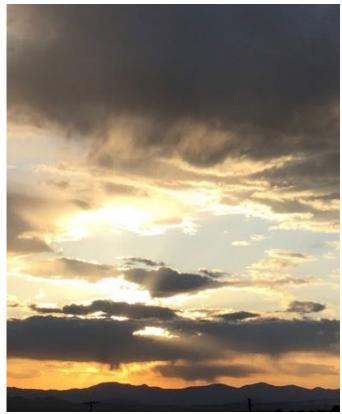




Legislative Finance Committee
May 19, 2022

Rebecca Roose Deputy Cabinet Secretary





#### https://www.env.nm.gov/





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Home

#### Historic Investments in Local Water Infrastructure

Learn more about the Bipartisan Infrastructure Law





#### Mission

Our mission is to protect and restore the environment and to foster a healthy and prosperous New Mexico for present and future generations. We implement our mission guided by four tenets:



Frequently Viewed

**ABOUT NMED** 

# **Existing Funding through Select Programs**

STATE OF NEW MEXICO
CLEAN WATER STATE REVOLVING FUND
ANNUAL REPORT
STATE FISCAL YEAR 2021
July 1, 2020 - June 30, 2021



The Village of Taos WWTP Solar Array CWSRF 053

New Mexico Environment Department
Water Protection Division
Construction Programs Bureau
1190 St. Francis Drive Rm. S2072
P.O. Box 5469
Santa Fe, New Mexico 87502
NMENV-cpbinfo@state.nm.us
EPA Region 6

- Rural Infrastructure Program State revolving loan program for drinking water and wastewater projects
- Clean Water State Revolving Fund Federal program with state match for wastewater, stormwater and other water quality related infrastructure projects
- Drinking Water State Revolving Fund Federal program with state match for drinking water infrastructure projects

# Water Infrastructure Funding through the Bipartisan Infrastructure Law (BIL)



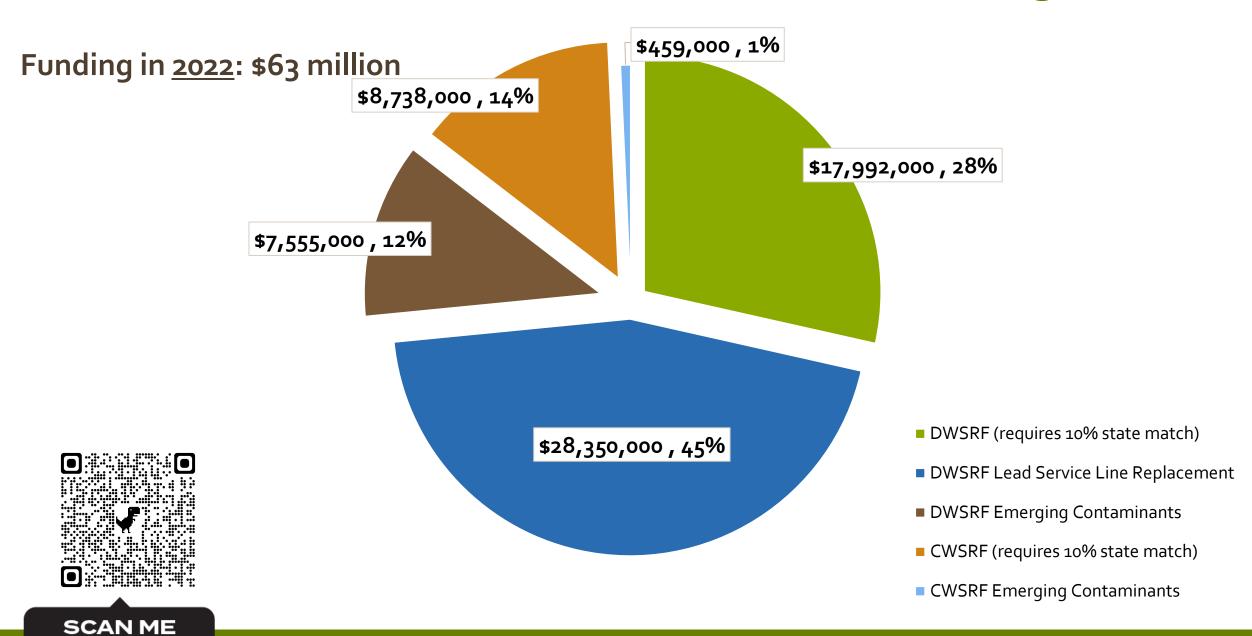
Five New Pots of Funding for Five Years

- NMED administration
  - Clean Water State Revolving Loan Fund (CWSRF) general
  - CWSRF Emerging Contaminants



- Joint NMED and New Mexico Finance Authority administration
  - Drinking Water State Revolving Loan Fund (DWSRF) general
  - DWSRF Lead Service Line Replacement
  - DWSRF Emerging Contaminants

# NM Allocations for BIL Water Infrastructure Programs



# **BIL Water Funding Basics**

- National focus is to support:
  - "Shovel worthy" projects
  - Disadvantaged communities
  - Domestic sourcing of materials for infrastructure projects
- Increased federal and state resources for technical assistance
- USEPA determined state allocations (March 2022)
- State SRF programs apply for funds (Summer and Fall 2022)
  - Applications include lists of eligible projects for the total amount of funding sought (aka, Priority Lists)
- Communities submit applications to get their project reviewed and added to the Priority List (Rolling basis)
  - Visit <a href="https://www.env.nm.gov/funding-opportunities/">https://www.env.nm.gov/funding-opportunities/</a> for details



HOME ABOUT LICENSES AND PERMITS COMPLIANCE AND ENFORCEMENT FUNDING ONLINE SER

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## Funding opportunities

**NMED Home** 

#### Bipartisan Infrastructure Law: Drinking Water and Wastewater Investments

The Bipartisan Infrastructure Law (BIL) delivers more than \$50 billion to the U.S. Environmental Protection Agency (EPA) over the next five years to improve our nation's drinking water, wastewater, and stormwater infrastructure - the single largest investment in water that the federal government has ever made. During the first year of funding, 2022, allocations for New Mexico's State Revolving Funds (SRFs) total \$63 million. This investment into our state will mean safe drinking water, clean water for communities and healthier

Communities and other eligible applicants should apply now through the Clean Water SRF and Drinking Water SRF programs to express interest in BIL funding for specific projects. Scroll down on this Funding Opportunities page for program details.

- NMED BIL Fact Sheet
- EPA Fact Sheet: Bipartisan Infrastructure Law: State Revolving Funds Implementation Memorandum
- · EPA Memo: Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law

For more information about CWSRF funding, contact NMENV-cpbinfo@state.nm.us or 505-469-3459.

For more information about DWSRF funding, please contact NMENVdwbfunding@state.nm.us or 505-231-2120.

#### **Quick Access**

- NMED one-page fact sheet
- EPA guidance for BIL implementation
- NMED contact information



## Water Infrastructure: Clean Water SRF Basics

- NMED is lead on project review, prioritization and loan administration
- Eligibilities include wastewater treatment, sewer lines, storm water projects, energy and water efficiency associated with wastewater, landfills, and many others with water quality protection components
- Below-market interest rates: 0-.01% for public entities, 2.375% for private borrowers
  - Grant-Loan combination funding available for public entities
  - Private borrowers can only access loans
- Application open all the time and funding is awarded year-round
- Application, Forms, tools and staff contacts at <a href="https://www.env.nm.gov/funding-opportunities/">https://www.env.nm.gov/funding-opportunities/</a>



# Water Infrastructure: Drinking Water SRF Basics

- NMED is lead on project review, prioritization; NMFA administers loans
- Projects: Protect drinking water quality or public health
  - New eligibilities include repairs or minor upgrades of dams & reservoirs and some water rights purchases.
- Offers loans of up to 30 years at fixed, below-market interest rates
  - Disadvantaged public entities: o% for the first \$1 Million
  - Community water systems: 1%
  - Non-profit water systems: 3%
- Subsidy amounts range from 25% for publicly-owned water systems and up to 75% of the project cost for qualifying severely disadvantaged systems.
- Principal forgiveness subsidy may also be available to reduce the cost of projects.
- Forms, tools and staff contacts...



# Outreach and Education for BIL Water Funding



NMED is preparing to expand outreach to communities and other prospective borrowers throughout the year:

- One-on-One discussions, including during ongoing water and wastewater needs surveys
- Upcoming conferences
- Live and on-demand recorded training webinars
- Travel to communities and meet with municipal leaders, staff and utility managers
- Share information through partnerships with Tribal governments, COGs, NM Rural Water and other organizations engaged at the community-level

# Common Barriers through Life Cycle of Project

Examples of barriers at local and state levels:

#### **Project Conception**

**Local**: Technical capacity to plan for improvements; Volunteer-run systems; Competing priorities for time and effort by limited staff

**State**: Limited staff for focused technical and financial assistance



#### **Application for Funding**

**Local**: Navigating state and federal funding sources; debt capacity; preparing submittal, e.g., current audit; federal purchasing requirements

**State**: Limited staff to review all applications for technical and financial sufficiency in context of all state and federal requirements



### **Project Implementation**

**Local**: Staff/board member turn-over; unanticipated costs; supply-chain issues; lack of engineering firms

**State**: Staff overloaded with active infrastructure projects, including capital outlay

# Water Policy and Infrastructure Task Force

- Addition of BIL funding to "business as usual" will not serve most communities across NM
- Robust barriers analysis by Task
   Force will lead to recommendations
   for practical reforms
- Climate change impacts, Task Force and increased state/federal investments converge as catalysts for change



The Town of Bloomfield CWSRF 103 WWTP Construction

#### Contact Us

Rebecca Roose, NMED Deputy Cabinet Secretary of Administration and Infrastructure Lead: Rebecca.roose@state.nm.us

Clean Water SRF: <a href="mailto:NMENV-cpbinfo@state.nm.us">NMENV-cpbinfo@state.nm.us</a> or 505-470-6385

Drinking Water SRF: <a href="mailto:NMENV-dwbfunding@state.nm.us">NMENV-dwbfunding@state.nm.us</a> or 505-231-2120