





**Rural Infrastructure  
Revolving Loan Program**

# Annual Report

## 2022 State Fiscal Year

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 505-469-3365

 <https://www.env.nm.gov/construction-programs/>

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# Introduction

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The Rural Infrastructure Act created the Rural Infrastructure Revolving Loan Program (RIP) in 1988 when the original Water Supply Construction (WSC) Act was amended. The Rural Infrastructure Act (Chapter 75, Article 1 NMSA 1978) provides financial assistance to local authorities in the form of low interest loans and grants for the construction or modification of water, wastewater, and solid waste facilities. Local authorities consist of any municipality, county, mutual domestic water consumers association (MDWCA), or water and sanitation district that serves a community with a population of less than 20,000 or county less than 200,000. Eligible program expenses include the cost of planning, design, and construction. Project costs that are only eligible for loans and not grant funds include the cost of water rights, land, system acquisition, easements and rights-of-way, and legal costs. Administrative costs incurred by a community are ineligible.

- Interest rates for RIP loans are set at the discretion of the Secretary of the Environment Department (20.7.2.204 NMAC). Currently the interest rate is 2.375%.
- Funding recipients may receive up to \$500,000 in grant in one year if funds are available. All funding packages must include a loan component.
- Maximum assistance, including loan and grant is limited to \$2,000,000 per year per borrower.
- Repayment begins one year after project completion and is amortized over a maximum of 20 years.
- Interest on loans accrues during the design and construction of a project and may be capitalized into the final loan or may be paid separately. The interest amount is not considered part of the maximum loan amount.

# Funding History

From 1988 through 1996, the RIP Fund (Fund) received appropriations from the legislature totaling \$8,591,915. No appropriations have been awarded since state fiscal year 1996. Loan repayments and investment income continue to replenish the Fund. In October 2007, the Rural Infrastructure Act was amended to increase the annual loan limit per borrower from \$500,000 to \$2,000,000; to add solid waste projects as eligible for grants and loans; and allow the Department to allocate up to 2% of the fund balance to pay for administrative expenses.

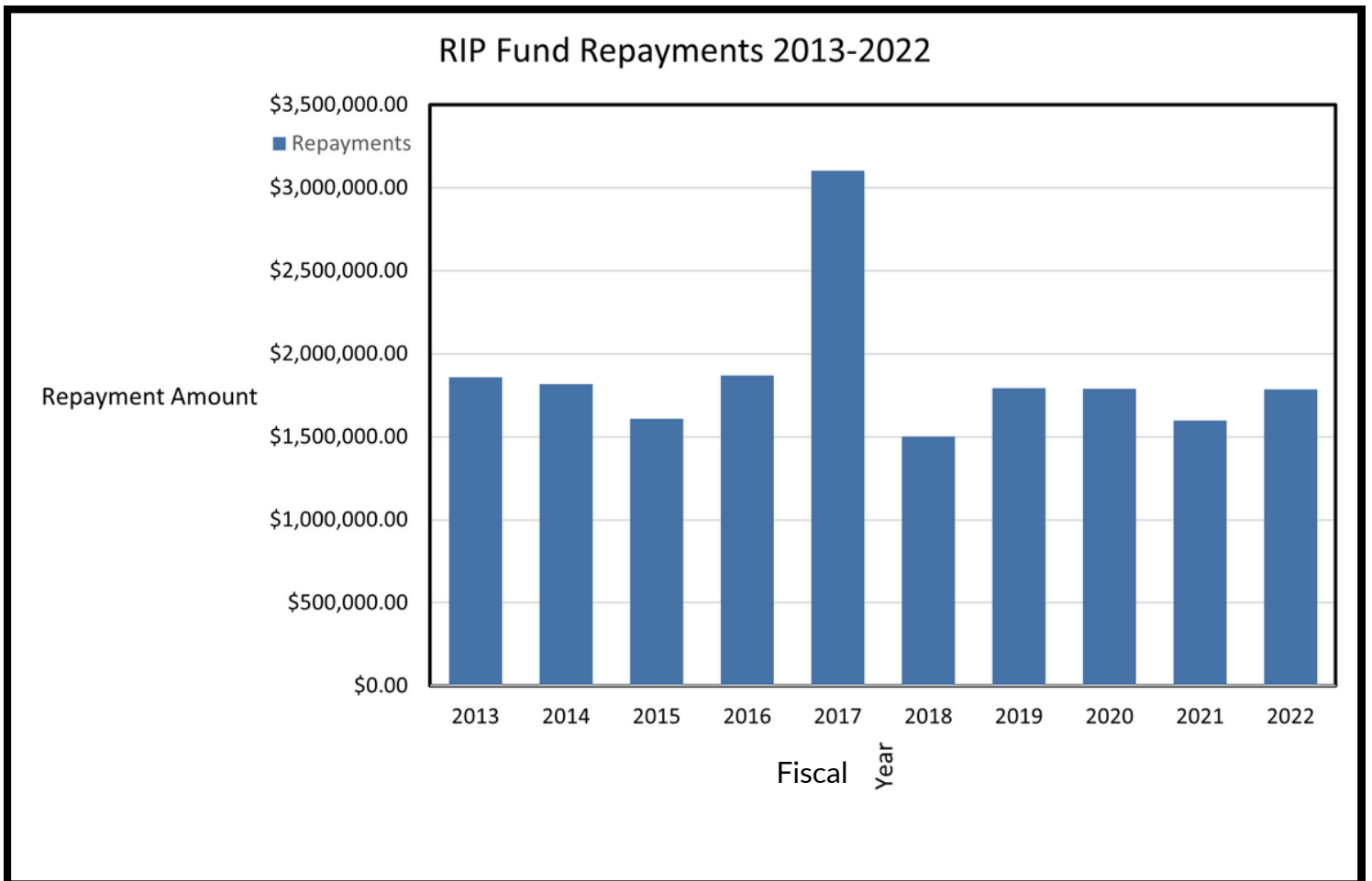
During SFY 2015 through 2017, the legislature enacted bills that swept a total of \$10 Million from the RIP Program; in 2015 \$1 Million was moved to other programs and in 2016 and 2017 a total of \$9 Million was transferred to the State General Fund. The transfers were:

- 2015 First Special Session Senate Bill 1 (SB) swept \$1M. It was allocated as \$500K to NMED Surface Water Bureau and \$500K to the Economic Development Department.
- 2016 Regular Session House Bill (HB) 311 swept \$1.5 Million.
- 2016 2nd Special Session SB2 swept \$1 Million.
- 2017 Regular Session SB113 swept \$6.5 Million.

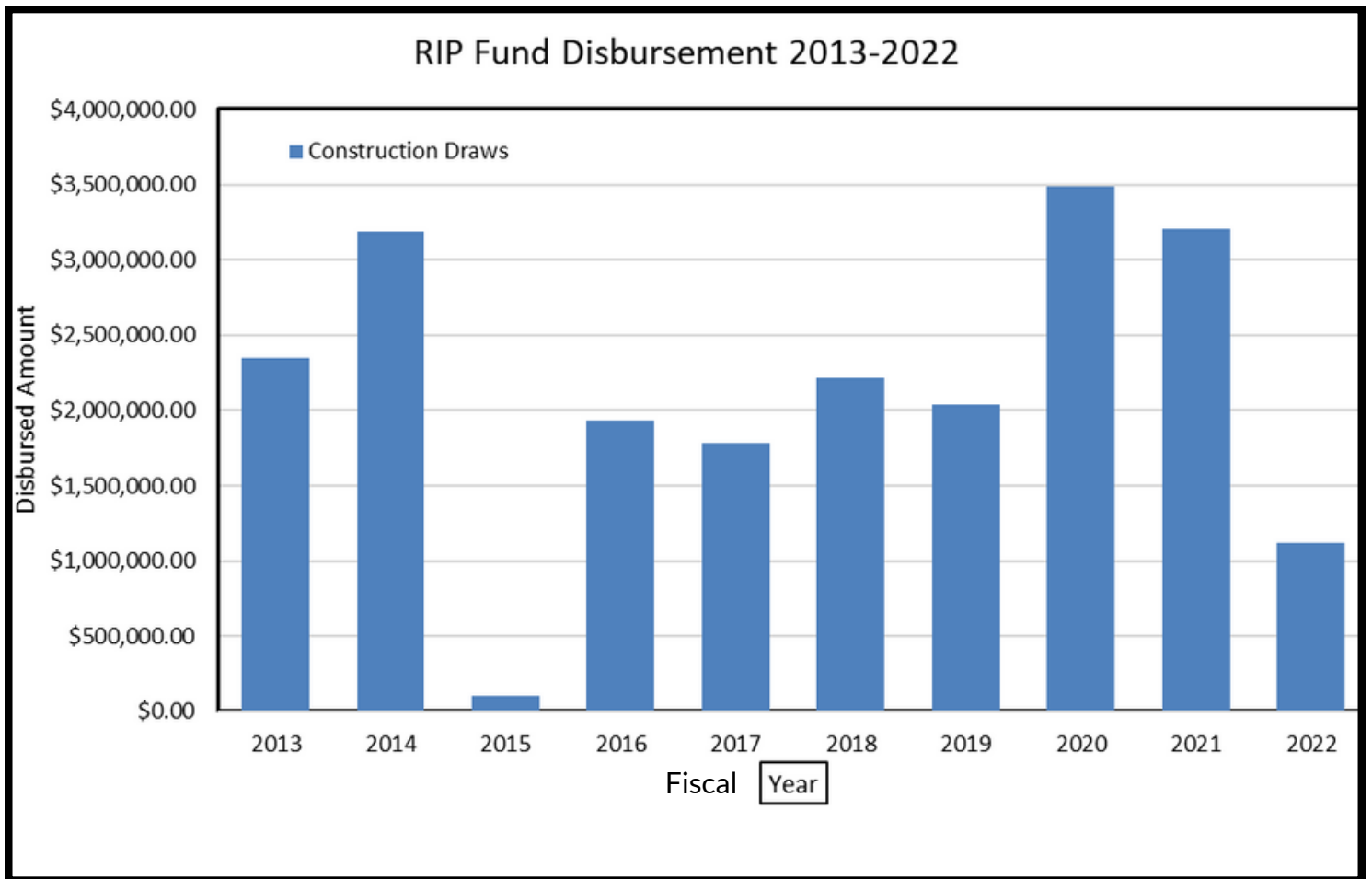
# Financial Highlights During State Fiscal Year 2022

- RIP collected \$1,287,285 in loan repayment principal and \$499,580 in loan repayment interest for a total of \$1,786,865 (Figure 1).
- RIP managed 64 loans in repayment with principal balances totaling \$18,935,551.
- Interest earned on the Fund in was \$7,249.25
- Total disbursements were \$1,123,628 (Figure 2).

**Figure 1**



**Figure 2**



# Funding Cycle

RIP funded two new projects in fiscal year 2022 totaling \$1,145,000, and amended two loan agreements for an additional \$445,000.

## New Loan Agreements:

<u>Community</u>	<u>Amount</u>	<u>Project Description</u>
Ranchos de Placitas Sanitation District	\$550,000	New Water Well
Southwest Solid Waste Authority	\$595,000	Recycling Truck Purchase

## Amendments:

<u>Community</u>	<u>Increased</u>	<u>Project Description</u>
Brazos MDWCA	\$180,000	Water Well Improvements
Llano Quemado MDWCA	\$265,000	New Water Well

# Current Projects

As of June 30, 2022, RIP was managing 7 projects in different stages of planning, design and construction totaling \$2,282,000 in funding. The 2022 projects included wastewater treatment plant improvements, replacement of water lines, construction of a septage facility, purchase of solid waste disposal trucks, and construction of water tanks.



Llano Quemado MDWCA RIP 00034 Well Improvements.



# Status of the Program

- As of the fiscal year ending June 30, 2022, the RIP Fund had \$2.2 million available for new RIP loans.
- Three loans were placed into repayment: City of Santa Rosa RIP 00026, Flora Vista RIP 00031, and the City of Belen RIP 00025.
- Six entities paid off loans: Brazos MDWCA RIP 2000-04, Nogal MDWCA RIP 97-03, the Town of Vaughn RIP 00010, Regina MDWCA RIP 97-02, Gameraco WSD RIP 2007-03, and Agua Sana Water Users Association.
- One county amended their final loan agreement to extend the availability of subsidy:
  - Catron County RIP 00013.



Llano Quemado MDWCA RIP 00034 Well Improvements.

Town of Red River RIP 00038 Waterline Replacement.

# Staffing

The RIP program is managed by the Construction Programs Bureau (CPB). The Bureau consists of financial, technical, and administrative sections. Each section has a role in the oversight of the RIP program. The financial section is staffed with program administrators, a loan manager, and a financial manager. This team manages all financial and administrative components of RIP. The technical section is staffed by engineers and includes a technical supervisor and project managers. Project management is performed by the technical team. The administrative staff includes a supervisor, and database manager. The bureau chief oversees all CPB sections and works with Department senior staff to facilitate CPB activities.

## Meet Our Team

**Judith Kahl, P.E.**

**Bureau Chief**

**Rhonda Holderman**

**Financial Services Manager**

**Margo Gomez**

**Administrative Section  
Manager**

**Andrea Telmo, P.E.**

**Technical Section  
Manager**

**Tye Franz**  
Loan Manager

**Erika Martinez**  
Grant Manager

**Daniel Salazar**  
LGTS Administrator

**Engineer Manager**  
Vacant

**Engineer Manager**  
Vacant

**Maria Molina**  
Loan Administrator

**Paulette Ortiz**  
Grant Administrator

**Peter Nathanson**  
Engineer Professional

**Ted Chlastawa**  
Engineer Intern

**Ashley Dominguez**  
Loan Administrator

**Bertha Aragon**  
Grant Administrator

**Steven Deal, P.E.**  
Engineer Professional

**Eric Gartner**  
Engineer Professional

**Andres Delgado**  
Loan Administrator

# Acknowledgments

The success of the RIP Program is attributed to the dedication, involvement and initiative of the administrative and technical staff assigned to the program. Questions regarding this annual report should be addressed to:

New Mexico Environment Department  
Construction Programs Bureau  
Attention: Judith L. Kahl, Chief  
PO Box 5469  
Santa Fe, New Mexico 87502  
Email: [NMENV-cpbinfo@state.nm.us](mailto:NMENV-cpbinfo@state.nm.us)



**STATE OF NEW MEXICO  
RURAL INFRASTRUCTURE LOAN PROGRAM  
CERTIFICATION OF ANNUAL REPORT**

I certify that this report has been prepared under my supervision and in conformance with the provisions of the Rural Infrastructure Act Chapter 75, Article 1 NMSA 1978 and the Environmental Protection Wastewater and Water Supply Facilities Rural Water Supply, Wastewater and Solid Waste Infrastructure Regulations Title 20, Chapter 7, Part 2 NMAC. I also certify that I have reviewed this report and find it to be true, complete, and correct to the best of my knowledge.

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**Judith Kahl, P.E.**  
**Bureau Chief, NMED Construction Programs Bureau**