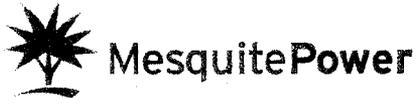
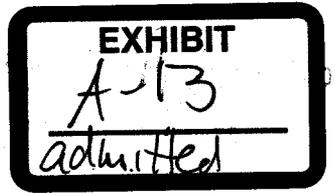




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Comprehensive Land Management Plan
Mesquite Power Project

Submitted by

Mesquite Power, LLC

September 2000

Executive Summary

Mesquite Power, LLC will develop, own, and operate the Mesquite Generating Station, a nominal 1,000 megawatt (MW) natural gas fired, combined cycle power plant. This comprehensive land management plan addresses the landscaping and re-vegetation requirements for the both the 400-acre project site and the 3,000-acre water property. This plan was developed in consultation with various parties, including the University of Arizona – Office of Arid Land Studies, Arizona Department of Water Resources, Arizona Fish and Game Department, a Professional Landscape Architect, the Phoenix Zoo, Southwest Wildlife Rehabilitation, and Ducks Unlimited.

In general, the plant site has a stable plant community that supports high level of animal activity. Therefore, Mesquite Power must and will be environmentally sensitive in the configuration of the plant site such that critical vegetation is preserved.

The landscaping plan for the plant site is based on preserving the existing stable vegetation and supplementing this vegetation with plants native to the immediate area. Additional landscaping will be required along portions of Elliot Road, the plant entrance road and the northern portion of the western plant site boundary. This approach will result in a minimum amount of irrigation, since existing and planted plant species will be adapted to the arid environment and adapted to surviving with the natural rainfall that occurs in the area. The landscaping annual water requirement is approximately 0.55 acre-ft per year for the plant site.

The water property can be classified into six categories: 2387 acres of fallow or retired farmland which will be fully or partially re-vegetated, 582 acres of retired farmland or natural desert areas which do not require re-vegetation, 14 acres which will be maintained as perimeter roads, and another 17 acres that are not owned by Mesquite Power.

The re-vegetation program will be implemented in phases over a period of ten years. Re-vegetation efforts will be conducted in a phased approach with the first effort consisting of the planting of a fifty (50) acre test plot. Observations of test plots after the first year of growth will be used to begin the large-scale re-vegetation process while continued observation will provide increased reliability. Starting in the second year, an additional 275 acres will be planted annually thereafter through year 10, until the entire area necessitating re-vegetation (approximately 2,525 acres) is complete. The re-vegetation program will require approximately 475 acre-feet per year of water for irrigation, which will be in addition to naturally occurring rainfall amounts.

Mesquite Power, LLC has looked at other potential land uses for portions of the Water Property in an attempt to provide unique environmental or educational opportunities while maintaining an open space type land designation. As such, Mesquite Power has been in contact with environmentally conscious organization such as the Phoenix Zoo, Southwest Wildlife Rehabilitation, Ducks Unlimited, and Arizona Game & Fish to determine their interest in using some of the retired farmland for environmental and educational programs.

Mesquite Power is establishing a partnership with Arizona Game and Fish Department to develop wildlife habitat around a small pond located on the water property. The Phoenix Zoo is currently developing a program that would use portions of the water property for native and endangered species habitat, breeding programs, wildlife rehabilitation, and research and educational facilities.

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Comprehensive Land Management Plan

1.0 INTRODUCTION

Mesquite Power, LLC will develop, own, and operate the Mesquite Generating Station, a nominal 1,000 megawatt (MW) natural gas fired, combined cycle power plant. The Project Site is located approximately 40 miles west of Phoenix, 8 miles south of Interstate 10 and south of Elliot Road, approximately 1 mile east of Wintersburg Road. The approximate coordinates of the Project Site are latitude 33° 20' north, longitude 112° 51' east. The approximate legal description of the generating station property is the west half of Section 15, Township 1 South, Range 6 West, Gila and Salt River base and meridian, Maricopa County, Arizona.

* The proposed facility will consist of the power plant and onsite supporting infrastructure, including an administration building, water treatment and storage facilities, and cooling towers. To support the power plant, Mesquite Power has optioned approximately 3,000 acres of land located approximately 2-1/2 miles west of the power plant site. Approximately 15,000 acre-ft per year of grandfathered agricultural ground water rights are associated with this property. Conversion of these agricultural rights in accordance with Arizona Department of Water Resources (ADWR) policies and procedures, will provide some 8,000 acre-ft per year of Type 1 industrial ground water rights that will be used as the plant water supply. This conversion will therefore permanently retire approximately 7,000 acre-ft per year in water rights. Mesquite Power, LLC has filed and received ADWR's approval of a Development Plan, which describes conversion of the agricultural water rights to Type 1 rights and use of the ground water for the Mesquite Generating Station.

This comprehensive land management plan addresses the landscaping and re-vegetation requirements for the both the project site and the water property as well as potential alternatives land use enhancements for the 3,000 acre water property. This plan was developed in consultation with various parties, including the University of Arizona – Office of Arid Land Studies, Arizona Department of Water Resources, Arizona Fish and Game Department, a Professional Landscape Architect, the Phoenix Zoo, Southwest Wildlife Rehabilitation, and Ducks Unlimited.

2.0 PROJECT SITE MANAGEMENT PLANS

2.1 Site Description

The Project Site consists of approximately 400 acres of vacant desert property of which approximately 296 acres will be for the Mesquite Generating Station, including plant site, equipment, buildings, a 230 kV to 500 kV substation and two evaporation ponds. The remaining 104-acre area will be buffer zone around the generating plant, substation, and evaporation ponds. Refer to the map provided in Attachment A for the location of these areas. The buffer zone consists of the following:

- Eighty (80) acres of property east of the railroad spur that runs along the centerline of Section 15, Township 1 South, Range 6 West will not be disturbed during

construction or operation of the facility and will remain in its current natural desert vegetation.

- Twenty-four (24) acres of property (a 400 feet wide strip) along the northern edge of the property will be provided as both an Elliot Road and transmission line easement.

The project site is located in the Lower Colorado Division of the Sonoran Desert. Vegetation in this area of low rainfall is primarily Sonoran desert scrub. The site has never been farmed. Some slight disturbances exist since a mobile home was previously located on the project site.

A minor ephemeral wash cuts the site diagonally from northeast to southwest. The wash flows only in response to rainstorms, drying out rapidly after storms. Associated with the wash is xeroriparian vegetation monoculture of velvet mesquite (*Prosopis velutima*). Overall coverage is greater than 50%. Small numbers of the exotic tamarisk (*Tamarix pentandra*) co-exist. The soil in the drainage area is very silty. East of the wash is an upland area composed of granular soils. Vegetative material is comprised of creosote bush (*Larrea tridentate*), white bursage (*Ambrosia dumosa*), Big Galletta (*Hilaria rigida*), hedgehog cactus (*Echinocereus encelmannii*) and pencil cholla (*Opuntia arbuscula*). Coverage is approximately 25%. The Sonoran desert scrub and xeroriparian mesquite communities typify large areas within the project site's vicinity. Refer to photograph numbers 1, 2, and 3, provided in Attachment B.

There are no naturally occurring surface waters in the project vicinity. The nearest surface waters are the Gila River, located approximately 7 miles to the southeast. In addition, there are no mesoriparian or wetland habitats near the Site.

2.2 Land Management – Plant Site

In general, the plant site has a stable plant community that supports high level of animal activity. Therefore, Mesquite Power must and will be environmentally sensitive in the configuration of the plant site such that critical vegetation is preserved. The plant layout takes in account as a primary consideration, the need to maximum preservation of those areas that contain vegetation of high value. Since the plant site is a stable plant community, Mesquite Power will preserve any areas within the plant site that need not be cleared for the plant equipment, plant systems, foundations, roads, structures, access areas, or construction laydown and access. Areas which will be replanted or landscaped will be done so only with plants native to the immediate area.

The plant site will be surveyed prior to the start of construction and areas which will not be cleared will be roped-off and protected from incursion. GPS equipment will be used to perform a Native Plant Inventory for protected plants on areas of the site impacted by construction. Notice of Intent to Clear Land will be filed with the Arizona Department of Agriculture per ARS 3-904. Salvageable inventoried plants will be salvaged, placed in a temporary nursery for care during construction and relocated and transplanted on the plant site and water properties upon completion of construction.

The 80 acres of property east of the railroad spur identified above is currently vacant desert property with one 500 kV transmission line running north to south across the

property. This area will not be developed by Mesquite Power and will remain in its current condition.

On the north where the wash flows into the site across Elliott Road, a mesquite bosque has developed. This is the most valuable plant community on site. Due to its dense biomass, the mesquite bosque supports a large and diverse animal community that ranges from large mammals to a multitude of insect species. It is necessary to preserve a significant portion of this natural grove at its present location, as it is valuable to both wildlife and the plant site as a visual screen. In order to afford maximum preservation of the bosque and as much of the less dense upland areas as possible, the majority of the site development has been located as far to the east as possible and the entry drive has been placed to the west of the bosque along Elliott Road.

Additional landscaping will be required, specifically along portions of Elliot Road, along the plant entrance road and along the northern portion of the western plant site boundary. Native trees will be added for screening in open areas along Elliott Road and along the drainage diversion. Plant materials will consist of salvaged plants, nursery grown plants and seed mixes containing native herbaceous plants. A conceptual landscape plan is provided in Attachment C.

2.3 Water Use – Plant Site

As stated above, the landscaping plan for the plant site is based on preserving the existing stable vegetation and then supplementing this vegetation with plants native to the immediate area. This approach will result in a minimum amount of irrigation, since the existing and planted plant species will be adapted to the arid environment and adapted to surviving with the natural rainfall that occurs in the area. Table 2-1 below shows the landscaping water requirements on a seasonal basis with a total annual usage of approximately 177,300 gallons (or 0.55 acre-ft) per year for the plant site. Additional water will be required the first year to ensure that the new vegetation is established. Therefore, it is conservatively assumed that 1 acre-ft of water will be required during the first year. This is in addition to any naturally occurring rainfall.

2.4 Estimate Cost and Schedule – Plant Site

The cost associated with the removal, nursing and transplanting of plants from the developed areas and the landscaping of the plant site area as described in Section 2.2 will be the responsibility of Mesquite Power, LLC.

Areas of the plant site which will not be cleared will be roped off with t-posts and yellow nylon rope until construction is completed. The undisturbed areas will be maintained in their natural state and no irrigation will be required in those areas.

Areas of added landscaping will be installed after plant construction is substantially complete. Landscape installation will be completed within six months of initiation of the landscaping effort. Newly planted containerized plants will require regular irrigation until they are well established.

**Table 2-1
PLANT SITE LANDSCAPING WATER USAGE**

May through September Schedule				
<u>Area</u>	<u>Gal / Hour</u>	<u>Run Time</u>	<u>Times / Week</u>	<u>Total Gals</u>
Road Frontage	3,303	3	2	19,818
Channel	10,124	3	2	<u>60,744</u>
Subtotal				80,562
October through November, March through April Schedule				
<u>Area</u>	<u>Gal / Hour</u>	<u>Run Time</u>	<u>Times / Week</u>	<u>Total Gals</u>
Road Frontage	3,303	3	1.4	13,872.6
Channel	10,124	3	1.4	<u>42,520.8</u>
Subtotal				56,393.4
December through February Schedule				
<u>Area</u>	<u>Gal / Hour</u>	<u>Run Time</u>	<u>Times / Week</u>	<u>Total Gals</u>
Road Frontage	3,303	3	1	9,909
Channel	10,124	3	1	<u>30,372</u>
Subtotal				40,281
Projected Yearly Water Usage				177,236.40

3.0 WATER PROPERTY MANAGEMENT PLANS

3.1 Water Property Description

The water property is an irregularly shaped area of land 3,000 acres in size, located approximately 2-1/2 miles west of the plant site. Approximately 400 acres of the water property is located north of the Elliot Road with the remaining property located south of Elliot Road. The water property is located in Sections 7, 18, 19, 20 29 and 30 of Township 1 South, Range 6 West, Gila and Salt River base and meridian, and Sections 13 and 24 of Township 1 South, Range 7 West, Gila and Salt River base and meridian, Maricopa County, Arizona and is shown as the blue highlighted area on the map provided in Attachment D.

The water property consists predominately of retired agricultural farmland. In accordance with Arizona Department of Water Resources (ADWR) regulations, the property from which the groundwater is or will be transported must be maintained free of noxious weeds (e.g., Russian thistle) and blowing dust that creates a threat to health or safety.

This regulation requires Mesquite Power to develop a re-vegetation plan for the retired agricultural farmland associated with the water property.

The 3,000 acres of water property can be classified into the following six categories. A brief description of each is also provided below. Refer to the aerial photograph provided in Attachment E for the water property areas that are in each category:

Fallow Farmland

Approximately 2,167 acres of the water property is retired or fallow farmland and will be fully re-vegetated. This recently retired agricultural farmland has little or no native plant coverage except for the exotic weed Russian thistle, also known as tumbleweed (*Salsola kali*). (Refer to Section 3.2.1 for interim land management control of tumbleweed.) The current state of this portion of the water property is depicted in photograph numbers 4, 5, 6, 7, and 12 provided in Attachment B. These fields have been out of production for varying periods of time and the irrigation system infrastructure that was used for farming of the property (i.e. ditches and wells) are in disrepair. This recently retired agricultural land will be the focus of the re-vegetation program discussed in Section 3.2 below.

Retired Farmland with Partial Vegetation

Approximately 220 acres of the water property is retired farmland that has been out of production for an extended period of time and, as a result, desert vegetation has been partially re-established in these areas. However, there are still significant parts of these fields that need to be re-vegetated. The current state of this portion of the water property is depicted in photograph numbers 8, 9, 10, and 11 provided in Attachment B. The vegetation on this property is typically scattered climax species such as mesquite. The vegetation is generally in areas around irrigation ditches, in low-lying areas or adjacent to surrounding property that has not previously been farmed. Additional plantings will be required in these fields to add to the species diversity and to increase the density of plants.

Retired Farmland Not Requiring Re-vegetation

There are about 422 acres of the water property that were previously farmed, but has been naturally re-vegetated. This portion of the water property is depicted in photograph numbers 13, 14, 15, and 16 provided in Attachment B. These areas likely serendipitously receive seed onto a receptive seedbed with adequate precipitation or overland flow. In most instances, the water naturally concentrated in these areas, facilitating the establishment and survival of plants. These areas do not require re-vegetation due to their plant diversity and natural vegetative capacity.

Natural Desert Areas (No re-vegetation required)

There are an additional 160 acres of the water property that will not require re-vegetation because they are generally in their natural vegetative state. These are typically areas that have never been farmed and are located in the vicinity of

the Centennial Wash. The vegetation in these areas is typically mesquite and creosote bush.

Perimeter Roads

There are currently several miles of dirt roads throughout the property. The roads along the property boundaries will be maintained to allow access to the perimeter fencing for repairs and maintenance and for re-vegetation efforts. The interior dirt roads will be temporarily maintained to allow the movement of equipment and vehicles during the re-vegetation program and minimize the disturbance to the fallow farmland. These interior roads will then be re-vegetated if not needed for other purposes. There are approximately 12 miles of perimeter roads which, at 10 feet wide, cover approximately 14 acres.

Property Not Owned by Mesquite Power

There is a 17-acre parcel located in the central area of the water property that was retained by a previous property owner. This private property will not be included as part of this comprehensive land management plan, since it is not owned by Mesquite Power.

There are several miles of irrigation ditches throughout the property in various stages of disrepair. All of these irrigation ditches will be left in place for possible use during the re-vegetation program. These irrigation ditches will at times facilitate the movement of water to the fields during the re-vegetation program although some repairs may be required to ensure functionality.

Surrounding properties consist of vacant desert property that has never been farmed, low density residential property, and fallow farmland. The current use of the surrounding property is indicated on the map provided in Attachment F. The surrounding property is a combination of private and federal/state government owned land.

3.2 Land Management – Water Property

3.2.1 Interim Land Management

* The re-vegetation program will be implemented in phases over a period of approximately ten years. Therefore, for those areas which have not been or are not currently being re-vegetated, an interim land management plan will be developed, in order to ensure that those areas are protected from nuisance weeds and from further disturbance. The plan will include measures for fencing and protecting those areas which have yet to undergo re-vegetation.

The surface of the recently fallow farmland is loose and subject to removal by strong winds. Over time, if the soil remains undisturbed, a soil crust develops that helps prevent the removal of fine soil particles. Control of dust and tumbleweeds is a concern until a soil crust is formed and until re-vegetation is complete. In these areas, tumbleweeds will be removed by cutting prior to the plants going to seed, to ensure that they do not propagate.

It is critical that the surface disturbances be kept to a minimum regardless of the surface soil condition. Any disturbances increase the potential for dust and weed growth. In order to assist in this effort, Mesquite Power will upgrade or install fencing around the water property perimeter to minimize the disturbances from trespassers including cattle and all terrain vehicles. The existing dirt roads will be maintained to allow the movement of equipment and vehicles and minimize soil surface disturbances outside the roadways.

As stated previously, the existing irrigation ditches will remain and these will be used when possible during the re-vegetation program. The possibility of removing the concrete in these irrigation ditches will be determined after implementation of the re-vegetation program. This decision will be based primarily on the ability to remove the concrete without disturbing the vegetation.

3.2.2 Retired Agricultural Farmland Reclamation Process

Re-vegetation of retired agricultural farmland in southern and central Arizona is challenging because of the low rainfall and other unique environmental conditions of the Sonoran Desert. Additionally, there is no proven methodology to establish desert plants in an ecologically and economically sound manner on large-scale areas such as the retired agricultural fields of the water property.

Problems associated with the retirement and/or the abandonment of actively irrigated fields in Arizona have been well documented and include:

- Dust from recently fallowed fields and abandoned farmland has contributed to damaging vehicle finishes and windshields, and more importantly to dust storms that have resulted in automobile accidents and deaths on Arizona highways and other adverse health-related respiratory problems. Bare, unprotected Arizona soil can erode as much as 30 tons per acre per year from wind.
- Noxious weeds, especially Russian thistle also known as tumbleweed, have been reported to grow abundantly on recently-retired irrigated fields or repeatedly disturbed areas. These plants can be readily blown off a site to adjacent property or across roads, becoming a major nuisance. Refer to Section 3.2.1 for interim land management control of tumbleweed.
- Many areas that have been retired from irrigated agriculture for periods of nearly 50 years remain totally devoid of climax plants and are sometimes even lacking any substantial vegetative cover. These fields can continue indefinitely to be potential problems.

If a stable plant cover can be established prior to or shortly after the actual time of field retirement, the soil surface may be stabilized with an arid-adapted climax plant community. This established plant community will help prevent the soil from blowing and decrease tumbleweed establishment.

3.2.3 Vegetation Management Approach

As part of the preparation for the re-vegetation effort, it will be necessary to conduct soil surveys and to carry out research to understand the soil plant interface. Information is needed on the nutrient status of the soil as well as the presence or absence of a plow layer that may have to be deep-ripped to provide adequate root access for deep-rooted trees and shrubs.

In order to maximize resources, the most effective method to minimize problems associated with retired or abandoned farmland is to use any existing infrastructure of the previous farms as appropriate and practical. To a limited extent, traditional crop residues or sludge could act as a mulch or soil amendment for emerging arid-adapted plant seedlings. Remaining furrows, borders or irrigation canals also may make it easier to irrigate during the re-vegetation process.

The appropriate mixture of plant species to be used will depend on the climate and soils of the site, and the intended use of the site. Preliminary determination of which plants are potential candidates for use in re-vegetation can be made by observing the vegetation growth nearby. Native vegetation has survived and responded to stresses imposed by climatic conditions, soils, and grazing and trampling by wildlife and livestock. A limitation to this approach is that these surrounding areas are typically degraded sites that do not contain all possible plant species that are adapted to the site. A further consideration is that the land's history of irrigation may have increased the soil salinity, making native plant establishment more difficult. Soil type is a critical factor in determining which species are adapted to the site.

Typical climax species for the Arlington Valley area include:

Acacia	<i>Acacia constricts, Acacia greggi</i>
Bursage	<i>Ambrosia dumosa</i>
Creosote bush	<i>Larrea tridentata</i>
Paloverde	<i>Cercidium floridum, Cercidium microphylla</i>
Mesquite	<i>Prosopis juliflora</i>
Saltbush	<i>Atriplex canescens, A. polycarpa, A. lentiformis</i>

Since no definitive methods are available for re-vegetation of retired farmland in Arizona, test plantings and related soil research are the best way to determine which species under which planting method are adapted to the site and can be replanted with success. Ideally these plantings should be observed for a number of years to determine the long-term survivability of the species. However, preliminary observations of test plants can be used to begin the re-vegetation process while continued observation will provide increased reliability and improved rates of success.

A combination of seeding and transplanting of containerized seedlings will be utilized throughout the re-vegetation program. It should be noted that a consideration with direct seeding trees and shrubs is that seedlings are slow to start and can be at a severe disadvantage compared to containerized shrubs and trees as well as weeds. University of Arizona researchers have successfully direct-seeded plants such as creosote bush (*Larrea tridentata*) and four-wing saltbush (*Atriplex canescens*) in hyper arid areas. On particularly severe sites, only trees and shrubs may be adapted. Transplanting containerized seedlings and applying establishment irrigation is the most reliable method

of establishing trees and shrubs, but it is also the most expensive. Mesquite's re-vegetation plan will rely as much as practical on the use of transplanting of containerized seedlings, in order to increase the likelihood of success of the re-vegetation plan, however, as noted, direct seeding methods will also be employed.

Once plants are transplanted or seeded, irrigation will be needed to keep the surface of the soil moist until seeds are germinated and seedlings are established. Plants are unlikely to persist on level surfaces where rainfall does not penetrate into the soil. It may be possible to irrigate using existing furrows or water harvesting techniques. When containerized transplants are used, it is vital that the soil be kept moist until roots grow from the root ball into the surrounding soil.

3.2.4 Re-vegetation Test Plot

Re-vegetation efforts will be conducted in a phased approach with the first effort consisting of the planting of a fifty (50) acre test plot. This test plot will be located on fallow farmland, in the area shown on the map in Attachment G. This area is located south of Elliot Road at a distance that will protect it from traffic disturbances. The test plot area will also be fenced to minimize other disturbances. The University of Arizona staff will lead this research effort.

Implementation of the University of Arizona research activities will occur during the first two years of the re-vegetation program on this 50 acres of retired farmland. A number of different techniques will be tested to identify the most effective procedure to use for large-scale re-vegetation on the remainder of the site. Techniques that will be evaluated will include:

- Surface rip
- Surface rip and seed
- Surface rip, seed and select planting (with irrigation)
- Deep rip only
- Deep rip and seed
- Deep rip, seed and select transplanting (with irrigation)
- Deep rip in catchment and berm for water harvesting; seed only
- Deep rip in catchment and berm for water harvesting; seed and select transplanting (with irrigation)
- Land imprinting with no surface preparation
- Land imprinting with surface preparation and seeding
- Grade for water harvesting, seed and select transplanting (with irrigation)

Several irrigation technologies will be used including flood, bubbler and drip irrigation. Test plots will need to be developed in the fall to early spring to provide the greatest opportunities for plant survival. Particular emphasis will be placed on the soil plant interface.

Ideally the pilot re-vegetation project areas should be observed for a number of years to determine the long-term survivability of the species. However, preliminary observations of test plants after the first year of growth can be used to begin the re-vegetation process while continued observation will provide increased reliability. Therefore, a year after initiation of the pilot re-vegetation project area, the efficacy of the various processes

investigated will be evaluated. The University of Arizona will identify the most successful procedures and develop a plan for their implementation on the retired farmlands, and refine it as appropriate with the knowledge gained during year 2 of the test plot program.

3.2.5 Re-vegetation Fallow Farmland

After the arid-adapted vegetation techniques are refined using the test plots, Mesquite Power, LLC will begin full-scale re-vegetation efforts. Re-vegetation efforts will focus on providing a self-sustaining seed source that will propagate into adjacent open areas. By creating swaths of seed sources intermixed with fallow lands, Mesquite Power, LLC, and the University of Arizona hope to create an effective large-scale re-vegetation program that will return the former agricultural land to desert communities. These efforts will result in plant communities that reflect adjacent plant communities; in other words, the goal of the re-vegetation program will be to establish vegetative cover and densities over the long term that will be comparable to natural communities.

A phased program to full-scale vegetation will be required. This approach is needed for several reasons, including the potential limited availability of plant materials such as seed and transplants, as well as possible limitations of equipment. Other parties also will be looking to use the limited materials and equipment within a constrained planting window between October and March.

After the first year of the research re-vegetation test plot, efforts will be expanded to initiate coverage of the entire area of the Water Property needing re-vegetation. Starting in Year 2, an additional 275 acres will be planted annually thereafter through year 10, until the entire area necessitating re-vegetation is complete.

In order to allow the plants to become well established during their first two to three years, irrigation will be needed. The University of Arizona currently estimates that approximately one acre-ft/yr of water will be required per acre of land re-vegetated. During the second and third years of irrigation, plants will be weaned from supplemental irrigation so they will be able to survive on normal rainfall amounts.

The retired agricultural lands will be re-vegetated using arid-adapted vegetation in such a way as to provide a continuing seed source for the establishment of more arid-adapted vegetation at naturally-occurring densities.

After planting, each of the individual research plots will be monitored to evaluate species cover, density and composition. Species cover will be determined using the line-intercept method. Density will be measured using quadrants in which all the plants will be counted and measured for height. In addition, determinations will be made of the percent of successful seedling establishment. While in the transplant plots, percent survival of transplants will be determined.

3.2.6 Re-vegetation Retired Farmland with Partial Vegetation

Areas having established climax species will be scheduled for in-filling in the final years of the program. This would provide time both to observe the development of these fields as well as to refine the re-vegetation knowledge base. The established plants will provide a seed source that, under the right conditions, will be able to expand the plant cover into non-vegetated areas. If this expansion fails to adequately cover these fields,

the re-vegetation effort would leave the desirable species in place and focus on part of the field lacking adequate plant coverage or species diversity.

3.2.7 Retired Farmland not Requiring Re-vegetation

As stated in Section 3.1, about 40 acres of the water property was previously farmed, but has re-vegetated naturally. These areas will be monitored during the re-vegetation program to ensure that the plants in these areas continue to survive, develop and expand the vegetative cover while receiving natural precipitation.

3.3 Water Use – Water Property

As previously mentioned, the intent of the irrigation program is to ensure adequate establishment of transplanted seedlings and to ensure that seeded plants also get established. Eventually, established plants will be weaned off of irrigation and allowed to thrive with natural rainfall. During the third year of plant establishment, irrigation will be used as a supplement to naturally occurring rainfall. Average mature plant cover in the area is currently about 25 percent of the soil surface, based on surveys of the Project Site. The re-vegetation program will use a maximum of 50 percent cover as the target for irrigation efforts.

Average annual rainfall in the area ranges from 6 to 8 inches (0.5 to 0.67 acre-ft), with a minimum of 2 inches (0.17 acre-ft) during drought conditions and a maximum of 12 inches (1 acre-ft) during heavy rainfall years.

An analysis of annual water requirements for the re-vegetation program is presented in Table 3-1. As depicted in the table, for any given planted area, irrigation will be at its maximum during the first year. For this same planted area, irrigation will be decreased in years 2 and 3, with no additional irrigation anticipated thereafter. It is anticipated that for any given acre of planted area, 1 acre-ft (equivalent to the maximum annual rainfall for the area) will be provided during the first year, 0.5 acre-ft (equivalent to the average annual rainfall for the area) will be provided during the second year, and 0.17 acre-ft would be available during the third year if drought conditions were to occur during that period. These are in addition to any naturally occurring rainfall amounts.

3.4 Estimate Cost and Schedule – Water Property

During the first year, the 50 acres of the test plot will be planted. Starting in the second year, 275-acres will be planted annually for 9 additional years, resulting in the re-vegetation of up to 2,525 acres. This is a conservative schedule since there are only 2,167 acres that require complete re-vegetation and an additional 220 acres that require partial re-vegetation, for a total of 2,387 acres.

The seeding or planting of seedlings must be performed during the period from October to March. Based on this criteria, work on the test plot will be initiated in October 2001 and planting in this area will begin in December 2001. The 50-acre test plot research program will continue throughout 2003 with the re-vegetation of the fallow farmland to begin in December of 2002, with the first 275 acres. The map provided in Attachment G shows the approximate areas to be re-vegetated in three year increments.

**Table 3-1
ANALYSIS OF WATER REQUIRED FOR REVEGETATION
OF THE MESQUITE PROJECT WATER PROPERTY***

Year	Field Number	Area Planted (ac)	Total Area Planted (ac)	Annual Water Requirement (ac-ft)			Total Annual Water Used (ac-ft)
				New Plants	2 nd Year Plants	3 rd Year Plants	
1	Test Plot	50	50	50	0	0	50
2	1	275	325	275+	25	0	300
3	2	275	600	275+	150	+25	450
4	3	275	875	275+	150	+50	475
5	4	275	1,150	275+	150	+50	475
6	5	275	1,425	275+	150	+50	475
7	6	275	1,700	275+	150	+50	475
8	7	275	1,975	275+	150	+50	475
9	8	275	2,250	275+	150	+50	475
10	9	275	2,525	275+	150	+50	475
11	--	0	2,525	0	150	+50	200
12	--	0	2,525	0	0	+50	50

* Note that calculations are based on the availability of 1 ac-ft/acre during the first year after planting that is reduced to 6 inches of supplemental water during Year 2 and 2 inches as emergency water during Year 3. Twelve inches of water approximates the upper range of annual rainfall while the low end of the annual rainfall is about 2 inches.

If additional water is available and research and experience indicate that the re-vegetation effort can accommodate a larger acreage per year, then the program will be accelerated and completed in less than the ten years currently contemplated.

Research efforts to address the issues noted above in Section 3.2.4, will be performed by the University of Arizona on a contract basis at an estimated cost of \$50,000 per year for the first three years, \$10,000 per year for the next two years and \$5,000 for each year thereafter.

The estimate on the cost for reestablishment of a desert cover on retired fields will be in the approximate range of \$200 to \$500 per acre. This includes the cost of the plants, seedling, and seeds and the labor and equipment to install the vegetation

Table 3-2 provides the annual and total estimated cost for the re-vegetation program using the values specified above.

Year	U of A research costs	Cost of re-vegetation (\$/ac)	Acres planted	Cost of re-vegetation	Total cost
1	\$50,000	\$1,000	50	\$50,000	\$100,000
2	\$50,000	\$500	275	\$137,500	\$187,500
3	\$50,000	\$500	275	\$137,500	\$187,500
4	\$10,000	\$500	275	\$137,500	\$147,500
5	\$10,000	\$500	275	\$137,500	\$147,500
6	\$5,000	\$500	275	\$137,500	\$142,500
7	\$5,000	\$500	275	\$137,500	\$142,500
8	\$5,000	\$500	275	\$137,500	\$142,500
9	\$5,000	\$500	275	\$137,500	\$142,500
10	\$5,000	\$500	275	\$137,500	\$142,500
Total	\$195,000	NA	2,525	\$1,287,525	\$1,482,525

4.0 ALTERNATIVE LAND USES

Mesquite Power, LLC has looked at other potential land uses for the Water Property in an attempt to provide unique environmental or educational opportunities while maintaining an open space type land designation. As such, Mesquite Power has been in contact with environmentally conscious organization such as the Phoenix Zoo, Southwest Wildlife Rehabilitation, Ducks Unlimited, and Arizona Game & Fish to determine their interest in using some of the retired farmland for environmental and educational programs.

Mesquite Power, LLC has entered into discussions with these organizations and has received preliminary proposals from the Phoenix Zoo and Southwest Wildlife Rehabilitation for use of the Water Property. Copies of these proposals are provided in Attachment H. Mesquite Power has submitted a letter to the Arizona Game and Fish Department which expresses our commitment to establishing a partnership to develop

this potential wildlife habitat around a small pond located on the water property. A copy of this letter is provided in Attachment I.

The Phoenix Zoo is currently developing a program that would use portions of the water property south of Elliot Road for native and endangered species habitat, breeding programs and wildlife rehabilitation. Other areas of the property may be used to construct research facilities, laboratory space, living quarters for scholars and educational facilities for control public groups (such as schools). The following is a summary of the Phoenix Zoo's potential program:

- An antelope research and breeding area for species such as the endangered Oryx. This breeding area would encompass approximately 250 acres.
- A rhino enclosure for research and breeding of the endangered White Rhino. This breeding area would encompass approximately 300 acres.
- A reptile and amphibian research and breeding area for endangered species and an area dedicated to a mammal rehabilitation and release program for species such as Javalina. This area would to encompass approximately 80 acres.
- Development of an educational and research area consisting of labs, dormitories, classrooms, information center, interactive centers, and exhibit area for wildlife that cannot be released back into the wild. This area would encompass approximately 60 acres.

Preliminary plans for the Antelope enclosure have been completed and are currently being reviewed by the Phoenix Zoo. The preliminary plans for the rhino, reptile and amphibian areas, as well as the mammal rehabilitation area are currently being developed by the Phoenix Zoo. The Phoenix Zoo is in the process of identifying the potential employee and equipment resource needs to properly operate and maintain the proposed facility. Completion of the plans and identification of the resource needs will allow the Phoenix Zoo to complete the preliminary development plans for the educational and research areas.

In addition, the Phoenix Zoo is contacting other Universities to determine their potential interest in this type of research facility and their interest in participating (including the availability of grant money) in the development and operation of the facility. Additional information is being sought by the Phoenix Zoo on other research projects and on the availability and interest of making the proposed facility a national breeding facility.

Development of the research facility may require some adjustments in the re-vegetation plan. These changes may include the use of different vegetative cover within the research facility area, as well as the construction of research and education structures and other associated facilities within the same area.

Mesquite Power will continue to work with the Phoenix Zoo, Southwest Wildlife Rehabilitation, Ducks Unlimited, and Arizona Game & Fish in an effort to develop alternative land uses for the water property that are beneficial to the community and are consistent with an open space land designation.

ATTACHMENT A
Plant Site Area Designations

ATTACHMENT B
Photographs

**Palo Verde Nuclear
Generating Station**

**24 acre
easement area**

Wash area

**Mesquite
Generating
Station**

**Satellite
Switchyard**

**Undisturbed 80
acre parcel**

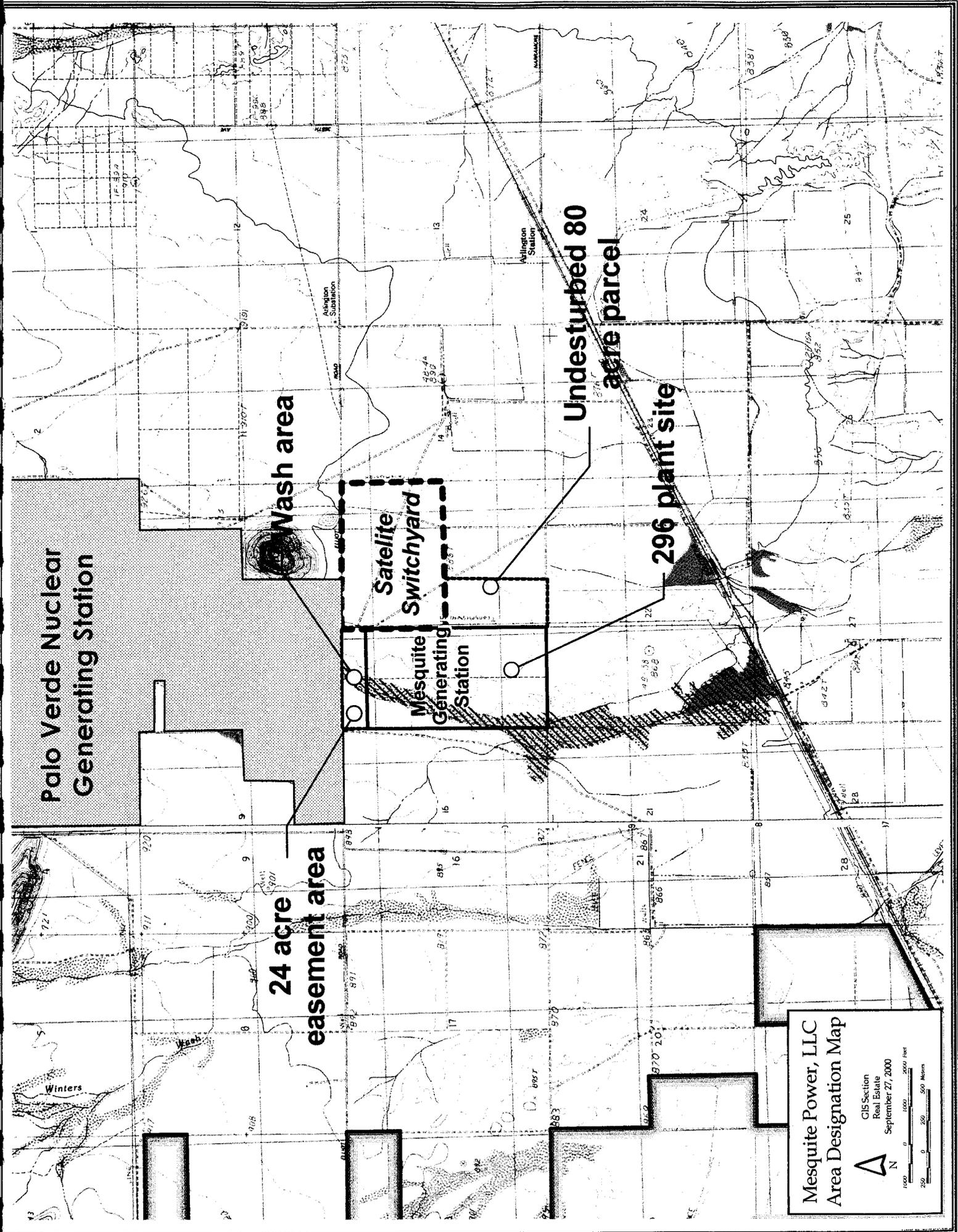
296 plant site

**Mesquite Power, LLC
Area Designation Map**

GIS Section
Real Estate
September 27, 2000



0 250 500 Feet
0 250 500 Meters



Generating Station

Satellite Switchyard

Mesquite Generating Station

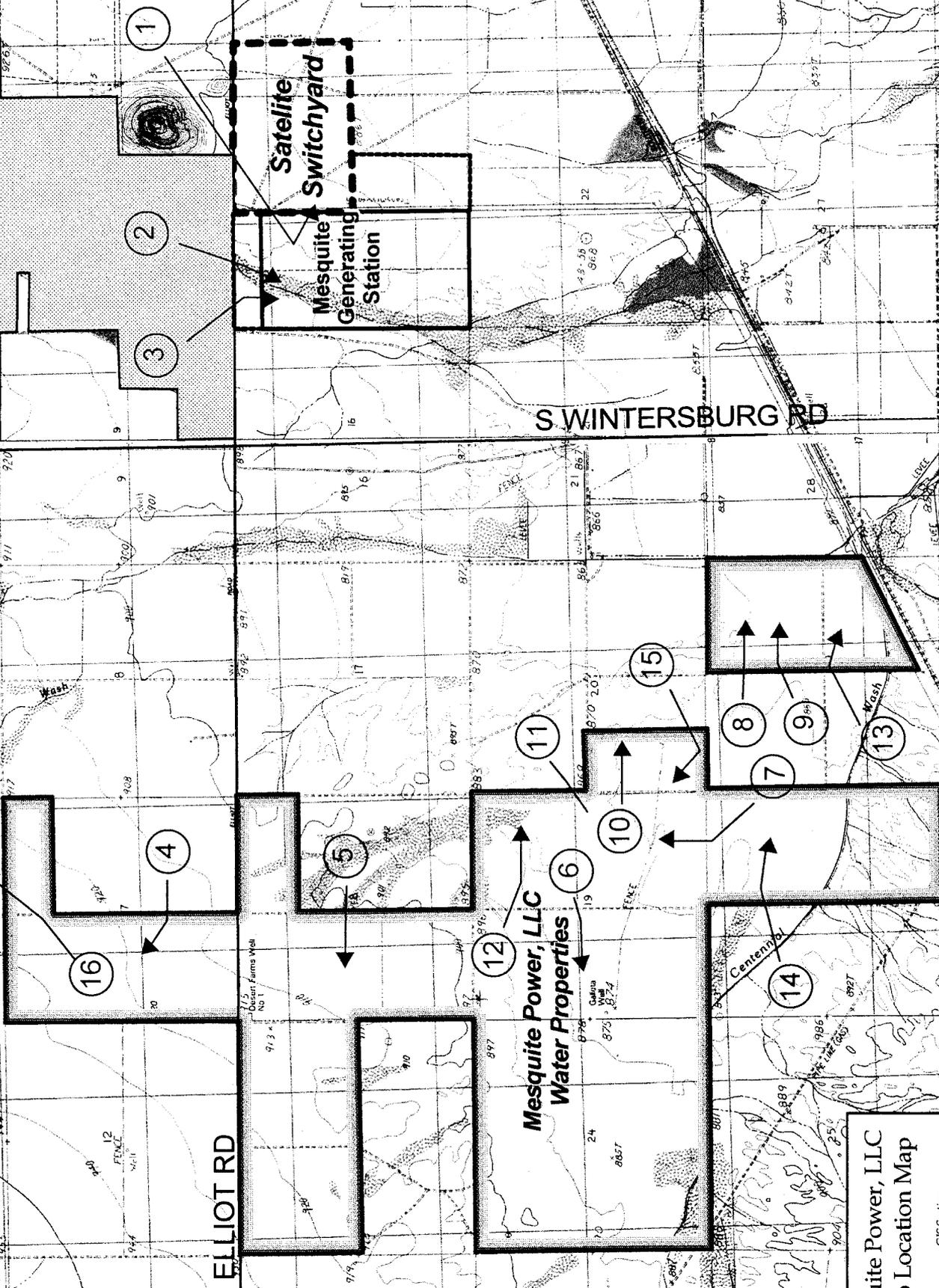
S WINTERSBURG RD

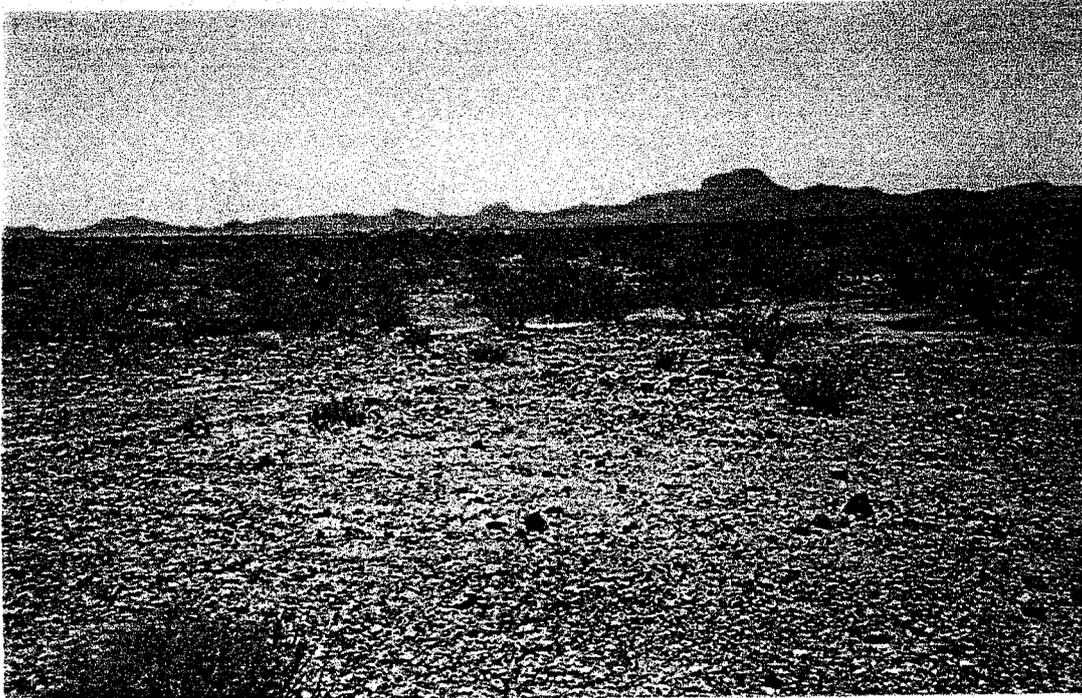
W ELLIOT RD

Mesquite Power, LLC
Water Properties

Mesquite Power, LLC
Photo Location Map

GIS Section
Real Estate
September 27, 2000
1:2500
0 500 1000 2000 Feet
0 500 1000 Meters





PHOTOGRAPH NO. 1: TYPICAL PLANT SITE VEGETATION



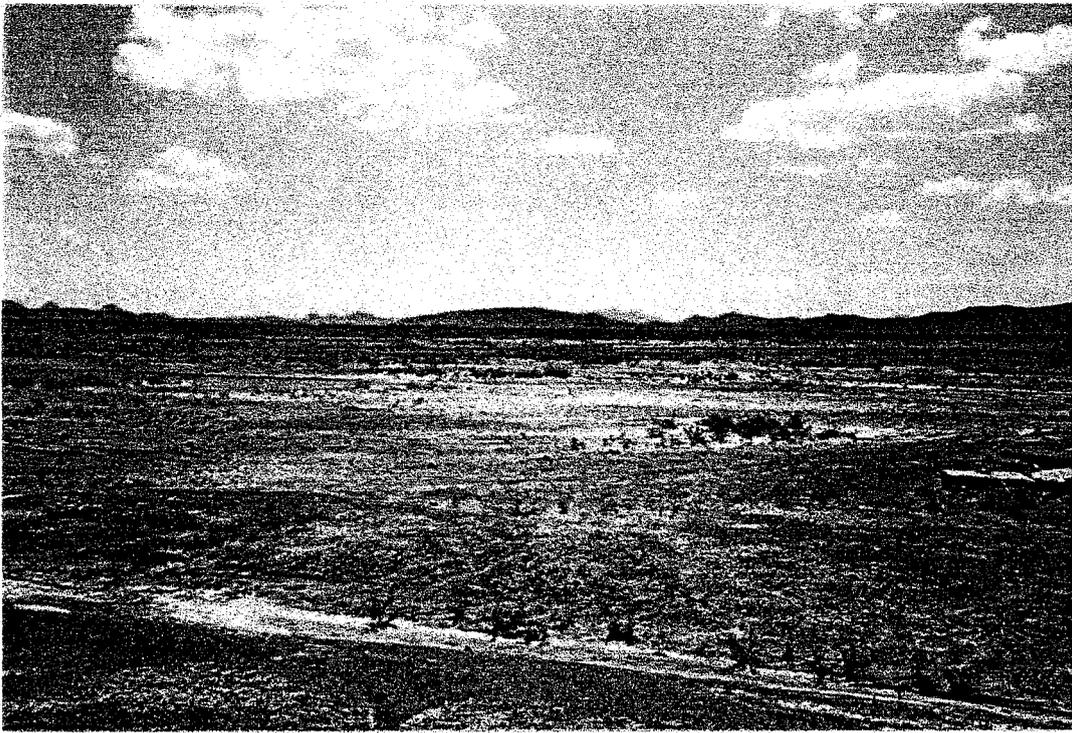
**PHOTOGRAPH NO. 2: EPHEMERAL WASH VEGETATION ALONG
ELLIOT ROAD**



PHOTOGRAPH NO. 3: EPHEMERAL WASH VEGETATION ALONG ELLIOT ROAD



PHOTOGRAPH 4: FALLOW FARMLAND IN SECTION 7, TS1, R6W



**PHOTOGRAPH NO. 5: FALLOW FARMLAND IN SECTION 13, TS1, R7W
AND SECTION 18, TS1, R6W**



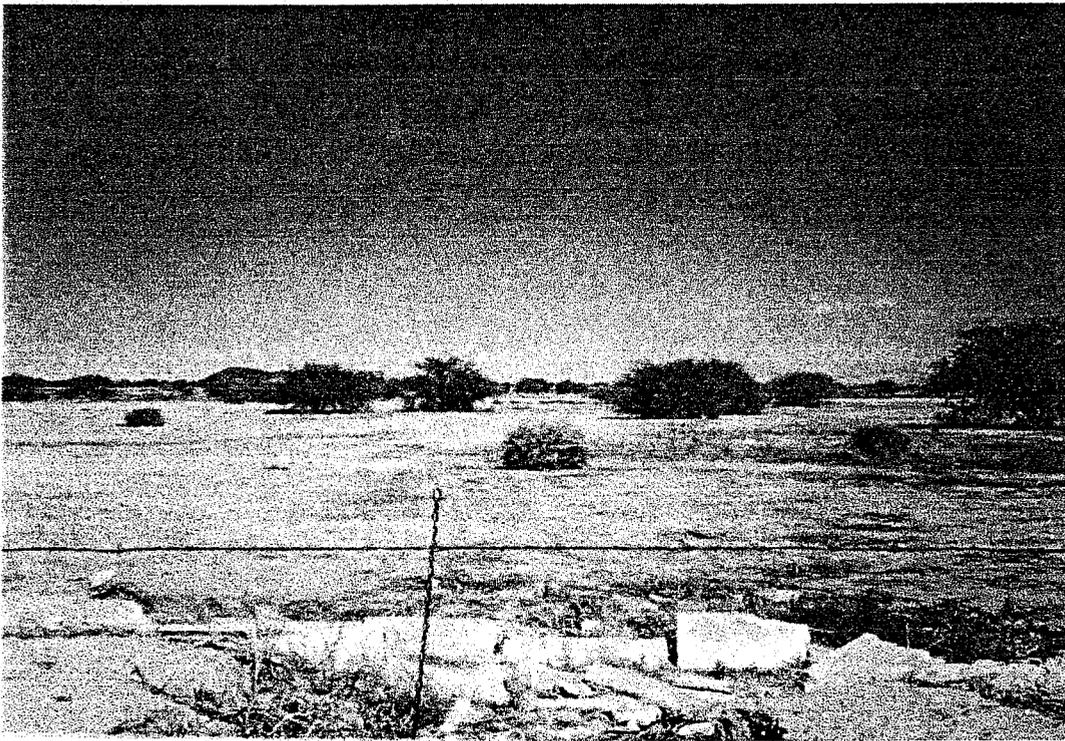
**PHOTOGRAPH NO. 6: FALLOW FARMLAND IN SECTIONS 19, TS1, R7W
AND SECTION 18, TS1, R6W**



PHOTOGRAPH NO. 7: FALLOW FARMLAND IN SECTION 19, TS1, R6W



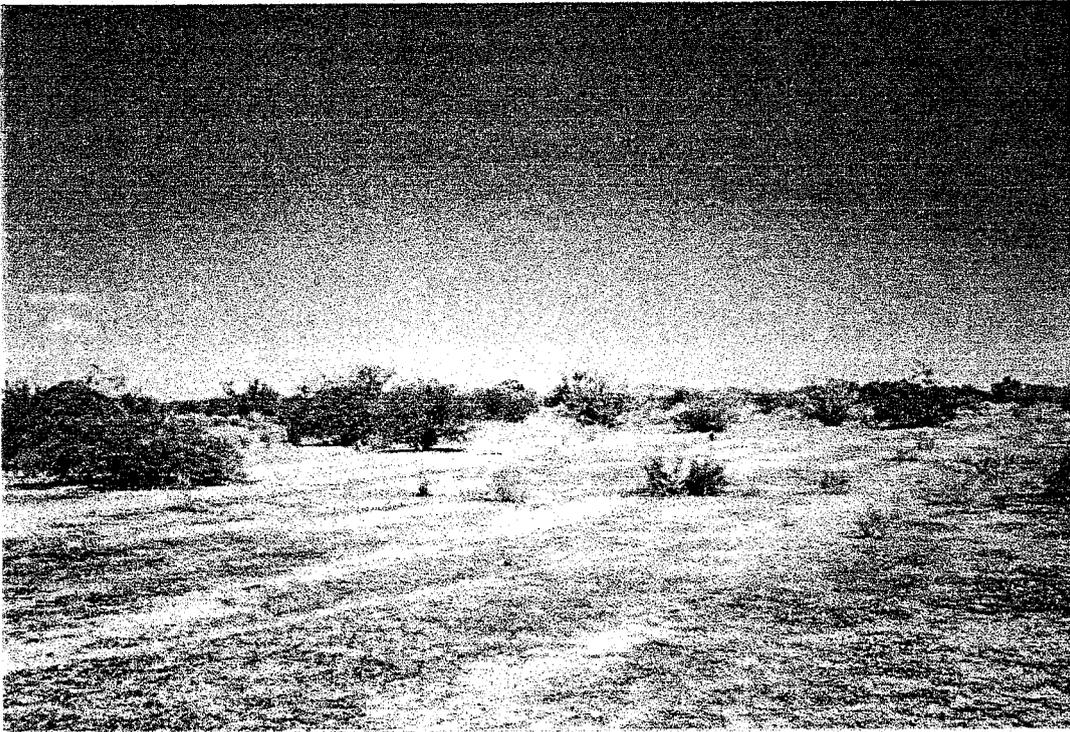
PHOTOGRAPH NO. 8: PARTIALLY VEGETATED FARMLAND IN SECTION 29, TS1, R6W



PHOTOGRAPH NO. 9: PARTIALLY VEGETATED FARMLAND IN SECTION 29, TS1, R6W



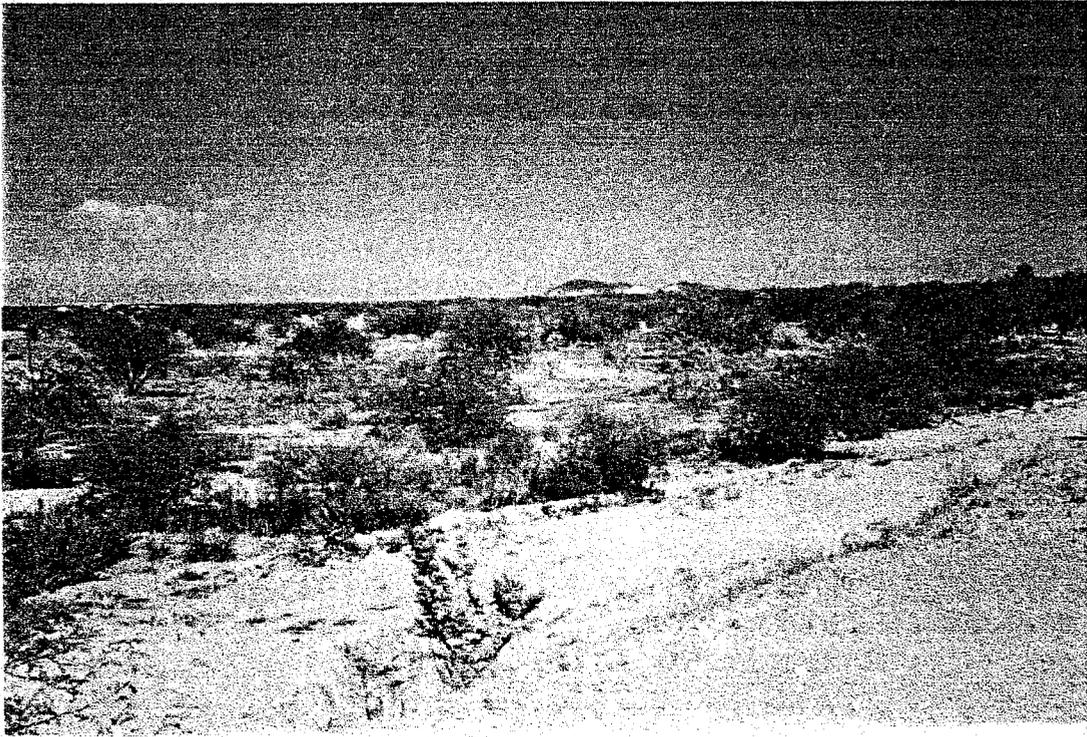
PHOTOGRAPH NO. 10: PARTIALLY VEGETATED FARMLAND IN SECTION 20, TS1, R6W



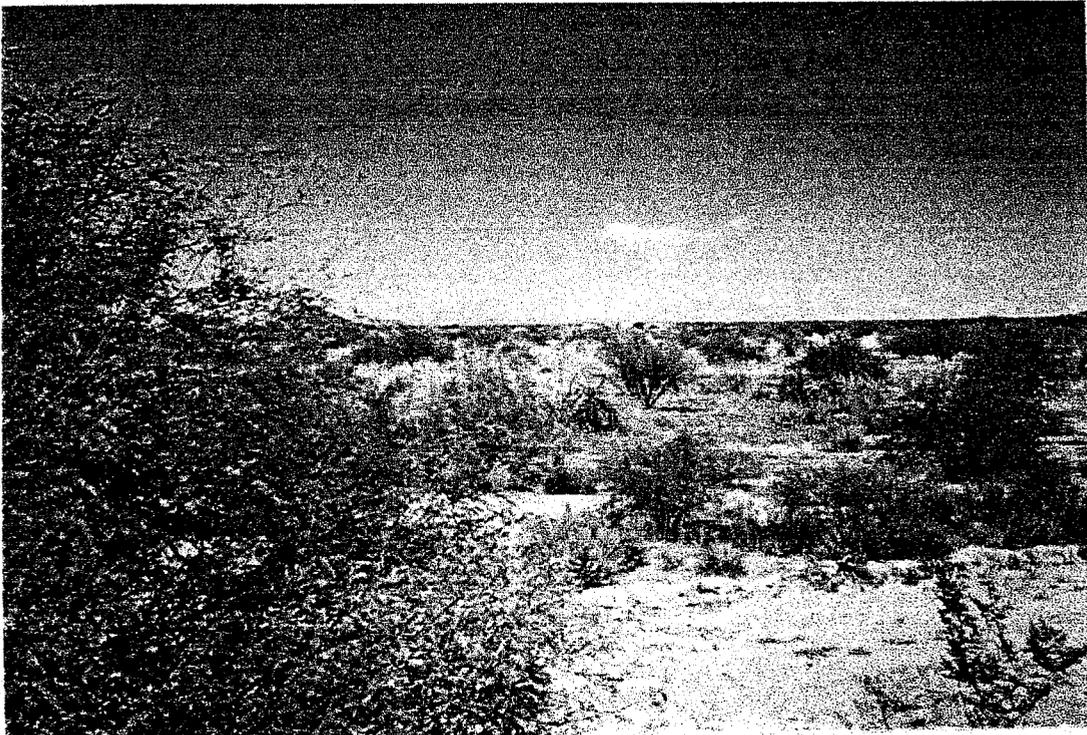
PHOTOGRAPH NO. 11: PARTIALLY VEGETATED FARMLAND IN SECTION 19, TS1, R6W



PHOTOGRAPH NO. 12: FALLOW FARMLAND IN SECTION 19, TS1, R6W



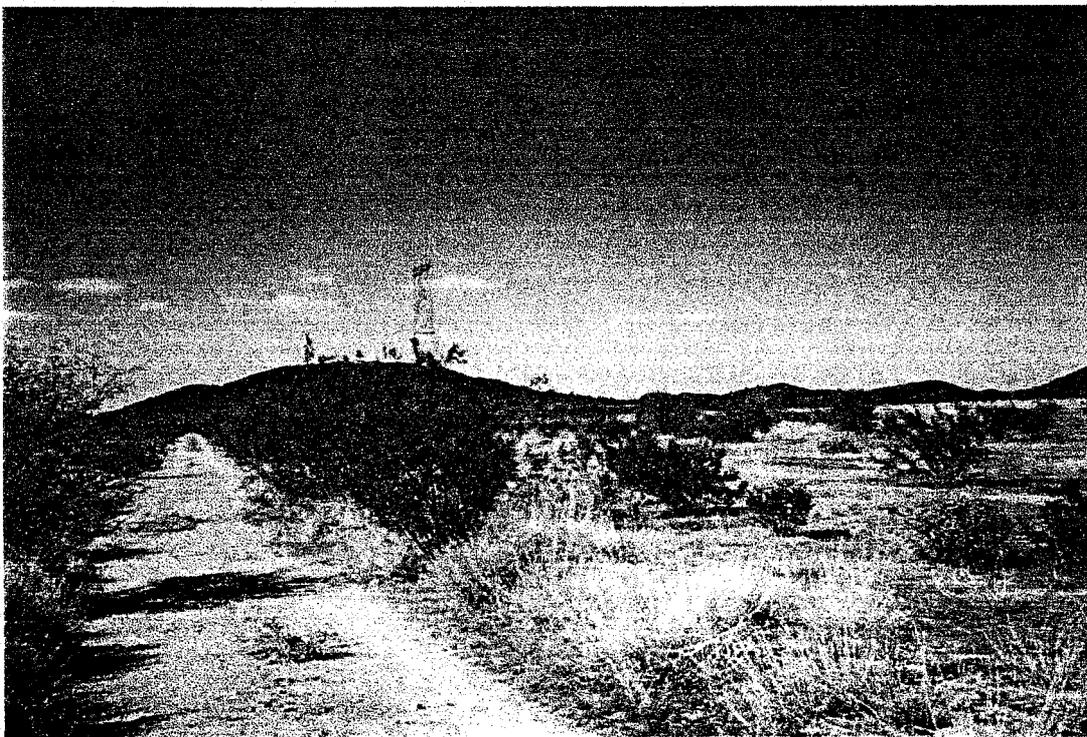
PHOTOGRAPH NO. 13: RETIRED FARMLAND NOT REQUIRING RE-VEGETATION IN SECTION 29, TS1, R6W



PHOTOGRAPH NO. 14: RETIRED FARMLAND NOT REQUIRING RE-VEGETATION IN SECTION 30, TS1, R6W



PHOTOGRAPH NO. 15: RETIRED FARMLAND NOT REQUIRING RE-VEGETATION IN SECTION 20, TS1, R6W



PHOTOGRAPH NO. 16: RETIRED FARMLAND NOT REQUIRING RE-VEGETATION IN SECTION 7, TS1, R6W



ATTACHMENT C
Landscape Plan

OVERSIZED
DOCUMENT

MAP

SEE SUPERVISOR
(EXHIBIT CABINET)

OVERSIZED
DOCUMENT

MAP

SEE SUPERVISOR
(EXHIBIT CABINET)

ATTACHMENT D
Water Property Area Map

Generating Station

**Satellite
Switchyard**

**Mesquite
Generating
Station**

S WINTERSBURG RD

W ELLIOT RD

**Mesquite Power, LLC
Water Properties**

**Mesquite Power, LLC
Area Map**

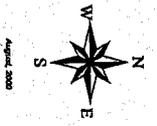


CIS Section
Real Estate
September 27, 2000

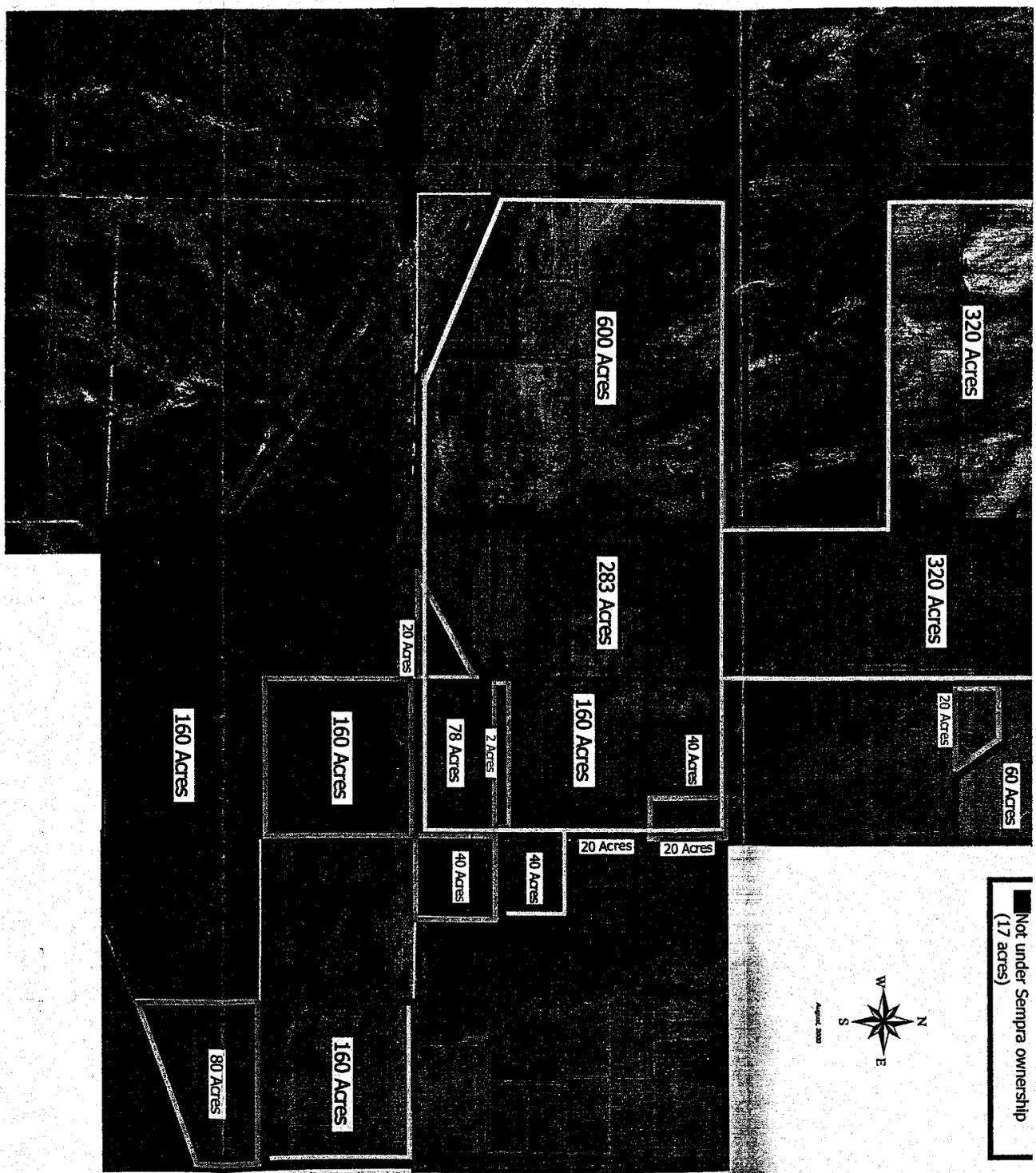


ATTACHMENT E
Water Property Aerial Diagram

Not under Sempra ownership
(17 acres)



August 2000



ATTACHMENT F
Surrounding Property Use Map

**Palo Verde Nuclear
Generating Station**
Special Use Permit

**Vacant
Government Property**

**Vacant former
farm land**
**Former farm land
with low density
residential**

**Government and Private
Vacant Agriculture Land**

**Mesquite Power, LLC
Water Properties
Pending Open Space,
3000 Acres**

**Mesquite Power, LLC
Water Property
Surrounding Land Use**

**Vacant desert
property**

**Duke
Special
Use Permit
and Open
Space**

**Mesquite
Generating
Station**

**Satellite
Switchyard**

**Government and Private
Vacant Agriculture Land**

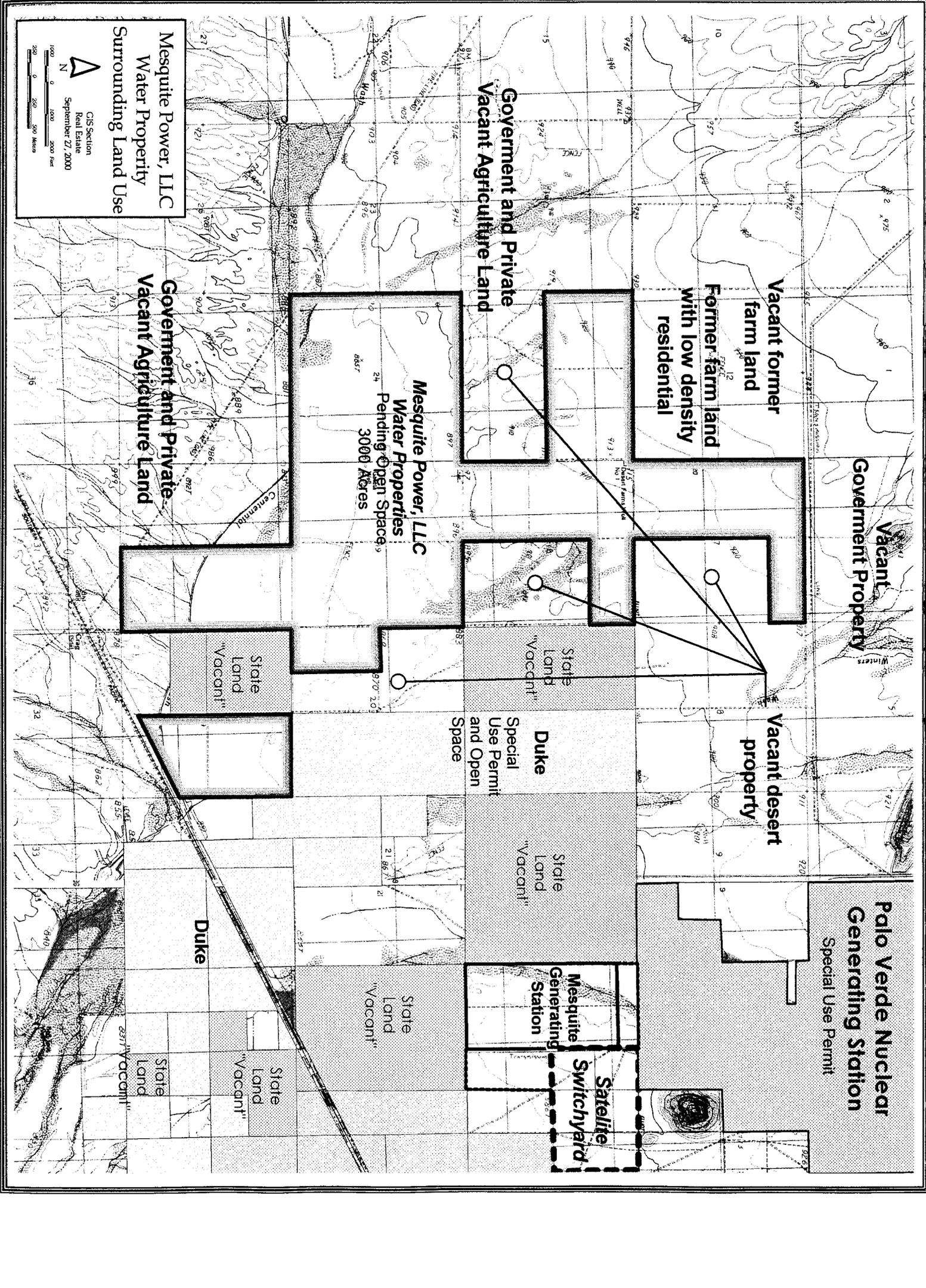
Duke

State
Land
"Vacant"

CIS Section
Real Estate
September 27, 2000

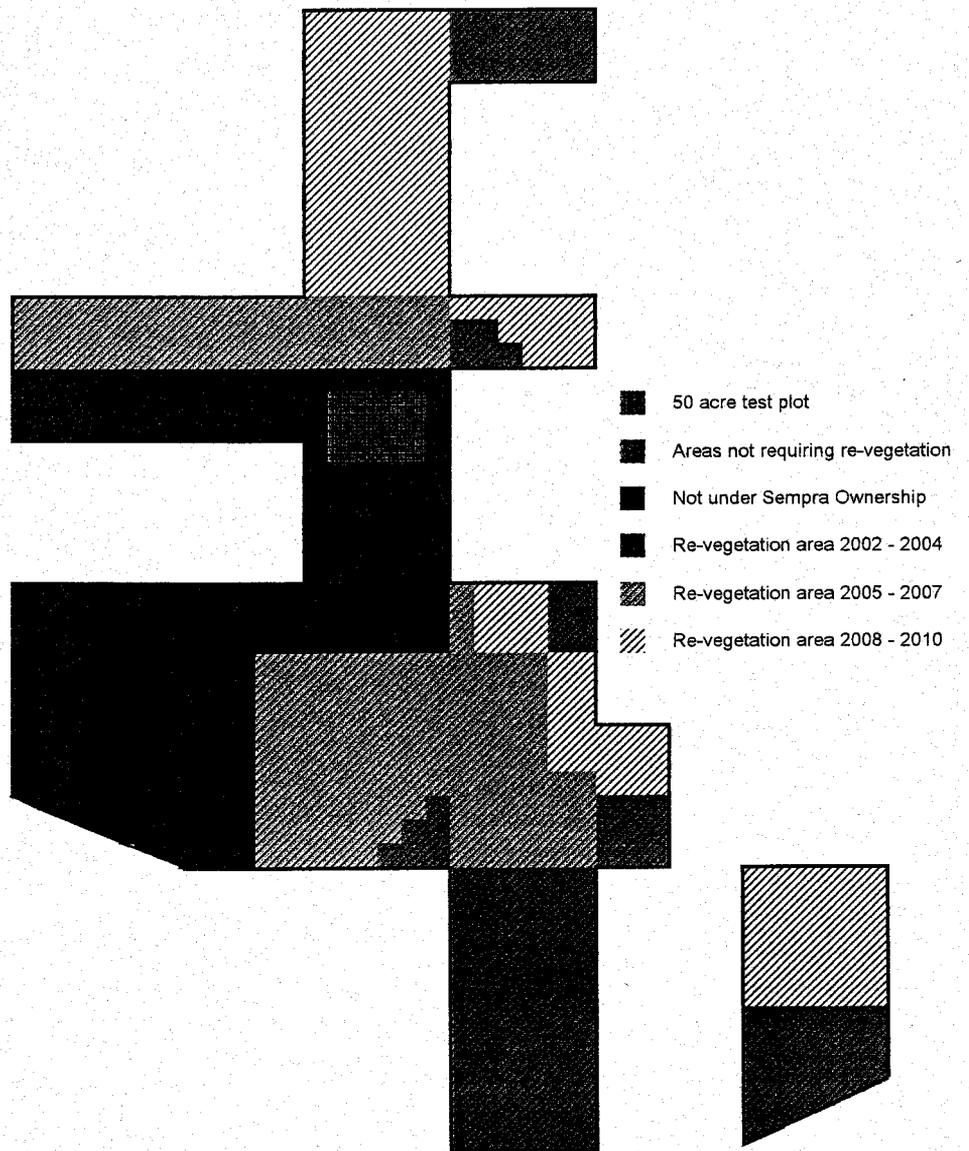


Scale: 0 200 400 Feet



ATTACHMENT G
Test Plot and Re-vegetation
Sequence

TEST PLOT AND RE-VEGETATION SEQUENCE



ATTACHMENT H
Letter Proposals from Phoenix Zoo

DRAFT



SCOPE OF WORK
FOR
SEMPRA ENERGY RESOURCES
PHOENIX RESTORATION LAND PROJECT
BY THE PHOENIX ZOO

The Potential Project

The Phoenix Zoo proposes a model functioning ecosystem recovery program on the Sempra Energy property. This site could be fully interpreted to a wide range of audiences both on site and off, through community based informal learning programs marketed throughout the Metropolitan Phoenix area.

The demonstration project could develop strategies and techniques for habitat and species recovery while supporting plant and animal reintroduction and public education. The Phoenix Zoo would assist in developing relationships with the conservation, science, education and interpretation communities. The Zoo would coordinate the overall project on behalf of Sempra ensuring maximum benefit in acquisition of knowledge on landscape recovery, wildlife reintroduction, and public education. The Zoo would involve professional ecologists, biologists, and associated sciences. We would also coordinate the involvement of volunteers with a focus on creating experiences for children that involve them in learning to care for plants and animals.

Specifically, the Zoo would work with other conservation organizations and institutions to qualify the site as a series of study plots that evaluate soil stabilization, recharge of aquifer, support for vegetative communities, the attraction of native wildlife and the rewilding of disturbed areas.

The Zoo will also screen opportunities to support appropriate breeding programs for extirpated native and exotic wildlife.

The Phoenix Zoo will work with Sempra to identify associated sources of support for all projects. The scope of the work may include the above as qualified below:

Scope of Work

1. **Strategic Plan Development:** The Phoenix Zoo would work with Sempra Energy and other potential partners in the project to develop a strategic plan for the area which would ultimately be a model recovery program. The Zoo management would work with partners to determine the types of plant and animal species needed to create a high profile recovery species program based on the topography of the land, with habitat and environmental restoration being the primary goal.

2. Partnership Development: The Phoenix Zoo would assist Sempra Energy with the development of essential partnerships to develop and sustain the project. The Phoenix Zoo has numerous excellent relationships with such organizations as, all universities in the state, the City of Phoenix, the Nature Conservancy, Arizona Audubon, Liberty Wildlife, Arizona Game & Fish, U.S. Fish & Wildlife Service, Bureau of Land Management, U.S. Forest Service, Pro Naturale in Mexico, Sonoran Institute, Pueblo Grande, and the Desert Botanical Garden.

3. Educational Programs: The Phoenix Zoo would work with Sempra Energy to develop educational science based programs through our renowned Educational Programs division at the Zoo. Such programs would be targeted for elementary and high school children and could include an endangered species recovery program or a model ecosystem recovery project. Programs could be developed on the Zoo campus, on site and through our Desert Connections programs throughout the state.

4. Public and Media Relations: The Phoenix Zoo, through our Marketing and Public Relations division, would work with Sempra Energy to effectively market the development and related programs associated with the project to the metropolitan Phoenix area. Our Media Relations division is very well connected in Phoenix and can assist Sempra energy with positive media stories and with developing a brand image in the state which will result in a strong environmental and community based public relations image.

Terms and Conditions

This particular Scope of Work is not legally binding and will be more fully developed once Sempra Energy and The Phoenix Zoo have come to mutually agreed upon terms and conditions. All fiscal responsibility for the project would be assumed by Sempra Energy, including for Zoo management and staff's time and expertise on the project.

Southwest Wildlife Rehabilitation and Educational Foundation, Inc.

Preliminary Proposal for Palo Verde Site

Objective: Southwest Wildlife Rehabilitation and Educational Foundation, Inc. is a non-profit organization specializing in rescue and rehabilitation of wildlife, education of the public, education of professional students, and training animal health professionals. Founded in 1994, Southwest Wildlife has cared for over 1800 injured and orphaned wild animals and has succeeded in releasing 60 % of these animals to the wild. Southwest personnel have educated thousands of children and adults through presentations with live, non-releasable wildlife. Such presentations have focused on the natural history of species native to the Sonoran Desert, the importance of habitat, and the importance of biodiversity and preservation. Because of these education efforts, Southwest Wildlife has been chosen to build a nature center at the McDowell Mountain Park in Scottsdale. The park will provide a forum for education of the public in a natural surrounding. Southwest Wildlife has participated in humane research and, in cooperation with state and federal agencies; provided education opportunities for undergraduate and graduate students in the biological sciences. Southwest Wildlife has established an internship program for veterinary students and graduate veterinarians. Education of these professionals occurs in a state of the art hospital and surgical facility located on premises. The main focus of the veterinary training is care of injured and ill wildlife, safe and humane capture of wildlife, medical and surgical treatment of these species, and population medicine. Through a Pulliam Foundation grant, the hospital is expanding and intermediate care facilities are being added. These facilities will accommodate large carnivores and herbivores and enhance the level of veterinary care possible, thus enhancing the opportunity for successful rehabilitation of injured wildlife.

Since its inception, Southwest Wildlife has fulfilled its goals admirably. Because of the success Southwest has had, and because of the dedication of the members of Southwest Wildlife, we feel that Southwest Wildlife is an ideal organization to plan, build, and maintain a working research center as outlined below.

11. Southwest Wildlife Rehabilitation and Educational Foundation Missions:

1. Management of Native and Endangered Species of the Desert Ecosystem. Efforts to include re-introduction of displaced species, release of rehabilitated injured wildlife, and preservation of endangered species.
2. Public Education. Efforts to include presentation of live animals in their native habitat to accentuate the importance of biodiversity and preservation.
3. Center for Higher Education. Provide facilities for humane research to undergraduate, graduate, and professional students in biological sciences and animal health sciences.
4. Research Center for the Desert Ecosystem. Provide an arena for humane habitat and population based research.

III. Overview of Proposed Facility

Phase I.

1. Construction of a Central Research Facility providing laboratory space, administrative space, education facilities, and living quarters for visiting scholars.
2. Development of natural habitats for controlled breeding programs, field research, and wildlife rehabilitation.

Phase II.

1. Construction of a Facility for Health Science Research and a Hospital for Animal Care. Such a facility will provide for acute medical care and facilitates for rehabilitation and intermediate care of injured wildlife.

Phase III.

1. Public Access Facilities. Patterned after the Southwest Wildlife Nature Center, this facility will provide for the education of the general public. The focus will be education rather than entertainment, as the patrons will become part of the working laboratory the center represents. By involving the public in the workings of a living laboratory, understanding of the desert ecosystem, and the importance of preservation will be conveyed. In addition, the education center will provide a source of revenue to allow the center to become self sustained.

IV. Personnel

1. Board of Directors

The current board of directors of Southwest Wildlife consists of high profile professionals and civic figures dedicated to the cause of wildlife rehabilitation and public education. The eight current board members include:

Linda Searles	Director
Gerry Dury	Assistant Director/Treasurer
Gil Shaw	Attorney at Law
Janet Evans	Attorney at Law
Stephen D. Gilson	Veterinarian
Daryl Abbott	Project Manager/Computer Consultant
Kim Ridgeway	Public Relations
Mark J. Soderstrom	Veterinarian

2. Administrative Facility:

A facility manager selected to supervise the general facility and ongoing research. This individual's responsibilities include supervision and maintenance of the physical plant, care of rehabilitation and education animals, and supervision of caretakers and public education personnel.

3. Caretakers:

Responsibilities include animal care and construction and maintenance of enclosures for rehabilitation, education, and research.

4. Public Education/Relations:

A staff devoted to educating patrons of the Center on wildlife in its natural habitat, wildlife and ecosystem research, and preservation of native and endangered species.

5. Institutional Animal Care and Use Committee:

At the heart of any research institution is a governing body whose purpose is to ensure that proposed research is both humane and relevant. This committee is charged with overseeing all research activities and the care of all education and rehabilitation animals. The committee will consist of members of the wildlife biology community, veterinary community, and the general public.

ATTACHMENT I
Letter to Arizona Game and Fish



Marty C. Swartz
Manager, Project
Development

Sempra Energy Resources
101 Ash Street
San Diego, CA 92101

Tel: (619) 696-2943
Fax: (619) 696-2791
Mobile: (619) 987-8062
Pager: (888) 973-2802
mswartz@sempra-res.com

September 28, 2000

Mr. John Kennedy
Habitat Branch Chief
Arizona Game and Fish Department
2221 West Greenway Road WM-HB
Phoenix, Arizona 85023-4312

RE: Mesquite Power, LLC
Letter of Intent

Dear Mr. Kennedy:

Mesquite Power, LLC will develop, own, and operate the Mesquite Generating Station, nominal 1,000 megawatt (MW) natural gas fired, combined cycle power plant. The Project Site is located approximately 40 miles west of Phoenix, 8 miles south of Interstate 10 and south of Elliot Road, approximately 1 mile east of Wintersburg Road.

To support the power plant, Mesquite Power has optioned approximately 3,000 acres of land located approximately 2-1/2 miles west of the power plant site. The grandfathered agricultural ground water rights associated with this property will be converted to Type 1 industrial rights.

Arizona Department of Water Resources (ADWR) regulations will require Mesquite Power to develop a re-vegetation program to for the retired agricultural farmland associated with the water property. As part of this re-vegetation program Mesquite Power has identified a portion of this property that, in cooperation with the Arizona Game and Fish Department, may be developed as wildlife habitat. To this end, Mesquite Power would like to express our commitment to establishing a partnership with the Arizona Game and Fish Department.

Mr. Bob Broscheid of your office has visited the water property site and has expressed an interest in working with Mesquite Power in developing the portion of the water property discussed above into viable wildlife habitat. Mesquite Power is working with other organization such as the Phoenix Zoo and Southwest Wildlife Rehabilitation to develop alternative land uses for the water property that can be beneficial to the community and consistent with an open space land use designation. Mesquite Power would be pleased to include Arizona Game and Fish as one of these organizations.

Sempra Energy Resources is not the same company as the utility, SDG&E or SoCalGas, and Sempra Energy Resources is not regulated by the California Public Utilities Commission.

We look forward seeing your proposed plan for the section of the property identified by Bob Broscheid and working with you to converting the plan into a reality. In the interim, should you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,



Marty C. Swartz
Manager, Project Development

mcs:agfltr01:

cc: J. Reyna, Consultant
M. Sullivan, Range West
J. Rowley
C. Sterling
M. Haarer
M. Swartz
File