

Regional Water Commons Monthly Meeting Agenda Packet

Next Meeting:

TBD

Agenda Packet Includes:

- A. *Next Meeting's Agenda*
- B. *Attachments*
- C. *Previous Meeting Packet*
- D. *Agenda, Meeting Notes, Takeaways*
- E. *Presentation Slides*



McKinley County
207 West Hill Avenue
Gallup, NM 87301



**NWNM Council of
Governments**
106 West Aztec Avenue
Gallup, NM 87301



Regional Water Commons (RWC)

a joint program with McKinley County and its working partners

AGENDA PACKET

Regional Water Commons

Previous Meeting

Wednesday, Nov 16, 2022
9:00AM – 10:00AM

[Meeting Recording](#)



REGIONAL WATER COMMONS

Wednesday, November 16, 2022

9 AM — 10 AM

[Virtual Meeting](#)

A G E N D A

WELCOME	<i>Angelina Grey</i>
PRESENTATIONS <i>Water Regionalization Updates NWNMUA Updates Funding Opportunities</i>	<i>Blanca Surgeon, RCAC Mike Daly, NWNMUA Angelina Grey, COG</i>
WATER SYSTEMS LIGHTNING ROUND	<i>Water Systems</i>
COG REVIEW / UPDATES	<i>Angelina Grey</i>
STANDING PARTNER UPDATES	<i>NMED, RCAC</i>
CLOSING	<i>Angelina Grey</i>

REGULAR MEETING SCHEDULE:

These “coffee hour” meetings will give small water systems an opportunity to discuss issues, get updates and news, provide guidance, training, etc. This is your time to connect with the County and its working partners to establish a line of support and communication to work towards efficient planning strategies.

Third Wednesdays of every month, from 9am to 10am.

Meetings are virtual until further notice.

NEXT RWC MEETING
Wednesday, January 18, 2023, at 9AM

Regional Water Commons Meeting

Wednesday, November 16, 2022

9:00AM — 10:00AM

[Microsoft Teams](#)



Next Meeting: Wednesday, January 18, 2023



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207 West Hill Avenue
Gallup, NM 87301
(505) 863-1400
<https://www.co.mckinley.nm.us/>

NWNM Council of Governments
110 West Aztec Avenue
Gallup, NM 87301
(505) 722-4327
www.nwnmcog.org



Presented by McKinley County and its working partners

AGENDA

WELCOME

Angelina Grey, COG

PRESENTATION

*Water Regionalization Updates
NWNMUA Updates
Funding Opportunities*

*Blanca Surgeon, RCAC
Mike Daly, NWNMUA
Angelina Grey*

WATER SYSTEMS LIGHTNING ROUND

Water Systems

COG REVIEW/UPDATES

Angelina Grey

STANDING PARTNERS UPDATES

NMED, RCAC

CLOSING

Angelina Grey

PRESENTATION

WATER REGIONALIZATION UPDATE



Update on the **Water Regionalization Programming Activities.**

The COG and RCAC have facilitated meetings with individual water system to gauge level of need and technical assistance and types of training for staff and board members.



- End of the year approaching
- Concluding 2022 work sessions with small water systems
- To continue into 2023
 - Determine visiting schedules
 - Determine which system to assist next
- What we can assist with:
 1. Organization Managerial priorities (board training, budgeting and finances, etc.)
 2. Technical priorities (compliance, reporting, etc.)
 3. Projecteering and Funding priorities

If you need assistance, please contact Angelina or Blanca

PRESENTATION

NORTHWEST NEW MEXICO UTILITY AUTHORITY UPDATE

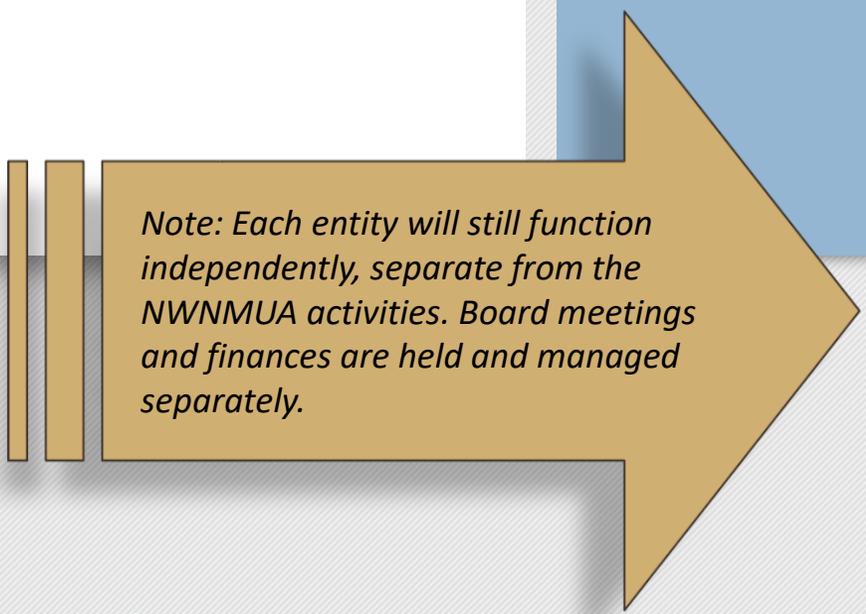
Update on the **NWNMUA Activities** to date.

Legal portion: COMPLETED

1. Research and draft by Dominique Cartron.
2. DFA gave final approval (July 2022).

New “JPA-Entity”:

1. Naming new JPA entity — **Northwest New Mexico Utility Authority (NWNMUA)**
2. NWNMUA Board selection:
 - a. Mike Daly, President
 - b. Kenny Carabajal, Sr., Vice-President
 - c. Jason Sanchez, Treasurer
 - d. Open, Secretary
5. NWNMUA Activities to date:
 - a. Held 1st Board Meeting — Wednesday, November 2.
 - Approved several resolutions: Articles of Incorporation, Bylaws, Rules & Regulations, First Year Budget



Note: Each entity will still function independently, separate from the NWNMUA activities. Board meetings and finances are held and managed separately.

PRESENTATION

Next Steps for the NWNMUA:

Schedule Open House.

- Tentatively waiting for the completion of the new NWNMUA office (Gamerco, NM)
 - Official ribbon-cutting
 - Presentations & Awards Ceremony
- Inviting all partners, legislators, local leadership
 - Inviting regional small water systems
- Date and Time yet to be determined.
 - Potentially early January 2023
 - Depending on when building will be ready for occupancy



Northwest
New Mexico
Utility Authority

CAPITAL OUTLAY

https://www.nmlegis.gov/Legislation/BillFinder/Capital_Outlay_Request_Forms

What is Capital Outlay? Capital improvement projects are funded through (A) Severance Tax Bonds (STB) which are revenues from oil, gas and natural resources through bond capacities and credit rating; or (B) General Funds (GF) which are taxes on oil, gas and natural resources.

- The acquisition, improvement, alteration, or reconstruction of local assets, or
- The maintenance, upgrade, acquirement, and/or repair of local assets.

EX: A fire station project that requires land acquisition, planning, design, construction and equipment.

Types of Capital Outlay:

- 2-year Projects — purchase of equipment, vehicles, etc.
- 4-year Projects — construction, rehabilitation, property acquisition, etc.

Reauthorization — Changes to a previously funded project.

- Scope of Work (SOW) or Agency.
- Deadline extensions.

**Submit Your
Capital Outlay**

SUBMISSION DEADLINE: THURSDAY, JANUARY 12TH, BY 3:00pm

CAPITAL OUTLAY

HIGHLIGHTS FOR 2023 LEGISLATIVE SESSION

- Capital Outlay opened Wednesday, October 19, 2022.
- Pre-Session Deadline: Thursday, January 12, 2023, by 3:00PM.
- Reauthorization Deadline: Monday, February 13, 2023, by 3:00PM.
 - Does not require a legislator's signature.
 - Automatically submitted to the legislators and the Governor.

The NM Legislative Session begins on Tuesday, January 17, 2023:

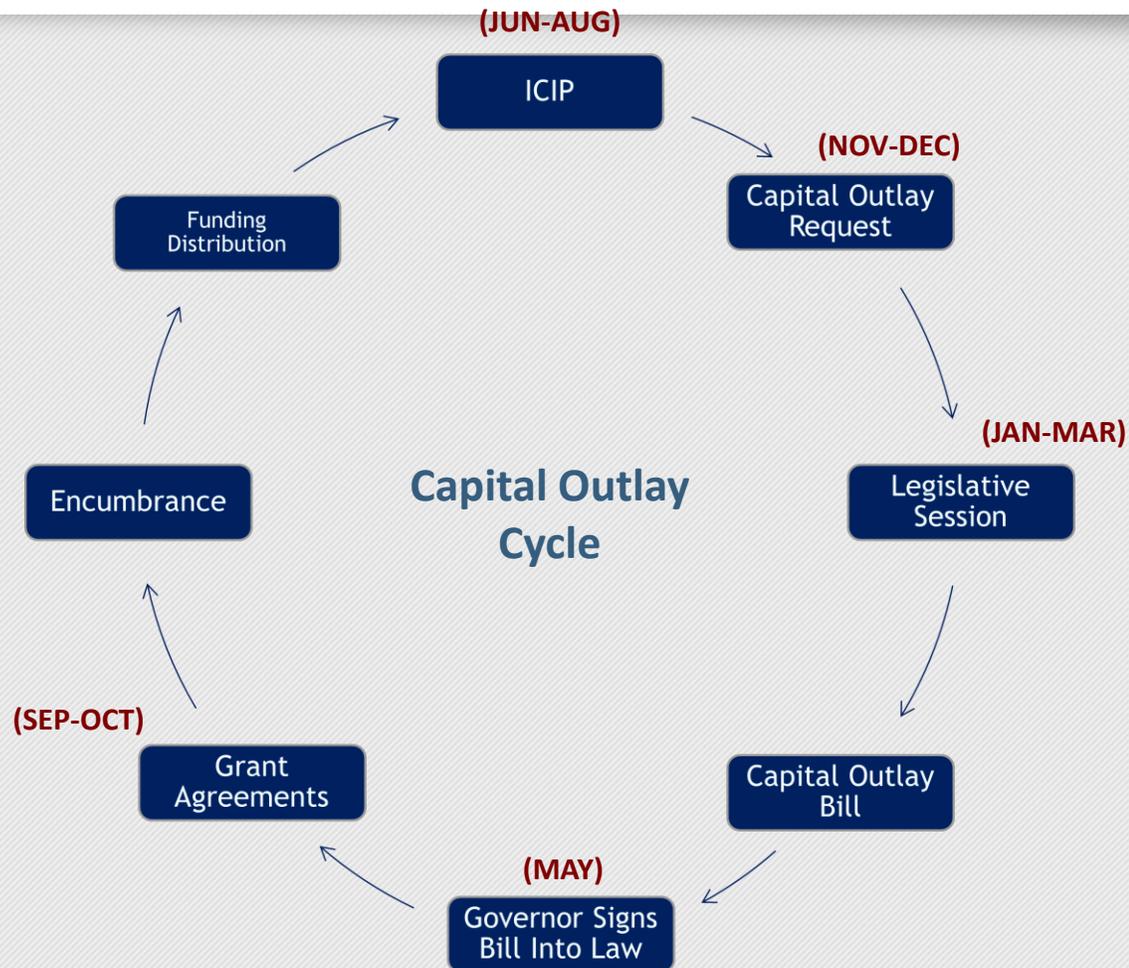
- Legislators and the Governor will be given a list of capital project requests.

*Follow up with Legislators / Legislative Aides / Secretaries
BEFORE final sponsorship decisions are made.*



1. Project Title
2. LCS Web ID#
3. Project Details

CAPITAL OUTLAY



Capital Outlay 2023 Timeline

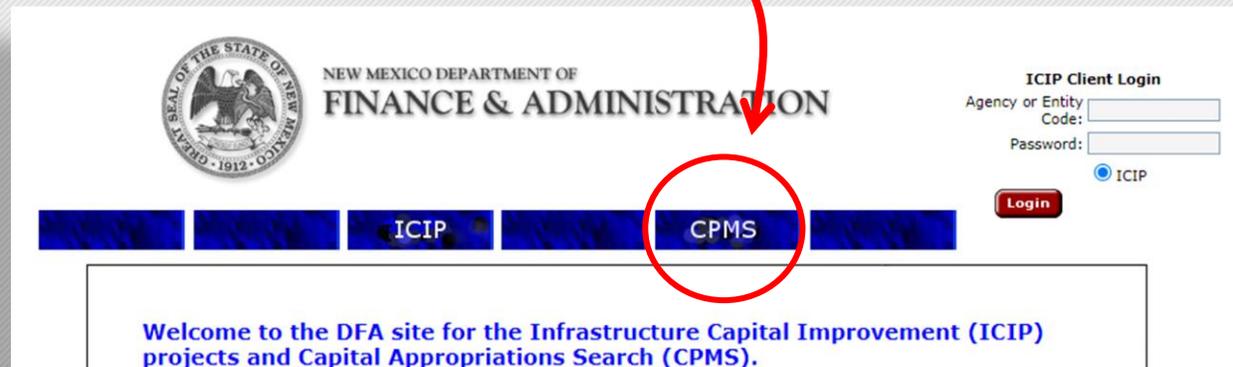
- Nov — Dec 2022: Submit Capital Outlay Requests
- Legislative Session (60-day): January 17 — March 18, 2023
- June/October — Bond Sales
- July — Grant Agreements
- October — CPMS Quarterly Reporting (until funding has been fully expended).

Capital Outlay funding is administered and managed by the [NMDFA's Capital Outlay Bureau](#).

CAPITAL OUTLAY

Grant Agreement Process for Sponsored Project Requests:

- Applicants must be in compliance with Executive Order 2013-006 (EO-6).
 - registered with the Secretary of State
 - current with audit reporting with the Office of the State Auditor
- Anti-Donation Clause.
 - Funding cannot use state funds to disproportionately benefit one individual, household, entity or organization
- Monthly Reporting through CPMS database. Can be accessed through the ICIP online portal.
<http://cpms.dfa.state.nm.us/login.aspx>



NEW MEXICO DEPARTMENT OF
FINANCE & ADMINISTRATION

ICIP Client Login

Agency or Entity Code:

Password:

ICIP

Login

ICIP CPMS

Welcome to the DFA site for the Infrastructure Capital Improvement (ICIP) projects and Capital Appropriations Search (CPMS).

NMED FUNDING OVERVIEW (BIPARTISAN INFRASTRUCTURE BILL)

- BIL Federal Funds funneling through the NM Environment Department
- Funding available on a quarterly basis
- Competitive, based on MHI
- Request for supporting documents
- Initially offered as loans with 0.01% interest rates; potentially 75% to 100% grants

Fund	Agency	Terms	Requirements	Funding Cycle
Drinking Water State Revolving Loan Fund	New Mexico Finance Authority (NMFA)	Loan program (0.01% interest). Potential loan forgiveness; grant opportunity	<ul style="list-style-type: none"> • Financials • OMA Resolution • Governing Documents • Compliance 	Ongoing
Water and Wastewater Disposal Loans and Grants	US Department of Agriculture (USDA)	Loans/Grant based on corporation and life expectancy of project and ability to pay	<ul style="list-style-type: none"> • PER • Financials • Outstanding debt • Other 	Ongoing
Water Trust Board	NMFA	Loan/Grant up to 90% New policy-systems may be eligible for 100% subsidy for design	<ul style="list-style-type: none"> • Shovel Ready • Compliance 	August through January (annually)
Capital Outlay/Special Appropriation	NM State Legislature/NMED Construction Programs Bureau	Grant	<ul style="list-style-type: none"> • Compliance with financial and audit reporting • ICIP 	December - January (annually)
525 Program	Army Corps of Engineers	Cost Sharing 75% federal, 25% non-federal		Ongoing

BIPARTISAN INFRASTRUCTURE LAW (BIL) & NM ENVIRONMENT DEPARTMENT



Available funding programs through [NMED's Drinking Water Bureau](#):

1. **Drinking Water State Revolving Fund.**

- Water projects
- Submit Pre-Applications & Supporting Documents
- Base funding over the next 5-years ~ \$25.5M/year

2. **Clean Water State Revolving Fund.**

- Wastewater projects
- Submit Applications & Supporting Documents

Project Review Schedule Dates:

1. Quarter 1 (Jan/Feb/March) — Ends March 31st.
2. Quarter 2 (Apr/May/Jun) — Ends June 30th.
3. Quarter 3 (Jul/Aug/Sep) — Ends September 30th.
4. Quarter 4 (Oct/Nov/Dec) — Ends December 31st.

PROGRAM CONTACTS:

Melanie Delgado

Regional Planning Specialist
NMED Drinking Water Bureau
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505-670-5897

Catherine Conran

Infrastructure Finance Specialist
NMED Drinking Water Bureau
Catherine.Conran@state.nm.us
505-231-2120

PLANNING FUNDING

Local Government Planning Fund.

- Critical funding for planning documents
 - Preliminary Engineering Report (PER)
 - Environmental Assessment
 - Asset management Plan
 - Comprehensive Plan
- \$50,000 ceiling award
- Based on system water rates and MHI
- Year-round funding (when available)

<https://www.nmfinance.com/local-government-planning-fund/>



COG LIGHTNING ROUND

News and Updates.

1. Water Regionalization Legislative Forum was held on September 27, 2022, in Santa Fe, NM. Ongoing process. Any questions, refer to Mike Daly.
2. Water Trust Board application cycle still in progress. [Readiness Applications](#) due on Friday, January 27, 2023, by 3:00PM.
3. Capital Outlay is OPEN. Deadline is Thursday, January 12, 2023, by 3:00PM.
4. Reauthorizations are due by Monday, February 13, 2023, by 3:00PM.
5. Water/Wastewater funding available. Need to compile supporting documents.
6. NWNM Open House yet to be determined. Save-the-Date cards and email notifications will be sent out as soon as the new building is ready to use.

STANDING PARTNERS



News and Updates



New Mexico Department of
Finance & Administration

CLOSING

1. Closing Remarks
2. Questions or Comments
3. Issues or Concerns

*Do You Have
Any Questions??*



Next Meeting: Wednesday, January 18, 2023

CONTACT INFORMATION



<https://www.co.mckinley.nm.us/>

McKinley County

Anthony Dimas

County Manager

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County Attorney

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<https://www.nwnmcog.org>

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Associate Planner II

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CONTACT INFORMATION



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

NM Environment Department

Jill Turner

Sustainable Water Infrastructure Group Manager

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jill.turner@state.nm.us

Catherine Conran

SWG Community Services Coordinator (NW region)

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<https://www.rcac.org>

Rural Community Assistance Corporation

Blanca Surgeon

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Karen Tapias

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Ramon Lucero

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How to Submit a Reauthorization Request

- Reauthorization request forms are available online at https://www.nmlegis.gov/Publications/Capital_Outlay/capital_outlay_reauth_form.pdf
- The deadline to submit a reauthorization request is 3:00 p.m., Monday, February 13, 2023.
- Hard copies of the form are available from the Legislative Council Service (LCS) office.
- Reauthorization request forms require a sponsor's signature, and must be submitted to the LCS office by the deadline.
- Bring two copies of the signed form to the LCS office. The forms will be date-stamped and one copy of the form will be returned to you.
- For assistance in completing the form contact the LCS Capital Outlay Division at 986-4600.

Reauthorization requests may be submitted for appropriations made in previous years in order to extend the time of expenditure, change, clarify or expand the scope of the project, or to change the administering agency.

APPLYING FOR DRINKING WATER
INFRASTRUCTURE FUNDING?

WE'RE HERE TO HELP!

NMED
New
Mexico
Environment
Department



THE DRINKING WATER STATE REVOLVING FUND

APPLICATION PROCESS IS COMPLEX, SO LET OUR STAFF DO THE HARD PART!

INTEREST RATES FROM 0%

PRINCIPAL FORGIVENESS UP TO 75%

GIVE US A CALL

505-231-2120

EMAIL US

NMENV-dwbfunding@state.nm.us



VISIT OUR WEBSITE

env.nm.gov/drinking_water/infrastructure-projects-and-funding

Current interest rates are:

- Non-disadvantaged Entities 0.01%
- Disadvantaged Entities 0% & principal forgiveness up to 50%
- Severely Disadvantaged Entities 0% & principal forgiveness up to 75%
- Private non-profit water system 3% loan only
- Private for-profit water system 4% loan only

Interest rates depend on the type of system taking the the loan & if the system is disadvantaged. Loan amortization period is 30-40 years depending on disadvantage status.

The criteria used to measure affordability status is Median Household Income (MHI) compared to the most recent National 5 year average.

Disadvantaged Status: MHI greater than 75% but less than 100%

Severely Disadvantaged Status: MHI 75% or less

These counties automatically meet the affordability criteria for Disadvantaged Status (highlighted in blue):

You can still qualify for Disadvantaged & Severely Disadvantaged Status if your water system falls outside of these counties!





Drinking Water State Revolving Fund

Quick Facts Summary



The Drinking Water State Revolving Fund (DWSRF) is a federal-state program that provides low-cost financial assistance to water systems for a wide range of drinking water projects

WHO MAY APPLY?

Public Water Systems that meet the following criteria:

Technical: Obtain an adequate & reliable source of water; establish & maintain an adequate infrastructure; employ operators with technical knowledge.

Managerial: Accountability over system; responsive to system demands; ability to work with jurisdictional, regulatory, & other governmental agencies, trade organizations, & persons served by the system.

Financial: Established user rates that cover maintenance, operations, debt service, & required reserves; maintain creditworthiness; establish & maintain adequate fiscal controls and accounting methods required for the operation of the system & ability to repay a DWSRF loan.

Systems in significant noncompliance with any requirement of a national primary drinking water regulation are not eligible to receive DWSRF assistance **unless** it is determined that the assistance will ensure compliance.

WHAT PROJECTS ARE ELIGIBLE?

In general, a project is eligible for DWSRF assistance as long as it addresses present or prevents future violations of health-based drinking water standards. Project categories are: Treatment, Transmission & Distribution, Source, Storage, Consolidation, Creation of New Systems, Rehabilitation of Dams & Reservoirs, and Purchase of Water Rights. There are also Set-Aside Funds which give states the flexibility through a wide range of activities to help public water systems address compliance challenges that do not require capital investment.

WHAT KIND OF FINANCIAL ASSISTANCE?

LOANS + SUBSIDY

Interest rates depend on the type of system taking the the loan & if the system is disadvantaged. Loan amortization period is 30-40 years depending on disadvantage status. Current interest rates are:

- Non-disadvantaged Entities 0.01%
- Disadvantaged Entities 0% & principal forgiveness up to 50%
- Severely Disadvantaged Entities 0% & principal forgiveness up to 75%
- Private non-profit water system 3% loan only
- Private for-profit water system 4% loan only

Drinking Water State Revolving Fund

WHAT ARE THE AFFORDABILITY CRITERIA?

Median Household Income (MHI) compared to the most recent National 5 year average is the criteria used to measure affordability status. If the applicant's MHI is greater than 75% but less than 100%, they are eligible for Disadvantaged status. To be considered a Severely Disadvantaged entity the applicant's MHI must be 75% or less.

If the water system is located in the following 15 New Mexican Counties,

Disadvantaged status is already given:

- Catron
- Colfax
- Guadalupe
- Harding
- Lincoln
- Luna
- Mora
- Quay
- Roosevelt
- San Miguel
- Sierra
- Socorro
- Taos
- Torrance
- Union



You can still qualify for Disadvantaged & Severely Disadvantaged status if your water system falls outside of these counties!

THE APPLICATION PROCESS

START at NMED Drinking Water Bureau:

env.nm.gov/drinking_water/infrastructure-projects-and-funding

- Submit a pre-application form & required documents to determine eligibility & demonstrate technical, managerial, & financial capacity.
- DWB reviews application materials for completeness.
- DWB scores project based on set criteria.
- DWB develops a quarterly Priority List based on project score & ranking.
- DWB publishes Priority List & sends to NMFA for review & funding approval.

FINISH at NM Finance Authority:

- NMFA receives Priority List from DWB
- NMFA will contact the applicants in Fundable status & invite them to submit a final loan application.
- NMFA determines financial status for debt capacity & potential subsidy amount.
- NMFA presents eligible applicants to the NMFA Board for approval.
- NMFA will work with applicants on drafting final documents to close the loan.

Applications are accepted year-round. Priority List is created quarterly.

Quarter 1 ends March 31 (January, February, March)

Quarter 2 ends June 30 (April, May, June)

Quarter 3 ends September 30 (July, August, September)

Quarter 4 ends December 31 (October, November, December)

For assistance or questions contact NMENV-dwbfunding@state.nm.us



**US Army Corps
of Engineers®**
Albuquerque District

Section 595 NEW MEXICO ENVIRONMENTAL INFRASTRUCTURE AND RESOURCE PROTECTION

WHAT CAN THE CORPS DO? Section 595 of the Water Resources Development Act 1999, as amended provides authority for the U.S. Army Corps of Engineers to enter into **cost sharing agreements** with non-Federal sponsors on publicly owned environmental projects in several states including New Mexico. Under Section 595 authority, assistance may be in the form of design and construction for water related environmental infrastructure and resource protection and development projects including projects for wastewater treatment and related facilities, water supply, environmental restoration, and surface water resource protection and development.

Project costs are shared on a 75% Federal, 25% non-Federal basis. The non-Federal sponsor shall receive credit for land, easements, rights-of-way, and relocations toward the non-Federal share of project costs not to exceed 25% of the total project costs. Additionally, the non-Federal sponsor may receive credit for the reasonable cost of design work completed prior to entering into the project cooperation agreement.

WHAT ARE THE LOCAL RESPONSIBILITIES? Costs for the Section 595 projects are shared between the Federal government (75%) and the non-Federal sponsor (25%). The non-Federal sponsor must have the legal and financial capability to fulfill the project cooperation requirements below:

- Contribute 25% of the project costs
- Establish such legal and institutional structures necessary to insure the long-term operation of the project
- Hold and save the Government free from all damages arising from design, construction, operation, maintenance, repair, rehabilitation and replacement of the project
- Assume 100% of the operation and maintenance costs for the project when completed

HOW CAN HELP BE REQUESTED? We may begin a Section 595 project after receipt of a written request from the prospective sponsor. A sample letter is offered below:

*U.S. Army Corps of Engineers, Albuquerque District
ATTN: Civil Project Management Branch
4101 Jefferson Plaza, NE
Albuquerque, New Mexico 87109*

Dear Sir:

This letter is to seek the assistance of the U.S. Army Corps of Engineers under Section 595 of the Water Resources Development Act of 1999, as amended for the publicly owned facilities servicing (city, town, county, etc).

(Briefly describe the nature and severity of the problem and the facilities needed to correct the problem.)

We understand that once a project partnership agreement (PPA) is completed the non-Federal sponsor would be required to pay 25% of the cost for the project. The non-Federal sponsor shall also receive credit for designs completed prior to the PCA, land, easements, rights-of-way, and relocations toward the non-Federal share of project costs not to exceed 25% of the total project costs. Once the project is constructed, the non-Federal sponsor will be responsible for 100% of the operation and maintenance costs of the project.

Please contact (name, address, and telephone) for further information.

Sincerely,

(Name and Title of public official authorized to request assistance)

For further information, please contact Mr. Michael P. Martinez at (505) 342-3312; Fax (505) 342-3668 or email at michael.p.martinez@usace.army.mil