MINUTES OF THE

NEW MEXICO STATE BOARD OF FINANCE

REGULAR MEETING

Santa Fe, New Mexico

February 20, 2018

A regular meeting of the New Mexico State Board of Finance was called to order on this date at 9:08 a.m. in the Governor's Cabinet Room, Fourth Floor, State Capitol Building, Santa Fe, New Mexico.

1. ROLL CALL -- QUORUM PRESENT

Members Present:
The Hon. Susana Martinez, President [by telephone until arrival at 10:30 a.m.]
The Hon. Tim Eichenberg, State Treasurer
Mr. Adelmo Archuleta, Public Member
Mr. Michael Brasher, Public Member, Secretary

Members Excused:
The Hon. John A. Sanchez, Lt. Governor
Mr. Robert J. Aragon, Public Member
Mr. John Kormanik, Public Member

Staff Present:
Ms. Donna Maestas, Acting Director
Ms. Duffy Rodriguez, Secretary of Finance and Administration

Legal Counsel Present:
Ms. Sally Malavé, Attorney General’s Office
Mr. Stephen Vigil, Attorney General’s Office

Others Present:
[See sign-in sheets.]

2. APPROVAL OF AGENDA

ANNOUNCEMENT: NEXT REGULAR MEETING: TUESDAY, MARCH 20, 2018

Ms. Maestas requested that the following item be deferred:
• Item 13: Higher Education Department – Presentation on all Higher Education Institution Funds – Reporting on all Institution Funds their Sources, Restrictions and Balances

Ms. Maestas stated that the following item was withdrawn. Such authority has already been delegated:

• Item 20: Approval of Delegation of Authority to Director to Review and Approve Pricing Agreements under the Agreement between the Fiscal Agent and State Agencies

Mr. Archuleta moved approval of the agenda as amended. Mr. Eichenberg seconded the motion, which passed 4-0.

CONSENT AGENDA (Items 3-7)
Presenter: Donna Maestas, Acting Director

Submitted by: Donna Maestas, Acting Director
3. Approval of Minutes: January 17, 2018 (Regular Meeting)

Submitted by: Jay Czar, Executive Director New Mexico Mortgage Finance Authority
4. New Mexico Mortgage Finance Authority – Requests Approval of Private Activity Bond Volume Cap Allocation for JLG NM Central 2017 LLLP, for Six Affordable Multifamily Housing Developments ($9,000,000)

5. New Mexico Mortgage Finance Authority – Requests Approval of Private Activity Bond Volume Cap Allocation for JLG NM North 2017 LLLP, for Six Affordable Multifamily Housing Developments ($9,650,000)

6. New Mexico Mortgage Finance Authority – Requests Approval of Private Activity Bond Volume Cap Allocation for JLG NM South 2017 LLLP, for Eight Affordable Multifamily Housing Developments ($9,000,000)

Submitted by: Gerald Hoehne, Capital Projects Director, New Mexico Higher Education Department
7. New Mexico Institute of Mining and Technology – Requests Approval of Jones Hall Renovation ($9,091,084)

Mr. Eichenberg disclosed that his property tax business does appeals for JL Gray. Although his company would not profit from today’s action, he would abstain from the vote to adopt the Consent Agenda.
Mr. Czar thanked the board for approving the three requests from the NM Mortgage Finance Authority. He said this was the largest bond development of this kind in the state's history, and would help preserve 753 apartments in 11 different communities, all of them in rural areas. He introduced JLG Properties representative Jack L. Curry.

Mr. Archuleta moved approval of the Consent Agenda, as published. Mr. Brasher seconded the motion, which passed 3-0-1, with Mr. Eichenberg in abstention.

**EMERGENCY FUND BALANCES**
Presenter: Donna Maestas, Acting Director

8. **Emergency Balances – February 20, 2018**
   
   - Operating Reserve Fund: $1,848,876.50
   - Emergency Water Fund: $104,800.00

Ms. Maestas reported these balances.

**EMERGENCY FUNDING REQUESTS**
Presenters: Manuel F. Valdez, President, La Asociacion de Agua de Los Brazos MDWCA; Laura Dubin, Rural Development Specialist, Rural Community Assistance Corp (RCAC); Royce Beaudry, Project Engineer, Souder Miller & Associates.

9. **La Asociacion de Agua de Los Brazos Mutual Domestic Water Consumers Association – Requests Deferment of their Annual Payment of $1,500 that was Scheduled for Payment to State Board of Finance on December 1, 2017 or to Convert the Loan of $30,000 into a Grant**

Ms. Dubin presented a brief history of Los Brazos to explain why they were here today. She said Los Brazos is a very small rural water system located in Rio Arriba County, about nine miles south of Chama.

   -- The system was founded in 1977; however, the infrastructure was built in 1986 to provide water to 30 small households. It included an infiltration gallery, 10,000-gallon water storage tank, a booster pump system, a pump house and water distribution lines.

   -- In 2002, Los Brazos installed a new 25,000-gallon water storage tank on a hill just east of the system, but it is not connected to the system. The hope was to extend the line out there to bring in extra revenue, but based on a recent Preliminary Engineering Report, that is not feasible at this time.

   -- In 2005, updates to the infrastructure were made, including a new infiltration gallery, a new pump and a new chlorination system.

   -- In 2006, the Drinking Water Bureau identified a high contamination risk due to surface water and recommended installation of surface water treatment or connection to a new water
source. Los Brazos was given 18 months to complete this project; however, it was not completed until 2016. They went through several rounds of funding and several rounds of construction; and after construction was completed in 2012, they were ready to turn on the interconnection with their neighbors, Los Ojos, their ultimate source of drinking water. However, Los Ojos then had to install a supplemental well, which took until 2015 to complete, and the water was officially turned on in November 2016 after the lines were flushed and the valves were replaced.

Ms. Dubin said she had related this history to illustrate how difficult it is for small rural systems to manage their water, especially with a system that had 30 water connections to start. Currently, they have 15 active members (13 of which are current with their payments), 18 inactive members, and the potential for two commercial members. Los Brazos is completing the final round of construction and is installing individual meters, which will enable the two commercial connections to hook up to the system.

Ms. Dubin stated that, assuming everybody pays in 2018, they anticipate estimated revenues of $18,720. Without loan forgiveness, that would give them a net income of $604. They are asking for either deferment of their loan payment to the Board of Finance for another year, or to convert the loan into a grant.

Responding to Secretary Brasher, Ms. Dubin said the system currently has five loans outstanding, two with the USDA, one with NMED, one with the Board of Finance, and one with the Water Trust Board. They have been making their annual payments to NMED and USDA for the two loans, and every year they ask for loan forgiveness from the Water Trust Board. The total amount of the loan payments is $8,409.16.

Mr. Archuleta asked if there is an opportunity to tie into the regional system. Ms. Dubin responded that they had originally hoped that a more formal merger with Los Ojos would be possible, but after several years of conducting outreach to Los Ojos, attempting to hold joint meetings to discuss the potential for sharing a board, a bookkeeper, an operator, etc., Los Ojos has declined every opportunity to attend meetings and discuss this with them. She and her colleague attended their board meeting and brought the idea to them, and Los Ojos expressed opposition to any option except selling water to Los Brazos.

Mr. Archuleta said he was a little surprised that Los Brazos was in this situation, since borrowing money from an organization like the Water Trust Board requires the borrower to demonstrate financial viability and a payment plan. Regardless of what the Board of Finance decides today — whether to forgive the loan or extend it — he personally would like assurances that its decision will give them the necessary relief to make payments instead of asking for loan forgiveness every year. He said he would like to see a financial plan.

Ms. Dubin responded that Los Brazos has explored many options to reduce financial challenges, including all of the various forms of regionalizing with Los Ojos, selling the
unused storage tank (which the Drinking Water Bureau would not allow), and reclassifying to sub-meter system to reduce the burden (which the state said was not permitted). She said the different emergencies that have popped up over the years have wiped out their bank account, and Mr. and Mrs. Valdez typically pay out of pocket until the system has enough money to repay them.

Responding to Mr. Archuleta, Ms. Dubin said the 13 paying customers are paying a flat rate of $72 a month. While they would go from flat rates to usage rates under the metered system, it would require hiring a meter reader and an operator, and they are facing a problem with that. She said the original goal with this final phase of construction was to have a system that would be more attractive to Los Ojos. The option is to continue reaching out to Los Ojos and other systems to see if collaboration is possible.

Mr. Beaudry added that, even though Los Ojos isn’t necessarily presently interested in combining systems completely and taking on some of the debt from Los Brazos, they have been in talks to combine them administratively and share an operator, which would reduce costs. They have a very old distribution system and are using excess water, which they are buying in bulk from Los Ojos, and the metering will allow them to identify the leaks in the distribution line and do spot repairs, which will reduce water use and allow them to better manage the system.

Secretary Brasher asked if Los Ojos has received any federal monies. Mr. Beaudry responded that he did not know. Secretary Brasher said he would be interested to know if the federal government, and the Water Trust loans in their agreements, encourage or require regional cooperation in between water systems.

Secretary Brasher suggested postponing any action on this until Los Brazos can come back with the plan and to make Los Ojos aware that the board is hoping for regional cooperation in the area.

Ms. Dubin commented that she is under contract with the USDA, which is also encouraging regionalization because there are not the economies of scale to provide loans and grants to systems anymore. From her agency’s side, they have been trying to work with the systems in Tierra Amarilla and Rio Arriba County for many, many years, including Los Brazos, Los Ojos, Ensenada and Chama West. She said regionalization is very difficult because of histories between the communities and because of conflicts between the boards. For all the years they have been working there, it hasn’t happened yet. While incentivizing is generally a good thing, she sees this as a challenge for the communities because her technical assistance is being cut off at USDA’s request.

Mr. Archuleta stated that if the board were to postpone payment for a period of time, he would look at forgiving the $30,000 if it would solve an issue going forward; for instance, as an incentive for regionalization, perhaps the $30,000 could be used to benefit both Los Brazos and Los Ojos through the sharing of an operator, for example.
Secretary Brasher said it would make sense for a way to be found for all of the parties to work together. At this point, the board would not be ready to consider forgiving the loan and converting it to a grant.

Governor Martinez asked if there were any capital outlay requests made from the legislature to cover any of these costs.

Mr. Beaudry responded that the Asociacion received the capital outlay funding for water system improvements in 2013 and in 2015. When they were awarded the funding, they requested that the appropriation be reauthorized for debt repayment instead of the improvement project, but that was rejected, and they had to do the water meter project instead. Governor Martinez asked if it was reauthorized because it wasn’t spent, and Mr. Beaudry responded that the Asociacion was able to keep the grant and use it for the water meter project. However, before moving forward with that project, they requested that the monies be used to repay the debt, but that was not allowed.

Governor Martinez asked if any appropriation requests were made from this year’s legislature. She noted that the state representatives had about $540,000 each and the senators had a little over $800,000 each. She asked if any of them were approached. Ms. Dubin responded that they haven’t explored any additional capital outlay and are spending down the last round of the meter project money. She said she didn’t think the system had the capacity to manage more or to explore more construction. Mr. Beaudry responded that the Asociacion did not apply for capital outlay money this year.

Mr. Archuleta moved that the board postpone the payment for another year with the stipulation that they come forward by September 2018 with a plan and a budget, and that dialogue takes place between their water system and any other local regional water system. Mr. Eichenberg seconded the motion, which passed 4-0.

**PROPERTY DISPOSITIONS**
Presenters: Max Perez, Superintendent, Belen Consolidated Schools; Arthur Melendres, Attorney, Modrall Sperling Law Firm; Steven Tomita, Planning and Economic Development Director, City of Belen; Jerah Cordova, Mayor of Belen

10. Belen Consolidated School District – Requests Approval of the Lease of Real Property Located at 630 E. Reinken Avenue in Belen to Tractor Supply Company ($81,000 per year)

Mr. Perez stated that he is in his third year as superintendent, and for about eight to ten years, the district has been experiencing declining student enrollment at the rate of 122 students per year. They had a $3.5 million cash balance that has dwindled down to about $1,979. There are several things that have occurred that put the district into this budget situation, which is being corrected and cleaned up, and they expect about $200,000 in cash to come back to them.
Mr. Perez said cuts to the budget have not kept up with the declining revenue, which has forced them to think creatively. He stated that the city purchased a building for $276,000 about five years ago, and Tractor Supply has requested to lease it. The rental rate would be $81,000 a year for the next ten years, which would have a huge impact on their $29 million operating budget. He said the district received $150,000 in emergency supplemental funding last year, and they may have to ask for another $150,000; however, if they could lease this building to Tractor Supply, a second request may not be necessary.

Mr. Melendres said Tractor Supply has about 5,000 leases across the country. He said the lease has been modified to conform to the wishes of board staff and Tractor Supply in accordance with New Mexico law, which has been a lengthy process.

Mr. Archuleta asked staff if the board is at a point where this request can be approved with all sides being sufficiently protected.

Ms. Maestas said staff has been working with Mr. Melendres for the last few months, so there have been a lot of changes to the lease, but there are still some instances in the lease where the language needs to be revised. She said staff recommends approval with the following contingencies:

-- Contingent upon Director’s receipt and counsel review of an amended fully executed lease agreement with the following changes:

- Article 1: The third sentence to be amended to require SBOF approval for any changes to the leasable area in the lease.
- Article 2: The last sentence to be amended to change the reimbursement for “general contractor’s remobilization charges” to a rent offset.
- Article 6: The phrase “shall be compliant with Laws and all encumbrances to title” to be replaced with “are permissible uses of the Demised Premises under applicable zoning laws and encumbrances to title”.
- Article 12: The last sentence of the first paragraph to be amended to require that rent commence upon Tenant’s entrance to the property.
- Article 14: The title should be changed to “Non-Compete Clause.” The second paragraph impairing other contracts to be removed. The provision in the third paragraph authorizing a reduction of rent by one-half to be removed.
- Article 15: The provision in the third paragraph capping common area expenses and limiting increases to 3% to be removed. The provision in the fifth paragraph authorizing Tenant to discontinue common expense payments to be removed or changed to an offset.
- Article 16: To indicate that Landlord’s obligations are “subject to sufficient appropriations as determined by Landlord.”
• Article 18: The provision in Section iii capping Tenant’s share of insurance payments to be removed. The provision in Section iii extinguishing Tenant’s reimbursement obligation to be removed or changed to an offset.

• Article 23: This Article to be deleted in its entirety and replaced with a provision that Tenant shall be responsible to pay for any real estate taxes or assessments the city or county may impose in the future as a result of Tenant’s commercial activities.

• Article 33: Under Paragraph A, Tenant may reduce rent in the event of a condemnation either: (1) in proportion to the amount of land and building area lost or (2) in proportion to the effect of the loss on Tractor’s business. Option (2) to be deleted. The abatement clause to be removed or changed to an offset.

• Article 34: The provision requiring Landlord to make direct payments to Tenant to be changed to an offset.

• Article 66: References “Exhibit I.” Please provide this exhibit.

• Article 68: The determination of effective date should take place prior to SBOF approval.

• An acceptable appropriations sufficiency clause.

• Removal of all other instances of rent abatement, “covenants,” “warrants,” and other language which could be considered by Board staff as an impermissible future debt.

Mr. Melendres said Tractor Supply has had a new lawyer working with him since January and the relationship has been very productive; they worked until 4:45 p.m. yesterday trying to address the comments on both sides in a new draft. If they have contingent approval in good faith, he will work with the attorneys, his client and Tractor Supply and he is hopeful that they can come to an agreement. The two sticking points, as characterized by Mr. Melendres, are the non-appropriation provision and the Indemnification provision, but he thought they had addressed the Indemnification provision and that they could address the non-appropriations provision satisfactorily.

With respect to the non-appropriations section of the lease, Mr. Melendres said they have negotiated diligently with staff about that language. He said Tractor Supply will put in $780,000 to $800,000 in this building, which will inure to the benefit of Belen, but they are extremely reluctant to have someone say in a couple of years that there are not sufficient appropriations and that they want to cancel the lease. He said he needed a way to protect both sides.

Ms. Malavé stated that, while she understands Tractor Supply’s concerns, staff is working with Mr. Melendres to ensure that the school district’s interests are also protected and making sure that the lease complies with all legal and constitutional requirements. She stressed that staff is open to looking for a middle ground, and is not pushing arbitrary requirements.
Mr. Eichenberg moved for approval of this request, with the contingencies, as presented. Mr. Archuleta seconded the motion.

Mr. Cordova said he appreciated board staff’s work in bringing this to a conclusion. He said Belen went through a period of decline but began to recover two or three years ago, largely thanks to Keter Plastics and Facebook. The addition of Tractor Supply will add jobs and revenue to the school district.

The motion for approval passed 4-0.

[Governor Martinez arrived at the meeting.]

HIGHER EDUCATION DEPARTMENT

Presenters: Dr. Barbara Damron, Cabinet Secretary; Thomas Schawel, Policy Analyst; Dr. Julie Coonrod, Dean of Graduate Studies; Dr. Lloyd Lee, Assistant Professor of Native American Studies; Dr. Gregory A. Cajete, Director Of Native American Studies; Dr. Richard Wood, Acting Provost, University of New Mexico

11. University of New Mexico – Requests Approval of Master of Arts Program in Native American Studies (NAS)

Dr. Damron said this program is aimed at addressing the educational needs for healthier and fully engaged communities, economically and socially. The graduates from this program will be well suited for employment and leadership for Native nations, organizations and other institutions. She added that no additional resources – faculty, facilities or funding beyond the funding formula – are requested.

Dr. Lee made a power point presentation on the Master of Arts in Native American Studies program.

Dr. Lee noted that there are 2,100 Native American studies enrolled at UNM main campus and an additional 2,300 students at the branch campuses in Gallup, Los Alamos, Valencia and Taos.

Mr. Archuleta asked what the ultimate goal of this program is. Dr. Cajete responded that this initiative began in 2007, when he was director of Native Studies. He began to initiate conversations with many tribal leaders throughout the state, and through that, was able to gain an understanding of some of the perceived needs of these communities. Two main themes that came up repeatedly in the conversations were (1) the need for an informed leadership, especially given the yearly turnover of tribal governments, and (2) the need for economic sustainability in the communities. He said the hope in this program is to find students who will eventually take leadership positions in their communities and begin to address the needs of these communities in a more informed way. In five or ten
years, the hope is to have a cohort of students from this program who are taking these leadership positions in a variety of different ways and places in the state.

Dr. Damron commented that she started the state’s first statewide outreach to Native Americans for healthcare, and at the time needed someone with graduate level knowledge who could read and interpret research, had communication skills (writing and oral) and could go into the Native American communities and communicate effectively with the ultimate goal of having people in the communities have access to healthcare and clinical trials that could save their lives. Someone was found to assist in this program, but it meant going to Arizona to hire them and bring them back to New Mexico, where they were originally from. She said this is a clear example of why this program is needed.

Citing another example, Dr. Damron said the Higher Education Department needs someone with a master's level education who can interpret research and communicate effectively with Native Americans to discuss initiatives that are underway.

Governor Martinez spoke to difficulties encountered by some Native Americans who leave their community for a few years in order to get an education, and then there are difficulties when they return in terms of being assimilated and accepted back into the culture. She recalled a situation in 2014, when one of the Navajo Nation’s presidential candidates, who was Harvard educated, suspended his campaign because he did not meet the requirement that he speak Navajo.

Dr. Lee responded that the program would have a multi-delivery system in the Navajo Nation, so people can take program courses online and do not have to leave. He said the relationships UNM has built with the different native communities in New Mexico has helped them understand the importance of the program as well as the possibility that this graduate degree will help them in the long run. Dr. Lee said he feels the majority of Navajo people want a leader who can speak Navajo and English, which is something he would personally prefer as well, since it would help with communication and education and would help build a better nation.

Mr. Archuleta moved for approval. Governor Martinez seconded the motion, which passed 4-0.

Presenters: Dr. Barbara Damron, Cabinet Secretary; Thomas Schawel, Policy Analyst; Dr. John Scarbrough, Associate Dean of Nursing; Dr. Jack Crocker, Provost & Vice President of Academic Affairs

12. Western New Mexico University – Requests Approval of Master of Nursing and Post-Master Family Nurse Practitioner Certificate

Dr. Damron stated that Western New Mexico University (WNMU) is requesting approval of a Master of Nursing (MSN) and Post-Master Family Nurse Practitioner (FNP) Certificate. Graduates of the proposed program will be prepared to serve in a multitude
of roles, including but not limited to the following: State of New Mexico Department of Health; K-12 school systems; institutions of higher education, healthcare facilities; and local and regional systems that provide patient care. Applicants will earn a 33-credit MSN degree in Community and Rural/Frontier Health, with concurrent preparation for American Nurses Credentialing Center certification as an Advanced Public Health Nurse. An additional post-master's certificate option will be available for interested candidates to obtain an advanced practice licensure and national board certification as an FNP.

Dr. Scarbrough made a power point presentation.

Dr. Scarbrough stated that resources for the program are already in place, including faculty and infrastructure. No additional costs are involved, and community and partner institutions are unanimously in support of this program.

Mr. Archuleta asked for assurances that this program will add value and will not dilute other nursing programs around the state. Dr. Damron responded that there are a number of programs in New Mexico that the state has too many of and which are just duplicative. She said she could guarantee that the state is unable to fill existing openings for Advanced Practice Nurses and the state could actually use a second master's program to meet the current demand. She added that these nurses will also be equipped to work in the rural areas of New Mexico, in areas like Clayton and Jal, as well as on the southwestern side, where there is a tremendous need. She said nurses graduating from the programs at UNM and NMSU tend to be focused in the Albuquerque and Las Cruces areas.

Dr. Scarbrough added that the nurse practitioner program at NMSU is a doctoral program, not a master's program.

Mr. Eichenberg asked how many nurses are needed in New Mexico, and Dr. Damron responded that the shortage is considerable, numbering in the thousands. While the shortage of Registered Nurses has eased up, the shortage of Advanced Practice Nurses has increased.

Mr. Archuleta moved for approval. Mr. Eichenberg seconded the motion, which passed 4-0.

STATE TREASURER'S OFFICE
Presenter: Vikki Hanges, Chief Investment Officer and General Portfolio Manager
15. Quarterly Investment Report for Quarter-Ended December 31, 2017
Ms. Hanges reported that, at the end of December 2017, STO managed about $3.8 billion, an increase in assets of $200 million from the previous quarter. In December, the funds earned $307 million in income and $11 million in income for the quarter.

**GENERAL SERVICES DEPARTMENT**
Presenter: Donna Maestas, Acting Director

17. Facilities Management Division – Legislative Capital Projects Financial Status Report for Month-Ended January 31, 2018

Ms. Maestas presented these reports.

**TAX INCREMENT DEVELOPMENT DISTRICT**
Presenter: Sally Malavé, Assistant Attorney General, Director, Open Government Division, New Mexico Office of the Attorney General
18. Executive Session to be Held Pursuant to Section 10-15-1(H)(7) – Threatened Litigation: Consideration of October 25, 2017 Letter from New Mexico Legislative Council Service Update

Secretary Brasher stated that this item is an update on the October 25, 2017, letter from the Legislative Council Service challenging certain actions of the board related to its approval of an amendment to 2.61.3.9 NMAC (the TIDD rule), and its consideration of the application submitted by Western Albuquerque Landholdings on behalf of Lower Petroglyphs Tax Increment Development District for a dedication of a portion of the state’s gross receipts tax increment. The board responded by letter dated January 9, 2018. He asked for a motion to go into executive session for the limited purpose of discussing this matter.

Mr. Eichenberg so moved. Mr. Archuleta seconded the motion, which passed on the following roll call vote:

For: Mr. Archuleta; Mr. Brasher; Mr. Eichenberg; Governor Martinez.

Against: None.

[The board was in executive session from 11:50 a.m. until 12:40 p.m.]

Secretary Brasher stated that the only matter discussed in executive session was an update on the Legislative Council Service’s letter and the board’s response. No action was taken.

**FISCAL AGENT BANK**
Presenter: Charmaine A. Cook, State Cash Manager, State Treasurer’s Office; Mark Jensen, Wells Fargo Bank

19. Approval of Service Fee Addendum to the Merchant Services Agreement

Ms. Cook stated that STO is anxious to take advantage of this new program offered by Visa, which allows governments and higher education to charge a service fee for accepting a credit card payment. The Visa program allows Wells Fargo to accept that service fee and use it to offset the processing cost for the credit cards, so the agency will no longer have to bear the cost of card processing outside of their budget. She said Visa recognizes that accepting credit cards is more expensive than accepting checks or cash. She stated that it also allows the agencies to move credit card processing and gathering of card data off of their website safely onto the Wells Fargo cyber source, which will help with the state’s PCI compliance. She said four agencies are in line waiting for this addendum and the ability to go forward. All of them will become PCI compliant as a result. With the board’s approval today, she expects other agencies to also step forward.

Secretary Rodriguez noted that the state is being fined for non-PCI compliance on a monthly basis, and this will be a step forward in reducing that fine.

Ms. Maestas asked that approval be contingent upon Director’s receipt and counsel’s review of the fully executed revised service fee addendum containing the latest revisions.

Mr. Archuleta moved for approval, with the contingency. Governor Martinez seconded the motion, which passed 4-0.

STAFF ITEMS
Presenter: Donna Maestas, Acting Director

21. Approval of Staff to Issue Request for Proposals for Arbitrage Services

Ms. Maestas said the board’s contract for arbitrage services expires on June 30, 2018. Staff has been doing a professional small contract every year and seeking various bids. Instead of continuing that practice, staff would like to go out for an RFP and potentially get an arbitrage service company contracted for two to four years.

Mr. Archuleta moved for approval. Governor Martinez seconded the motion, which passed 4-0.

22. Approval of Two-year Extension to the Professional Services Contract for Disclosure Counsel Services with Kutak Rock LLP

Ms. Maestas stated that the board’s disclosure counsel contract expires on June 30, 2018. The board went out for an RFP two years ago. There is an option to renew for an additional two years, and staff would like to renew the contract for the two remaining years.

Secretary Brasher commented that staff did a tremendous job on this RFP, and the board is happy with Kutak Rock. He said this would save the board and staff a lot of time.

Ms. Maestas commented that Kutak Rock did an excellent job doing the annual financial filing, which is a huge endeavor. Staff is very happy with their services.
Mr. Archuleta moved for approval. Governor Martinez seconded the motion, which passed 4-0.

23. Fiscal Agent/Custodial Bank Fees

Ms. Maestas reported that the amounts reported match the board’s historical fees.

24. Joint Powers Agreements for Month-Ended January 31, 2018

Ms. Maestas reported that there were no joint powers agreements for the month of January.

ADJOURNMENT

The meeting was adjourned at 12:45 p.m.

Signed: 

Susana Martinez, President

Date: 3-20-2018

Michael Brasher, Secretary

Date: 3/20/2018