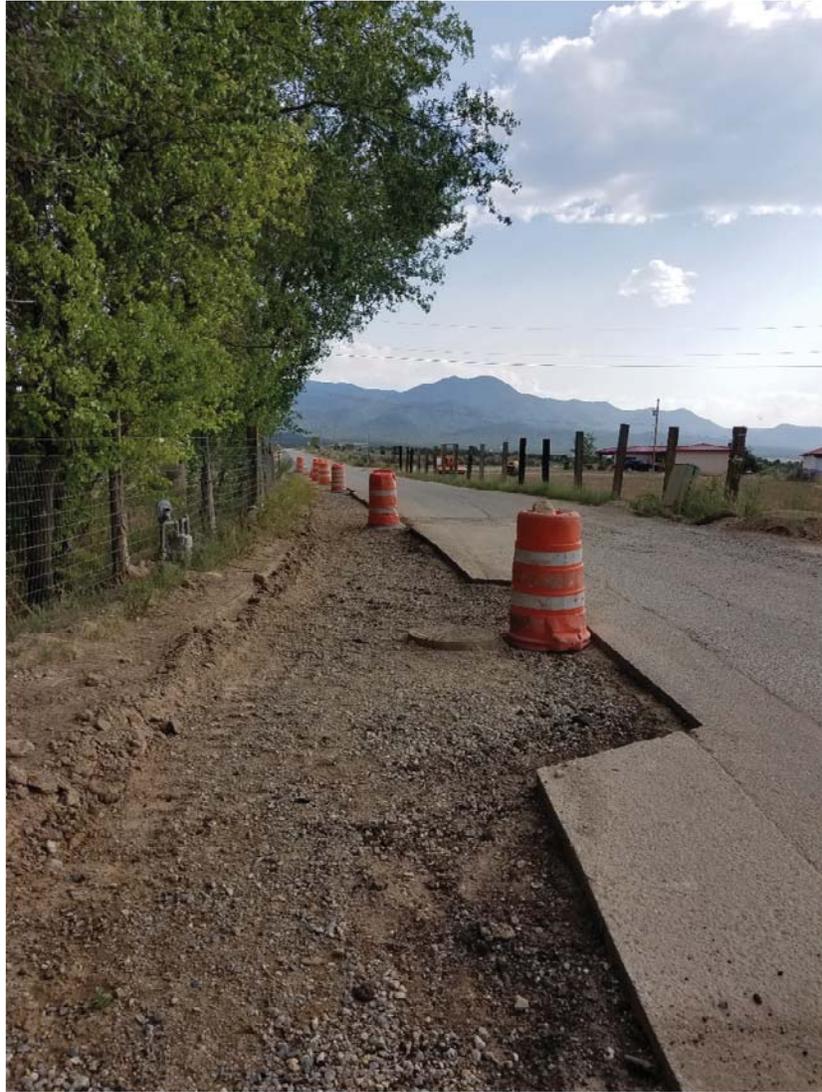


**STATE OF NEW MEXICO
CLEAN WATER STATE REVOLVING FUND
ANNUAL REPORT
STATE FISCAL YEAR 2020
July 1, 2019 - June 30, 2020**



El Valle de Los Ranchos Sewer Line Project—Pisces Nominee



**New Mexico Environment Department
Water Protection Division
Construction Programs Bureau
1190 St. Francis Drive Rm. S2072
P.O. Box 5469
Santa Fe, New Mexico 87502
(505) 827-2806
EPA Region 6**

TABLE OF CONTENTS

<u>Title</u>	<u>Page</u>
I. INTRODUCTION	3
II. PROGRAMMATIC DISCUSSION	3
A. Financial Highlights for State Fiscal Year 2020	3
B. Fund 12100 – The Loan Fund	3
C. Factors Affecting the Fund	4
D. Interest Rate Structure	5
E. Activities of the Program	5
F. Cash Flow Model	6
III. GOALS, OBJECTIVES, AND ACCOMPLISHMENTS	7
A. Long-term Goals	7
B. Short-term Goals	10
IV. FUND ADMINISTRATION AND OPERATIONS	13
A. Sources and Uses of Funds	13
B. Administrative Portion	13
C. CWSRF Administrative Fund Activity	13
D. Assistance Activity	14
E. Criteria and Method Established for Distribution of Funds (Title VI)	15
F. Environmental Reviews	17
G. American Iron and Steel (AIS)	17
H. Davis-Bacon	17
I. Generally Accepted Accounting Principles (GAAP)	17
J. Use of Fees	17
K. Expanded Eligibilities and Borrowers	18
L. Loan Terms Up to 30 Years	18
M. Fiscal Sustainability Plans (FSP)	18
N. Administrative Costs	18
O. Definition of 212 Projects	18
P. Provisions of the Operating Agreement/Condition of Grant Agreement	18
V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	22
VI. ACCRUED INTEREST RECEIVABLE ON CONSTRUCTION LOANS	22
VII. DISCUSSION OF ADMINISTRATIVE REIMBURSEMENT PROCESS	22
VIII. FINANCIAL INDICATORS	23
IX. CONCLUSION	23

FIGURES

1. New Mexico CWSRF Increase in Fund 12100 Net Position	4
2. CWSRF Funds Disbursed.....	6
3. New Mexico CWSRF Cash Flow Projection.....	7
5. New Mexico Clean Water Admin Fund 32700	14
6. CWSRF New Loan/Subsidy Agreements Signed per State Fiscal Year	15

ATTACHMENTS

1. Capitalization Grants and Binding Commitments
2. NMED CWSRF SFY 2020 Draft Financial Statements
3. Assistance Provided SFY 2020
4. Loans in Progress
5. Loan Balances
6. Cash Flow Model-Ten Years

**ANNUAL REPORT
CLEAN WATER STATE REVOLVING FUND PROGRAM**

I. INTRODUCTION

The Federal Water Pollution Control Act more commonly called the Clean Water Act (CWA) was enacted by Federal Legislation in 1972. The amended Clean Water Act of 1987 created the Clean Water State Revolving Fund (CWSRF). The State of New Mexico CWSRF Program (Program) was established in 1986 pursuant to the New Mexico Wastewater Facility Construction Loan Act, Section 74-6A-1 *et seq*, and as amended the New Mexico Statutes Annotated (NMSA) 1978.

The Program provides eligible borrowers in New Mexico with low-cost financial assistance for the construction of wastewater facilities or other eligible water quality projects. The loan program is maintained into perpetuity by adding repayment principal, interest, and investment interest to the fund. The Program has provided over \$487 million in funding for water quality protection to date (Attachment 1).

The State of New Mexico hereby submits the CWSRF Annual Report for state fiscal year (SFY) 2020. This report addresses how New Mexico worked toward the goals and objectives of the CWSRF Program identified in the approved SFY 2020 Intended Use Plan (IUP). This report describes the actual uses of CWSRF funds and the financial position of the Program.

II. PROGRAMMATIC DISCUSSION

The following sections report the financial activities and other elements impacting the CWSRF during SFY 2020.

A. Financial Highlights for State Fiscal Year 2020

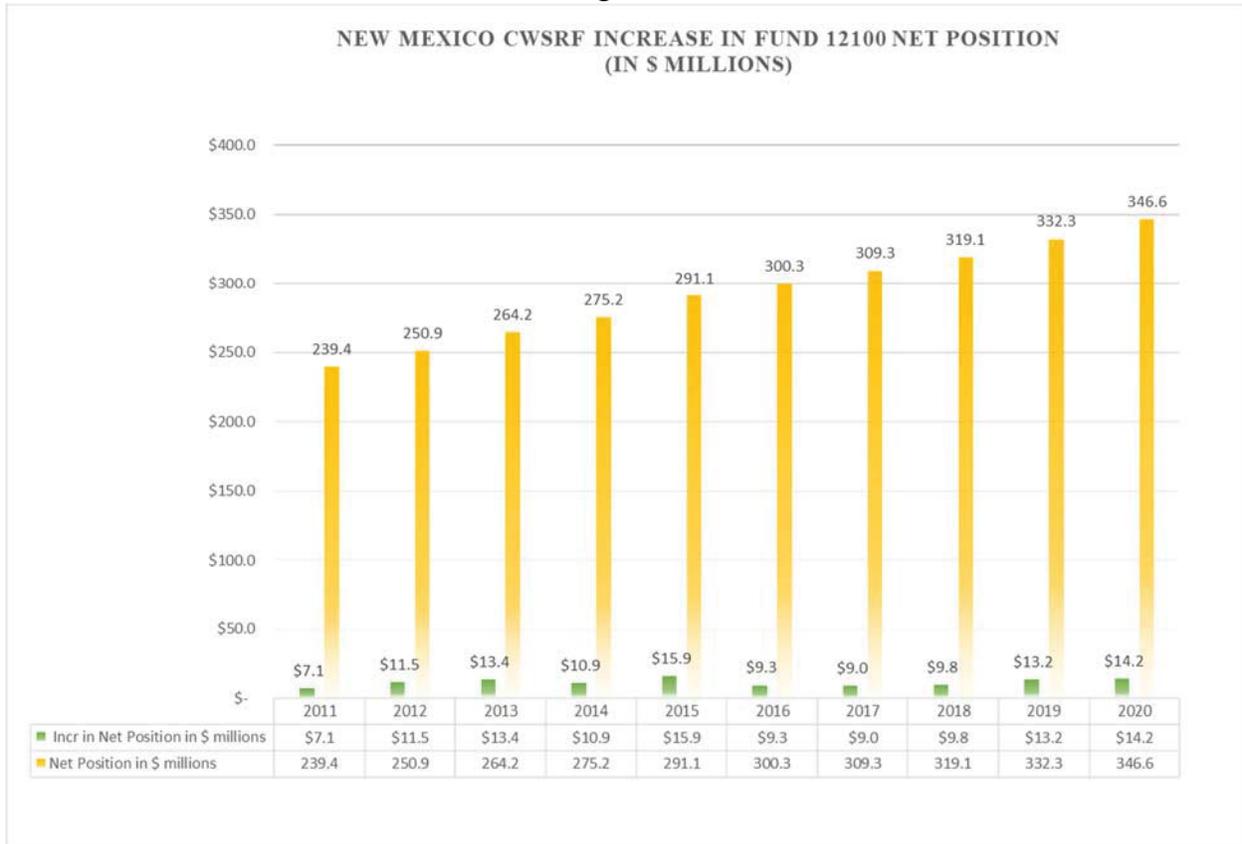
- At the close of SFY 2020, fund 12100 reported a total net position of \$346,647,756 an increase of \$14,287,305. This represents an increase of 4.2%. (Attachment 2).
- The Program was awarded one capitalization grant (Cap Grant) for state fiscal year 2020 (Federal Fiscal Year 2019) of \$,7,779,000 (Attachment 1).
- The Program collected \$10,345,511 in loan repayment principal, \$3,288,465 in loan repayment interest, and \$883,520 in administrative fees for a total of \$14,517,496 (Attachment 2) in SFY 2020.
- Fund 12100 earned \$4,990,179 and Fund 32700 earned \$107,301 (Attachment 2) of interest income on overnight funds deposited at the State Treasurer's Office for a total of \$5,097,480 in earned interest during SFY 2020.
- The Program disbursed \$ 14,586,117 for projects in SFY 2020 (Attachment 2).

B. Fund 12100 – The Loan Fund

The loan fund 12100 statement of net position shows that the fund grew by \$14.2 million during

SFY 2020. The chart represented in Figure 1 represents the cumulative growth of the fund.

Figure 1



C. Factors Affecting the Fund

Multiple factors impact the performance of the Fund including competing programs, additional subsidization, and investment earnings.

The Program competes with and complements the Capital Outlay Special Appropriation Program (CO SAP) and the Rural Infrastructure Revolving Loan Program (RIP). The CO SAP provides communities with 100% grant funding via legislative appropriations. In 2020, the legislature appropriated \$17,217,759 million to the CO SAP program for 40 wastewater and stormwater projects. The RIP program provides loan and subsidy funding to rural communities. This program has an open application cycle and quick loan execution but has population restrictions and a maximum loan amount of two million dollars per year. The RIP program funded \$750,000 in wastewater projects for SFY 2020. CO SAP and RIP provide some opportunities for co-funding with the CWSRF, but also compete with the CWSRF.

The Water Resources Reformation and Development Act (WRRDA) allows the Program to provide communities with up to 30% of the federal Cap Grant awarded to NMED as additional subsidization, or \$2,333,700 for the FFY 2019 allotment. The FFY 2019 allotment also mandated

that 10% of the allotment, or \$777,900 be utilized as additional subsidization not subject to WRRDA restrictions. The Program provided 100% of the allowable additional subsidization to new and amended loans from the FFY 2019 allotment plus an additional \$1,458,630 in subsidy from previous cap grants for a total of \$4,570,230 in additional subsidization in SFY 2020 (Attachment 3). Additional subsidization, combined with low interest rates, allows the Program to provide funding packages for projects that may otherwise be too expensive for the rural and economically challenged communities of New Mexico.



El Valle de Los Ranchos Sewer Project

D. Interest Rate Structure

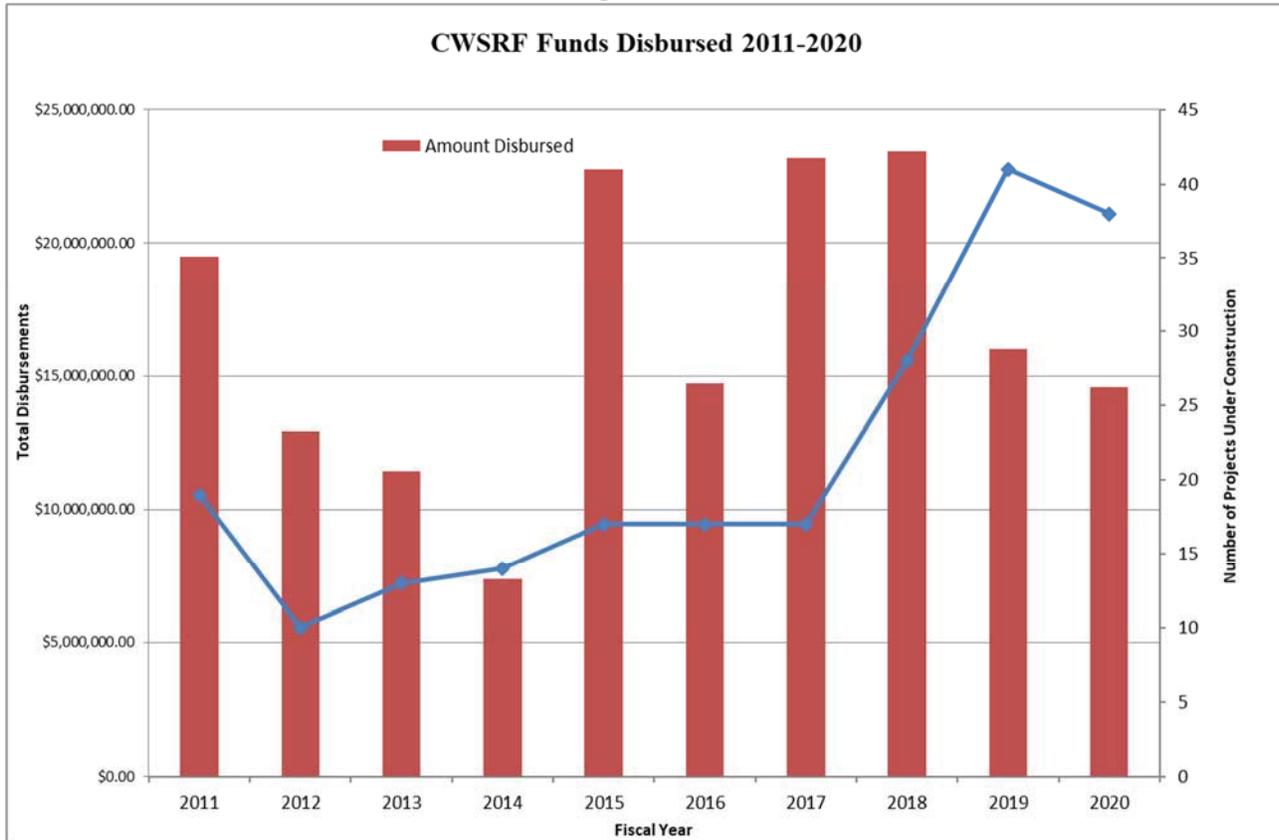
The NM CWSRF's base rate was 2.375%. For the state fiscal year ending June 30, 2020, the NM CWSRF had three hardship rates; 1.2% for entities with a per capita income (PCI) less than the statewide average; 0.6% for entities with a PCI less than three-fourths of the statewide average; and 0% when the PCI was less than three-quarters of the statewide PCI and the average sewer user rate was greater than 1.82% of the PCI. The rate for private entities was 2.375%. Low rates allow the Program to provide affordable financing to New Mexico entities.

E. Activities of the Program

As of June 30, 2020, the Program had 38 projects in process. The Program drew down all the FFY

2019 Allotment and disbursed a total of \$14,586,117 (Attachment 4 and Figure 2) in SFY 2020.

Figure 2



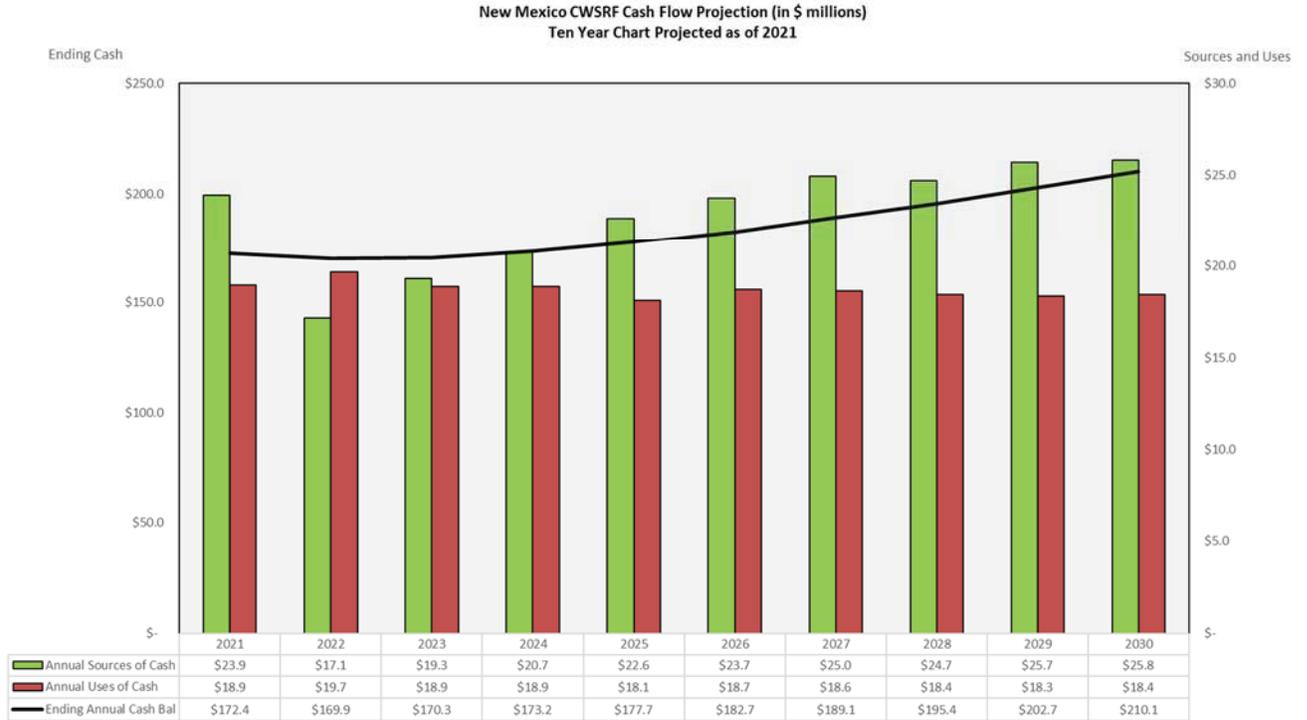
F. Cash Flow Model

A cash flow model is used as a management tool for the Program by tracking cash reserves after adjusting revenues and expenses. The ten year and thereafter cash flow model is reviewed and updated annually to reflect economic and programmatic changes (Attachment 6).

The ten-year cash flow model presented (Figure 3) demonstrates that the CWSRF has the funds to support projected projects, and to increase funding where possible through enhanced outreach, expanded eligibilities and other funding opportunities. The projected cash flow shows the CWSRF can continue to effectively execute loans for environmentally important projects needed in New Mexico.

Annual sources of cash include loan repayments for principal, and interest and overnight interest on investments. Annual uses of cash include loan and subsidy disbursements and administrative expenses.

Figure 3



III. GOALS, OBJECTIVES, AND ACCOMPLISHMENTS

The Intended Use Plan for the SFY 2020 listed specific goals, objectives, and accomplishments; the following is a summary of our efforts.

A. Long-term Goals

- 1. Provide local authorities, state agencies, interstate agencies and other qualified borrowers in New Mexico with low-cost financial assistance for the construction of wastewater facilities or other eligible water quality projects by maintaining a self-sustaining Clean Water State Revolving Fund (CWSRF).**

This is an on-going goal for the Program. Low interest rates and full utilization of additional subsidization allow the Program to offer New Mexico entities affordable financing.

- 2. Maintain the CWSRF into perpetuity by adding repayment and investment interest to the Fund.**

The State tracks fund balances that include interest revenue, principal repayments, and investment activity with the intent of maintaining the Fund into perpetuity. Annual increases in net position, no loans in default, a growing loan portfolio, low expenses, and average annual increases in Net Position help to achieve this goal (Attachment 2).

At the end of SFY 2020, there were 56 loans in repayment (Attachment 5). Loan repayments help provide funds that ensure a robust NM CWSRF program into perpetuity.

Cash balances are invested by the New Mexico State Treasurer's Office (NM STO). The NM STO investment policy ensures that the CWSRF investments are sound and adequately positioned for the best return at limited risk. The NM STO website is <http://www.nmsto.gov>.

3. Maintain the fiscal integrity of the CWSRF.

The NMED CWSRF is committed to transparency and accountability. In SFY 2020, the New Mexico Environment Department (NMED) contracted with CliftonLarsonAllen, LLP (CLA) to conduct the SFY 2020 audit. CLA provides performance recommendations, a formal opinion on the CWSRF's financial statements, and guidance on conformance to Generally Accepted Accounting Principles and federal guidelines. The SFY 2020 draft financial statements (Attachment 2) for the CWSRF have been completed. The final CWSRF audit will be issued when the NMED audit is completed and will then be forwarded to the EPA.



City of Grants Effluent Storage Pond Lining Project

4. Make funding available to potential borrowers who meet the criteria of one of the twelve CWSRF eligibilities found in Section 603(c) of the CWA as amended and as it applies to New Mexico.

NMED continued to expand outreach activities in SFY 2020 to reach more diverse projects and a wider range of borrowers. NMED CWSRF continued utilizing the following outreach:

- Creating and maintaining a web page with links to pertinent documents;
- Utilizing an email platform to announce funding opportunities to the Program's email list;
- Customizing the email solicitations for the intended recipient list. Examples include:
 - Wastewater Treatment contacts;
 - Storm Water project contacts;
 - Petroleum Storage Tank replacement contacts;
 - Solid Waste project contacts;
- Attending the New Mexico Infrastructure Finance Conference, the Local Government Division Conference, and the New Mexico Municipal League Conference;
- Utilizing NMED's Twitter account;
- Placing legal notices in newspapers statewide announcing application cycle;
- Creating an open year-round application cycle.

5. Encourage green projects by providing funding opportunities for eligible projects that support energy efficiency, water efficiency, green infrastructure and innovation.

NMED continues to promote green projects. The FFY 2019 allotment recommended that, to the extent possible, \$777,900 be used for green projects. In SFY2020, the NMED CWSRF entered into agreements with the City of Farmington for a stormwater project, the City of Tucumcari for a reuse project, the Cities of Bloomfield, Truth or Consequences and the Village of Fort Sumner for energy efficiencies. Final green determinations will not be made until project completion, but NMED CWSRF estimates up to \$1.8 million in green funding. The NMED CWSRF is continuing to pursue funding opportunities in these specific areas.

6. Provide available subsidy to eligible entities.

The NMED CWSRF entered into six funding agreements that included and provided all available subsidy, \$4,570,230 (Attachment 3), as part of the funding packages.

7. Utilize the opportunities afforded by recent legislative changes to fully maximize funding opportunities.

NMED continues to pursue all funding opportunities including those opportunities made possible through 2017 and 2018 legislative changes.



City of Grants Storm Water Management Project

B. Short-term Goals

- 1. Completion of the annual audit, the intended use plan, and the annual report in a timely manner. CWA Sec. 606 (b, c, d).**

The NMED draft SFY 2020 IUP was submitted to the EPA on July 3, 2019 and was approved on February 20, 2020.

This goal will be met with the submission of this report and the SFY 2020 audit.

- 2. Identify recipients from the SFY 2020 project priority list (PPL) to receive funding from the Federal Fiscal Year (FFY) 2019 Allotment. Draw-down and complete the FFY 2019 Allotment of \$7,779,000.**

The Cities of Bloomfield, Truth or Consequences, Tucumcari, and Santa Rosa as well as the Village of Fort Sumner all received funding from the FFY 2019 Allotment. All FFY Allotment funds have been drawn.

This goal was met.

- 3. Execute binding commitments equal to 120% of FFY 2019 Cap Grant payment within one year after receipt of that payment. NMED considers a Binding Commitment to be when the loan documents are signed by both parties.**

In SFY 2020, nine new loans were executed for \$26,333,000 and four loans were amended

for \$15,394,000 totaling \$41,727,000. (Attachment 3). The binding commitments equaled 536% % of the Cap Grant.

The goal was exceeded.

4. Identify green projects for the SFY 2020 equal to 10% of awarded FFY 2020 Cap Grant.

Five projects from the SFY 2020 priority were identified as having green components: The Cities of Farmington, Bloomfield, Truth or Consequences, and Tucumcari, and the Village of Fort Sumner. NMED estimates approximately \$1.8 million in green components, exceeding the required amount of \$777,900.

This goal was met.

5. Apply for the current FFY's allotment in the first year that it is appropriated.

The application for FFY 2020 allotment was submitted on March 17, 2020.

This goal was met.

6. Execute loan repayment agreements for: Village of Cuba, City of Farmington, City of Santa Rosa, City of Gallup, City of Grants, Town of Peralta.

Final loan agreements were executed for the Village of Cuba, the City of Farmington, the City of Santa Rosa, and the Town of Peralta. The Cities of Grants and Gallup both amended their loan agreements for additional funding.

This goal was partially met.

7. Complete the environmental benefits in the Clean Water Benefits Reporting System (CBR) by the end of the quarter in which a loan agreement is signed.

The Environmental Benefits were entered in the CBR database by the end of the quarter for each loan agreement signed.

This goal was met.

8. Work to meet or exceed the national average of financial indicators that are reported and compiled in the National Information Management System (NIMS): federal return on investment; executed loans as a percentage of funds available; percentage of funds disbursed to executed loans; retained earnings excluding subsidy; change in Net Position.

Based on cumulative 2020 financial indicators, New Mexico CWSRF did not meet or exceed national averages:

- The Federal return on investment for New Mexico was 175% compared to the 2019

national average of 284% (most current data available).

- The percent of executed loans as a percentage of funds available was 85% versus the 2019 national average of 97%.
- New Mexico achieved 82% of funds disbursed to executed loans compared to the 2018 national average of 89%.
- Retained earnings as a percentage of contributed capital, excluding subsidy, were 38.5%.
- The change Net Position was 4.2% compared to the national average of 4.0%.

New Mexico will continue to work on increasing the averages comparative to the national averages.

This goal was not met.

9. Complete the rulemaking process necessary to implement statutory changes.

Revisions for 20.7.6 NMAC - *Wastewater Facility Construction Loan Policies and Guidelines* and 20.7.7 NMAC – *Review Procedures for Wastewater Construction Loans* were approved March 10, 2020.

This goal was met.

10. Revise Priority List Ranking system to better address expanded eligibilities and borrowers.

A petition and statement of reasons to change the NMED CWSRF Priority Ranking System was submitted to the New Mexico Water Quality Control Commission on February 12, 2020. The initial hearing on the matter was March 10, 2020. The final hearing on the matter was then postponed due to measures to prevent the spread of Covid-19.

This goal was partially met.



Village of Cimarron CWSRF Signage

IV. FUND ADMINISTRATION AND OPERATIONS

A. Sources and Uses of Funds

Actuals for SFY 2020	
Sources and Uses	
Beginning Cash Balance SFY20	\$156,161,483
Sources during SFY 2020:	
FFY 2019 Capitalization Grant	\$7,779,000
FFY 2019 Allotment State Match	\$1,500,000
2020 Repayment Principal	\$10,387,017
2020 Repayment Interest	\$3,246,960
2020 Overnight Interest State Treasurer report	\$4,990,179
Total Sources	\$184,064,639
Uses during SFY20	
Admin Expense	\$573,925
Disbursements for SFY 2020	\$14,586,117
Resources for SFY2021	\$168,904,597
Total Uses	\$184,064,639

B. Administrative Portion

In SFY 2020 NMED chose to use 1/5 percent of the valuation of the CWSRF fund (fund 12100) for the costs of administering the fund. As of June 30, 2018, the audited valuation (Total Net Position) of the CWSRF fund was \$319,125,720 allowing NMED to budget \$638,251 for administrative uses. The amount expended in SFY 2020 was \$573,925 from fund 12100.

C. CWSRF Administrative Fund Activity

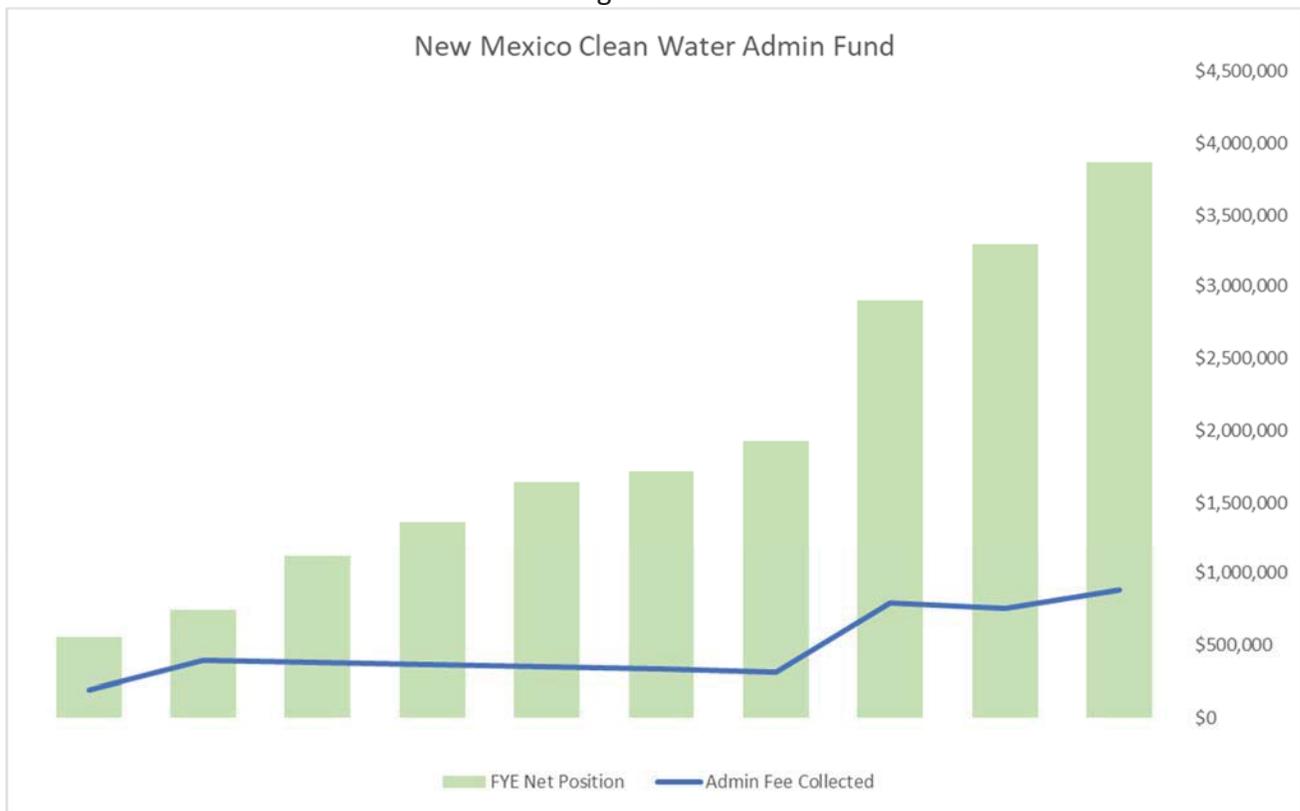
The purpose of the Administrative Fund (fund 32700) is to support the administration of the Program so that it will function into perpetuity. Fund 32700 is used solely for the NM CWSRF program. At the beginning of SFY 2020, the balance of fund 32700 was \$3,064,542. The \$571,896 increase is due to administrative fees and overnight interest collected. The operating expenses charged to Fund 32700 include payroll, travel, computers, and other office expenses.

In SFY 2020, Fund 32700 had the following activity:

Description	Amount
Balance beginning of SFY 2020	\$ 3,064,542
Investment interest from the State Treasurer’s Office earned in SFY 2020	\$ 107,301
Loan Administrative Fees collected SFY 2020	\$ 883,519
Program operating expenses charged to Fund 32700 in SFY 2020	(\$418,924)
Balance end of SFY 2020	\$ 3,636,438

Figure 4 shows the FYE 2020 fund balance and the annual amount of fees collected and deposited in Fund 32700 from SFY 2011 through 2020.

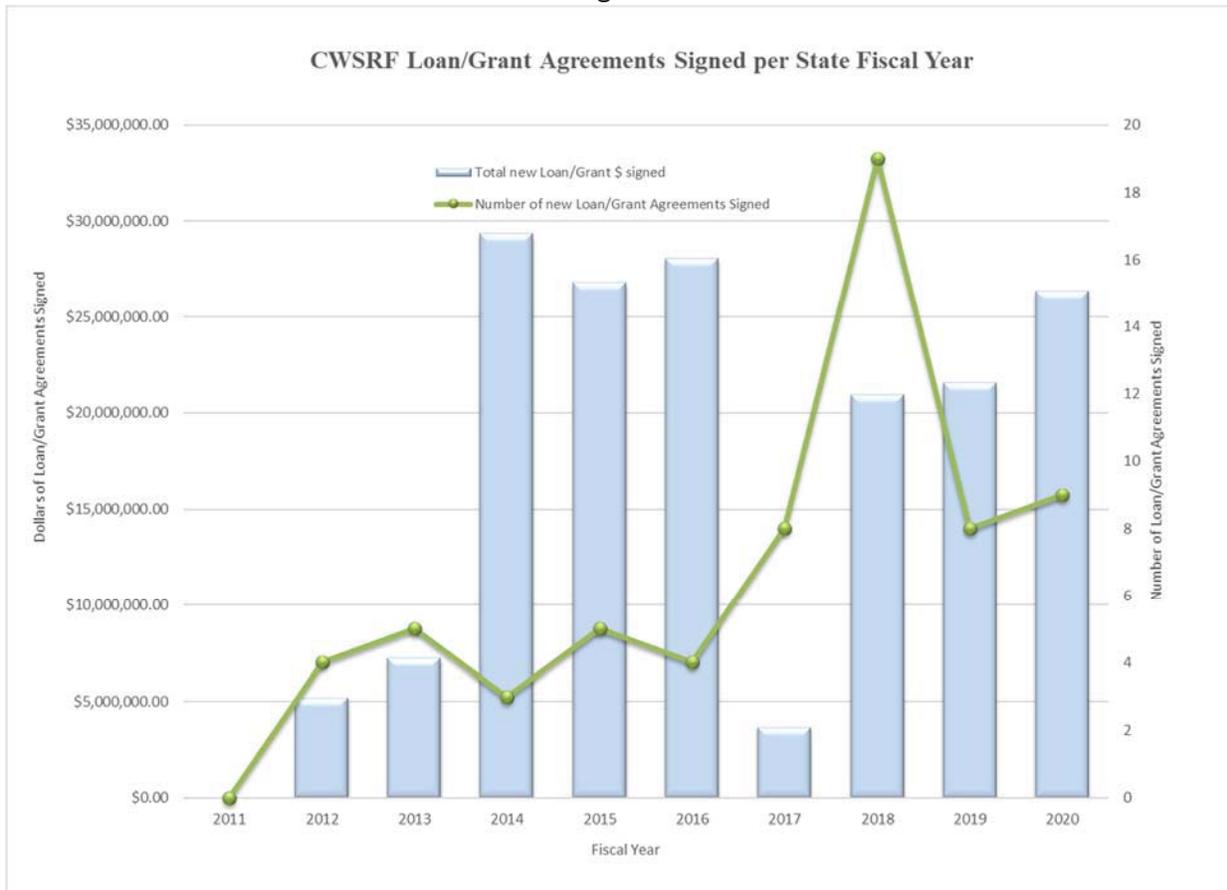
Figure 4



D. Assistance Activity

In SFY 2020, the Program signed nine new loan/subsidy agreements totaling \$26,333,000 and amended four existing agreements by \$15,394,000 for a total of \$41,727,000. (Attachment 3). Figure 5 shows the amount and number of new agreements signed over the last 10 years.

Figure 5



E. Criteria and Method Established for Distribution of Funds (Title VI)

Pursuant to the Loan Act, the Water Quality Control Commission (WQCC) adopted regulations defining eligibility requirements for financial assistance, application procedures, priority ranking system and administration of the loan program and fund. The current priority ranking system was adopted by the WQCC on April 9, 2013 and amended by the WQCC on January 24, 2014. Information on the ranking system can be found at <https://www.env.nm.gov/cpb/CWSRFPage.htm> under CWSRF Priority Ranking System Guidance.

The CWSRF staff and NMED ground water and surface water staff evaluated and ranked all SFY 2020 applications.

Public notice of the Projects Priority List (PPL) was provided through publication in independent newspapers statewide, the NMED website, and Granicus, a cloud-based email platform. NMED accepted public comments regarding the SFY 2020 Intended Use Plan (IUP) and associated PPL from May 17-May 31, 2019; one comment was received from Amigos Bravos. Amigos Bravos commented on the need to actively advocate for water infrastructure to mitigate climate impact, the need to prioritize equitable infrastructure investments, and the need to prioritize green project reserve and green infrastructure projects. NMED CWSRF replied with concurrence.

A project must be on the current New Mexico state fiscal year PPL to receive a loan. It is the policy of NMED to make loans to entities in order of priority on the current fiscal year priority list to the extent reasonable considering the following:

1. Willingness of the entity to accept a loan;
2. Financial capability of the entity to service the loan;
3. The ability of the community to operate and maintain the proposed project; and,
4. Readiness to proceed.

The New Mexico CWSRF reserves to the right to provide funding for projects which require immediate attention to protect public health on an emergency basis as declared by the Cabinet Secretary of the New Mexico Environment Department or by the Office of the Governor.



City of Grants Storm Water Management Project

F. Environmental Reviews

In compliance with the CWSRF requirements, the Program conducted environmental reviews for all the projects that required such a review and will continue to do so in the future.

NMED followed the State Environmental Review Process (SERP) approved by the EPA and applied the National Environmental Policy Act (NEPA) to all required CWSRF projects.

G. American Iron and Steel (AIS)

In accordance with Section 608 of the Federal Water Pollution Control Act (FWPCA), effective June 10, 2014, construction, alteration, maintenance, and repair of treatment works requires the use of American-made iron and steel products. There were seven new projects in SFY 2020 requiring compliance with AIS: The Cities of Bloomfield, Truth or Consequences, Tucumcari, Santa Rosa and Roswell, and the Villages of Wagon Mound and Fort Sumner. Communities have agreed to the AIS requirements via the execution of their Interim Loan Agreements and through the Supplemental Conditions Form AIS CWSRF 314, unless they can provide a waiver from EPA, or NMED determines that the AIS requirement is not applicable to the project. Project Managers review AIS compliance materials certifications during project inspections and use an AIS specific checklist while on site.

H. Davis-Bacon

NMED ensured Davis-Bacon compliance by requiring Borrower's for treatment works projects, via execution of an Interim Loan Agreement, to follow Davis Bacon. NMED provided Borrowers with the specific EPA Davis-Bacon contract language for use in bid specifications and/or contracts and confirmed that the correct wage determinations were included in the bid specifications and/or construction contracts.

NMED's Borrowers agreed to follow Davis Bacon by:

1. Executing an Interim Loan Agreement;
2. Executing a Certification of Compliance (Form XP-315); and,
3. Executing a Contractor Statement of Compliance with Labor Standards (Form XP-214) with each applicable disbursement request.

I. Generally Accepted Accounting Principles (GAAP)

NMED required Borrowers, via the Interim Loan Agreement to maintain project accounts per GAAP as issued by the Government Accounting Standards Board. This requirement also required Borrowers to use standards relating to the reporting of infrastructure assets.

J. Use of Fees

This provision requires States to manage the CWSRF in such a way that the funds will be available into perpetuity for activities under the FWPCA. NMED has achieved compliance with this provision through investing the CWSRF funds with the New Mexico State Treasurer's Office. The primary objectives are safety of the fund, maximizing return on the fund, and maintaining liquidity of the fund.

K. Expanded Eligibilities and Borrowers

In the SFY 2020 PPL, NMED accepted applications from one State Agency and six private entities. NMED made an offer to the State Agency and that offer is still pending. NMED has not made offers to the private entities but is working to set up system to securely fund private entities.

L. Loan Terms Up to 30 Years

New Mexico statute allows loan terms of up to 30 years.

M. Fiscal Sustainability Plans (FSP)

NMED required Borrowers, via the Interim Loan Agreement to certify that the FSP is in place prior to the final loan disbursement for projects involving repair, replacement, or expansion of treatment works (WRRDA, Section 603(d)(1)(E)).

N. Administrative Costs

NMED implemented the maximum annual amount of CWSRF money that may be used to cover the reasonable costs of administering the fund by budgeting 1/5 percent of the current valuation of the fund. Fund 12100 expended administrative expenses of \$573,925; in addition NMED has fund 32700, which expended \$418,924 in SFY 2020.

O. Definition of 212 Projects

The expanded definition of “treatment works” is now recognized by NMED to include land temporarily needed for construction. To date, no projects have required this expanded definition.

P. Provisions of the Operating Agreement/Condition of Grant Agreement

Accept Payments: Sec. 602(b)(1). The State certifies that it will accept Cap Grant payments in accordance with the negotiated payment schedule and use those payments for the activities of its established CWSRF.

In SFY 2020 three federal payments were received by the Program via EPA-ACH for the FFY 2019 Allotment Cap Grant totaling \$7,779,000.

Provide a State Match: Sec. 602(b)(2). The State certifies that it will deposit into the CWSRF an amount equaling at least 20 percent of the amount of each Cap Grant payment. The State match shall be deposited on or before the date on which the State received each payment from the Cap Grant award.

The Program received an appropriation from the state legislature of \$1,500,000 from the Public Projects Revolving Fund, which is administered by the New Mexico Finance Authority to match the FFY 2019 Cap Grant of \$7,779,000. On June 21, 2019, \$1,500,000 was transferred to the CWSRF Fund 12100. The \$7,779,000 in federal Cap Grant funds required a match of \$1,555,800. The shortfall of \$55,800 came from excess State Match that was awarded in 2006.

Binding Commitments within One Year: Sec. 602(b)(3). The State agrees to enter into binding commitments with recipients to provide financial assistance from the CWSRF. The binding commitments shall be in an amount equal to 120 percent of each quarterly Cap Grant payment.

In SFY 2020, the annual binding commitments totaled \$40,266,6633. Cumulative binding commitments (Attachment 1) as of FYE 2020 were \$487,334,166 or 208%, exceeding the required 120% by \$215,066,973.

Expeditious and Timely Expenditures: Sec. 602(b)(4).

The State expended all capitalization grant funds in the CWSRF in an expeditious and timely manner.

The State has addressed the issue of expeditious and timely expenditures for the CWSRF funds by having only one Cap Grant open and by drawing down the award within one year of receiving the award.

Compliance with the Environmental Review Requirements: Sec. 602(b)(6) as amended. The State agrees that it will conduct an environmental review of each project required receiving assistance from the CWSRF and will follow procedures which comply with criteria established by EPA in the Initial Guidance - State Revolving Fund, Appendix D.

The State confirms compliance with this requirement. Environmental review procedures for projects funded through the Wastewater Facility Construction Loan Program are implemented through the Internal Procedures Manual and the New Mexico State Environmental Review Process (SERP). The current EPA SERP Draft dated September 2019 reflects the most recent updates to the SERP and is pending EPA approval. All reviews comply with EPA implementation regulations contained in 40 CFR Part 6.

State Laws and Procedures: Sec. 602(b)(7). The State agrees to commit or expend each quarterly Cap Grant payment in accordance with state laws and procedures regarding the commitment or expenditure of revenues.

The State confirms compliance with this requirement. The loan fund was examined as a major federal program within the Environment Department's single audit for state fiscal years 1990 through 2020. The SFY 2020 draft financial statements for the CWSRF Program are attached (Attachment 2). The final CWSRF Audit is expected in late 2020 along with the NMED audit.

Recipient Accounting and Audit Procedures: Sec. 602(b)(9) as amended. The State agrees that as a condition of making a loan or other form of assistance, it will require recipients of SRF assistance to maintain project accounts in accordance with generally accepted government accounting standards, including standards relating to the reporting of infrastructure assets and as defined in the section above.

The State confirms that Generally Accepted Government Accounting Standards are required of all CWSRF funding recipients through signed loan agreements. Compliance is confirmed with annual audit reviews.

Annual Report: Sec. 602(b) (10). The State agrees to make annual reports to the administrator on the actual use of the funds in accordance with Sections 606(d) of the Act and negotiated State/EPA guidance.

The State is submitting the SFY 2020 Annual Report to satisfy this requirement.

Consistency with Planning Requirements: Sec. 603(f). The State certifies that it will provide financial assistance from CWSRF only with respect to a project, which is consistent with plans, if any, developed under Section 205(j), 208, 303(e), 319, and 320 of the Act.

The State confirms compliance with this requirement. NMED's Surface Water Quality Bureau, Planning Section and Ground Water Quality Bureau, Pollution Prevention Section are offered an opportunity to review the facility plans and environmental information documents to assure the project is consistent with applicable requirements.

State Accounting and Auditing Procedures: Sec. 606(a). The State agrees to establish fiscal controls and accounting procedures to assure proper accounting for: (1) payments received by the CWSRF; (2) disbursements made by the CWSRF; and (3) CWSRF balances at the beginning and end of the accounting period. In carrying out these requirements, the State agrees to use accounting, audit, and fiscal procedures conforming to "generally accepted government accounting standards." These standards are usually defined as, but not limited to, those contained in the U.S. General Accounting Office (GAO) publication Standards for Audit for Governmental Organizations, Programs, Activities, and Functions.

The State confirms compliance with this requirement. The Program is managed in compliance with all applicable regulations, and the State is cooperating with EPA oversight efforts. The State has contracted with a CPA firm for an Independent Financial Audit on the CWSRF in addition to the single audit requirement.

Subsidized Projects Sustainable Criteria

NM CWSRF tracked new binding commitments that supported sustainability criteria. Of the three criteria:

- a.) system upgrades and replacements in existing entities, studies;
- b.) that improved technical, managerial or financial capacity; and,
- c.) focused on preliminary planning, alternative assessment and eligible capital projects

NMED CWSRF tracked four projects in FY2020, The Cities of Truth or Consequences, Tukumcari, Bloomfield, and the Village of Fort Sumner, all projects support criteria a, System upgrades and replacement. Truth or Consequences is rehabilitating a vacuum sanitary sewer system,

Tucumcari is expanding the effluent reuse system, and Bloomfield and Fort Sumner are upgrading their wastewater treatment plants.

FFATA Projects Reported in FSRS.

The Cities of Farmington and Gallup, the Village of Wagon Mound, and the Middle Rio Grande Conservancy District were projects reported in FSRS.gov from the FFY 2019 Allotment.

Compliance with Federal Cross Cutting authorities:

The State affirms that all federal cross cutters have been complied with by the State and its subrecipients. NM CWSRF applied all federal crosscutter requirements across all projects funded by the Program in SFY 2020.

In accordance with 40 CFR, Part 33, Subpart D, compliance with the negotiated Disadvantaged Business Enterprise (DBE) "Fair Share" objectives:

Fair Share objectives were waived on October 1, 2019 through the DBE exception.

Legal, Managerial, Technical, and Operational Capabilities: The State certifies that it has the legal, managerial, technical, and operational capabilities to administer the Program competently.

Currently, the Administrative staff has one vacant position; the Technical Staff has one vacancy

Debarment and Suspension: The State agrees that the State and all recipients of CWSRF assistance will comply with 40 CFR, Part 32, Debarment and Suspension.

The State confirms compliance with this requirement. During the funding process and the State's review of engineering agreements and construction contractors' bid tabulations, the Program searches the System for Award Management (SAM) to confirm that the funding recipients, engineering firms or contractors are not subject to debarment and suspension from participation on federal contracts and that the annual registration is current.

Compliance with CWSRF Cap Grant, General and Special Conditions:

The State certifies compliance with General Conditions and Special Conditions of EPA Assistance Agreements within the reporting period and within the achievements described above.

Delinquencies:

There were no delinquencies.

V. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

CLEAN WATER STATE REVOLVING FUND – The Program utilized an enterprise fund to provide low cost financial assistance through loan and loan subsidy funding to eligible entities for planning, design, and construction of water quality projects. CWSRF funds were available for up to 100% of eligible costs. Loan repayment terms were up to 30 years with interest rates ranging from 0% to 2.375%.

VI. ACCRUED INTEREST RECEIVABLE ON CONSTRUCTION LOANS

Interest receivable on CWSRF loans was accrued during the construction period. At the end of construction, the interest accrued could have been capitalized at the time of the final loan execution or the entity could have paid accrued interest in one lump sum at the project completion.

VII. DISCUSSION OF ADMINISTRATIVE REIMBURSEMENT PROCESS

Once the total required State match for each SRF Cap Grant was expended, the State drew all Federal funds from the CWSRF Cap Grant. In accordance with Section 603(d)(7) of the CWA, monies in the CWSRF may be used for the reasonable costs of administering the fund and conducting activities under this title. NMED budgeted 1/5 percent of the most recent valuation of the fund, plus the amount of any fees collected by the State for such purpose regardless of the source.



The Village of Cimarron Sewer Project

VIII. FINANCIAL INDICATORS

The Table below demonstrates efficient use of funding and the increasing strength of the fund.

NM CWSRF CUMULATIVE FINANCIAL INDICATORS YEAR TO YEAR COMPARISON

Financial Indicators	2016	2017	2018	2019	2020
1. Federal Return on Investment	155%	161%	167%	168%	175%
2. Executed Loans as a Percent of Funds Available	90%	82%	82%	83%	86%
3. Disbursements as a Percent of Executed Loans	80%	85%	87%	86%	82%
4. Sustainability (Retained Earnings) Excludes Subsidy	\$73,635,187	\$77,959,572	\$81,056,674	\$87,517,950	\$94,511,739
5. Net Position	\$300,344,024	\$309,327,889	\$319,125,722	\$332,360,451	\$346,647,756
6. Net Position Change in Percent	3.2%	3.0%	3.2%	4.1%	4.2%

(Sources: The National Information Management System 'NIMS' Report SFY 2020 and 2020 Draft Financial Statement)

Additional financial indicators include:

- The ratio of undisbursed project funds to disbursements was 2.26;
- Total Net, or the extent to which internal growth generated additional funding was \$17,358,237;
- The Net Interest Margin or the percentage rate of return from Total Assets is 2%

IX. CONCLUSION

The NM CWSRF executed over \$40 million dollars in new and amended assistance agreements in SFY20. The Program had more diverse project applications and applicants due to increased marketing and outreach. These were in addition to traditional project applications and applicants. The Program continues to provide the maximum amount of additional subsidization allowed to qualified borrowers. The Program supports itself through administrative fees and without the assistance of taxpayer dollars. The Program is well positioned for future funding of water quality projects in New Mexico.

**STATE OF NEW MEXICO
WASTEWATER FACILITY CONSTRUCTION LOAN PROGRAM
CERTIFICATION OF ANNUAL REPORT**

I certify that this report has been prepared under my supervision and in accordance with Federal Register EPA Part III 40 CFR Part 35, the Federal Clean Water Act, and provisions of the Wastewater Facility Construction Loan Act 74-6A-7 NMSA 1978. I also certify that I have reviewed this report and find it to be true and correct to the best of my knowledge.

**Judith L.
Kahl**

Digitally signed by
Judith L. Kahl
Date: 2020.10.07
11:15:42 -06'00'

JUDITH L. KAHL, P.E.
Chief, Construction Programs Bureau

Attachment 1-Capitalization Grants and Binding Commitments

Cap Grant No.	Date EPA-ACH	Increase to EPA-ACH	Cumulative Cap Grants	Required Cumulative Binding Commitments Twelve Months Later	Date required (1 year after (365 days) increase to ACH	Binding Commitments Amounts	Binding Commitments Cumulative
88-2	1-Oct-88	\$480,000.00	\$480,000.00	\$576,000.00	1-Oct-89	\$1,290,000.00	\$1,290,000.00
88-2	1-Jan-89	\$600,000.00	\$1,080,000.00	\$1,296,000.00	1-Jan-90	\$0.00	\$1,290,000.00
88-2	1-Apr-89	\$1,480,000.00	\$2,560,000.00	\$3,072,000.00	1-Apr-90	\$0.00	\$1,290,000.00
88-2	1-Jul-89	\$2,440,000.00	\$5,000,000.00	\$6,000,000.00	1-Jul-90	\$0.00	\$1,290,000.00
89-0	1-Oct-89	\$3,186,785.00	\$8,186,785.00	\$9,824,142.00	1-Oct-90	\$3,774,237.00	\$5,064,237.00
89-0	1-Jan-90	\$3,585,600.00	\$11,772,385.00	\$14,126,862.00	1-Jan-91	\$0.00	\$5,064,237.00
89-0	1-Apr-90	\$1,786,015.00	\$13,558,400.00	\$16,270,080.00	1-Apr-91	\$0.00	\$5,064,237.00
88-2	1-Apr-90	\$809,763.00	\$14,368,163.00	\$17,241,795.60	1-Apr-91	\$0.00	\$5,064,237.00
90-0	1-Jul-91	\$7,045,400.00	\$21,413,563.00	\$25,696,275.60	1-Jul-92	\$12,818,724.00	\$17,882,961.00
90-0	18-Feb-94	(\$700,000.00)	\$20,713,563.00	\$24,856,275.60	18-Feb-95	\$0.00	\$17,882,961.00
---	30-Jun-92	\$0.00	\$20,713,563.00	\$24,856,275.60	30-Jun-93	\$0.00	\$17,882,961.00
91-2	1-Jan-93	\$10,075,032.00	\$30,788,595.00	\$36,946,314.00	1-Jan-94	\$6,735,000.00	\$24,617,961.00
---	30-Jun-93	\$0.00	\$30,788,595.00	\$36,946,314.00	30-Jun-94	\$0.00	\$24,617,961.00
92-1	30-Sep-93	\$4,534,900.00	\$35,323,495.00	\$42,388,194.00	30-Sep-94	\$8,055,615.00	\$32,673,576.00
92-1	30-Mar-94	\$5,000,000.00	\$40,323,495.00	\$48,388,194.00	30-Mar-95	\$0.00	\$32,673,576.00
93-0	30-Mar-95	\$9,431,000.00	\$49,754,495.00	\$59,705,394.00	30-Mar-96	\$13,931,000.00	\$46,604,576.00
94-0	30-Dec-95	\$5,813,800.00	\$55,568,295.00	\$66,681,954.00	29-Dec-96	\$3,509,692.00	\$50,114,268.00
95-0	1-Jul-96	\$6,007,800.00	\$61,576,095.00	\$73,891,314.00	1-Jul-97	\$0.00	\$50,114,268.00
96-0-96-2	1-Jul-96	\$2,000,000.00	\$63,576,095.00	\$76,291,314.00	1-Jul-97	\$14,229,428.00	\$64,343,696.00
96-3	1-Jul-97	\$7,904,653.00	\$71,480,748.00	\$85,776,897.60	1-Jul-98	\$0.00	\$64,343,696.00
97-0	1-Jul-97	\$2,000,000.00	\$73,480,748.00	\$88,176,897.60	1-Jul-98	\$2,707,000.00	\$67,050,696.00
97-0	1-Apr-98	\$0.00	\$73,480,748.00	\$88,176,897.60	1-Apr-99	\$0.00	\$67,050,696.00
97-0	1-Jul-98	\$990,500.00	\$74,471,248.00	\$89,365,497.60	1-Jul-99	\$0.00	\$67,050,696.00
98-0	1-Jul-98	\$2,000,000.00	\$76,471,248.00	\$91,765,497.60	1-Jul-99	\$12,350,328.00	\$79,401,024.00
98-0	1-Jul-99	\$4,577,300.00	\$81,048,548.00	\$97,258,257.60	1-Jul-00	\$0.00	\$79,401,024.00
99-0	30-Sep-01	\$6,577,900.00	\$87,626,448.00	\$105,151,737.60	30-Sep-02	\$6,830,848.00	\$86,231,872.00
2000-0	30-Sep-02	\$6,555,200.00	\$94,181,648.00	\$113,017,977.60	30-Sep-03	\$14,207,191.00	\$100,439,063.00
2002-0	30-Jun-04	\$6,496,100.00	\$100,677,748.00	\$120,813,297.60	30-Jun-05	\$23,171,152.00	\$123,610,215.00
2003-0	30-Oct-04	\$6,510,800.00	\$107,188,548.00	\$128,626,257.60	30-Oct-05	\$12,167,000.00	\$135,777,215.00
2004-0	1-Jul-05	\$6,467,800.00	\$113,656,348.00	\$136,387,617.60	1-Jul-06	\$7,082,020.00	\$142,859,235.00
2005-0	1-Apr-06	\$6,835,400.00	\$120,491,748.00	\$144,590,097.60	1-Apr-07	(\$587,123.00)	\$142,272,112.00
2006-0	1-Jul-06	\$5,243,500.00	\$125,735,248.00	\$150,882,297.60	1-Jul-07	\$44,592,005.00	\$186,864,117.00
2007-0	1-Jan-07	\$4,222,300.00	\$129,957,548.00	\$155,949,057.60	1-Jan-08	\$16,000,000.00	\$202,864,117.00
2007-1	1-Jul-07	\$20,000.00	\$129,977,548.00	\$155,973,057.60	1-Jul-08	\$2,674,236.00	\$205,538,353.00
2008-0	1-Oct-07	\$5,207,300.00 ¹	\$135,184,848.00	\$162,221,817.60	1-Oct-08	\$31,000,000.00	\$236,538,353.00
2009-0	1-Oct-08	\$3,274,300.00	\$138,459,148.00	\$166,150,977.60	1-Oct-09	\$11,675,589.00	\$248,213,942.00
2W-96689201-0	1-Apr-09	\$15,369,587.00 ²	\$153,828,735.00	\$181,520,564.60	1-Apr-10	\$60,223,410.00	\$308,437,352.00
2W-96689201-1	1-Jul-09	\$3,869,513.00 ²	\$157,698,248.00	\$185,390,077.60	1-Jul-10	\$0.00	\$308,437,352.00
2W-96689201-2	1-Jan-10	\$4,550,000.00	\$162,248,248.00	\$189,940,077.60	1-Jan-11	\$0.00	\$308,437,352.00
2010-0	1-Apr-10	\$3,274,300.00	\$165,522,548.00	\$193,869,237.60	1-Apr-11	(\$3,717,092.00)	\$304,720,260.00
2011-0	1-Jul-11	\$10,002,000.00	\$175,524,548.00	\$205,871,637.60	1-Jul-12	\$5,188,443.00	\$309,908,703.00
2012-0	1-Apr-12	\$7,222,000.00	\$182,746,548.00	\$214,538,037.60	1-Apr-13	\$7,230,455.00	\$317,139,158.00
2012-1	1-Jul-12	\$6,908,000.00 ³	\$189,654,548.00	\$222,827,637.60	1-Jul-13	\$0.00	\$317,139,158.00
2013-0	1-Jul-13	\$6,520,000.00	\$196,174,548.00	\$230,651,637.60	1-Jul-14	\$29,336,364.00	\$346,475,522.00
2014-0	1-Apr-14	\$6,853,000.00	\$203,027,548.00	\$238,875,237.60	1-Apr-15	\$26,815,861.00	\$373,291,383.00
2015-0	1-Jul-15	\$6,817,000.00	\$209,844,548.00	\$247,055,637.60	1-Jul-16	\$28,033,000.00	\$401,324,383.00
2016-0	1-Jul-16	\$6,525,000.00	\$216,369,548.00	\$254,885,637.60	1-Jul-17	\$3,647,103.00	\$404,971,486.00
2017-0	1-Jul-17	\$6,474,000.00	\$222,843,548.00	\$262,654,437.60	1-Jul-18	\$18,848,122.00	\$423,819,608.00
2018-0	1-Jul-18	\$7,859,000.00	\$230,702,548.00	\$272,085,237.60	1-Jul-19	\$23,247,925.00	\$447,067,533.00
2019-0	1-Jul-19	\$7,779,000.00	\$238,481,548.00	\$281,420,037.60	1-Jul-20	\$40,266,633.00	\$487,334,166.00
		\$238,481,548.00				\$487,334,166.00	

Binding Commitments	\$487,334,166.00
⁴ Administrative expenses	\$9,152,844.98
Total Binding Commitments as of June 30, 2019	\$496,487,010.98

³ Total Required Binding Commitments (=120% of Cumulative Cap Grant Amount) as of June 30, 2020	\$281,420,037.60
Total Actual Binding Commitments as of June 30, 2019	\$496,487,010.98
Amount over Requirement	\$215,066,973.38

Actual Binding Commitment as a percent of Total Capitalization Grants 208%

¹ \$20,000 of this is in-kind funds that did not hit ACH, but state match and binding commitments are still required, so to be consistent, we include them here

² 120% is not required on the ARRA Cap Grants, only 100% because we were not required to provide a 20% match

³ \$45,093 of this is in-kind funds that did not hit ACH, but state match and binding commitments are still required, so to be consistent, we include them here

⁴ The cumulative admin amount through June 30, 2016 is based on 4% of the Cap Grants. Beginning in SFY2017, we record what is spent out of the budgeted 1/5th of 1% of fund balance

**NEW MEXICO ENVIRONMENT DEPARTMENT
CLEAN WATER STATE REVOLVING FUND
COMBINING STATEMENT OF NET POSITION BY FUNCTIONAL ACTIVITIES
JUNE 30, 2020**

	12100 Wastewater Facility Construction Loan Fund	32700 Clean Water Administrative Fund	Total
ASSETS			
Current Assets:			
Investments in State General Fund			
Investment Pool	\$ 167,404,596	\$ 3,636,439	\$ 171,041,035
Receivables:			
Loan Receivables (Completed Projects)	10,177,312	-	10,177,312
Loan Interest Receivables	689,110	-	689,110
Administrative Fee Receivables	-	233,925	233,925
Total Current Assets	<u>178,271,018</u>	<u>3,870,364</u>	<u>182,141,382</u>
Noncurrent Assets:			
Loan Receivables (Projects in Process)	28,998,697	-	28,998,697
Loan Receivables (Completed Projects)	139,378,045	-	139,378,045
Total Noncurrent Assets	<u>168,376,742</u>	<u>-</u>	<u>168,376,742</u>
Total Assets	<u>\$ 346,647,760</u>	<u>\$ 3,870,364</u>	<u>\$ 350,518,124</u>
LIABILITIES			
Due to State General Fund	\$ 4	\$ -	\$ 4
Unearned Revenue	-	-	-
Total Liabilities	<u>4</u>	<u>-</u>	<u>4</u>
NET POSITION			
Restricted	<u>346,647,756</u>	<u>3,870,364</u>	<u>350,518,120</u>
Total Liabilities and Net Position	<u>\$ 346,647,760</u>	<u>\$ 3,870,364</u>	<u>\$ 350,518,124</u>

ATTACHMENT 2
**NEW MEXICO ENVIRONMENT DEPARTMENT
 CLEAN WATER STATE REVOLVING FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 FUND NET POSITION BY FUNCTIONAL ACTIVITIES
 YEAR ENDED JUNE 30, 2020**

	12100 Wastewater Facility Construction Loan Fund	32700 Clean Water Administrative Fund	Total
REVENUES			
Interest on Loans	\$ 1,763,182	\$ -	\$ 1,763,182
Interest on Investments	4,990,179	107,301	5,097,480
Debt Service Fees	-	882,140	882,140
Total Revenues	<u>6,753,361</u>	<u>989,441</u>	<u>7,742,802</u>
OPERATING INCOME	6,753,361	989,441	7,742,802
NONOPERATING REVENUES (EXPENSES)			
Federal Grant Revenue	7,779,000	-	7,779,000
Grants to Other Organizations	(1,171,131)	-	(1,171,131)
Transfers in - Other Agencies	1,500,000	-	1,500,000
Transfers - INTRA Agency	<u>(573,925)</u>	<u>(418,924)</u>	<u>(992,849)</u>
Total Nonoperating Revenues (Expenses)	<u>7,533,944</u>	<u>(418,924)</u>	<u>7,115,020</u>
CHANGE IN NET POSITION	14,287,305	570,517	14,857,822
Total Net Position - Beginning	<u>332,360,451</u>	<u>3,299,847</u>	<u>335,660,298</u>
TOTAL NET POSITION - ENDING	<u>\$ 346,647,756</u>	<u>\$ 3,870,364</u>	<u>\$ 350,518,120</u>

ATTACHMENT 2
NEW MEXICO ENVIRONMENT DEPARTMENT
CLEAN WATER STATE REVOLVING FUND
COMBINING STATEMENT OF CASH FLOWS BY FUNCTIONAL ACTIVITIES
YEAR ENDED JUNE 30, 2020

	(12100) Wastewater Facility Construction Loan Fund	(32700) Clean Water Administrative Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received on Repayment of Loan Principal	\$ 10,345,511	\$ -	\$ 10,345,511
Cash Received on Interest from Loans	3,288,465	-	3,288,465
Interest Payments Received from State Treasurer's Office	4,990,179	107,301	5,097,480
Cash Received for Debt Service Fees	-	883,520	883,520
Cash Payments Made to Borrowers	(13,414,986)	-	(13,414,986)
Net Cash Provided by Operating Activities	<u>5,209,169</u>	<u>990,821</u>	<u>6,199,990</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Grant Proceeds - EPA	7,779,000	-	7,779,000
Grants to Other Organizations	(1,171,131)	-	(1,171,131)
Transfers In - Appropriations	-	-	-
Intra Agency Transfers	(573,925)	(418,924)	(992,849)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>6,033,944</u>	<u>(418,924)</u>	<u>5,615,020</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,243,113	571,897	11,815,010
Cash and Cash Equivalents - Beginning of Year	<u>156,161,483</u>	<u>3,064,542</u>	<u>159,226,025</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 167,404,596</u>	<u>\$ 3,636,439</u>	<u>\$ 171,041,035</u>
RECONCILIATION OF CHANGES IN NET POSITION TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income	\$ 6,753,361	\$ 989,441	\$ 7,742,802
Change in Assets and Liabilities:			
Loans Receivable	(3,069,475)	-	(3,069,475)
Interest on Loans Receivable	1,525,283	-	1,525,283
Administrative Fee Receivable	-	1,380	1,380
Total Reconciling Adjustments	<u>(1,544,192)</u>	<u>1,380</u>	<u>(1,542,812)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 5,209,169</u>	<u>\$ 990,821</u>	<u>\$ 6,199,990</u>

ATTACHMENT 2

NEW MEXICO ENVIRONMENT DEPARTMENT
 CLEAN WATER STATE REVOLVING FUND
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Pass through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Participating Expenditures</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY				
Direct Programs:				
Clean Water State Revolving Funds (CWSRF) Cluster				
Construction Loan, Administration - CS35000219	66.458	N/A	\$ -	\$ 573,925
Construction Loan, Construction - CS35000219	66.458	N/A	<u>7,779,000</u>	<u>7,779,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,779,000</u>	<u>\$ 8,352,925</u>

Tentative Report
 For Discussion Purposes Only
 Subject to Revision

ATTACHMENT 3 -- ASSISTANCE PROVIDED SFY 2020

Loan Number	Recipient		Date of Agreement	Assistance Amount	Grant Amount
CWSRF 012R	Farmington, City of		10/21/2019	\$ (14,003.00)	\$ -
CWSRF 029	Grants, City of	Amend	6/2/2020	\$ 400,000.00	\$ -
CWSRF 058	Belen, City of	Amend	10/2/2019	\$ 84,000.00	\$ -
CWSRF 062	Santa Rosa, City of		11/26/2019	\$ (4,692.00)	\$ -
CWSRF 065	Gallup, City of	Amend	10/24/2019	\$ 14,410,000.00	\$ -
CWSRF 067	Anthony, City of		9/9/2019	\$ (132,500.00)	\$ -
CWSRF 068	Estancia Valley Solid Waste Authority		2/18/2020	\$ (120,152.00)	\$ -
CWSRF 074	Santa Rosa, City of		11/26/2019	\$ (1,089,020.00)	\$ (60,500.00)
CWSRF 078	Grants, City of	Amend	11/22/2019	\$ 500,000.00	\$ -
CWSRF 085	Middle Rio Grande Conservancy District (MRGCD)	New	9/4/2019	\$ 500,000.00	\$ -
CWSRF 090	Wagon Mound, Village of	New	8/15/2019	\$ 160,000.00	\$ 60,000.00
CWSRF 095	Farmington, City of	New	10/30/2019	\$ 2,000,000.00	\$ -
CWSRF 097	Roswell, City of	New	2/17/2020	\$ 5,500,000.00	\$ -
CWSRF 098	Truth or Consequences, City of	New	1/22/2020	\$ 473,000.00	\$ 100,000.00
CWSRF 099	Santa Rosa, City of	New	2/5/2020	\$ 1,000,000.00	\$ 200,000.00
CWSRF 100	Fort Sumner, Village of	New	2/5/2020	\$ 200,000.00	\$ 150,000.00
CWSRF 101	Bloomfield, City of	New	12/3/2019	\$ 11,000,000.00	\$ 3,350,000.00
CWSRF 102	Tucumcari, City of	New	1/29/2020	\$ 5,500,000.00	\$ 770,730.00
TERM CWSRF 069	Mesilla, Town of		10/24/2019	\$ (100,000.00)	\$ -
Total				\$ 40,266,633.00	\$ 4,570,230.00
Signed Agreements				\$ 41,727,000.00	\$ 4,630,730.00
Final Agreement Reductions				\$ (1,460,367.00)	\$ (60,500.00)

ATTACHMENT 4

CWSRF - Agreement Remaining Balances

through 6/30/2020

Project Number	Party	Fund	Agreement History			Disbursements			Agreement Balance		
CWSRF 029	Grants, City of	SRF	15,900,000.00	630,000.00	16,530,000.00	15,250,535.14	630,000.00	15,880,535.14	649,464.86	0.00	649,464.86
CWSRF 053	Taos, Town of	SRF	850,000.00	1,150,000.00	2,000,000.00	0.00	0.00	0.00	850,000.00	1,150,000.00	2,000,000.00
CWSRF 054	Rio Arriba County	SRF	950,000.00	460,000.00	1,410,000.00	493,500.00	126,625.65	620,125.65	456,500.00	333,374.35	789,874.35
CWSRF 055	Los Lunas, Village of	SRF	7,718,406.00	404,594.00	8,123,000.00	6,429,182.21	404,594.00	6,833,776.21	1,289,223.79	0.00	1,289,223.79
CWSRF 056	Angel Fire, Village of	SRF	390,275.00	192,225.00	582,500.00	0.00	0.00	0.00	390,275.00	192,225.00	582,500.00
CWSRF 058	Belen, City of	SRF	1,076,154.00	0.00	1,076,154.00	0.00	0.00	0.00	1,076,154.00	0.00	1,076,154.00
CWSRF 059	SSCAFCA Southern Sandoval County Arroyo	SRF	550,000.00	150,000.00	700,000.00	327,660.31	150,000.00	477,660.31	222,339.69	0.00	222,339.69
CWSRF 060	Los Lunas, Village of	SRF	582,600.00	0.00	582,600.00	221,639.36	0.00	221,639.36	360,960.64	0.00	360,960.64
CWSRF 063	Tijeras, Village of	SRF	700,000.00	150,000.00	850,000.00	297,500.00	64,086.55	361,586.55	402,500.00	85,913.45	488,413.45
CWSRF 065	Gallup, City of	SRF	16,650,000.00	0.00	16,650,000.00	2,207,141.62	0.00	2,207,141.62	14,442,858.38	0.00	14,442,858.38
CWSRF 066	Chama, Village of	SRF	625,448.00	468,522.00	1,093,970.00	97,631.95	0.00	97,631.95	527,816.05	468,522.00	996,338.05
CWSRF 067	Anthony, City of	SRF	87,500.00	55,000.00	142,500.00	49,875.00	26,919.65	76,794.65	37,625.00	28,080.35	65,705.35
CWSRF 070	Corrales, Village of	SRF	190,000.00	10,000.00	200,000.00	0.00	0.00	0.00	190,000.00	10,000.00	200,000.00
CWSRF 071	Las Vegas, City of	SRF	350,000.00	100,000.00	450,000.00	0.00	0.00	0.00	350,000.00	100,000.00	450,000.00
CWSRF 072	Springer, Town of	SRF	742,000.00	508,000.00	1,250,000.00	76,156.92	0.00	76,156.92	665,843.08	508,000.00	1,173,843.08
CWSRF 073	Bosque Farms, Village of	SRF	1,110,000.00	90,000.00	1,200,000.00	0.00	0.00	0.00	1,110,000.00	90,000.00	1,200,000.00
CWSRF 075	El Valle de Los Ranchos Water & Sanitation	SRF	1,543,444.00	150,000.00	1,693,444.00	681,515.63	150,000.00	831,515.63	861,928.37	0.00	861,928.37
CWSRF 076	Espanola, City of	SRF	1,070,000.00	0.00	1,070,000.00	0.00	0.00	0.00	1,070,000.00	0.00	1,070,000.00
CWSRF 077	Grants, City of	SRF	1,059,000.00	0.00	1,059,000.00	320,150.05	0.00	320,150.05	738,849.95	0.00	738,849.95
CWSRF 078	Grants, City of	SRF	2,500,000.00	0.00	2,500,000.00	1,637,879.36	0.00	1,637,879.36	862,120.64	0.00	862,120.64
CWSRF 080	Fort Sumner, Village of	SRF	20,000.00	502,440.00	522,440.00	20,000.00	5,976.24	25,976.24	0.00	496,463.76	496,463.76
CWSRF 081	Bayard, City of	SRF	11,920.65	70,079.35	82,000.00	11,920.65	45,094.68	57,015.33	0.00	24,984.67	24,984.67
CWSRF 083	Los Alamos County	SRF	17,000,000.00	0.00	17,000,000.00	286,524.35	0.00	286,524.35	16,713,475.65	0.00	16,713,475.65
CWSRF 084	Cimarron, Village of	SRF	250,000.00	250,000.00	500,000.00	83,152.90	0.00	83,152.90	166,847.10	250,000.00	416,847.10
CWSRF 085	Middle Rio Grande Conservancy District	SRF	500,000.00	0.00	500,000.00	0.00	0.00	0.00	500,000.00	0.00	500,000.00
CWSRF 086	Angel Fire, Village of	SRF	2,200,000.00	300,000.00	2,500,000.00	0.00	0.00	0.00	2,200,000.00	300,000.00	2,500,000.00
CWSRF 087	Edgewood, Town of	SRF	450,000.00	200,000.00	650,000.00	0.00	0.00	0.00	450,000.00	200,000.00	650,000.00
CWSRF 090	Wagon Mound, Village of	SRF	100,000.00	60,000.00	160,000.00	0.00	0.00	0.00	100,000.00	60,000.00	160,000.00
CWSRF 091	Bloomfield, City of	SRF	10,000.00	90,000.00	100,000.00	10,000.00	66,854.91	76,854.91	0.00	23,145.09	23,145.09
CWSRF 092	Anthony WSD	SRF	50,000.00	250,000.00	300,000.00	0.00	0.00	0.00	50,000.00	250,000.00	300,000.00
CWSRF 093	Eunice, City of	SRF	5,000.00	45,000.00	50,000.00	0.00	0.00	0.00	5,000.00	45,000.00	50,000.00
CWSRF 095	Farmington, City of	SRF	2,000,000.00	0.00	2,000,000.00	538,652.12	0.00	538,652.12	1,461,347.88	0.00	1,461,347.88
CWSRF 097	Roswell, City of	SRF	5,500,000.00	0.00	5,500,000.00	0.00	0.00	0.00	5,500,000.00	0.00	5,500,000.00
CWSRF 098	Truth or Consequences, City of	SRF	373,000.00	100,000.00	473,000.00	0.00	0.00	0.00	373,000.00	100,000.00	473,000.00
CWSRF 099	Santa Rosa, City of	SRF	800,000.00	200,000.00	1,000,000.00	0.00	0.00	0.00	800,000.00	200,000.00	1,000,000.00
CWSRF 100	Fort Sumner, Village of	SRF	50,000.00	150,000.00	200,000.00	0.00	0.00	0.00	50,000.00	150,000.00	200,000.00
CWSRF 101	Bloomfield, City of	SRF	7,650,000.00	3,350,000.00	11,000,000.00	0.00	0.00	0.00	7,650,000.00	3,350,000.00	11,000,000.00
CWSRF 102	Tucumcari, City of	SRF	4,729,270.00	770,730.00	5,500,000.00	0.00	0.00	0.00	4,729,270.00	770,730.00	5,500,000.00
Grand Total: (38 records)			96,344,017.65	10,856,590.35	107,200,608.00	29,040,617.57	1,670,151.68	30,710,769.25	67,303,400.08	9,186,438.67	76,489,838.75
			96,344,017.65	10,856,590.35	107,200,608.00	29,040,617.57	1,670,151.68	30,710,769.25	67,303,400.08	9,186,438.67	76,489,838.75

ATTACHMENT 5
CWSRF - Loan Balances
through 6/30/2020

Project Number	Party	Total Disbursements	Construction		Grant/Forgiven Amount	Principal Repayments		Loan Balance
			Period Interest	Interest		Repayments	Balance	
In Repayment								
ARRA CWSRF 02L	Ruidoso Downs, City of	100,000.00	0.00	0.00	0.00	40,146.84	0.00	59,853.16
ARRA CWSRF 05L	Eagle Nest, Village of	199,978.21	0.00	0.00	0.00	66,179.71	0.00	133,798.50
ARRA CWSRF 06L	Elephant Butte, City of	458,435.91	8,177.97	0.00	0.00	187,330.78	0.00	279,283.10
ARRA CWSRF 07L	Hatch, Village of	50,000.00	0.00	0.00	0.00	22,500.00	0.00	27,500.00
ARRA CWSRF 08L	Logan, Village of	361,784.00	0.00	0.00	0.00	162,802.80	0.00	198,981.20
ARRA CWSRF 09L	Los Alamos County	231,831.92	2,979.58	0.00	0.00	88,777.14	0.00	146,034.36
ARRA CWSRF 10L	Questa, Village of	49,890.80	0.00	0.00	0.00	17,461.78	0.00	32,429.02
ARRA CWSRF 12L	San Miguel County	93,464.61	0.00	0.00	0.00	33,016.10	0.00	60,448.51
ARRA CWSRF 13L	Santa Rosa, City of	500,000.00	0.00	0.00	0.00	225,000.00	0.00	275,000.00
ARRA CWSRF 14L	Socorro, City of	75,075.00	0.00	0.00	0.00	37,537.50	0.00	37,537.50
ARRA CWSRF 15L	Toaos, Town of	1,200,000.00	0.00	0.00	0.00	420,000.00	0.00	780,000.00
ARRA CWSRF 16L	Tucuman, City of	100,000.00	0.00	0.00	0.00	45,000.00	0.00	55,000.00
ARRA CWSRF 17L	Wagon Mound, Village of	102,505.73	0.00	0.00	0.00	46,127.61	0.00	56,378.12
CWSRF 001	Hobbs, City of	29,987,932.79	1,431,168.50	0.00	0.00	12,613,779.24	0.00	18,805,322.05
CWSRF 002	Clowis, City of	8,443,719.91	305,693.53	0.00	0.00	4,824,135.19	0.00	3,915,278.25
CWSRF 003	Espanola, City of	5,973,445.01	164,898.79	0.00	0.00	3,074,232.29	0.00	3,064,111.51
CWSRF 004	Las Vegas, City of	7,146,582.00	0.00	0.00	0.00	3,930,620.10	0.00	3,215,961.90
CWSRF 005R	Bayard, City of	1,326,952.32	0.00	0.00	0.00	637,190.99	0.00	689,761.33
CWSRF 006L	Sandoval County	360,000.00	0.00	0.00	0.00	86,661.51	0.00	273,338.49
CWSRF 007	Los Lunas, Village of	15,925,456.63	0.00	0.00	0.00	6,179,945.24	0.00	9,745,511.39
CWSRF 009R	Astec, City of	5,000,000.00	0.00	0.00	0.00	2,546,995.41	0.00	2,453,004.59
CWSRF 010	Carlsbad, City of	17,575,220.17	1,839,000.32	0.00	0.00	16,14,031.71	0.00	17,800,188.78
CWSRF 012R	Farmington, City of	21,985,996.74	0.00	0.00	0.00	870,502.46	0.00	21,115,494.28
CWSRF 013L	Chama, Village of	100,000.00	0.00	0.00	0.00	79,200.15	0.00	20,799.85
CWSRF 014R	El Valle de los Ranchos Water & Sanitation District	430,000.00	0.00	0.00	0.00	113,938.29	0.00	316,061.71
CWSRF 016L	Las Vegas, City of	356,000.00	0.00	0.00	0.00	35,600.00	0.00	320,400.00
CWSRF 018 L	SSCA/FCA Southern Sandoval County Arroyo Flood Control Authority	1,250,000.00	0.00	0.00	0.00	143,787.53	0.00	1,106,212.47
CWSRF 019 L	Jemez Springs, Village of	135,726.00	0.00	0.00	0.00	32,672.83	0.00	103,053.17
CWSRF 020 L	Bellevue, City of	768,869.30	0.00	0.00	0.00	96,843.72	0.00	672,025.58
CWSRF 021R	Astec, City of	3,674,802.49	0.00	0.00	0.00	1,86,570.45	0.00	3,138,232.04
CWSRF 022 L	Socorro, City of	950,000.00	0.00	0.00	0.00	237,500.00	0.00	712,500.00
CWSRF 023 L	Portales, City of	26,580,000.00	0.00	0.00	0.00	3,987,000.00	0.00	22,593,000.00
CWSRF 025R	Socorro, City of	587,465.82	0.00	0.00	0.00	41,746.58	0.00	375,719.24
CWSRF 026R	El Valle de los Ranchos Water & Sanitation District	1,526,978.74	30,317.47	0.00	0.00	108,780.91	0.00	1,105,071.30
CWSRF 028	San Juan County	921,206.11	0.00	0.00	0.00	248,281.00	0.00	601,518.99
CWSRF 032	Toaos Ski Valley, Village of	500,000.00	0.00	0.00	0.00	137,500.16	0.00	212,499.84
CWSRF 037	Peralta, Town of	3,000,000.00	0.00	0.00	0.00	1,500,000.00	0.00	1,500,000.00
CWSRF 061	Cuba, Village of	2,121,132.00	0.00	0.00	0.00	1,716,432.00	0.00	384,465.00
CWSRF 062	Santa Rosa, City of	823,308.78	0.00	0.00	0.00	160,000.00	0.00	665,308.78
CWSRF 064	Hobbs, City of	6,143,300.00	41,505.13	0.00	0.00	0.00	0.00	6,184,805.13
CWSRF 068	Estancia Valley Solid Waste Authority	884,006.81	0.00	0.00	0.00	100,000.00	0.00	784,006.81
CWSRF 074	Santa Rosa, City of	46,479.60	0.00	0.00	0.00	0.00	0.00	46,479.60
CWSRF 080	Fort Summer, Village of	25,976.24	0.00	0.00	0.00	5,976.24	0.00	19,000.00
CWSRF 081	Bayard, City of	57,015.33	0.00	0.00	0.00	45,094.68	0.00	11,920.65
CWSRF 091	Bloomfield, City of	76,854.91	0.00	0.00	0.00	66,854.91	0.00	10,000.00
CWSRF 143R036	Bellevue, City of	3,920,000.00	129,684.42	0.00	0.00	3,335,446.30	0.00	714,238.12
CWSRF 143R037	Los Lunas, Village of	3,217,000.00	0.00	0.00	0.00	2,129,308.73	0.00	1,087,691.27
CWSRF 143R040	Farmington, City of	12,830,162.50	1,348,028.32	0.00	0.00	9,015,622.95	0.00	5,162,567.87
CWSRF 143R041	Willard, Village of	63,000.00	0.00	0.00	0.00	49,377.58	0.00	13,622.42
CWSRF 143R042	Las Vegas, City of	9,250,540.00	0.00	0.00	0.00	5,589,133.24	0.00	3,661,416.76
CWSRF 143R047	Dona Ana County	4,475,219.20	264,794.44	0.00	0.00	2,373,914.44	0.00	2,366,099.20
CWSRF 143R048	Lovington, City of	5,500,000.00	313,966.28	0.00	0.00	2,623,332.04	0.00	3,190,634.24
CWSRF 143R049R	Toaos Ski Valley, Village of	1,641,757.25	0.00	0.00	0.00	965,590.44	0.00	676,166.81
CWSRF 143R143R	Los Alamos County	13,108,048.61	1,247,056.38	0.00	0.00	8,014,592.08	0.00	6,340,512.91
CWSRF 143R146	Bloomfield, City of	2,700,000.00	92,005.49	0.00	0.00	1,175,379.44	0.00	1,016,626.05
CWSRF 195005/143R145	Los Lunas, Village of	3,018,866.00	103,747.47	0.00	0.00	1,900,528.91	0.00	1,222,084.56
Total for Projects - In Repayment: (55 records)		227,924,387.44	7,323,024.09	4,856,082.83	80,835,972.39	149,555,356.31		
In Disbursement								
CWSRF 029	Grants, City of	15,880,535.14	0.00	0.00	630,000.00	0.00	0.00	15,250,535.14
CWSRF 034	Rio Arriba County	620,125.65	0.00	0.00	126,625.65	0.00	0.00	493,500.00
CWSRF 035	Los Lunas, Village of	6,833,776.21	0.00	0.00	404,594.00	0.00	0.00	6,429,182.21
CWSRF 039	SSCA/FCA Southern Sandoval County Arroyo Flood Control Authority	477,660.31	0.00	0.00	150,000.00	0.00	0.00	327,660.31
CWSRF 060	Los Lunas, Village of	221,639.36	0.00	0.00	0.00	0.00	0.00	221,639.36
CWSRF 063	Tlteras, Village of	361,586.55	0.00	0.00	64,086.55	0.00	0.00	297,500.00
CWSRF 065	Gallup, City of	2,207,144.62	0.00	0.00	0.00	0.00	0.00	2,207,144.62
CWSRF 066	Chama, Village of	97,631.95	0.00	0.00	26,919.65	0.00	0.00	97,631.95
CWSRF 067	Anthony, City of	76,794.65	0.00	0.00	0.00	0.00	0.00	76,794.65
CWSRF 072	Springer, Town of	76,156.92	0.00	0.00	0.00	0.00	0.00	76,156.92
CWSRF 075	El Valle de los Ranchos Water & Sanitation District	831,515.63	0.00	0.00	150,000.00	0.00	0.00	681,515.63
CWSRF 077	Grants, City of	320,150.05	0.00	0.00	0.00	0.00	0.00	320,150.05
CWSRF 078	Grants, City of	1,637,879.36	0.00	0.00	0.00	0.00	0.00	1,637,879.36
CWSRF 083	Los Alamos County	286,524.35	0.00	0.00	0.00	0.00	0.00	286,524.35
CWSRF 084	Cimarron, Village of	83,152.90	0.00	0.00	0.00	0.00	0.00	83,152.90
CWSRF 095	Farmington, City of	538,652.12	0.00	0.00	0.00	0.00	0.00	538,652.12
Total for Projects - In Disbursement: (16 records)		30,550,922.77	0.00	0.00	1,552,225.85	0.00	0.00	28,998,696.92
Grand Total: (71 records)		238,475,310.21	7,323,024.09	6,408,308.68	80,835,972.39	178,554,053.23		

ATTACHMENT 6
CASH FLOW PROJECTIONS

Beginning Cash Balance	\$ 167,404,596.65	\$ 172,381,025.29	\$ 169,852,463.61	\$ 170,268,164.31	\$ 173,150,508.10	\$ 177,680,423.64	\$ 182,738,087.57	\$ 189,064,750.02	\$ 195,369,408.37	\$ 202,726,679.96
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Cash Sources										
Capitalization Grant	7,780,000	0	0	0	0	0	0	0	0	0
State Match	1,800,000	0	0	0	0	0	0	0	0	0
Loan Repayment Principal and Interest including Loans in Construction	11,914,758	14,275,575	16,005,750	17,054,249	17,648,930	17,689,983	17,359,643	15,603,140	\$15,099,168.13	\$13,844,396.55
Projected Future Loan Repayments	0	0	0	0	1,531,842	2,914,736	4,319,820	5,764,051	\$ 7,215,133.52	\$ 8,658,160.23
Overnight Interest on Investment	2,427,592	2,862,859	3,275,796	3,672,961	3,445,877	3,137,017	3,278,902	3,362,111	\$ 3,379,373.59	\$ 3,320,656.15
Total Sources of Cash	23,922,350	17,138,434	19,281,545	20,727,210	22,626,649	23,741,736	24,958,365	24,729,302	\$ 25,693,675.25	\$ 25,823,212.91
Cash Uses										
Loan & Grant Disbursements	18,389,430	19,124,015	18,309,933	17,283,338	17,538,566	18,129,056	18,076,982	17,867,575	\$17,779,103.54	\$17,878,256.64
Admin Expenses (Fund 12100)	556,492	542,981	555,912	561,528	558,167	555,016	554,721	557,069	\$ 557,300.12	\$ 556,454.58
Total Uses	18,945,921	19,666,996	18,865,845	17,844,866	18,096,734	18,684,072	18,631,702	18,424,644	\$ 18,336,403.66	\$ 18,434,711.21