

made from the fund only if the qualified entity agrees that the fund will be reimbursed if financing from any source is subsequently received by the qualified entity for the water or wastewater public project. Senate Bill 40 allows NMFA to make grants from the Water and Wastewater Planning Fund without specific authorization from the legislature for each grant.

FISCAL IMPLICATIONS

The revenue bonds authorized for issuance in Senate Bill 40 may be issued in installments or at any one time in an amount not to exceed \$1 million and are a non-recurring expense to the Public Project Revolving Fund.

ADMINISTRATIVE IMPLICATIONS

The Water and Wastewater Planning Fund will be administered by the NMFA under the terms and conditions prescribed by the NMFA governing board.

RELATIONSHIP

Senate Bill 50 authorizes 152 projects for water and wastewater grants from the NMFA. Many of the projects may require a feasibility study prior to qualifying for funding. The revenue bonds contained in Senate Bill 40 may provide the entities with a source for paying for necessary studies.

OTHER SUBSTANTIVE ISSUES

Passage of Senate Bill 40 would provide support services to grantees to ensure a coordinated planning and financing effort and the long-term success of the water or wastewater project. Support services may include: assistance in the preparation of standardized preliminary engineering reports that would be accepted by all funding agencies, ensure systems have sufficient operational expertise to operate the final project, ensure that system rate structures will support ongoing maintenance of the system and improvements, and ensure that the project does not conflict with other projects.

POSSIBLE QUESTIONS

1. How would NMFA's ability to offer water and wastewater planning services to governmental entities differ from the current infrastructure planning process offered by the Local Government Division of the Department of Finance and Administration?
2. In NMFA's estimation, how many entities are there in need of water and wastewater projects that do not have planning sources available?
3. Does the NMFA have the staff to provide the necessary technical expertise for water and wastewater planning, or will technical expertise for this purpose be contracted by the NMFA?