

COMMUNITY WORKSHOP REPORT

Water and Wastewater Infrastructure Opportunities in Tribal Communities

Albuquerque, New Mexico

On May 16th, 2024, representatives from federal and state agencies, non-governmental organizations, and 18 tribal communities across New Mexico convened to discuss funding opportunities for water and wastewater infrastructure. The workshop, hosted by Water Finance Exchange (WFX) and the Southwest Environmental Finance Center (SW EFC), highlighted the opportunities and challenges associated with setting and implementing sustainable user rates, as well as the variety of new and long-standing infrastructure funding opportunities available to tribal communities.

WFX and the SW EFC thank the attendees representing tribal communities:

- Pueblo of Laguna
- Pueblo of Zuni
- Pueblo of Isleta
- Pueblo of San Felipe
- Pueblo de San Ildefonso
- Pueblo of Taos
- Pueblo of Santa Ana
- Pueblo of Ohkay Owingeh
- Pueblo of Zia
- Pueblo of Tesuque
- Pueblo of Picuris
- Pueblo of Cochiti
- Pueblo of Santo Domingo
- Pueblo of Santa Clara
- Pueblo of Pojoaque
- Pueblo of Sandia
- Mescalero Apache Tribe
- To'Hajiilee Navajo Chapter

Attendees discussed the need for tribal utilities to implement sustainable solutions to meet the unique needs of their communities. Cultivating support for water rates that are equitable and sustainable was top of mind; attendees and panelists also shared specific successes and challenges with accessing state and federal funding not only for capital expenditures, but as subsidies for disadvantaged customers. Training opportunities specific to tribal entities would be helpful in many different areas, including training in finance and asset management. A more formal collaboration of federal, state, and local funding agencies along with technical assistance providers may deliver more coordinated support to tribal communities.

The workshop included a keynote presentation, three panel discussions, and a break-out session that allowed community leaders to learn from and interact with one another, state and federal agency representatives, and industry experts.

WFX and the SW EFC thank the panelists and presenters, including leadership from:

- Pueblo of Laguna Utility Authority
- Taos Pueblo Utility Service
- Zuni Utility Department
- Indian Health Service (IHS)
- United States Department of Agriculture – Rural Development (USDA)
- New Mexico Environment Department (NMED)
- New Mexico Indian Affairs Department (NMIAD)
- Rural Community Assistance Corp. (RCAC)
- New Mexico Rural Water Association (NMRWA)
- Inter-Tribal Council of Arizona (ITCA)

More than 60 leaders from across the state attended the workshop, including representatives from 18 tribal communities.

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Key Next Steps

1. Leverage Multiple Funding Sources into a Funding Package

The challenges associated with funding applications are numerous. In some cases, projects may not be fully funded, leaving a critical gap between the funds available and the funds required to deliver much-needed water utility improvements. In addition, since New Mexico's capital outlay funds and Tribal Infrastructure Fund do not carry either a loan component nor a matching fund requirement, a Legislative Finance Committee report found that these two programs are both the most popular and most over-subscribed of the State's water infrastructure funding options.

In contrast, New Mexico's Clean Water and Drinking Water State Revolving Funds (SRFs) had excess funding capacity as of the 2021 report. While these funds may not be as appealing to tribal communities because a portion of each SRF award is a loan that must be repaid, SRFs could help bridge the funding gap to ensure that a project is fully funded sooner rather than later, which can reduce project cost overruns caused by increasing construction costs over time. Matching fund requirements can be offset by complementary funding, including the New Mexico Matching Fund (see Breakout Box below for more information on the New Mexico Matching Fund).

House Bill 1177: New Mexico Match Fund

H.B. 1177 was passed by New Mexico's 56th Legislature in February 2024. This bill created the New Mexico Match Fund, which appropriates \$75 million to fund the full amount of local matching funds required by a federal grant award. The federal programs for which these funds are eligible include not only water system-related grants, but also grants awarded by federal agencies for other infrastructure purposes such as transportation, watershed protection, and clean power generation and storage. The Match Fund also provides opportunities for recipients to receive an additional grant award to fund the costs associated with the administration of their project. The Match Fund is administered by the Department of Finance and Administration on a rolling basis.

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Participants share their stories and hear from others in breakout groups during the workshop.

As discussed during the workshop, the US Department of Agriculture (USDA) encourages tribal communities to approach the agency early in the life of the project to ensure that activities meet USDA's requirements for funding assistance. In some cases, the Indian Health Service (IHS) can provide matching funds for federal awards provided that a tribal community signs a Memorandum of Agreement. Finally, Tribal Infrastructure Fund (TIF) applicants will score higher if they can demonstrate that they have secured match dollars or other funding sources (<https://www.nmlegis.gov/>).

2. Promote and Expand Opportunities for Tribal Leadership and Operator Training

Many communities at the workshop expressed interest in formalized training in subjects such as operations as well as administrative tasks such as grant writing, communications, and leadership. Panelists at this workshop shared several upcoming training opportunities, some of which are given below:

- ITCA provides technical assistance and training as well as operator certification for tribes nationwide. ITCA also provides utility finance and asset management training. One to two times per year, ITCA offers a 36-hour intensive training module for those becoming board or council members.
- Rural Community Assistance Corp. offers upcoming leadership and rate-setting trainings.

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- The SW EFC has numerous upcoming trainings that will help tribes in a wide variety of topics on both water and wastewater. Additionally, the SW EFC offers trainings to any system in New Mexico on other issues, such as lead service line inventories, and tribal systems are encouraged to attend these trainings as well.

In addition to the types of training described above, attendees are strongly encouraged to contact [SW EFC](#) regarding the trainings their communities would most like to attend. This will allow the SW EFC to craft curricula in coordination with other technical assistance providers most suited to tribal communities' needs.

3. Coordinate and Collaborate: Federal, State, and Local Entities and Technical Assistance Providers

Small, rural water and wastewater systems face numerous challenges to balance current finances and invest in their long-term sustainability. It is critical that these communities not be left behind, and that communities are empowered to proactively address the realities of aging infrastructure and capital expenditure needs.

Attendees at the workshop expressed concern about water rate affordability for low-income or elderly customers, as well as backlash to community leaders from residents who oppose rate increases. Other attendees expressed concern about how best to handle construction contracting, accessing funding and managing grants after award, recruiting, retaining, and developing the water workforce, and addressing future regulations.

The organizations at the meeting can provide help to tribal communities by supporting the creation of a tribal coordinating group, similar to the creation of the Tribal Utility Advisory Committee (TUAC) that was formed in the early 2000s to help develop the drinking water operator certification guidelines for EPA Region 6. This group was entirely focused on tribal utilities and addressed the unique needs and concerns of tribes. The tribal coordinating group being proposed following the workshop would similarly be for tribes to help tribes and could be set up in the way most desirable to tribes themselves. Such a group has the potential to reduce redundancy, streamline the funding process, and facilitate inter-tribal information sharing. Having a platform to address knowledge and resource gaps impacting each community's water infrastructure sustainability and convene these important conversations on a more regular basis could support tribal utility leadership and amplify common causes.

This workshop was designed to build on and support existing efforts to advance tribal community water and wastewater services, while connecting tribal community leaders to more sources of support.

Building Support for Rate Structure Changes

It can be difficult for water customers to quickly and easily comprehend how their payments for water and/or wastewater services are reallocated, and why these charges are necessary. The following are ideas that tribal communities may consider utilizing to inform customers about what a water/wastewater system does, how it works, and why rate changes might be needed.

- Ask schools to distribute flyers to students detailing the community's water and wastewater utilities
- Share information on water/wastewater systems at community events
- Collaborate with other departments such as Housing to share resources and distribution channels with community members

WFX and the SW EFC believe that successful partnerships will attract funding and support to achieve these results at significant scale and provide more sustainable and resilient water and wastewater solutions. We look forward to helping move these conversations forward and thank everyone who contributed to the productive dialogue during the Albuquerque workshop. WFX and the SW EFC are incredibly grateful for our sponsors and funders who support these important conversations.