

New Mexico Finance Authority
207 Shelby St. Santa Fe, N.M. 87501
(505) 984-1454
NMFA Board Meeting Minutes
January 30, 2025
Teleconference

Members Present:

Kathy Keith, Chair	Public Member, Los Alamos Natl. Laboratory
Andrew Burke	Public Member, Las Cruces, NM
Richard Garcia	Designee, New Mexico Counties
Marcos Trujillo	Designee, NM Dept. of Finance and Administration
Sam Collins	Designee, NM Economic Development Dept.
Kelsey Rader	Designee, NM Environment Department
Alison Nichols	Designee, NM Municipal League
Ben Shelton	Designee, Energy, Minerals & Natural Resources Dept.
Ronald Lovato	Public Member, Ohkay Owingeh
Teresa Costantinidis	Public Member, University of New Mexico

Members Absent:

Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
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New Mexico Finance Authority Staff

Aaron Kayser	Laura Williams
Angela Quintana	Leslie Medina
Angelo Jaramillo	Luanna Salazar
Anthony Maestas	Lucas Elliott
Bradley Fluetsch	Lynn Taulbee
Brian DuBoff	Mark Lovato
Bryan Otero	Marquita Russel
Carmela Manzari	Norman Vuylsteke
Charlotte Larragoite	Paul Romero
Chip Pierce	Ratna Navabhaktula
Delanne Reichard	Rio Trujillo
Eric Friedland	Ron Cruz
Erika Falance	Ryan Olguin
Fernando Martinez	Ryan Marie Decker
Jeff Baade	Sharon Romero
Joanne Johnson	Susan Pittard
John Brooks	Susan Rodriguez
John DuBois	Theresa Garcia
Jolin Anaya	Todd Johansen
Josh Young	
Kryshana Madrid	

Guests:

Ben Lujan	Ohkay Owingeh Pueblo
Carla Najjar	Virtue Law
David Bailey	
Deanne Woodring	GPA
John Perullo	Franklin Mountain Packaging
Kaeley Weimerskirch	RBC Capital Markets
Isaac Leon	Sutin, Thayer & Browne, APC
Rich Wood	BOKF
Samantha Brendible	Franklin Mountain Packaging
Scott Stone	Franklin Mountain Packaging
Stephen Martinez	
Suzanne Bruckner	Sutin, Thayer & Browne, APC

1. **Call to Order and Roll Call.** Chairman Keith called the meeting to order at 9:01 a.m. A quorum was established.
2. **Approval of Agenda.** Member Trujillo moved, seconded by Member Garcia to approve the agenda. The motion passed 10 – 0.
3. **Approval of Board Minutes.**

3.1 Member Collins moved, seconded by Member Nichols, for approval of the December 12, 2024, Board Minutes. The motion passed 10 – 0.

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

4.1 Report from the CEO. CEO Russel provided a staffing update of new hires and internal promotions. Staff has vacated the Shelby building leaving the obsolete furniture, fixtures and equipment at Shelby Street, which will become property of the current landlord. A construction update was provided regarding the NMFA’s new headquarters at San Mateo building. CEO Russel provided an update on the OERB program and projects delayed by USDA consent. CEP Russel provided an update regarding the opening of the 57th Legislative Session and outlined NMFA’s role in two Legislative initiatives and two appropriations.

The LFC and Governor budgets include a \$10 million appropriation to the Child Care Revolving Loan Fund and the LFC budget includes a \$222 million appropriation to the Water Project Fund to allow us to more and larger projects during the 2025 cycle.

- SB 115 -- PPRF Authorization Bill (Sen. Michael Padilla) has been referred to Senate Conservation and Senate Finance Committees.

- HB 41 – PPRF Appropriation Bill (Rep. Kathleen Cates) has been referred to House Rural Development, Land Grants and Community Affairs and House Appropriations and Finance Committees.

- Two endorsed, but not yet introduced bills, including the WTB Authorization Bill and

the Drinking Water State Revolving Loan Fund Act. Both bills carry the endorsement of the NMFA Oversight Committee and are being carried by Rep. Susan Herrera.

- An appropriation bill which appropriates \$25 million each to the Primary Care Capital Fund and Behavioral Health Capital Fund and \$10 million to the Child Care Revolving Loan Fund has not yet been introduced. It is expected that Rep. Joy Garratt will carry this bill on behalf of the NMFA Oversight Committee.

Informational Only. Member Costantinidis arrived via zoom at 9:19 a.m.

5. Other Items.

5.1 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. The Public Lending Committee met on January 22, 2025, via Zoom. Members Alison Nichols chaired the meeting, with members Richard Garcia and Marcos Trujillo in attendance.

Staff presented one planning grant and one Colonias water system project. The committee recommends approval of these items. Staff presented two drinking water projects for the City of Portales and Los Alamos County and six PPRF projects. All items were recommended by the committee for approval.

Informational Only.

6. Consent Agenda.

6.1 Santa Fe Pojoaque SWCD (Santa Fe County). PG-6668. \$31,260. Flood Inundation Map. SWCD has come to the Local Government Planning Fund (“LGPF”) to fund Flood Inundation Maps for Emergency Action Plans for Santa Cruz Dam Sites. These inundation maps and emergency action plans are required and have been deemed urgent by the NM Office of the State Engineer for these types of high hazard dams. Final approval of this project is based on the submission of certain readiness to proceed items.

6.2 Dona Ana MDWCA (the “Association”) (Dona Ana County). CIF-5765. \$1,356,755. Water System Rehab. Due to the delay in USDA consent, and the resulting increased costs of construction, the Association is requesting an additional \$446,755 to award the base bid and complete the project. Based on the current CIF policies and NMFA analysis, the Association would qualify for the additional funds in combination with their current funding package of 10% loan / 90% grant. To avoid lengthy delays associated with obtaining USDA consent for the additional funding, the Association will provide additional match in lieu of the loan and receive a 100% grant. Staff recommends an additional amount of \$446,755 coming in as 100% grant for CIF-5765, subject to the Association providing an additional match.

6.3 City of Bayard (the “City”) (Grant County). PPRF-6646. \$190,560. 2011 USDA Refunding. The City has applied to the Public Project Revolving Fund (“PPRF”) to refund its Series 2011 USDA gross receipts tax revenue bond to allow for additional PPRF debt specifically, PPRF-6534. The Series

2011 bond was for capital improvements and/or the purchase of equipment of a library. The total project cost was estimated at \$1M with the City committing \$851K to the project and receiving grant funds in accordance with the Series 2011 bond. The bond closed in March of 2011 in the amount of \$221,250 with a maturity of 2051 and a 4% interest rate. The pledged revenue is the State Share GRT.

The City received NMFA Board approval for PPRF-6534 for the acquisition of approximately 675 acres of land for economic purposes. The loan approval was \$2,028,455 which includes disadvantaged funding. The pledged revenue is the State Share GRT. Due to the delay in USDA consent, the City has requested the refunding the Series 2011 for a restructuring to allow both loans to close simultaneously on March 21, 2025. The final interest rates will be set the week of the NMFA Board meeting. The current loan request provides the City with future loan capacity opportunities by refunding and removing the USDA debt.

The loan will have an anytime call giving the City flexibility should they decide to pay off the refunding loan sooner. The loan is a restructuring that may provide a 3% savings should rates decrease when the final debt service schedule is set. The maturity date of the loan is the same as the refunded bonds.

6.4 City of Portales (the “City”) (Roosevelt County). DWL-6521. \$500,000. Copper and Lead Remediation. The City has applied to the Drinking Water State Revolving Loan Fund (“DWSRLF”) to finance an inventory/survey of the City’s lead lines. The project consists of work to complete the required systemwide lead service line inventory and will comply with the revised Lead and Copper Rule (2021) and the EPA 2022 guidance. The project was ranked number one on the FY2025 BIL Lead Service Line Replacement Funding Priority List.

6.5 Town of Carrizozo (Lincoln County). PPRF-6629. \$113,000. Equipment Purchase- Sewer Machine. The Town of Carrizozo has applied to the PPRF to finance the purchase of sewer equipment. The sewer equipment will be used to flush out dirt, sludge, grease, and debris from sewers and drainage systems. The new equipment will improve the Town's sewer services and will increase the health and safety of their community. The Village will pledge their State Shared GRT as the revenue source for this loan.

6.6 Cibola County. PPRF-6650. \$275,000. Fire Protection Fund. The County has applied to the PPRF to purchase a fire truck and equipment to support fire suppression efforts in the County, thereby promoting public health, safety, and welfare. The fire truck will help upgrade the Fire Department's aging fleet and assist in helping surrounding communities.

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 six with one main station and a substation. The Fire Department receives an annual base distribution of \$79,139 from State Fire Protection Funds. The County will provide \$150,000 in contributing funds from their quarter percent (.25%) GRT County Fire Protection Fund as part of this transaction. The State Fire Marshal has provided a letter of approval for this loan.

6.7 Hatch School District (the “District”) (Dona Ana County). PPRF-6653. \$450,000. GO Bond. The District has applied to the PPRF for financing to erect, remodel, equip, and furnish school buildings; 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 Public School Capital Outlay Act. 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 through the PPRF. The new

General Obligation Bonds proceeds will be used for district-wide facility projects and capital needs as identified in their current 2021-2026 five-year Facilities Master Plan.

6.8 Magdalena MSD (the “District”) (Socorro County). PPRF-6647. \$700,000. GO Bond. The District has applied to the PPRF for financing of projects 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 Public-School Capital Outlay Act. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$700,000, which NMFA will purchase through the PPRF. The proceeds will be used for district facility projects and capital needs as identified in their current five-year Facilities Master Plan.

Member Burke moved, seconded by Member Costantinidis, for approval of agenda items 6.1-6.8. The motion passed 10-0.

7. Regular Agenda.

7.1 Los Alamos County. DW-6651. \$2,727,00. Los Alamos County has applied to the DWSRLF to finance Phase II and III of the County’s Denver Steels Waterline replacement. Phase II of the project will replace 3,300 feet of 70-year-old cast iron pipe with lead joints in the Denver Steels neighborhood. 78 water services and 6 fire hydrants will also be replaced. Phase III of the project will replace 2,509 feet of 70-year-old cast iron pipe with lead joints in the Denver Steels neighborhood. 63 water services and 3 fire hydrants will also be replaced. All new waterlines will be constructed beneath the existing paved road in public right-of-way. The existing waterlines experience leaks regularly and have been identified as some of the highest priority waterline replacements by our asset management program.

Member Costantinidis moved, seconded by Member Trujillo, for approval of agenda item 7.1. The motion passed 10-0.

7.2 Ohkay Owingeh Pueblo (the “Pueblo”) (Rio Arriba County). PPRF-6648. \$16,924,781. Construction of Replacement Wastewater Treatment Facility. The Pueblo has applied to the PPRF to finance the construction of a replacement wastewater treatment facility immediately adjacent to the existing facility. This project includes a new headworks building, activated sludge wastewater treatment basins, sludge dewatering beds, equipment building, sodium hypochlorite generation disinfection system and effluent storage ponds. The facility serves the entire Pueblo population, community buildings, and commercial operations. Staff is structuring the loan with a 1.72x (172%) debt service coverage ratio utilizing a combination of three pledged revenue sources, gross receipts tax, cigarette, and gasoline tax. The additional bonds test will be set at 1.50x (150%). Also, the loan will be structured utilizing an Automatic Clearing House (ACH) agreement. The Pueblo will be providing \$9,188,280 in contributing funds towards this project. Since this will be a simultaneous closing, this loan will be subject to market pricing, therefore, the final terms of the loan may vary, including the capitalized interest period.

Member Costantinidis moved, seconded by Member Burke, for approval of agenda items 7.2. The motion passed 9-0. Member Lovato abstained.

8. Economic Development Committee Report. *Committee members: Secretary Rob Black, Chair (Mr. Sam Collins), Secretary Dylan Fuge (Mr. Ben Shelton), Ms. Teresa Costantinidis, Secretary Wayne Propst (Mr. Marcos Trujillo), and Mr. Ronald Lovato.*

8.1 Update on Activities. The Economic Development Committee met January 21, 2025, via zoom. Member Sam Collins chaired the meeting with Members Ben Shelton in attendance. A quorum was not established.

Staff presented one Small Loan Pool project for Franklin Mountain Packaging. Staff provided a high-level overview of proposed policies for the Energy Efficiency Revolving Loan Fund. Staff recommends approval of the proposed Policies for this fund. Staff provided an update to the Rules and Policies for the Behavioral Health Capital Fund. Staff presented the Monthly Program Monitoring Report. This was an information item.

Informational Only.

8.2 Franklin Mountain Packaging (“FMP”). SLP-6665. \$3,500,000. Equipment Purchase. Staff presented FMP project, located in Santa Teresa, NM. FMP specializes in producing single-wall and double-wall corrugated sheets, primarily utilized in applications for Retail Ready Packaging, Point-of-Purchase Displays, E-Commerce markets, and consumer packaging. Franklin Mountain Investments, LLC provides long-term capital for the business.

FMP has seen significant growth since January 2022. To meet these growing demands, FMP has already made substantial investments in facility expansion, new equipment, and an expanded workforce, laying a solid foundation for future growth and improved operational efficiency. This is a request for a Small Loan Pool loan to provide the necessary cash flow to support the company's ongoing expansion. The loan funds will support workforce growth, enabling the company to expand its team to over 160 employees by the end of 2025. The loan will also be used to cover essential operational expenses, including payroll, employee benefits, inventory, rent, and utilities. Additionally, a portion of the funds will be allocated to the purchase of a Quantum Single Facer for the company’s corrugator, a key piece of equipment that will further boost production capacity.

Staff detailed the strength and weakness of the project. FMP management team introduced themselves and provided background information about FMP. This transaction will be considered for the second Small Loan Pool which has a QEI of \$7 million. This transaction will be replacing the QLICI from the paid off IN, LLC project. The proposed transaction complies with all the NMFA Policies. Staff recommends approval of the Small Loan Pool NMTC financing for Franklin Mountain Packaging, LLC.

Member Burke moved, seconded by Member Shelton, for approval of agenda item 8.2. The motion passed 11-0.

8.3 Proposed Policy for the Energy Efficiency Revolving Loan. Staff presented the proposed program policy in consultation with ECMD. The policy outlines loan structuring parameters consistent with DOE funding requirements and NMFA private program lending policies. The policy includes quarterly and annual reporting requirements. All borrowers will be required to comply with all applicable federal and state laws, including but not limited to the David Bacon Act, the National Environmental

Protection Act and Buy America, Build America. Staff recommends approval of the proposed policy for the Energy Efficiency Revolving Loan Fund.

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

8.4 Proposed Rules for the Behavioral Health Capital Fund. Staff presented the proposed rules governing the Behavioral health Capital Fund. The proposed rules incorporate the changes implemented by SB 423, update the requirements of the Act, and optimize the governance framework for efficient operation should the fund receive future funding to address unmet demand for affordable project financing for behavioral health care projects. Discussion ensued with staff answering questions from the Board. Staff recommends approval of the recommended rules for the Behavioral Health Capital Fund. Member Lovato left the meeting at 10:00 a.m.

Member Burke moved, seconded by Member Garcia, for approval of agenda item 8.4. The motion passed 9-0.

8.5 Amended Policy Governing the Behavioral Health Capital Fund. Staff presented the Behavioral Health Capital Fund policy amendments to address statutory changes and incorporate updates consistent with current direct lending program policy frameworks. Staff detailed the loan structuring parameters.

Member Costantinidis moved, seconded by Member Trujillo, for approval of agenda item 8.5. The motion passed 9-0.

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), Secretary James Kenney (Ms. Kelsey Rader), and Ms. Joy Esparsen (Mr. Richard Garcia).*

9.1 Update on Activities. A quorum of the Finance & Disclosure Committee met January 22, 2025, via Zoom. Member Martin Suazo chaired the meeting, with members Marcos Trujillo and Richard Garcia in attendance.

Staff presented the December 2024 Investment report 3, Bond Issuance Forecast Report, and the PPRF program. These were information items only. Staff presented the mid-year NMFA budget performance. The committee recommends approval of the Budget Performance Report, noting the specific change to Contractual Services.

Staff provided a presentation on the emergency procurement of DocuSign Inc. as required by the NMFA trustee, Bank of Oklahoma, as well as sole source procurement of ABQ-IT, who will be moving technical equipment from the old to new building. This was an information item.

Informational Only.

9.2 Presentation of the Investment Report. Staff reported NMFA has total funds invested of \$1,616 million, \$1,379.3 million of which are NMFA funds and \$236.7 million of which are New Mexico Department of Transportation funds. The NMFA Portfolios are grouped by type of funds and

benchmarked based upon governing statute, indenture requirements or anticipated liquidity needs.

Informational Only.

9.3 FY2025 Mid-Year Budget Performance Report and Approval of Budget Adjustment. This report will be presented at the February board meeting.

Member Collins moved, seconded by Member Burke to move agenda item 9.3 to next month's board meeting. The motion passed 9-0.

- 10. Audit Committee Report.** *Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Melanie Kenderdine (Mr. Ben Shelton), and Secretary Rob Black (Mr. Sam Collins), and Ms. Teresa Costantinidis.*

10.1 Update on Activities. The Audit Committee met January 22, 2025, via Zoom. Member Sam Collins and Member Teresa Costantinidis were in attendance. A quorum was not established.

Staff presented the November 2024 financial statements. Staff presented a detailed review of the construction project at 810 West San Mateo, noting that there has been great progress made, but delays have pushed the project timeline to a move-in date of mid-to-late March.

Informational Only.

- 11. Next Board Meeting.** Thursday, February 27, 2025 via Zoom – 9:00 a.m.

- 12. Adjournment.** The meeting adjourned at 10:39 a.m.

AJ forte

Secretary

04 / 03 / 2025

Date