

# The Merger of Small Water Systems: Lower Rio Grande Public Water Works Authority in Dona Ana County, New Mexico

*“The Merger of Small Water Systems was one of several presentations made during the EPA Region 6 Environmental Justice Forum in Dallas in June 2018, and was featured as a best practice model in southern New Mexico that effectively brought about improved access to clean water.*

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**INFORMATION:** The Merger of Small Water Systems was one of several presentations made during the EPA Region 6 Environmental Justice Forum in Dallas in June 2018. The Forum brought together federal, state and local agencies, community organizations, and other stakeholders from across EPA Region 6. The Forum was designed to advance collaborative efforts made by partnering governmental agencies working together with regulated entities and communities to improve air, land and water where people work, live and play. The Merger of Small Water Systems was featured in the Forum as a best practice model in southern New Mexico that effectively brought about improved access to clean water. These efforts were centered on a common interest by all resulting in the establishment of a greater public water system, consolidating several smaller and challenging systems that were serving unincorporated communities within Dona Ana County.

**BACKGROUND:** The merger efforts of five small mutual domestic water systems in the Lower Rio Grande effectively showed that when all levels of government worked closely and cooperatively with communities they serve, they can make good things happen. In this case, partnering agencies working together with the Vado community resolved longstanding drinking water issues plaguing Vado.

Vado, a historically African American community, grew out of the community of Blackdom which was established in 1903. Blackdom was a thriving farm community for over 30 years. When the water table dropped, farming became impossible and Blackdom was abandoned. Some of the families from Blackdom moved to the Roswell area and others moved to Vado. At the time, there were no restrictions on using water from the Rio Grande and several farmers got together and purchased a well. Household water mainly came from outdoor hand pumps; only a few families could afford electric pumps and small storage tanks.

The water well was fed by shallow groundwater, which in time became increasingly salty, and the community felt the need for a better water supply. In the early 1960's, Vado became a Water Association under New Mexico's state laws. The association later became the Vado Mutual Domestic Water Consumers Association (MDWCA), and by the mid-1990's, nitrate contamination in the water supply led them to begin purchasing bulk water from the Mesquite Mutual Domestic. In the mid-2000's, competing challenges led the Vado and Mesquite water associations to discuss the potential of a regional partnership with neighboring communities.

As communities such as Vado and Mesquite developed informal ties to best confront challenging access to drinking water, other mutual domestic water associations in the southern New Mexico region had established similar informal ties and would call on each other for assistance. They met regularly to discuss common issues, and all the water associations in the area were invited to these meetings. Important results from the different associations meeting together included the revelation of duplication of efforts by the associations working separately. The communities being served realized that they were all paying the same attorneys, accountants, auditors, etc., and producing the same reports: pumping reports to New Mexico's Office of the State Engineer, state and federal tax reports, Emergency Response Plans, 40 Year Water Plans, etc. The communities also felt the strain of increased regulatory requirements (new arsenic rule, mandatory board training, new funding, reporting and audit requirements) and often lacked the capacity to achieve compliance. They also lacked a

defined service area which allowed larger entities to encroach into the smaller areas served by the mutual domestics. The larger entities provided service to new subdivisions and businesses which hindered the growth of communities in the unincorporated areas.

In 2005, four mutual domestic associations – Berino, Desert Sands, Mesquite and Vado — entered a Memorandum of Understanding forming the Regional South Central Mutual Domestics Association (RSCMDA). As the new Association formalized the relationship of what was until then separate mutual domestic associations, La Mesa joined the first four associations. Following the recommendation of state legislators, the group began to prioritize projects before seeking funding and began to contemplate regional projects to interconnect the water systems for emergency back-up water supply and fire protection. By late 2006, these five associations jointly incorporated the Lower Rio Grande Mutual Domestic Water Association (LRGMDWA) as an “umbrella” entity to receive funding and build regional projects. During the next couple of years, this umbrella association was very successful in obtaining funding and building two interconnection pipeline projects, first connecting four of the systems along the I-10 frontage road and then crossing the Rio Grande to interconnect La Mesa.

**COLLABORATING AGENCIES:** During the 2009 session of the New Mexico Legislature, members of the RSCMDA approached state legislators with a request for capital outlay for their separate mutual domestics. The legislators urged them to work as a group to prioritize the projects for funding rather than leave it up to the legislators. RSCMDA also attended a meeting to discuss regionalization and came away with an understanding of the role regionalization would play in securing funding and the benefits to small communities. They decided to merge the systems into the Lower Rio Grande Public Works Authority (LRGPWA). The idea of merging was shared with various stakeholders and initially received opposition. Supporters and opponents met and worked out mutually agreeable solutions for the regionalization of water systems, including crafting a bill proposal that was presented to the state legislature and identifying a legislative sponsor. The Legislative review process included requesting analysis and comments from state agencies, and the stakeholder group worked with New Mexico Environment Department (NMED) to ensure that the state understood what they were attempting to do, and that the language in the bill pertaining to their regulatory role was clear and appropriate.

As a political subdivision of the state and a member-owned community water system, LRGPWA is subject to the rules of the NMED regarding operation and governance, operator certifications, safe drinking water act compliance and funding review and approval for infrastructure, treatment and leaks. In addition to the regulatory role, NMED provided community technical assistance by contracting with the Rural Community Assistance Corporation (RCAC) to help the organization develop a merger plan. The RCAC developed the Governance Plan, Policies, and Procedures and assisted in the formation of the Board of Directors. They also established a strategic plan which included the initial version of an Asset Management Plan, Operations & Maintenance (O&M) Plan, Management Plan, and Infrastructure Capital Improvements Plan. Assistance was also received from the New Mexico Finance Authority, Water Trust Board and Colonias Infrastructure money.

**CHALLENGES OF SMALL PUBLIC WATER SYSTEMS:** Small entities often lack the capacity to achieve compliance with new regulatory requirements because of inadequate and/or aging infrastructure, lack of or limited certified operators, limited knowledge of financing options, fewer households resulting in higher costs, lack of expertise in long term water system planning or operation, and limited community involvement. Small entities also often lack the ability to declare service areas that can help spur growth. The regionalization of the systems resulted in approximately 5,000 water connections and nearly 500 sewer connections, larger water and sewer budgets to upgrade existing systems, increased capital outlay and specialized funding, more storage capacity, increased ability to serve un-served areas and explore alternative water sources.

**STATUS:** The LRGPWA now consists of ten water systems, serving 16 communities (including 14 colonias) in four service areas covering 100 square miles. The LRGPWA now has two wastewater collection systems, one waste water treatment facility with approximately 5,000 water connections, approximately 500 wastewater connections serving an approximately 15,000 population. The Authority has a staff of 30 full and part time staff and provide O&M assistance to neighboring systems. In 2009, the NM State Legislature approved the merger request. Currently LRGPWA is providing O&M Assistance to a Neighboring System. It was decided not to dissolve the old MDWCAs because items would pop up where one of their board members might be needed to sign a deed or some other document.

## Office Information

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