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
Existing Funding through Select Programs

- 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

Funding in 2022: $63 million

- $28,350,000, 45%
- $17,992,000, 28%
- $7,555,000, 12%
- $8,738,000, 14%
- $459,000, 1%

DWSRF (requires 10% state match)
DWSRF Lead Service Line Replacement
DWSRF Emerging Contaminants
CWSRF (requires 10% state match)
CWSRF Emerging Contaminants
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 https://www.env.nm.gov/funding-opportunities/ for details
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 https://www.env.nm.gov/funding-opportunities/
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: 0% 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
Contact Us

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