

PRIORITY RANKING SYSTEM FOR POINT SOURCE AND NON-POINT SOURCE PROJECTS

CRITERIA FOR THE PROJECTS PRIORITY RANKING SYSTEM

The Clean Water State Revolving Fund (CWSRF) program can fund a wide variety of water quality protection efforts. The New Mexico CWSRF Projects Priority Ranking System is used to evaluate and rank applications for projects based on several criteria. The priority ranking system awards the most points to projects that provide the highest level of protection of water quality. Projects are ranked based on their contribution to water quality protection or restoration, the applicant's commitment to promoting sustainable infrastructure through asset management, water and energy efficiencies, green infrastructure, environmentally innovative approaches, and the project's readiness to proceed.

Financial need and repayment capability of the applicant is addressed through the Affordability Criteria and through the application of interest rates as provided in 20.7.5 NMAC. In 2014, the Clean Water Act was amended by the Water Resources Reformation and Development Act (WRRDA). Included in WRRDA was a requirement that all CWSRF State programs implement Affordability Criteria. The Affordability Criteria evaluates population trends, unemployment rates and income as metrics to analyze financial capability. The New Mexico CWSRF Affordability Criteria is available on the NMED website.

POINT VALUES

WATER QUALITY IMPROVEMENT

This section is comprised of two factors used to evaluate to what extent the proposed projects protect water quality. Projects may receive up to 200 points from the ground water quality and/or the surface water quality improvement factor. Points may be awarded in both categories if applicable.

GROUND WATER QUALITY IMPROVEMENT FACTOR AND PERMIT COMPLIANCE 200 POINTS POSSIBLE

The Ground Water Quality Improvement Factor evaluates each project on how well it will protect or correct impairments to ground water resources. NMED Ground Water Quality Bureau will assign points for ground water quality protection and improvement considering the follow factors:

- Project addresses exceedances of one or more ground water quality standards;
- Project corrects individual wastewater disposal systems or wastewater discharge polluting ground water;
- Project addresses repeated failures including:
 - Plant disruption;
 - Bypasses;
 - Overflows;

- Project addresses known or potential ground water contamination;
- Project addresses facilities at or near capacity;
- Project includes measures to address Infiltration and inflow issues;
- Project addresses need for increased effluent disposal area to prevent nitrogen over-loading;
- Project includes site investigation or delineation of a known contamination;
- Project implements corrective action or abatement plans for sites with ground water contamination;
- Project addresses discharges that adversely affect public health or safety;
- Project addresses permit requirements;
- Project addresses closure or corrective action requirements of no longer used system components;
- Project addresses regulatory compliance issues.
- Project addresses other ground water quality issues not defined explicitly in the listed items.

SURFACE WATER QUALITY IMPROVEMENT FACTOR AND PERMIT COMPLIANCE

200 POINTS POSSIBLE

The Surface Water Quality Improvement Factor evaluates how well a proposed project addresses impairment of surface waters from both point source and non-point source pollution. The NMED Surface Water Quality Bureau will assess whether the project addresses exceedances in water quality standards and/or protects the designated uses of lakes, rivers, streams and other water bodies. Points for surface water quality will be awarded based on:

- Project includes infrastructure that will assist facilities in meeting an approved or draft TMDL;
- Project addresses water quality impairments identified in the most recent EPA approved 303(d) list;
- Projects enhances protection of one or more of the following designated uses of the receiving water:
 - Irrigation
 - Drinking water source
 - Livestock Watering
 - Wildlife Habitat
 - Aquatic Life
 - Recreation (boating, swimming)
 - Ceremonial uses
- Project addresses protection of receiving waters that flow through designated critical habitat for threatened or endangered species;
- Project implements corrective measures of a diagnostic study;
- Project includes elimination of septic systems through hook-up to public wastewater treatment;
- Project addresses sustainability and reduces overall water demand;
- Project implements BMP's designed to improve water quality;
- Project addresses regulatory compliance issues.
- Project addresses other surface water quality issues not specifically defined in the above criteria

SUSTAINABILITY

Sustainable wastewater and storm water infrastructure are critical to protecting limited water resources in New Mexico. It is important to consider how projects may increase sustainability in communities. Sustainability can include ensuring the cost and effectiveness of infrastructure investments, and efficient operation and management of the assets over time.

Physical regionalization or consolidation is also an important technique to help smaller systems move into the future with adequate resources to remain sustainable. Regionalization points will be awarded only for those projects that combine two or more existing systems into a single legal entity. Points will not be awarded for such things as the sharing of employees or other services.

Facilities should employ effective utility management practices to build and maintain the technical, financial, and managerial capacity necessary to ensure the long-term sustainability of wastewater infrastructure assets. The scoring criteria below were developed to capture the merits of project planning methodologies that address best practices in utility management, development of sustainable communities, and protection of both point source and non-point source infrastructure investments.

Projects should incorporate environmental efficiencies whenever possible. Projects that demonstrate and address environmental concerns through concepts such as water and energy efficiency, green infrastructure and innovation that addresses environmental concerns will be awarded points. Descriptions of each applicable category included in the project must be outlined in the application.

- **Green Infrastructure (GI):** GI includes a wide array of practices that manage and treat stormwater and maintain and restore natural hydrologic regimes by infiltration, evapotranspiration, and the capture and use of stormwater. Eligible projects may include, but are not limited to, riparian restoration, constructed wetlands and floodplains, bioretention, water harvesting (cisterns and distribution pipes) and reuse programs, and other practices that mimic natural hydrology and reduce impervious surfaces such as green streets that include permeable pavement, trees, green roofs and expansion of tree boxes. Equipment to maintain green streets such as vactor trucks.
- **Water Efficiency (WE):** Use of improved technologies and practices to deliver equal or better services with less water. Eligible projects may include, but are not limited to, collection system leak detection equipment, installation of systems to recycle gray water, water reclamation, recycling and reuse, and efficient landscape or irrigation equipment. Retrofit or replace existing water meters to add automatic read (AMR) capability or leak detection equipment.
- **Environmentally Innovative (EI):** Projects that demonstrate new and/or improved approaches to manage water resources, achieve pollution prevention or pollutant removal with reduced costs. Eligible projects may include, but are not limited to, decentralized wastewater treatment solutions to existing deficient or failing on-site systems, water reuse projects that reduce energy consumption, recharge aquifers, or reduce water withdrawals and treatment costs, use of water resources management approaches, and projects that use water budgets at the project, local, or state level that preserve site, local or regional hydrology.

- Energy Efficiency (EE): Use of improved technologies and practices to reduce the energy consumption of water quality projects, including projects to produce clean energy used by a treatment works. Eligible projects may include, but are not limited to, energy efficient retrofits and upgrades to pumps and treatment processes including SCADA systems and variable frequency drives (VFD) for pumps, leak detection equipment for treatment works, and producing clean power with wind, solar, micro-hydroelectric, geothermal, or biogas combined heat and power.

SUSTAINABILITY

150 POINTS POSSIBLE

Points for sustainability will be awarded as follows:

- Project regionalizes/consolidates two or more existing systems;
- Project demonstrates an adequate rate structure to maintain facility operations;
- Project entity has Licensed/Certified Operators and will continue to do so;
- Project is incorporating environmentally aware concepts such as:
 - Water efficiency, reuse, and/conservation;
 - Energy efficiency;
 - Environmentally innovative components/aspects;
 - Green infrastructure
- Project includes a climate vulnerability assessment
- Project addresses climate change threats to infrastructure
- System has a rate structure that addresses replacement costs at design life of project

READINESS TO PROCEED

An important goal of the CWSRF program is to ensure the timely and expeditious use of funds. To achieve this goal, NMED will evaluate applications and the associated documents that provide a reasonable measure of how close an eligible applicant may be to starting the project. Points for Readiness to Proceed will be awarded as follows:

READINESS TO PROCEED

100 POINTS POSSIBLE

NMED will evaluate the following documents and corresponding approval status:

- Preliminary Engineering Report, Feasibility Study, or Technical Memorandum; 25 points
- Environmental Information Documents or Categorical Exclusion Request; 25 points
- Construction Plans and Specifications; 50 points

TOTAL SCORING

Scoring Factor	Points Available
Ground water quality improvement and permit compliance	200
Surface water quality improvement factor and permit compliance	200
Sustainability	150
Readiness to Proceed	100
Total	650

March 2023

**New Mexico Clean Water State Revolving Fund
Affordability Criteria System
March 2023**

The Clean Water Act (CWA) requires that all Clean Water State Revolving Fund programs utilize affordability criteria to determine public entities that would experience a significant hardship raising the revenue necessary to finance an eligible CWSRF project if additional subsidization is not provided. Pursuant to CWA, the affordability criteria shall be based on income and unemployment data, population trends, and other data determined relevant by the State, including whether the project or activity is to be carried out in an economically distressed area, as described in section 301 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3161).

Data Sources

Metrics for the affordability criteria are taken from the American Community Survey (ACS). This data is gathered by the U.S. Census Bureau and is publicly available on the Census Bureau website. ACS data are updated annually.

Scoring System Thresholds

- **Population:** Municipalities and service areas with a population of less than 20,000 and counties with a population of less than 200,000 are considered rural in New Mexico and will receive 50 points for their population score. Rural populations are defined in accordance with Chapter 75, Article 1 NMSA 1978 Rural Infrastructure. Municipalities and service areas with a population over 20,000 and counties with a population over 200,000 that have lost population in the previous 5 years will also receive 50 points.
- **Income:** Municipalities, service areas, and counties with a per capita income 80 percent or less of the national average will be awarded 50 points and are designated as economically distressed pursuant to the Economic Development Act of 1965.
- **Unemployment:** 50 points will be awarded when the municipality or area has an unemployment rate that is above the national average.

The Affordability Criteria System is set up such that a municipality or service area demonstrating that it can meet the criteria in any one of the three categories – population, income, or unemployment – is eligible to receive additional subsidy.

AFFORDABILITY CRITERIA SYSTEM

Category	Criteria	Points
Income	<ul style="list-style-type: none"> Service area of project has a per capita income of 80% or less than the national average. 	50
Population OR Population Trends	<ul style="list-style-type: none"> County Population is less than 200,000 or County Population is greater than 200,000 but the population has declined in the previous 5 years. Municipality/service area population is less than 20,000 or the population is greater than 20,000 but the population has declined in the previous 5 years. 	50
Unemployment	<ul style="list-style-type: none"> Municipality/county/service area unemployment is higher than the national average 	50
<p>Eligibility for Additional Subsidy: All public entities receiving 50 points or higher are eligible to receive additional subsidy.*</p>		<p>TOTAL POSSIBLE: 150</p>

*Actual award of additional subsidization is based on availability.