



New Mexico Environment Department

Regional Water System Resiliency Act

Progress and the Long-Term Commitment

Water and Natural Resources Committee

Joe Martinez, Drinking Water Bureau Chief
Jonas Armstrong, Water Protection Division Director

October 26, 2026



Small water systems carry big responsibilities

The work of operating a water system does not get easier just because the community is small.

1,050

PUBLIC WATER
SYSTEMS

420

serve fewer than
500 people

A SMALL COMMUNITY STILL NEEDS:

QUALIFIED PEOPLE

Certified operators and capable local leadership.

WORKING INFRASTRUCTURE

Wells, pipes, treatment, monitoring and repairs.

SOUND FINANCES

Rates, reserves, planning and accountability.

Small systems often have to meet these needs with volunteer boards and limited budgets.



What do we mean by regionalization?

Two or more independent systems can choose to form one regional water authority

BEFORE: SYSTEMS OPERATING SEPARATELY

SYSTEM A + SYSTEM B

GOVERNANCE

Two boards, separate decisions

FINANCES

Separate budgets and purchasing

STAFFING

Each system hires on its own



AFTER: ONE REGIONAL AUTHORITY

REGIONAL AUTHORITY

GOVERNANCE

One board, less duplication

FINANCES

One budget, greater buying power

STAFFING

Greater ability to hire qualified staff

Participation is voluntary.

Founding or joining entities must transfer their assets and liabilities to the authority.



Legislature created a pathway and invested in it

The statute and one-time appropriations provided a framework and resources to begin implementation

2023

THE ACT

Regional Water System Resiliency Act creates a voluntary path to regional authorities.

2023

\$1 MILLION

One-time funding to support regionalization of small water systems.

2025

\$2.75 MILLION

HB 2 funding for regionalization AND utility operator workforce development.

The legal authority plus startup funding helped communities begin taking action.



Communities are beginning to use that pathway

Regional entities are forming, while others are exploring shared services and consolidation

4

regional entities
formed or forming

9

systems involved
in those entities

29

systems working
on shared services

WHAT THOSE RESULTS MEAN

Communities are demonstrating a willingness to work together. Turning that willingness into sustainable regional solutions requires time, technical assistance, and continued state support.



One Example: El Valle de Los Ranchos

A regional arrangement moved beyond planning into a completed physical connection.

TWO SEPARATE SYSTEMS

Llano Quemado

El Valle de
Los Ranchos



SHARED REGIONAL UTILITY

**Merger +
Interconnection**

Merger and physical interconnection reported complete as of February 2026.

Communities are starting to connect and operate together.



Other regional efforts are at different stages

Every local milestone matters, even when a full operating transition is still ahead

LA JICARITA

Peñasco + Rodarte

Working through assets, liabilities, water rights and infrastructure.

AGUA DE LAS MONTAÑAS

Lower Des Montes + Upper Des Montes + Valdez

Resolutions passed and articles adopted in mid-2026.

NORTHWEST NEW MEXICO

Gamerco + Yah-Ta-Hey

Governing documents filed with the Secretary of State in June 2026.



The next wave is already being developed

Regional discussions, agreements and studies are building a pipeline of future projects

24

regional
forums

6

community
agreements

3

feasibility
studies

20

leadership
graduates

EXAMPLES OF COLLABORATION

Aguas del Norte

7 systems meeting regularly

Mora County Water Alliance

8 systems exploring shared
staffing

Grant County

Santa Clara + Hanover
connection planning



A regional authority is not formed overnight

Independent systems must work through legal, operational and financial decisions



This can take years. Communities need assistance at each stage.



Formation is a milestone, not the finish line

A new authority still must learn to function as one sustainable utility

THE MILESTONE

**Regional
authority
formed**

Important progress.
Not the final
outcome.



SUPPORT STILL NEEDED

GOVERNANCE

One board, common policies and clear decisions.

FINANCES

Integrated accounting, rates, budgets and reserves.

OPERATIONS

Certified staff, maintenance and service continuity.

STATE FOLLOW-UP

Records, compliance transition and technical assistance.

Success means the utility remains well-managed, financially sound and operationally capable.



Momentum creates overlapping commitments

The same team supports communities before, during and after formation

STARTING

Exploring

Regional forums, trust building, initial discussions.

MOVING FORWARD

Implementing

Studies, governance work, asset transfers and funding.

NEWLY FORMED

Stabilizing

Operating systems, boards, finance and ongoing follow-up.



One-time funding moves projects. People sustain them.

Regionalization combines discrete investments with a continuing need for state assistance

ONE-TIME INVESTMENTS

Help a project take the next step

- Studies and analysis
- Connection and design work
- Specific implementation milestones

RECURRING PROGRAM CAPACITY

Stays with the community

- Experienced staff and relationships
- Ongoing technical assistance
- Support after formation

The two funding approaches serve different functions. Both are part of implementation.



How will we know regionalization is working?

Beyond the paperwork: Steps toward stronger, sustainable service

01

Communities engaged

Forums, shared-service work and local participation.

02

Decisions and agreements

Studies, resolutions and formal commitments.

03

Operational transitions

Authority formation, transferred responsibilities and connections.

04

Long-term sustainability

Follow-up on governance, staffing, finances and operations.

The real goal: regional water systems that can provide reliable service for years to come.



Sustaining the work: Looking Ahead

Moving the needle requires continued investments within the Drinking Water Bureau as well as to the communities served.

General fund increases would support the following:

Strengthen staffing and assistance

Sustain experienced staff and expand DWB's capacity to help communities over time.

Improve funding stability

Reduce exposure to the wind-down of IIJA supplemental funding and fluctuations in DWSRF set-asides.



The Commitment

**Regionalization is not a one-time project.
It is a long-term partnership.**

The Act opened the door. Early investments helped communities move forward. Long-term support helps new regional utilities succeed.

Questions / Discussion