

**NEW MEXICO STATE BOARD OF FINANCE**

**REGULAR MEETING**

**VIRTUAL ATTENDANCE AVAILABLE**

**Santa Fe, New Mexico**

**October 15, 2024**

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:00 a.m. in the Governor's Cabinet Room, fourth floor, State Capitol Building, Santa Fe, New Mexico. The meeting was held with a virtual option for those who could not attend in person.

**1. ROLL CALL -- QUORUM PRESENT**

**Members Present:**

The Hon. Howie Morales, Lt. Governor  
The Hon. Laura M. Montoya, New Mexico State Treasurer  
Mr. Paul Cassidy, Public Member  
Mr. Michael S. Sanchez, Secretary, Public Member  
Mr. Joseph Lujan, Public Member

**Members Excused:**

The Hon. Michelle Lujan Grisham, President  
Ms. Wendy Trevisani, Public Member

**Staff Present:**

Ms. Ashley Leach, Director  
Mr. Marcos B. Trujillo, Deputy Director

**Legal Counsel Present:**

Mr. Blaine Moffatt  
Ms. Rebecca Guay

**2. APPROVAL OF AGENDA**

Treasurer Montoya moved approval of the agenda, as published. Member Lujan seconded the motion, which passed unanimously.

**3. APPROVAL OF MINUTES: September 17, 2024, Regular Meeting**

Treasurer Montoya moved approval of the minutes of the September 17, 2024, meeting. Member Lujan seconded the motion, which passed unanimously.

**CONSENT AGENDA (Items 4-16)**

Presenter: Ashley Leach, Director, Board of Finance

Submitted by: Gerald Hoehne, Chief of Staff and Chief Financial Officer,  
Higher Education Department

4. **New Mexico School for the Blind and Visually Impaired—Requests Approval Of Capital Expenditures for its Maintenance Buildings Roof and Fencing Project (\$1,300,000)**
5. **Western New Mexico University—Requests Approval of Capital Expenditures for Renovation of Graham Gym (\$2,000,000)**
6. **University of New Mexico—Requests Approval Revised Capital Expenditures For Facility Upgrade of Castetter Cage Wash (\$959,151)**
7. **University of New Mexico—Requests Approval of Capital Expenditures for Restoration of the Duck Pond and Surrounding Area (\$4,000,000)**
8. **University of New Mexico Health and Sciences Center/Hospital—Requests Approval of Revised Capital Expenditures for Code Upgrades for the Caring Cup Café in the 3<sup>rd</sup> Floor Ambulatory Care Center (\$448,500)**
9. **University of New Mexico Health and Sciences Center/Hospital—Requests Approval of Capital Expenditures for Renovation of Lamberton Building Outpatient Behavioral Health Center (\$1,000,000)**
10. **University of New Mexico Health and Sciences Center/Hospital—Requests Approval of Capital Expenditures for Replacement of the Lamberton Building Roof (\$1,200,000)**
11. **University of New Mexico Health and Sciences Center/Hospital—Requests Approval of the Revised Capital Expenditures for the Children’s Psychiatric Center HVAC Replacement (\$3,600,000)**

Submitted by: Ronda Trujillo, Coordinator of Leased Facilities, Los Alamos Public Schools

12. **Los Alamos Public Schools—Requests Approval of the Lease of Real Property, Located at 1990 Diamond Drive in Los Alamos, with Wendy Peterson, DBA House to Home Staging and Redesign (\$15,050/year)**

- Contingent upon director’s and counsel’s receipt and review of a fully executed lease agreement.

**13. Los Alamos Public Schools—Requests Approval of the Lease of Real Property, Located at 1900 Diamond Drive in Los Alamos, to High Flyers Gymnastics (\$95,400/year)**

---

- Contingent upon director’s and counsel’s receipt and review of a fully executed lease agreement.

Submitted by: Adán Trujillo, Attorney, Rio Arriba County

**14. Rio Arriba County—Requests Approval of the Donation of Real Property, Located at 72/74 State Road 514 in Los Ojos, to La Merced de Los Pueblos de Tierra Amarilla Land Grant**

---

- Contingent upon director’s and counsel’s receipt and review of (1) a fully executed donation agreement and (2) a fully executed quitclaim deed.

Submitted by: Anna Silva, Deputy Cabinet Secretary, General Services Department

**15. General Services Department—Requests Approval of an Amendment to the Contract with Bradbury Stamm for Construction of the New Mexico Veterans Skilled Nursing & Small Homes, Located at 992 South Broadway in Truth or Consequences (\$54,694,094.45)**

---

- Contingent upon director’s and counsel’s receipt of a fully executed Change Order #18.

Submitted by: Stephen Weinkauf, E-911 Bureau Chief, Department of Finance & Administration, Local Government Division

**16. Department of Finance and Administration, Local Government Division—Requests Approval of an Amendment to the E-911 Program Operating and Capital Budget for Fiscal Year 2025 (\$12,249,765)**

---

**Treasurer Montoya moved approval of Consent Agenda items 4-16, with the contingencies. Member Cassidy seconded the motion, which passed unanimously.**

**INFORMATIONAL ITEMS**

Presenter: Ashley Leach, Director, State Board of Finance

**17. General Services Department Capital Buildings Repair Fund Financial Status Report for Month-Ended September 30, 2024**

---

Ms. Leach presented this report.

**18. General Services Department Legislative Capital Projects Financial Status Report for Month-Ended September 30, 2024**

---

Ms. Leach presented this report.

**19. State Treasurer’s Office Investment Report for Month-Ended August 31, 2024**

---

**20. Emergency Balances – October 15, 2024**

	<u>Balance</u>	<u>Appropriation</u>
Operating Reserve Fund	\$3,634,000.00	\$4,000,000.00
Emergency Water Fund	\$ 109,900.00	\$ 109,900.00

Ms. Leach reported these balances.

Ms. Leach stated that the emergency grant request from the City of Jal that was tabled last month has now been rescinded after it was determined that the full amount would be made available through the Governor’s emergency funding.

**21. Fiscal Agent and Custodial Bank Fees Report**

Ms. Leach presented this report.

**22. Department of Finance & Administration Approved Joint Powers Agreements for Month-Ended September 30, 2024**

---

Ms. Leach presented this report.

**23. Tax Increment Development Districts Annual Report**

Ms. Leach presented highlights from the annual report.

Treasurer Montoya requested a breakdown on employment data. She said it would be helpful to know how many jobs are held by longtime New Mexico residents versus those coming here from outside the state.

Lt. Governor Morales commented that Winrock Town Center reported 95 jobs created in 2024, which seems very low, and asked to see the projections for 2025. He also asked how many of the 95 jobs are in construction.

**REAL PROPERTY LEASES**

Presenters: Wilfred Noble, Jr., Project Manager, McKinley County

**24. McKinley County—Requests Approval of the Lease of Real Property, Located At 65 1st Avenue in Thoreau, with NCWPCS MPL 30 – Year Sites Tower Holdings, LLC (\$12,000/year)**

---

Mr. Noble stated that this is a request for the lease of 5,625 square feet of land in Thoreau to Year Sites Tower Holdings LLC. He said the lease agreement is intended for the construction, maintenance and operation of a wireless communications facility. The communication tower is essential for providing reliable cellphone service and supporting emergency communications in the rural areas of Thoreau and McKinley County. This initiative aims to improve connectivity, support local businesses, and provide better services to residents. The location is centrally located between Albuquerque and Flagstaff and provides essential support for emergency services and communications.

Mr. Noble stated that the property has been appraised with a market value of \$12,000 annually with a 3 percent annual escalation clause.

Ms. Leach said staff worked very closely with Mr. Noble and the county attorney on this lease agreement and provided some feedback to them regarding some recommended changes. McKinley County was hoping to have an effective date prior to board approval today to capture some rent payments that would be consistent with the amount in the proposed lease versus the existing lease, which has a much lower rent. That has been removed from the lease agreement because the board cannot provide retroactive approval.

Ms. Leach said some of the changes requested to the lease agreement were just recommendations for the County to go back to Crown Castle tower owner to negotiate, and the hope is that they will agree to those changes. She said the county was supportive of that. None of them will cause any major liability or legal concerns for the county, however, should they not be agreed to.

Ms. Leach said approval of this request is contingent upon director's and counsel's receipt and review of a revised and fully executed lease agreement. Staff and counsel will look at a final redline once the county has heard back from Crown Castle.

Responding to Treasurer Montoya, Mr. Noble said the existing lease was brought before the Board of Finance in 2002. Ms. Leach noted that the board does not have a record of that request, but in 2002 the rent amount was \$300 a month. Mr. Noble said that was correct.

Treasurer Montoya commented on the large disparity between a rental rate of \$300 a month in 2002 and \$12,000 a month in 2024. Mr. Noble said it was possible that the market value was lower in 2002.

**Treasurer Montoya moved for approval with the contingency cited by Ms. Leach. Member Sanchez seconded the motion, which passed unanimously.**

## **HIGHER EDUCATION**

## **CAPITAL EXPENDITURES**

Presenters: Gerald Hoehne, Chief of Staff and Chief Financial Officer, Higher Education Department; Garnett Stokes, President, University of New Mexico; Dr. Michael Richards, Senior VP for Clinical Affairs, University of New Mexico Hospital; Kathleen Becker, Chief Executive Officer, University of New Mexico Hospital; Michael Chicarelli, Chief Operating Officer, New Mexico Hospital

**25. University of New Mexico Health and Sciences Center/Hospital—Requests Approval of Revised Capital Expenditures for Phase III Construction of the Critical Care Tower (\$579,924,118)**

President Stokes thanked the board for consideration of this project, the purpose of which is to expand the hospital's adult and intensive care emergency care departments and will be the home of the hospital's entire adult ICU.

Dr. Richards commented that this creates a real opportunity for UNM to advance its other major initiative of building the healthcare workforce for the state of New Mexico. Over the last ten years, the current clinical platform has been saturated with healthcare learners who require a clinical experience to advance in their training, and the new expanded clinical footprint will create a significant opportunity for UNM to grow its educational programs.

Dr. Chicarelli made a slide presentation on the history and scope of the project and said UNM is now seeking approval of expenditures totally \$579,924,118 for continued construction of the UNMH Critical Care Tower. The revised project total represents an increase of 18.7 percent, or \$91,341,170. The increase in project cost is due to significant labor increase and material cost escalation over the last three years, in addition to several design issues including coordination of major medical equipment design and installation, an increase in the number of Architectural Supplemental Instructions stemming from contractor Requests for Information as building plans were not complete, and the Commissioning Agent's increased work to commission the building,

Dr. Chicarelli said these issues have resulted in a 251-day extension of the substantial completion date. While the original completion time was November 2024, and that has been extended to June 2025.

Treasurer Montoya noted that, under Errors of Omission, UNM uses the number \$32 million but the number in the presentation is \$22.7 million. Dr. Chicarelli responded that this is the same presentation made a year ago when they began the process of appearing before the hospital board, Board of Regents, HED, and now the Board of Finance. As of last week, the amount has grown to \$32 million, and most of the difference is due to HVAC revisions.

Treasurer Montoya asked to see a breakdown of the \$32 million.

Treasurer Montoya commented that her mother recently broke her hip and was treated at UNM SRMC, and she was very well taken care of and received excellent medical care throughout the experience. She said this makes her a lot more confident about the money being put into this project.

Member Cassidy suggested that it would be helpful to see how healthcare fits into UNM's 2040 Plan.

Ms. Becker responded that they need about 700 new staff for the new tower to open, and they expect then to be filling space in the existing space, so will be adding more staff for two years after that.

Dr. Richards added that, over the ten-year period, they expect to add 350 new physicians to the UNM health system, and 200-250 more residents into the health system over the same period. UNM expects to be successful in recruiting healthcare professionals now that there will be jobs to recruit them into. He added, however, that there will be some healthcare professional sub-specialties that they will struggle with, which is a national problem simply because not enough of them are being trained.

Member Cassidy commented that the state is infrastructure-poor, and asked Dr. Richards what is needed to serve residents in the future. Dr. Richards responded that healthcare professionals currently work inside of healthcare infrastructure, i.e., nurses work inside a hospital, as do doctors, or in a large medical group. When UNM looks at healthcare infrastructure for the state, UNM has 1.74 hospital beds per thousand population, and the national average is 2.5, or 30 percent less. He agreed that, in thinking about growing the healthcare workforce, they must make sure they have the infrastructure to recruit them into, and this project is a good example of that. Because they haven't been growing programs, their recruitment is largely targeted at attrition and backfilling positions with new employees. This project now lets them have the conversation about growing another 700-1,000 healthcare workers, and over a ten-year period, that gives them a chance to recruit more physicians. Obviously, this is not true statewide. In rural New Mexico, their difficulties in recruiting might be related to the fact that the practice of medicine has evolved, and healthcare professionals like to work in bigger systems where there is availability of specialty services, etc.

Responding to Member Sanchez, Dr. Richards said their medical school is accredited for a limited number of medical students. They typically have 103-107 medical students. They can go after accreditation to increase the size, but they will need more School of Medicine infrastructure and a clinical delivery system. Member Sanchez suggested that they prioritize bringing in "homegrown" doctors and physician assistants through the existing medical school program, and to focus on increasing the size of the program rather than waiting for the building to be built.

Treasurer Montoya asked how many of the 103 medical students are New Mexicans. Dr. Richards responded that 103 is one class size for undergraduate medical education for four years, and 90 percent of the students are New Mexicans.

Treasurer Montoya asked for a breakdown of doctors, nurses, clinical therapists, and even CFOs or finance people. She said it is important for everyone to work together to support what the state needs, versus what is being taught, versus what is needed in the workforce, and how that can be sustained through education and keeping people in the workforce here.

Responding to Lt. Governor Morales, Dr. Richards said they about to enter their new accreditation cycle so the full accreditation will occur in January-February 2026. They are working on whether they can increase the class size of 103 by some additional students, as they are typically allowed to increase the School of Medicine class size within 10 percent without getting a reaccreditation. In this interim period, they hope to lay out a plan for incrementally doubling the size of the School of Medicine over this ten-year period.

Lt. Governor Morales asked that the board get an update before the upcoming legislative session.

**Member Sanchez moved for approval. Treasurer Montoya seconded the motion, which passed unanimously.**

**[Treasurer Montoya departed the meeting]**

Presenters: Gerald Hoehne, Chief of Staff and Chief Financial Officer, Higher Education Department; Dr. James Johnston, Chancellor, Eastern New Mexico University; W. Anthony Major Jr., VP Administration & Finance/Systems CFO, Eastern New Mexico University

**26. Eastern New Mexico University—Requests Approval of Capital Expenditures For Construction of the Student Activity Services Building (\$34,704,2478.03)**

Mr. Hoehne stated that the existing Student Academic Services building was constructed in 1948 and was the former Campus Union Building, which was renovated in 1964 and converted into the Student Academic Support Services building. The facility will include student support services, such as admissions, financial aid, counseling, testing centers, and student affairs on ENMU's campus. The design is being done to support a centralized student atmosphere, which creates a one-stop shop for student support services, both in person and for virtual engagement. This will replace the existing facility where some of these services are housed. The cost is being funded with \$9,000,000 of the 2022 Higher Education General Obligation Bond, \$12,000,000 of the 2024 general fund, and \$13,700,000 of ENMU reserve funding.



Dr. Johnston said this is to support ENMU’s increasing school population size. Growth both on campus and online has grown for three consecutive years. He said ENMU has students that are residential and may have a mixed courseload, taking courses in person and online, and the modern design of the project will provide some flexibility for their life demands.

Mr. Major said they are ready to execute the contract as soon as they receive approval.

**Mr. Cassidy moved for approval. Member Lujan seconded the motion, which passed unanimously.**

**[Treasurer Montoya reentered the meeting]**

### **GENERAL SERVICES DEPARTMENT**

#### **CONTRACTS**

Presenters: Anna Silva, Deputy Cabinet Secretary, General Services Department;  
Patrick Allen, Secretary, Department of Health

**27. General Services Department—Requests Approval of the Contract with Jaynes Corporation for Construction of a New Forensic Facility at the New Mexico Behavioral Health Institute Campus, Located at 3695 Hot Springs Blvd in Las Vegas (\$84,085,421.84)**

Secretary Allen said the environment in the existing facility, built in 1972, is not compatible with a modern therapeutic environment. The biggest issue is that the cost of the project has gone up significantly since the initial estimates. He said they looked at sister agencies in other states that are building large psychiatric facilities, such as Texas, Washington and New Hampshire, and noted that they are spending an average of \$2 million per bed in these facilities. These costs include recreation, food services, and comprehensive treatment space.

Ms. Silva stated that the construction is phased, and the phase being addressed today is for the exterior of the building and roughly 10 beds to include infrastructure. They will come back next year, depending on what they receive from the legislative request for \$120,000,000 to complete phase two.

Secretary Allen said this project envisions all phases to get to the full 90 beds.

Member Cassidy asked if there is any concern about staffing. Secretary Allen responded that they would not need to do a major expansion of staff because the bed count does not represent a substantial increase from the current bed count.

Member Lujan noted the reduction from the current count of 110 beds to 90 and asked why. Secretary Allen responded that they will be able to more effectively use the new beds than the existing beds. The current census in the seventies, so they are not stressing the capacity that they have now.

Ms. Silva added that the facility accommodates room for future growth. She also stated that they went through multiple iterations and negotiations to maintain the \$1,000 cost per square foot.

Responding to Treasurer Montoya, Secretary Allen stated that they have significant staffing issues. Their behavioral health techs, an entry level position, have a 52 percent vacancy rate. Nothing about the new facility really changes the staffing dynamic. They never operate the facility at an unsafe staffing level and bring in contract staff if necessary to meet regulatory and policy standards. They have done a few things to address the underlying vacancy rate, including regular rapid hire events and working in partnership with the Community College and Highlands in terms of the people they are training, although those generally don't apply to entry level jobs. They have worked on an ongoing basis with SPO and their funding partners to identify ways they can increase entry level pay, and they have had some success with that. Their behavioral health tech position salary is \$21 per hour.

Treasurer Montoya noted that the first phase of this project is for the exterior of the building with no guarantee that the legislature will prioritize the continuation of the project. This is a concern. She is also concerned that there will be no improvement in the vacancy rate if there is not a shift in pay, morale, or safety levels. She is from Las Vegas and knows people who have worked at the existing facility and have been injured on the job and are told to just go back to work, or they are put into an unsafe situation and there is not enough staff when there is an incident. She said it is important that salaries be sufficient to encourage people to work there as opposed to taking a job at Walmart, for instance.

**Member Cassidy moved for approval. Member Sanchez seconded the motion, which passed unanimously.**

## **ACQUISITIONS**

Presenters: Anna Silva, Deputy Cabinet Secretary, General Services Department;  
Alisa Tafoya Lucero, Cabinet Secretary, Department of Corrections

- 28. General Services Department—Requests Approval of the Acquisition of Real Property, Located at 185 Dr. Jenkins Drive in Clayton, known as the Northeastern New Mexico Correctional Facility, from the Town of Clayton (\$34,035,000)**

Providing background for this request, Secretary Lucero stated that she has been Corrections Secretary since 2019, at which time the detention facility was privately operated by GEO Group, which had been there since 2008. At the time she came in, the

facility was grossly understaffed and there were many serious issues with security and safety. In November 2019, when the state took over, staffing was at half the necessary level, requiring the state to relocate some inmates. While capacity is 625 beds, the number of inmates was reduced to 300. The individuals housed there are Level 3, or medium custody level. The state offers college classes, adult basic education, and other programs. The current population is 581, and the staff vacancy rate is at 22 percent.

Secretary Lucero said the state continues to make \$500,000 monthly bond payments to the Town of Clayton, or \$6,000,000 per year. These lease payments would cease with the acquisition of the facility.

Member Cassidy asked if this is an essential facility for the prison system. Secretary Lucero responded that it is extremely important to maintain those Level 3 beds, which are at a premium. The facility is also providing economic benefit to Clayton and the surrounding area.

Responding to questions from Member Cassidy on what additional expenses might be borne by the state, Secretary Lucero noted that, because the facility is owned by the Town of Clayton, the state is already covering those capital expenses using the operating budget. The building is much newer than any of the other buildings in the state's prison system.

Ms. Silva added that a primary reason for this acquisition request is that the Corrections Department is having to use its operating money to provide maintenance of the facility, while statewide funds can be used for the other facilities. GSD has done a facility condition assessment as well as the first and second phase of the facility, and not a lot of maintenance will be required.

Ms. Leach stated that approval would be contingent upon director's and counsel's receipt and review of a fully executed quitclaim deed.

**Member Cassidy moved for approval. Treasurer Montoya seconded the motion subject to the contingency, which passed unanimously.**

**[Lt. Governor Morales departed the meeting.]**

#### **EMERGENCY FUNDING REQUESTS**

Presenter: Chita Gillis, Secretary & Treasurer, Cañada de Los Alamos Mutual Domestic Water Consumers and Mutual Sewage Works Association

- 29. Cañada de Los Alamos Mutual Domestic Water Consumers and Mutual Sewage Works Association—Requests Approval of an Emergency Operating Grant for the Purchase and Hauling of Drinking Water (\$20,600)**

Ms. Gillis reviewed the history of requests made by Cañada de Los Alamos to the Board of Finance. The village has received three grants from the board to date. She said they were able to obtain an emergency infrastructure grant from the USDA in the amount of \$566,000 to develop a new water source. The well is very close to being done and they expect it to be completed within three months. She said today's request is to carry them through November, December and January. The amount is based on their gallons per month used and the cost of hauling the water, which is about \$6,800 per month.

Ms. Gillis commented that this has been a very disappointing journey into the new well. Their hydrologist has explained that they are not in a good water-producing area now that the drought has caused a drop in the water table. In addition, they have fractured granite that has compressed over time, which means they do not carry much water, and they consequently must rely on recharge wells.

Ms. Gillis said they developed another alluvial well that is deeper than the current well. While they expected 2.5 to 5 gallons per minute, which would meet the community's needs, it is only performing at one gallon per minute. They are now looking into rehabilitating one of their existing water sources to supplement that well.

Responding to Member Lujan, Ms. Gillis said there are 14 requests to come onto the system. They realize the water situation is not going to get better, and they have a project in the design phase to bring Santa Fe County water to the village. They will then have a sustainable water source and will be able to bring in around 25 more families who live below the tank.

Member Lujan asked if the residents participate in the cost. Ms. Gillis responded that they have a very progressive rate structure, but there is a limit to what people can pay. They will have to really push that limit, because they are going to supplement the water they can draw out of the ground with other water, and they realize they will have to take on that responsibility.

Treasurer Montoya observed that the \$20,600 being requested today apparently doesn't include any financial contribution from members. Ms. Gillis responded that, to this point, they have not included that because there are only 25 members just to support the cost of operating the system, which is \$23,000.

Deputy Director Trujillo explained that all the operating costs they are generating are going to sustain the staff and operation, and the board has been paying for the hauling and purchasing of water for the last three or four years. He said Ms. Gillis has been providing monthly invoices and all information requested by the board.

**Member Cassidy moved for approval. Member Sanchez seconded the motion, which passed unanimously.**

### **PRIVATE ACTIVITY BONDS**

Presenters: Ashley Kegley-Whitehead, Chief Communications Officer, Infinity Water LLC; Marquita Russel, CEO, New Mexico Finance Authority; Rikki-Lee Chavez, Consultant; Michael Dyson, CEO, Enchantment Water/Infinity Water Solutions; Richard Weiss, Managing Director, Wells Fargo Corporate & Investment Banking

#### **30. New Mexico Finance Authority—Requests Approval of an Extension of its 2024 Private Activity Bond Volume Cap Allocation for Enchantment Water, LLC and Infinity Water Solutions, LLC Hydro Harbor**

Mr. Dyson presented a progress report.

Mr. Dyson requested approval of an extension of its Private Activity Bond volume cap allocation for the Hydro Harbor Water Infrastructure project approved by the board at the July meeting. NMFA was allocated \$56,700,000 for the project, which expires on November 13, 2024, and is requesting an extension of the allocation through December 27, 2024. The complexity of the document preparation required for issuance of the bonds has caused a delay in the issuance, and NMFA will not be able to close prior to November 13.

Responding to Treasurer Montoya, Ms. Russel said the NMFA board is prepared to act on a resolution at the end of this month, which would put them on an estimated timeline to issue the bonds on December 3 or 4, 2024.

Member Cassidy noted that they will have to reallocate this again at the end of December, and he feels it is important that they complete it before that, or otherwise they will be competing against multifamily housing and other necessary needs for the state.

Mr. Dyson responded they are very confident that the sale of the bonds will be successful. The equity partners have also expressed interest in the bonds, and Wells Fargo is confident in taking these bonds to market.

Mr. Weiss commented that this is very much the type of project that Wells Fargo likes to be an underwriter on from several perspectives, including strong parties to enter into contracts with; need for water in the region; environmental benefits; the fact that this technology is proven; and construction risk is relatively low. On the financing, all the boxes are checked. In addition, the high yield market is desperately looking for these types of bonds, and these will be sold to qualified institutional buyers with very sophisticated bond funds.

**Member Cassidy moved for approval. Member Lujan seconded the motion, which passed unanimously.**

### **STAFF ITEMS**

Presenter: Ashley Leach, Director, Board of Finance

#### **31. Consideration of the Sole Source Contract with American Express and**

**Delegation to Staff to Incorporate Changes Resulting from Final Negotiations**

Ms. Leach said staff is nearing completion of negotiations with American Express for a contract that would allow state agencies to accept American Express card payments. Staff is also seeking delegation of authority to finalize negotiations. The contract expires on December 1, and signatures can take time to obtain following approval of the board.

Ms. Leach said the negotiated contract is not substantially different from the current contract. They are proposing a term of six years instead of the historical four years and are requesting a policy exemption from the State Controller.

Ms. Leach said the contract starts on December 1, and staff will report on any significant final contract provisions at the November meeting.

**Treasurer Montoya moved for approval. Member Cassidy seconded the motion, which passed unanimously.**

**PRESENTATIONS**

Presenter: Marcos B. Trujillo, Deputy Director, Board of Finance

**32. Presentation on Private Activity Bond Volume Cap**

Mr. Trujillo made a presentation [page 1926].

Member Cassidy asked Mr. Trujillo if he sees the need for any state law changes on the allocation process.

Mr. Trujillo suggested that it would be helpful for the board to begin discussing this issue. As the PAB program attracts more interest, it could be challenging for the board to determine what types of projects should be moved forward. He added that any buy-in from legislators and policymakers on the best use of this program is very important to the state and board.

**ADJOURNMENT: 12:39 p.m.**

  
Michelle Lujan Grisham, President

12-2-24  
Date

Michael S. Sanchez, Secretary



December 3rd, 2024

Date