

FISCAL IMPACT REPORT

General Information:

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

Short Title(s): Acceptance of a loan and grant for \$5.5 Million Dollars for Nicols Dam Repair Project

Sponsor(s): Councilor Carol Romero-Wirth

Reviewing Department(s): Public Utilities Department

Staff Completing FIR: Alan Hook, Water Resources Coordinator **Date:** 4/23/2025

Phone: (505) 955-4205

Reviewed by City Attorney: *Marcos Martinez* **Date:** 05/09/2025
Marcos Martinez (May 9, 2025 11:24 MDT)

Reviewed by Finance Director: *Emily K. Oster* **Date:** _____

Summary:

This bill would authorize the execution and delivery of both a water project fund loan as well as a grant between the New Mexico Finance Authority (“NMFA”) and the City of Santa Fe (“City”) in the total, combined amount of five million, five-hundred thousand dollars (\$5,500,000) for the purpose of financing the cost of repairs to Nichols Dam outlet conduit. Additionally, the bill specifies that the loan, in the amount of two million, two-hundred thousand dollars (\$2,200,000), and the grant, in the amount of three million, three-hundred thousand dollars (\$3,300,000) would be utilized solely for the eligible project costs, pursuant to NMSA 1978, Section 72-4A-7(C). Pursuant to the loan debt, the bill pledges that the City would repay the loan amount and the associated administrative fee solely from the net revenues of the City’s water utility enterprise fund. The goal of the Nichols Dam Repair Project is to repair the outlet conduit and upgrade the dam safety rating to satisfactory. Specific repairs to Nichols Dam include the sealing of conduit joints, conduit lining, and the installation of filter diaphragm around the outlet conduit.

Departments Affected:

Public Utilities Department

Consequences of Not Enacting Legislation:

If this legislation is not adopted, the City will not authorize the water project funds for a total of five million five hundred thousand dollars (\$5,500,000) in the form of a loan in the amount of two million, two hundred thousand dollars (\$2,200,000) and a grant in the amount of three million, three hundred thousand dollars (\$3,300,000). Without these funds, the City will need to utilize cash reserves, putting pressure on the water utility to raise rates, impacting water utility customers. The project is necessary for the continued operation of Nichols Dam & Reservoir and for the safety of a High Hazard Dam above the city of Santa Fe.

Conflict, Duplication, Companionship, or Relationship to Other Legislation:

Resolution 2023-43 approved the application for Water Trust Board funding, and Resolution 2023-32 identified Project ID #33721, “Nichols Outlet Rehabilitation Project”, as a City priority on its Infrastructure

Capital Improvement Plan.

Performance and Administrative Implications:

Water Division staff will submit contractor invoices for reimbursement toward construction of the Nichols Dam Repair Project. Staff will also be required to submit quarterly compliance reports on the progress of the final completion of the project within two years.

Fiscal Implications:

If this bill is adopted, the City will accept funds from NMFA in the total amount of five million, five hundred thousand dollars (\$5,500,000) for the purpose of making necessary repairs to the Nichols Dam outlet conduit. These funds take the form of two agreements—a loan for two million, two hundred thousand dollars (\$2,200,000) and a grant for three million, three hundred thousand dollars (\$3,300,000). The loan agreement is to be paid back within twenty years at an interest rate of 0.25%.

Fiscal Impact

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 2025	FYE 2026	FYE 2027	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ 2,200,000	\$ _____		NR	505	
<u>Professional Services</u>		_____					
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ 2,200,000	\$ _____				\$ 2,200,000

Expenditure Narrative:

The loan repayment begins after closing of the loan/grant agreement in July, 2025, and repayment will come from the water utility enterprise fund over a 20-year term at an interest rate of 0.25% for the \$2,200,000 portion of the loan debt.

Revenue

Revenue Type	FYE 2025	FYE 2026	FYE 2027	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ _____	\$ 3,300,000	\$ _____	NR	505
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

Should the Governing Body adopt this resolution, the City will receive three million three-hundred thousand dollars (\$3,300,000) grant funding to support water project funds toward the Nichols Dam Repair Project.

Signature: 

Email: jdroach@santafenm.gov

Signature:

Email: