Overview of DWSRLF

- Created by EPA to provide Public Water Systems with low-cost financial assistance for drinking water facilities to comply with the Safe Drinking Water Act
- Administered by NMED and NMFA
- DWSRLF is a self-sustaining revolving loan program with “principal forgiveness or subsidy” based upon availability
- Through SFY 2019 DWSRLF has provided $52 million in subsidy and $164 million in low interest loans
DWSRLF – Advantages

- Long term loans below market interest rate as follows:
  - Publicly Owned Disadvantaged Water System = 0%
  - Publicly Owned Non-Disadvantaged Water System = 1%
  - Privately Owned Non-profit Water System = 3%
  - Privately Owned for profit Water System = 4%
  - Loan repayment period is 20 years but can be increased to 30 years for disadvantaged communities

- Funding requests are accepted year round

- Systems can receive between 25% to 75% subsidy for their project in the form of loan forgiveness, if available.

- DWB will provide free technical, managerial and financial capacity assistance to communities to help qualify for funding
DWSRLF – Eligible Entities

- Eligible recipients:
  - Public or Privately Owned Community Water systems that serve at least 25 people or 15 connections year-round
  - Non-profit, non-community water systems

- Ineligible recipients:
  - Federal Facilities
  - For-profit non-community water systems
DWSRLF – Eligible Projects

- Projects that protect drinking water quality and public health, including:
  - New and replacement water sources
  - Treatment
  - Transmission and distribution lines
  - Storage
  - Supervisory Control and Data Acquisition (SCADA)
  - Infrastructure to interconnect or regionalize water systems
  - Energy efficiency and water conservation projects
  - Can also finance planning, design and associated pre-project construction.
DWSRLF – Ineligible Project Types

- Dams
- Acquisition of Water Rights (except as part of a system purchase)
- Reservoirs (except for finish water and treatment)
- Projects primarily for fire protection
- Projects that primarily address growth
- Land acquisitions (except for sites needed for infrastructure)
DWSRLF – Funding Process

1. Project Interest Form
2. System & Project Evaluation
3. Priority List
4. Application
5. Construction
6. Loan Closing
7. Prepare Ready to Proceed Documents
8. NMFA Board Approval
Submit Project Interest Form

- Accepted **Year-Round**
- Provide brief description of project and cost
- Indicate type of project (DWSRLF)
- Contact within 5 business days to request supplemental documents

**SWIM Portal**

All systems must demonstrate they have:

- Technical Capacity- have technical knowledge to operate and maintain the system.
- Managerial Capacity- have written policies and staff in place to oversee operations and compliance requirements with applicable state agencies.
- Financial Capacity- Sufficient revenues to cover necessary operational and debt service costs, adequate fiscal controls and engage in financial planning.
Projects are ranked according to DWSRLF Priority Ranking Criteria, which include:

- Public health threats and compliance with drinking water regulations
- Affordability on a per household basis
- System population
- Water system regionalization
- Water conservation and energy efficiency
Projects will be placed on a Fundable Priority List if:

- System had adequate TMF capacity
- Project is ready to proceed within 6 months
- Systems has ability to repay loan.

Loans and subsidy are allocated to projects in the order they are ranked.
Projects will be placed on a Comprehensive Priority List for Future Funding Consideration if:
- System was unable to meet the criteria for inclusion in the fundable priority list
- System does not wish to proceed at this time
- Project has been on the Fundable Priority list for 12 months

Projects can remain on the Comprehensive List for 3 years
# State Fiscal Year 21 Deadlines

<table>
<thead>
<tr>
<th>Event</th>
<th>Deadline</th>
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<tbody>
<tr>
<td>Project Interest Forms submitted by</td>
<td>February 3, 2020</td>
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<tr>
<td>Required supplemental documents submitted by</td>
<td>March 4, 2020</td>
</tr>
<tr>
<td>Draft Priority List Posted for Public Comment</td>
<td>May 29, 2020</td>
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<tr>
<td>Final Priority Lists Published on</td>
<td>July 1, 2020</td>
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More information can be found on our webpage at: [https://www.env.nm.gov/drinking_water/wifunding/](https://www.env.nm.gov/drinking_water/wifunding/)
Questions

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