


# Rural Infrastructure Needs Study

**Mora, June 19 2021**




**PIVOTAL**  
new mexico

**NM** BUREAU OF BUSINESS & ECONOMIC RESEARCH


 THE GRANT PLANT<sup>SM</sup>

**Bohannon**  **Huston**



## About Pivotal New Mexico


- ..Non-profit 501(c)(3) founded 2015
- ..Helps organizations get the funding they need to achieve their charitable and social missions.
- ..Programs:
  - ...Cooperative Network
  - ...Talent Academy
  - ...Grow New Mexico
  - ...Special Projects (policy papers, studies, research)



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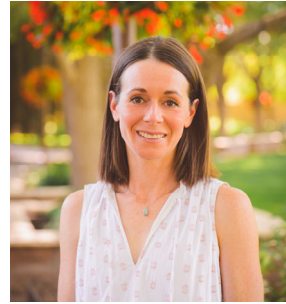


## The Pivotal NM Team

**Terry Brunner**  
CEO



**Jennifer Jackson**  
Project Manager



## Project Partners



**Bohannon**  **Huston**

- ...New Mexico's largest engineering firm
- ...Will provide infrastructure cost estimate analysis

**NM** BUREAU OF BUSINESS  
& ECONOMIC RESEARCH

- ...The state's expert in socioeconomic data
- ...To provide analysis on infrastructure gaps and demographic profiles of affected communities

 **THE GRANT PLANT** INC.

- ...A leader in in research, writing, and grants management for the philanthropic and public sectors
- ...Will develop the funding catalogue and recommendations on funding priorities



## Critical Rural Infrastructure Needs

- ..Issued by the Legislative Council Service to study New Mexico's critical infrastructure needs and funding resources
- ..The goal is to develop strategies to provide all New Mexicans with reliable running water, electricity, and broadband by 2030
- ..The report will be used for legislative initiatives in 2022 and beyond

## Project Scope of Work



1. Demographic information on high-need communities in New Mexico
2. Policies and best practices
3. Estimated costs to close basic infrastructure gaps
4. Catalogue of financial opportunities
5. Affordability analysis of infrastructure investments; impact on consumer costs
6. Recommendations and action steps

## The Infrastructure Capital Improvement Plan (ICIP) Database



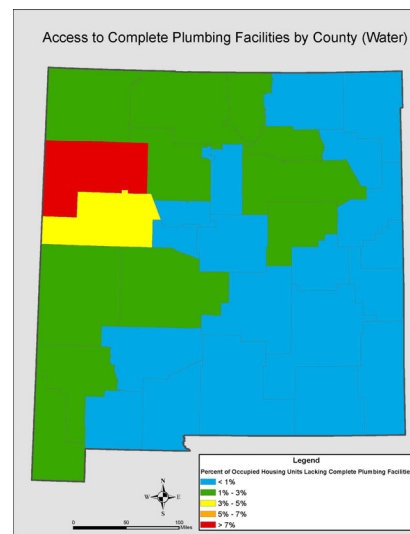
- ...The ICIP is a 5-year plan, submitted by public entities, that establishes planning priorities for anticipated publicly-funded capital projects
- ...The process encourages future planning for capital improvements
- ...Provides a rough idea of the level and location of needs for certain types of infrastructure.



### Drinking Water (Supply) Projects

#### ICIP Summary Statistics

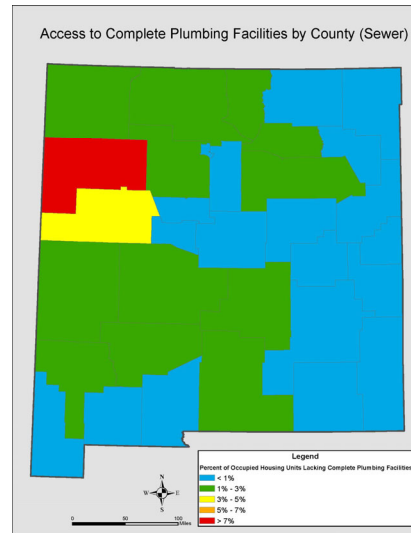
- ...418 ICIP projects
- ...Estimated cost = \$1,446,426,353
- ...Funded to-date = \$337,882,227
- ...**Funding gap = \$1,108,544,126**



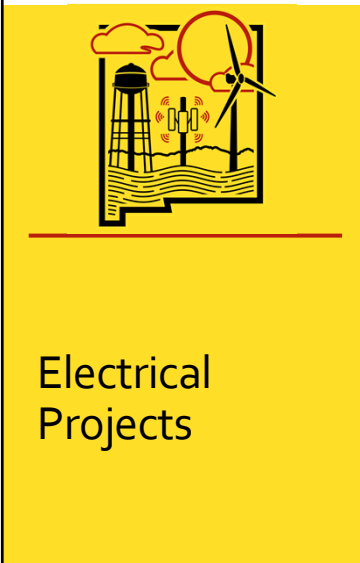


ICIP Summary Statistics

- ... 243 ICIP projects
- ... Estimated cost = \$949,516,628
- ... Funded to-date = \$191,252,735
- ... **Funding gap = \$758,263,893**

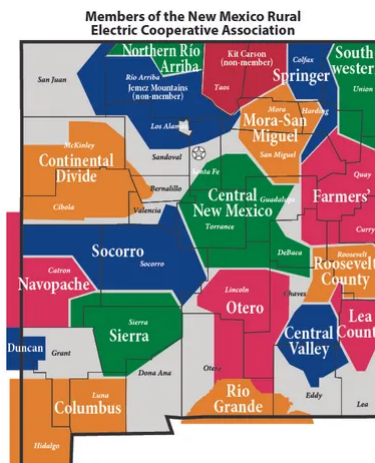


Data source: U.S. Census, American Community Survey



ICIP Summary Statistics

- ... 66 traditional electrical ICIP projects
- ... Estimated cost = \$147,338,919
- ... Funded to-date = \$11,686,271
- ... **Funding gap = \$135,652,648**
- ... 9 renewable energy projects
- ... Estimated cost = \$15,387,719
- ... Funded to-date = \$2,673,040
- ... **Funding gap = \$12,714,679**



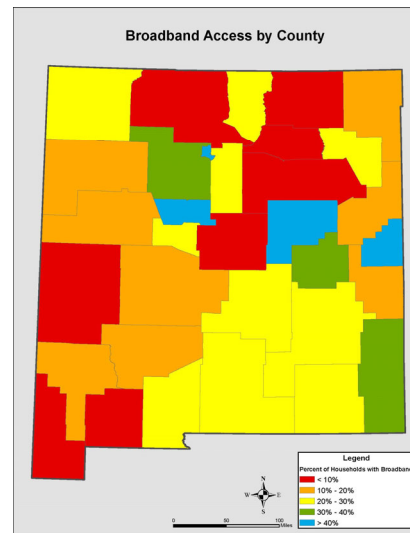
Data source: NM Rural Electrical Cooperative Association



## Broadband Projects

### ICIP Summary Statistics

- ...12 projects in rural areas
- ...Estimated cost =  
\$18,508,880
- ...Funded to-date =  
\$550,000
- ...**Funding gap =**  
**\$17,958,880**



## Public Water Funding

- ...US Bureau of Reclamation WaterSMART Programs
- ...NM Environment Department Construction Programs Bureau (Rural Infrastructure Revolving Fund)
- ...NM Finance Authority Drinking Water State Revolving Loan Fund, Colonias Infrastructure Project Fund, Public Project Revolving Fund, Local Government Planning Fund, Water Trust Board Water Project Fund.
- ...US Army Corps of Engineers
- ...US Department of Agriculture Rural Development (Water and Waste Disposal Loan and Grant Program)
- ...Rural Community Assistance Corporation (Environmental Infrastructure Loan Program)
- ...Border Environment Cooperation Commission



## Public Waste Water Funding

- ...NM Environment Department Construction Programs Bureau (Clean Water State Revolving Fund, Rural Infrastructure Revolving Fund)
- ...New Mexico Finance Authority (Colonias Infrastructure Project Fund, Public Project Revolving Fund, Local Government Planning Fund, Water Trust Board funds)
- ...US Environmental Protection Agency
- ...US Department of Agriculture Rural Development (Water and Waste Disposal Loan guarantees)
- ...Border Environment Cooperation Commission (Project Development Assistance Program)
- ...Rural Community Assistance Corporation (Environmental Infrastructure Loan Program)



## Tribal Water Funding

### Water

- ...NM Indian Affairs Department (Tribal Infrastructure Fund)
- ...Bureau of Indian Affairs
- ...USDA Rural Development Water and Wastewater Tribal Set-Aside program

### Wastewater

- ...US Environmental Protection Agency
- ...Bureau of Indian Affairs (Indian Health Service)
- ...NM Indian Affairs Department (Tribal Infrastructure Fund)
- ...USDA Rural Development Water and Wastewater Tribal Set-Aside Program.



## Broadband Funding

- ..U.S. Department of Commerce, National Telecommunications and Information Administration
- ..U.S. Department of Agriculture, Rural Utilities Service
- ..Federal Communications Commission
- ..U.S. Department of Commerce Economic Development Administration
- ..New Mexico Department of Information Technology



## Electrical Funding

- ..U.S. Department of Agriculture, Rural Utilities Service (low interest loans and loan guarantees)
- ..The Farm Credit system and CoBank (private rural infrastructure lender)



## Reasons for Funding Gaps



- ...Lack of comprehensive understanding of funding strategies (such as leveraging) and the spectrum of available funds
- ...Lack of human resource capacity to apply for competitive funds
- ...Limited ability to take on debt for small communities, tribes, and small utilities
- ...Lack of time/capacity to step back and look at the big picture or plan strategically to solve problems

## What's Coming Next



- ...Preliminary Report (July 31)
  - ...High-level overview of the infrastructure picture in New Mexico
  - ...Initial funding results
- ...Final Report (December 15)
  - ...Detailed findings organized around the six scope of work areas
  - ...Appendices with additional information, background, and data



## What Now?

- ...Resources and data on needs already exist
- ...What is evident:
  - ...Develop a statewide centralized project merit/urgency review process to prioritize needs
  - ...Community-level technical support for project planning and budgeting
  - ...Support policies that ensure that more projects are fully-funded.
- ...Prepare communities to access and utilize incoming federal funds for water/wastewater and broadband projects

## Thank you!



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