

Update on the Ute Lake Pipeline Project

Clovis

September 19, 2024

The ENMWUA pipeline project for the last 19 years has relied on a 2005 water quality test of Ute Lake water. That test showed that contamination issues could be addressed with conventional, cost-effective water treatment.

However, in 2022, a new test was conducted that showed substantial increases in total dissolved solids (TDS), Alkalinity, Chloride, and the existence of PFOS and PFOA. The maximum level for TDS is below 500 mg/L. Ute water currently contains 1,120 mg/L—over 100% higher than World Health Organization limits. Ground water in Curry and Roosevelt counties contains 300 mg/L.

Conventional methods for treatment of Ute Lake water will no longer work. ENMWUA has agreed to pursue a micro-filtration, reverse osmosis, deep well injection approach that is powered by renewable energy (windmills). (*See alternative 2A attached June 12, 2023 Treatment Plant Alternative Analysis.*)

The injection wells pump concentrated brine that is a byproduct of treatment into the ground a depth of 6000 feet. Preliminary estimates call for four injection wells. A minimum of 7% of the water pumped each day from Ute Lake will be pumped into the injection wells; that is equivalent to 1.5 million gallons per day. (*See analysis page 10.*)

On the August 27, 2024, the Eastern New Mexico News reported: “Morris, the water authority chair, said the treatment plant is still being designed and engineers don’t have an exact cost. But he acknowledged that the costs will be in the “hundreds of millions” of dollars....the only unfunded component is the treatment facility, Morris has said”.

A June 2022 cost report estimated that the water treatment plant would cost \$203.4 million. (*See attached capital cost estimate.*)

The 2023 treatment plant alternating analysis estimates that they reverse osmosis system will cost \$407.5 million. That estimate has an accuracy fluctuation of -30% to +50%. (*See analysis page 23.*)

EPCOR of Clovis currently paying approximately \$1.07 per 1000 gallons of water to the City of Clovis and Curry County landowners. (*See attached EPCOR lease.*)

Upon completion of project, assuming the best scenario, wholesale water rates will be \$4.78 per 1000 gallons a 400% increase to be paid by EPCOR. (*See Analysis page 27.*)

ENMWUA has no agreement with EPCOR that will require EPCOR to purchase Ute Lake water.

In April 2024, ENMWUA awarded a bid for \$48.6 million for the Raw Water 3 pipeline. That is a 22.6-mile segment of pipeline in Curry and Quay Counties south of the Caprock. There is nothing for the Raw Water 3 pipeline to connect to because the design and funding for the water treatment plant has not been determined. If the Water treatment plant is determined to be unaffordable, the \$48.6 million will be wasted.

ENMWUA has informed Logan and Quay County that it intends to bid out Raw Water Pipeline 1A in the fall of 2024 and begin construction in the Spring of 2025. Raw Water 1A is a 14 mile portion of the pipeline beginning in Logan going south. The estimate cost of that section is \$84 million.

In light of the fact that ENMWUA has neither a design nor funding for the water treatment plant, Quay County and Logan have requested that it not proceed with construction of Raw Water Pipeline 1A until ENMWUA has a design that will work and the hundreds of millions of dollars necessary to build it. ENMWUA has refused that request.