



Date: June 14, 2026

To: Governing Body

From: Bill Schneider, Water Resources Manager ^{WHS}

Via: Jesse Roach, Interim Public Utilities Director **Jesse Roach**
Jonathan Montoya, Interim Water Division Director JONATHAN MONTOYA
Marcos Martinez, City Attorney **Marcos Martinez**

RE: Request for Ratification of \$11,027,934 in Federal Financial Assistance from U.S. Department of Interior to City of Santa Fe

EXECUTIVE SUMMARY:

The City has received a notice of award in the amount of \$11,027,934 in Federal Financial Assistance from U.S. Department of Interior (DOI) in support of the engineering design, permitting, and construction of the San Juan Chama Return Flow Project (SJC Return Project), authorized by the United States Congress under the Title XVI Program. This program funds feasibility studies and infrastructure for securing sustainable, drought-resistant water supplies (<https://www.usbr.gov/watersmart/title/titlexvi.html>). This award will greatly assist the City in the design and construction of the project. City Water Division is seeking ratification of the executed agreement with DOI.

BACKGROUND:

Resolution 2019-56 resolves “*the City to maximize the City’s allocation of San Juan Chama Project water by implementing the design and construction of a return flow pipeline including acquiring the necessary state and federal permits*”. The City Water Division anticipates completing the necessary permitting and engineering design requirements and hopefully receiving a Finding of No Significant Impact (FONSI) through the Federal environmental permitting process and permits to proceed with construction from Bureau of Land Management (BLM) and US Forest Service (USFS) as soon as December 2026.

REQUEST:

Approval and Ratification of the Award.

ATTACHMENTS:

Memo Attachment - Resolution No. 2019-56
Notice of Award – DOI Federal Financial Assistance Award

Signature: JONATHAN MONTOYA
JONATHAN MONTOYA (Jun 17, 2026 15:24:27 MDT)
Email: jmmontoya@santafenm.gov

Signature: 
Email: jdroach@santafenm.gov

Signature: Marcos Martinez
Marcos Martinez (Jun 18, 2026 09:43:48 MDT)
Email: mdmartinez@santafenm.gov

1. DATE ISSUED MM/DD/YYYY 05/28/2026

1a. SUPERSEDES AWARD NOTICE dated 09/22/2022
except that any additions or restrictions previously imposed remain in effect unless specifically rescinded

2. ASSISTANCE LISTING NUMBER
15.504 - Title XVI Water Reclamation and Reuse

3. ASSISTANCE TYPE Project Grant

4. GRANT NO. R22AP00630-01
Originating MCA #

5. TYPE OF AWARD
Other

4a. FAIN R22AP00630

5a. ACTION TYPE Post Award Amendment

6. PROJECT PERIOD MM/DD/YYYY
From 09/22/2022 Through 12/31/2028

7. BUDGET PERIOD MM/DD/YYYY
From 09/22/2022 Through 12/31/2028

NOTICE OF AWARD



AUTHORIZATION (Legislation/Regulations)
Coordinated Operations Agreement, Suisan Marsh Preservation Agreement; and Small Reclamation Project Act Amendments (Act of

8. TITLE OF PROJECT (OR PROGRAM)
City of Santa Fe Pipeline Project

9a. GRANTEE NAME AND ADDRESS
CITY OF SANTA FE
801 W San Mateo Rd
Santa Fe, NM, 87505-3923

9b. GRANTEE PROJECT DIRECTOR
Mr. William H Schneider
801 W. San Mateo Rd
Santa Fe, NM, 87505-3923
Phone: 5059554203

10a. GRANTEE AUTHORIZING OFFICIAL
Mr. William H Schneider
P.O. Box 909
Santa Fe, NM, 87504-0909
Phone: 5059554203

10b. FEDERAL PROJECT OFFICER
Ms. Karen Shubert
Bureau of Reclamation
125 South State Street
Salt Lake City, UT, 84138
Phone: 8015243663

ALL AMOUNTS ARE SHOWN IN USD

11. APPROVED BUDGET (Excludes Direct Assistance)		12. AWARD COMPUTATION	
I Financial Assistance from the Federal Awarding Agency Only		a. Amount of Federal Financial Assistance (from item 11m)	\$ 11,027,934.00
II Total project costs including grant funds and all other financial participation		b. Less Unobligated Balance From Prior Budget Periods	\$ 0.00
a. Salaries and Wages	\$ 785,473.00	c. Less Cumulative Prior Award(s) This Budget Period	\$ 5,750,000.00
b. Fringe Benefits	\$ 333,417.00	d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	\$ 5,277,934.00
c. Total Personnel Costs	\$ 1,118,890.00	13. Total Federal Funds Awarded to Date for Project Period	\$ 11,027,934.00
d. Equipment	\$ 0.00	14. RECOMMENDED FUTURE SUPPORT (Subject to the availability of funds and satisfactory progress of the project):	
e. Supplies	\$ 0.00	YEAR	TOTAL DIRECT COSTS
f. Travel	\$ 0.00	a. 2	\$
g. Construction	\$ 52,644,750.00	b. 3	\$
h. Other	\$ 0.00	c. 4	\$
i. Contractual	\$ 8,199,899.00	d. 5	\$
j. TOTAL DIRECT COSTS	\$ 61,963,539.00	e. 6	\$
k. INDIRECT COSTS	\$ 0.00	f. 7	\$
l. TOTAL APPROVED BUDGET	\$ 61,963,539.00	15. PROGRAM INCOME SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES:	
m. Federal Share	\$ 11,027,934.00	a. DEDUCTION	
n. Non-Federal Share	\$ 50,935,605.00	b. ADDITIONAL COSTS	
		c. MATCHING	
		d. OTHER RESEARCH (Add / Deduct Option)	
		e. OTHER (See REMARKS)	
		16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE FEDERAL AWARDING AGENCY ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:	
		a. The grant program legislation	
		b. The grant program regulations.	
		c. This award notice including terms and conditions, if any, noted below under REMARKS.	
		d. Federal administrative requirements, cost principles and audit requirements applicable to this grant.	
		In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.	

b

REMARKS (Other Terms and Conditions Attached - Yes No)
See Attached

GRANTS MANAGEMENT OFFICIAL:
Karen Shubert, Grants Management Specialist
Bureau of Reclamation
125 South State Street
Salt Lake City, UT, 84138
Phone: 8015243663

17. VENDOR CODE	0070127636	18a. UEI	QLN2YKMMJ8X6	18b. DUNS	069420818	19. CONG. DIST.	03
LINE#	FINANCIAL ACCT	AMT OF FIN ASST	START DATE	END DATE	TAS ACCT	PO LINE DESCRIPTION	
3	0051027891-00010	\$0.00	09/22/2022	12/31/2028	0680	SF Pipeline	
4	0054014610-00010	\$5,277,934.00	04/30/2026	12/31/2028	0680	Santa Fe Pipeline	

NOTICE OF AWARD (Continuation Sheet)

PAGE 2 of 2	DATE ISSUED 05/28/2026
GRANT NO. R22AP00630-01	

Federal Financial Report Cycle			
Reporting Period Start Date	Reporting Period End Date	Reporting Type	Reporting Period Due Date
10/01/2022	03/31/2023	Semi-Annual	04/30/2023
04/01/2023	09/30/2023	Semi-Annual	10/30/2023
10/01/2023	03/31/2024	Semi-Annual	04/30/2024
04/01/2024	09/30/2024	Semi-Annual	10/30/2024
10/01/2024	03/31/2025	Semi-Annual	04/30/2025
04/01/2025	09/30/2025	Semi-Annual	02/05/2026
10/01/2025	03/31/2026	Semi-Annual	06/13/2026
04/01/2026	09/30/2026	Semi-Annual	10/30/2026
10/01/2026	03/31/2027	Semi-Annual	04/30/2027
04/01/2027	09/30/2027	Semi-Annual	10/30/2027
10/01/2027	03/31/2028	Semi-Annual	04/30/2028
04/01/2028	09/30/2028	Semi-Annual	10/30/2028
09/22/2022	12/31/2028	Project Final	04/30/2029

Performance Progress Report Cycle			
Reporting Period Start Date	Reporting Period End Date	Reporting Type	Reporting Period Due Date
10/01/2022	03/31/2023	Semi-Annual	04/30/2023
04/01/2023	09/30/2023	Semi-Annual	10/30/2023
10/01/2023	03/31/2024	Semi-Annual	04/30/2024
04/01/2024	09/30/2024	Semi-Annual	10/30/2024
10/01/2024	03/31/2025	Semi-Annual	04/30/2025
04/01/2025	09/30/2025	Semi-Annual	10/30/2025
10/01/2025	03/31/2026	Semi-Annual	04/30/2026
04/01/2026	09/30/2026	Semi-Annual	10/30/2026
10/01/2026	03/31/2027	Semi-Annual	04/30/2027
04/01/2027	09/30/2027	Semi-Annual	10/30/2027
10/01/2027	03/31/2028	Semi-Annual	04/30/2028
04/01/2028	09/30/2028	Semi-Annual	10/30/2028
09/22/2022	12/31/2028	Project Final	04/30/2029

AWARD ATTACHMENTS

CITY OF SANTA FE

R22AP00630-01

1. Amendment



Amendment to Federal Financial Assistance Terms and Conditions of Award

1. Purpose of this Amendment

The purpose of this amendment is to increase the budget, obligate additional funds and extend the period of performance. This application was competitively selected through Notice of Funding Opportunity No. R23AS00464 and is incorporated into this agreement.

The City of Santa Fe and U.S. Bureau of Reclamation (USBR) partnered in 2017 to complete the Santa Fe Water Reuse Feasibility Study, which identified the San Juan-Chama Return Flow Pipeline Project as the most effective way to maximize reuse of treated effluent. This amendment will support continued funding during the extended project period. The goal of the City's Project is to create a more sustainable water source through indirect potable reuse via return flow credits.

All other terms and conditions remain unchanged.

2. Adjustment of Project Plan or Milestones

The following sentence in Section 5 of the Agreement shall be adjusted as follows:

Initial reuse flows shall provide 3,138 AFY of new water supply, growing to over ~~8,500~~
~~10,503~~ AFY over time.

The project milestones will be adjusted as follows:

Milestone/Task/Activity	Planned Start Date	Planned Completion Date
Environmental Compliance	March 2021	July 2026
Design & Permitting	March 2021	July 2026
City RFP for Construction	July 2026	August 2026
Construction	August 2026	December 2028

Add the following term to the end of Section II of the agreement:

3. Wage Rate Requirements

Section 41101 of the Bipartisan Infrastructure Law (also known as the Infrastructure Investment and Jobs Act), P.L. 117-58 at <https://uscode.house.gov/statutes/pl/117/58.pdf>, requires that all laborers and mechanics employed by contractors or subcontractor in the performance of construction, alteration, or repair work on a project assisted in whole or in part by funding made available under BIL shall be paid wages at rates not less than those prevailing on similar projects in the locality, as determined by the Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code (commonly referred to as the Davis-Bacon Act).



— BUREAU OF —
RECLAMATION

Amendment to Federal Financial Assistance Terms and Conditions

4. Adjustment of Available Funding

As a result of this amendment, the total amount of Federal funding obligated for this Agreement is increased by \$5,277,934.00, from \$5,750,000.00 to \$11,027,935.00.

5. Adjustment of Approved Budget

As a result of this amendment, the total estimated amount of the Agreement is increased by \$21,111,734.00, from \$40,851,805.00 to \$61,963,539.00.

6. Period of Performance

As a result of this amendment, the period of performance is changed from 9/22/2022 through 12/31/2026 to 9/22/2022 through 12/31/2028.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CITY OF SANTA FE, NEW MEXICO

RESOLUTION NO. 2019-56

INTRODUCED BY:

Councilor Carol Romero-Wirth

Councilor Peter N. Ives

Councilor Christopher M. Rivera

A RESOLUTION

DIRECTING STAFF TO DEVELOP A FORTY-YEAR WATER PLAN AND A LONGER RANGE, EIGHTY-YEAR PLAN TO EVALUATE THE CITY'S WATER DEMAND AND SUPPLIES, INCLUDING AN EVALUATION OF OPERATIONAL SCENARIOS TO MAXIMIZE THE CITY'S EXISTING WATER SUPPLIES AND IMPLEMENTATION OF CERTAIN STRATEGIES.

WHEREAS, the City of Santa Fe has four primary sources for its municipal water supply, including surface water from the Santa Fe River watershed (McClure and Nichols reservoirs), imported San Juan-Chama Project surface water from the Colorado River Basin (Buckman Direct Diversion or BDD), the City Well Field, and the Buckman Well Field; and

WHEREAS, the City's water sources are vulnerable to natural conditions that could limit their availability, including climate change, drought, reduced recharge, water quality, and wildfire; and

WHEREAS, maintaining the status quo could lead to major water shortages by 2055, because of climate change and increasing populations, according to the U.S. Bureau of

1 Reclamation's 2015 Santa Fe Basin Study; and

2 **WHEREAS**, the 2015 Santa Fe Basin Study predicts that the City of Santa Fe and
3 Santa Fe County could experience a shortfall in their municipal water supply of over 9,000
4 acre-feet per year by 2055; and

5 **WHEREAS**, acquiring additional water rights and water supplies would be very
6 expensive, costing hundreds of millions of dollars, and would have other adverse
7 consequences; and

8 **WHEREAS**, the City is a national leader and has done an excellent job of promoting
9 conservation of water as a way of maximizing its existing water supply; and

10 **WHEREAS**, the City's ongoing commitment to water conservation is only one of
11 the necessary steps to water sustainability and resiliency; and

12 **WHEREAS**, the City must plan for and make smart decisions to ensure reliable
13 water in the future; and

14 **WHEREAS**, prudent municipal water supply planning requires the City to identify
15 and pursue ways to maximize its current water supply for both the present and the future,
16 create operational flexibility, and provide system resiliency; and

17 **WHEREAS**, it would also be prudent for the City to develop a forty-year water plan
18 to evaluate the City's water demand and supplies under various scenarios; and

19 **WHEREAS**, the City should also employ climate change models to plan for the next
20 eighty years and to implement strategies and projects that will put to beneficial use the City's
21 existing water supplies; and

22 **WHEREAS**, opportunities may exist to work with other local water providers on a
23 regional water supply plan that would coordinate resources; and

24 **WHEREAS**, the City and the U.S. Bureau of Reclamation have completed a Santa
25 Fe Water Reuse Feasibility Study in 2016 that demonstrates that the City's reclaimed water

1 is a vastly under-utilized resource, evaluates water reuse alternatives, and prioritizes
2 improvements; and

3 **WHEREAS**, the City has conducted extensive public outreach to discuss City
4 strategies to maximize its existing water supplies; and

5 **WHEREAS**, the City recently had a short-term water quality exceedance at the
6 Paseo Real Water Reclamation Facility that required the use of potable water for irrigation,
7 an incident that could have been avoided had a return flow pipeline and associated storage
8 facilities been constructed and operational.

9 **NOW, THEREFORE, BE IT RESOLVED, BY THE GOVERNING BODY OF**
10 **THE CITY OF SANTA FE** that the City Manager shall work with the City Attorney,
11 Public Utilities Director, and their respective staffs to develop and propose a forty-year water
12 plan and a longer range, eighty-year water plan to evaluate the City's water demand and
13 supplies, including implementation of operational scenarios to maximize the City's existing
14 water supplies.

15 **BE IT FURTHER RESOLVED** that public outreach and community input be an
16 important part of shaping these plans and policies for water supply management as well as
17 planning for reliable water future especially in the face of climate change.

18 **BE IT FURTHER RESOLVED** that these plans reflect the City's shared values
19 weighing costs and benefits and in addition supporting resiliency, flexibility, and collaboration
20 while also being ecologically, environmentally and culturally sensitive.

21 **BE IT FURTHER RESOLVED** that the City evaluate potential strategies to use with
22 other local water providers for a regional water plan that would maximize resources.

23 **BE IT FURTHER RESOLVED** that the City maximize the City's allocation of San
24 Juan Chama water by implementing the design and construction of a return flow pipeline
25 including acquiring the necessary state and federal permits, while evaluating other feasible

1 options for water reuse.

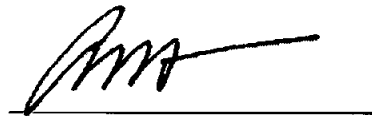
2 **BE IT FURTHER RESOLVED** that the concerns of downstream users and the
3 environmental community continue to be discussed and addressed as the work continues in the
4 design and permitting stage of this project.

5 PASSED, APPROVED, and ADOPTED this 11th day of December, 2019.

6

7

8

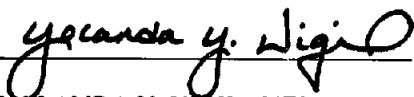


9

ALAN M. WEBBER, MAYOR

10 ATTEST:

11

12 

13 YOLANDA Y. VIGIL, CITY CLERK

14 APPROVED AS TO FORM:

15

16 

17 ERIN K. McSHERRY, CITY ATTORNEY

18

19

20

21

22

23

24

25 *Legislation/2019/Resolutions/2019-56 Water 2100 Planning*