. The Village has been out to bid twice, and the increased project funds will allow for the infrastructure projects with a larger contingency amount. The requested increases will support these critical infrastructure projects.

Funding Breakdown

DW-5646	Original Request	New Funding Request	Increased Funding Amount
<b>Loan Amount</b>	\$440,000	\$125,000	\$565,000
<b>DWSRLF Subsidy</b>	\$1,320,000	\$375,000	\$1,695,000
<b>Total</b>	\$1,760,000	\$500,000	\$2,260,000

The requested updated 2023 funding package total is \$2,260,000. This includes a new loan amount of \$565,000 and principal forgiveness subsidy of \$1,695,000. No DWSRLF projects will be bypassed with this additional subsidy. The new debt service coverage ratio is 1.229x (1.15x required) and the loan maintains a senior lien position. The new loan contains a two-year construction period with a term of twenty years and matures in 2045.

**8.2 Mesa Vista Consolidated School District (Rio Arriba County). PPRF-6244. \$500,000. 2023 Education Technology Note.** Mesa Vista Consolidated School District (“The District”) has applied to the PPRF to finance the purchase of Education Technology Equipment. The New Mexico State Constitution does not require the District to receive voter approval for equipment and related projects when such equipment is purchased through a lease-purchase agreement. The District will enter into a lease-purchase agreement with NMFA secured by ad valorem property tax. Under the terms of the lease-purchase agreement the NMFA takes title to the equipment, maintenance, lease agreements, wireless access points, technology supplies and cost of issuance.

**8.3 Town of Dexter (Chaves County). PPRF-6198. \$1,145,064 - 2023 Water Rights Acquisition Loan.** The Town of Dexter (“the Town”) has applied to the PPRF to purchase land and additional water rights to ensure future growth and to sustain current water usage. A total of 185 acres, along with the appurtenant water rights totaling 164.1 acres of artesian and shallow supplemental water rights. The Town plans to use the land for economic development and housing. An appraisal for the land has been provided and submitted to TRD for review. The pledged revenue for this loan is the Town's portion of State Share GRT and will contribute \$1,400,000 toward the project from capital outlay. The Town will be required to satisfy approvals or conditions as required by the NMFA and legal counsel to close. The Town will provide specifics for the use of the loan proceeds with each requisition.

**Member Suazo moved, seconded by Member Trujillo, for approval of agenda items 8.1-8.3. The motion passed 9 – 0.**

**9. Regular Agenda.**

**9.1 Presentation of Water Trust Board (“WTB”) 2023 Awards.** Ms. Quintana introduced five water projects approved by the WTB in August 2023 and notified the Board of the seven projects that could not be awarded and certified due to not meeting regulatory compliance requirements (6-EO compliance; 1-OSE) by the July deadline.

The WTB awarded the following 5 projects:

Entity	Project	Awarded Amount
San Juan SWCD	San Juan watershed restoration project	\$500,000
El Valle Water Alliance	Ilfield tank replacement	\$499,683
Buena Vista MDWCA	Water system improvements	\$440,000
City of Anthony	Donaldson Ave. storm drainage	\$400,000
City of Anthony	West S. Anthony arroyo multi-purpose liner	\$1,500,000
<b>Total</b>		<b>\$3,339,683</b>

NMFA staff has determined the appropriate grant/loan components based upon NMFA procedures and WTB policies. The applicants are given until January 12, 2024, to submit RTP items in order to secure the awarded funds.

**Informational Only.**

**9.2 City of Anthony (Dona Ana County) WPF-5937. \$400,000 – Flood Prevention Project.** Design of a subsurface storm drain system, detention pond and flood control. Recommended Funding – 10% loan – \$40,000 and 90% grant – \$360,000 totaling \$400,000.

**9.3 City of Anthony (Dona Ana County). WPF-5938. \$1,500,000 – Flood Prevention Project.** Design and construct a storm water quality facility. Recommended Funding – 10% loan – \$150,000 and 90% grant – \$1,350,000 totaling \$1,500,000.

**9.4 Buena Vista MDWC&SWA (Mora County). WPF-5939. \$440,000 Water Storage, Conveyance and Delivery Project.** Design water system improvements to replace existing distribution water lines. Recommended Funding – 100% grant – \$440,000 totaling \$440,000.

**9.5 San Juan Soil and Water Conservation District (San Juan County). WPF-5982. \$500,000. Watershed Restoration and Management.** Construct riparian invasive tree removal and revegetation in the San Juan Basin watershed. Recommended Funding – 100% grant – \$500,000 totaling \$500,000.

**9.6 El Valle Water Alliance (Taos County). WPF-5955. \$499,683. Water Storage Conveyance and Delivery Project.** Construct and replace a 50,000-gallon tank. Recommended Funding – 10% loan – \$49,968 and 90% grant – \$449,715 totaling \$499,683.

**Member Suazo moved, seconded by Member Kahl, for approval of agenda items 9.2-9.6. The motion passed 9 – 0.**

**10. Economic Development Committee Report.** *(Committee members: Deputy Secretary 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.** A quorum of the Economic Development Committee met on September 20, 2023, via Zoom teleconference. Member Sam Collins chaired the meeting with Members Matthew Lovato, and Ron Lovato in attendance. Agenda items included review of the Program Monitoring Report, New Markets Tax Credit – Small Loan pool project, 701 Central, LLC, a 7 million investment to Tramway Venture Partners, funded through the NM Growth Fund, and a staff recommendation to commit up to \$10

million investment to New Mexico Opportunity Fund LP, to be funded from the Venture Capital Program Fund. The Committee recommended approval of each investment and project forward to the Board for consideration.

**10.2 701 Central, LLC. SLP-6257. NMTC Small Loan Pool. \$1,290,000.** Mr. Adam Silverman, managing member of project 701 Central, LLC, introduced himself and provided a history of the project and the current construction status. Mr. Ryan Olguin presented the project description. 701 Central, LLC is seeking to obtain a subordinate lien Commercial Real Estate loan for \$1,290,000 to assist with the completion of an existing construction project for the build-out of a restaurant/brew pub. 701 Central, LLC has secured a 15-year lease with Ex Novo Brewing, LLC as the tenant. The building is approximately 11,692 sq ft. on 0.30 located in Downtown Albuquerque. Completion of project is tentative for summer of 2024.

Inflation had increased construction costs by approximately 25% over their original construction budget. The added costs caused Geltmore to seek “mezzanine” capital, which Finance New Mexico’s subordinated lien loan provides. 701 Central, LLC, has a construction loan with Sandia Laboratory Federal Credit Union in the amount of \$2,400,000. The estimated project costs are now \$5,690,000. The building was valued at \$4,400,000 “as built” by Browning Commercial Appraisal as of October 2022. The proposed transaction complies with all the NMFA Policies. Staff recommends approval of the Small Loan Pool NMTC financing for 701 Central, LLC.

**Member Suazo moved, seconded by Member Trujillo, to approve agenda item 10.2. The motion passed 9 – 0.**

**10.3 Commitment of up to \$7 million dollars investment to Tramway Venture Partners III, LP (“Tramway III”), to be funded from the NM Growth Fund.** Ms. Ryan Decker presented an overview of the investment to Tramway III. The \$7 million dollar investment in Tramway III will advance three objectives of the Venture Capital Program, expects to invest in 12 to 15 early-stage New Mexico businesses, has the potential to create 90 to 100 jobs, and will raise private investment capital. Tramway III has a sector focus on one of the nine priority industries of the New Mexico Economic Development Department (“NMEDD”) and potential to meet the 1:1 match from private investors required by SSBCI. Ms. Katie Rice, Mr. Chris Japp and Mr. Joey Juang of Tramway presented an history of the firm, its mission, and their investment team.

Meketa Investment Group provided their highlights in their comprehensive review of the questionnaire and related materials provided by Tramway. Part of the due diligence process involved evaluating the strategy, investment process, track record, conducting interviews, team, and alignment of interests. The Meketa Private Market Review Committee reviewed Tramway III and determined for a differential rate investor seeking economic development impact in the State of New Mexico, Tramway III may present an acceptable risk/return proposition. NMFA staff, Tramway Venture Partners, and Meketa Investment Group answered questions by the Board.

Staff recommends an investment commitment up to \$7 million dollars to Tramway Venture Partners III, LP to be funded from the NM Growth Fund, subject to satisfactory negotiation of legal terms and closing.

**Member Esparsen moved, seconded by Member Suazo will go, to approve agenda item 10.3. The motion passed 9 – 0.**



**10.4 Commitment of up to \$10 million investment to New Mexico Opportunity Fund LP (“NMOF” or “The Fund”), to be funded from the Venture Capital Program Fund.** Ms. Decker presented a \$10 million dollar investment with the NMOF. Working with Sun Mountain Capital (“SMC”), a SEC-registered asset management firm founded in Santa Fe. SMC advises on over \$700 million primarily on behalf of public institutions investing locally on venture capital and private credit investment strategies. The Fund will invest in early-stage local businesses in targeted industries supporting economic diversification in New Mexico. The strategy seeks to invest in local businesses not targeted by traditional venture capital where historically there has been an emphasis on technology commercialization. The fund will seek to lead financing rounds on at least 80% of initial investments. Portfolio concentration in any one targeted industry is capped at 30% of the Fund. The Fund expects to advance three objectives of the Venture Capital Program: at \$20 million the manager expects the Fund will invest in 10 to 14 early-stage New Mexico businesses, with potential to create 100 to 150 local jobs and ability to raise private capital. Ms. Decker introduced the SMC team. Mr. Brian Birk and Ms. Dan Brooks provided a brief history of their experience and gave an overview of the NMOF strategy.

Meketa Investment Group provided their highlights in their comprehensive review of the questionnaire and related materials for this investment during the due diligence period. They went over strengths and considerations of their analysis of the Fund. NMFA staff and Meketa Investment Group answered questions by the Board.

Staff recommends to an investment commitment up to \$10 million dollars to the New Mexico Opportunity Growth Fund, to be funded from the Venture Capital Program Fund, subject to satisfactory negotiation of legal terms and closing.

**Member Suazo moved, seconded by Member Nichols, to approve agenda item 10.4. The motion passed 9 – 0.**

**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 Esparsen (Mr. Richard Garcia).*

**11.1 Update on Activities.** A quorum of the Finance & Disclosure Committee met on September 20, 2023, via Zoom teleconference. Member Martin Suazo chaired the meeting with Members Richard Garcia, Marcos Trujillo, and Alison Nichols in attendance. Agenda items included a presentation of the August Investment Report, review of the Bond Issuance Forecast Report as informational items. The Committee reviewed the Preliminary Official Statement in relation to the Senior Lien PPRF Revenue Bonds, Series 2023B and unanimously moved it forward the NMFA Board of Directors.

**11.2 Approval of the Authorizing and Delegating Resolution for the Senior Lien Public Project Revolving Fund Revenue Bonds, Series 2023B, Preliminary Official Statement (“POS”), 110th Supplemental Indenture of Trust and Related Documents.**

Chief Legal Officer presented, for approval, the Authorizing and Delegating Resolution and introduced disclosure counsel, Ms. Shenelle Salcido of GilmoreBell and Ms. Taylor Raymond of Ornick, Herrington & Sutcliff. Disclosure counsel provided the details of the resolution and the preliminary statement with

the Board. Once reviewed by the Board, this draft will be finalized and posted for distribution through [www.munios.com](http://www.munios.com).

Staff and the Chief Legal Officer have taken actions to enhance the level of responsibility of the Board's advisors and consultants for the contents of official statements. These actions include retention of disclosure counsel for each bond issue that has primary responsibility for drafting the NMFA's official statements, elimination of disclaimers of responsibility by NMFA underwriters and advisors for the contents of official statements, obtaining certificates from state agencies and advisors that provide information to the NMFA for inclusion in official statements as to the accuracy of the information provided, review of official statements by staff and issuer's counsel and review by staff of information provided to advisors for use in official statements.

Staff asks the Board to consider for adoption an authorizing and delegating resolution that direct NMFA staff and its consultants to prepare for the issuance of the Series 2023B Bonds, and delegate to members and officers of the Finance Authority the authority to determine the final terms of the Series 2023B Bonds, subject to certain parameters.

Member Marcos Trujillo volunteered to be the designated officer for the bond sale.

**Member Collins moved, seconded by Member Suazo to approve agenda item 11.2. The motion passed 9 – 0.**

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

**12.1 Update on Activities.** A quorum of the Audit Committee was established at its meeting of September 20, 2023, via Zoom teleconference. Member Andrew Burke chaired the meeting with Members Martin Suazo, Sam Collins, and Matthew Lovato in attendance. Staff presented the Net Position, Statement of Revenues, Expenses and Changes in Net Position (Income Statement), and Statement of Cash Flows as of July 31, 2023. The committee accepted the financial statements, noting an error in the net position in the ECECD Stabilization Grant fund, with a correction to be made in August.

Moss Adams provided an update on the FY2023 external audit noting they were on track for the Exit Conference. This was an informational item. Staff and BDO, our internal auditors presented the Internal Audit Loan Servicing Assurance Engagement. The committee approved the engagement. BDO updated the members on the Enterprise Risk Assessment also as an informational item. Staff provided an update of the new office building.

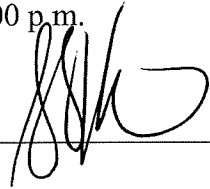
13. **Executive Session. Closed session to hold the Exit Conference for the FY2023 Audit, as Protected by the Confidentiality Provisions of the State Audit Act, Section 12-6-5, as allowed by NMSA 1978, Section 10-15-1(H).**

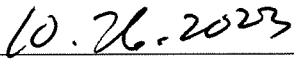
Chairman Keith entertained a motion for the NMFA Board of Directors to go into Executive Session to hold the Exit Conference for the FY2023 Audit, as Protected by the Confidentiality Provisions of the State Audit Act, Section 12-6-5, as allowed by NMSA 1978, Section 10-15-1(H).

**Member Esparsen moved, seconded by Member Trujillo, for the Board to convene in a closed meeting. The motion passed 9 – 0.**

Chairman Keith stated “We are now in open meeting and the Board convenes in open meeting. Let the record reflect that no action was taken during the closed meeting and the only things discussed were matters subject to attorney-client privilege pertaining to hold the Exit Conference for the FY2023 Audit, as Protected by the Confidentiality Provisions of the State Audit Act, Section 12-6-5, as allowed by NMSA 1978, Section 10-15-1(H).”

- 14. Next Board Meeting.** October 26, 2023, at 9:00 a.m. at the State Capitol Room 307.
- 15. Adjournment.** Member Suazo made a motion, seconded by Member Trujillo to adjourn the meeting. The motion passed 9-0. The meeting adjourned at 12:00 p.m.

  
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Secretary

  
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Date