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## THE NEXT STEP: IMPLEMENTATION

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Thank you. I don't have any slides today although I thought I'd have some but because I just left the legislative special session yesterday, I haven't had a chance to prepare slides.

We just spent a week talking about how we are going to finance our highways, about \$1.6 billion in highway financing. Governor Richardson came to us and said we need to be bold and we need to be innovative to get this done. I think it is the same story for water project financing.

Why plan for water? Because people need it, whether it's the environment, individuals, communities, or businesses. We have multiple issues when it comes

to water, including water quality and water quantity. When it comes to quantity issues, we look at projects and collaboration. How are we going to grow our quantity of water? We listened earlier today to the people from El Paso and how they are growing their quantity of water. Many communities in New Mexico are considering the same sorts of projects.

Governor Richardson is pushing a bold plan of state water planning and state water project financing. Concerning water project financing, the State of New Mexico is going to dedicate between \$490-\$606 million over the next ten years in water projects. We are asking the federal government to provide \$500 million

for water project financing and research to New Mexico. This funding will support technology research and community water projects.

We will also involve private industry. We have developed and continue to develop mechanisms for private industry to get involved in water and wastewater projects. I think it is very important that we remember wastewater. I know there are some city officials here. I see people from Deming who we worked with in water protection projects to clean up the mines and mine-tailings around their community. They are dealing with wastewater and water projects. Anytime you think about water you must also consider wastewater, because it is not only a water quality issue, but a water quantity issue as well when we begin to contaminate our water sources.

How do we get there? How do we get this plan into place? How do we work together and get these projects done? We must be bold, we have to think beyond ourselves, we have to think collaboratively and cooperatively for the betterment of our state and our people.

I was at New Mexico Tech when I first met John Hawley, who is probably one of the best minds in groundwater modeling and mapping in the state. He said, "You know, there's not an ocean under Albuquerque, we have a limited water supply." And everybody kind of laughed and said, "...no, we have a huge lake under Albuquerque that's never going to dry up." We need research and development to determine what supplies we actually have. Research is a very important part of our water plan. Then we begin to plan for our uses, our businesses, and our communities.

How is the State going to participate in financing? During this past legislative session, the Governor recommended that the Speaker of the House carry a bill that would take 10 percent of the state's severance tax bonding capacity every year and put it toward water projects. And how will that be accomplished? It's not just putting money out there, but utilizing the water trust for New Mexicans. The fund will be built up over time and will cost between \$10-\$12 million per year.

Next year there will be another proposal before the legislature to take 10 percent of our general obligation bonding capacity and put that toward water projects. We are also going to look at non-recurring general fund money. These are funds that kind of show up every so often. We have money that we can't count on every year, but we get some funding every so often.

Much of this money comes from the oil and gas industry. As gas prices at the pumps rise, the money that comes to the state is greater because those oil wells located at the eastern part of the state are pumped more and more. We hope to utilize some of that money to pump into water projects. In doing so, we believe we can obtain a goal of putting a billion dollars in water projects over the next ten years. This must be done in New Mexico to keep pace with our current growth levels and to encourage economic development.

In closing I would say that everyone is doing a great job when it comes to the State Water Plan. Many people have put so much effort and so much time into it. Soon we are going to have to make some very tough decisions. Small water systems need to come together and work cooperatively on regionalization. We must put our money in the best available technology and the best available water systems. Many communities are already doing this, but we need to price water appropriately. Water needs to be priced at a level that helps pay for operations and maintenance and for expansion when necessary.

Thank you for listening. I think the Hyatt Tamaya is a wonderful facility and a great economic development for the Pueblo of Santa Ana. I think this place is a model for many other communities that want to pursue economic development.