TIER-2 CRITERIA FOR A NM UNIT OR A WATER UTILIZATION ALTERNATIVE
[1010 total points possible]

Surface Water Diversion Project Southwest New Mexico Regional Water Supply Project
A Proposal for a Surface Water Diversion

1. [570] If the proposal would extend the water supply through conservation, or increase the supply through development of new water,

   a. Describe the location and verify the ownership of and legal access to lands related to the proposal. [0 to 30 points]

The proposed diversion project is located in Grant and Luna Counties in southern New Mexico. This New Mexico Unit project, entitled the Southwest New Mexico Regional Water Supply Project, amends the City of Deming’s Surface Water Diversion Project application by providing significant additional feasibility and cost analysis and further defining the conceptual approach outlined in the original application. This is not a new project. This proposal addresses an annual use of up to 10,000 ac-ft of Gila River Arizona Water Rights Settlement Act (AWSA) water, and it supports full development of the 4,000 acre feet allocated to the San Francisco River in Catron County, although the latter is not specifically covered in this proposed project.

Additionally, this amended application features the same conceptual approach as the Gila Basin Irrigation Commission and Hidalgo County Tier-2 proposals, which include side channel diversion structures, subsurface diversion, and side channel reservoirs. This proposal includes a 5,000-acre foot (ac-ft) capacity reservoir that is currently proposed to be located at Mogollon Creek (Figure 1). Another reservoir location adjacent to Mogollon Creek was initially evaluated, but the cost of a reservoir at that location proved prohibitive. Further evaluation may be needed to identify the optimal site for the reservoir to be constructed in this area. Farther downstream, on the Gila River, a subsurface diversion structure would be constructed and water conveyed to a side channel reservoir with an approximately 30,000-ac-ft storage capacity that would be constructed on the Mangas Creek (Figure 2).

Water from the Mogollon reservoir would be released to the Gila River for downstream agricultural use and during low flows for environmental mitigation purposes. Water stored in the Mangas reservoir would be piped up to the Silver City area and mining district communities and would gravity flow through a pipeline to the City of Deming. It is anticipated that industrial and mining facilities would also contract for a portion of this water supply, and unused supply could be used for groundwater recharge in Grant and Luna Counties.

For both reservoirs, water would be diverted from the Gila River during higher flow regimes as allowed by the Consumptive Use and Forbearance Agreement (CUFA) rules under the Arizona Water Settlement Act (AWSA). Following the diversion concepts outlined in the Southwest New Mexico Regional Water Plan (DBS&A, 2005), Section 8.6; and in the Gila Basin Irrigation Commission's Water Plan, these diversions would meet the criteria for increasing water supply through development of new water.
Figure 1

Legend:
- City
- Proposed pipeline alignment
- Continental divide

Surface ownership and/or surface management:
- Bureau of Land Management
- National Park Service
- Department of Defense
- Forest Service
- Private
- State

Source: U.S. Bureau of Land Management (BLM) - New Mexico State Office, 2011
Figure 2
Proposed Diversion

Explanation
- City
- Proposed pipeline alignment
- Proposed diversion
- Potential reservoir
- Continental divide
Proposed Mogollon Creek Reservoir

In-Creek Reservoir

7,282,715 (sq ft)
0.261 (sq mi)
167 (Ac)

SOUTHWEST NEW MEXICO REGIONAL WATER SUPPLY PROJECT
AMENDED AWSA APPLICATION
Proposed Mangas Creek Reservoir (Water surface 4,720 ft msl)

SOUTHWEST NEW MEXICO REGIONAL WATER SUPPLY PROJECT
AMENDED AWSA APPLICATION

State of New Mexico
USDA Forest Service
Private
Bureau of Land Management
New Mexico State Game and Fish
Bill Evans Lake
Basin Irrigation Commission and Hidalgo County Tier-2 proposals, initial diversions would occur at CUFA-allowable rates. The Mogollon surface diversion would be capable of diverting up to the maximum rate of 350 cubic feet per second (cfs) from Mogollon Creek, and the subsurface diversion from the Gila River near the Mangas Reservoir would be capable of diverting up to 115 cfs. The subsurface diversion structures would be designed to handle sediment loads carried during high flows and would not disrupt natural flows or the Gila River channel morphology.

The Mogollon reservoir would capture flows from the creek that could be released to the Gila River. A series of five, subsurface horizontal collector wells would be needed at the Mangas diversion site. Water diverted through these wells would be conveyed to a side canyon surface reservoir for equalization storage prior to being pumped up to the elevation divide through a series of booster stations and into a pipeline, from where it would then gravity flow down to Grant and Luna County users (Figure 3). Water can also be released from the Mangas reservoir for use in the Virden area and elsewhere in Hidalgo County.

The proposed pipeline will cross both public and private lands. Through the final design and National Environmental Policy Act (NEPA) process, the exact pipeline route will be identified and ownership of each parcel will be obtained. Figures 1, 2, and 4 show land ownership associated with the proposed reservoirs and pipeline. Figure 2 shows a diagrammatic representation of the diversion and initial storage and the pipeline route. Many diversion and storage locations have been discussed during previous planning, and were identified in the three approved Tier-2 applications. Building on these conceptual approaches, the applicant has identified Mangas Creek as the most feasible location for the largest reservoir in the Southwest New Mexico Regional Water Supply Project. This determination has been made based on water availability as determined by the CUFA constraints and modeled by the New Mexico Office of the State Engineer (OSE), cost, dam location and size, reservoir yield, land ownership, and environmental flows. The reservoir located in the Mogollon Creek area was selected due to proximity to the reaches of the Gila River that currently go dry during irrigation season. However, the location of this 5,000-ac-ft reservoir should be further evaluated. Actual locations to be used would be part of initial concept planning of this project. The proposed 30,000-ac-ft Mangas reservoir is located on private land with a small section crossing into Bureau of Land Management (BLM) land (Figure 2). The proposed Mogollon reservoir will likely be located mostly on private land (Figure 1). The proposed pipeline route passes through a small portion of land owned by the Department of Defense and that portion may therefore be altered due to federal restrictions.

Once the pipeline route is more precisely located, the process to gain legal access and right-of-way use for the pipeline through easements can begin. Where feasible, existing utility roadway or other applicable easements will be used. The purpose of the attached Figure 4 is to show whether the land is publicly or privately owned to provide insight into the process. Where a public agency owns large tracts of lands, only one easement will be needed. For private landowners, easements will be required for each tract on the pipeline route, significantly increasing the number of easements required. The costly process to identify landowners for each tract and negotiate easements to gain legal access for construction and placement of the pipeline will not begin until the final pipeline route is selected.
GRANT AND LUNA COUNTY WATER SUPPLY

Note: PS = pump station
Figure 4

Pipeline Route and Land Ownership

Surface ownership and/or surface management:
- Bureau of Land Management
- Department of Defense
- National Park Service
- Forest Service
- Private
- State
- Continental divide

Explanation:
- City
- 14in pipeline
- 24in pipeline

Source: U.S. Bureau of Land Management (BLM) - New Mexico State Office, 2011

SOUTHWEST NEW MEXICO REGIONAL WATER SUPPLY PROJECT
AMENDED AWSA APPLICATION
b. Identify the source of the water to be put to use. [0 to 10 points]

New Mexico’s portion of Gila River water is specified by the Arizona Water Rights Settlement Act (AWSA) as a potential total of 14,000 acre-feet per annum.

c. Describe and quantify whether and how the proposal would extend the water supply through conservation, or increase the supply through development of new water in the Southwest Planning Region. [4 points for each 10 AF up to 500 points]

The potential amount of new water is 14,000 acre-feet per year (ac-ft/yr) of Gila River and San Francisco River water allocated to New Mexico under the AWSA, which represents an entirely new source of municipal, industrial, and even irrigation supply to the region. While this proposal addresses an annual use of up to 10,000 ac-ft of Gila River AWSA water, it supports full development of the additional 4,000 ac-ft on the San Francisco River. It is anticipated that such a development project would be considered a sister project to the Southwest New Mexico Regional Water Supply Project. Because of the high cost of project construction costs and the economies of scale in cost per unit of water delivery, project design is based on an assumed annual yield of 10,000 ac-ft of available supply. It becomes more practical the closer the design flow is to the legally divertible flow under AWSA. The 14,000 ac-ft/yr allotment is enough to serve a demand equivalent of more than 80,000 people at 150 gallons per capita per day. When the project is better defined, it can be determined if all or a portion of the divertible flow will be used. It is anticipated that the entire 10,000 ac-ft of supply will be needed, and facilities should be designed to deliver this amount. This application only accounts for a portion of the allowable diversion rate and a portion of the allowable storage capacity under the AWSA and the CUFA limitations, leaving room for the development of additional diversion and storage.

The proposed project will make it possible for several communities and downstream agricultural users to access this water, through their decision to participate in the project and contract for water connect to the pipeline. The project is obviously more feasible the more communities or industries are interested in a surface water supply. Several communities have passed resolutions in support of this diversion project (see attachments). This project will require more than 1,250 acre feet annually. The preliminary route mapped would serve the Silver City-Bayard area and extend down to Deming, allowing subscribers to switch their reliance from more or less finite groundwater resources to the renewable surface supply. Additionally, the side canyon impoundments will allow water to be released or pumped back into the river to augment flows for downstream irrigation or low-flow augmentation. The primary purpose of the Mogollon reservoir is to augment flows in the Gila River for environmental mitigation purposes and as a source of supply for increased downstream agricultural lands not currently in production due to lack of water. Using surface water will allow groundwater in storage to be preserved as a drought bank.

Water levels in the aquifer around the City of Deming are expected to rise positively impacted as a result of diverting and directly using or recharging Gila River water. The U.S. Geological Survey (USGS) has eight monitor wells within 4 miles of Deming, with water level measurements recorded as early as 1940. Water levels in these USGS-monitored wells have decreased at an average rate of 0.74 foot per year (ft/yr). For the recent 40-year water plan
(DBS&A, 2009), historical water level trends in one of the monitor wells located within the City limits were projected to 2050, showing that about 100 feet of water column would remain in 2050 if current trends continue.

d. Demonstrate how the proposal would meet AWSA and CUFA requirements. [up to 30 points] (see www.AWSAplanning.com for AWSA and CUFA documents).

The proposal is for a New Mexico Unit as described in the AWSA cited below. The proposed diversions will be consistent with the CUFA that implements the AWSA.

2004 ARIZONA WATER SETTLEMENTS ACT, SECTION 212 (i)

(i) NEW MEXICO UNIT FUND- The Secretary shall deposit the amounts made available under paragraph (2)(D)(i) of section 403(f) of the Colorado River Basin Project Act (43 U.S.C. 1543(f)) (as amended by section 107(a)) into the New Mexico Unit Fund, a State of New Mexico Fund established and administered by the New Mexico Interstate Stream Commission. Withdrawals from the New Mexico Unit Fund shall be for the purpose of paying costs of the New Mexico Unit or other water utilization alternatives to meet water supply demands in the Southwest Water Planning Region of New Mexico, as determined by the New Mexico Interstate Stream Commission in consultation with the Southwest New Mexico Water Study Group or its successor, including costs associated with planning and environmental compliance activities and environmental mitigation and restoration.

2. [40] Describe the proposal and its technical viability.

a. Include any (or reference publically-available) technical and engineering studies completed and demonstrate how these studies support the proposal. [up to 20 points]

Various water users in southwest New Mexico have planned for a diversion, with and without an aquifer storage component, for many years, mainly as a potential water supply for the Silver City area and nearby communities. (Hines). The main new concepts in this alternative and the two other Tier-2 diversion proposals are use of diversion only during relatively high flows, the flow regimes outlined in the CUFA, and side stream storage, along with and releases and transmission to Hidalgo, Grant, and Luna Counties to provide service to the City of Deming and other potential water users not previously considered. Similar to other large water supply projects in New Mexico, up-front capital investment is although expensive, but is necessary because the project will bring the only source of new and renewable water supply to the project beneficiaries in these counties. This, the diversion and regional transmission project is would be technically viable feasible. The rate structure for purchasing this water will reflect capital repayment and O&M costs (see attached cost estimate) and will be perceived as more or less affordable depending on the value of water in municipal and industrial uses and the number and water demand of potential subscribers to the project. Over the last 30 years, studies to evaluate the possibility of using Gila River water in other parts of the region have been conducted by the Bureau of Reclamation and others (U.S. BOR, 1985; DBS&A, 2005, Section 8.6)

During the same period that the Bureau of Reclamation (BOR) was conducting its study of non-mainstem alternatives, the potential to use the water to offset depletion of groundwater in Silver City well fields in the Mimbres and Gila basins, to allow their extended use as a regional municipal and industrial supply, was identified (Hernandez et al., 1984). Subsequent work on the

*b. Include any (or reference publicly-available) hydrologic, ecologic, or geotechnical studies completed and demonstrate how information included in these studies specifically supports or detracts from the proposal. [up to 20 points]*

The USGS has eight monitor wells within 4 miles of Deming, with water level measurements recorded as early as 1940. Water levels in these USGS-monitored wells have decreased at an average rate of 0.74 foot per year (ft/yr). For the recent 40-year water plan (DBS&A, 2009), historical water level trends in one of the monitor wells located within the City limits were projected to 2050, showing that about 100 feet of water column would remain in 2050 if current trends continue.

Extending a project to Deming and other areas in *Hidalgo, Grant, and Luna Counties* increases the replacement of finite groundwater sources with renewable surface supply. Although considerable conceptual planning has been done and some cost estimates have been prepared (DBS&A, 2005, Section 8.6), this would be a complex project requiring a series of steps, including:

- Approval of the concept by the Tier 2 selection process
- Further refinement of diversion details and design elements
- **Further review of Identification of** initial storage location, volumes, and operating parameters
- More detailed identification and solicitation of project subscribers and their potential demand from the project
- Selection of intermediate storage locations and amounts (aquifer and surface)
- Feasibility study
- Route refinement
- Preliminary design of diversion, side stream reservoir, pipeline, and booster sizing and route, intermediate storage, service turn outs, and terminal aquifer, storage and recovery or storage tank facilities
- Identification of operating authority and structure
- Initial operations plans
- Right of way acquisition
- Environmental impact analysis
- Geotechnical investigations
• Engineering report
• Detail design
• Detailed operations and maintenance planning, staffing, and training
• Construction

Additional planning and design activity may be necessary as well, and the sequence of some of the activities may change. Environmental assessment has been ongoing in all of the Gila diversion planning. However, a formal environmental impact statement (EIS) would depend on a good preliminary design and near final route location decisions. Review of the feasibility study, engineering report, and final design by various State and federal agencies and the various stakeholder groups involved in AWSA planning will also be required.

As previously mentioned, diversion options in general have been considered for some time. The Bureau of Reclamation studies completed in the 1980s outline different approaches to diverting the Gila River water, including the Mangas reservoir location. The 1987 study specifically identifies side canyon reservoirs with varying amounts of surface storage. A study by the U.S. Fish and Wildlife Service identified concerns such as eutrophication and non-native fish species propagation (USFWS, 1986a, 1986b).

3. [40] Quantify estimated costs.
   a. Quantify the proposal’s estimated costs, including planning, design, and/or construction, and administration or oversight. [up to 10 points]

Previous diversion and storage cost estimates can be adjusted for construction cost changes and differing elements of the design. The resulting capital cost for the basic diversion, reservoirs, and delivery system (pipeline) will remain in the neighborhood of $190,000,000 ($178 million [M] for Mangas reservoir and pipeline and $12M for Mogollon reservoir) $325,000,000- (see attached cost estimate). This does not include the costs associated with additional points of use, storage, delivery systems, and terminal facilities that would be necessary in order to use the new surface water source to meet local water demand. Contingency costs are also excluded.

Since the pipeline will be sized for future uses, but not all of the capacity will be needed initially, the project will likely have excess capacity at first. One possible approach is to use the water for aquifer storage in Grant County until the other demands come on line. A decision as to who will be responsible for the cost of these facilities would require much more planning and development of the alternative concept. As part of this application, and to provide a better assessment of project feasibility, DBS&A prepared a preliminary planning level cost estimate (attached) of diversion, initial storage reservoir, transmission, and pumping and added a schematic representation of diversion and storage to the conceptual pipeline alignment (Figure 23). The total estimated cost sought under this application is $190M;$325,000,000.

As part of this amendment the applicant evaluated a side-channel reservoir located adjacent to Mogollon Creek (Figure 5). However, due to the significant amount of excavation needed, the total cost amounted to $99M for this reservoir alone. Based on these preliminary cost estimates, this site was deemed infeasible.
Off-Channel Mogollon Creek Reservoir
b. If applicable, quantify the proposed project’s on-going administrative, operational, and maintenance costs. [up to 10 points]

A preliminary estimate for operations and maintenance costs is included in the attached cost estimate.

c. Describe environmental compliance activities, and quantify the costs for environmental mitigation and restoration related to the proposal. [up to 10 points]

Until preliminary feasibility and design alternatives are evaluated during the Preliminary Engineering Report phase or “appraisal level study” phase as required for federal funds, the costs of environmental compliance studies, mitigation and restoration are not known. NEPA, which is part of the suite of environmental activities that will be required, is estimated to run about 3 percent of construction costs (Ward, 2011). NEPA costs for major Department of Transportation projects are assumed to be 2 percent (ICF et al., 2008).

Environmental compliance activities will include permitting and environmental studies. Because an endangered species is located within the Gila Valley, additional specialized studies will likely be required. Costs for studies and mitigation activities are likely to exceed several million dollars.

Assuming that environmental studies and NEPA cost 3 to 10 percent of construction costs, then the total costs for these activities may range from **$3.9M to $13.2M** to **$9.7M to $32.5M**, for the transmission line and a similar but unknown amount for diversion and initial storage.

d. Quantify the AWSA funding sought for the proposal and for the pendency of the proposed activity’s or project’s duration. [up to 10 points]

The total estimated cost sought under this proposal is $**325,000,000**.

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<td><strong>Total</strong></td>
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Some significant deviation from the above schedule is expected for completion of the NEPA process.
4. [40] If proposal impacts, beneficially or adversely, the environment of the Southwest Planning Region, the Gila River, its tributaries or associated riparian corridors, use the best available science to:

   a. Describe and quantify how the proposal might impact the project site and environment, particularly state and federally-listed species. [up to 10 points]

**Water Quality**

Diversion works in, on, or adjacent to the streambed have the potential to affect water quality, as the disturbance of the riverbed may result in flushed sediments. The construction will be undertaken in accordance with the applicable regulatory guidelines, and the timing will take into consideration any effects on the reproductive cycle of aquatic life.

**Diversion under High Flows**

The flood-flow diversion will divert high flows only in accordance with the CUFA-allowed flow regimes. Low and normal flows will continue as usual. It is expected that the proposed flood-flow diversion rates and timing will have a limited effect on Gila River surface flows, not further degrade the water quality under extreme flooding conditions.

**Effect on Instream and Wetland Ecology**

The disturbance of the streambed will be avoided and the diversion structure will be located adjacent to the mainstem of the river. Sediment loadings will not be increased and normal flows will not be affected during construction. Water stored in the reservoir could be released during times of drought to enhance flows for the benefit of aquatic life and the riparian habitat, especially to enhance reproductive success. Both side channel reservoirs will disrupt flows and habitat and displace the species living in those locations. However, mitigation measures will be designed to relocate species and address other impacts from construction of the reservoirs. A key purpose for both reservoirs is to capture and store flows to be released at a later time for the benefit of the river ecosystem and as a source to support aquatic species. Specialized studies will be needed to determine the timing and optimize operations to fully mitigate impacts.

**Effect on Other Diversions to Water Users**

Other existing diversion structures (agricultural or diversion to Bill Evans Lake) should not be affected by this project. Flows released from the project will allow downstream users to continue to divert during times when the river flows are too low and will prevent the river from becoming dry during the irrigation season, thereby improving river ecology and maintaining flows that would otherwise be unavailable.

**Effect on Surrounding Land Users**

Easements and appropriate permissions will be obtained from surrounding land users. To the extent possible, existing utility, highway, transmission corridors or railroad easements will be used for the pipeline that delivers water to users.
**Groundwater (Levels and Quality)**

The diversion of water has the potential to affect groundwater levels and groundwater quality as a result of seepage from surface water into groundwater or discharge to groundwater if surface water levels are lower than groundwater table. However, leakage from the diversion structure or impoundment will likely return to the river, because of the high water levels and proximity to the river, so it is not anticipated that groundwater levels and quality will be affected.

**Recreational Uses**

Recreational uses such as bird watching, fishing, or hiking by local residents and tourists are likely in this area. The proposed diversion works and impoundment should not have any significant effect on any existing recreational uses. A surface storage impoundment could offer additional recreational activities.

**Archaeological and Environmental Issues**

Appropriate surveys will be conducted to ensure that all potential archaeological sites are identified and activities are conducted in accordance with state and federal law (e.g., NEPA, 404 permit). Similarly, surveys and studies of the local ecology will be needed to identify any potentially affected species or habitats. All environmental studies will be conducted prior to final design of the project so that potential impacts and mitigation measures can be integrated into the design and implementation of the project.

Several federal agencies have regulations and guidelines pertaining to the construction activities that would be funded under this proposal. A list of these federal regulations and guidelines can be found at http://www.epa.gov/owow_keep/wetlands/wetlandsmitigation/index.html#-regulations. The following guidelines will most likely apply to this project: Physical Stream Assessment: A Review of Selected Protocols for Use in the Clean Water Act Section 404 Program, available at http://www.epa.gov/owow/wetlands/pdf/PhysicalStreamAssessmentSep2004Final.pdf.

b. Describe and quantify the proposal’s efforts to mitigate possible adverse impacts on the environment, particularly riparian areas and state and federally-listed species in the Gila Basin and at the specific location of the proposal. [up to 10 points]

As mentioned above, guidelines on mitigation will be followed as part of the environmental approval and mitigation process. Identification and quantification of potential impacts, including benefits to the riparian and aquatic environment and listed and obligate species, will be mandatory and part of the project. Potential impacts are listed in Section 4.a.

For example, the Southwestern Willow Flycatcher is known to occur throughout the Gila area. In August 2011, the U.S. Fish and Wildlife Service published a proposed the final rule to revise designate the critical habitat designation of this species. The proposed final rule includes the Upper Gila Management Unit, lists three segments of the Gila River. The most upstream segment comprises 30.6 miles that extends from Turkey Creek through the Cliff-Gila Valley to the upstream entrance of the middle Gila Box Canyon on the Gila National Forest. The which encompasses the proposed diversion sites is located within this area. Thus identification and mitigation of possible adverse impacts will likely be required. The proposal participants will contract with a firm having specialized expertise to identify potential impacts and propose

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mitigation measures during the preliminary siting investigations. A willow flycatcher survey would need to be completed to identify any nesting populations within the area. Ultimately, potential impacts will be identified through the NEPA process and mitigation measures will be determined by the applicable federal agencies. Similar activities will be required for all listed species. The proposal parties will comply with and implement the applicable legal requirements.

Both the Spikedace and Loach Minnow occur in the project area. With the advent of additional water supplies in reservoirs that release to the Gila River, previously unavailable mitigation measures will be available to offset negative impacts to species populations and to habitat. Construction of refugia and other projects to benefit these species should be included in the additional studies for this project.

c. Describe and quantify how the proposal may benefit the environment, particularly riparian areas and state and federally-listed species in the Gila Basin and at the specific location of the proposal. [up to 10 points]

An off-channel storage infrastructure can be used to augment flows during drought and release flows to support habitat and reproductive cycles of aquatic species such as the Spikedace and the Loach Minnow. The location of the proposed storage would also allow augmentation of flows in the Gila Cliff area to support or improve Southwestern Willow Flycatcher habitat if needed.

d. List any environmental statutes, rules, or regulations that may apply to the proposal, and demonstrate how the proposal implementation will comply with such laws, rules or regulations. [up to 10 points]

Numerous federal and state laws and regulations apply to this proposal. Federal statutes such as the National Environmental Policy Act, the Endangered Species Act, and the Clean Water Act, among others, will significantly influence how this proposal is further developed, including specific locations of infrastructure and design criteria to ensure compliance. The State and water users will be required to secure water rights permits from the Office of the State Engineer that will based on the AWSA and Agreement executed between the Secretary of the Interior and the State of New Mexico and its water users.

Multiple permits for construction will also be required.

Environmental compliance is generally contracted to specialty firms, although the Bureau of Reclamation also conducts NEPA reviews. Compliance will be funded out of the project budget and will be the responsibility of the applicants.

5. [70] Describe any economic or cost analysis information and data for the proposal:

a. Quantify estimated economic benefits including environmental, recreation, value of water itself, value of the water to the regional economy, increased economic growth, protection against loss of jobs, agriculture, ranching, local economic sustainability or growth, or other. [up to 10 points]

Specific economic studies will be required to fully characterize and quantify expected benefits from this proposal and are beyond the scope of this application. However, the availability of
water to meet future demand, the protection of the aquifer from unsustainable depletion, and the increasing of flows at critical times to sustain ecosystem function will have significant economic benefit. **A new recreational lake would have significant tourism and economic benefits that are real and sustainable.** In the short term, the design, engineering and construction activities will support the New Mexico economy through development of jobs. Developing a conjunctive water supply system will allow all water uses in the region to become more sustainable because they will no longer be based on mining a finite groundwater resource.

The purchase price of water rights depends on the local market conditions, intended use, limitations on transferability, and current demand for water rights. Water rights in New Mexico range from nominal fees for leased rights to $45,000 an acre foot for consumptive use. Groundwater basin and stream-specific water price studies would be needed to identify the market price for water.

The purchase price of water is not the same as its value, which would be spread across many sectors and would have multiple benefits. Detailed economic studies would be required to quantify this regional economic benefit.

\[ b. \] Quantify estimated costs including planning, design, and/or construction, environmental compliance, operation, maintenance, repair, and administrative costs or other. [10]

The total **estimated cost** sought under this proposal is **$190M 325,000,000.**

\[ c. \] Identify the source of local contributions and demonstrate the commitment and ability to pay any local cost-share for project proposal, including any applicable exchange costs [1 point for every % of project cost to be borne by local sponsor up to 50 points]

All water users will be required to commit some level of resources necessary to support the local cost share of the project. The majority of the project funds will come from the AWSA funding as well as other federal and state funding sources. Water rates will be revised to include a capital repayment and operations and maintenance component of the project. Specific cost structures will be developed during the preliminary engineering report and the NEPA process. Similar to the San Juan Chama Diversion Project in Albuquerque and the Navajo Gallup Water Supply Project, an in-depth study to determine sources and amounts needed for local contributions will be required. Municipalities will likely be required to issue bonds for part of the cost share. Federal funds may also be available as a cost share for the funds issued by the State of New Mexico from the New Mexico Unit Fund. It is assumed that 10 percent of the project will come from state and local cost share.

6. [120] Describe how the proposal addresses the needs of a particular group or groups or interests on the issues of

\[ a. \] Historic uses, traditions, cultures, and customs. [up to 10 points]

The proposed project objective is to achieve sustainable water use to meet agricultural, municipal, and industrial supply, so that the traditions, cultures, and customs that have given rise to the current uses and allocations of water can be protected. Such uses include preservation of agriculture.
b. Current and future demands for water in the Southwest Planning Region. [up to 20 points]

The proposed project would increase the availability of Gila River water to multiple communities and irrigated agricultural users in the region and for most other water demands that may develop in the future. Water demands in the area are projected to increase, while water levels in the Mimbres aquifer supplying these needs are steadily dropping. This project would provide an alternative source of supply for these needs that would allow development of a sustainable conjunctive use system relying on both surface water and groundwater to meet demand. It is similar in concept to both the Eastern New Mexico Rural Water Supply project, which will bring surface water from the Canadian River to communities that rely solely on the diminishing Ogallala aquifer, and to projects using San Juan-Chama Project water that are being implemented by the City of Santa Fe, Albuquerque Bernalillo County Water Utility Authority (ABCWUA), and other New Mexico communities to implement sustainable conjunctive use.

Current population and water demand data from 2002 for communities in the Southwest New Mexico Water Planning Region are discussed below (DBS&A, 2005).

Future Demand in the Planning Region

Given that the largest supplies in the Southwest New Mexico Water Planning Region are in groundwater reservoirs, many of which have very low natural recharge rates, a reliable long-term supply depends on using these resources wisely. Groundwater resources are currently being depleted at an unsustainable rate, such that Deming will not be capable of meeting demands through 2040 with existing wells.

Non-municipal water uses (such as agriculture) would benefit as well because water levels in the areas of the Mimbres aquifer that are most stressed would be able to recover. This would preserve the groundwater resources for current uses as well as for future water use increases due to population growth and economic development.

The 2005 regional water plan projects the need for up to 15,000 ac-ft of water per year by 2040.

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<tr>
<th>Location</th>
<th>Estimated 2002 Per Capita Use (gpcd)</th>
<th>Growth Scenario</th>
<th>Projected Withdrawals (ac-ft/yr) by Public Systems</th>
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</tr>
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<tr>
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<tr>
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<tr>
<td>Lordsburg</td>
<td>205</td>
<td>High</td>
<td>830</td>
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</table>
It is anticipated that the ISC will negotiate a Joint Powers Agreement with a coalition of the parties that specifies how water would be allocated, including priority of users, amounts etc. The Navajo Gallup Pipeline project anticipates up to 40 side agreements to address all aspects of management and distribution of the water. This project is not as complex, but numerous agreements will be required to create and implement a management structure for the project.

c. **Flood control. [up to 20 points]**

This is not intended as a flood control project. Nevertheless, the project will be designed to divert some flood flow volumes as determined under federal law and guidelines and will adhere to the requirements of the CUFA that was developed under the AWSA.

d. **Fire protection, prevention, or suppression. [up to 20 points]**

Increasing the sustainability of water sources benefits fire protection. However, fire protection in water service areas is based on system design and capacity that must meet specific standards, and most water providers already have that in place. By protecting the aquifer from excessive depletion, it provides an easily available resource that can be pumped as needed for fire protection and suppression. **For forest fires, a large reservoir can be used as a supply for aerial firefighting, relying on helicopters or air tankers to carry water from the lake to the fire.**

e. **Recreation. [up to 20 points]**

The Gila River is a great source of recreation in the four-county area. The project will be managed to improve habitat and recreation and sustain existing recreational uses. The storage infrastructure could provide significant additional recreational value similar to those currently used at Bill Evans Lake.

f. **Environmental protection and/or enhancement. [up to 20 points]**

Developing an off-channel storage infrastructure will allow for the augmenting of flows during drought. The location of the proposed storage would allow augmentation of flows in the Gila Cliff area to support or improve local environmental conditions (riparian and aquatic habitat) and to protect specific species or enhance certain ecosystem functions that would benefit multiple
species including listed and obligate species. The purpose of the project is to provide benefits to water users and the State of New Mexico while protecting and improving the local environment.

g. Any others. [up to 10 points]

7. [40] List those supporting the application, including federal, state, and local government entities; Indian nations, tribes or pueblos; irrigation or conservation districts; non-profit organizations; and other entities. Provide letters or resolutions of support for the application. [up to 40 points]

Several communities, including the City of Deming, have passed resolutions supporting this amended application. Letters of support are (see attached).

8. [30] Describe whether the proposal would benefit one or more than one of the counties in the Southwest New Mexico Planning Region – Catron, Grant, Hidalgo, and/or Luna Counties. [10 points/county up to 40 points]

The proposal will primarily benefit Hidalgo, Luna, and Grant Counties by making water available for municipal, industrial, and agricultural use and reducing aquifer mining. Additionally, depending on the amount of water available in the initial storage reservoir and the economics involved in selecting between competing demands, irrigators in Hidalgo County could potentially increase the amount of land in production and would may benefit from releases during times of low flow, which will allow irrigation to continue when summer precipitation is less than expected. In particular, this application supports the development of the 4,000 acre feet allocated to the San Francisco in Catron County, although it is not specifically covered in this proposed project.

9. [50] Describe whether the proposal would support economic growth or benefit one or more than one of the following interests in the Southwest New Mexico Planning Region – agricultural, ranching, municipal, recreational, or other (specify). [10 points/interest up to 50 points]

The proposal will increase the sustainability of water resources in the Southwest New Mexico water planning area, thereby supporting economic growth at the municipal area and continuing to sustain agricultural uses. In and around Deming, non-municipal water uses (such as agriculture, ranching) would benefit as well, because water levels in the areas of the Mimbres aquifer that are most stressed would be able to recover due to the City using surface water and decreasing its pumping of the aquifer. This would preserve the groundwater resources for current uses as well as future water use increases due to population growth and economic development.

References


## Gila to Deming Proposed Pipeline

**Preliminary Opinion of Probable Cost - December 2011**

<table>
<thead>
<tr>
<th>Route</th>
<th>Distance (mi)</th>
<th>Total Capital Cost* ($322,860,000)</th>
<th>Annual O&amp;M* Cost ($3,690,000)</th>
<th>20-Year Present Worth* ($379,320,000)</th>
<th>Unit Cost ($/ac-ft)</th>
<th>Unit Cost ($/1000 gal)</th>
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<tr>
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<td>$1,355</td>
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### Major Assumptions:
- Delivery of 14,000 ac-ft/yr through a 36" ductile iron pipeline
- Delivery for 8 hours per day, 365 days per year
- Assume water quality requires no treatment or chlorination

The following items are percentages of construction cost:
- § Mobilization/Demobilization, per COA 2009 Item 6.05/6.06: 5.07%
- § Construction Staking, per COA 2009 Item 4.01: 1.4%
- § Survey, per COA 2009 Item 4.02: 1.31%
- § Traffic Control & Barricading, per COA 2009 Item 19.01: 2.1%
- § Erosion Control, per COA 2009 Item 201.06: 0.16%
- § Engineering Services for Design and Construction, per EPA: 12%
- § Project Management, per EPA: 5%
- § Construction Permitting, per RS Means 01 41 26.50: 2%
- § ROW negotiations or acquisition, professional opinion: 5%
- § Bonding and Insurance, per RS Means 01 31 13.30 and 01 31 13.90: 4.8%
- § Contingency: 0%

### Present worth calculation assumes
- 2.70% real interest rate
- 20 years

### References
- City of Albuquerque, City Engineer's Estimated Unit Prices for Contract Items (2009)
- RS Means Heavy Construction Cost Data (2011)

* Costs rounded to nearest $10,000
## Gila to Deming Proposed Pipeline
### Capital Preliminary Opinion of Probable Cost

<table>
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<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Units</th>
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<th>Extended Price</th>
<th>Unit Price</th>
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**Construction Materials Subtotal** $211,818,360

**Construction Related Services Subtotal** $21,266,563

**Capital Construction Subtotal** $233,084,924

**Professional Services Subtotal** $67,035,224

**Total Capital Cost** $322,629,159
## Gila to Deming Proposed Pipeline
### Annual Operation and Maintenance Preliminary Opinion of Probable Cost

<table>
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<tr>
<th>Item No.</th>
<th>Item Description</th>
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<td>$1,000</td>
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<td><strong>Subtotal</strong></td>
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<td></td>
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All O&M cost estimates exclude insurance, accounting and auditing fees, legal fees, debt repayment and related expenses, and interest.
Southwest New Mexico Regional Water Supply Project
Preliminary Opinion of Probable Cost - March 2013

<table>
<thead>
<tr>
<th>Route</th>
<th>Distance (mi)</th>
<th>Total Capital Cost*</th>
<th>Annual O&amp;M* Cost</th>
<th>30-Year Present Worth*</th>
<th>Unit Cost ($/ac-ft)</th>
<th>Unit Cost ($/1000 gal)</th>
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<tbody>
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<tr>
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<td>$4,640,000</td>
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<td>897</td>
<td>$2.75</td>
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</table>

**Major Assumptions:**

Five subsurface collector wells provide sufficient flow from the Gila River into Mangas Reservoir during times when diversion is allowed.
Delivery of 10,000 acre-feet/yr as far as Hurley, of which 2,500 acre-feet/yr will continue on to Deming through ductile iron pipe.
Delivery of water from the Mangas Creek reservoir for 24 hours per day, 365 days per year.
Any treatment required will be performed by end users.
Flow in Mogollon Creek is sufficient to fill Mogollon Reservoir without diversions from the Gila.

The following items are percentages of construction cost:
- § Engineering Services for Design and Construction, per EPA 12%
- § Project Management, per EPA 3%
- § Construction Permitting, per RS Means 01 41 26.50 2%
- § ROW negotiations or acquisition, professional opinion 5%
- § Bonding and Insurance, per RS Means 01 31 13.30 and 01 31 13.90 4.8%
- § Contingency 10%

**Present worth calculation assumes**

3.0% 30 years

The present worth presented here includes the capital cost of construction in 2012 dollars, and the present value, in 2012 dollars, for annual costs to operate the facility for 30 years. Present worth is method of evaluating alternatives that are mutually exclusive but have similar life cycles. Present worth costs are not intended to represent a total cost to finance for either construction or operation of these facilities.

**References**

City of Albuquerque, City Engineer’s Estimated Unit Prices for Contract Items (2009)
RS Means Heavy Construction Cost Data (2013)

* Costs rounded to nearest $10,000
# Mogollon Creek Potential Reservoir Capital Preliminary Opinion of Probable Cost

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<th>Item Description</th>
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<td>Previous project experience</td>
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## Professional Services

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<td>Bonding and Insurance</td>
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</table>

**Total Capital Cost** $12,155,352

Note: Estimated costs are provided to an accuracy of +50 percent to -30 percent. The actual cost of the project would depend on the final scope and design of the elements listed in this estimate, the schedule of implementation, competitive market conditions, and other variables.
## Mangas Creek Proposed Diversion, Reservoir, and Pipeline
### Capital Preliminary Opinion of Probable Cost

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Extended Price</th>
<th>Unit Price Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Subsurface diversion collector wells</td>
<td>EA</td>
<td>5</td>
<td>$2,400,000</td>
<td>$12,000,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>2</td>
<td>Pumps at collector wells</td>
<td>EA</td>
<td>5</td>
<td>$1,490,000</td>
<td>$7,450,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>3</td>
<td>Pipeline from collector wells to reservoir</td>
<td>LS</td>
<td>1</td>
<td>$7,800,000</td>
<td>$7,800,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>4</td>
<td>Mangas Creek Reservoir</td>
<td>LS</td>
<td>1</td>
<td>$46,000,000</td>
<td>$46,000,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>5</td>
<td>Pump Stations</td>
<td>EA</td>
<td>5</td>
<td>$1,890,000</td>
<td>$9,450,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>6</td>
<td>24-inch DI water line, CIP</td>
<td>LF</td>
<td>185,000</td>
<td>$120</td>
<td>$22,200,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>7</td>
<td>14-inch DI water line, CIP</td>
<td>LF</td>
<td>212,000</td>
<td>$70</td>
<td>$14,840,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>8</td>
<td>SCADA for pumping system</td>
<td>EA</td>
<td>1</td>
<td>$472,500</td>
<td>$472,500</td>
<td>Previous project experience</td>
</tr>
</tbody>
</table>

**Construction Materials Subtotal** $120,212,500

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Extended Price</th>
<th>Unit Price Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Costs not accounted for above</td>
<td></td>
<td>10%</td>
<td>of $120,212,500</td>
<td>$12,021,250</td>
<td>Professional opinion</td>
</tr>
</tbody>
</table>

**Capital Construction Subtotal** $132,233,750

### Professional Services

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Percentage</th>
<th>Units</th>
<th>Unit Price</th>
<th>Extended Price</th>
<th>Unit Price Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Project Management</td>
<td>3%</td>
<td>of</td>
<td>$132,233,750</td>
<td>$3,967,013</td>
<td>Contract agreement</td>
</tr>
<tr>
<td>11</td>
<td>Engineering Services for Design and Construction</td>
<td>12%</td>
<td>of</td>
<td>$132,233,750</td>
<td>$15,868,050</td>
<td>EPA 2000</td>
</tr>
<tr>
<td>12</td>
<td>Construction Management</td>
<td>8%</td>
<td>of</td>
<td>$132,233,750</td>
<td>$10,578,700</td>
<td>Previous project experience</td>
</tr>
<tr>
<td>13</td>
<td>Construction Permitting</td>
<td>2%</td>
<td>of</td>
<td>$132,233,750</td>
<td>$2,644,675</td>
<td>RS Means 01 41 26.50 0100</td>
</tr>
<tr>
<td>14</td>
<td>ROW/Easement negotiations and acquisition</td>
<td>5%</td>
<td>of</td>
<td>$132,233,750</td>
<td>$6,611,688</td>
<td>Professional opinion</td>
</tr>
<tr>
<td>15</td>
<td>Bonding and Insurance</td>
<td>4.8%</td>
<td>of</td>
<td>$132,233,750</td>
<td>$6,294,327</td>
<td>RS Means 01 31 13.30 and 01 31 13.90</td>
</tr>
</tbody>
</table>

**Professional Services Subtotal** $45,964,452

**Total Capital Cost** $178,198,202

Note: Estimated costs are provided to an accuracy of +50 percent to -30 percent. The actual cost of the project would depend on the final scope and design of the elements listed in this estimate, the schedule of implementation, competitive market conditions, and other variables.
### Southwest New Mexico Regional Water Supply Project
**Annual Operation and Maintenance Preliminary Opinion of Probable Cost**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Item Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Extended Price</th>
<th>Unit Price Source</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Mogollon Annual Operation and Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Labor - WS4 Technician</td>
<td>hr</td>
<td>416</td>
<td>$50</td>
<td>$20,800</td>
<td>1 employee, 6 hrs/wk</td>
</tr>
<tr>
<td></td>
<td><strong>Annual Mogollon O&amp;M Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$20,800</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Mangas Annual Operation and Maintenance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Labor - WS4 Technician</td>
<td>hr</td>
<td>6240</td>
<td>$50</td>
<td>$312,000</td>
<td>3 employees, 8 hrs/day, 5 days/wk</td>
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<tr>
<td>2</td>
<td>Labor - Engineer</td>
<td>hr</td>
<td>1248</td>
<td>$100</td>
<td>$124,800</td>
<td>20% of the tech time</td>
</tr>
<tr>
<td>3</td>
<td>O&amp;M Supplies</td>
<td>LS</td>
<td>1</td>
<td>$87,163</td>
<td>$87,163</td>
<td>Cleaning materials, small replacement parts, replace one pump in each station every 10 years</td>
</tr>
<tr>
<td>4</td>
<td>Electricity*</td>
<td>$/kWh</td>
<td>7.4E+07</td>
<td>$0.06</td>
<td>$4,049,892</td>
<td>PNM rate schedule, average of peak and off-peak rate</td>
</tr>
<tr>
<td>5</td>
<td>Transportation/office Supplies</td>
<td>MO</td>
<td>12</td>
<td>$5,000</td>
<td>$60,000</td>
<td>Maintenance trucks O&amp;M, fuel, office supplies</td>
</tr>
<tr>
<td>6</td>
<td>Operator training</td>
<td>EA</td>
<td>5</td>
<td>$1,000</td>
<td>$5,000</td>
<td>Previous project experience</td>
</tr>
<tr>
<td></td>
<td><strong>Subtotal</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,638,855</strong></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Contingency</td>
<td>0%</td>
<td>of</td>
<td>$4,638,855</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Annual Mangas O&amp;M Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$4,638,855</strong></td>
<td></td>
</tr>
</tbody>
</table>

All O&M cost estimates exclude insurance, accounting and auditing fees, legal fees, debt repayment and related expenses, and interest. Note: Estimated costs are provided to an accuracy of +50 percent to -30 percent. The actual cost of the operation and maintenance for this project would depend on the final scope and design of the elements listed in this estimate, the schedule of implementation, competitive market conditions, and other variables.

* The use of green energy alternatives or purchased power agreements, which could reduce the estimated energy cost, will be explored.
RESOLUTION NO. 13-20

A RESOLUTION OF THE CITY OF DEMING DECLARING SUPPORTING AND APPROVING SUBMISSION OF AMENDED APPLICATIONS OF THE SOUTHWEST NEW MEXICO REGIONAL WATER SUPPLY PROJECT AND A WASTEWATER REUSE PROJECT BOTH, BEING AWSA PROPOSALS PREVIOUSLY SUBMITTED BY THE CITY OF DEMING TO THE NEW MEXICO INTERSTATE STREAM COMMISSION

WHEREAS, the AWSA water is the only source of new water supply to the four-county region of Grant, Hidalgo, Catron, and Luna; and

WHEREAS, the City of Deming previously submitted applications for a water diversion project and a wastewater reuse to the New Mexico Interstate Stream Commission (ISC) pursuant to the AWSA, which was accepted for further evaluation in February 2012; and

WHEREAS, on January 18, 2013, the ISC invited applicants to amend their applications to incorporate elements of other similar applications or otherwise improve the clarity and scope of the application; and

WHEREAS, the City of Deming has taken the opportunity granted by the ISC to amend its water diversion and wastewater reuse proposals, and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEMING, NEW MEXICO that:

1. The City of Deming approves the revised application for the Southwest New Mexico Regional Water Supply Project; and

2. The City of Deming approves the revised Wastewater Reuse Project

3. The City of Deming supports and authorizes the submission of both amended proposals in compliance with requirements set forth by the Interstate Stream Commission.

PASSED, ADOPTED, AND APPROVED THIS 8th DAY OF MARCH, 2013.

CITY OF DEMING, NEW MEXICO

Andres Z. Silva, Mayor

Richard F. McInturff, Clerk
RESOLUTION NO. 13-15

A RESOLUTION OF THE CITY OF DEMING DECLARING SUPPORT OF THE SOUTHWEST NEW MEXICO REGIONAL WATER SUPPLY PROJECT, AN AWSA PROPOSAL SUBMITTED BY THE CITY OF DEMING TO THE NEW MEXICO INTERSTATE STREAM COMMISSION

WHEREAS, the State of New Mexico is entitled to divert up to 14,000 acre-feet of water from the Gila and San Francisco Rivers under the Arizona Water Settlements Act (AWSA) for the benefit of the four-county Southwest New Mexico Water Planning Region (Catron, Grant, Hidalgo, and Luna Counties) and receives federal funds to finance local projects to develop these water resources; and

WHEREAS, the AWSA water is the only source of new water supply to the four-county region; and

WHEREAS, the City of Deming submitted an application for a water diversion project to the New Mexico Interstate Stream Commission (ISC) pursuant to the AWSA, which was accepted for further evaluation in February 2012; and

WHEREAS, on January 18, 2013, the ISC invited applicants to amend their applications to incorporate elements of other similar applications or otherwise improve the clarity and scope of the application; and

WHEREAS, the cities of Deming, Silver City, Hurley, Bayard, and Santa Clara, and Luna and Grant counties met on February 12, 2013 to provide direction to the City of Deming in amending its application; and

WHEREAS, the goal of the Southwest New Mexico Regional Water Supply Project is to divert, store, and convey through a pipeline the AWSA water available to New Mexico for the benefit of citizens of the four-county region, including the municipal, agricultural, recreational, environmental, and industrial sectors, to assure long-term sustainable water supplies and economic vitality of this region; and

WHEREAS, Four thousand of the fourteen thousand acre feet of diversion under the ASWA is reserved for the San Francisco watershed in Catron County and is separate and aside from the ten thousand acre feet being advanced in the Southwest Regional Water Supply Project; and

WHEREAS, most public and domestic water supplies in the region are provided by groundwater, which is a finite and declining resource in Luna and Grant counties; and

WHEREAS, a reliable surface water supply to augment and enhance mined groundwater sources will ensure that long-term water supplies are available to the region through a conjunctive management system that relies on groundwater in times of drought and on surface water when supplies area available; and

WHEREAS, the City of Deming, New Mexico supports the design and construction of multiple diversion storage facilities, with at least one large water storage facility that would contain the majority of the storage allotment maximum of 60,000 acre feet; and

WHEREAS, the City of Deming, New Mexico supports the use of water rights exchange mechanisms that allow use of AWSA water for the benefit of the four-county region and may result in significant cost savings by avoiding expensive conveyance structures; and

WHEREAS, the City of Deming, New Mexico supports the creation of an entity that will oversee and manage the project and will enter into contracts to sell water to eligible water users; and
WHEREAS, the City of Deming, New Mexico supports funding for Catron County’s four thousand acre feet of ASWA allocation; and

WHEREAS, the City of Deming, New Mexico supports the operational release of water from ASWA diversion storage facilities for downstream agricultural, industrial, and municipal use in Hidalgo County; and

WHEREAS, it is the firm resolution and desire that the benefits of the AWSA remain within the four-county region, and the City of Deming, New Mexico objects to any efforts to transfer or sell the AWSA water resources outside the region; and

WHEREAS, the communities, water users, and stakeholders in the Southwest New Mexico Water Planning Region, including Catron, Grant, Hidalgo, and Luna Counties, wish to work cooperatively to protect and conserve the water resources of the planning region and to ensure that the water supplies assured to New Mexico under the AWSA are utilized for the benefit of the planning region.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEMING, NEW MEXICO that:

1. The City of Deming supports the revised application for the Southwest New Mexico Regional Water Supply Project; and

2. The City of Deming supports intergovernmental cooperation on development of this project and protection of this water supply for the benefit of the region; and

3. The City of Deming requests that all technical work provided by the U.S. Bureau of Reclamation be consistent with the conceptual framework presented by the applicants for funding under the AWSA and approved by the ISC; and

4. The City of Deming opposes the exportation or conveyance of AWSA water outside the four-county region.

PASSED, ADOPTED, AND APPROVED THIS 27th DAY OF FEBRUARY, 2013.

CITY OF DEMING, NEW MEXICO

[Signature]
Andres Z. Silva, Mayor

[Signature]
Richard F. McInturff, Clerk
RESOLUTION NO. 13-16

A RESOLUTION OF THE LUNA COUNTY BOARD OF COMMISSIONERS DECLARING
SUPPORT OF
THE SOUTHWEST NEW MEXICO REGIONAL WATER SUPPLY PROJECT, AN
AWSA PROPOSAL SUBMITTED BY THE CITY OF DEMING TO THE
NEW MEXICO INTERSTATE STREAM COMMISSION

WHEREAS, the State of New Mexico is entitled to divert up to 14,000 acre-feet of water from the
Gila and San Francisco Rivers under the Arizona Water Settlements Act (AWSA) for the benefit of the
four-county Southwest New Mexico Water Planning Region (Catron, Grant, Hidalgo, and Luna Counties)
and receives federal funds to finance local projects to develop these water resources; and

WHEREAS, the AWSA water is the only source of new water supply to the four-county region; and

WHEREAS, the City of Deming submitted an application for a water diversion project to the New
Mexico Interstate Stream Commission (ISC) pursuant to the AWSA, which was accepted for further
evaluation in February 2012; and

WHEREAS, on January 18, 2013, the ISC invited applicants to amend their applications to
incorporate elements of other similar applications or otherwise improve the clarity and scope of the
application; and

WHEREAS, the cities of Deming, Silver City, Hurley, Bayard, and Santa Clara, and Luna and Grant
counties met on February 12, 2013 to provide direction to the City of Deming in amending its
application; and

WHEREAS, the goal of the Southwest New Mexico Regional Water Supply Project is to divert,
store, and convey through a pipeline the AWSA water available to New Mexico for the benefit of citizens
of the four-county region, including the municipal, agricultural, recreational, environmental, and
industrial sectors, to assure long-term sustainable water supplies and economic vitality of this region; and

WHEREAS, Four thousand of the fourteen thousand acre feet of diversion under the ASWA is
reserved for the San Francisco watershed in Catron County and is separate and aside from the ten
thousand acre feet being advanced in the Southwest Regional Water Supply Project; and

WHEREAS, most public and domestic water supplies in the region are provided by groundwater,
which is a finite and declining resource in Luna and Grant counties; and

WHEREAS, a reliable surface water supply to augment and enhance mined groundwater sources
will ensure that long-term water supplies are available to the region through a conjunctive management
system that relies on groundwater in times of drought and on surface water when supplies are available;
and

WHEREAS, the Luna County Board of Commissioners, New Mexico supports the design and
construction of multiple diversion storage facilities, with at least one large water storage facility that
would contain the majority of the storage allotment maximum of 60,000 acre feet; and

WHEREAS, the Luna County Board of Commissioners, New Mexico supports the use of water
rights exchange mechanisms that allow use of AWSA water for the benefit of the four-county region and
may result in significant cost savings by avoiding expensive conveyance structures; and
WHEREAS, the Luna County Board of Commissioners, New Mexico supports the creation of an entity that will oversee and manage the project and will enter into contracts to sell water to eligible water users; and

WHEREAS, the Luna County Board of Commissioners, New Mexico supports funding for Catron County’s four thousand acre feet of ASWA allocation; and

WHEREAS, the Luna County Board of Commissioners, New Mexico supports the operational release of water from ASWA diversion storage facilities for downstream agricultural, industrial, and municipal use in Hidalgo County; and

WHEREAS, it is the firm resolution and desire that the benefits of the AWSA remain within the four-county region, and the Luna County Board of Commissioners, New Mexico objects to any efforts to transfer or sell the AWSA water resources outside the region; and

WHEREAS, the communities, water users, and stakeholders in the Southwest New Mexico Water Planning Region, including Catron, Grant, Hidalgo, and Luna Counties, wish to work cooperatively to protect and conserve the water resources of the planning region and to ensure that the water supplies assured to New Mexico under the AWSA are utilized for the benefit of the planning region.

NOW, THEREFORE, BE IT RESOLVED BY THE LUNA COUNTY BOARD OF COUNTY COMMISSIONERS that:

1. Luna County supports the revised application for the Southwest New Mexico Regional Water Supply Project; and

2. Luna County supports intergovernmental cooperation on development of this project and protection of this water supply for the benefit of the region; and

3. Luna County requests that all technical work provided by the U.S. Bureau of Reclamation be consistent with the conceptual framework presented by the applicants for funding under the AWSA and approved by the ISC; and

4. Luna County opposes the exportation or conveyance of AWSA water outside the four-county region.

PASSED, ADOPTED, AND APPROVED THIS 21st DAY OF February, 2013.

LUNA COUNTY, NEW MEXICO

R. Javier Diaz, Chairman

ATTEST:

Andrea Rodriguez, County Clerk
RESOLUTION NO: 2013-14

A RESOLUTION OF THE HIDALGO COUNTY BOARD OF COMMISSIONERS
DECLARING SUPPORT OF THE SOUTHWEST NEW MEXICO REGIONAL WATER SUPPLY
PROJECT, AN AWSA PROPOSAL SUBMITTED BY THE CITY OF DEMING TO THE NEW
MEXICO INTERSTATE STREAM COMMISSION

WHEREAS, the State of New Mexico is entitled to divert up to 14,000 acre-feet of water from the
Gila and San Francisco Rivers under the Arizona Water Settlements Act (AWSA) for the benefit of the
four-county Southwest New Mexico Water Planning Region (Catron, Grant, Hidalgo, and Luna Counties) and receives federal funds to finance local projects to develop these water resources; and

WHEREAS, the AWSA water is the only source of new water supply to the four-county region; and

WHEREAS, the City of Deming submitted an application for a water diversion project to the New Mexico Interstate Stream Commission (ISC) pursuant to the AWSA, which was accepted for further evaluation in February 2012; and

WHEREAS, on January 18, 2013, the ISC invited applicants to amend their applications to incorporate elements of other similar applications or otherwise improve the clarity and scope of the application; and

WHEREAS, the cities of Deming, Silver City, Hurley, Bayard, and Santa Clara, and Luna and Grant counties met on February 12, 2013 to provide direction to the City of Deming in amending its application; and

WHEREAS, the goal of the Southwest New Mexico Regional Water Supply Project is to divert, store, and convey through a pipeline the AWSA water available to New Mexico for the benefit of citizens of the four-county region, including the municipal, agricultural, recreational, environmental, and industrial sectors, to assure long-term sustainable water supplies and economic vitality of this region; and

WHEREAS, Four thousand of the fourteen thousand acre feet of diversion under the ASWA is reserved for the San Francisco watershed in Catron County and is separate and aside from the ten thousand acre feet being advanced in the Southwest Regional Water Supply Project; and

WHEREAS, most public and domestic water supplies in the region are provided by groundwater, which is a finite and declining resource in Luna and Grant counties; and

WHEREAS, a reliable surface water supply to augment and enhance mined groundwater sources will ensure that long-term water supplies are available to the region through a conjunctive management system that relies on groundwater in times of drought and on surface water when supplies are available; and

WHEREAS, the Hidalgo County Board of Commissioners, New Mexico supports the design and construction of multiple diversion storage facilities, with at least one large water storage facility that would contain the majority of the storage allotment maximum of 60,000 acre feet; and

WHEREAS, the Hidalgo County Board of Commissioners, New Mexico supports the use of water rights exchange mechanisms that allow use of AWSA water for the benefit of the four-county region and may result in significant cost savings by avoiding expensive conveyance structures; and
WHEREAS, the Hidalgo County Board of Commissioners, New Mexico supports the creation of an entity that will oversee and manage the project and will enter into contracts to sell water to eligible water users; and

WHEREAS, the Hidalgo County Board of Commissioners, New Mexico supports funding for Catron County’s four thousand acre feet of ASWA allocation; and

WHEREAS, the Hidalgo County Board of Commissioners, New Mexico supports the operational release of water from ASWA diversion storage facilities for downstream agricultural, industrial, and municipal use in Hidalgo County; and

WHEREAS, it is the firm resolution and desire that the benefits of the AWSA remain within the four-county region, and the Hidalgo County Board of Commissioners, New Mexico objects to any efforts to transfer or sell the AWSA water resources outside the region; and

WHEREAS, the communities, water users, and stakeholders in the Southwest New Mexico Water Planning Region, including Catron, Grant, Hidalgo, and Luna Counties, wish to work cooperatively to protect and conserve the water resources of the planning region and to ensure that the water supplies assured to New Mexico under the AWSA are utilized for the benefit of the planning region.

NOW, THEREFORE, BE IT RESOLVED BY THE HIDALGO COUNTY BOARD OF COMMISSIONERS that:

1. Hidalgo County supports the revised application for the Southwest New Mexico Regional Water Supply Project; and

2. Hidalgo County supports the intergovernmental cooperation on development of this project and protection of this water supply for the benefit of the region; and

3. Hidalgo County requests that all technical work provided by the U.S. Bureau of Reclamation be consistent with the conceptual framework presented by the applicants for funding under the AWSA and approved by the ISC; and

4. Hidalgo County opposes the exportation or conveyance of AWSA water outside the four-county region.

PASSED, ADOPTED AND APPROVED this 28th day of February, 2013.

Hidalgo County Board of Commissioners:

Darr Shannon, Chairwoman
Richard Chaires, Commissioner
Ed Kerr, Commissioner

Attest: Amy Newell, Chief Deputy Clerk
Hidalgo County Clerk
November 27, 2011

Members of the AWSA Tier 2 Evaluation Committee:

The membership of the Gila San Francisco Water Commission has reviewed the City of Deming project proposal and voted unanimously to support it. The Commissioners understand that they have supported more projects than can be implemented with the available resources, however they continue to be committed to keeping the AWSA water in the Southwest Water Planning Region of New Mexico and using the available money to do so as well as support other water supply demands in the region. After you have evaluated and ranked the Tier 2 projects, the GSFWC will make recommendations to the ISC relative to the projects by resolution.

Thank you for your consideration of this letter of support.

Vance Lee, Chairman
Gila San Francisco Water Commission