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HOUSE JOINT MEMORIAL 9

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

Patricia Roybal Caballero and Jacob R. Candelaria

FOR THE NEW MEXICO FINANCE AUTHORITY OVERSIGHT COMMITTEE

A JOINT MEMORIAL

REQUESTING THAT THE NEW MEXICO CONGRESSIONAL DELEGATION SUPPORT THE NEW MEXICO FINANCE AUTHORITY'S EFFORT TO OBTAIN APPROVAL FROM THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY TO USE TIER TWO FUNDS OF THE DRINKING WATER STATE REVOLVING LOAN FUND FOR PARTIAL LOAN SUBSIDIZATION.

WHEREAS, the federal Safe Drinking Water Act Amendments of 1996 authorized the creation of drinking water state revolving loan funds in order to help states manage and protect their drinking water systems; and

WHEREAS, the drinking water state revolving loan funds capitalization grants are determined by the United States congress and administered by the United States environmental protection agency; and

WHEREAS, the New Mexico finance authority is responsible

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1 for the administration of New Mexico's drinking water state
2 revolving loan fund financing and related functions; and

3 WHEREAS, New Mexico has received approximately one hundred
4 ninety-eight million dollars (\$198,000,000) in capitalization
5 grants from the United States environmental protection agency;
6 and

7 WHEREAS, the New Mexico finance authority has loaned
8 approximately one hundred ninety-six million dollars
9 (\$196,000,000) of drinking water state revolving loan funds,
10 including approximately sixty-three million dollars
11 (\$63,000,000) loaned to small public water systems that serve
12 populations of ten thousand or fewer and over fifty-four
13 million dollars (\$54,000,000) to disadvantaged public water
14 systems; and

15 WHEREAS, the United States environmental protection agency
16 allows the New Mexico finance authority to offer partial loan
17 subsidization in the form of principal loan forgiveness for
18 small and disadvantaged public water system borrowers using
19 tier one funds; and

20 WHEREAS, initial loans are referred to as "tier one
21 funds"; and

22 WHEREAS, principal and interest amounts received by the
23 fund as loan repayments from borrowers are referred to as "tier
24 two funds"; and

25 WHEREAS, the United States environmental protection agency

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1 currently does not permit tier two funds to be used for partial
2 loan subsidization; and

3 WHEREAS, many small and disadvantaged public water
4 associations in need of project funds cannot afford to repay
5 one hundred percent of the principal loan amount and therefore
6 will not utilize financial assistance offered by the New Mexico
7 finance authority and the drinking water state revolving loan
8 fund program unless partial loan subsidization is available;
9 and

10 WHEREAS, the uncommitted balances in the drinking water
11 state revolving loan fund have grown to total over sixty
12 million dollars (\$60,000,000); and

13 WHEREAS, the New Mexico finance authority has made
14 repeated requests to the United States environmental protection
15 agency for permission to use tier two funds for partial loan
16 subsidization; and

17 WHEREAS, the United States environmental protection agency
18 to date has not provided guidance to the New Mexico finance
19 authority on the use of tier 2 funds for partial loan
20 subsidization; and

21 WHEREAS, the New Mexico finance authority oversight
22 committee has transmitted a letter to the members of the New
23 Mexico congressional delegation communicating the issue and
24 requesting their support in persuading the United States
25 environmental protection agency to allow tier two funds to be

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1 used for partial loan subsidization; and

2 WHEREAS, allowing use of the uncommitted tier two fund
3 balances for partial loan subsidization would help many small
4 and disadvantaged communities in New Mexico and be consistent
5 with the purpose of the federal Safe Drinking Water Act;

6 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
7 STATE OF NEW MEXICO that the New Mexico congressional
8 delegation be requested to support the proposed use of tier two
9 funds for partial loan subsidization in order to improve public
10 water systems in small and disadvantaged communities in New
11 Mexico; and

12 BE IT FURTHER RESOLVED that copies of this memorial be
13 transmitted to members of the New Mexico congressional
14 delegation.