

New Mexico Finance Authority
207 Shelby St. Santa Fe, N.M. 87501
(505) 984-1454
Minutes of NMFA Board Meeting
October 26, 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 (via zoom)	Public Member, Las Cruces, NM
Richard Garcia	Designee, 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
Dr. AnnaLinden Weller (via zoom)	Designee, EMNRD

Members Absent:

Finance Authority Staff:

Adam Johnson (via zoom)	Mark Montoya
Angela Quintana (via zoom)	Marquita Russel
Brenda Garcia	Micheal Vonderheide (via zoom)
Brian DuBoff (via zoom)	Michele Cox
Bryan Otero (via zoom)	Norman Vuylsteke
Carmela Manzari	Oscar Rodriguez (via zoom)
Cherise Martinez	Paul Romero
Chip Pierce	Ryan Decker
Dora Cde Baca (via zoom)	Ryan Olguin
John Brooks (via zoom)	Ron Cruz
Kryshana Madrid	Sharon Romero (via zoom)
Leslie Medina (via zoom)	Susan Rodriguez
Lynn Taulbee (via zoom)	Todd Johansen
Mark Lovato	Todd Nordby

Guests:

Cally Carswell	LFC
Clay Kiesling	County Commissioner
Craig Dussinger	BOFA Securities
Deanne Woodring	GPA
Suzanne Bruckner	Sutin, Thayer and Browne
Susen Ellis	BOKF
Tammie Stump	CEO, Union County General Hospital

- 1 **Call to Order and Roll Call.** Chair 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 Garcia, to approve the agenda. The motion passed 10 – 0.**
3. **Approval of Board Minutes.**
 - 3.1 **Member Suazo moved, seconded by Member Nichols, for approval of the September 28, 2023, board minutes. The motion passed 10 – 0.**
 - 3.2 **Member Suazo moved, seconded by Member Nichols, for approval of the September 28, 2023, emergency board minutes. The motion passed 10 – 0.**
4. **Report from the Chief Executive Officer (“CEO”), Marquita Russel.**
 - 4.1 **Report from the CEO.** Ms. Russel introduced a new staff member, Ms. Maithili Dupte. She will be part of the Operations Innovation team. Ms. Russel provided an update to the new office building and thanked the IT department and the Board Administration team for assisting the numerous meetings held this month.

Legislative Activity

Ms. Russel and Ms. Decker participated in the Economic and Rural Development Policy Committee (“ERDPC”) panel on Public Banking on October 13th. It was the first time NMFA had been invited to participate in any hearings on the important topic. Following the panel, the ERDPC endorsed legislation, including a loan program to help businesses hit by unforeseen events with loans of up to \$25,000 on SBRLF-like terms.

The NMFA Oversight Committee is expected to endorse four pieces of legislation in November:

- WTB Authorization list
- PPRF Authorization list
- PPRF appropriation to DWSRLF, LGPF and the Cultural Affairs Facility Fund (note it will not include CWSRF match this year)
- Appropriations to the PCCF, BHCF, CCRLF fund – total of \$60 million is being sought

Staff continues to hear of potential legislation that may impact NMFA directly:

- SWEDFA Amendment to provide a mechanism for loans with grant like terms
- Solar grants for counties, municipalities, and tribes
- WTB additional funding and potential WTB legislative amendments

The Opportunity Enterprise Review Board met on October 19th, the Chair asked that the Board consider proposing amendments to the Opportunity Enterprise Act which will likely include:

- Additional funds
- Clarification on intended projects
- The addition of a Workforce Housing Fund

Informational Only.

5. 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.*

5.1 Update on Activities. A quorum of the Public Lending Committee met on October 18, 2023, via Zoom Teleconference. Member Alison Nicols chaired the meeting with Members Marcos Trujillo, Judi Kahl, and Richard Garcia in attendance. One Planning Grant application was recommended for approval. Five Public Project Revolving Fund (“PPRF”) applications were reviewed and approved. The Committee recommended all six projects to the Board for approval.

Informational Only.

6. Consent Agenda.

6.1 Mora County Water Alliance (“County”). PG06336. \$50,000. Preliminary Engineering Report (“PER”). The County is applying to the Local Government Planning Fund to fund a PER. The report will provide alternative water distribution connections amongst neighboring community water systems, and to provide supplemental water sources between communities. The goal is to create water source resiliency and address water source emergencies amongst community water systems. This PER will follow the RUS Bulletin 1780-2.

6.2 Roy Municipal School District (Harding County). PPRF-6294. \$80,000. 2023 Education Technology Note. The District has applied to the PPRF to finance the purchase of Education Technology Equipment for District-wide projects. The proceeds will be used for, but are not limited to; servers, installation, wifi access points, cabling replacements with ceiling installation and a 3-year IT maintenance contract. The New Mexico State Constitution does not require the district to receive voter approval for education technology 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. combination of technology infrastructure, computer equipment, software, replacement, and upgrades. Discussion ensued with staff answering questions from the board.

Member Suazo moved, seconded by Member Collins, for approval of agenda items 6.1 – 6.2. The motion passed 10-0.

7. Regular Agenda

7.1 City of Farmington (“City”). DW-6232. \$15,000,000. Construction for Water Treatment Plant 2 - 1 Upgrades & Distribution. The City, located in San Juan County, has applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) to finance upgrades to their water treatment plant number two (“WTP2”), water supply distribution system, and the (“WTP1”) (previously awarded project DW-5918). The PER assessed the condition of WTP2 as well as the performance of the treatment process, identified construction improvements to enhance water capacity, water quality, water demands and improve the overall treated water delivery and reliability for the city and its surrounding areas. The PER recommended modifications and improvements to both WTPs along with estimated construction costs. The upgrades will be performed on WTP1 first with WTP2 following soon after.

The City's water supply system is a recognized regional asset. The City currently has contractual obligations to produce water for five water districts, all outside of the city limits. The single largest benefactor is the Navajo Tribal Utility Authority. The City's water system also serves a very large low-moderate income population. The contracted area serves approximately 50.38% of low to moderate income population. The project was ranked number nine on the FY2024 Annual Fundable Priority. The City qualifies for 50% subsidy, but due to its ranking on the Fundable Priority List the project is receiving 18.73% of the funding package as subsidy.

7.2 City of Farmington ("City"). DW-6251. \$5,000,000. Dam Raise Study. The City, located in San Juan County, has applied to the DWSRLF to finance a study for Farmington Lake referred as the Dam Raise Study. The study for Farmington Lake is part of the City's 40-year water plan goals to ensure water quality and water availability. Currently, the region is reliant on surface water due to the quality of the aquifers. Farmington Lake provides water storage as well as water supply. The City needs to increase the storage of their water supply and the study will provide the information needed to explore water supply sources. The PER identified that the dam could be raised 25 feet based on the topography of the surrounding land. This improvement could increase water storage by 73%. The project was ranked number seven on the FY2024 Annual Fundable Priority.

7.3 City of Alamogordo ("City"). DW-6254. \$12,000,000. Water System Well Transmission Line. The City, located in Otero County, has applied to the DWSRLF to finance the construction of dedicated transmission water pipelines to the treatment facility that includes but are not limited to: approximately 6.5 miles of 24-inch raw water pipelines from Snake Tank Well 5 located in Tularosa, New Mexico to the 1-MGD Brackish Water Treatment Plant located in Alamogordo, New Mexico (Funded by DW-2880 and DW-2881); Any appurtenances needed for capabilities and connections.

The City has developed a viable master plan for cost-effective solutions to maintaining a sustainable water source, including restoring Bonito Lake which is the City's primary source of drinking water. To supply a clean source of drinking water to the City with an adequate supply of water, the City conducted studies addressing drought conditions and the extensive damage caused by the Little Bear Fire in 2012. The Snake Tank Wellfield project was selected since its water production will be sufficient to meet the City's water demands if surface water supplies are not available. The construction team have completed designs and specs, and the projects are shovel ready. The project was ranked number two on the FY2024 Annual Fundable Priority.

The City qualifies for 75% subsidy as a severely disadvantaged community. The DWSRF policies state that no one project can receive more than 25% of the available disadvantaged subsidy. Therefore, 25% of the total current available disadvantaged subsidy for this project is \$3,019,051. The City is also receiving subsidy from the non-disadvantaged subsidy included in the capitalization grant agreement for a total project subsidy of \$4,024,367.

7.4 Big Mesa MDWCA ("Association") Water Filter Plant. DW-5029. \$3,794,140. Amended and Restated Loan. The Association has requested an increase in their loan and principal forgiveness subsidy for DW-5029. The project scope is not changing rather, cost overruns have contributed to the increase in the project funding request. Financing will fund water improvement projects, increased labor costs, increased infrastructure, expand SCADA system requirements, HVAC cooling/heating, MIOX chlorination and polymer systems, increased cost of materials, and all related expenditures.

The loan closed on December 2019, in the amount of \$486,035 and DWSRLF principal forgiveness subsidy in the amount of \$1,458,105. The term of the loan was thirty years with a debt service coverage ratio of 1.81x. The Association has been out to bid, the increased project funds will allow for the increase in infrastructure projects cost as well as a larger contingency amount. The requested increases will support these critical infrastructure projects.

Funding Breakdown

DW-5029	Original Request	Additional Funding Request	Total Project Cost
Loan Amount	\$486,035.00	\$462,500.00	\$948,535.00
DWSRLF Subsidy	\$1,458,105.00	\$1,387,500.00	\$2,845,605.00
Total	\$1,944,140.00	\$1,850,000.00	\$3,794,140.00

The requested updated 2023 funding package total is \$1,850,000. This includes a new loan amount of \$462,500 and principal forgiveness subsidy of \$1,387,500. No DWSRLF projects will be bypassed with this additional subsidy. The loan maintains a senior lien position and the new loan contains a two-year construction period with a term of thirty years and matures in 2056. This is the second time this project has appeared before the Board.

7.5 El Vadito De Los Cerrillos MDWCA (“ Association”). DW-6243. \$789,072. Distribution Project. The Association, located in Santa Fe County, has applied to the DWSRLF to finance the cost to design, construct and to replace cast iron pipes with new PVC piping. The railroad installed a cast iron pipe system from the springs 1.33 miles north of their Association for their steam trains to fill up in 1879 and the Association is using these pipes at the present time. Over 1,000 residencies within the mutual domestic's service area wells have dried up. The Association is using a well that relies on old cast iron pipes to convey water to the tank. The project will remediate the ongoing issues with the existing piping system and provide clean drinking water to the community.

7.6 City of Las Cruces (“City”). DW-6255. \$15,300,000. Spruce Tank Booster Station Well 64 Pipeline & System Improvements. The City, located in Doña Ana County, has applied to the DWSRLF to finance a new well, including connecting to the system, and the rehabilitation of water storage tanks. The project includes, but is not limited to: a tank booster station well at 64 pipelines, improvements and rehabilitation of the elevated airport water storage tank, upper Griggs tank rehabilitation well 72 pipeline and Improvements at Zone I. The purpose of this project is to increase the City’s capacity and meet future water demands for the City.

7.7 South Central Solid Waste Authority (Dona Ana County) (“Authority”). PPRF-6253. \$3,330,000. 2023 Construction Loan. The Authority has applied to the PPRF for construction of a new cell at Corralitos Landfill. The Authority is a Joint Power entity formed by the City of Las Cruces and Doña Ana County for the purpose of providing and maintaining regional solid waste and recycling management programs. The Authority manages recycling and solid waste services for all of Doña Ana County, White Sands Missile Range, and communities within South-Central New Mexico. The current cells at the Corralitos Landfill are nearing capacity and this expansion will help the Authority continue to provide cleanliness and sanitation services for the community. The Authority will pledge the Net System Revenue as the source of revenue for this loan. Presenter, Mr. Montoya clarified the write up loan number should be PPRF-6253 not PPRF-6255.

7.8 City of Las Cruces (Dona Ana County) (“City”). PPRF-6329. \$5,580,000. 2023 Fire Equipment Loan. The City has applied to the PPRF to purchase firefighting apparatuses and respective equipment. This will allow the City to expand its fleet and meet the growing needs of the community, maintain public health, safety, and welfare. The pledged revenue for this loan will be the City's portion of State Share GRT. The pledge was rated by Moodys as A1 in February 2023, therefore no Debt Service Reserve Fund is required. However, the city has requested a Springing Reserve which they would fund over a two-year period if loan coverage fell below 2.0x coverage.

Section 3.2 A-General Considerations-Generally, the NMFA requires that its PPRF loans be on no less than a parity lien status. Per PPRF Loan Management Policy, the PPRF may agree to accept a security pledge that is subordinate to the payment of another debt if the identified revenue pledge has a positive historical performance and if the senior debt is by the U.S. Government. In this instance, the City has senior debt held outside of the U.S. Government and NMFA. Staff is comfortable with the subordination request based upon the strong historical relationship between the City and NMFA, the City's A1 credit rating and healthy historical coverage.

7.9 Tularosa Municipal School District (Otero County) (“District”). PPRF-6335. \$600,000. 2023 Education Technology Note. The District has applied to the PPRF to finance the purchase of servers, chrome books, cases, laptops, docking stations, auxiliary computer equipment, PA systems, firewall and cyber security systems, along with IT training and tech support contract. The New Mexico State Constitution does not require the district to receive voter approval for education technology 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 agreement the NMFA takes title to the equipment. combination of technology infrastructure, computer equipment, software, replacement, and upgrades.

7.10 Approval of Monthly Payment Moratorium for Union County on behalf of Union County General Hospital (“UCGH”) for PPRF-3145, PPRF-3384, and PPRF-4931. Ms. Manzari’s presented the moratorium on behalf of UCGH to the Board, explaining UGCH’s declining financial position is due in part to decreased funding from State’s Medicaid reimbursement, increased medical malpractice premiums, and paying gross receipts taxes. UCGH is also experiencing increased expenses from salaries, wages, benefits, supply costs, and utility costs as well as aging facility costs, and regulatory requirements. Ms. Tammi Stump, CEO of UCGH made remarks regarding the hospitals’ effort to increase cash flow.

UGCH has three loans (PPRF-3145, PPRF-3384 and PPRF-4931) with NMFA, due to the decline in cash flow, the Board previously approved a three-month moratorium on the respective loans’ monthly payments which ceases in October 2023. Due to the October 2023 deadline approaching, NMFA is recommending the following.

1. Extend the moratorium of monthly payments for an additional six months beginning in November 2023 through April 2024. Staff will continue to work with the County and UCGH during this timeframe. Staff will require quarterly financials and updates from the County and UCGH.
2. Utilize the existing debt service funds and the debt service reserve funds for payments. The funds will be applied to the November 1, 2023 (interest) and the May 1, 2024 (principal and interest) payments. For the May 1, 2025, principal and interest payments and future payments, Staff will analyze UCGH’s financials and determine next steps as noted above.

3. Activate the County's contingent monthly intercept agreement for the 3rd 1/8th of one percent increment of County Gross Receipts per the loan agreements and deposit the funds in the debt service accounts.

This will allow the County, UCGH, the State, and the NMFA to continue to work together on a future solution. This may include a restructuring and/or refunding of the loans or a legislative solution for New Mexico hospitals. NMFA staff recommends extending the moratorium with the terms outlined above.

Member Suazo moved, seconded by Member Trujillo, for approval of agenda items 7.1 – 7.10. The motion passed 10-0.

8. Economic Development Committee Report. *(Committee members: Deputy Secretary Jon Clark, Chair (Mr. Sam Collins), Secretary Sarah Cottrell Propst (Dr. AnnaLinden Weller), Secretary James Kenney (Ms. Judi Kahl), Secretary Wayne Propst (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

8.1 Update on Activities. A quorum of the Economic Development Committee met on October 17, 2023, via Zoom teleconference. Member Sam Collins chaired the meeting with Members Marcos Trujillo, and Ron Lovato in attendance. Agenda items included review of the Program Monitoring Report as an informational item. The Committee recommended approval to apply to the Community Development Financial Institution Fund for the New Markets Tax Credit Allocation.

The Committee also recommended rules governing the administration of three policies that will support three different programs under the Statewide Economic Development Finance Act (SWEDFA"). The Rules will establish a new program and amend two current rules:

1. Capital Access Program, established under the Federal Small Business Jobs Act of 2010 as Amended by the American Rescue Plan Act of 2021.
2. Amended and restated rules governing the Loan Participation Program under SWEDFA; And
3. Amended and restated rules governing the administration of the Federally Funded Direct Lending Activities under SWEDFA.

Informational Only.

8.2 Presentation of Final Report on New Mexico Small Business Capital Landscape & Program Developments ("NMSBCL"). Ms. Ryan Decker presented an overview of the NMSBCL report, highlighting the findings and research conducted in conjunction with NMFA consultants, Next Street. The report detailed small business funding needs, new program opportunities/parameters, state small business credit initiatives. The Board and NMFA Oversight Committee will consider rules necessary for participation, direct lending and SSBCI Capital Access Program implementation. Pursuant to SWEDFA, rules must be approved before NMFA and NMEDD can apply to the Department of Treasury to amend the SSBCI Allocation Agreement. NMFA and NMEDD must provide Treasury with verification that New Mexico will efficiently utilize the funds to support SEDIs and VSBs while meeting the overall 10:1 leverage requirement. Leverage Model will be developed to show that New Mexico is better served using the approved funds for debt instead of equity. Once approved by Treasury, NMFA will develop application

systems and outreach materials to ensure lenders, businesses and other stakeholders understand the program prior to opening the applications.

Informational Only.

8.3 Rules Governing the Administration of the Capital Access Program Established Under the Federal Small business Jobs Act of 2010 as Amended by the American Rescue Plan Act of 2021. Ms. Russel presented the rules governing a capital access program. The rules have been updated to: change the maximum amount of participation per borrower to 1.5 million (previously 5 million) and to clarify the maximum NMFA contribution of \$105,000 per loan; reflect the addition of a deposit account to be created at each PFI which will allow for efficient transfer of funds as loans are enrolled; clarify how interest earnings in the Deposit Account and Loan Loss Reserve Account will be credited and to outline the transfer of the interest earnings quarterly to the NMFA; allow NMFA to limit a PFI's participation in the program based upon capacity of the PFI; provide that certain terms will be determined in policy; provide clarity on how excess claims will be determined; provide for required reporting. NMFA staff recommends approval of the Rules Governing the Administration of a Capital Access Program. Discussion ensued with staff answering questions from the Board.

Member Suazo moved, seconded by Member Burke, for approval of agenda item 8.3. The motion passed 10-0.

8.4 Amended and Restated Rules Governing the Loan Participation Program Under the Statewide Economic Development Finance Act ("SWEDFA"). Ms. Russel presented the amended and restated rules governing the loan participation program. The rules incorporate current statutory provisions, updated legal guidance, and existing practices, including the use of an internal credit committee to vet applications considered for funding and eliminate unnecessary fees. The rules have been updated to: provides for Loan Management Policies to be used in managing program; eliminates portions of rules dealing with Legislative Authorization (2023 Session SB 327 defers legislative authorization until July 1, 2027); eliminates outdated practices to document legal consideration; provides for a staff credit committee review prior to Board Economic Development Committee; provides that only recommended projects move from credit committee, to Economic Development Committee, to NMFA Board; eliminates structuring options that were not practical for the lender or difficult for NMFA to monitor; variable interest rates; differing loan amortizations; .25% servicing fee paid by NMFA; eliminates unnecessary fees.

NMFA staff recommends approval of the Amended and Restated Rules Governing the Loan Participation Program under the Statewide Economic Development Finance Act.

Member Collins moved, seconded by Member Suazo, for approval of agenda item 8.4. The motion passed 10-0.

8.5 Amended and Restated Rules Governing the Administration of Federally Funded Direct Lending Activities Under the Statewide Economic Development Finance Act ("SWEDFA"). Ms. Russel presented an overview of proposed amendments to expand rules governing federally funded direct lending activities pursuant to SWEDFA that would allow for efficient use for small appropriations. The proposed amendments include incorporating current statutory provisions; eliminates language more appropriate for policy; updated legal guidance/definitions, and existing practices; including the use of an internal credit committee to vet applications considered for funding; eliminate unnecessary fees, remove

all SSBCI requirements. This would only be for federally funded program, including SSBCI funding with a 5 million limitation and offer co-lending opportunities with credit unions.

The rules provide a framework for the federally funded programs including application contents, establishment of interest rates, underwriting criteria, terms, and other lending criteria shall be established in separately established NMFA Program Policies for each program pursuant to any application federal guidelines for the respective federal grants. NMFA staff recommends the approval of the Amended and Restated Rules Governing the Administration of Federally Funded Direct Lending Activities.

Member Trujillo moved, seconded by Member Nichols, for approval of agenda item 8.5. The motion passed 10-0.

8.6 Request to Apply to the Community Development Financial Institution Fund for New Markets Tax Credit Allocation. Ms. Russel and Ms. Pittard presented a resolution that is requesting the Board to authorize the NMFA to apply for Federal Market Tax Credit Allocation. For the NMFA to be successful in this NMTC application, the resolution would allow NMFA the authority to execute all documentation to move the application forward and approve the allocation agreement should the NMFA be awarded. NMFA staff recommends adoption of the attached resolution authorizing the submittal of an application for up to \$100 million in NMTC allocation.

Member Suazo moved, seconded by Member Garcia, for approval of agenda item 8.6. The motion passed 10-0.

9. 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).*

9.1 Update on Activities. A quorum of the Finance & Disclosure Committee met on October 18, 2023, via Zoom teleconference. Member Marcos Trujillo chaired, with Members Richard Garcia and Alison Nichols in attendance. Agenda items included the September Investment Report, review of the Investment Policy, Bond Issuance Forecast Report, and IT procurement. These items were informational only. The Committee reviewed the broker/dealer list allowing for NMFA trading activities, this includes a request to add Academy Securities to the list. The Committee unanimously moved the broker list forward the NMFA Board of Directors.

Informational Only.

9.2 Presentation of the 2023B Senior Bond Sale Report. Mr. Pierce presented the bond sale, reporting the PPRF senior lien 2023B bonds were sold October 17, 2023, in the par amount of \$162,480,000. The 2023B bonds were sold to reimburse the PPRF for 21 previously issued loans and to fund a loan to the Albuquerque Bernalillo County Water Utility Authority (“ABCWUA”). The bonds issued on behalf of ABCWUA, amounting to \$113,425,000, were sold on a simultaneous basis, meaning that ABCWUA’s terms match the loan principal, coupons and yields associated with the 2023B bonds. The lead managing underwriter was Morgan Stanley with Stifel Nicolaus & Co., Inc. and Jefferies LLC as co-managers. The Board designee was Marcos Trujillo. The bonds will close on October 31, 2023. Mr. Pierce gave an overview of the market conditions and the ongoing efforts to expand NMFA’s investors.

Informational Only.

9.3 Presentation of the NMFA Investment Report and GPA Quarter Review. Mr. Lovato presented the investment report noting as of September 30, 2023, the NMFA has total funds invested of \$1,282 billion, \$991.3 million of which are NMFA funds and \$290.2 million of which are New Mexico Department of Transportation funds. Mr. Lovato went over a detailed breakdown of funds. Ms. Deanne Woodring, of Government Portfolio Advisors, introduced herself to the Board, provided a history of the market and updated the Board on the current economic environment. Ms. Woodring explained the compliance report, noting no changes are being recommended at this time.

Informational Only.

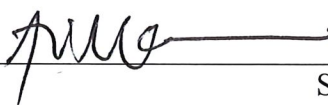
9.4 Review and Approval of Broker/Dealer List. Mr. Lovato presented the annual review of the broker list for NMFA trading activities. NMFA is proposing an additional broker, Susan Munson of Academy Securities to the list. Ms. Woodring provided a background for Susan Munson, noting her experience of over 20 years. NMFA staff recommends approval of the Broker Dealer list with proposed new addition of Academy Securities.

Member Suazo moved, seconded by Member Trujillo, for approval of agenda item 9.4. The motion passed 10-0.

- 10. Audit Committee Report.** *(Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Sarah Cottrell Propst (Dr. AnnaLinden Weller), and Deputy Secretary Mr. Jon Clark (Mr. Sam Collins).*

12.1 Update on Activities. A quorum of the Audit Committee was not established at its meeting of October 18, 2023, via Zoom teleconference. Staff briefed Member Collins on the Net Position, Statement of Revenues, Expenses and Changes in Net Position (Income Statement), Statement of Cash Flows as of August 31, 2023, FY 2023 external audit and an update regarding the new office building. These were informational items.

- 11. Next Board Meeting.** December 14, 2023, at 9:00 a.m. at the State Capitol Room 309. Chairman Keith thanked Member Judi Kahl for her service to the NMFA Board. The New Mexico Environment Department will be nominating a new representative to the Board who will join us in December. Ms. Russel welcomed Dr. Anna Linden Weller as the new designee for New Mexico Department of Energy, Minerals, and Natural Resources Department. Dr. Linden will be replacing designee Matthew Lovato.
- 12. Adjournment.** The meeting adjourned at 11:02 a.m.



Secretary

12-14-23

Date