

State of New Mexico
Drinking Water State Revolving Fund

State Fiscal Year 2025
July 1, 2024, through June 30, 2025

Annual Report
Submitted to EPA R6: September 30, 2025



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INTRODUCTION

The Safe Drinking Water Act was amended in 1996 and established the Drinking Water State Revolving Fund to provide funds for public water systems and ensure protection of public health. The State of New Mexico enacted the Drinking Water State Revolving Loan Fund Act (Section 6-21A-4, NMSA, the “Act”) to implement the State’s DWSRF program.

The New Mexico Finance Authority and the Drinking Water Bureau of the New Mexico Environment Department cooperatively administer the DWSRF program for the State of New Mexico. Pursuant to the Act, NMFA administers the DWSRF and the Administration Set-Aside, while NMED administers the Technical Set-Asides. The Technical Set-Aside funds provide technical assistance for small PWSs, program management support for PWS supervision, and local assistance such as capacity development and source water protection activities. As the State’s primacy agency, NMED is required to carry out regulatory and supervision of PWSs and enforce SDWA violations. Both NMED and NMFA collaborate to establish assistance priorities and administer the State’s DWSRF program.

In accordance with Federal and State requirements, the State prepared an annual, publicly reviewed, Intended Use Plan for SFY 2025 which identifies the intended uses of the capitalization grants awarded to the State for SFY 2025. The IUP describes the short and long-term goals of the State’s DWSRF program. It outlines the activities to be conducted under the Administrative and Technical Set-Asides, the financial status of the loan fund, the basis and methods of distributing the funds, and provides a prioritized list of projects to be funded with each specified capitalization grant award. The Annual Report is prepared at the end of each State Fiscal Year as a follow-up to the IUP and it covers SFY 2025, the period of July 1, 2024, through June 30, 2025.

The Annual Report does the following:

- Describes the program’s progress toward short and long-term goals described in the SFY 2025 IUP.
- Provides a summary of the use of funds, binding commitments, and executed loans.
- Describes assistance activities conducted with the funds.
- Addresses progress toward established outcomes as defined in the 2025 DWB DWSRF Set-Aside Work Plan¹.
- Evaluates and assesses how to improve programmatic performance.

The NMFA and NMED DWB provide this report to the public and the EPA Office, Region 6 to recount the activities undertaken by the DWSRF program which helps us to achieve the goals and objectives set forth in the SFY 2025 IUP.

¹ The SFY 2025 Work Plan will be submitted by the required September 30, 2025, deadline.

Table 1

NEW MEXICO DWSRLF CUMULATIVE OVERVIEW THROUGH JUNE 30, 2025	
Cumulative Assistance Provided ²	\$ 395,431,131
Cumulative Federal Capitalization Grants ³	\$ 400,603,500
Cumulative State Matches ⁴	\$ 64,419,780
Cumulative Loan Repayments	\$ 105,255,822
Cumulative Interest Repayments	\$ 23,572,877
Cumulative Investment Earnings	\$ 23,421,649

DWSRLF GOALS AND ACCOMPLISHMENTS

This report provides the accomplishments of the drinking water program supported by the DWSRLF and Set-Aside funds. The information provided in this report is a sample of activities and focuses on readily quantifiable activities. The State-developed goals discussed in the following sections are part of the SFY 2025 IUP. The long-term goals provide the framework to guide DWSRLF program decisions, and the short-term goals support implementation of the program’s long-term goals.

Progress Towards Short-Term Goals: DWB Short Term Goals

Short-Term Goal 1: DWB will provide targeted capacity assistance through the Capacity Development Program to systems that are on the DWSRLF Comprehensive Priority List but are not eligible for the Fundable Priority List due to capacity deficiencies.

Progress: The SWIG team has continued to coordinate with the PWSS team to identify at risk water systems as the basis for work orders that guide the work of technical assistance provides. The technical assistance providers provide guidance and support to water systems in developing projects and submitting applications for funding. Additional support may come in the form of engineering services that assist the water systems to develop shovel ready projects.

Short-Term Goal 2: DWB will develop comprehensive outreach and assistance including multiple stakeholders.

² Contains actual closed through SFY 2025.

³ Includes the FFY 2025 Capitalization Grant, IJJA Supplemental, EC, LSL, and ARRA.

⁴ Includes the State Match for FFY 2025 Capitalization Grant.

Progress: DWB has formalized the use of work orders to request technical assistance from providers to better align assistance to public water systems targeted for optimal outcomes. Work orders include requests for outreach that include technical, managerial, and financial support. Additional service requests include in person and virtual educational opportunities that target water systems in regional groupings. Training includes advanced operator training, regulatory compliance topics related to various state and federal reporting requirements, board training, and topics related to resiliency and regionalization.

NEMD engaged with multiple technical assistance providers including Rural Community Assistance Corporation (RCAC), New Mexico Rural Water Association (NMRWA), and US Geologic Survey (USGS). Additional work was completed by various members of the SWIG Team. RCAC has committed to support the increasing water utility technical, managerial, and financial capacity. Tasks assigned to USGS were focused on identification of emerging contaminants that may impact public source water supplies.

Short-Term Goal 3: DWB will review Priority Ranking Criteria and develop policies that increase benefits to water systems.

Progress: DWB has incorporated the use of the Enforcement Tracking Tool (ETT) into the selection process when determining technical assistance opportunities and options for water systems in need. Additionally, DWB has continued the practice of working collaboratively with PWSS in a formal and informal fashion to make initial assessments regarding the needs of a water system. DWB placed heavier emphasis on addressing compliance issues that have a potential immediate impact on public health.

Short-Term Goal 4: DWB will develop and submit quarterly invoices to NMFA.

Progress: Previously DWB struggled to accomplish this task in a timely manner. The creation and filling of the Grant and Contract Coordinator position resulted in a measured improvement in meeting reporting requirements in a timely manner. Vacancies in the financial management group have resulted in delays in requesting reimbursement.

Short-Term Goal 5: DWB will fill vacancies in PWSS and SWIG programs.

Progress: During this reporting period, PWSS has filled several positions but suffered significant losses. The SDWIS team has been filled, but the compliance team has suffered great losses, specifically several Rule Administrator positions and some general compliance officer's positions. Two newly created enforcement positions have yet to be filled. At the end of the fiscal year PWSS had six vacancies. The SWIG team continued to struggle with filling vacancies during this reporting period. Three of five teams had vacancies with a total of four

vacancies of twenty-one positions at the end of the reporting period. At the end of the reporting period, the Utility Operator Certification Program was split off to create a new management group. This team had several new positions created to create a team of seven, of which four positions are vacant.

Short-Term Goal 6: DWB will collaborate to create innovative and effective pathways for assistance.

Progress: DWB has continued collaboration with all contracted technical service providers to determine what work is in progress and what the focus of the work is. This has been successful in providing SWIG team members with greater insight into the work that the TA providers are completing under funding they have received. This has also provided insight into how that work compliments and extends work orders developed by SWIG team members. Development of concise tasks led to improved outcomes as the expectations, and descriptive work orders defined expectations no longer leaving them open-ended. Work orders submitted to technical assistance providers are now actively managed by the Team Leads for work assignments that are directly related to the activities of their respective teams.

Progress Toward Long-Term Goals: DWB Long-Term Goals

Long-Term Goal 1: The DWB will regulate and assist PWSs in New Mexico to provide safe, clean, affordable drinking water to the citizens and visitors of New Mexico. The DWB will support PWSs using the set-aside funds to maximize SDWA compliance; promote public health protection and affordable drinking water; PWSs sustainability; and PWS capacity with a focus on serving PWS populations of 10,000 or fewer, and a particular emphasis on those serving 3,300 or fewer.

Progress: The DWB compliance team continues to regulate New Mexico drinking water systems. In addition to addressing regular work tasks, members of the compliance and assistance teams were called to provide support to public water systems that suffered flooding events because of forest fires that heavily impacted the Ruidoso area. The Eastern Research Group (ERG) was used as a technical assistance provider to support completion of sanitary surveys. ERG was used to support completion of surveys in areas that are difficult to access due to large travel distances and provided surveys for larger water systems in New Mexico. This TA provider was also used to complete site inspections for water systems with sensitive issues to ensure transparency.

The Source Water Protection Team continued to be heavily engaged in completing source water protection plans and overseeing the development of monitoring events of emerging

contaminants and the impact on public health. The Assessment & Policy prepared and presented regular board training opportunities to provide better support of water system operations – however, during this monitoring period the team suffered full vacancy of positions primarily due to retirement. NMED continued the practice of posting enforcement and compliance activities making information more accessible to the public by presenting notices of violations and enforcement on the NMED web page.

Long-Term Goal 2: DWB will provide online and in-person training and individual assistance to PWS board members and operators through internal staff and contractors. This training serves to increase the technical, managerial, and financial (TMF) capacity of the PWSs, preparing them to handle the demands of operating a new and more efficient water system, as well as planning to protect quantity and quality of source water, and assistance to meet funding requirements for capital improvements.

Progress: Training has continued to facilitate the technical, managerial, and financial (TMF) capacity of the PWSs. Several regionalization opportunities have opened up over the last fiscal year. Additional resource sharing by small water systems has indicated that the training and support provided over the last few years has better prepared them to handle the demands of operating water systems with increased efficacy. The technical assistance rendered to the water systems has created and improved the plan to protect quantity and quality of source water on a regional scale. SWIG team members and technical assistance providers have directly promoted funding opportunities and have provided assistance to help systems meet and navigate the funding requirements for capital improvements. An added benefit of the engagement is the forward movement of several regionalization efforts and expansion of these efforts to other areas in New Mexico.

Long-Term Goal 3: DWB and its partners work with community PWSs throughout the State to encourage and assist systems to have a rate structure in place which supports normal operation, maintenance, emergency replacements, and planned infrastructure replacement costs. DWB will collaborate with other agencies and assist PWSs in need of funding for infrastructure improvements with funding requirements, building the capacity to manage the new infrastructure project, becoming ready to proceed to construction, and gaining the debt capacity to be fundable for a project.

Progress: DWB continues to provide educational opportunities to support both leadership and board member training, focusing on educating participants in a targeted and structured manner, which includes fiscal reporting to NM agencies other than NMED. An aspect of the funding process includes financial assessments and reporting to determine the ability to participate in funding opportunities. The Assessment & Policy team administered the rate-use survey sent to community systems in NM. This is voluntary self-reporting, and as such the response is low.

Long-Term Goal 4: The DWB will develop methods for assessing the needs and risk for prioritizing federal and state funds.

Progress: DWB continues to plan for the development of a water system ranking project that will have a front-facing portal. At this time the staffing of the bureau does not allow for the allocation of time related to this project – DWB will have to outsource this project. Currently, these efforts have stalled due to the vacancies in the Policy and Assessment team.

Long-Term Goal 5: The DWB will collaborate with organizations, agencies, and individuals to develop sustainable supplies of healthy drinking water for the PWSs of the State through Source Water Protection Program (SWPP) planning activities. This includes the work of the PFAS Technical Work Group and a focus on sampling PFAS throughout the state.

Progress: The Source Water Protection Team had a greater presence in public engagement activities and overseeing the development of monitoring events of emerging contaminants and the impact on public health. The team has continued its targeted, direct follow-up with public water systems regarding source water related concerns and work on source water assessment plans. ERG was used to complete a complex source-water protection plan for the Wagon Mound water system, and the team leader has turned over the management of the PFAS Technical Work Group to division level staff members.

Progress Towards DWB/NMFA Collaborative Short-Term Goals

Collaborative Short-Term Goal 1: NMFA and DWB will process quarterly invoices with first-in-first-out (FIFO) billing methods.

Progress: The DWB has implemented the FIFO billing methodology for invoicing. DWB has been assigning work tasks to staff to draw down earlier grant funding sources. When reviewing invoices submitted by technical assistance providers, the grant manager has been consistent in expending grants according to the initial dates of implementation.

Collaborative Short-Term Goal 2: NMFA and DWB will comply with all public comment, reporting, and all federal and state requirements.

Progress: The IUP was published for comment on May 22, 2025, and finished the public comment period June 23, 2025, with no comments from the public. NMED publishes an on-line resource open for public access and all deadlines are posted in the calendar on the main NMED page. NMED also maintains a public comments portal. Each of these resources is utilized in the IUP process. Spanish translations are maintained and/or translators are available upon request.

Collaborative Short-Term Goal 3: NMFA and DWB will apply for the FFY 24 Base Capitalization Grant; the FFY24 IJJA General Supplemental Capitalization Grant; the FFY 24 IJJA Lead Service Line Replacement Capitalization Grant; and the FFY24 IJJA Emerging Contaminants Capitalization Grant.

Progress: NMFA and DWB applied for the FFY 24 Base Capitalization Grant, the FFY 24 IJJA General Supplemental Capitalization Grant, and the FFY 24 IJJA Emerging Contaminants Capitalization Grant. New Mexico did not have enough demand to apply for the FFY 24 IJJA Lead Service Line Replacement Capitalization Grant.

Progress Towards DWB/NMFA Collaborative Long-Term Goal

Collaborative Long-Term Goal 1: In accordance with EPA timelines, NMFA and DWB will strive to complete 100% of all reports accurately and timely, maintain efficient administrative functions, and find innovative ways to utilize the DWSRLF to its fullest potential.

Progress: The State of New Mexico made the deadlines for all reporting goals including submission of the Annual Report, the IUP, and applying for the Capitalization Grants.

Collaborative Long-Term Goal 2: NMFA and DWB will review and recommend updates to the DWSRF Guidance documents including the state DWSRF Act, Memorandum of Understanding (MOU), and the Operating Agreement with EPA, dependent on state legislative action on the State DWSRF Act.

Progress: HB 240 passed the Legislature and was signed by the Governor on April 8, 2025. HB 240 updated the State Act to conform to the Federal laws. NMFA and NMED staff have been in communication and have traded drafts of the MOU. Staff expect to have a new MOU in Autumn of 2025. Once the MOU is updated, NMFA staff will coordinate with EPA Region 6 to update the Operating Agreement.

Progress Towards Short-Term Goals: NMFA Short-Term Goals

Short-Term Goal 1: Contingent on the Fundable Priority List, as allowed by the SDWA, NMFA will provide 40% of all loans closed in SFY 2025 to PWSs in Disadvantaged Communities, and 20% to small system PWSs from the FFY 2024 Capitalization Grant and the IJJA Supplemental Capitalization Grant.

Progress: Fifteen loans closed in SFY 2025 for a total of \$32,455,171. Of those loans, \$4,279,631 was for small systems, and \$28,174,097 was for disadvantaged systems. Of the total closings for SFY 2025, around 13% went to small systems and 86% went to disadvantaged systems.

NMFA disbursed \$31,722,126, in SFY 2025 and finished three EPA grants and two state match appropriations.

Short-Term Goal 2: NMFA will execute 100% of the binding commitments in SFY 2025, contingent on applicant willingness to take on a loan and the submission of required ready-to-proceed documents.

Progress: NMFA executed 12 binding commitments in SFY 2025 for a total of \$69.7 million in new loans. Seven binding commitments for Base /IJA general supplemental; three for IJA LSLR; and two for the IJA EC program.

Short-Term Goal 3: NMFA will process requisitions in a timely manner, allocate all funding in SFY 2025, and close 100% of the loans to communities that meet the readiness-to-proceed deadlines outlined in the binding commitments, contingent on the Fundable Priority List.

Progress: For SFY 2025, NMFA closed 15 loans for a total of \$32.4 million. This includes 7 Lead Service Line Inventory loans and one Emerging Contaminants loan.

Short-Term Goal 4: NMFA will keep EPA current on the status of its Comprehensive Annual Financial Report, including during the SFY Annual Program Evaluation Review.

Progress: The NMFA sent the Comprehensive Annual Financial Report to the Office of the State Auditor on October 9, 2024, and it was released on November 15, 2024. The report was sent to EPA on November 15, 2024.

Short-Term Goal 5: NMFA will issue binding commitments with entities equal to 120% of the federal capitalization grant and IJA Supplemental funding in SFY 2025. This is contingent on the Fundable Priority List, communities applying, and community ability to take on a loan.

Progress: NMFA has issued binding commitments equal to more than 128.14% cumulatively. See Attachment C, Binding Commitments for SFY 2025 with quarterly breakdown of commitments.

Progress Towards Long-Term Goals: NMFA Long-Term Goals

Long-Term Goal 1: NMFA will monitor its loans to mitigate any loan defaults.

Progress: The financial capacity of each borrower is determined by NMFA's Regional Finance Managers both prior to NMED generating the Fundable Priority List and again prior to going through the NMFA board approval process. After the loan closes, NMFA sends monthly Activity Statements and Invoices during the life of the loan, both during

construction and after the loan has become permanent. The Client Services Department monitors the loans for any late or delinquent payments and communicates with borrowers. There have never been any loan defaults in the DWSRF program.

Long-Term Goal 2: NMFA will ensure the DWSRLF will be a perpetual funding source with fiscal integrity to support PWSs in the State as shown by the cash flow model.

Progress: The DWSRF is a perpetual funding source. Please see Attachment A, SFY 2025 Cash Flow Model for the complete cash flow perpetuity model. The model shows that the DWSRF will continue in perpetuity with a Program Balance of approximately \$26.3 million available to loan in 2050 (assuming no additional capitalization grants after SFY 2024 allocations and a flat 7.01% rate of return after 2026).

SOURCES AND USES OF DWSRLF FUNDS

This section provides a detailed discussion of the DWSRLF assistance activities during SFY 2025. Details are provided on sources of funding for the program (FFY Capitalization Grant), in addition to the uses of DWSRLF and Set-Aside funds by SFY.

Sources of DWSRLF and Set-Aside Funds

The DWSRLF Sources and Uses SFY 2025 table below shows total DWSRLF funds available through June 30, 2025. The Federal Capitalization Grants and required State match is the primary source of funding for the DWSRLF.

Note: Disbursed funds reflect cash outlays of all DWSRLF funds regardless of the year in which they were committed. Individual funding sources are described below in the following sections.

Table 2 – Sources and Uses

DWSRLF SOURCES AND USES SFY 2025			
SOURCES	Cumulative Total through 6/30/24	7/1/2024 - 6/30/2025	Cumulative Total through 6/30/25
Federal Capitalization Grants	\$344,307,500	\$56,296,000	\$400,603,500
20% Capitalization Grant Match	\$57,258,980	\$7,160,800	\$64,419,780
Investment Interest	\$17,009,570	\$6,412,079	\$23,421,649
Loan Repayments – Principal	\$96,540,390	\$8,715,432	\$105,255,822
Loan Repayments - Interest	\$22,552,291	\$1,020,586	\$23,572,877
Total Sources	\$537,668,731	\$79,604,896	\$617,273,627
USES OF FUNDS			
Assistance Activity			
Large System Commitments	\$260,297,637	\$28,174,097	\$288,471,734
Small System Commitments	\$102,679,766	\$4,279,631	\$106,959,397
Total Assistance	\$362,977,403	\$32,453,728	\$395,431,131
Set-Aside Activity			
Administration	\$12,073,709	\$1,717,040	\$13,790,749
Small System Technical Assistance	\$5,641,653	\$705,720	\$6,347,373
State Programs Management	\$30,142,929	\$3,528,600	\$33,671,529
Local Assistance	\$39,036,858	\$5,292,900	\$44,329,758
Total Set-Asides	\$86,895,149	\$11,244,260	\$98,139,409
Total Uses	\$449,872,552	\$43,697,988	\$493,570,540
Carryover	\$87,796,179	\$35,906,908	\$123,703,087

Capitalization Grants

The 2024 Capitalization Grant and Bipartisan Infrastructure Law Supplemental Capitalization Grants were awarded on November 22, 2024, in the amounts of:

- \$ 4,661,000 FY 2024 DWSRF Base Capitalization Grant, FS-99692527
 - \$22,985,000 IIJA General Supplemental Capitalization Grant 4D-02F18903
 - \$ 7,640,000 IIJA Emerging Contaminants Capitalization Grant 4E-02F42403
 - \$ 6,250,000 House Bill 41 State Match
- \$41,536,000 Total DWSRF Program Funds**

State Match

The State match funds for all capitalization grants are held in an account outside of the DWSRF. NMFA has secured its required State match funds from appropriations from the Public Project Revolving Fund and State General Fund. These funds are deposited into the DWSRF account when the Governor signs the bill into law.

SDWA requires states to provide a 20% match to the Capitalization Grants. The FFY 2025 State match was secured from the New Mexico Legislature in House Bill 41 which was passed on March 21, 2025, and signed into law on April 7, 2025, for both the Base and the IJJA capitalization grants. Table 3 below illustrates the New Mexico DWSRF State Match appropriations through SFY 2025.

Table 3 – State Match

FFY Cap Grant	cap grant Amount	State Match Requirement	Match Source	Appropriation	Appropriation Source	Excess/(under)	Running balance
1997	\$12,759,800	\$2,551,960	HB 1277 (1997)	\$2,600,000	PPRF	\$48,040	\$48,040
1998/99	\$14,585,100	\$2,917,020	HB 224 (1998) & HB 84 (1999)	\$3,267,798	PPRF	\$350,778	\$398,818
2000	\$7,757,000	\$1,551,400	HB 139 (2000)	\$1,540,000	General Fund	(\$11,400)	\$387,418
2001	\$7,789,100	\$1,557,820	SB 34 (2002)	\$1,557,820	PPRF	\$0	\$387,418
2002	\$8,052,500	\$1,610,500	SB 109 (2003)	\$1,610,500	PPRF	\$0	\$387,418
2003	\$8,004,100	\$1,600,820	HB 100 (2004)	\$1,600,820	PPRF	\$0	\$387,418
2004	\$8,303,100	\$1,660,620	HB 2 (2005)	\$2,000,000	General Fund	\$339,380	\$726,798
2005	\$8,285,500	\$1,657,100	HB 123 (2005)	\$2,000,000	PPRF	\$342,900	\$1,069,698
2006	\$8,229,300	\$1,645,860	SB 105 (2007)*	\$2,000,000	PPRF	\$354,140	\$1,423,838
2007	\$8,229,000	\$1,645,800	SB 105 (2007)*	\$2,000,000	PPRF	\$354,200	\$1,778,038
2008	\$8,146,000	\$1,629,200	HB 2 (2008)	\$1,000,000	General Fund	(\$629,200)	\$1,148,838
2009	\$8,146,000	\$1,629,200	HB 77 (2009)	\$2,000,000	PPRF	\$370,800	\$1,519,638
2010	\$13,573,000	\$2,714,600	HB 108 (2010)	\$2,714,600	PPRF	\$0	\$1,519,638
2011	\$9,418,000	\$1,883,600	HB 13 (2011)	\$2,000,000	PPRF	\$116,400	\$1,636,038
2012	\$8,975,000	\$1,795,000	HB 39 (2012)	\$2,000,000	PPRF	\$205,000	\$1,841,038
2013	\$8,421,000	\$1,684,200	HB 18 (2013)	\$2,000,000	PPRF	\$315,800	\$2,156,838
2014	\$8,845,000	\$1,769,000	na (2014)	\$0	Excess Appropriations Balance	(\$1,769,000)	\$387,838
2015	\$8,787,000	\$1,757,400	SB 522 (2015)	\$1,800,000	PPRF	\$42,600	\$430,438
2016	\$8,312,000	\$1,662,400	HB19 (2016)	\$1,800,000	PPRF	\$137,600	\$568,038
2017	\$8,241,000	\$1,648,200	HB 256 (2017)	\$1,800,000	PPRF	\$151,800	\$719,838
2018**	\$11,107,000	\$2,221,400	HB 93 (2018)	\$1,800,000	PPRF	(\$421,400)	\$298,438
2019	\$11,004,000	\$2,200,800	SB 43 (2019)	\$2,500,000	PPRF	\$299,200	\$597,638
2020	\$11,011,000	\$2,202,200	SB 69 (2020)	\$2,500,000	Excess Appropriations Balance	\$297,800	\$895,438
2021	\$11,100,000	\$2,220,000	SB 70 (2021)	\$2,500,000	PPRF omnibus bill	\$280,000	\$1,175,438
2022	\$25,000,000	\$3,200,800	SB 37 (2022)	\$6,720,000	PPRF omnibus bill	\$3,519,200	\$4,694,638
2023	\$26,092,000	\$3,112,900	HB 298 (2023)	\$3,500,000	PPRF omnibus bill	\$387,100	\$5,081,738
2024	\$27,646,000	\$5,529,200	HB 29 (2024)	\$6,000,000	PPRF omnibus bill	\$470,800	\$5,552,538
2025***	\$35,804,000	\$7,160,800	HB 41 (2025)	\$6,250,000	PPRF omnibus bill	(\$910,800)	\$4,641,738
total	\$341,622,500	\$64,419,800		\$69,061,538		\$4,641,738	\$41,860,686

*SB 105 requested \$4,000,000 to cover the two years
** The FFY 2018 Capitalization Grant was higher than expected, NMFA utilized the excess from previous years to cover the difference
*** The FFY 2025 Capitalization Grant Base funding was fully allocated to the States, No community grants coming from the SRF.

Investment Earnings

In SFY 2025, the DWSRF investment interest earned was \$6,412,079 which brings the cumulative total DWSRF investment interest earned to \$23,421,649 as seen in Table 1 on page 2. The interest earnings are used to award additional DWSRF assistance under the Tier II funding.

Loan Repayments

As of June 30, 2025, the program received \$128,828,699 in cumulative loan and interest repayments. All recaptured principal and earned interest payments are deposited into the DWSRF and will be used to award additional DWSRF assistance.

Administrative Fees

The program received \$215,249 in administrative fees through SFY 2025. All administrative fees received are held outside of the DWSRF and are used to pay for NMFA overhead and program administration costs that are not already funded by the four percent (4%) Administration Set-Aside. Costs include sub-contractors for legal closings, environmental reviews, and the creation of operating procedure manuals.

Table 4 – Administrative Fees

Administrative Fee Balance 6/30/2025		
	BASE	Total
Balance as of 7/1/2024	\$ 209,840.71	\$ 209,840.71
DW - Collected SFY 25	\$ 215,220.29	\$ 215,220.29
DWL - Collected SFY 25	\$ 28.79	\$ 28.77
Used SFY 25	(\$340,422.37)	(\$340,422.37)
Balance 6/30/25	\$ 84,667.40	\$ 84,667.40

Uses of DWSRLF and Set-Aside Funds

Table 5 below represents the Primary Sources of DWSRLF Funding by FFY Capitalization Grant for annual and cumulative amounts of the Set-Aside Uses.

Table 5 – Primary Sources of Funding

Primary Sources of DSWRLF Funding By FFY Capitalization Grant													
	FFY 20 Awarded SFY 21	FFY 21 Awarded SFY 22	FFY 22 BASE Awarded SFY 23	FFY 22 BIL Supp Awarded SFY 23	FFY 22 BIL EC Awarded SFY 23	FFY 22 BIL LSL Awarded SFY 23	FFY 23 BASE Awarded SFY 24	FFY 23 BIL Supp Awarded SFY 24	FFY 23 BIL EC Awarded SFY 25	FFY 24 BASE Awarded SFY 25	FFY 24 BIL Supp Awarded SFY 25	FFY 24 BIL EC Awarded SFY 25	CUMULATIVE 1998 - 2025
Cap Grant Amount	11,011,000	11,100,000	7,008,000	17,992,000	7,555,000	28,350,000	5,037,000	21,055,000	767,500	4,661,000	22,985,000	7,640,000	365,181,000
State Match	2,202,200	2,220,000	1,401,600	1,799,200	0	0	1,007,400	2,105,500	0	932,200	4,597,000	0	57,259,000
TOTAL	13,213,200	13,320,000	8,409,600	19,791,200	7,555,000	28,350,000	6,044,400	23,160,500	767,500	5,593,200	27,582,000	7,640,000	422,440,000
Set-Asides	SET-ASIDES												
Administra tion (Max 4%) 1452(g)(2)	440,440	444,000	280,320	719,680	302,200	1,134,000	201,480	842,200	186,440	919,400	305,600	30,700	14,789,240
Systems Technical Assistance (Max 2%)	220,220	222,000	140,160	359,840	151,100	567,000	100,740	421,100	93,220	459,700	152,800	15,350	7,218,880
Programs Manageme nt (Max 10%)	1,101,100	1,110,000	700,800	1,799,200	755,500	2,835,000	503,700	2,105,500	466,100	2,298,500	764,000	76,750	36,094,400
Local Assistance (Max 15%) 1452(h)	1,651,650	1,665,000	1,051,200	2,698,800	1,133,250	4,252,500	755,550	3,158,250	699,150	3,447,750	1,146,000	115,125	52,332,469
Developm ent	1,048,078	1,056,549	667,054	1,712,561	719,120	2,698,483	479,445	2,004,112	443,655	2,187,818	727,210	73,054	33,138,216
Wellhead Protection	603,572	608,451	384,146	986,239	414,130	1,554,017	276,105	1,154,138	255,495	1,259,932	418,790	42,071	19,194,253
TOTAL	5,065,060	5,106,000	3,223,680	8,276,320	3,475,300	13,041,000	2,317,020	9,685,300	2,144,060	10,573,100	3,514,400	353,050	162,767,458

Future Uses of the DWSRLF

NMFA closed 15 new projects totaling \$32,455,171 in SFY 2025:

- Seven LSL Inventory loans in the amount of \$5,726,197
- One EC grant in the amount of \$3,000,000
- Six Base and Supplemental loans in the amount of \$23,678,974

Thus far we have closed eight LSL Inventory loans and have two more scheduled to close this calendar year worth \$15 million. Two more EC loans are scheduled to close this calendar year worth \$13.7 million, and three more Base Equivalency projects are scheduled to close worth \$37 million. This SFY 2025 loans are represented in Attachment D, SFY 2025 Closed Disadvantaged and Small Systems.

Status of Assistance Agreements

NMFA approved eleven DWSRF loans and provided Binding Commitments to those projects in the amount of \$46 million for SFY 2025, as seen in Table 6, Binding Commitments for SFY 2025, below. Binding Commitment letters are provided to PWSs that have been ranked on the Priority Fundable List, have applied to NMFA, and have gone through the consideration and approval of the NMFA Board of Directors.

Table 6 – Binding Commitments for SFY 2025

Base and IJJA Supp Binding Commitments for SFY 2025 -- 7/1/2024 to 6/30/2025						
Project #	Entity	Amount Approved	Date Last Approved by Board	Binding Commitment to Entity	Binding Commitment Quarter	County
DW-6520	Enchanted Forest	\$1,250,000	10/31/2024	1/16/2025	Q2	Lincoln
DW-6522	City of Santa Fe	\$17,000,000	10/31/2024	1/13/2025	Q2	Santa Fe
DW-6651	City of Los Alamos	\$2,727,000	1/30/2025	2/3/2025	Q3	Los Alamos
DW-6673	City of Carlsbad	\$7,916,862	3/27/2025	3/31/2025	Q3	Eddy
DW-6669	City of Carlsbad	\$17,092,884	3/27/2025	3/31/2025	Q3	Eddy
DW-6756	Tranquillo Pines	\$60,000	5/28/2025	5/28/2025	Q4	Bernalillo
Total of 7 projects		\$46,046,746				
LSL Binding Commitments for SFY 2025 -- 7/1/2024 to 6/30/2025						
Project #	Entity	Amount Approved	Date Last Approved by Board	Binding Commitment to Entity	Binding Commitment Quarter	County
DWL-6521	Portales Water System	\$500,000	1/30/2025	2/3/2025	Q3	Roosevelt
DWL-6671	Village of Hatch	\$325,500	2/27/2025	3/3/2025	Q3	Dona Ana
DWL-6674	City of Las Cruces	\$15,000,000	3/27/2025	3/31/2025	Q3	Dona Ana
Total of 3 projects		\$15,825,500				
EC Binding Commitments for SFY 2024 -- 7/1/2023 to 6/30/2024						
Project #	Entity	Amount Approved	Date Last Approved by Board	Binding Commitment to Entity	Binding Commitment Quarter	County
DWE-6759	La Cieneguilla Water Co.	\$5,915,497	6/26/2025	7/1/2025	Q1	Santa Fe
DWE-6764	Alto Lakes W & SD	\$1,900,000	6/26/2025	7/1/2025	Q1	Lincoln
2 Projects		\$7,815,497				

Water System Assessment

All DWSRF assistance recipients use publicly owned sources of water and are not required to submit a self-certification required by the WIIN Act 2108 (Water Infrastructure Improvements for the Nation Act).

Small System Assistance

The State follows (40 CFR 35.3525(a)(5) and 40 CFR 35.3525(b), providing a minimum of fifteen percent (15%) of available loan funds to small PWSs, which are defined as systems serving populations of 10,000 or fewer, based on the most recent U.S. census. Please see the Sources and Uses chart above for a breakdown of small and large system support.

Project By-Pass

The DWB and NMFA expect to fund the projects on the DWSRLF Fundable Priority List in rank order but reserve the right to bypass projects that are not ready to proceed with a DWSRLF loan. Under the current bypass procedure, the State reserves the right to fund a lower priority project over higher priority projects if either the DWB or NMFA determines that the higher priority project does not meet the DWSRLF readiness-to-proceed criteria.

The steps, in order of application, for using the DWSRLF Fundable Priority List are as follows. The PWS must be willing to take a loan and be ready to proceed within six months of being placed on the Fundable List. The PWS must have taken the necessary steps to expeditiously prepare funding documentation and initiation of construction. If the system does not agree to undertake a loan component as part of an assistance agreement, or if they have not proceeded expeditiously to complete all funding documentation and move toward construction, then the project will be bypassed to allow other systems to take advantage of the DWSRLF.

When PWSs are notified in writing of their eligibility for the DWSRLF by the DWB and NMFA, and the PWS fails to provide a loan application to NMFA regarding the DWSRLF funding within 45 days of notification, the project will be bypassed. Updates to the IUP process may result in a reprioritized Fundable Priority List in any given year. However, projects with binding commitments will take priority over any additions to the Fundable Priority List that may be made during the State fiscal year of the IUP.

If a project is added to the Fundable Priority List via one of the quarterly updates during an IUP year, the project may still be bypassed if it is not ready to proceed, or if there are insufficient funds in the DWSRLF to finance the new project, or if the PWS is found not to be credit worthy. Attachment E shows the list of Bypassed Projects for SFY 2025.

SET-ASIDE ACTIVITY STATUS

NMFA is assigned all tasks performed under the Administration Set-Aside and, in accordance with 40 CFR Subpart L §35.3510(b)(1), the NMED is assigned all activities associated with the Small Systems Technical Assistance, State Programs Management, and Local Assistance Set-Asides.

Administration 4% Set-Aside

The NMFA uses four percent (4%) of each capitalization grant to administer the DWSRLF, which includes expenditures for legal counsel, environmental and engineering reviews, construction oversight, and technical reviews related to project completion. Under the

DWSRLF program and EPA guidelines, all Preliminary Engineering Reports (PER) and Environmental Information Documents (EID) are required to be reviewed and approved prior to project construction. Table 7 below lists eight environmental reviews that were completed during SFY 2025 and one that is awaiting easements for review.

NMFA updated its SERP procedure with EPA R6 approval on August 20, 2018. In SFY 2019, NMFA updated its loan management policies to make more communities eligible as disadvantaged and severely disadvantaged and lowered the base interest rate. In SFY 2022, NMFA lowered the base rate again and updated the disadvantage definition. EPA requires that all phases of the construction process be monitored. NMFA uses the Administration Set-Aside to pay for technical reviews and construction monitoring of all DWSRLF infrastructure projects.

Table 7 – Environmental Reviews

SFY 2025 Environmental Reviews			
Borrower	Project #	SERP Outcome	Date of Determination
Enchanted Forest	DW-6520	CE - Statement of Finding	12/24/2024
City of Santa Fe	DW-6522	CE - Statement of Finding	1/8/2025
City of Clovis/ENMWUA	DW-5861	CE - Statement of Finding	1/13/2025
ENMWUA	DW-5860	CE - Statement of Finding	1/13/2025
City of Portales	DW-6521	CE - Statement of Finding	3/20/2025
City of Los Alamos	DW-6651	CE - Statement of Finding	3/20/2025
Village of Hatch	DW-6671	CE - Statement of Finding	3/20/2025
City of Alamogordo	DW-6254	Awaiting Easements	4/21/2025
City of Carlsbad	DW-6673	CE - Statement of Finding	6/20/2025

Staff and Agency Resources in SFY 2025

In SFY 2025, NMFA utilized \$2,431,140 in Administration Set-Aside funds. As allowed by the SDWA, the State reserved and specified an amount equal to four percent (4%) of the FFY capitalization grants for administration of the DWSRLF program.

Approximately 33 NMFA employees worked directly and indirectly on the DWSRLF program for an equivalent of approximately 3.22 full-time employees. The NMFA charges its staff time based on actual hours worked on the DWSRLF program. Engineering, construction oversight, and other technical services are provided through contracts with CPB and other contractors.

Activities Performed in SFY 2025

The NMFA used the Administration Set-Aside to operate the DWSRLF and it has experienced no defaults to date. The goal of the NMFA is to maintain the DWSRLF as a perpetual funding source with fiscal integrity as demonstrated in Attachment A, SFY 2025 Cash Flow Model and Attachment B, SFY 2024 Financial Statements.

Progress in Meeting Targeted Accomplishments Established for SFY 2025

In SFY 2025, the State drew down \$34,281,474 from federal capitalization grants between set-asides (NMFA and NMED) and loan distributions. Cumulatively, through June 30, 2025, the NMFA closed 214 loans (including Amended and Restated loans to increase project funding) for 196 projects, totaling more than \$436 million (original commitment) and \$395.4 million (final commitments).

SUSTAINABLE WATER INFRASTRUCTURE GROUP

Sustainable Water Infrastructure Group Update

DWB maintains adequate financial resources to support core SWIG staff and program activities, though the group remains heavily reliant on federal grants due to limited state funding. Staffing has been a persistent challenge across SWIG and PWSS: both groups have hired new staff, yet several vacancies remain difficult to fill while workload demands are high.

The Utility Operator Certification Program (UOCP) experienced significant turnover during the year, with the team lead and multiple coordinators retiring or leaving in close succession. One new position was filled prior to these departures, and additional positions—including a team lead, two coordinators, an education coordinator, and a newly created manager—are in various stages of recruitment. Despite reduced staffing, the remaining two UOCP staff, supported by the SWIG Manager and contractors, have sustained operations by streamlining processes within the Certemy platform.

The PWSS team faced similar challenges but successfully filled one Lead and Copper Rule Administrator position and created another equivalent role to meet new compliance demands. DWB continues to rely on contractors to provide technical, managerial, and financial assistance, ensuring continuity of services while recruitment proceeds.

Programmatic Activities

Capacity Development

The capacity development team provided technical, managerial, financial, and emergency response assistance to between 40 and 62 systems per quarter throughout FY25. Support included:

- Response to major emergencies (fires, flooding, and outages), including extensive support to the City of Las Vegas during a month-long boil water advisory.
- Daily coordination during the South Fork/Salt Fires, including mapping, special sampling (VOC, nitrates, metals), and interagency coordination with FEMA, EPA, and DHSEM.
- Project reviews: 67 for the Water Trust Board cycle, 17 for Colonias Infrastructure Fund, and 17 technical reviews for Colonias funding.
- Participation in the EPA Region 6 Area-Wide Optimization Program (AWOP), with New Mexico preparing to host a regional AWOP training in October 2025.
- Collaboration on cybersecurity awareness and integration into state emergency planning.
- Training delivery at regionalization meetings, water association conferences, and targeted workshops.

Utility Operator Certification Program (UOCP)

Despite reduced staffing, UOCP maintained application processing and operator support through:

- Streamlined SOPs and process improvements within Certemy.
- Use of ERG and contractor support to manage daily operations.
- A temporary pause in new applications (December 2024) to stabilize workflows.

The team is working through ongoing recruitment to rebuild program capacity. At the end of the reporting period the program worked to fill the newly created position of UOCP Group Manager.

Assessment and Policy

The Assessment and Policy team continued providing managerial and board training for Mutual Domestic Water Consumer Associations (MDWCAs). Training in FY25 Q2 and Q3 covered Safe Drinking Water Act compliance, financial management, asset inventory, governing documents, rate setting, and project funding strategies.

Through the reporting period training reached 434 attendees and 284 systems assisted. No trainings were held in Q4 due to staffing turnover, but recruitment efforts for two program coordinator positions are underway.

Infrastructure Support

The Infrastructure Support team met nearly all regulatory review deadlines, with only isolated delays. FY25 activities included 141 completed engineering reviews with 59 proposed projects at the end of the fiscal year.

Key accomplishments:

- Development and publication of IUPs, including public comment processes.
- Supplemental and base project lists published (though base list deadlines were occasionally delayed due to extended financial reviews).
- Recruitment of an Infrastructure Outreach Coordinator and addition of an engineering intern to expand program support.

Source Water Protection (SWP)

The SWP team became fully staffed in 2024, which enabled expanded program capacity. FY25 accomplishments included the Source Water Protection (SWP) team becoming fully staffed at the end of 2024, which enabled the program to significantly expand its capacity in FY25. Over the course of the year, the team developed 21 new source water protection plans, including regional plans in Mora and Valencia Counties that each covered up to a dozen systems. By the end of Q4, one new plan had been completed, and two others were nearing finalization. In conjunction with these planning efforts, the team updated source water assessments for all systems with newly developed plans.

Support to public water systems also grew substantially. In Q3 alone, the SWP team assisted 33 unique systems, contributing to an annual total of 35 systems supported and 511 source water assistance actions, more than doubling the 215 actions recorded in FY24. In parallel, the team continued to conduct NEPA and subdivision reviews in collaboration with NMED's Office of the State Engineer, while also drafting and refining a new standard operating procedure for monitoring waiver reviews, which remains under EPA Region 6 review.

The program dedicated considerable attention to PFAS and other emerging contaminants. This work included statewide sampling coordinated with USGS, extensive outreach to public water systems, and participation in the Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) grant program. Beginning in June 2025, contractors initiated PFAS

sampling, with the SWP team providing oversight through data review and technical support.

Finally, the team expanded its outreach and training role, delivering presentations and workshops at multiple venues, including conferences hosted by the New Mexico Rural Water Association and the New Mexico Water & Wastewater Association, as well as community events at La Vida Mission and Wagon Mound.

In FY25, SWIG advanced DWSRF and drinking water program goals despite significant personnel turnover and continued reliance on federal funds. Key progress included expanded capacity development and emergency response support, sustained UOCP operations through staffing transitions, major training efforts for MDWCAs, timely engineering reviews and IUP publications, and robust expansion of SWP planning and PFAS monitoring. Recruitment remains a priority in FY26 to stabilize program operations, while contractors and cross-team collaboration continue to provide critical support.

Small Systems Technical Assistance 2% Set-Aside

The SDWA Section 1452(g)(2)(C) authorizes States to use 2% of the Capitalization Grant Set-Aside to provide technical assistance to small PWS serving a population of 10,000 or fewer. This set-aside pays for staff salaries, provides direct assistance and training to small water systems, and enables those systems to achieve and maintain compliance with SDWA and State Drinking Water regulations. DWB staff target small water systems for assistance with a technical assessment for those that have administrative orders or have remained on the list of non-compliant water systems generated by EPA’s Enforcement Tracking Tool (ETT). Assistance is also given to small systems with emergencies and/or technical issues, for emergency and resilience planning, and for construction project engineering review or guidance.

TABLE 6-A					
Small Systems Technical Assistance Element (2%)					
Total Expenditures for SFY 2025					
DWSRF Funding Source	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL Expenditures
FFY 23	\$2,909.31	\$12,136.19	\$45,459.11	\$88,865.19	\$149,369.80
FFY 24	\$63,131.15	\$78,063.50	\$60,057.92	\$67,277.60	\$268,530.17
FFY 25	\$59,823.47	\$61,003.61	\$48,873.49	\$72,717.18	\$243,417.75
Total	\$125,863.93	\$151,203.30	\$155,390.52	\$228,859.97	\$661,317.72

TABLE 6-B						
Small Systems Technical Assistance Element (2%)						
Total Expenditures by FFY Capitalization Grant						
Federal Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Un-specified Amount	Un-specified Amount Transferred to Loan Fund	Specified Expenditures through 06/30/25	Ending Balance as of 06/30/25
FFY97	\$255,196	\$255,196	\$0	\$0	\$255,196	\$0
FFY98-99	\$291,702	\$291,702	\$0	\$0	\$291,702	\$0
FFY00	\$155,140	\$155,140	\$0	\$0	\$155,140	\$0
FFY01	\$155,782	\$155,782	\$0	\$0	\$155,782	\$0
FFY02	\$161,050	\$161,050	\$0	\$0	\$161,050	\$0
FFY03	\$160,082	\$160,082	\$0	\$0	\$160,082	\$0
FFY04	\$166,062	\$166,062	\$0	\$0	\$166,062	\$0
FFY05	\$165,710	\$165,710	\$0	\$0	\$165,710	\$0
FFY06	\$164,586	\$164,586	\$0	\$0	\$164,586	\$0
FFY07	\$164,580	\$164,580	\$0	\$0	\$164,580	\$0
FFY08	\$162,920	\$162,920	\$0	\$0	\$162,920	\$0
FFY09	\$162,920	\$162,920	\$0	\$0	\$162,920	\$0
FFY09 (ARRA)	\$390,000	\$390,000	\$0	\$0	\$390,000	\$0
FFY 2010	\$271,460	\$271,460	\$0	\$0	\$271,460	\$0
FFY 2011	\$188,360	\$188,360	\$0	\$50,981	\$137,379	\$0
FFY 2012	\$179,500	\$179,500	\$0	\$0	\$179,500	\$0
FFY 2013	\$168,420	\$168,420	\$0	\$168,420	\$0	\$0
FFY 2014	\$176,900	\$176,900	\$0	\$0	\$176,900	\$0
FFY 2015	\$0	\$0	\$175,740	\$0	\$0	\$175,740
FFY 2016	\$166,240	\$166,240	\$0	\$0	\$166,240	\$0
FFY 2017	\$164,820	\$164,820	\$0	\$0	\$164,820.00	\$0
FFY 2018	\$222,140	\$222,140	\$0	\$0	\$222,140	\$0
FFY 2019	\$220,080	\$220,080	\$0	\$0	\$220,080	\$0
FFY 2020	\$220,220	\$220,220	\$0	\$0	\$220,220	\$0
FFY 2021	\$220,020	\$220,020	\$0	\$0	\$16,160.31	\$0
FFY 2022	\$140,160	\$140,160	\$0	\$0	\$113,251.46	\$0
FFY 2023	\$98,760	\$98,760	\$0	\$0	\$0	\$98,760
FFY 2024	\$93,220	93,220	\$0	\$0	\$129,411.77	\$93,220

TABLE 6-B						
Small Systems Technical Assistance Element (2%)						
Total Expenditures by FFY Capitalization Grant						
Federal Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Un-specified Amount	Un-specified Amount Transferred to Loan Fund	Specified Expenditures through 06/30/25	Ending Balance as of 06/30/25
FFY 2025			\$0	\$0	\$243,417.75	\$129,411.77
TOTAL	\$5,086,030	\$5,086,030	\$175,740	\$219,401	\$4,765,273	\$497,132

Small Systems Technical Assistance Activities & Workplan Achievements

During SFY 2025, technical assistance was provided to help small PWSs improve their capacity to operate surface and ground water systems. PWSs received technical guidance on how to improve or maintain compliance with drinking water regulations and assistance with troubleshooting compliance problems. Since approximately 80% of community water systems are small, most of the technical assistance is provided to those small systems, especially as the larger municipal systems have little need for external assistance.

The DWB has continued to improve compliance with small PWSs through the coordinated efforts of capacity development, engineering, and enforcement programs. These programs offer technical assistance to troubled water systems experiencing violations or expecting to exceed standards in the near future. This team will perform onsite visits for all reports of acute contamination detections. The Technical Services Program provided small water systems with technical assistance to enable them to return to or maintain compliance and supply safe drinking water. This team also includes organizational team meetings, internal training, and administrative support tasks such as tracking in Safe Drinking Water Information System (SDWIS), program performance reporting and tracking time and expenses to this set-aside.

DWB Programs Working on Set-Aside Activities: Capacity Assistance

Goal: Provide quality technical assistance to small water systems to foster Safe Drinking Water Act and New Mexico Drinking Water Regulations compliance and to produce high quality drinking water.

Objective 1: To provide quality assistance to enable small water systems (serving a population <10,000) to return to and maintain compliance with the Safe Drinking Water Act (SDWA) and New Mexico Drinking Water Regulations and produce high-quality drinking water for the long term.

Objective 1 Specific Outputs & Outcomes

Responsible DWB Program(s):	Capacity Assistance				
Work Plan Outputs	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number of systems receiving technical assistance to return to compliance with SDWA	57	40	46	58	201
Number of assistance actions completed to return systems to compliance with SDWA	40	22	48	88	198

State Program Management 2% Set-Aside

The SDWA Section 1452(g)(2)(B) authorizes states to use 10% of the State Programs to provide support for the 1) Public Water System Supervision (PWSS) program 2) Administration of the Utility Operator Certification program (UOCP) 3) Administration of DWB and DWSRF.

The activities that support the PWSS program include providing administrative support for the DWB staff, conducting sanitary surveys to assess the needs and deficiencies of PWSs, implementing new and enforcing existing rules and regulations, and providing an immediate response to confirmed acute contamination events and PWS problems that may impact public health.

The set-aside activities for the UOCP are administration and support of the Utility Operator Certification Program (UOCP) to administer operator testing and certification tracking. Additional activities include providing administrative support for DWB such as developing the DWSRF grant application, priority lists, planning documents, required quarterly and annual reports, and any other documentation required to support the grant process.

TABLE 7-A State Programs Management Element (10%) Total Expenditures for SFY 2025					
DWSRF Funding Source	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL Expenditures
FFY 21	\$123,474.08	\$151,162.92	\$193,985.81	\$306,219.75	\$774,842.56
FFY 22	\$15,046.82	\$33,547.72	\$244,756.17	\$38,292.77	\$331,643.48
FFY 23	\$138,520.90	\$184,710.64	\$438,741.98	\$344,512.52	\$1,106,486.04
FFY 24	\$245,155.34	\$375,756.98	\$289,343.70	\$184,057.52	\$1,094,313.54
FFY 25	\$808,240.87	\$388,107.48	\$490,512.17	\$742,495.80	\$2,429,356.32
Total	\$ 1,330,438.01	\$1,133,285.74	\$1,657,339.83	\$1,615,578.36	\$5,736,641.94

State Program Management Activities and Workplan Achievements

This set-aside primarily provides support to the programmatic functions of the PWSS grant program authorized under Section 1452 (g)(2)(B) of the SDWA. The general goals of PWSS include primacy development and maintenance, rule implementation, enforcement, compliance, improved water system data management, public outreach and information, and improved laboratory capacity. Activities performed under this Set-Aside in SFY 2022 focused on water system inspections and related compliance as well as providing guidance through emergency situations to ensure compliance and meeting the public notification requirements.

DWB Programs Working on Set-Aside Activities: All PWSS, All SWIG

Goal: Provide PWSS support programs that will ensure public water systems' compliance with the Safe Drinking Water Act and New Mexico Drinking Water Regulations.

Objective 1: Implement the administration for the Public Water System Supervision Group (PWSS) to ensure that programmatic requirements are met and activities are of high quality and efficiently implemented.

Responsible DWB Program(s):	PWSS				
Work Plan Outputs – SP Objective 1	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Two internal staff trainings per year	2	2	1	1	6
Enforcement / Compliance Coordination meetings attended	6	8	6	6	26
Attendance at four PWSS Program Meetings, Conferences or Workshops each year	2	2	3	2	9
NM Administrative Trainings	0	0	0	0	0
Annual Compliance Report	Yes				

Objective 2: Provide public water system supervision to ensure compliance with the SDWA and NM Drinking Water Regulations.

Responsible DWB Program(s):	PWSS				
Work Plan Outputs – SP Objective 2	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number of Sanitary Survey Site Visits	89	52	55	43	239
25% of Sanitary Surveys Due are Completed Each Quarter	29%	17%	18%	14%	77%

Sanitary Survey reports issued during reporting quarter	95	58	30	23	206
Number of Administrative Orders Finalized	7	2	0	1	10
Unaddressed/Open Significant Deficiencies at the end reporting quarter	103	114	104	195	516
Unaddressed/Open MCL candidate violations at the end of reporting period	22	9	24	18	73
Number of Water Systems with validated MCL Violations during reporting period	20	17	11	16	64
% of scheduled PWS surveys completed by calendar year 2025 (95% goal)	40%	70%	39%	68%	54%
% of the population served by PWS meets health-based standards. (90% goal)	97%	98%	97%	99.5%	98%

Objective 3: Implement the administration of the Capacity Development Program to ensure that programmatic requirements.

Responsible DWB Program(s):	SWIG Manager, all SWIG program supervisors
Work Plan Outputs – SP Objective 3	FY25
Maintain a current Capacity Development Strategy that reflects current activities and objectives.	Capacity Development Strategy documents will be reviewed by December 31, 2024. Main objectives remain the same.
Triennial Capacity Development Report to the Governor	September 30, 2023, deadline met. Report is next due September 30, 2026.
Capacity Development Annual Report	In progress, due September 26, 2025
Operator Certification Annual Report	Submitted to EPA September 4, 2025
Complete quarterly performance reports on capacity development activities for NMFA invoicing.	Quarterly performance invoice reports have been submitted timely.

Objective 4: Implement the administration of the Utility Operator Certification Program (UOCP) to ensure that programmatic requirements are met and that program activities are of high quality and efficiently implemented.

Responsible DWB Program(s):	Utility Operator Certification Program				
Work Plan Outputs – SP Objective 4	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
100% of operator certification applications submitted will be reviewed and processed in a timely manner (2 weeks prior to an exam)	-	50%	100%	100%	83.3%

Attendance at Utility Operator Certification Program meetings as they are offered.	Weekly	Weekly	Weekly	Weekly	Weekly
Annual Operator Certification Report submitted to EPA on time.	Submitted to EPA September 4, 2025				
Complete quarterly performance reports on Utility Operator Certification activities for NMFA invoicing.	Yes	Yes	Yes	Yes	Yes
Other Program Deliverables:					
UOC Advisory Board meetings prepared for & attended	1	1	1	2	5

Objective 5: Provide evaluations of ground water under the direct influence (GWUDI) of surface water for public water systems.

Responsible DWB Program(s):	Source Water Protection				
Work Plan Outputs – SP Objective 5	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number of GWUDI determinations made	In Progress	In Progress	In Progress	In Progress	In Progress
More information and testing are needed for determination. There is no updated information as environmental requirements have not been met to complete the GWUDI determinations.					

Objective 6: To provide regulatory engineering review and technical support to new and existing water systems to achieve and maintain compliance with the Safe Drinking Water Act (SDWA) and New Mexico Drinking Water Regulations and produce high-quality drinking water for the long term.

Responsible DWB Program(s):	Infrastructure Support-Engineering Program				
Work Plan Outputs – SP Objective 6	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number of plans and specifications reviewed	39	28	39	35	141
Percent engineering reviews completed within regulatory timeframes	97%	100%	100%	97%	Average percentage 99%

Local Assistance – Capacity Development 10% Set-Aside

The SDWA Section 1452(k)(1)(B) authorizes states to use 10% of the Capitalization Grant Set-Aside to aid, including technical and financial assistance, to any public water system as part of a capacity development strategy developed and implemented in accordance with section 1420(c).

Table 8-A
Capacity Development Sub Element (10%)
Total Expenditures for SFY 2025

DWSRF Funding Source	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL Expenditures
FFY21	\$188,508.43	\$163,112.35	\$135,793.77	\$87,437.39	\$574,851.94
FFY23	\$199,279.61	\$178,918.78	\$153,566.44	\$171,748.11	\$703,512.94
FFY24	\$154,960.82	\$145,494.61	\$369,284.46	\$583,306.41	\$1,253,046.30
FFY25	\$394,476.16	\$388,254.09	\$161,759.80	\$898,904.23	\$1,843,394.27
SFY25 Total	\$937,225.02	\$875,779.83	\$820,404.47	\$1,741,396.14	\$4,374,805.45

Table 8-B
Capacity Development Sub-Element (10%)
Total Expenditures by FFY Capitalization Grant

Federal Awards Allocated to Set Aside	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Amount Transferred to Loan Fund or EPA In-kind services	Specified Expenditures through 06/30/23	Ending Balance as of 06/30/23
FFY97	\$537,990	\$537,990	\$0	\$0	\$537,990	\$0
FFY98-99	\$1,312,659	\$1,312,659	\$0	\$0	\$1,312,659	\$0
FFY00	\$698,130	\$698,130	\$0	\$0	\$698,130	\$0
FFY01	\$778,910	\$778,910	\$0	\$0	\$778,910	\$0
FFY02	\$805,205	\$805,205	\$0	\$0	\$805,205	\$0
FFY03	\$800,410	\$800,410	\$0	\$0	\$800,410	\$0
FFY04	\$830,310	\$830,310	\$0	\$0	\$830,310	\$0
FFY05	\$828,550	\$828,550	\$0	\$0	\$828,550	\$0
FFY06	\$822,930	\$822,930	\$0	\$0	\$822,930	\$0
FFY07	\$822,900	\$822,900	\$0	\$0	\$822,900	\$0
FFY08	\$814,600	\$814,600	\$0	\$37,753	\$776,847	\$0
FFY09	\$814,600	\$814,600	\$0	\$0	\$814,600	\$0
FFY09 (ARRA)	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2010	\$1,357,300	\$1,357,300	\$0	\$0	\$1,357,300	\$0
FFY 2011	\$941,800	\$941,800	\$0	\$276,513	\$665,287	\$0
FFY 2012	\$897,500	\$897,500	\$0	\$0	\$897,500	\$0
FFY 2013	\$842,100	\$842,100	\$0	\$0	\$842,100	\$0
FFY 2014	\$884,500	\$884,500	\$0	\$0	\$884,500	\$0
FFY 2015	\$878,700	\$878,700	\$0	\$0	\$877,133	\$0
FFY 2016	\$831,200	\$831,200	\$0	\$400,000	\$831,000	\$0
FFY 2017	\$824,100	\$824,100	\$0	\$500,000	\$824,100	\$0
FFY 2018	\$1,110,700	\$1,110,700	\$0	\$0	\$1,110,700	\$0
FFY 2019	\$955,400	\$955,400	\$0	\$0	\$955,400	\$0
FFY 2020	\$1,101,100	\$1,101,100	\$0	\$128,957	\$972,142	\$0
FFY 2021	\$1,100,100	\$1,100,100	\$0	\$0	\$815,169	\$284,931
FFY 2022	\$2,500,000	\$2,500,000	\$0	\$0	\$128,263	\$2,371,737
FFY 2023	\$700,800.00	\$700,800.00	\$0	\$0	\$467,096	\$56,638
FFY 2024	\$466,100	\$466,100	\$0	\$0	\$712,779.72	\$311,700
FFY 2025			\$0	\$0	\$254,224.87	\$741,844.07
TOTALS	\$23,252,394	\$23,252,394	\$0	\$1,343,223	\$21,726,387	\$1,598,126

DWB Programs Working on Set-Aside Activities: All PWSS and SWIG Staff

Goal: Provide community water systems with technical, managerial and financial assistance needed to maintain capacity to provide safe drinking water in an efficient and sustainable manner.

Objective 1: Assess the technical, managerial, and financial (TMF) capacity of community and non-transient non-community public water systems.

Responsible DWB Program(s):	Capacity Assistance, Assessment & Policy				
Work Plan Outputs – CD Objective 1	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number of systems triggered by AO or new system receiving capacity assessments and assistance plan*	0	2	1	2	5
Workplan Outcomes					
100% of systems triggered by AO receiving TMF assessment within 2 weeks	100%	100%	100%	100%	100%
100% of systems assessed receive assistance workplan within 4 weeks of completion	0	0	0	4	4
100% of systems triggered by AO offered targeted assistance	100%	100%	100%	100%	100%

*Some systems received assistance over multiple quarters, so YTD total does not equal sum of quarters.

Objective 2: Provide water systems with assistance in achieving technical, managerial, and financial capacity development milestones to improve PWS compliance, become sustainable water systems and qualify for DWSRLF.

Responsible DWB Teams:	Infrastructure Support, Capacity Assistance, Assessment & Policy				
Work Plan Outputs – CD Objective 1	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Total Number of PWS receiving technical assistance	40	32	46	38	156
Total Number of PWS receiving managerial & financial assistance	10	57	53	51	171
Number of PWS receiving new or updated Capacity Assessments	2	2	6	8	18

<i>Some systems assisted over multiple quarters; YTD total is not sum of each quarter</i>					
% PWS issues AOs offered capacity assessment	N/A	N/A	N/A	N/A	We are not advised when an AO is issued so we are not able to offer an assessment.
Number of PWS receiving engineering assistance/reviews*	39	27	36	34	136
100% of the systems that commit to a capacity development workplan receive capacity development assistance.	100%	100%	100%	100%	Yes
Percent engineering reviews completed within regulatory timeframes	97%	100%	100%	97%	Average percentage 99%

* The total FY24 value for the number of public water systems provided engineering reviews is not a sum of the 4 quarters because public water systems may submit multiple engineering applications throughout the year. Each quarter's numbers are reflective of only one engineering application being counted for each water system even if they have multiple submitted within the quarter.

Objective 3: Administer DWSRLF and provide assistance to communities with the DWSRLF funding process. Information has been updated to reflect the use of pre-applications in place of project interest forms.

Responsible DWB Teams:	Infrastructure Support – Funding				
	SFY 2025				
Work Plan Outputs – CD Objective 3	Q1	Q2	Q3	Q4	YTD Totals
<i>Total number of Pre-Applications submitted.</i>					
Base IJJA Supplemental	0	2	11	6	19
Lead Service Line Replacement	0	1	0	1	2
Emergent Contaminants	0	0	0	0	0
<i>Number of Projects on the DWSRF Quarterly Priority</i>					
Base IJJA Supplemental	4	1	1	1	7
Lead Service Line Replacement	2	1	0	0	3
Emergent Contaminants	0	0	2	0	2
<i>Number of Pre-Applications with supplemental docs submitted.</i>					
Base IJJA Supplemental	0	0	1	0	1

Lead Service Line Replacement	0	1	0	0	1
Emergent Contaminants	0	0	2	0	2
Collaborative Activities with NMFA					
Report on number of coordination meetings held with NMFA.	3	3	3	3	12
All DWSRF Priority Lists published by IUP deadline. *	No	No	No	Yes	Yes

Objective 4: Provide group/classroom training sessions on TMF capacity and participate in outreach events on the Capacity Development Programs.

Responsible DWB Teams:	Capacity Assistance and Assessment & Policy				
Work Plan Outputs – CD Objective 4	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number of training courses/ presentations by staff and contractors for System Managers (Boards)	5	6	8	0	19
Report on the Rate Survey Results Annually. (Number of Rate Surveys received)	0	0	157	129	286
Free training offered to operators each quarter (by DWB staff)	5	5	7	0	17
Free training offered to operators each quarter (by DWB Contractors)	0	3	5	6	14

Objective 5: Develop and maintain participation in EPA’s Area Wide Optimization Program (AWOP) to provide technical assistance for capacity development.

Responsible DWB Teams:	Capacity Assistance				
Work Plan Outputs – CD Objective 5	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number of PWS receiving AWOP assistance activities	4	5	5	5	19
Total number of AWOP assistance activities completed	15	26	30	48	119
EPA Program participation	Arkansas, AWOP Training 2 Staff, EPA Asset Management Meeting, Virtual, 1 Staff AWOP Region 6 Meeting Cincinnati 2 staff				

Objective 6: Develop and maintain a Utility Operator Certification Program (UOCP) to provide consistent statewide support in certification requirements and implementation of regulations for drinking water operators throughout NM. Work with stakeholders through the Utility Operator Advisory Board and outreach events as needed.

Responsible DWB Program(s):	Utility Operator Certification Program				
Work Plan Outputs – CD Objective 6	SFY 2025				
	Q1	Q2	Q3	Q4	YTD Totals
Water & Wastewater certification renewals	248	198	273	221	940
Water & Wastewater exam applications processed	77	61	344	163	645
Water & Wastewater exams taken	149	153	130	220	652
Exam pass rate	45%	43%	51%	48%	47%
New certifications issued	87	66	66	105	324

Local Assistance – Source Water Protection 5% Set-Aside

The Source Water Program (SWP) expended set-aside funds through staff positions and contractors working on a state-wide PFAS study. The bureau continued the special study begun in 2020 working with the U.S. Geological Survey through an MOA to sample for PFAS in ground water and surface water throughout New Mexico. This study has extended past the original project closeout date of September 30, 2022. Additionally, the SWP team reviews NEPA and Subdivision projects, and sampling waivers.

Table 8-A					
Source Water Protection Sub Element (5%)					
Total Expenditures for SFY 2025					
DWSRF Funding Source	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL Expenditures
FY23	\$35,193.12	\$108,421.99	\$31,713.85	\$176,891.91	\$352,220.87
FY24	\$52,711.71	\$121,828.38	\$109,065.64	\$357,568.34	\$641,174.07
FY25	\$186,223.19	\$285,700.05	\$177,462.68	\$232,216.42	\$881,602.34
Total	\$274,128.02	\$515,950.42	\$318,242.17	\$766,676.67	\$1,874,997.28

TABLE 9-B						
Source Water and Wellhead Protection Sub Element (5%)						
Total Expenditures FFY Capitalization Grant						
Federal Awards Allocated to Set-Aside	Total Set-Aside Allocated	Specified Amount	Unspecified Amount	Unspecified Amount Transferred to Loan Fund	Specified Expenditures through 06/30/23	Ending Balance as of 06/30/23
FFY97	\$1,375,980	\$1,375,980	\$0	\$0	\$1,375,980	\$0
FFY98-99	\$875,106	\$875,106	\$0	\$0	\$875,106	\$0
FFY00	\$465,420	\$465,420	\$0	\$0	\$465,420	\$0
FFY01	\$389,455	\$389,455	\$0	\$0	\$389,455	\$0
FFY02	\$402,670	\$402,670	\$0	\$0	\$402,670	\$0
FFY03	\$400,205	\$400,205	\$0	\$0	\$400,205	\$0
FFY04	\$415,155	\$415,155	\$0	\$0	\$415,155	\$0
FFY05	\$414,275	\$414,275	\$0	\$0	\$414,275	\$0
FFY06	\$411,465	\$411,465	\$0	\$0	\$411,465	\$0
FFY07	\$411,450	\$411,450	\$0	\$0	\$411,450	\$0

FFY08	\$407,300	\$407,300	\$0	\$164,428	\$242,872	\$0
FFY09	\$407,300	\$407,300	\$0	\$0	\$407,300	\$0
FFY09 (ARRA)	\$0	\$0	\$0	\$0	\$0	\$0
FFY 2010	\$678,650	\$678,650	\$0	\$325,081	\$353,569	\$0
FFY 2011	\$470,900	\$470,900	\$0	\$462,542	\$8,358	\$0
FFY 2012	\$448,750	\$448,750	\$0	\$0	\$413,279	\$0
FFY 2013	\$421,050	\$421,050	\$0	\$0	\$421,050	\$0
FFY 2014	\$442,250	\$442,250	\$0	\$0	\$442,250	\$0
FFY 2015	\$439,350	\$439,350	\$0	\$146,308	\$439,350	\$0
FFY 2016	\$415,600	\$415,600	\$0	\$415,600	\$0	\$0
FFY 2017	\$412,050	\$412,050	\$0	\$0	\$412,050	\$0
FFY 2018	\$555,350	\$555,350	\$0	\$0	\$55,350	\$0
FFY 2019	\$550,200	\$550,200	\$0	\$0	\$550,200	\$0
FFY 2020	\$550,550	\$550,550	\$0	\$308,991	\$241,559	\$0
FFY 2021	\$550,050	\$550,550	\$0	\$0	\$272,383	\$277,667
FFY 2022	\$1,250,000	\$1,250,000	\$0	\$0	\$106,352	\$1,143,648
FFY 2023	\$550,050.00	\$550,050.00	\$0	\$0	\$251,769.09	\$0
FFY 2024			\$0	\$0	\$199,294.95	\$233,050
FFY 2025			\$0	\$0	\$33,050.84	\$479,295.01
TOTALS	\$13,140,881	\$13,141,381	\$0	1,822,950	\$9,980,009	\$1,003,275

DWB Programs Working on Set-Aside Activities: Source Water Protection

Goal: Provide community water systems with technical, managerial, and financial assistance to achieve substantial implementation of local source water protection (wellhead and/or watershed protection) programs/activities and to help maintain existing local source water protection programs.

Objective 1: Update program objectives to develop and promote a sustainable Source Water Protections Plan (SWWPP) that includes tools for community planning to develop a long-term sustainable water supply that meets regulatory standards. To assist PWSs in community planning for long term sustainability in water quality and quantity.

Responsible DWB Program(s):	Source Water Protection				
	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Work Plan Outputs – SW Objective 1					
Number PWS receiving source water protection assistance actions	18	23	30	28	99

Work Plan Outcome					
% of the population served by CWS have an implemented plan (goal is 75%)	62%	62%	62%	62%	62%

Objective 2: Update Source Water Assessments (SWA) for active drinking water sources and contaminant inventories for new systems.

Responsible DWB Program(s):	Source Water Protection				
Work Plan Outputs – SW Objective 2	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number PWS that received source water assessment updates	9	9	8	17	43
Number of monitoring waivers completed	0	0	4	15	19
Number environmental assessments & subdivision reviews completed	11	5	21	10	47

Objective 3: Provide group training sessions on potential sources of contamination and source water and wellhead protection. Participate in Outreach events to promote the voluntary program.

Responsible DWB Program(s):	Source Water Protection				
Work Plan Outputs – SW Objective 1	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number educational / outreach events held	3	2	1	5	11

Objective 4: Provide technical assistance to NM communities faced with water shortages or water quality challenges for the purpose of preserving and protecting source waters to ensure NM’s communities have a safe, clean, and sustainable supply of water.

Responsible DWB Program(s):	Source Water Protection				
Work Plan Outputs – SW Objective 4	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number assistance actions for source water assessments & protection plans	61	133	167	150	511
Number of assistance actions other than assessments or protection plans	14	19	14	19	66
The team now develops source water assessments and protection plans in-house with infrequent contractor support on hydrogeologic needs. The team also assists water systems with source water tasks other than					

assessments and plans, including coordination of the collection of water quality samples for emerging contaminants such as per- and polyfluoroalkyl substances (PFAS). The team assists systems in developing source water strategies where such emergent contaminants are a concern.

Objective 5: Provide evaluations of ground water under the direct influence (GWUDI) of surface water for public water systems.

Responsible DWB Program(s):	Source Water Protection				
Work Plan Outputs – SW Objective 5	FY25 Q1	FY25 Q2	FY25 Q3	FY25 Q4	YTD Totals
Number GWUDI determinations completed	In progress	In progress	In progress	In progress	In progress
DWB began working with PWS in Q2 SFY22 on determining GWUDI status. Data continues to be analyzed for determination. SWP team staff met with DWB colleagues to begin assessing the GWUDI status of another PWS in Q3 SFY25					

COMPLIANCE WITH OPERATING AGREEMENT AND GRANT CONDITIONS

The State has complied with the conditions set forth under 40 CFR 35.3570(a)(3). Specifically, the NMFA has:

- Aided only to eligible PWSs and for eligible projects and project-related costs under § 35.3520.
- Aided only for eligible set-aside activities under §35.3535 and conducted activities consistent with work plans and other requirements of §35.3535 and §35.3540.
- Used fees for eligible purposes under §35.3530(b)(3) and assessed fees included as principal in a loan in accordance with the limitations in §35.3530(b)(3)(i) through (b)(3)(iii). The NMFA charges a 1% cost of issuance fee to cover the legal and closing costs of each loan. This 1% fee is included in the loan as principal and is held in an account outside of the Fund. In addition, the NMFA builds into its DWSRLF interest rate a 0.25% administrative fee that is assessed on the outstanding balance of the loan. For disadvantaged borrowers whose loans carry a 0% interest rate, NMFA charges a 0.25% administrative fee, making the effective interest rate of a 0% loan 0.25%. The administrative fees are held outside of the Fund and are used to pay NMFA’s overhead costs and program administration costs which are not already funded by the 4% administrative set-aside.
- Reviewed all DWSRLF program funded projects and activities for compliance with Federal cross-cutting authorities that apply to the State as a grant recipient and those which apply to assistance recipients in accordance with §35.3575. The State Environmental Review Procedure outlines additional Federal authority requirements to which applicants are required to comply and notify regarding the proposed project. The NMFA chief executive officer, through a contractor, verifies that this compliance has occurred.

- Reviewed all DWSRLF program funded projects and activities in accordance with approved State Environmental Review Procedures under §35.3580. In accordance with the State Environmental Review Procedure, the NMFA requires a DWSRLF applicant to prepare an EID that the NMFA chief executive officer, through a contractor, reviews and upon which a finding is issued. Each project financed through the DWSRLF has adhered to this procedure and the NMFA chief executive officer has published an environmental finding for each project.
- Reviewed all DWSRLF program funded projects and activities for compliance with all Federal grant conditions, SRF assurances, certifications and with State laws and procedures including but not limited to the Davis-Bacon Wage Act (40 U.S.C. §3141 et seq.); the Environmental Protection Agency’s Program for Utilization of Minority and Women’s Business Enterprises; the requirements of Executive Order dated September 25, 2012 on Strengthening Protections Against Trafficking in Persons in Federal Contracts; and all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, 2014 Consolidated Appropriations Act, Section 436 and related SRF Policy Guidelines) which the Association understands includes, among other, requirements that all of the iron and steel products used in the Project are to be produced in the United States (“American Iron and Steel Requirement”).

In addition, the State has complied with the conditions of the DWSRLF operating agreement and continues to comply with the following conditions as described in the Operating Agreement:

- Establish State instrumentality and authority.
- Comply with applicable State laws and procedures.
- Review technical, financial, and managerial capacity of assistance recipients.
- Establish DWSRLF loan account, set-aside account, and DWSRLF administration account.
- Deposit all funds in appropriate accounts.
- Follow State accounting and auditing procedures.
- Require DWSRLF loan recipient accounting and auditing procedures.
- Submit IUP and use all funds in accordance with the plan.
- Comply with enforceable requirements of the SDWA.
- Establish capacity development authority.
- Implement/maintain system to minimize risk of waste, fraud, abuse, and corrective action.
- Develop and submit project priority ranking system.

Attachment A - SFY 2023 Cash Flow Model

	SFY 2023	SFY 2024	SFY 2025	SFY 2026	SFY 2027	SFY 2028	SFY 2029	SFY 2030	SFY 2031	SFY 2032	SFY 2033	SFY 2034
Capitalization Grant (ARRA, BASE, BIL GS)	23,029,000	26,092,000	27,646,000	38,000,000	5,000,000	0	0	0	0	0	0	0
Capitalization Grant BIL LSLR	28,350,000	0	0	28,650,000								
Capitalization Grant BIL EC (not included in calculation due to 100% principal forgiveness)	0	15,280,000	0	15,280,000								
Set-Asides Portion of Capitalization Grant (31% except in SFY 2010)	7,138,990	8,088,520	8,570,260	11,780,000	0	0	0	0	0	0	0	0
Set-Asides Portion of LSLR Capitalization Grant (31%)	8,788,500											
Loan Portion of Capitalization Grant (69% except in SFY 2010)	15,890,010	18,003,480	19,075,740	26,220,000	0	0	0	0	0	0	0	0
Loan Portion of LSLR Capitalization Grant (69%)	19,561,500	0	0	19,768,500								
Loan Program Resources												
Loan Portion of Capitalization Grant (69% except in SFY 2010, 2016)	35,451,510	18,003,480	19,075,740	45,988,500	0	0	0	0	0	0	0	0
State Match (20% of Capitalization Grant except in SFY 2010)	3,093,100	5,218,400	5,529,200	7,600,000	-	-	-	-	-	-	-	-
Loan Repayments - Actual	8,019,989	19,930,752	9,736,018									
Loan Repayments - Projected	0	0	0	11,737,741	12,121,425	14,691,491	14,691,491	17,866,279	18,760,500	19,589,127	20,537,917	21,547,333
Investment Earnings ⁵	2,176,310	4,784,132	6,412,079	3,969,808	3,203,149	1,553,866	1,360,450	1,279,923	1,443,470	1,535,705	1,613,104	1,692,248
Other	0	0	0	0	0	0	0	0	0	0	0	0
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0
Annual Program Resources	48,740,909	47,936,764	40,753,036	69,296,049	15,324,573	16,245,357	16,051,941	19,146,202	20,203,971	21,124,832	22,151,021	23,239,581
Loan Program Uses												
0% Loans	12,440,670	84,533,042	2,882,176	40,403,001	32,600,273	15,814,578	13,846,081	13,026,509	14,691,023	15,629,750	16,417,484	17,222,978
1% Loans ⁶	3,592,570	9,863,802	4,323,264	9,923,544	9,722,888	3,884,282	3,643,705	3,199,494	3,866,059	4,113,092	4,320,391	4,532,363
2% Loans	0	0	0	0	0	0	0	0	0	0	0	0
3% Loans	0	0	0	0	0	0	0	0	0	0	0	0
4% Loans	0	0	0	0	0	0	0	0	0	0	0	0
Principal Forgiveness ⁷	11,875,375	8,219,030	10,701,405	32,658,500	2,450,000	0	0	0	0	0	0	0
Bond Payments	0	0	0	0	0	0	0	0	0	0	0	0
Annual Program Uses	27,908,614	102,615,874	17,906,845	82,985,045	44,773,161	19,698,860	17,489,786	16,226,003	18,557,082	19,742,842	20,737,875	21,755,340
Cumulative Program Uses	312,918,712	415,534,586	433,441,431	516,426,476	561,199,638	580,898,498	598,388,284	614,614,287	633,171,369	652,914,210	673,652,085	695,407,425
Annual Program Balance (Resources less Uses)	20,832,295	(54,679,110)	22,846,191	(13,688,997)	(29,448,588)	(3,453,503)	(1,437,845)	2,920,200	1,646,889	1,381,990	1,413,146	1,484,241
Cumulative Program Balance	102,715,377	48,036,267	70,882,458	57,193,461	27,744,873	24,291,370	22,853,525	25,773,725	27,420,614	28,802,604	30,215,750	31,699,991
Projection Assumptions												
Rate of Return on Investments ⁵	6.30%	4.76%	3.74%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%
Percentage of Loan Resources Awarded as 0% Loans ⁵	44.58%	69.93%	57.52%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%
Percentage of Loan Resources Awarded as 1% Loans ⁶	12.87%	21.21%	9.03%	14.37%	16.87%	14.37%	15.37%	13.66%	15.25%	15.07%	14.66%	14.84%
Percentage of Loan Resources Awarded as 2% Loans ⁵	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Percentage of Loan Resources Awarded as 3% Loans ⁵	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Percentage of Loan Resources Awarded as 4% Loans ⁵	0.00%	0.00%	0.47%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%
Percentage of Loan Resources Awarded as Principal Forgiveness ⁵	42.55%	8.86%	32.97%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%
	100.00%	100.00%	100.00%	100.00%	102.50%	100.00%	101.00%	99.29%	100.88%	100.70%	100.29%	100.47%

	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY	SFY
	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2049	2050	
Capitalization Grant (ARRA, BASE, BIL GS)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Capitalization Grant BIL LSLR																
Capitalization Grant BIL EC (not included in calculation due to 100% principal Set-Asides Portion of Capitalization Grant (31% except in SFY 2010)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Set-Asides Portion of LSLR Capitalization Grant (31%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loan Portion of Capitalization Grant (69% except in SFY 2010)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Loan Portion of LSLR Capitalization Grant (69%)																
Loan Program Resources																
Loan Portion of Capitalization Grant (69% except in SFY 2010, 2016)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
State Match (20% of Capitalization Grant except in SFY 2010)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Loan Repayments - Actual								0	0	0	0	0	0	0	0	
Loan Repayments - Projected	22,607,623	22,567,308	23,319,012	22,941,921	22,305,369	21,912,394	21,127,183	20,984,741	19,805,832	19,669,938	19,470,854	18,873,292	18,580,441	17,879,045	17,076,315	
Investment Earnings ⁵	1,775,374	1,862,687	1,889,778	1,940,969	1,937,050	1,900,083	1,865,653	1,810,108	1,783,467	1,708,490	1,675,686	1,633,514	1,612,597	1,582,448	1,533,035	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bond Proceeds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Annual Program Resources	24,382,997	24,430,195	25,208,790	24,882,890	24,242,418	23,812,476	22,992,836	22,794,848	21,589,298	21,378,428	21,146,541	20,526,806	20,193,038	19,461,493	18,609,350	
Loan Program Uses																
0% Loans	18,068,995	18,957,627	19,233,346	19,754,346	19,714,462	19,338,226	18,987,812	18,422,500	18,151,360	17,388,276	17,054,416	16,828,759	16,412,326	16,105,476	15,602,577	
1% Loans ⁶	4,754,999	4,988,849	5,061,407	5,198,512	5,188,016	5,089,007	4,996,793	4,848,026	4,776,674	4,575,862	4,488,004	4,428,621	4,319,033	4,238,283	4,105,941	
2% Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3% Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4% Loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Principal Forgiveness ⁷	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Bond Payments	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	
Annual Program Uses	22,823,993	23,946,477	24,294,755	24,952,861	24,902,483	24,427,237	23,984,610	23,270,534	22,928,041	21,964,147	21,542,430	21,257,391	20,731,371	20,343,772	19,708,532	
Cumulative Program Uses	718,231,419	742,177,895	766,472,650	791,423,511	816,327,994	840,735,231	864,739,842	888,010,375	910,938,417	932,902,564	954,444,994	975,702,385	996,433,756	1,016,777,528	1,036,486,060	
Annual Program Balance (Resources less Uses)	1,559,003	483,718	914,035	(69,971)	(660,064)	(614,761)	(991,775)	(475,685)	(1,338,743)	(585,720)	(395,889)	(730,584)	(538,333)	(882,280)	(1,099,182)	
Cumulative Program Balance	33,258,994	33,742,712	34,656,747	34,586,776	33,926,712	33,311,951	32,320,176	31,844,491	30,505,748	29,920,028	29,524,138	28,793,554	28,255,221	27,372,941	26,273,760	
Projection Assumptions																
Rate of Return on Investments ⁵	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	5.60%	
Percentage of Loan Resources Awarded as 0% Loans ⁵	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	57.34%	
Percentage of Loan Resources Awarded as 1% Loans ⁶	14.66%	14.95%	14.81%	14.78%	14.82%	14.80%	14.84%	14.80%	14.81%	14.81%	14.81%	14.82%	14.81%	14.81%	14.81%	
Percentage of Loan Resources Awarded as 2% Loans ⁵	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Percentage of Loan Resources Awarded as 3% Loans ⁵	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Percentage of Loan Resources Awarded as 4% Loans ⁵	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	0.16%	
Percentage of Loan Resources Awarded as Principal Forgiveness ⁵	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	28.13%	
	100.29%	100.58%	100.44%	100.41%	100.44%	100.43%	100.47%	100.43%	100.44%	100.44%	100.44%	100.44%	100.44%	100.44%	100.44%	


Endnotes to Cash Flow Model

1. SFY 2010 Capitalization Grant amount is comprised of the FFY 2008 Capitalization Grant (\$8,146,000) and the one-time FFY 2009 ARRA Capitalization Grant (\$14,950,000); SFY 2010 Set-Asides are comprised of 31% of the FFY 2008 Capitalization Grant (\$2,525,260) and 16% of the original FFY 2009 ARRA Capitalization Grant (16% x \$19,500,000 = \$3,120,000); an ARRA transfer of \$4,550,000 from the DWSRLF to the CWSRF was made exclusively from loan funds, resulting in a final DWSRLF ARRA Capitalization Grant amount of \$14,950,000 (\$11,830,000 in ARRA loan funds and \$3,120,000 in ARRA Set-Aside funds); SFY 2010 State Match is equal to 20% of the FFY 2008 Capitalization Grant only as ARRA funds did not require a State Match. The IJJA General Supplemental was added to the SFY 2022 Cap Grant awards. Separate lines were added for the IJJA Emerging Contaminants and Lead Service Line Replacement programs. The Cap Grants are totaled below. The EC Cap Grant is excluded since that program will be 100% principal forgiveness.
2. Return on investments after SFY 2024 are estimates based on average of the three years prior.
3. Percentages of loans after SFY 2025 are estimates. SFY 2024 is based on the Binding Commitments and Q1 Fundable List. SFY 2025 are based on averages and the assumptions previously mentioned.
4. Capitalization Grant amounts for SFY 2024 – SFY2026 are projected base on the IJJA allocations and current trends in the Base Capitalization Grant.
5. Investment Earnings are actual from NIMS for SFY 1997 to SFY 2023. SFY 2025 onward are projected based on the average rate of return for the last three years.
6. 1% of the loans awarded in SFY 2010 were for sixteen ARRA projects and the one Sunland Park project (which was originally contemplated as an ARRA project); No 1%-loan projections have been made given the extremely low probability of making a 1% loan in the future.
7. Since subsidies are only utilized by NM from the Capitalization Grants, we are only projecting subsidy to continue through Biden's Administration.

Attachment B - SFY 2024 Financial Statements

The SFY 2024 NMFA Audit was submitted to the New Mexico State Auditor on October 9, 2024, and released on November 15, 2024. The audit was sent to EPA on the release date of November 15, 2024.

The SFY 2025 NMFA Audit is in the process of completion and will be submitted to the New Mexico State Auditor in mid-October 2024. It will be sent to EPA on the release date, as always.



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Agency Name Or Number

Fiscal Year From **To** **Financial Statement Opinion** **Federal Single Audit Opinion**

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Show 10 entries

Agency Name	Agency No.	Fiscal Year	Financial Statement Opinion	Federal Single Audit Opinion	View
New Mexico Finance Authority	385	2024	Unmodified	Unmodified	View

< Previous 1 Next > Showing 1 to 1 of 1 entries

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Attachment C - SFY 2025 Binding Commitments

Base and IJA Supp Binding Commitments SFY 2025						
Loan #	Cumulative SFY 1997- SFY 2025	\$421,197,679	SFY 2025-Q1	SFY 2025-Q2	SFY 2025-Q3	SFY 2025-Q4
DW-6520	Enchanted Forest			\$1,250,000		
DW-6522	City of Santa Fe			\$17,000,000		
DW-6651	City of Los Alamos				\$2,727,000	
DW-6673	City of Carlsbad				\$7,916,862	
DW-6669	City of Carlsbad				\$17,092,884	
DW-6756	Tranquillo Pines					\$60,000
	Required % of Cumulative Binding Commitments	127.45%	115.82%	120.50%	128.13%	128.14%
	Actual Cumulative Binding Commitments	\$421,197,679	\$421,197,679	\$438,197,679	\$465,934,425	\$465,994,425
	Required Amount Binding Commitments	\$330,477,774	\$363,652,973	\$363,652,973	\$363,652,973	\$363,652,973

Base and IIJA Supp Binding Commitments for SFY 2025 -- 7/1/2024 to 6/30/2025						
Project #	Entity	Amount Approved	Date Last Approved by Board	Binding Commitment to Entity	Binding Commitment Quarter	County
DW-6520	Enchanted Forest	\$1,250,000	10/31/2024	1/16/2025	Q2	Lincoln
DW-6522	City of Santa Fe	\$17,000,000	10/31/2024	1/13/2025	Q2	Santa Fe
DW-6651	City of Los Alamos	\$2,727,000	1/30/2025	2/3/2025	Q3	Los Alamos
DW-6673	City of Carlsbad	\$7,916,862	3/27/2025	3/31/2025	Q3	Eddy
DW-6669	City of Carlsbad	\$17,092,884	3/27/2025	3/31/2025	Q3	Eddy
DW-6756	Tranquillo Pines	\$60,000	5/28/2025	5/28/2025	Q4	Bernalillo
	Total of 7 projects	\$46,046,746				

LSL Binding Commitments for SFY 2025 -- 7/1/2024 to 6/30/2025						
Project #	Entity	Amount Approved	Date Last Approved by Board	Binding Commitment to Entity	Binding Commitment Quarter	County
DWL-6521	Portales Water System	\$500,000	1/30/2025	2/3/2025	Q3	Roosevelt
DWL-6671	Village of Hatch	\$325,500	2/27/2025	3/3/2025	Q3	Dona Ana
DWL-6674	City of Las Cruces	\$15,000,000	3/27/2025	3/31/2025	Q3	Dona Ana
	Total of 3 projects	\$15,825,500				

EC Binding Commitments for SFY 2024 -- 7/1/2023 to 6/30/2024						
Project #	Entity	Amount Approved	Date Last Approved by Board	Binding Commitment to Entity	Binding Commitment Quarter	County
DWE-6759	La Cieneguilla Water Co.	\$5,915,497	6/26/2025	7/1/2025	Q1	Santa Fe
DWE-6764	Alto Lakes W & SD	\$1,900,000	6/26/2025	7/1/2025	Q1	Lincoln
	2 Projects	\$7,815,497				

Attachment D - SFY 2025 Closed Loans

Fiscal Year	DW Project #	Entity	Project Description	Loan Closing Date	Principal Forgiveness	Loan Amount	Total Assistance	Small System	Dis-advantaged	Project Status
2025	DWL-6360	Cedar Creek	Lead Service Line Inventory	7/5/2024	\$ 12,750	\$ 72,250	\$ 85,000	1	1	active
2025	DW-6368	Los Alamos County	Booster station, related appurtenances	7/12/2024	\$ -	\$ 2,020,000	\$ 2,020,000	0	0	active
2025	DW-6068	Sierra Vista	New well, well building, site prep, related appurtenances	7/19/2024	\$ 304,080	\$ 912,238	\$ 1,216,318	1	0	active
2025	DWL-6339	Farmington	Lead Service Line Inventory	8/2/2024	\$ 1,118,562	\$ 2,609,978	\$ 3,728,540	0	1	active
	DWL-6393	Alamogordo	Lead Service Line Inventory	8/2/2024	\$ 240,000	\$ 160,000	\$ 400,000	0	1	active
2025	DWL-6364	La Union	Lead Service Line Inventory	8/30/2024	\$ 114,750	\$ 20,250	\$ 135,000	1	1	active
2025	DW-6256	Greater Glorieta	Replace distribution lines	8/30/2024	\$ 760,617	\$ 253,539	\$ 1,014,156	1	1	active
2025	DW-6255	Las Cruces	Boster Station, rehab 2 tanks	9/13/2024	\$ 3,019,051	\$ 12,280,949	\$ 15,300,000	0	1	active
2025	DWL-6347	Gallup	Lead Service Line Inventory	9/20/2024	\$ 300,000	\$ 700,000	\$ 1,000,000	0	1	active
2025	DWL-6363	Garfield	Lead Service Line Inventory	10/18/2024	\$ 226,595	\$ 151,062	\$ 377,657	1	1	active
2025	DWL-6350	Leasburg	Lead Service Line Inventory	1/17/2025	\$ 42,500	\$ 7,500	\$ 50,000	1	1	active
2025	DW-6391	Park at Whiskey	storage tank, replace waterlines	2/21/2025	\$ -	\$ 151,500	\$ 151,500	1	1	active
2025	DW-6520	Enchanted Forest	Water distribution system	4/11/2025	\$ 937,500	\$ 312,500	\$ 1,250,000	1	1	active
2025	DWE-6394	EPCOR	Emerging Contaminants	4/18/2025	\$ 3,000,000	\$ -	\$ 3,000,000	0	1	active
2025	DW-6651	Los Alamos County	Replace 3,300 feet of cast iron pipe	6/27/2025	\$ 625,000	\$ 2,102,000	\$ 2,727,000	1	0	active
			15 New Projects Closed in SFY 2025		\$ 10,701,405	\$ 21,753,766	\$ 32,455,171			
			Totals		\$ 103,837,326	\$315,153,458	\$419,090,783	121	115	196 Loans

Attachment E - Project Bypass List

No projects were bypassed in SFY 2025.

Attachment F - Subsidy Tracking Sheets

2020 Cap Grant FS-23				
Subsidy Available		\$1,541,540 (Cap Grant)	\$3,853,850 (Disadvantaged)	
Project #	Borrower	14% Subsidy	35% Disadvantaged	Status
5355	Las Vegas, City of - SCADA		\$ 187,893	fully spent
5356	Las Vegas, City of - Vacuum		\$ 179,790	fully spent
5357	Alamogordo, City of	\$ 1,075,650		fully spent
5362	Las Vegas, City of - Hanna		\$ 372,664	fully spent
5363	Las Vegas, City of - Pump		\$ 104,943	fully spent
5358	HatchWater Supply System		\$ 755,250	construction
5359	Pecos Water System		\$ 750,000	construction
5447	CRRUA		\$ 686,655	fully spent
6256	Greater Glorieta	\$ 80,800		construction
5459	Belen	\$ 80,159	\$ 134,767	fully spent
4732	Valley Estates		\$ 9,494	fully spent
5456	Los Alamos	\$ 79,027		fully spent
5646	Maxwell	\$ 805		construction
6522	Santa Fe Water System		\$ 47,393	construction
5631	Lower Rio Grande PWWA	\$ 225,099	\$ 625,001	construction
Total Allocated		\$ 1,541,540	\$ 3,853,850	

2021 Cap Grant FS-24				
Subsidy Available		\$1,573,800 (Cap Grant)	\$3,919,650 (Disadvantaged)	
Project #	Borrower	14% Subsidy	35% Disadvantaged	Status
5355	Las Vegas Amendment	\$ 5,078		construction
5631	Lower Rio Grande	\$ 113	\$ 1,938,662	construction
5639	Chippeway Park		\$ 704,132	construction
5646	Maxwell	\$ 77,794	\$ 1,242,206	construction
5647	Tucumcari	\$ 360,179		fully spent
5630	Eldorado	\$ 110,465		fully spent
5447	CRUUA additional funds	\$ 291,074		fully spent
5919	Farmington	\$ 307,881		construction
5646	Maxwell Amendment	\$ 2,413		construction
6522	Santa Fe	\$ 418,803	\$ 34,650	not closed yet
Total Allocated		\$ 1,573,800	\$ 3,919,650	

2022 Cap Grant FS-25				
Subsidy Available		\$981,120 (Cap Grant)	\$2,452,800 (Disadvantaged)	
Project #	Borrower	14% Subsidy	35% Disadvantaged	Status
5921	French MDWCA		\$ 75,000	construction
5923	Cedar Creek		\$ 412,500	construction
5922	Enchanted Forest		\$ 562,500	construction
6522	Santa Fe Water System		\$ 835,061	not closed yet
6081	Eldorado	\$ 328,250		construction
6086	Sierra Vista MDWCA	\$ 304,080		construction
5459	Belen-Amendment		\$ 176,688	fully spent
5646	Maxwell-Amendment	\$ 34,544	\$ 35,211	construction
6254	Alamogordo	\$ 314,176	\$ 30,952	construction
6256	Greater Glorieta	\$ 70	\$ 324,888	construction
Total Allocated		\$ 981,120	\$ 2,452,800	

2023 Cap Grant FS-26				
Subsidy Available \$705,180 (Cap Grant) \$1,762,950 (Disadvantaged)				
Project #	Borrower	14% Subsidy	35% Disadvantag	Status
DW-6254	Alamogordo	\$ 691,140		construction
DW-5029	Big Mesa		\$ 169,504	construction
DW-6522	Santa Fe Water System	\$ 13,860	\$ 34,650	not closed yet
DW-6251	Farmington	\$ 180	\$ 1,558,796	construction
Total Allocated		\$ 705,180	\$ 1,762,950	

2024 Cap Grant FS-27				
Subsidy Available \$652,540 (Cap Grant) \$1,631,350 (Disadvantaged)				
Project #	Borrower	14% Subsidy	35% Disadvantag	Status
DW-6651	Los Alamos	\$ 625,000		construction
DW-6673	City of Carlsbad	\$ 27,540	\$ 529,177	not closed yet
DW-6669	City of Carlsbad		\$ 1,102,173	not closed yet
Total Allocated		\$ 652,540	\$ 1,631,350	

SFY 22 IJA 4D-02F18901				
Subsidy Available \$8,816,080 (Cap Grant)				
Project	Borrower	49% Ad Sub	Status	
DW-5355	City of Las Vegas	\$ 1,117,871	construction	
DW-5919	City of Farmington	\$ 7,192,119	fully spent	
DW-5918	Dixon MDWCA	\$ 216,188	construction	
DW-5459	City of Belen - Amendment	\$ 123,312	fully spent	
DW-5646	Maxwell - Amendment	\$ 166,590	construction	
Total Allocated		\$ 8,816,080		

SFY 23 IJA 4D-02F18902				
Subsidy Available \$10,316,950 (Cap Grant)				
Project	Borrower	49% Ad Sub	Status	
DW-6254	City of Alamogordo	\$ 2,988,099	not closed yet	
DW-6243	El Vadio de los Cerrillos	\$ 591,804	construction	
DW-6255	Las Cruces Water System	\$ 3,019,051	not closed yet	
DW-6251	City of Farmington	\$ 1,250,000	construction	
DW-5029	Big Mesa MDWCA-addition	\$ 1,217,996	construction	
DW-6232	Farmington - WTP	\$ 1,250,000	construction	
Total Allocated		\$ 10,316,950		

SFY 24 IJA 4D-02F18903				
Subsidy Available \$11,262,650 (Cap Grant)				
Project	Borrower	49% Ad Sub	Status	
DW-6522	Santa Fe Water System	\$ 6,923,436	not closed yet	
DW-6520	Enchanted Forest	\$ 937,500	not closed yet	
DW-6669	City of Carlsbad	\$ 3,401,714	not closed yet	
Total Allocated		\$ 11,262,650		

2022 IJA Lead 02F43201			
Subsidy Available \$13,891,500			
Project	Borrower	Add Sub	Status
DwL-	Leasburg MDwCA	\$ 42,500	Inventory
6343	System	\$ 330,000	fully spent
DwL-	Gallup Water System	\$ 300,000	Inventory
DwL-	Farmington Water System	\$ 1,498,062	Inventory
DwL-	Cedar Creek MDwCA	\$ 72,250	Inventory
DwL-	La Union MDS & WA	\$ 114,750	Inventory
DwL-	Garfield MDwCA	\$ 226,595	Inventory
DwL-	Alamogordo	\$ 160,000	fully spent
DwL-	Village of Hatch	\$ 195,300	Inventory
DwL-	City of Las Cruces	\$ 10,952,043	Inventory
Total Allocated		\$ 13,891,500	

2022 IJA Emerging Contaminants 02F42401			
Subsidy Available \$3,500,000			
Project #	Borrower	Add Sub Disadvantag	Status
DwE-	EPCOR	\$ 3,000,000	plan & design
DwE-	Alto Park	\$ 500,000	not closed yet
Total Allocated		\$ 3,500,000	

2023 IJA Emerging Contaminants 02F42402			
Subsidy Available \$7,334,400			
Project #	Borrower	Add Sub Disadvantag	Status
DwE-	Alto Lake	\$ 1,400,000	not closed yet
DwE-	La Cieneguilla	\$ 5,915,497	not closed yet
Pending	Elephant Butte	\$ 18,903	not closed yet
Total Allocated		\$ 7,334,400	

Attachment G - Financial Indicators

The State reported the following cumulative financial indicators to the SRF financial data reporting system:

Financial Indicators	NIMS Line #	2021	2022	2023	2024	2025
State Executed Loans	419	87.57%	83.75%	83.26%	86.35%	83.20%
*Return on Federal Investment	418	117.57%	116.92%	120.27%	119.36%	135.04%
*Undisbursed Funds to Average Disbursements (Years to Disburse)	420.1	8.7	9	12	17.9	12.9
*Set-Aside Spending Rate	424	97.09%	102.40%	100.00%	84.25%	82.53%
Net Interest Margin	426.3	1.62%	1.18%	1.81%	2.59%	2.60%
Total Net	426.2	\$8,938,596.00	\$8,969,786.00	\$10,196,299.00	\$24,714,885.00	\$16,148,096.42

Attachment H - Timely Use of Funds

New Mexico has been diligently expending the DWSRF funds. The chart below illustrates the progress made in funds spent in SFY 2025 (Federal dollars only).

New Mexico Finance Authority Schedule of Expenditures of Federal Awards June 30, 2025						
Grantor / Program Title	Federal Catalog Number	Loan Balance as of 6/30/2025	Federal Expenditures	Federal Awards Provided to Subrecipients	Loans & Loan Guarantees	Total
Environmental Protection Agency						
Capitalization Grants for Drinking Water State Revolving Funds	66.468	\$ 85,260,340	\$ 2,030,299	\$ 16,487,073	\$ 11,748,764	\$ 30,266,136
Capitalization Grants for Drinking Water Lead Service Line Replac	66.468	2,250,198	278,047	1,364,302	2,250,195	3,892,544
Capitalization Grants for Drinking Water Emerging Contaminants	66.468	0	122,794	0	0	122,794
Total Expenditures of federal awards		\$ 87,510,538	\$ 2,431,140	\$ 17,851,375	\$ 13,998,959	\$ 34,281,474

Subrecipients, Including Loans Outstanding

Subrecipient Name:	Federal Awards	Loans	Total
Drinking Water State Revolving Funds:			
Big Mesa Mutual Domestic Water Consumers Association	\$ 545,205.00	\$ 181,735.00	\$ 726,940.00
Cedar Creek Mutual Domestic Water Consumers Association	26,123.00	8,708.00	34,831.00
Chippeway Park Water Association	275,604.00	91,868.00	367,472.00
City of Farmington	6,818,796.00	6,892,906.00	13,711,702.00
City of Las Cruces	8,893.00	36,175.00	45,068.00
City of Las Vegas	448,159.00	149,386.00	597,545.00
City of Rio Rancho	-	1,695,966.00	1,695,966.00
City of Truth or Consequences	21,936.00	21,937.00	43,873.00
Dixon Mutual Domestic Water Consumers Association	19,971.00	6,657.00	26,628.00
El Vadito De Los Cerrillos Water Association	50,443.00	16,814.00	67,257.00
Eldorado Area Water and Sanitation District	10,203.00	197,871.00	208,074.00
Enchanted Forest Mutual Domestic Water Consumers Association	448,934.00	149,645.00	598,579.00
Los Alamos County	-	800,556.00	800,556.00
Lower Rio Grande Public Water Works Authority	1,223,401.00	1,043,923.00	2,267,324.00
Mountain Orchard Mutual Domestic Water Association	70,203.00	23,401.00	93,604.00
New Mexico Environment Department	5,264,391.00	-	5,264,391.00
Park At Whiskey Creek LLC	-	12,946.00	12,946.00
Village of Hatch	133,098.00	44,366.00	177,464.00
Village of Magdalena	213,577.00	71,192.00	284,769.00
Village of Maxwell	908,136.00	302,712.00	1,210,848.00
DWSRF Total	16,487,073.00	11,748,764.00	28,235,837.00
Drinking Water Lead Service Line Replacement:			
Albuquerque Bernalillo County Water Utility Authority	\$ 59,934.00	\$ 139,847.00	\$ 199,781.00
Cedar Creek Mutual Domestic Water Consumers Association	23,340.00	4,118.00	27,458.00
City of Alamogordo	239,134.00	159,423.00	398,557.00
City of Farmington	833,885.00	1,945,732.00	2,779,617.00
La Union Mutual Domestic Sewer and Water Association	6,093.00	1,075.00	7,168.00
New Mexico Environment Department	201,916.00	-	201,916.00
DWL Total	1,364,302.00	2,250,195.00	3,614,497.00
Total Expenditures of Federal Awards	\$ 17,851,375.00	\$ 13,998,959.00	\$ 31,850,334.00

Reconciliation of Federal Funds

Total Expenditure of Federal Funds	\$31,850,334.00
DWSRLF - NMFA Admin Set-Aside	2,030,299.00
DWL- NMFA Admin Set-Aside	278,047.00
DWE- NMFA Admin Set-Aside	<u>122,794.00</u>
NMFA Admin Set-Aside EPA Grant	<u>2,431,140.00</u>
	<u>\$ 34,281,474.00</u>