



ANDRES Z. SILVA, MAYOR

RICHARD F. MCINTURFF, ADMINISTRATOR

Phone (505) 546-8848 • Fax (505) 546-6442
E-MAIL: deming@cityofdeming.org • Website: www.cityofdeming.org
P.O. BOX 706 • DEMING, NEW MEXICO 88031
POPULATION 14,000

CITY COUNCIL EMERGENCY MEETING

March 8, 2013

2:30 P.M.

AGENDA

Call to Order

1. Resolution to Acknowledge, support, and approve the submission of amended project applications concerning the Wastewater Reuse and the Southwest New Mexico Regional Water Supply Projects pertaining to the Arizona Water Settlement Act.

*The next regular City Council Workshop and Meeting are scheduled for 4:00 & 6:00 p.m.,
March 11, 2013.*

CITY COUNCIL EMERGENCY MEETING MINUTES

March 8, 2013

Council Present: Andres Z. Silva, Mayor
David Sanchez, Councilor
William Shattuck, Councilor
Joe "Butter" Milo, Councilor

Council Absent: Linda Franklin, Mayor Pro-Tem

Staff Present: Richard McInturff, Administrator
Aaron Sera, Assistant City Administrator
Wesley Hooper, Community Svcs. Director

Recording Secretary: Lila Jasso, Administrative Secretary/Asst. Deputy Clerk

Mayor Silva called the meeting to order and led the pledge of allegiance at 2:30 p.m.

- 1. Resolution to Acknowledge, support, and approve the submission of amended project applications concerning the Wastewater Reuse and the Southwest New Mexico Regional Water Supply Projects pertaining to the Arizona Water Settlement Act.** Mr. McInturff presented the resolution to acknowledge, support, and approve a submission of two amended project applications, concerning the Arizona Water Settlement Act. One of the applications has to do with a diversion project of which there are only three that were selected at the Tier-2 level. There were 13 other projects; one of those is the waste water reuse project that has also been selected at the Tier-2 level. Mr. McInturff stated that back in January; the Interstate Stream Commission (ISC) invited the applicants to amend their applications, if it was desired. This was allowed, due to the fact that Catron County had a fire in their area, and wanted to amend their proposal. Therefore, the ISC allowed all applicants the opportunity to amend their project applications. Mr. McInturff went on to discuss both proposals, which he referenced in the handouts given to Council.

First, he discussed the diversion project. He referred to Figure 4 and discussed the Mangas Creek Reservoir, which is proposed to be approximately a 30,000 acre/foot lake/reservoir. He then referred to Mogollon Creek, which is proposed as a 5,000 acre/ft. reservoir, which would be used to create some environmental enhancements to the Mogollon Creek. He stated that a lot of that area of the river dries up and that it is a difficult environment for a couple of endangered species. This would help those endangered species because water would be released all the time and keep that river wet. The proposed project also looks at a diversion into reservoirs then pump water from the reservoir down to the mining district that would include Silver City, Santa Clara, Bayard, Hurley, possibly Hanover, then onward to Deming. Mr. McInturff stated that the City was pleasantly surprised, because in the original application the costs for the project had been estimated at \$325 million.

Now that more specifics have been defined, mainly the use of Mangas and Mogollon Creeks, and the size of the pipe to be used to carry water to Deming, the estimated costs have dropped to \$190 million, which is a substantial difference. The \$128 million was originally granted about 10 years ago and it was indexed. The state of New Mexico was supposed to receive \$6 million, but actually received \$9 million last year, due to the indexing.

The City of Deming, Luna County, and Hidalgo County have approved a resolution to support this project. The Village of Virden has agreed to pass a similar resolution of support at their next meeting, as well as Catron County and the Village of Reserve.

Mr. McInturff explained that in today's resolution, if passed, both amended projects will be approved. Mr. McInturff explained the Wastewater Reuse Project. He stated that the water at the golf course storage ponds would be carried to Hooten Park, then, possibly in phases, to various parks along the way. Included in this project, is a probability of an additional storage pond at the golf course. This would allow for connections to the soccer field, youth football fields, and the dog park. This would also include water for the golf course and for the cemetery. Councilor Milo asked if this would be fresh water. Mr. McInturff stated that the water would be effluent water, in which the City would probably be mixing fresh water with effluent water. This Wastewater Reuse System Project would cost approximately \$4 million.

Mr. McInturff stated that the unit cost per 1000 gallons for the diversion project is going to be approximately \$2.88. Mr. McInturff stated that with the total costs being less than originally anticipated, and with the current support resolutions passed by various stakeholders, he feels this project would be a favorable one to present to the ISC. Councilor Milo asked where funding for the project would come from. Mr. McInturff stated that in Arizona Water Settlement Act, it states that the State of New Mexico is receiving \$9 million/year for the next 20 years. That is the money that will be used to finance or pay for the project. Mr. McInturff stated that the Bureau of Reclamation will distribute funds as they see fit. In addition to the construction costs, and operation and maintenance, there is an exchange rate that would have to be paid to Arizona once the water is being used. This exchange rate had been estimated at \$1.00 per 1000 gallons. Councilor Milo asked if the reservoir could be built closer to Deming. Mr. McInturff stated that based upon the physical constraints and economical aspects; the Mangus Creek Reservoir is the best location for the reservoir. Mayor Silva also added that due to the environmental studies required, this would be the most cost effective proposal.

Mr. McInturff stated that the ISC and the Bureau of Reclamation will be making the decisions regarding the funding of proposals that have been submitted. Councilor Shattuck asked how long before notification that a decision has taken place. Mr. McInturff stated that a decision will have to be made by June of 2014 as to which projects will be selected for the use of the money from the AWSA.

Mayor Silva and Mr. McInturff entertained a discussion regarding the timeline of funding and construction of the project. Mayor Silva asked if County Commissioner Diaz, who was in the gallery, had a comment regarding this project. Commissioner Diaz commented that this project's results would be seen 20 to 30 years from now. He also stated that the

economic benefit from this project is going to be immense, aside from the fact that those involved are trying to do the best job with the amount of water that is allotted from the Gila. He went on to comment that if you look at these proposed projects, and see who is benefiting the most and least, Deming and Luna County, will benefit the least. He stated that the people in the other counties should understand that Deming and Luna County are willing to sacrifice to keep the water in the four counties. He asked the Councilors to sacrifice and show those in the other counties, that we are willing to come together and to do what is best for the majority of the people. Commissioner Diaz stated that he feels these projects are sound and the best use for the water rights. Councilor Shattuck asked Commissioner Diaz, in his line of work of water well drilling, has he had to dig deeper than in the past. Commissioner Diaz stated that he has to drill from 100-150 feet deeper.

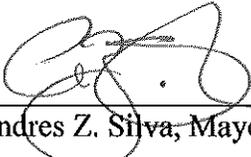
Councilor Shattuck motioned to acknowledge, support, and approve the submission of the amended project applications concerning the Wastewater Reuse and the Southwest New Mexico Regional Water Supply Projects pertaining to the Arizona Water Settlement Act. Councilor Milo seconded the motion, motion was carried unanimously.

2. Adjourn Meeting: Upon a motion by Councilor Milo and a second by Councilor Sanchez, the meeting was adjourned at 2:54 p.m.

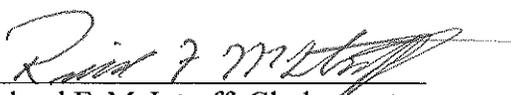
The next regular City Council Workshop and Meeting are scheduled for 4:00 p.m. and 6:00 p.m. on March 11, 2013.



CITY OF DEMING, NEW MEXICO



Andres Z. Silva, Mayor



Richard F. McInturff, Clerk

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

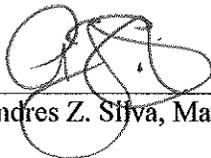
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DEMING, NEW MEXICO that:

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