



**Rural Infrastructure
Revolving Loan Program
2023 State
Fiscal Year**

Annual Report

State of New Mexico
New Mexico Environment Department
Water Protection Division
Construction Programs Bureau
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Introduction



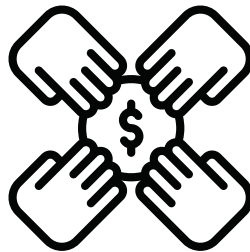
The Rural Infrastructure Act created the Rural Infrastructure Revolving Loan Program (RIP) in 1988 when the original Water Supply Construction (WSC) Act was amended. The Rural Infrastructure Act (Chapter 75, Article 1 NMSA 1978) provides financial assistance to local authorities in the form of low interest 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). The interest rate was reduced to 1% effective April 2023. All RIP loans in repayment will be refinanced to 1% in sequence of largest amount outstanding to least amount outstanding.
- 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.

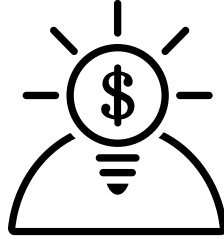
Funding History

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 until state fiscal year 2023.

- In the 2023 Regular Session, House Bill 2 awarded \$10 million dollars to the RIP fund to be used for future projects.



Financial Highlights State Fiscal Year 2023



- RIP collected \$1,314,647 in loan repayment principal and \$463,355 in loan repayment interest for a total of \$1,778,002 (Figure 1).
- RIP managed 67 loans in repayment with principal balances totaling \$18,079,891.
- Interest earned on the Fund was \$82,815.20
- Total disbursements were \$1,860,201 (Figure 2).

Figure 1

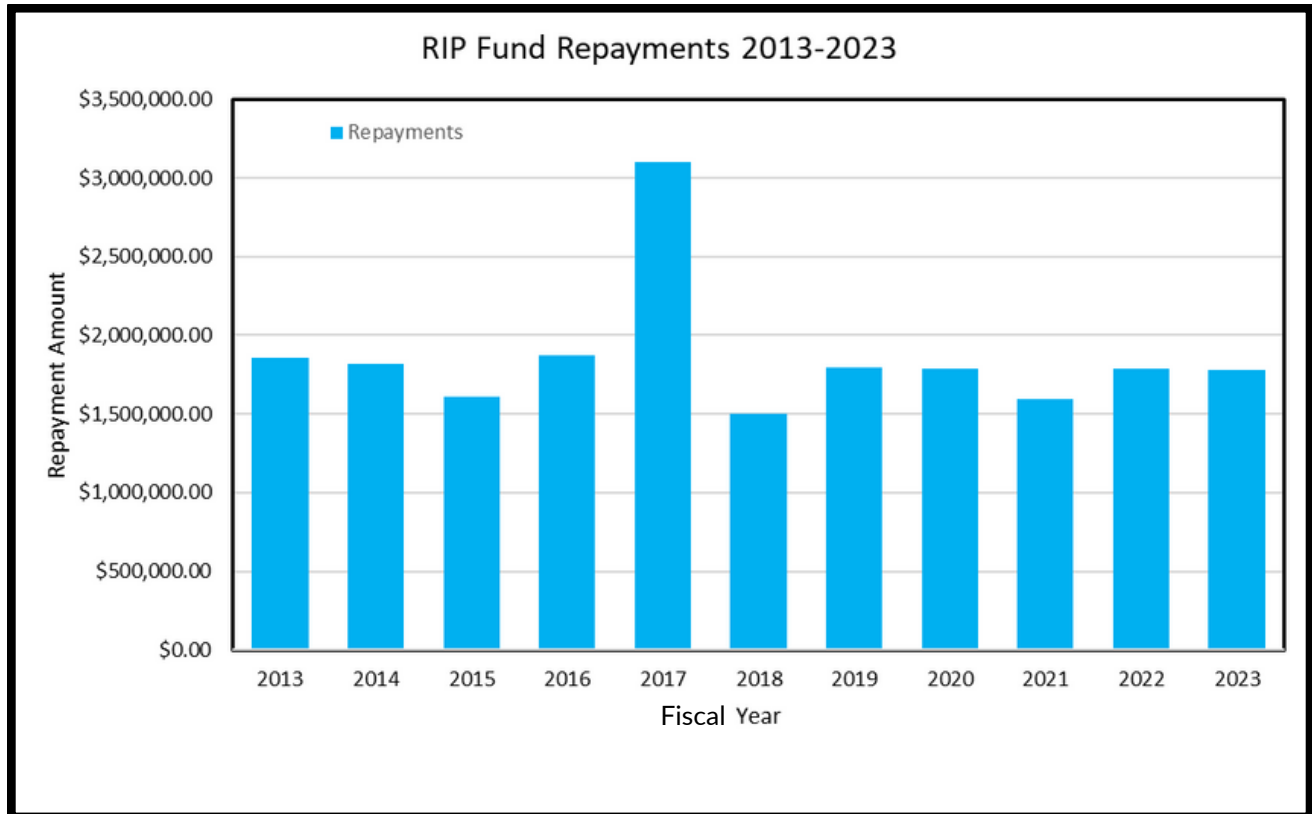
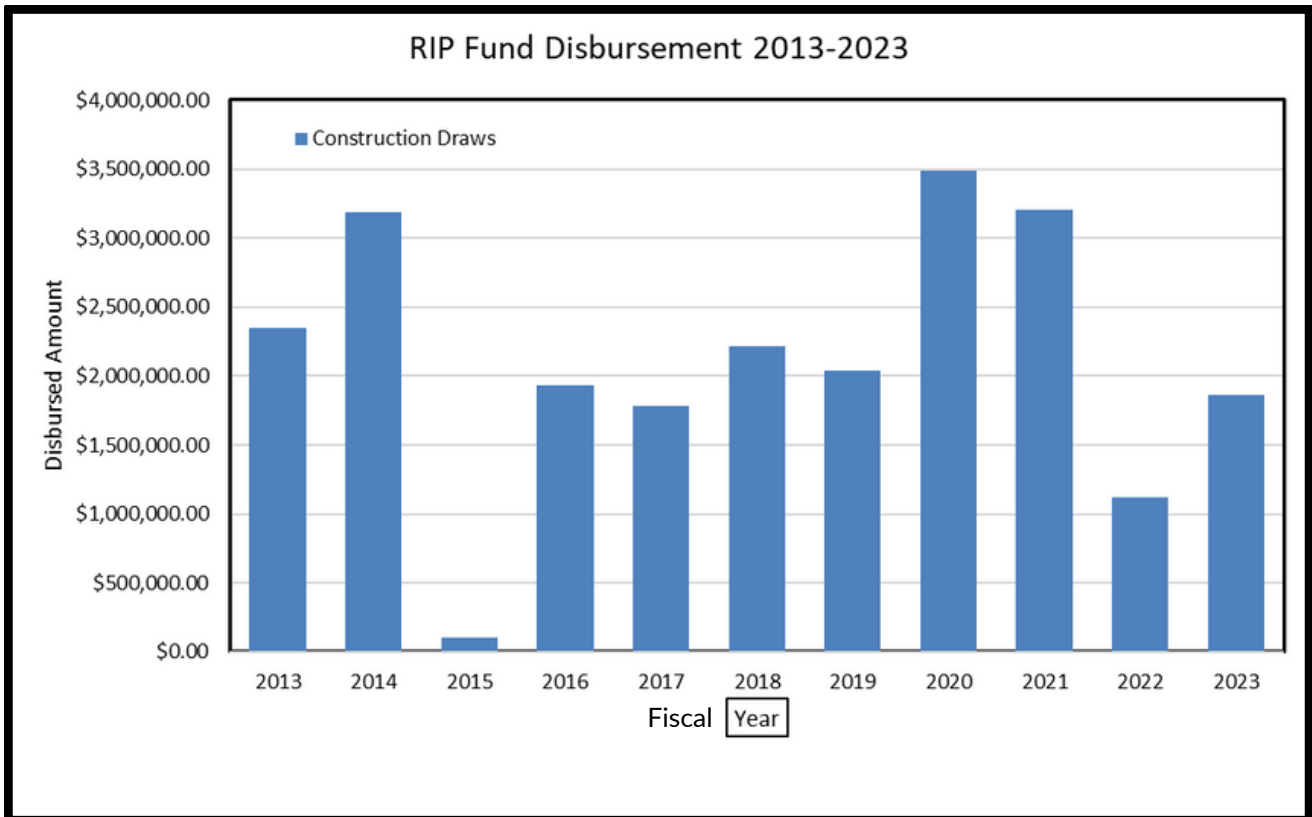
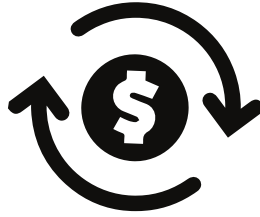


Figure 2



Funding Cycle



RIP funded three new projects in fiscal year 2023 totaling \$2,721,633, and amended one loan agreement for an additional \$192,000.

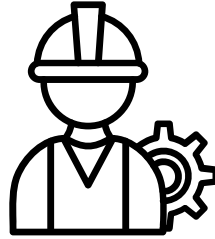
New Loan Agreements:

<u>Community</u>	<u>Amount</u>	<u>Project Description</u>
Town of Red River	\$1,740,000	Waterline Replacement
Town of Mesilla	\$511,633	Water and Wastewater line replacement
Lower Arroyo Hondo MDWC&MSWA	\$470,000	New Waterline

Amendment:

<u>Community</u>	<u>Amount</u>	<u>Project Description</u>
Brazos MDWCA	\$192,000	Water Well Improvements

Current Projects



As of June 30, 2023, RIP was managing 7 projects in different stages of planning, design and construction totaling \$4,023,633 in funding. The 2023 projects included wastewater treatment plant improvements, replacement of water lines, construction of a septage facility, water well improvements, and construction of water tanks.



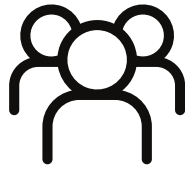
Town of Red River RIP 00038 Waterline Replacement.

Status of the Program

- As of the fiscal year ending June 30, 2023, the RIP Fund had \$10.1 million available for new RIP loans.
- Three loans were placed into repayment: Brazos MDWCA RIP 00033, Upper Arroyo Hondo MDWCA RIP 00035, and the Llano Quemado MDWCA RIP 00034.
- Five entities paid off loans: Bluewater W&SD RIP 00015, Cedar Crest MDWC&SWA RIP 00001, La Asociacion de Agua de los Brazos RIP 2002-05, the Village of Fort Sumner RIP 00020, and the City of Raton RIP 00011.
- Seven entities amended their final loan agreements in repayment to reduce the interest rate from 2.375% to 1%.
 - Dona Ana MDWCA RIP 2013-01, RIP 00002, & RIP 00023
 - Village of Chama RIP 00008
 - Village of Cuba RIP 00012
 - Village of Peralta RIP 2014-03
 - Chappelle MDWCA RIP 00007



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.

Judith Kahl, P.E.
Bureau Chief

Rhonda Holderman
Financial Services Manager

Margo Gomez
Administrative Section Manager

Andrea Telmo, P.E.
Technical Section Manager

Vacant
Loan Manager

Erika Martinez
Grant Manager

Daniel Salazar
LGTS Administrator

Engineer Manager
Vacant

Engineer Manager
Vacant

Maria Molina
Loan Administrator

Paulette Ortiz
Grant Administrator

Eric Gartner
Engineer Professional

Brandon Kalinowski
Engineer Intern

Ashley Dominguez
Loan Administrator

Bertha Aragon
Grant Administrator

Steven Deal, P.E.
Engineer Professional

Vacant
Engineer Intern

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



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



NMENV-cpbinfo@state.nm.us



505-469-3365



**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.

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