

HOUSE BILL 427

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO WATER; AMENDING THE WATER PROJECT FINANCE ACT TO PROMOTE THE USE OF REAL-TIME MONITORING DATA TO TRACK AND MONITOR THE QUALITY OF NEW MEXICO'S DRINKING WATER.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

**SECTION 1.** Section 72-4A-5 NMSA 1978 (being Laws 2001, Chapter 164, Section 5, as amended) is amended to read:

"72-4A-5. BOARD--DUTIES.--The board shall:

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A. adopt rules governing terms and conditions of grants or loans recommended by the board for appropriation by the legislature from the water project fund, giving priority to projects that have been identified by the board as being urgent to address public health and safety issues; that have matching contributions from federal or local funding sources available; and that have obtained all requisite state and federal permits and authorizations necessary to initiate the project;

B. authorize qualifying water projects to the authority that are for:

- (1) storage, conveyance or delivery of water to end users;
- (2) implementation of federal Endangered Species Act of 1973 collaborative programs;
- (3) wastewater conveyance and treatment;
- (4) restoration and management of watersheds;
- (5) flood prevention; [ø]
- (6) water conservation or recycling, treatment or reuse of water as provided by law; or
- (7) the monitoring and protection of water quality; and

C. evaluate projects, including their environmental impacts, and recommend projects to the interstate stream commission pursuant to the provisions of Section 72-14-45 NMSA 1978."

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SECTION 2. Section 72-4A-6 NMSA 1978 (being Laws 2001, Chapter 164, Section 6, as amended) is amended to read:

"72-4A-6. AUTHORITY--DUTIES.--The authority shall:

- A. provide staff support for the board;
- B. develop application procedures and forms for qualifying entities to apply for grants and loans from the water project fund; and
- C. make loans or grants to qualifying entities for qualifying water projects authorized by the legislature and for real-time water quality monitoring projects as provided in Section 72-4A-7 NMSA 1978; provided that the service area for the project is wholly within the boundaries of the state or the project is an interstate project that directly benefits New Mexico."

SECTION 3. Section 72-4A-7 NMSA 1978 (being Laws 2001, Chapter 164, Section 7, as amended) is amended to read:

"72-4A-7. CONDITIONS FOR GRANTS AND LOANS.--

- A. Grants and loans shall be made only to qualifying entities that:
  - (1) agree to operate and maintain a water project so that it will function properly over the structural and material design life;
  - (2) require the contractor of a construction project to post a performance and payment bond in accordance with the requirements of Section 13-4-18 NMSA 1978;

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(3) provide written assurance signed by an attorney or provide a title insurance policy that the qualifying entity has proper title, easements and rights of way to the property upon or through which a water project proposed for funding is to be constructed or extended;

(4) meet the requirements of the financial capability set by the authority to ensure sufficient revenues to operate and maintain a water project for its useful life and to repay the loan;

(5) agree to properly maintain financial records in accordance with all applicable laws; and

(6) agree to pay costs of originating grants and loans as determined by rules adopted by the authority.

B. HAAWC → ~~Grant projects and loans~~ ← HAAWC

HAAWC → Financial assistance ← HAAWC for real-time water quality monitoring projects that are authorized as qualifying water projects:

(1) shall be made by the authority to qualifying entities that apply to the HAAWC → authority ← HAAWC

HAAWC → board ← HAAWC for grant HAAWC → and loan ← HAAWC money

HAAWC → . Such grants and loans shall only be issued using money available from general fund appropriations ← HAAWC :

(a) to invest in application programming interfaces or other technology and to develop real-time water monitoring systems to obtain data on water and wastewater

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quality and resources in New Mexico; or

(b) for technical assistance with applying for federal or other funding for programs for real-time monitoring of water management and treatment;

(2) shall not include the costs of originating HAAWC→~~the grants~~←HAAWC HAAWC→loans←HAAWC as determined by rules adopted by the authority and shall not exceed five hundred thousand dollars (\$500,000) per grant application;

(3) HAAWC→shall←HAAWC HAAWC→may←HAAWC require reporting HAAWC→or recordkeeping←HAAWC of real-time water quality monitoring data to the department of environment; and

(4) shall not exceed a cap of thirty-one million five hundred thousand dollars (\$31,500,000) in total obligations of the fund, plus administrative expenses HAAWC→and a prudent fund balance,←HAAWC as determined by the authority pursuant to this section. HAAWC→The authority shall evaluate the amount of the cap in an appropriate proceeding to be completed by June 30, 2027 and consider←HAAWC HAAWC→The board shall report to the New Mexico finance authority oversight committee by June 30, 2029←HAAWC whether, based on the then-current status of the fund, the cap should be modified, maintained or eliminated.

[B.] C. Plans and specifications for a water project shall be approved by the authority after review and upon the recommendation of the state engineer and the

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department of environment before grant or loan disbursements to pay for construction costs are made to a qualifying entity. Plans and specifications for a water project HAAWC→, **except real-time water quality monitoring as specified in Subsection B of this section,**←HAAWC shall incorporate available technologies and operational design for water use efficiency.

[G.] D. Grants and loans shall be made only for eligible items, which include:

- (1) to match federal and local cost shares;
- (2) engineering feasibility reports;
- (3) contracted engineering design;
- (4) inspection of construction;
- (5) special engineering services;
- (6) environmental or archaeological surveys;
- (7) construction;
- (8) land acquisition;
- (9) easements and rights of way; [~~and~~]
- (10) legal costs; and
- (11) real-time water quality monitoring as

specified in Subsection B of this section."