



Cedar Creek Mutual Domestic Water Consumers Association

Supplemental Well

Drinking Water State Revolving Loan Fund

Board Date: 10/27/2022

App # DW-5923

Lending Officer

Martin Ortega

A. EXECUTIVE SUMMARY

DWSRLF Loan:	25%	\$137,500.00	Term: 30	Net Interest Cost: 0.25%
Principal Forgiveness:	75%	\$412,500.00	Term: N/A	Net Interest Cost: N/A
Total Amount:	\$550,000.00		Total Term:	32 years

Pledged Revenue	Net System Revenue			
Coverage	7.91x (1.20x required)			
Compliance with NMFA Policies	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Waiver Request	None			

Project Description

Cedar Creek Mutual Domestic Water Consumers Association (The Association) located in Lincoln County has applied to the Drinking Water State Revolving Loan Fund (DWSRLF). The proceeds will be used to finance the costs of design and construction of a supplemental well to provide an additional water source to replace the diminishing capacity from the existing Association wells. The project would also replace a leaking portion of the distribution system.

This project will provide a reliable, redundant water source for the community. The community has had to rely on an emergency interconnect with the neighboring Alpine Water and Sanitation District in the past when the Association's well failed or needed rehabilitation.

This project will directly benefit 100% of the Association's members by providing a reliable water source. The new well would also increase the ability of the Association to provide an emergency backup water supply to the adjoining Alpine Village Water & Sanitation District through the emergency interconnection between the systems.

The supplemental well would allow the Association to reduce their reliance on shallower wells that fluctuate with rainfall amounts and could be susceptible to surface water contamination.

Strengths	Weaknesses
<p>The projects will reduce operational and maintenance costs, decrease system wide water loss while increasing efficiencies.</p> <p>Assist with providing safe drinking water for the community.</p>	<p>None to note.</p>

This is the first time this project has appeared before the NMFA Board.

Recommendation: Staff recommends approval.

B. PROJECT FINANCING

1. PROPOSED SOURCES AND USES:

Sources:	Amount
DWSRLF Disadvantaged Rate Loan	\$137,500.00
DWSRLF Principal Forgiveness	\$412,500.00
Total Sources	\$550,000.00

Uses:	Amount
Deposit to Project Fund	\$550,000.00
Total Uses	\$550,000.00

2. SECURITY

Pledged Revenue:	Net System Revenue	\$37,691.00
	Total Revenue	\$37,691.00
Distributing Entity:	Cedar Creek MDWCA	
Distribution Timing:	Interest monthly on amounts drawn during the first 24 months of the loan commencing one month after the first incurred cost and ending no later than 24 months after the date of the loan agreement; thereafter monthly principal and interest payments commencing one month after the loan amount has been finalized and ending on the final maturity date of the loan.	
Lien Status	Parity	
	Senior (Parity) Lien Total Outstanding Debt	N/A
	Subordinate Lien Total Outstanding Debt	N/A
Additional Bonds Test	120%	

3. CONTINGENCIES

Readiness to Proceed	
1.	Executed Copy of the Binding Commitment Letter;
2.	Estimated Cost Breakdown;
3.	Detailed drawdown schedule for project payments;
4.	Executed Copy of EPA form 4700-4;
5.	Verified System Award Management form 5700-9;
6.	Compliance with the State Environmental Review Process (SERP);
7.	Approval of Plans and Specifications by NMFA;
8.	Approval of Plans and Specifications by NMED Drinking Water Bureau prior to construction start;
9.	Approval of Bids by NMED and NMFA;
10.	Approval of Contract Award by NMFA;
11.	Any additional information requested by the NMFA; and
12.	Loan documents shall conform to NMFA standard forms and policies.

4. BORROWER ATTRIBUTES

Priority Rank	#5 DWSRLF 2023 Annual Fundable Priority List		
Number of Users	446		
System Designation	Small		
MHI	\$43,847.00	% of National MHI	67.00%
Disadvantaged Status	Severely Disadvantaged		
Principal Forgiveness Source	EPA Capitalization Grant BIL and Base Funding		
Principal Forgiveness Determination	25% Base + 25% Disadvantaged + 25% Severely Disadvantaged		

All Outstanding Loans in Compliance with Terms?

Yes

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No

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N/A

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