

New Mexico Finance Authority
207 Shelby St. Santa Fe, N.M. 87501
(505) 984-1454
NMFA Board Meeting Minutes
May 30, 2024
New Mexico State Capitol, Room 307
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
Andrew Burke (via zoom)	Public Member, Las Cruces, NM
Joy Esparsen	New Mexico Counties
Marcos Trujillo (via zoom)	Designee, NM Dept. of Finance and Administration
Sam Collins	Designee, NM Economic Development Dept.
Teresa Costantinidis (via zoom)	Public Member, University of New Mexico
Ronald Lovato (via zoom)	Public Member, Ohkay Owingeh
Kelsey Rader (via zoom)	Designee, NM Environment Department
Dr. AnnaLinden Weller	Designee, Energy, Minerals & Natural Resources Dept.

Members Absent:

AJ Forte	NM Municipal League
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Finance Authority Staff

Aaron Kayser	Luanna Salazar
Anthony Maestas	Lynn Taulbee
Angela Quintana	Maria Ruelas
Bryan Otero (via zoom)	Mark Lovato
Charlotte Larragoite (via zoom)	Marquita Russel
Cherise Martinez	Michael Vonderheide
Chip Pierce	Norman Vuylsteke
Connie Marquez (via zoom)	Oscar Rodriguez
Dan Opperman	Patricia Griego
Donnie Quintana	Paul Romero
Dora Cde Baca (via zoom)	Rio Trujillo
Fernando Martinez	Ron Cruz
Jolin Anaya	Ryan Olguin
John Brooks	Ryan Marie Decker
John DuBois	Sharon Romero
Kryshana Madrid	Susan Pittard (via zoom)
Laura Williams	Susan Rodriguez
Leslie Medina	Todd Johansen
	Todd Nordby

Guests:

Chelsea Morris (via zoom)
Cilia Aglialoro (via zoom)
Curtis Clough (via zoom)
Daniel Bailey (via zoom)
David Buchholtz
Donna Sandoval (via zoom)
Eddie Schultz (via zoom)
Erik Harrigan (via zoom)
Ethan Samson (via zoom)
Gowan Hays (via zoom)
Ignacio Sepulveda (via zoom)
Isaac Leon
Jerry Kyle Jr.
Jenny Abramson (via zoom)
Justin Howalt (via zoom)
Kaeley Weimerskirch (via zoom)
Katherine McKinney(via zoom)
Laura Morales (via zoom)
Lauren Herrera (via zoom)
Luis Carrasco
Mari Hughes(via zoom)
Martha Carpenter
Nichole Britt
Nicole Martinez
Nick Caine
Rhiannon Crespin (via zoom)
Suzanne Bruckner
Susen Ellis
Sabrina Ciampa (via zoom)

Rethink Impact
City of Albuquerque
City of Tularosa

Rodey Law Firm
City of Albuquerque
Tiverton Advisors
RBC Capital Markets, LLC
Meketa
Portales
Tiverton Advisors
Sutin, Thayer & Browne, APC
Orrick, Herrington & Sutcliffe LLP
Rethink Impact
City of Clovis
RBC Capital Markets, LLC
City of Tularosa
Energize your Outlook
Orrick, Herrington & Sutcliffe LLP
Rodey Law Firm
City of Tularosa
Rodey Law Firm
Sonder Miller & Associates
City of Las Cruces
Stifel
City of Tularosa
Sutin, Thayer & Browne, APC
BOKF
Meketa

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 Weller to approve the agenda. The motion passed 10 – 0.
3. **Approval of Board Minutes.**
 - 3.1 Member Suazo moved, seconded by Member Esparsen, for approval of the April 25, 2024, Board Minutes. The motion passed 10 – 0.
 - 3.2 Member Suazo moved, seconded by Member Esparsen, for approval of the May 17, 2024, Special Board Meeting Minutes. The motion passed 10 – 0.

4. Governance Items.

4.1 Appointment of Nominating Committee for Election of Officers - Section 5.9 of Bylaws. Chair Keith appointed Member Esparsen, Member Trujillo, and Member Collins to the Nominating Committee.

Informational Only.

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

5.1 Report from the CEO.

Strategic Plan Update

Ms. Russel thanked the Board members and NMFA who participated in the Board’s first strategic planning session in six years. The meeting was held at Los Alamos Labs and was facilitated by members from LEH, who will compile the ideas generated and present to staff. Next steps are to formulate recommendations for strategic goals over the next three years. Once the Board has approved the thematic goals and ratified the mission, values and competencies, staff will formulate recommendations for objectives to meet those goals and present a final strategic plan to the Board for its adoption. At this time, we expect that we’ll be able to conclude the strategic planning effort by the end of the summer.

Staffing Update

Commercial Credit Analyst Josh Young and Accountant Sonia Mendez joined NMFA in May. We also hired GB Ijmayowa to the Operations Innovation Team as Product Owner, and he will start on June 3rd. This leaves two vacancies – Regional Finance Manager (to replace Mark Montoya) and the expansion position of Program Administrator to the Community and Economic Development Program Administration team. This second position has been deferred because the SSBCI program expansion has been slower than initially expected.

Employee Handbook

After years of operating under an outdated personnel policy, NMFA is poised to start the new fiscal year with a substantially updated Employee Handbook. The existing handbook, dated May 2005, has been augmented over the years with stand-alone policies (some written, some unwritten) leaving it difficult for employees to have a complete understanding of the operating guidelines. This substantial effort represents one of the last internal policies to be updated and my deep appreciation to Dora Cde Baca, Susan Pittard and Nicole McCollum for their work on this policy.

Program Development Update:

The Opportunity Enterprise and Housing Development Review Board (“OE Board”) held two meetings in May and is slated to hold two more Board meetings over the next six weeks as it develops the rules and policies for the newly created Housing Development Revolving Fund and updates to the Opportunity Enterprise Revolving Fund. At its May 2nd meeting, the OE Board made changes to its bylaws and formally initiated the rulemaking process to capture proposed amendments to its rules based on the 2024 legislative session. The public hearings will be held via zoom on June 20th and June 21st with a final set of rules anticipated to be approved at OE Board’s meeting on July 11th. The Governor appointed two members (Nicole Martinez and Mackenzie Bishop). The newly reformulated OE Committees will be

working through the policy frameworks for the amended commercial development program and the new housing development in June with the expectation of posting a set of draft policies for each program after the OE Board's June 13th meeting. This very aggressive timeline puts us in a position to open an application for the housing assistance lending in late summer. The NM Economic Development Department submitted a request to the Department of Treasury to amend the use of the federal State Small Business Credit Initiative. Once approved, NMFA will be able to accept applications for the new Capital Access and the Loan Participation programs.

NMFA Oversight Committee

At the organizational meeting of the NMFA Oversight Committee on May 9th, the committee approved the following dates for its interim meetings:

- o May 9th – Santa Fe
- o July 2nd & 3rd – Albuquerque
- o August 12th & 13th – Gallup
- o September 9th & 10th – Socorro
- o October 9th – Santa Fe
- o November 12th – Santa Fe

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. Catherine Conran), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

6.1 Update on Activities. The Public Lending Committee met on May 22, 2024, via Zoom teleconference. A quorum was not established. Staff briefed Members Marcos Trujillo and Catherine Conran on one planning grant with a LEDA component, two drinking water projects, and thirteen PPRF projects. Staff is recommending four of the thirteen projects to appear on the consent agenda and the other nine on the regular agenda. Staff also presented the Water Trust Board's recommendation for the 2024 application cycle, consisting of forty-four projects, nine of which do not show historic capacity to undertake the loans and will be required to raise rates prior to converting to a permanent loan. The following items were recommended to the Board by staff.

Informational Only.

7. **Consent Agenda.**

7.1 Mesilla, Town of (Dona Ana County). PG-6470. \$50,000. Comprehensive Plan with LEDA. The Town of Mesilla has come to the Local Government Planning Fund ("LGPF") for a comprehensive plan with a LEDA component to identify existing conditions, probable future growth while obtaining extensive input from residents and key community stakeholders. This is an update to the previous goals and visions in the 2017 comprehensive plan, 2004 master plan, and the original Yguado Plan. This plan will also include an update to the LEDA ordinance.

7.2 Rio de Arenas LLC- Park at Whiskey Creek (Grant County). DW-6391. \$151,500. Rio de Arenas LLC received Board approval for a Drinking Water State Revolving Loan Fund (“DWSRLF”) in the amount of \$101,000 to finance a comprehensive upgrade of the existing well water system. After Board approval, it was discovered that they had originally requested more funds to complete the project than what was previously presented and approved. The proceeds will be used for, but not limited to, installation of a new above ground well water storage tank, removal of old water storage tanks, and repair and replacement of existing water lines.

The loan is anticipated to be secured by the property located at 3 Rio De Arenas Rd., Arenas Valley, NM 88022, which is the location of The Park at Whiskey Creek Project, and any and all other legally available forms of security as deemed necessary by staff, in consultation with counsel, and potentially other alternate forms of collateral in amounts sufficient to provide adequate security to the NMFA. Josh and Mary Young (The borrowers) have a strong net worth according to the Personal Financial Statement that was provided.

7.3 Hidalgo County (the “County”) Cotton City FD. PPRF-6450. \$125,000. 2024 Fire Equipment Loan. The County on behalf of the Cotton City Fire Department (“Department”) has applied to the Public Project Revolving Fund (“PPRF”) to purchase a firefighting apparatus and respective equipment to support fire suppression efforts in the County, thereby maintaining public health, safety, and welfare.

The Department requires a Commercial Tender to provide adequate protection for their communities to assist with emergencies. The County will pledge its State Fire Protection Funds as the revenue source for this loan. The Department has an ISO class rating of nine, with one main station. It receives an annual base distribution of \$39,058 from State Fire Protection Funds. The County will contribute \$300,000 from a New Mexico Fire Protection Grant as part of the transaction. The State Fire Marshal has provided a letter of approval for this loan.

7.4 Santa Rosa Consolidated Schools (the “District”) (Guadalupe County). PPRF-6463. \$400,000. 2024 Education Technology Note. The District has applied to the PPRF to finance the purchase of Education Technology Equipment. The District is located in Guadalupe County and includes five schools. The proceeds will be used for, but are not limited to, purchasing a new multipurpose scoreboard, along with purchasing multiple new multipurpose video display boards. 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.

7.5 Catron County (the “County”) Quemado Lake FD. PPRF-6468. \$273,135. 2024 Fire Equipment Loan. The County on behalf of the Quemado Lake Fire Department (“Department”) has applied to the PPRF to purchase a firefighting apparatus and respective equipment to support fire suppression efforts in the County, thereby maintaining public health, safety, and welfare. The Department requires a Commercial Tender to provide adequate protection for their communities to assist with emergencies. The County will pledge its State Fire Protection Funds as the revenue source for this loan. The Department has an ISO class rating of five, with one main station. It receives an annual base distribution of \$61,667 from State Fire Protection Funds. The County will contribute \$301,000 from a New Mexico Fire Protection Grant as part of the transaction as well as carryover funds of \$60,000 to

contribute to the project in lowering the financed amount. The State Fire Marshal has provided a letter of approval for this loan.

7.6 Mora County (the “County”) - Golondrinas VFD. PPRF-6473. \$150,000. 2024 Fire Equipment Loan. The County on behalf of the Golondrinas Volunteer Fire Department (“Department”) has applied to the PPRF to purchase a firefighting apparatus and respective equipment to support fire suppression efforts in the County, thereby maintaining public health, safety, and welfare. The Department requires a Commercial Tender to provide adequate protection for their communities to assist with emergencies. The County will pledge its State Fire Protection Funds as the revenue source for this loan. The Department has an ISO class rating of nine, with one main station and receives an annual fire protection fund distribution of \$39,058 from State Fire Protection Funds. The County will contribute \$300,000 from a New Mexico Fire Protection Grant as part of the transaction as well as carryover funds of \$101,000. The State Fire Marshal has provided a letter of approval for this loan.

Member Suazo moved, seconded by Member Weller, for approval of agenda items 7.1 – 7.6. The motion passed 10-0.

8. Regular Agenda.

8.1 Moriarty Edgewood School District (the “District”) (Torrance County). PPRF-6457. \$3,500,000. 2024 General Obligation Bond. In November 2021, the District received voter approval of \$11,000,000 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 (“PSCOA”). This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$3,500,000 which NMFA will purchase with the PPRF.

Member Esparsen moved, seconded by Member Suazo, for approval of agenda item 8.1. The motion passed 10-0.

8.2 Socorro Consolidated School District (the “District”) (Socorro County). PPRF-6460. \$2,350,000. 2024 General Obligation Bond. In November 2021, the District received voter approval of \$5,000,000 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 PSCOA. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$2,350,000 which NMFA will purchase with the PPRF.

Member Suazo moved, seconded by Member Collins, for approval of agenda item 8.2. The motion passed 10-0.

8.3 Tularosa Municipal School District (the “District”) (Otero County). PPRF-6464. \$1,250,000. 2024 General Obligation Bond. In November 2023, the District received voter approval of \$4,000,000 to erect, remodel, equip and furnish school buildings, including teacher housing, purchase or improve school grounds; purchase computer software and hardware for student use in public schools and provide matching funds for capital outlay projects funded pursuant to the PSCOA. 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.

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

8.4 City of Artesia (the “City”) (Eddy County). PPRF-6396. \$6,000,000. 2024 Infrastructure Loan. The City has applied to the PPRF to finance street and utility projects for reconstruction and utility projects to include the 26th Street infrastructure project. This is the first time the City applied to the PPRF. The City has also requested funds from the Water Project Fund. The infrastructure improvements consist of water and sewer main line and service line replacement, new street pavement sections, concrete sidewalks, curb and gutter improvements, ADA compliant requirements, drainage improvements, traffic signage and striping, asphalt walking paths, and bridge rehabilitation. The City estimates 12-14 month timeline for project completion.

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

8.5 City of Truth or Consequences (the “City”) (Sierra County). PPRF-6467. \$790,000. 2024 General Obligation Bond. The City received voter approval of \$3,000,000 in two separate General Obligation Bond elections for the purpose of improving municipal alleys, streets, public roads and bridges, improving or extending the City’s water and wastewater system. This approval is valid for a period of four years. The City will issue General Obligation Bonds in the amount of \$790,000 which NMFA will purchase with the PPRF. The General Obligation bonding capacity is not sufficient to address the magnitude of the system infrastructure replacement needs. Therefore, included in the City’s long-term plan of improvements, the City has utilized multiple NMFA programs over many years such as the WPF, CIF, DW, PPRF and LGPF to upgrade the infrastructure. These programs have provided both grant and loan funds for roads, water, and wastewater improvements including refunding’s. Estimated NMFA funding for the City, received or currently in the approval process for grant and loan funds, is \$30 million. Also, the City’s strategy is to use the General Obligation Bonds to serve as the local match for other state or federal funding sources, such as the US Department of Agriculture’s Rural Utility Service financing. Additionally, the City did receive a Capital Outlay appropriation from the State Legislature for \$20 million. The City is utilizing its available bonding capacity to share in the costs.

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

8.6 City of Albuquerque (the “City”) (Bernalillo County). PPRF-6469. \$13,850,000. 2024 Energy Efficiency Loan. The City has applied to the PPRF to finance energy efficiency projects within the City. The City engaged Yearout Energy (“YE”) in March 2021 to perform an Investment Grade Audit (“IGA”) of fifty sites. Throughout the IGA process, YE collaborated closely with the City to identify and co-develop Facility Improvement Measures that would allow the City to leverage future utility and operational cost savings to fund high priority capital improvements through an Energy Performance Contracting (“”) project. A fundamental benefit of EPC projects is that they allow for the savings from measures with faster returns to supplement the funding of critical infrastructure improvements and other

high priority initiatives. This project has been approved by the New Mexico Energy, Minerals and Natural Resources Department.

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

8.7 Las Vegas City Public School District (the “District”) (San Miguel County). PPRF-6402. \$4,200,000. 2024 General Obligation Bond. In November 2021, the District received voter approval of \$8,500,000 to construct, remodel, make additions and furnish school buildings, purchase or improve school grounds, or any combination of these purposes. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$4,200,000 which NMFA will purchase with the PPRF.

Member Suazo moved, seconded by Member Esparsen, for approval of agenda item 8.7. The motion passed 10-0.

8.8 City of Clovis (the “City”) (Curry County). PPRF-6403. \$3,600,000. 2024 Road Improvement Loan. The City has applied to the PPRF for road reconstruction projects to address vital infrastructure needs and enhance the overall quality of transportation networks within the community. The City will pledge the State Shared Gross Receipts Tax as the source of revenue for this loan. The City has requested a springing reserve in lieu of a traditionally funded debt service reserve fund which is allowed by policy. The policy allows the clients who have demonstrated the ability to meet their prior debt obligations and showed stable historical financial operations and the ability to meet the requirements of the additional bonds test and the high coverage amounts on the loans at the time of approval. The City will be required to cash fund a debt service reserve over a two-year period if the loan coverage falls below 2.0x coverage. In addition, the City maintains a A1 rating on its GRT by Moody's on bonds issued in 2015. Based on the existing A1 rating, staff recommended that a debt service reserve not be required.

Member Suazo moved, seconded by Member Collins, for approval of agenda item 8.8. The motion passed 10-0.

8.9 Corona Public School District (the “District”) (Lincoln County). PPRF-6459. \$995,000. 2024 General Obligation Bond. In November 2023, the District received voter approval of \$1,000,000. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$995,000 which NMFA will purchase with the PPRF. The proceeds will be used for projects consistent with the District's 2019-2023 Facility Master Plan.

Member Esparsen moved, seconded by Member Suazo, for approval of agenda item 8.9. The motion passed 10-0.

8.10 City of Las Cruces (the “City”) (Doña Ana County). DW-6255. Change in Lien Status. The City received \$15,300,000 to fund various water projects within the City and will use the Net System Revenue of the City’s Utility with a 20-year term and a coverage ratio of 1.63x (1.20x required) as the revenue pledge. The loan was originally approved in the senior lien, however, during the closing process it was determined that based on the City’s Master Ordinance, this loan should be moved to a subordinate position. The City’s Master Ordinance Rate Covenant requires the City to increase rates if the debt service

coverage in the senior lien falls below 1.25x or if the total combined debt service for all debt falls below 1.15x. Pursuant to NMFA policy, the Rate Covenant for Drinking Water loans is triggered if the parity and senior debt falls below 1.2x. Given the historically high coverage ratios for the City's debt, staff believes a waiver to this policy is warranted so that the NMFA DWSRF loan rate covenant for this loan is consistent with the City's Master Ordinance. Additionally, a review of the City's credit was updated to reflect the FY 2023 audit and now shows the City failed to meet coverage requirements because of fluctuations in the Pension Expense. This amount is determined annually by PERA and a major portion of this is a non-cash expense and should be added back to net system revenue which improves debt service coverage. Because technically the current Coverage Ratio is .94x, staff is requesting a waiver to Section VIII.A.1 of the DWSRF Loan Management Policies (Debt Service Coverage ratio) to allow the loan to close with a 1.15x coverage using the FY 2023 figures with the non-cash portion of the pension obligation expense. Staff believes once PERA can provide the actual cash and noncash expense detail, there will be sufficient coverage for this loan to meet the 1.15x coverage.

Staff recommended approval to move DW-6255 from a senior parity lien status to a subordinate lien status and the waiver of the DWSRF – Loan Management Policies for Coverage Ratio, Additional Bonds Test, and Rate Covenant to reflect 1.15x which is consistent with the City's Master Ordinance.

Member Burke moved, seconded by Member Suazo, for approval of agenda item 8.10. The motion passed 10-0.

9. Drinking Water State Revolving Loan Fund Intended Use Plan SFY 2025.

9.1 Drinking Water State Revolving Loan Fund Intended Use Plan ("IUP") SFY 2025. Staff presented an overview of the 2025 SFY IUP. Pursuant to the Act, the NMFA partners with New Mexico Environment Department ("NMED") to administer the federally funded Drinking Water program. Federal guidelines require annually, each state publish an IUP which informs the public of how federal funds will be used during the fiscal year, including any new requirements of the federal grants. This is the responsibility of NMED; however, it requires that NMFA collaborate in the publishing of the IUP. As the grantee, NMFA will soon be applying for the Federal Fiscal Year 2024 Base Capitalization grant, BIL General Supplemental Grant, and FFY 23 BIL Emerging Contaminants grant totaling over \$35 million in federal funds.. NMFA provides "subsidy" as principal forgiveness on its Drinking Water SRF loans, and for Emerging Contaminants projects is required to offer loans with 100% principal forgiveness. The Draft IUP will be posted on the NMED and NMFA websites for a 30-day public review and comment period, from May 31, 2024 to July 1, 2024. Any comments received during the public review period will be incorporated into the final document. The final document is then sent to U.S. EPA Region 6 for approval.

Informational Only.

10. Water Trust Board ("WTB")

10.1 Consideration and Recommendation of 2024 Water Project Fund Awards. Ms. Angela Quintana presented 44 water projects for funding from the 2024 WTB application cycle. Ten projects on the recommendation list do not show historic capacity to undertake debt with the minimum 1x coverage; however, NMFA's readiness to proceed procedures also include verification of increased revenues (rate increases) and verification of the budgeted debt payment prior to converting the construction loan to a

permanent loan. NMFA staff has determined the appropriate grant/loan components pursuant to NMFA procedures and WTB policies.

Informational Only.

10.2 Albuquerque Bernalillo County WUA (Bernalillo County) WPF-6261. \$2,000,000. Water Conservation Ph. 8 Advanced Metering.

10.3 Albuquerque Bernalillo County WUA (Bernalillo County) WPF-6262. \$200,000. Water Conservation Arsenic Treatment Facilities.

10.4 City of Artesia (Eddy County) WPF-6265. \$687,650. Water Storage Water Supply Well.

10.5 Village of Chama (Rio Arriba County) WPF-6269. \$1,722,175. Water Storage Water Treatment Plant.

10.6 Chippeway Park WA (Otero County) WPF-6271. \$270,000. Water Storage Ph. 2 Improvements.

10.7 Claunch Pinto SWCD (Torrance County) WPF-6272. \$600,000. Watershed Estancia Basin Watershed Restoration.

10.8 Claunch Pinto SWCD (Torrance County) WPF-6273. \$600,000. Watershed Greater Rio Grande Watershed Alliance.

10.9 Dona Ana County WPF-6274. \$5,000,000. Flood Prevention Dragonfly Channel Ph. III.

10.10 Eastern NMWUA (Curry County) WPF-6275. \$20,000,000. Water Storage Raw Water Conveyance & Facilities.

10.11 El Prado WSD (Taos County) WPF-6276. \$5,000,000. Water Storage Ph. III Abeyta Settlement Rio Grande Well #4.

10.12 Eldorado Area WSD (Santa Fe County) WPF-6278. \$750,000. Water Storage Monte Alto Pipeline Replacements.

10.13 Enchanted Forrest MDWCA (Lincoln County) WPF-6280. \$2,400,000. Water Storage Distribution System.

10.14 City of Eunice (Lea County) WPF-6284. \$1,818,640. Water Storage Water Tank Project.

10.15 City of Farmington (San Juan County) WPF-6285. \$20,000,000. Water Conservation Water Treatment Plants 1, 2 & Distribution System.

10.16 Flora Vista MDWCA (San Juan County) WPF-6286. \$531,222. Water Storage Water System Improvements Ph. 1.

- 10.17 City of Gallup (McKinley County) WPF-6287. \$548,064. Water Storage Case Iron/AC Pipe Replacement.**
- 10.18 City of Jal (Lea County) WPF-6288. \$3,247,654. Water Storage Transmission Line Phase III.**
- 10.19 City of Las Cruces (Dona Ana County) WPF-6289. \$3,000,000. Water Storage Telshor Tank Rehab.**
- 10.20 Lincoln County WPF-6290. \$1,190,000. Flood Prevention Magado Creek Concrete Box Culvert.**
- 10.21 Lower Rio Grande PWWA (Dona Ana County) WPF-6292. \$718,000. Water Conservation Valle Del Rio Water Treatment Plant.**
- 10.22 McKinley County WPF-6296. \$3,150,000. Flood Prevention CR43 Superman Canyon Drainage.**
- 10.23 Middle Rio Grande CD (Bernalillo County) WPF-6297. \$10,000,000. Water Storage Socorro Division Conveyance Ph. II.**
- 10.24 Ojo Caliente MDWCA (Rio Arriba County) WPF-6298. \$672,840. Water Storage Water Storage Tank.**
- 10.25 Penasco MDWC & MSWA (Taos County) WPF-6300. \$1,320,000. Water Storage Water System Improvements.**
- 10.26 Pendaries Village MDWCA (San Miguel County) WPF-6301. \$7,000,000. Water Storage Water System Improvements.**
- 10.27 City of Portales (Roosevelt County) WPF-6302. \$500,000. Water Storage System Improvements.**
- 10.28 City of Portales (Roosevelt County) WPF-6303. \$7,593,042. Water Storage Wellfield Improvements.**
- 10.29 Village of Questa (Taos County) WPF-6304. \$1,800,000. Water Storage Water Well.**
- 10.30 Ramah WSD (McKinley County) WPF-6305. \$440,000. Water Storage Water System Improvements.**
- 10.31 City of Raton (Colfax County) WPF-6306. \$1,250,000. Water Storage Water Storage Tank Rehab.**
- 10.32 Rio Lucio MDWCA (Taos County) WPF-6307. \$190,000. Water Storage Water Line Replacement.**

10.33 Village of Ruidoso (Lincoln County) WPF-6308. \$1,187,944. Water Storage Tank Restoration Ph. II.

10.34 Village of Ruidoso (Lincoln County) WPF-6309. \$3,645,695. Water Storage Country Club Subdivision Waterline Replacement.

10.35 San Antonio MDWCA (Socorro County) WPF-6310. \$100,000. Water Storage PER.

10.36 San Juan SWCD (San Juan County) WPF-6311. \$500,000. Watershed San Juan Watershed Restoration Project.

10.37 Sangre De Cristo Regional MDWC & SWA (Guadalupe County) WPF-6312. \$1,547,600. Water Storage New Delia Well.

10.38 City of Santa Rosa (Guadalupe County) WPF-6317. \$2,150,000. Water Storage Waterline Replacement.

10.39 Southern Sandoval CAFCA (Sandoval County) WPF-6320. \$1,150,000. Flood Prevention Riparia Pond Flood Mitigation.

10.40 City of Sunland Park (Dona Ana County) WPF-6321. \$450,000. Flood Prevention Municipal Complex Water Quality/Flood Control.

10.41 Village of Taos Ski Valley (Taos County) WPF-6322. \$1,575,000. Water Storage Water Distribution System Improvements.

10.42 City of Truth or Consequences (Sierra County) WPF-6323. \$16,000,000. Water Storage Waterline Replacement.

10.43 Upper Chama SWCD (Rio Arriba County) WPF-6325. \$750,000. Watershed Building Resiliency.

10.44 Ute Creek SWCD (Harding County) WPF-6327. \$1,000,000. Watershed Canadian River Watershed Fire Mitigation.

10.45 Watrous MDWCA (Mora County) WPF-6328. \$1,200,000. Water Storage Water System Improvements.

Member Suazo moved, seconded by Member Weller, for approval of agenda items 10.2-10.45. The motion passed 10-0.

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

11.1 Update on Activities. A quorum of the Economic Development Committee met on May 21, 2024, via Zoom. Member Sam Collins chaired the meeting with Members Marcos Trujillo, Teresa Costantinidis, Dr. AnnaLinden Weller, and Catherine Conran in attendance.

The Committee reviewed the May 2024 Private Program Report as an informational item. Staff recommended, and the Committee concurred, a commitment of up to \$2 million to Rethink Impact III, LP. The Committee approved the revisions to the NMFA Venture Capital Investment Policy presented by staff. Staff also presented an investment commitment of up to \$5 million to Tiverton AG Legacy Holdings II, LLC. After much discussion, the Committee voted to send this investment to the Board without recommendation.

Informational Only.

11.2 Recommended Revisions to the NMFA Venture Capital Investment Policy. Staff presented the proposed changes to the NMFA Venture Capital Investment Policy to reflect best practices for fund managers based out of state, clarify the definition of ‘underserved communities’, and add a requirement of disclosure of fees charged by managers. Staff recommended the NMFA Board of Directors adopt the proposed revisions as presented.

Member Suazo moved, seconded by Member Weller, for approval of agenda item 11.2. The motion passed 10-0.

11.3 Recommendation of Investment Commitment of \$2 million to Rethink Impact III, LP. Staff presented the \$2 million dollar investment to Rethink Impact III, LP, including the background of the fund, investment strategy, and program fit.

Mr. Michael Pellatz, of Meketa Investment Group, went over the due diligence process for vetting Rethink Impact III, LP and presented the economic impact this fund is expected to have in New Mexico.

The founders of Rethink Impact III, LP introduced themselves to the Board and provided their educational and entrepreneurial background.

Staff recommended an investment commitment of \$2 million (state funding) to Rethink Impact Fund III, LP from the NMFA Venture Capital Program Fund.

Member Suazo moved, seconded by Member Collins, for approval of agenda items 11.3. The motion passed 10-0.

11.4 Recommendation of Investment Commitment of \$5 million to Tiverton AG Legacy Holdings II, LLC. Staff presented the \$5 million dollar investment to Tiverton AG Legacy Holdings II, LLC, including a background of the fund, the investment strategy, and program fit.

Mr. Michael Pellatz, of Meketa Investment Group, went over the due diligence process for vetting Tiverton AG Legacy Holdings II, LLC and presented the economic impact this fund is expected to have in New Mexico.

The founders of Tiverton AG Legacy Holdings II, LLC introduced themselves to the Board and provided their educational and entrepreneurial background. Discussion ensued with staff and the guest speakers answering questions from the Board.

Staff recommended an investment commitment of \$5 million (state funding) to Tiverton AG Legacy Holdings II, LLC from the New Mexico Venture Capital Program Fund.

Member Esparsen moved, seconded by Member Suazo, for approval of agenda item 11.4. The motion passed 7-3 on a roll call vote. Member Collins, Member Weller, and Member Lovato voted against the motion.

- 12. Finance and Disclosure Committee Report.** (*Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Wayne Propst (Mr. Marcos Trujillo), Secretary James Kenney (Ms. Kelsey Rader) and Ms. Joy Esparsen (Mr. Richard Garcia).*)

12.1 Update on Activities. A quorum of the Finance & Disclosure Committee met on May 22, 2024, via Zoom teleconference. Member Martin Suazo chaired the meeting with Members Marcos Trujillo, Richard Garcia, and Kelsey Rader in attendance.

Staff presented the April 2024 investment report, the monthly outlook for the PPRF program, the level of funding, and anticipated municipal market issuance as informational items. Staff presented the FY 2025 Budget and a proposed contract award for SBRL Loan Servicing, recommending approval to negotiate a contract with the highest scoring bidder, Lendistry, and, should those negotiations fail, with the second-highest scoring bidder, AmeriNat. Staff presented the Preliminary Official Statement for 2024A State Transportation Refunding Revenue Bonds. The Committee recommended all three of these items for approval to the NMFA Board.

Informational Only.

12.2 Award of Contract for Small Business Revolving Loan (“SBRL”) Loan Servicing. Staff presented a recommendation to award a contract for SBRL Loan Servicing to B.S.D. Capital Inc. dba Lendistry, in order to maximize the recovery of SBRL Program loans. Staff recommended the Board award this bid to Lendistry, pending successful negotiations of an acceptable contract; and should those talks fail, to negotiate with AmeriNat.

Member Suazo moved, seconded by Member Collins, for approval of agenda item 12.2. The motion passed 10-0.

12.3 Authorizing and Delegating Resolution for the New Mexico Finance Authority State Transportation Refunding Revenue Bonds (State Transportation Commission - Senior Lien) Series 2024A. Staff, Disclosure Counsel and Bond Counsel presented the Preliminary Official Statement (“POS”) to be used in the marketing of the STC Series 2024A Bonds.

Disclosure Counsel, in cooperation with NMFA staff and consultants, as well as New Mexico Department of Transportation staff and consultants, collaboratively prepared the POS that, once approved, will be used in the marketing and sale of the STC Series 2024A Bonds by posting for distribution through

www.munios.com. The POS highlights changes against the final Official Statement for the New Mexico Finance Authority State Transportation Revenue Bonds – Subordinate Lien, Series 2022A.

Staff recommended approving the draft of the POS for the STC Series 2024A Bonds, as presented.

Member Collins moved, seconded by Member Suazo, for approval of agenda item 12.3. The motion passed 10-0.

12.4 Proposed FY 2025 Budget and 3rd Quarter Budget Performance Report. Staff presented the Proposed FY 2025 Budget. It is drawn from the assumptions and outlook approved by the Finance and Disclosure Committee in March. It is balanced in terms of operating revenue over operating expenditures, and provides the resources NMFA needs to accomplish its institutional mission sustainably, including launching new programs and adjusting ongoing programs as mandated by the State. Staff recommended approval of the FY 2025 Proposed Budget, as presented.

Member Suazo moved, seconded by Member Lovato, for approval of agenda item 12.4. The motion passed 10-0.

- 13. 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).*

13.1 Update on Activities. A quorum of the Audit Committee met on May 22, 2024, via Zoom. Member Andrew Burke chaired the meeting with Members Martin Suazo, Teresa Costantinidis, Sam Collins, and Dr. AnnaLinden Weller in attendance.

Agenda items included a review of FY 2024 audit, Finance New Mexico Audit, and an update to the new NMFA headquarters as informational items. Staff presented financial statements and performance indicators as of March 2024, which the Committee recommended to the Board for approval.

Informational Only

13.2 Presentation of the Financial Statements and Performance Indicators for 3rd Quarter FY 2024 as of March 31, 2024. Staff presented the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Performance Reports, and Notes as of March 2024. Staff noted loan closings, debt service payments, requisitions, interest on investments were in line with staff's expectations.

Member Suazo moved, seconded by Member Weller, for approval of agenda item 13.2. The motion passed 10-0.

- 14. Next Board Meeting.** June 27, 2024 at 9:00 a.m. at the NM State Capitol Room 322.

- 15. Adjournment.** Member Suazo moved, seconded by Member Weller to adjourn the meeting. The meeting adjourned at 11:57 a.m.

A. Ortiz

Secretary

06 / 27 / 2024

Date