



Presentation to the NM Infrastructure Finance Conference  
October 24<sup>th</sup>, 2007 -Albuquerque, NM

# *Funding Opportunities for Water, Wastewater, and Solid Waste*

- NMED Construction Programs Bureau
- New Mexico Finance Authority
- USDA Rural Development



**STATE OF NEW MEXICO  
ENVIRONMENT DEPARTMENT**

*Construction Programs Bureau  
Jeff Canney, Financial Manager*

# *Introduction*

- Construction Programs Bureau (CPB)
- Customer service oriented Bureau
- Projects have significant impact on environment and economy
- If you need funding, *we have money to lend!*



# *Construction Programs Bureau*

- What is our mission?
- What are our goals?
- What do we do?
- What programs do we administer?



# *What Is Our Mission?*

- To Protect Human Health & the Environment
- Administration and Oversight of:
  - ✓ Drinking Water Projects
  - ✓ Wastewater Projects
  - ✓ Solid Waste Projects



# *What Are Our Goals ?*

- To make publicly funded loans and grants...
- To manage the timely construction and administrative completion...
- To insure that projects are environmentally sound...



# *What Do We Do?*

Provide:

❖ Financial Services

❖ Technical Services



# *What Programs Do We Administer?*

- Special Appropriations Program
- Clean Water State Revolving Fund Program
- Rural Infrastructure Revolving Loan Program
- EPA State and Tribal (STAG) Grants



# *Special Appropriations Program (SAP)*



High Sierra water storage tank



# *Special Appropriations Program*

- State grants – online application  
<http://legis.state.nm.us/lcs/>
- Authorized by the NM Legislature  
and approved by Governor
- Various funding sources



# *Special Appropriations Program*

- Eligibility
- Terms and conditions



# *Clean Water State Revolving Fund Program (CWSRF)*



Las Vegas pedestrian bridge



# *Clean Water State Revolving Fund Program*

- Loan Program
- Provides financial assistance for engineering, construction, and rehabilitation of eligible projects
- Technical and Financial assistance available



# *Clean Water State Revolving Fund Program*

- Eligible public entities
- Eligible expenses
- Terms and conditions



# *Rural Infrastructure Program Revolving Loan Fund (RIP)*



City of Gallup air blower



# *Rural Infrastructure Program Revolving Loan Fund*

- Loan program
- Eligible projects
- Eligible entities
- Eligible expenses
- Terms and conditions



# *Program Summary*

- ❖ CPB projects have a significant effect on environment improvement and the New Mexico economy: 937 active construction projects totaling \$256 million.
- ❖ CPB is a customer service oriented Bureau with LOTS of money to lend.



***NMED***  
***Construction Programs Bureau***

**Website:**

**<http://www.nmenv.state.nm.us/cpb/cpbtop.html>**



***NMED Construction Programs Bureau***

# *Contacts:*

## Our Program Administrators:

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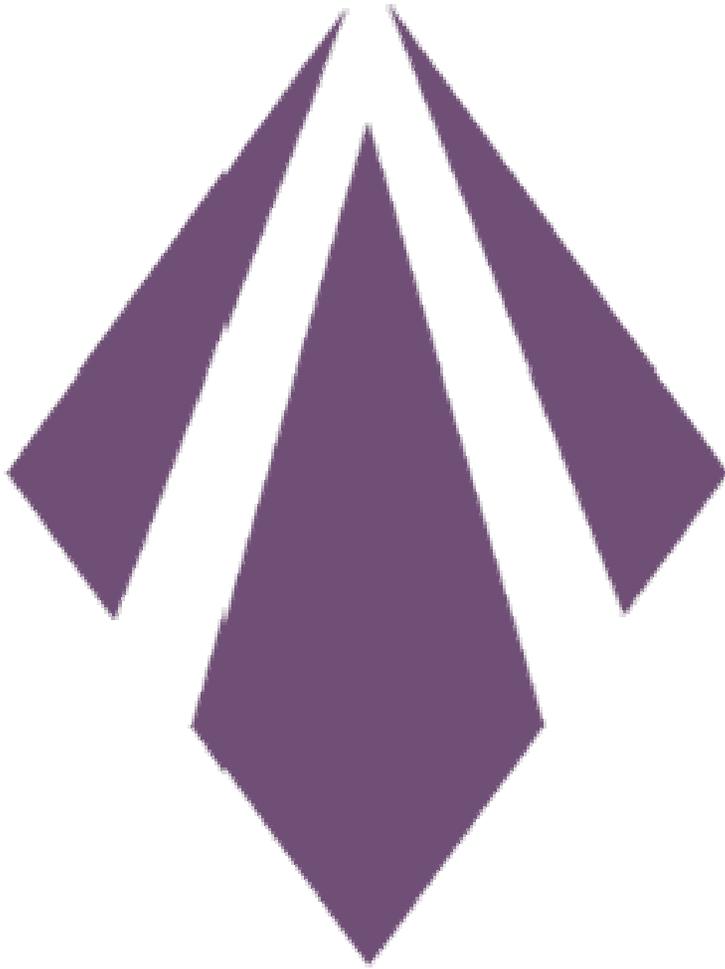


# **Financing Infrastructure through the New Mexico Finance Authority**

**John Brooks**  
**Senior Financial Advisor**

**New Mexico Infrastructure  
Finance Conference**  
**Albuquerque, New Mexico**

**October 24, 2007**



*We are dedicated to improving the lives of New Mexicans by planning and financing infrastructure, strengthening the economy through public/private partnerships and setting the standard for superior, diverse, innovative and solution-driven financing.*



# Drinking Water Revolving Loan Fund

*NMFA's federally capitalized  
drinking water program*

Federally capitalized revolving loan fund that offers subsidized interest rates for water quality projects

- ◆ Standard Rate – 2%
- ◆ Disadvantaged Rate – 0% (up to the \$600k)

To date NMFA has received nine capitalization grants from EPA to fund water quality projects:

- ◆ \$83.7 million in federal awards
- ◆ \$16.7 million in state match
- ◆ These funds have been committed to 31 projects throughout the state

\$2 million remaining from current allocations. Additional allocations expected. Get in line now!

Grants available to fund for Preliminary Engineering Reports and Environmental Information Documents

Grant Eligibility Based on Median Household Income (MHI) of the Community

- ◆ Above 90% of MHI will not receive any assistance;
- ◆  $90\% > \text{MHI} \geq 75\%$  will receive 50% assistance from NMFA; and
- ◆ Less than 75% MHI will receive 100% assistance from NMFA.

Funds are very limited

## Treatment

- ◆ Installation or upgrade of facilities to improve the quality of drinking water

## Transmission and distribution

- ◆ Installation or replacement of transmission and distribution lines

## Storage

- ◆ Installation or upgrade of eligible storage facilities

Consolidation of new systems

Refinancing

- ◆ Only if project met environmental requirements
- ◆ Financed after 6/1/93

Planning and Design

- ◆ Project may include planning and design and other associated pre-project costs regardless of when they were incurred.

Dams or rehabilitation of dams

Reservoirs or rehabilitation of reservoirs, except for:

- ◆ Finished water reservoirs; and
- ◆ Reservoirs that are part of the treatment process and are on the property where the treatment facility is located

Projects needed primarily for fire protection

Water rights, except for rights:

- ◆ Acquired through purchase or consolidation as part of a capacity development strategy



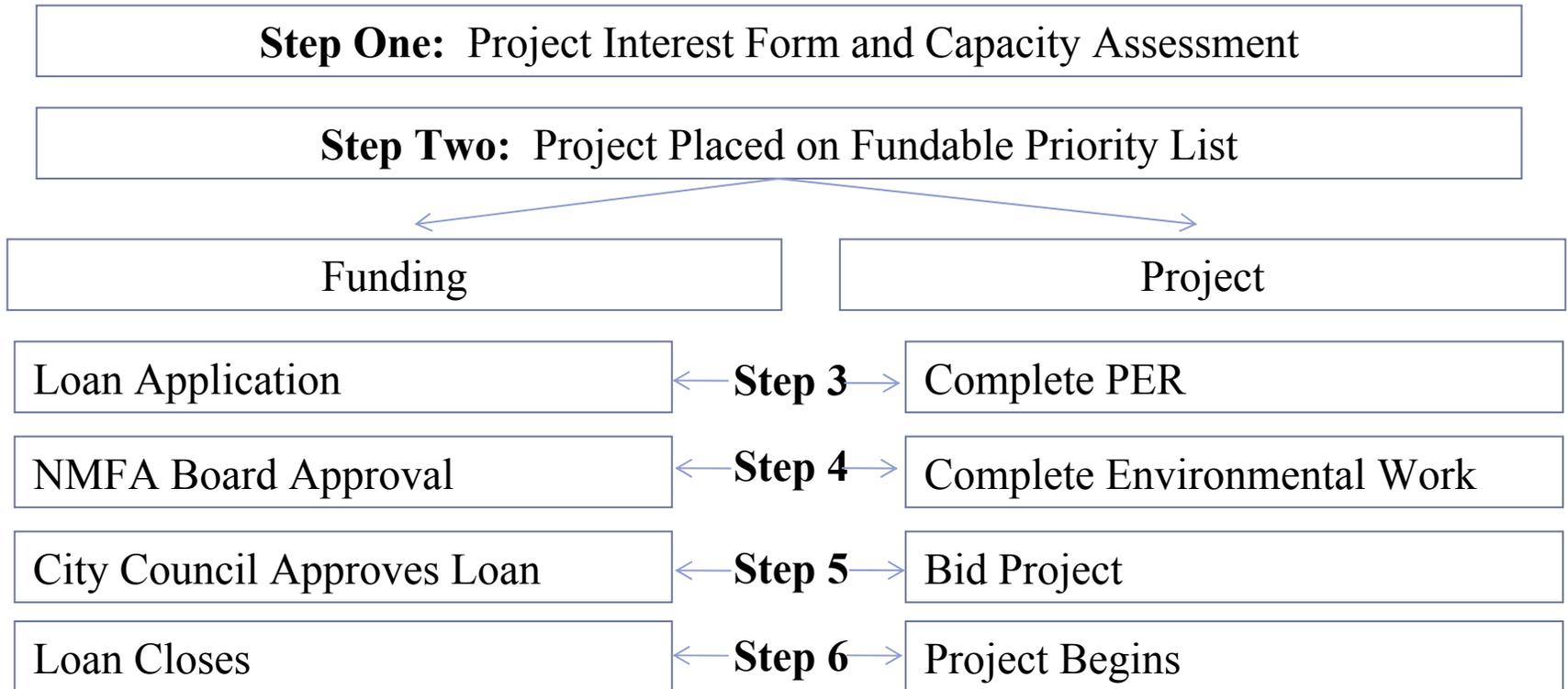
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Projects needed primarily to serve future population growth

- ◆ Projects must be sized only to accommodate a reasonable amount of population growth expected to occur over the useful life of the facility

Projects that have received assistance from the national set-aside for Indian Tribes and Alaska Native Villages

**DWRLF utilizes a federally mandated State Priority List to determine funding order**





# Public Project Revolving Fund

*“The NMFA’s flagship loan fund”*

- ◆ Requires Legislative Authorization for projects over \$1 million
- ◆ Typical capital outlay projects, useful life of 3 years or more
- ◆ Interest rates are based on AAA-insured bond market rates, set monthly by the NMFA Board and “locked-in” for 90 days
- ◆ Disadvantaged Entity Funding
  - Above 90 MHI - Market Rates
  - 90% > MHI > 75% - 3%
  - 75% > MHI > - 0%
  - Up to \$200,000 per fiscal year
- ◆ Costs of issuance, up to \$200,000 per fiscal year, may be paid by the NMFA

Current Market Rates\*  
(AAA – insured, tax-exempt rates)

3 year – 3.663%

5 year – 3.687%

10 year – 3.884%

15 year – 4.214%

20 year – 4.454%

30 year – 4.723%

### Water projects

- ◆ Land Purchase
- ◆ Rehabilitation of Wells
- ◆ Water Infrastructure

### Wastewater Projects

- ◆ Wastewater Infrastructure
- ◆ Land Purchase

### Solid Waste Projects

- ◆ Solid Waste Equipment
- ◆ Recycling Plants
- ◆ Transfer Stations

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## Cost

- ◆ Interest rates among the best offered in the market with 0% and 3% interest rates available for communities with low MHI
- ◆ No closing costs
- ◆ Structuring Flexibility

## Timing

- ◆ Paperwork is easy
- ◆ NMFA Board meets monthly
- ◆ Staff will work with the City to meet your timing needs

## Closing Requirements

- ◆ Limited burden on the City as NMFA Counsel drafts all legal docs
- ◆ Loans close within 90-day timeframe

- ◆ Step 1: Application and resolutions are sent to the NMFA
- ◆ Step 2: Financial analysis is completed
- ◆ Step 3: NMFA Board approves project
- ◆ Step 4: Closing schedule is drafted
- ◆ Step 5: NMFA's legal counsel drafts loan documents
- ◆ Step 6: Local Government approves the loan documents
- ◆ Step 7: Funds are made available account on day of closing

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*Financing your future, believing in New Mexico*