

*New Mexico Finance Authority*  
207 Shelby St.  
Santa Fe, NM 87501  
(505) 984-1454

**Minutes of Board Meeting**  
**December 15, 2022**  
**Via Zoom**  
**Santa Fe, New Mexico**

**Present:**

Katherine Miller, Chair	Public Member, Santa Fe, NM
Alison Nichols	Designee for Executive Director, NMML
Andrew Burke	Public Member, Las Cruces, NM
Judi Kahl	Designee for Secretary, NM Environment Dept.
Marcos Trujillo	Designee for Secretary, NM Dept. of Finance/Admin.
Matthew Lovato	Designee for Secretary, NM EMNRD
Richard Garcia	Designee for Executive Director, New Mexico Counties

**Absent:**

Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Jon Clark	Designee for Secretary, NM Economic Development
Cleve McDaniel	New Mexico Tech
Ronald Lovato	Public Member, Ohkay Owingeh

**Finance Authority Staff:**

Adam Johnson	Austin Anaya
Brad Fluetsch	Bryan Otero
Carmela Manzari	Charlotte Larragoite
Cherise Martinez	Connie Marquez
Dan Opperman	Delanne Reichard
Dora Cde Baca	Joanne Johnson
Joe Maldonado	John Brooks
Jolin Anaya	Kryshana Madrid
Lawrence Pierce	Leslie Medina
Lynn Taulbee	Mark Lovato
Mark Montoya	Marquita Russel
Michael Vonderheide	Michael Zavelle
Norman Vuylsteke	Oscar Rodriguez
Paul Romero	Rio Trujillo
Ron Cruz	Ryan Decker
Ryan Olguin	Susan Pittard
Susan Rodriguez	Todd Johansen

**Guests:**

Cally Carswell	LFC
Craig Dussinger	Bank of America Merrill Lynch

Dr. Vidal Martinez	City of Lovington
Erik Harrigan	Roosevelt General Hospital
Helen Atkeson	Hogan Lovells
Howard Roberts	City of Lovington
Justin Rodgers	City of Santa Rosa
Kaye Greene	Roosevelt General Hospital
Liz White	City of Lovington
Nina Chavez	LFC
Robert Burpo	First American Financial Advisors, Inc.
Susen Ellis	BOKF
Suzanne Bruckner	Sutin Thayer & Browne
Wayne Johnson	Sandoval County

1. **Call to Order and Roll Call.** Chair Katherine Miller called the meeting to order at 9:01 a.m. A roll call established a quorum.
2. **Approval of Agenda. Member Trujillo moved, seconded by Member Kahl, to approve the agenda. The motion passed 7 – 0.**
3. **Approval of the November 17, 2022 Board Minutes. Member Kahl moved, seconded by Member Trujillo, for approval of the November 17, 2022, Board minutes. The motion passed 7 – 0.**
4. **Report from the Chief Executive Officer.**

**4.1 Report from the CEO.** *Staffing:* Janice Wasserman and Martin Ortega have ended their employment with the NMFA. Michael Zavelle finalized his tenure this week.

*New Office Building Initiative:* NMFA will proceed with the purchase of the San Mateo building with closing set for December 20<sup>th</sup>. Staff recommends issuing a Request for Qualifications for a builder/general contractor concurrent with the closing as early as mid-January.

*Water Leaders Workshop and Water Task Force:* New Mexico Tech hosted an intensive two-day workshop in Socorro attended by Legislators, Interstate Stream Commission members, water authority members, scientists, technical assistance providers, environmental advocacy groups, and representatives from various state and federal agencies.

NMFA will participate in the drafting of legislation for the Water Infrastructure Projects Authority (“WIPA”), envisioned to be a quasi-governmental agency responsible for planning and developing water projects, overseeing development, evaluating, and integrating the State Water Plan and Regional Water Planning into its processes; WIPA staff will assist entities seeking funding for water and wastewater projects.

*Colonias Infrastructure Board:* Staff coordinated an in-person Colonias Infrastructure Board meeting and Board member training in Las Cruces.

*Legislative Initiatives:* NMFA has not yet heard of any new legislative initiatives that would create any new programs within the Authority although there is momentum regarding the funding of currently unfunded programs. Staff continues to work on the NMFA omnibus bill that would amend ten separate acts to clarify NMFA programs, streamline the processes, standardize language across different acts, eliminate conflicting language across various acts, and conform statutes to current federal law.

**5. Public Lending Committee Report.** *(Committee members are Mr. A.J. Forte, Chair, (Ms. Alison Nichols), Secretary Debbie Romero (Mr. Marcos Trujillo), Secretary James Kenney (Ms. Judi Kahl), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

**5.1 Update on Activities.** The Public Lending Committee met on December 7, 2022, via Zoom teleconference. Member Nichols chaired the meeting with Members Marcos Trujillo, Judi Kahl, Richard Garcia present. The Committee reviewed and forwarded three PG applications, five PPRF applications, and one DWSRLF application to the Board for approval via the Consent or Regular agenda.

*Member Matthew Lovato departed the meeting.*

**6. Consent Agenda.**

**6.1 Cedar Creek Mutual Domestic Water Consumers Association (Lincoln County), PG-6014 - \$50,000.** Cedar Creek MDWCA applied to the Local Government Planning Fund (“LGPF”) for \$50,000 to fund a Preliminary Engineering Report (“PER”) to evaluate alternatives and costs to replace an aged distribution system and relevant equipment.

**6.2 Penasco Mutual Domestic Water Consumers and Mutual Sewage Works Association (Taos County), PG-6016 - \$50,000.** Penasco MDWC & MSWA applied to the Local Government Planning Fund (“LGPF”) for \$50,000 for a Water Asset Management Plan to assist in managing capital assets to minimize total operational costs.

**6.3 San Luis Cabezón Mutual Domestic Water Association (Sandoval County). PG-6018 - \$50,000.** San Luis Cabezón MDWA applied to the Local Government Planning Fund (“LGPF”) for \$50,000 to fund a Preliminary Engineering Report (“PER”) updating a PER completed in 2003. The PER will describe existing facilities, identify alternatives, present technically feasible alternatives including a detailed cost estimate of recommended alternatives.

**6.4 Penasco Independent School District (Taos County), PPRF-6008 - \$113,000. Education Technology Note Loan.** Peñasco Independent School District (“District”) applied to the Public Project Revolving Fund (“PPRF”) for \$113,000 to finance the purchase of Education Technology Equipment for District-wide projects.

The proceeds will provide for a combination of Education Technology Equipment for the District. The New Mexico State Constitution does not require voter approval for education technology equipment and related projects when purchased through a lease-purchase agreement. The District will enter into a lease-purchase agreement with NMFA secured by ad valorem property tax.

**6.5 Mountain Orchard Mutual Domestic Water Association. DW-5025 - \$240,000. Amended and Restated Loan Amount.** Mountain Orchard Mutual Domestic Water Association (“Association”) requested an increase in the loan amount and DWSRLF principal forgiveness subsidy to provide for increased construction costs.

In October 2019, the Board approved \$120,000 consisting of a loan for \$30,000 and DWSRLF subsidy for \$90,000 to fund an infrastructure improvements project. The Association has approximately \$83,900 in unspent project funds and requests an addition to the original loan for a new loan amount of \$60,000. The DWSRLF principal forgiveness subsidy will increase to \$180,000 for an updated 2022 funding package totaling \$240,000 and new coverage ratio 1.36xs.

**Member Nichols moved, seconded by Member Burke, for approval of agenda items 6.1 – 6.5**  
**The motion passed 6 – 0 on a roll call vote.**

## **7. Regular Agenda.**

**7.1 Roosevelt County Hospital District. PPRF-6011 - \$9,535,000. Construction Loan.** Roosevelt County Special Hospital District Board of Directors applied to the Public Project Revolving Fund (“PPRF”) for \$9,370,000 for construction and improvements with the addition of an Operating Room at the Roosevelt General Hospital (“RGH”), located in Portales, New Mexico.

This project will allow for new surgical services and allow the hospital to operate more than one operating room (“OR”) at any given time.

Designated as a "Rural Health Clinic" by the federal government in 2009 allows RGH to provide rural health care services for medically underserved areas. The Emergency (“ER”) expansion funded by PPRF- 4882 is an example of RGH's commitment to the growing health care needs of its community. RGH has also launched an "aggressive physician recruitment program" to bring skilled health care professionals into the community.

The District requested a .25% bump for an anytime call allowing for flexibility in the loan term. The pledged revenue is the four increments of the Local Hospital GRT pledged to the District pursuant to the Joint Powers Agreement (“JPA”) with the County.

**7.2 Sandoval County. PPRF-6013 - \$1,885,000. Series 2023 Library General Obligation Bond.** Sandoval County (“County”) applied to the Public Project Revolving Fund (“PPRF”) for \$1,885,000 for Series 2023 Library General Obligation Bond.

The County received voter approval in November 2022 for \$1,885,000 for improving library facilities and purchasing books and other library resources. The County will issue General Obligation Bonds for \$1,885,000 which the NMFA will purchase with the PPRF.

**7.3 Santa Rosa Fire Department (Guadalupe County). PPRF-5999 - \$107,000. Fire Equipment Loan.** The City of Santa Rosa Fire Department applied to the Public Project Revolving Fund (“PPRF”) for \$107,000 to purchase a brush unit and respective equipment.

The Fire Department currently has an ISO rating of five with two main stations, one sub-station and receives an annual base distribution of \$145,946 from State Fire Protection Funds. The City will also contribute \$94,804 toward the project.

**7.4 Memo for Lovington (Lea County). PPRF-4874. Request to Change Existing Call Provision.** NMFA staff recommends approval to amend the existing call provision on the City of Lovington’s (“City”) 2019 Fire Equipment Loan (PPRF-4874)

On November 28, 2018, the City received NMFA Board approval for \$1,397,788 to purchase a fire truck the loan closing in March 2019. The loan has a current principal balance of approximately \$1,111,726. As approved, the loan carries a 10-year prepayment call provision. The City has requested a loan amendment changing the call date to December 15, 2022. In addition, the City pledged its Municipal Local Option GRT as the pledged revenue for this loan.

The City believes that the \$1,397,788 ladder truck purchased with the proceeds of PPRF-4874 is excessive for the City’s current needs. The City plans to sell the ladder truck on the secondary market. A fire equipment vendor advised the City that the proceeds from the sale may be enough to cover the principal balance of the current loan.

Approval of the amendment would allow the City to immediately pay off the loan and provide the flexibility needed to achieve the City’s fiscal goals including release of the GRT as the pledge revenue. Upon approval of this change and the anticipated sale of the equipment, the City plans to apply for an NMFA loan to purchase a smaller ladder truck as a replacement. The City also anticipates using the State Fire Protection Funds for any future fire purchases and financing.

**Member Burke moved, seconded by Member Esparsen, for approval of agenda items 7.1 – 7.4. The motion passed 6 – 0 on a roll call vote.**

**8. Economic Development Committee** (*Committee members: Secretary Alicia Keyes (Mr. Jon Clark), Chair, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), Secretary James Kenney (Ms. Judi Kahl), Secretary Debbie Romero (Mr. Marcos Trujillo) and Mr. Ronald Lovato.*)

**8.1 Update on Activities.** The Economic Development Committee met on December 6, 2022 with Member Jon Clark chairing the meeting and Members Matthew Lovato, Judi Kahl, and Marcos Trujillo in attendance. Staff presented a Review of the Economic Development Portfolio, a Request to Apply for a New Markets Tax Credit Allocation and discussed a request from an NMTC borrower seeking an amendment to its economic development criteria. Collaborating with the client on the Committee's feedback staff anticipates bringing this item to the Board in January.

## 9. New Markets Tax Credit

**9.1 Request to Apply to the Community Development Financial Institutions Fund for New Markets Tax Credit Allocation.** Request to authorize Finance New Mexico, LLC to apply to the Community Development Financial Institutions Fund (“CDFI”) for additional New Markets Tax Credit (“NMTC”) allocation.

NMFA, on behalf of Finance New Mexico, has successfully secured six allocation awards totaling \$321 million. Finance New Mexico has closed twenty-nine transactions totaling \$314 million and is closing on the second Small Loan Pool for \$7 million utilizing the remaining 2019 award.

The CDFI announced its 2022 Allocation Round of the NMTC Program on November 18, 2022. Staff recommends the Board approves the submission of an application for allocation.

Mr. Dan Opperman presented the resolution authorizing submittal of an application for up to \$100 million in NMTC allocation.

**Member Trujillo moved, seconded by Member Kahl, for approval of the resolution authorizing submittal of an application for up to \$100 million in NMTC allocation. The motion passed 6 – 0 on a roll call vote.**

## 10. Finance and Disclosure Committee Report. *(Committee members: Mr. Martin Suazo, Chair, Mr. A.J. Forte (Ms. Alison Nichols), Secretary Debbie Romero (Mr. Marcos Trujillo) and Ms. Joy Esparsen (Mr. Richard Garcia).*

**10.1 Update on Activities.** The Finance & Disclosure Committee Meeting scheduled for December 7, 2022, was canceled. However, the Finance & Disclosure Committee Board Book was distributed to the Committee for review of the Procurement Notifications and Investment Report Period Ending November 30, 2022

## 11. Audit Committee Report. *(Committee members: Mr. Andrew Burke, Chair, Mr. Martin Suazo, Secretary Sarah Cottrell Propst (Mr. Matthew Lovato), Secretary Alicia Keyes (Mr. Jon Clark) and Mr. Cleve McDaniel.)*

**11.1 Update on Activities.** The Audit Committee met on December 7, 2022 with Members Andrew Burke, Chair, Matthew Lovato, and Cleve McDaniel in attendance. Agenda items included the Financial Statements and Financial Performance Indicators and a progress report on the New Office Building Project.

## 12. Next Board Meeting

**12.1** Thursday, January 26, 2023 – 9:00 a.m. Via Zoom

## 13. Adjournment

The meeting adjourned at 10:05 a.m.

