



ANNUAL REPORT

2025



City of Santa Fe

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Executive Summary

This report is submitted pursuant to City Code Section 25-9.5 and summarizes information about City of Santa Fe Water (CoSFW) including water supply, water rights, production water demand, types of water use, and water utility management.

In 2025 CoSFW produced 9,107 acre-feet (AF) of potable water which is approximately 3 percent less than 2024 and effectively met demands in a sustainable manner by relying on surface water. Approximately 74% of potable water supply came from surface water with the remaining 26% coming from groundwater wells. This dominant use of surface water has allowed for the continued recovery of groundwater levels in 2025.

In 2025, 4,075 AF (45%) of production came from the Buckman Direct Diversion (BDD) which is sourced from the City's San Juan-Chama Project water, 2,618 AF (29%) from the Santa Fe River, 1,062 AF (12%) from the City Wellfield, and 1,352 AF (15%) from the Buckman Wellfield. In 2025, the City's drinking water met all U.S. Environmental Protection Agency (EPA) and State water quality standards.

Average per capita water use was estimated to be 89 gallons per capita per day (GPCD) in 2025, compared to 93 GPCD in 2024. Water demand was highest during the summer months due to outdoor water use. The Paseo Real Water Reclamation Facility (PRWRF) produced effluent of suitable quality for turf irrigation throughout the year, and thus for the first time in three years almost no potable water went to meet irrigation demands typically met with wastewater effluent.

Construction on the Nichols Dam Outlet Works Rehabilitation project began in July 2024 and is functionally complete as of the time of this report. During the construction phase of the project, CoSFW pumped water around the reservoir for the Canyon Road Water Treatment Plant (CRWTP), acequia deliveries, and Santa Fe River target flows. The April 15, 2025-April 14, 2026, target flow volume flow for a 'Living River' of 300 AF was met.

Financially, CoSFW is in a strong position, but upcoming capital spending will require use of cash balances and the assumption of debt. In addition to the CRWTP Flocculation and Sedimentation Project which is underway, three other large capital improvement projects are in the works: CRWTP chemical feed upgrades, McClure Dam Outlet Works Rehabilitation, and the SJC Return Flow project. At the end of 2025, a rate increase of approximately 4% for each of the next five years starting in 2026 was approved by the Governing Body to support these efforts.

Overall, CoSFW has a strong team in place to provide high quality and transparent operations for our community. We strive to ensure that a safe, reliable, and resilient water supply will be available for our customers for generations to come.

Water Supply Sources

CoSFW is fortunate to have four distinct sources of potable water supply (Figure 1). Two of the water sources are supplied by rivers (surface water), and two are supplied by wells (groundwater).

Surface water is available to CoSFW from the Santa Fe River and the Colorado River (imported via the San Juan-Chama Project [SJCP]) diverted from the Rio Grande north of town. Groundwater is pumped from 7 active wells within City limits (the City Wellfield), and 13 wells located between the City and the Rio Grande (the Buckman Wellfield).

CoSFW prioritizes surface water use to meet its primary water production needs, while reserving groundwater supply sources for drought, backup supply and peaking needs.

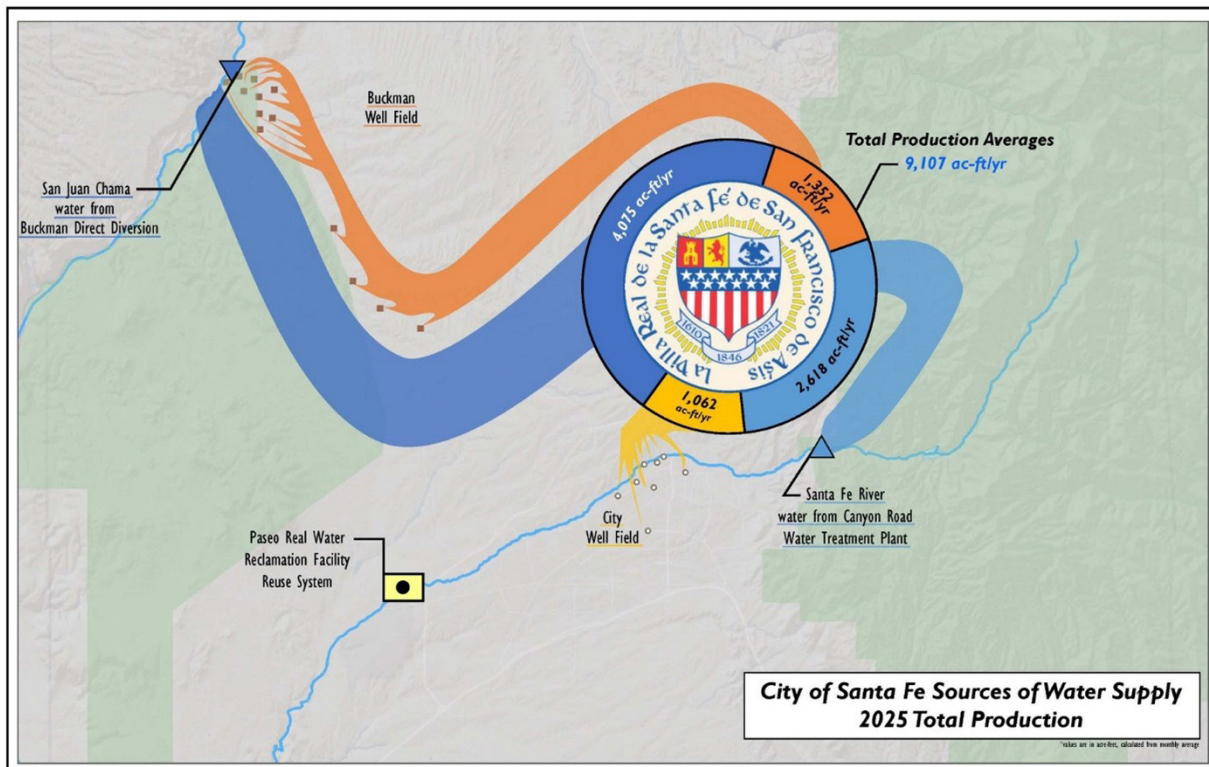


Figure 1: City of Santa Fe Sources of Water Supply

Long-Term Sustainable Yield

Figure 2 shows potable water production from surface water and groundwater supply sources since 2011, as compared to 1995, when production peaked and the Santa Fe River was CoSFW’s only surface water source. The total 2025 groundwater production volume of 2,414 acre-feet (AF) was just over half of CoSFW’s estimated sustainable groundwater availability of 4,500 AF per year, and as a result groundwater levels continued to recover in 2025, as they have since 2011 when the Buckman Direct Diversion came online. It should be noted that some groundwater use is necessary to keep wells maintained and ready for operation, manage groundwater levels, and comply with environmental and monitoring requirements.

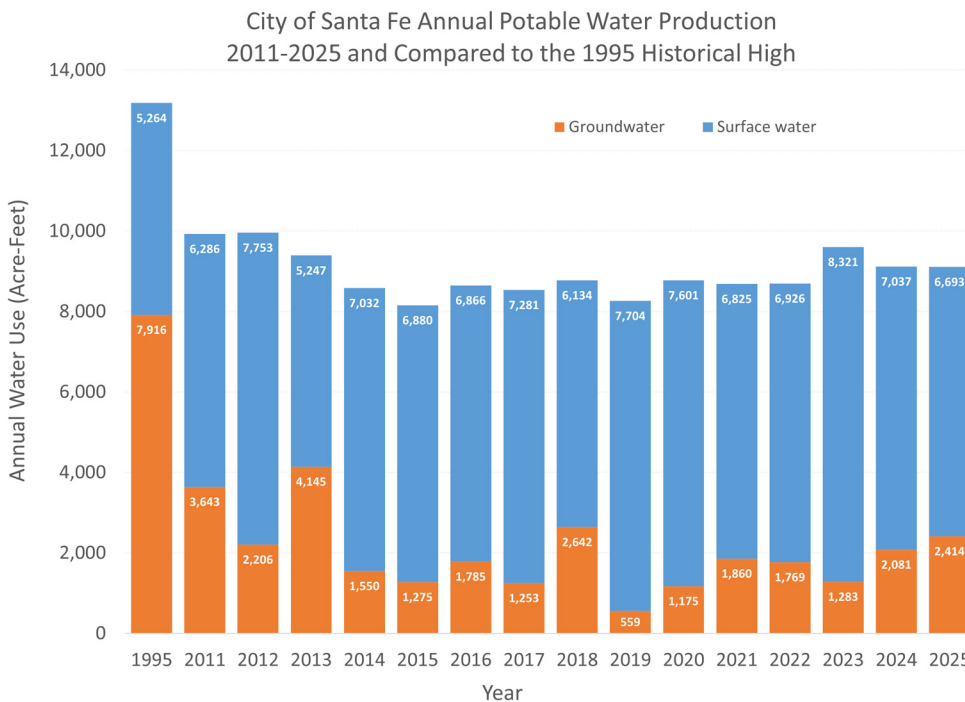


Figure 2: Potable Water Production from Surface and Groundwater Sources, 1995 and 2011-2025

Table 1 shows the estimated availability and average and maximum use of each water supply source for 2011 through 2025. The water rights permit limits for each water source are also shown. The one-year permit limit production volume could not be sustained over time, but provides a sense of the potential magnitude of supply that could be provided from each source in a short-duration water emergency.

Water Source	2011-2025 Estimated Sustainable Availability** (AF/yr)	2011-2025 Average Use (AF/yr)	2011-2025 Maximum Use (AF/yr)	One Year Permit Limit (AFY)	10 Year Permit Limit (AFY)
Santa Fe River	2,899	2,899	5,098	5,040	5,040
City Wellfield	2,000	944	1,918	4,865	3,507
Buckman Wellfield	2,500	1,031	2,890	10,000	10,000
San Juan-Chama (BDD)	4,593	4,127	5,215	6,407	5,125
Totals	11,992	9,001	--	26,312	23,673

* Analysis begins in 2011 because that is when BDD came online and CoSFW first had four distinct sources of water supply.

** Santa Fe River availability based on 2011-2025 average usage, which approximates McClure inflow minus Acequia and Living River Requirements starting in 2011.

** For SJCP: Average historical allocation 2011 – 2025.

** For City and Buckman Wellfields 2011-2025: Geohydrologic based estimate of sustainable availability.

Table 1: Water Use and Rights, 2011-2025

2025 Water Production

In 2025, CoSFW produced 9,107 AF of potable water, which was approximately 3 percent less potable water than 2024, likely driven in part by a cooler and wetter spring in 2025. In 2025, CoSFW met 73 percent of potable water demand using treated surface water. Figure 3 shows monthly potable water production by source during 2025. As is common in July through September, BDD productivity was negatively impacted by muddy water in the Rio Grande in August due to monsoon thunderstorms. The seasonality of water demand is evident with an increase in production from May to October mainly due to outdoor water use.

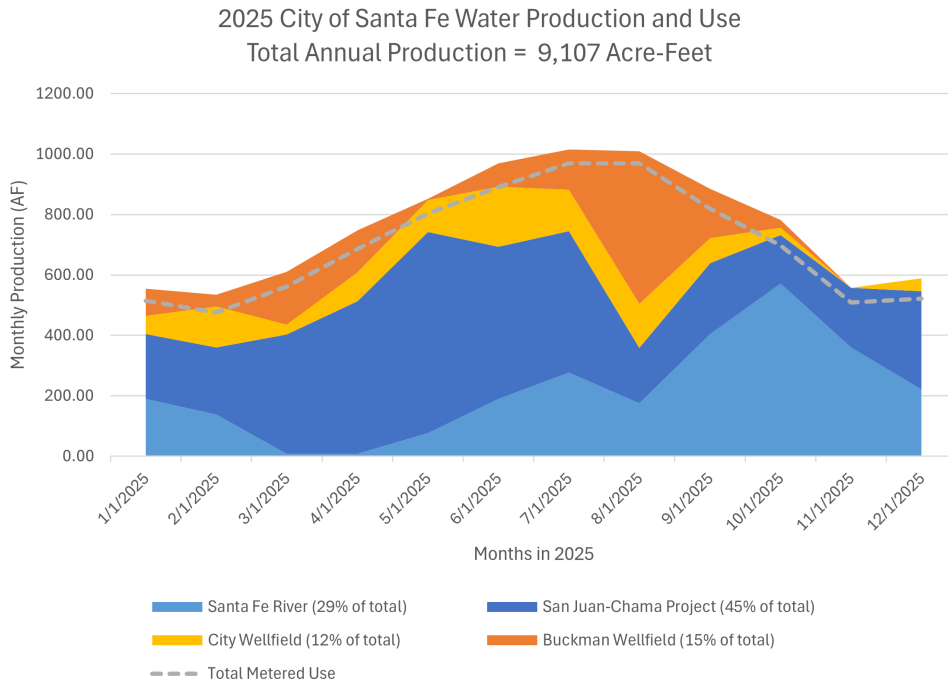


Figure 3: Monthly Potable Water Production by Source and Use, 2025

GPCD

One measure of water use efficiency is per capita (per person) water consumption, described as gallons per capita per day (GPCD), and calculated as the average daily water produced in a year divided by the population served. Per capita use is used internally to track the effectiveness of the water conservation program over time and is reported annually to the New Mexico Office of the State Engineer (OSE).

As shown by Figure 4 on the following page, the CoSF has reduced our systemwide per capita use by nearly half since purchasing Sangre de Cristo Water Company from the Public Service Company of New Mexico (PNM) in 1995. The water conservation efforts of the community have made CoSFW more resilient in the face of drought and, in combination with the BDD supply coming online in 2011, has allowed for steady wellfield recovery over this timeframe. 2025 systemwide per capita use is estimated to be 89 GPCD, based on an estimated population of 91,459 for 2025, which is a one percent increase over the 2024 population of 90,553. The final 2025 GPCD will be calculated based on an updated U.S. Census based population estimate for 2025 that will be available in September, and will be reported in the 2026 Annual Report. Since the 2024 Annual Report was completed, the 2024 systemwide per capita use has been finalized at 93 GPCD, the same value that was estimated and included in the 2024 Annual Report.

Population and GPCD

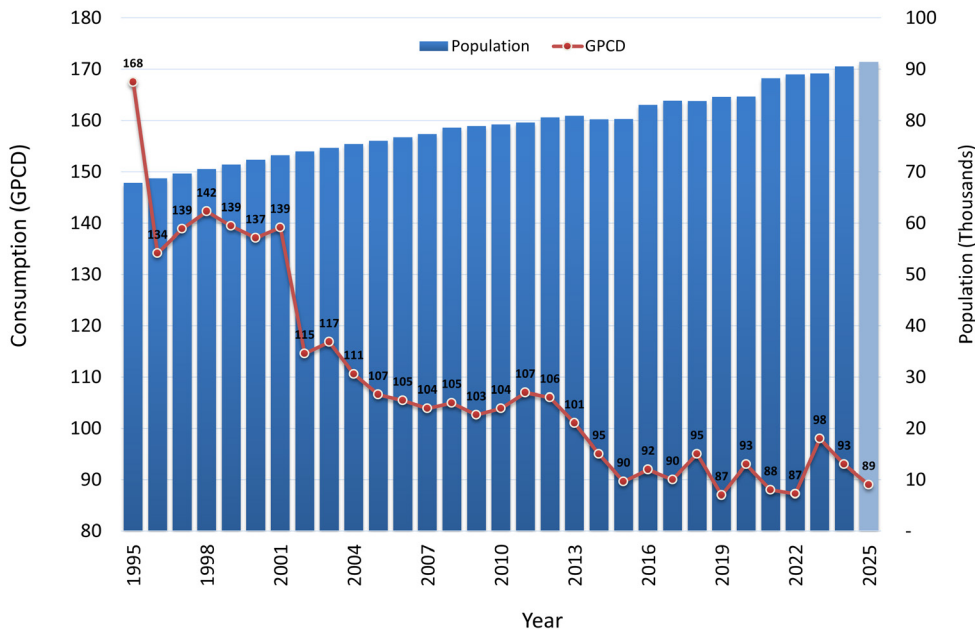
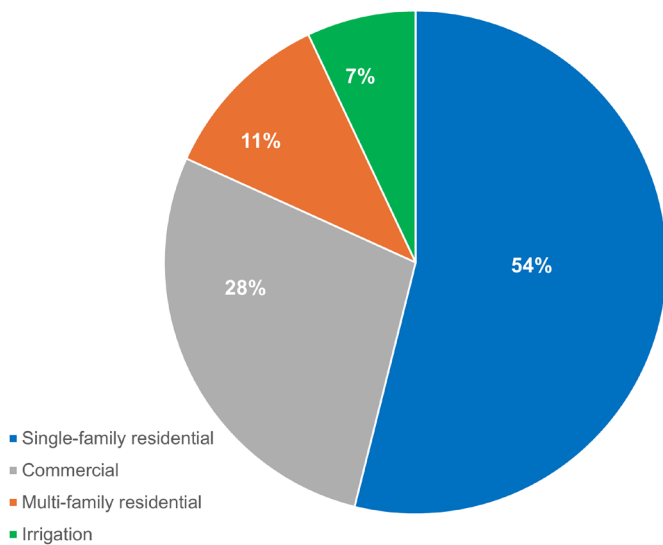


Figure 4: Population and GPCD, 1995-2025 (2025 values are estimated)

Use by Sector

CoSFW uses five customer categories in the water billing database: single-family residential, multi-family residential, commercial, irrigation, and fire sprinkler accounts. As shown in Figure 5, in 2025 the single-family residential sector accounted for just over half of all billed water usage.



Note: The fire sprinkler system sector accounted for <0.01% of water demand.

Reuse

The Paseo Real Water Reclamation Facility (PRWRF), located on Paseo Real near the Santa Fe Airport, is operated by the Wastewater Management Division of the Public Utilities Department and treats all the wastewater collected by the City of Santa Fe’s sewer system. Unlike CoSFW’s water treatment plants, which can rotate operations and shut down for occasional maintenance, the PRWRF has been operating continually for decades. Most of the treated wastewater that leaves the facility is returned to the Santa Fe River, while some is used to meet non-potable demands, including irrigation of turf at the Marty Sanchez and Santa Fe Country Club golf courses, Municipal Recreation Complex (MRC), and Swan Park among others.

Upgrades at the PRWRF are underway. In 2023, the turf irrigation reuse facilities above used approximately 145 million gallons (445 AF) of potable water for irrigation when PRWRF was unable to provide non-potable water to meet irrigation demands. In 2024, these facilities used approximately 15 million gallons (47 AF) of potable water for irrigation. In 2025, less than 1 AF of potable water was used at these facilities.

Figure 6 on the following page shows the volumes of treated effluent from the PRWRF that have been reused and/or discharged to the Santa Fe River since 2013. In 2023, reuse was less than in past years due to complications at PRWRF, as noted previously. Overall use of treated effluent for irrigation was similar in 2025 as compared to 2024.

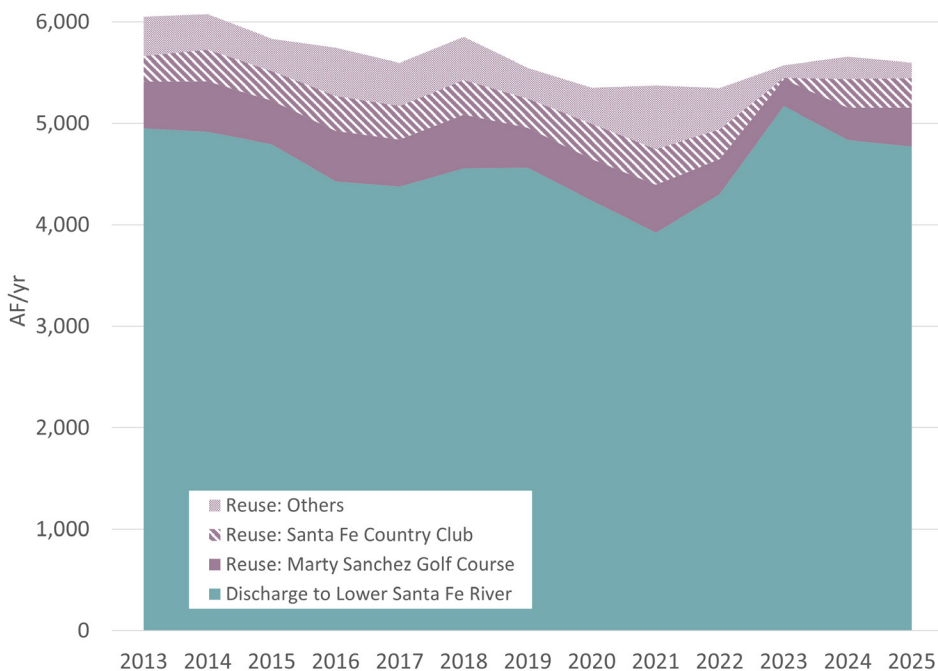


Figure 6: Use of Treated Effluent, 2013-2025

Santa Fe River Operations

Santa Fe River storage levels for the past three years are detailed in Figure 7. At the start of 2025, storage levels were comparable to those seen in 2023; however, a drier-than-average winter resulted in only a modest increase in storage due to snowmelt. An exceptionally active monsoon season began in August, with multiple large storms affecting the watershed and setting numerous record high flows on the Santa Fe River above McClure Reservoir in late August through September. As a result, storage levels rose significantly, finishing the year comparable to those at the close of 2024.

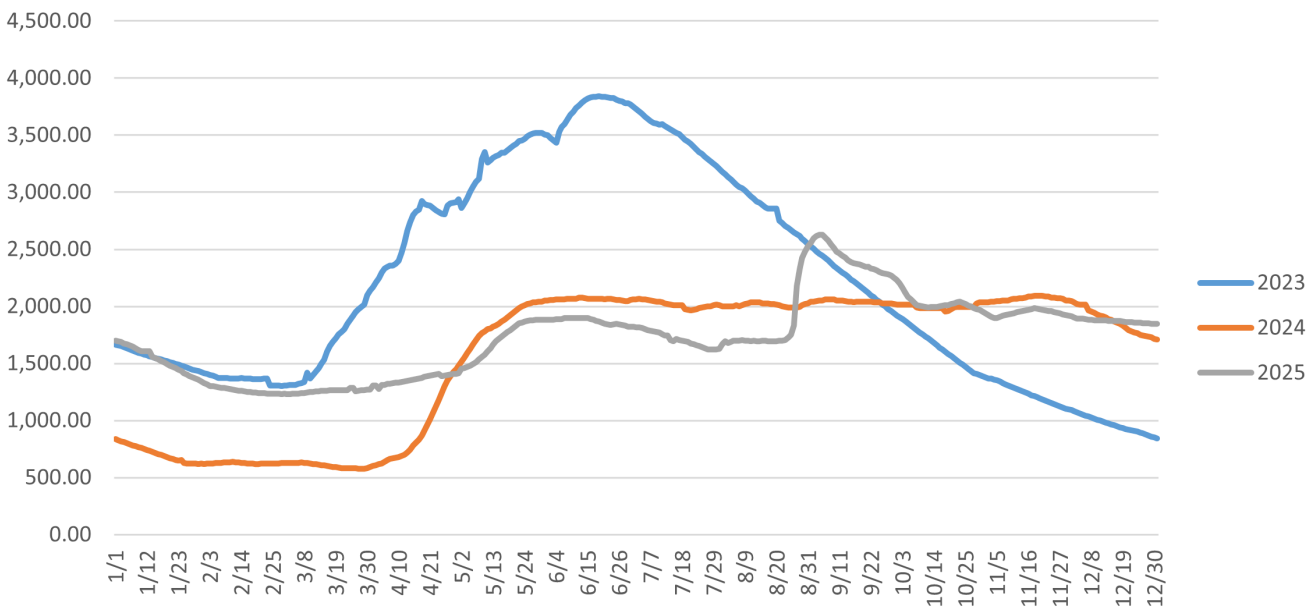


Figure 7: Santa Fe Municipal Watershed Reservoir Storage, 2023-2025

Living River

In 2012, Resolution 2012-28 was adopted, which adopted Administrative Procedures for the Santa Fe River Target Flow Ordinance, Article 25-13 SFCC 1987. Target flows for a 'Living River' provide water to the riparian corridor, recharge certain CoSFW wells, and provide aesthetic and recreational benefits along the Santa Fe River. The total volume of water available for target flows is 1,000 AFY in normal years, with reductions in dry and critical-dry years. The target hydrograph sets stream flow targets in cubic feet per second (cfs) and a schedule for increasing and decreasing flows. The annual volume of target flows is distributed throughout the year based on the target hydrograph. The target hydrograph calls for a spring pulse followed by summer flows, a summer pulse, and low flows during the fall and winter season.

In 2025, April 1st snowpack was well below normal and the April 1, 2025 Natural Resources Conservation Service (NRCS) streamflow forecast for the Santa Fe River near Santa Fe SNOTEL station predicted approximately 20 percent of the 30-year median flows for the period of 1991-2020. This set the target flow volume at 300 AF for April 15, 2025 to April 14, 2026. Partly due to Nichols reservoir construction, flows to the Santa Fe River below Nichols easily exceeded the 2025-2026 target flow volume. The actual bypass flows and the target hydrograph can be seen in Figure 8. Note that in a calendar year there are 2 target hydrographs.

2025 Santa Fe River Targets Flows for the 'Living River'

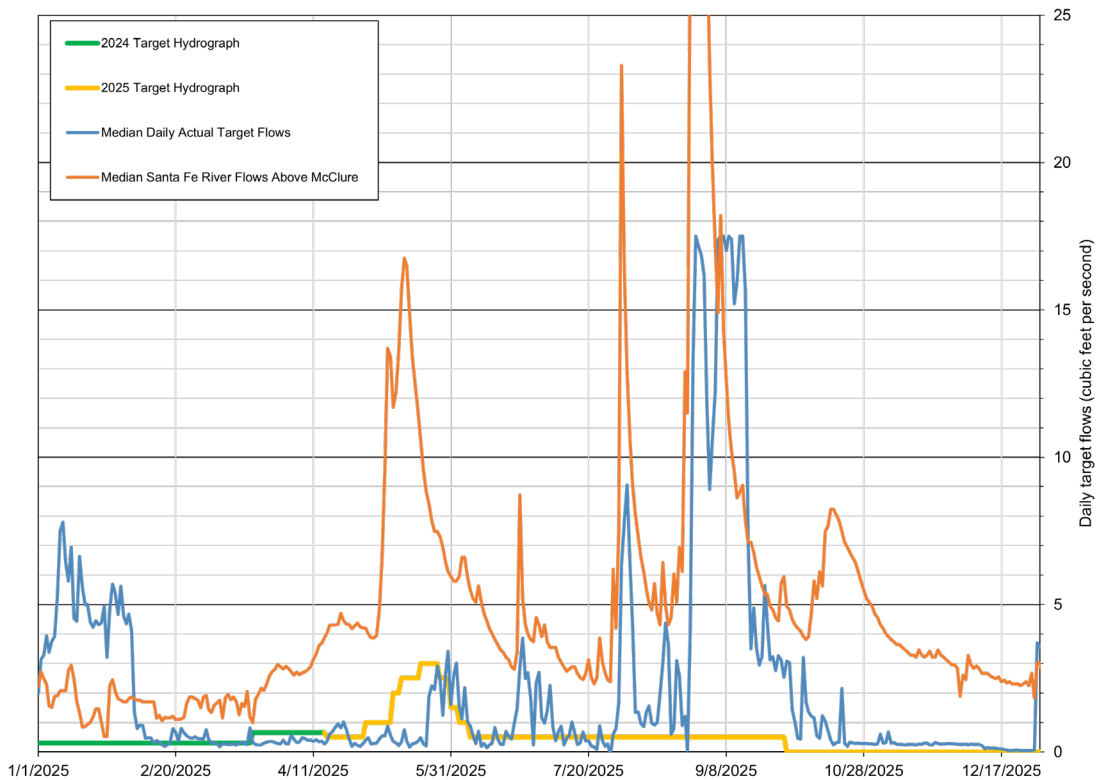


Figure 8: Target Hydrograph, Actual Target Flows, and McClure Inflows, 2025

Acequia Deliveries

Acequias are traditional irrigation ditches whose construction, maintenance, and operation are intertwined with the history of northern New Mexico. There are four operational acequias which divert water from the Santa Fe River between Nichols Dam and Patrick Smith Park. New Mexico water rights, like the water rights in most Western states, recognize older rights as superior to younger ones. Some of the acequia rights on the Santa Fe River may be older than those held by the City, predating the construction and operation of the municipal reservoirs and the CRWTP, which have changed the way downstream acequias function.

CoSFW system and acequia operations were a source of conflict for decades, resulting in a court ordered set of delivery requirements. CoSFW is required to bypass water to Acequia Cerro Gordo and Acequia Madre and to strive to meet the Project Delivery Requirement (PDR) for each. The PDR is the water volume required at the head of the entire acequia system, while farm delivery is the water required at each property boundary. The difference accounts for losses in the acequia system outside of the farms. Flows to Acequia del Llano, Acequia Cerro Gordo, and Acequia Madre are measured at the point of diversion from the river. There is no gage or formal CoSFW delivery requirement for Acequia Muralla, which diverts available flows when Acequia Madre (the only acequia of the four located downstream of Acequia Muralla) is not taking water. The 2020 through 2025 acequia diversions are shown in Table 2.

The Acequia del Llano irrigates between April 15 and October 30 each year, unless the irrigation season is truncated due to frozen river conditions. With Nichols Reservoir having been drained in 2024, the Acequia del

Llano deliveries had to be pumped to the acequia's diversion. The 2025 data is estimated based on the flow rate of the pump and how long it was run each day. The City estimated the Acequia de Llano diversions in the following manner. From April 15-September 22 water was pumped 24 hours a day for 4 days a week, 17 hours one day a week, and 12 hours one day a week, with one day of no pumping. From September 23-October 16, it was pumped 24 hours a day 7 days a week. During both time periods, the flow rate was a constant 0.32 cfs.

The Acequia Cerro Gordo irrigates between May 1 and October 30 each year. The OSE installed a gage to measure the Acequia Cerro Gordo diversions; however, this gage measures flow before a bypass returns water to the river, so the OSE's gage measurements do not reflect the acequia's diversion volumes. The City estimated the 2025 Acequia Cerro Gordo diversion volume using a flow rate of 0.24 cfs for 10 hours per day on two days per week.

The Upper Acequia Madre irrigation season starts at the end of April or early May each year, after the annual ditch cleaning. The Acequia Madre diverts Santa Fe River water near the corner of Alameda and Canyon Road, and the last irrigation usage on the upper Acequia Madre is at Railyard Park. Most of the water associated with the PDR belongs to a farm located near Agua Fria Village that can no longer be practicably served by water diverted near Alameda and Canyon Road. To better serve this farm, a city irrigation meter was installed on the Lower Acequia Madre which allows for delivery of potable water to the ditch at that location in exchange for a total headgate diversion requirement of 21.5 AFY on the Upper Acequia Madre as shown in Table 2.

Acequia	del Llano ¹	Cerro Gordo	Upper Madre	Lower Madre	Madre	Muralla ²
2020 Project Delivery (AF)	77.92	55.45	-	-	18.07	Not measured
2021 Project Delivery (AF)	106.3	11.7	-	-	43.4	Not measured
2022 Project Delivery (AF)	109.3	10.2	-	-	20.0	Not measured
2023 Project Delivery (AF)	109.8	82.0	-	-	37.5	Not measured
2024 Project Delivery (AF)	69.2 ^a	11.4 ^a	-	-	39.7 ^a	Not measured
2025 Project Delivery (AF)	87.3 ^b	11.0 ^b	23.2	-	-	Not measured
2025 Irrigation Delivery (AF) ^c	-	-	-	8.68	-	Not measured
Project Delivery Requirement (AF)	Not Defined	11.08	21.5	20 ^d	82.40	Not Defined
Farm Delivery Requirement (AF)	46.4	5.54	10.8	-	41.2	15.07

a = Estimated volume (see notes in 2024 Annual Report).

b = Estimated volume (see notes in text).

c = Irrigation Delivery from CoSFW via irrigation meter.

d = Max irrigation delivery per 2024-0689 Agreement between City of Santa Fe and Acequia Madre

¹ = Farm delivery requirement estimate is based on 17.2 acres in a 1977 Hydrographic Survey multiplied by 2.7 feet.

² = Acequia Muralla is not metered so diversions are estimates only. Farm delivery requirement is estimated based on 14.5 acres in a 1977 Hydrographic Survey multiplied by 2.7 feet.

Table 2: Upper Santa Fe River Annual Acequia Diversions, 2020-2025

San Juan-Chama Project Water

The SJCP is a U.S. Bureau of Reclamation project that diverts water from the San Juan River watershed in southwestern Colorado and delivers it to the Rio Chama system, where it is stored in Heron Reservoir. CoSFW’s SJCP water is stored predominantly in Heron and Abiquiu Reservoirs, though some water is stored in El Vado Reservoir at times to help with water operations on the Rio Chama. The CoSFW releases stored SJCP water from Abiquiu as needed to flow downstream and into the Rio Grande where it can be diverted at the BDD and treated for use.

CoSFW’s maximum SJCP allocation is 5,230 AFY, dependent on water availability in the San Juan River watershed. The size of CoSFW’s SJC allocation was based on historical hydrology at the time of design and construction (1960s) of the SJCP and was considered “firm” meaning hydrologists expected that the project would yield that amount of water to contractors in any and all years based on the size of diversions, tunnels, and reservoirs. Climate change and regional aridification have changed that paradigm, and past hydrology is no longer an adequate representation of future conditions. In 2014, for the first time in SJCP history, contractors did not receive their full allocation. In the past 12 years (2014[JR11.1]-2025) contractors have only received full allocations four times and have been shorted by an average of 25 percent in the other 7 years (Table 3). The allocation in 2025 was the lowest since the project began, with CoSFW only receiving a 39% (2039 AF) allocation due to low snowpack and runoff in the San Juan watershed. During the year, 3,986 acre-feet of CoSFW SJCP water was diverted at the BDD for use in the city.

CoSFW’s San Juan-Chama Project (SJCP) storage water in Heron, El Vado, and Abiquiu Reservoirs from 2023 through 2025 is shown in Figure 9. At the start of 2025, CoSFW held 13,550 acre-feet of SJCP water in storage within the Rio Chama system. By year’s end, storage had decreased to 10,560 acre-feet, driven by low allocation and continued use of SJCP water. Although CoSFW still had over two year’s of SJC water in storage at the end of 2025, if, as looks likely as of spring 2026, SJC allocations are low again in 2026 and CoSFW SJC reserves decrease significantly for a second year in a row, CoSFW may consider adjusting SJC operations in 2027.

Calendar year	CoSFW SJCP allocation (AF)	Percent of full allocation (percent)
2014	4,650	89
2015	4,855	93
2016	5,029	96
2017	5,230	100
2018	4,676	89
2019	5,230	100
2020	4,240	81
2021	3,425	65
2022	3,371	64
2023	5,230	100
2024	5,230	100
2025	2,039	39
Average	4,434	85

Table 3: City of Santa Fe Annual SJCP Allocations, 2015-2025

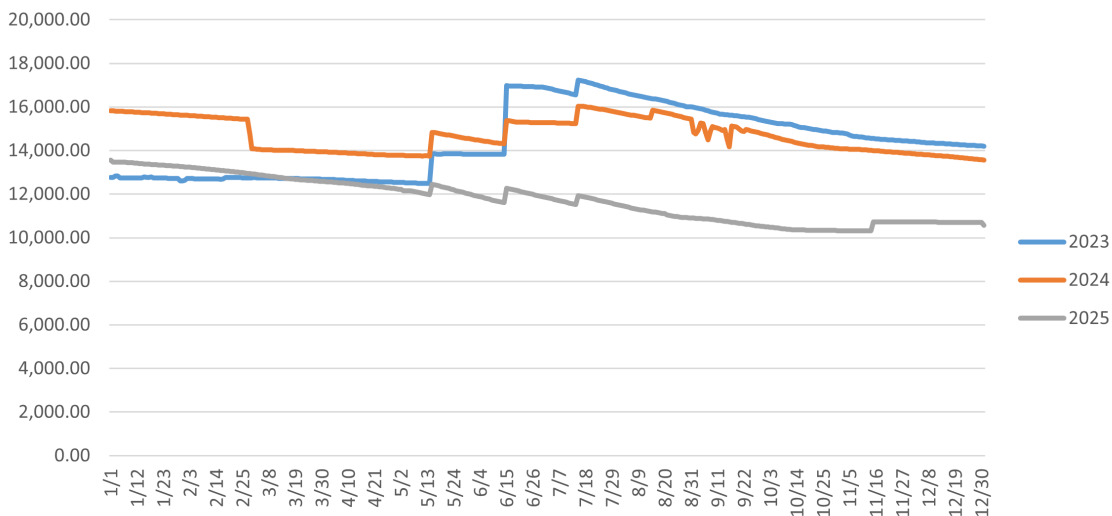


Figure 9: Storage of CoSFW SJCP Water in the Chama Watershed

Water Rights/Offsets

CoSFW's Buckman Wellfield (BWF) permit requires that CoSFW offset BWF pumping impacts on the Rio Grande and its tributaries. Offsets are mostly met with surface water rights in those basins. CoSFW submits monthly reports to the OSE which are input into an administrative groundwater flow model to determine the extent and duration of the surface water impacts caused by the annual pumping of the BWF. The impacts from a single year of groundwater pumping are spread over many subsequent years. The annual offset calculations provided by the OSE include both the new offsets incurred, as well as the residual offsets owed from previous years of groundwater use.

CoSFW holds numerous surface water rights to satisfy the OSE offset requirements. Table 4 shows the distribution of offsets for 2024. Calculations for 2025 were not available in time for inclusion in this report and will be included in the 2026 Annual Report.

Developments in Santa Fe are required to offset their added demand on CoSFW's water resources. One way for developers to achieve this is by acquiring water rights and transferring them to CoSFW, specifically to the BWF permit, RG-20516. These water rights offset the increased demand for the development project. Water rights established prior to the 1907 creation of the Territorial (now State) Engineer's Office from the middle Rio Grande, the area between Cochiti Reservoir and Elephant Butte Reservoir are transferred to CoSFW in amounts equal to the project development water budget. In this way, development contributes additional water rights to offset BWF pumping. There are also conservation-related mechanisms available to CoSFW to offset new water demands through the Water Bank.

Water Bank

The Water Bank, defined in City Code 25-10, took effect on January 1, 2010, and directly connects land use planning to available water supply by requiring developers to offset new demand placed on the water utility system. The Water Bank was established to ensure that new water demands are offset by (1) purchasing or leasing water rights transferred from the Rio Grande, (2) water credits resulting from potable water conservation, or (3) water credits resulting from return flow infrastructure. The Water Bank tracks water rights and conservation credits available to support development, with the goal of maintaining sufficient water rights and system capacity to meet increasing demand associated with new construction.

Residential, mixed-use, and commercial developments with water demands above the thresholds of 10, 7.5, and 5 AFY respectively are considered "large developments" and must offset their water demand by purchasing an equivalent amount of Middle Rio Grande water rights for transfer into CoSFW's BWF water rights permit (as explained in the Water Rights/Offsets section). Water right transfers from developers increased steadily year over year until 2025, when no transfers were recorded (Table 5). "Smaller developments" with demand requirements below the previously mentioned thresholds can transfer water rights through the same process, exchange toilet retrofit credits, or pay a water offset fee. Toilet retrofit credits were issued during a 2003–2009 initiative to replace older, high-flow toilets with more efficient, low-flow models. Each credit was valued at 0.025 acre-feet, equivalent to 40 retrofits per acre-foot. No new toilet retrofit credits have been issued since 2009.

Basin	2024* offsets to nearest AF	2026 CoSFW water rights available to nearest AF
Rio Nambe – Pojoaque	61	106
Rio Tesuque	34	65
Rio Grande above Otowi Gage	101	0**
Rio Grande below Otowi Gage (pre-1907 Rio Grande)	843	1,457
La Cienega & Santa Fe River	4	4
Total	1,043	1,632

* 2025 Offsets had not been calculated and released by the OSE at the time of this report

** SJCP water releases are used to offset pumping impacts to the Rio Grande above Otowi Gage

Table 4: 2024 Surface Water Rights Available for BWF Pumping Offsets

In practice, the fee option is preferred by developers and used for nearly all smaller developments. Water offset fees collected from developers are used by CoSFW to purchase Middle Rio Grande water rights or toilet retrofit credits, or to support conservation efforts. The Water Bank also tracks cumulative demand reductions achieved through rebate programs since January 1, 2010, allowing those reductions to generate credits that offset new water demand.

Water conservation credits, which are generated by conserving water across the City, are deposited in the Water Bank, and may be used by CoSFW to support affordable housing or other City initiatives. In 2024, Resolution 2024-10 was adopted, assigning 500 AF of water credits to the Water Bank to offset future demand associated with affordable housing, small development projects, City projects, or other City priority initiatives. The credits were developed in recognition of the City's conservation programs reducing demand by 3,300 AFY with programs above and beyond the rebate program. These assigned credits are intended to bridge the gap between available water conservation credits and the growing demand from affordable housing and small development projects while the City implements additional conservation and the San Juan Chama Return Flow Project.

In 2025, 2 AF of water conservation credits were deposited into the Water Bank through the Water Conservation Office rebate program, bringing the total credits generated since the Water Bank's inception to 100 acre-feet. Starting in 2025, affordable housing developments are being offset by water conservation credits rather than water rights, due to the limited number of unallocated City-owned water rights previously available for this purpose."

Current Water Bank balances, along with those from the past five years, are summarized in Table 5.

City Water Rights for Affordable Housing	2020	2021	2022	2023	2024	2025
Start of Year Balance	2	-24	0	0	2	-2
City Rights Allocated for Affordable Housing by Governing Body ²	0	59	21	22	22	0
City Rights Designated for Affordable Housing	26	35	21	20	26	0 ¹
End of Year Remaining Balance	-24	0	0	2	-2	-2
Private Water Rights in the Bank	2020	2021	2022	2023	2024	2025
Start of Year Undesignated Water Rights	563	541	428	346	358	336
Water Rights Transferred into the Bank	9	20	61	60	67	0
Water Rights Designated for Development	31	133	143	49	89	68
End of Year Undesignated Water Rights	541	428	346	358	336	268
Water Conversation Credits	2020	2021	2022	2023	2024	2025
Start of Year Conservation Credit Balance	7	-5	-56	-113	-152	317
Conservation Credits Generated	2	3	2	4	2	2
Conservation Credits Allocated by Governing Body ³	0	0	0	0	500	0
Conservation Credits Designated to Affordable Housing	0	0	0	0	0	33 ¹
Conservation Credits Designated to Below Threshold Developments	14	54	59	43	31	88
End of Year Conservation Credit Balance	-5	-56	-113	-152	317	198
Toilet Retrofit Credits	2020	2021	2022	2023	2024	2025
Start of Year Toilet Retrofit Credits	177	175	168	156	153	152
Toilet Retrofit Credits Used to offset Development	2	7	12	3	1	0 ⁴
End of Year Toilet Retrofit Credit Balance	175	168	156	153	152	152

¹ Due to limitations of available undesignated city water rights, affordable housing in 2025 is offset with water conservation credits

² Resolution 2022-17

³ Resolution 2024-10

⁴ There was 0.4 AF of Toilet Retrofit Credits used to offset development, due to rounding it's reported as 0

Table 5: Water Bank Balances, 2020-2025

Water Quality

As water travels over the land or through the ground, it dissolves naturally occurring minerals and can also pick up substances from the presence of animals or from human activity. Contaminants in source water may include microbial contaminants, inorganic contaminants, pesticides and herbicides, organic chemical contaminants, and radioactive contaminants. To ensure that tap water is safe to drink, the U.S. Environmental Protection Agency (EPA) prescribes regulations that limit the concentrations of certain contaminants in water provided by public drinking systems.

In 2025, the City's drinking water met all U.S. EPA and State water quality standards. Water quality information from each of our sources of water is reported in detail in the Annual Water Quality Reports, available online at <https://santafenm.gov/public-utilities/water/water-resources-1/water-quality-keeping-our-water-safe>. The 2025 Annual Water Quality Report will be completed in Spring 2026 and will then be posted to this site. Some of the contaminants measured annually include arsenic, barium, nitrate, radium, uranium, lead, and copper. The CoSFW tests regularly throughout the system to ensure sufficient chlorine levels are in the water to prevent biological growth.

Water 2100

The City of Santa Fe recognizes the critical importance of long-range water planning, using the most current science, demand projections, and climate change data to ensure sustainable water supplies for the community for decades to come.

CoSFW, USBR and Santa Fe County Utilities Division (County) are engaged in a science-based, community-informed planning cycle to develop long-range water resource management plans, with CoSFW's plan extending to 2100. The partners are committed to incorporate input from a diverse cross-section of the community into the plan, recognizing that broad participation will lead to stronger, more implementable plans.

CoSFW has completed water demand projections and developed a planning model called STEWARDS (Systems Tool for Evaluating Water Resource Decisions and Strategies) to simulate the City's water supplies under a range of future conditions and evaluate adaptation strategies. The City is currently awaiting federally-funded large-scale climate modeling to finalize river flow projections under climate change scenarios, being led by USBR and Univ. of Massachusetts, with preliminary results expected in midfall of -2026. Once complete, CoSFW will launch public engagement, presenting future conditions and ranking adaptation strategies according to four goals: reliability, water supply sustainability, river flows, and green space water use.

CoSFW continues to partner with the U.S. Bureau of Reclamation (USBR) on planning and resiliency measures, building on collaboration through the Santa Fe Basin Study (2015) and Basin Study Update (2019), and the Santa Fe Water Reuse Study (2017). That partnership has continued through a USBR grant supporting the San Juan-Chama Return Flow Project, and looks further ahead through Water 2100, a long-range planning effort partially funded by USBR through a WaterSmart grant.

2026 Plan

The 2026 projected demand is expected to be similar to 2025 levels. To meet this demand, CoSFW plans to draw from its four water sources: approximately 50% from BDD, 35% from CRWTP, 10% from the Buckman Wells, and 5% from the City Wells. These estimates are subject to change depending on factors such as weather, summer demand patterns, and backup supply requirements to Santa Fe County. Should demand exceed projections, any additional need would be met through increased BDD diversions, groundwater, or both. Under this plan, approximately 85% of the City’s water supply would come from renewable surface water, and groundwater pumping would be maintained below the sustainable yield, supporting the continued recovery of groundwater levels.

Looking ahead to spring 2026, CoSFW anticipates below-average snowmelt, with Natural Resources Conservation Service (NRCS) forecasts projecting Santa Fe River runoff at 15% of median as of April 2026. In response, CoSFW proactively adjusted winter operations to maximize reservoir storage on the Santa Fe River. This will allow CRWTP to remain operational through the summer peak demand period, even in the face of reduced inflows.

2026 City of Santa Fe Water Planned Production

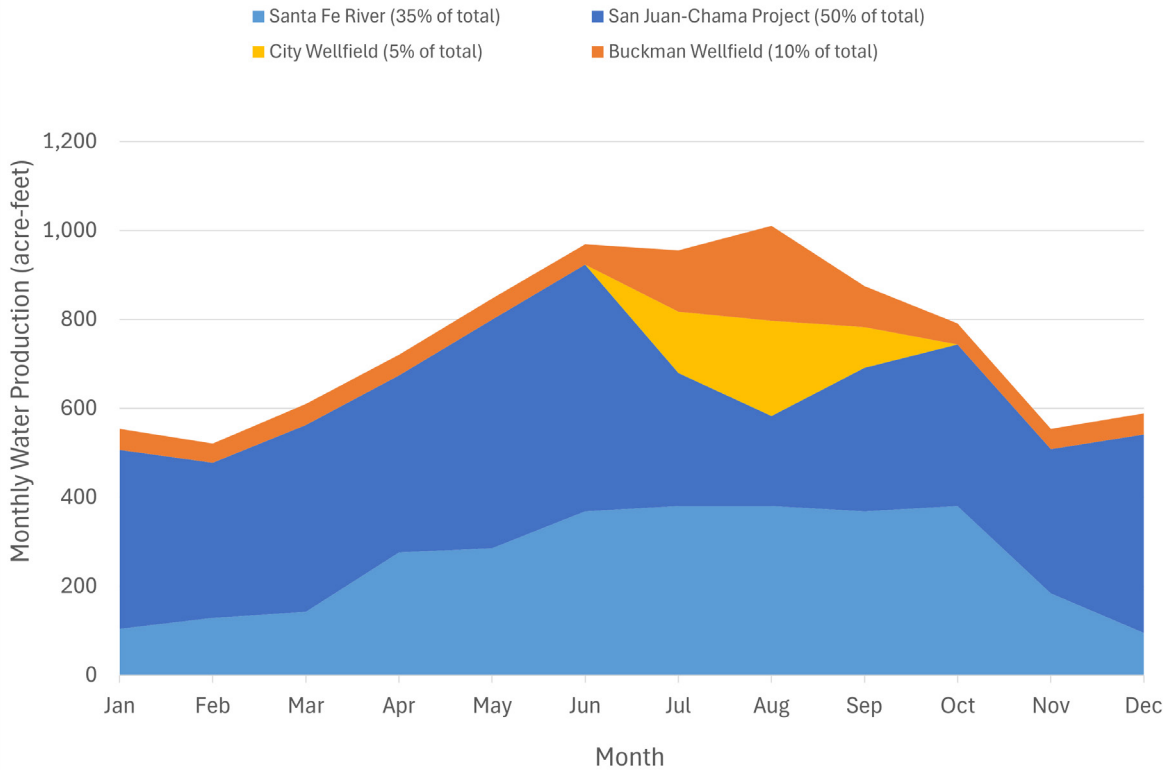


Figure 10: Planned 2026 Monthly Potable Water Production by Source

Financials

CoSFW is currently updating its financial model for FY2025. In the interim, the financial data presented reflects 2024 figures, which serve as the current baseline. It should be noted that the 4% annual rate increase planned each year over a five-year period has been approved and is now in effect for 2026.

Several milestones have been reached across the Capital Improvement Projects since the 2024 report. The Nichols Dam Outlet Works Rehabilitation project is now functionally complete. Construction has begun on the CRWTP Flocculation/Sedimentation (Floc/Sed) Project, and the McClure Dam Outlet Works Rehabilitation Project, CRWTP Chemical Feed Improvements, and San Juan Chama Return Flow Project are in the design phase.

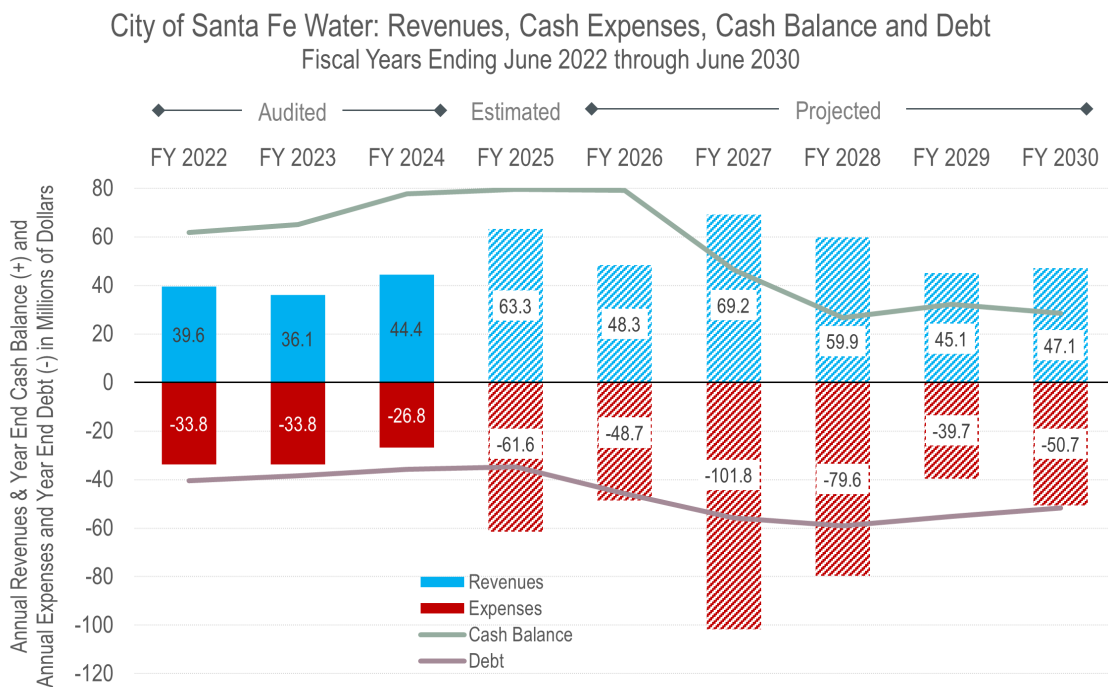


Figure 11: Financial Status and Outlook (from 2024 Annual Report)

Projects	Capital Improvement Projects					5 Year Total
	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	
Nichols - outlet conduit rehabilitation	\$18,000,000	\$1,008,338	-	-	-	\$19,008,338
CRWTP Flocculation & Sedimentation Rehabilitation	-	\$8,000,000	\$8,000,000	\$4,000,000	-	\$20,000,000
SJC Return Flow Project	\$2,000,000	\$250,000	\$23,750,000	\$23,750,000	-	\$49,750,000
McClure - outlet conduit rehabilitation	-	\$1,500,000	\$18,000,000	-	-	\$19,500,000
Priority Line Replacements (PLR)	\$1,626,563	\$1,626,563	\$1,626,563	\$1,626,563	\$1,626,563	\$8,132,815
CRWTP Filter Rehabilitation	\$932,800	-	-	-	-	\$932,800
CRWTP chemical feed updates to meet current codes	\$420,000	\$250,000	\$4,000,000	\$4,000,000	-	\$8,670,000
On-Call Contracts	\$2,395,158	\$2,195,158	\$2,195,158	\$2,195,158	\$2,195,158	\$11,175,791
Other	\$646,766	\$290,000	-	-	-	\$936,766
Total	\$26,021,287	\$15,120,059	\$57,571,721	\$35,571,721	\$3,821,721	\$138,106,510

Table 6: Projected Capital Spending, FY2025-2029 (from 2024 Annual Report)