



**Presentation to the
New Mexico Finance Authority**

Fountains of Hope: Drinking Water State Revolving Loan Fund Program Overview

Marquita Russel, NMFA Chief of Programs



July 17, 2014



Drinking Water State Revolving Fund

The Drinking Water State Revolving Fund (“SRF”) was created in 1996 by the Safe Water Drinking Water Act to fund projects that:

Provide low cost financial assistance to water systems to fund water construction and rehabilitation projects

Address present or prevent future violations of health-based drinking water standards

Are necessary to maintain compliance with existing national primary drinking water regulations for contaminants with acute and chronic health effects

Focus on the needs of small and disadvantaged water systems





SRF Overview

New Mexico's SRF was created in 1997 and is jointly administered by the NMFA and the New Mexico Environment Department's Drinking Water Bureau

By statute, NMFA is the recipient of the federal capitalization grants and is responsible for the expenditure of the all funds as well as for originating, managing and servicing all SRF loans. NMFA provides the 20% state match

By statute, NMED promulgates the Intended Use Plan, determines the managerial & technical readiness of applicants, determines priority of the loans to be made and manages the technical set-asides:

- ✓ State Program Management – 10%
- ✓ Small Systems Technical Assistance – 2%
- ✓ Local Assistance -15%





SRF Responsibilities

NMED-DWB administers the technical aspect of the program

- ❑ developing the technical, managerial, and financial capacity for water systems
- ❑ enforces the Safe Drinking Water Act
- ❑ assists communities in qualifying for funding from the DWSRLF
- ❑ provides assessments and prioritizes projects on both the Comprehensive Project List and the Fundable Priority List

NMFA administers the financial aspects of the funds

- ❑ providing low interest loans to qualified projects on the Fundable Priority List
- ❑ monitor project construction: as secured through a Memorandum of Understanding with NMED's Construction Programs Bureau
- ❑ Environmental Review
- ❑ Federal Regulation





The Loan Fund

The NMFA may use the SRF to make loans to water systems deemed to have technical, managerial and financial capacity

The federal guidelines require that the loans be made at or below market interest rates. Interest rates are set by the NMFA Board:

- Disadvantaged Community – 0%
- Non-disadvantaged Community – 2%
- Private Non-profit Water System – 3%
- Private For-Profit Water System – 4%

Periodically, the federal capitalization grants require the NMFA deliver “Additional Subsidy” to its borrowers





Drinking Water SRF in New Mexico

Capitalization Grant FFY	Fed Cap Grant 100.00%	SRF Portion 69.00%	State Match 20.00%	Total Loan Fund	NMED Set-Asides 27.00%	NMFA Set-Aside 4.00%
1997	\$ 12,759,800	\$ 8,804,262	\$ 2,551,960	\$ 11,356,222	\$ 3,445,146	\$ 510,392
1998 + 1999	\$ 14,585,100	\$ 10,063,719	\$ 2,917,020	\$ 12,980,739	\$ 3,937,977	\$ 583,404
2000	\$ 7,757,000	\$ 5,352,330	\$ 1,551,400	\$ 6,903,730	\$ 2,094,390	\$ 310,280
2001	\$ 7,789,100	\$ 5,374,479	\$ 1,557,820	\$ 6,932,299	\$ 2,103,057	\$ 311,564
2002	\$ 8,052,500	\$ 5,556,225	\$ 1,610,500	\$ 7,166,725	\$ 2,174,175	\$ 322,100
2003	\$ 8,004,100	\$ 5,522,829	\$ 1,600,820	\$ 7,123,649	\$ 2,161,107	\$ 320,164
2004	\$ 8,303,100	\$ 5,729,139	\$ 1,660,620	\$ 7,389,759	\$ 2,241,837	\$ 332,124
2005	\$ 8,285,500	\$ 5,716,995	\$ 1,657,100	\$ 7,374,095	\$ 2,237,085	\$ 331,420
2006	\$ 8,229,300	\$ 5,678,217	\$ 1,645,860	\$ 7,324,077	\$ 2,221,911	\$ 329,172
2007	\$ 8,229,000	\$ 5,678,010	\$ 1,645,800	\$ 7,323,810	\$ 2,221,830	\$ 329,160
2008	\$ 8,146,000	\$ 5,620,740	\$ 1,629,200	\$ 7,249,940	\$ 2,199,420	\$ 325,840
2009	\$ 8,146,000	\$ 5,620,740	\$ 1,629,200	\$ 7,249,940	\$ 2,199,420	\$ 325,840
2010	\$ 13,573,000	\$ 9,365,370	\$ 2,714,600	\$ 12,079,970	\$ 3,664,710	\$ 542,920
2011	\$ 9,418,000	\$ 6,498,420	\$ 1,883,600	\$ 8,382,020	\$ 2,542,860	\$ 376,720
2012	\$ 8,975,000	\$ 6,192,750	\$ 1,795,000	\$ 7,987,750	\$ 2,423,250	\$ 359,000
2013	\$ 8,421,000	\$ 5,810,490	\$ 1,684,200	\$ 7,494,690	\$ 2,273,670	\$ 336,840
ARRA	\$ 14,950,000	\$ 11,830,000	\$ -	\$ 12,049,049	\$ 2,340,000	\$ 560,951
TOTAL	\$ 163,623,500	\$ 114,414,716	\$ 29,734,700	\$ 144,368,464	\$ 42,481,845	\$ 6,507,891

Eighteen capitalization grants totaling \$163,623,500 in federal funds received to date





Pace of New Mexico's SRF

Given the availability of free or low-cost funding for water systems (Capital Outlay, Water Trust Board, PPRF, Colonias Infrastructure, etc), New Mexico's SRF has historically had a slow pace as compared to other states.

Two years ago, New Mexico's unspent funds totaled more than 30% of its total funds. Today, that number has dropped to approximately 20%. By January 2015, that number is expected to drop to less than 2%.

To date, the NMFA has collected approximately \$30 million in repaid principal and interest from loans made, with approximately \$6 million becoming available each year. These dollars are available to be re-loaned to eligible projects.





SRF Projects Funded To Date

12/9/1999	Colfax	Angel Fire, Village of	180,001.00	1/8/2010	Sandoval	Rio Rancho, City of	2,012,853.00
4/5/2000	Santa Fe	Santa Fe, City of	1,212,122.00	1/8/2010	Sandoval	Rio Rancho, City of	-
11/17/2000	Colfax	French MDWCA	12,654.00	1/15/2010	San Juan	Farmington, City of	2,088,800.00
4/27/2001	Luna	Deming, City of	222,309.00	1/15/2010	Santa Fe	Santa Fe, City of	702,590.00
5/24/2001	Quay	Tucumcari, City of	475,199.70	1/15/2010	Otero	Cloudcroft Water System	197,981.00
8/24/2001	Eddy	Malaga MDWC&SWA	171,718.00	1/15/2010	Santa Fe	Santa Fe, City of	425,000.00
9/21/2001	Valencia	Los Lunas, Village of	3,838,277.63	1/15/2010	Santa Fe	Santa Fe, City of	141,400.00
10/19/2001	Lincoln	High Sierra Estates Water Association	119,705.92	1/22/2010	Bernalillo	ABCWUA	150,207.33
10/31/2001	Sierra	Truth or Consequences, City of	1,841,089.00	1/22/2010	Bernalillo	ABCWUA	199,575.71
1/25/2002	Eddy	Cottonwood Rural Water Co-Op	703,586.00	1/22/2010	Bernalillo	ABCWUA	348,413.96
5/10/2002	Bernalillo	Albuquerque, City of	1,594,091.60	1/29/2010	Bernalillo	University of New Mexico	2,000,000.00
6/14/2002	Taos	El Prado Water and Sanitation District	75,750.00	2/12/2010	Dona Ana	Sunland Park, Village of	2,555,000.00
8/2/2002	San Juan	West Hammond DWA	995,753.30	4/2/2010	Santa Fe	Santa Fe, City of	161,807.00
		Pendaries Village Community Association		8/13/2010	Santa Fe	Santa Fe, City of	250,000.00
8/16/2002	San Miguel		1,295,268.94	12/3/2010	Sierra	Elephant Butte, City of	299,185.00
4/11/2003	Bernalillo	Albuquerque, City of	3,600,000.00	3/25/2011	San Juan	Placitas West Water Cooperative	79,818.38
		North Star DWC & MSWC, Inc.		4/29/2011	Grant	Silver City, Town of	505,000.00
8/15/2003	San Juan	[Revised 5/22/03]	1,779,798.00	12/21/2012	Socorro	Socorro, City of	366,630.00
9/24/2004	Santa Fe	Santa Fe, City of	7,070,000.00	12/21/2012	Dona Ana	Lower Rio Grande PWWA	595,000.00
1/28/2005	Roosevelt	Roosevelt County Water Cooperative	297,710.00	12/28/2012	San Miguel	Las Vegas, City of	1,100,000.00
5/13/2005	Lea	Hobbs, City of	5,226,750.00	12/21/2012	Dona Ana	Anthony WSD	850,000.00
5/20/2005	Rio Arriba	Espanola, City of	808,000.00	1/18/2013	San Juan	Farmington, City of	5,959,000.00
6/30/2006	Otero	Alamogordo, City of	6,565,000.00	1/4/2013	Quay	Tucumcari, City of	1,579,000.00
8/18/2006	San Juan	Bloomfield, City of	3,737,000.00	4/19/2013	Quay	Tucumcari, City of	902,573.00
6/29/2007	Lea	Lovington, City of	2,020,000.00	5/3/2013	Santa Fe	Santa Fe, City of	5,050,000.00
8/17/2007	San Juan	Placitas Trails Water Cooperative	29,442.80	5/3/2013	Dona Ana	Dona Ana MDWCA	2,059,391.00
		Las Cruces, City of / Dona Ana County (50/50)		6/19/2013	Hidalgo	Lordsburg, City of	744,472.00
1/18/2008	Doña Ana		2,957,596.00	6/19/2013	San Miguel	Las Vegas, City of - Taylor Well	1,600,000.00
3/31/2008	Lincoln	Alto Lakes WSD	4,090,500.00	6/19/2013	San Miguel	Las Vegas, City of - Diversion	1,222,100.00
4/18/2008	Grant	Silver City, Town of	808,000.00	6/19/2013	San Miguel	Las Vegas, City of - effluent system	1,222,757.00
5/16/2008	Santa Fe	Santa Fe, City of	8,080,000.00	6/22/2013	Torrance	Estancia, Town of	550,000.00
5/30/2008	Lea	Lovington, City of	1,515,000.00	6/26/2013	Socorro	Socorro, City of	969,600.00
6/20/2008	Valencia	Los Lunas, Village of	4,053,053.00	6/26/2013	Valencia	Bosque Farms Water Supply	755,480.00
11/7/2008	Bernalillo	ABCWUA	10,426,244.00	7/19/2013	San Juan	Southside MDWA	797,900.00
2/27/2009	Lea	Eunice, City of	5,050,000.00	7/26/2013	Torrance	Moriarty, City of	613,000.00
12/4/2009	Roosevelt	Village of Floyd	250,000.00	8/16/2013	Otero	Alamogordo, City of	1,140,425.00
12/18/2009	Dona Ana	Dona Ana MDWCA	450,000.00	9/20/2013	Luna	Deming, City of	2,412,284.00
12/18/2009	Eddy	Carlsbad, City of	1,957,070.00	11/22/2013	Eddy	Carlsbad, City of	20,200,000.00
12/18/2009	Rio Arriba	Canjilon MDWCA	680,000.00	12/27/2013	Otero	Alamogordo, City of	1,515,000.00
12/18/2009	Taos	Taos Ski Valley, Village of	42,500.00				
12/21/2009	Santa Fe	Southwestern College	115,330.91				
		ABCWUA on behalf of Carnuel					
1/8/2010	Bernalillo	MDWCA	2,000,000.00				



78 projects funded to date totaling more than \$150 million