

NEW MEXICO
FINANCE AUTHORITY

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Water Trust Board 2026 Readiness Application Training December 8, 2025

Presented By:
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Program Manager

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Readiness Application

December 10, 2025 - January 22, 2026

Projects Recommended to Legislature will be invited to submit on-line a Readiness Application which helps determine project readiness and applicant compliance with WTB Policies and relevant statutes and regulations.

Parameters for WTB Funding

- Water Trust Board Policies requires:
 - minimum contributions from all applicants in the form of local or federal matching funds
 - mandatory loan component of between 10% - 40% for all entities supported by rate-paying constituency
 - to the greatest extent possible, awards will be sized to projects that represent a functional project or stand-alone phase of a project that can be accomplished within 12-24 months of award

Readiness Application Overview

- ***WTB Recommendation to the Legislature: October 29, 2025***
- Readiness Application: December 10, 2025 – January 22, 2026
- Compliance Review*/Deadline: February 3 – February 26, 2026
 - *OSE and NMED outreach during project application
- WTB non-compliance notification February 27, 2026
- Regulatory Compliance Deadline: March 20, 2026
- Expected WTB Decision: April 21, 2026



“Am I Ready for Funding?”

Readiness Application (January 22, 2026)

- ☑ Completion of plans/specs (construction projects)
- ☑ Permits/Licenses/ROW/Easements complete:
 - Bureau of Land Management (BLM)
 - Railroads
 - Department of Transportation (DOT)
 - Private
 - Utilities (PNM)
- ☑ Regulatory/Policy Compliance:
 - Project Continuation
 - **Budget/State Audit Act/EO Compliance**
 - Water Rights secured (Office of the State Engineer)
 - Safe Drinking Water Act/Clean Water Act/NM water regulations (NMED)



Construction Projects

- (POST AWARD) As part of the technical oversight of Water Project Funds (Water Storage, Water Conservation and Wastewater), all project documentation (design and construction plans, contracts, bids, etc.), must be reviewed and approved by the New Mexico Environment Department-Construction Programs Bureau.
- *NMED-CPB has up to 30 days to review and comment:*
 - Certification by consulting engineer on design completion date
 - RTP Deadline **September 30, 2026**
 - Award letters and RTP requirements **May 29, 2026**

Permits/Licenses/ROW/Easements

- Delays in moving the project forward:
 - BLM; Railroads; DOT; Private; Utilities

Project Continuation



- To encourage timely completion of projects and to maximize participation, the Board requires applicants to expend a minimum of previously awarded funds prior to being considered for new funding awards. By **January 22rd** (Readiness Application due date), Applicants must demonstrate that all open WTB awards (those not yet certified as complete) from 2024 and prior have been drawn down by the following amounts:
 - State-sponsored regional infrastructure projects must expend at least 50% of awards
 - Regional water association applicants must expend at least 80% of awards
 - All other applicants must expend at least 95% of awards
- Requisitions submitted by **January 22nd** will count towards the drawn down requirement
- Waivers **must be submitted within the Readiness Application** if unable to meet expenditure target

Budget/State Audit Act/EO Compliance

- FY2025 Budget Approval
- FY2025 Financials
- FY2025 Audit submission; Tier Determination; Agreed Upon Procedures (AUP) Documentation
- *In order to be awarded funds, entities must be compliant with the State Audit Act*
- ***Compliance deadline March 20, 2026***

OSE-Water Rights, Dam Safety and Water Conservation Plans Verification

- Entity outreach to OSE during the project application; OSE should have indicated any compliance issues and the requirements needed in preparation for the readiness application
- *Immediate contact with OSE “if” entity did not reach out to OSE during the project application*

NM Water Regulations / Safe Drinking Water Act / Clear Water Act

- Outstanding Notice of Violations
- Reporting updates
- *Issues that the proposed project may not cure*



“Am I Ready for Funding?” Securing the Funding:

Anticipated Funding Recommendations (April 21, 2026)

Anticipated Award Letters/RTP requirements (May 29, 2026)

Anticipated “RTP” Deadline (September 30, 2026)

- Approved plans/specs (construction projects)
- Secured Match
- ROW/Easements Secured/Certified
- Expenditure of Funds within 12-24 months (completion of project)



Readiness Application
December 10, 2025 - January 22, 2026

<https://www.gotoenable.com/NMFAEnable/login.aspx>

Contact Information Changes

If the contact information (Primary, Secondary, Consultant) has changed from the Project Application submission (September 11, 2025), notify NMFA staff to the changes as soon as possible.



Readiness Application

- Select the readiness application to be submitted:

New App - The Santa Fe Wastewater Interconnection 2026 WPF Readiness Application - Wastewater Collection, Conveyance, and Treatment Project

Top of
every
screen

Attachments/Forms

	Description
View/Download	2026 WPF Readiness Applicant Certification
View/Download	2026 WPF Readiness Permits Details

Current Step:

Validate

Save

Submit

Cancel Form

Print

* Required field

Validate Button saves the data before Validation starts.

Bottom of
every screen*

- ***“Submit” – will only be visible to Applicant “Primary User”**

Amount Requested \$0.00

Status **Started** Submitted Review Approved Returned Denied Cancelled

Comment

Primary Reviewer

Date Started 12/03/2025 Started User aquintana@nmfa.net

Date Submitted // Submitted User

Review Start Date //

Current Review Date // Current Review User

Date Returned // Returned User

Board Approved Date // Approved User

Date Denied // Denied User

Cancelled Date // Cancelled User

Reviewer Comment

Amount Authorized \$0.00

Associated Account Name WPF-6932

[View or Edit Application](#) [Update](#) [Delete](#) [View History](#)

 Hit "View or Edit Application"

➤ A. Applicant Information

- Full Legal Name of Entity
- Applicant legal Entity Status: *select from drop-down box*
- Federal Employer Identification Number
- Contact Information
 - Primary Contact for Project Oversight
 - Primary Contact for Loan and/or Grant Closing
 - Legal Counsel for Loan and/or Grant closing – Applicant’s attorney
 - Consultant and/or Other – COG, Financial Advisor, Engineer

➤ B. Governing Body Meeting Dates and Information

- Governing Body/Association regular meetings held
- Deadline for providing final documents for action
- Local newspaper of general circulation for publishing legal notices

➤ **Complete the Appropriate section based on the requested scope:**

➤ **Design Only**

- **Proposed Project Start Date**
- **Proposed Project Completion Date**
- **Date of Engineer Procurement**
- **Desired Date for Funding**

➤ **Construction only**

- **Proposed Project Start Date**
- **Proposed Project Completion Date**
- **Date of Engineer Procurement**
- **Desired Date for Funding**
- **Plans and Specifications completion date – *Consulting Engineer must certify the date of design completion***
- **Project Costs – provide updated construction cost estimates if different than the estimates submitted with the Project Application. *Construction costs must be certified by engineer.***

➤ **ALL PROJECTS**

- **Project Phasing**
- **Permits and License spreadsheet (update if applicable)**
- **Environmental Compliance (if applicable)**
- **Agreements Required – JPA, MOU, Agency/Landowner Agreements**
- **Maintenance and Operation funding – How will the ongoing maintenance, operation and replacement of this project be funded?**
 - **Asset Management Plans**

➤ Project Readiness - UPDATES

- Provide an updated status on all permits, licenses, authorizations and ROW/easements to complete the project –download form, complete and upload

**RTP Deadline:
September 30, 2026**

Provide the timeline for the following, as applicable:				
Project Requirements	Source	Proposed Start Date	Estimated Completion Date	Comments
License				
Environmental Clearance				
Right of Way				
Easement				
Landowner Agreement(s)				
Agency Agreements(s)				
Joint Powers Agreement (JPA)				
Memorandum of Agreement (MOA)				
Memorandum of Understanding (MOU)				
Water Rights				
Utility Easements				
CPB Approval of Plans and Specs				
NMED Drinking Water Bureau Approval of Plans and Specs				
Other agency approvals				
NMDOT Easement				
Construction Permit				
Other Permits (please specify)				
Other (please specify)				

- **Total Budgeted Expenditures for 2026 (or current year)**
- **Fiscal Year End Date**
- **Total Actual Expenditures in FY2025**
 - Attach three years of previous income statements if no audit is available on the NMOSA website
 - Describe any one-time expenditures (extraordinary expenses) for all expenses
- **Current on Quarterly Budget submissions to NMDFA**
 - DFA approval of FY2026 Budget? *(Upload copy of letter and/or documentation)*
- **Date of FY2025 Audit or Agreed Upon Procedures Report submitted to the Office of the State Auditor**
- **EO Compliance requirement**
- **Fiscal Administrator required?**
- **Pending Litigation bearing on project or applicant?**

State Audit Rule/EO Compliance:

- **Please provide the date on which the Applicant submitted or expects to submit its FY2025 audit or Agreed Upon Procedures Report to the Office of the State Auditor**
 - **If on a “Tier” system, you must submit the requirements as determined by OSA**
- **EO Compliance requirement – Has the applicant received NM State Capital Outlay funding from 2013 and later? If so, list most recent funding received, year received, agency EO compliance determination**
- **Fiscal Administrator (“FA”) – if awarded, the FA will oversee the financial aspects of the award (e.g. requisition reviews, quarterly report review, procurement procedures, etc.)**
 - **The FA must be compliant with the State Audit Rule and EO Compliance**
 - **If Applicants audit requires a FA, NMFA will notify the Applicant as part of the readiness to proceed requirement when funded.**

NOTE: The Water Trust Board cannot award funding to applicants that are not compliant with the State Audit Rule/EO Compliance

- Tribal applicants and projects not supported by a rate paying constituency
 - Supplying an additional match in lieu of the required loan
- **Will Applicant be requesting to undertake an additional loan in lieu of the required match?**

The following questions/documents refer to what the applicant will pledge towards the loan of the proposed project

- **Revenue to be Pledged as Loan Security** (*Attach current water ordinance or other document(s) that sets forth the rates, rules, and regulations.*)
- **Net System Revenue.** (*provide the name of the enterprise fund or if inclusive of the entire joint utility fund*)
- **Gross Receipt Tax (GRT).** (*Specify type of GRT and identify specific increment(s) to be pledged-attached accompanying ordinances*)
- **Mil Levy.** (*Identify enactment date and expiration date of the Mil Levy-attach election resolution and/or referendum documentation*)

***Attach copies of all the ordinances, resolutions or referendum documentation that created the utility system or enacted the GRT or Mil Levy identified above as revenue to be pledged as security.**

- **Is any debt being repaid from the revenue source(s) selected?**
 - Attach any loan agreements, bond or other documents and accompanying debt schedules, amortization or payment schedules for any outstanding debt service being paid from the identified revenue pledges. **IF** any of the debt is from NMFA, list the debt but loan/bond documents do not have to be attached.
 - **DEBT for USDA and/or NMED require consent of additional debt**
- **Alternative Revenue Source.** If applicable, identify an alternative revenue source available to pledge to pay debt service in the event that the primary pledged revenue is unavailable or insufficient.
- **Other Loans.** Does the Applicant expect to secure any other loans *not yet closed or secured* that will utilize the same revenue pledge identified for the proposed WTB loan?

Note: Loan requirements for water projects may be waived when:

- The applicant serves fewer than 500 connections and has previously secured WTB funding for the same project (identify previous WTB project); or
- The project is to consolidate with another system (identify which system(s) and provide JPA, MOU or any other documentation to substantiate consolidation); **and**
- To qualify for a loan waiver, the Applicant must have **implemented** an asset management plan for the current and future maintenance, replacements, and repair of the system. Attach the completed AMP and when it was last updated.

Determining Financial Structure

- **NMFA Credit Analyst will contact applicant directly, on questions or documents provided as part of the process in determining the financial package (loan/grant %)**
 - Per Policy, in addition to the match requirements, the WTB financial assistance may contain a loan component with a minimum of 10% and a maximum of 40% of the total amount of financial assistance, in increments of 10%, based upon the historic capacity of the applicant's system revenues as determined by the NMFA, with the remainder delivered as a grant
 - The NMFA will utilize three years of historic financial information, if available, in determining financial capacity to repay a loan. If historical financial information is not available, projections may be utilized. NMFA performs a net system revenue analysis to determine cash flow available for debt service after operating expenses are deducted from system operating revenues.

NMFA Credit Analysts:

- **Aaron Kayser, akayser@nmfa.net, 505.992.9667**
- **Jeff Baade, jbaade@nmfa.net, 505.992.9634**
- **Ratna Divya Navabhaktula, rdivabhaktula@nmfa.net, 505.992.9663**
- **Joshua Young, jyoung@nmfa.net; 505.992.9674**
- **Jake Adams, jadams@nmfa.net; 505.992.9631**
- **Zane Ration, zration@nmfa.net; 505.992.9694**

- **Number of Residential Connections**
- **Residential Rate per 6,000 gallons**
- ***Date Last Adjusted**
- **Number of Commercial Connections**
- **Commercial Rate per 6,000 gallons**
- **List of top commercial users**
- ***Date Last Adjusted**

***NOTE: If Applicant cannot demonstrate that it meets or has a plan to meet the minimum 1.0x debt service coverage requirement to execute the loan portion of the funding, raising of the rates may be required.**

- **Is the Water system metered?**

****WTB policies requires the Office of the State Engineer to verify water rights. During the Project Application, Applicants were required to submit a completed request form directly to the OSE in order to receive verification. (Watershed and ESA projects do not need to receive verification. Flood prevention projects also do not require verification unless they include jurisdictional dams or storage facilities).***

- Does the Applicant have all necessary water rights to complete the project?
- Does the system supply, deliver, distribute or provide at least 500-acre feet annually for domestic, commercial, industrial or governmental customers for non-agricultural purposes?
- Has Applicant completed a Water Conservation Plan as required by law?

IF you did not reach out to OSE or have not received verification of OSE compliance, you must work directly with OSE for verification/confirmation prior to submission of the Readiness Application.

OSE Contact (General Inquiries):

Sheldon Dorman – Sheldon.dorman@ose.nm.gov

- **Copy of Current Open Meetings Act Resolution; if OMA resolution is expired, provide a draft OMA with the expected date of execution**
- **Map of project area, if different than submitted with Project Application**
- **Permits/License spreadsheet updates** (*Documents showing ROW have been obtained to access the lands or facilities*)
- **Financial Disclosure and Financing** (*Applicant's audited financial statements for FY2023, FY2024, FY2025, IF not already located on the OSA website*)
 - **Applicants not required to complete audits under the Audit Rule (AUP and/or Tier system), must submit FY2023, FY2024, FY2025 financial statements with evidence that the requisite forms were filed with OSA**
- ***Asset Management Plans** – *Please provide a completed AMP or milestones consistent with WTB Policies Section III C4 (Water Storage) or Section IV C4 (Water Conservation)*

***Asset Management Plans:**

- ◆ **Year 1 – Resolution committing to implementing an AMP to include:**
 - **Five core components:**
 - **What is the current state of the assets?**
 - **What is the desired level of service?**
 - **Which assets are critical to sustained performance;**
 - **What is the best life cycle cost? And**
 - **What is the long-term funding strategy**
 - **Identification of an internal team to develop and implement**
 - **Provide initial results of Asset Management IQ test**
 - **Provide a schedule of the sequence of events to implement AMP**
- ◆ **Year 2 and 3 – Submit a recent IQ test and provide an update on the progress made towards the completion of the AMP**
- ◆ **Year 4 and beyond – Fully implemented AMP that is reviewed annually; *provide date of last update/review.***



NOTE: If the Water System is seeking a waiver of the loan requirements:

- *The applicant serves fewer than 500 connections and has previously secured WTB funding for the same project; or*
- *The project is to consolidate with another system, and*
- ****To qualify for the loan waiver, the Applicant must have implemented an AMP for the current and future maintenance, replacement and repair of the system.***

NOTE: If the Water System is seeking a waiver of the match requirements:

- *The applicant serves fewer than 250 connections and has previously secured WTB funding for the proposed project as defined by the planning document; or*
- *System upgrade is to consolidate with another system; or*
- *System upgrade/expansion is to incorporate previously unserved customers (not for future development); and*
- ****Applicant has implemented an AMP for the current and future maintenance, replacement and repair of the system.***

Readiness Applicant Certification (*download form, complete, upload into application*)

SECTION VI. CERTIFICATION

I certify that:

We have the authority to request the funds described in this application. To the best of my knowledge all information contained in this application is valid and accurate and the submission of this application has been authorized by the governing body of the undersigned jurisdiction.

Signature:

(Authorized Signatory/Highest Elected official)

Title

Print Name:

Date:

Jurisdiction:

Readiness application – Pass/Fail

- ▶ Policy Compliance- *Project Continuation*
 - ▶ All outstanding prior awards from 2024 and older that have not been certified complete must meet the criteria per policies by January 22, 2026; or
 - ▶ Submit a waiver request within the application; or
 - ▶ Remove the application for consideration (aka-do not submit the readiness application or request removal); if
 - ▶ Application is submitted and does not meet policy compliance, nor a waiver submitted for consideration, application will not move forward.”

Readiness application – Pass/Fail

- ▶ Regulatory Compliance- *OSE, NMED, OSA*
 - ▶ Any non-compliant issues must be resolved directly with the regulatory agency by March 20, 2026; or
 - ▶ Submit a waiver request* by March 20, 2026; or
 - ▶ Remove the application for consideration (aka-do not submit the readiness application or request removal); if
 - ▶ Application is submitted and does not meet regulatory compliance, nor a waiver submitted for consideration, application will not move forward.

**If proposed project does not meet regulatory compliance and a waiver is submitted for WTB consideration, the Board cannot waive any regulatory compliance. It can only allow extra time to meet the compliance and such time may be a condition of award and/or securing of the funds if awarded.*

Readiness Application Complete!



Readiness Application is
Due January 22, 2026

**On-line Applications and
attachments must be submitted
by January 22, 2026, 3:00 pm
MDT:**

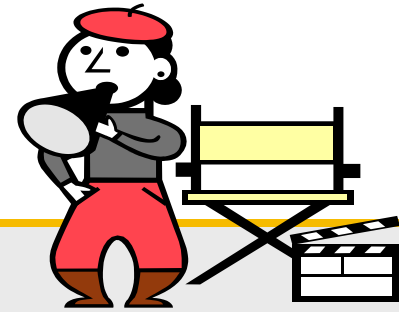
Applications must be submitted by the Super User (Primary User), though the information can be completed by other authorized users

<https://www.gotoenable.com/NMFAEnable/login.aspx/>



What Happens Next?





Behind the Scenes

WTB 2026 Legislative
Authorization List

January 20 thru
February 20, 2026,
Legislative Session

- WTB Authorization Bill
- Legislative Committees (House & Senate)
- Legislature Approval
- Governor Approval – bill signed
- Projects eligible for funding

Readiness Application Summary/Preparations

- Application updates
- Financial Capacity to take on Loan Component
- Regulatory Compliance
 - Budget and Audit Compliance
 - Water Rights – OSE
 - Safe Drinking Water Act – NMED
 - Clean Water Act - NMED
 - NM Water Regulations – NMED



Readiness Application Summary/Preparations - continued

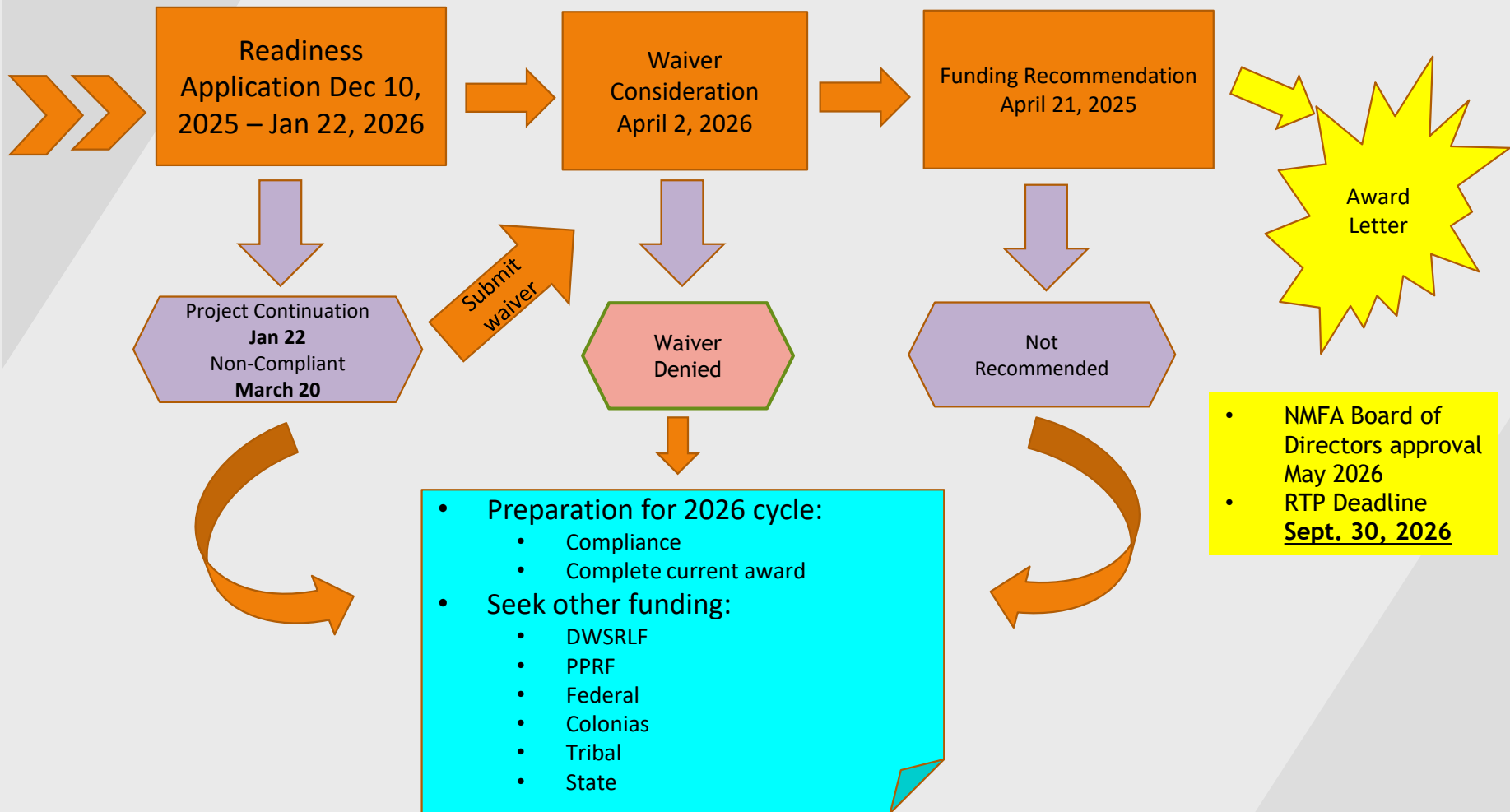
- Policy Compliance
 - Asset Management Plan
 - Project Continuation
- Secured Match

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- Readiness Application Training: *December 8, 2025*
- Readiness Application: *December 10, 2025 - January 22, 2026*
- Policy Compliance-Project Continuation: *January 22, 2026*
- Final regulatory compliance deadline/waiver requests due: *March 20, 2026*
- Waiver Considerations: *April 2, 2026*
- Anticipated WTB Funding Recommendation decision: *April 21, 2026*
- Approval on Funding Terms & Structure (NMFA): *May 2026*



***Readiness to Proceed Deadline - September 30, 2026**



- Preparation for 2026 cycle:
 - Compliance
 - Complete current award
- Seek other funding:
 - DWSRLF
 - PPRF
 - Federal
 - Colonias
 - Tribal
 - State

- NMFA Board of Directors approval May 2026
- RTP Deadline Sept. 30, 2026

Awards and Beyond>>>>>>

RTP DEADLINE: September 30, 2026

Award Training: *June 2026*

- Construction projects
 - Complete design/specs
 - NMED-CPB approval (if applicable)

- Secured Match verification
 - Executed funding agreements
 - Resolution committing to match

- Financial Structure/Coverage
 - Increase in Rates to meet coverage
 - Correct pledge for proposed project





Funding Needs

- Local Government Planning Fund
 - Susan Rodriguez LGPF@nmfa.net 505.992.9659

- Drinking Water State Revolving Fund
 - Todd Johansen DW@nmfa.net 505.992.9654
 - <https://swim.water.web.env.nm.gov/>

- Public Projects Revolving Fund pprf@nmfa.net
 - Ron Cruz rcruz@nmfa.net 505.992.9642
 - Carmela Manzari cmanzari@nmfa.net 505.992.9617
 - Ryan Olguin rolguin@nmfa.net 505.992.9636
 - John DuBois jdubois@nmfa.net 505.992.9651
 - Angelo Jaramillo ajaramillo@nmfa.net 505.992.9646

- Small Water Systems needing assistance for regionalization
 - Donnie Quintana dquintana@nmfa.net 505.992.9670





It's QUESTION TIME!!



Water Trust Board 2026 Readiness Application Training

For further information and/or
assistance please contact a Water
Trust Board Administrator at:

WTBAdmin@nmfa.net