

State of New Mexico



Capacity Development Program Triennial Report to the Governor State Fiscal Years 2021-2023



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Introduction

The Safe Drinking Water Act (SDWA), as amended in 1996, established the Drinking Water State Revolving Fund (DWSRF) to make funds available to drinking water systems to finance infrastructure improvements and to provide assistance to public water systems (PWS) to support the protection of public health. States operate their own DWSRF programs and receive annual capitalization grants from the Environmental Protection Agency (EPA) to support low-interest loans and provide assistance to PWSs. The State of New Mexico adopted the Drinking Water State Revolving Loan Fund (DWSRF) Act to support these efforts and implement the State's program. DWSRF funds are used to support regulated public water systems maintain compliance with drinking water standards, operating requirements, and to provide technical, managerial, financial, planning, and funding assistance to systems statewide.

The State, through the New Mexico Finance Authority (NMFA) and the New Mexico Environment Department's (NMED) Drinking Water Bureau (DWB), utilizes the resources of DWSRF to cooperatively administer the New Mexico's DWSRF program. Pursuant to state statute NMSA 1978 6-21A-4, the NMFA administers the loan funds of the program and the Administration Set-Aside and the DWB administers the EPA DWSRF set-aside funds. EPA DWSRF set-aside funds are used to provide technical assistance directed toward small PWS; state program management support for the bureau; and local assistance such as capacity development to work with drinking water systems to improve technical, managerial, and financial (TMF) capacity. DWSRF set-aside funds also support infrastructure project engineering reviews, source water protection activities, and utility operator certification. As the State primacy agency, the DWB is required by the SDWA to carry out regulatory supervision of PWS, enforce SDWA violations and develop strategies to ensure that all public water systems (PWS) have the TMF capacity to provide safe drinking water.

Capacity Development Strategy

The DWB submitted a revised Capacity Development Strategy to the EPA in December 2022. Water system statistics, programmatic information, and DWB structure are out of date. A program goal was achieved for SFY 2022 when the updated Capacity Development Strategy was submitted to EPA December 20, 2022.

Sustainable Water Infrastructure Group (SWIG)

The DWB's Sustainable Water Infrastructure Group (SWIG) is responsible for providing training and assistance to public water systems by implementing programs supported by the EPA DWSRF set asides. Additional support such as community planning and infrastructure development assistance is provided as needed from other funding sources. This document serves as New Mexico's *Capacity Development Triennial Report to the Governor* for the state fiscal years 2021-2023 (SFY21-23) covering the period of July 1, 2021, through June 30, 2023. During the reporting period SWIG was reorganized in 2022, to better serve public water systems through streamlined and focused efforts. Currently, SWIG is comprised of six programs serving public water systems:

Assessment and Policy Team

This team completes capacity assessments for new and existing systems, the annual water and sewer rate survey, and the water infrastructure needs survey and assessment. The data developed from these surveys and assessments are used to assist with policy decisions. The team also reviews and provides guidance and recommendations to public water systems related to policy changes that support compliance with the Sanitary Projects Act (SPA), facilitation of MDWCA board training, and the revision existing and development of new regulations. This team was developed with the intent of focusing efforts to create a new data driven assessment tool that will document, prioritize water system needs, determine system capacity, infrastructure needs, and identify options for support. The data developed in this process is to be used to ensure water systems are prioritized to better support water systems with the greatest needs and assist them to develop sustainable solutions. While this team was officially reorganized in the calendar year 2022, DWB is still working to fully develop and implement the vision for this team. DWB plans to provide additional data and information about this team's progress during the next triennial report.

Regionalization and Sustainability Team

This team was created to promote regionalization efforts, establish sustainable solutions, and support the incorporation of resiliency concepts into infrastructure projects. This team has begun to establish various resource hubs to encourage and support collaboration and resource sharing between public water systems. The efforts of this team are focused on supporting water systems in the development of innovative solutions focused on adaptive response to the cumulative pressures from increased regulations, fewer appropriately certified operators, fewer board member volunteers, and changing climate conditions. The team also collaborates with numerous stakeholders that provide aid in the effort to build the foundation for regionalization. Assistance provided by this group is geared toward facilitating opportunities for collaboration, as well as providing assistance and support to developing community leadership that is focused on building sustainable water systems. The anticipated outcomes of this group's activity is the development of strategies and long-term plans focused on addressing the impacts of climate change; and offering alternative and innovative solutions to issues that cannot be resolved with traditional technical, financial, and managerial capacity assistance.

Infrastructure Support Team

Formerly known as the Engineering Team, this team provides expanded support to public water systems. In addition to providing regulatory engineering reviews for water infrastructure design plans for new and existing PWS, this team ensures requirements of the SDWA, America's Water Infrastructure Act (AWIA), and the National Primary Drinking Water Regulations are followed. This team also supports water systems with the completion of DWSRF applications and determines eligibility for funding in conjunction with the New Mexico Finance Authority. During this reporting period the Infrastructure Support Team has focused on streamlining the DWSRF funding application process and assisting community water systems to apply for the significant amount of federal

infrastructure funding that is currently available.

Capacity Support Team

Formerly known as the Technical Services Team, the intent of creating this team is to provide targeted technical assistance and training; support water systems with emergency response; and implementation of the Area Wide Optimization Program (AWOP). Assistance and support provided by this team include assistance developing emergency response and risk/resilience plans and assistance for PWS emergency situations, effectively supporting and developing technical, managerial, and financial capacity. AWOP is a voluntary that provides tools and approaches for water systems to optimize water quality goals and as a result provide an increased level of public health protection for their consumers.

Source Water Protection

This team, formerly known as the Source Water and Wellhead Protection Program has better defined responsibilities regarding providing technical assistance to water systems with completing source water assessments and plans, implementation of special studies, and training. Development of source water assessments and protection plans includes identification of hydrogeologically-based capture zones and surface water areas, which provides water systems with information needed for long term water resource planning. Special studies may focus on emerging and existing contaminants, informing water systems of possible threats to water resources. Assistance provided to public water systems may include support implementing plans and accomplishing objectives set in source water protection; development and review of existing assessments and protection plans; targeted assistance for compliance issues related to exceedance or primary drinking water standard maximum contaminant levels (MCLs); and assistance with climate change resiliency planning. During this reporting period, the Source Water Protection team has played a significant role in DWB's PFAS related work and helping to determine the extent of PFAS contamination of drinking water sources in New Mexico.

Utility Operator Certification Team

This team provides oversight and administration of water and wastewater sampling and operator certifications, exams, equivalency, and renewals. This team is focused on nurturing collaborative projects to increase the number of operators entering the water and wastewater workforce through development and support of technical training for utility operators and intern programs.

SWIG coordinates closely with the Public Water System Supervision (PWSS) and the Water Conservation Fund (WCF) groups regarding system compliance issues contaminant and sampling waivers. SWIG staffing resources include one group manager, six team 'leads' (supervisors), and 16 staff positions. During the reporting period, DWB has been able to add two much needed positions to the SWIG group. One position was added to the Capacity Support team to support Emergency Response assistance activities, and another added to the Infrastructure Support Team to assist with DWSRF infrastructure funding applications. The current vacancy rate is approximately 30%, however, all supervisory positions have been filled and the group continues to interview applicants

for vacant positions.

Table 1: SWIG Vacancy Status

Team Name	Vacancy Status
Assessment and Policy Team	1 vacancy of 3 positions
Regionalization and Sustainability	1 vacancy of 3 positions
Infrastructure Support Team	2 vacancies of 4 positions
Capacity Support Team	1 vacancy of 4 positions
Source Water Protection Team	2 vacancies of 4 positions
Utility Operator Certification Team	0 vacancies of 4 positions

New and Small Systems Strategy

DWB supports an integrated approach, supporting collaboration between SWIG assistance and PWSS compliance teams in the development and refinement of system procedures related to capacity assessments, sanitary surveys, and engineering reviews. DWB will continue working to finalize processes, assess existing strategy, and further delineate group responsibilities. This includes identifying appropriate processes for water systems that have historically been too small to regulate, as they do not meet the federal definition of a public water system. Although not yet regulated under SDWA, these very small local governments in New Mexico called Mutual Domestic Water Consumer Associations are created under the Sanitary Projects Act (SPA) NMSA 1978 Section 3-29-5. These very small communities are facing aging and failing water infrastructure that was historically constructed with public funding. These systems may currently meet the definition of a public water system, may be unable to maintain compliance with SDWA regulatory requirements or have adequate revenue to maintain or replace infrastructure. In 2017, the NM State Legislature amended the SPA to read no new associations shall be formed unless the association will service at least fifteen connections or a population of 25 for at least 6 months of the year. This amendment aligns the formation of a new MDWCA with the federal regulatory definition of a community water system, so all newly formed associations will be regulated by the DWB.

DWB receives information for small communities seeking assistance, who have historically received State grant money for water infrastructure but did not meet the definition of a public water system at the time of award or when construction was complete. Currently, the most effective approach to addressing the needs of very small water systems is to regionalize with similar systems to become a system that is large enough to be regulated community systems under the SDWA. Unfortunately, many of these small communities have been operating and serving water to consumers without regulatory oversight leading to a lack of appropriate infrastructure design; facilities that do not meet regulatory requirements; lack of certified water operators; and inadequate revenue

New system procedures include steps to complete an initial evaluation for PWSs that have already been serving water in a comprehensive manner that includes a sanitary survey, a complete capacity assessment, and the review of available engineering documents. The evaluation results in the identification of areas need, assistance, resources, and a path to return to compliance. SWIG has continued to work with PWSS to implement these procedures and to revise the bureau's

enforcement policy to support these changes.

SWG continues developing methodologies to work with emerging regional managerial entities, that have planning, and facility design documents approved but do not plan to serve water to consumers in the immediate future. Although these types of regional entities require multiple years to plan and prepare to manage, New Mexico rural water systems have been successful in maintaining and operating in a sustainable, cost effective and compliant fashion. When multiple entities are coordinating on a regional project, it is a priority to make compliance recommendations to the system as soon as planning documents are completed, even if water will not be served for a significant amount of time.

State's Legal Authority to approve a New System

New Mexico's legal authority to implement the New Systems Program has not changed over the previous 3-year period nor has there been change to the State's control points. A control point is a point in time when the primacy agency can exert control to review and influence the system's capacity.

New System Control Point

The Capacity Development Strategy for New Systems, dated September 1999, indicates one control point of new system application review. New Mexico Drinking Water Regulation 20.7.10.201.F NMAC requires new public water systems to demonstrate such capacity prior to receiving approval from the DWB for construction and operation. New systems in New Mexico must submit an "Application for Construction or Modification of Public Water System." This application must include plans, specifications, engineering design summary, disinfection and sampling plan, inventory of contamination sources, and additional operational documents. Information submitted by prospective water systems are assessed to determine if a water system has sufficient technical, managerial, and financial capacity.

This control point will be maintained through any revisions of the new system strategy. Specific minimum capacity criteria have also been defined to increase the transparency of capacity expectations. Although the implementation of the new procedures where "new systems already serving water" may immediately be subject to enforcement, assistance will also be provided wherever possible to expedite a return to compliance with regulatory requirements.

Approved New Systems

In the period from July 1, 2021, to June 30, 2023, there were twenty (20) new public systems activated; two with ETT scores over 10. The new systems activated during the reporting period were a mix of non-community establishments such as restaurants or hotels that serve water, and community water systems. Water systems with an EPA Enforcement Targeting Tool (ETT) scores over ten or that have administrative orders (AO) are listed in Table 1.

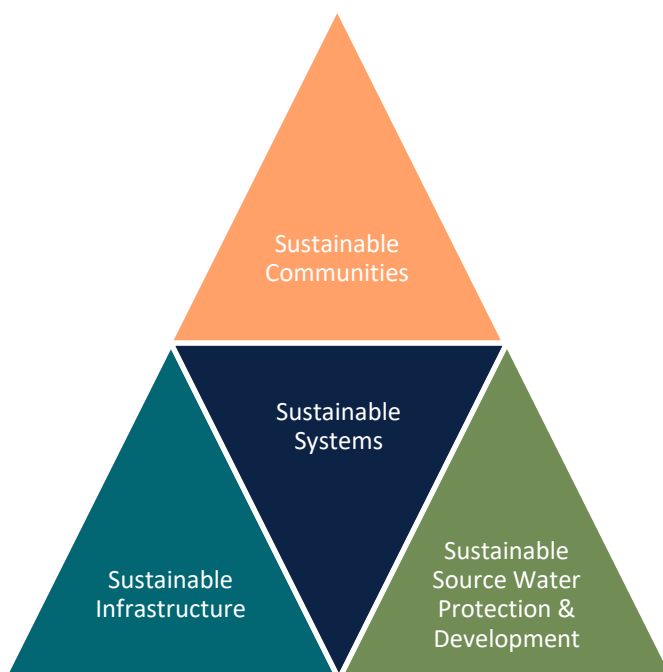
Table 2: Water Systems with Associated ETT Scores over 10 in July 2023

PWS Number	PWS Name	ETT Score	Administrative Order Status
NM3515918	AGUA NEGRA MDWCA	18	
NM3524932	BELEN WATER SYSTEM	12	
NM3526033	BIBO MUTUAL DOMESTIC WATER ASSOC	16	
NM3502507	CAMINO REAL REGIONAL UTILITY AUTHORITY	19	
NM3500330	CASSANDRA WATER SYSTEM	17	Administrative Order issued in 2022
NM3501021	CHAMA WATER SYSTEM	14	
NM3526204	CIMARRON WATER SYSTEM	111	Administrative Order issued in 2012
NM3501221	CORDOVA MDWCA	15	
NM3500332	CORREO WATER ASSOCIATION	25	
NM3500402	COYOTE CREEK MUTUAL DOMESTIC WUA	13	
NM3516807	DE LA TE MOBILE MANOR	15	Administrative Order issued in 2022
NM3580033	EL MALPAIS RANGER STATION (BLM)	23	
NM3524030	ESTANCIA WATER SYSTEM	14	
NM3501232	HIGHLAND MEADOWS ESTATES MDWCA	21	Administrative Order issued in 2016
NM3581623	HOMESTEAD VILLAGE	18	
NM3552728	LA JOYA MDWCA	21	
NM3518025	LAS VEGAS (CITY OF)	52	
NM3500432	LOMA ESCONDIDA WATER ASSOCIATION	20	Under an EPA Administrative Order
NM3526404	MAXWELL WATER SYSTEM	12	
NM3590318	MORA INN AND RV PARK	15	
NM3535320	NARA VISA MDWCA	12	
NM3536724	NAVAJO DAM DOMESTIC WATER CONSUMERS INC	11	Administrative Order issued in 2021
NM3590521	OJO CALIENTE MINERAL SPRINGS	16	
NM3501024	PINE RIVER MDCA	13	
NM3502514	PINON HILLS RV PARK	17	Under an EPA Administrative Order
NM3500333	POTCO WATER SYSTEM	51	
NM3590504	RATON PASS CAMP	22	Administrative Order issued in 2018
NM3500324	ROSA JOINT VENTURES WATER SYSTEM	35	
NM3552803	ROSWELL CORRECTIONAL CENTER	18	
NM3525833	SAN RAFAEL WATER & SANITATION DISTRICT	23	
NM3509723	SAN YSIDRO WATER SUPPLY SYSTEM	17	Administrative Order issued in 2018
NM3572926	SANTA CRUZ WATER ASSOCIATION	21	Administrative Order issued in 2011
NM3500104	SPRINGER CORRECTIONAL FACILITY	23	Administrative Order issued in 2019
NM3526604	SPRINGER WATER SYSTEM	15	Administrative Order issued in 2021
NM3514019	TULAROSA WATER SYSTEM	54	Administrative Order issued in 2019

Existing Systems Strategy

The current approach to capacity development was amended in December 2022, which included an updated capacity assessment intended to develop a more comprehensive approach to training and assistance in planning. Additionally, new methods were developed to track program performance utilizing the Safe Drinking Water Information System (SDWIS). The amended strategy takes a broad approach to providing additional options and support to water systems struggling to meet capacity.

The intent of the strategy is to help water systems improve their finances, management, infrastructure, and operations so support the provision of safe drinking water in a consistent, reliable, and cost-effective manner. Since 2022, this strategy has been implemented and continues to refine existing standard procedures and improve implementation practices. Elements of the capacity development strategy are currently incorporated into bureau programmatic practice and activities of Drinking Water Bureau staff. The intent of the strategy is to develop sustainable communities through the development of sustainable water systems. These goals are to be reached by increasing the capacity of water system personnel, provision of resources to address aging and failing infrastructure, and protection of source water quality and quantity.



Capacity Development Strategy

Communities in New Mexico face increased challenges related to water outages, increasing demand for water, reduced water production, decreased water quality, and aging and failing infrastructure. A mindful approach to addressing these drinking water issues requires communities to think more holistically about their infrastructure and water supply over longer terms. Significant challenges of operating and managing a small water system, with limited resources, is leading communities toward regionalization and long-term comprehensive planning. These Inclusive planning efforts

often incorporate emergency response planning, source water protection, development planning, regionalization options, water conservation programs, energy use planning, and wastewater reuse into discussions of how best to ensure high quality water production can meet demand for the decades ahead.

Water system capacity refers to a water system’s ability to consistently provide safe drinking water for its customers. To do that, a system must have the technical abilities, managerial skills, and financial resources to meet state and federal drinking water regulations. Technical, managerial, and financial capacity are individual yet highly interrelated dimensions of capacity. SWIG continues to provide technical, managerial, and financial assistance to systems for capacity development, but has expanded training and assistance topics to become more inclusive of the planning that communities struggle to accomplish. It also expands the goals of SWIG programs beyond meeting Safe Drinking Water Act compliance requirements, to optimizing efficiency of drinking water treatment, operations, and system management to better plan for the future through the Area Wide Optimization Program.

The inclusion of community planning in the capacity development strategy through the Source Water Protection Program is intended to build upon the EPA’s Clean Water and Drinking Water Infrastructure Sustainability Policy.¹ The limited water resources and competing interests in the state of New Mexico is such that an additional level of sustainable planning is incorporated into the EPA’s sustainability policy model to represent a New Mexico sustainable community model that builds capacity towards sustainability, including the development, preservation, and protection of high-quality source water for drinking.

Key aspects of the strategy include:

- Continued program development and improvement;
- A community planning focus through the Source Water Protection Program to include other planning objectives best addressed in a community setting that incorporates public feedback such as emergency response, water conservation, drought contingency planning, and regionalization opportunities;
- Increasing collaborative outreach with regional board training, outreach presentation events and the development of the Area Wide Optimization Program in NM;
- Increasing coordination and collaboration with funding providers in NM to encourage and promote more sustainable water infrastructure projects and development;
- Promotion of an expansion of the term “regionalization” to include any collaboration of operations, management, or infrastructure between neighboring systems and increasing outreach on the potential for PWS to collaborate in all capacity development topics;
- Development of tracking procedures for capacity assessments and assistance, as well as a

¹ <http://water.epa.gov/infrastructure/sustain/upload/Sustainability-Policy.pdf>

method to capture capacity milestones accomplished by the PWS with set-aside funded assistance.

Identifying the Need for Capacity Development Assistance

Capacity assessments are used as a method to gather financial, managerial, and technical information about a water system, which is then analyzed to determine how well the system is managed and operated. Water systems undergoing capacity assessments are asked to submit documentation for review that will be evaluated for quality, using a list of criteria specific to each document type. An assistance work plan is developed cooperatively between the SWIG and PWSS programs.

Capacity development assessment triggers can be scaled up or down to provide appropriate assistance depending on current program objectives, activities, and capabilities. Triggers include the following:

1. Request from the NMED Secretary's Office: The Secretary/Governor/ regional representative often has questions, concerns or would like to understand the status of a particular water system. These assessments along with compliance determinations allow SWIG to express more information on the needs of a PWS to decision makers and should be addressed immediately.

2. Direct requests from the water system: SWIG can provide assessments and assistance by request especially in identifying the best path to resolving an issue at hand, such as a water shortage, compliance problems, water loss, low production, capacity deficiencies previously identified, etc. SWIG should respond to public water systems reaching out for assistance as soon as possible. If a system has a specific request for assistance a full assessment may not be necessary.

3. Direct requests from outside agencies: Sometimes water systems are given a referral to SWIG by an outside assistance agency or any agency working with water systems. After initiating the conversation with the water system, an assessment and assistance work plan could follow if the system is interested in receiving support from the program. SWIG should respond to both the outside agency and public water system as soon as possible. If an agency has a specific assistance request for a water system, a full assessment may not be necessary.

4. EPA /DWB Enforcement: EPA and DWB would like to understand the status of long-time non-compliers and the root causes of the water system's problems. The Enforcement Targeting Tool (ETT) report, list of current administrative orders (AO) and ETT tracker tools will help SWIG determine who should be assessed and provided assistance to return to compliance. The ETT list should be reviewed on a quarterly basis to identify new water systems out of compliance that need to be offered capacity development assistance.

5. Project Interest Form (PIF) Submittal: Water systems that are interested in a DWSRF loan will need to have a full capacity assessment complete and an assistance work plan to address any capacity deficiencies. PIFs are submitted to the SWIM portal and are accepted year-round. DWB funding partners may request assistance for a system to submit a PIF and the Community Services Team will

work with the system to meet funding application requirements. These capacity assessments are completed within 2 weeks of the water systems supplemental document submittal.

6. PWSS Compliance Program request: These should be completed within 2 weeks of the request and primarily are the result of supplemental documents collected at a sanitary survey; but they may include any recommendation of an issue. Capacity assessments as a resulting from issues identified during sanitary surveys are intended to broaden the baseline of capacity data beyond systems that may typically be triggered.

Capacity Control Point for Existing Systems

The existing system strategy also coordinates with PWSS programs and has added capacity minimum criteria as significant deficiencies in a sanitary survey. Without this addition, the request for water system documentation to complete a capacity assessment is voluntary for an existing water system. This additional control point was set by adding minimum capacity items as significant deficiencies and allows the minimum required capacity criteria to be part of a required corrective action plan under the Enforcement Program, as well as allowing the SWIG staff to complete a comprehensive assessment of what the system needs to accomplish in order return to meeting compliance standards for the long term.

Capacity Assistance Methods

The main assistance methods that SWIG performs, which are also included as the third-party capacity development scope of work, are the following:

Training: SWIG staff and contractors provided a total of 85 free training courses for water system operators and board members in 2021 (39 classes), 2022 (32 classes), and 2023 (25 classes). The Group provided online training to continue to support the regulated community while the statewide health order was in place. Training resumed in person training once the order was lifted. Both online and in-person meetings have been well attended, the online option has increased the availability to water system personnel, making attendance easier. To supplement training offered by SWIG staff and contractors, the Bureau utilizes the website and GovDelivery listserv to advertise additional free trainings for board and operators.

Class topics included: impending regulatory changes, pump & motor maintenance, valve & hydrant maintenance, mechanical systems & valves, water treatment, water loss, rate setting, operator math basics, small water systems, operator test prep, RTRC, CCR, and asset management.

One of SWIG's goals to provide frequent high quality managerial and financial training across New Mexico that cover the credit hour requirements for both water system boards and operators. Training courses are marketed and offered to all types of public water systems.

Direct assistance: Direct assistance is provided to water systems to accomplish capacity assistance work plan objectives when returning systems to compliance on individual problems. These objectives are those that are defined by the result of the capacity assessment, which the PWS agrees to work

on as a priority. Examples of direct assistance items are governing documents, operating budget, Source Water Protection Plan, Emergency Response Plan, or developing an operations and maintenance manual.

In the past few years, SWIG has utilized contracts with several assistance contractors which significantly increased SWIG's ability to provide assistance to systems. Work is prioritized so that any system requesting return to compliance assistance will receive assistance as soon as possible. Systems requesting assistance that is not considered for compliance such as rate studies or asset management plan development, will receive a capacity assessment prior to any assistance action. This is important because often systems will ask for help to meet a specific objective, such as a rate study for an infrastructure project, and may not have addressed identified compliance problems first. The completion of the capacity assessment allows SWIG to ensure compliance items are prioritized over noncompliance assistance issues.

Outreach events: SWIG's objective with regional outreach events is to provide a comprehensive picture of water system sustainability in regional outreach settings. Collaborative efforts of the DWB Assessment and Policy, Regionalization and Sustainability, Source Water Protection, and Capacity Support teams have been targeted to educate water systems of impending regulatory changes, capacity development, and resiliency. Presentations covered topics related to emergent contaminants, the Revised Lead and Copper Rule, source water protection, sustainable development, regionalization, and capacity building; all topics were focused on educating water systems to increase awareness of the regulatory landscape, identify funding options, and how to become a fundable water system. All SWIG also participates in all operator schools and conferences hosted by NM Rural Water Association and the NM Water and Wastewater Association by providing trainings. The Assessment and Policy Team within SWIG participates in the planning and trainings for the Infrastructure Finance Conference and completes annual outreach by survey on community water systems' current rates for 6000 gallons of water, their production amounts and information on their AWWA water loss audit results when completed. In SFY 23, a number of conferences were attended, and multiple seminars and trainings were hosted collaboratively with service providers.

Complaint Resolution: For the local government type, Mutual Domestic Water Consumer Association (MDWCA), NM Environment Department has been empowered to investigate the board's activities for compliance with the Sanitary Projects Act (SPA) requirements, more specifically that boards follow their rules, bylaws, and state law in their decision-making process. Current standard processes are in place for complaint resolution and if no resolution is made a legal request is made to the Department to make a determination on a violation of the SPA. SWIG has developed this further in the past few years, so that all water system and water customer complaints are funneled through this process and managed by the SWIG Community Services Team.

SFY23 Capacity Development Activities, Target Audiences and Performance

Capacity assessment triggers are defined to address priority problems with water systems, specifically

those that may impact public health and SDWA compliance. The capacity assessments are designed to be thorough but not overwhelmingly cumbersome for the water system and address specific compliance requirements as well as raising the bar to drive systems beyond meeting requirements into developing long term goals and actionable plans to being sustainable water systems.

During the reporting period, SWIG completed seventeen (17) capacity assessments. Water systems that undergo a capacity assessment do so primarily to be considered for funding, not from the existing system control point strategy that utilizes capacity assessments during sanitary surveys. SWIG will continue to work with PWSS compliance priorities to return systems to compliance. The existing capacity assessment process will be reviewed to determine the optimal approach, which may include use of sanitary surveys as an opportunity to promote capacity assessments.

During the reporting period the newly formed Capacity Support Team has not yet realized significant progress related to AWOP activities as significant changes to duties have been made through the recent reorganization. As a result of significant staffing changes, programmatic goals and staff duties will be evaluated during SFY23.

The Regionalization and Sustainability Team continues to support the regionalization of small water systems through assistance to systems in collaboration and sharing of resources with their neighbors, as well as actual interconnections of water systems to be able to more cost effectively maintain the infrastructure and protect the sources of water. This team also encourages the sharing of system information through an annual statewide rate survey for community water systems.

Overall, DWB continues prioritizing and further implementing capacity development strategies and improvements in direct assistance provided for public water systems in New Mexico. The actions taken in recent years to revise and further develop the bureaus' capacity development programs has significantly improved the ability of the Drinking Water Bureau to be able to offer and target priority assistance effectively, to track assistance actions and report on the programs' performance. TO continue increase capacity development DWB staff will continue to identify, prioritize, and coordinate assistance for water systems in need of support to return to compliance; offer training; complete capacity assessments; and support regionalization efforts to increase water system resiliency and sustainability.