

FISCAL IMPACT REPORT

General Information:

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

Short Title(s): 6613- Water Project Fund Loan & Grant Agreement for \$2.5 million toward McClure Dam


Sponsor(s): Councilor Amanda Chavez and Councilor Pilar Faulkner

Reviewing Department(s): Public Utilities Department

Staff Completing FIR: Alan Hook, Water Resources Coordinator

Date: 2/19/2026 **Phone:** (505) 955-4205

Reviewed by City Attorney: 
Marcos Martinez (Mar 3, 2026 16:21:27 MST) **Date:** _____

Reviewed by Finance Director: 
ANDREA PHILLIPS (Mar 4, 2026 08:50:11 MST) **Date:** 03/04/2026

Summary:

The proposed bill would authorize the execution and delivery of both a Water Project Fund loan of \$1,000,000 as well as a grant of \$1,500,000 between the New Mexico Finance Authority (NMFA) and the City of Santa Fe (“City”), New Mexico. The total amount, \$2,500,000, would finance the cost of the design for the construction of McClure Dam repairs and upgrades to the McClure Dam spillway. The bill specifies that both the loan and the grant be utilized solely for the eligible project costs, pursuant to NMSA 1978 Section 72-4A-7. With respect to the loan debt, the bill pledges that the City would pay the loan amount and administrative fee directly from the net revenues of the water utility system of the City.

Departments Affected:

Public Utilities Department.

Consequences of Not Enacting Legislation:

If this legislation is not adopted, the City will not authorize funds for a total of \$2,500,000 in the form of a loan of \$1,000,000 and a grant of \$1,500,000.

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

None.

Performance and Administrative Implications:

The City of Santa Fe has executed two other loan/grant funding agreements from the Water Project Fund. Also, another loan/grant agreement is moving through the governing body approval process now, and the agreement should be executed in June 2026. This will be the fourth loan/grant funding agreement received from the Water Project Fund from the FY24-25 funding cycles and City of Santa Fe Water expects to utilize requisitions for invoices in FY26 through FY28 for the cost of the design for the construction of McClure Dam repairs and upgrades to the McClure Dam spillway.

Fiscal Implications:

If this bill is adopted, the City will accept funds from NMFA in the total amount of two million five hundred thousand dollars (\$2,500,000) for the purpose of financing the cost of the design for the construction of McClure Dam repairs and upgrades to the McClure Dam spillway. These funds take the form of two agreements – a loan for one million dollars (\$1,000,000) and a grant for one million five hundred thousand dollars (\$1,500,000). The loan portion of the agreement is to be paid back within 20 years at an interest rate of 0.025%.

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>	\$ _____	\$ _____	\$ _____	_____	_____	_____	
<u>Contractual/</u>	\$2,500,000	\$ _____	\$ _____		NR	505	
<u>Professional Services</u>	_____						
<u>Operating</u>	\$ _____	\$ _____	\$51,322.88		_____	_____	\$ _____

<u>Total:</u>	\$2,500,000	\$ _____	\$ _____				\$ _____

Expenditure Narrative:

The City will spend both portions of the agreement—the grant portion will be one million five hundred thousand dollars (\$1,500,000), while the loan portion will be one million dollars (\$1,000,000), with a grand total of two million five hundred thousand dollars (\$2,500,000). The payment to the contractor will occur in FY2026 for expenditures that occurred after the award letter, dated June 5, 2025. The loan repayment begins June 1, 2028 and will come from the water utility enterprise fund over a 20-year term at an interest rate of 0.25% for the \$1,000,000 portion of the loan debt. The interest expenditure on the \$1,000,000 loan will be in the total amount of \$26,458 by FYE 2047.

Revenue

Revenue Type	FYE 2026	FYE 2027	FYE 2028	Recurring (R) or Non-recurring (NR)	Fund
General Fund	\$ _____	\$ _____	\$ _____	_____	_____
Special Revenue	\$ _____	\$ _____	\$ _____	_____	_____
CIP	\$ _____	\$ _____	\$ _____	_____	_____
Enterprise	\$ 2,500,000	\$ _____	\$ _____	NR	505
Internal Service	\$ _____	\$ _____	\$ _____	_____	_____
Trust and Agency	\$ _____	\$ _____	\$ _____	_____	_____
Federal	\$ _____	\$ _____	\$ _____	_____	_____
Other	\$ _____	\$ _____	\$ _____	_____	_____
Total	\$2,500,000	\$ _____	\$ _____		

Revenue Narrative:

Should the Governing Body adopt this bill, the City will receive one million five-hundred thousand dollars (\$1,500,000) grant funding and one million dollars (\$1,000,000) in loan funding for a total of two million five-hundred thousand dollars (\$2,500,000) to support water project funds toward the cost of the design for the construction of McClure Dam repairs and upgrades to the McClure Dam spillway.

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