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SENATE BILL

51ST LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2013

INTRODUCED BY

DISCUSSION DRAFT

AN ACT

RELATING TO WATER PROJECT FINANCING; EXPANDING THE ELIGIBILITY  
FOR GRANTS AND LOANS UNDER THE WATER PROJECT FINANCE ACT.

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

SECTION 1. 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, which shall not be less than twenty  
years;

(2) require the contractor of a construction  
project to post a performance and payment bond in accordance

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1 with the requirements of Section 13-4-18 NMSA 1978;

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

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

11 (5) agree to properly maintain financial  
12 records and to conduct an audit of a project's financial  
13 records;

14 (6) agree to pay costs of originating grants  
15 and loans as determined by rules adopted by the board; and

16 (7) except in the case of an emergency,  
17 submit a water conservation plan with its application if  
18 required to do so and one is not on file with the state  
19 engineer, pursuant to Section 72-14-3.2 NMSA 1978.

20 B. Plans and specifications for a water project  
21 shall be approved by the authority, after review and upon the  
22 recommendation of the state engineer and the department of  
23 environment, before grant or loan disbursements to pay for  
24 construction costs are made to a qualifying entity. Plans and  
25 specifications for a water project shall incorporate available

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1 technologies and operational design for water use efficiency.

2 C. Grants and loans shall be made only for eligible  
3 items, which include:

- 4 (1) to match federal and local cost shares;
- 5 (2) engineering feasibility reports;
- 6 (3) contracted engineering design;
- 7 (4) inspection of construction;
- 8 (5) special engineering services;
- 9 (6) environmental or archaeological surveys;
- 10 (7) construction;
- 11 (8) land acquisition;
- 12 (9) easements and rights of way; [~~and~~]
- 13 (10) dams and acequias; and
- 14 [~~(10)~~] (11) legal costs and fiscal agent

15 fees."

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