

*New Mexico Finance Authority*  
207 Shelby St. Santa Fe, N.M. 87501  
(505) 984-1454  
**Minutes of NMFA Board Meeting**  
**March 28, 2024**  
**Santa Fe County Commission Chambers**  
**102 Grant Ave, Santa Fe, New Mexico 87501**

**Members Present:**

Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Andrew Burke (via zoom)	Public Member, Las Cruces, NM
Richard Garcia (via zoom)	Designee, New Mexico Counties
Marcos Trujillo	Designee, NM Dept. of Finance and Administration
Sam Collins	Designee, NM Economic Development Dept.
Teresa Costantinidis	Public Member, University of New Mexico
Dr. AnnaLinden Weller	Designee, Energy, Minerals & Natural Resources Dept.
Ronald Lovato (via zoom)	Public Member, Ohkay Owingeh

**Members Absent:**

Kathy Keith, Chair	Public Member, Los Alamos Natl. Laboratory
A.J. Forte	NM Municipal League
James Kenney	NM Environment Department

**Finance Authority Staff**

Anthony Maestas	Maria Ruelas
Bryan Otero	Mark Lovato
Brian DuBoff (via zoom)	Marquita Russel
Carmela Manzari	Oscar Rodriguez
Cherise Martinez	Rick Herrman
Chip Pierce (via zoom)	Rio Trujillo
Dan Opperman	Ryan Olguin
Dora Cde Baca (via zoom)	Ron Cruz
	Sharon Romero
Joanne Johnson (via zoom)	Susan Pittard
John Brooks	Susan Rodriguez
John DuBois	Todd Johansen
Kryshana Madrid	Todd Nordby
Laura Williams (via zoom)	
Luanna Salazar	

**Guests:**

Alyssa Sandoval	Penasco School District
Brad Patterson	Gilmore & Bell
Carla Najjar (via zoom)	Virtue, Najjar & Browne
Ethan Samson (via zoom)	Meketa
Fernando Martinez	
Gaby Darbyshire	Dangerous Ventures
Jared Pratt	Meketa
Jerry Kyle	Orrick, Herrington & Sutcliffe, LLP
Kaeley Weimerskirch (via zoom)	RBC Capital Markets, LLC
Laura Morales (via zoom)	Energize Your Outlook
Michael Pellatz	Meketa
Mike Lin	Dangerous Ventures
Nicholas Caine	Stifel
Sabrina Campos	Meketa
Santa Fe County (via zoom)	
Susan Ellis	BOKF
Suzanne Bruckner	Sutin, Thayer & Browne
Ward Hendon	Dangerous Ventures

1. **Call to Order and Roll Call.** Chairman Keith called the meeting to order at 9:03 a.m. A quorum was established.
  
2. **Approval of Agenda.** Marquita Russel requested the agenda be amended to remove Items 13.1 and 13.2. Member Weller moved, seconded by Member Trujillo, to approve the agenda, as amended. The motion passed 8 – 0.
  
3. **Approval of Board Minutes.**
  - 3.1 **Member Collins moved, seconded by Member Weller, for approval of the February 29, 2024, board minutes. The motion passed 8 – 0.**
  
4. **Other Items**
  - 4.1 **Committee Appointments.** Member Costantinidis will now attend Economic Development Committee and Audit Committee meetings. Member Kenney will be removed from the Economic Development Committee and will now attend Finance and Disclosure Committee meetings.  
  
**Member Collins moved, seconded by Member Weller, for approval of agenda item 4.1. The motion passed 8-0.**
  
5. **Report from the Chief Executive Officer (“CEO”), Marquita Russel.**
  - 5.1 **Report from the CEO.** NMFA welcomes John DuBois who joined as a Regional Finance Manager on March 18th. On April 1, Ratna Ravabhaktula will be joining us as a Lead Credit Analyst and Fernando Martinez as Deputy Director. We’re excited to have all three on board.

## **Work Ahead: Review of Committee Charters and Other Governance Policies**

NMFA’s practice is to review the Charters at least every two years to ensure they accurately reflect the expectations of the Board in terms of responsibilities and to ensure the programmatic oversight is accurate. Staff is also planning to present a Litigation and Legal Representation Policy which will clarify, among other things, how litigation is initiated by NMFA, as well as proposed changes to the Bylaws.

## **Budget Assumptions for Fiscal Year 2025**

Consistent with the NMFA Budget Policy, staff presented its outlook and assumptions for the FY 2025 operating budget to the Finance & Disclosure Committee and to the Executive Committee. The feedback from these committees will be incorporated into a draft budget that is anticipated to be presented to the Finance & Disclosure Committee in April with the expectation that a final budget will be ready for the full Board’s review and approval in May or June.

Our expectation is that fiscal year 2025 will be like the past several years in terms of program implementation, modifying existing programs to meet current needs and market conditions, and continuing to deal with high levels of state and federal funding – both in terms of internal work for the water programs team as well as demand for funding from the Public Project Revolving Fund (“PPRF”). From a project oversight level, we anticipate better, but continued supply chain weaknesses, resulting in delayed project construction and higher costs.

Demand for traditional PPRF projects is anticipated to remain flat to declining through next year. However, NMFA is expecting to see new activity resulting from the broadened statutory eligibility and anticipated creation of the Junior Lien which will enable NMFA to provide greater access to Charter Schools and other non-traditional borrowers.

Private lending activity is anticipated to see increased activity because of the Federal State Small Business Credit Initiative. Water programs funding is expected to grow, but with a fundamental change in project oversight. Funding for NMFA’s traditional water infrastructure programs has been expanded to the point that together they will likely exceed the PPRF in terms of capital projects. The funding directed to the federal Drinking Water State Revolving Fund has started to see increased funding requests as new Federal Capitalization Grants for emerging contaminants and lead service replacement lines come in. Continued high levels of State Severance Tax Bonding capacity is expected to lead to increased funding requests for Water Trust Board (WTB) and Colonias Infrastructure (CIF) programs.

The new NMFA headquarters building is the most significant item in the capital budget next year. We anticipate construction to be substantially completed by January 2025. Staff will likely work from home in December with the expectation that they will move into their new quarters soon after construction is complete. Construction activity will peak in the summer. At that point, we will be better able to see if any adjustments to the \$14.9 million budget are necessary, as we are still awaiting both final prices associated with the electric vehicle charging station and the outcome of the \$0.2 million contingency budget.

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. Kelsey Rader), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

**6.1 Update on Activities.** A quorum of the Public Lending Committee met on March 20, 2024, via

Zoom teleconference. Member Alison Nichols chaired the meeting with Members Marcos Trujillo and Richard Garcia in attendance. The committee reviewed one PG, one lead service line replacement project, one emerging contaminants project, and six PPRF projects; all were recommended to the Board for approval.

## **Informational Only.**

### **7. Consent Agenda.**

**7.1 Duranes y Gavilan Mutual Domestic Water Association (the “Association”) (Taos County). PG-6398. \$50,000. Preliminary Engineering Report.** The Association applied to the Local Government Planning Fund (“LGPF”) to fund a Preliminary Engineering Report (“PER”). This PER will explore alternatives to address drinking water treatment, relocation of water meters, installation of new infrastructure to include radio read meters, as well as the treatment of a second well. The Association plans to use this document towards applying to the Water Trust Board. The PER will follow the RUS Bulletin 1780-2.

**7.2 City of Alamogordo (the “City”) (Otero County). PPRF-6393. \$400,000. BIL Lead Service Line Replacement Project.** The City has applied to the Drinking Water State Revolving Loan Fund (“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 follow the revised Lead and Copper Rule (2021) and EPA guidance. The project was ranked number seven on the December FY2024 BIL Lead Service Line Replacement Funding Priority List.

**7.3 Cibola County. PPRF-6218. \$210,600. 2024 Fire Equipment Loan.** Cibola County on behalf of the El Morro Valley Volunteer Fire Department has applied to the PPRF to purchase a fire truck and equipment. The new fire equipment will be used to support fire suppression efforts in the County, thereby maintaining public health, safety, and welfare. The County will pledge its State Fire Protection Funds as the revenue source for this loan. The Fire Department has an ISO class rating of nine with one main station and receives an annual base distribution of \$39,058 from State Fire Protection Funds. The County will provide \$130,000 in contributing funds from the Cibola County Chiefs Association Grant as part of this transaction. The State Fire Marshal has provided a letter of approval for this loan.

**7.4 Hatch Valley Public School District (the “District”) (Dona Ana County). PPRF-6395. \$450,000. 2024 General Obligation Bond.** The District has applied to the PPRF for financing projects. In November 2021, the District received voter approval of \$1,800,000 to erect, remodel, equip and furnish school buildings; purchase or improve school grounds; purchase computer software and hardware for students 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 \$450,000 which NMFA will purchase with the PPRF. After the Series 2024 General Obligation Bonds are issued, there will still be \$450k remaining from the 2021 authorization of \$1.8M.

**7.5 Quemado Independent School District (Catron County). PPRF-6389. \$475,000. 2024 General Obligation Bond.** Quemado School District received voter approval of \$950,000 to remodel, make additions and furnish school buildings, purchase, or improve school grounds, replacement bus barn facility, construction of an addition to be used for CTE Auto shop, track and field replacement facility,

flooring replacement in existing facilities, and cost of issuance. This approval is valid for a period of four years. The district will issue General Obligation Bonds in the amount of \$475,000 which NMFA will purchase with the PPRF.

**Member Trujillo moved, seconded by Member Costantinidis, for approval of agenda items 7.1 – 7.5. The motion passed 8-0.**

## **8. Regular Agenda.**

**8.1 Lake Arthur Municipal School District (the “District”) (Chaves County). PPRF-6392. \$1,000,000. 2024 General Obligation Bond.** In November 2023, the District received voter approval of \$4,000,000 to erect, remodel, equip and furnish school buildings; purchase or improve school grounds; purchase computer software and hardware for students 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 \$1,000,000 which NMFA will purchase with the PPRF. The proceeds will be used for district-wide facility projects and capital needs as identified in their 2022- 2027 five-year FMP. The projects are expected to incorporate roof maintenance and/or replacement, building stucco improvements, campus upgrades interior and exterior, ADA compliance, playground upgrades, hazardous material study, historic preservation study, and related ancillary projects. This project is considered priorities within the FMP.

**8.2 Penasco Independent School District (the “District”) (Taos County). PPRF-6388. \$1,250,000. 2024 General Obligation Bond.** In November 2023, the District received voter approval of \$2,500,000 to erect, improve, and make additions to an educational campus for elementary, middle, and high schools in Penasco and to construct, erect, and improve teacher housing for the Penasco Independent School District. This approval is valid for a period of four years.

The District will issue General Obligation Bonds in the amount of \$1,250,000 which NMFA will purchase with the PPRF. The proceeds will be used for district-wide facility projects and capital needs as identified in their current five-year FMP. This includes the design and engineering of building a new combined K-12 school, replacement, repairs, preventive maintenance, and infrastructure improvements, a new HVAC system and interior plumbing repairs to the existing school while the new school is under construction.

**8.3 Raton Public School District (the “District”) (Colfax County). PPRF-6390. \$3,750,000. 2024 General Obligation Bond.** In November 2023, the District received voter approval of \$8,000,000 to construct, remodel, make additions and furnish school buildings, purchase or improve school grounds, 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 \$3,750,000 which NMFA will purchase with the PPRF. The District intends to build a new school campus, which will include planning, design, construction and demolishing the other three schools. The new combined school will serve grades Pre-K through 12th when completed. The proceeds will be used for projects consistent with the District's 2023-2027 FMP.

**8.4 EPCOR Water New Mexico Inc. (“EPCOR”) (Curry County). DW-6394. BIL Emerging Contaminants Project.** EPCOR has applied to the DWSRLF via the BIL Emerging Contaminants Program to finance a PER, evaluations, and testing. The water system consists of 77 wells that pump to six entry points to the distribution system Entry Point to the Distribution System. The North 40 wells and wells 20 and 205 produce approximately 25% of the groundwater supply for the City of Clovis and are essential for meeting the City’s water demands but are either not currently in service due to perfluoroalkyl substances or are blended with other wells to reduce contaminant levels to non-detectable. With the decline in the aquifer, these strategies are not sustainable, and treatment must be considered. EPCOR is applying for funding to complete a PER to evaluate treatment processes, conduct pilot testing of treatment technologies, select a treatment process, and develop a recommended project to bring the North 40 wells and wells 20 and 205 into compliance with new EPA maximum contaminant levels. This project is the number one priority on the FY 2024 BIL Emerging Contaminants Fundable List.

**Member Weller moved, seconded by Member Trujillo, for approval of agenda items 8.1 – 8.4. The motion passed 8-0.**

9. **Economic Development Committee Report.** *(Committee members: Secretary Mark Roper, Chair (Mr. Sam Collins), Secretary Dylan Fuge (Dr. AnnaLinden Weller), Secretary James Kenney (Ms. Kelsey Rader), Secretary Wayne Propst (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*

**9.1 Update on Activities.** A quorum of the Economic Development Committee met on March 19, 2024, via Zoom teleconference. Member Sam Collins chaired with Members Marcos Trujillo, Ron Lovato, and AnnaLinden Weller in attendance. Staff presented the Private Program Report for March 2024 as an informational item, and the Venture Capital Program update that two transactions have closed: a \$7 million commitment of SSBCI VC Funds to Tramway Venture Partners III and the \$7.5 million commitment of State VC Funds to Raven Indigenous Impact Fund II. Staff further reported that the \$10 million commitment to New Mexico Opportunity Fund managed by Sun Mountain Capital lapsed and will not close and that the \$10 million commitment to Advance New Mexico managed by Mission Driven Finance needed additional time to complete documentation. These items were informational.

Staff also presented the SSBCI Capital Access Program Policy and the Loan Management Policies for the Loan Participation Programs, recommending both policies move to the Board for final approval consideration. Staff presented a commitment of up to \$5 million to Dangerous Ventures NM Fund I, L.P. The commitment will be funded primarily using the federal SSBCI. The Committee recommended approval of the Board.

**Informational Only.**

**9.2 Recommendation to Commit up to \$5 million to Dangerous Ventures NM Fund I, L.P.** Mr. Rick Herrman presented the \$5 million dollar investment to Dangerous Ventures NM Fund (the “Fund”). Mr. Herrman provided a background of the Fund, the strategy, and the focus of the Fund, and the breakdown of funds between SSBCI and state funding.

Mr. Michael Pellatz, of Meketa went over the due diligence process for vetting Dangerous Ventures and presented the economic impact the Fund is expected to have in New Mexico.

The three founders of Dangerous Ventures introduced themselves to the Board and provided their educational and entrepreneurial background.

Staff recommends an investment commitment up to \$5 million to Dangerous Ventures NM Fund I, L.P. from the New Mexico Venture Capital Program Fund (split between SSBCI (\$4,500,000) and state funding (up to \$500,000), subject to satisfactory negotiation of legal terms and closing.

**Member Collins moved, seconded by Member Weller, for approval of agenda item 9.2 as presented. The motion passed 8-0.**

**9.3 Recommendation of State Small Business Credit Initiative Capital Access.** Mr. John Brooks presented the proposed State Small Business Credit Initiative (“SSBCI”) Capital Access Program (“CAP”) Policy. Mr. Brooks provided a background of the program’s initiative and the proposed revisions based on public feedback. Discussion ensued with staff answering questions from the Board. Staff recommends approval of the proposed SSBCI CAP Policy as presented.

**Member Costantinidis moved, seconded by Member Trujillo, for approval of agenda item 9.3. The motion passed 8-0.**

**9.4 Recommendation of Amended Loan Management Polices for NMFA Loan Participation Programs.** Mr. John Brooks presented the Loan Management Policy changes for NMFA’s Smart Money Loan Participation Program and the Collateral Support Participation Program. Mr. Brooks presented the proposed policy changes to board members and went over the revisions, application process, loan participation amounts, and monitoring requirements.

Staff recommends approval of the Loan Participation Policies as presented.

**Member Collins moved, seconded by Member Weller, for approval of agenda item 9.4. The motion passed 8-0.**

**10. 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).*

**10.1 Update on Activities.** A quorum of the Finance & Disclosure Committee met on March 20, 2024, via Zoom teleconference. Member Martin Suazo chaired, with Members Marcos Trujillo, Richard Garcia, and Alison Nichols in attendance.

Staff provided an overview of the February 2024 investment report and the Bond Issuance Forecast Report as informational items. Staff presented Key Budget Assumptions and Outlook for FY 2025 Budget, which were recommended to the Board for approval. Staff, Disclosure Counsel and Bond Counsel presented an overview of the 2024A PPRF Subordinate Lien Bonds, PPRF Junior Lien Indenture, and revisions to the PPRF Senior Lien Indenture. The committee recommended all three items for approval by the Board. The Committee approved an award of contract to Moss Adams for the FY24 external audit and recommended to the Board an award to Finance Risk Unified for Risk Rating Services.

**Informational Only.**

**10.2 Authorizing and Delegating Resolution for the Subordinate Lien Public Project Revolving Fund Revenue Bonds, Series 2024A, Preliminary Official Statement, 23rd Supplemental Indenture of Trust and Related Documents.** Staff and its consultants presented the substantially final Preliminary Official Statement in preparation of the issuance of the Series 2024A Bonds. The Series 2024A Bonds will be issued in an approximate amount not to exceed \$60,000,000 and will be used by the NMFA for the purposes of (i) originating loans to or purchasing securities from certain governmental entities that will be used to finance or refinance certain Projects for such governmental entities or reimbursing loans previously made to or securities purchased from such governmental entities, and (ii) paying costs incurred in connection with the issuance of the Series 2024A Bonds. NMFA staff and consultants will continue to prepare for the sale of the Series 2024A Bonds, expected to occur on or about April 2024.

NMFA staff, Mr. Jerry Kyle (Disclosure Counsel), and Mr. Brad Patterson (Bond Counsel) reviewed the proposed resolution and related documents for the Series 2024A bonds. Member Marcos Trujillo will represent the Board in the transaction as a designated officer.

**Member Burke moved, seconded by Member Trujillo, for approval of agenda item 10.2 as presented. The motion passed 8-0.**

**10.3 Resolution Authorizing the Junior Lien Indenture.** Mr. Pierce presented the background for the Junior Lien Indenture explaining that the historical growth of the Governmental Growth Receipts Tax has increased the PPRF's lending capacity. Mr. Pierce presented the FY 2025 forecast for senior/subordinate structure. Discussion ensued with staff answering questions from the Board. Mr. Patterson presented the authorizing resolution which, if approved, will allow for the creation of the Junior Lien Indenture of Trust.

Staff recommends approval of the Resolution authorizing the creation of the PPRF Junior Lien Indenture of Trust.

**Member Trujillo moved, seconded by Member Garcia, for approval of agenda item 10.3 as presented. The motion passed 8-0.**

**10.4 Resolution Approving the Technical Revision to the PPRF Senior Lien Indenture.** Mr. Pierce provided historical background of the Senior Lien Indenture. Mr. Pierce explained that during discussions pertaining to the creation of the Junior Lien, Bond Counsel discovered that a technical revision to the PPRF Senior Lien Indenture would be needed to reflect the actual practice in the treatment of revenues in excess of debt service in the senior lien. Mr. Patterson presented the authorizing resolution which, if approved, will authorize the execution of the First Amendatory Supplemental Indenture of Trust.

Staff recommends approval of the Resolution authorizing the First Amendatory Supplemental Indenture of Trust.

**Member Costantinidis moved, seconded by Member Weller, for approval of agenda item 10.4. The motion passed 8-0.**



**10.5 Recommendation to Award a Contract to Finance Risk Unified for Risk Rating Services.** The NMFA seeks to streamline and modernize its credit and risk rating methodology, with the ability to assign appropriate ratings to its existing portfolios. The services required to be provided shall include 1) risk rating scorecards; 2) existing portfolio classification; 3) stress testing; 4) forecasting/monitoring/reporting; 5) related policies and procedures; 6) data management/accessibility/security and 7) training and implementation. After a competitive procurement, staff recommends an award of contract to Finance Risk Unified.

**Member Trujillo moved, seconded by Member Collins, for approval of agenda item 10.5. The motion passed 8-0.**

- 11. Audit Committee Report.** *Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Dylan Fuge (Dr. AnnaLinden Weller), and Secretary Mark Roper (Mr. Sam Collins).*

**11.1 Update on Activities.** A quorum of the Audit Committee met on March 20, 2024, via Zoom teleconference. Member Andrew Burke chaired, with Members Martin Suazo, Sam Collins and AnnaLinden Weller in attendance. Agenda items included Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Cash Flow Statement of January. This was an informational item. The Committee recommended a contract with Moss Adams for the FY 24 audit to the Finance and Disclosure Committee. Staff also provided an update to the new NMFA headquarters.

**Informational Only.**

- 12. Board Training**

**12.1 Board Training Presentation.** Staff presented the Mission and Program Impacts for the various programs within the NMFA.

**Informational Only.**

- 13. Next Board Meeting.** April 25, 2024, at 9:00 a.m. at the NM State Capital Room 307.

- 14. Adjournment.** The meeting adjourned at 11:12 a.m.



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04 / 30 / 2024  
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Secretary  
Date