



*William C. Sisneros
Executive Director*

NEW MEXICO ENVIRONMENT DEPARTMENT



*Ron Curry
Secretary*

October 12, 2006

RE: Drinking Water Revolving Loan Fund - SFY2008 Project Priority List

Dear Water System:

Raising money for an expensive water project has never been easy. Favorable funding packages are especially critical for water systems that are aging or have inadequate components, such as failing storage tanks or leaking distribution systems. In addition, many of the new Safe Drinking Water Act rules, such as the Enhanced Surface Water Treatment Rules or the Arsenic Rule, may require extensive water system upgrades or the installation of new treatment systems. Such upgrades can impose a significant financial burden on New Mexico's small water systems.

The New Mexico Finance Authority (NMFA) offers loans under the federally funded Drinking Water Revolving Loan Fund (DWRLF) at below-market interest rates to a variety of community water systems. Special zero percent rates may also be available to qualified disadvantaged public water systems. Please see the attached DWRLF Fact Sheet.

In order to be considered for a DWRLF loan, a drinking water capital improvement project must be on the current Comprehensive Priority List. The New Mexico Environment Department Drinking Water Bureau (NMED-DWB) is required by federal law to compile this priority list, which is an annual listing of all water systems formally expressing interest in water system project development. The 2008 Comprehensive Priority List will be valid from July 1, 2007 through June 30, 2008 and will be available online by July 1, 2007 at: www.nmenv.state.nm.us/dwb/dwbtop.html. If your water system is considering a DWRLF loan package for a capital improvement project in the next year and a half, you must get your project on the FY 2008 Comprehensive Priority List - the previous FY 2007 list will no longer be valid. Please complete the attached Project Interest Form and return it **no later than December 15, 2006** to:

NMED DWB, Attn. Rob Pine, 525 Camino de Los Marquez, Suite 4, Santa Fe, NM 87505

This Project Interest Form gives us the opportunity to learn about your project funding needs, and allows us to include your project on the SFY2008 DWRLF Comprehensive Priority List. Once we receive your Project Interest Form, we will initiate a Tier 2 Capacity Assessment of your water system (unless a Tier 1 or 2 capacity assessment was completed within the previous 2 years), which will determine placement and ranking on the Fundable Priority List.

NMFA
207 Shelby St.
Santa Fe, New Mexico 87501
(505) 984-1454 phone (505) 992-9644 fax

NMED-DWB
525 Camino de Los Marquez, Suite 4
Santa Fe, New Mexico 87505
(505) 476-8642 phone (505) 827-7545 fax

NMFA and NMED-DWB
Drinking Water Revolving Loan Fund
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If you submit a Project Interest Form, you are not under any obligation to apply for a loan. However, if you choose not to submit the Project Interest Form, your water system will be ineligible for DWRLF funding within the next year. **If your project was on the previous Comprehensive Priority List**, please let us know if you would like to keep this project on the SFY 2008 Comprehensive Priority list. **No response will result in the removal of your project from the state's Comprehensive Priority List.**

For additional information, please contact either:

Robert Pine (NMED-DWB):	505-476-8642	John Brooks (NMFA):	505-984-1454
Toll free	877-654-8720	Toll free	877-275-6632

Help us succeed in our efforts to serve New Mexico's Water Systems by responding to our request for information by **DECEMBER 15, 2006**. **DOCUMENTS SUBMITTED AFTER DECEMBER 15, 2006 WILL NOT BE ELIGIBLE FOR INCLUSION ON THE 2008 COMPREHENSIVE PRIORITY LIST AND FOR CONSIDERATION FOR A DWRLF LOAN.** Your support will be very much appreciated.

Sincerely,



John Brooks
Financial Analyst
New Mexico Finance Authority

Robert Pine
Capacity Development Coordinator
Drinking Water Bureau
New Mexico Environment Department

Enclosure: Project Interest Form
DWRLF Fact Sheet

cc: DWB File; NMFA File