

CITY OF SANTA FE, NEW MEXICO
PROPOSED AMENDMENT(S) TO BILL NO. 2026-4
DW 6522 - DWSRLF Loan for Flocculation Sedimentation Upgrades at CRWTP

Mayor and Members of the City Council:

I propose the following amendment(s) to Bill No. 2026-4:

A BILL

BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE: AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE NEW MEXICO FINANCE AUTHORITY (“NMFA”) AND CITY OF SANTA FE, NEW MEXICO (“THE BORROWER”), IN THE TOTAL AMOUNT OF SEVENTEEN MILLION DOLLARS (\$17,000,000), EVIDENCING AN OBLIGATION OF THE BORROWER TO UTILIZE THE LOAN AMOUNT SOLELY 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 AS A COMPONENT OF THE SYSTEM OWNED AND OPERATED BY THE BORROWER, AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN SOLELY FROM THE NET REVENUES OF THE WATER UTILITY SYSTEM OF THE BORROWER; CERTIFYING THAT THE LOAN AMOUNT, TOGETHER WITH OTHER FUNDS AVAILABLE TO THE BORROWER, IS SUFFICIENT TO COMPLETE THE PROJECT; APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

I propose the following amendment(s) to

1. *Replace* Bill No. 2026-4 in its entirety with the attached Bill No. 2026-4.

This amendment does change the caption. x

This amendment does not change the caption.

Respectfully submitted,

Amanda Chavez

[Amanda Chavez \(Apr 20, 2026 16:40:36 MDT\)](#)

Councilor Amanda Chavez

APPROVED AS TO FORM:

Marcos D. Martinez

Marcos D. Martinez (Apr 20, 2026 09:09:31 MDT)

MARCOS MARTÍNEZ, CITY ATTORNEY

ADOPTED: _____

NOT ADOPTED: _____

DATE: _____

ATTEST:

GERALYN F. CARDENAS, CITY CLERK

[bracketed material] = delete

underscored material = new

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CITY OF SANTA FE, NEW MEXICO

BILL NO. 2026-04

INTRODUCED BY:

Councilor Amanda Chavez

Councilor Alma Castro

A BILL

AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN AGREEMENT”) BY AND BETWEEN THE CITY OF SANTA FE, NEW MEXICO (THE “CITY”) AND THE NEW MEXICO FINANCE AUTHORITY (“NMFA”), IN THE TOTAL AMOUNT OF SEVENTEEN MILLION DOLLARS (\$17,000,000) (“LOAN”) EVIDENCING A SPECIAL LIMITED OBLIGATION OF THE CITY TO PAY A MAXIMUM REPAYABLE PRINCIPAL AMOUNT OF EIGHT MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000), TOGETHER WITH INTEREST AND ADMINISTRATIVE FEES 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 AS A COMPONENT OF THE SYSTEM OWNED AND OPERATED BY THE CITY (THE “PROJECT”), AND SOLELY IN THE MANNER DESCRIBED IN THE LOAN AGREEMENT; PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN SOLELY FROM THE NET REVENUES OF THE SYSTEM OF THE CITY; AMENDING THE MASTER ORDINANCE (ORDINANCE 2016-19);

1 **APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN**
2 **AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL**
3 **ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE**
4 **TAKING OF OTHER ACTIONS IN CONNECTION WITH THE EXECUTION AND**
5 **DELIVERY OF THE LOAN AGREEMENT.**

6 Capitalized terms used in the following recitals have the same meaning as defined in
7 Section 1 of this Ordinance, unless the context requires otherwise.

8 **WHEREAS**, the NMFA is authorized, pursuant to the Drinking Water State Revolving
9 Loan Fund Act, NMSA 1978, Sections 6-21A-1 through 6-21A-9, as amended (the “DWSRLF
10 Act”) to implement a program to permit qualified local authorities, such as the City of Santa Fe
11 (“City”), to enter into agreements with the NMFA to provide financial assistance in the acquisition,
12 design, construction, improvement, expansion, repair and rehabilitation of drinking water supply
13 facilities as authorized by the federal Safe Drinking Water Act (“SDWA”); and

14 **WHEREAS**, the DWSRLF Act was adopted pursuant to the SDWA which authorizes the
15 United States Environmental Protection Agency (“EPA”) to set national standards for drinking
16 water and was originally passed by Congress in 1974 and amended in 1986, 1996, 2018, and 2021
17 with the passage of the Infrastructure Investment and Jobs Act); and

18 **WHEREAS**, the Infrastructure Investment and Jobs Act was implemented with the
19 purpose, among others, of expanding access to clean drinking water throughout the United States
20 of America; and

21 **WHEREAS**, the City is a legally and regularly created, established, duly organized and
22 existing incorporated charter municipality with home-rule powers under and pursuant to the laws
23 of the Constitution and the State and more specifically, Article X, Section 6 of the New Mexico
24 Constitution, and the Municipal Code, NMSA 1978, Chapter 3, and specifically §§ 3-31-1 through
25 3-31-12, NMFA 1978, as amended; and

1 **WHEREAS**, the City now owns, operates and maintains a water utility system as a joint
2 utility designated as the “System” pursuant to Ordinance No. 2016-19, adopted May 11, 2016 (the
3 “Master Ordinance”); and

4 **WHEREAS**, the following System Obligations are currently outstanding:

5 (a) Senior Obligations consisting of City of Santa Fe, New Mexico Water Utility
6 System Refunding Revenue Bonds, Series 2016, issued in an original aggregate
7 principal amount of \$36,665,000 (the “Series 2016 Bonds”);

8 (b) Subordinate Parity Obligations consisting of

9 (1) New Mexico Finance Authority Drinking Water State Revolving Loan
10 Fund Loan Agreement dated May 16, 2008 in an original principal amount
11 of \$15,150,000 (the “2008 NMFA Loan”);

12 (2) New Mexico Finance Authority Drinking Water State Revolving Loan
13 Fund Loan and Subsidy Agreement dated May 3, 2013 in an original
14 principal amount of \$5,050,000, as amended by First Amendment dated
15 June 10, 2016 (the “2013 NMFA Loan”); and

16 (c) Super Subordinate Obligations

17 (1) The New Mexico Finance Authority Water Project Fund Loan/Grant
18 Agreement dated August 22, 2025, in the maximum principal
19 amount of \$5,500,000 (the “2025 NMFA Loan WPF-6316”); and

20 (2) The New Mexico Finance Authority Water Project Fund Loan/Grant
21 Agreement dated October 3, 2025, in the maximum principal
22 amount of \$2,000,000 (the “2025 NMFA Loan WPF-6315”).

23 **WHEREAS**, there presently are no outstanding Policy Costs or Reimbursement
24 Obligations relating to any municipal bond insurance or debt service fund relating to any System

1 bonds, Credit Facility, Reimbursement Obligation, or Qualified Swap (all as such capitalized terms
2 were defined in the Master Ordinance or a Supplemental Ordinance authorizing such System
3 bonds) and no other outstanding obligations payable from and secured by an irrevocable pledge of
4 the net revenues of the System which constitutes an irrevocable lien thereon; and

5 **WHEREAS**, the City’s Governing Body has determined and hereby determines that the
6 Project may be financed with amounts borrowed under the Loan Agreement and that it is in the
7 best interest of the City and the public it serves that the Loan Agreement be executed and delivered
8 and that the financing of the Project take place by executing and delivering the Loan Agreement;
9 and

10 **WHEREAS**, the NMFA will disburse the proceeds of the Loan for construction after
11 determination by the NMFA, the New Mexico Environment Department (the “Department”), or
12 other appropriate agency or entity on behalf of the NMFA (pursuant to an agreement between such
13 agency or entity and the NMFA), the City’s compliance with EPA’s guidelines applicable to the
14 Project and with the requirements of the laws and regulations of the State governing the
15 construction and operation of drinking water systems and upon written determination of
16 compliance, the NMFA, the Department or other appropriate agency or entity will approve (1) the
17 engineer and engineering solicitation process for the Project; (2) the engineering contract for the
18 Project; (3) plans and specifications pursuant to 42 U.S.C. Section 300j-12; and (4) bids for the
19 conduction and completion of the Project; and

20 **WHEREAS**, the Governing Body has determined that it may lawfully pledge the Pledged
21 Revenues for the payment of amounts due and enter into the Loan Agreement; and

22 **WHEREAS**, other than as described above in this Ordinance and on the Term Sheet, the
23 Pledged Revenues have not heretofore been pledged to secure the payment of any obligation which
24 is currently outstanding; and

25 **WHEREAS**, there have been presented to the Governing Body and there presently are on

1 file with the City Clerk, this Ordinance and the form of the Loan Agreement which is incorporated
2 by reference and considered to be a part hereof; and

3 **WHEREAS**, the Governing Body hereby determines that the Project to be financed by the
4 Loan Agreement is to be used for governmental purposes of the City; and

5 **WHEREAS**, all required authorizations, consents and approvals in connection with (i) the
6 use and pledge of the Pledged Revenues to the NMFA (or its assigns) for the payment of amounts
7 due under the Loan Agreement, (ii) the use of the proceeds of the Loan Agreement to finance the
8 Project, and (iii) the authorization, execution and delivery of the Loan Agreement, which are
9 required to have been obtained by the date of the Ordinance have been obtained or are reasonably
10 expected to be obtained prior to the Closing Date.

11 **NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE**
12 **CITY OF SANTA FE, NEW MEXICO:**

13 Section 1. Definitions. Capitalized terms defined in this Section 1, for all purposes,
14 shall have the meaning herein specified, unless the context clearly requires otherwise (such
15 meanings to be equally applicable to both the singular and the plural forms of the terms defined)
16 and, any term not defined herein shall have the definition given it by the Loan Agreement:

17 “Administrative Fee” or “Administrative Fee Component” means the 0.25% annual fee
18 payable to the NMFA as 0.25% of the Aggregate Repayable Disbursements then outstanding as a
19 part of each Loan Agreement Payment for the costs of originating and servicing the Loan.

20 “Aggregate Disbursements” means, at any time after the Closing Date, the sum of all
21 Disbursements.

22 “Aggregate Forgiven Disbursements” means the amount of subsidy (the “Forgiven
23 Percent” as set forth in the Term Sheet) provided in the form of principal forgiveness, and shall at
24 any time after the Closing Date be equal to the product of the subsidy times the Aggregate
25 Disbursements, up to the Maximum Forgiven Principal.

1 “Aggregate Repayable Disbursements” means, at any time after the Closing Date, the
2 Aggregate Disbursements less the Aggregate Forgiven Disbursements.

3 “Approved Requisition” means a requisition in the form of Exhibit “C” to the Loan
4 Agreement, together with supporting documentation submitted to and approved by the NMFA
5 pursuant to Section 4.2 of the Loan Agreement.

6 “Authorized Officers” means, with respect to the City, the Mayor, City Manager, City
7 Finance Director and City Clerk thereof; and with respect to the NMFA, any one or more of the
8 Chairperson, Vice-Chairperson, Secretary and Chief Executive Officer, and any other officer or
9 employee of the NMFA designated in writing by an Authorized Officer of the NMFA.

10 “Bonds” means drinking water state revolving loan fund revenue bonds, if any, issued
11 hereafter by the NMFA and related to the Loan Agreement and the Loan Agreement Payments.

12 “Closing Date” means the date of execution, delivery and funding of the Loan Agreement
13 authorized by this Ordinance.

14 “Debt Service Account” means the debt service account established in the name of the City
15 and administered by the NMFA to pay the Loan Agreement Payments under the Loan Agreement
16 as the same become due.

17 “Disbursement” means an amount caused to be paid by the NMFA for an Approved
18 Requisition for costs of the Project.

19 “Drinking Water State Revolving Loan Fund” means the drinking water state revolving
20 loan fund established by the DWSRLF Act.

21 “DWSRLF Act” means the general laws of the State, particularly the Drinking Water State
22 Revolving Loan Fund Act, NMSA 1978, §§ 6-21A-1 through 6-21A-9, the home rule charter of
23 the City under Article X Section 6 of the New Mexico Constitution and NMSA 1978, §§ 3-31-1
24 through 3-31-12, all as amended; and enactments of the Governing Body relating to the Loan
25 Agreement, including this Ordinance.

1 “Environmental Protection Agency” means the Environmental Protection Agency of the
2 United States.

3 “Final Loan Agreement Payment Schedule” means the schedule of Loan Agreement
4 Payments due on the Loan Agreement following the Final Requisition, as determined on the basis
5 of the Aggregate Repayable Disbursements.

6 “Final Requisition” means the final requisition of moneys to be submitted by the City,
7 which shall be submitted by the City on or before the date provided for in Section 4.1(b) of the
8 Loan Agreement.

9 “Fiscal Year” means the period commencing on July 1 of each calendar year and ending
10 on the last day of June of the next succeeding calendar year, or any other twelve-month period
11 which any appropriate authority may hereafter establish for the City as its fiscal year.

12 “Governing Body” means the duly organized City Council of the City, or any successor
13 governing body of the City.

14 “City” means the City of Santa Fe, Santa Fe County, New Mexico.

15 “Gross Revenues” means all income and revenues directly or indirectly derived by the City
16 from the operation and use of the System, or any part of the System, and includes, without
17 limitation, all revenues received by the City, or any municipal corporation or agency succeeding to
18 the rights of the City, from the System and from the sale and use of water or water facilities
19 furnished to the inhabitants in the Service Area. Such term also includes:

- 20 (a) All income derived from the investment of any money in the Acquisition Fund,
21 Income Fund, Debt Service Fund, Reserve Fund and Rate Stabilization Fund and
22 from surplus Net Revenues;
- 23 (b) Money released from the Rebate Fund to the City;
- 24 (c) Money released from the Rate Stabilization Fund to the extent that the amount
25 released is used to pay Operation and Maintenance Expenses or Debt Service

1 Requirements on System Bonds in the year released;

2 (d) Property insurance proceeds which are not necessary to restore or replace the
3 property lost or damaged and the proceeds of the sale or other disposition of any
4 part of the System; and

5 (e) Such other amounts that may be designated as Gross Revenues in a Supplemental
6 Ordinance.

7 Gross Revenues do not include:

8 (a) any money received as (i) grants or gifts from the United States of America, the
9 State or other sources or (ii) the proceeds of any charge or tax intended as a
10 replacement therefor or other capital contributions from any source which are
11 restricted as to use;

12 (b) gross receipts taxes, other taxes and/or fees collected by the City and remitted to
13 other governmental agencies; and

14 (c) condemnation proceeds or the proceeds of any insurance policy, except for (d)
15 above and any insurance proceeds derived in respect of loss of use or business
16 interruption.

17 “Herein,” “hereby,” “hereunder,” “hereof,” “hereinabove” and “hereafter” refer to this
18 entire Ordinance and not solely to the particular section or paragraph of this Ordinance in which
19 such word is used.

20 “Historic Test Period” means any period of 12 consecutive months out of the 18 calendar
21 months next preceding the delivery of additional Parity Bonds pursuant to Section 24.02 of the
22 Master Ordinance.

23 “Interest Component” means the portion of each Loan Agreement Payment paid as interest
24 accruing on the Aggregate Repayable Disbursements then outstanding, calculated from the date of
25 each Disbursement.

1 “Interest Rate” means the rate of interest on the Loan Agreement, which includes the
2 Administrative Fee, as shown on the Term Sheet.

3 “Loan” means the funds to be loaned to the City by the NMFA pursuant to the Loan
4 Agreement, up to the Maximum Principal Amount.

5 “Loan Agreement” means the loan and subsidy agreement and any amendments or
6 supplements thereto, including the exhibits attached to the loan and subsidy agreement.

7 “Loan Agreement Payment” means, collectively, the Maximum Repayable Principal
8 Amount, the Interest Component, and the Administrative Fee Component to be paid by the City as
9 payment on the Aggregate Repayable Disbursements under the Loan Agreement, as shown on
10 Exhibit “B” thereto.

11 “Master Ordinance” means Ordinance No. 2016-19, amending and restating Ordinance No.
12 2006-47, and as amended or supplemented from time to time in accordance with its terms.

13 “Maximum Forgiven Principal Amount” means the maximum amount of loan subsidy
14 available in the form of principal forgiveness to be applied proportionally at the time of each
15 Disbursement to the City, up to fifty percent (50%) of the Maximum Principal Amount. The
16 Maximum Forgiven Principal Amount is eight million five hundred thousand dollars (\$8,500,000).

17 “Maximum Principal Amount” means seventeen million dollars (\$17,000,000).

18 “Maximum Repayable Principal Amount” means the maximum amount of Aggregate
19 Repayable Disbursements repayable by the City pursuant to the Loan Agreement. The Maximum
20 Repayable Principal Amount is eight million five hundred thousand dollars (\$8,500,000).

21 “Net Revenues” means the Gross Revenues of the System after deducting Operation and
22 Maintenance Expenses.

23 “NMFA” means the New Mexico Finance Authority, created by the New Mexico Finance
24 Authority Act, NMSA 1978, §§ 6-21-1 through 6-21-31, as amended.

25 “NMSA” means the New Mexico Statutes Annotated, 1978 Compilation, as amended and

1 supplemented from time to time.

2 “Operation and Maintenance Expenses” means all reasonable and necessary current
3 expenses of the System, for any particular Fiscal Year or period to which such term is applicable,
4 paid or accrued, related to operating, maintaining and repairing the System, including, without
5 limiting the generality of the foregoing:

- 6 (a) legal and overhead expenses of the various City departments directly related and
7 reasonably allocable to the administration of the System;
- 8 (b) insurance premiums for the System, including, without limitation, premiums for
9 property insurance, public liability insurance and workmen's compensation
10 insurance, whether or not self-funded;
- 11 (c) premiums, expenses and other costs (other than required reimbursements of
12 insurance proceeds and other amounts advanced to pay Debt Service Requirements
13 on System Bonds) for Credit Facilities;
- 14 (d) Expenses other than Expenses paid from the proceeds of System bonds;
- 15 (e) the costs of audits of the books and accounts of the System;
- 16 (f) amounts required to be deposited in the Rebate Fund;
- 17 (g) salaries, administrative expenses, labor costs, surety bonds and the cost of water,
18 materials and supplies used for or in connection with the current operation of the
19 System; and
- 20 (h) any fees required to be paid under any operation, maintenance and/or management
21 agreement with respect to the System.

22 Operation and Maintenance Expenses do not include any allowance for depreciation,
23 payments in lieu of taxes, franchise fees payable or other transfers to the City's general fund,
24 liabilities incurred by the City as a result of its negligence or other misconduct in the operation of
25 the System, any charges for the accumulation of reserves for capital replacements or any Operation

1 and Maintenance Expenses payable from moneys other than Gross Revenues.

2 “Ordinance” means this Ordinance No. 2026-_____ adopted by the Governing Body of the
3 City on May 13, 2026, being a Supplemental Ordinance authorized by the Master Ordinance,
4 approving the Loan Agreement and pledging the Pledged Revenues to the payment of the Loan
5 Agreement Payments as shown on the Term Sheet , as supplemented from time to time in
6 accordance with the provisions hereof.

7 “Pledged Revenues” means the Net Revenues of the System pledged to payment of the
8 Loan Agreement Payments pursuant to this Ordinance and described on the Term Sheet.

9 “Project” means the project described in the Term Sheet.

10 “State” means the State of New Mexico.

11 “Senior Obligations” means any bonds or obligations of the City now outstanding or
12 hereafter issued or incurred, payable from or secured by a pledge of the Pledged Revenues and
13 issued with a lien on the Pledged Revenues superior to the lien thereon of this Ordinance and the
14 Loan Agreement, including any such obligations shown on the Term Sheet.

15 “Series 2016 Bonds” has the meaning assigned to that term in subparagraph (a) of the fifth
16 preamble of this Ordinance.

17 “Subordinate Parity Obligations” means any bonds or other obligations of the City now
18 outstanding or hereafter issued or incurred with a lien on the Pledged Revenues on parity with the
19 lien thereon of the Loan Agreement, and subordinate to any outstanding Senior Obligations having
20 a superior lien on the Pledged Revenues, including any such obligations shown on the Term Sheet.

21 “Super Subordinate Obligations” means any bonds or other obligations of the City now
22 outstanding or hereafter issued or incurred with a lien on the Pledged Revenues subordinate to the
23 lien created by this Ordinance and the Loan Agreement and any other outstanding Senior
24 Obligations or Subordinate Parity Obligations having a lien on the Pledged Revenues, including
25 any such obligations shown on the Term Sheet.

1 “System” means the municipally owned public utility designated as the City’s water utility
2 system, operated pursuant to the City’s Code of Ordinances, Chapter XXV, as amended from time
3 to time, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter
4 acquired by the City through purchase, condemnation, construction or otherwise, including all
5 expansions, extensions, enlargements and improvements of or to the water utility system, and used
6 in connection therewith or relating thereto, and any other related activity or enterprise of the City
7 designated by the Governing Body as part of the water utility system, whether situated within or
8 without the limits of the City.

9 “Term Sheet” means Exhibit “A” to the Loan Agreement.

10 “Unrequisitioned Principal Amount” means the amount, if any, by which the Maximum
11 Principal Amount exceeds the Aggregate Disbursements at the time the City submits the certificate
12 of completion required pursuant to Section 6.3 of the Loan Agreement.

13 “2008 NMFA Loan” has the meaning assigned to that term in subparagraph (b)(1)
14 of the sixth preamble of this Ordinance.

15 “2013 NMFA Loan” has the meaning assigned to that term in subparagraph (b)(2) of the
16 sixth preamble of this Ordinance.

17 “2025 NMFA Loan WPF-6316” has the meaning assigned to assigned to that term
18 in subparagraph (c)(1) of the sixth preamble of this Ordinance.

19 “2025 NMFA Loan WPF-6315” has the meaning assigned to assigned to that term
20 in subparagraph (c)(2) of the sixth preamble of this Ordinance.

21 Section 2. Ratification. All action heretofore taken (not inconsistent with the
22 provisions of this Ordinance) by the Governing Body and officers of the City directed
23 toward the acquisition and completion of the Project, the pledge of the Pledged Revenues
24 to payment of amounts due under the Loan Agreement, and the execution and delivery of
25 the Loan Agreement shall be, and the same hereby is, ratified, approved and confirmed.

1 Section 3. Authorization of the Project and the Loan Agreement. The acquisition and
2 completion of the Project and the method of funding the Project through execution and
3 delivery of the Loan Agreement and the other documents related to the transaction are
4 hereby authorized and ordered. The Project is for the benefit and use of the City and the
5 public whom it serves.

6 Section 4. Findings. The City hereby declares that it has considered all relevant
7 information and data and hereby makes the following findings:

- 8 A. The Project is needed to meet the needs of the City and the public whom it serves.
- 9 B. Moneys available and on hand for the Project from all sources other than the Loan
10 Agreement are not sufficient to defray the cost of acquiring and constructing the
11 Project.
- 12 C. The Pledged Revenues may lawfully be pledged to secure the payment of amounts
13 due under the Loan Agreement.
- 14 D. It is economically feasible and prudent to defray, in whole or in part, the costs of
15 the Project by the execution and delivery of the Loan Agreement.
- 16 E. The Project and the execution and delivery of the Loan Agreement in the
17 Maximum Principal Amount pursuant to the DWSRLF Act to provide funds for
18 the financing of the Project are necessary or advisable in the interest of the public
19 health, safety, and welfare of the residents and the public served by the City.
- 20 F. The City will conduct and complete the Project, in whole or in part, with the net
21 proceeds of the Loan.
- 22 G. Other than as described above in this Ordinance and on the Term Sheet, the City
23 does not have any outstanding obligations payable from Pledged Revenues which
24 it has incurred or will incur prior to the initial execution and delivery of the Loan
25 Agreement.

1 H. The net effective interest rate on the Maximum Principal Amount does not exceed
2 the current market rate, which is the maximum rate permitted by federal law.

3 Section 5. Loan Agreement - Authorization and Detail.

4 A. Authorization. This Ordinance has been adopted by the affirmative vote of at least a
5 three-fourths majority of all of the members of the Governing Body. For the purpose
6 of protecting the public health, conserving the property, and protecting the general
7 welfare and prosperity of the public served by the City and acquiring and constructing
8 the Project, it is hereby declared necessary that the City, pursuant to the DWSRLF Act,
9 execute and deliver the Loan Agreement evidencing a special limited obligation of the
10 City to pay a principal amount of eight million five hundred thousand dollars
11 (\$8,500,0000) and interest thereon, and to accept a loan subsidy in the amount of eight
12 million five hundred thousand dollars (\$8,500,000), and the execution and delivery of
13 the Loan Agreement is hereby authorized. The City shall use the proceeds of the Loan
14 Agreement (i) to finance the acquisition and completion of the Project and (ii) to pay
15 the Administrative Fee of the Loan Agreement and the costs of issuance of the Bonds,
16 if any. The Project will be owned by the City.

17 B. Detail. The Loan Agreement shall be in substantially the form of the Loan Agreement
18 presented at the meeting of the Governing Body at which this Ordinance was adopted.
19 The Loan shall be in an amount not to exceed the Maximum Principal Amount of
20 seventeen million dollars (\$17,000,000). The Aggregate Repayable Disbursements
21 shall be payable in installments of principal due on May 1 of the years designated in
22 the Final Loan Agreement Payment Schedule and bear interest payable on May 1 and
23 November 1 of each of the years designated in the Final Loan Agreement Payment
24 Schedule, at the Interest Rate designated in the Loan Agreement, including Exhibit
25 “A” thereto.

1 Section 6. Approval of Loan Agreement. The form of the Loan Agreement as
2 presented at the meeting of the Governing Body at which this Ordinance was adopted, is hereby
3 approved. Authorized Officers are hereby individually authorized to execute, acknowledge and
4 deliver the Loan Agreement with such changes, insertions and omissions as may be approved by
5 such individual Authorized Officers, and the City Clerk is hereby authorized to affix the seal of the
6 City on the Loan Agreement and attest the same. The execution of the Loan Agreement by an
7 Authorized Officer shall be conclusive evidence of such approval.

8 Section 7. Special Limited Obligation. The Loan Agreement shall be secured by the
9 pledge of the Pledged Revenues as set forth in this Ordinance and the Loan Agreement and shall
10 be payable solely from the Pledged Revenues. The Loan Agreement, together with interest thereon
11 and other obligations of the City thereunder, shall be a special, limited obligation of the City,
12 payable solely from the Pledged Revenues as provided in this Ordinance, and the Loan Agreement
13 shall not constitute a general obligation of the City or the State, and the holders of the Loan
14 Agreement may not look to any general or other fund of the City for payment of the obligations
15 thereunder. Nothing contained in this Ordinance nor in the Loan Agreement, nor any other
16 instruments, shall be construed as obligating the City (except with respect to the application of the
17 Pledged Revenues) or as imposing a pecuniary liability or a charge upon the general credit of the
18 City or against its taxing power, nor shall a breach of any agreement contained in this Ordinance,
19 the Loan Agreement, or any other instrument impose any pecuniary liability upon the City or any
20 charge upon its general credit or against its taxing power. The Loan Agreement shall never
21 constitute an indebtedness of the City within the meaning of any State constitutional provision or
22 statutory limitation and shall never constitute or give rise to a pecuniary liability of the City or a
23 charge against its general credit or taxing power. Nothing herein shall prevent the City from
24 applying other funds of the City legally available therefor to payments required by the Loan
25 Agreement, in its sole and absolute discretion.

1 Section 8. Disposition of Proceeds; Acquisition and Completion of the Project.

2 A. Debt Service Account; Disbursements. The City hereby consents to creation of
3 the Debt Service Account to be held and maintained by the NMFA as provided in
4 the Loan Agreement. The proceeds derived from the execution and delivery of the
5 Loan Agreement shall be disbursed promptly upon receipt of an Approved
6 Requisition and compliance with the terms of the Loan Agreement as defined
7 therein. Until the acquisition and completion of the Project or the date of the Final
8 Requisition, the money disbursed pursuant to the Loan Agreement shall be used
9 and paid out solely for the purpose of conducting and completing the Project in
10 compliance with applicable law and the provisions of the Loan Agreement.

11 B. Prompt Completion of the Project. The City will complete the Project with all due
12 diligence.

13 C. Certification of Completion of the Project. Upon the acquisition and completion
14 of the Project, the City shall execute and send to the NMFA a certificate stating
15 that the completion of and payment for the Project has been completed.

16 D. NMFA Not Responsible for Application of Loan Proceeds. The NMFA shall in
17 no manner be responsible for the application or disposal by the City or by its
18 officers of the funds derived from the Loan Agreement or of any other funds herein
19 designated.

20 Section 9. Deposit of Pledged Revenues; Distributions of the Pledged Revenues and
21 Flow of Funds.

22 A. Deposit of Pledged Revenues. Pledged Revenues shall be paid directly by the City to
23 the NMFA subordinate to the lien thereon of the outstanding Senior Obligations, on
24 parity with the lien thereon of outstanding Subordinate Parity Obligations and superior
25 to outstanding Super Subordinate Obligations in an amount sufficient to pay the Loan

1 Agreement Payments, and other amounts due under the Loan Agreement, as provided
2 in Section 5.3 of the Loan Agreement.

3 B. Termination on Deposits to Maturity. No payment shall be made into the Debt Service
4 Account if the amount in the Debt Service Account totals a sum at least equal to the
5 total amount of Loan Agreement Payments to become due as to principal, interest on,
6 Administrative Fees and any other amounts due under the Loan Agreement, in which
7 case moneys in such account in an amount at least equal to such principal and interest
8 requirements shall be used solely to pay such obligations as the same become due, and
9 any moneys in excess thereof in such accounts shall be transferred to the City and used
10 as provided in Section 9.C of this Ordinance.

11 C. Use of Surplus Revenues. After making all the payments required by the Loan
12 Agreement, any moneys remaining in the Debt Service Account shall be transferred to
13 the City on a timely basis and applied to any other lawful purpose, including, but not
14 limited to, the payment of any Senior Obligations or bonds, Subordinate Parity
15 Obligations or bonds and Super Subordinate Obligations, or purposes authorized by
16 the City, the Constitution and laws of the State, as the City may from time to time
17 determine.

18 Section 10. Lien on Pledged Revenues. Pursuant to this Ordinance and the Loan
19 Agreement, the Pledged Revenues are hereby authorized to be pledged, and are hereby pledged,
20 and the City grants a lien on the Pledged Revenues and security interest therein subordinate to the
21 lien of Senior Obligations, on parity with the lien of Subordinate Parity Obligations and superior
22 to the lien of Super Subordinate Obligations for the payment of the Maximum Repayable Principal
23 Amount, interest in accordance with the Interest Rate, and any other amounts due under the Loan
24 Agreement, subject to the uses thereof permitted by and the priorities set forth in this Ordinance.
25 The Loan Agreement constitutes an irrevocable subordinate lien, but not necessarily an exclusive

1 subordinate lien, on the Pledged Revenues as set forth herein and therein, and the City shall not
2 create a lien on the Pledged Revenues superior to that of the Loan Agreement without the prior
3 written notification of the NMFA.

4 Section 11. Authorized Officers. Authorized Officers are hereby individually
5 authorized and directed to execute and deliver any and all papers, instruments, opinions, affidavits
6 and other documents and to do and cause to be done any and all acts and things necessary or proper
7 for carrying out this Ordinance, the Loan Agreement and all other transactions contemplated hereby
8 and thereby. Authorized Officers are hereby individually authorized to do all acts and things
9 required of them by this Ordinance and the Loan Agreement for the full, punctual and complete
10 performance of all the terms, covenants and agreements contained in this Ordinance and the Loan
11 Agreement including but not limited to, the execution and delivery of closing documents in
12 connection with the execution and delivery of the Loan Agreement.

13 Section 12. Supplemental Ordinance; Amendment of Master Ordinance. This
14 Ordinance is a Supplemental Ordinance authorized by and issued pursuant to the Master Ordinance.
15 The Master Ordinance is amended to authorize the Loan Agreement as a System Bond in the form
16 of the Loan Agreement presented to the Governing Body at the meeting of the Governing Body at
17 which this Ordinance was adopted and as otherwise provided in this Ordinance.

18 Section 13. Amendment of Ordinance. Prior to the Closing Date, the provisions of
19 this Ordinance may be supplemented or amended by ordinance of the Governing Body with respect
20 to any changes which are not inconsistent with the substantive provisions of this Ordinance. After
21 the Closing Date, and only when such amendment does not affect the terms of payment of the loan
22 component of the Loan Agreement, this Ordinance may be amended without receipt by the City of
23 any additional consideration, but only with the prior written consent of the NMFA.

24 Section 14. Ordinance Irrepealable. After the Closing Date, this Ordinance shall be
25 and remain irrepealable until all obligations due under the Loan Agreement shall be fully

1 discharged, as herein provided.

2 Section 15. Severability Clause. If any section, paragraph, clause or provision of this
3 Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or
4 unenforceability of such section, paragraph, clause or provision shall not affect any of the
5 remaining provisions of this Ordinance.

6 Section 16. Repealer Clause. All bylaws, orders, ordinances, resolutions, or parts
7 thereof, inconsistent with this Ordinance are hereby repealed to the extent only of such
8 inconsistency. This repealer shall not be construed to revive any bylaw, order, resolution or
9 ordinance, or part thereof, heretofore repealed.

10 Section 17. Effective Date. Upon due adoption of this Ordinance, it shall be recorded
11 in the book of the City kept for that purpose, authenticated by the signatures of the Mayor and the
12 City Clerk, and the title and general summary of the subject matter contained in this Ordinance (set
13 out in Section 18 below) shall be published in a newspaper which is of general circulation in the
14 City, and the Ordinance shall be in full force and effect thereafter, in accordance with law; provided,
15 however, that if recording is not required for the effectiveness of this Ordinance, this Ordinance
16 shall be effective upon adoption of this Ordinance by the Governing Body.

17 Section 18. General Summary for Publication. Pursuant to the general laws of the
18 State, the title and a general summary of the subject matter contained in this Ordinance shall be
19 published consistently with SFCC 1987, Section 2-2.4.

20 *[Form of Notice of Adoption of Ordinance for Publication]*

21 CITY OF SANTA FE, NEW MEXICO

22 NOTICE OF ADOPTION OF ORDINANCE

23 Notice is hereby given of the title and of a general summary of the subject matter
24 contained in Ordinance No. 2026-_____, Council Bill 2026-04 duly adopted and approved
25 by the City Council of City of Santa Fe on May 13, 2026. A complete copy of the

1 Ordinance is available for public inspection during normal and regular business hours in
2 the office of the City Clerk, 200 Lincoln Avenue, Santa Fe, New Mexico 87501.

3 The title of the Ordinance is:

4 CITY OF SANTA FE, NEW MEXICO

5 ORDINANCE NO. 2026-_____, COUNCIL BILL 2026-04

6 A general summary of the subject matter of the Ordinance is contained in its title.

7 This notice constitutes compliance with NMSA 1978, § 6-14-6, as amended.

8 AN ORDINANCE AUTHORIZING THE EXECUTION AND
9 DELIVERY OF A LOAN AND SUBSIDY AGREEMENT (“LOAN
10 AGREEMENT”) BY AND BETWEEN THE CITY OF SANTA FE, NEW
11 MEXICO (THE “CITY”) AND THE NEW MEXICO FINANCE
12 AUTHORITY (“NMFA”), IN THE TOTAL AMOUNT OF SEVENTEEN
13 MILLION DOLLARS (\$17,000,000) (“LOAN”) EVIDENCING A
14 SPECIAL LIMITED OBLIGATION OF THE CITY TO PAY A
15 MAXIMUM REPAYABLE PRINCIPAL AMOUNT OF EIGHT
16 MILLION FIVE HUNDRED THOUSAND DOLLARS (\$8,500,000),
17 TOGETHER WITH INTEREST AND ADMINISTRATIVE FEES FOR
18 THE PURPOSE OF FINANCING THE COSTS OF CONSTRUCTING A
19 NEW FLOCCULATION AND SEDIMENTATION PROCESS AND
20 MAKING IMPROVEMENTS TO THE CANYON ROAD WATER
21 TREATMENT PLANT AS A COMPONENT OF THE SYSTEM OWNED
22 AND OPERATED BY THE CITY (THE “PROJECT”), AND SOLELY IN
23 THE MANNER DESCRIBED IN THE LOAN AGREEMENT;

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PROVIDING FOR THE PLEDGE AND PAYMENT OF THE LOAN SOLELY FROM THE NET REVENUES OF THE SYSTEM OF THE CITY; AMENDING THE MASTER ORDINANCE (ORDINANCE 2016-19); APPROVING THE FORM OF AND OTHER DETAILS CONCERNING THE LOAN AGREEMENT; RATIFYING ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTION INCONSISTENT WITH THIS ORDINANCE; AND AUTHORIZING THE TAKING OF OTHER ACTION IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE LOAN AGREEMENT.

[End of Form of Notice of Adoption for Publication.]

PASSED, APPROVED, and ADOPTED this ____ day of ____, 2026.

MICHAEL GARCIA, MAYOR

ATTEST:

GERALYN F. CARDENAS, CITY CLERK

APPROVED AS TO FORM:

MARCOS MARTÍNEZ, CITY ATTORNEY