From:

Michael Springfield

Sent:

Tuesday, September 01, 2009 8:55 AM

To:

Dianne Ross; Guy Bralley

Cc:

Juan Vigil

Subject:

Commission Presentation

We need to do a "power point" presentation Thursday for the Commission on the "pilot" test. The pictures Guy took are great. I was wanting to put together a single sheet of information to present, but don't know how to put it in a presentation format. Can you guys help???? The information is as follows:

- 1. Three Phase Project
 - A. Exploration
 - B. Testing/Design
 - C. Construction/Operation
- 2. Budget
 - A. Exploration = \$6,000,000 (includes drilling, wells, hydrologic study)
 - B. Design = 5,200,000 (includes pilot testing, wells and plant design, and property acquisition)
 - C. Construction = 80,000,000 (includes 4 additional wells, treatment plant, and energy construction)
- 3. Production
 - A. Constructed in 5 million gallon/day increments (5,000 acre feet per year)
- 4. Funding
 - A. County

= \$ 7,000,000 (includes County match for Water Trust Board Grant)

- B. State
- = 4,200,000 (includes Legislative appropriation, and WTB Grant)
- C. Federal/Revenue Bonds/ PID = \$80,000,000 (includes Corp of Engineers Reimbursement, Bureau of Reclamation Grant, County Revenue Bonds, and Public Improvement District proceeds)

Something like this-----is this kinda what you want Juan???????

From: Guy Bralley

Sent: Wednesday, February 21, 2007 9:04 AM

To: Joshua Madalena
Cc: Michael Springfield
Subject: Water related info

Commissioner,

Just a short note to update you on what is going on in the Water world as it relates to the Jemez area.

Souder Miller & Associates has been selected as the study lead for the regionalization efforts in the Jemez Valley. They have teamed with Rural Community Assistance Cooperative (RCAC) for help in facilitating the meetings up there. They are working out their proposed schedule for the initial meetings with the individual water systems and communities to begin shortly. They expect to have a "full community meeting / workshop" in the early May time frame. We are pressing them to keep the schedule moving. Their reputation in the area is good, and the several Valley systems have had good experience with them in the past. They may have done some work with the Jemez Pueblo, as well.

On 24 January, Moises Gonzales, John Lorne and I held a Land Use Planning meeting in the Canon Community Center. It was pretty well attended, with about 30 folks from the communities there. I think it was a productive meeting, and I spoke at the end of the meeting for about 20 minutes on the water planning we have in mind in support of regionalization. It seemed to go over pretty well, but I think there is very much a "wait and see" attitude among lots of folks in the room: I am not surprised. Souder Miller had one of their folks there: Scott McKittrick, who is a geology type. Steve Blodgett was there from the Pueblo. Our next land meeting will be in March, the 13th. If we can do it, we plan to have the water meetings spaced between the land meetings. Both Moises and I will attend both sets of meetings.

On the Rio West development, and the associated water: Mr. George King, who is the project manager for the developer has picked up the permits for the wells for the development (from the Office of the State Engineer, in ABQ). He is in Santa Fe today discussing with Bill Hume and Brian Condif (?) about the Senate Bill 1169 which popped up on the horizon this week. Basically, 1169 would restore control and management of brackish waters below 2,500 feet to the OSE. This would impact the efforts and direction of the Recorp plans (for use of those waters), because there would need to be water rights procured just like for everybody else's water. There are still lots of unknowns as to how this would be fully effected. Regardless, this additional cost would be a significant impact on the price of water and the overall ability of a developer to provide the 100 year water supply (or any water supply) at an economic price / cost.

Just thought you might like to know some of this if the subjects were to come up tomorrow night. I will be there, and handle any of those questions if you would like me to. Hope to see you there tomorrow. If there are any other questions or concerns, let me know.

Guy Bralley Water / Wastewater Specialist Sandoval County Development 505-771-7953 Office 505-771-7184 FAX

7 Dec

Well site visit

From: Guy Bralley

Sent: Friday, October 10, 2008 7:05 PM

To: Gary Lee (glee@uam-llc.com); gking75@aol.com

Cc: mspringfield@sandovalcounty.com; dross@sandovalcounty.com; guybralley@cableone.net;

Rob Sengebush; Cindy Ardito

Subject: Events regarding wells in Puerco

The following is a listing of some of the significant meetings County has had regarding subject wells.

Date	Subject	Attendees, etc.	
2007			
5 April Gary Lane	Agreement signed	Dave Maniatis, County Manager (Deb Hays), GB, MS, Dave Matthews,	
11 May	Contractor discussions	Laguna Construction for potential site prep work at well sites	
17 May	Well discussions	Jesus Salazar / United Drilling regarding rig mobilization	
30 May	Tecton Meeting	County Manager / Tecton regarding Suncal water operations (aka	
Atrisco)	_		
Mid June	Drilling begun		
19 June	Site visit well 6	George King, Deb Hays, Donnie Leonard, Jack Thomas	
21 June	OSE site visit	Materials inspection by Doug Rappuhn OSE	
19 July	ABQ Journal Interview	Sean Olson (ABQ Journal) interview at MS's office, also Gayland	
Bryant and me			
		Published Jul 22 2007 (Page B-1) both Sunday Journal and	
RR Journal			
31 July	OSE meeting at BGW	Discussions with OSE at Balleau Groundwater	
10 Aug	ABQ Journal Interview	John Fleck had to decline visit to site, but was writing article on desal /	
Puerco water			
		Published Aug 12 ABQ Journal	
20 Aug	NMED / Permits	RT Hicks, George Schuman of ED, GB, Katie Lee of RTH	
31 Aug	Well 5 site visit	Larry Webb (city of RR utilities) and GB	
11 Sep	Contract discussions	Jack Thomas, County Manager, GB, Gary Lane, Dave Matthews	
12 Sep	OSE discussions	ABQ office, Jess Ward, George King, GB	
20 Sep	OSE discussions	OSE: Doug Rappuhn, Peter Shoenfeld, GB	
	Irrigation potential	At RT Hicks: Katie Lee, GB, NMSU consultant on grasses and irrigation	
(PhD)		n Handa to the foresattle to ADO Jacomed	
9 Oct	ABQ Journal Interview	Rosalie Rayburn site visit for article in ABQ Journal Published Oct xx 07	
24 Oct	Lobbyists brief	County's DC lobbyists, Deb Hays, GB (Followed Jack Thomas's brief)	
25 Oct	Legal discussions	At RTH: Peter Shoenfeld and John Draper, legal	
26 Oct	Disposal Permit	Permit discussions in preparation for ED: MS and DR and GB	
31 Oct	Frac'd well 5		
14 Nov	Brief in SF	At Capitol: Pre-legislative priorities discussions with Governor's office Bill Hume, Gayland Bryant, Mike Springfield, GB	
16 Nov	ED Legal discussions	At NMED ABQ office: Draper, Shoenfeld, GB and ED	
20 Nov	Well 6, 13 Hour test	Casey Cook from BGW plus 1, Rob Sengebush (Intera) and GB	
observing GBW's test			

Sandy Spon of NMED Dist 1: site visits to well

From:

Juan Vigil

Sent:

Friday, July 24, 2009 9:48 AM

To: Subject: Michael Springfield FW: NM water

For your information. Juan

From: Juan Vigil

Sent: Friday, July 24, 2009 9:47 AM

To: 'don.leonard@att.net' **Subject:** RE: NM water

Commissioner: the letter, June 29, 2009 to David Maniates acknowledges that per the agreement RECORP (Aperion) is guaranteed 18,000 acre feet of water per year. As the developer he has also committed to form a Public Improvement District. Until that occurs and the developer contributes to the cost of this project, the agreement states, "The County shall retain the rights to a portion of the 18,000 acre feet of water, based on the proportion of County participation in the cost of drilling any exploratory wells." To date the developer has not contributed any dollars to the project, therefore the statement in my letter to him. Below, in red, is Mike Springfield's comment on the issue. Do you want me to call Stacy? I think it is better that you call. If we do not get the easement issue resolved we may have to go to court, and that would not be a good thing for either of us. We do not need to alter the media to a dispute among partners. Juan

Juan---this has to do with who owns the "right" to the 18,000 acre foot "claim". We have already said to them that the first right-of-refusal for water from the plant---up to 18,000 acre feet is theirs. But they keep thinking the claim is theirs, and it's not---it's ours because we paid 100% of the well and hydrology study costs. They keep thinking they are going to sell us the water, and they can't.

From: don.leonard@att.net [mailto:don.leonard@att.net]

Sent: Wednesday, July 22, 2009 11:28 AM

To: Juan Vigil

Subject: FW: NM water

Juan, give me a call after you digest this reply from Stacey, she just got back yesterday and had not seen your letter, I faxed to her, this is her follow up. Donnie

----- Forwarded Message: -----

From: Stacey Webb < recorp10@yahoo.com>

To: donnie <don.leonard@att.net>

Cc: Annette Anghel <aanghel@aperionco.com>

Subject: NM water

Date: Wed, 22 Jul 2009 00:50:17 +0000

Mr. Leonard,

It was wonderful speaking with you today. I have read over the letter you faxed me from Juan, dated June 29th. After our conversation and reading this letter, I am a little confused to the wording of this letter. You stated in our conversation that the 1st 18,000 acre ft is ours, but the very next paragraph of this letter says that after the County's contribution thus far "the County will retain the rights to the

entire 18,000 acre ft". If I understand this correctly, then this is exactly what I was talking about during our phone conversation today.

Below is the letter we sent to Juan back in June. I highlighted the last few paragraphs to bring to your attention that once a new agreement is written that clearly states the 1st 18,000 acre ft. is ours, we would be happy to dedicate the land, as well as extend the easements.

Please contact me tomorrow morning on my cell at 602-402-2279 to discuss this matter. I am trying my part in resolving this matter, as time is of essence, so the necessary studies can proceed.

Thank you, Stacey Webb

Dated June 4th, 2009

Juan,

As we stated in the meeting we appreciate everything the county has done, we feel we've made great progress thus far. There are a lot of positives regarding our situation

Since we have the right to appropriate water and we have the water, this creates a great opportunity that is obviously key to the future of Rio West and Sandoval County

Our joint ventures calls for Recorp to contribute 18,000 acre ft per year of our rights to appropriate and we receive the 1st 18,000 per year. If there is excess water the county has a right of 1st refusal.

When it appeared that we could have potentially more than 18,000 ft, we went forward to file another notice of intent to appropriate. If we gave the joint venture 32,000 acre feet per year instead of 18,000, then we would split our water resource fee 50/50 with the county on the additional water between 18,000-32,000 acre feet. This has no impact on the counties revenue stream and it only applies to water drilled from our property

When the County approached us with the idea of owning the desal plant, 100 percent by themselves in the means of getting financing, we were open to renegotiating an agreement and of course we still are.

It was suggested by Mike Springfield that we be given the debt for our interest in the water and which Mike said "put in the safe guards to assure you of your water needs, it is also a way to pay you for any water that goes to anybody else and would not be considered profit on our side"

We want everyone to profit and work together. We are not taking anything from the county, as a matter of fact, by dedicating the land and working as partners we feel we are helping the county immensely. In return we hope that our agreement and our progress in this matter are resolved with little or no complications.

That being said, this might be the easiest solution:

Don Leonard suggested we work on phase 1 now which is renegotiating the agreement while the county is working on the feasibility study. He feels that we should get this resolved now, so when we get the feasibility study there will be no issue with transitioning into phase 2, which is negotiating with potentially users.

Recorp will be more than happy to dedicate the land to the county after modifying a new agreement to clarify that Recorp receives benefits from our water. We cannot dedicate this site unless we modify our agreement, since it will still leave us joint venture partners.

As far as the easements go we can extend for 3 month, but are more than willing to just receive a phone call, when and if the county plans on going to the property.

Stacey Webb

Executive Assistant to David Maniatis

Aperion Companies

7835 E. Redfield Rd. #102

Scottsdale, AZ. 85260

a-480-991-2288

c-602-402-2279

f-480-951-8414

swebb@aperionco.com

www.aperioncommunities.com

www.aperionsmarthome.com

www.davidmaniatis.com

From:

Juan Vigil

Sent:

Wednesday, September 30, 2009 10:10 AM

To: Cc: Michael Springfield Cassandra Herrera

Subject:

RE: Peter Shoenfeld

I placed a call to Hughes LLC and advised him that we are pursuing alternatives to the issues. Tommy was not in; I hope to get a return call soon. In the meantime continue working with Peter on these issues. Juan

From: Michael Springfield

Sent: Wednesday, September 30, 2009 9:57 AM

To: Juan Vigil

Cc: Cassandra Herrera **Subject:** Peter Shoenfeld

Pursuant to you're request, we have asked Peter Shoenfeld to review the Recorp Development Agreement, and to be present at the Board of County Commissioner's meeting on October 1, 2009. He will bill us on an hourly basis.

Mike

From:

Guy Bralley

Sent:

Friday, October 30, 2009 4:34 PM

To:

Michael Springfield

Subject:

FW: Access to Recorp Land

See if this is the one you want.

Guy

From: Annette Anghel [mailto:aanghel@aperionco.com]

Sent: Friday, July 10, 2009 10:13 AM

To: Guy Bralley

Subject: Access to Recorp Land

Guy,

Yesterday evening after you called me, I investigated the status of the County (and its contractors) and access to our lands. Because the new easements which you proposed a few months ago have not been executed, the County has no right to enter upon the land owned by Recorp's affiliates.

You need to tell your engineers to hold off until legal access is established. I do not have the authority to approve access myself.

I know you believe the work the engineers were to do would benefit both the County and our entities, but we cannot allow any work at all to be done unless legal access is first established; I'm sure you understand that. If you want to send me a [written] explanation of specifically what the engineers would be doing, I will look into whether temporary access could be granted, but until that is done you *must* tell them they do not have legal access to our property.

Regards, Annette

Annette Anghel
Real Estate Specialist
Aperion Companies
7835 E. Redfield Rd., Suite 102, Scottsdale, AZ 85260
Office: (480) 991-2288, ext. 204 Fax: (480) 951-8414
Mobile: (480) 620-3091

From:

Dianne Ross

Sent:

Tuesday, November 03, 2009 10:49 AM

To: Subject:

Michael Springfield RE: Desal White Paper

Attachments:

DESALINATION PROJECT.docx

From: Michael Springfield

Sent: Tuesday, November 03, 2009 10:46 AM

To: Dianne Ross

Subject: Desal White Paper

Dianne---can you send me the desal white paper electronically----I might need it while you are gone

Thanks Mike

Sandoval County Desalination Project

Sandoval County Desalination Project is approaching completion of Phase I. Phase I was an exploratory process which included the search for water, permitting and drilling of two exploratory wells, the identification of a source aquifer and the analysis of the water quality from that source. The two wells drilled produce water under artesian conditions: they flow at the surface without a pump, one about 900 gallons per minute (gpm), and the other about 150 gpm. Water quality testing has been completed. The County has expended nearly \$6 million to date in accomplishing Phase I.

Preliminary Engineering is estimated at \$780,000 for Phase II. (Project has 4 Phases: Phase III is Construction and Phase IV is Operations and Maintenance.) Phase II will focus on the design and layout of the project's major facilities (location of the desal plant, wells, reservoirs, rights of way and easements, etc.) and establish the desalination method and technology, the energy requirements and sources, and the management of concentrate streams. The concentrate evaluation will investigate both injection and non-injection technologies.

The County has completed the 30 day test (Phase II). The 30 day test results will further refine the values of the <u>estimated volume of 4.6 million acre feet</u> of brackish water (Intera, Oct. 2008) The percentage of water in the aquifer which is economically recoverable will depend on the techniques to be determined in this Preliminary Engineering Phase (values approaching 50% are likely). Another product of this Phase will be refining the estimated costs of the process which contribute to the price of water delivered. Significant factors in these costs are energy sources and the County, in combination with PNM, is evaluating renewable energy options.

A consumption analysis for the Southern Sandoval County area has been completed to project future water demand for the various developments in the region. Projected total demand is estimated at 43,186 acre-feet / year.

Current engineering estimates are that a desalination plant of about 5 million gallons per day (mgd) achieves economies of scale over smaller plants (\$6 /1000 gal based on total amortization of capital costs). It is expected that incremental expansions of additional units of a similar size, over time, to meet growth requirements, will yield additional benefits due to similarities in maintenance and operations schemes. A preliminary cost estimate for a 5 mgd desalination plant, and the infrastructure required for collecting water from wells, performing treatment and handling of the concentrate is about \$47 million.

It must be noted that planning done at this stage largely establishes the selection of infrastructure to be built, and thereby drives the costs of operations and maintenance over the life of the system. Following appropriate steps at this juncture will avoid increased expenses by thorough engineering and informed selection of alternatives.

Phase III is the Design and Construction portion of the project of which the Design portion is estimated to be approximately 4.6 million dollars. The County has applied to the Water Trust Board for this funding.

DESALINATION PROJECT CHRONOLOGY

2007

5 April Agreement signed

Dave Maniatis, County Manager (Debbie Hays), Guy Bralley, Mike Springfield, Dave Matthews, Gary Lane

11 May Contractor discussions

Laguna Construction for potential site prep work at well sites

17 May Well discussions

Jesus Salazar / United Drilling regarding rig mobilization

30 May Tecton Meeting

County Manager / Tecton regarding Suncal water operations (aka Atrisco) Mid June Drilling begun

21 June Office of the State Engineer site visit

Materials inspection by Doug Rappuhn Office of the State Engineer

31 July Office of the State Engineer meeting at BGW

Discussions with Office of the State Engineer at Balleau Groundwater

20 Aug NMED / Permits

RT Hicks, George Schuman of ED, Guy Bralley, Katie Lee of RTH

11 Sep Contract discussions

Jack Thomas, Debbie Hays, Guy Bralley, Gary Lane, Dave Matthews

24 Oct Lobbyists brief

County's DC lobbyists, Debbie Hays, Guy Bralley (Followed Jack Thomas's brief)

25 Oct Legal discussions

At RTH: Peter Shoenfeld and John Draper, legal

26 Oct Disposal Permit

Permit discussions in preparation for ED: Michael Springfield and Dianne Ross and Guy Bralley

31 Oct Frac'd well 5

14 Nov Brief in SF

At Capitol: Pre-legislative priorities discussions with Governor's office - Bill Hume, Guy Bralley, Mike Springfield

20 Nov Well 6, 13 Hour test

Casey Cook from BGW plus 1, Rob Sengebush (Intera) and Guy Bralley observing Well 6 test

7 Dec Well site visit

Sandy Spon of NMED Dist 1: site visits to well

10 Dec Office of the State Engineer visit / brief

At Office of the State Engineer in ABQ: visit with and brief to John d'Antonio (State Engineer) + 3-4 Office of the State Engineer staff, Mike Springfield, Rob Sengebush and Dave Jordan (Intera), and Guy Bralley

2008

2 Jan Water leak

Well 6, valve freezes off. Secured flow at 1000 AM. Reported to NMED

23 Jan Meeting with ED

RTH and County meet with NMED 5-8 Feb

KC Trip Meet with UAM. Briefs on legal, design, desal providers (GE and Koch)

15 Feb ED meeting

Intera, Sandy Spon, and Guy Bralley

21 Feb ED Const permit

Sara Holcomb visit to well sites (const permit, etc.)

2 Apr PNM Meeting

In County Manager's office: PNM power / cost representatives, Debbie Hays, Guy Bralley, Michael Springfield, Dianne Ross

28 May Soil Sampling

Sampled soils in arroyo where water had flowed from leak (see 2 Jan above) Guy Bralley, Katie Lee and Dave Hamilton of RTH, Earthworks (x Trujillo?)

30 May Engineering meeting

At Boyle Engineering ABQ: Intera, County and Boyle regarding capabilities for Desal G8

Jul Project discussion

At NMED ABQ: Andy Edmondson, Michael Springfield, Dianne Ross, Guy Bralley, regarding content / format of RFP

10 July Discharge Permit

At NMED ABQ: Sand Spon, Intera, (RS and CA) Guy Bralley

22 Aug Laguna Pueblo

Discussed instrumenting well on Laguna for well test: Intera, Guy Bralley, Tribal Government

1 Oct Began well flow test

Informal monthly (except Jul 08), meetings have been held with project team members and subsequently opened up to local community and development representatives to inform them of current status, plans, progress and objectives of the Puerco water project. Included have been members of the Laguna Pueblo Government, City of Rio Rancho, Town of Bernalillo, County's geological and engineering contractors, Recorp / Developer and their contractor engineers, other area developers (to include AMREP, King Ranch, Quail Ranch, Rancho Grande, Breezy Point).

Data and plans have been exchanged so all are kept in the loop and up to date. These meetings are held at the Court House, except for the last meeting which was a site visit to the wells. Format is pretty much open forum; there are not minutes kept, and it has never had a closed meeting or non-open session.

Just to be clear on one point: there is only one development agreement between the County and anyone relating to development. This is between the County and Aperion. All attendees at these meetings are fully aware of this fact.

Other publicity regarding the project has appeared in the on-line newspaper called the New Mexico Independent (see www.newmexicoindependent.com). At least 2 articles by Joel Gay have appeared which addressed the project in whole or in part. They were dated 2 May 08, Tapping into hidden resources; and 25 July 08, Atrisco strikes brackish gold, mentions Sandoval County. The Sandoval Signpost, a monthly newspaper published "It's a Gusher!" on the front page of their Aug 07 issue.

Documents

MOU between Sandoval County and Recorp	05/01/2007
Public Improvement Districts within Sandoval County	06/22/2007
Ordinance creating the NM Water Section within County Development	12/21/2007
Resolution authorizing application to the Water Trust Board for funds	10/17/2008
MOU between Sandoval County and King Brothers Ranch	09/04/2007

From: Guy Bralley

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Guy Bralley Water / Wastewater Specialist Sandoval County Development 505-771-7953 Office 505-771-7184 FAX