

Working Together to Meet the Drinking Water Needs of New Mexico

Drinking Water Revolving Loan Fund Annual Report

STATE FISCAL YEAR 2005

State of New Mexico



*New Mexico
Finance Authority &
New Mexico
Environment Department*



Final Report, October 2005

TABLE OF CONTENTS

I. INTRODUCTION	3
II. GOALS AND ACCOMPLISHMENTS, § CFR 35.3555 (n)	4
A. Progress Toward Long-Term Goals	4
B. Progress Toward Short-Term Goals	11
III. DWRLF LOAN AND SET-ASIDE ACTIVITIES.....	16
A. Sources of DWRLF and Set-Aside Funding, § CFR 35.3570 (a)(2).....	16
1. Capitalization Grants.....	16
2. State Match	16
3. Interest Earnings	17
4. Repayments.....	17
B. Uses of DWRLF and Set-Aside Funds, § CFR 35.3570 (a)(3)(i-ix)	20
1. Future Uses of DWSRF Funds	20
2. Loan Assistance Status	20
a. Binding Commitments, § CFR 35.3570(a)(3)(iii)	20
b. Project Bypass, § CFR 35.3570(a)(3)(iv).....	21
3. Set-Aside Activity Status, § CFR 35.3570(a)(3)(vi).....	24
a. Administration.....	24
b. Small Systems Technical Assistance	26
c. State Programs Management.....	29
i. Assistance to (PWSS) Public Water Supply Supervision Program....	29
ii. Administration of the Capacity Development Program.....	32
iii. Waterborne Disease Surveillance Project	32
iv. Administration of Wellhead Program	33
d. Local Assistance	35
i. Capacity Development Sub-Element	36
ii. Wellhead Protection Program Sub-Element	41
IV. COMPLIANCE WITH OPERATING AGREEMENT.....	45

LISTING OF FIGURES, TABLES AND ATTACHMENTS

FIGURE 1. Available Funds.....16

FIGURE 2. Fund Uses20

FIGURE 3. Small Systems Technical Assistance Expenditures SFY 1999-SFY 200626

FIGURE 4. State Program Expenditures SFY 1999-SFY 200630

FIGURE 5. Local Assistance Expenditures SFY 1999-SFY 2006.....35

TABLE 1. Sources of Committed DWRLF Funding (by Federal Cap Grant Year)18

TABLE 2. Sources and Uses of Funds Statement19

TABLE 3. DWRLF Binding Commitments Made in SFY 2005.....21

TABLE 4. DWRLF Loans Closed in SFY 200523

TABLE 5. NMED State Program 1:1 Match.....31

LIST OF ATTACHMENTS

Attachment A – Cash Flow Model and Perpetuity Graphs 1 & 2 47

Attachment B – Financial Statements (Pending) 54

Attachment C – Binding Commitment Chart 55

Attachment D – Primacy Agency Activities Report SFY 2005 58

Attachment E – Technical Assistance Providers SFY 2005 61

Attachment F – Collaboration Documents 78

Attachment G – Sanitary Surveys Completed in SFY 2005 92

Attachment H – Enforcement Program Information 94

I. INTRODUCTION

The State of New Mexico administers the Drinking Water Revolving Loan Fund (DWRLF) through the joint efforts of the New Mexico Finance Authority (NMFA) and New Mexico Environment Department (NMED). NMFA and NMED are submitting the Annual Report on DWRLF program for State Fiscal Year (SFY) 2005. This report addresses operation of the DWRLF program during the period of July 1, 2004 through June 30, 2005. During this time period, New Mexico received the capitalization grant awards for the Federal Fiscal Year (FFY) 2003 allotment and submitted an application for the FFY 2004 capitalization grant.

In accordance with the New Mexico's Drinking Water State Revolving Loan Fund Act, the NMFA and the New Mexico Environment Department's Drinking Water Bureau (DWB) utilize the resources of DWRLF to collectively administer this DWRLF program. Pursuant to state statute NMSA 1978 6-21A-4, NMFA administers the fund of the program and the DWB administers the activation of the Drinking Water State Revolving Fund (DWSRF) Set-Aside funds in accordance with the 40 CFR Subpart L §35.3510(b)(1), as the state primacy agency. As the primacy agency, DWB is required by the *Safe Drinking Water Act (SDWA)* to carry out regulatory supervision of public water systems and to enforce SDWA violations. The authority to establish assistance priorities and to carry out oversight and related activities of the DWRLF program, other than financial administration of the Fund and project oversight, resides with the DWB, the primacy agency.

NMFA and DWB provide this comprehensive report to the public and to the EPA Regional Office to detail the activities undertaken to reach the goals and objectives set forth in the 2005 Intended Use Plan (IUP) and the activities and obligations under the DWRLF program. The report describes the progress made toward long and short-term program goals, the sources (e.g., federal grants) and uses of all funds (e.g., loans and set-aside activities), financial status of the DWRLF, and compliance with federal DWRLF requirements.

OVERVIEW OF NEW MEXICO DWRLF STATE FISCAL YEAR 2005

Total Investment to Date: \$75,920,359

Number of Projects (Closed Loans): 4

Project Funding (Closed Loans): \$13,402,460

Total Population Served: 469,266

Average Interest Rate: 1.93%

Average Repayment Period: 18.5 years

Small Systems Funded: 2 loans totaling \$1,105,710

**Disadvantaged Community Loan Funding: 1
Loan totaling: \$ 808,000**

II. GOALS AND ACCOMPLISHMENTS

New Mexico developed the following goals for the SFY 2005 IUP. The long-term goals provide the framework that guides the DWSRF program decisions. The short-term goals support implementation of the program's long-term goals. After reviewing progress made on long- and short-term goals and the financial summary, the following report follows the format of the EPA approved Consolidated DWSRF Set-Aside work plans and provides an update on the drinking water programs supported by DWSRF Set-Aside funds. Please note that the following information provided in this report is only a selected sample of activities conducted under the DWSRF program. This report information is primarily focused on readily quantifiable activities. This DWSRF reporting mechanism allows DWB and NMFA to provide only a limited description of quantitative information, while the essential and core functions of the DWSRF program constitute multi-layered, long-term, qualitative activities that address complex water system compliance, capacity, source protection and project issues. A sense of some of these complex efforts is provided through this report's narrative examples.

A. PROGRESS TOWARD LONG-TERM GOALS

1. *Through DWRLF and Set-Aside activities, support public water systems to maximize SDWA compliance, public health protection and system sustainability, particularly focusing on water systems serving populations of less than 10,000.*

Progress toward Long-Term Goal 1:

The state continues to make significant progress in meeting this long-term goal. Small public water systems (PWS) are a priority under the New Mexico Capacity Development Program. Small systems, under federal definition, are water systems that serve populations of less than 10,000. Approximately 97% of the community water systems in New Mexico serve populations of less than 10,000, and many of these PWS have the greatest drinking water infrastructure needs. These PWS account for over 95% of all violations annually in New Mexico. They account for all formal enforcement actions during this reporting period, and a high percentage of these PWS are between 30 and 50 years old. One hundred percent of the services provided by the assistance contractors (a total of 508 PWS assistance visits) and funded under the Local Assistance Set-Aside went to PWS serving less than 10,000 populations.

New Mexico targets small water systems with the federally funded Set-Asides. One of the ways this has been accomplished is through the renovation of the capacity assessment component of the Capacity Development program. A more accurate and focused capacity assessment allows DWB to target troubled PWS for set-aside services, so as to assure that they are meeting SDWA requirements. This new capacity assessment process also allows NMFA to more effectively direct its efforts to the most needed small system projects, as a part of the upcoming SFY06 fundable project process. Water systems meeting regulatory requirements, or for those PWS seeking to get back into compliance through a project that addresses their compliance issues, may be eligible for interest rates as low as 0%. This can occur if the PWS qualifies as extremely disadvantaged (low median household income and relatively high residential water rates). Interest rates range from 2% - 4% for all other eligible PWS. Additional benefits that are offered

to extremely disadvantaged water systems include free engineering services for the preparation of preliminary engineering reports and environmental information documents, and the extension of loan terms for up to 30 years. During SFY 2005, DWRLF loans were made to small systems totaling approximately \$ 1.1 million.

Through collaboration with New Mexico Department of Health, salmonella was added to the waterborne disease surveillance project's activities. This upgrading of the contaminants of concern listing can result in greater public health protection.

2. Create and maintain the revolving loan fund as a perpetual source of funding for water systems in New Mexico.

Progress toward Long-Term Goal 2:

The state continues to meet this long-term goal. As of June 30, 2005, New Mexico has received more than \$58.9 million in capitalization grant funding from the EPA and has provided \$11.8 million in state matching funds. To date, all of the state match and 69% of the EPA capitalization grants have been deposited into the loan fund for a total available to lend as of June 30, 2005, of \$54 million. Through June 30, 2005, the NMFA had closed 20 loans totaling \$34.4 million and made 4 binding commitments totaling \$20.5 million, leaving only \$5.1 million uncommitted as of the date of this report. With legislative approval, DWRLF loans can be combined with funding from NMFA's Public Project Revolving Fund to leverage the funds in the DWRLF and create a much greater dollar amount of projects financed. In fact, the DWRLF loans have leveraged approximately \$118.8 million in state loans for total projects financed of \$131.3 million. All DWRLF loan repayments go back into the DWRLF lending pool and new loans can be made from the loan repayments.

3. As a part of sustaining the DWRLF, develop and maintain timely, accurate and complete administrative function, including grant application and reporting, as required under SDWA.

Progress towards Long-Term Goal 3:

The state has made significant progress in meeting this long-term goal. In accordance with 40 CFR 35.3570 (a)(3)(i), New Mexico has managed the DWSRF program in a fiscally prudent manner and adopted policies and processes that sustain the DWRLF. On August 1, 2004 New Mexico was awarded the FFY 2003 capitalization grant allotment. The state submitted the 2004 capitalization grant application, which is pending award in the summer of 2005. In addition, New Mexico anticipates submitting the FFY 2005 application during SFY06. These actions contribute to New Mexico's timeliness in making its DWRLF applications. During the SFY05 legislative session the New Mexico State Legislature authorized NMFA to use its Public Project Revolving Fund to provide the state match for the FFY 2005 capitalization grant. Also, in this past legislative session, the New Mexico State Legislature authorized a one time general fund allocation to be used as the state match for FFY 2004 capitalization grant.

To date all quarterly reports for the Set-Asides have been submitted. New Mexico expects to submit this current annual report in August 2005, so that EPA will have almost a month to review it, prior to the scheduled annual SFY05 review in September, 2005. In addition, the

required program progress report for the Operator Certification Program was appropriately submitted, avoiding the 20% withholding of an upcoming capitalization grant allotment. Staff of the Capacity Development program has been working to complete the Governor's Report to provide the Governor and interested parties with an overview of the program's accomplishments. NMFA and DWB expect to place the Governor's Report and the SFY 2005 Annual DWRLF Report on their websites for viewing by the public and any other interested parties. In addition, the DWB has used a formal Internal Controls process that allows DWB to aggregate information on key activities such as sanitary surveys completed or total coliform positives. The annual summary for this information is included in Attachment D.

Concerning the enhancement of staff resources, during SFY 2005, the NMFA made significant progress in updating and implementing the financial analyst training to ensure that the SFY 2006 fundable list receives effective activities to assure optimal use of the DWRLF. DWB appointed a new program coordinator for the Wellhead Protection Program and the Waterborne Disease Surveillance Project. In conjunction with this hire, a Professional Engineer (PE) was also hired to assist the Plan and Review team to assure *SDWA* compliance for all Drinking Water projects.

4. Promote and provide financial, technical and managerial capacity to public water systems, in a timely and appropriate manner.

Progress toward Long-Term Goal 4:

The state continues to make progress in meeting this long-term goal. New Mexico's Capacity Development Strategy was developed and approved by EPA in September 2000 with minor revisions in September 2002. The strategy has been implemented and includes options for the provision of financial, technical, and managerial assistance to public water systems, to assure that a broad range of PWS needs are addressed. These assistance avenues include the routine site visits conducted by DWB field staff. As reported in Attachment D, there were an estimated 796 site visits conducted by DWB staff to assure on-going compliance or return to *SDWA* compliance. Technical assistance provided through a contract with the New Mexico Rural Water Association (NMRWA) and managerial and financial assistance provided through the Rural Community Assistance Corporation (RCAC) also contributed to *SDWA* compliance. In SFY 2005, through DWB contractor efforts, a total of 508 PWS assistance visits were provided. RCAC accounted for 171 assistance visits and NMRWA accounted for 188 assistance visits. EFC conducted at least 149 site visits while completing capacity assessments during the reporting period. Note that within a quarter all assistance visits to a particular PWS by a contractor are combined. However, visits across quarters are separately counted because it can be reasonably assumed that new or complex issues are being addressed. See Attachment E for an accounting of contractor services to PWS. The combined efforts of DWB staff site visits and contractor visits resulted in an estimated total of 1,304 site visits throughout the SFY05 period of performance. The PWS that received services from assistance providers or DWB staff were either water systems violating *SDWA* regulations or water systems that had a high potential for violations. Please refer to sections III.B.3.b. – d on pages 26-44. of this report to review a detailed analysis of PWS with formal enforcement actions that received contractor and staff assistance during SFY 2005. There are 15 PWS that have formal enforcement under the following rules: Surface Water Treatment, Nitrate, Fluoride, Radiological, Selenium, Heavy Metals, Phalate. The corrections/return to compliance for violation of these rules require more

expensive and complex technology. In such cases, the return to compliance is expected to take up to three years. Please see Attachment H for a depiction of all formal enforcement actions and related activities for SFY 2005 in New Mexico.

As previously noted, DWB in conjunction with EFC, has developed and implemented an upgraded capacity assessment system. This new system, which was provided to EPA in the SFY 2006 IUP has been piloted and implemented during SFY 2005. This new system is enabling DWB and NMFA to appropriately develop the annual comprehensive and fundable lists, with a ranking system targeted to meet the two agencies' goals of focus on the needs of small water systems, to include public health protection. Further analysis of trends provided through the implementation of the capacity assessment program will provide information needed to fine-tune and focus set-aside resources such as managerial, financial, and technical training.

5. Establish viable public health indicators such as enteric disease rates, to track the capacity of public water system operations to protect public health by the prevention and early response to waterborne disease.

Progress toward Long-Term Goal 5:

The state continues to make progress toward meeting this long-term goal. The New Mexico Department of Health (NMDOH) and the DWB has collaborated on a Waterborne Disease Surveillance project to identify incidents and outbreaks of waterborne disease in New Mexico and to maintain a database of waterborne disease events. Information is systematically compiled and compared in regard to the occurrence of enteric diseases, individual water consumption patterns, sources of drinking water, data characterizing drinking water quality (e.g., microbiological content), and measures of the performance of DWB's efforts to assist drinking water systems in meeting the requirements of the SDWA. Salmonella was added to the list of reviewed waterborne disease contaminants, after reviewing the data from the Middle Rio Grande Bacteria Source Identification & Tracking project and consulting with NMED Infectious Disease Epidemiology doctors. This project's results show that avian sources contributed the most fecal material of the surface water analyzed. With this information and future proposals to incorporate this source water into public drinking waters, plus the fact that avian sources are vectors for Salmonella infections of the public, Salmonella was added to the waterborne disease surveillance project's activities. Please see section III.B.3.c.i. (pages 29-32) under Set-Aside Activity, State Program Management Element, Assistance to Public Water Supply Supervision Program, for further discussion.

6. Cooperate with other organizations, agencies, and individuals in maintaining an adequate supply of healthy drinking water for the state through water conservation and drought management, source water protection, and proper operation and maintenance of water systems.

Progress toward Long-Term Goal 6:

The state continues to meet this long-term goal. Through a variety of projects, NMFA and DWB are cooperating with several agencies to address New Mexico's need for a comprehensive approach to the provision of safe and sufficient drinking water for the benefit of current and future citizens. These programs include the following:

- DWB and NMDOH work collaboratively on the Waterborne Disease Surveillance project to identify incidents and outbreaks of waterborne disease in New Mexico. This information is applied to DWB oversight activities to assure that communities that may demonstrate a potential public health threat through outbreaks of unknown etiology, receive careful DWB staff monitoring. Thus, when the NMDOH clinics or “Epi Hot Line” receive reports of increased cases of potential waterborne disease, this is reported to DWB for further review of public water supply in the area, which affords the public with a greater degree of public health protection.
- The Source Water Assessment and Protection Program (SWAPP) has been reorganized and information has been shared among collaborating partners. There were several meetings that NMED held internally to assure that the work of the Ground Water Bureau, Surface Water Quality Bureau and DWB are integrated to provide a comprehensive approach to source water protection. DWB has collected an estimated 90 protection plans that NMRWA completed in prior years. These plans were reviewed for adherence to the requirements of the approved source water protection program. Collaborating activities also includes protection planning and development with the EFC and neighboring states such as Texas and Colorado.
- NMFA participates in the Funding Agency Technical Requirements Committee, which is a subcommittee of the New Mexico Intergovernmental Infrastructure Group. This committee meets several times a year to discuss funding agency technical requirements for the purpose of streamlining the process for local governments to use multiple funding sources for water, wastewater and solid waste projects. This includes the requirements established by each funding agency for preliminary engineering reports and requests for proposals for engineering and architectural services. The Committee has completed a uniform pre-application that can be used by entities to apply for financial assistance with multiple funding agencies through a single application.
- By Executive Order, NMFA was named as the administrator of the state’s Drought Task Force. During SFY 2005, State Administrator for the *SDWA* in New Mexico, was named the chair of the Drinking Water Subgroup. Among other efforts of this group, source water protection is a primary a focus in the state of New Mexico’s zoning regulations.
- DWB and NMFA are participating with multiple agencies (including the Office of the State Engineer, Department of Finance and Administration, NMRWA, RCAC, and other NMED bureaus) to support the efforts of the Water Investment Infrastructure Team (WIIT), which was established during SFY05 by executive order of the Governor. The purpose of this team is to standardize PWS funding criteria for all grants and loans. This will assist in assuring that projects with the greatest need or public health threat are more likely to receive higher priority for the State’s limited resources. This effort to coordinate and link the activities of multiple funding sources will have a long-term benefit to the preservation and appropriate management of New Mexico’s scarce water resources. It is also designed to assure that projects go to PWS that meet *SDWA* requirements, either as a threshold requirement or as a result of a proposed infrastructure project.

- DWB is working with the Public Regulatory Commission (PRC) to assure the provision of sufficient and safe drinking water to PWS, which are regulated by both agencies. These efforts have led to a teamwork approach; both organizations have been willing to take the lead in the use of their applicable regulations and statutory authority to assure the public welfare. Please refer to section III.B.3.d.i. for further information.
7. *Encourage the consolidation and/or regionalization of small public water systems that lack the capability to operate and maintain water systems in a cost-effective manner.*

Progress toward Long-Term Goal 7:

The state has made significant progress in meeting this long-term goal. Encouragement of the development of partnerships or regionalization among public water supplies results in the enhancement of the technical, managerial, and financial capacity of the concerned drinking water systems, as well as compliance with the *SDWA*. DWB currently includes information on such consolidation as part of its training program curricula. The DWB also coordinates with regional planning associations and other agencies such as NMRWA and RCAC, to encourage water system partnerships, consolidation, and regionalization activities.

DWB continues to work with collaborating partners such as the Office of the State Engineer and the Department of Finance Administration to assure that all water projects funded through either grants or loans in New Mexico meet the requirements of *SDWA*, including having a certified water system operator and sufficient managerial, financial and technical capacity. Activities completed through this effort include the drafting of a uniform funding application and the development and signing of the Governor's Executive Order #2005-024. See Attachment F. This Executive Order causes the development of the Water Infrastructure Investment Team (WIIT) to develop a long-range plan for secure and sustainable water infrastructure in New Mexico. This team is comprised of several agency secretaries and is staffed by a multi-agency technical advisory team.

Among the goals of this team is the uniform assessment and ranking of all drinking water projects slated for funding in New Mexico. The DWSRF priority system developed this year under the Set-Aside program potentially will serve as a basis for ranking all water infrastructure projects funding in New Mexico. This will be a significant step in the assurance that all infrastructure funding initiatives, whether funded through state appropriation, Rural Development, the Board of Finance, DWSRF, *etc.* have met *SDWA* as a threshold requirement for project acceptance. Additionally, the work of the WIIT includes regular presentations at interim legislative committees and to other key organizations such as the Municipal League and the Association of Counties to communicate the message of the importance of safe and sustainable drinking water in New Mexico. Water system regionalization, particularly in rural settings, can assure that small, vulnerable communities can obtain safe drinking water in sufficient and consistent quantity. During SFY04 and SFY05, New Mexico spent \$750,000 in state general funds to foster regionalization among 13 groups in communities across New Mexico. This effort included the development of forty year water plans and Joint Powers Agreements. RCAC, under their contract developed in SFY2005, is continuing to support regionalization activities through assistance provided to these regional groups. These groups are currently working to develop strategies to consolidate loans, clarify water rights, and develop

capital outlay projects supportive of regionalization. With these issues addressed, they are slated to receive a high prioritization for their infrastructure projects.

NMED Construction Programs Bureau (CPB) along with the Office of State Engineer and NMFA also contribute to supporting this strategy. Historically, regionalization was not looked upon in a favorable way by PWS in New Mexico. PWS preferred their independence. Because of additional state resources and *SDWA* requirements, PWS are now clamoring for regionalization services. Even funding agencies such as the Water Trust Board are giving preference to regional projects. (See Appendix F.) These resources and incentives will help New Mexico's PWS transition into regionalization, which in many cases will be a more effective utilization of state and federal resources, while assuring *SDWA* compliance.

B. PROGRESS TOWARD SHORT-TERM GOALS

- 1. Develop the SFY 2006 Intended Use Plan for public review. [Linked to Long-Term Goal 3 in the SFY05 IUP]***

Progress toward Short-Term Goal 1:

The state met this short-term goal during the reporting period. The 2006 IUP was developed in SFY 2005 and prepared for presentation on May 20, 2005, in Albuquerque, New Mexico at a meeting of the Drinking Water Advisory Group (DWAG). EPA had supplied comment on the draft IUP during April and May, 2005. DWB and NMFA were able to address most of those comments prior to the May 20th presentation to the public at the DWAG. During the 30-day comment period ending on June 21, 2005, no additional public comments were received. The finalized SFY 2006 IUP with incorporated comments from EPA and other minor revisions was submitted prior to July 1, 2005. Furthermore, additional amendments to the Fundable Priority List were submitted to EPA in July, 2005. Once New Mexico receives EPA approval on the SFY 2006 IUP, the document will be posted on the websites of both NMED and NMFA.

Extensive upgrades were made to New Mexico's Priority System through collaborative efforts of NMED and NMFA. The new approach was included in the SFY 2006 IUP. The tiered capacity assessment approach was developed with the assistance of Environmental Finance Center (EFC)-Albuquerque during this timeframe and serves as a basis for the development of the comprehensive and fundable priority lists for the SFY 2006 IUP.

- 2. Apply for the FFY 2004 capitalization grant and state matching funds. [Linked to Long-Term Goals 2 and 3 in the SFY05 IUP]***

Progress toward Short-Term Goal 2:

The state met this short-term goal during the reporting period. In accordance with New Mexico's Drinking Water State Revolving Loan Fund Act, a grant application for the FFY 2004 capitalization grant was prepared by the DWB in conjunction with the NMFA, and this application was submitted to EPA on April 11, 2005. During the SFY 2005 legislative session the New Mexico State Legislature authorized NMFA to use its Public Project Revolving Fund to provide the state match for the FFY 2005 capitalization grant. Also, in this past legislative session, the New Mexico State Legislature authorized a one time general fund allocation to be used as state match for the FFY 2004 capitalization grant.

- 3. Prepare and make the necessary modifications for the FFY 2004 Capitalization Grant Application, including the Intended Use Plan (based on a state fiscal year) and Improved Priority List. [Linked to Long-Term Goals 2 and #3 in SFY 2005 IUP]***

Progress toward Short-Term Goal 3:

The State met this short-term goal during the reporting period. Subsequent to the submittal of the grant application on April 11, 2005, the state was notified that the grant application was complete during a visit to Dallas in July, 2005. EPA staff stated that the FFY 2004 grant was expected to be awarded later in the summer of SFY 2006. The Fundable and Comprehensive

Priority Lists were greatly improved as a part of the upgrade of New Mexico's priority system. The tiered capacity assessment approach was developed during this timeframe and served as a basis for the development of the comprehensive and fundable priority lists for the SFY06 IUP. The amended SFY06 IUP provided a listing of potentially 36 fundable projects for a total of approximately \$63 million. The fundable projects will be further reviewed during the next reporting period to identify interested and qualified applicants. DWSRF loan funds will be distributed on that basis. The amended SFY06 IUP was provided to EPA on July 13, 2005.

4. Complete set-aside work plans specifying funds from on-going capitalization grants. (August, 2004) [linked to Long-Term Goal 1, 3, 4, 5, 6, & 7 in SFY 2005 IUP]

Progress toward Short-Term Goal 4:

The state made significant progress towards meeting this short-term goal during the reporting period. The SFY 2005 work plan was submitted to EPA in September, 2004. The approval for this work plan came on April 20, 2005. The SFY05 work plan is enabling New Mexico to meet its obligations under the DWSRF program.

5. Use set-aside funds to implement the Capacity Development Program through the development to renew a contract for managerial and financial capacity. [Linked to Long-Term Goals 1 & 4 in SFY 2005 IUP]

Progress toward Short-Term Goal 5:

The state met this short-term goal during the reporting period. DWB developed a new RFP for managerial and financial services during the period of performance. There were three respondents. This RFP clarified and focused on activities to better support the needs of small PWS in New Mexico, including more comprehensive reporting requirements, an increase in the amount of group training, pre and post test requirements, and increased focus on regionalization, service plans, schedules and letters of understanding for water systems receiving technical assistance. The RCAC was the RFP applicant awarded this contract in SFY05. Additionally, during the reporting period, the contract for technical assistance was amended to provide for more complete reporting and most of the upgrades described above.

6. Continue to refine the Capacity Development Program. Submit the report to the Governor by September 30, 2004 and/or the Capacity Development Reporting Matrix. [Linked to Long Term Goals 1, 3 & 4 of the SFY 05 IUP.]

Progress toward Short-Term Goal 6:

Through a variety of activities, New Mexico met this short-term goal during the reporting period. Following is a brief overview of the major achievements. New Mexico drafted a Capacity Development plan. This is currently under management review and is expected to be provided to EPA and the public during SFY06. NMFA and DWB collaborated extensively to overhaul the priority ranking system, which results in the development of the annual comprehensive and fundable priority lists. A key component of this new priority ranking system was the development of a tiered capacity assessment approach. This approach was developed under a

Joint Powers Agreement with the EFC in Albuquerque. The EFC continues to conduct capacity assessments on behalf of DWB. The required Capacity Development Reporting Matrix was submitted in November 2004 during the period of performance. It documented that NMED is sufficiently meeting the approved capacity development strategy in its approaches to the provision of managerial, financial and technical capacity activities.

7. *Provide loans to water systems listed on the fundable portion of the project priority list. (On-going) [Linked to Long-Term Goals 1, 2 & 4 of the SFY2005 IUP]*

Progress toward Short-Term Goal:

The state met this short-term goal during the reporting period. In SFY 2005, NMFA made four binding commitments totaling \$4.8 million. These projects had a priority ranking of 2 through 349. These binding commitments were made for projects that include replacing old water meters, a new pump station, construction of new storage tanks and a raw water reservoir to help with high levels of turbidity. These projects will help New Mexico with water quality issues in their respective areas in the state.

8. *Provide low-cost loans to disadvantaged communities for eligible drinking water projects as allowed by the SDWA. [Linked to Long-Term Goals 1,2, & 4 of the SFY 05 IUP]*

Progress toward Short-Term Goal:

In SFY 2005, NMFA made two binding commitments totaling \$1,313,000 to Espanola and Timberon which both qualify as disadvantaged communities. Not only have these two entities qualified as disadvantaged communities they both are considered small communities according to the 40 CFR 35.3525 (b). Espanola has a population of 9,688 and Timberon has a population of 200. The loans have an average length of 17 years and an average interest rate of .35%. Of the two binding commitments that were mentioned, the loan agreement for Espanola was executed on May 20, 2005.

9. *Use the results of completed SWAPP reports to provide incentives for local source water protection activities, and to facilitate community water planning through public outreach and education. [Linked to Long Term Goal 1 & 6 of the SFY 2005 IUP]*

Progress toward Short-Term Goal 9:

The state met this short-term goal during the reporting period. In June 2005, a new coordinator, was designated to assist with SWAPP community outreach and education efforts in New Mexico. DWB coordinated with EPA and other Source Water Protection entities throughout the period of performance through phone and in-person meetings, to improve the implementation of the New Mexico Source Water Protection program.

Approximately 277 water systems were contacted by DWB regarding initiation of a Wellhead Protection Plan (WHPP) through the sanitary survey process or other communication during the reporting period. Water systems contacted previously during SFY 2005 have not elected to pursue a wellhead program at this time. Phone calls to numerous water systems have been made

to raise interest in instituting a wellhead protection program and to convey the benefits of protecting the drinking water source. DWB advises water systems that a current condition or exposure might result in future contamination of water during the sanitary survey process.

10. Execute three binding commitments for SFY05. [Linked to Long-Term Goals 2, 3 & 4 of the SFY 2005 IUP]

Progress toward Short-Term Goal 10:

The state continued to meet this short-term goal during the reporting period. NMFA executed four binding commitments for SFY 2005 totaling \$4.8 million. These binding commitments range in size from \$505,000 to \$2 million. Of the four binding commitments that NMFA secured, one binding commitment was executed as a loan for the NMFA.

11. Meet the Objectives for each Set-Aside category, including “Deliverables and “Projected Number of PWS Receiving Assistance Measures.” (June, 2005) [Linked to Long-Term Goals 3 & 4]

Progress toward Short-Term Goal 11:

The state continued to make progress in meeting this short-term goal. The set-aside deliverables included the required quarterly and capacity program reports. After a slow start, New Mexico submitted all the quarterly reports, with the fourth quarter reaching EPA Region VI staff on schedule on August 1, 2005. For the “Projected Number of PWSs Receiving Assistance” measure, the following has been achieved. DWB staff made a reported 796 site visits during SFY05. NMED-DWB Capacity Development Program has had a goal to assure an excellent linkage between PWS with formal enforcement actions and program provision of technical assistance to PWS. New Mexico Rural Water Association under contract with DWB provided technical assistance visits to PWS on the EPA lists for escalated enforcement and other referred PWS. Thirty-three percent of PWS issued NOV’s received a technical assistance visit from NMRWA. Forty percent of water systems in this group received follow-up visits. Fifty-eight percent of PWS issued A/Os received a technical assistance visit from NMRWA. Follow-up visits were provided to thirty-nine percent of this group. These numbers exceed the work plan goal of 10% of all SDWA Violation/Escalation list and/or referred systems provided Capacity Program services during the reporting period. Please see Attachment H for a review of the provision of technical assistance to PWS receiving formal enforcement.

12. Complete and submit the SFY 2003-2004 biennial report. (September, 2004) [Linked to Long-Term Goal 3]

Progress toward Short-Term Goal 12:

The SFY 2003-2004 biennial report was completed and submitted to staff of EPA Region VI on September 3, 2004. This report was approved in early SFY 2006.

13. Review and revise the priority system ranking criteria to better reflect public health priorities and other capacity measures used for the establishment of the fundable

priority list and comprehensive priority list (June 30, 2005). [Linked to Long-Term Goal 1,3,& 4]

Progress toward Short-Term Goal 13:

Through a variety of activities, New Mexico met this short-term goal during the reporting period. The NMFA and DWB worked collaboratively to develop a new priority ranking system, which more accurately meets the needs of the communities and reflects the public health priorities of the State.

The following is an overview of the elements that NMFA and DWB devised to determine and manage the screening process for projects receiving funding from the DWRLF in New Mexico. It is important to understand that the ranking and other screening processes will occur in a phased approach. These activities will contribute both to project ranking for the DWRLF fund and also to focus the resources of the DWRLF set-asides. New Mexico's project ranking process, which ultimately leads to projects being assessed as eligible for inclusion on the fundable priority list, is initiated and implemented in the following manner:

- a) Through response to an annual solicitation process, water systems will identify their proposed projects;
- b) These responding water systems will be ranked through the DWB prioritization process and included in the annual IUP **comprehensive priority list**;
- c) This process will include DWB analysis of the submitted Tier 3 capacity assessment for **technical** and **managerial** capacity;
- d) The NMFA will undertake an additional screening of these responding water systems through analysis of the Tier 3 capacity assessment for **financial** capacity;
- e) DWB will perform a more detailed capacity assessment (if a current one is not available) on PWS;
- f) The aggregation of DWB and NMFA capacity analyses will generate a **fundable priority list**; and
- g) PWS projects that are on the fundable priority list, shown to be loan worthy, and shown to demonstrate sufficient managerial, financial and technical capability through the detailed capacity assessment and which complete all other requirements, will be eligible for a Drinking Water loan (CFR 35.3555(c)(2)(i)).

III. DWRLF LOAN AND SET-ASIDE ACTIVITIES

This section provides a detailed discussion of the DWRLF assistance activities during SFY 2005. Details are provided on:

- a. Sources of funding for the program (by FFY Capitalization Grant), and
- b. Uses of DWRLF and Set-Aside funds (by State Fiscal Year).

Tables 1 and 2 provide information about the sources and uses of DWRLF funding. Table 1 shows all sources of DWRLF funds available in SFY 2005. It also shows the binding commitments, work plan commitments, and administrative funding commitments made for each year.

Table 2 shows New Mexico’s actual disbursements in SFY 2005. (Note: Disbursed funds reflect cash outlays from the current year’s committed funds as well as from the funds committed in previous years.)

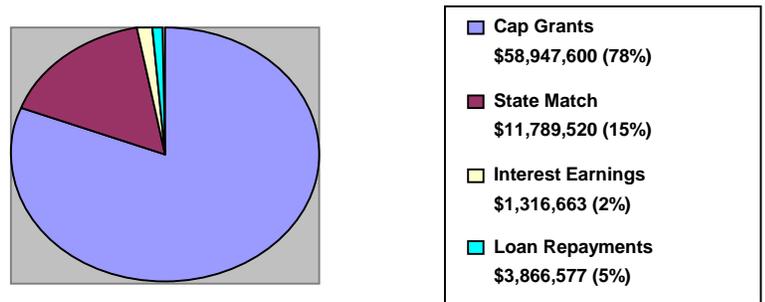
Table 3 provides information on the binding commitments made in SFY 2005.

A. Sources of DWRLF Funding

The funding made available during the reporting period for the DWRLF program totaled \$75,920,359 (see Figure 1).

The federal capitalization grants and required state matches have been New Mexico’s major sources of funding for drinking water program. Funding components are described below:

Figure 1. Available Funds (\$75.9Million)



1. Capitalization Grants

In August, 2004, New Mexico was awarded the FFY 2003 capitalization grant of \$8,004,100. As of the end of SFY 05, New Mexico has been awarded \$58,947,600 in EPA federal capitalization grants.

2. State Match

In August, 2004, the New Mexico Finance Authority provided \$1,600,820 as the required 20 percent state match for the FFY 2003 capitalization grant, bringing the total state match for the FFY 1997-2003 capitalization grants to \$11,789,520. For the FFY 2003 grant, NMFA received authorization for the match funds in March 2004 which has been deposited into an account outside of the program account before the first payment is made under this grant award. All state

matches have been made from NMFA's portion of governmental gross receipts tax and cigarette tax revenues.

3. Interest Earnings

The DWRLF earned \$219,602 in interest on the DWRLF Fund between July 1, 2004 and June 30, 2005 bringing the total earned to date to \$1,281,409. These interest earnings will be used to make additional DWRLF loans.

4. Repayments

DWRLF loan repayments during SFY 2005 totaled \$1,331,404, which is a combination of \$956,441 in recaptured principal and \$374,963 in interest earned. From inception of the program to June 30, 2005, the program has received \$4,395,238 in cumulative loan repayments, which is a combination of \$3,076,813 in recaptured principal and \$1,318,425 in interest earned. All loan repayments are deposited into the Fund.



TABLE 1. SOURCES OF COMMITTED DWRLF FUNDING By Federal Cap. Grant Year							
SOURCES OF FUNDS	FEDERAL CAPITALIZATION GRANT						Cumulative
	1997 (Awarded SFY 98)	1998-99 (Awarded SFY 00)	2000 (Awarded SFY 02)	2001 (Awarded SFY 03)	2002 (Awarded SFY 04)	2003 (Awarded SFY 05)	
Capitalization Grant	12,759,800	14,585,100	7,757,000	7,789,100	8,052,500	8,004,100	58,947,600
State Match	2,551,960	2,917,020	1,551,400	1,557,820	1,610,500	1,600,820	11,789,520
TOTAL SOURCES OF FUNDS							70,737,120
SET-ASIDE ELEMENTS AND CATEGORIES							
Administration (max 4%) 1452(g)(2)	510,392	583,404	310,280	311,564	322,100	320,164	2,357,904
Small Systems Technical Assistance (max. 2%) 1452(i)	255,196	291,702	155,140	155,782	161,050	160,082	1,178,952
State Program Management (max. 10%) 1452(g)(2)							
Operator Certification	389,060	291,702	236,956	0	0		917,718
Development of Statewide Assessment/Assist. to	637,990	1,016,957	488,021	778,910	805,250	800,410	4,527,538
Implementation of Wellhead Protection Program	0	0	0	0	0		0
Public Health Epidemiology Project	248,930	99,851	0	0	0		348,781
Water Conservation	0	50,000	0	0	0		50,000
Engineering Assistance to SRF Program	0	0	50,723	0	0		50,723
State Program Management Subtotal:	1,275,980	1,458,510	775,700	778,910	805,250	800,410	5,894,760
Local Assistance (max. 15%) 1452(k)							
State & Local Capacity Development	537,990	1,312,659	698,130	778,910	805,205	800,410	4,933,304
Capacity Development Loan	0	0	0	0	0		0
Delineation of Source Water Protection Areas	1,275,980	0	0	0	0		1,275,980
Source Water Protection Loans*	100,000	0	0	0	0		100,000
Implementation of Wellhead Protection Program	0	875,106	465,420	389,455	402,670	400,205	2,532,856
Local Assistance Subtotal:	1,913,970	2,187,765	1,163,550	1,168,365	1,207,875	1,200,615	8,842,140
TOTAL SET-ASIDES	3,955,538	4,521,381	2,404,670	2,414,621	2,496,275	2,481,271	18,273,756

TABLE 2. Sources and Uses of Funds Statement**Sources of Funds**

Capitalization grants Received	58,947,600	
FY 2004 Capitalization Grant allocated ¹	8,303,100	
FY 2005 Capitalization Grant allocated ¹	8,285,500	
Total Federal Sources		75,536,200
State match on cap grants received	11,789,520	
State match on allocated grants (04) ¹	1,660,620	
State match on allocated grants (05) ¹	1,657,100	
Investment Interest	1,316,663	
Principal repayments on loans	2,548,152	
Loan interest	1,318,425	
State and other Sources		<u>20,290,479</u>
Total Sources		<u>95,826,679</u>

Uses of Funds

<u>Loan Activity</u>		
Large System Loan commitments	11,643,841	
Small System Loan Commitments	8,815,086	
Loan Totals ²		20,458,927
<u>Specified Set-Aside Activity</u>		
Administration	2,013,335	
Small System Technical Assistance	703,033	
State Program Management	5,870,914	
Local Assistance	5,920,504	
Set-Aside Totals		14,507,786
Binding Commitments (gross less loan cmts)		<u>36,176,354</u>
Total Uses		<u>71,143,067</u>
Carryover		<u><u>24,683,612</u></u>

The IUP must discuss how the carryover will be absorbed. (ie. Must show the timely and expeditious use of **all** the funds)

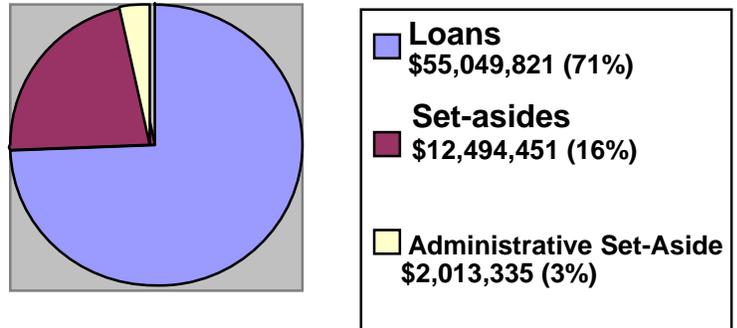
Notes:

1. The Allotment for FFY 04 & 05 Grants have been allocated by Congress but has not been received by the state as 06/30/05. Based on the Capitalization Grants received by the state as 06/30/05 the Carryover balance is \$4,777,293 or about 8% of the grants received plus the match.
2. Reduce commitments because of a loan reduction in SFY 05

B. Uses of DWRLF Funds

As of June 30, 2005, the NMFA has committed \$55 million DWRLF loans to public water systems (See Figure 2). \$14.5 million were committed to Set-Aside activities of which \$2 million were allocated to the NMFA for administrative activities. The remaining \$12.5 million that was allocated to the Set-Asides will provide assistance to water systems throughout the state.

**Figure 2. Fund Uses
(\$69.5 Million)**



1. Future Uses of DWRLF Funds

In SFY 2005, the NMFA and NMED applied for the FFY 2004 Capitalization Grant, which was awarded in FFY 2005, but after the June 30, 2004 reporting period. This \$8,303,100 capitalization grant with a corresponding state match from the NMFA’s Public Project Revolving Fund of \$1,660,620 will be fully reported in the State’s FY 2006 Annual Report. To date, the NMFA has used these funds to make four binding commitments totaling approximately \$4,828,000, leaving approximately \$18,360,085 to obligate in SFY 2006. NMFA believes that it will fully commit these funds by the end of SFY 2006 with the assistance of the new Fundable Priority List that was created by the DWB.

2. Loan Assistance Status

The NMFA closed 3 loans totaling more than \$6.3 million and made four binding commitments totaling more than \$4.8million during SFY 2005. The loans ranged in size from \$505,000 to \$2,000,000 (see Table 3). Two of the loans have terms of 20 years and the remaining loan has a term of 22 years. The populations served by the water systems that received funding during SFY 2005 ranged from approximately 3,500 to more than 28,750. (See Table 4.)

a) Binding Commitments

During SFY 2005, the NMFA made binding obligations to four projects of which one has closed for \$808,000 and the remaining three have not yet closed as loan, as of June 30, 2005. The four binding commitments are listed below in Table 3 and total approximately \$4.8 million.

TABLE 3. DWRLF BINDING COMMITMENTS MADE IN SFY 2005							
Priority Ranking	Name	Amount	Binding Commitment Date	Project Type	Pop. Served	Small System	Disadvantaged Systems
20	Albuquerque Bernalillo WUA	\$2,000,000	09/24/04	Construction and Design of Santa Barbara Pump Station	453,000	No	no
2	City of Espanola	\$808,000	07/29/04	Replacement of existing water meters with radio read meters, including software and hardware needed to operate the program.	9,688	Yes	yes
21	City of Aztec	\$1,515,000	07/29/04	Construction of an additional water storage reservoir to allow for additional sediment settling time prior to the treatment of the water. The City is currently in non-compliance due to high drinking water sedimentation or turbidity in the water.	6,378	Yes	no
349	Timberon Water & Sanitation District	\$505,000	01/13/05	Drilling of new Wells and improvements to the existing water system	200	Yes	yes
		\$4,828,000.00			469,266		

As of June 30, 2005, NMFA is in compliance with its grant agreement with respect to its binding commitment requirements according to CFR 35.3550(e)(1-3). As demonstrated in the Binding Commitment Chart (Attachment C), NMFA exceeded its binding commitment obligations during the reporting period by \$15,348,828.

b) Project Bypass

BY-PASS PROCEDURE: New Mexico Environment Department (NMED) and New Mexico Finance Authority (NMFA) will expect to fund the projects on the Drinking Water Revolving Loan Fund (DWRLF) fundable priority list, in rank order, but reserves the right to “by-pass” certain projects using a by-pass procedure. The State reserves the right to fund lower priority projects over higher priority projects, if

in the opinion of the NMED or the NMFA, the higher priority project does not meet the screening criteria discussed below. The following is the screening process, in order of application, for the revolving loan fund DWRLF fundable priority list:

The water system must be willing to take a loan and be ready to proceed. The water system must have taken the necessary steps to expeditiously prepare funding documentation and initiation of construction. If the community does not agree to undertake a loan or if they have not proceeded expeditiously to complete all funding documentation and move toward construction, then they will be by-passed to allow other systems to take advantage of the loan program. If a public water system has been notified in writing of its eligibility for the DWRLF by the NMED and NMFA, and the water system fails to follow through by contacting either the NMED or NMFA of its interest in DWRLF funding, the NMED and NMFA will continue with the next project on the DWRLF fundable priority list. New quarterly updates of the IUP process may result in a reprioritized fundable priority list in any given year. Projects with current binding commitments will take priority over any new additions to the fundable priority list, during the program's IUP yearly cycle.

If a community has been added to the fundable list through the quarterly review process, they can be by-passed if they are not in a position to take on a loan. Also, a community can be by-passed if there is not enough money in the DWRLF Loan fund to fund the new project or if a community is found not to be loan worthy.

TABLE 4: DWRLF LOANS Closed in Fiscal Year 2005

New Mexico Drinking Water State Revolving Loan Fund													
Commitment Date	Closed	Priority List Ranking	Water System	Project Description	Amount	Rate	Term (years)	Pop	System Info		2005 Loan Information ²		
									Small ³	Disadv ⁴	Interest Collected	Principal Collected	Current Loan Balance
9/24/2004	9/24/2004	331	Santa Fe, City of	Phase I: Planning and Design of the Buckman Direct Surface Diversion	\$7,070,000	2.000%	20	60,000	no	no	\$ -	\$ -	
11/25/03	1/28/2005	247	Roosevelt County Water Coop.	Construction of booster station, replacement of main lines, addition of new valves and service connections, acquisition of water billing software.	\$297,710	3.000%	20	3,500	yes	no	\$ -	\$ -	
04/22/03	5/13/2005	1	Hobbs, City of	Repair and refurbishment of elevated tanks, construction of an above ground water storage tank, and installation of an automated meter reading system.	\$5,226,750	2.000%	22	28,750	no	no	\$ -	\$ -	
07/29/04	5/20/2005	2	Espanola, City of ¹	Replacement of existing water meters with radio read meaters, including software and hardware needed to operate the program.	\$808,000	0.707%	12	9,688	yes	yes	\$ -	\$ -	
Total					\$ 13,402,460	1.93%		101,938			\$ -	\$ -	\$ -

- Notes
1. This loan was a binding commitment in SFY 05 and closed in SFY 05
 2. To meet EPA guidelines, we have changed the loan collection process to an incurred cost process. Therefore there is no collection of principle during this period. However interest is collected when there is a drawdown of funds.
 3. Small systems are defined to be those serving a population under 10,000
 4. Communities with a median household income (MHI) < 90% state MHI are considered disadvantaged and may qualify for lowered interest rates

3. Set-Aside Activity Status

The following describes set-aside approved work plan activities, which were performed during SFY 2005. The NMFA is responsible for all tasks performed under the Administrative Set-Aside. In accordance with 40 CFR Subpart L §35.3510(b)(1), NMED, as the primacy agency, implements activities associated with the Direct Technical Assistance for Small Systems, State Program Management, and Local Assistance Set-Aside Elements. Under previously approved amendments to the 1997 work plans, the NMFA also performs certain tasks that are funded from the Small Systems Technical Assistance and Local Assistance Set-Asides as negotiated with NMED. Attachment A provides the Cash Flow and Perpetuity 1 & 2 Charts. Attachment B provides the Financial Statement, which is currently pending. Attachment C provides the Binding Commitment Chart.

a) Administration Element

Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Unspecified Amount Transferred to Loan Fund	Specified Expenditures thru 6/30/05	Specified Ending Balance
FY97	\$510,392	\$510,392	\$0	\$0	\$510,392	\$0
FY98-99	\$583,404	\$583,404	\$0	\$0	\$583,404	\$0
FY00	\$310,280	\$310,280	\$0	\$0	\$310,280	\$0
FY01	\$311,564	\$311,564	\$0	\$0	\$311,564	\$0
FY02	\$322,100	\$322,100	\$0	\$0	\$297,695	\$24,405
FY03	\$320,164	\$320,164	\$0	\$0	\$0	\$320,160
TOTALS	\$2,357,904	\$2,357,904	\$0	\$0	\$2,013,005	\$344,565

The NMFA uses its 4% of the annual capitalization grant to administer the DWRLF with expenditures such as legal counsel, construction oversight, and technical review specifically related to project completion. Under the DWRLF program and EPA guidelines, all PERs and EIDs are required to be reviewed and approved prior to project construction. In addition, EPA also requires that all phases of the construction process be monitored. The NMFA uses the administrative set-asides to pay for technical reviews of DWRLF projects, including a contract NMFA has entered into with the NMED's Construction Programs Bureau (CPB) to monitor construction of all infrastructure projects funded through the DWRLF. During the reporting period, the CPB provided engineering and construction oversight services on 11 projects and was paid approximately \$91,783 for these services.

NMFA is responsible for the development and implementation of marketing strategies to promote the DWRLF loan fund, conducting outreach efforts, and providing technical assistance to public entities in the development of qualified project proposals to the NMFA. These strategies are meant to attract borrowers and projects for the fund. Project and application files are maintained by the NMFA. Representatives from the NMFA attend various public meetings, workshops and conferences as necessary to inform, educate and explain the various aspects of the DWRLF.

Staff and Agency Resources in SFY 2005

This Set-Aside is utilized by the NMFA. As allowed by the SDWA, NMFA reserved and specified an amount equal to 4% of the FFY 2003 (\$320,164) capitalization grants for administrative support of the DWSRF. NMFA used an estimated amount of \$328,597 from set-

aside funds for SFY 2005 DWSRF administration, an increase of approximately \$113,502 over the last year. The primary reason for this increase in SFY 2005 is the results of increased accounting staff time to reconcile various balances within the DWSRF.

Funds available for the administration of the DWRLF program during State SFY 05 included unexpended administrative set-aside funds from previous years. NMFA estimated that seven of its employees would work regularly on the program on at least a part-time basis, for an equivalent of approximately 2.0 FTEs. NMFA charges its staff time based on actual hours worked on the DWRLF program. Engineering and construction oversight as well as other technical services are provided through a contract with NMED's CPB and other contractors.

Activities Performed in SFY 2005

- NMFA staff provided assistance to 20 loans (some systems have more than one loan), including loan portfolio management; debt issuance; financial, management and legal consulting fees; technical review of preliminary engineering reports and environmental information documents; and construction management services. This Set-Aside was also be used to assist systems with the application process, including production of documents required as part of the funding process.
- NMFA used the Set-Aside element to operate the loan fund, which has experienced no defaults to date. NMFA's goal to maintain the loan fund as a perpetual funding source with fiscal integrity is demonstrated in Attachment B to this report.
- NMFA also reconciled all of the Set Aside balances with the DWB and also EPA Region 6 to ensure the accuracy of the balances that are being reported. Another part of the reconciliation was done by NMFA staff looking at the fund balances and changing procedures on how NMFA will draw down from EPA for incurred costs.

Progress in Meeting Target Accomplishments Established for SFY 2005

[Linked to Long-Term Goals 2 and 3]

During SFY 2005, the NMFA continued to strive make the DWRLF a perpetual source of funding in the state of New Mexico. Through June 30, 2005, the NMFA has closed 20 loans totaling \$34.4 million and made 4 binding commitments totaling \$20.5 million. During that same time frame the State prepared and submitted the FFY 2004 capitalization grant award and submitted the SFY 2005 IUP in accordance with state statute.

b) Small Systems Technical Assistance Element

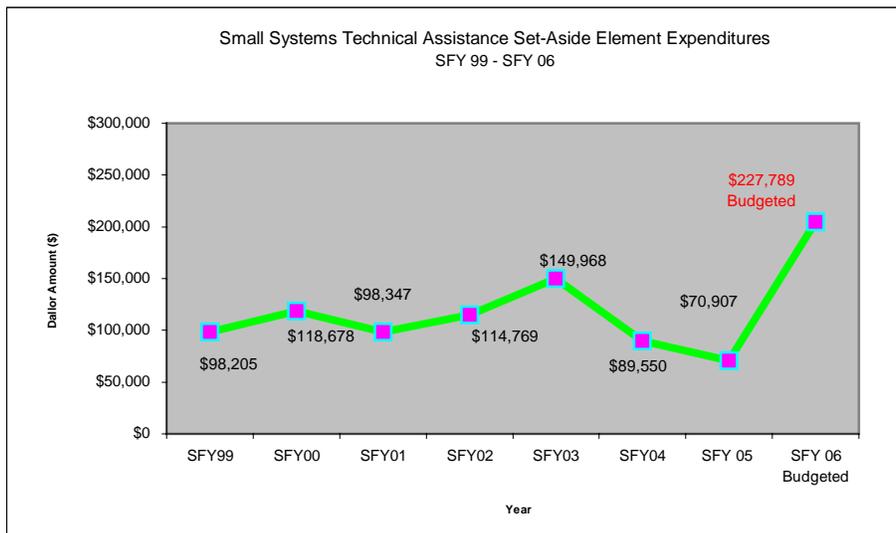
DWRLF Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Unspecified Amount Transferred to Loan Fund	Specified Expenditures thru 6/30/05	Specified Ending Balance
FFY97	\$255,196	\$255,196	\$0	\$0	\$255,196	\$0
FFY98-99	\$291,702	\$291,702	\$0	\$0	\$291,702	\$0
FFY00	\$155,140	\$155,140	\$0	\$0	\$155,140	\$0
FFY01	\$155,782	\$155,782	\$0	\$0	\$995	\$154,787
FFY02	\$161,050	\$161,050	\$0	\$0	\$0	\$161,050
FFY03	\$160,082	\$160,082	0	0		\$160,082
TOTALS	\$1,178,952	\$1,178,952	\$0	\$0	\$740,425	\$475,919

Section 1452(g)(2)(D) of the SDWA authorizes states to provide funding for technical assistance to small public water systems (serving a population of 10,000 or fewer) to enable such systems to achieve and maintain compliance with SDWA and State drinking water regulations.

Staff and Agency Resources in SFY 2005

The DWB and the NMFA utilize this Set-Aside Category. In SFY 2005, the State reserved the full 2% available of the 2003 (\$160,082) federal capitalization grants to fund the Small System Technical Assistance Program. DWB spent \$70,907 from Set-Aside funds in SFY 2005. Funds available for this program element during SFY 2005 included unexpended Small System Technical Assistance set-aside funds from previous years. Please see Figure 3, which illustrates expenditures of Small System Technical Assistance funds since the inception of the Set-Aside programs. One DWB staff person was designated for the majority of his time, plus allocation of other DWB staff based on actual hours worked on Small Systems Technical Assistance, for an estimate of one FTE.

Figure 3



Activities Performed in SFY 2005

With the use of ongoing funds in SFY 2005, small surface water systems were provided technical assistance to improve treatment approaches. Technical assistance was also developed to assist small PWS improve their capacity to operate surface and ground water systems. Public water systems received advice on how to improve compliance with drinking water standards through the development of long-term compliance based engineering strategies, comply with monitoring and reporting requirements, and increase the knowledge of board members in efficient water system operation.

HIGHLIGHTS: During the reporting period, the position to coordinate and manage AWOP/CPE statewide efforts for the bureau was filled. An engineer with DWB-District 1, assisted in building the AWOP/CPE program, devoting 1/3 to 1/2 of their time to the program. Also, the engineer that was hired in the Albuquerque Office will participate in the plan and specification review team. New Mexico hosted the spring Region 6 AWOP meeting in Albuquerque, the first AWOP meeting New Mexico has hosted in several years.

ADDITIONAL ACTIVITIES: Bi-monthly enforcement conference calls and numerous *ad hoc* meetings were conducted to discuss enforcement actions in the four DWB districts throughout the period of performance. The participants included the enforcement staff, Capacity Development staff, district staff, technical assistance providers and EPA. Each call focused on a particular DWB district and their PWS slated for enforcement actions. The combined activities of DWB and the technical assistance providers are key support for PWSs' return to compliance. DWB staff and contractors meet regularly to discuss implementation strategies that have worked for specific PWS situations. These discussions help DWB apply successful strategies across districts and unique PWS conditions.

PWSs that received considerable attention were Twin Forks MDWCA, G and S Water Works, Upper Dilia MDWCA, La Asociacion del Agua de los Brazos, Vallecitos, Ft. Sumner, Columbus, Lybrook MDWCA, Sena MDWCA, La Jara MDWCA, Espanola, Bug Scuffle Ranch MDWCA, Nogal MDWCA, Oro Grande MDWCA, Hanover MDWCA, Rodeo MDW & MSA, and Lumberton MDWCA. In one special instance, upon review of DBP data for the Springer Municipal Water System, a limited Targeted Technical Assistance (TTA) was conducted by DWB. After visiting the plant and reviewing operating procedures, a special study was devised to try and decrease DBP production.

TRAINING: EPA Region 6 staff conducted three days of Sanitary Survey Training. This training event was well attended by DWB oversight staff. Also, a training event was conducted by the District 1 manager, to educate oversight and capacity staff on LT1SWTR and IESWTR. Two full-day training events were offered regarding conducting filter assessments. These events were geared toward system operators as well as DWB staff. The first training was held in February in Aztec, New Mexico. The second training was held in March in Springer, New Mexico. Several field oversight staff members attended these training events. Two (2) RCAC trainings took place in April and in May to provide PWSs impacted by the new arsenic standard with detailed information to assist them in completing the required documentation for exemption by the deadline of June 30, 2005. Several of New Mexico's approximately ninety (90) PWSs impacted by this new standard attended the trainings and an estimated ten (10) systems completed and submitted the documentation by the June deadline.

Progress in Meeting Target Accomplishments Established for SFY 2005

[Linked to Long-Term Goals 1, 4 and 6]

The details of these activities are provided in the prior paragraphs and with additional details in the regular quarterly reports. The target accomplishments under this work category support the SFY 2005 IUP Long-Term Goal 1 by the development of the AWOP program, hiring and training of staff, and training of staff and PWS officials. The Long-Term Goal 4 is enhanced through strategic planning in regular bi-monthly and *ad hoc* meetings among stakeholders. Long-Term Goal 6 is supported through the training of staff and the training of PWS officials to assist in the assurance of the proper operation and maintenance of water systems.

c) State Program Management Element

Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Unspecified Amount Transferred to Loan Fund	Specified Expenditures thru 6/30/05	Specified Ending Balance
FFY97	\$1,275,980	\$1,275,980	\$0	\$0	\$1,275,980	\$0
FFY98-99	\$1,458,510	\$1,458,510	\$0	\$0	\$1,458,510	\$0
FFY00	\$775,700	\$775,700	\$0	\$0	\$775,700	\$0
FFY01	\$778,910	\$778,910	\$0	\$0	\$778,910	\$0
FFY02	\$805,250	\$805,250	\$0	\$0	\$805,250	\$0
FFY03	\$800,410	\$800,410	\$0	\$0	\$776,563	\$23,847
TOTALS	5,894,760	\$5,894,760	\$0	\$0	\$5,870,913	\$23,847

i. ASSISTANCE TO PUBLIC WATER SUPPLY SUPERVISION (PWSS)

The Assistance to Public Water Supply Supervision (PWSS) Set-Aside Category provides support to the programmatic functions of the PWSS grant program authorized under Section 1452 (g)(2)(A) of the *SDWA*. The general goals of PWSS include primacy development and maintenance, rule implementation, enforcement, compliance, improved water system data management, public outreach and information, and improved laboratory capacity. Under this Set-Aside in SFY 2005 the focus was on water system inspections and related compliance and enforcement efforts. Needs and deficiencies of public water systems are assessed through the sanitary surveys and other information-gathering mechanisms that bring the water systems into and keep them in *SDWA* compliance.

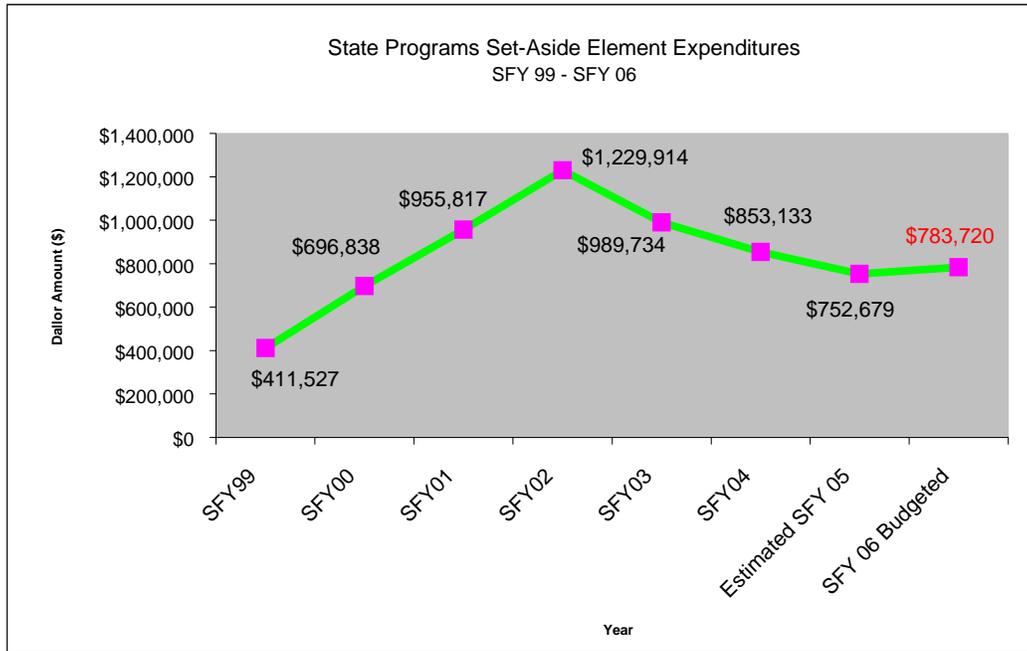
This category supports the administration of the Capacity Development Program, including such activities as report writing and participation in capacity development regional meetings. Additionally, this State Program Management category funds the administration of the composite Source Water Assessment & Protection Program (SWAPP). Funding under this category is used to foster on-going state efforts to protect drinking water supplies from contamination through data development and analyses, and through support of community source water protection efforts. This category also supports the Waterborne Disease Surveillance Project. This project, under a cooperative agreement established with the NMDOH, Division of Epidemiology, supports surveillance, investigation, and medical advice consultations for health indicators associated with water quality.

Staff and Agency Resources in SFY 2005

This Set-Aside Category is utilized by the DWB. As allowed by the *SDWA*, DWB reserved, specified, and was awarded the full 10 percent out of the State Program Management Set-Aside Element, \$778,910 of the 2001 capitalization grant in SFY 2003 and \$805,250 of the 2002 capitalization grant in SFY 2004. In SFY 2004, DWB applied for \$800,410 from the 2003 capitalization grant. DWB used an estimated \$752,679 in SFY 2005 from set-aside funds from the Assistance to PWSS category. Funds available for this State Program during SFY 2005 included unexpended set-aside funds from previous years. Please see Figure 4, which illustrates expenditures of State Program Management funds since the inception of the Set-Aside programs.

DWB estimated that 9 FTEs worked regularly on program activities, which included an estimated 0.5 FTE for SWAPP Administration, 0.10 for Capacity Administration and 0.25 FTE for Epidemiology. DWB charged its staff time based on actual hours worked on the Set-Aside programs. For SFY 2005 a total amount of \$70,020 was spent on the Waterborne Disease Surveillance Project through a Joint Powers Agreement with the NMDOH.

Figure 4



Section 1452(g)(2) of the *SDWA* states that each State may use up to an additional 10 percent of the funds allotted to it for State Program Management if the State matches the expenditures with at least an equal amount of State funds. The State is authorized to use the amount of funds it expended on its PWSS Program in fiscal year 1993 as a credit toward meeting its match requirement. However, the State has opted to not use the credit, but use actual expenditures from the State Water Conservation Fee Fund. Please see Table 5 below showing actual expenditures by state fiscal year demonstrating compliance with the match requirement. The top rows show the actual expenditures each fiscal year from the State Program Management Category, which require the 1:1 match ratio. The bottom half of Table 5 shows the total actual audited expenditures by the Water Conservation Fee Fund less cash match used for the PWSS grant. The last row shows expenditures by the State in excess of the required amount.

The Water Conservation Fee Fund is used as the main State source of funding in New Mexico's Drinking Water Program. This source of revenue is used for the following purposes: collection and analysis of water samples, vulnerability assessments, water operator training and certification. These uses support compliance monitoring for *SDWA* requirements. An additional source of State funding in the New Mexico Drinking Water Program comes from the Corrective Action Fund. The broad purpose of this fund is to support water protection activities in New Mexico. The Corrective Action Fund resources were used during SFY 2005 for activities that could be eligible under Assistance to PWSS. DWB has historically needed more resources to conduct the activities of this set-aside than are made available through the DWSRF, to support

the provision of safe drinking water in New Mexico. In SFY 2005, DWB used \$127,500 from Corrective Action Fund revenues for the activities that met eligibility under the Assistance to PWSS Set-Aside. Additionally, \$287,300 was provided for the match for the PWSS grant.

TABLE 5: DWB State Program 1:1 Match

<i>DWSRF STATE PROGRAMS SET-ASIDE ELEMENT</i>	<u>SFY99</u>	<u>SFY00</u>	<u>SFY01</u>	<u>SFY02</u>	<u>SFY03</u>	<u>SFY04</u>	<u>SFY05</u>
<i>Amount Requiring Match/ State Program Management Actual Expenditures</i>	392,798.62	696,838.46	856,817.16	1,229,914.24	989,734.00	885,930.00	751,679
<i>Water Conservation Fee Fund Expenditures</i>							
	<u>SFY99</u>	<u>SFY00</u>	<u>SFY01</u>	<u>SFY02</u>	<u>SFY03</u>	<u>SFY04</u>	<u>SFY05</u>
<i>Audited Expenditures thru SFY 02</i>	2,340,268.00	2,216,088.00	3,241,730.00	2,437,349.61	3,381,600.00	3,323,200.00	2,869,235
<i>Less PWSS Cash Match</i>	223,521.00	391,643.00	364,028.00	244,700.00	284,832.00	329,582.00	0
<i>Available State Match-Current Year</i>	2,116,747.00	1,824,445.00	2,877,702.00	2,192,649.61	3,096,768.00	2,993,618.00	2,868,234
<i>Credit for FY93 Funding Used</i>	0.00	0.00	0.00	0.00	0.00	0.00	0
<i>Excess State Program Match</i>	1,723,948.38	1,127,606.54	2,020,884.84	962,735.37	2,107,034.00	2,107,688.00	2,117,555

Activities Performed in SFY 2005

The Assistance to Public Water System Supervision (PWSS) Program under the State Program Management Set-Aside supports the core functions of the DWB. The DWB collects essential information in the field about water system performance and offers training and shares knowledge by providing technical assistance during staff visits. This category supports work activities for DWB field staff from Las Cruces, Clovis, Ruidoso, Hobbs, Raton, Farmington, Albuquerque, and Santa Fe. Please note that the resources required to complete tasks such as sanitary surveys vary in their utilization of set-aside resources across reporting periods. This comes as a result of water system complexities such as number and type of water sources; managerial, financial, and technical issues; community history, population size and drought. Additional factors such as inclement weather, changes in staffing, and contract payment schedules also may distort or influence the correlation between the enumeration of activities and set-aside resources consumed. Thus, there can be no meaningful direct correlation drawn between the raw scores of reported activities and resources utilized in any given reporting period for the DWSRF set-asides. However, comparison of annual totals will supply some general insight into DWB activities during the reporting period and is provided to contribute to the understanding of the use of this set-aside.

HIGHLIGHTS: The rate of sanitary surveys increased by more than 450% in SFY 2003, which produced a total of 393 compared to SFY 02, which totaled 82. In SFY 2004, the rate was steady with a total of 173 sanitary surveys completed. In SFY 2005 the rate of sanitary survey completions was 277. See Attachment G. During most of SFY 2004, DWB field staff reviewed over approximately 15,000 monitoring results, performed approximately 1,240 informal enforcement related actions, and 467 site visits. In SFY 05 there were 796 site visits performed, an estimated 31,383 monitoring results were reviewed for adherence to water quality standards and 1,525 informal enforcement actions were conducted. The Enforcement Plan for DWB was finalized during this reporting period and 37 formal NOV's and 29 formal AOs were issued for a total of 66 formal enforcement actions during the reporting period. In SFY 2004, DWB staff

issued approximately 75 formal enforcement actions. The Capacity Development Program made significant progress in the revitalization of the Capacity Assessment process. This new capacity assessment approach was utilized by NMFA and DWB staff as a basis for the development of the new Priority System. These efforts resulted in a revitalized process for the development of the comprehensive and fundable priority lists. As a part of the effort of the Waterborne Disease Surveillance project, Salmonella was added to the list of waterborne disease contaminants, after reviewing the data from the Middle Rio Grande Bacteria Source Identification & Tracking project and consulting with NMED Infectious Disease Epidemiology doctors. This is a result of this research revealing that avian vectors and their related fecal contamination were repeatedly found in sampled surface water in New Mexico.

ADDITIONAL ACTIVITIES & TRAININGS:

Compliance, Data Management, and Data Quality: During most of SFY 2004, approximately 769 Inventory Action Forms were processed as a result of information collected in the field largely through the sanitary surveys. During the SFY05 reporting period, data from 788 Inventory Action Forms were entered into the database as a result of information collected in the field largely through the sanitary surveys. During this reporting period there were 1,799 TC+ results processed. DWB performed one emergency inspection. DWB provided 7,922 technical assistance contacts to ensure time-critical public outreach activities. While staff continued to carry out these routine activities, special tasks were also accomplished. There is an on-going issue with differing results in the analysis of Gross Alpha emitters between two of DWB's reporting analytic laboratories. DWB staff and NMDOH medical and toxicology staff have worked with the community, Ft. Sumner, and with the reporting laboratories and lab officials at EPA (DOE Idaho Rad Lab) to test and analyze these results as a part of an effort to assure Safe Drinking Water Act compliance and accurate laboratory reporting.

ii. ADMINISTRATION OF CAPACITY DEVELOPMENT PROGRAM:

DWB staff attended and provided training on the enforcement and capacity programs at the annual NMRWA meeting in March, 2005. The AWOP Coordinator attended the Regions 6 and Region 8 Capacity Development Workshop in Dallas April 19 – 21, 2005. While in attendance the coordinator gave a presentation on Drought in New Mexico and drought's implications for funding drinking water projects. The Capacity Development Annual Report for SFY05 was written and submitted to EPA Region 6 in November 2004. DWB staff continues to work together to provide needed information for PWSS and SRF quarterly, semi-annual, and annual reports. Work began on the preparation of the Governor's Report and the SFY 2005 Capacity Development Report. There were on-going discussions between DWB staff and EPA program staff to assure complete, timely and successful report development. DWB staff in collaboration with NMFA staff prepared the SFY 2006 Intended Use Plan (IUP). This included development of a new prioritization criteria and the creation of the Comprehensive and Fundable Priority Lists.

iii. WATERBORNE DISEASE SURVEILLANCE PROJECT:

The Waterborne Disease Surveillance Project (WDSP), under a cooperative agreement (JPA) was established in April 2000, with the Department of Health Office of Epidemiology. Darren Padilla was appointed the single point of contact for the waterborne disease surveillance

project for DWB. During the SFY 2005 period of performance, work included 11 water system advisories, 28 water-related incidents, complaints or requests for information. A fact sheet titled “Nitrate in Drinking Water” and “Bacterial Contamination of Drinking Water” was revised and submitted to DWB for review. On February 28, 2005, NMDOH gave a presentation on its work on over-the counter (OTC) anti-diarrheal pharmaceutical sales surveillance and a final report on this project was submitted in June, 2005. NMDOH drafted annual reports of waterborne disease events for the 2001 and 2002 years. NMDOH is currently drafting the 2003 report. First quarter of SFY 2006 the 2003 report should be submitted to DWB.

iv. ADMINISTRATION OF WELLHEAD PROGRAM:

Approximately 160 SWAPP reports were outstanding at the close of SFY 2004. All public water systems received SWAPP reports by the close of December 2004 with the exception of Alamogordo. This report is now completed. All completed reports are available for review and are listed on DWB’s website at <http://www.nmenv.state.nm.us/dwb/SWA%20Aavailable.htm>. New Mexico’s water systems are now poised for protection plan development, adoption, and implementation. DWB formed a SWAPP group, Partners in Protection (PIP), which discussed further tools and developed methodologies for implementation of the protection program. NMRWA provided copies of approximately 90 Ground Water Protection Plans dated 1997 through 2004 to be reviewed by DWB. Approximately sixteen (16) water systems were contacted regarding initiation of a Wellhead Protection Plan (WHP). The main deterrent to a water system’s willingness to cooperate with this program are funding issues. Full-scale water system outreach is scheduled to begin after development of program criteria and related tools are implemented during the first quarter of SFY06. Coordination between DWB and other Bureaus is currently underway to promote the Well Head Protection program within the NMED respective Bureaus’ permitting process. DWB made progress in this activity by beginning to work with the Construction Programs Bureau, Ground Water Quality Bureau, Surface Water Quality Bureau, and other entities to analyze the New Mexico Sanitary Projects Act to suggest legislative changes to enhance the ability of Mutual Domestic Water Consumer Associations to protect their wellhead areas. The DWB Chief has taken the role of the Chair of the Drinking Water Work Group of the Governor’s Drought Task Force. One of the key functions of this group is to recommend legislative initiatives for the governor’s consideration. This year, for example, a revision of the state’s zoning laws for the purpose of supporting water source protection, is being considered, based on the activity of this work group. Management directed the progress of determining the eligibility for chemical monitoring flexibility/waivers through coordination with oversight staff and utilization of the DRASTIC Index calculation from finalized SWAPP reports to assist in the final waiver determination.

Progress in Meeting Target Accomplishments Established for SFY 2005

[Linked to Long-Term Goals 1, 4, and 6]

The details of these activities are provided in the prior paragraphs and with additional details in the regular quarterly reports. As the DWB increased its effort to complete sanitary surveys, during SFY 2003 and SFY 2004 it has maintained an accelerated pace in SFY 2005. This has resulted in timely completion of sanitary surveys and made an important contribution to the protection of public health [Long-Term Goal 1].

There was one water system in SFY 2003, 75 in SFY 2004, and 66 in SFY 2005 that received

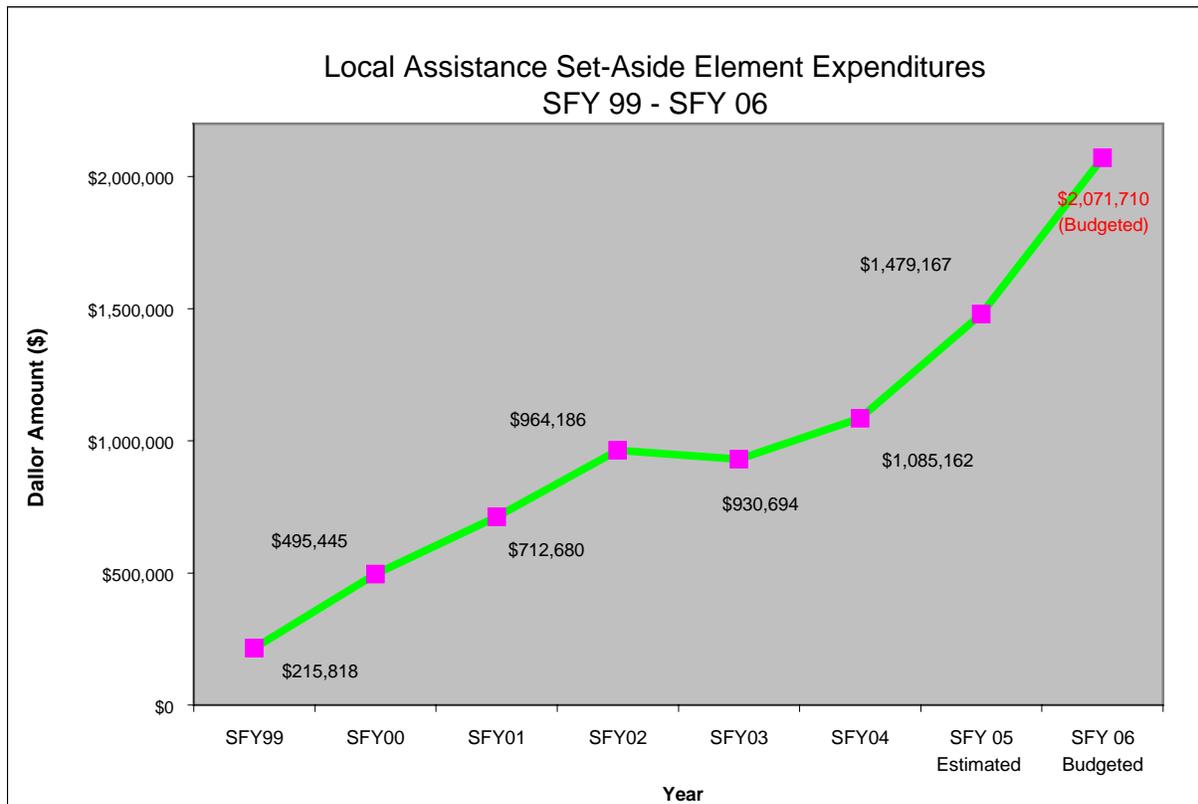
formal enforcement actions. The Long Term goal 4 of promoting capacity of PWS is enhanced by the formal enforcement of *SDWA* violations by the primacy agency. Further, significant progress was made during SFY 2005 to meet the requirements of Long-Term Goal 4 through the efforts of NMFA and NMED to develop a new priority system in which to annually rank DWSRF projects. This Goal was additionally supported by the development of the State's new capacity assessment process. Long Term Goal 6 was met through the collaborative efforts of the PIP team to develop appropriate source protection strategies during SFY 2005. Implementation of protection planning efforts is scheduled for SFY 2006. This will assist the DWB to meet its source water assessment and protection plan adoption target.

Ongoing work in the Waterborne Disease Surveillance Program has assisted the DWB in meeting Long-Term Goal 1. This occurred through the identification of *Salmonella* as a waterborne disease contaminant of concern. Additional progress was made through the on-going support with water system advisories and response to water-related incidents.

d) *Local Assistance Element*

	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Unspecified Amount Transferred to Loan Fund	Specified Expenditures thru 6/30/05	Specified Ending Balance
FFY97	\$1,913,970	\$1,913,970	\$0	\$0	\$1,813,427	\$100,543
FFY98-99	\$2,187,765	\$2,187,765	\$0	\$0	\$2,187,765	\$0
FFY00	\$1,163,550	\$1,163,550	\$0	\$0	\$1,163,550	\$0
FFY01	\$1,168,365	\$1,168,365	\$0	\$0	\$755,761	\$412,604
FFY02	\$1,207,875	\$1,207,875	\$0	\$0	\$0	\$1,207,875
FFY03	\$1,200,615	\$1,200,615	\$0	\$0	\$0	\$1,200,615
TOTALS	\$8,842,140	\$8,842,140	\$0.00	\$0.00	\$5,920,503	\$2,921,637

Figure 5



i. CAPACITY DEVELOPMENT SUB-ELEMENT

Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Unspecified Amount Transferred to Loan Fund	Specified Expenditures thru 6/30/05	Specified Ending Balance
FFY97	\$537,990	\$537,990	\$0	\$0	\$537,990	\$0
FFY98-99	\$1,312,659	\$1,312,659	-	-	\$1,312,659	\$0
FFY00	\$698,130	\$698,130	\$0	\$0	\$698,130	\$0
FFY01	\$778,910	\$778,910	\$0	\$0	\$715,547	\$63,363
FFY02	\$805,205	\$805,205	\$0	\$0	\$0	\$805,205
FFY03	\$800,410	\$800,410	\$0	\$0		\$800,410
TOTALS	\$4,933,304	\$4,933,304	\$0	\$0	\$3,264,326	\$1,668,978

Capacity development is the program that fosters water systems’ acquisition and maintenance of the technical, managerial and financial capacities necessary to consistently provide safe drinking water. Section 1452(k)(1)(B) authorizes states to assist existing public water systems in developing and upgrading technical, managerial, and financial capacity. New Mexico’s Capacity Development Strategy was developed and approved by EPA in September 2000. The strategy has been implemented and includes a variety of options for the State to provide financial, technical, and managerial assistance to its public water systems. This program is meant to support the needs of all water systems with particular emphasis on small and disadvantaged water systems. This Set-Aside category involves extensive on-site assistance and training of operators, boards, and other volunteers by DWB staff and contractors. The focus of these efforts is on water system inadequacies or problems, both long-term and short-term.

Staff and Agency Resources in SFY 2005

This set-aside is utilized by the DWB and the NMFA. As allowed by the SDWA, the State reserved and specified an amount equal to 10 percent out of the 15 percent Local Assistance Set-Aside Element, \$778,910 from the 2001 capitalization grant, \$805,250 from the 2002 capitalization grant, and \$800,410 from the 2003 capitalization grant for Capacity Development in SFY 2005. The State used an estimated amount of \$1,153,529 in SFY 2005 from set-aside funds under this category. Funds available for this category included unexpended set-aside funds from previous years. DWB staff (an estimated 7.8 FTE in SFY 2005) was assigned to implement this set-aside category. Expense total for DWB contracts under this category was \$456,464 (a total of \$92,929 for EFC, \$200,000 for NMRWA and \$163,535 for RCAC in SFY 2005. Please see Figure 5 for an overview of the composite expenditures of the Capacity Development and the Wellhead Protection sub-elements under the Local Assistance set-aside.

Activities Performed in SFY 2005

Key among the goals of this Sub-Element is direct support of the PWS through the following: 1) contracted services; 2) return to compliance efforts; 3) PWS plan review; 4) information gathering through inspections; specialized technical support such as CPE; and 5) operator certification activities.

HIGHLIGHTS: Bi-weekly meetings focus on a different district (one of the four) each week and result in strategic collaboration and teamwork to assist individual water systems. The DWB field offices, DWB central office, technical assistance providers, EPA Region 6, and other stakeholders, each bring different perspectives, knowledge and experiences, which results in an integrated plan and approach to support the *SDWA* needs of PWS in New Mexico.

Contract Management: Throughout the period of performance DWB provided the routine maintenance on complex contract conditions and terms, to support *SDWA* priorities for technical, managerial and financial capacity. This included: **1)** eligibility of all services; **2)** analysis of PWS issues to determine training needs in the Capacity Development Program; **3)** appropriate targeting of contractor resources to assure PWSs with *SDWA* violations receive top priority for services; and **4)** appropriate referral for extra-program services such as GWUDI testing. Any ineligible work is rejected and the contractor in question is required to resubmit an invoice for payment of only eligible work activities. In addition, the Capacity Development team assisted and provided a major contribution to the reissue of the ERG RFP. The RFP was issued for procurement on September 17, 2004, and the contract was issued in the spring of 2005. An RFP for the managerial and financial capacity was also developed. This RFP was posted on November 18, 2004. Improvements to the RFP included more comprehensive reporting requirements, an increase in the amount of group training, pre- and post-test requirements, and increased focus on regionalization, service plans, schedules and letters of understanding for water systems receiving technical assistance. The contract for financial and managerial services was issued by March, 2005. Additionally, the contract for technical assistance was also amended with upgraded training, evaluation and reporting requirements that are similar to the contractual requirements of the new managerial and financial contract.

DWB Assistance, Collaboration, & Return to Compliance: In an effort to increase the capacity of community water systems, DWB Field staff provided on-site technical, managerial and financial assistance to numerous community water systems. As part of the Capacity Development program, DWB staff made approximately 1,892 contacts for purposes of providing direct assistance to PWS. In addition, DWB staff made an estimated 1,000 contacts with organizational collaborators including EPA, RCAC, NMRWA, Office of the State Engineer, Funders, and Construction Programs during the reporting period, in order to assure *SDWA* compliance. Return to Compliance efforts have been assisted by collaborative efforts between DWB and other organizational stakeholders. In a unique instance during this reporting period, DWB coordinated enforcement efforts with the Public Regulatory Commission (PRC) on an investor-owned utility – G & S Water Works. This PWS has both fluoride and uranium exceedences. This has resulted in the PWS receiving an administrative order. The PWS additionally refused to recognize that it fell under PRC regulations. When faced with legal action by both DWB and PRC, the PWS threatened to shut off water to the consumers. Unfortunately the PWS is 90 miles from nowhere; thus this shut-off action would have constituted a significant public health threat. The PRC went to court (because DWB did not have such statutory authority) to prevent the owner from shutting off the water. This reduced the imminent public health threat while the community organized itself into a MDWCA with the plan to obtain a secure water source. This is an example of how interagency action is contributing to the protection of public health in New Mexico.

ADDITIONAL ACTIVITIES & TRAININGS

Enhancement of New Mexico's Priority System: In April 2004, the DWB initiated an agreement with EFC to review and update the capacity assessment and priority system. EFC-

Albuquerque, a nationally recognized expert on Capacity Development matters, assisted DWB in the development of a 3-tiered capacity assessment approach. This approach is designed to place the most capacity assessment effort with the most troubled PWS and to effectively and efficiently identify those PWS seeking DWRLF funding. During the reporting period EFC completed 149 capacity assessments. Additionally, an estimated 70 tier 3 capacity assessments were completed by PWS as a part of the threshold requirements for listing on the SFY 06 Comprehensive Priority List.

Technical, Managerial, and Financial Capacity Development: During the reporting period, the NMRWA performed site visits to 188 water systems at a cost of \$200,000. Please refer to Attachment E for a list of public water systems assisted by NMRWA and RCAC. NMRWA continues to make itself available 24/7 for a variety of emerging public health threats, statewide. Through the NMRWA contract services were targeted to PWS that had formal enforcement actions. Details of this service are provided in Attachment H. The RCAC assisted 171 water systems at a program cost of \$163,535 during the reporting period.

Through DWB's contract with NMRWA there was a training provided on removal of arsenic and fluoride using advanced treatment technologies, including Reverse Osmosis systems and Ion Exchange systems. An overview of the new groundwater rule was also provided. In June NMRWA provided a training on development of sampling site plans. On December 15, 2004 New Mexico Rural Water held a training in Socorro, New Mexico on the *SDWA*. Highlighted RCAC trainings include a workshop on the legal duties of PWS and an overview of required documentation for PWS that violated the arsenic standard must take to be eligible for exemption. Additionally there was a workshop on Basic Financial Management for Small Utilities held in Bayard on May 18 and CCR trainings statewide.

Discussions with the Office of the State Engineer took place regarding continuing the regionalization efforts of these 9 groups under the RCAC contract. Through DWB's contract with RCAC, assistance was given to 4 groups of water systems working toward regionalization. These groups are La Cienega (working with Santa Fe County), Cerro West merging with Cerro East, the El Rito group and the Guadalupe County group. DWB staff initiated discussions with New Mexico American Water Company to encourage them to bring into distribution six non-community water systems.

DWB Training & Information Dissemination: The Capacity Development program utilizes a variety of existing materials to assist in the education of the public and PWSs. Capacity Development handouts include information such as the following: brochures documenting capacity development case studies, information on the Total Coliform rule, New Mexico's Audit Act and Open Meetings Acts. Additionally, DWB provides information for participants at the annual Environmental Health Conference and at a variety of Rural Water conferences statewide. DWB held a DWAG meeting in November 2004 in Anthony, New Mexico. During the reporting period, DWB was a leader in the 2005 legislative session to amend the New Mexico Utility Operator Certification Act to clarify the enforcement role of NMED when taking enforcement actions against water systems without a certified operator. DWB also worked to modify New Mexico legislation to be consistent with the 1996 amendments to the *SDWA*.

DWB provided training to public water systems at a DWAG meeting and at an Infrastructure Financing Conference; both were held in late October. In addition, DWB provided four targeted training events covering the Surface Water Treatment Rule, the Longterm 1 Enhanced Surface Water Treatment Rule, an overview of the *SDWA*, and a sampling certification course. As part

of a joint effort with Bernalillo County Flood Program to identify and regulate restaurants, DWB staff worked with 13 facilities that qualified as new public water systems. DWB staff provided education and training to these facilities to assist them with their initial compliance. DWB held filter assessment training in Aztec, New Mexico to help operators evaluate their filters. Focus was placed on maximizing filter performance and operational sequencing.

NMED-DWB and NMFA hosted a Drinking Water Advisory Group (DWAG) meeting in May to present the IUP and to provide an update on DWB programs and new rules. Funding opportunities were also discussed. There were approximately 45 participants in attendance at that meeting in Albuquerque. NMFA has provided training to the Financial Analysts (FA) in order to effectively provide assistance to PWS on the SFY06 Fundable Priority List. This training will assist these FA in the work they will conduct under the SFY06 IUP, which will initiate in quarter one of SFY06.

DWB staff in all districts assisted water systems in Operator Certification activities by performing site visits and identifying systems that do not have a certified operator. If the system was without an operator, then the system was given a deficiency with the information on how to become certified with contact numbers to the Facility Operator Training Section of the Surface Water Quality Board (SWQB). On June 23, 2005, DWB attended the Utility Operator Advisory Board meeting in Albuquerque. DWB updated the Board on the new revisions being proposed in the Drinking Water Regulations, especially on the addition of the "Sampler Certification" requirements. On October 2, 2004 an Emergency Response Plan (ERP) workshop was held in Farmington, New Mexico. On November 2, 2004, DWB staff conducted a Long Term 1 Enhanced Surface Water Treatment Rule Training Session in Farmington, New Mexico. On March 1-2, 2005, NMED held a course on Weapons of mass Destruction (WMD)/ Terrorism Preparedness and Response for Water and Wastewater Small Systems Operators in Albuquerque, New Mexico. Two (2) filter assessment trainings were offered by DWB in Aztec and Springer, New Mexico and were attended by several operators from nine (9) surface water systems. DWB staff attended the Region 6 quarterly AWOP meeting in Arkansas in January 2005. This training included giving TTA for DBP issues. On April 5, 2005, DWB presented two (2) sessions in Farmington on the SDWA and the New Mexico Drinking Water Regulations. On May 17, 2005, DWB presented two (2) sessions in Taos on the SDWA and the New Mexico Drinking Water Regulations. NMED, DWB sponsored and conducted a training at the Albuquerque field office on Laboratory Results and Preparation of the Consumer Confidence Report on June 16, 2005.

Return to Compliance and Engineering Services: Additionally, DWB staff provided intensive, hands-on support to PWS with formal enforcement actions or with public health threats. For example staff worked with Upper Dilia MDWCA to garner better board actions so that uncollected water bills could contribute to the provision of chlorinated water and payment of the electric bill. In Hanover MDWCA staff worked with RCAC, NMRWA and others to assure the provision of water and correction of water system problems that were limiting water production. DWB staff worked with the Rosa Joint Ventures water system to resolve a Selenium exceedence, and with three water systems (the city of Albuquerque, the city of Rio Rancho, and Desert Sands MDWCA) to help them begin resolution of upcoming arsenic exceedence issues. Staff worked with Valley WUA, which is becoming a MDWCA to resolve leakage and accounting of water to satisfy the requirements of its water provider, Ft. Sumner. Staff worked with Vista Redondo MDWCA to resolve a potential Uranium exceedence. Staff worked with Santa Fe to help them begin the resolution of an upcoming arsenic exceedence issue. Additionally, staff worked with Elida and Floyd on the exemption process to guarantee the most

efficient and economical methods to comply with arsenic exceedences. A similar effort was made with Floyd to address the on-going fluoride problem with the same treatment effort. Staff provided many trainings and individual meetings to explain the new arsenic rule, to help potentially affected water systems develop a strategy for compliance with the new arsenic standard. Staff worked with Big Mesa water system to assist them in becoming compliant with the Disinfectants, Disinfection By-Products Rule and Surface Water Treatment Rule. Staff worked with Bloomfield water system on developing treatment modifications to resolve several 95% turbidity treatment technique violations. DWB staff worked with Cerro East MDWCA and Cerro West MDWCA to create one water system, the Cerro MDWCA. All connections have been made; the two water systems now operate as one water system. DWB participated in a statewide, multi-agency effort to bring about regionalization in 9 groups of water systems.

DWB and SWQB sent out surveys to Community and non-transient, non-community water systems to gather information to update the database with the most current certified operator information. If a certified operator is not employed by a water system, they were asked to fill out a "Voluntary schedule of Compliance". This compliance schedule provides DWB with information on what actions the water system will take to comply with the operator requirement. Total surveys sent to water systems were 140. To date approximately ½ of the surveys have been received with the updated operator information or a voluntary compliance schedule. For this reporting period, DWB notified over ninety-one (91) systems on sanitary surveys of the need to contact SWQB to work out voluntary schedules of compliance, and verbally gave notification to forty-two (42) PWS during site visits or over the phone. DWB staff conducted a total of 133 communications regarding operator status. Twelve PWS received informal enforcement actions for not having a certified operator through the activities of the central office enforcement staff of the DWB. These informal actions were incorporated into the cover letters of the Administrative Orders.

Angela Cross of the Albuquerque Office received her PE; she serves as a part of the CPE team. An additional engineer for the Albuquerque office was hired, and is a part of the plan and specification review team. DWB engineers performed 103 reviews of plans and specifications for compliance with sanitary regulations during the reporting period. Staff gave start-up and application assistance to Quigley's Playland, Big-O-Tires, and USFS Holy Ghost campground. Specifically, DWB worked with these facilities to provide education and training with initial compliance under state and federal laws. DWB also met with Fort Sumner over several meetings to coordinate a new construction project designed to return the water system into compliance with radium and gross alpha exceedences.

Progress in Meeting Target Accomplishments Established for Capacity Development for SFY 2005 [Linked to Long-Term Goals 1, 4, 6, and 7]

The details of these activities are provided in the prior paragraphs and with additional details in the regular quarterly reports. A significant goal for SFY 2005 was to support small PWS to maximize SDWA compliance and enhance system sustainability. PWS return-to-compliance has been accomplished through an on-going partnership among NMED, technical assistance providers, funding entities, and EPA Region 6. This partnership has resulted in more PWS with formal enforcement actions receiving contractor and DWB support. Additionally it is estimated that over 800 PWS received assistance from either contracted technical assistance providers or the DWB oversight staff. [Long-Term Goals 1,4,6 &7]

In addition, the efforts of NMFA and NMED to develop a new priority system which feeds the comprehensive and fundable priority lists has yielded the following: a) greater emphasis on serving the project needs of small PWS; b) identification of training needs of PWS; and c) focus on SDWA compliance. [Long-Term Goals 1 & 4] The NMFA made progress in getting loans out to PWS in New Mexico. NMFA closed 4 loans totaling more than \$13,402,460 million and made three binding commitments totaling more than \$4,828,000 during SFY 2005. The loans ranged in size from \$505,000 to \$1,500,000. The terms of the loans that were made in the SFY 2005 ranged from 12 years to 22 years. The populations served by the systems that received funding during SFY 2005 ranged from approximately 200 to more than 453,000. [Long-Term Goals 2]

ii. WELLHEAD PROTECTION PROGRAM SUB-ELEMENT

Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Unspecified Amount Transferred to Loan Fund	Specified Expenditures thru 6/30/05	Specified Ending Balance
FFY97	-	-	-	-	-	-
FFY98-99	\$875,106	\$875,106	\$0	\$0	\$875,106	\$0
FFY00	\$465,420	\$465,420	\$0	\$0	\$465,420	\$0
FFY01	\$389,455	\$389,455	\$0	\$0	\$40,214	\$349,241
FFY02	\$402,670	\$402,670	\$0	\$0	\$0	\$402,670
FFY03	\$400,205	\$400,205	\$0	\$0		\$400,205
TOTALS	\$2,532,856	\$2,532,856	\$0	\$0	\$1,380,740	\$1,152,116

The New Mexico Source Water Assessment and Protection Program (SWAPP) was approved in November 1996. SWAPP is a federally and state funded program that follows on earlier drinking water protection initiatives mandated by the federal SDWA. SWAPP has multiple funding sources. Section 1452(g)(2)(B) of the SDWA Amendments of 1996 authorizes states to fund the Wellhead Protection Program through the DWSRF Set-Asides, Local Assistance Element. The State Water Conservation Fee (within the purpose of the statute) funds SWAPP activities for surface water systems. The administration of the SWAPP program is funded through the DWSRF Set-Asides, State Program Management Element, and the PWSS Grant.

The source water assessment project (Section 1452(k)(1)(C) of the SDWA Amendments of 1996) were linked to the Wellhead Protection Program, which is now a part of New Mexico’s SWAPP composite program. Please see the discussion on the Wellhead Protection Category for further information on the continuing activities and accomplishments of the SWAPP. During SFY 2003 and SFY 2004, integration of DWB programs and assembly-line style coordination of work tasks was implemented statewide, and included the Sanitary Survey, Vulnerability Assessment, SDWIS, Source Water Assessment (SWA) for ground and surface water, Wellhead Protection, and Monitoring Waiver programs. Further, a standard SWAPP report template was developed that provided protection-planning materials and incentives to water utilities and their customers who might choose to pursue and/or continue protection planning under SWAPP. Finally, the SWAPP reports were used as an evaluation tool to identify and determine where monitoring

waiver flexibility may be achieved under the Waiver Program.

Staff and Agency Resources in SFY 2005

This set-aside category, Implementation of Wellhead Protection Program (WPP), is utilized for SWAPP by the DWB. As allowed by the SDWA, the State reserved and specified an amount equal to 5% out of the 15% Local Assistance, \$389,455 in SFY 2003 from the 2001 capitalization grant and \$402,625 in SFY 2004 from the 2002 capitalization grant for this category. In SFY 2004, the state also applied for 5% (400,205) of the 2003 capitalization grant for this category, which was awarded in SFY 2005. Under this category, the State spent approximately \$288,769 in SFY 2003 and \$527,582 in SFY 2004 of set-aside funds. In SFY 2005 approximately \$325,638 was spent in this sub-element of Local Assistance. Funds available for this category during SFY 2003 and SFY 2004 include unexpended set-aside funds from previous years. In SFY 2005 an estimated 3.68 FTEs were assigned to work on the Implementation of Wellhead Protection Program of the SWAPP, plan adoption and waiver and GWUDI activities.

Activities Performed in SFY 2005

The Source Water Assessment & Protection Program (SWAPP) is a composite program that integrates Wellhead Protection, Vulnerability Assessment, and Source Water Assessment (groundwater & surface water) programs. The SWAPP also facilitates implementation of the sanitary surveys, the monitoring waiver program, and updates data for the State Drinking Water Information Systems for States (SDWIS/State). All completed SWA reports are available for review and are listed on DWB's website at: <http://www.nmenv.state.nm.us/dwb/SWA%20Available.htm>.

HIGHLIGHTS: DWB staff completed the remaining 160 SWA reports during the reporting period. DWB mailed 197 letters to PWSs to remind them of the SWAPP program. Two (2) calls to DWB staff resulted from this mailing. Phone calls to numerous water systems have been made to raise interest in instituting a Wellhead Protection Program and to convey the benefits of protecting the drinking water source. Water systems contacted previously have not elected to pursue a wellhead program at this time. New Mexico Rural Water Association (NMRWA) provided copies of approximately 90 Ground Water Protection Plans dated 1997-2004. DWB plans to thoroughly interpret the agreement between the state of New Mexico and the EPA. DWB made progress in this activity by working with 277 PWS through the Sanitary Survey process to remind them that they did not have a source water protection plan and referred them to NMRWA as well as the DWB staff. Also, DWB staff attended a Board meeting for Hillsboro MDWCA and explained the SWAPP program to the members. Progress was made during this quarter to develop a SWAPP database. This database will be used to provide a means to report program measures to EPA in the future. There were several meetings that NMED held internally to assure that the work of the Ground Water Bureau, Surface Water Quality Bureau and DWB are integrated to provide a comprehensive approach to source water protection. Collaborative efforts, between DWB, NMRWA and the Environmental Finance Center (EFC), resulted in WHP planning for New Mexico through support of several methods of outreach. In addition, contaminant management tools were shared, discussed, and assigned for further development, completion, and integration.

Waiver & GWUDI Program: In addition to funding portions of the SWAPP, the Wellhead Protection Set-Aside Category also provides funds for the Waiver Program. The Waiver Program evaluates water systems for sampling exemptions by utilizing information collected from the SWAPP such as the DRASTIC Index calculation. The issuance of waivers for

water systems, results in a more effective and productive effort by focusing activities of the Sampling Program through determining and basing sampling schedule frequencies for drinking water compliance monitoring on historical occurrence and water system characteristics. This approach is both cost effective and protective of public health.

There has been considerable progress made in DWB's Waiver Program. The Waiver Program is a part of the DWB's Sampling Program. The Sampling Program formulates its work schedules based on a nine-year compliance cycle that consists of three periods. Each period consists of three years. Calendar year 2002, started the first period of a nine-year compliance cycle. The Waiver Program evaluates water systems for sampling exemptions during the compliance cycle. Only water systems determined to be without risk for particular contaminants become eligible for corresponding sampling waivers. A total of 683 (577 in SFY 2003 and 106 in SFY 2004) waivers were issued that provided an estimated total cost savings of \$345,445 (\$237,795 in SFY 2003 and \$107,650 in SFY 2004) for the Water Conservation Fee Fund. During the current period of performance DWB issued 255 waivers for chemical monitoring. Over the reporting period (SFY 2005) the waiver program saved New Mexico an estimated \$245,890. Nonetheless, even with the anticipated reduction in the number of samples from the waiver program, an increase in staff is required for sampling and waiver activities. The SDWA is phasing in additional chemical contaminant monitoring over time, which will offset the effect of issued waivers by increasing the workload.

The Capacity Development Program and other DWB staff identified needed GWUDI review of PWS visited for other technical assistance reasons. Groundwater PWS identified to be potentially under surface water influence through the Capacity Development Program or other staff, are routinely referred to the GWUDI Program for needed testing. DWB staff collected 28 GWUDI samples from systems which meet the criteria as listed in the Technical Manual for GWUDI Program.

[Progress in Meeting Target Accomplishments Established for SFY 2005](#)

[Linked to Long-Term Goals 1,3,4 and 6]

The details of these activities are provided in the prior paragraphs and with additional details in the regular quarterly reports. U.S. EPA required reporting was achieved, and DWB made the selection of a coordinator to oversee the SWAPP program. Target accomplishments were met though the completion of source water assessment in December, 2004 [Long-Term Goal 3].

There were several meetings that NMED held internally to assure that the work of the Ground Water Bureau, Surface Water Quality Bureau and DWB are integrated to provide a comprehensive approach to source water protection. Furthermore, DWB met its commitment to foster relations with organizations such as NMRWA, the EFC, and other organizations and agencies performing work related to this category. [Long-Term Goals 1, 4, & 6] As stated above a total of 255 waivers were issued which provided an estimated total cost savings of \$245,890 for the Water Conservation Fee Fund. [Long-Term Goal 1] Nonetheless, even with the anticipated reduction in the number of samples from the waiver program, an increase in staff is required for sampling and waiver activities. The SDWA phases in additional chemical contaminant monitoring over time; this will offset the effect of waivers issued by increasing the workload. The sampling program is faced with the implementation of new federal regulations such as the Radionuclide Rule and the Disinfections Byproducts (DBP) Rule. Some of these new rules increases monitoring frequencies for contaminants previously monitored for and

requires monitoring for new contaminants, thus an increase in costs. In addition, some collection techniques, and sampling methods and analyses have changed, impacting both the cost and the complexity of service delivery.

IV. COMPLIANCE WITH OPERATING AGREEMENT AND GRANT CONDITIONS

New Mexico has complied with the conditions set forth under 40 CFR 35.3570(a)(3). Specifically, NMFA has:

- Provided assistance only to eligible public water systems and for eligible projects and project related costs under § 35.3520. Please see page 19.
- Provided assistance only for eligible set-aside activities under § 35.3535 and conducted activities consistent with work plans and other requirements of § 35.3535 and § 35.3540. Please see pages 22-42.
- Used fees for eligible purposes under § 35.3530(b)(3) and assessed fees included as principal in a loan in accordance with the limitations in § 35.3530(b)(3)(i) through (b)(3)(iii). NMFA charges a 1% cost of issuance fee to cover the legal and closing costs of each loan. This 1% fee is included in the loan as principal and is held in an account outside of the Fund. In addition, NMFA builds into its DWRLF interest rate a .25% administrative fee that is assessed on the outstanding balance of the loan. For disadvantaged borrowers whose loans carry a 0% interest rate, NMFA charges a .25% administrative fee, making the effective interest rate of a 0% loan .25%. The administrative fees are held outside of the Fund and are used to pay NMFA's overhead costs and are not used to cover program administration costs, which are already funded by the 4% administrative set-aside.
- Reviewed all DWSRF program funded projects and activities for compliance with Federal cross-cutting authorities that apply to the State as a grant recipient and those which apply to assistance recipients in accordance with § 35.3575. The State Environmental Review Procedure outlines additional Federal authority requirements to which applicants are required to comply and notify regarding the proposed project. The NMFA executive director, through a contractor, verifies that this compliance has occurred.
- Reviewed all DWSRF program funded projects and activities in accordance with approved State Environmental Review Procedures under § 35.3580. In accordance with the State Environmental Review Procedure, the NMFA requires a DWRLF applicant to prepare an Environmental Information Document that the NMFA executive director, through a contractor, reviews and upon which a finding is issued. Each project financed through the DWRLF has adhered to this procedure and the NMFA executive director has published an environmental finding for each project.

In addition, New Mexico has complied with the conditions of the DWRLF operating agreement. We have met and continue to be in compliance with the following conditions as described in the Operating Agreement:

- Establish state instrumentality and authority;
- Comply with applicable state laws and procedures;
- Review technical, financial, and managerial capacity of assistance recipients;
- Establish DWRLF loan account, set-aside account, and DWRLF administration account;
- Deposit all funds in appropriate accounts;
- Follow state accounting and auditing procedures;
- Require DWRLF loan recipient accounting and auditing procedures;
- Submit IUP and use all funds in accordance with the plan;
- Comply with enforceable requirements of the Act;
- Establish capacity development authority;
- Implement/maintain system to minimize risk of waste, fraud, abuse, and corrective action; and
- Develop and submit project priority ranking system.

ATTACHMENT A

CASH FLOW MODEL

AND

PERPETUITY GRAPHS 1 & 2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Program Resources											
Capitalization Grant ¹	5,522,829	5,484,511	5,484,511	5,484,511	5,484,511	5,484,511					
State Match ¹	1,600,820	1,589,713	1,589,713	1,589,713	1,589,713	1,589,713					
Outstanding Loan Repayments	1,568,089	1,740,281	2,025,677	2,254,652	2,257,624	2,260,678	2,263,802	2,267,000	2,267,284	2,273,641	2,276,134
New Loan Repayments	0	0	0	0	275,027	504,557	648,624	1,201,004	1,470,082	2,020,665	1,937,794
Investment Earnings ²	436,036	366,703	183,624	185,671	318,828	328,483	426,538	296,718	373,871	289,927	353,395
Bond Proceeds											
Total Income	9,127,775	9,181,208	9,283,525	9,514,547	9,925,704	10,167,943	3,338,964	3,764,722	4,111,237	4,584,234	4,567,322
Program Uses											
Zero Interest Loans	0	5,500,540	4,590,604	2,785,058	4,782,418	4,927,251	6,398,075	4,450,765	5,608,069	4,348,907	5,300,919
2% Loans	12,296,750	12,834,594	4,590,604	0	0	0	0	0	0	0	0
3% Loans	297,710	0	0	71,622	4,660,507	337,945	3,431,923	-4,543,724	2,700,376	-2,938,046	2,221,361
Bond Payments											
Total Uses	12,594,460	18,335,135	9,181,208	2,856,680	9,442,924	5,265,197	9,829,998	-92,958	8,308,445	1,410,861	7,522,279
Cumulative Loans Originated	20,314,208	38,649,343	47,830,551	50,687,231	60,130,155	65,395,352	75,225,350	75,132,392	83,440,837	84,851,698	92,373,978
Year-End Balance	-3,466,685	-9,153,927	102,317	6,657,867	482,779	4,902,747	-6,491,034	3,857,680	-4,197,208	3,173,372	-2,954,957
Cumulative Cash Balance	18,335,135	9,181,208	9,283,525	15,941,392	16,424,171	21,326,918	14,835,884	18,693,564	14,496,356	17,669,729	14,714,771

Notes:

1. Cap. Grant and State Match are actual figures; figures for 2006-2010 are assumptions based upon 6-year averages.
2. Interest on Investments is based on a 2% assumption from 2006 and forward

Assumptions

Interest on Investments	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
0% Loans	30%	30%	50%								

	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program Resources									
Capitalization Grant ¹									
State Match ¹									
Outstanding Loan Repayments	1,702,895	1,705,891	1,708,957	1,712,094	1,715,312	1,624,682	1,026,368	860,934	782,413
New Loan Repayments	2,399,705	2,419,667	2,834,024	2,915,712	3,263,696	3,390,800	3,724,716	3,893,776	4,222,108
Investment Earnings ²	294,295	335,314	295,224	331,484	305,843	337,736	321,154	337,860	326,659
Bond Proceeds									
Total Income	4,396,896	4,460,872	4,838,205	4,959,289	5,284,851	5,353,218	5,072,238	5,092,570	5,331,180
Program Uses									
Zero Interest Loans	4,414,431	5,029,712	4,428,364	4,972,260	4,587,641	5,066,037	4,817,314	5,067,897	4,899,891
2% Loans	0	0	0	0	0	0	0	0	0
3% Loans	-2,068,470	1,435,654	-1,403,145	1,269,091	-897,443	1,116,257	-580,353	584,694	-392,015
Bond Payments									
Total Uses	2,345,961	6,465,366	3,025,218	6,241,350	3,690,198	6,182,294	4,236,962	5,652,591	4,507,876
Cumulative Loans Originated	94,719,939	101,185,305	104,210,523	110,451,873	114,142,072	120,324,365	124,561,327	130,213,918	134,721,794
Year-End Balance	2,050,934	-2,004,493	1,812,987	-1,282,061	1,594,652	-829,075	835,276	-560,021	823,304
Cumulative Cash Balance	16,765,706	14,761,212	16,574,199	15,292,138	16,886,790	16,057,715	16,892,991	16,332,970	17,156,274

Notes:

- 1. Cap. Grant and State Match are actual figure
- 2. Interest on Investments is based on a 2% asst

Assumptions

Interest on Investments	2%	2%	2%	2%	2%	2%	2%	2%	2%
0% Loans									

	2025	2026	2027	2028	2029	2030	2031	2032
Program Resources								
Capitalization Grant ¹								
State Match ¹								
Outstanding Loan Repayments	783,501	784,611	339,813	339,813	339,813	339,813	339,813	339,813
New Loan Repayments	4,423,965	4,716,660	4,935,305	5,231,387	5,478,020	5,786,553	6,033,853	6,352,271
Investment Earnings ²	343,125	339,673	357,007	350,414	368,337	369,013	387,743	393,537
Bond Proceeds								
Total Income	5,550,591	5,840,945	5,632,125	5,921,613	6,186,170	6,495,379	6,761,409	7,085,621
Program Uses								
Zero Interest Loans	5,146,882	5,095,101	5,355,101	5,256,208	5,525,055	5,535,197	5,816,152	5,903,061
2% Loans	0	0	0	0	0	0	0	0
3% Loans	576,313	-120,823	606,667	-230,750	627,309	23,665	655,562	202,787
Bond Payments								
Total Uses	5,723,195	4,974,278	5,961,768	5,025,458	6,152,363	5,558,861	6,471,714	6,105,847
Cumulative Loans Originated	140,444,989	145,419,268	151,381,035	156,406,493	162,558,857	168,117,718	174,589,432	180,695,279
Year-End Balance	-172,604	866,667	-329,643	896,155	33,807	936,517	289,695	979,774
Cumulative Cash Balance	16,983,670	17,850,337	17,520,694	18,416,849	18,450,656	19,387,173	19,676,868	20,656,642

Notes:

- 1. Cap. Grant and State Match are actual figure
- 2. Interest on Investments is based on a 2% assu

Assumptions

Interest on Investments	2%	2%	2%	2%	2%	2%	2%	2%
0% Loans								

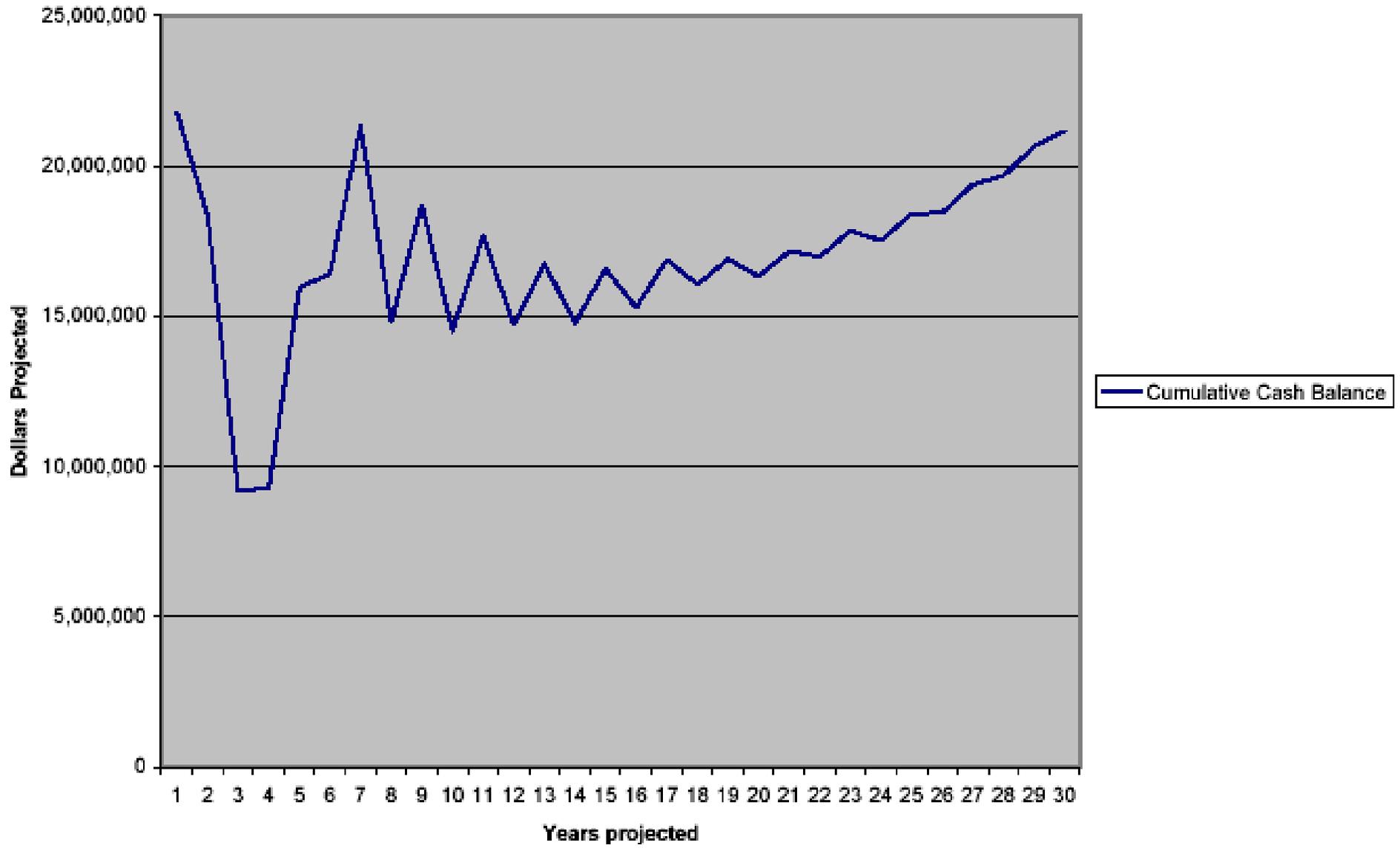
Program Resources	2033
Capitalization Grant ¹	
State Match ¹	
Outstanding Loan Repayments	339,813
New Loan Repayments	6,630,622
Investment Earnings ²	413,133
Bond Proceeds	
Total Income	7,383,567
Program Uses	
Zero Interest Loans	6,196,993
2% Loans	0
3% Loans	685,842
Bond Payments	
Total Uses	6,882,834
Cumulative Loans Originated	187,578,114
Year-End Balance	500,733
Cumulative Cash Balance	21,157,375

Notes:

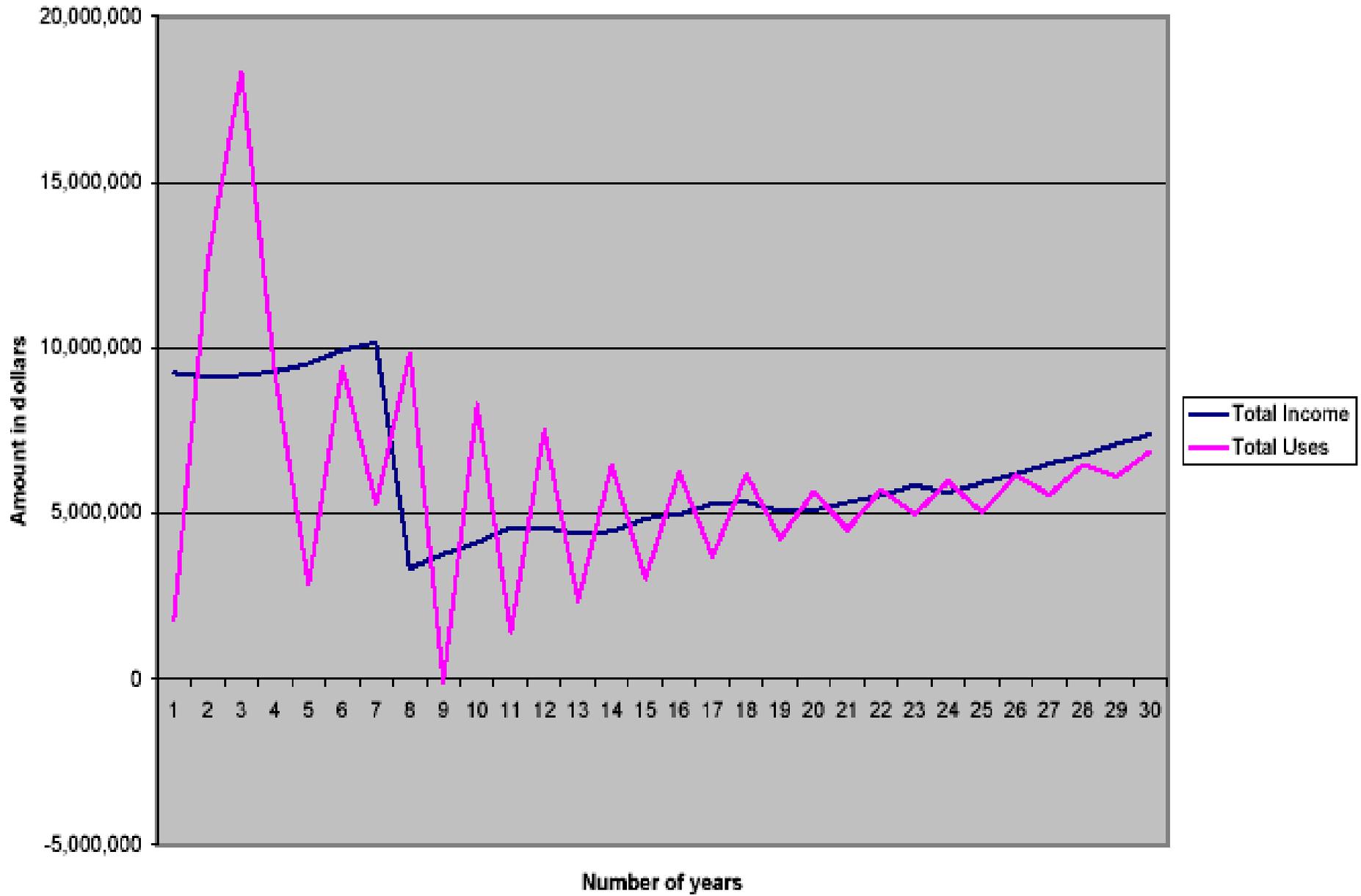
1. Cap. Grant and State Match are actual figure
2. Interest on Investments is based on a 2% assu

Assumptions	
Interest on Investments	2%
0% Loans	

NM DWSRF CUMULATIVE CASH BALANCE



DWSRF Total Income vs. Total Uses



ATTACHMENT B

FINANCIAL STATEMENT
(Pending)

ATTACHMENT C
BINDING COMMITMENT CHART

NMFA Binding Commitments as of June 30, 2005

Quarter Federal FY	FY1997 grant Award April-98			FY1998 grant Award Sep-99			FY1999 grant Award Sep-99			FY2000 grant Awd Oct-00			FY2001 grant Awd Oct-02			FY2002 grant Awd Sep-03		
	Grant	Req'd Match	Adj. Match %	Fund	Set-Aside	Adj. Match	Fund	Set-Aside	Adj. Match	Fund	Set-Aside	Adj. Match	Fund	Set-Aside	Adj. Match	Fund	Set-Aside	Adj. Match
	\$12,759,800	\$2,551,960	0.28986															
	\$3,955,538																	
2Q98	\$2,000,000	\$492,125	\$579,710															
3Q98	\$0	\$492,125	\$0															
4Q98	\$0	\$492,125	\$0															
1Q99	\$0	\$492,125	\$0															
2Q99	\$2,000,000	\$492,125	\$579,710															
3Q99	\$0	\$492,125	\$0															
4Q99	\$0	\$492,125	\$0															
1Q00	\$4,822,800	\$492,125	\$1,397,913															
2Q00																		
3Q00																		
4Q00				\$2,070,000	\$930,000	\$600,000												
1Q01				\$2,070,000	\$930,000	\$600,000				\$669,041	\$300,584	\$193,925						
2Q01				\$773,697	\$347,603	\$224,260	\$1,011,093	\$453,004	\$293,070	\$669,041	\$300,584	\$193,925						
3Q01							\$2,069,316	\$930,387	\$599,802	\$669,041	\$300,584	\$193,925						
4Q01							\$2,069,613	\$930,387	\$599,888	\$669,041	\$300,584	\$193,925						
1Q02										\$669,041	\$300,584	\$193,925						
2Q02										\$669,041	\$300,584	\$193,925						
3Q02										\$669,042	\$300,584	\$193,925						
4Q02										\$669,042	\$300,584	\$193,925						
1Q03													\$1,343,620	\$603,655	\$389,455			
2Q03													\$1,343,620	\$603,655	\$389,455			
3Q03													\$1,343,620	\$603,655	\$389,455			
4Q03													\$1,343,620	\$603,656	\$389,455			
1Q04																\$164,422	\$0	\$0
2Q04																\$270,732	\$0	\$0
3Q04																\$1,852,075	\$271,782	\$536,833
4Q04																\$1,852,075	\$894,669	\$536,833
1Q05																\$1,852,075	\$894,670	\$536,833
2Q05																		
3Q05																		
4Q05																		
1Q06																		
2Q06																		
3Q06																		
4Q06																		
Check on amounts (payments + set-asides)	\$8,822,800	\$3,937,000	\$2,557,333	\$4,913,697	\$2,207,603	\$1,424,260	\$5,150,022	\$2,313,778	\$1,492,760	\$5,352,330	\$2,404,670	\$1,551,400	\$5,374,479	\$2,414,621	\$1,557,820	\$5,556,225	\$2,496,275	\$1,610,500

NMFA Binding Commitments as of June 30, 2005

Quarter Federal FY	FY2003 grant Awd Sep-04			Total Fund Payments for Qtr	Qtrly Total for Set -Asides	Req'd State Match	B.C. ¹ due for the Qtr	Cumulative B.C. due	B.C. made in Qtr	Cumulative B.C. made	Surplus/(Deficit)
	Fund	Set-Aside	Adj. Match								
Grant	\$8,004,100			\$58,947,600	total grants						
Req'd Match			\$1,600,820		total match	\$11,789,520					
Set-asides	\$2,481,271			\$18,273,756	total set-asides						
Adj. Match %			0.28986								
2Q98				\$2,000,000	\$492,125	\$579,710				\$0	\$0
3Q98				\$0	\$492,125	\$0			\$0	\$0	\$0
4Q98				\$0	\$492,125	\$0			\$0	\$0	\$0
1Q99				\$0	\$492,125	\$0			\$0	\$0	\$0
2Q99				\$2,000,000	\$492,125	\$579,710	\$2,498,425	\$2,498,425	\$0	\$0	-\$2,498,425
3Q99				\$0	\$492,125	\$0	\$98,425	\$2,596,850	\$0	\$0	-\$2,596,850
4Q99				\$0	\$492,125	\$0	\$98,425	\$2,695,275	\$0	\$0	-\$2,695,275
1Q00				\$4,822,800	\$492,125	\$1,397,913	\$98,425	\$2,793,700	\$180,001	\$180,001	-\$2,613,699
2Q00				\$0	\$0	\$0	\$2,498,425	\$5,292,125	\$0	\$180,001	-\$5,112,124
3Q00				\$0	\$0	\$0	\$98,425	\$5,390,550	\$1,212,122	\$1,392,123	-\$3,998,427
4Q00				\$2,070,000	\$930,000	\$600,000	\$98,425	\$5,488,975	\$0	\$1,392,123	-\$4,096,852
1Q01				\$2,739,041	\$1,230,584	\$793,925	\$5,885,785	\$11,374,760	\$12,654	\$1,404,777	-\$9,969,983
2Q01				\$2,453,831	\$1,101,191	\$711,255	\$0	\$11,374,760	\$0	\$1,404,777	-\$9,969,983
3Q01				\$2,738,357	\$1,230,971	\$793,727	\$0	\$11,374,760	\$2,503,820	\$3,908,597	-\$7,466,163
4Q01				\$2,738,654	\$1,230,971	\$793,813	\$2,670,000	\$14,044,760	\$4,242,378	\$8,150,975	-\$5,893,785
1Q02				\$669,041	\$300,584	\$193,925	\$3,532,966	\$17,577,726	\$3,250,052	\$11,401,027	-\$6,176,699
2Q02				\$669,041	\$300,584	\$193,925	\$3,164,835	\$20,742,561	\$703,586	\$12,104,613	-\$8,637,948
3Q02				\$669,042	\$300,584	\$193,925	\$3,532,223	\$24,274,784	\$2,823,460	\$14,928,073	-\$9,346,711
4Q02				\$669,042	\$300,584	\$193,925	\$3,532,579	\$27,807,363	\$2,339,950	\$17,268,023	-\$10,539,340
1Q03				\$1,343,620	\$603,655	\$389,455	\$862,966	\$28,670,329	\$0	\$17,268,023	-\$11,402,306
2Q03				\$1,343,620	\$603,655	\$389,455	\$862,966	\$29,533,295	\$4,135,354	\$21,403,377	-\$8,129,918
3Q03				\$1,343,620	\$603,655	\$389,455	\$862,967	\$30,396,262	\$1,779,798	\$23,183,175	-\$7,213,087
4Q03				\$1,343,620	\$768,078	\$389,455	\$862,967	\$31,259,229	-\$535,354	\$22,647,821	-\$8,611,408
1Q04				\$0	\$270,732	\$0	\$1,733,075	\$32,992,304	\$297,710	\$22,945,531	-\$10,046,773
2Q04				\$1,852,075	\$271,782	\$536,833	\$1,733,075	\$34,725,378	\$7,070,000	\$30,015,531	-\$4,709,847
3Q04				\$1,852,075	\$894,669	\$536,833	\$1,733,075	\$36,458,453	\$21,791,750	\$51,807,281	\$15,348,828
4Q04		\$224,114	\$0	\$2,076,189	\$1,118,784	\$536,833	\$1,765,959	\$38,224,412	\$4,323,000	\$56,130,281	\$17,905,869
1Q05	\$1,104,565	\$254,114	\$320,164	\$254,114	\$254,114	\$320,164	\$54,146	\$38,278,559	\$0	\$56,130,281	\$17,851,722
2Q05	\$1,104,566	\$254,196	\$320,164	\$254,196	\$254,196	\$320,164	\$2,276,846	\$40,555,405	\$505,000	\$56,635,281	\$16,079,876
3Q05	\$1,104,566	\$874,421	\$320,164	\$874,421	\$874,421	\$320,164	\$2,401,424	\$42,956,829	-\$1,797,894	\$54,837,387	\$11,880,558
4Q05	\$1,104,566	\$874,426	\$320,164	\$874,426	\$874,426	\$320,164	\$2,715,184	\$45,672,013		\$54,837,387	\$9,165,374
1Q06	\$1,104,566		\$320,164	\$1,104,566	\$0	\$320,164	\$355,760	\$46,027,772		\$54,837,387	\$8,809,615
2Q06				\$0	\$0	\$0	\$355,874	\$46,383,647		\$54,837,387	\$8,453,740
3Q06				\$0	\$0	\$0	\$1,224,189	\$47,607,836		\$54,837,387	\$7,229,551
4Q06				\$0	\$0	\$0	\$1,224,196	\$48,832,032		\$54,837,387	\$6,005,355
Check on amounts (payments + set-asides)	\$5,522,829	\$2,481,271	\$1,600,820	\$38,755,390	\$18,255,218	\$11,794,893			\$54,837,387		

Notes 1. B.C. = Binding Commitments

ATTACHMENT D

**PRIMACY AGENCY ACTIVITIES REPORT
SFY 2005**

ATTACHMENT D

New Mexico Drinking Water Bureau Activity Report

Reporting Period July 2004-June 2005 (SFY05)													
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Jun	total
System Oversight Org Code 481220													
Number of Public Water System Contacts (Phone Calls, Letters, Meetings, etc.)	660	635	495	580	1014	354	504	660	1154	667	346	853	7922
Number of Sanitary Surveys Completed (Completed and sent to system)	23	13	27	37	26	11	31	47	34	11	11	6	277
Number of Site Visits	66	56	28	46	64	34	19	205	104	57	45	72	796
Number of Other Public Contacts (Not Directly Related to a System)	471	558	453	456	712	401	442	442	578	408	203	529	5653
Informal Compliance/Enforcement Org Code 481220													
Number of Micro-related C/E Actions (Letters & Other Official Actions, Micro.)	0	42	31	68	70	24	36	47	28	43	27	65	481
Number of Chemical C/E Actions (Letters & Other Official Actions, Chemical)	31	18	16	74	78	29	39	41	14	16	12	7	375
Number of Other C/E Actions (Letters & Other Official Actions, Treatment Tech., etc.)	32	25	85	73	97	38	112	24	34	73	43	33	669
Data Entry Org Code 481220													
Number of IAFs Processed	66	46	48	31	54	61	33	45	152	82	148	22	788
Number of Sanitary Surveys Processed (Fully Completed and returned for filing)	21	16	24	10	21	13	6	15	56	34	27	15	258
Emergency Response Org Code 481220													
Boil Water Order Issued	1	4	0	1	0	0	1	0	0	1	0	1	9
Boil Water Advisories Issued	0	1	0	1	0	0	0	0	0	0	0	1	3
Drinking Water Advisories Issued	0	1	0	1	0	0	0	0	0	0	2	0	4
Sample Collection Org Code 460340													
Number of Samples Collected & Entered	515	697	755	417	211	170	257	604	1078	263	827	640	6434
Sampling Oversight Org Code 481220													
Number of BacT Results Received	1952	2617	2149	2712	4657	1390	1775	1007	2105	1328	522	1214	23428
Number of TC+ Results Processed	150	460	494	546	31	15	11	4	21	22	22	23	1799
Number of Chem. Sample Results Received	477	664	505	402	907	334	407	275	843	328	238	343	5723
Number of gudi Samples collected	0	0	0	0	0	0	1	3	5	6	7	2	24
Number of Micro MCL Results Processed	34	8	2	27	49	10	40	93	86	15	29	16	409
Engineering Review Org Code 481520													
Number of Plan Reviews Completed	9	8	16	12	9	9	7	18	15	0	0	0	103
Water Security Org Code 460424													
Counter-Terrorism/Vuln. Assess. Contacts	0	65	57	3	55	175	19	0	24	1	1	1	401
VA or ERP Certifications Received	0	0	0	0	0	0	21	0	0	0	1	0	22
Financial Staff Org Code 460125													
Number of processed Micro payments	31	30	30	30	30	37	37	31	30	30	30	30	376
Number of processed chemical payments	5	7	7	7	7	0	0	0	7	7	7	7	61
Number of amendments to contracts	1	1	0	4	0	0	0	0	0	9	0	0	15
Number of processed PO Mod's to existing contracts	3	1	0	4	4	0	0	0	3	15	10	0	40
Updated contract balance sheet	0	1	1	1	1	2	0	0	1	1	1	1	10
Number of per deim vouchers realted to travel	0	15	15	17	20	24	0	0	19	10	20	15	155
Number of timekeeping pay periods including adjustments	2	2	2	2	2	2	2	2	2	2	2	2	24
Number of processed purchase requisitions	0	6	6	10	13	12	0	0	10	10	25	17	109
Number of processed payment vouchers	0	94	94	90	90	30	25	0	90	90	25	35	663
Number of reconciled GDS monthly vehicle information	21	21	21	21	21	21	22	22	21	21	22	22	256
Number of processed CCR reports	0	28	28	26	26	0	0	0	26	26	26	0	186
Administrative Support Org Code 460125													
Number of meetings scheduled	-	15	15	15	15	-	-	-	-	-	-	-	60
Number of incoming and outgoing mail logged	-	500	550	550	600	-	-	-	-	-	-	-	2200
Number of incoming calls	-	150	170	170	200	-	-	-	-	-	-	-	690
Number of xerox copying fpr staff	-	100	125	125	175	-	-	-	-	-	-	-	525
Number of filing correspondence for Bureau Chief	-	30	40	40	60	-	-	-	-	-	-	-	170
Number of letters filed in central file	-	130	150	150	200	-	-	-	-	-	-	-	630

Reporting Period July 2004-June 2005 (SFY05)	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	Apr	May	Jun	total
Legislative Tracking Team Org Codes 460125 & 460940													
Number of Bill Analysis	0	0	0	0	0	0	10	15	0	0	0	0	25
Number of joint memorial reviewed	0	0	0	0	0	0	0	5	0	0	0	0	5
Information Systems Section Org Code 460125													
Number of Sanitary Surveys Reviewed	-	80	90	74	80	-	-	-	-	-	-	-	324
Number of changes made in Sdwis/State (Santary Survey)	-	450	425	600	610	-	-	-	-	-	-	-	2085
Number of reports for external entities	-	22	18	20	30	-	-	-	-	-	-	-	90
Number of reports for internal staff	-	15	20	25	30	-	-	-	-	-	-	-	90
Number of SDWIS/STATE conference calls	-	4	6	4	6	-	-	-	-	-	-	-	20
Number of sample results data uploads	-	96	100	96	100	-	-	-	-	-	-	-	392
Number of samples results entered	-	100	100	150	150	-	-	-	-	-	-	-	500
Number of samples entered	-	150	150	109	115	-	-	-	-	-	-	-	524
Number of Public Health Tracking Consortium meetings	-	4	3	4	6	-	-	-	-	-	-	-	17
Number of samples entered into data base	-	1000	1020	2000	2000	-	-	-	-	-	-	-	6020
Number fo Q&A samples/sample results	-	2000	1090	1200	1400	-	-	-	-	-	-	-	5690
Number of sample results entered into central file	-	2500	2500	1000	900	-	-	-	-	-	-	-	6900
Compliance/Capacity Programs Org Codes 481120 & 481520													
Notice of Violation (Formal)													
Number Finalized	10	0	8	0	1	1	0	3	1	10	0	3	37
Compliance Meetings	5	7	8	4	7	2	4	8	10	7	8	9	79
Administrative Orders (Formal)													
Number Finalized	8	0	2	1	3	1	0	2	0	7	3	2	29
Return to Compliance Meetings	1	0	1	1	3	1	0	1	0	5	4	3	20
Collaboration Meetings													
Number with EPA	15	20	25	10	20	10	15	18	22	14	12	20	201
Number with RCAC	12	12	14	10	20	5	2	15	18	15	12	16	151
Number with NMRWA	25	25	30	20	20	15	20	20	20	20	25	25	265
Number with OSE	6	2	4	8	10	5	10	12	10	4	4	6	81
Number with Funders	10	10	8	8	8	10	12	10	10	12	10	15	123
Number with Construction Programs	8	10	10	12	12	6	10	8	10	8	6	10	110
Capacity Assessment/Development													
Number of Technical Assistance Contacts	158	136	112	76	209	178	250	158	167	91	144	213	1892
Number of Capacity Assessments Completed	0	0	0	0	0	0	0	0	4	46	53	46	149
Number of Comprehensive Program Evaluations	0	0	0	0	0	0	0	0	0	0	0	0	0
Number of Comprehensive Technical Assessments	0	0	0	0	0	0	0	0	0	0	0	0	0
Contract Maintenance													
Renewal or Amendments	0	0	0	0	0	0	0	0	1	0	0	0	1
Contracts Completed	0	0	0	0	0	0	0	0	0	1	0	1	2
SRF Activities													
Workplan- Reworked SSTA/Cap Dev	X	X	X	X	X	X	X	X	X	X	X	X	X
IUP-- Reviewed/edit/Finalized	X	X	X	-	-	-	X	X	X	X	X	X	X
SWAPP/Wellhead Org Code 481420													
Number of SWAPP Reports Completed	23	46	34	32	24	0	0	0	0	0	0	0	159
Number of SWAPP Maps Created for Staff	0	3	0	3	0	0	0	0	0	0	0	0	6
Waivers Org Code 481420													
Number of Waivers Issued	17	25	17	27	35	26	5	10	35	15	18	21	251
Number of contracts reviewed for payment	33	33	33	33	33	33	33	33	33	33	33	33	396
Number of Lab certifications issued	0	0	0	0	0	0	0	2	0	0	0	0	2

ATTACHMENT E

TECHNICAL ASSISTANCE PROVIDERS

NMRWA TECHNICAL ASSISTANCE FOR SFY 2005

PUBLIC WATER SYSTEM	NUMBER OF QUARTERS VISITED
ABIQUIU MDWCA	1
ADOBE VILLAGE	1
AGUA FRIA WATER ASSOCIATION	1
AGUA NEGRA MDWCA	1
AGUA PURA MDWCA	1
ALAMOGORDO, CITY OF	1
ALTO HOMBRE HIDEOUT	1
ALTOS DE LAS FLORES MDWCA	1
ARAGON MDWCA	1
ARROYA SECO MDWCA	1
AZTEC, CITY OF	1
BENITO	1
BIG MESA	1
BLANCO MDWCA	1
BLANCO TRADING POST	1
BLM CAMPSITES (Pilar, WRiver, Orillio Verde)	3
BOWLINS AKELA TRADING POST	2
BUENA VISTA MUTUAL DOMESTIC WATER	3
BUG SCUFFLE RANCH	1
CANON MDWCA	1
CERRO WEST MDWCA	1
CHIPPAWAY PARK WATER SYSTEM	1
CIDER MILL FARMS WUA	2
CITY OF ALAMOGORDO	1
CLOUDCROFT WATER SYSTEM	2
COAL BASIN WATER ASSOCIATION	1
COLLABORATIVE (TA MDWCA)	1
CORONA WATER SYSTEM	2
CORONA/COUGAR MOUNTAIN	2
CORONADO VILLAGE MHP	1
CUBERO ELEMENTARY SCHOOL	1
DESERT RANCH WATER COOPERATIVE	1
DEXTER	1
DILIA MDWCA	1
DUTCHMAN'S HILL WATER COMPANY	1
EAGLE NEST, VILLAGE OF	2
EDGEWOOD MEADOWS WC	1
EL CERRITO MDWCA	1
EL DORADO W & SD	1
EL SANTUARIO CHURCH	1
EL VADITO DEL LOS CERRILLOS WA	1
EL VALLE DE TIERRA AMARILLA ARE-WIDE	1
ELEPHANT BUTTE STATE PARK	1
ELIDA WATER SYSTEM	1
ELLIOT BARKER G. S. CAMP	1
ENSENADA MDWCA	3
FA YUN MONESTARY	3
FAIRVIEW ESTATES	1

FLOYD WATER SYSTEM	3
FORT SUMNER MUNICIPAL WATER SYSTEM	1
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G & S WATER WORKS	1
GLEN ACRES WATER COOPERATIVE	1
GLENWOOD ELEMENTARY	1
GLORIETA BAPTIST CONFERENCE CENTER	1
GREEN RIDGE WATER COOPERATIVE	1
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GUADALUPITA MDWCA	3
HACHITA MDWCA	2
HAMULA MHP	1
HANOVER MDWCA	3
HERITAGE RANCH	2
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HIDDEN VALLEY RANCH (TRAINING)	1
HIGH DESERT RV	2
HIGH VALLEY WUA	1
HIGHLAND MEADOWS ESTATES MDWCA	1
HILLSBORO MDWCA	1
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HOBBS (Compliance Training)	1
JAREN LLC INDUSTRIAL PARK	1
JEMEZ MOUNTAINS ELECTRIC COOP	2
LA ASSOC. DE AGUA DE LOS BRAZOS	4
LA LAMA MDWCA	1
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LA UNION STATION	1
LA VINA WINERY	1
LA VISTA HOA	1
LAKE ROBERTS WUA	1
LOS SISNEROS	2
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LOW MESA	1
LUMBERTON MDWCA	4
MELROSE WATER SYSTEM	2
MESA VISTA CONSOL SCHOOL	2
MIMBRES VALLEY CAFÉ	1
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MOSQUERO WS	1
MOUNTAIN ORCHARD WUA	2
NARA VISA WC	1
NOGAL MDWCA	3
NORTH CLEVELAND MDWCA	1
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OJO CALIENTE	1
OROGRANDE MDWCA	4
PAJARITO SENIOR CITIZEN'S CENTER	1
PINOS ALTOS MDWCA	1
PLAYAS - NM TECH	1
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PLAZA BLANCA MDWCA	2
PONDEROSA PROPERTY OWNERS ASSOCIATION	1
QUEMADO WATER WORKS	1
RIO GRANDE AT CENTER	1
RODEO WATER USERS ASSOCIATION	2
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ROLLING HILLS WATER COOPERATIVE	2
ROSA DEL RIO MH & RV APRK	2
ROY WATER SYSTEM	1
RUIDOSO	2
RUTHERTON MWA	2
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SAM'S MOBILE HOME PARK	1
SAN ACACIA MDWCA	1
SAN ANTONIO DE CLEVELAND MDWCA	1

SAN ANTONIO MDWCA	1
SAN CRISTOBAL MDWCA	2
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SAN MIGUEL MDWCA	1
SAN RAFAEL W&SD	2
SANDIA PUEBLO/SANDIA LAKES TRAINING	1
SANGRE DE CRISTO	2
SANTO DOMINGO PUEBLO	1
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SHANGRI LA MOBILE VILLAGE	2
SOUTH HOLMAN MDWCA	2
SOUTH SAN YSIDRO MDWCA	1
SUNRISE SPRINGS	1
TECOLOTE MDWCA	1
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TRES LAGUNAS HOME OWNERS ASSOS.	2
TRI-STATE GENERATING/ PREWITT	1
TRUCHAS MDWCA	1
TUCUMCARI TRAINING	1
TWIN FORKS MDWCA	2
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UPPER ARROYO HONDO MDWCA	1
UPPER DILIA MDWCA	2
UPPER HOLMAN MDWCA	2
UPPER RANCHITOS	1
VADO MDWCA	1
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VALLECITOS MDWCA	2
VALLEY	1
VALVERDE II	1
VELARDE MDWCA	1
VISTA FLORIDA'S RV PARK	1
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WAY OUT WEST RESTAURANT	1
YOUNGSVILLE	2

Number of PWSs NMRWA Visited in SFY05 = 188

Total expenditure for NMRWA Technical Assistance = \$200,000.00

RCAC MANAGERIAL/FINANCIAL ASSISTANCE FOR SFY 2005

PUBLIC WATER SYSTEM	NUMBER OF QUARTERS VISITED
AGUA PURA MDWCA	1
ALTO LAKES	1
AMERICAN WATER HAULING	1
ANTON CHICO	2
ARAGON MDWCA	2
ARTESIA	1
BAYARD	1
BELEN	1
BERINO	3
BLANCO MDWCA	4
BLUEWATER ACRES	1
BUENA VISTA MUTUAL DOMESTIC WATER	1
CANON MDWCA	4
CANONCITO AT APACHE	1
CANYON	1
CARNUEL	1
CERRO EAST MDWCA	1
CERRO WEST MDWCA	1
CHIMAYO	2
CLAYTON	1
CLOVIS	1
COLUMBUS	1
CROSBY	3
CYPRESS GARDENS	1
DEMING	1
DESERT PALMS	1
DESERT RANCH WATER COOPERATIVE	3
DESERT SANDS	3
DILIA MDWCA	2
DONA ANA	1
EAGLE NEST, VILLAGE OF	1
EL ALTO	1
EL CORUCO	1
EL LLANO DEL MEDIO	4
EL RITO	1
EL RITO CANYON	1
EL VADITO DEL LOS CERRILLOS WA	1
ENSENADA MDWCA	2
ESPANOLA	1
GARFIELD	2
GLEN ACRES WATER COOPERATIVE	1
GONZALES RANCH	1
GUADALUPITA MDWCA	1
HACHITA MDWCA	3
HANOVER MDWCA	4
HARLEY	1
HIGHLAND MEADOWS ESTATES MDWCA	3
HOBBS	1
HOMESTEAD	1

ILFELD	4
JEMEZ SPRINGS	1
LA ASSOC. DE AGUA DE LOS BRAZOS	1
LA CIENEGA	4
LA JARA	1
LA JOYA	3
LA LOMA MDWCA	3
LA UNION	3
LAS ACACIA DE PLACITAS	2
LORDSBURG	1
LOS SISNEROS	3
LYBROOK	1
MANZANO	1
MESQUITE	1
MILAN	1
MOSQUERO WS	1
MOUNTAIN ORCHARD WUA	3
NORTH RANCHOS DE PLACITAS	1
OJITOS FRIOS	1
PINON RIDGE	1
PINOS ALTOS MDWCA	1
PLACITAS MDWCA	1
PLACITAS TRAILS	1
PONDEROSA PROPERTY OWNERS ASSOCIATION	1
PUERTO DE LUNA	4
PUNTO DE AGUA	1
QUEMADO WATER WORKS	1
RANCHO GRANDE	1
RANCHOS DE PLACITAS	1
RIBERA	1
RIO DE ARENAS MHP	1
RODEO WATER USERS ASSOCIATION	3
ROSEDALE MDWCA	1
ROSWELL	1
RUIDOSO	1
RUTHERTON MWA	1
SAM'S MOBILE HOME PARK	2
SAN ACACIA MDWCA	3
SAN JOSE	1
SAN MATEO MDWCA	3
SAN RAFAEL W&SD	1
SANTA CLARA	1
SENA	2
SILVER CITY	1
SOUTH HOLMAN MDWCA	1
SOUTH SAN YSIDRO MDWCA	1
TAOS	1
TECOLOTE MDWCA	1
TIERRA WEST	1
TUCUMCARI	1
TYRONE	1
UPPER DILIA MDWCA	1
VADO MDWCA	1
VALLECITOS MDWCA	2
VILLANUEVA	3

WATROUS	1
WEST RIM	3
WHITE CLIFFS	1
YAH-TA-HEY	1

Number of PWSs RCAC Visited in SFY05 = 171

Total expenditures for RCAC Mangerial/Financial Assistance = \$163,534.72

Tier 1 Assessments

Number	Water System	NMED District	Notes	San. Survey	Completed
7	Alamogordo Municipal		DWRLF Appl.		In Progress
3	Aztec Municipal		DWRLF Appl.	X	X
11	Berino MDWCA	3			
12	Caballo Lake State Park-Leased Lots	3			
16	Chimayo	2	RCAC		
10	Cloudcroft Municipal	4			
8	Columbus Municipal		DWRLF Appl.	X	In Progress
4	Espanola Municipal		DWRLF Appl.	X	X
13	G & S Water Works	3	Formerly Hachita MDWCA		
14	Hanover MDWCA	3			
2	Hobbs Municipal		DWRLF Appl.	X	X
17	La Asociacion de Agua de Los Brazos	2	RCAC	X	
18	Lybrook MDWCA	1			
9	Nogal	4	RCAC		
15	Rodeo MDW & MSWA	3			
5	Santa Fe Municipal		DWRLF Appl.	X	X
6	Timberon W & S D		DWRLF Appl.	X	X
1	Twin Forks MDWCA		Admin. Order	X	X

Total: 18
 Completed: 6
 In Progress: 2
 Remaining: 10

Tier 2 Assessments

Number	Water System	NMED District	Notes	San. Survey	Completed
43					
49	Albuquerque/Bernalillio County Utility Authority	1			X
1	Alto De Las Flores	3	San Miguel (b/t Las Cruces & El Paso)		
50	American Water Hauling	1	INACTIVE		INACTIVE
2	Anthony W&SD	3		X	X
51	Aqua Man	1	New system, no PWS # yet; Need contact information		
3	Bayard Municipal	3		X	X
52	Bibo MDWCA	1			
73	Big Mesa Water MDWCA	2	RCAC Conchas Dam (NW of Tucumcari)	X	X
53	Blanco MDWCA	1	RCAC E of Farmington		
54	Bluewater Acres Domestic WUA	1			
55	Bluewater Acres Water & Sanitation District	1			
56	Bluewater Lake MDWCA	1			
4	Brazito MDWCA	3		X	X
5	Bug Scuffle Ranch	3	New system as of 1/1/02; Otero Cty, serves Cloudcroft (Alamogordo)		
57	Candy Kitchen	1			
58	Canon MDWCA	1	RCAC		

Number	Water System	NMED District	Notes	San. Survey	Completed
			Taos		
6	Casas Adobes Water System	3	Mimbres (Silver City)	X	X
7	Chamberino MDWCA & SA	3		X	X
59	Chamisa MHP	1			
60	Chilili WUA	1			
8	Cielo Dorado Estates Homeowners Assoc	3	Anthony (b/t Las Cruces & El Paso)		
44	Desert Ranch Estates	4	RCAC Clovis	X	X
9	Desert Sands MDWCA	3		X	X
10	Dona Ana County Utilities – Border Region	3		X	X
12	Dona Ana MDWCA	3		X	X
74	East Glorieta MDWCA	2		X	
75	El Rito Canyon	2	RCAC	X	X
76	El Rito Domestic	2	RCAC	X	X
61	Entranosa Water and Wastewater Coop	1			
12	Fairview Estates Water System	3	Fair Acres (Las Cruces)	X	X
77	Galisteo	2	RCAC	X	X
13	Glen Acres Water Coop	3	Lordsburg (Deming-Silver City)		X
62	Highland Meadows Estates MDWCA	1	New system; serves Los Lunas	X	
14	Hillsboro MDWCA	3		X	X
63	Hydro Pure Technology Inc.	1	New system as of 1/1/02; San Juan Cty, serves Aztec		

Number	Water System	NMED District	Notes	San. Survey	Completed
78	La Cienga	2	RCAC		
15	La Union MDWCA	3	<i>Las Cruces</i>		
16	Lakeshore City San. Dist.	3		X	X
17	Lakeside De La Luz	3	New system as of 1/1/02; Otero Cty, serves La Luz (Alamogordo)		
18	Leasburg MDWCA	3		X	X
45	Longhorn Estates	4	RCAC Clovis	X	
19	Lordsburg Water	3		X	X
20	Low Mesa WUA	3	New system as of 1/1/02; Otero Cty, serves Alamogordo		
21	Mesquite MDWCA	3		X	X
64	Moquino Water System	1		X	
65	Moriarty Water System	1		X	X
22	Mountain Orchard	3	RCAC High Rolls (Alamogordo)		
79	North Cleveland MDWCA	2	New system as of 1/1/02; Mora Cty, serves Cleveland		
23	North Hurley MDWCA	3	(RCAC)	X	X
24	Organ Water and Sewer	3	Combined with Mt. View	X	X
46	Otis Water Coop	4	RCAC Carlsbad		X

Number	Water System	NMED District	Notes	San. Survey	Completed
66	Paakweree Village Water Co-op Assoc., inc.	1	New system as of 1/1/02; Bernalillo Cty, serves ABQ		
25	Pecan Park MDWCA	3		X	X
67	Pine River Subdivision Water Users Association	1	New system, no PWS # yet; Need contact information		
80	Pinon Ridge (?)	2	RCAC		
26	Pinos Altos MDWCA	3	(RCAC)	X	X
81	Placitas MDWCA	2	RCAC	X	X
68	Polvadera MDWCA	1		X	
27	Quemado Municipal Water & SWA	3	New system as of 1/1/02; Catron Cty, serves Quemado (near AZ border W of Socorro)		
69	Ramah Water & Sanitation District	1		X	
28	Rancho Grande Water Assoc. Inc.	3	Reserve (Catron Co. near AZ border)		
29	Reserve Water Works	3		X	X
30	Rolling Hills WUA	3	<i>Reactivated system; RCAC La Luz (Alamogordo)</i>		
47	Sam's Mobile Home Park ??	4	Clovis	X	
31	San Pablo MDWCA	3		X	X
70	San Rafael Water & Sanitation District	1		X	
32	Sanctuary Water Assoc.	3	Also new system as of 1/1/02	X	X
33	Santa Clara Water	3	(RCAC)	X	X
34	Santa Teresa Industrial Park	3	W of El Paso	X	X

Number	Water System	NMED District	Notes	San. Survey	Completed
35	Santa Teresa Water System	3	W of El Paso		X
71	Seboyeta Water System	1		X	
36	Sunland Park Water System	3	El Paso		X
37	Talavera Water Co-op	3	Las Cruces	X	X
38	Tyrone MDWCA	3		X	X
82	Upper Delia	2	RCAC		
39	Vado MDWCA	3	b/t Las Cruces & El Paso		X
48	Valley WUA Coop	4	RCAC <i>Ft. Sumner</i>	hard copy	X
83	Village of Eagle Nest	2			
40	West Mesa Water System	3	(not West Mesa Water Co.) Las Cruces	X	
42	Whiskey Creek Mobile Ranch	3	Silver City	X	
72	Willard Water Supply System	1		X	
41	Winterhaven MDWCA & Sewage Works	3	Las Cruces		X

Tier 2 Assessments

Total: 83
 Completed: 40
 Remaining: 43

Tier 3 Assessments

Num ber	Water System	NMED Dist.	Notes	San. Survey	Completed
1	Aragon MDWCA	3		X	X
2	Arenas Valley MDWCA	3	NO RESPONSE; RCAC	X	---
3	Butterfield Park MDWCA	3		X	X
4	CBG Water Company	3			
5	Deming Municipal	3		X	X
35	Elida Water System	4	RCAC	X	X
6	Fort Selden Water Co.	3		X	X
36	Ft Sumner/Valley Water Coop	4	RCAC	X	
7	Garfield MDWCA	3		X	X
8	Hacienda Acres Water System	3	Jornada – defer Sept/Oct	X	
9	Hatch Water Supply	3		X	X
10	Heights WUA	3	RCAC		
11	High Valley Water Users Assoc.	3		X	
12	Hurley, Town	3	(RCAC)	X	X
13	La Mesa MDWCA	3		X	X
14	Lake Roberts WUA	3	RCAC		
15	Las Alturas Estates	3	Jornada – defer Sept/Oct	X	
16	Mesa Development Center	3		X	X
17	Mesilla Park Manor Water System	3	Jornada – defer Sept/Oct	X	
18	Mesilla Water System	3		X	X
19	Moongate Water System	3		X	X
20	Moongate West	3		X	X
21	New Mexico Water Services Company	3		X	X
22	Peoples Water Coop	3	Contact District for	X	

Num ber	Water System	NMED Dist.	Notes	San. Survey	Completed
			information		
23	Picacho MDWCA	3			
37	Puerta De Luna	4	RCAC	X	X
24	Raasaf Hills Water System	3	Jornada – defer Sept/Oct	X	
25	Rincon Water Consumers Coop	3	On-site visit	X	X
26	Rosedale MDWCA	3	(RCAC)	X	X
27	San Andres Estates Water System	3	Jornada – defer Sept/Oct	X	
28	Silver City Water System	3	RCAC		
29	Truth or Consequences	3	On-site visit	X	X
30	Tyrone Townsite	3	(RCAC)	X	X
31	University Estates Water System	3	Jornada – defer Sept/Oct	X	
32	Valle Del Rio Water System	3		X	
33	Virden Water System	3			
34	West Mesa Water Company	3	NO RESPONSE (Not West Mesa Water System)	X	---

Total: 37
 Completed: 19
 Remaining:18

Totals Needed

Tier	Totals Included in Contract	Completed	In Progress	Remaining to Complete	Additional Systems Needed from NMED
Tier 1	30	6	2	22	12
Tier 2	90	40		50	7
Tier 3	130	19		111	93
Totals	250	65	2	184	112

Schedule for Completion**1st priority is systems designated for RCAC**

Month	Tier 1	Tier 2	Tier 3	Total
June	3	15	25	43
July	6	15	25	46
August	7	15	25	47
September	7	15	25	47
October	1	2	11	14

ATTACHMENT F
COLLABORATION DOCUMENTS



State of New Mexico

Office of the Governor

Bill Richardson
Governor

Governor Richardson Expands “Invest New Mexico” Advisory Group

Executive Order establishes Water Infrastructure Investment Team (WIIT) to streamline New Mexico Water Projects

April 25, 2005
For Immediate Release

Contact: Pahl Shipley
(505) 476-2202

(Santa Fe) - Governor Bill Richardson today signed an Executive Order affecting three critical areas of State infrastructure, addressing the mission of the Governor’s Finance Council to include protecting the State’s environment and water, improving infrastructure on tribal lands, and implementing high technology across New Mexico.

“Through the hard work and planning during the past two years, the Governor’s Finance Council has helped the State make great strides in building and improving New Mexico’s infrastructure,” Governor Bill Richardson said. “From creating high-wage jobs, to building roads, to providing affordable homes, ‘Invest New Mexico’ initiatives have succeeded, and must now move forward in new areas as well.”

Governor Bill Richardson created the Governor’s Finance Council in May 2003, to target the State’s most pressing infrastructure priorities: transportation, jobs, schools, affordable housing, higher education, water, energy & healthcare. Today’s Executive Order adds three new ex-officio members to the council: Environment Secretary Ron Curry, Indian Affairs Department Secretary Dr. Benny Shendo, Jr., and the State’s Chief Information Officer, Roy Soto.

Governor Richardson's Finance Council now numbers 19 members with a wide breadth of experience and abilities to make recommendations in building and growing New Mexico infrastructure.

"The work of the Finance Council not only addresses basic and immediate needs in New Mexico, but is also an investment in ourselves and our future," said Governor's Finance Council Co-Chair & Chief of Staff Dave Contarino. "By planning wisely, identifying statewide priorities, and working together in partnership with the private sector, we can make a difference both today and tomorrow."

Governor Richardson creates Water Infrastructure Technical Team

In a separate but related Executive Order, Governor Richardson established a Water Infrastructure Investment Team (WIIT), to develop a long-range plan for secure and sustainable water and wastewater infrastructure for the 21st century.

WIIT will have many tasks in streamlining New Mexico's water infrastructure, including the development of a uniform application process for all water and wastewater projects requesting State funding. The group will review every application, set conditions and make funding recommendations based on equal criteria. WIIT will also bring additional accountability, technical support and oversight into New Mexico's efforts to modernize its water systems.

#30#

EXECUTIVE ORDER 2005-024

WATER INFRASTRUCTURE DEVELOPMENT

WHEREAS, New Mexico's population and economy are expected to grow substantially within the next century, creating increased demand for water, making the efficient use of water critical to extending existing water supplies;

WHEREAS, existing water infrastructure may be deteriorating and in need of repair or replacement with modern infrastructure;

WHEREAS, new water infrastructure development is needed to maintain reliable water supplies to meet domestic, municipal, industrial, and commercial needs;

WHEREAS, water project development and the State's statutory, regulatory and institutional funding mechanisms are not appropriately structured to plan and manage water infrastructure investments that are necessary to meet the State's needs in the 21st century;

WHEREAS, New Mexico currently lacks comprehensive planning for the management of water infrastructure funding for the state's current and future water needs;

WHEREAS, the limited funding at all levels of government must be subject to comprehensive review and coordinated planning to ensure optimal usage for meeting the State's demands for new water infrastructure; and

WHEREAS, water security is essential for the quality of life and economic vitality of the state, and investing wisely in the best infrastructure to meet those needs is imperative.

NOW, THEREFORE, I, Bill Richardson, Governor of the State of New Mexico, by virtue of the authority vested in me by the Constitution and Laws of the State of New Mexico, do hereby establish the Water Infrastructure Investment Team (WIIT) to develop a long range plan for secure and sustainable water and waste water infrastructure for the future of New Mexico.

WIIT shall be comprised of the following members:

1. The State Engineer who shall serve as Chair;
2. The Governor's Chief of Staff;
3. The Secretary of the Environment Department;

4. The Chairman of the Board of the New Mexico Finance Authority;
5. The Secretary of the Energy, Minerals, and Natural Resources Department;
6. The Secretary of Department of Finance and Administration; and
7. An appointed member of the Board of Finance.

The duties and purpose of WIIT shall include:

1. To coordinate planning and capacity development activities for domestic, municipal, commercial and industrial water and waste water systems in the State to insure adequate planning and prudent management of infrastructure investments;
2. To evaluate project requests and make recommendations that will ensure that public funds are wisely invested in infrastructure to meet the future needs of our population, our economy, and our environment;
3. To ensure that project funding goes to entities with demonstrated fiscal and managerial capacity, and that projects meet all state and federal requirements, including but not limited to adequate water rights and compliance with the Safe Drinking Water Act;
4. To make recommendations to insure that adequate oversight is provided for projects so that appropriate local financial requirements and established engineering and construction standards are met;
5. To provide direction and manage technical support for development of new projects or for those not sufficiently planned;
6. To recommend an appropriate phasing and funding plan that utilizes a combination of available funding sources and appropriate requirements for local contribution to complete projects in a timely manner. Opportunities for private sector involvement should be part of this package;
7. To identify, package and prioritize water and waste water projects for recommendation to the Governor and Legislature as well as for the congressional delegation; and
8. To develop a 20-year water and waste water infrastructure investment plan for the State that will serve as the basis for annual funding recommendations.

WIIT shall develop a Uniform Application Process for all water and waste water infrastructure projects requesting state funding, and shall review projects and recommend a funding package and conditions for projects to be funded through the following sources:

Water Project Fund (water only)

Projects administered by New Mexico Finance Authority:

State Drinking Water Revolving Loan Fund (water only)

Water/Waste Water grant funds requiring legislative appropriation/approval

Planning grant fund requiring legislative approval

Public Project Revolving Loan Fund

Emergency funds appropriated by the legislature and administered by The New Mexico Environment Department, including:

Rural Infrastructure Program

Clean Water State Revolving Loan Fund (waste water only)

Legislative capital outlay

State and Tribal Assistance Grants (STAG) administered through a Memorandum of Understanding with the United States Environmental Protection Agency and administered by the New Mexico department of Finance and Administration, including:

- Community Development Block Grant
- Federal tax relief funds
- Governor's Innovative Water Project Fund.

WIIT shall also coordinate with the following non-state funding sources and technical assistance providers:

1. United States Department of Agriculture Rural Development Loan/Grant program;
2. U.S. Environmental Protection Agency and Indian Health Service Grants to tribes;
3. U.S. Housing and Urban Development Infrastructure for earmarked Projects;
4. Congressional set-asides and earmarks;
5. Rural Community Assistance Corporation;
6. New Mexico Environmental Finance Center; and
7. New Mexico Rural Water Association.

WIIT shall make recommendations for project funding, including:

1. Standards for local contribution to capital costs, to operations and maintenance, to anticipated repairs/replacements, to acquisition of land and water rights, and for expansion;
2. Cost/benefit and life cycle costing analysis standards; and
3. Requirements for planning, including regionalization.

WIIT shall evaluate and make funding recommendations for all water and waste water infrastructure projects, including:

1. Drinking water delivery and management;
2. Waste water system design and management;
3. Development of new water supplies such as desalination and aquifer storage and recovery;
4. Conservation; and
5. Water quality protection.

WIIT shall assemble a Technical Team (TT) consisting of staff from state agencies and from water and waste water system technical service providers to provide professional and technical advice and support to assist WIIT in developing its recommendations.

WIIT shall evaluate and make recommendations to the Governor and the Legislature for statutory, regulatory, and administrative changes required for implementation of this new approach to water and waste water infrastructure investment, and for funding needs for planning and management.

The New Mexico Finance Authority shall provide administrative support to WIIT, and all executive branch agencies of state government shall comply with this order by providing

technical and managerial support to WIIT as needed and requested, and to comply with the directives and initiatives established by WIIT to achieve its purpose.

THIS ORDER supersedes any other previous orders, proclamations, or directives in conflict. This Executive Order shall take effect immediately and shall remain in effect until such time as the Governor rescinds it.

ATTEST:

REBECCA VIGIL-GIRON
SECRETARY OF STATE

DONE AT THE EXECUTIVE OFFICE THIS
25TH DAY OF APRIL, 2005

WITNESS MY HAND AND THE GREAT SEAL
OF THE STATE OF NEW MEXICO

BILL RICHARDSON
GOVERNOR

TITLE 19: NATURAL RESOURCES AND WILDLIFE
CHAPTER 25: ADMINISTRATION AND USE OF WATER-GENERAL PROVISIONS
PART 10: REVIEW AND ELIGIBILITY OF PROPOSED WATER PROJECTS

19.25.10.1 ISSUING AGENCY: New Mexico Water Trust Board.
[19.25.10.1 NMAC - N, 09/16/02]

19.25.10.2 SCOPE: All persons applying for financial assistance under the Water Project Fund from the New Mexico Finance Authority, NMSA 1978, 72-4A-5 and NMSA 1978 72-4A-9.
[19.25.10.3 NMAC - N, 09/16/02]

19.25.10.3 STATUTORY AUTHORITY: NMSA 1978, 72-4A-5 and NMSA 1978 72-4A-9.
[19.25.10.3 NMAC - N, 09/16/02]

19.25.10.4 DURATION: Permanent.
[19.25.10.4 NMAC - N, 09/16/02]

19.25.10.5 EFFECTIVE DATE: September 16, 2002, unless a later date is cited at the end of a section.
[19.25.10.5 NMAC - N, 09/16/02]

19.25.10.6 OBJECTIVES:

A. The New Mexico Water Trust Board is required to adopt rules governing terms and conditions of grants and loans recommended by the board for appropriation by the State Legislature from the water project fund pursuant to Section 72-4A-5, NMSA 1978. Section 72-4A-9, NMSA 1978, creates the "water project fund" within the New Mexico Finance Authority and authorizes the authority to establish procedures and rules as required to administer the water project fund. The authority may adopt separate procedures and rules for administration of the water project fund and to recover from the water project fund costs of administering the water project fund and originating financial assistance.

B. Section 72-4A-5, NMSA 1978, provides that the board shall give priority to qualifying water projects that (i) have urgent needs; (ii) have been identified for implementation of a completed regional water plan that is accepted by the interstate stream commission; and (iii) have matching contributions from federal or local funding sources. The purpose of these rules is to set forth the intent of the board and to outline, in general terms, the criteria and procedures to be used in evaluating and funding qualifying water projects.
[19.25.10.6 NMAC - N, 09/16/02]

19.25.10.7 DEFINITIONS:

A. **"act"** means the Water Project Finance Act, Sections 72-4A-1 through 72-4A-10, NMSA 1978, as the same may be amended and supplemented.

B. **"agreement"** means the document or documents signed by the board and a qualified entity which specify the terms and conditions of obtaining financial assistance from the water project fund.

C. **"applicant"** means a qualified entity which has filed a water project proposal with the authority for initial review and referral to the project committee.

D. **"authority"** means the New Mexico Finance Authority.

E. **"authorized representative"** means one or more individuals duly authorized to act on behalf of the qualified entity in connection with its financial application, water project proposal or agreement.

F. **"board"** means the New Mexico Water Trust Board created by the act.

G. **"bylaws"** means the bylaws of the board adopted on September 25, 2001, as amended and supplemented.

H. **"financial application"** means a written document filed with the authority by an applicant for the purpose of evaluating the applicant's qualifications for types of financial assistance which may be provided by the board.

I. **"financial assistance"** means loans, grants and any other type of assistance authorized by the act, or a combination thereof, provided from the water project fund to a qualified entity for the financing of a qualifying water project.

J. “political subdivision” means a municipality, county, irrigation district, conservancy district, special district, acequia or soil and water conservation district, or any combination thereof operating pursuant to a joint powers agreement.

K. “qualified entity” means a political subdivision or a state agency.

L. “qualifying water project” means a water project for (i) storage, conveyance or delivery of water to end users; (ii) implementation of Endangered Species Act collaborative programs; (iii) restoration and management of watersheds; or (iv) flood prevention and which has been recommended by the board for funding by the state legislature and which has been approved by the state legislature pursuant to Section 72-4A-9(B), NMSA 1978.

M. “state” means the State of New Mexico.

N. “state agency” means any agency or institution of the state.

O. “water project account” means a fund designated by a qualified entity exclusively for receipt of financial assistance.

P. “water project fund” means the fund of that name created in the authority by Section 72-4A-9, NMSA 1978.

Q. “water project proposal” means a written proposal submitted by a qualified entity for review by the project review committee.

R. “water project review committee” means a standing committee, appointed by the chairman of the board from the members of the board pursuant to the bylaws to review water projects to be recommended for funding from the water project fund.

S. “water trust fund” means the fund of that name created in the state treasury by Section 72-4A-8, NMSA 1978.

[19.25.10.7 NMAC - N, 09/16/02]

19.25.10.8 ELIGIBILITY: PRIORITIZATION OF WATER PROJECTS: The board will develop and consider a variety of factors in reviewing and evaluating water project proposals to determine which water projects to recommend as qualifying water projects for appropriation by the state legislature. In addition to other factors deemed relevant by the board, those factors will include the items described in this Section 19.25.10.8 NMAC.

A. Regional Dispersion. The board will consider the location of the water project in the State of New Mexico and will attempt to ensure that qualifying water projects are dispersed throughout the state to the benefit of all citizens of the state.

B. Local Effort. The amount of local financial, in-kind-contribution, political and infrastructure support and resources given to the water project will be evaluated by the board. Water projects must demonstrate significant local support, especially in the area of committed financial resources and in-kind-contributions (including contributions by individual property owners as well as public contributions) to meet local cost share requirements. When evaluating local support, the board will consider and evaluate the support and available resources of the local entities affected by the proposed water project when the proposed water project is located in or overlaps more than one jurisdiction.

C. Ability to Pay. A water project that benefits or is suggested by a qualified entity that has ability to pay will be expected to receive a loan instead of a grant in order to maximize the number of qualifying water projects that can be funded from the limited financial resources expected to be available in the water project fund. Water projects that do not benefit a definitive group or entity or that are suggested by a qualified entity without the ability to repay a loan may receive a grant instead of a loan. The ability to pay will be evaluated by the authority in accordance with the financial application submitted by the qualified entity.

D. Ability to Leverage Federal Funds. The board will analyze the amount of federal funding committed or likely to be committed for construction and completion of the water project. If federal funding is not anticipated to be available within 3 years of the estimated start date of the water project, no consideration will be given to federal funding for the particular water project.

E. Priority. Projects which:

(1) have urgent needs;

(2) have been identified for implementation of a completed regional water plan that is accepted by the interstate stream commission, and

(3) have matching contributions from federal or local funding sources may be given priority by the

board.

F. Scientific, Hydrologic and Biological Studies. Water projects must be backed by sound and established scientific, hydrologic and biological studies prepared by registered engineers, hydrologists, biologists or

other consultants acceptable to the board which demonstrate that the water project will accomplish its planned objectives.

G. Comprehensive Solution/Measurable Outcome. The planned objective of a water project must be comprehensive in scope, address all of the component parts necessary to accomplish its planned objective and lead to measurable outcomes.

H. Immediate Threats to Public Health, Safety and Welfare. Water projects required to eliminate an immediate threat to public health, safety and welfare may be given priority consideration by the board; however, the board expects most qualifying water projects will address long term water uses and needs.

I. Readiness to Proceed. An applicant should demonstrate that adequate planning, engineering, evaluation and study have been or are scheduled to be completed for the water project to allow construction or implementation to begin upon receipt of financial assistance.

J. Cost-Effectiveness of Water Project. An applicant should demonstrate that the water project is the most cost-effective method of accomplishing its planned objective. The board expects that alternative methods and cost analysis of accomplishing the planned objective will be explored by an applicant prior to submitting a water project to the board. A summary of the alternatives will be reviewed by the board and the board may consult independent advisors regarding alternative methods of accomplishing the planned objectives of a water project.

K. Life of Water Project. The planned objective of a water project should provide a solution to the need for the predicted life of the water project. Projections and forecasts supporting the adequacy of a storage, delivery or conveyance project to address the water needs for 40 years should be provided by the applicant. Water projects addressing other objectives should be supported by projections and forecasts demonstrating the expected life of the water project.

L. Urgent Needs. Water projects intended to address problems that are expected to become severe within five (5) years of the date of application shall be considered as addressing urgent needs as described in the act.

M. Water Rights. An applicant proposing a storage, delivery or conveyance water project must demonstrate that adequate water rights are or will be owned or controlled to allow the water project to accomplish its planned objectives.

[19.25.10.8 NMAC - N, 09/16/02]

19.25.10.9 WATER PROJECT PROPOSAL, PROCEDURES AND APPROVAL PROCESS:

A. The board and the authority will administer an outreach program to notify qualified entities that water project proposals are being accepted to identify water projects for review by the water project review committee and the board for recommendation for funding to the state legislature as qualifying water projects.

B. The authority will provide forms and/or guidelines for water project proposals and financial applications. A water project proposal and financial application must include the following:

(1) information required to allow the board to give the water project a priority ranking pursuant to Section 19.25.10.8 of these Rules;

(2) type of financial assistance being sought and itemization of the proposed uses of the financial assistance;

(3) detailed description of the water project to be evaluated, which information must include:

(a) description of the scope of work of the water project;

(b) estimated cost of the water project;

(c) target date for the initiation of the water project and the estimated time to completion;

(d) estimated cost/benefit analysis for the water project;

(e) estimated life of the water project;

(f) the availability of performance bonds and insurance for the water project; and

(g) other financial and technical data as requested by the authority or the board;

(4) letter certifying that the water project was duly approved by the applicant's governing body;

(5) identification of the source of funds for repayment of the financial assistance and the source of funds to operate and maintain the water project over its useful life;

(6) requested type of financial assistance, *i.e.*, loan or grant; and

(7) additional information as requested by the authority or the board.

C. The authority staff will forward all completed water project proposals to the water project review committee. The water project review committee will consider the water project and may confer with outside parties, including any local interdisciplinary teams familiar with the water project, as necessary to obtain more information on the feasibility, merit, and cost of the water project. The water project review committee will make a written

recommendation to the board on each water project proposal. Such recommendation will include approval or disapproval of specific water project proposals as qualifying water projects.

D. Once a recommendation has been made on the water project proposal by the water project review committee, the board will act on the water project proposal no later than the next regular board meeting at which such item may be properly considered. The board may approve all or part of the water project proposal as recommended by the water project review committee.

E. Commencing in 2003, a qualified entity shall submit its water project proposal and financial application to the authority no later than first day of June of any year for review if the water project is to be considered at the next regular legislative session. After completion of the review process and approval of the water project proposal by the water project review committee and the board and receipt of a favorable recommendation on the water project proposal, the water project will be recommended by the board for approval by the state legislature at the next regular session of the state legislature, which recommendation and approval are required by Sections 72-4A-5 and 72-4A-9, NMSA 1978. Water projects intended to address urgent needs may be submitted after the first day of June of any year and may still be considered at the next regular legislative session.

[19.25.10.9 NMAC - N, 09/16/02]

19.25.10.10 EVALUATION OF FINANCIAL APPLICATION AND WATER PROJECT PROPOSAL:

A. The authority staff will complete an initial evaluation of the financial application and water project proposal upon receipt. Such evaluation will include, to the extent applicable, an evaluation of water project feasibility, administrative capacity, financial position, debt management and economic and demographic factors.

(1) Water Project Proposal Evaluation. The authority staff will conduct an initial analysis of each water project proposed to determine whether the water project proposal is complete. If necessary, additional information will be requested from the applicant. Upon completion of the analysis by the authority staff and receipt of any requested additional information, the water project proposal will be forwarded to the water project review committee. The water project review committee and the authority staff may collaborate with other state agencies or consultants to analyze water project proposals when needed to address scientific, biological or hydrologic issues.

(2) Recommendation of approval of the water project or the extension of financial assistance by the board does not constitute a warranty or other guarantee as to the feasibility of the water project.

B. Financial Application Evaluation. The authority staff will evaluate each financial application to determine the financial, administrative and technical capacity of an applicant in accordance with rules adopted by the authority to determine the type of financial assistance to be recommended for each qualifying water project. The evaluation of the financial application by the authority staff may occur concurrently with the evaluation of the water project proposal or may occur after review of the water project proposal by the water project review committee or after approval of the water project for funding as a qualifying water project from the water project fund by the state legislature. Final recommendation to the board for the type of financial assistance to be provided to an applicant for a qualifying water project may be made by the authority board of directors.

[19.25.10.10 NMAC - N, 09/16/02]

19.25.10.11 QUALIFYING WATER PROJECTS AND ELIGIBLE COSTS:

A. The board and the authority may provide financial assistance from the water project fund to qualified entities only for qualifying water projects. As provided by Section 72-4A-7, NMSA 1978, eligible items which may be financed from the water project fund include:

- (1) matching requirements for federal and local cost shares;
- (2) engineering feasibility reports;
- (3) contracted engineering design;
- (4) inspection of construction;
- (5) special engineering services;
- (6) environmental or archeological surveys;
- (7) construction;
- (8) land acquisition;
- (9) easements and rights of way; and
- (10) legal costs and fiscal agent fees.

B. A qualified entity which has had financial assistance approved by the state legislature for financing a qualifying water project may apply to the board to redirect the financial assistance to a different water project made necessary by unanticipated events. The decision to redirect the financial assistance to a different

qualifying water project will be at the sole discretion of the board and subject to approval of the state legislature as required by Section 72-4A-9(B), NMSA 1978.

[19.25.10.11 NMAC - N, 09/16/02]

19.25.10.12 QUALIFYING WATER PROJECT FINANCING: The authority may structure financial assistance packages that include loans, grants and any other type of assistance authorized by the authority. The structure, terms and conditions of the financial assistance will be determined by the authority. Financial assistance for qualifying water projects may be pooled, at the discretion of the authority. Financial assistance packages may consist of the following, or a combination thereof:

A. Bond-Funded Loans. Loans may be funded through the sale of revenue bonds payable from the proceeds of loan repayments made into the water project fund upon a determination by the authority that issuance of bonds is necessary to replenish the principal balance of the water project fund. The costs of issuing and administering the bonds, and of funding a debt service reserve, may be paid from the proceeds of the bonds or from the water project fund. Loan interest rates may reflect actual bond issue costs of capital, including issuance and administrative costs, or the authority may offer lower loan interest rates using direct loans or other funds in the water project fund. Estimated rates for loans for planning purposes may be made available by the authority. The estimated rates will be set to reflect current bond market conditions.

B. Direct Loans. Qualifying water projects may be eligible for loans made directly from available funds in the water project fund. The authority may make direct loans available when amount of the required financial assistance is insufficient to support a bond issue, credit flexibility for a qualifying water project is needed or other factors indicate a direct loan is appropriate. Interest rates on direct loans may be established at any level determined to be appropriate by the authority. Repayments of a direct loan may be pledged by the authority for debt service on bonds or other obligations payable from the water project fund.

C. Combination Loans and Grants. For qualifying water projects financed with a combination of loans or grants from available moneys in the water project fund, there shall be no restriction on the total amount of financial assistance that may come from a grant from the water project fund.

D. Grants. Grants or conditional grants (deferred payment loans) may be available as part of an overall financial assistance package. Grants are available only when the applicant demonstrates, to the satisfaction of the board based on analysis of the financial application by the authority staff and the recommendation of the authority board of directors, economic need and inability to afford debt financing for the qualifying water project.

[19.25.10.12 NMAC - N, 09/16/02]

19.25.10.13 FINANCING APPROVAL REQUIREMENTS: Based on the priority and evaluation factors set forth in Sections 19.25.10.8 and 19.25.10.10, the board may recommend approval of the qualifying water project and financial assistance to the applicant provided the following requirements are satisfied:

A. In approving an application for financial assistance, the board shall find that the qualifying water project is important to the overall needs of the state and its citizens.

B. In determining the qualification for financial assistance, the board shall consider the ability of a qualified entity to secure financing from other sources and the costs of the financial assistance.

C. In approving a grant application, the board shall first consider if the applicant has the ability to repay a loan.

D. In approving a loan application, the board must find that the useful life of the qualifying water project will meet or exceed the maturity of the loan made.

F. In approving a loan application, the board must find that the applicant has the financial capability to ensure that sufficient revenues will be available to operate and maintain the qualifying water project for its useful life and to repay the loan.

G. To be eligible for financial assistance, the applicant must agree to properly maintain separate project accounts and financial records in accordance with generally accepted accounting principles during the construction or implementation of the qualifying water project and, in the case of a loan, to conduct an annual audit of the qualifying water project's financial records during its useful life.

H. In order to receive financial assistance, the applicant must provide title insurance with respect to the qualifying water project or a written assurance, signed by an attorney, that the qualified entity has or will acquire proper title, easements and rights-of-way to the property upon or through which the qualifying water project is to be constructed or extended.

I. Any contract or subcontract executed for the completion of any qualifying water project shall contain a provision that there shall be no discrimination against any employee or applicant for employment because of race, color, creed, sex, religion, sexual preference, ancestry or national origin.

J. In order to receive financial assistance, the applicant must require any contractor providing construction services for a qualifying water project to post a performance and payment bond in accordance with the requirements of Section 13-4-18, NMSA 1978.

K. In order to receive financial assistance, the qualified entity must agree to operate and maintain a qualifying water project addressing storage, conveyance and delivery needs so that it will function properly over the structural and material design life, which shall not be less than 20 years.

L. In order to receive financial assistance, the qualified entity must agree to pay the costs of originating grants and loans from the proceeds of the grant or loan or from other legally available moneys of the qualified entity.

M. In order to receive financial assistance, the qualified entity must agree to provide plans and specifications for the qualifying water project to the board for approval before any financial assistance disbursements are made for the qualifying water project.

N. In addition to the foregoing, a qualified entity must satisfy any other requirements as may be determined by the board.

[19.25.10.13 NMAC - N, 09/16/02]

19.25.10.14 APPEALS. Any applicant or qualified entity may appeal a decision of the board by notifying the board in writing within forty-five days of the date on which notice of an adverse decision is given by the board to an applicant. Notice is deemed to be given on the fifth business day following the date on which written notice is mailed to the applicant by the board by U.S. mail. Appeals not timely or properly made will be barred thereafter. The chairman of the board will promptly review each timely appeal and will recommend, at the next regular meeting of the board, action to be taken by the board on the appeal. The board will review and take action on the appeal and will notify the applicant or qualified entity of the board's decision, in writing, within five working days of the board's decision. The decision of the board is final.

[19.25.10.14 NMAC - N, 09/16/02]

19.25.10.15 FINANCIAL ASSISTANCE AGREEMENT:

A. The board and the qualified entity will enter into an agreement to establish the terms and conditions of financial assistance from the board. The agreement will include the terms of repayment and remedies available to the board in the event of a default. The board, or the authority, on behalf of the board, will monitor terms of the agreement and enforce or cause to be enforced all terms and conditions thereof, including prompt notice and collection.

B. The interest on any financial assistance extended shall be determined by the authority based on the cost of funds and ability of a qualified entity to repay a loan. The interest rate shall not change during the term of the financial assistance unless refinanced or unless the financial assistance is structured as a variable rate obligation.

C. The agreement will contain provisions which require financial assistance recipients to comply with all applicable federal, state and local laws and regulations.

D. In the event of default under a financial assistance agreement by a qualified entity, the board, or the authority, on behalf of the board, may enforce its rights by suit or mandamus and may utilize all other available remedies under state and applicable federal law.

[19.25.10.15 NMAC - N, 09/16/02]

19.25.10.16 ADMINISTRATIVE FEES:

A. The board may impose and collect a reasonable fee in connection with the filing of a water project proposal or a financial application for approval of a water project and for financial assistance with the board and the authority. The board also may impose and collect an administrative fee from each qualified entity that receives financial assistance from the water project fund. If an administrative fee is assessed, the administrative fee will be a percentage of the principal amount of the financial assistance provided to a qualified entity. The administrative fee may be withheld from the principal amount of the financial assistance and will be retained in the water project fund. Alternatively, the board may levy an annual fee equal to a percentage of the outstanding principal amount of a loan. Specific percentages will be based on, among other things, the volume of financial assistance being provided to qualified entities, the administrative costs of the board and the authority, and the availability of other revenue sources to cover the board's and the authority's administrative costs. The filing and administrative fee or fees may

be used for, among other purposes, reimbursing the board or the authority for all or part of the costs of issuing bonds and other administrative costs, including any audits of the water project fund and the water trust fund.

B. The board and the authority may establish such other charges, premiums, fees and penalties deemed necessary for the administration of the water project fund and the water trust fund.

[19.25.10.16 NMAC - N, 09/16/02]

19.25.10.17 ADMINISTRATION OF THE WATER TRUST FUND:

A. The water trust fund shall be administered by the state treasurer's office and shall be invested by the state investment officer in the same manner as land grant permanent funds are invested under state law. All investment earnings on the water trust fund shall be credited to the water trust fund. The water trust fund shall not be expended for any purpose.

B. Annual distributions to the water project fund from the water trust fund shall be made as required by the authority.

[19.25.10.17 NMAC - N, 09/16/02]

19.25.10.18 ADMINISTRATION OF THE WATER PROJECT FUND:

A. The water project fund shall be administered by the authority as a separate account, but may consist of such subaccounts as the authority deems necessary to carry out the purposes of the fund.

B. Money from repayments of loans made by the board for qualifying water projects shall be deposited in the water project fund. The water project fund shall also consist of any other money appropriated, distributed or otherwise allocated to the water project fund for the purpose of financing qualifying water projects.

C. The authority shall adopt a uniform accounting system for the water project fund and each account and subaccount established by the authority, based on generally accepted accounting principles.

[19.25.10.18 NMAC - N, 09/16/02]

19.25.10.19 BOND ISSUANCE:

A. The authority may issue and sell revenue bonds as required to provide funds to:

- (1) replenish the principal balance of the water project fund;
- (2) pay, fund or refund the principal of or interest or redemption premiums, if any, on bonds issued by the authority whether the bonds or interest to be paid, funded or refunded have or have not become due;
- (3) establish or increase reserve funds to secure bonds; and
- (4) pay the costs and expenses incident to the issuance of bonds.

B. The authority will consider market and other economic conditions in determining the type of sale and the timing of the issuance of bonds.

[19.25.10.19 NMAC - N, 09/16/02]

19.25.10.20 AMENDMENT OF RULES: This rule may be amended or repealed at any time by a majority vote of a quorum of the board.

[19.25.10.20 NMAC - N, 09/16/02]

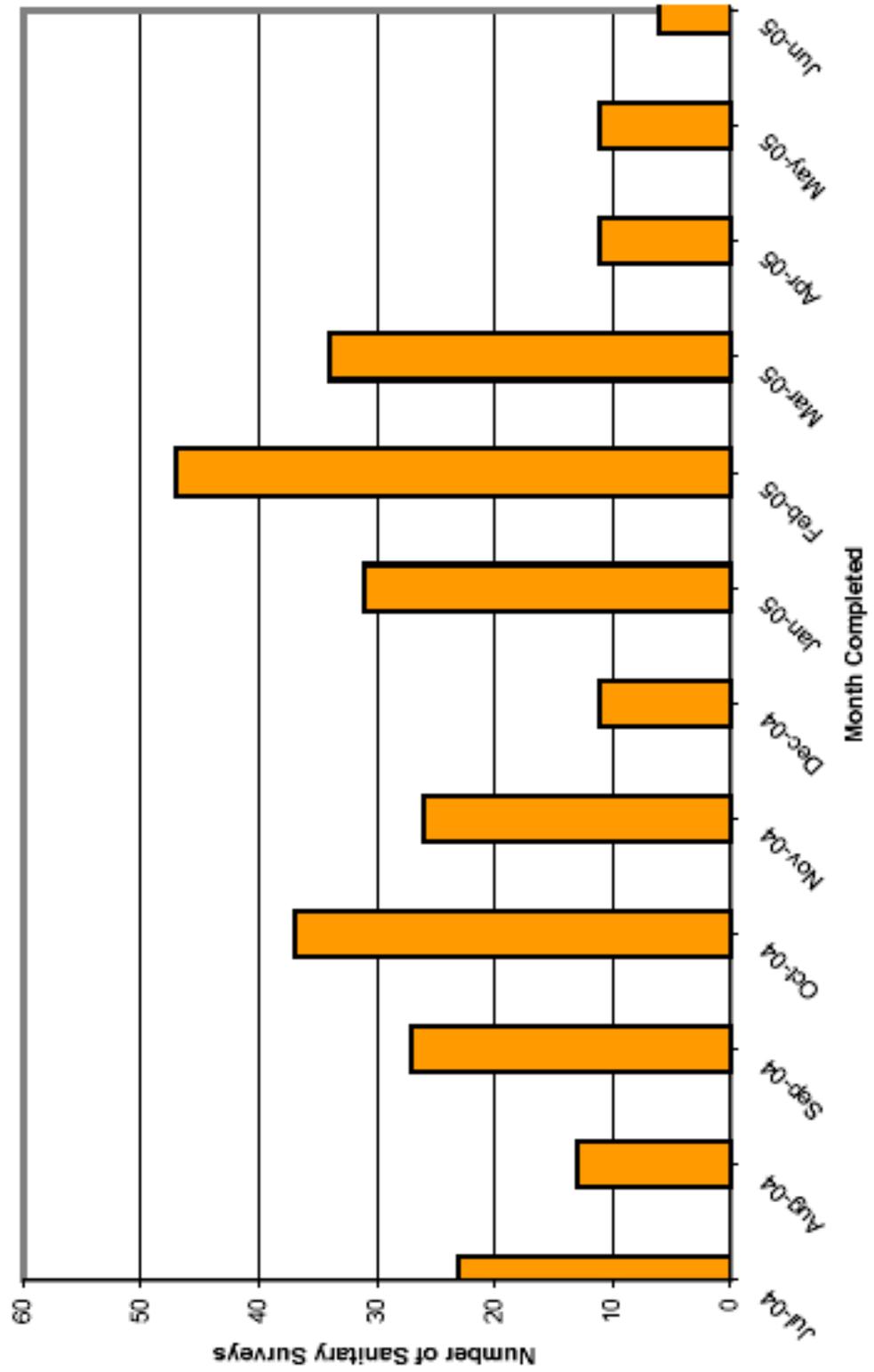
History of 19.25.10 NMAC: [RESERVED]

ATTACHMENT G

SANITARY SURVEYS COMPLETED

SFY 2005

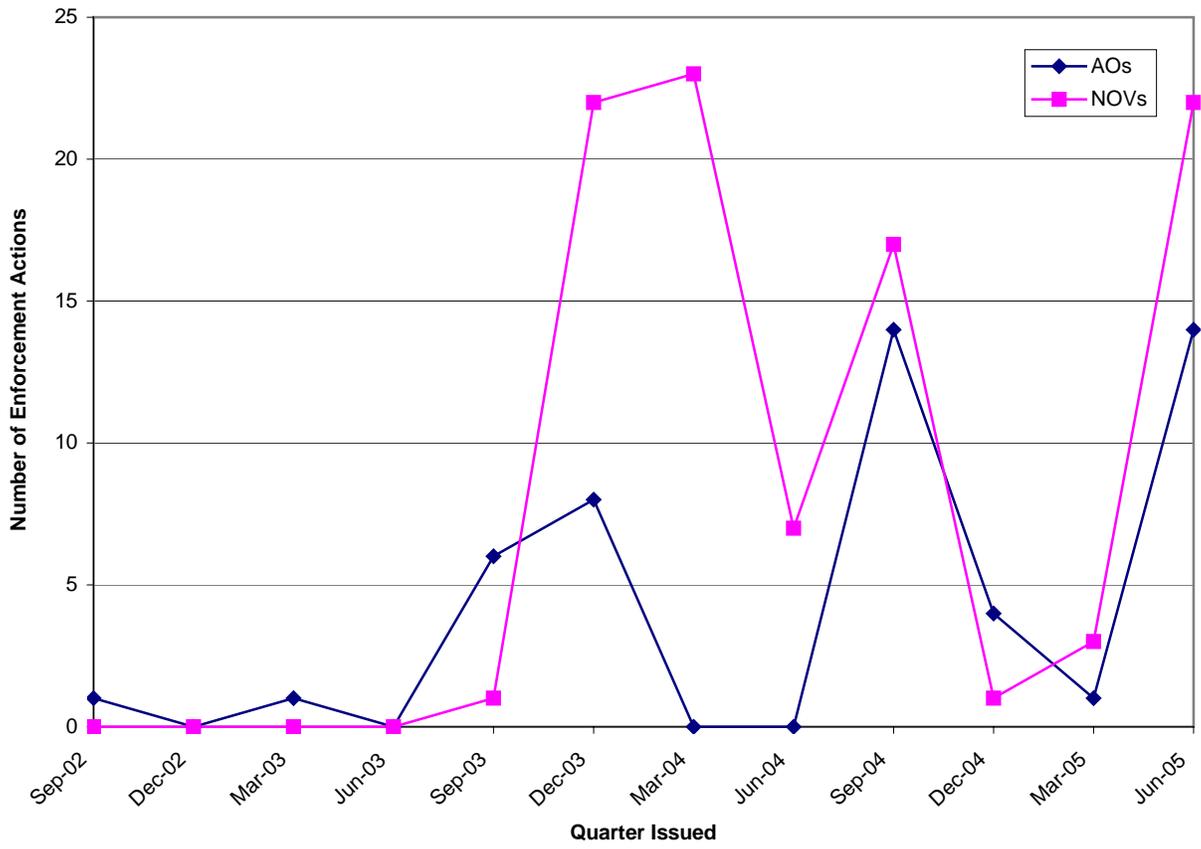
New Mexico Drinking Water Bureau Sanitary Surveys for SFY 2005



ATTACHMENT H

ENFORCEMENT PROGRAM INFORMATION

New Mexico Drinking Water Bureau Enforcement Actions



SFY 2005 New Enforcement Actions: NOVs

[dates] in brackets
pre-date the violation,
and
(numbers) in
parentheses indicate
the number of follow-
up visits in the same
month.

DOCKET NO.	WATER SYSTEM NAME	NOV DATE	VIOLATION	NMRWA Visit
2004-002	Ranch Coal Company	7/1/2004	TC MCL	None
2004-028	Desert Ranch Water Cooperative	7/1/2004	TC MCL	7/04
2004-029	North Park Mobile Home Park	7/1/2004	TC MCL, M/R	None
2004-031	Sunset Hills Estates HOA	7/1/2004	TC M/R	None
2004-032	Ponderosa Restaurant	7/1/2004	TC M/R Nitrate MCL	None
2004-033	Plano Colorado Estates	7/1/2004	TC M/R	2004
2004-034	American Water Hauling	7/1/2004	TC M/R	None
2004-035	Villa Santa Maria	7/1/2004	TC M/R	None
2004-036	Mike Mateo Sena Elem. School	7/1/2004	TC MCL, M/R	None
2004-037	Taos County Sheriff's Dept.	7/1/2004	TC MCL, M/R	None
2004-007	Hidden Valley Estates MDWCA	9/29/2004	TC M/R	None
2004-038	Hobbs Country Club	9/29/2004	TC MCL, M/R	None
2004-039	Casa San Ysidro	9/29/2004	TC M/R	None
2004-040	The Plaza at Sandia Park, LLC	9/29/2004	TC MCL, M/R	None
2004-041	Highland Meadows Estates	9/29/2004	TC MCL, M/R	2/05
2004-042	Griego's Market	9/29/2004	TC M/R	None
2004-043	Taos Country Club	9/29/2004	TC MCL, M/R	None
2004-044A	Vinton Congregation of Jehovah's Witness	9/29/2004	TC M/R	None
2004-025	Orogrande MDWCA	11/16/2004	TC MCL Acute MCL	[9/04] 12/04, 2/05(4x)
2004-044	San Cristobal MDWCA	12/3/2004	TC Acute	[9/04] 2/05(2x)
2005-NOV-001	Upper Arroyo Hondo MDWCA	2/23/2005	TC MCL M/R	3/05
2005-NOV-002	Rob Roy Trailer Park	2/23/2005	TC MCL M/R	None
2005-001	Cuba Water System (Village of)	2/24/2005	TC MCL M/R	None
2005-003	DEFS LP Linam Ranch	3/17/2005	TC MCL M/R	None
2005-004	Tres Lagunas HOA	4/26/2005	TC M/R	[11/04]

2005-005	Sedan Country Store	4/26/2005	TC MCL M/R	None
2005-006	North San Ysidro MDWCA	4/26/2005	TC M/R	None
2005-007	Coronado Village MHP	4/26/2005	TC MCL M/R	[8/04(4x)]
2005-008	Amistad Charter School	4/26/2005	TC MCL M/R	None
2005-009	Bowlin's Continental Divide TP	4/26/2005	TC MCL M/R	None
2005-010	Barndoor Café	4/26/2005	TC MCL M/R	None
2005-011	La Vida Mission Community	4/26/2005	TC M/R	None
2005-013	Dutchman's Hill Water Company	4/26/2005	TC MCL M/R	[8/04(3x)]
2005-014	South Holman MDWCA	4/26/2005	TC MCL M/R	[11/04 & 2/05]
2005-015	Bloomfield Water Supply	6/30/2005	SWTR TT	[2004]
2005-016	Bowlins Akela Trading Post	6/30/2005	TC MCL M/R	None
2005-017	Manzano MDWCA	6/30/2005	TC M/R	None

NMRWA visits
 16.2% of the
 Community
 Water Systems
 with NOVs,
 with 33.4 %
 revisits.

SFY 2005 New Enforcement Actions: AOs

[dates] in brackets
pre-date the violation,
and
(numbers) in
parentheses indicate
the number of follow-
up visits in the same
month.

DOCKET NO.	WATER SYSTEM NAME	A/O DATE	VIOLATION	NMRWA Visit
2004-CO-001	Floyd Water System	7/1/2004	Fluoride MCL	7/04 & 1/05
2004-CO-002	Desert Aire Water Co.	7/1/2004	Fluoride MCL	None
2004-CO-003	Glen Acres Water Cooperative	7/1/2004	Fluoride MCL	3/05
2004-CO-004	G & S Water Works	7/1/2004	Fluoride MCL	12/04 & 5/05
2004-CO-005	Sam's Mobile Home Park	7/1/2004	Nitrate	7/04
2004-CO-007	Guadalupita MDWCA	7/1/2004	TC Acute MCL, M/R	7/04 & 10/04
2004-CO-008	Blanco Trading Post	7/1/2004	TC M/R	None
2004-CO-011	Rosa Joint Ventures	7/1/2004	Selenium	None
2004-CO-012	Del Rio MDWCA	9/29/2004	TC MCL, M/R	2004
2004-CO-013	El Rito Canyon MDWCA	9/29/2004	TC MCL, M/R	None
2004	Moly Corp	10/1/2004	Heavy Metals	None
2004-CO-000	Sierra Vista South	11/4/2004	Phalate	None
2004-CO-009	La Jara WUA	11/10/2004	SWTRTT	None
2004-CO-016	Orogrande MDWCA	11/16/2004	TC MCL M/R	[9/04] 12/04
2004-CO-018	La Asso. De Agua do los Brazos	12/14/2004	TC Acute	[8/04(6x)] 12/04, 2/05
2005-CO-001	Bug Scuffle Ranch	2/21/2005	TC M/R	[2004]
2004-CO-014	Rodeo Water Users	2/23/2005	Fluoride MCL	[12/04(4x)] 01/05
2005-CO-002	Pendaries Water System	4/4/2005	TC MCL M/R	None
2005-CO-003	Nogal MDWCA	4/4/2005	SWTR TT	[11/04] 2/05(4x)
2005-CO-004	Punta de Agua MDWCA	4/4/2005	TC MCL M/R	None
2005-CO-005	Highland Meadows Estates	4/4/2005	TC MCL M/R	None
2005-CO-006	Sunset Mobile Home Park	4/4/2005	TC MCL M/R	None
2005-CO-007	Canoncito at Apache Canyon	4/15/2005	Radiological	[2004]
2005-CO-008	American Water Hauling	4/15/2005	TC M/R	None
2005-CO-009	Tecolote MDWCA	5/10/2005	TC MCL M/R	[2004]
2005-CO-010	Mount Taylor Millworks	5/10/2005	TC MCL M/R	None
2005-CO-011	El Rito MDWCA	5/10/2005	TC MCL M/R	None
2005-CO-012	Vallecitos MDWCA	6/30/2005	SWTR TT	[11/04] 5/05
2005-CO-013	Smokehouse BBQ	6/30/2005	TC M/R	None

NMRWA visits
37.9% of the
Community
Water Systems
with AOs, with
45.5% revisits.