

FISCAL IMPACT REPORT

General Information:

(Check) Bill: X Resolution: _____

Short Title(s): DW 6522 - DWSRLF Loan for Flocculation Sedimentation Upgrades at Canyon Road Water Treatment Plant

Sponsor(s): Councilor Amanda Chavez and Councilor Alma Castro

Reviewing Department(s): Public Utilities Department

Staff Completing FIR: Clinton Peterson, Engineer Date: 1/12/2026 Phone: (505) 955-4369

Reviewed by City Attorney: *Marcos Martinez*
 Marcos Martinez (Feb 16, 2026 13:33:38 MST) Date: 02/16/2026

Reviewed by Finance Director: *Andrea Phillips*
 ANDREA PHILLIPS (Feb 18, 2026 09:34:08 MST) Date: 02/18/2026

Summary:

The proposed bill would authorize the execution and delivery of a Drinking Water State Revolving Fund loan and subsidy agreement in the total amount of \$17,000,000 between the New Mexico Finance Authority and the City of Santa Fe ("City"). The loan would be for the purpose of financing the costs of constructing a new flocculation and sedimentation process and making improvements to the Canyon Road Water Treatment Plant. This bill specifies that the loan be utilized solely for the eligible project costs, pursuant to NMSA 1978, Section 72-4A-7(C). With respect to the loan debt, the bill pledges that the City would repay the loan amount and an administrative fee solely from the net revenues of the water utility system of the City. The Loan shall be in the maximum principal amount of \$17,000,000 with a maximum forgiven principal amount of \$8,500,000 and a maximum repayable principal amount of \$8,500,000.

Departments Affected:

Public Utilities Department

Consequences of Not Enacting Legislation:

If this legislation is not adopted, the City will not receive a loan of \$17,000,000 with a maximum forgiven principal amount of \$8,500,000 and a maximum repayable principal amount of \$8,500,000.

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

None.

Performance and Administrative Implications:

If this bill is adopted, the City would be able to better fund this critical infrastructure project. The principal loan forgiveness of fifty percent would save the City of Santa Fe Water Division up to \$8,500,000. Additionally, the completion of the project would allow the City to be able to better provide potable drinking water to residents by replacing aging equipment and increasing the treatment plant efficiency.

Fiscal Implications:

If this bill is adopted, the City will accept funds from NMFA in the total amount of \$17,000,000 for the purpose of financing the costs of constructing a new flocculation and sedimentation process and making improvements to the Cayon Road Water Treatment Plant. This loan has a maximum forgiven principal amount of \$8,500,000 and a maximum repayable principal amount of \$8,500,000. The loan portion of this agreement is to be paid back within 30 years at an interest rate of 0.25%.

Fiscal Impact

_____ Check here if no fiscal impact

Expenditures

Expenditure Type	FYE 2026	FYE 2027	FYE 2028	Require BAR (Y/N)	Recurring (R) or Non-recurring (NR)	Fund	3-Year Total Cost
<u>Personnel and Benefits*</u>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Capital Outlay</u>	\$ 14,166.6	\$14,166.6	\$ 14,166.6	_____	_____	_____	
<u>Contractual/</u>	\$ _____	\$ _____	\$ _____		_____	_____	
<u>Professional Services</u>							
<u>Operating</u>	\$ _____	\$ _____	\$ _____		_____	_____	\$ _____
<u>Total:</u>	\$ _____	\$ _____	\$ _____				\$ _____

Expenditure Narrative:

There is a 0.25% administrative fee associated with the loan, which is reflected in the expenditure table above as capital outlay.

Revenue

Revenue Type	FYE 2026	FYE 2027	FYE 2028	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$2,833,333.33	\$2,833,333.3	\$2,833,333.33	NR	505
		3			
Enterprise	\$ _____	\$ _____	\$ _____	_____	_____
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$ _____	\$ _____	\$ _____		

Revenue Narrative:

The principal forgiveness associated with the loan will be applied to Fifty percent (50%) of the loan spent for this project. The Public Utilities Department is estimating 17 million dollars spent throughout the lifespan of the project over a period of approximately 26 months, spanning three fiscal years. The revenue savings associated with the maximum principal forgiveness of \$8,500,000 is thus estimated in the table above to be allocated for the next 3 fiscal years.

Signature: 

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Signature: *Clinton Peterson*
Clinton Peterson (Feb 18, 2026 10:39:48 MST)

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