

HOUSE BILL 427

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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AN ACT

RELATING TO WATER; AMENDING THE WATER PROJECT FINANCE ACT TO PROMOTE THE USE OF REAL-TIME MONITORING DATA TO TRACK AND MONITOR THE QUALITY OF NEW MEXICO'S DRINKING WATER.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 72-4A-5 NMSA 1978 (being Laws 2001, Chapter 164, Section 5, as amended) is amended to read:

"72-4A-5. BOARD--DUTIES.--The board shall:

A. adopt rules governing terms and conditions of grants or loans recommended by the board for appropriation by the legislature from the water project fund, giving priority to projects that have been identified by the board as being urgent to address public health and safety issues; that have matching contributions from federal or local funding sources available; and that have obtained all requisite state and federal permits

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1 and authorizations necessary to initiate the project;

2 B. authorize qualifying water projects to the
3 authority that are for:

4 (1) storage, conveyance or delivery of water
5 to end users;

6 (2) implementation of federal Endangered
7 Species Act of 1973 collaborative programs;

8 (3) wastewater conveyance and treatment;

9 (4) restoration and management of watersheds;

10 (5) flood prevention; [~~or~~]

11 (6) water conservation or recycling, treatment
12 or reuse of water as provided by law; or

13 (7) the monitoring and protection of water
14 quality; and

15 C. evaluate projects, including their environmental
16 impacts, and recommend projects to the interstate stream
17 commission pursuant to the provisions of Section 72-14-45 NMSA
18 1978."

19 SECTION 2. Section 72-4A-6 NMSA 1978 (being Laws 2001,
20 Chapter 164, Section 6, as amended) is amended to read:

21 "72-4A-6. AUTHORITY--DUTIES.--The authority shall:

22 A. provide staff support for the board;

23 B. develop application procedures and forms for
24 qualifying entities to apply for grants and loans from the
25 water project fund; and

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1 C. make loans or grants to qualifying entities for
2 qualifying water projects authorized by the legislature and for
3 real-time water quality monitoring projects as provided in
4 Section 72-4A-7 NMSA 1978; provided that the service area for
5 the project is wholly within the boundaries of the state or the
6 project is an interstate project that directly benefits New
7 Mexico."

8 SECTION 3. Section 72-4A-7 NMSA 1978 (being Laws 2001,
9 Chapter 164, Section 7, as amended) is amended to read:

10 "72-4A-7. CONDITIONS FOR GRANTS AND LOANS.--

11 A. Grants and loans shall be made only to
12 qualifying entities that:

13 (1) agree to operate and maintain a water
14 project so that it will function properly over the structural
15 and material design life;

16 (2) require the contractor of a construction
17 project to post a performance and payment bond in accordance
18 with the requirements of Section 13-4-18 NMSA 1978;

19 (3) provide written assurance signed by an
20 attorney or provide a title insurance policy that the
21 qualifying entity has proper title, easements and rights of way
22 to the property upon or through which a water project proposed
23 for funding is to be constructed or extended;

24 (4) meet the requirements of the financial
25 capability set by the authority to ensure sufficient revenues

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1 to operate and maintain a water project for its useful life and
2 to repay the loan;

3 (5) agree to properly maintain financial
4 records in accordance with all applicable laws; and

5 (6) agree to pay costs of originating grants
6 and loans as determined by rules adopted by the authority.

7 B. Grant projects and loans for real-time water
8 quality monitoring projects that are authorized as qualifying
9 water projects:

10 (1) shall be made by the authority to
11 qualifying entities that apply to the authority for grant
12 money:

13 (a) to invest in application programming
14 interfaces or other technology and to develop real-time water
15 monitoring systems to obtain data on water and wastewater
16 quality and resources in New Mexico; or

17 (b) for technical assistance with
18 applying for federal or other funding for programs for real-
19 time monitoring of water management and treatment;

20 (2) shall not include the costs of originating
21 the grants as determined by rules adopted by the authority and
22 shall not exceed five hundred thousand dollars (\$500,000) per
23 grant application;

24 (3) shall require reporting of real-time water
25 quality monitoring data to the department of environment; and

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1 (4) shall not exceed a cap of thirty-one
2 million five hundred thousand dollars (\$31,500,000) in total
3 obligations of the fund, plus administrative expenses and a
4 prudent fund balance, as determined by the authority pursuant
5 to this section. The authority shall evaluate the amount of
6 the cap in an appropriate proceeding to be completed by June
7 30, 2027 and consider whether, based on the then-current status
8 of the fund, the cap should be modified, maintained or
9 eliminated.

10 [~~B.~~] C. Plans and specifications for a water
11 project shall be approved by the authority after review and
12 upon the recommendation of the state engineer and the
13 department of environment before grant or loan disbursements to
14 pay for construction costs are made to a qualifying entity.
15 Plans and specifications for a water project shall incorporate
16 available technologies and operational design for water use
17 efficiency.

18 [~~C.~~] D. Grants and loans shall be made only for
19 eligible items, which include:

- 20 (1) to match federal and local cost shares;
- 21 (2) engineering feasibility reports;
- 22 (3) contracted engineering design;
- 23 (4) inspection of construction;
- 24 (5) special engineering services;
- 25 (6) environmental or archaeological surveys;

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- 1 (7) construction;
- 2 (8) land acquisition;
- 3 (9) easements and rights of way; ~~and~~
- 4 (10) legal costs; and
- 5 (11) real-time water quality monitoring as
- 6 specified in Subsection B of this section."