

Drinking Water State Revolving Loan Fund

Four Funding Options

- ❖ Base Drinking Water State Revolving Loan Fund Capitalization Grant (\$5 million)
- ❖ BIL General Supplemental Capitalization Grant (\$22 million)
- ❖ BIL Lead Service Line Replacement Capitalization Grant (28 million)
- ❖ BIL Emerging Contaminants Capitalization Grant (\$7.5 million)

Apply

https://www.env.nm.gov/drinking_water/infrastructure-projects-and-funding/

Select the Pre-Application Form

Water Infrastructure Projects and Funding

Drinking Water Bureau Home
Drinking Water Sampling
Lead and Copper Program
Public Drinking Water System Assistance
Water Infrastructure Projects and Funding
Utility Operator Certification Program

DWSRF Funding Quick Links
Pre-Application Form (accepted any time)
Current Priority List-SFY2023

Engineering Project Quick-Links
Construction Application & other Forms
More water infrastructure construction info below

Eligibility

Communities that meet the definition of a public water system (private systems and Co-ops are eligible).

Meet the Managerial, Technical and Financial capacity review

Meet federal compliance items (Wage Rates, Environmental review, MBE/WBE solicitation, American Iron and Steel/ Build America Buy America, Etc.)

Financial Considerations

Interest rates 0%, .01%, 3% 4%

Administration fee .25%

Up to 30 year repayments

Cost of Issuance fee 1% (waived for disadvantaged communities)

Subsidy available. Up to 75% for Base, BIL General Supplemental, BIL Lead Service Line Replacement.
100% for Emerging Contaminants.

Local Government Planning Fund

Funding Options

Provides up to \$50,000 in grant funds for planning related documents.

- ◆ Preliminary Engineering Reports, Environmental information Documents, Asset Management Plans, Water Conservation Plans, Comprehensive Plans, Economic Development Plans (LEDA), Metropolitan Redevelopment Act Plans, and Economic Development Feasibility Studies.

Communities can qualify for two grants per 24-month period not to exceed \$100,000.

- ◆ Municipalities, Counties, Mutual Domestic, Public Water Associations, Irrigation Districts, Indian nations, tribes or Pueblos (whole or partially in NM) and Agencies or Institutions of State.

Apply

NMFA's EnABLE system, applications accepted monthly.

- ◆ LGPF enrollment form on NMFA's website, send form to lgpf@nmfa.net to receive log in

Financial Considerations

0% - 100% grants available- three tests to confirm eligibility. Non- grant is local match.

- ◆ Cash Test, no more than ½ total expenditures in available cash.
- ◆ Medium Household Income Test- based on community's percentage of States MHI (chart below)
- ◆ Local Burden Ratio Test- based on community's burden ratio compared to the average water and waste water rates (chart below)

Local match waivers

- ◆ Projects that cure regulatory compliance issues cited by NMED, Public health threats, Acute road hazards, Flood and drainage issues, Dam safety projects, projects that cure conditions brought on by unforeseeable calamity.

MHI TEST	
STATE AVERAGE = \$51,243	
Local communities MHI %	Grant Percentage
100%	0%
76% - 99.99%	25%
50% - 75.99%	50%
0% - 49.99%	75%

Local Burden Test	
Ave Rates: \$28.81 Wastewater -- \$39.90 Drinking Water	
Burden ratio	Grant Percentage
1 - 1.49	25%
1.5 - 2.49	50%
2.5 and greater	75%

Parameters for WTB Funding

- Water Trust Board Policies requires:
 - minimum contributions from all applicants in the form of local or federal matching funds;
 - mandatory loan component of between 10% - 40% for all entities supported by rate-paying constituency; and
 - to the greatest extent possible, awards will be sized to projects that represent a functional project or stand-alone phase of a project that can be accomplished within 12-24 months of award.

Application Overview-dates are currently being finalized.

- Notice of Intent and On-line Project Application: July/August 2023- email WTBadmin@nmfa.net
- WTB Recommendation to the Legislature: October 2023
- Readiness Application: December 2023 – January 2024
- Expected WTB Decision: May 2024

Small Water System Opportunities

Design Only Projects: 100% grant to “design only” projects with the following conditions:

- The Project serves or will serve fewer than 500 connections;
- Scope is limited to design only “design” is defined as necessary technical work required to prepare a complete and final set of plans and specifications ready to be bid;
- Costs for the design must be substantiated with the coordinating *planning document(s); (**planning documents are required as part of the submission of the project application unless the funding is for planning*); and
- Grants for design may not exceed \$500,000.

Loan waiver: Loan waiver requirements for water projects when:

- The applicant serves fewer than 500 connections and has previously secured WTB funding for the same project; or
- The project is to consolidate with another system.
- To qualify for the loan waiver, the Applicant must have implemented an asset management plan for the current and future maintenance, replacements, and repair of the system.

Match waiver: Waiver of the match requirement for water systems when:

- The applicant serves fewer than 250 connections and has previously secured WTB funding for the proposed project as defined by planning documents; or
- System upgrade is to consolidate with another system; or
- System upgrade/expansion is to incorporate previously unserved customers (not for future development);
- To qualify for the match waiver, the Applicant has implemented an asset management plan for the current and future maintenance, replacements, and repair of the system.