



# City of Santa Fe, New Mexico

# memo

Date: June 4, 2015

To: The Governing Body

Via: Brian K. Snyder, City Manager *BKS*

From: Nicholas Schiavo, Public Utilities Department Director *NSA*

## ITEM & ISSUE

Staff recommends closing out both of the Drinking Water Revolving Loan Fund (DWRLF) Loan/Subsidy Agreements in order to greatly improve the Water Division's chances of receiving additional grant funds from the New Mexico Finance Authority.

## BACKGROUND & SUMMARY

The Water Division currently has two loan/subsidy agreements with the NM Finance Authority. Both of the agreements came with a significant incentive (forgiveness of 25 percent of the original loan amount).

Currently, the Water Division has the potential of receiving an \$8.4M dollar loan from the DWRLF for construction of the Buckman parallel pipeline and a 500KW photovoltaic system that will provide power to Booster Station No. 3. If the loan/subsidy is provided to the City, approximately \$2.5M of the \$8.4M would be given in the form of a grant.

Conversation with the NMFA staff revealed their concern with providing a loan to the Water Division unless the Division's debt to revenue ratio was improved. When City staff suggested paying off the existing loans (listed below), NMFA staff agreed that the action would significantly improve the Water Divisions odds of receiving funding.

|          |                 |
|----------|-----------------|
| #2696-DW | \$ 2,405,174.61 |
| #1475-DW | \$11,233,781.74 |
| Total    | \$13,638,956.35 |

## **RECOMMENDATION**

Water Division staff recommends paying off the both of the NMFA loans.

### Attachments:

1. NMFA #2696-DW
2. NMFA #1475-DW

New Mexico  
FINANCE



**AUTHORITY**

207 Shelby Street  
Santa Fe, NM 87501

City of Santa Fe  
Attn: Helene R. Hausman  
Cash Management & Investment Officer  
200 Lincoln Avenue  
Santa Fe, NM 87501

**June 1, 2015**

**VIA E-MAIL: HAUSMAN, HELENE R. <hrhausman@ci.santa-fe.nm.us>**

Re: \$15,150,000 Drinking Water State Revolving Fund Loan/Subsidy Agreement  
between the City of Santa Fe and the New Mexico Finance Authority.  
Loan # **SANTA FE DW 2 (Project #1475-DW)**

Dear Helene R. Hausman:

The New Mexico Finance Authority has reviewed your request to pay off the above  
referenced loan. The loan will schedule for payoff on June 25, 2015. The following  
breakdown is listed below and payable to the New Mexico Finance Authority on  
June 25, 2015.

|                               |                                  |
|-------------------------------|----------------------------------|
| <b>Principal</b>              | <b>\$11,218,201.00</b>           |
| <b>Interest</b>               | <b>\$ 13,633.25</b>              |
| <b>Admin</b>                  | <b>\$ 1,947.50</b>               |
| <b>Less D/S</b>               | <b>\$ <u>          (.01)</u></b> |
| <b>TOTAL DUE FROM ENTITY:</b> | <b>\$11,233,781.74</b>           |

**By Check:**

New Mexico Finance Authority  
207 Shelby Street  
Santa Fe, NM 87501

**By Wire:**

Wells Fargo  
NMFA –PPRF Account  
ABA: 121-000-248  
Account No: 631-10003-73

If you have any questions concerning this payoff, please call @ 505-992-9631

Sincerely,

Bob Spradley  
Senior Accountant-2

New Mexico  
**FINANCE**



**AUTHORITY**

207 Shelby Street  
Santa Fe, NM 87501

City of Santa Fe  
Attn: Helene R. Hausman  
Cash Management & Investment Officer  
200 Lincoln Avenue  
Santa Fe, NM 87501

**June 1, 2015**

**VIA E-MAIL: HAUSMAN, HELENE R. <hrhausman@ci.santa-fe.nm.us>**

Re: \$5,050,000 Drinking Water State Revolving Fund Loan/Subsidy Agreement  
between the City of Santa Fe and the New Mexico Finance Authority.  
Loan # **SANTA FE DW 4 (Project #2696-DW)**

Dear Helene R. Hausman:

The New Mexico Finance Authority has reviewed your request to pay off the above  
referenced loan. The loan will schedule for payoff on June 25, 2015. The following  
breakdown is listed below and payable to the New Mexico Finance Authority on  
June 25, 2015.

|                               |                  |                       |
|-------------------------------|------------------|-----------------------|
|                               | <b>Principal</b> | <b>\$2,401,838.61</b> |
|                               | <b>Interest</b>  | <b>\$ 2,919.00</b>    |
|                               | <b>Admin</b>     | <b>\$ 417.00</b>      |
|                               | <b>Less D/S</b>  | <b>\$ <u>.00</u></b>  |
| <b>TOTAL DUE FROM ENTITY:</b> |                  | <b>\$2,405,174.61</b> |

**By Check:**

New Mexico Finance Authority  
207 Shelby Street  
Santa Fe, NM 87501

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ABA: 121-000-248  
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Sincerely,

Bob Spradley  
Senior Accountant-2