

CITY OF JAL

2022



I. INFRASTRUCTURE NEEDS

May 20, 2022

If there is a busier community in the state of New Mexico we do not know where it is located. According to the 2020 census Jal is home to approximately 2,300 permanent residences. We think the real number is 2,500 plus. At any given time of day that number climbs to 4,000 to 4,500 depending on the activity in the oilfield in the area. Those numbers do not include the folks in the thousands of vehicles that travel our highways and streets every day and night.

We consider those folks who live in the 600 plus RV's and 700 plus man camp rooms to be part of our community and treat them as part of our community. My point is this: This community's infrastructure was designed and built to handle the permanent residences plus our best estimates of future growth levels. The additional number of folks living here utilize the same water system, waste water system and streets as do the those of us who call Jal home.

The additional activity in the oil and gas industry has indeed provided us with a healthy revenue stream. What we have done is plow those monies into our infrastructure with the idea of repairing, replacing and upgrading those areas to a point that we can move forward with a routine and regular maintenance schedule as opposed to moving from crisis mode to crisis mode. In addition, the city has and will continue to build our reserve funds. We, as do most others, know the nature of the oil and gas industry and the fluctuations inherent in that industry.

Spending on quality-of-life projects has not been our focus. Infrastructure has been. In today's world basic infrastructure must include high speed fiber optic broadband internet connection. Our schools require it, our medical facilities require it, our local business require it, industry requires it. While those of us who choose to live here and be somewhat insulated and isolated, we also choose not to be uneducated and out of communication with the rest of the world. We accepted the challenge more than four years ago to focus on the infrastructure needs of our community.

II. FIBER OPTICS - BROADBAND

- ▶ Hardwire from Hobbs, build out City of Jal
 - ▶ 3-4 year project with LEACO - 4.5 million cost
 - ▶ 2 applications with EDA in 2021 & 2022
 - ▶ Meet with governors staff on funding
 - ▶ Meet with DoIT on available funding
 - ▶ Proceeding on our own to fund full amount
 - ▶ Hospital District
 - ▶ City of Jal
 - ▶ Jal School District
 - ▶ Approaching County to help fund
 - ▶ Working through Lea County EDC

III. WASTEWATER (WWTP)

- ▶ Started 3 years ago due to not meeting NMED discharge requirements
 - ▶ Man camps
 - ▶ RV's - chemicals
- ▶ PER Complete
 - ▶ Design in final stages (\$450,000 legislative money)
- ▶ Borrowed \$1.5 million from NMFA to build new emergency discharge area.
 - ▶ Required by NMED
- ▶ Working with USDA
 - ▶ grant/loan 55/45
 - ▶ Colonias 90/10
 - ▶ (Declared/established 2021)
- ▶ \$1 million from Federal
 - ▶ \$900 from Governors Fund

IV. WATER

- ▶ Last 4 years
 - ▶ Spent \$2.3 million on litigation over water rights in the Jal Basin
- ▶ Drilled 5 test wells and 3 production wells
- ▶ Spent \$8 million on new water lines and booster station and 1 million on water tank storage
- ▶ Preparing PER Design of redundant 7 mile water line

Thank you!

