

*New Mexico Finance Authority*  
207 Shelby St. Santa Fe, N.M. 87501  
(505) 984-1454  
**Minutes of NMFA Board Meeting**  
**December 14, 2023**  
New Mexico State Capitol, Room 309  
490 Old Santa Fe Trail, Santa Fe, New Mexico

**Members Present:**

Kathy Keith, Chair	Public Member, Los Alamos Natl. Laboratory
Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Alison Nichols	Designee, NM Municipal League
Andrew Burke	Public Member, Las Cruces, NM
Joy Esparsen (via zoom)	NM Counties
Kelsey Rader (via zoom)	Designee, NM Environment Department
Marcos Trujillo	Designee, NM Dept. of Finance and Administration
Sam Collins (via zoom)	Designee, NM Economic Development Dept.
Ronald Lovato (via zoom)	Public Member, Ohkay Owingeh
AnnaLinden Weller	Designee, Energy, Minerals & Natural Resources Dept.
Teresa Costantinidis (via zoom)	Public Member, University of New Mexico

**Members Absent:**

**Finance Authority Staff**

Angela Quintana	Mark Montoya
Anthony Maestas	Marquita Russel
Brenda Garcia	Micheal Vonderheide
Brian DuBoff	Michele Cox
Carmela Manzari	Oscar Rodriguez
Cherise Martinez	Paul Romero
Chip Pierce (via zoom)	Ryan Decker
Dan Opperman	Ryan Olguin
Dora Cde Baca (via zoom)	Ron Cruz
John Brooks	Sharon Romero
Kryshana Madrid	Todd Johansen
Mark Lovato	Todd Nordby

**Guests:**

Carla Najjar	Virtue & Najjar
Ethan Samson	Meketa Investment Group
Lauren Grattan	Mission Driven Finance
Leo Valdez (via zoom)	Rio Arriba County
Marla Sheats (via zoom)	ABCWUA/CWM/SCSWA
Rob Burpo (via zoom)	Sandoval County
Stephen Nunes	Mission Driven Finance
Susen Ellis	BOKF
Suzanne Buckner	Sutin, Thayer & Browne

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 Trujillo, to approve the agenda. The motion passed 11 – 0.
3. **Approval of Board Minutes.**

3.1 Member Suazo moved, seconded by Member Nichols, for approval of the October 26, 2023, board minutes. The motion passed 11 – 0.

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

4.1 **Report from the CEO.** In November, we received notice that the Governor appointed to the NMFA Board Teresa Costantinidis, University of New Mexico’s Executive Vice President for Finance and Administration. NMFA also welcomed System Administrator Anthony Maestas to our IT Team. In December, we filled two additional positions, leaving us with five active recruitments.

**Building Update**

The Brycon team began demolition on the 810 West San Mateo Building on October 20th and are expected to complete the demolition in mid-January. Additionally, we received notice that the City of Santa Fe approved the construction permit.

**Legislative Activity**

At its November meeting, the NMFA Oversight Committee endorsed four pieces of legislation:

- WTB Authorization list
- PPRF Authorization list
- PPRF appropriation to DWSRLF, LGPF and the Cultural Affairs Facility Fund
- Appropriations to the PCCF, BHCF, CCRLF programs totaling \$60 million

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
- Catastrophic Business Relief Loans to help businesses hit by unforeseen events with loans of up to \$25,000 on SBRLF-like terms
- Amendments to the Opportunity Enterprise Act to add workforce housing and to clarify legislative intent of the Opportunity Enterprise Revolving 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. Kelsey Rader), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

5.1 **Update on Activities.** A quorum of the Public Lending Committee met on December 6, 2023, via Zoom Teleconference. Member Alison Nichols chaired the meeting with Members Marcos Trujillo and

Richard Garcia in attendance. The committee reviewed one WTB project, five Drinking Water projects and eleven PPRF projects; all were recommended to the Board for approval. The Town of Carrizozo is requesting a change in pledged revenue for Colonias Infrastructure Fund Loans. The committee recommended the request to the Board for approval.

**Informational Only.**

**6. Consent Agenda.**

**6.1 Union del Llano MDWCA (Rio Arriba County). WPF-5989.** The County applied to the Water Trust Board to design and construct Phase 3. The project will connect the infrastructure from the two water systems and complete the water storage tank.

**6.2 Request for a Change in Pledged Revenue for the Town of Carrizozo, Colonias Infrastructure Fund Loans: CIF-2809, CIF-3154, CIF-5512, and CIF-5752.** All four loans were placed into a lien position subordinate to a 2004 USDA loan and a 2005 USDA loan. It was determined that the USDA loan pledged revenues attributed to sewer only. The USDA has continued to delay consent on the request for water and sewer for CIF-5752. Thus, to close the loan, revenues from the sewer must be removed from the joint pledge. Staff analyzed all four loans by removing sewer revenues and utilizing only the water fund alone. It was determined that the water fund alone was sufficient as a stand-alone pledge for all four NMFA loans. Staff recommends approval to change the pledged revenue on CIF-2809, CIF-3154, CIF-5512, and CIF-5752 from water and sewer combined to a pledge of water alone for the Town of Carrizozo.

**6.3 Town of Lake Arthur (Chaves County). PPRF-6345. \$83,172.** The Town of Lake Arthur has applied to the PPRF to finance the costs associated with the purchase of a police vehicle and respective equipment. The new unit will replace the vehicle that is currently being used by the Chief of Police which has high mileage is reaching the end of its service life. This equipment will also be used to support safety, and welfare in the Town of Lake Arthur. The Town will pledge its State Law Enforcement Protection Funds as the revenue source for this loan. The Town of Lake Arthur receives an annual distribution of \$95,000.

**6.4 Harding County PPRF-6340. \$90,000. PPRF-6340. \$90,000. 2024 Law Enforcement Loan.** Harding County has applied to the PPRF to finance the purchase of a new law enforcement vehicle and respective equipment. The new vehicle will be used to support the safety and welfare of the County. The new vehicle will be replacing an older vehicle that is nearing the end of its useful life and recurring mounting maintenance and repair costs. The County will pledge Law Enforcement Protection Funds as the revenue source for this loan. The County receives an annual distribution of \$96,500.

**6.5 Village of Mosquero (Harding County). PPRF-6353. \$90,000. 2024 Law Enforcement Loan.** The Village has applied to the PPRF to finance the purchase of a new law enforcement vehicle and respective equipment. The new vehicle will be used to support the safety and welfare of the Village. The Village will purchase the vehicle and has a Memorandum of Understanding with Harding County to use the vehicle for law enforcement protection. This will be an additional vehicle added to their fleet. The Village will pledge Law Enforcement Protection Funds as the revenue source for this loan. The Village receives an annual distribution of \$95,000.

**6.6 Village of Magdalena (Socorro County). PPRF-6354. \$58,488. 2024 Law Enforcement Loan.** The Village has applied to the PPRF to finance the costs associated with the purchase of a new police vehicle and respective equipment. This new vehicle will be used to support the safety and welfare in the Village of Magdalena. This new vehicle will be replacing an older vehicle that is nearing the end of its useful life and is incurring mounting maintenance and repair costs. The Village will pledge its Law Enforcement Protection Funds as the revenue source for this loan. The Village receives an annual distribution of \$98,000.

**Member Suazo moved, seconded by Member Weller, for approval of agenda items 6.1 – 6.6. The motion passed 11-0.**

## **7. Regular Agenda**

**7.1 Leasburg MDWCA (Dona Ana County). DW-6350. \$50,000.** Leasburg MDWCA has applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) to finance an inventory/survey to determine the status of the Association’s lead lines. The project consists of work to complete the required system wide lead service line inventory and will be in compliance with the revised Lead and Copper Rule (2021) and EPA guidance.

**7.2 City of Farmington (San Juan County). DW-6339. \$1,528,540.** The City of Farmington has applied to the DWSRLF to finance an inventory/survey to determine the status of the City’s lead lines. The project consists of work to complete the required system wide lead service line inventory and will be in compliance with the revised Lead and Copper Rule (2021) and EPA guidance.

**7.3 City of Gallup (McKinley County). DW-6347. \$1,000,000.** The City of Gallup has applied to the DWSRLF to finance an inventory/survey to determine the status of the City’s lead lines. The project consists of work to complete the required system wide lead service line inventory and will be in compliance with the revised Lead and Copper Rule (2021) and EPA guidance.

**7.4 Albuquerque Bernalillo County WUA. DW-6346. \$1,100.00.** Albuquerque Bernalillo County has applied to the DWSRLF to finance an inventory/survey to determine the status of the City’s lead lines. The project consists of work to complete the required system wide lead service line inventory and will be in compliance with the revised Lead and Copper Rule (2021) and EPA guidance.

**7.5 Dona Ana Mutual Domestic Water Consumer Association (Dona Ana County). DW-6348. \$1,625,000.** Dona Ana County has applied to the DWSRLF to finance an inventory/survey to determine the status of the City’s lead lines. The project consists of work to complete the required system wide lead service line inventory and will be in compliance with the revised Lead and Copper Rule (2021) and EPA guidance.

**7.6 Sandoval County. PPRF-6341. \$3,120,000. 2023 Landfill equipment Loan.** Sandoval County has applied to the PPRF to finance the cost of new equipment for their landfill. The equipment and improvements include but are not limited to a trash compactor, a tire wheel loader, and phase two of the perimeter wind fence. The County Landfill is a solid waste disposal facility, permitted by the New Mexico Environment Department Solid Waste Bureau to accept solid waste. The pledged revenues consist of one-eighth of one percent (.125%) of the County Environmental Services Gross Receipts Tax and the Net System Revenue of the Solid Waste System. The combined pledged revenues generate \$2,060,946

annually. This loan may require NMED to consent to the issuance of additional parity debt prior to closing. This loan will have a contingent intercept with monthly ACH payments.

**7.7 Sandoval County. PPRF-6342. \$5,495,000. 2024 Fire Equipment Loan.** Sandoval County has applied to the PPRF to finance the cost of new equipment for their fire and public works departments. Also, the County will finance various building improvements and two road projects. The pledged revenues consist of one-eighth of one percent (.125%) of the first increment of the County Gross Receipts Tax. This loan is subordinated to a Series 2016 gross receipts refunding revenue bond which maintains a superior (senior) lien position. This subordinate lien position is consistent with PPRF-5126. This loan will have a contingent intercept with monthly ACH payments.

**7.8 Espanola School District (“District”)(Rio Arriba County). PPRF-6355. \$10,000,000.** Española School District has applied to the PPRF for financing of projects within the District. The District received voter approval of \$40,000,000 to erect, remodel, equip and furnish school buildings; purchase or improve school grounds; purchase computer software and hardware for student use in public schools; provide matching funds for capital outlay projects funded pursuant to the Public-School Capital Outlay Act; or any combination of these purposes within the District. This approval is valid for a period of four years.

The District will issue General Obligation Bonds in the amount of \$10,000,000 which NMFA will purchase with the PPRF. The proceeds will be used for multiple district-wide facility projects and capital needs as identified in the 2022-2026 five-year Facilities Master Plan (FMP) to include but are not limited to all District building facilities and site system(s) renewal plus plans and designs, and cost of issuance. The projects will be completed in phases and prioritized based on the 2022-2026 FMP and Public School Facilities Authority’s state ranking order.

**7.9 South Central Solid Water Authority (“Authority”) (Dona Ana County). PPRF-6253. \$3,825,000. 2024 Construction Loan.** The Authority has applied to the PPRF for construction and engineering costs 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 the defined service area of South-Central New Mexico.

The current cells at the landfill are nearing capacity and this expansion will help continue to provide cleanliness and sanitation services for the community. The South-Central Solid Waste Authority will pledge the Net System Revenue as the source of revenue for this loan. This loan was initially approved during the October 26, 2023, Board Meeting. Subsequent to that approval, the Authority communicated that they would like to request an increase the par amount to finance engineering costs associated with the project. The original amount approved was \$3,330,000. The \$495,000 increase includes the aforementioned engineering costs as well as an increased Debt Service Reserve Fund.

**7.10 Cloudercroft Municipal School District. (“District”) PPRF-6344. \$2,000,000/ 2024 General Obligation Bond.** The District received voter approval of \$4,000,000 to construct, remodel, make additions and furnish school buildings, purchase, or improve school grounds This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$2,000,000 which NMFA will purchase with the PPRF.

**7.11 Middle Rio Grande Conservancy District. (“District”) PPRF-6344. \$2,000,000. 2024 General Obligation Bond.** The District has applied to the PPRF to purchase multiple quantities of heavy equipment, medium equipment, light equipment, and their respective apparatus to replace equipment that is well beyond its useful life. The District has pledged their Net System Revenues as the security and repayment of this loan.

**7.12 Capitan Municipal School District (Roosevelt County). (“District”) PPRF-6356. \$3,100,000. 2024 Education Technology Note.** The District has applied to the PPRF to finance the purchase of Educational Technology Equipment for an elementary school, a middle school, and a high school. The loan proceeds will be used for, but not limited to: laptops and related hardware, tablets, networking equipment and supplies, tech support and support contracts, software security access points, and COI. 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. Also, technology maintenance and lease agreements, wireless access points, technology supplies and the cost of issuance.

**Member Suazo moved, seconded by Member Trujillo, for approval of agenda items 7.1 – 7.12. The motion passed 11-0.**

**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. Kelsey Rader), Secretary Wayne Propst (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

**8.1 Update on Activities.** A quorum of the Economic Development Committee met on December 5, 2023, via Zoom teleconference. Member Sam Collins chaired with Members Marcos Trujillo, Kelsey Rader, and AnnaLinden Weller in attendance. Staff presented revisions to the NMFA Venture Capital Investment Policy, recommending a commitment of up to \$10 million to Advance New Mexico. Staff also presented the Round 31 Ranking of the NMTC Applications to the committee. Both of these items were recommended for Board approval.

**Informational Only.**

**8.2 Commitment of up to \$10 million to Advance New Mexico, LP.** Ms. Ryan Marie Decker presented the investment of \$10 million dollars to Advance New Mexico, LP. The presentation included the investment strategy, economic impact, fee structure and two Venture Capital Investment policy waivers. Mr. Ethan Samson, of Meketa Investment Group, went over the due diligence process for this commitment.

Ms. Lauren Grattan and Mr. Stephen Nunes of Mission Driven Finance, the developer of Advance New Mexico, provided an overview of the company’s mission to the Board. Staff recommends an investment commitment up to \$10 million to Advance New Mexico, LP from the Venture Capital Program Fund, subject to satisfactory negotiation of legal terms and closing.

**Member Suazo moved, seconded by Member Nichols, for approval of agenda item 8.2. The motion passed 11-0.**

**8.3 Revisions to the NMFA Venture Capital Investment Policy.** Ms. Decker presented the recommended revisions to the NMFA Venture Capital Investment Policy. A redline version was also provided to the Board members.

Staff proposed the following changes to the policy:

1) Section IV.A *General Considerations* – Mission and diversification objectives: combine and refine first and second bullets and add new bullet emphasizing target of economic sector diversification. This will align the bulleted mission and diversification objectives with the economic development assessment in the due diligence process.

2) Section VIII.E *Match Requirement*: remove ‘third-party’ from private investors that meet match requirement for New Mexico-focused funds, as General Partner commitments may count toward the match requirement; clarifies non-NM focused funds must raise matching funds from private, non-governmental investors.

3) Section VIII.I *Investment Guidelines & Restrictions* - Key Terms: highlight that NMFA will not accept in-kind distributions.

NMFA staff recommended approval of the proposed revisions as presented.

**Member Suazo moved, seconded by Member Burke, for approval of agenda item 8.3. The motion passed 11-0.**

**8.4 Prioritization of Round 31 New Markets Tax Credit Applications (“NMTC”).** Mr. John Brooks presented the process of vetting the NMTC applications. Eleven applicants submitted a complete application, ten applications were deemed eligible, nine of the applicants qualified as urban applications and one applicant qualified as rural. To be prioritized on the NMTC priority list, applications must receive an average minimum score of at least 60 points and must be determined to have “Moderate” readiness. Three applications (Louisiana Pepper, Rose’s SW Paper, and Sombra Cosmetics) received scores of at least 60 points or higher and a clear “Moderate or High” readiness determination which allows them to move forward in the application process. These three projects are qualified as urban. Discussion ensued with staff answering questions from the Board.

Staff recommends Louisiana Pepper, Rose’s SW Papper, and Sombra Cosmetics, be prioritized as part of the Application for Round 31.

**Member Suazo moved, seconded by Member Trujillo, for approval of agenda item 8.4. The motion passed 11-0.**

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 December 6, 2023, via Zoom teleconference. Member Martin Suazo chaired, with Members Marcos Trujillo, Richard Garcia and Alison Nichols in attendance. Staff presented the 2<sup>nd</sup> amendment to Second Amended and Restated line of Credit Agreement with Wells Fargo Bank which will extend the term of the line of credit for 3 years, on terms and conditions similar to the current agreement, with the exception of a lower undrawn rate fee of 28 basis points. The committee unanimously recommended approval of the item to the NMFA Board of Directors.

**Informational Only.**

**9.2 Presentation of the First Quarter Budget Performance Report.** Mr. Rodriguez presented the budget performance report for the first quarter of FY 2024. Mr. Rodriguez discussed the budget plan, investments, and the first quarter performance breakdown.

**Informational Only.**

**9.3 2<sup>nd</sup> Amendment to Second Amended and Restated Line of Credit Agreement.** Mr. Dan Opperman and Mr. Chip Pierce explained the second amended and restated line of credit agreement and resolution with Wells Fargo Bank. The existing line-of-credit expires in December 2023. The extension of the line-of-credit is for an additional 3-years. The Finance Authority's Procurement Policy permits certain financial services contracts to extend past the four year limitation. Mr. Pierce explained the pricing structure of the line-of-credit, noting significant savings due to negotiations. Staff recommends the extension of the existing line-of-credit with Wells Fargo Bank for an additional three years incorporating the pricing and structuring presented..

**Member Suazo moved, seconded by Member Burke, for approval of agenda item 9.3. The motion passed 11-0.**

**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).*

**10.1 Update on Activities.** A quorum of the Audit Committee met on December 6, 2023, via Zoom teleconference. Member Andrew Burke chaired, with Members Sam Collins, Martin Suazo and AnnaLinden Weller in attendance. Agenda items included the financial statements and financial performance indicators, information technology and an office building update. These items were informational only.

**Informational Only.**

**10.2 Presentation of the Financial Statements and Performance Indicators.** Staff presented the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows for September 30, 2023. Staff recommends acceptance of the September 2023 Financial Statements as presented.

**Member Suazo moved, seconded by Member Burke, for approval of agenda item 10.2. The motion passed 11-0.**



- 11. **Next Board Meeting.** January 25, 2024, at 9:00 a.m. at the County of Santa Fe Office – The Chambers Room.
- 12. **Adjournment.** Member Suazo moved, seconded by Member Trujillo for adjournment. The meeting adjourned at 10:50 a.m.

*ATZ*

01 / 25 / 2024

Secretary

Date