

From: "HARRY JONES" <harryjoneshdj@msn.com>
To: "Martin, Tommie" <tmartin@co.gila.az.us>; "John Nelson" <jnelson@co.gila.az.us>
Cc: "Pam Fisher" <pfisher@co.gila.az.us>; "Bill Haney" <wfhaney@cox.net>; "Mike Ploughe" <mike@highlandh2o.com>
Sent: Monday, May 31, 2010 9:50 AM
Subject: Re: BOR-Funding Gila County Upsize of Pipeline

Tommie and John: Thanks! I will call John. If we can have the pipeline upsize covered by this program, that would be fantastic. I look forward to meeting the new County Manager if he could attend.

Exploratory holes in P/S would also help find the water supply for the long-term. Within a couple of years, we need far more than what we will ever get out of the Milk Ranch well (expensive to operate and maintain because of filtration of sanding and suspended fines) and the Strawberry Hollow well (apparently not a real long-term well because of its construction technique).

John and Bill: Please call to confirm your attendance so I can get back to Leslie Tuesday morning.

Mike: Thanks for your confirmation.

Harry D. Jones
 HDJ Management LLC
harryjoneshdj@msn.com
 (928) 595-1111

----- Original Message -----

From: Martin, Tommie
To: HARRY JONES ; John Nison
Sent: Sunday, May 30, 2010 10:05 PM
Subject: RE: BOR-Funding Gila County Upsize of Pipeline

Harry - I am in Tennessee at a workshop all this week - it would be best if you visit with John about this (I think he is in Payson on Fri but on phone otherwise) - thanks - Tommie

-----Original Message-----

From: "HARRY JONES" <harryjoneshdj@msn.com>
To: "Tommie Martin" <tmartin@co.gila.az.us>; "John Nelson" <jnelson@co.gila.az.us>; "Bill Haney" <wfhaney@cox.net>
Cc: "Mike Ploughe" <mike@highlandh2o.com>
Sent: 5/30/10 1:08 PM
Subject: BOR-Funding Gila County Upsize of Pipeline

Leslie Meyers of the BOR called a couple of days ago to set an appointment with all of you and me of PSWID to review the BOR approved draft of the Mogollon Rim Water Resources Management Study, and to discuss the Rural Water Act that the Bureau is finally rolling out. As you know, Mike Ploughe and I have been tracking the implementation of this Act for 2+ years, with meetings with Bob Michaels (Leslie's boss) and Marvin Murray.

The main program Leslie agrees is a strong possibility for Gila County is to provide significant support for the County's promised \$4 million (??) share of the cost of the upsizing of the C.C. Cragin pipeline from the generator to the edge of Payson. Leslie indicates the details of the Rural Water Act will apparently show some priority to (a) "regional solutions" (which the pipeline is), (b) programs ready for "feasibility study" where the "appraisal study", if complete (which the MRWRMS is) will be given priority and (c) as low as 25% cost share by the applicant (if County is applicant, hopefully can be structured for recovery of its participation from Star Valley, BUI, Whispering Pines, etc. that take the water). Bob Michaels, as of a few months ago, was named one of five people in the BOR that will select the projects for award, and he is very familiar with our MRWRMS, and was in agreement with the conclusion of that study that the study should move from the

7/2/2010

appraisal level to the feasibility level where funding by Congress can ultimately occur.

In terms of the Pine Strawberry areas participation, Mike and I have always encouraged the Bureau to contemplate potentially drilling exploratory holes to confirm the hydro-geological conclusions of the MRWRMS. The BOR is not allowed to drill production wells, but they could apparently participate in exploratory holes that could later be developed into production wells by the District.

Therefore, this is an important invitation to talk. We need to pin down the meeting for both the County's and PSWID's long-term benefit. They want to meet with the Town of Payson on June 8 in the morning and with us in the afternoon, around 1:30 p.m. Will that time work for you? Please let me know ASAP so I can get back to Leslie.

Harry D. Jones
HDJ Management LLC
harryjoneshdj@msn.com
(928) 595-1111

7/2/2010