

# Small Water Systems Path To Success

---

**Wednesday, May 8, 2024**

**10:00AM — 11:00AM**

Microsoft Teams



# AGENDA

## WELCOME & INTRODUCTIONS

*COG/RWPO, RCAC, NMED, SWEFC*

---

## PRESENTATIONS

*Angelina Grey, RWPO (20 mins)*

*Infrastructure Capital Improvement Plans*

*Projecteering*

*Roadmapping*

---

## RURAL COMMUNITIES ASSISTANCE CORPORATION

*(~10 mins)*

---

## NM ENVIRONMENT DEPARTMENT

*(~10 mins)*

---

## SOUTHWEST ENVIRONMENT FINANCE CENTER

*(~10 mins)*

---

## CLOSING

# INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN (ICIP)

The ICIP is simply a planning tool. It is not a funding program, nor are you guaranteed funding when you complete and submit your ICIP.

It is a 5-year plan (FY2026-2030). What is your entity able to fund each year?

- ICIPs are integrated with state agencies, including **Capital Outlay**.
- Important to keep project cost estimates updated.
- Determine what your system can afford

[ICIP Forms](#) – complete (3) forms to submit.

- **ICIP Resolution** --- *must be approved at a regular board meeting*
- 7 more weeks to the deadline: **Friday, June 14, 2024**

[ICIP Training](#) – recorded webinars posted online.

# INFRASTRUCTURE CAPITAL IMPROVEMENT PLAN (ICIP)

## Financial Capacity

- Annual audits
- Budgets
- Financial Statements
- Capital Outlay
- Grant management

## Updating Your ICIP?

- Update the “Entity Profile” tab:
  - Ensure all authorized office staff have access to your [ICIP portal](#)
    - Entity Code (5-digit #)
    - Password
    - Contact **Geovanna Losito**, ICIP Program Manager [geovanna.losito@dfa.nm.gov](mailto:geovanna.losito@dfa.nm.gov)
- Recommendations:
  - Need to be in compliance with **Executive Order 2013-006** - the financial ability to receive and manage grants and funding.
  - Highly recommend each entity to have an **Asset Management Plan?**

<https://www.state.nm.us/capitalprojects/>



NEW MEXICO DEPARTMENT OF  
**FINANCE & ADMINISTRATION**

**ICIP Client Login**  
Agency or Entity Code:   
Password:   
 ICIP

Login

ICIP

CPMS

Welcome to the DFA site for the Infrastructure Capital Improvement (ICIP) projects and Capital Appropriations Search (CPMS).

After login, click on ICIP to enter ICIP project information.

For the Capital Appropriations Search and Capital Project Monitoring System, click on CPMS.

**PLEASE NOTE:** For security reasons, this ICIP site is no longer supported by Internet Explorer. Please use Google Chrome, Firefox or Microsoft Edge.

**Other relevant links:**

[Department of Finance and Administration website](#)

[Local Government Division website](#)

[State Budget Division/Capital Outlay Bureau website](#)

Local Government ICIP Contact: [Annette.Apodaca@dfa.nm.gov](mailto:Annette.Apodaca@dfa.nm.gov) or [Lynda.Martinez@dfa.nm.gov](mailto:Lynda.Martinez@dfa.nm.gov)

State Agency ICIP Contact: [Tonantzin.Roybal@dfa.nm.gov](mailto:Tonantzin.Roybal@dfa.nm.gov)

How can an entity code/password be obtained? Entry into the web site requires a code and a password. For new local government entities and special districts, send an email to Annette Apodaca at [Annette.Apodaca@dfa.nm.gov](mailto:Annette.Apodaca@dfa.nm.gov) or phone (505) 396-0341 or to Lynda Martinez at [Lynda.Martinez@dfa.nm.gov](mailto:Lynda.Martinez@dfa.nm.gov) or phone (505) 699-3971 to request an entity code and password.



NEW MEXICO DEPARTMENT OF  
**FINANCE & ADMINISTRATION**

**Infrastructure Capital Improvement Planning**

**Home**

**Entity Profile**

**Projects**

**Help**

State of New Mexico

Department of Finance and Administration/Local Government Division

FY 2025-2029 Local Government Infrastructure Capital Improvement Plan (ICIP)

**When is the State Government ICIP Submission Deadline? July 1**

**When is the Local Government ICIP Submission Deadline?**

**Special Districts - Friday, July 14, 2023**

**Tribal Governments - Friday, August 18, 2023**

**Counties and Municipalities - Friday, August 18, 2023**

**Senior Citizen Facilities - Friday, September 8, 2023**

**Where can the ICIP guidelines be found?** Guidelines and instructions for entering data on the web site are available on the DFA/LGD web site at: <https://www.nmdfa.state.nm.us/local-government/icip/>

**When are the ICIP Local Government ICIP training workshops?** Information regarding Local Government training workshops is available on the DFA/LGD web site at: <https://www.nmdfa.state.nm.us/local-government/icip/>.

**How can an entity code/password be obtained?** Entry into the web site requires a code and a password. For new local government entities and special districts, send an email to Annette Apodaca at [Annette.Apodaca@dfa.nm.gov](mailto:Annette.Apodaca@dfa.nm.gov) or to Lynda Martinez at [Lynda.Martinez@dfa.nm.gov](mailto:Lynda.Martinez@dfa.nm.gov) to request an entity code and password.

**What documents do I submit?** Please refer to Appendix V in the ICIP Guidelines and Database User Manual located on the ICIP web site at: <https://www.nmdfa.state.nm.us/local-government/icip/>.

**What are the delivery specifications for submitting the ICIP?** Please refer to Appendix V in the ICIP Guidelines and Database User Manual located on the ICIP web site at: <https://www.nmdfa.state.nm.us/local-government/icip/>.

**Where can Local Government ICIP assistance be obtained?** Contact Annette Apodaca at [Annette.Apodaca@dfa.nm.gov](mailto:Annette.Apodaca@dfa.nm.gov) or (505) 396-0341 for Local Government assistance or Lynda Martinez at [Lynda.Martinez@dfa.nm.gov](mailto:Lynda.Martinez@dfa.nm.gov) or (505) 699-3971.

Home

Entity Profile

- Contact information
- Executive Order 2013-006
- Asset Management Plan
- Water Conservation Ordinance

Projects

- Priority by year



NEW MEXICO DEPARTMENT OF  
**FINANCE & ADMINISTRATION**

### ICIP - Entity Profile

Home

Entity Profile

Projects

Help

Print Report

Edit Current Entity

*Entity Profile: All fields are MANDATORY. (Provide the following basic information about your entity. It is not necessary to re-enter this information each year, but please update and make changes as necessary. Some fields will automatically populate when you log in to database.) DO NOT SUBMIT FORMS WITH ICIP SUBMISSION.*

<b>Government Agency</b>	<b>Entity Code</b>	<b>COG District</b>	<b>Entity Type</b>
White Cliffs MDWUA	13046	1	SD
<b>ICIP Contact</b>	<b>Address</b>	PO Box 1518	
Michael Daly	<b>City, State Zip</b>	Gallup, NM 87305	<b>County</b>
<b>E-Mail Address</b>	arrowengineering1@gmail.com		McKinley
<b>Phone Number</b>	505-870-3430		

Is your entity compliant with Executive Order 2013-006? <http://www.nmdfa.state.nm.us/Budget-Division/Capital-Outlay-Bureau/>

Does your entity have an asset management plan and/or inventory listing of capital assets?

Yes

Yes

**Executive Order 2013-006 Compliance.**

**Is your entity compliant with Executive Order 2013-006?**

Yes ▾

**State Audit Act (Audit/Tier Certification)**

**Single Audit Act (as applicable)**

**NMSA 6-6-3 Budget Approved by LGD/Budget & Finance Bureau**

<http://www.nmdfa.state.nm.us/budget-division/Capital-Outlay-Bureau/>

**Does your entity have a comprehensive plan/master plan?**

Yes ▾

**Provide the last date comprehensive plan/master plan was updated: (Month/Year)**

**Do all projects in your ICIP include or follow your comprehensive plan/master plan?**

Yes ▾

**Other Planning: Has your entity adopted any of the following planning tools? (check all that apply below)**

**Asset Management Plan**

Yes ▾

**LEDA (Local Economic Development Act)**

Yes ▾

**Drought Contingency Plan**

Yes ▾

**Water Conservation Ordinance**

No ▾

**Financial Plan**

No ▾

**Annual Action Plan**

No ▾

**NM Affordable Housing Act Compliance**

No ▾

**Other**

No ▾

**N/A State Agency Only**

Yes ▾



NEW MEXICO DEPARTMENT OF  
**FINANCE & ADMINISTRATION**

**ICIP - Projects List**

Home

Entity Profile

Projects

Help

Print Summary

Insert New Project

Page 1 of 1

Entity Code	Agency/Local Government	Project Title	Project Year	Rank	Project ID	Deactivation Reason
<a href="#">13046</a>	White Cliffs MDWUA	Wastewater Improvements	2024	001	39715	
<a href="#">13046</a>	White Cliffs MDWUA	Water Supply Improvements-Whitecliffs	2024	002	16442	
<a href="#">13046</a>	White Cliffs MDWUA	New Sewer Line	2025	001	39714	
<a href="#">13046</a>	White Cliffs MDWUA	New Metering Station	2025	002	40782	
<a href="#">13046</a>	White Cliffs MDWUA	White Cliffs Drainage Study	2026	001	39849	
<a href="#">13046</a>	White Cliffs MDWUA	Wastewater Line Improvements	2022	001	37532	Change of Priority
<a href="#">13046</a>	White Cliffs MDWUA	New 3-phase Powerline-Whitecliffs	2024	006	27690	Change of Priority
<a href="#">13046</a>	White Cliffs MDWUA	Construct Sewerline to White Cliffs Road	2025	002	27142	Change of Priority
<a href="#">13046</a>	White Cliffs MDWUA	Water & Wastewater System Improvements	2024	005	37552	Delete
<a href="#">13046</a>	White Cliffs MDWUA	Water Line Extension	2028	001	35954	Delete
<a href="#">13046</a>	White Cliffs MDWUA	Connection to Navajo-Gallup Regional Supply	2028	002	37562	Delete
<a href="#">13046</a>	White Cliffs MDWUA	Concentrate Pond Construction	2028	004	22416	Delete
<a href="#">13046</a>	White Cliffs MDWUA	Automatic Water Meter Readers	2021	008	27143	Fully funded
<a href="#">13046</a>	White Cliffs MDWUA	Water Connections for New Customers	2021	009	24231	Other
<a href="#">13046</a>	White Cliffs MDWUA	White Cliffs Metering Station	2025	001	39717	Other

## Infrastructure Capital Improvement Plan FY 2025-2029

### White Cliffs MDWUA Project Summary

ID	Year	Rank	Project Title	Category	Funded to date						Total Project Cost	Amount Not Yet Funded	Phases?
						2025	2026	2027	2028	2029			
39715	2024	001	Wastewater Improvements	Water - Wastewater	0	150,000	0	0	0	0	150,000	150,000	No
16442	2024	002	Water Supply Improvements-Whitecliffs	Water - Water Supply	0	1,685,419.5	0	0	0	0	1,685,419.5	1,685,419.5	No
39714	2025	001	New Sewer Line	Water - Wastewater	0	0	50,000	450,000	0	0	500,000	500,000	No
40782	2025	002	New Metering Station	Water - Water Supply	0	0	80,000	250,000	0	0	330,000	330,000	Yes
39849	2026	001	White Cliffs Drainage Study	Water - Storm/Surface Water Control	0	0	0	100,000	0	0	100,000	100,000	No
<b>Number of projects:</b>			5										
<b>Grand Totals</b>			<b>Funded to date:</b>	<b>Year 1:</b>	<b>Year 2:</b>	<b>Year 3:</b>	<b>Year 4:</b>	<b>Year 5:</b>	<b>Total Project Cost:</b>	<b>Total Not Yet Funded:</b>			
			0	1,835,419.5	130,000	800,000	0	0	2,765,419.5	2,765,419.5			

- 5-year plan
- What is doable each year, based on available local resources?
- Do you need a PER?

#### Planning Grants available

- a) NMFA Local Government Planning Fund (\$50K)
- b) CDBG Planning Grant (\$50K)

# PLAN TO FUND YOUR PROJECTS

ACTIVITY	ESTIMATED COST	TIMELINE	POTENTIAL FUNDING SOURCE
Phase I - Planning			
Acquire Land/Permits/Leases	~ \$5K – \$100K	1 – 3 months	
Environmental/Archeological	\$5K – \$15K	3 – 6 months	
Preliminary Engineering Report/ Technical Memo	\$30K - \$80K	3 – 9 months	Planning Grants - \$50K (max) *Match Funding: 5% - 50%
Phase II - Design			
Project Design	\$60K - \$200K	9 – 12 months	Water Trust Board – 100% grant + local match% ( <i>can apply cost of PER</i> )
Phase III – Construction/Furnishing/Equipment			
Equipment/Materials	\$200K - \$10M ( <i>depending on project scope</i> )  <b>Can project be phased down further?</b>	9 – 18 months ( <i>depending on project scope</i> )	<ul style="list-style-type: none"> <li>• Community Development Block Grant (\$500K or \$750K)</li> <li>• WTB (full construction cost + loan% + match%)</li> </ul>
RFP/Bidding			
Construction Management			
Labor			
Contingency			
Local/State Taxes			

# PROJECTEERING

## Develop a Funding Strategy:

- Look at what your project requires.
- What is the first task to tackle?
- Does your system have available resources?
- How much can your system afford with match funding?
- Some projects only requires a few steps.

ACTIVITY	ESTIMATED COST	TIMELINE
Phase I - Planning		
Acquire Land/Permits/Leases	~ \$5K – \$100K	1 – 3 months
Environmental/Archeological	\$5K – \$15K	3 – 6 months
Preliminary Engineering Report/ Technical Memo	\$30K - \$80K	3 – 9 months
Phase II - Design		
Project Design	\$60K - \$200K	9 – 12 months
Phase III – Construction/Furnishing/Equipment		
Equipment/Materials	\$200K - \$10M <i>(depending on project scope)</i>  Can project be phased down further?	9 – 18 months <i>(depending on project scope)</i>
RFP/Bidding		
Construction Management		
Labor		
Contingency		
Local/State Taxes		

# PROJECTEERING

## EX: Waterline Extension

- Phase I** — \*\*Assuming all other planning activities are secured.
  - A PER are not required for waterline extensions under 2,000 feet.
  
- Phase II** — Design
  
- Phase III** — Construction

- Land Acquisition
- Permits, Leases, Right of Way
- Environmental Study
- Archeological Study

Note: Other projects could accept a Technical Memo.

Contact:

[NMED Constructions Program Bureau \(CPB\)](#)  
(Northwest Region) Project Manager, Eric Gartner  
505-670-3643  
[eric.Gartner@env.nm.gov](mailto:eric.Gartner@env.nm.gov)

# PROJECTEERING

**Example:** Waterline / Wastewater Line Replacement or Gate Valve / Meter Reader Replacement

**Phase I** — all planning activities should be secured.

- a. May need permits and/or easements
- b. PER or Technical Memo

**Phase II** — Design may be required.

**Phase III** — Construction

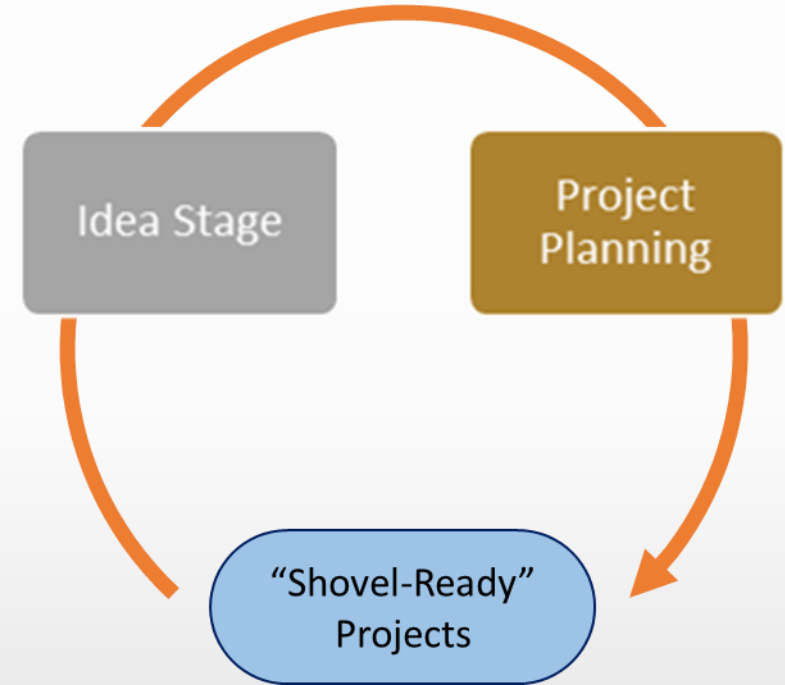
- a. Final installation
- b. Final equipment and/or installation

- Renovations/Improvements
- Backhoe equipment and other extraction services
- Repaving of streets/roads
- Prepare for disruption of services (i.e., shutoffs)

# PROJECTEERING

## Projecteering:

- ❑ Strategically plan for funding.
- ❑ **Timing is critical!**
- ❑ Taking a “shelved” project to “shovel-ready”...
- ❑ Steps to follow:
  1. Complete/submit ICIP.
  2. Planning – know what is needed.
    - PER/Technical Memo –
    - Match Funding
  3. Creating Partnerships/Regional Collaboration
  4. Review suitable funding programs



# FUNDING PROGRAMS

What funding programs and when? What are the deadlines?

**Planning Grants:** capped at \$50K

1. [NMFA Planning Grants](#) – open year-round, may require match funding (5% - 10%).
2. [CDBG Planning Grants](#) – open year-round, may require match funding (5% - 10%).

**Design/Construction Grants:**

1. [CDBG](#) - March through September
  - a. \$500K or \$750K
  - b. 10% match requirement
2. [WTB](#) – August through January
  1. Full Design or Construction project cost
  2. Grant + Loan + Match components
3. [Capital Outlay](#) – November through January
4. [NMED funding programs](#) – depends on program

# FUNDING PROGRAMS

NM Environment Department – [Events Calendar](#)

- List of training opportunities
- Next NMED Training: “Small Systems Projecteering”
  - Tuesday, May 14, 2024, 6:00pm to 8:00pm
  - Training link not set up yet.
  - If interested, email: [nmenv-dwbboardtraining@state.nm.us](mailto:nmenv-dwbboardtraining@state.nm.us)

## Types of Funding:

### **1. Planning Grants**

- NMFA
- CDBG

### **2. Design Grants**

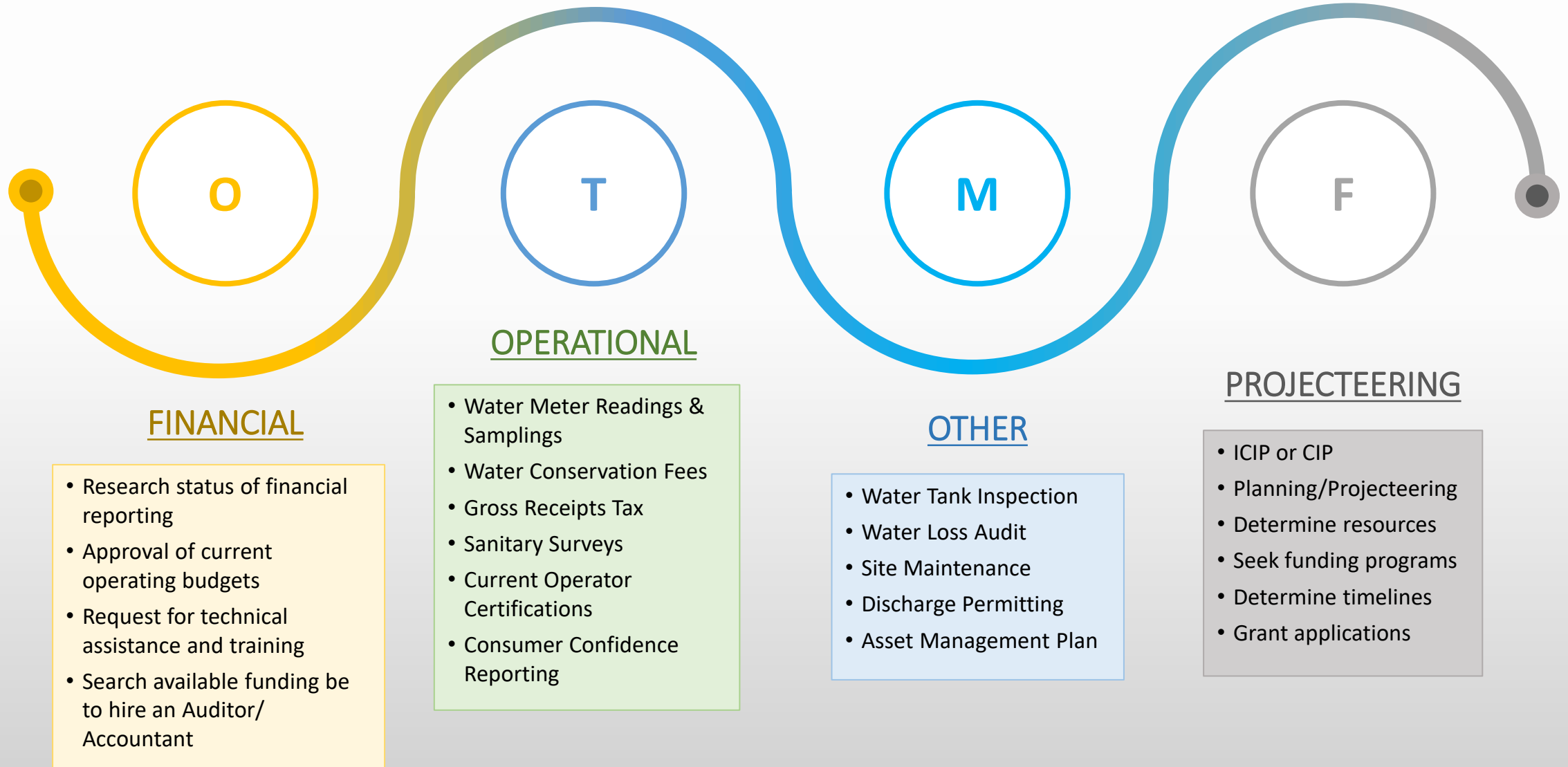
- WTB
- RIP
- CWSRF
- DWSRF

### **3. Construction Grants**

- WTB
- RIP
- CWSRF
- DWSRF

# ROAD MAPPING

The strategic process of determining the actions, steps, and resources that Small Systems need to take to get back into all levels of compliance.





# ROAD MAPPING — Regulatory Reporting Requirements

	<p><b>NM Taxation &amp; Revenue</b>  <a href="https://www.tax.newmexico.gov/governments/governmental-gross-receipts-tax/">https://www.tax.newmexico.gov/governments/governmental-gross-receipts-tax/</a></p>	<p><b>Gross Receipts Tax</b></p>	<p>Monthly, Quarterly, Semi or Annually</p>
	<p><a href="https://www.tax.newmexico.gov/all-nm-taxes/2020/10/21/water-conservation-fee/">https://www.tax.newmexico.gov/all-nm-taxes/2020/10/21/water-conservation-fee/</a></p> <p><i>Every public water supply system must pay a water conservation fee of three cents (\$0.03) per 1,000-gallons of water produced. Systems must report total water produced based on meter readings.</i></p>	<p><b>Water Conservation Fee</b></p>	<p>On or before the 25th of each month</p>
	<p><b>Attorney General's Office</b>  <a href="https://www.nmag.gov/resources/publications/oma-and-ipra-nm-sunshine-laws/">https://www.nmag.gov/resources/publications/oma-and-ipra-nm-sunshine-laws/</a></p> <p><i>State law that requires water systems organized as local governments to conduct open meetings. It specifies requirements for meeting notice, agendas, and minutes. Systems subject to the Act are also required to pass a yearly open meetings resolution.</i></p>	<p><b>Open Meetings Act Resolution</b></p>	<p><b>Annually</b>, typically at the beginning of each fiscal year</p>

 <p>New Mexico Department of Finance and Administration</p>	<p><b>NM Department of Finance &amp; Administration</b>  <a href="http://www.nmdfa.state.nm.us/Budget__Finance_Bureau.aspx">http://www.nmdfa.state.nm.us/Budget__Finance_Bureau.aspx</a></p> <p><i>Required for all water systems (Tier 2 or higher) to complete and submit an annual budget, including copies of signed resolution, meeting minutes, and quarterly reports from the previous year.</i></p> <p><i>Along with their budgets, entities must also submit quarterly reports every three months. These should also be included in the final budget sent at the end of the year.</i></p>	<p><b>Annual Budget</b></p>	<p><b>Annually</b>, Proposed budget due by <b>June 1st</b>. Final budget due by <b>July 31st</b></p>
 <p>SECRETARY OF STATE NEW MEXICO</p>	<p><b>NM Secretary of State</b>  <a href="https://portal.sos.state.nm.us/BFS/online/Partnerships/VerifyCertificateofExistence">https://portal.sos.state.nm.us/BFS/online/Partnerships/VerifyCertificateofExistence</a></p> <p><a href="https://portal.sos.state.nm.us/BFS/online/">https://portal.sos.state.nm.us/BFS/online/</a></p>	<p><b>Annual Reports</b></p>	<p><b>Annually</b>, by May 15th</p>
 <p>nm811 Know what's below. Call before you dig.</p>	<p><b>NM 811</b>  <a href="http://nm811.org/">http://nm811.org/</a></p> <p><i>Utilities that have underground lines must be a member of New Mexico 811 to minimize damage to underground lines before an area is excavated. Utilities must mark water lines within two days of the request.</i></p>	<p><b>Yearly Membership Fee (and Respond to Requests)</b></p>	<p>Annually or Quarterly</p>

# ROAD MAPPING EXAMPLE

## CATALPA WATER ASSOCIATION

Established contact over three years ago. Initial meetings on how to get water for community.

- Established partnership with Rural Communities Assistance Corporation (RCAC):
  - Meetings with interested community members
  - Discussion on ways to get a new water distribution system constructed; connected to local/regional water source
  - Determined level of commitment and support
- Developed Road Map to get established as a new water system:
  - Registered with Secretary of State; paid fees
  - Drafting Bylaws, Rules and Regulations, Policies & Procedures
  - Establishing a line of revenue; starting with signed memberships and paid membership fees
  - Draft First Year budget and financial statements (based on Tiered System)
- Request for assistance from McKinley County
  - Requested capital outlay funding
  - Applied for ERGT funding to pay for Preliminary Engineering Report (PER)
- Developed planning and funding strategies
  - Applied for Water Trust Board (Design funding)

# ROAD MAPPING EXAMPLE

## **RAMAH WATER & SANITATION DISTRICT**

Established contact over four years ago. Initial meetings on how to get fix infrastructure.

- Established partnership with Rural Communities Assistance Corporation (RCAC):
  - Meetings with new board members
  - Discussion on rehabbing water/wastewater systems
- Developed Road Map to get established as a new water system:
  - Search for documentation and paperwork to address financial issues
  - RCAC provided technical assistance; hired auditor to file past audits
  - Currently up-to-date with finances; able to apply for additional funding
- Request for assistance from McKinley County
  - Applied for ERGT funding to pay for Preliminary Engineering Report (PER) for Water & Wastewater
- Developed planning and funding strategies
  - Applied for Water Trust Board (Design funding) to improve existing water distribution system: new water tank, new water well, booster station, pump station, backup generators, fire suppression, replace waterlines, isolation valves, meter readers, and rehab 'old' water tanks (to be used for backup supply)

# ROAD MAPPING EXAMPLE

## **BLUEWATER WATER & SANITATION DISTRICT**

Established contact over a year ago. Held initial meeting to gauge system status.

- Issues with compliance in several areas:
  - Water Operations
  - Wastewater Operations
  - Financial Auditing
- Identified local needs:
  - Rehabilitate water distribution system
  - Rehabilitate wastewater system
  - Hire auditor to file past due financial reports; hire accountant to update finances and budgets
  - Update Preliminary Engineering Reports for both Water/Wastewater
  - Address compliance issues with Water/Wastewater infrastructure
- Status
  - Update-to-date with audits
  - Able to spend down existing capital outlay funding; apply for more funding
  - Start on rehabbing projects; acquiring new equipment

# ROAD MAPPING EXAMPLE

## **SAN RAFAEL WATER & SANITATION DISTRICT**

Established contact over a year ago. Held initial meeting to gauge system status.

- Issues with compliance in several areas:
  - Water Operations
  - Wastewater Operations
  - Financial Auditing
- Identified local needs:
  - Address immediate emergency issues
  - Rehabilitate water/wastewater distribution system
  - RCAC providing technical assistance with audits/financial reports; to hire accountant/auditor and file past audits
- Status
  - Board overturn; meeting with new board members; providing training
  - Addressing compliance issues with Water/Wastewater infrastructure
  - Cannot tap into existing capital outlay funding (yet); unable to apply for additional funding
  - Seeking support from Cibola County



**RCAC**

---

# Basic Financial Management

May 8, 2024

“Board Members have a fiduciary duty to assure that system revenues cover the “true” cost of water delivered.”

- Ellen Miller in “The Water Board Bible”

# Remember Your Water System is a Business...

---

- You take in revenue.
- You have expenses.
- You deliver a product to customers.
- You have agreements with customers.
- You must comply with numerous requirements.

**Therefore you must run your water system  
like a business!**

# Why is Financial Management Essential?

---

- Assure the system is adequately staffed
- Ensure the system has the supplies and equipment it needs to operate
- Ensure system infrastructure is and continues to be functional and reliable
- Ensure the system pays its debts
- Plan for future needs
- Stay in compliance
- Funding requires it
- Ensure there are internal controls to protect the system and the board

# Budgets

---

- Q: What is a budget?
- A: It's a simply a one-year forecast the system's revenues and expenses.

Budgets provide information about:

- What is planned
- What it is expected to cost
- Source and amount of revenues
- The expected financial position of the water or wastewater facility (Ending Cash Balance)

# Budget Development Has Five Parts

---

1. Reviewing and analyzing at least 2 previous years of actual revenue and expenses
2. Estimating the full cost of operating the system
3. Estimating operating revenue from the sale of water
4. Establishing reserve allocations
5. Balancing the budget

“Developing a budget should be a team activity”

# Budgets

---

- Revenue
- Operating Expenses
- Salaries
- Utilities
- Parts and Supplies
- O&M
- Capital Reserves
- Debt Reserves
- O&M Reserves
- Emergency Reserves
- Asset Management

# Audit Act- State Auditor

Office of the State Auditor provides for oversight of government spending by requiring annual audits or tiered reporting to the State Auditor's Office

Office of the State Auditor

<http://www.saonm.org/>

505-476-3800

MARK ANDERSON

WWW.ANDERSTOONS.COM



"When you say New Year's resolution are you talking calendar year? Or fiscal year?"

# How to Determine your Tier ?

- Tier 1: Less than \$10,000 in revenue and did not spend 50% or remainder of capital outlay award.
- Tier 2: \$10,000 - \$50,000 in revenue and has not received capital outlay award.
- Tier 3: Less than \$50,000 in revenue and spends 50% or remainder of capital outlay funds within your fiscal year. (requires IPA)
- Tier 4: \$50,000 - \$250,000 in revenue (requires IPA and capital asset inventory)
- Link to OSA Connect: <https://www.osa-app.org>  
-Create a login, SAO will email you a link

# State Auditor's Office Deadlines

## **State Auditor's Office – Agreed-Upon-Procedures**

[Tiered System Reporting | NM Office of the State Auditor \(saonm.org\)](#)

### Calendar Year (January – December)

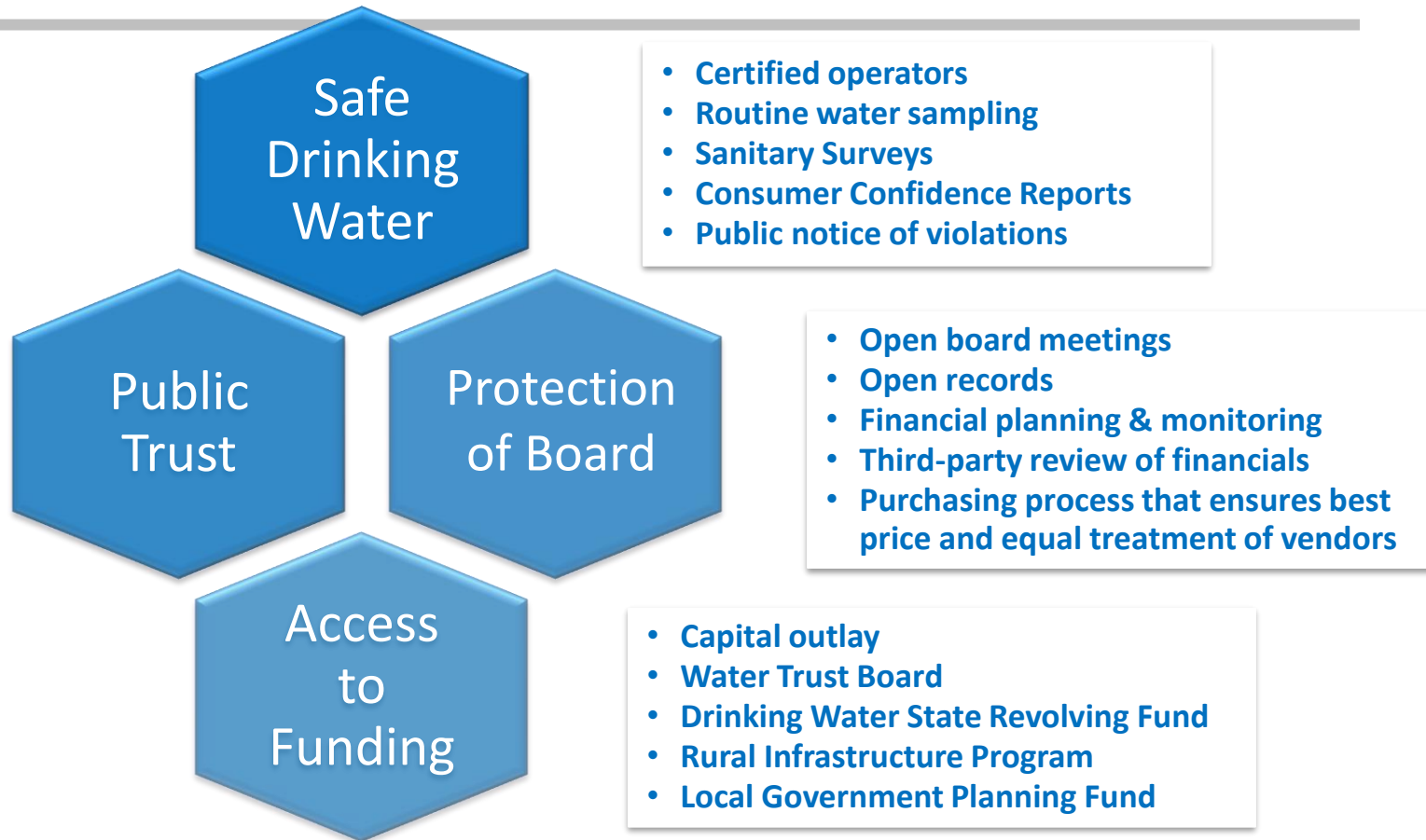
- December 1st – Start procurement process of IPA on OSA-Connect
- January 30<sup>th</sup> – Sign contract with IPA and obtain State Auditor Approval
- June 15<sup>th</sup> – Submit Agreed-upon-Procedures to State Auditor's Office

### Fiscal Year (July – June)

- June 1st – Start procurement process of IPA on OSA-Connect
- July 30<sup>th</sup> – Sign contract with IPA and obtain State Auditor Approval
- December 15<sup>th</sup> – Submit Agreed-upon-Procedures to State Auditor's Office

OSA Reporting Instructions : [Microsoft Word - 3.0 LPB OSA-Connect Instructions \(saonm.org\)](#)

# Practical Benefits of Regulatory Compliance



# Regulatory Reporting Requirements

STATE AGENCY	WHAT	WHEN
<b>New Mexico Environment Dept.</b>	Water Sampling/ Monitoring:	Monthly, Quarterly, Semi or Annually
<b>New Mexico Environment Dept.</b>	Consumer Confidence Reports:	Due on or before July 1 <sup>st</sup>
<b>Office of the State Engineer</b>	Water Meter Reading	Read Meter Monthly
<b>NM Taxation and Revenue Dept.</b>	Gross Receipts Tax	Monthly, Quarterly, Semi or Annually
<b>NM Taxation and Revenue Dept.</b>	Water Conservation Fee	Monthly, Quarterly or Annually
<b>NM Attorney General's Office</b>	Open Meetings Act Resolution	Annually
<b>NM Office of the State Auditor</b>	Audits or Tiered System of Financial Reporting:	Annually
<b>NM Dept. of Finance and Admin.</b>	Annual Budget	Annually
<b>NM Dept. of Finance and Admin.</b>	Quarterly Budget Reports	Quarterly
<b>New Mexico Secretary of State</b>	Annual Report	Annually-usually by May 15th
<b>New Mexico 811</b>	Yearly Membership Fee and Respond to Requests:	Quarterly or Annually



# SOUTHWEST ENVIRONMENTAL FINANCE CENTER



CENTER FOR WATER  
& THE ENVIRONMENT



GERALD MAY DEPARTMENT OF  
CIVIL, CONSTRUCTION &  
ENVIRONMENTAL ENGINEERING



SOUTH CENTRAL  
CLIMATE ADAPTATION SCIENCE CENTER



US Water  
Alliance

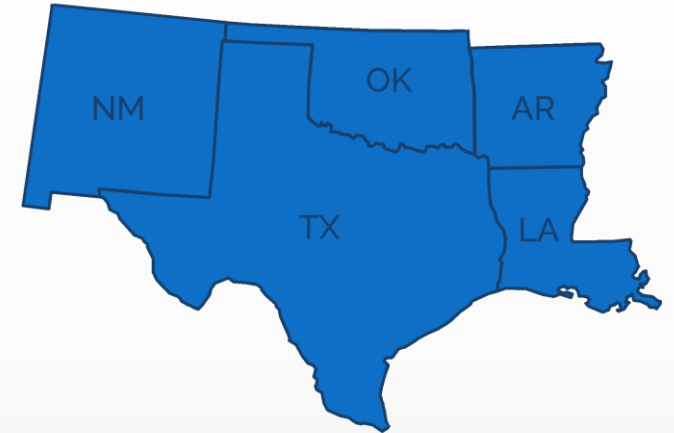


Anthropocene Alliance

# WATER, WASTEWATER, AND STORMWATER ASSISTANCE PROGRAM

We assist drinking water, wastewater, and stormwater systems in EPA Region 6 (NM, OK, TX, LA, and AR) by:

- Providing **technical assistance** to help systems identify and assess their infrastructure and financial needs.
- **Engaging with communities** to ensure that proposed solutions match local capabilities, are sustainable, and meet the needs of residents.
- Helping systems **apply for infrastructure funding** through the Bipartisan Infrastructure Law, the State Revolving Fund, and other funding opportunities.



*Program Area (Region 6)*

Our program focuses on traditionally **underserved and disadvantaged communities**.

Learn more on our website: [swefc.unm.edu/home/efc-bil/](https://swefc.unm.edu/home/efc-bil/)



# PROGRAM SERVICES



**Evaluating system needs**



**Technical assistance and capacity building**



**Community engagement**



**Finance and funding**



**Project development**



**Construction management**



Do You Have  
Any Questions??

# CONTACT INFORMATION



**NWNM Council of Governments**  
<https://www.nwnmcog.org>

**Evan Williams**, Executive Director  
(505) 722-4327 (office)  
[ewilliams@nwnmcog.org](mailto:ewilliams@nwnmcog.org)

**Angelina Grey**, RWPO Program Manager  
(505) 722-4327 (office)  
(505) 728-6198 (cell)  
[agrey@nwnmcog.org](mailto:agrey@nwnmcog.org)



**NM Environment Department**  
<https://www.env.nm.gov>

**Anders Lundahl**, Sustainable Systems  
**Sustainable Water Infrastructure Group**  
(505) 490-0165  
[Anders.lundahl@env.nm.gov](mailto:Anders.lundahl@env.nm.gov)

**Andrew Romero**, Water Resources  
**Ground Water Quality Bureau**  
(505) 660-8624  
[andrewc.romero@env.nm.gov](mailto:andrewc.romero@env.nm.gov)

**Avery Young**, Domestic Waste  
**Ground Water Quality Bureau**  
(505) 699-8564  
[avery.young@env.nm.gov](mailto:avery.young@env.nm.gov)

**Gordon Miller**, Compliance Officer  
**Drinking Water Bureau**  
(505) 258-3203  
[gordon.miller@env.nm.gov](mailto:gordon.miller@env.nm.gov)



**Rural Community Assistance Corporation**  
<https://www.rcac.org>

**Blanca Surgeon**, Rural Development Specialist  
(505) 577-6917  
[bsurgeon@rcac.org](mailto:bsurgeon@rcac.org)

**Karen Tapias**, Rural Development Specialist  
(505) 414-5356  
[ktapias@rcac.org](mailto:ktapias@rcac.org)

**Ramon Lucero**, Regional Field Manager  
(505) 819-7342  
[rlucero@rcac.org](mailto:rlucero@rcac.org)



**Southwest Environmental Finance Center**  
<https://swefc.unm.edu/home/>

**James Markham**, Research Engineer  
(510) 520-8058  
[jmarkham@unm.edu](mailto:jmarkham@unm.edu)

**Tucker Colvin**, Research Scientist  
(505) 277-0644  
[tcolvin@unm.edu](mailto:tcolvin@unm.edu)