

Minutes of Regular Meeting 12 May 2009

1. Call to Order at 3:00PM.
2. Pledge of Allegiance led by Chairman Reyes.
3. Roll Call by Larry Blair; all present.
4. Approval of Agenda. Motion was made and second to approve agenda. Passed unanimously.
5. Introduction of Guests: Kevin Powers, RBC Capital Markets; Chris Muirhead, Modrall Law Firm; Steve Salazar, Wilson & Company; Angela Valdez, Wilson & Company; Loretta Burnham, Placitas; Kristi Winters, Wilson & Company.
6. Chairmans Report: No report
7. Approval of minutes
 - a. Regular meeting of April 14, 2009. Motion to approve the minutes of regular meeting of April 14, 2009 by Director Kilfoy; second by Director Sandoval. Passed unanimously.
 - b. Special meeting of April 21, 2009. Motion to approve special meeting of April 21, 2009 by Director Kilfoy; second by Director Sandoval. Passed unanimously.
8. Old Business
 - a. Resolution 2009-5-12 General Obligation Bond Award Resolution: Kevin Powers/Chris Muirhead. Kevin Powers presented the overview of the ESCAFCA Pricing Book. Found willing buyer, Zion First National Bank. Interest rate on \$3M loan is 4.545% for ten years. Zion Bank will hold the bonds as an investment in their portfolio, which is key because ESCAFCA has no rating or track record; however, we have a good tax base. He said if our bonds were to be rated, they might be between a BAA and A rating. Municipal bonds are not moving well now. Other recent sales have not done well, with few bids and higher interest rates. Kevin Powers recommended approval of Zion Bank for the following reasons, it will put cash in ESCAFCA coffers; allow projects to start; and establish a track record. Director Torres commented that we don't have any history, therefore not much choice. A 6% interest would be unacceptable to him. Director Dennison commented that we have a fiduciary responsibility but also need to get projects started before costs rise.

In response to a question, Kevin Powers stated that a NM Finance Authority Loan would probably have a lower rate but would require a 1.5% processing fee upfront and take 3 or more months to approve. Chairman Reyes also opined this bond sale would be a good start for ESCAFCA and would start a good track record.

Chris Muirhead explained the Resolution. He mentioned the loan was for \$3M over ten years (rather than 13); there were no disclosures; and the loan cannot be transferred.

Following a motion and a second to approve, Resolution 2009-5-12 General obligation bond award, a roll call vote was taken with the following results:

Director Torres – Yes
Director Dennison – Yes
Chairman Reyes – Yes
Director Kilfoy – Yes
Director Sandoval – YesKevin Powers indicated that the signing of bond documents could take place on June 9 and bond closing on June 17.
- b. Bank Account report: Larry Blair reported current bank balance is \$99,921.16.
 - c. Engineer Task orders: Wilson & Co. Dan Aguirre reported little work had been done pending passage of the bond resolution.
9. New Business.

a. Approval of Resolution 2009-05-12A FY 2010 Operations Budget. Mr. Blair reviewed some changes to the draft budget, which had been provided in April. Motion to approve Resolution 2009-05-12A by Director Sandoval, second by Director Torres. Passed unanimously.

b. Approval of Resolution 2009-05-12B FY 2010 Debt Service Budget. Motion to approve was made by Director Sandoval; second by Director Torres. During discussion, Kevin Powers mentioned an \$83,000 interest payment would be required in February 2010 and the budget was corrected. The vote was unanimous for approval of Resolution 2009-05-12B as corrected.

c. Approval of Resolution 2009-05-12C FY 2010 Project Fund Budget. Motion to approve Resolution 2009-05-12C made by Director Kilfoy; Director Sandoval second. Passed unanimously.

d. Approval of Public Relations Agreement with Griffin and Associates. Joan Griffin made a brief presentation on the services her firm will be providing. Chairman Reyes expressed support for the agreement. Motion to approve Public Relations Agreement by Director Dennison; second by Director Kilfoy. Passed unanimously.

e. Approval of Professional Engineering Services Agreement with Fred Aguirre. Motion to approve the Professional Engineering Services Agreement made by Director Torres; second by Director Dennison. Passed unanimously.

10. Update

a. Executive Engineer report. Mr. Blair reported the following:

- Met briefly with Phil Rios, Sandoval County Public Works Director regarding Cooperative Projects.
- Attended a DFA Class on budgets and audits.
- Spoke with Roger Ford, NRCS to make a presentation.

b. Other: None

11. Miscellaneous

a. Public Comment. No comments.

b. Next meeting June 9, 2009

12. Adjourn. Motion to adjourn made by Director Kilfoy; second Director Torres. Approved unanimously. Adjourned at 4:40 PM.