

Juan - Dick, we had
already done the analysis
on Opperon / Recorp land.
The hydrologist and George
King (Well Field Manager)
think we can produce
2500 Ac ft/yr.

Mike

I didn't include all of
the maps - didn't think
you would really want to
look them over

Desalination Settlement Agreement Sandoval County and RECORP, et. al.

Based on information that a significant underground aquifer existed, Sandoval County entered into a Development Agreement with Mr. David Maniatis, Recorp, et. al, the owner of 11,000 plus acres of land west of Rio Rancho. The County initiated the project to secure a reliable water supply for the future and to promote economic development. The Agreement is based on a master plan for this property and a proposal to develop a desalination project as a public/private venture. The Settlement Agreement results from the County's condemnation of the two well sites and of the right-of-way for Alice King Way.

1. The *objective is unchanged: a desalination project will be established in Sandoval County to provide a reliable supply of water and promote economic development. Under the terms of the settlement agreement, Recorp/Aperion is to form a privately-owned water utility, regulated by the New Mexico Public Regulatory Commission and other permitting agencies. The County agrees not to compete for 8 years with Recorp's effort to provide potable water.*
2. The utility must produce either 5 million gallons of potable water per day or market demand plus 10%. The service area of the utility is southern Sandoval County. If, after 8 years, Recorp has not established a regulated water utility, the County can explore options to develop a water utility.
3. The water utility is to provide the County with 4,000 acre feet of potable water for 30 years from the date of commercial development at the prevailing water rate.
4. The County and our taxpayers will receive the equivalent of the County's investment of \$6,000,000 in land, money or the combination of land and money. And, the Settlement Agreement avoids three to five years of litigation that could have had considerable cost to the County and taxpayers.
5. Any land provided to the County as part of the settlement agreement must be suitable for manufacturing, commercial or industrial development and adjacent to the Northwest Loop. Recorp also is to dedicate the access for the Northwest Loop and Alice King Way.

WHITE PAPER

Sandoval County Water and Job Development, February 2009

Sandoval County is preparing for a pilot demonstration to identify a process for treatment of brackish water in the southern area of the County. In mid-2007 County identified a saline aquifer more than 3,700 feet deep. Due to water content, significant treatment will be required to meet Clean Drinking Water Act (CDWA) standards. Flow testing has been performed to estimate the extent of this aquifer. This limited testing to date has been insufficient to provide a definitive evaluation of its capacity. Due to the complex faulting in the area, additional testing will help to better define the limits of the resource.

Pilot project will provide risk reduction and identify factors driving high costs of water treatment. These include costs of energy, the disposal of concentrates (by-products of the desalination process), and the potential for re-use or marketing of the waste materials from the treatment processes. Modeling has established that plant construction and expansion in increments of five million gallons per day (MGD) is economically feasible. Future capacity for expansion is a design objective.

A request in the amount of \$4.6 Million for desalination plant design has been submitted to the New Mexico Water Trust Board. Construction of the building is estimated to require an additional \$40+ Million; use of municipal bonds is expected for these funds. Additional infrastructure in the form of wells, pipelines, and storage tanks or reservoirs will increase total costs to around \$80 Million.

The above are County efforts and achievements in pursuit of water to enable job development in the South County area. This area of development is west of the Rio Rancho Estates, and east of the Pueblo of Laguna. Other than cattle grazing, the immediate area is sparsely populated and essentially undeveloped. In the greater area (Albuquerque MSA), the majority of employment is in the Albuquerque area, specifically east of the Rio Grande. The fastest growing populations in the MSA are west of the Rio Grande (the West Side), creating significant traffic and congestion during rush hour, and particularly at the limited river crossings (bridges). Sandoval County desires to see increased employment opportunities on the west side of the Rio Grande. While good jobs are always desirable, the impacts on the traffic flows by reversing the direction can provide the added benefit of delaying the need for the construction of new river crossings. The proposed Northwest Loop connecting I-40 on the south (near the Rio Puerco crossing) to US-550 to the north (at the National Guard Armory, NE Rio Rancho) will provide access to the area of the well development / job centers. Using this route, work force living both north in Sandoval County, and south on Bernalillo County's West Side, will have reasonable alternatives to going into the Albuquerque metro area and crossing the Rio as they largely do now.

As there remain uncertainties about the ultimate extent of the water resource, it is the desire of the County to encourage industrial / job development as a priority over domestic / residential uses for water. County has strongly encouraged the design team for the demonstration project to devote significant study to use of renewable energy sources, re-use of by-product streams and, eventually, waste-water effluents. Considering use of these resources in the early design stages provides

opportunities that are seldom economically available after infrastructure is in the ground. As we are facing a "clean sheet of paper," we have the rare chance to consider these options at a reasonable cost.

This innovative, multi-disciplinary program has all the potential to combine the demonstration of new technologies for water treatment, uses of alternative energy and reuse of products normally discarded. Coupled with possibility for relieving traffic congestion, delaying costly additional lanes for traffic crossing the Rio Grande and the development of job opportunities north of Albuquerque's traditional employment areas, the County has devoted nearly six million dollars to development of the water resource in this area. Consideration of the desalination plant's supporting neighboring communities qualifies this project as a regional effort going beyond traditional concepts of limitations and boundaries.

Your support for these initiatives is solicited. County's point of contact is Juan Vigil, County manager, or Guy Bralley, Water Resources Administrator. Mr Vigil's phone is 505-867-7538. Mr Bralley's phone is 505-771-7953, or e-mail at gbralley@sandovalcountynm.gov.

Juan Vigil

From: mike s [mikeandgishy@yahoo.com]
Sent: Monday, October 05, 2009 11:38 AM
To: Guy Bralley
Cc: Juan Vigil
Subject: Re: Recorp letter

No---I'll forward this email to him and see if he has heard from the attorneys yet.

Mike

From: Guy Bralley <GBralley@sandovalcountynm.gov>
To: mike s <mikeandgishy@yahoo.com>
Sent: Monday, October 5, 2009 11:35:01 AM
Subject: RE: Recorp letter

[Are you going to talk to Juan? Do I need to take any further action at this time?](#)

Guy

From: mike s [mailto:mikeandgishy@yahoo.com]
Sent: Monday, October 05, 2009 11:16 AM
To: Guy Bralley
Subject: Re: Recorp letter

Thank you Guy---My biggest concern was if we had informed ReCorp (which I know we did), but I never remembered them raising any concerns about us moving forward with the pilot study (or telling us to stay off the land).

I talked to David Mathews about us moving forward with the pilot study without the easement extensions, and he said we were ok because we were acting in reliance and good faith with the development agreement.

Of course, this is going to be in the hands of the lawyers now.

Mike

From: Guy Bralley <GBralley@sandovalcountynm.gov>
To: mikeandgishy@yahoo.com
Sent: Monday, October 5, 2009 10:58:48 AM
Subject: FW: Recorp letter

[First one went to wrong address.](#)

Guy

From: Guy Bralley
Sent: Monday, October 05, 2009 10:56 AM
To: Michael Springfield; Dianne Ross
Subject: Recorp letter

[Mike, my comments](#)

Focus Groups with Parents N=36

What liked about the program	How applying skills learned	What changes noticed in self	Improvements noticed in children	Recommendations for improvement
<ul style="list-style-type: none"> • The classes were fun and informational. • The facilitator (adult) was well prepared and well informed. • There was a lot of humor. • The interaction with other families. • Knowing that we are not alone and that we can depend on each other for help. • The bonding that took place between families. • The activities were great. • New lessons learned. • New skills to take home and use with family. • The food was good especially the pot luck. • Getting to know my child. 	<ul style="list-style-type: none"> • More patient with all my children. • I try to use the skills for talking to my child positively. • Using the homework given to us weekly and applying it. • Practicing the new information. • Don't yell or spank as much. • Learned better communication and trying to practice that at home. • Disciplining children is easier because I don't yell anymore. • Using family time as a way to bond with family. 	<ul style="list-style-type: none"> • Don't yell as much. • More patient. • Calmer. • Able to manage children's misbehavior better. • Don't spank kids anymore. • Trying to talk to kids using positive reinforcement. 	<ul style="list-style-type: none"> • Better relationship with me and their brothers and sisters. • Children better behaved. • Don't argue so much and kids don't back talk anymore. • More responsible. 	<ul style="list-style-type: none"> • More fathers need to be involved in sessions. • Have a more advanced class. • Have this class for older kids. • Take the classes to the school. • Have practice of lessons on site. • Want to know more about what children do in their sessions. • Have the kids in a better room. The gym is too big and kids seem unruly (Jemez Pueblo). • Youth should participate more in parent's session. • Not have so many different age groups mixed. Smaller kids should be in one room and older kids in another.

WRT para 1: First point: We are on the property. We are conducting pilot testing. When asked by Recorp (probably last month) if we were doing this I told them yes, so they are aware of our current activities. Second point: I am not aware of us cutting off any discussions (at least at my level).

Para 2: Recorp seems to acknowledge that the MOU is binding as it is included in the Agreement. We will need a decision on action to take cease / proceed on actions now underway on site, or how to move toward "mutually satisfactory understanding". Should the developer wish to pursue what was agreed to in these documents, his failure to act on several points may place his further options in question with regard to compliance with the terms of it / them (this is too far toward the legal aspects for me to be expert on, but it bears looking into, or at least not being unaware of).

Para 3: WRT discussions of Condemnation: it is my understanding that the amount of property considered would be 50 acres, certainly it is a grandstanding reach to come up with 11,000 acres, especially when the availability of water which can come from this effort (which has been, to date, funded by the County) is the critical link in achieving the potential value of the remaining land. (My view would be what is the value to Recorp of 10,950 acres of land with some water vs the value of 11,000 acres of land with no water?) Fundamental to the discussion will be the contention of Rights to water being appurtenant to the land. Value of any potential award is pure conjecture (especially rich coming from someone who could be working on a contingency basis??).

I am sure Dave Mathews will have his own comments.

It is my opinion, that we have proceeded toward continuation of our exploratory processes toward the treatment pilot phase. We have been in agreement in the department and, I believe, in the Courthouse and the commission / commissioners, with regard to the actions we have taken to be where we are now. I need to know if I am somehow misunderstanding where we are and how we got here.

Actions we have taken are in the interests of the County, its taxpayers and the developer, as he (D Maniatis, etal.) stands to benefit from the presence of water to be provided for his property. If there is a decision to alter our present course, we need to know how we may go about doing this: turning off the contractor, and 2) how this will impact the finances of both the County and the Contractor / sub-contractors / and their vendors, etc.

Let me know if this helps. I'm here if you have any other questions. Please info me when you respond so I can be in the loop and not be unaware of where we are going with this.

Guy

From: Juan Vigil
Sent: Monday, October 05, 2009 8:48 AM
To: Guy Bralley; 'mikeandgishy@yahoo.com'
Subject: FW: 20091002173442714 (2).pdf - Adobe Reader
Importance: High

Please call me after you've read this letter. Juan

From: Juan Vigil
Sent: Monday, October 05, 2009 8:38 AM
To: Michael Springfield; petershoenfeld@qwestoffice.net; Darryl Madalena (dmadalena@yahoo.com); dbency@cnm.edu; dbrrcc6@juno.com; don.leonard@att.net; GLENN WALTERS; ojucero@aol.com
Cc: David Mathews; Stephanie Lopez
Subject: 20091002173442714 (2).pdf - Adobe Reader
Importance: High

Focus Groups with Parents N=36

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Commissioners/Michael/Peter/David:

The attached letter arrived by fax on Friday, Oct 2nd at 5:28 pm. They are demanding a response by 5 pm today. David is out of the office until tomorrow. Michael is also out this week. Peter and I need to discuss the letter and the request to cease immediately. I will get in touch with you. Call me after you have read the letter, 505 867-7538 or cell 505 205-1119. You may want to talk with Tommy about this too. Juan

Focus Groups with Parents N=36

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Michael Springfield

From: Romero, John, OSE [john.romero2@state.nm.us]
Sent: Friday, May 01, 2009 3:28 PM
To: Michael Springfield
Subject: RE: Yesterdays Meeting

Michael.

I think your referring to 72-1-9 NMSA which is the 40-Year Planning Statute and not "Sec. 12-1-9" which is something I am not familiar with. This statute is not for preservation of the supply or a method in which a "covered entity" can establish a water right. The only way to establish a Water Right in the purest sense is by applying water to Beneficial Use. Beneficial Use is the basis, the measure, and the limit of a water right. The 40-Year planning statute is there for "covered entities" to plan on how they are going to use their water rights and specifically to allow them to hold unused excess water rights without the threat of losing the said water rights due to non-use thru forfeiture or abandonment. Again, the 40-year water planning statute was not and is not a method in which a governmental agency establishes a water right. If you would like, I can make myself and my Water Use & Conservation Bureau Chief available to you so that we can discuss this issue further. I think it would be beneficial for you to understand this issue so that you can proceed accordingly. Let me know if you would like to meet to discuss. John R.

From: Michael Springfield [mailto:MSpringfield@sandovalcountynm.gov]
Sent: Tuesday, April 28, 2009 12:49 PM
To: Romero, John, OSE
Cc: Guy Bralley
Subject: Yesterdays Meeting

John

We have been thinking about some things we really didn't understand yesterday. Specifically, we are concerned with the preservation of "county" water supply as outlined in Sec. 12-1-9. We have always believed that the 40 year water plan was the mechanism used to preserve the supply. We thought that by preparing the plan for OSE review and approval that our beneficial use requirements would be met. I am not sure now how the County can assure itself of a reliable supply. As you know the County's approach to managing the aquifer is a long term endeavor.

We believe "Mendenhall" outlines the establishment of a "prebasin water right" but don't know how the OSE will administer that. We believe that the 40 year water plan was the way a governmental agency would establish that right. And, would also help establish the framework for impairment protection for the County. We believe we are unique in that we are the only governmental agency who has staked claim to the resource, and have spent significant funds in the preparation to develop the resource for beneficial use. We have also been careful in making sure the development of the resource is done in as environmentally safe way as possible, which we believe is good for the region and the State.

We want to work with the OSE as close as we can in the establishment of regulations regarding this matter. Can you please help me understand where we are here, and what you guys are thinking about trying to provide assurances to the County as we move forward .

Thank You
Mike

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