

New Mexico Finance Authority
207 Shelby St. Santa Fe, N.M. 87501
(505) 984-1454
NMFA Board Meeting Minutes
December 12, 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
Richard Garcia (via zoom)	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 (via zoom)	Public Member, Ohkay Owingeh
Teresa Costantinidis	Public Member, University of New Mexico

Members Absent:

New Mexico Finance Authority Staff

Angelo Jaramillo	Luanna Salazar
Anthony Maestas	Laura Williams
Bradley Fluetsch	Lynn Taulbee
Brian DuBoff	Mark Lovato
Bryan Otero	Maria Ruelas
Charlotte Larragoite (via zoom)	Marquita Russel
Chip Pierce (via zoom)	Norman Vuylsteke
Dan Opperman	Oscar Rodriguez
Donnie Quintana	Paul Romero
Erika Falance	Ron Cruz
Fernando Martinez	Ryan Olguin
John Brooks	Ryan Marie Decker
John DuBois	Susan Pittard
Kryshana Madrid	Susan Rodriguez

Guests:

Anne Haines	CIC
Anjali Taneja	Casa de Salud
Bath Beloff	CIC
Bradley Patterson	Gilmore & Bell
Bob Casillas	Stifel
Chris Sacca	Endurance28
Christian Casillas	

Consuelo Valverde	Endurance28
Ethan Samson	Meketa
Kelly O'Donnell	CIC
Isaac Leon	Sutin, Thayer & Browne, APC
Lauren Herrera	Orrick, Herrington & Sutcliffe
Michelle Melendez	Casa de Salud
Mike Athens	CIC
Nethaniel Gomez-Valenzuela	Bosque Advisors, LLC
Rich Wood	BOKF
Susen Ellis	BOKF
Suzanne Bruckner	Sutin, Thayer & Browne, APC

1. **Call to Order and Roll Call.** Chairman Keith called the meeting to order at 9:02 a.m. A quorum was established.
2. **Approval of Agenda. Member Suazo moved, seconded by Member Trujillo to approve the agenda. The motion passed 11 – 0.**
3. **Approval of Board Minutes.**
 - 3.1 **Member Suazo moved, seconded by Member Trujillo, for approval of the September 26, 2024, Board Minutes. The motion passed 11 – 0.**
4. **Report from the Chief Executive Officer (“CEO”), Marquita Russel.**
 - 4.1 **Report from the CEO.** Ms. Russel provided the following updates: Eric Friedland officially joined NMFA as Managing Director of Credit in November shortly after Rick Herrman officially vacated that role. Erika Falance was promoted to Board Administration Manager in November. As reported to the Board in October, Chief Legal Officer Dan Opperman will be leaving NMFA at the beginning of January for private practice. Ms. Russel noted Dan has been an incredible colleague and contributed greatly to NMFA’s success. Lastly, Ms. Russel reported with great sadness that a beloved colleague, Bob Spradley, passed away shortly after officially retiring from NMFA in November. Bob was one of the stalwart accountants that kept our financial records together during the lean years when systems were less dependable.

Update on Office Relocation

Staff is preparing to vacate the building it has called home for nearly 20 years. Desk items and other office supplies will be packed up in December and a skeleton staff will remain on site until mid-January, after which time the internet will get switched over to the new building and technology will be carefully packed and stored off-site. In preparation for the move, the Finance Staff has arranged for a lock-box at Wells Fargo for those clients that still send in payment via check. Checks mailed in will be sent to the primary lock-box operation in Texas and clients that wish to pay in person may go to any Wells Fargo to make their payment. Because there is uncertainty on when NMFA’s certificate of occupancy on the San Mateo building will be received, we are preparing for the January, February and March Board meetings to occur fully online. If by some chance we’re able to occupy the facility by early March, then we’ll switch to a hybrid meeting after noticing the public of the change.

Programs Update

On today's agenda, staff will be presenting policy and rules for two separate programs: the Primary Care Capital Fund ("PCCF") and an Equity Equivalent ("EQ2") program. The PCCF was first established nearly 30 years ago and is being updated to legislative changes and to refresh the underwriting criteria and loan terms. These rules and policy were presented to the Economic Development Committee this month and appear under that section of the agenda. The EQ2 program is being moved forward to facilitate a \$10 million special appropriation received by the Energy Minerals and Natural Resources Department to establish a Green Bank. Staff from NMFA and EMNRD have been discussing the potential operation of this program for the last several months and we recently received the go-ahead to establish the rules and policy for the program. Ms. Russel noted thanks to Ryan Decker who did an excellent job putting together this program and vetting the investment commitment which is also before you this month. Due to the timing of the notice to proceed, the rules, policy or investment recommendation are coming forward directly to the Board with the staff recommendation under Other Items on today's agenda. The program development items reviewed by the Board over the past several months are resulting in new applications being made available in the new year. In December we are scheduled to open the applications for the Charter School Revolving Loan Fund, the Capital Access program and the Loan Participation program. Due to the limited funding for the Charter School Revolving Loan Fund, NMFA will open that first application cycle on a competitive basis with applications due in March. Capital Access enrollment forms and Loan Participation applications will be accepted on a rolling basis. These programs are funded by the federal State Small Business Credit Initiative, which has rigorous deadlines for funding. We will also begin accepting applications on behalf of the Water Trust Board for its review and recommendation of planning and design projects to be funded by the Interstate Stream Commission (ISC) from the New Mexico Unit Fund. The ISC formally approved its guidance document earlier this fall and the Water Trust Board is expected to approve its policy for the effort at its December 17th meeting, and applications will open shortly thereafter. Lastly, staff assisted the Opportunity Enterprise and Housing Development Review Board (OE Board) in its review of commercial development and housing development applications. The OE Board formally approved the priority lists which NMFA staff will use in underwriting applications. Due to requests for reconsideration, the OE Board will meet again in January to update and/or affirm the priority lists. The next application cycle for these programs will open after the OE Board meets in January, later than the originally scheduled January 8th date, in case the OE Board wishes to change any of the criteria or weighting for the next application cycle.

Informational Only.

5. Other Items.

5.1 Overview of Equity-Equivalent Investments ("EQ2's"). Staff presented an overview of the EQ2 investment vehicles.

Informational Only

5.2 Approval of Rules Governing Investments in Green Lenders from the Venture Capital Program Fund Under the Venture Capital Program Act. Staff presented the recommended rules governing investments in Green Lenders from the Venture Capital Program. Subject to Board approval, the NMFA intends to enter into a Memorandum of Agreement ("MOA") with EMNRD to facilitate the investment of the Special Appropriation to one or more New Mexico lenders equitably financing clean energy and energy efficiency projects ("Green Lenders"). To facilitate investment of the Special

Appropriation, Staff is proposing the creation of rules and accompanying policies that would govern investments in Green Lenders from the Venture Capital Program Fund (the “Fund”). Staff went over the proposed framework for the MOA.

Staff recommends approval of the proposed Rules Governing Investments in Green Lenders from the Venture Capital Program Fund.

Member Suazo moved, seconded by Member Shelton, for approval of agenda item 5.2. The motion passed 11-0.

5.3 Approval of Green Lender Investment Policy. Staff presented the Green Lender investment Policy. Discussion ensued with Member Collins requesting modified language to the policy.

Member Suazo moved, seconded by Member Collins as amended, for approval of agenda item 5.3. The motion passed 11-0.

5.4 Approval Equity Equivalent Investment Commitment of up to \$10 Million to the New Mexico Climate Investment Center (“NMCIC”). Staff presented the recommended investment commitment to NMCIC. Beth Beloff, CEO of NMCIC gave an overview of NMCIC’s mission. Ms. Beloff and NMCIC board members answered questions from the Board.

Staff recommends approval of an EQ2 investment commitment of up to \$10 million of the Special Appropriation from the Venture Capital Program Fund, subject to: (1) receipt of comprehensive financial projections; (2) satisfactory completion of due diligence; and (3) negotiation of legal terms and closing.

Member Shelton moved, seconded by Member Trujillo, for approval of agenda item 5.2. The motion passed 10-0. Member Costantinidis abstained. Member Lovato left the meeting at 10:14 am.

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. Kelsey Rader), Ms. Joy Esparsen (Mr. Richard Garcia) and Mr. Ron Lovato.*

6.1 Update on Activities. The Public Lending Committee met on December 4, 2024, via Zoom. Members Alison Nichols chaired the meeting, with members Richard Garcia, Kelsey Rader, Ronald Lovato and Marcos Trujillo in attendance. A quorum was established.

Staff presented four planning grant applications for small water systems and four PPRF applications The Committee recommends all eight applications for approval.

Informational Only.

7. Consent Agenda.

7.1 El Creston MDWCA (San Miguel County). PG-6642. \$50,000. Water Asset Management Plan. El Creston has come to the LGPF to fund a water asset management plan to assist the Association in managing infrastructure capital assets to minimize the total cost of owning and operating the utility, provide the service level customers desire, and is needed to achieve sustainable infrastructure.

7.2 Village of Columbus (Luna County). PG-6644. \$50,000. Wastewater PER. The Village has come to the LGPF to fund a wastewater PER. The PER will provide the Village with a planning tool to evaluate current conditions of the wastewater system and cost estimates for system improvements. The report would be used to apply for future funding for design and construction.

7.3 Village of Magdalena (Socorro County). PG-6645. \$75,000. PER. The Village has come the LGPF to fund a water PER. The Village's water distribution system is aged, well beyond its useful life, and is experiencing growing system failures. This report will identify the current system needs and develop alternatives for improvements as well as determine estimated costs. The Village plans to apply for future DWSRLF and Water Trust Board funding.

7.4 Sandoval County. PG-6643. \$25,000. Economic Development Feasibility Study. Sandoval County has come to the LGPF to fund an economic development feasibility study. This plan will include conducting an evaluation of the County's economic & competitive assets, identifying existing & emerging drivers of job creation, and identifying county-wide strengths, weaknesses, and opportunities.

7.5 Cimarron MSD (Colfax County). PPRF-6638. \$500,000. Educational Technology Equipment. The District has applied to the PPRF to finance surveillance systems, interactive displays for teaching, electric & IT infrastructure improvements district-wide 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.

Member Suazo moved, seconded by Member Nichols, for approval of agenda items 7.1-7.5. The motion passed 11-0.

8. Regular Agenda

8.1 Bloomfield School District (San Juan County). PPRF-6636. \$9,995,000. Infrastructure Project. The District has applied to the PPRF for District wide improvements to provide and maintain adequate educational facilities. In August 2024, the District received voter approval of \$28,000,000 in general obligation bonds for the purpose of erecting, remodeling, making additions to and furnishing school buildings, including teacher housing; purchasing or improving school grounds; purchasing computer software and hardware for student use in public schools; providing 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 \$9,995,000 which NMFA will purchase with the PPRF. The proceeds will be used but are not limited to projects that are consistent with the District's 2024- 2029 Facility Master Plan. Over a three-year period, the \$9,995,000 will be used for the demolition of three existing schools, construction of two new replacement schools, and cost of issuance.

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

8.2 City of Deming (Luna County). PPRF-6637. \$2,500,000. Infrastructure Project. The City has applied to the PPRF to finance multiple road and streetlight projects. The City received voter approval of \$5,000,000 in November 2022 of general obligation bonds for the purpose of installing and repairing streetlights, constructing, municipal alleys, streets, public roads and bridges. This approval is valid for a period of four years. The City will issue General Obligation Bonds in the amount of \$2,500,000 which NMFA will purchase with the PPRF. The Board directed staff to follow up on the City's audits and provide the Board with an update.

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

8.3 Santa Clara Pueblo (Rio Arriba County). PPRF-6533. \$9,770,000. Infrastructure Project. Santa Clara has applied to the PPRF to finance the construction of a new Governor's building. The Pueblo engaged an architectural and design firm to produce a preliminary architectural feasibility report, building matrix, draw schedule, and respective documents. The new building will accommodate the Council Chamber alongside the Governor's office and the Tribal Police offices. The water and sanitary sewer services will be provided by the Santa Clara Pueblo's Utility Authority. Dry utilities for this development include electricity, gas, telephone, and internet services. A portion of the site has existing services for electricity and gas. Debt Service Coverage: Staff is structuring the loan with a 1.30x (130%) debt service coverage ratio utilizing a combination of four pledge revenue sources, cigarette, gasoline, lodgers', and possessory tax. The additional bonds test (ABT) will be set at 1.50x (150%). Also, the loan will be structured utilizing an Automatic Clearing House (ACH) agreement.

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

9. 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.*

9.1 Update on Activities. A quorum of the Economic Development Committee met December 3, 2024, via zoom. Member Sam Collins chaired the meeting with Members Melanie Kenderdine, and Marcos Trujillo in attendance.

Staff and Meketa representatives presented an investment of \$3 million into Endurance28 Fund II. The committee recommends approval of the investment in Endurance28 Fund II. Staff provided updated Rules and Policies for the Primary Care Capital Fund. The committee recommends approval of the recommended Rules and Policies. Staff recommended a \$498,000 loan for Justice, Access, Support and Solutions for Health DBA: Casa de Salud to build a second location in Los Lunas, NM. The committee recommends approval. Staff presented the Monthly Program Monitoring Report. The report provides the status of payments by portfolio and by individual loans and provides updates on individual loans. This was an information item.

Informational Only.

9.2 Casa De Salud. BH-6640. \$498,000. Commercial Real Estate. Staff presented a project description for Casa De Salud. Casa de Salud is seeking funding to purchase its current clinic building in Albuquerque, NM. Casa de Salud raised \$186,000 toward a \$536,000 expansion of the facility. The objective is to finalize the purchase of the building within three months using NMFA/BHCF funds, as the current owner is preparing to sell the property for financial reasons, and Casa de Salud has first right of refusal. This loan request is intended to cover the costs associated with purchasing the building. Casa de Salud will invest equity into the property by making a much-needed grading and drainage improvement to the parking lot. Staff went over the financial analysis and the collateral for this loan. Dr. Anjali Teneja and Ms. Michelle Melendez provided background of Casa De Salud’s community history.

Member Suazo moved, seconded by Member Trujillo, for approval of agenda item 9.2. The motion passed 10-0.

9.3 Approval of Rules Governing the Primary Care Capital Fund (“PCCF”). Staff presented the recommended rules governing the PCCF. Staff amended the existing set of rules established by the Department of Health – Public Health Division on December 15, 2001 to address SB 423 and 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 primary care projects.

Member Suazo moved, seconded by Member Costantinidis, for approval of agenda item 9.3. The motion passed 10-0.

9.4 Approval of Revised Policy for PCCF. Staff presented the policy for the PCCF to include the updated loan structuring parameters.

Member Suazo moved, seconded by Member Shelton, for approval of agenda item 9.4. The motion passed 10-0.

9.5 Approval of Investment Commitment to Endurance28 Fund II. Staff presented for approval an investment commitment of \$3 million to Endurance28 Fund II, L.P. Mr. Ethan Samson, of Meketa went over the due diligence process for vetting Endurance28 Fund II. and presented the economic impact the Fund is expected to have in New Mexico. Staff recommends approval of an investment commitment of \$3 million to Endurance28 Fund II, L.P. (state funded) from the Venture Capital Program Fund, subject to satisfactory negotiation of legal terms and closing. Ms. Consuelo Valverde, Founder and Mr. Chris Sacca, of Endurance28, went over her educational background and funding strategy.

Member Suazo moved, seconded by Member Nichols, for approval of agenda item 9.5. The motion passed 10-0.

10. 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).*

10.1 Update on Activities. A quorum of the Finance & Disclosure Committee met December 4, 2024, via Zoom. Member Richard Garica chaired the meeting, with members Alison Nichols and Marcos Trujillo, and Kelsey Rader in attendance.

Staff presented the Investment Report for August, 2024. Staff reported on the Federal Reserve interest rate cut and commented on its potential impact to the investment portfolio as an informational item. Staff presented the October Bond Issuance report, PPRF program capacity, demand for capital, and the PPRF monthly bond outlook. Staff also presented a new report on Quarterly Disadvantaged Funding, which originated from the newly adopted Debt Management Policy as an informational item. Staff presented a review of the substantially final Preliminary Official Statement to be used in the marketing of the Series 2025A bonds, which will be issued in two series. NMFA staff will continue to prepare for the sale of the Series 2025A bonds, now expected to occur in February 2025. The committee recommends approval.

Staff presented an extension of BNSF \$50 million Line of Credit, which would satisfy requirements in conjunction with the Railrunner project. The only changes to the Fourth Amendment will be the commitment fee, going from 19bp a year to 22bp a year and extending the term through June 30, 2028. The committee recommends approval. Staff provided a presentation on the NMFA budget performance for the first quarter of FY 2025, which showed that we are tracking to the Approved Budget with no significant variances. One significant change is the treatment for the Small Business Recovery Loan Funds program that is now fully in the repayment phase of its lifecycle. The committee recommends acceptance of the Budget Performance Report.

Informational Only.

10.2 Approval of 4th Amendment to the NMDOT/BNSF Line of Credit. Legal presented the 50 million line of credit amendment with Wells Fargo Bank and went over the resolution with the Board.

Member Suazo moved, seconded by Member Trujillo, for approval of agenda item 10.2. The motion passed 10-0.

10.3 Authorizing and Delegating Resolution for the Senior Lien Public Project Revolving Fund Revenue Bonds, Series 2025A, Preliminary Official Statement (“POS”), 112th Supplemental Indenture of Trust and Related Documents. Disclosure Counsel and Bond Counsel presented the resolution and the POS. Staff went over the bond sale. Member Trujillo volunteered to be the designated officer for this bond sale.

Member Suazo moved, seconded by Member Burke, for approval of agenda item 10.3. The motion passed 10-0.

10.4 Q1 2025 Budget Performance Report. Staff presented the budget performance for the first quarter of FY2025. Staff recommends acceptance of the first quarter FY 2024 Budget Performance Report, as presented.

Member Suazo moved, seconded by Member Collins, for approval of agenda item 10.4. The motion passed 10-0.

10.5 Q1 2025 Disadvantaged Funding Report. Staff presented a quarterly report for disadvantaged funding from the PPRF. Reporting for Q1, 2025, a total PPRF loans was \$39.8 million, \$3.343 million were disadvantaged loans, or about 9.2 percent of all loans.

Informational Only.

11. **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.*

11.1 Update on Activities. The Audit Committee met December 4, 2024, via Zoom. Member Sam Collins and Member Ben Shelton were in attendance. A quorum was not established.

Staff presented an overview of the financial statements for September 2024. Staff provided an update on the construction project at 810 West San Mateo, noting the NMFA has approved payment on two change orders for the month.

Informational Only.

11.2 Presentation of the Quarter One Financial Statements and Performance Indicators. Staff presented the t of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, Performance Reports, as of September 2024. NMFA staff recommends acceptance of the September 2024 Financial Statements.

Member Suazo moved, seconded by Member Costantinidis, for approval of agenda item 10.4. The motion passed 10-0.

12. **Next Board Meeting.** Thursday, January 30, 2025 via Zoom – 9:00 a.m.

13. **Adjournment.** The meeting adjourned at 11:59 a.m.



Secretary

02 / 03 / 2025

Date