

NMED

New
Mexico
Environment
Department



WATER INFRASTRUCTURE TEAM

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Topics of Discussion

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1. Water Infrastructure Team overview
2. Accomplishments
3. Funding Challenges



Water Infrastructure Team Overview

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- In 2013, Secretary Flynn formed the Water Infrastructure Team (WIT) to address concerns and frustrations he heard from NEMD bureaus and other stakeholders around competition and the lack of coordination between water funding mechanisms.
- As a team of agencies and non-governmental organizations, the WIT discusses challenges members experience and collaborate on solutions to address New Mexico's vast water infrastructure needs.



WIT Team Members

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State Agencies

- NMED
- NMFA
- IAD
- DFA
- OSE
- LFC
- LCS
- USDA- RD

Non-Governmental Organizations

- NM Municipal League
- NM Association of Counties
- NM Rural Water Association
- Rural Community Assistance Corporation
- Environmental Finance Center at University of New Mexico



Water Infrastructure Team Survey

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- Sent to:
 - Municipalities
 - Consultants
 - Council Of Governments
 - NM Municipal League
 - NM Association of Counties
 - Mutual Domestics
 - Engineering firms
 - Legislators
 - Lobbyists
 - Previous survey respondents
 - Other state and federal agencies



WIT Accomplishments

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□ Capacity Assistance Contracts

- Developed contracts, with input from service providers and other agencies, to guide deliverables for Capacity Development Assistance at Public Water and Wastewater Systems in the State of New Mexico:

□ Asset Management

- Created, with input from all WIT members, a simple, uniform asset management plan to be used across agencies:

□ Local Government Funding Source Guide

- All entities with funding mechanisms for projects in New Mexico worked with DFA on updating The Complete Catalog of Local Assistance Programs:



WIT Accomplishments Con't

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- Created the Water Infrastructure Team's website to share information on:
 - Free webinars
 - e-trainings
 - Articles
 - Value of Water Campaign materials
 - Resources benefitting water systems (small and large) and those who serve them
 - Water Infrastructure Needs Survey




WIT Accomplishments Con't

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- The Value of Water Campaign:
 - Leverages materials from The Value of Water organization to fully utilize limited agency resources while messaging the true cost of water and wastewater infrastructure in ensuring, fostering, and protecting the health and well being of New Mexicans.
 - NMED partnered with ABCWUA to have campaign images rotate on digital outdoor billboards at 7 locations:
 1. May:
 - Estimated number of people 25+ reached: 27,225
 - Estimated times they saw a spot: 2.9
 2. June:
 - Estimated number of people 25+ reached: 56,148
 - Estimated times they saw a spot: 2.6
 3. July: TBD



Partnership with ABCWUA



WHAT'S THE VALUE OF WATER?

#ValueWater


Learn how water works for you. Visit TheValueofWater.org.

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Albuquerque Bernalillo County Water Utility Authority

Value of Water COALITION

Presented in cooperation with the Value of Water Coalition



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Value of Water Campaign

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- WIT acknowledges the challenges of spreading messaging to rural communities.
- To date information has been shared with:
 - Infrastructure Finance Conference Members
 - NM Rural Water Association Members
 - Navajo Dam Domestic Water Users Association
 - Hollywood Ranch Water Association
 - Doña Ana Mutual Domestic Water Consumers Association
 - Ensenada MDWCA
 - Asociacion de Agua De Los Brazos MDWCA
- Materials and resources are shared with all WIT members and the WIT email distribution list for sharing with their communities, members, and/or clients
- A WIT's goal for FY17 is to penetrate rural areas with messaging via local newspapers and mailings, dependent on resources



WIT Funding Group

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□ Water Funding Group

- Consists of all NM agencies with funds for water or wastewater, NMFA, USDA, and LFC
- Discusses:
 1. Project collaboration
 2. Applications from entities to various funding agencies
 3. Which funding program(s) would be a best fit for the applicant's project



WIT Funding Group: Challenges Faced

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- The challenges individual lending agencies face in securing loans with entities continues with the WIT team.
- We have found the need for:
 1. Capital outlay reform
 2. Capacity development
 3. Appropriate rate setting



WIT Funding Group: CO Reform

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- Many entities wait for a once yearly appropriation of “free money” from their legislators and do not seek out other sources which may be a more appropriate source of funding.
- Capital outlay cannot cover the costs of large projects.



WIT Funding Group: Capacity Development

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- Entities may not have debt capacity.
- Many shop around between different programs seeking the most grant or grant/loan combinations they can find, regardless of how competitive the offered rates are by most funding mechanisms.
- For example, in 2015 NMED offered approximately \$4m in CWSRF loans at 0% interest which were ultimately refused by the applicants.



WIT Funding Group: Rate setting

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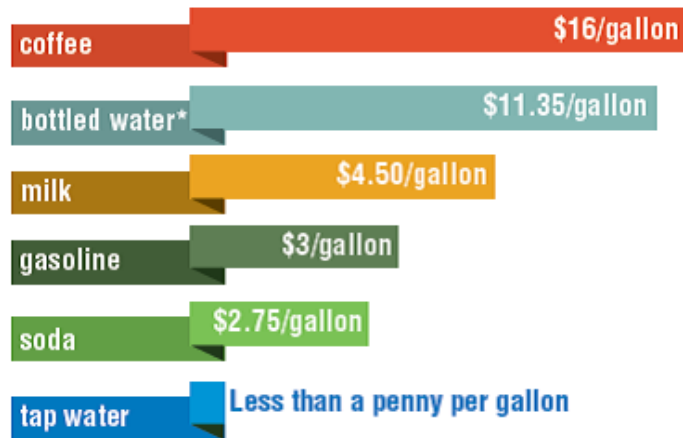
- Many entities are unwilling to increase their rates, which compounds the capacity issues noted above.
- Without the ability to service even a small amount of debt (i.e. “skin in the game”) they are not able to secure loans or grant/loan combinations.
- Many states have implemented marketing campaigns to demonstrate the comparative cost of water vs. other non-essential items (cable, cell phone, etc.).



Rate Setting – California Example

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- “At less than a penny a gallon, tap water remains one of the lowest cost utility bills – a true bargain considering the resources and expertise it takes to treat and deliver safe and reliable water to your tap 24 hours a day, 365 days of the year.”
- “When compared to other products we use every day, tap water is clearly one of the best deals around.”



*based on California averages



Rate Setting – New Mexico

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- NMED's Drinking Water Bureau (DWB) publishes an annual Water & Sewer Rate Survey.
 - 2016 survey is closed, results to be published
 - 2015 survey is available on DWB's website at:
<https://www.env.nm.gov/dwb/rate.htm>



What can you do?

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- Join the WIT e-mail distribution list to receive materials, updates, and the 2017 Water Infrastructure Survey next May/June at water.team@state.nm.us
- Encourage constituents to complete the 2017 survey and utilize the resources currently available through the WIT website: <https://www.env.nm.gov/wit/>



What is next?

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- The Water Infrastructure Team will continue to reach out in every way possible to help communities access fair funding for their water infrastructure needs.
- We will continue to collaborate with stakeholders.
- We will continue to be transparent with information.
- We will continue to work together to have meaningful dialogue leading to measurable results.



Water Infrastructure Team

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- WIT website

<https://www.env.nm.gov/wit/>

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