

2018 Water Trust Board Report

Presentation to the
New Mexico Finance Authority
Oversight Committee

State Engineer Tom Blaine, Water Trust Board Chairman
Marquita Russel, NMFA Chief of Programs

October 9, 2018

Water Trust Board Membership

Water Project Finance Act (the "Act") created the 16-member Water Trust Board ("WTB") comprised of a diverse set of water users and experts

- ▶ **Tom Blaine**, State Engineer, *Chair*
- ▶ **William F. Fulginiti**, Executive Director, New Mexico Municipal League, *Vice Chair*
- ▶ **Debra Hughes**, Representative, Environmental Community, *Treasurer*
- ▶ **Steven Kopelman**, Executive Director, New Mexico Association of Counties, *Secretary*
- ▶ **Greg Alpers**, Representative, Irrigation or Conservancy District – Surface Water
- ▶ **Robert Baracker**, Representative, Acequia Water Users
- ▶ **Russell Begaye**, President, Navajo Nation
- ▶ **John Gasparich**, Interim Chief Executive Officer, New Mexico Finance Authority
- ▶ **Richard Luarkie**, New Mexico Indian Affairs Commission Appointee
- ▶ **Timothy D. McGinn**, Representative, Irrigation or Conservancy District – Ground Water
- ▶ **Ken McQueen**, Cabinet Secretary, Energy, Minerals and Natural Resources Department
- ▶ **Duffy Rodriguez**, Cabinet Secretary, Department of Finance and Administration
- ▶ **Mike Sloane**, Director, New Mexico Department of Game and Fish
- ▶ **Butch Tongate**, Cabinet Secretary, New Mexico Department of Environment
- ▶ **Brent Van Dyke**, Representative, Soil and Water Conservation Districts
- ▶ **Jeff Witte**, Cabinet Secretary, Department of Agriculture



Water Trust Board

- ▶ On behalf of the WTB, the NMFA annually accepts applications
- ▶ The WTB recommends a list of fully vetted applications to the Legislature to be authorized for funding from Water Project Fund
- ▶ Section 72-4A-5 (A) of the Act requires the WTB prioritize projects that:
 - have matching contributions from federal or local funding sources”
 - are shovel-ready, including having “obtained all requisite state and federal permits and authorizations necessary to initiate the project”
 - are identified as “urgent to meeting the needs of a regional water planning area that has a completed regional water plan that has been accepted by the Interstate Stream Commission”
 - implement the State Water Plan



Project Application Review Criteria

Water Storage	Water Conservation	Flood Prevention	Watersheds	ESA
• In ISC-accepted Regional Water Plan (5 pts)	• In ISC-accepted Regional Water Plan (5 pts)	• In ISC-accepted Regional Water Plan (5 pts)	• In ISC-accepted Regional Water Plan (5 pts)	• In ISC-accepted Regional Water Plan (5 pts)
• Local Contribution (15 pts)	• Local Contribution (15 pts)	• Local Contribution (15 pts)	• Local Contribution (15 pts)	• Local Contribution (15 pts)
• Readiness (10 pts)	• Readiness (10 pts)	• Readiness (10 pts)	• Readiness (10 pts)	• Readiness (10 pts)
• Regionalization (10 pts)	• Regionalization (10 pts)	• Regionalization (10 pts)	• Regionalization (10 pts)	• Regionalization (10 pts)
• Health & Safety (25 pts)	• Health & Safety (25 pts)	• Health & Safety (25 pts)	• Health & Safety (25 pts)	• Health & Safety (25 pts)
• Plan & Design (10 pts)	• Plan & Design (10 pts)	• Plan & Design (10 pts)	• Plan & Design (10 pts)	• Plan & Design (10 pts)
• Emergency (25 pts)	• Emergency (25 pts)	• Economic Protection and/or Benefit (25 pts)	• Attention to Wildlife & Environmental Compatibility (10 pts) • Water Quality Improvement (15 pts)	• Habitat Recovery (25 pts)

Board Focus on Expenditures

- ▶ Since 2007, the WTB has required applicants to expend a minimum amount of funds prior to being awarded new funds
- ▶ The WTB amended its policies in 2016 to require that applicants expend a minimum amount of prior awarded funds before they can be recommended to the Legislature for new awards
- ▶ Applicants not meeting the expenditure targets must receive a waiver from the WTB in order to have its application reviewed

	Preliminary Target (<i>Project App.</i>)	Final Target (<i>Readiness App.</i>)
State Sponsored Regional Infrastructure Projects	35%	50%
Regional Water Association Projects	60%	80%
All Other Projects	70%	95%



WTB Award History

Fiscal Year	Projects Awarded	Projects Completed	% Complete	Total Awards	# of Reqs	Total Draws	Aggregate % Expended
2002-2012	205	205	100%	253,090,847.00	2,348	135,412,550.03	54%
2013	36	35	97%	36,571,680.00	527	45,339,931.30	62%
2014	22	19	86%	29,318,195.00	425	40,619,643.01	69%
2015	30	13	43%	32,401,574.00	373	35,028,102.60	73%
2016	21	6	29%	13,407,324.00	297	28,590,745.21	78%
2017*	0	0	n/a	-	353	36,545,977.55	88%
2018**	14	0	0%	17,305,000.00	277	12,027,958.26	87%
2019	0	0			34	4,324,974.10	88%
TOTAL	328	278	85%	382,094,620.00	4,634	337,889,882.06	88%

* In 2017, all of the Severance Tax Bonds appropriated to the Water Project Fund for water projects were redirected to the State for solvency;

** In FY2018, NMFA closed three funding agreements and 22 projects were certified as complete.



2019 WTB Application Timeline

Activity	Action	Timeline
Notice of Intent to Apply	NOI must be submitted to WTBAAdmin@nmfa.net	August 6 – September 27, 2018
2019 WTB Application Training	Taos (August 20 th), Clovis (September 5 th), Albuquerque (September 11 th)	August 20 th – September 11, 2018
2019 Application Opens	Project Application	September 5 – October 4, 2018
Deadline for Preliminary Expenditure of Money	Section 2.1 of WTB Project Management Policies requires applicants to expend a minimum amount of funds prior to being recommended to the Legislature for authorization	October 4, 2018
Application Evaluations	Technical Evaluation of Applications	October 9 – November 2, 2018
Water Trust Board Meeting	Applicant Presentations	November 1-2, 2018
Water Trust Board Meeting	Approval of Projects recommended for Legislative Authorization; Notice to Applicants moving forward to Readiness Application	November 28, 2018
NMFA Oversight Committee Meeting	Projects Recommended to Legislature For Authorization	December 3, 2018
Readiness Application	For projects recommended for Legislative Authorization	December 12, 2018 – January 24, 2019
2019 Legislative Session Governor's Deadline to Enact Legislation		January 15 - March 16, 2019 April 5, 2019
Technical Compliance Review	Regulatory Agencies to provide compliance certification to NMFA	January 30 - February 22, 2019
Non-Compliance Notifications	Applicants Notified of Non-Compliance items (pass/fail)	February 27, 2019
Final Compliance Certifications/Waiver Request	Submission of waiver requests to the Project Management policies and/or regulatory compliance	March 15, 2019
Water Trust Board Meeting	Policy Waiver Determinations	April 10, 2019
Water Trust Board Meeting	Final Funding Recommendations	May 8, 2019
NMFA Meeting	Final Approval of Water Trust Board awards	May 23, 2019



2019 Application Cycle

- ▶ 66 Notices of Intent to File an Application were received for projects totaling \$71,143,531
- ▶ 55 applications totaling \$55,719,317 were filed by the October 4th deadline

Applications Submitted	Project Type	Requested Amt.
0	ESA Collaborative Program	\$0
11	Flood Prevention	\$10,200,580
5	Water Conservation, Treatment, Recycle, Reuse	\$9,400,000
34	Water Storage, Conveyance and Delivery	\$33,118,737
5	Watershed Restoration and Management	\$3,000,000
55	Total	\$55,719,317

- ▶ The applications will be evaluated by a seven agency team and presented to the WTB at its November 28, 2018 meeting
- ▶ The WTB will present its final list of recommended projects to the NMFA Oversight Committee at its December 3rd meeting
 - ▶ This list is the basis of an authorization bill to be acted upon by the Legislature

