

New Mexico Finance Authority
810 W. San Mateo Rd., Santa Fe, New Mexico 87505
(505) 984-1454
NMFA Board Meeting Minutes
September 25, 2025
NMFA Board Room

Members Present:

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

Members Absent:

New Mexico Finance Authority Staff:

Aaron Kayser	Leslie Medina
Adam Johnson	Luanna Salazar
Angelo Johnson	Lynn Taulbee
Angela Quintana	Maithili Rajendra Dupte
Angie Hunt	Marquita Russel
Anthony Maestas	Maria Ruelas
Anthony Silva	Mark Chaiken
Arielle Lansdell	Mark Lovato
Bradley Fluetsch	Michael Vonderheide
Brenda Garcia	Nkolika Onyia
Brian DuBoff	Norman Vuylsteke
Bryan Otero	Oscar Rodriguez
Carmela Manzari	Paul Romero
Charlotte Larragoite	Ratna Navabhaktula
Chip Pierce	Rick Herrman
Connie Marquez	Rio Trujillo
Donnie Quintana	Ron Cruz
Erika Falance	Ryan Olguin
Fernando Martinez	Scott Morrison
GB Ijimayowa	Sean Endler
George Elam	Sharon Romero
Jake Adams	Sonia Mendez
Jeff Baade	Susan Pittard
Joanne Johnson	Susan Rodriguez
John Brooks	Teresa Miller

John DuBois
Jolin Anaya
Josh Young
Kamila Rahimi
Kryshana Madrid
Laura Williams

Theresa Garcia
Todd Johansen
Tyler Espino
Zane Ration

Guests:

Audrey Jaramillo
Bani Sehgal
Carla Najjar, Attorney
Carolyn Ives
Craig Dussinger
David Lozinski
Edward Duffy, Attorney
Eric Zurfluh
Isaac Leon, Attorney
Justin Mehnert
Luis Garibay
Mason Valenzuela
Melissa Sandoval
Michelle Jones
Nathan Dial
Nathaniel Valenzuela
Nick Caine
Phillip Gesue
Rich Wood
Scott Eyason

JAG
BDO
Virtue Law
Stifel
BofA Securities
BDO
Sutin, Thayer & Browne, P.C.
BDO
Sutin, Thayer & Browne, P.C.
JAG
JAG
Bosque Advisors
Las Vegas Schools
City of Estancia
City of Estancia
Bosque Advisors
Stifel
Aspect
BOKF
JAG

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.** Items 8.1 and 13.1 are changed to informational only items. Member Suazo moved, seconded by Member Trujillo, to approve the agenda as amended. The motion passed 11 – 0.
3. **Approval of Consent Agenda.** Member Suazo moved, seconded by Member Trujillo, to approve the agenda. The motion passed 11 – 0.
4. **Approval of Board Minutes.**
 - 4.1 Member Suazo moved, seconded by Member Nichols, to approve August 28, 2025, Board Minutes. The motion passed 11 – 0.
 - 4.2 Member Suazo moved, seconded by Member Nichols, to approve September 10, 2025, Board Minutes. The motion passed 11 – 0.

5. **Report from the Chief Executive Officer (“CEO”), Marquita Russel.** Several staffing updates were announced, including a number of well-deserved promotions effective September 1st. The agency said farewell to Neyli Castillo-Suarez, who served in various roles since 2020, and longtime employee Dora Cde Baca, who retired after 31 impactful years. In light of her retirement, the Chief Administrative Officer position has been repurposed into a Procurement Manager role, which will now report to Oscar Rodriguez. The Human Resources department has now been moved into the Executive Department; and the Facilities and Office management group has been moved under the Deputy Director. Rounding out the changes, the Chief Financial Strategist has been moved into the Finance group and the Project Oversight group has been moved under the Deputy as well. CEO Russel also provided an updated organization chart.

At the September NMFA Oversight Committee meeting in Deming, discussions centered on the implementation of the updated Child Care Revolving Fund and the Local Solar Access grant programs. The committee also reviewed a preview of proposed legislation that NMFA plans to seek endorsement for, which appeared to receive strong support. Additionally, NMFA presented before the interim Investments and Pension Oversight Committee, where members showed interest in pursuing an appropriation for the Venture Capital Fund. NMFA is also preparing to present to the Legislative Finance Committee regarding legislation aimed at shifting more water and wastewater funding from capital outlay to existing programs. From NMFA’s standpoint, increased funding for the WTB or CIB will require legislative amendments—particularly the removal of the legislative authorization requirement—and a more focused use of WTB funds for water and wastewater utility projects. Other types of projects would need to be redirected to different state funding sources, as NMFA views them as too inefficient to support with any potential increase in funding.

The application period for the WTB 2026 funding cycle closed on September 11th, with a total of 114 applications submitted requesting over \$524.6 million in funding. A few applications may be disqualified due to missing planning documents, while several others that propose planning, design, and construction (or design and construction) are expected to have their scopes reduced to fit within the two-year project timeframe. As in past cycles, there has been a high volume of waiver requests related to the preliminary spenddown requirement.

With the approval of the Portfolio Monitoring Policy, staff will begin reporting to the committees in October the approvals, closings, draws, milestone completions and other financial reports called for in the policy. We will also be recommending updates to the internal and Board Committee charters in October to conform the committee scopes with the policy. Staff will present to the Executive Committee the reports being made to the other committees. Staff will also begin reporting in October the progress NMFA is making on the Strategic Plan objectives.

Informational Only.

6. Other Items

6.1 Overview of Risk Rating Project. Staff presented the risk rating tool. Staff is implementing an internal loan risk rating system to support its expansion into private markets and more complex public projects. The tool will assign credit ratings to individual loans based on internally developed criteria, enhancing the agency’s credit risk assessment under the Enhanced Credit Risk Management program. It is not used for credit decisions but helps identify higher-risk loans and differentiate risk levels across the portfolio. Analyst judgment remains critical in using the tool, which serves as a supplement—not a replacement—for traditional underwriting practices. FRU is finalizing the Score Card tool by completing

the mapping, calibrating the scoring methodology, and improving its visual presentation. An internal rollout will begin in October 2025, starting with Credit Committees to allow for issue resolution and consistent understanding. Full implementation is planned for early 2026, with Score Card results to be included in NMFA Board presentations. The tool enhances credit risk assessment by providing greater detail (granularity) into the portfolio, supporting better-informed lending decisions and enabling ongoing monitoring of risk at both the loan and portfolio levels.

Member Costantinidis moved, seconded by Member Suazo to approve agenda item 6.1. The motion passed 11-0.

6.2 Update on Integrated Business Applications (IBA) Project – Planning Phase. The IBA project remains on track. The team has completed the program deep-dive and future-state development and is currently in Week 6 of the 13-week engagement, progressing through Stage 2: Future State Requirements & Architecture. Key milestones include future-state definition sessions with eight NMFA programs, analysis of accounting workflows for the Sage Intacct migration, and coordination with teams including IvyTek, Data, and Financial Reporting. The project's future-state vision focuses on standardization, automation, reliable data, and scalable systems. A key feature will be the "Golden Program Record," which will serve as a single source of truth for program data. The Enterprise Architecture Blueprint includes centralized intake, automated fund tracking, standardized workflows, and integrated reporting. Immediate priorities involve finalizing architecture, drafting the implementation plan, conducting cross-program workshops, gathering user feedback, and developing a change strategy. The project has gained steady momentum and is well-positioned for the next phase.

Member Suazo moved, seconded by Member Trujillo to approve agenda item 6.2. The motion passed 11-0.

7. Public Lending Committee. *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.*

7.1 Update on Activities. A quorum of the Public Lending Committee met on September 17, 2025, via Zoom. Member Nichols chaired the meeting, with members Marcos Trujillo, Joy Esparsen, and Kelsey Rader in attendance.

Staff presented four PPRF projects, two PG, sixteen WTB requests, two DWSRLF; all were recommended to the Board for approval. Staff presented an update on the Risk Rating Project as an information item.

Informational Only.

8. Water Trust Board Consent Agenda.

8.1 Recommendation of 2025 Water Project Fund Awards 2nd Iteration. The NMFA Board approved grants and loans for 14 applicants recommended by the WTB as part of the second iteration of the 2025 funding cycle. This follows the Board's initial approval on May 30, 2025, of the financial structure for 60 projects awarded by the WTB in April. Due to regulatory non-compliance, 11 applicants (representing 18 projects) could not be awarded at that time. The remaining funding balance, including a \$200 million HB2 appropriation, was held for a later decision. On August 27, the WTB approved 14

additional projects, including a \$60,000 increase for the Village of Ruidoso to address flood-related cost overruns.

Per WTB policy, rate-supported projects must take on loans of 10–40%, while non-rate-supported and tribal applicants may provide an alternative match. Construction loans are structured to allow up to 24 months before repayment begins. All approved applicants must submit Readiness to Proceed documentation by January 5, 2026, including items such as cost estimates, match verification, and regulatory approvals, to secure funding.

Below is a breakdown of the funding available for FY2025:

9% Senior Severance Tax Bonds	\$	161,148,295
2025 WTF Distribution	\$	4,000,000
AOC less 2% (HB211-2024) 2 of 5	\$	(3,302,966)
Less OSE Adjudication (HB211-2024) 2 of 5	\$	(4,000,000)
Available 2025 Funds	\$	157,845,329
Awarded 4/22/2025	\$	146,603,384
2nd Iteration Balance Available	\$	11,241,945
<i>2025 Legislative Session HB2 (2025-2026 funding cycle)</i>	<i>\$</i>	<i>200,000,000</i>

The WTB recommends approval of the 14 projects listed with the additional funding of \$60,000 for a total awarded amount of \$5,160,000 for the Village of Ruidoso.

Informational Only.

8.2 City of Alamogordo (Otero County). WPF-6541. \$3,035,050. Replacement of Reclaimed Water Transmission Line.

8.3 City of Alamogordo (Otero County). WPF-6542. \$3,083,455. Waterline Replacement-Granada Hills Area.

8.4 Cedar Creek MDWCA (Lincoln County). WPF-6551. \$500,000. Water System Improvements.

8.5 Village of Cloudcroft (Otero County). WPF-6553. \$1,032,000. Water Storage.

8.6 Village of Des Moines (Union County). WPF-6561. \$422,518. Water System Improvements.

8.7 EMWT Regional Water Association (Torrance County). WPF-6568. \$14,000,000. Ph. 1 McIntosh Water.

8.8 City of Espanola (Rio Arriba County). WPF-6569. \$14,600,000. Riverside Waterline Improvements.

8.9 City of Espanola (Rio Arriba County). WPF-6570. \$2,710,000. Prince 2 Carter Well.

8.10 City of Espanola (Rio Arriba County). WPF-6571. \$278,000. Tank Rehabilitation.

8.11 Town of Estancia (Torrance County). WPF-6572. \$4,950,000. New Well and Water System Improvements.

8.12 Nogal MDWCA (Lincoln County). WPF-6592. \$325,000. Water Supply Project.

8.13 City of Portales (Roosevelt County). WPF-6596. \$4,701,743. Water Storage System Improvements.

8.14 City of Portales (Roosevelt County). WPF-6597. \$12,000,000. Wellfield Improvements.

8.15 Sile MDWCA (Sandoval County). WPF-6614. \$499,999. Water System Improvements.

8.16 Village of Ruidoso (Lincoln County). WPF-6608. \$5,160,000. Two Rivers Raw Water Intake/Transmission Line.

Member Suazo moved, seconded by Member Shelton to approve agenda items 8.2-8.16. The motion passed 11-0.

9. Regular Agenda.

9.1 City of Farmington (San Juan County). DW-6339. \$1,265,000. Memo Requesting an Additional \$1,265,000. The City requested additional funds due to unanticipated cost increases. Originally funded in July 2024, the project supports a service line inventory to identify lead lines, with an initial loan of \$2,609,978 and 30% principal forgiveness (\$1,118,562). The City now requires more funding due to higher-than-expected costs for extractive work and the addition of connector materials. The project is expected to be completed by December 31, 2025. The loan's term remains at 12 years with a net interest cost of 0.25%, and repayment is secured by the City's water utility enterprise fund, which has a debt service coverage ratio of 4.65x. Staff recommends approval of an amended and restated loan agreement for the City's DWL-6339 request for additional funds.

Member Suazo moved, seconded by Member Trujillo for approval of agenda item 9.1. The motion passed 11-0.

9.2 Eldorado WSD (Santa Fe County). DW-6358. Request to Change of Scope. The District requested a scope change for a project that was originally funded in June 2024 for the design and construction of the Monte Alto Pipeline replacement. The project was identified as a top priority in the District's 2022 Water Utility Master Plan and PER. The District now proposes to expand the project scope to include the installation of a new 12-inch transmission line connecting Tank 4 to Tank 3 and Wells 14 and 15 to the Tank 2 pressure zone. This addition is expected to improve system efficiency, reduce costs through combined planning and contracting, and enhance water supply sustainability amid declining well production.

The new scope involves approximately 6,300 feet of pipeline, and horizontal directional drilling will be used to minimize surface disturbance. The NMED supports the proposed modification. The approved funding structure consists of a loan in the amount of \$3,535,000. The District is also applying for funding from the Capital Development Program Fund administered by DFA. Staff recommends approval of an amended and restated loan agreement for the District's DW- 6358 request for scope change.

Member Suazo moved, seconded by Member Esparsen for approval of agenda item 9.2. The motion passed 11-0.

9.3 Hondo Valley Public Schools District (Lincoln County). PPRF-6821. \$400,000. The District has applied to the PPRF. In November 2023, the District received voter approval for issuance of debt of \$1,400,000 to 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 its second tranche of General Obligation Bonds in the amount of \$400,000 which NMFA will purchase with the PPRF. The proceeds will be used for projects consistent with the District's 2022-2027 FMP.

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

9.4 Las Vegas Consolidated School District (San Miguel County). PPRF-6820. \$1,100,000. The District has applied to the PPRF to finance the purchase of Laptops, Peripherals, Chromebooks, Vape Detectors, Network Equipment, License and Software, Direct Tech Support 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 Shelton for approval of agenda item 9.4. The motion passed 11-0.

9.5 Dona Ana Community College (Dona Ana County). PPRF-6823. \$6,000,000. The District has applied to the PPRF for financing of projects within the Dona Ana Community College campus. In November 2023, the College received voter approval of \$16,000,000 for the purpose of furnishing, constructing, purchasing, remodeling, exclusive of stadiums; and purchasing and installing computer hardware and software; or any combination of these purposes. The District will issue GOB in the amount of \$6,000,000 which NMFA will purchase with the PPRF. The proceeds will be used to improve campus facilities as part of the District's 2023-2030 FMP.

Member Suazo moved, seconded by Member Shelton for approval of agenda item 9.5. The motion passed 11-0.

- 10. Economic Development Committee.** *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.*

10.1 Update on Activities. A quorum of the Economic Development Committee met on September 16, 2025, via Zoom. Member Sam Collins and Ron Lovato were in attendance. A quorum was not established.

Staff presented the September Program Monitoring Report and Risk Rating Project as an informational item. Staff presented one OE housing application for \$15,000,000 for Midtown Santa Fe Productions QOF LLC. Staff recommends approval of this project, and it appears on the Regular Agenda.

Informational Only.

10.2 Midtown Santa Fe Productions QOF LLC (Santa Fe County). OEF-HD-6832. \$15,000,000.

Midtown is proposing the development of a 98-unit multifamily residential project in Santa Fe, New Mexico. The planned development will consist of a four-story, elevator-serviced building featuring a mix of studio, one-bedroom, two-bedroom, and three-bedroom units. To support construction, the company is requesting a \$15 million loan from the Opportunity Enterprise Revolving Loan Fund for Housing Development (OERFHD). The total project cost is estimated at \$18,725,000, with the OERFHD loan representing 80% of the project's financing. The housing development will provide below-market workforce housing options for income qualified New Mexico residents. Deed restrictions for ten years will be applied to ensure that workforce housing income limits are adhered to.

The loan will be secured by the building to be constructed at 1600 Saint Michaels Drive Santa Fe NM 87505 and will hold a first lien Deed of Trust position. The proposed property will be subject to a ground lease with the City of Santa Fe through the duration of the project's development. Upon completion, Midtown intends to purchase the land from the City. The loan will then be secured by a first-position lien on the building and proposed development site.

An "As-Complete" appraisal will be submitted prior to loan closing. The appraised value must support a loan-to-value (LTV) ratio not exceeding 80%, in accordance with OERFHD policy. The applicant has acknowledged and agreed to contribute additional funds to the project, if necessary, to satisfy this LTV requirement. Phillip Gesue, a representative of Midtown made additional comments regarding the projects. Staff also went over the strengths and weaknesses.

Staff recommends approval of the Midtown Santa Fe Productions QOF, LLC loan application from the Opportunity Enterprise-Housing Development Program.

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

11. Finance and Disclosure Committee. (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).

11.1 Update on Activities. A quorum of the Finance & Disclosure Committee met September 17, 2025, via Zoom. Member Martin Suazo chaired the meeting, with members Joy Esparsen, Marcos Trujillo, and Kelsey Rader in attendance.

Staff presented the August Investment Report and the Bond Issuance Forecast Report. Staff presented this report for FY2025 per the Debt Management Policy.

Informational Only.

11.2 FY 2025 Disadvantaged Funding Report. For FY2025, total disadvantaged loan awards amounted to \$6,482,322 across 29 loans, leaving \$1,956,616 unspent from the \$8.4 million budget. By quarter, awards were: \$3.34M in Q1, \$1.25M in Q2, \$768K in Q3, and \$1.12M in Q4. Looking ahead to FY2026, based on \$40.4 million in FY2025 GGRT proceeds, the disadvantaged allocation is set at \$6.07

million, with a total disadvantaged budget of \$11.8 million when including existing debt service. The report included data visualizations comparing program trends over the past three fiscal years.

Member Suazo moved, seconded by Member Shelton, for approval of agenda item 11.2. The motion passed 11-0.

- 12. 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.*

12.1 Update on Activities. A quorum of the Audit Committee met September 17, 2025, via Zoom. Member Burke chaired the meeting, with members Martin Suazo, Ben Shelton, Sam Collins and Teresa Costantinidis in attendance.

Staff presented the June financial statements. The statements were accepted by the Audit Committee. Staff from Jaramillo Accounting Group, external auditor for the FY2025 report, gave a verbal update on the status of the report, and reported that everything is on track for the Audit Exit Conference to occur as planned for an Executive Session at the end of the Board meeting on September 25.

Informational Only.

- 13. Executive Session.**

13.1 Closed session to hold the Exit Conference for the FY2025 Audit, as Protected by the Confidentiality Provisions of the State Audit Act, Section 12-6-5, and Allowed by NMSA 1978, Section 10-15-1(H).

Chair Keith entertained a motion for the NMFA Board of Directors to go into Executive Session to hold the Exit Conference for the FY2024 Audit, as Protected by the Confidentiality Provisions of the State Audit Act, Section 12-6-5, and Allowed by NMSA 1978, Section 10-15-1(H).

Member Suazo moved, seconded by Member Shelton, that the Board convene in a closed meeting. The motion passed 11 – 0 on a roll call vote.

Member Costantinidis moved, seconded by Member Suazo, that the Board reconvene the meeting in open session. The motion passed 11 – 0 on a roll call vote.

Chair Keith stated ‘We are now in open meeting. Let the record reflect that no action was taken during the closed meeting and the only things discussed were matters subject to the Exit Conference for the FY2025 Audit, as Protected by the Confidentiality Provisions of the State Audit Act, Section 12-6-5, and Allowed by NMSA 1978, Section 10-15-1(H).’

- 12. Next Board Meeting.** Thursday, October 23, 2025 9:00 a.m. – 12:00 p.m

- 13. Adjournment.** The meeting adjourned at 11:03 a.m.

AJ forte

Secretary
10 / 25 / 2025

Date

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