



LOCKWOOD GREENE
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21 January 2004

Honorable James Brown
Mayor Eunice, New Mexico
City of Eunice, New Mexico
PO Box 147
1106 Avenue J
Eunice, NM 88231

Dear Mayor Brown:

Subject: National Enrichment Facility (NEF) Memorandum of Understanding

The National Enrichment Facility is proceeding with the preliminary siting and design activities in Lea County New Mexico, and is requesting your agreement with the decision to make a potable water connection to the City of Eunice New Mexico. The following information represents our discussions held in your offices on 06October2003 and the current understanding of the potable water needs and is subject to change during the projects detailed design phase.

By acceptance of this agreement it is accepted and understood that:

- Eunice potable water, without additional treatment, is available for use by the NEF for an operating plant life of 30 years with an estimated initial use in 2007.
- Water can be supplied at an average rate, or a portion thereof, in the amount of 65,000gpd and maintain 80-90 psig water pressure at the NEF site. Peak use rates may exceed the average rate.
- The City of Eunice can integrate this new potable water supply to supply new city users, provided the capacity and pressure requirements specified above can be maintained at the NEF.
- It is acceptable to connect to the existing 16" PVC line running along Highway 18 Business north of Eunice approximately at the Truck Bypass, to locate a pumping station (location to be determined) and to connect a 10" or smaller HDPE line to the NEF.
- The costs for the pumping station and installation of the new 10" or smaller HDPE line approximately 7 miles from the connection point to the NEF site (Truck route, Hwy 234) will be the responsibility of the NEF.
- If necessary, the City of Eunice will be the responsible agent for the installation of the water line and the acquisition of any easements with all costs assumed by NEF.
- The City of Eunice will be responsible for all costs of operating and maintaining the new water line and pump station.
- The water use fee charged to NEF by the City will include all costs for operation and maintenance of the water supply system.

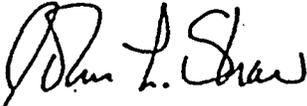
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- As a matter of information, the NEF may also seek to secure a separately run potable water line run from the City of Hobbs New Mexico. The line from Hobbs will remain independent from the Eunice supply line up to the NEF plant water distribution system.

As confirmation of your acceptance with this agreement, please affix your original signature in the spaces below and return one original to me for the project records.

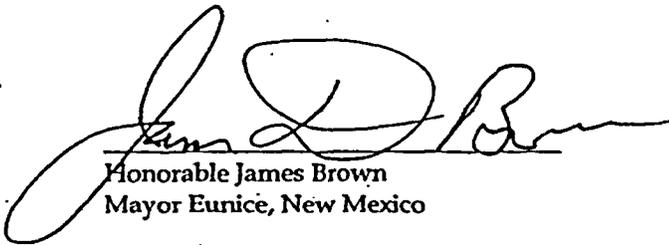
If you have further questions or comments, please contact me. Thank you for your help and we look forward to working closely with you on this project.

Sincere regards,
LOCKWOOD GREENE



John L. Shaw PE
Project Director
Lockwood Greene Engineers
(on Behalf of the National Enrichment Facility)

CITY OF EUNICE NEW MEXICO



Honorable James Brown
Mayor Eunice, New Mexico

cc: Rod Krich - LES
Project Files 20.17, 20.09
Ron Abousleman, City Manager Eunice NM