

State Of New Mexico



Triennial Capacity Development Report to the Governor State Fiscal Years 2012-2014

Capacity Development Annual Report State Fiscal Year 2014



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New Mexico Environment Department
*Drinking Water Bureau***

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Introduction

The Safe Drinking Water Act (SDWA), as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements and to provide assistance to public water systems (PWSs) to ensure the protection of public health. States operate their own DWSRF programs and receive annual capitalization grants from the Environmental Protection Agency (EPA) to be used to support low-interest loans and provide assistance to PWSs. The State of New Mexico (the State) adopted the *Drinking Water State Revolving Loan Fund (DWSRLF) Act* to support these efforts and implement the State's DWSRLF program. DWSRF funds are used to ensure public health protection, compliance with drinking water standards, and affordable access to safe drinking water.

The State, through the New Mexico Finance Authority (NMFA) and the New Mexico Environment Department's Drinking Water Bureau (DWB), utilizes the resources of DWSRF to cooperatively administer the New Mexico's DWSRLF program. Pursuant to state statute NMSA 1978 6-21A-4, the NMFA administers the loan funds of the program and the Administration Set-Aside and the DWB administers the Technical Set-Aside funds. Technical Set-Aside funds are used for providing technical assistance directed toward small PWSs, state program management support for PWS supervision and administrative work, and local assistance such as capacity development to work with drinking water systems to improve technical, managerial and financial (TMF) capacity. As the State primacy agency, the DWB is required by the SDWA to carry out regulatory supervision of PWSs, enforce SDWA violations and develop strategies to ensure that all public water systems (PWS) have the TMF capacity to provide safe drinking water.

The DWB was reorganized and restructured in 2013, in order to better align the bureau with its funding sources and to provide more clear distinction between the assistance and compliance functions that the bureau provides to PWS. The Sustainable Water Infrastructure Group (SWIG) was created in the DWB reorganization as the group that is responsible to provide assistance to public water systems by implementing the EPA DWSRF Set Aside programs, as well as community planning and development assistance as needed from other funding sources. This document serves as New Mexico's *Capacity Development Annual Report* for the state fiscal year 2014 (SFY14) covering the period of July 1, 2013 through June 30, 2014.

New Systems Strategy

The DWB submitted a revised Capacity Development Strategy to the EPA in September 2014. The revisions to the strategy are not complete in that the New Systems Program was not yet updated, but planning has begun for New System revisions and it is expected to be complete in

2015. Planned revisions for 2015 primarily include the update of the new system capacity assessments to the full, revised capacity assessments. The SWIG teams are also looking at the updating this process with the Public Water Systems Supervision Group to better address the urgency of regulating systems that are identified as existing and serving water, but are not yet regulated as a public water system, nor do they meet capacity requirements to become an approved PWS. These systems and their customers do not benefit from an unapproved application, but should be regulated with a sense of urgency in order to protect public health.

State's Legal Authority to approve a New System

New Mexico's legal authority to implement the New Systems Program has not changed over the previous 3-year period nor has there been change to the State's control points (a control point is a point in time when the primacy agency can exert control to review and influence the system's capacity).

New System Control Points

The Capacity Development Strategy for New Systems, dated September 1999, indicates one control point: new system application review. New Mexico Drinking Water Regulation 20.7.10.201.F NMAC requires new public water systems to demonstrate such capacity prior to receiving approval from the DWB for construction and operation. New systems in New Mexico must submit an "Application for Construction or Modification of Public Water System." This application must include plans and specifications, an engineering design summary, disinfection and sampling plan, an inventory of contamination sources and a set of documents from which it can be determined whether the public water system has sufficient technical, managerial and financial capacity.

Approved New Systems

In the period from July 1, 2013 to June 30, 2014 there were seven (7) PWSs that were activated. Of these, one (1) was a community water system. All of the new systems that were activated since July 1, 2010 and the ETT scores over ten are listed in Table 1. Two systems have been on the ETT 10+ list during that period, Pinon Hills RV Resort and UU Bar.

Table 1: New Water Systems and their ETT Scores over 10 in August 2014

PWS CODE	PWS NAME	ACTIVITY DATE	PWS TYPE	ETT >10 SCORE
NM3503401	PAJARITO MESA MDWCA	7/15/2010	C	
NM3502323	PLACITAS COMMUNITY LIBRARY	7/16/2010	NC	
NM3502414	ALONG THE RIVER RV CAMP	8/13/2010	NC	
NM3502514	PINON HILLS RV PARK	8/13/2010	NC	39
NM3581604	CYPHERS MINE - PHILMONT OUT CAMP	8/17/2010	NC	
NM3500410	HOLLYWOOD RANCH DOMESTIC WUA	9/10/2010	C	
NM3502826	BUCKMAN REGIONAL WATER TREATMENT PLANT	1/1/2011	C	
NM3502407	LOWER RIO GRANDE PUBLIC WORKS AUTHORITY	1/19/2011	C	
NM3582604	PONIL - PHILMONT OUT CAMP	2/1/2011	NC	

NM3591021	ESCALANTE HIGH SCHOOL	2/21/2011	NTNC	
NM3502926	LA BAJADA MDWCA	3/1/2011	C	
NM3580021	NAVAJO CITY ROADHOUSE CAFÉ*	3/10/2011	NC	
NM3503501	ALTAMONTE LITTLE LEAGUE	3/28/2011	NC	
NM3581021	EL ALAMO DINNER BELL*	5/25/2011	NC	
NM3503601	ELKS LODGE 461	6/1/2011	NC	
NM3592504	CIMARRON CG/SHUREE PONDS- CARSON - USFS	6/1/2011	NC	
NM3502423	SANDIA VIEW ELEMENTARY	8/22/2011	NTNC	
NM3500509	FAYWOOD HOT SPRINGS	2/1/2012	NC	
NM3590210	ANTON CHICO REST AREA WEST BOUND	3/15/2012	NC	
NM3501204	UU BAR	4/23/2012	NTNC	22
NM3501209	CALVERY CHAPEL	5/25/2012	NTNC	
NM3501209	CALVARY CHAPEL	5/25/2012	NTNC	
NM3500103	MESA REST AREA	8/1/2012	NC	
NM3593023	SAN ANTONIO CAMPGROUND USFS SANTA FE	8/8/2012	NC	
NM3500503	ROSWELL LANDFILL WATER SYSTEM	8/10/2012	NTNC	
NM3503701	ABC PRESCHOOL	8/20/2012	NTNC	
NM3585401	ZUZAX FILL STATION	9/24/2012	NC	
NM3591914	SKI APACHE	10/30/2012	NTNC	
NM3501027	SPACEPORT AMERICA	11/7/2012	NC	
NM3510026	CANONCITO AT APACHE CANYON	11/14/2012	C	
NM3591601	ISLETA CHEVRON	12/18/2012	NC	
NM3502507	CAMINO REAL REGIONAL UTILITY AUTHORITY	1/1/2013	C	
NM3583701	CEDAR CREST CHEVRON	1/10/2013	NC	
NM3503721	YOUNGSVILLE MDWCA	1/10/2013	C	
NM3586801	SANDIA PARK CENTER	1/18/2013	NC	
NM3590317	MANUELITO REST AREA	2/1/2013	NC	
NM3590504	CEDAR RAIL CAMPGROUND	4/19/2013	NC	
NM3598514	BONITO HOLLOW CAMPGROUND	5/1/2013	NC	
NM3582829	TRES RITOS BOY SCOUT CAMP	5/9/2013	NC	
NM3501304	RAYADO RIDGE - PHILMONT OUTCAMP	6/6/2013	NC	
NM3558814	LINCOLN PINES YOUTH FACILITY	7/3/2013	C	
NM3592319	BARNDOR RESTAURANT	7/29/2013	NC	
NM3580907	DRIPPING SPRINGS	8/7/2013	NC	
NM3592204	CAMP ELLIOT BARKER	8/8/2013	NC	
NM3590018	FORT UNION REST AREA NORTH BOUND	1/1/2014	NC	
NM3580019	PRIMECUT STEAKHOUSE	1/31/2014	NC	
NM3590330	MANZANO STATE PARK	3/31/2014	NC	

Existing Systems Strategy

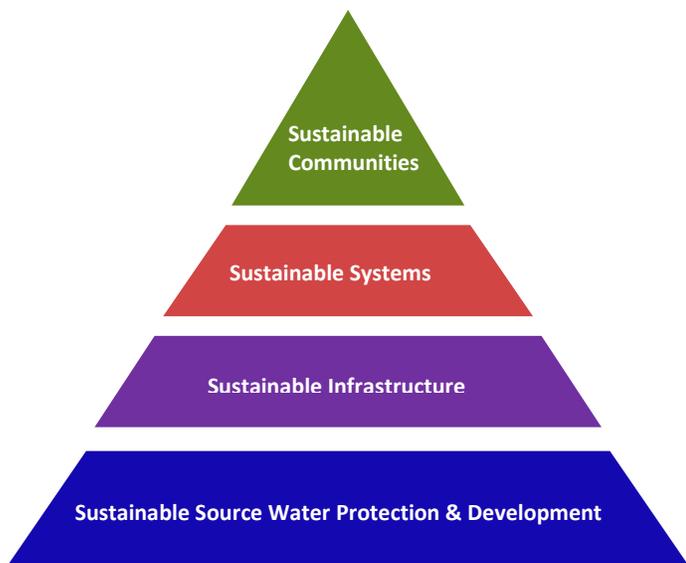
A revised approach to capacity development was submitted to EPA in September 2014, which addresses the Bureau's structural reorganization in 2013 that separated the compliance and

assistance functions of the DWB and created the Sustainable Water Infrastructure Group (SWIG) to implement the Bureau’s Capacity Development Program. Although the revisions were not yet documented in 2013, the reorganization of the Bureau required that the new strategy begin implementation right away. Therefore throughout SFY14, the new strategy was implemented gradually by SWIG as it was being developed and documented. This process will continue throughout SFY15 as the full implementation of the existing PWS program refines the current revisions and the new PWS revisions are defined and documented.

Capacity Development Strategy Revisions & Modifications

Communities in New Mexico are facing more water outages, water production and quality impacts from seasonal drought conditions, the ongoing depletion of aquifers that are increasingly being harvested and decreasingly recharged, as well as aging and failing infrastructure. A sustainable approach to these drinking water issues requires communities to think more holistically about their water infrastructure and supply over the long term. The limited water resource supply in New Mexico is driving communities to this approach often incorporating emergency response planning, source water protection and development planning, regionalization options, water conservation programs, energy use planning, and wastewater reuse into the discussion of how best to ensure high quality water production can meet demand for the decades ahead.

Water system capacity refers to a water system’s ability to consistently provide safe drinking water for its customers. To do that, a system must have the technical abilities, managerial skills, and financial resources to meet state and federal drinking water regulations. Technical, managerial, and financial capacity are individual yet highly interrelated dimensions of capacity.



SWIG continues to provide technical, managerial, and financial assistance to systems for capacity development, but has expanded training and assistance topics to become more inclusive of the planning that communities struggle to accomplish. It also expands the goals of SWIG programs beyond meeting Safe Drinking Water Act compliance requirements, to optimizing efficiency of drinking water treatment, operations and system management in order to better plan for the future through the Area Wide Optimization Program.

The inclusion of community planning in the capacity development strategy through the Source Water and Wellhead Protection Program is intended to build upon the EPA’s Clean Water and Drinking Water Infrastructure Sustainability

Policy (<http://water.epa.gov/infrastructure/sustain/upload/Sustainability-Policy.pdf>).

The limited water resources and competing interests in the state of New Mexico is such that an additional level of sustainable planning is incorporated in to the EPA's sustainability policy model to represent a New Mexico sustainable community model that builds capacity towards sustainability, including the development, preservation, and protection of high quality source water for drinking.

Key aspects of the strategy revisions include:

- program development for the new organizational structure;
- a community planning focus through the inclusion and development of the Source Water and Wellhead Protection Program to include other planning objectives best addressed in a community setting that incorporates public feedback such as emergency response, water conservation, drought contingency planning, and regionalization opportunities;
- an increase in collaborative outreach with regional board training, outreach presentation events and the development of the Area Wide Optimization Program in NM;
- an increase in coordination and collaboration with funding providers in NM to encourage and promote more sustainable water infrastructure projects and development;
- promotion of an expansion of the term “regionalization” to include any collaboration of operations, management, or infrastructure between neighboring systems and increasing outreach on the potential for PWS to collaborate in all capacity development topics;
- the development of tracking procedures for capacity assessments and assistance, as well as a method to capture capacity milestones accomplished by the PWS.

Identifying Need for Capacity Development Assistance

A capacity assessment is a method for gathering financial, managerial and technical information about a water system and then developing a picture of the how well the system is administered and operated. The current approach is to ask water systems to submit for review a collection of documents that are essential for a well-run water system and, thus, provide a gauge of system capacity. The same set of documents is requested regardless of what circumstance triggers the assessment, though the specific documents requested will vary depending on the type of water system. Not only will existence of these documents be noted in the assessment, they will be reviewed for quality against a checklist of items that are desirable or required for each document. All SWIG teams have the same triggers for assessments and the resulting PWS work plan should be coordinated between the teams.

Capacity development priority triggers identify the public water systems with capacity deficiencies that require attention with a ranking of importance. Some of these triggers can be scaled up or down to provide more or less work activities depending on current program objectives and capabilities. SWIG outreach activities can also have an impact that will increase

triggers and SWIG work activities should be managed so that assistance can be provided as it is requested.

1. Request from the NMED Secretary's Office: The Secretary/Governor/ regional representative often has questions, concerns or would like to understand the status of a particular water system. These assessments along with compliance determinations allow SWIG to express more information on the needs of a PWS to decision makers and should be addressed immediately.

2. Direct requests from the water system: SWIG can provide assessments and assistance by request especially in identifying the best path to resolving an issue at hand, such as a water shortage, compliance problems, water loss, low production, capacity deficiencies previously identified, etc. SWIG should respond to public water systems reaching out for assistance as soon as possible. If a system has a specific request for assistance a full assessment may not be necessary.

3. Direct requests from outside agencies: Sometimes SWIG are referred a system by an outside assistance agency or any agency working with water systems. After initiating the conversation with the water system, an assessment and assistance work plan could follow if the system is interested. SWIG should respond to both the outside agency and public water system as soon as possible. If an agency has a specific assistance request for a water system, a full assessment may not be necessary.

4. EPA /DWB Enforcement: EPA and DWB would like to understand the status of long time non-compliers and the root causes of the water system's problems. The Enforcement Targeting Tool (ETT) report, list of current administrative orders (AO) and ETT tracker tools will help SWIG determine who should be assessed and provided assistance in order to return to compliance. The ETT list should be reviewed on a quarterly basis in order to identify new water systems out of compliance that need to be offered capacity development assistance. For SFY15, systems under administrative order will be focused on until SWIG vacancies are filled. Once positions are filled this enforcement trigger will be increased to offer assistance to systems with ETT scores over 10 as well.

5. Project Interest Form (PIF) Submittal: Water systems that are interested in a loan will need to have a full capacity assessment complete and an assistance work plan to address any capacity deficiencies. PIFs are submitted to the SWIM portal on a quarterly basis. DWB funding partners (NMFA/ CPB) may request assistance for a system to submit a PIF and the Community Services Team will work with the system to meet funding application requirements. These capacity assessments should be completed within 2 weeks of the PIF's supplemental documents submittal for both teams.

6. PWSS Compliance Program request: These should be completed within 2 weeks of the request and primarily are the result of supplemental documents collected at a sanitary survey, but may include any recommendation of an issue. Capacity assessments as a result of sanitary surveys are intended to broaden the baseline of capacity data beyond systems that may typically triggered. For FY15 due to SWIG vacancies, capacity assessments are being completed through sanitary surveys only for systems that have an administrative order. Once fully staffed this will scale up to include amore broad range of target systems.

Capacity Assistance Methods

The main methods that SWIG performs assistance which are items also planned to be on contract with third party capacity assistance providers are the following:

Trainings: Each team offers trainings in their specific topic areas. It is one of the Community Services Team’s program goals to provide frequent high quality managerial and financial training across New Mexico that covers the required twelve hours and ten board training topics. The required topics covered are relevant to water systems that are local governments which, in addition to MDWCAs, include Water and Sanitation Districts and municipalities. Because many of the topics are also relevant to private systems (cooperatives, home owners associations, non-profit corporations, etc.), the training is marketed and offered to all types of community water systems. The Technical Services primarily participates in presenting certified operator trainings and AWOP training development. The Source Water and Wellhead Protection Team offers trainings on community planning.

Direct assistance: Direct assistance is provided to water systems to accomplish capacity work plan objectives. These objectives are those that are defined as a result of the capacity assessment, which the PWS agrees to work on as a priority. Examples of direct assistance items are governing documents, operating budget, Source Water Protection Plan, Emergency Response Plan, or developing an operations and maintenance manual.

Outreach events: SWIG’s objective is to provide a more comprehensive picture of water system sustainability in regional outreach settings that allow for community member and stakeholder participation in the planning process. Typically these outreach events are at the county or Regional Council of Government level, originate from the Source Water and Wellhead Protection Program with local technical information on local water quality or quantity issues, but also include presentations from the other teams on sustainable development, and capacity building in order to become a fundable water system.

Complaint Resolution: For the local government type, Mutual Domestic Water Consumer Association (MDWCA), NM Environment Department has been empowered to investigate the

board's activities for compliance with the Sanitary Projects Act (SPA) requirements, more specifically that boards follow their rules, bylaws, and state law in their decision making process. Current standard processes are in place for complaint resolution and if no resolution is made a legal request is made to the Department to make a determination on a violation of the SPA.

SFY14 Capacity Development Activities, Target Audiences and Performance

Capacity assessment triggers are defined to address priority problems with water systems, specifically those that may impact public health and SDWA compliance. The capacity assessments are designed to be thorough but not overwhelmingly cumbersome for the water system, and address specific compliance requirements as well as raising the bar to drive systems beyond meeting requirements into developing long term goals and actionable plans to being sustainable water systems.

In SFY14, SWIG began implementation of the new triggers and capacity assessments. The teams have done a good job addressing and documenting the assessment process and meeting set timeframes. The vacant supervisor positions for all three SWIG team in SFY14 were a barrier in these procedures becoming fully documented and implemented; this should be resolved in SFY15.

Target PWS for the SFY14 for completing capacity assessments were new water systems, requests for assistance, PWS issued administrative compliance orders, and systems requesting funding from DWSRF. The implementation of tracking capacity assistance actions in SDWIS beginning in January 2014 has allowed for tracking of assistance required to complete the assessments as well, since some very small systems need assistance in submitting the required documentation prior to the assessment.

Capacity assistance provided throughout SFY14 was primarily directed towards requests for assistance from water systems, systems looking to build capacity to become fundable for DWSRF, and assistance to those under enforcement. Since the SDWIS data was entered beginning January 2014, there is no full data set in either method to report assistance action number for the annual reporting period. Tracked in SDWIS specific to SWIG activities since January 2014 SWIG staff provided assistance to 154 PWS, completed capacity assessments for 53 systems, and assisted 27 systems with technical return to compliance issues. In SFY14 SWIG staff presented at 48 trainings, conferences and outreach events; SWIG also managed 3 board complaints during this reporting period and is assisting 2 new systems to build capacity that are not yet approved and regulated.

In SFY15, SWIG plans to continue to work to fill the supervisor and staff vacancies, which will allow for the further development of the standard procedures and refine the implementation and development of this new capacity development strategy. Specifically in the capacity

development process, SWIG will look to refine the procedures that transition a PWS from assessment to assistance, as it was shown in SFY14 that this will require much communication between the teams and more once third party providers are assisting PWS as part of the program too. Another primary focus for SFY15 will be to initiate third party contracts for capacity development activities in order to be able to address more of the capacity development need in NM in a shorter timeframe. Improving tracking in SFY15 to include routine reviews of data will allow for more effective program performance measures to be developed as well.