

*New Mexico Finance Authority*  
**207 Shelby St. Santa Fe, N.M. 87501**  
**(505) 984-1454**  
**NMFA Board Meeting Minutes**  
**June 27, 2024**  
**New Mexico State Capitol, Room 322**  
**490 Old Santa Fe Trail, Santa Fe, New Mexico**

**Members Present:**

Kathy Keith, Chair	Public Member, Los Alamos Natl. Laboratory
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 (via zoom)	Designee, NM Economic Development Dept.
Ronald Lovato (via zoom)	Public Member, Ohkay Owingeh
Judi Kahl	Designee, NM Environment Department
Dr. AnnaLinden Weller	Designee, Energy, Minerals & Natural Resources Dept.

**Members Absent:**

AJ Forte	NM Municipal League
Martin Suazo, Vice Chair	Public Member, Las Vegas, NM
Teresa Costantinidis	Public Member, University of New Mexico

**Finance Authority Staff**

Anthony Maestas	Mark Lovato
Angela Quintana	Mark Dalton
Brian DuBoff (via zoom)	Marquita Russel
Bryan Otero	Michael Vonderheide
Carmela Manzari	Oscar Rodriguez
Cherise Martinez	Patricia Griego
Chip Pierce (via zoom)	Paul Romero
Dan Opperman (via zoom)	Rio Trujillo
Donnie Quintana	Ron Cruz
Dora Cde Baca	Ryan Olguin
Fernando Martinez	Ryan Marie Decker (via zoom)
John Brooks	Sharon Romero
Kryshana Madrid	Susan Pittard
Laura Williams	Susan Rodriguez
Leslie Medina	Theresa Garcia
Luanna Salazar	Todd Nordby
Lynn Taulbee (via zoom)	

**Guests:**

Ashley Kegley-Whitehead	Infinity Water Solutions, LLC / Enchanted Water, LLC
Brad Patterson	Gilmore & Bell
Chris Caudill	Infinity Water Solutions, LLC / Enchanted Water, LLC
Kaeley Weimerskirch (via zoom)	RBC Capital Markets, LLC
Jordan Kramer	Infinity Water Solutions, LLC / Enchanted Water, LLC
Laura Morales (via zoom)	Energize your Outlook
Marvin Martin (via zoom)	Hondo Valley Public Schools
Mary Prudencio (via zoom)	Hondo Valley Public Schools
Michael Dyson	Infinity Water Solutions, LLC / Enchanted Water, LLC
Nick Caine	Stifel
Peter Nieto (via zoom)	Mountainair Public School District
Richard Weiss	Wells Fargo Securities
Suzanne Bruckner (via zoom)	Sutin, Thayer & Browne, APC
Simon Webb	FST Technical Services, Inc.

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 Esparsen moved, seconded by Member Collins to approve the agenda. The motion passed 8 – 0.**
3. **Approval of Board Minutes.**
  - 3.1 **Member Esparsen moved, seconded by Member Weller, for approval of the June 27, 2024, Board Minutes. The motion passed 8 – 0.**
4. **Governance Items.**
  - 4.1 **Report from the Nominating Committee.** The Committee met and recommended the following slate of officers:
    - For Vice Chair, Member Martin Suazo is recommended for re-election.
    - For Secretary, Member AJ Forte (which includes Designee Alison Nichols) is recommended for re-election.

**Informational Only.**

- 4.2 **Election of Officers.** The Board Members agreed to the recommendations by the Nominating Committee regarding the election of officers.

**Member Weller moved, seconded by Member Esparsen, for approval of agenda items 4.2. The motion passed 8-0.**

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

**5.1 Report from the CEO.** June marks the 30th anniversary of Dora Cde Baca, NMFA’s Chief Administrative Officer. As the agency’s second employee, and up until these last few years our sole

Human Resources representative, she has had a hand in hiring nearly every employee that has worked at NMFA. We’re grateful to Dora for her commitment to NMFA which currently has her overseeing the new NMFA Headquarters Building project. Congratulations Dora! June also marks the end of Austin Anaya’s tenure at NMFA. Austin was part of the original Credit Team and he heads overseas to complete his Masters Degree in Economics of Energy, Climate Change and Sustainability at the Barcelona School of Economics. We wish him the best.

**Strategic Plan Update:** Staff has continued its work with LEH Consulting and anticipates bringing the proposed strategic goals to the Executive Committee and Board in the next few months. This puts us on track to have a final strategic plan in place hopefully by the end of the summer.

**Program Development Update:** Opportunity Enterprise and Housing Development Review Board (“OE Board”). On June 20th and 21st, the NMFA held (virtually) formal public comment hearings for the OE Board’s proposed amendments to the OE Board’s Rules. The amendments include clarifying language on eligible projects for the commercial development fund and the inclusion of the Housing Development Revolving Fund. At its June 13th meeting, the OE Board approved an abbreviated public review and comment period, draft policies for the Housing Development Revolving Fund, and the revised draft policies for the OE’s Opportunity Enterprise Revolving Fund. Staff is working to provide a final set of Rules and policies at its July 11th meeting. The current schedule calls for the Rules to be final on July 31st which will allow the application to open by the end of August.

**Water Trust Board Capacity Development:** Significant changes were made to the Water Project Finance Act through the 2024 Legislature’s House Bill 211. Chief among the changes were the addition of “wastewater conveyance and treatment” as a qualified water project and the ability to use the Water Project Fund to “hire contractors to provide financial and administrative capacity development and direct technical assistance on water projects.” Staff is working with the WTB Policy Committee on a technical assistance/capacity development work plan that includes expediting critical preliminary engineering reports (“PERs”) for small, largely volunteer, systems and catalyzing regionalization and consolidation. The WTB Policy Committee will make a recommendation to the full WTB Board in August and NMFA will then have to issue RFPs for the contractors. Any contracts arising from this effort would likely occur in September and would require a discrete budget increase for the new contractors since this activity was not included in the FY25 NMFA Budget. A portion of the 2024 funding has been held back for this purpose.

**Water Trust Board Review of NM Unit Fund Projects (2021’s HB 200):** In 2021, the legislature amended the Water Project Finance Act to provide that the Water Trust Board review and recommend to the Interstate Stream Commission (“ISC”) projects to be funded from the federal NM Unit Fund. In June, the ISC approved a staff proposal to initiate a pilot planning and design application for the funds which provide grants for water delivery projects in the southwest portion of the state. The pilot will require NMFA to create an application but will not require technical evaluations by NMFA. Once NMFA, the WTB and the ISC have some gained some experience through the pilot project, a full application will open which require policy development by WTB, including technical review criteria, and the identification

of technical reviewers which can be funded by the ISC through an MOA. Staff anticipates a September 2024 application opening for the pilot application with a formal construction project application opening in June 2025.

**Inducement Resolution for up to \$250 million of Conduit Exempt Facility Revenue Bonds for Enchantment Water/Infinity Water Solutions:** More than 20 years after the enactment of the Statewide Economic Development Finance Act, one of the driving reasons behind the legislative effort is being realized with an application to NMFA for the conduit issuance of Exempt Facility Revenue Bonds. Initially, SWEDFA only contemplated the ability for NMFA to issue conduit revenue bonds as New Mexico had lacked a statewide issuer of tax-exempt bonds. Ultimately a slightly broader version of SWEDFA was passed in 2003 and the law was significantly broadened a few years later. Until 1986, tax-exempt bonds could be issued to support virtually any business. Today, federal law only allows certain types of projects to have tax-exempt bonds issued on their behalf. Additionally, Congress limits each state to the total amount of bonds that can be issued on behalf of most private, non-governmental entities by allocating Private Activity Volume Cap to each state. In New Mexico, the lion's share of Volume Cap is used to support affordable housing. SWEDFA further limits the amount of Volume Cap that can be used to support Private Activity Bonds, including Exempt Facility Revenue Bonds. Pursuant to SWEDFA, no more than 15% of the State's Volume Cap in any given year can be used on projects issued through SWEDFA. In 2024, New Mexico's limit for these bonds is \$378.2 million, resulting in a SWEDFA cap of approximately \$56.7 million. For bonds issued on behalf of manufacturers, this is not much of an issue as these bonds are limited to \$10 million. However, Exempt Facility Revenue Bonds tend to be much larger as we are seeing with the project on the June agenda. This SWEDFA provision complicates the issuance of the bonds that are otherwise relatively straightforward.

On today's agenda is an Inducement Resolution which marks the beginning of the project for reimbursement purposes. Any eligible expense incurred no more than 60 days before the resolution is adopted can be reimbursed with tax-exempt bond proceeds. The inducement resolution is good for a period of three years. Multi-phase projects often request a larger inducement resolution so that bonds can be phased to meet the timing of the project. Assuming the Volume Cap is approved for the project, NMFA can expect to be asked to adopt a Final Bond Resolution for the first phase of the project, currently anticipated to take place in the last quarter of the year. Much due diligence and bond documentation will occur between now and then.

**Amended Rules for the Local Government Planning Fund:** Staff is proposing amendments to the Local Government Planning Fund to incorporate new uses of the fund that was authorized by SB216 during the 2024 session. The proposed amendments include adding new uses of the Fund, namely Affordable Housing Act Plans, Archaeological Clearances, and Flood Inundation Maps, and formally incorporating Asset Management Plans into the rules. Our initial plan was to make these changes later in the summer, but we expedited the amendments to accommodate a number of communities in need of Affordable Housing Act Plans. The Rules are slated to be considered by the NMFA Oversight Committee on July 3rd at its meeting in Albuquerque.

## **Informational Only.**

### **6. Other Items**

**6.1 Approval of Amended and Restated Local Government Planning Fund Rules ("LGPF").** Staff presented Approval of Amended and Restated NMFA LGPF Rules to incorporate expanded uses of

the fund and increase the maximum grant award per planning document. The proposed amendments include new definitions and clarifications to bring the LGPF Program up to date. The amended Rules will provide a framework for NMFA to make grants from the LGPF and will be supplemented with revised Policies to ensure the LGPF remains a viable source of planning grant funding in New Mexico.

**Member Esparsen moved, seconded by Member Kahl, for approval of agenda items 6.1. The motion passed 8 - 0.**

**7. 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.*

**7.1 Update on Activities.** The Public Lending Committee met on June 20, 2024, via Zoom teleconference. Member Alison Nichols chaired the meeting with Members Richard Garcia and Kelsey Rader in attendance. Staff briefed Members on three planning grants and three PPRF projects. These projects were recommended to the Board by the committee. Staff presented a funding increase for Cerro Regional MDWCSWA, WPF-5083. The additional funds will be in the form of a 100% grant. The committee recommended the funding increase to the Board for approval. Staff presented the Colonias Infrastructure Board’s recommendation for the 2024 application cycle. Thirty projects were selected. The committee recommended all thirty projects to the Board for approval.

**Informational Only.**

**8. Consent Agenda.**

**8.1 Nogal Mutual Domestic Water Consumers Association (the “Association”) (Lincoln County). PG-6478. \$50,000. Preliminary Engineering Report (“PER”).** The Association has come to the LGPF to fund a PER. This PER will assist the Association in reviewing the current system while evaluating alternatives, including a supplemental well and surface water connection to the treatment plant. This plan will also consider cost estimates, life cycle costs, as well as a possible a hydrological review. This PER will follow the RUS Bulletin 1780-2.

**8.2 Mesa Vista Consolidated School District 6 (the “District”) (Taos County). PG-6479. \$50,000. PER.** The District has come to the LGPF for a PER. The District's drinking water system has challenges including unresolved significant deficiencies identified by New Mexico Environment Department (“NMED”). NMED has cited the District for being out of compliance with NM Drinking Water Regulations and this PER will help address these issues by providing possible solutions. This PER will follow the RUS Bulletin 1780-2.

**8.3 Canada de Los Alamos Mutual Domestic Water Consumers & Mutual Sewage Works Association (the “Association”) (Santa Fe County). PG-6481. \$50,000. Water Asset Management Plan.** The Association has come to the LGPF for a water asset management plan. The Association plans to use this document to address the following 5 core components: current assets, level of service, critical assets, life cycle costing and long-term funding strategies.

**Member Weller moved, seconded by Member Kahl, for approval of agenda items 8.1 – 8.3. The motion passed 8-0.**

**9. Regular Agenda.**

**9.1 Funding Increase Recommendation for Cerro Regional Mutual Domestic Water Consumers & Sewage Works Association, WPF-5083.** Staff presented a request for a funding increase for Cerro Regional. The additional funds will be in the form of a 100% grant. Cerro Regional is requesting \$1,200,000 in additional funds. Staff recommends an additional amount of \$1,200,000 as 100% grant.

**Member Esparsen moved, seconded by Member Lovato, for approval of agenda item 9.1. The motion passed 8-0.**

**9.2 Hondo Valley Public School District (the “District”) (Lincoln County). PPRF-6475. \$540,000. 2024 General Obligation Bond.** The District has applied to the PPRF for financing of projects. The District received voter approval of \$1,400,000. This approval is valid for a period of four years. The District will issue General Obligation Bonds in the amount of \$540,000 which NMFA will purchase with the PPRF. The proceeds will be used for district-wide improvements to include but are not limited to the following projects: the design, engineering, and utilities work necessary for the complete replacement of the educational complex.

**Member Lovato moved, seconded by Member Burke, for approval of agenda item 9.2. The motion passed 8-0.**

**9.3 Mountainair Public School District (the “District”) (Torrance County). PPRF-6476. \$570,000. 2024 Education Technology Note.** The District has applied to the PPRF to finance the purchase of Education Technology Equipment such as network equipment, servers, security systems/cameras, communication systems, staff computers & laptops, and software services. 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, to include technology infrastructure, computer equipment, software, replacement, and upgrades.

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

**9.4 Pojoaque Valley Public School District (the “District”) (Santa Fe County). PPRF-6477. \$2,750,000. 2024 General Obligation Bond.** The District has applied to the PPRF to finance District-wide school improvements for the purpose of erecting, remodeling, making additions to and furnish school buildings, including teacher housing; purchasing or improving school grounds; purchasing computer software and hardware which is in alignment with the District's 2021-2026 Facility Master Plan. In November of 2021 the District received voter approval of \$5,500,000. The District will issue General Obligation Bonds in the amount of \$2,750,000 which NMFA will purchase with the PPRF.

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

## **10. Colonias Infrastructure Board**

**10.1 Consideration and Recommendation of 2024 Colonias Infrastructure Fund Awards.** Staff presented for approval, loans and grants to 30 applicants from the 2024 cycle. Please note, five projects do not show historic capacity to undertake debt with the minimum 1x coverage. As part of the readiness to proceed process, verification of increased revenues (rate increase) and verification of the budgeted debt payment will be required prior to converting the construction loan to a permanent loan. The grant/loan components consist of 90% grant and 10% loan, with the exception of eight applicants (ten projects) who will take an additional loan in lieu of the required match component (80% grant / 20% loan) based upon CIF policies Staff recommends approval of the 30 projects, as presented.

**10.2 Anthony WSD (Dona Ana County) CIF-6405. \$2,710,500. Meter Replacement.**

**10.3 Anthony WSD (Dona Ana County) CIF-6406. \$2,000,000. Sewer Collection Expansion/Lift Station.**

**10.4 Arenas Valley WDA (Grant County). CIF-6421. \$1,758,000. North Side of US HW 180 Water Improvements.**

**10.5 Bayard, City of (Grant County). CIF-6408. \$1,200,800. Water System Improvements.**

**10.6 Dona Ana County. CIF-6415. \$500,000. Manhole Rehab Improvements.**

**10.7 Dona Ana County. CIF-6416. \$602,000. Chaparral WW Project Phase 2B.**

**10.8 Dona Ana County. CIF-6417. \$500,000. SC WWTP Improvements Phase 5.**

**10.9 Dona Ana County. CIF-6418. \$3,600,000. La Union Drainage.**

**10.10 Enchanted Forest MDWCA (Lincoln County). CIF-6419. \$950,000. New Water Source, Pump House.**

**10.11 Hidalgo County. CIF-6423. \$2,124,885. Animas WW System.**

**10.12 Jal, City of (Lea County) CIF-6424. \$400,000. PER.**

**10.13 La Luz MDWC & MSWA (Otero County). CIF-6425. \$975,000. Well 3 Replacement**

**10.14 Leasburg MDWCA (Dona Ana County). CIF-6426. \$500,000. Water System Improvements.**

**10.15 Lordsburg, City of (Hidalgo County). CIF-6427. \$1,075,000. Wastewater Improv. Hwy. 70 Lift Station.**

**10.16 Lower Rio Grande PWWA (Dona Ana County) CIF-6428. \$875,000. High Valley Waterline Replacement.**

- 10.17 Lower Rio Grande PWWA (Dona Ana County) CIF-6429. \$404,003. Mesquite Lift Station Rehab.**
- 10.18 Luna County. CIF-6430. \$694,094. Peoples Water Coop.**
- 10.19 Luna County. CIF-6431. \$1,000,000. Phase II View Majestic View.**
- 10.20 Mesilla, Town of (Dona Ana County) CIF-6432. \$609,292. New Well and Tank.**
- 10.21 Otero County. CIF-6433. \$360,000. Bent Rd. Improvements/Flood Control.**
- 10.22 Otero County. CIF-6434. \$270,000. Flood Mitigation/Road Rehabilitation.**
- 10.23 San Pablo MDWCA (Dona Ana County). CIF-6435. \$2,432,700. Vacuum System Improvements.**
- 10.24 Silver City, Town of (Grant County) CIF-6437. \$912,803. Mill Rd. Sewer Bypass.**
- 10.25 Silver City, Town of (Grant County) CIF-6438. \$345,500. Swan St. Survey and Design.**
- 10.26 Sunland Park, City of (Dona Ana County). CIF-6439. \$1,800,000. Public Housing Authority Site Drainage/Erosion.**
- 10.27 Sunland Park, City of (Dona Ana County). CIF-6440. \$400,000. Anapra Rd Improvements**
- 10.28 Truth or Consequences, City of (Sierra County) CIF-6441. \$4,400,000. Waterline Replacement.**
- 10.29 Truth or Consequences, City of (Sierra County) CIF-6442. \$305,400. WWTP Bar Screen Replacement.**
- 10.30 Tyrone W & WWA (Grant County). CIF-6443. \$5,697,115. Water System Improvements.**
- 10.31 Tyrone W & WWA (Grant County). CIF-6444. \$848,958. Water Tank Rehab.**

**Member Esparsen moved, seconded by Member Burke, for approval of agenda items 10.1-10.31. The motion passed 8-0.**

**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 Tuesday, June 18, 2024, via Zoom teleconference. Member Sam Collins chaired the meeting with Members Marcos Trujillo, AnnaLinden Weller, and Ron Lovato in attendance.



The Committee reviewed the June 2024 Private Program Report as an informational item. Staff presented the New Markets Tax Credits Round 32 Prioritization Ranking. Staff noted that Finance New Mexico Advisory, LLC Board recommended approval of the prioritized list and also requested staff re-evaluate the applications from United World College and Independent Nation for potential addition to the list. The Committee supported the decision and recommended approval of the list as presented.

Staff, along with Brad Patterson, Gilmore & Bell (Bond Counsel) presented a proposed Private Activity Bond on behalf of Enchantment Water, LLC/Infinity Water Solutions, LLC, including a review of the Inducement Resolution that will be presented to the Board. The Committee recommends approval of the Inducement Resolution for the Enchantment Water, LLC private activity bond conduit issuance.

### **Informational Only.**

**11.2 Inducement Resolution Declaring the Intent to Issue New Mexico Finance Authority Exempt Facility Revenue Bonds, in One or More Series, on behalf of Enchantment Water, LLC , a wholly owned subsidiary of Infinity Water Solutions, LLC (“IWS”), in an Amount Not to Exceed \$250,000,000 (Lea and Eddy Counties).** IWS Representatives, Richard Weiss of Wells Fargo Securities, Brad Patterson, Gilmore & Bell (Bond Counsel), and NMFA Staff presented an Inducement Resolution. which declares NMFA’s intent to issue revenue bonds to finance the acquisition, construction, and equipping by the Borrower of water or wastewater collection, treatment, storage and/ or disposal facilities and related improvements for the project. Discussion ensued with staff and representatives answering question from the board.

Staff recommends the Board adopt the Inducement Resolution declaring NMFA’s intent to issue, in one or more series, up to \$250 million in tax-exempt conduit Exempt Facilities Bonds. The Inducement Resolution is valid for a period of three years.

**Member Esparsen moved, seconded by Member Lovato, for approval of agenda item 11.2. The motion passed 7-0, with Member Trujillo abstaining.**

**11.3 Approval of the New Markets Tax Credits Round 32 Prioritization Ranking.** Staff presented eight applicants who submitted their application for Round 32. Six of the applicants qualified as urban applications and two applicants qualified as a rural application. Pursuant to the policy, to be prioritized on the NMTC priority list, applications must receive an average minimum score of at least 60 points and must be determined to have at least “Moderate” readiness. Four of the eight applications received scores of at least 60 points and a clear “Moderate or High” readiness determination which allows them to move forward in the application process.

**Round 32 Projects**

<u>Rank</u>	<u>Score</u>	<u>Applicant</u>	<u>Location</u>	<u>Readiness to Proceed</u>	<u>NMTC Amount Requested</u>
1	75.13	Array Technologies	Urban	High	\$ 12,000,000
2	63.88	Movie Yard	Urban	High	\$ 9,450,000
3	61.75	Franklin Mountain Pkg.	Urban	High	\$ 10,000,000
4	61.50	Menaul School	Urban	Moderate	\$ 8,500,000
5	59.00	United World College	Rural	Moderate	\$ 17,000,000
6	52.88	Independent Nation	Urban	High	\$ 8,000,000
7	51.75	MANSCo	Urban	Moderate	\$ 7,700,000
8	48.75	Freshville Farms	Rural	Low	\$ 5,000,000
<b>Total Allocation Requested for Round 32 Projects</b>					<b>\$ 77,650,000</b>

The second step is the financial review and due diligence on each application in the order of economic impact priority. This second review is undertaken by NMFA staff and consultants before proceeding to the full Board of Directors for Preliminary Approval of any project. Projects receiving Preliminary Approval from the NMFA Board are given 90 days to execute a financing term sheet and an additional 60 days to document and close the transaction.

Staff recommends the top four ranking projects be prioritized as part of Application Round 32, as presented. Staff will also undertake to re-evaluate the applications from United World College and Independent Nation for potential addition to the list.

**Member Weller moved, seconded by Member Collins, for approval of agenda items 11.3. The motion passed 8-0.**

**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 June 20, 2024, via Zoom teleconference. Member Martin Suazo chaired the meeting with Richard Garcia and Kelsey Rader in attendance.

Staff presented the May 2024 investment report, bond issuance report, and 2024A State Transportation Refunding Revenue Bonds report, all as informational items. Staff presented for approval an amendment to the Capital Budget and a corresponding amendment to the New NMFA Headquarters Project Budget. The Amendment represents an increase in the Capital Budget in the amount of \$1.24 million for a final Headquarters Budget of \$16.1 million. The Committee recommends approval of the amendment to the Capital Budget/New NMFA Headquarter Budget.

**Informational Only.**

**12.2 Report on 2024A State Transportation Refunding Revenue Bond.** Staff presented the NMFA State Transportation Refunding Revenue Bonds, Series 2024A Sale Report. Staff also provided breakdown of the market and the breakdown of the bond series. The 2024A bonds were sold to refund three separate series of outstanding transportation revenue bonds that were originally sold in 2014.

**Informational Only.**

**12.3 Review and Approval of the New NMFA Headquarters Project Budget Amendment.** Staff presented for approval an amendment to the NMFA Headquarters Capital Budget. The project scope has increased to include electric vehicle charging station. The estimated cost of the EV stations is \$430,000, which includes a \$50,000 contingency.

Staff is requesting an increase of \$550,000 in the furniture budget to cover an increase in staff, resizing of non-fixed workspaces to fit State standards, and corresponding new ergonomic and sound accommodations. All of the new furniture will be bought from the tax-free State procurement schedules with pricing held at 2022 levels.

The project team has identified other items such as redesigning the drainage system, rebuilding the emergency exit stairs, and resurfacing the parking lot that should be addressed now as they will likely need attention within a few years of moving in. Staff has completed a cost projection of the necessary and recommended modifications and has determined that we are on-track to outpace existing budget by approximately \$600,000.

Staff recommends an increase in the capital budget in the amount of \$1.24 million for a final project budget of \$16.1 million.

**Member Burke moved, seconded by Member Weller, for approval of agenda item 12.3. The motion passed 8-0.**

**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 Thursday, June 20, 2024, via Zoom teleconference. Member Andrew Burke chaired the meeting with Members Martin Suazo, Sam Collins, and AnnaLinden Weller in attendance.

Agenda items included Net Position, Statement of Revenues, Expenses and Changes in Net Position (Income Statement), and Statement of Cash Flows as of April 2024. The committee approved the statements. Staff from Moss Adams provided an informational update regarding the FY2024 Audit. Staff presented the Operational Excellence & Internal Audit Update as an Informational Item. The staff presented the FY25 Assurance & Advisory Plan. The committee approved this item.

Staff presented an update on the building project as an informational item. Staff presented the new NMFA Headquarters Project Budget Amendment. The amendment represents an increase in the capital budget in the amount of \$1.24 million for a final project budget of \$16.1 million. The committee recommended the amendments for approval to the Board.

Staff presented the resolution authorizing the CEO to dispose of NMFA's furniture. The Committee requested the CEO report to the Board on how the furniture is disposed once it has occurred. The Committee recommends approval of the resolution which includes the reporting requirement.

### **Informational Only**

**13.2 Resolution to Dispose of Obsolete and Surplus Furniture.** Staff presented for approval, a resolution authorizing the CEO to dispose of NMFA’s obsolete furniture. The actual disposition will not be effective until will we sign an agreement with the landlord or otherwise donate the furniture, but the approval of this resolution will have the effect of classifying this furniture as surplus that needs to be disposed of. Staff will report back to the Board when final disposition has taken place.

Staff requests the Board approve a formal resolution declaring the furniture surplus and authorizing staff to dispose of it in a cost-effective manner, with the CEO reporting to the Board once that is complete.

**Member Kahl moved, seconded by Member Weller, for approval of agenda item 13.2. The motion passed 8-0.**

**14. Next Board Meeting.** July 25, 2024 at 9:00 a.m. at the NM State Capitol Room 322. Chair Keith thanked Member Weller for her time on the board. Ben Shelton will be her replacement.

**15. Adjournment.** The meeting adjourned at 10:48 a.m.



08 / 08 / 2024

Secretary

Date