

NEW MEXICO HIGHER EDUCATION DEPARTMENT



MICHELLE LUJAN GRISHAM
GOVERNOR

STEPHANIE RODRIGUEZ
ACTING CABINET SECRETARY

Capital Projects Committee Meeting

January 13, 2021

Held via GoToMeeting

<https://www.gotomeet.me/NMHEDWebConference1/nmhed-capital-outlay-committee-hearing>

9:30 a.m. to TBD

Minutes

1. Call Meeting to Order

Chairman Burke called the meeting to order at 9:30 a.m.

2. Roll Call of Committee Members

Roll call of members was taken. Committee member joining via phone/webinar were Chairman Gerald Burke, Steve Olson, Harrison Rommel, Harold Trujillo, Wesley Billingsley, and Gerald Hoehne.

3. Approval of Agenda

Member Trujillo made a motion to approve the agenda.

Chairman Burke seconded the motion.

Motion passed. (6-0)

4. Announcements:

- a. **REMINDER – No Capital Projects Meeting in February or March. Next Capital Projects Meeting will be held on April 14, 2021**

5. Approval of Minutes from December 9, 2020 Capital Outlay Committee Meeting

Member Hoehne made a motion to approve the minutes as presented.

Chairman Burke seconded the motion.

Motion passed. (6-0)

6. Approval of NMHED Capital Projects Committee Open Meetings Act Resolution, 2021

Chairman Burke asked Member Hoehne to go over the Open Meetings Act Resolution.

Member Hoehne informed the committee that each year a vote needs to be taken on an updated open meeting act resolution. For this year's resolution there were some changes made to Section 1, changing the meeting location from the higher education center in Santa Fe to the Higher Education Department offices and in Section 2 there was language added that addresses committee members participation by telephone or remote access. This was done in an effort to address the current COVID-19 public health order restrictions and the impact on in-person meetings. No other changes were made.

Chairman Burke asked for a motion to approve.

Member Olson made a motion to approve.

Member Trujillo seconded the motion.

Motion passed. (6-0)

Projects to be reviewed

**7. New Mexico Junior College - \$1,150,000
Heidel Hall & Mary Hagelstein Air Handler Replace**

Presenters: Dan Hardin, Vice President for Finance, NMJC; Josh Morgan, Controller, NMJC

Mr. Josh Morgan introduced himself, Mr. Dan Harden Vice President for Finance at New Mexico Junior College, and Mr. Richard Reeves who is the principal at Bridgers and Paxton and he's the engineer on the project that will be presented this morning. He noted that the project they will be presenting is the Heidel Hall and Mary Hagelstein air handler replacement. He then presented the project as outlined in the project submittal.

Member Olson noted that it was great seeing the 2020 Severance Tax Bond funded projects moving forward.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary.

Member Rommel seconded the motion.

Motion passed. (6-0)

**8. Central New Mexico Community College – Not to Exceed \$16,000,000
General Obligation Refunding Bonds, Series 2021B**

Presenters: Olivia Padilla-Jackson, Vice President for Finance & Operations, CNM; Andrew Jacobson, Associate Vice President of Budget, CNM; Erik Harrigan, Managing Director, RBC Capital Markets

Ms. Olivia Padilla-Jackson introduced herself, Mr. Erik Harrigan, Ms. Wanda Helms, Mr. Andrew Jacobson, and Mr. Marvin Martinez. She also noted that CNM provided a preliminary bond refunding resolution in an effort to get this project on today's agenda since this committee will not be meeting in February and March. It is CNM's intention to have their board approve the final resolution in February and submit it to the NMHED at that time. She then turned it over to Mr. Harrigan to go over the financing details.

Mr. Harrigan noted that this request is refunding the 2011 bonds for interest rate savings. The estimated savings based on conservative interest rates is about \$995,000 on a present value basis. The 2011 bonds are callable on August 15, 2021. Part of the reason that the sale won't happen until April is to allow for the bonds to close in May and allow for the refunding to be considered a current refunding, which is 90 days within the call date. Outside of that date under current federal law it would have to be funded as taxable. The average annual savings is about \$165,000 a year. The refunding will be sold in conjunction with a new money financing. Voters did authoriz in November of 2019 up to \$84 million in general obligation bonds, and approximately \$30,165,000 of that authorization will be sold with this refund to provide economies of scale and reduce costs to the college. Both the refunding and issuance of the bonds will maintain CNM's historical debt service tax rate of 1 mil. As previously mentioned, from a timing standpoint CNM's board is expected to take action in February to authorize the sale through a competitive offering. The bonds are expected to be marketed in mid-April and then close approximately around May 18th. That's when a very short escrow will be funded and invested in state local government securities and matured on the optional redemption date of August 15, 2021.

Chairman Burke asked when the interest rates will be determined for this refunding.

Mr. Harrigan informed the committee that he expects the competitive sale to occur on August 15th and that's when rates would be locked in.

Chairman Burke noted that the sale is 7 to 8 months away. He asked for anticipated interest rates on this type of financing at that time, especially since there is also a new administration in the White House.

Mr. Harrigan explained that taxable rates tend to be a little bit of a leading indicator for all other interest rates. Taxable rates have picked up over the last couple of weeks and that has to do with the results of the Georgia election and the higher likelihood that a larger stimulus package will be passed

and signed into law. This would tend to be a little inflationary because of the large stimulus package being funded by the issuance of more US treasury bonds. He also noted that he anticipates interest rates will rise a little bit and for that reason they have included a 45 bases point buffer on interest rates on the \$995,000. If, however interest rates did move up significantly we wouldn't do the refunding we would just sell the new money component of the bond.

Chairman Burke asked what the current rate is on the 2011 bonds.

Mr. Harrigan noted that the current rate on the 2011 bonds is 3.67% with a 45-point basis buffer. CNM is looking at about a 250-basis point difference in between the rates of the refunding even if rates were to go up by 45 basis points.

Member Hoehne informed the committee that this particular project is similar in nature to a project that we received last month in that if this committee is to approve this project for submission to the cabinet secretary it will only go to the cabinet secretary for approval. Also, there would be a contingency in that the CNM Board of Trustees would need to ultimately approve the project and we would need to receive a copy of the final resolution prior to formal approval by the NMHED.

Chairman Burke asked CNM to clarify the date of the CNM Board meeting.

Ms. Padilla-Jackson confirmed that the date of the meeting is set for February 9th.

Member Olson asked what CNM's decision rule is on when to refinance.

Mr. Harrigan stated that they review CNM's debt on an annual basis and target a 3% present value savings, which is the standard. With this refunding they are looking at a present value savings of a little over 6%. He also noted that they anticipate that rates will probably have to rise to about 75 to 80 basis points above what they currently are to hit that 3% threshold.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary contingent upon the following:

- CNM Governing Board approval on February 9, 2021; and,
- Submittal and review of the approved resolution to the NMHED

Member Billingsley seconded the motion.

Motion passed. (6-0)

9. New Mexico State University – \$25,000,000

Construction of New Agricultural Modernization and Educational Facilities – Phase I

Presenters: John. D. Floros, President, NMSU; Andrew J. Burke, Senior Vice President for Administration and Finance; Heather Zack Watenpaugh, University Architect, NMSU; Robert Herrera, Assistant Director of PDE, NMSU; Jose Loera, Assistant Director of PDE, NMSU

Chairman Burke informed the committee that he will ask questions and provide comments however he would abstain from making motions or participating in the vote for this project. He noted that his decision to abstain is because he is a Professor Emeritus of the College of Agriculture at NMSU and his son is the Senior Vice President of Finance.

President John Floros introduced himself, Dr. Andy Burke, Dr. Rolando Flores, Heather Watenpaugh and other members of NMSU's team who are available to answer questions on the project. Dr. Floros informed the committee that this is a project that goes back more than 10 years to really modernize and rebuild all of our agriculturally related facilities. Back when this project started demand and need was determined to be in excessive of one hundred million dollars. As far as NMSU can tell the groups back then reduced the cost to about seventy-five million dollars in hopes they could go out for three separate GO Bonds. About four years ago the project cost was again reduced down to fifty million dollars with a reduced scope in hopes that it could be spread between two GO Bonds. The project you have in front of you has been tremendously reduced with twenty-five million dollars and another eighteen million dollars on the last GO Bond. This does not even get us to the fifty million dollar reduced scope. He also informed the committee that NMSU will need to connect the two funding amounts because they are addressing a group of facilities that serve the purpose of really helping a very big segment of New Mexico's economy, the food and agricultural economy, as well as certain

elements of the environment. NMSU also needs to upgrade some of the facilities that really help with the health sciences and health-related industry. The project being presented today is Phase I of a larger Agricultural Modernization project. There are a number of buildings that NMSU is going to tear down as well as three major buildings that NMSU is building. The scope of work for these new buildings has really changed as NMSU looked for an attempt to connect Phase 2 to Phase 1. For example, one of the changes made is the biomedical research building. NMSU originally intended to build part of the building during the first phase and part of the building in the second phase. NMSU has now changed the design so that they can build the building structure in Phase 1 and leave the interior build-out for Phase 2. He noted that NMSU has made some changes to accommodate and work together with issues that they were facing at the time. He then turned it over to Dr. Rolando Flores to say a few words about the impact is as a whole these buildings will have for our agricultural consumer-related, food-related, environment-related, as well as health-related Industries in the state of New Mexico.

Dr. Flores provided the mission of the College of Agriculture at NMSU. He also discussed the importance of agriculture and food processing industries to New Mexico's economy. He went on to present information as provided in the NMSU PowerPoint presentation and then turned it over to University Architect Heather Watenpaugh.

Ms. Watenpaugh noted that the Phase I project components include 3 buildings; a Biomedical Research Building, Feed Mill, Food Science Learning and Safety Center, and the demolition of five buildings. She then presented additional information on the project as provided in the NMSU PowerPoint presentation, including the specific buildings that will be demolished. They are the Livestock Judging Pavilion, West Sheep Unit, Sheep Shearing/Lambing Barn, Commodity Barn, and the Urban Entomology Research Center. The combined total square footage removed is 13,371.

Chairman Burke asked what animals are going to be housed in the pens.

Ms. Watenpaugh deferred the question to Dr. Shawna Ivey.

Dr. Ivey introduced herself and informed the committee that NMSU is reconfiguring and reorganizing the animal structures on campus to not only make research more efficient but also to make teaching more efficient. We are one of the last universities to continuously house animals on campus which is a huge advantage for our students. We can talk about things in the classroom and then step outside for hands-on experiential learning opportunities in these facilities. She also noted that NMSU maintains two different flocks of sheep, a black face heard focused on meat production and then we also have the West unit where Dr. Hernandez Gifford does her work. Both of these areas will be moved into this new location. All of the cattle activities will be over by the Meat Lab.

Chairman Burke confirmed that there will be sheep and cattle housed in the pens.

Dr. Ivey noted that there will be sheep, goats, and cattle.

Member Hoehne thanked NMSU for the presentation and for providing all of the documentation to support for this project. He noted that it is a large project and that the NMHED and NMSU have been in discussions about this project over the past couple of months. He then asked if the donor funding of \$6.5M that was originally set aside to supplement this project still in place?

Dr. Floros informed the committee that the \$6M that NMSU was planning on raising for this overall project was supposed to be in addition to the \$50M that we were asking from the state. As it turned out for last year's GO bond, instead of receiving the \$25Ms we received \$18Ms instead. So instead of having \$25M plus \$6M we now only have \$18M. Our plan is to raise the \$6M and possibly more. NMSU is currently in the phase where we need to start going to our big donors as well as to the industry because we know there's going to be a lot of support from the industry for this project. We need to show them that we are breaking ground and that buildings are going up. He noted that it is his expectation that this fundraising effort will pay dividends however it probably won't start until the second phase of the project, which is what NMSU planned from the get-go. He reiterated that NMSU is still planning on raising the \$6M however the pandemic has really had an impact on their ability to raise funds.

Member Hoehne noted that when this first phase came forward for funding we understood that the donor funding would be available so he was pleased to see that NMSU is still working towards raising

that funding to supplement Phase 2 Construction. Member Hoehne then asked what the anticipated construction methodology is for Phase 2. He noted that it was important that the committee understand since Phase 2 will need to be combined with the work of Phase 1.

Ms. Watenpaugh noted that Phase 1 is being done as a design bid build. For Phase 2 NMSU will be using a Construction Manager at Risk (CMAR) which will allow NMSU to speed up the process, allow for an overlap in design, and take about a year off of the total time that it took for Phase 1. All of these changes are a result of lessons learned from this initial phase.

Member Hoehne noted that the CMAR makes a lot of sense it will definitely will help NMSU get off the ground a lot quicker. Member Hoehne asked if NMSU could explain to the committee where programs for the new Biomedical, Food Science, and Feed Mill are currently housed. He also asked that NMSU speak to what will happen to the vacated space if there is any?

Dr. Floros noted that NMSU currently has some of these activities and they are housed in parts of the buildings on campus however the Biomedical Research Building that we're building is brand new and it supports an activity NMSU doesn't have at this point, at least not to the extent that we would like to have. The activities that are being planned for the Biomedical Research Building is a combination what we are doing with animal research and education, biology and bio-chemistry, and in our Health Sciences. This facility will bridge and bring together researchers and scientists from three or four different colleges, from agriculture to biology to Health Sciences, maybe even engineering, with the goal of addressing animal health issues, human health issues, and the vectors that connect the two. He noted that a good example of that is current pandemic happening right now. We have a lot of people that are following viral diseases of people and other people looking at viral diseases of animals. What this facility is going to do is connect the two and provide us an opportunity to do research work in the broader National Institute of Health arena. NMSU doesn't have the ability to do this now because we cannot grow the specific animals the way they need to grow for us to do this work. He also noted that this is in essence a brand-new facility and NMSU doesn't currently have the capability to have these types of programs today. He then asked the Dean and Department Head to address the other two facilities.

Dr. Flores discussed the importance of the Feed Mill. He noted that the current facilities are not optimum for learning and for applying the research needs that the state has in terms of utilization of byproducts. The Feed Mill is going to allow NMSU to use a lot of the byproduct generated in the area from chile production and pecan production which could be used in the feeding area.

Dr. Ivey informed the committee that the meat lab at NMSU has been shut down for about 6 years and all meat science courses are being taught online because of the lack of facilities. She noted that she received a notice yesterday from the USDA that there's 40 open meat inspector positions within the United States and these position starts at about \$45,000 a year. These types of facilities provide a huge opportunity for NMSU to be a partner with producers to develop new products and processes within the state. The current feed mill was built in 1961 and it is used to feed the animals on campus. She noted that right now NMSU is not training their students in the most current technologies. This project is very important to the overall training and success for NMSU students.

Member Hoehne noted that he wanted to get back to the root of his original question and asked if the existing facilities which house Food Science and Feed Mill are going to stay in operation.

Dr. Flores informed the committee that what NMSU has for Food Science is very limited. The new facility will allow for expanded programs however NMSU still plans on continuing to use the existing facilities as much as they can.

Chairman Burke asked if the old feed mill will be dis-continued once the new feed mill is complete.

Dr. Flores concurred that the old feed mill would be dis-continued.

Dr. Floros informed the committee that once the new facility is in place the old ones that serve that purpose will be brought down at some point or repurposed. For example, the program for food science only uses a very limited amount of space in a different building and it has a couple of different labs that we use to train our students. Those labs if they maintain their identity there will probably repurposed and the food science program will move into the new Food Science Facility. The Meats lab as you heard the department head earlier has not been functional for several years. We just don't

have the facilities to the job. The same thing for the Feed Mill. We have no way to do the training and the research that we need to do. He also informed the committee that at Penn State he built a food science building that is about four times the size of what NMSU is building here. He also noted that at Kansas State he built a Feed Mill that is about four times what NMSU is building here as well. He noted that NMSU is way behind where our competition is and what we're trying to do is do what's best for New Mexico. We need to figure out some way to feed the large number of animals we have with materials that come from New Mexico. Unless we have the new Feed Bill, and we do the research of a commercial feed mill, we're not going to be able to really feed the animals the proper way using New Mexico components. Same this with food science; if we don't train our students in food science, food processing, and in food safety the states food processing industry will suffer.

Member Hoehne expressed the fact that he agrees that these facilities are needed. He also emphasized that the support from the Legislature and the Voters of New Mexico appropriating the funding and passing the bonds also shows their support. He noted however that he was looking at through the lens of if you have facilities that are currently being utilized and you are now building new facilities to house those same programs what will you do with the vacated space? This was made clearer as it was mentioned that the space which houses the current labs for food science would be repurposed, the biomed facilities support new programs not currently housed at NMSU, and the Feed Mill facilities would be discontinued. He then stated that he noticed in the presentation and also in the materials submitted to the committee that there is a section that shows an expansion of the Biomed facility. He asked NMSU to provide information on Phase 2, specifically if this was just an interior build-out or would that also include the expanded footprint shown on the submittal.

Dr. Floros noted that the Phase 2 funding from the state will provide the interior built-out of the facility shell that is being built in Phase 1. What NMSU plans to do in the future, and it's not part of phase 1 or Phase 2, is the expansion that you see in the proposal. What we know is that if we do have that Phase 1 and Phase 2 completed we will be eligible to go for Grants that support the construction of similar types of buildings. This will also help us to go after funding from our donors to go beyond what we will be doing in Phase 1 and Phase 2.

Member Hoehne expressed his concern with the lack of information that was provided regarding the energy requirements for this project. He then asked to defer to member Trujillo with EMNRD to see if he has any comments or concerns regarding. He noted that there is a DRAFT LEED checklist for one of the facilities that's over to 15,000 square feet and there is also some target finder information for the other two facilities however there is insufficient for the committee to understand how this project satisfies this administration's initiatives as it relates to climate. He also noted that he wanted to make sure that NMSU has exhausted all efforts to ensure that what they are building is going to be as energy efficient and carbon neutral as possible. He then passed it over to Member Trujillo for his comments.

Member Trujillo asked NMSU what they are you doing to reduce their carbon footprint. He asked if they are looking at renewables for these facilities because that would be helpful especially for since there is an expansion of space. He noted that even with the grant funding in place to construct the facility the operations and maintenance costs may be 20 to 30 times the cost of construction over the life of the facility. He also emphasized Member Hoehne's comments, noting that the Governor is looking at a target of net zero for the state, and he asked NMSU to explain what they are doing to meet that goal.

Dr. Floros noted that NMSU is putting together a broad plan for the whole campus and they want to get to as efficient an operation as they can. He then deferred to Ms. Watenpaugh and Mr. Campos to talk a little bit about what they are doing to move NMSU to a more environmentally friendly campus.

Mr. Campos noted that one of the items they encountered related to this particular project is the federal requirements for food and health safety. What NMSU was trying to do with the LEED checklist is try to connect the federal level requirements that impede their ability to meet some of the items for LEED. NMSU continues to work diligently with staff to address this and bring carbon neutrality to the forefront on the campus. He also noted that NMSU is working with federal and state agencies that have input on these facilities, along with looking at the energy requirements, in order to meet all of the requirements. NMSU's goal as part of their strategic vision is to get the NMSU campus to carbon neutral as quickly as possible using a campus-wide approach.

Member Trujillo asked if NMSU is working on any of the newer technologies such as Brewing or Hemp and if so will they be part of these programs and operation.

Dr. Floros noted that those technologies will be part of the Food Science Building. He also informed the committee that NMSU does have some wine related programs right now. His hope is that if NMSU can manage to expand their Food Science programs it will include all these parts, not just meat processing and meat handling but also fruit and vegetable handling, and other kinds of cereals. It's going to concentrate on the processing side of things, such as how do you take raw materials to turn it into the final product. He then asked the Dean for his comments.

Dr. Flores noted that all of these items that the president has talked about; the processing of fruits and vegetables and cereals and so on will require a very large program and facility. Right now, we are limited by the funding and size of the new building. He noted that the previous question on what NMSU was going to do with existing buildings is addressed here as well because those facilities will need to be used for this expansion. NMSU originally wanted to include all of the different programs that are value-added for New Mexico and that is where the original 50 million dollars for these facilities was estimated from.

Member Trujillo informed the committee and NMSU that the Governor is currently looking at updating the building standards. Currently New Mexico is using the 2006 standards and it is going to be more challenging in the future to ensure that our buildings are closer to NetZero as possible.

Member Olson asked Member Hoehne if Form 2 of the space information that's provided for this project was correct because all of the columns and rows that he saw have Zero listed for the square footage columns for "new", "demo" and "alterations".

Member Hoehne noted that NMSU left this information blank because there are three separate facilities. Within the packet there are three separate Form 2 documents completed, one per facility, for the committee's use and reference.

Member Olson thanked Member Hoehne for the clarification. He then asked NMSU if the two projects as it currently stands is fully funded or does NMSU anticipate coming back to the state for additional funding. He also asked if there is a planned Phase 3 or will it just be the two phases that we are hearing about today.

Dr. Floros informed the committee that at this point the Phase I and Phase II will address most of what they would like to do to modernize their agricultural facilities. He noted that the need is much bigger and they will still have to raise the additional \$6M of funds to complete the Phase 2 portion of the project. He also noted that NMSU has not had any discussion about coming back in the future for additional support from the state because they also have other needs and other priorities as well. The \$44M plus the \$6M of funds they hope to raise will complete the project both Phase 1 and Phase 2.

Member Olson asked if the funds are not raised will the state get a request for those funds.

President Floros stated they do not plan on coming to the state for those funds.

Member Olson mentioned that some of construction is in close proximity to the NM Department of Agriculture laboratories and he wondered if that construction was coordinated and if these projects will have any impact on those facilities.

Ms. Watenpaugh noted that the Food Science facility and NMDA Lab are in very close proximity. NMSU has placed the same project manager on both projects to ensure that construction sequence is coordinated and all issues that may arise are addressed.

Member Olson noted that in the discussion he understood that there was going to be some potential programmatic changes, specifically in regards to the food safety curriculum. He asked if there will be an impact to NMSU's operating budget when Phase 1 and Phase 2 construction are completed, especially since he understood that the program was currently being offered through online classes.

Dr. Flores informed the committee that there have been drastic budget cuts at NMSU. In the original plans NMSU did design the facility for in-person use. He noted that they have had to close a lot of the positions however it doesn't mean that the priority is not there. To address this NMSU is prioritizing

the positions that will be needed for this facility and they are also looking at what positions are slated to become vacant as a result of retirement. They are also working closely with the Center of Excellence in Food and Sustainable Agricultural Systems because two of the positions funded in that Center are going to be vital for the Food Science Program in Food Safety and Bioprocessing. NMSU is also looking at alternatives ways of managing these new facilities. As an example, for the Meat Processing Facility, NMSU is looking at renting the facility to an operator instead of hiring NMSU staff. The operator would then allow NMSU to teach and do research while at the same time generating income. He also noted that with the Feed Mill NMSU is not in the business of competing with private industry in terms of production of feed. What NMSU will do is produce their own food for their animals it is their hope that some of these facilities and new programs offered will have the potential to generate income in terms of royalties. NMSU is already looking at how they are going to support these facilities both in personnel and operational cost.

Member Olson noted that the forms show that Phase 1 is expected to be completed in May 2022. He asked if there was an estimated completion of Phase 2 as well as an expected timeline.

Chairman Burke expressed his concern with NMSU's ability to spend down the funding in the 12-month timeframe provided. He asked NMSU to explain this as part of the response to Member Olson.

Mr. Campos informed the committee that NMSU will go back and look at the schedule one more time and revise it if we need to.

Chairman Burke asked for a response to Member Olson's initial question.

Member Olson noted that he felt there was a need for a timeline for Phase 1 and Phase 2. He informed NMSU that if Phase 2 is not available today that would be fine however he would like to have it submitted to see the expected progress and completion dates.

Mr. Campos noted that NMSU is looking at the Phase 2 timeline right now. They are currently defining the scope of work using the CMAR delivery method and reviewing the contracts for architect and construction and should have a schedule for Phase 2 ready by next week.

Member Olson asked that as we lead into the Legislative Session NMSU provide detailed updates in the CPMS system of all their projects. This is important not only to LFC but also to DFA and HED.

Chairman Burke asked the committee for a motion.

Member Trujillo made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance contingent upon the following:

- Verification from NMSU that Phase I schedule provided is feasible;
- Submittal of a schedule for Phase II; and,
- Submittal of finalized LEED documentation

Member Billingsley seconded the motion.

Motion passed. (5-0)

10. University of New Mexico Health Science Center - \$585,650

HSC Upper Plaza Collaborative Outdoor Shade Structure

Presenters: Ava Lovell, Senior Executive Officer of Finance and Administration, UNM-HSC; Ryan Reynolds, Group Manager of Capital Projects, UNM-HSC

President Garnett Stokes introduced herself and made some opening remarks on each of the projects. She then turned it over to the UNM staff to go over each individual project.

Ms. Ava Lovell introduced herself and asked if the committee would allow her colleague Mr. Kyle Duran to present some information for the committee to see. She then presented the project as outlined in the project submittal.

Member Hoehne informed the committee that this project is being funded with I&G funds which is not typical for this type of facility. The NMHED supports the use of I&G funds on this project because

it provides a safe and comfortable outdoor space for students and hospital staff during the COVID-19 pandemic.

Chairman Burke asked for clarification on the funds being used on the project because he thought they were hospital funds.

Ms. Lovell noted that the funds are a mix of different funds that remain at the end of the year, such as vacancy savings, that are then put into a fund to address capital projects across the campus. This mix of funding does include I&G funding as well.

Member Trujillo asked if the architect had looked into doing some shading on the structure using PV panels. This would be a great opportunity to blend the PV panels and supply some power to other facilities.

Ms. Lovell deferred the question to Mr. Duran. Mr. Duran noted that they were anticipating bringing power from other utilities however he will go back and talk to the design team to see if something like this could be done.

Member Olson asked Member Hoehne to clarify the criteria the NMHED is using to accept the use of I&G funding for this project.

Member Hoehne noted that the main reason is the current Public Health Order and the restrictions that are in place within the state of New Mexico limits the ability for institutions to use inside space in the most effective ways possible. For this reason, the department has decided to allow the use of I&G funding to enhance outdoor space.

Member Hoehne made a motion to approve the project for submittal to the NMHED Cabinet Secretary.

Chairman Burke seconded the motion.

Motion passed. (6-0)

11. University of New Mexico Health Science Center/Hospital – \$400,000

Barbara and Bill Richardson Pavilion – X-Ray Replacement and Renovation – North Room

Presenters: Enrico Volpato, Executive Director Facilities Services, UNM Hospital; MK (Rocky) Kearney, Director Facilities Planning & Construction; UNM Hospital

Mr. Enrico Volpato introduced himself and Mr. Michael (Rocky) Kearney. He then turned it over to Mr. Kearney to go over the details of the project.

Mr. Kearney presented the project as outlined in the project submittal.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Member Olson seconded the motion.

Motion passed. (6-0)

12. University of New Mexico Health Science Center/Hospital – \$1,200,000

Barbara and Bill Richardson Pavilion – Fan Wall HVAC System Replace - 3rd Floor West Wing

Presenters: Enrico Volpato, Executive Director Facilities Services, UNM Hospital; MK (Rocky) Kearney, Director Facilities Planning & Construction; UNM Hospital

Mr. Michael (Rocky) Kearney presented the project as outlined in the submittal.

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Member Trujillo seconded the motion.

Motion passed. (6-0)

13. University of New Mexico Health Science Center/Hospital – \$1,000,000

2044 Galisteo Street, Suite 4, Santa Fe, NM 87505-2100

Phone: 505-476-8400 Fax: 505-476-8454

www.hed.state.nm.us

UNM Hospital – Kewanee Boiler Replacement – Steam Plant

Presenters: Enrico Volpato, Executive Director Facilities Services, UNM Hospital; MK (Rocky) Kearney, Director Facilities Planning & Construction; UNM

Mr. Michael (Rocky) Kearney presented the project as outlined in the project submittal.

Member Olson noted that if you have to remove the roof to put in the new equipment wouldn't it make sense to do both boilers at the same time as opposed to removing the roof twice?

Mr. Kearney informed the committee that the removing the roof is not very difficult. The issue is the time that they have to be down and the fact that they don't have the funding to do both at the same time. The other issue is that they would still have to pull one, replace it, and get it up and running and commissioned before pulling the second one. He also noted that there is a 10 to 12-week lead time so for UNM to be able to start this project they have to order the boiler now and the cost is about \$300,000

Chairman Burke made a motion to approve the project for submittal to the NMHED Cabinet Secretary and then to the State Board of Finance.

Member Trujillo seconded the motion.

Motion passed. (6-0)

14. Adjourn

Chairman Burke adjourned the meeting at 11:27 a.m.