



November 25, 2025

Steve Perez
President
NMML Environmental Quality Association
1229 Paseo De Peralta
Santa Fe, New Mexico 87501

Re: The Water Conservation Fund FY 2025 Annual Report and List of Contaminants Covered by Water Conservation Fund in Calendar Year 2026 (CY26)

Greetings:

The Water Conservation Fund (WCF) was established by statute in 1993 as an incentive to conserve water within the State and as a unique way to fund the costly sampling and analysis of contaminants that is required by the federal Safe Drinking Water Act (SDWA) and associated New Mexico regulations. Since 1993, the WCF has benefited hundreds of public water systems throughout the state by supporting them in their essential work to provide safe and reliable drinking water to New Mexicans.

The WCF is funded by fees charged to operators of public water systems at \$0.03 per thousand gallons of drinking water produced. The fees are collected and managed by the Taxation and Revenue Department and the revenues are then deposited into the WCF. Each public water system is required to pay into this important Fund.

In FY 2025, the Water Conservation Fund supported \$2.12 million in laboratory analytical services for public water systems, resulting in the analysis of more than 34,000 monitoring samples being paid by the fund.

Annual revenues for the fund reached \$2.91 million in FY 2025, however, rising monitoring and laboratory costs continue to pressure the fund's long-term sustainability.

NMED expects costs for laboratory services and compliance monitoring to continue increasing as new federal regulations, including the Lead and Copper Rule Revisions (LCRR) and PFAS monitoring requirements, take effect. These rules will require additional sampling and analysis, increasing overall program costs in the coming years.

Thanks to the current fund balance of nearly \$5.8 million, NMED will be able to fully cover the cost of all required contaminant sampling for public water systems in 2026. This ensures that all eligible public water systems in New Mexico continue to meet federal and state testing requirements without interruption.

This letter serves as NMED's notification of the required contaminants to be collected and/or analyzed that will be paid by the WCF during Calendar Year 2026 (January 1 – December 31, 2026).

The FY 2025 Water Conservation Fund Annual Report is available [here](#).

The CY 2026 Annual Contaminant List is available [here](#).

If you have any questions or concerns about this notification, please contact me by email at Bethany.Anderson@env.nm.gov.

Respectfully,

Water Conservation Fund Manager
Drinking Water Bureau
New Mexico Environment Department

cc: Steve Perez, President, NMML Environmental Quality Association
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