Mr. Bruce Wilcox
Assistant Secretary of Salton Sea Policy
California Natural Resources Agency
1416 Ninth Street, Suite 1311
Sacramento, CA 95814

March 9, 2018

Dear Assistant Secretary Wilcox:

This is our proposal in response to California's Natural Resources Agency's RFI regarding the Import of sea water from the Sea of Cortez.

We will be ready to attend any questions that may rise and we are looking forward for an opportunity to make a presentation in detail of our proposed project.

1 Identification of Project Team

Juan Roberto Pérez Cossío de la Torre
CEO
Quadrant LLC & Quadrant II de Baja California S de R.L. de C.V.

Mr. Cossío received undergraduate instruction in Architecture from the University Autónoma de San Luis Potosí in México, his over 40 years of experience in the construction business provide him a good scope of the industry covering mostly all construction fields and rolls for both private and public sectors, for the last 9 years he has been engaged with the Cucapáh Tribe in Mexicali BC. Mexico developing energy and water projects in tribal lands.

Mr. Cossío has assembled multiple development assets required to complete such projects, his role as co-developer with Indian Energy LLC gave him background and experience in utility scale development.
Mr. Cossío is responsible for coordinating all the technical efforts related to the acquisition of permits, project financing and construction efforts for the canal WI.ÑY.WEY as well as the ancillary related projects as a desalinization and a power plant. Mr. Cossio's international experience obtaining construction projects include retail projects in Puerto Rico, Island, Philippines and France.
Roberto Cossío has received authorization to take the ARE Test via NCARB and is Certified Energy Practitioner by NABCEP.

Juan Roberto Pérez Cossío de la Torre holds full exclusive and irrevocable development rights over "La Salada" since 2009, those rights where ratified by the Comunidad Mayor Indígena Cucapáh on Public Official Assembly on January 21, 20018.

Quadrant's Mission:
To develop financeable entities whose functions are to transfer sustainable resources into profits though the trade of sea water, desalinated water, energy, minerals and other commodities. Quadrant II works with large parcel landlords that participate as co-owners as long as financeable viable. We conduct our projects through sustainability and aim to achieve corporate social responsibility.
We base our design criteria on BATNEEC selection of proven technologies developing sustainable vertically-integrated projects in partnership with governments, world-class companies and/or first tier vendors.
Our organizing principle to meet human development goals is sustainable development, supporting the ability of natural ecosystems to recover its natural resources. http://www.winiwey.com

Javier Silva Melgarejo
Quadrant II VP

Building and Project Manager with more than 34 years of experience in planning and development of construction projects, as well as in creation and management of companies.
His forte is: Project Management, Strategic Planning, Construction & Resources Management, wide experience in the Private and Public Sectors

Founder and CEO of
CONSTRUCTORA SILMEL S.A. DE C.V. from the year 1987 to the date

Founder and CEO of
CONSIL CONSTRUCCIONES S.A DE C.V from the year 1999 to the date

Hector Ernesto Reynoso Nuño
Quadrant II co-founder and Environmental VP

Undergraduate Degree in Oceanology for the Escuela Superior de Ciencias Marinas.
M.Sc in Oceanography and Marine Ecology for the Centro de Investigación Científica y Educación Superior de Ensenada (CICESE).
With more than 35 years of experience in Environmental Mr. Reynoso provides Quadrant with the best guidance in environmental matter.
Mr. Reynoso provides Environmental, Safety and Hygiene Consulting Services for national and foreign companies to meet Mexican Standard Regulations before: federal, state or municipal dependencies, such as SEMARNAT, PROFEPA, STATE OF BAJA CALIFORNIA'S SECRETARY OF PROTECTION TO THE ENVIRONMENT and others, his expertise developing EIRs.

Founder and CEO of
SERVICIOS AMBIENTALES DE BAJA CALIFORNIA S DE R.L DE C.V.

Sid Mojabi
Quadrant's Financial Director

Mr. Mojabi is an executive leader with over 35 years of solid background in several areas such as information technology, solar & wind renewable energy, waste to energy, electricity transmission, water & desalination, Oil & gas, physical infrastructure development, and logistics. His domain expertise is project development, management, financial engineering, and leveraging key strategic relationships with partners to get projects off the ground and bring successful completion closure to them.
Mr. Mojabi holds a Master of Science degree in Engineering and an Executive MBA in Marketing Practices. He is a veteran executive of IBM and three other major fortune 100 companies.
Mr. Mojabi brings forward-thinking ideas to start new projects and applies innovative technologies, methodologies, strategies, and business intelligence to transform them into smarter projects to achieve higher efficiencies and more cost-effective in order to deliver the most benefit to communities in those regions.

HOYO Group.

HOYO Provides Prime EPC Services & Funding for the project.
see: http://www.hoyo99.com

Constructora Makro

Constructora Makro is the local construction company of choice, their large utility scale water works include the BOO Project Mexicali-Tijuana Aqueduct as well as many other infiltration trenches, channels, roads and other civil works.
see: http://www.constructoramakro.com/

Centro Científico Sustentable S.C.

Our partners in science and sustainability
http://www.ccsmexico.mx

Jorge Escobar Martinez
Ejecutive Director

M.Sc in Oceanography and Marine Ecology for the Scientific Research Center and Higher education of Ensenada (CICESE). For the last 35 years Escobar has been dedicated to the Protection of the Environment and Natural Resources Management, either as academic, researcher, official and Consultant. His degree in Biology was obtained in the Faculty of Sciences of UNAM.

He has a degree in environmental sciences with the National Institute for Ecology (INECC); a degree in Environmental Auditor by the Federal Attorney for the protection of the environment (PROFEPA), a degree in Environmental Leadership for ISO 14000, granted by Perry Johnson de Mexico, a degree in Public Policies and Environmental Administration for the School of Law, at the University of California at Berkeley; and a Degree for Environmental and sustainable development by CETyS University. Former Academic at Baja California State University, EL COLEF, EL CICESE, CETyS. Former Regional Representative of the National Institute of Ecology of SEMARNAT at the Air quality regional program of northwest Mexico, and Former Secretary for the Protection of the Environment at Baja California's Government. As a Consultant he has coordinated a number of studies and research in different issues from Conservation and sustainable use of Natural resources, environmental impact and risk assessment for mining, energy, cement, metallurgy, ports, harbors, fisheries, housing and urban development, among others. Currently he is the President of the National College of Biologists.

Diana Corona Vadillo
Operation Director

Biologist, by the National Autonomous University of Mexico (UNAM). She holds a Master degree by the Research Center of Food and Development, A.C. at Mazatlán, Sinaloa. More than 15 years of experience in the field of environmental evaluation for Higher education centers of Mexico, she has been collaborated with foreign companies in Energy and mining projects at Mexico; She is Fellow for the Bearhs Environmental Program of the Natural Sciences College at the University of California at Berkeley
Her experience on environmental base line studies are focused in toxicology, coastal and marine ecology and carbón Budget. The social and economic agenda of a mining project at Guerrero, Baja California Sur, Baja California, Zacatecas, Oaxaca and Veracruz has been leaded by Corona during the last 7 years.
She belongs to the National Association of Biologists, the Mesoamerican Association of Ecotoxicology and Environmental Chemistry and The
Society of Environmental Toxicology and Chemistry- México (SETAC-México).

Carlos García-Saez
Research Director

Ph.D. in Ecology from the Imperial College of Science and Technology, University of London, Garcia-Saez is a resource management and conservation scientist with a background in population ecology and conservation, with 21 years of experience in marine ecology and integrated coastal management issues. He holds a BSc. From the National University of Mexico, a Diploma on Coastal Management from the University of Rhode Island and postdoctoral work of fisheries at the Rosenstiel School of Marine and Atmospheric Sciences, University of Miami. Has an extensive experience on Marine Protected Areas issues, he was director of the Cayos Cochinos Marine Protected Area in the Bay Island in Honduras in a project funded by Avina Inc. He was Coordinator of the Mesoamerican Reef program (Honduras, Belize, Guatemala and Mexico) for the WWF. He has done work on Honduras, Cuba and Grenada on visitor management strategies for their marine protected areas. He was a Marine Program Specialist at the World Heritage Centre at UNESCO, in charge of the Marine program where he had the opportunity to work in the Caribbean, Colombia, Ecuador, Costa Rica, Panama, Micronesia, Hawaii, Philippines and the Mediterranean marine protected area policy, governance and the World Heritage Convention. Since 2009 he has been working as staff and now as a consultant at CCSMEXICO for the Mexico National Commission of protected areas, implementing the Ramsar convention and the marine section of the Commission for the Protection of the Environment (USA, Canada and Mexico) developing management plans, public use plans through participatory processes and different governance arrangements. In CCS he is the liaison with institutions such as UNDP and UNEP

Victoria Diaz Castaneda
Research Associate

She has a Postdoctoral fellow by the Bellairs Research Institute of the McGill University, Canada, a State Doctorate at the University of Sciences and Techniques of Lille France. A PhD of 3rd cycle by the University of Aix Marseille, France and a Master's degree in Oceanography by the Faculty of Sciences of Luminy, France. Her degree in Biology was obtained in the Faculty of Sciences of UNAM.
She has more than 32 courses of specialization in Ecology of the Benthos. She is member of the Mexican Academy of Sciences, of the System National of Researchers. Winner of it Scholarship Fullbright 2008 and member of the Bar of Evaluators of Scholarships Fullbright (fromNov. 2009). She has more than 40 scientific publications in journals such as American Journal of Plant Sciences, Journal of Ecology, Journal of Oceanography Research, Bulletin of Social Royale de Liège, Acad. Sci. Proceedings of the Biological Society of Washington, Paris and Southern California Academy of Sciences, among much others. Diaz is responsible at CCS for the development of procedures and techniques of sampling and analysis on benthic communities exposed to disturbances both natural and industrial sources. She also leads works aimed to establish the scientific basis for the processes of biotic colonization and their use as indicators of resilience marine and climate change; proposing guidelines and criteria for environmental protection of the marine biota from effects of exploitation of renewable and non-renewable natural resources.

Walter Daesslé Heuser
Research Associate

Heuser holds a PhD at Geo Sciences for the Imperial College of London, currently is the leading research of water and Underwater studies at the Institute for Ocean Studies at UABC.
Daesslé is a pioneer in the field of underwater reservoir and hydrological process at the Colorado lower watershed river, He has participated with several academic's groups, with 44 scientific papers. The impact of his work at international publisher like Science of the Total Environment, reach an impact factor of 4.1 Dr. Daesslé is a National Research system member level 2 for the National Council of Science and Technology.
He collaborates with CCS, leading hydrogeological and geochemical projects and the environmental impact of aquifers. He's areas of expertise are the evaluation of dissolved salt flows and contaminants in the delta of the Colorado river, after the river were dammed.

Angel Jimenez Illezcas
Research Associate
He is Physicist by the UNAM with Doctoral and Postdoctoral fellow at the Center for Coastal Studies of Scripps Institution of Oceanography (USCD) and Master's degree in Physical Oceanography by CICESE. He has been Coordinator of Oceanographic Studies of Plants Thermoelectric CFE, Sub-Chief of Physics of the Ocean of the Oceanographic Institute of Manzanillo, as Researcher in the area of Oceanography of the Center for Research in Marine Sciences of the IPN. Has more than 30 scientific publications in specialized magazines as "Indian Journal of Marine Sciences, the International Association of Science and Technology for Development, Bull Environ, Contam, Toxicol, and newsletter of the Mexican Union of Geophysics", among others. His development area at **CCS** is the Physical Oceanography and Modeling of Coastal Lagoons: More than 30 applied research for the development of port infrastructure in cities like Manzanillo, Colima; Pajaritos, Veracruz; La Paz, B.C.S.; Habana, Cuba; Bahía Santa María, Sinaloa and Cancun, Qroo, among others.

Alfredo Gonzalez Becerril
Research Associate

She has a Postdoctoral fellow by the Bellairs Research Institute of the McGill University, Canada, a State Doctorate at the University of Sciences and Techniques of Lille France. A PhD of 3rd cycle by the University of Aix Marseille, France and a Master's degree in Oceanography by the Faculty of Sciences of Luminy, France. Her degree in Biology was obtained in the Faculty of Sciences of UNAM.
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Carolina Armijo de Vega
Research Associate

She holds the Ph.D. in "Cleaner Production, Industrial Ecology and Sustainability" for the Erasmus University, Rótterdam, The Netherlands
and a Master in Sciences in Coastal Oceanography for the Marine Sciences at the Autonomous University of Baja California. She has
been involved in more than 50 selected courses on Residues, Ruling, Industrial process and Clean Production.
She has a participation at Brazil, Costa Rica with firms dedicated to sustainable practices for the comprehensive management of industrial residues. Some of her research has been published at the Open Waste Management Journal; Waste Management; Resources Conservation and Recycling; Journal of Solid waste technology and management, and the Journal of environmental science and engineering, among others.
She is member of the Engineering network for sanitation and environment (REDISA). Universitat Jaume I, España. Member of the academic group of Environment, at Baja California State University.
Currently Armijo is leading the CCS project, providing environmental advisory at the Waste to Energy program for the City of Mexico. (CDMX)

2 Narrative description of project concept and how/when it will benefit the lake

The proposed conveying system is an Upstream & Downstream Controlled Canal with SCADA, Remote Monitoring, flow-rate control, over-flow emergency discharge system, water reservoir and tunnel delivery.

The name of our project is *Wi. Ñy-Wey Maātap* in Cucapáh's language: The Living Stone Canal (which is an all-inclusive condition for all living beings, for the planet and it is also a Cucapáh's sacred place), we had reduced the name to Canal Wi. Ñy-Wey.

The purpose of this project is the delivery of 0.5 MAF/year of sea-brackish, TDS-conditioned water from The Gulf of California to the Mexican-USA border and the delivery of raw water to the Colorado River in Mexico that will be used to restore the ecosystem and promote bio-diversity of the now dry river.

The uses of this water transfer are; to mitigate the negative effects of the Quantification Settlement Agreement (QSA) over the Salton Sea's water level and to diminish a health hazard menacing millions of people in this bi-national region.

Our project is complex in nature and components, that is why financially speaking, we had reduced our project to the minimum expression that is: "The Delivery of brackish sea water from point one to point two" yet, as mentioned above that is just one of the multiple pieces of this bi-national mitigation project.

Our proposed project has born as a citizen's response to an imminent hazard pending on ourselves, our family's and other 400 species health; therefore, in order to support its feasibility, we aimed to find the best ways to optimize the participation and returns that could make the project attractive to the funding groups, we look after for the best niches of participation for all the affected and participant parties including the ecosystems confined in the area of application of this project, we like to see this project as a win-win opportunity to assist a bi-national regional development.

The project is oriented to maximize the cost benefit of all the inclusive processes, with this in mind we see by-products instead of rejected substances, e.g. we see salt-minerals recovery and community economic growth instead of rejected brine.

Due to the political, regulatory and social complexity of the project and in order to ease the permitting process we have subdivided our proposed project in two chapters, Chapter Mexico and Chapter US, both chapters integrated in a proposed PPP plan with the State of California that will facilitate to consolidate the social purpose of the project and at the same time will help to secure good returns to our investors.

As mentioned before the conveying system is an Upstream & Downstream Controlled Canal with SCADA, Remote Monitoring, flow-rate control and over-flow emergency discharge system.

The full components of the system include:

- An Infiltration Trench with Ca and Fe capturing
- Upstream Storage
- A 1m/3 BWRO Desalinization Plant for local use could be shared with the canal system under separate agreement.
- Canal intake and 1st. Watergate
- Micro-bubbles Infusers along the canal to reduce evaporation
- Emergency Discharge w/ Remote controlled Watergate
- Canal w/passive salt recovery modules (Salicornia and contained mangroves)
- Screen filtering for fish, trash and larva.
- Pre-filtering
- Intake for secondary Geothermal Desalinization Plant (TBD)
- Return to canal
- Downstream Storage
- Monitoring, security & SCADA
- Tunnel in the case of delivery at 32°38'29.75"N, 115°50'20.38"W at an agreed elevation point for a proposed Hydroelectric Power Plant use in US side (This powerplant could help to support the canal expenses)
- Delivery system in US.

Our selected criteria for selection and use of technology is, therefore we are not tied to any particular technology, we will choose the most efficient technology that provide a good cost-benefit ratio and meets our projected IRR.

Proposed commissioning and DOD target date: March 1, 2021

Proposed delivery points:

32°38'20.39"N, 115°50'19.15"W AT THE US-MEXICAN BORDER as a BOT type of project where after two 30 year WPA periods the consortium will transfer the project to the Comunidad Mayor Indígena Cucapáh.

32°38'29.75"N, 115°50'20.38"W 300 MT INLAND US TERRITORY (LMB's land)where we propose to work the project in a Public Private Association (PPP) with the State of California and at the end of two WPA periods we may also transfer the infrastructure to the Comunidad Mayor Indigena Cucapáh.

32°39'5.19"N, 115°40'26.54"W AT THE US-MEXICAN BORDER as a BOT type of project where after two WPA periods the consortium will transfer the project to the Comunidad Mayor Indígena Cucapáh.

Or

32°39'8.01"N, 115°40'25.92"W 300 MT INLAND US TERRITORY (LMB's land)where we propose to work the project in a Public Private Association (PPP) with the State of California and at the end of two WPA periods we may also transfer the infrastructure to the Comunidad Mayor Indígena Cucapáh, therefore the Business Plan is based in a 30 YEARS WATER PURCHASE AGREEMENT (WPA) WITH ROLL-OVER PERIODS.

3 Planning and design process of project

CRONOLOGY OF PLANNING & DESIGN PROCESS:

- **March 29, 2009**, Juan Roberto Pérez Cossío introduces his proposed Project to the Comunidad Mayor Indigena Cucapáh in Official Assembly gaining a unanimous vote in favor of his plan to Develop a pull of energy and water project in the Cucapáh's Territory.
- **November 22, 2009**, the Comunidad Mayor Indigena Cucapáh in Official Assembly ratifies the outcomes of the March 29, 2009's Assembly granting; full, exclusive and irrevocable development rights in favor of Juan Roberto Pérez Cossío by unanimous vote.

- **December 23, 2009,** the Assembly's Instrument is registered at the Public Notary No. XII in Mexicali, Baja California Mexico, all members with vote right are cited at the Notary presenting their, official identifications, after all the identifications are verified and collated the Public Notary explains to the members with vote right the nature and extension of the rights they are about to grant and after the signatures and copies of the IDs are collected to be integrated in the Legal Document in order to initiate the official translation and Apostille process.
- **January 11, 2010**, the Apostille process is completed and the document can be enforced outside Mexico. **(Exhibit I)**
- **January 14, 2010**, Quadrant LLC is formed, Quadrant LLC is an American entity, based in California.
- **January 14, 2010** Quadrant LLC informs to the US Government about the transfer of $55,000.00 USD in favor of the Comunidad Mayor Indigena Cucapáh at the US Customs Office in Calexico, CA.
- **January 15, 2011**, Receives from Indian Energy and Quadrant LLC the amount of $55,000. 00 USD as support for the tribe and as a deposit in good faith for the works to come.
- **November 3, 2011**, the formation of Quadrant Dos de Baja California S de R.L. de C.V (Quadrant II) is initiated by the Public Notary No 5.
- **February 24, 2010**, Quadrant Dos de Baja California completes its full registration getting Tax Id.
- **June 11, 2010**, The State Congress No XIX grants multiparty opinion in favor of the energy projects proposed to be developed in "La Salada" (Cucapáh's Territory). **(Exhibit II)**
- **December 11, 2012** The Israeli company IDE provides a Letter of Interest supporting our project. **(Exhibit III)**
- **May 22, 2013**, Quadrant II is registered at the State of Baja California Hall of Records.
- **September 2, 2013**, Quadrant request to CONAGUA a water concession for 132 Beach Wells.
- **September 10, 2013**, CONAGUA emits a Conditional Use Permit where Quadrant must complete a set of Development Assets. **(Exhibit IV)**
- **December 3, 2014**, Quadrant II request to SEMARNAT an environmental consideration for the use of the sea water running by the Canal de Los Chinos.

- **November 19, 2015**, Meeting in San Diego with Mr. Ed Drusina IBWC US Commissioner as well as IDE, HOYO and Black Bear Capital **(Exhibit V).**
- **November 27, 2015** Quadrant II Submits to the CONAGUA's State Delegation the format CNA-01-003-A requesting the Concession for Water Rights over sea water running over the along the 'Canal de Los Chinos"' also known as Canal Coyote. **(Exhibit VI).**
- **March 28, 2016**, Quadrant II issues a request to CONAGUA the use of federal land located in risk flooded areas located out of the limits of the biosphere.
- **January 6, 2016**, The Chinese Municipal Utilities Issues a Letter of Interest to form a consortium along with Quadrant II. **(Exhibit VII).**
- **March 2016** MAKRO develops the phase-1 of the executive project. **(Exhibits VIII, .1,6)**
- **April 7h 2017** Constructora Makro issues Letter of Interest to form an SPV along with Quadrant, HOYO, and IDE. **(Exhibit IX).**
- **May 2017** The engineering company Moro Ingeniería S.C. completes de pre-feasibility study **(Exhibits X,1).**
- **May 2016** Since the Cucapáh's Executive Committee are receiving different groups with interest to develop project s over "La Salada" The consortium decides to put the rest of the studies on hold until we clarify such situation.
- **January 21, 2018**, the Comunidad Mayor Indigena Cucapáh organize a public biding inviting several entities with similar projects to expose their proposals in Official Assembly, the Assembly's vote is again in favor of Juan Roberto Perez Cossío, ratifying their will for the fourth time. **(Exhibit XI).**
- **February 28, 2018** The Final Regional assessments are working in progress.
- **March 1, 2018** HOYO, issues two LOI's, the fist related to the land lease of the land and the second reiterating their will to provide the funding of the project conditional to a WPA. **(Exhibit XII).**

COMPLETION OF PERMITTING PROCESS:

The Water Concession process is 75% completed pending required Regional Assessments. The required assessments will begin once we receive formal interest from the State of California and/or a bankable off-taker for our project.

The full process (Chapter Mexico) requires the introduction of the project to SEMARNAT & CONAGUA at State and Federal level. We will include the State of Baja California Comisión Estatal del Agua's favorable opinion. In addition, by law, the Municipal authorization for the change of land use and public referral is required. Due to the fact that we are dealing with water crossing the border, we will need initial agreements between both IBWC/CILA as well as BECC/COCEF before we request for a bi-national Presidential Permit.

Since the assessments have a regional covering, we foresee to complete the permitting process in about 6 months. The assessments include an EIR and a Balance of the Aquifer's Mathematical Model. **(Exhibit XIII)**

We had requested a Water Concession for 1.5 MAF/Y for 30 years with the extension the Canal design have a water flow of 56 cubic meters (m3) per second with a velocity of 0.66m/sec. Please see exhibit VIII 1,6 for details, however we had modified the project to meet only 0.5 M AFY in order to increase the feasibility of the project, therefore the new water flow design is for 20 cubic meters with differential velocity accordingly to the section on canal,
fish, trash screening are included as well as larva capture and pre-filtering at the desalinization plant intake point.
TDS and desalinization capacity are TBD and will be furnished accordingly to the WPA.
Energy: The desalinization process consumes 3-4 kWh/m3 of desalinated water since the water quality will be defined by the off-taker the energy consumption is also TBD.
Economics: We propose a WPA with the State of California under a PPP structure, as mentioned before, HOYO Group has provided an LOI to provide the funding for the project.

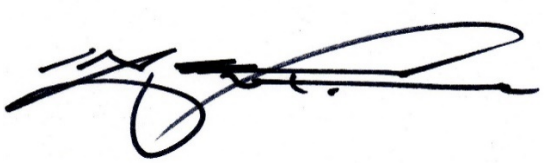
4 Cost projection

Our proforma only includes the projection for the canal in Chapter Mexico **(Exhibit XIII)** Desalinization cost will be negotiated accordingly to the TDS required by the off-taker. The proforma reflects the construction of a concrete canal, but we could consider working a hybrid concrete-geo-membrane version in order to reduce construction cost that could be applied in the desalinization process instead.
The infiltration trench capacity and characteristics will be defined by the permeability of soil such geo-hydrological assessments will be practiced if there is some interest of the State of California in our proposal, therefore; the cost of the infiltration trench is not included in this proposal; however, we foresee a draft cost of $ 233 M USD.

5 Plan for funding

The Company HOYO will provide the funding for the project conditional to a WPA with the State of California and or a well-known AAA+ bankable Energy group, or the formation of a PPP with the State of California. **(Exhibit XII)**

Respectfully,



Juan Roberto Pérez Cossío de la Torre.
CEO.

Quadrant II
De Baja California S De R.L. De C.V.
Energy for the Future

Quadrant II de baja california S. de R.L. de C.V.
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