FIR No. 10784.1

FISCAL IMPACT REPORT

General Information:

(Check) **Bill:** X **Resolution:** _____

Short Title(s): WPF-6928-Water Project Fund Loan & Grant Agreement for $2.55 million toward CRWTP Chemical Feed Project.

Sponsor(s): Councilor Amanda Chavez and Councilor Pilar Faulkner

Reviewing Department(s): Public Utilities Department

Staff Completing FIR: Alan Hook, Water Resources Coordinator
Date: 10/07/2026 **Phone:** (505) 955-4205

Reviewed by City Attorney: Marcos D. Martinez **Date:** 10/09/2026
Marcos D. Martinez (Oct 9, 2026 11:21:26 MDT)

Reviewed by Finance Director: **Date:** 10/09/2026

Summary:
The proposed bill would authorize the execution and delivery of both a Water Project Fund loan of $1,020,000 as well as a grant of $1,530,000 between the New Mexico Finance Authority (NMFA) and the City of Santa Fe ("City"), New Mexico. The total amount, $2,550,000, would finance the cost of the design and construction upgrades for the Canyon Road Water Treatment Plant (CRWTP) Chemical Feed Project. The bill specifies that both the loan and the grant be utilized solely for the eligible project costs, pursuant to NMSA 1978, Section 72-4A-7. With respect to the loan debt, the bill pledges that the City would pay the loan amount and administrative fee directly from the net revenues of the water utility system of the City.

Departments Affected:
Public Utilities Department.

Consequences of Not Enacting Legislation:
If this legislation is not adopted, the City will be unable to accept $2,550,000 of WTB consisting of a loan of $1,020,000 and a grant of $1,530,000.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:
None.

Performance and Administrative Implications:
City of Santa Fe has executed four other loan/grant funding agreements from the Water Project Fund. This is one of three expected loan/grant funding agreements received from the Water Project Fund from the FY26-27 funding cycles and City of Santa Fe Water expects to utilize requisitions for invoices in FY27 through FY28 for the cost of design and construction upgrades for the Canyon Road Water Treatment Plant (CRWTP) Chemical Feed Project.

Fiscal Implications:
If this bill is adopted, the City will receive funds from NMFA in the total amount of two million five hundred and fifty thousand dollars ($2,550,000) for the purpose of financing the cost of the design and construction upgrades for the Canyon Road Water Treatment Plant (CRWTP) Chemical Feed Project. These funds take the form of two agreements – a loan for one million and twenty thousand dollars ($1,020,000) and a grant for one million five hundred and thirty thousand dollars ($1,530,000). The loan portion of the agreement is to be paid back within 20 years at an interest rate of 0.025%.

Fiscal Impact

_____ Check here if no fiscal impact

Additional Comments from the Finance Director:

Expenditures

Expenditure Type	FYE 2026	FYE 2027	FYE 2028	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
Personnel and Benefits*	$	$	$				
Capital Outlay	$	$	$				
Contractual/ Professional Services	$	$ 2,550,000	$		NR	505	
Operating	$	$					$
Total:	$	$2,550,000					$

Expenditure Narrative:
The City will spend money from this loan/grant agreement on the design and construction upgrades for the Canyon Road Water Treatment Plant (CRWTP) Chemical Feed Project. The payment to the contractor will occur in FY2027 for expenditures that occurred after the award letter, dated May 29, 2026. The loan repayment begins June 1, 2029, and will come from the water utility enterprise fund over a 20-year term at an interest rate of 0.25% for the $1,020,000 portion of the loan debt. The interest expenditure on the $1,020,000 loan will be in the total amount of $30,482.51 by FYE 2048.

Revenue

Revenue Type	FYE 2026	FYE 2027	FYE 2028	Recurring (R) or Non-recurring (NR)	Fund
General Fund	$	$	$		
Special Revenue	$	$	$		
CIP	$	$	$		
Enterprise	$	$ 2,550,000	$	NR	505
Internal Service	$	$	$		
Trust and Agency	$	$	$		
Federal	$	$	$		
Other	$	$			
Total	$	$2,550,000			

Revenue Narrative:

Should the Governing Body adopt this bill, the City will receive one million five-hundred and thirty thousand dollars ($1,530,000) grant funding and one million and twenty thousand dollars ($1,020,000) in loan funding for a total of two million five-hundred and fifty thousand dollars ($2,550,000) to support water project funds toward the cost of the design and construction upgrades for the Canyon Road Water Treatment Plant (CRWTP) Chemical Feed Project.

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