

Performance and Administrative Implications:

Water Division staff will immediately submit contractor invoices for reimbursement toward design of the San Juan-Chama Return Pipeline 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 two million dollars (\$2,000,000) for the purpose of designing a new pipeline and pumps to return reclaimed, treated effluent water derived from San Juan-Chama Project water for reuse via return flow credits and increased diversions at the Buckman Direct Diversion intake. These funds take the form of two agreements—a loan for eight hundred thousand dollars (\$800,000) and a grant for one million, two-hundred thousand dollars (\$1,200,000). The loan portion of the 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> | <u>\$2,000,000</u> | \$ _____ | \$ _____ | _____ | <u>NR</u> | <u>505</u> | _____ |
| <u>Professional Services</u> | | | | | | | |
| <u>Operating</u> | \$ _____ | \$ _____ | <u>\$41,058.30</u> | _____ | <u>R</u> | _____ | \$ _____ |
| <u>Total:</u> | <u>\$2,000,000</u> | \$ _____ | _____ | _____ | _____ | _____ | \$ _____ |

Expenditure Narrative:

The City will spend both portions of the agreement—the grant portion will be one million two hundred thousand dollars (\$1,200,000), while the loan portion will be eight hundred thousand dollars (\$800,000), with a grand total of two million dollars (\$2,000,000). The payment to the contractor will occur in FY2025 for expenditures that occurred after the award letter, dated August 30, 2024. According to Exhibit B, which is included in Attachment A of the resolution, the loan repayment begins June 1, 2027, and will come from the water utility enterprise fund over a 20-year term at an interest rate of 0.25% for the \$800,000 portion of the loan debt. The interest expenditure on the \$800,000 loan will be in the total amount of \$21,166 by FYE 2046.

Revenue/Loan Proceeds

| Revenue/Loan Proceeds | FYE 2026 | FYE 2027 | FYE 2028 | Recurring (R) or Non-recurring (NR) | Fund |
|------------------------------|---------------------|-----------------|-----------------|--|-------------|
| General Fund | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| Special Revenue | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| CIP | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| Enterprise- Grant | <u>\$ 1,200,000</u> | \$ _____ | \$ _____ | <u>NR</u> | <u>505</u> |
| Internal Service | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| Trust and Agency | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |
| Federal | \$ _____ | \$ _____ | \$ _____ | _____ | _____ |

| | | | | |
|----------------------|--------------------|----------|----------|-------|
| Other- Loan Proceeds | <u>\$ 800,000</u> | \$ _____ | \$ _____ | _____ |
| Total | <u>\$2,000,000</u> | \$ _____ | \$ _____ | |

Revenue Narrative:

Should the Governing Body adopt this bill, the City will receive one million two-hundred thousand dollars (\$1,200,000) grant funding and eight hundred thousand dollars (\$800,000) in loan funding for a total of two million dollars (\$2,000,000) to support water project funds toward the Nichols Dam Repair Project. Loan proceeds are borrowed funds that must be repaid and are therefore not revenue. The anticipated receipt of the full \$2,00,000 including both the grant funding and the loan proceeds is shown here to illustrate the effect of the transaction in generating cash.

Signature:

Email:

Signature:

Email: