

In secretly recorded meeting, tech CEO and investor push officials on spaceport data center

Text- no photos

Local opposition derided as leaders debate amending county moratorium

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A recording of a private meeting in August reveals behind-the-scenes discussions of Sierra County's recent data center moratorium and an effort to modify it so [a proposed data center](#) at Spaceport America can move forward after all.

The 80-minute audio file was released by the city of Elephant Butte in part of its response to a public records request, that also included a handwritten list of attendees and notes about the discussion retrieved by the city's records custodian.

The candid discussion turned to political strategy, managing public reaction and ways to change the moratorium without triggering New Mexico's open meetings law.

The recording also offers a rare glimpse into discussions among private capital and public officials about advancing a potentially controversial industrial development, including marketing and political strategy. Some speakers expressed hostility toward community opponents. At one point an unidentified speaker referred to them as "CAVE people," a pejorative acronym for "Citizens Against Virtually Everything."

Among those participating in the Aug. 19 meeting, per meeting notes and recognizable in the recording, were Truth or Consequences Mayor Rolf Hechler, Elephant Butte Mayor Richard Holcomb, Sierra County Commission Chairman Jim Paxon and Truth or Consequences City Manager Gary Whitehead.

Also participating were James Prendamano, an investor with extensive holdings in the county and a member of the Spaceport Authority's [board of directors](#), and Jason Bak, CEO of Vancouver-based Green Data.

Bak is heard delivering a slide presentation about his proposed 11,000-square-foot solar-powered data center for the spaceport campus. The project has been under discussion with spaceport leadership since 2021, and a requested sublease is under review by the State Land Office, which has the authority to grant or deny the agreement because the spaceport sits on state trust land.

The project hit an obstacle when Sierra County commissioners [unexpectedly enacted an 18-month moratorium](#) on data center development on July 21. The State Land Office has stated the sublease remains under review, but noted that Spaceport America's own lease includes a

provision that it will abide by local ordinances even though it sits on state land. “The sublease application remains in limbo,” a spokesman for the office told the Journal on Wednesday.

Green Data CEO makes case

Bak said on the recording that Green Data was considering a factory in Santa Teresa to build solar power equipment for the spaceport installation. He said the factory plus the data center would employ approximately 500 people in total — but only if the spaceport project comes to fruition.

The data center would supply its own electricity through solar power and battery storage, Bak said, but would be connected to the electric grid for when the site’s resources are low. “We model for 25 percent cloud cover, but if there’s 50 or 60 percent cloud cover over town for three weeks in a row, then we need to use the grid,” he said.

Bak’s presentation on the recording differed in some details from what the spaceport disclosed in July after queries from the Journal, although the spaceport also acknowledged the design was subject to change.

Bak said in the recording that the initial phase would require 5 megawatts of power and that the closed-loop cooling system would require 15,000 gallons of water for an initial fill.

In July, the spaceport said the estimated fill-up was 30,300 gallons with an annual top-off of 15,300 gallons. Bak contradicted that at the Aug. 19 meeting, saying, “We don’t have 15,000 gallons per year: We need 15,000 gallons for one time.”

Asked about the data center’s prospective tenant, Bak said it would likely be a commercial cloud artificial intelligence infrastructure provider, or neocloud, although talks were also underway with a “government group” he did not name.

Bak did not respond to requests for an interview.

Pulling water from the air

The project would rely on an atmospheric water generation system that would extract water from the air, Bak said in the recording.

The spaceport previously stated that AWG technology had been proposed as a supplemental water source, but Bak placed it at the front of the project’s water plan at the August meeting. He said one AWG unit could produce 125,000 gallons over a year — not far below the [average water consumption](#) of an American household of four.

Bak told the meeting Green Data could produce surplus water for the spaceport or other users, that the technology works in desert environments and that Green Data was ready to install equipment for community demonstrations.

“With the amount of water that we’re able to produce, we could actually get another group to create fuel from that water, and they would be able to have enough fuel to send three space shuttles into orbit,” Bak claimed in the recording.

He said the cooling system would not require a flush until “maybe after 10 or 15 years,” and that the water would contain only “food-grade chemicals,” though he also said it would contain plastic and metals such as lead.

According to the recording, Whitehead asked Bak for proven models of the technology and others in the room questioned how it would work in Sierra County’s climate.

Earlier in the year, when the Socorro project was under discussion, Bak faced skepticism over the fact that Green Data had yet to launch a successful data center. Yet in the recorded meeting, Prendamano expressed confidence in the company, telling Bak, “If you guys work with hundreds of millions of dollars ... I’m fairly certain you would have the right engineers and access to the people who understand if it works or if it doesn’t.”

Backpedaling on moratorium

Paxon, who participated in the meeting over telephone, said the moratorium reflected public input the commission had received. The original agenda item was a resolution opposing only the development of “large-scale data centers,” but it was modified at the suggestion of Commissioner Sandy Jones.

After Bak’s presentation, Paxon said he would support carving out an exception for the Green Data project, as heard on the recording. He also said a state legislator was working with him to avoid violating New Mexico’s Open Meetings Act, which forbids commissioners from discussing public business outside of publicly noticed meetings.

“Senator Crystal Diamond (Brantley) is contacting the other two commissioners, because I can’t talk to them,” Paxon is heard telling the meeting. “She is approaching both of them to see if we can do a letter of modification that includes technology that does not take any scarce water resources away and does not pose a risk of increased electrical bills on the grid for the residents of Sierra County.”

Amanda Lavin, legal director of the New Mexico Foundation for Open Government, told the Journal that using an intermediary “as a proxy to talk to the other commissioners about modifying whatever it is they voted on” would violate the law by establishing what’s called a rolling quorum.

“There’s no good reason to discuss matters of public concern, such as use of natural resources as they relate to construction of data centers, behind closed doors,” Lavin added.

Contacted by the Journal, Brantley, a Republican from Elephant Butte and a state senator since 2021, said she had had no contact with commissioners other than Paxon on the issue. She also said she had not met with Bak or anyone from Green Data.

Jones told the Journal in an interview no one had reached out to him to discuss modifying the moratorium and that he would not support doing so. He said he had not been invited to the Aug. 19 meeting, but subsequently met with the developer to learn about the project.

Sierra County Commissioner Hank Hopkins, who avidly supported a moratorium in July, did not respond to queries from the Journal, and neither did Paxon.

Jones, a Democrat who was appointed to the board last year, is running for a full term in the November election. His challenger is Republican Willard Hall.

Brantley argued the moratorium is overly broad, telling the Journal, “A blanket moratorium ... sends a message that Sierra County is not open for business. I believe there is a responsible balance between allowing development without appropriate protections and closing the door entirely to potential economic investment.”

‘Where does it stop?’

In the recording, Whitehead recommended Green Data and county commissioners use the moratorium period to develop studies that might prove Green Data’s claims before modifying the resolution.

Prendamano is heard objecting to the suggestion, questioning whether the commissioners had the expertise to judge such studies and asking, “Where does it stop? I own a lot of county land. Are my taxes going to go down because I can’t do a data center?”

“You know the answer to that,” Whitehead answers.

“I know the answer until we all start to sue,” Prendamano shouts back.

“Sue for what? You have to have cause,” Whitehead says. “The public has a right to petition its elected leaders, has a right to bring those concerns to the elected leaders. It’s your obligation as elected leaders, and ours as administrators, to find the best walking path and workaround.”

Prendamano is the founder of PreReal Investment, which has poured tens of millions of dollars into commercial and residential properties in Sierra County since 2022. His properties include Elephant Butte’s Turtleback Golf and Resort, formerly Sierra del Rio, which currently hosts the New Mexico Open with plans for a resort hotel. Gov. Michelle Lujan Grisham [appointed him to the Spaceport Authority board of directors](#) in February.

In an interview, Prendamano acknowledged his comments in the recording and told the Journal his support for the Green Data project was not linked to his own business interests. “I don’t profit from this in any way, shape or form at all. It’s just the right thing to do,” he said, citing the county’s need for economic development.

Asked if the meeting compromised his objectivity as a spaceport board member, Prendamano said, “It’s a problem when you don’t have these discussions. ... Because I’m an entrepreneur, because I’m a business leader, because I’ve had success in big deals in the past, is why you want me in the room.”

New Mexico Economic Development Secretary Rob Black, who chairs the spaceport board, said in a statement Monday, “We are just learning of this meeting. However, if a board member has any financial or personal interests related to the board’s business they must disclose it before

taking any action on the matter. New Mexico has clear conflict-of-interest laws, and the NMSA Board takes those requirements seriously.”

‘Our Cold War’

In the recording, Bak said intense opposition to data centers discouraged him from taking his case to the public.

He spoke of community pushback against Green Data’s proposed 10-gigawatt solar and data center collaboration with New Mexico Tech, which the university eventually paused. In June, Socorro County commissioners enacted [their own data center moratorium](#).

“A forum like this is fine, but I’m just not going to spin my wheels addressing things from the community at this point,” Bak said in the meeting.

In that discussion, several voices are heard discussing the influence of election-year politics on data center debates, suggesting lawmakers who support development would be loath to defend them before November.

During that discussion, Prendamano attributed data center opposition to “an internationally funded effort of disinformation on social media” as someone else in the room chimed in that it was a “psy-op” — short for “psychological operation,” a term for a campaign that manipulates an adversary’s beliefs.

Prendamano told the gathering, “I’d love for someone to do a study and find out, of the people who show up and speak out, what groups are they connected to? How are they funded?”

Monticello resident Rebekah Parr, part of the local group Project Consequences that opposes data center development in the county, said in an interview that Bak’s comments demonstrated “a complete lack of respect for the democratic process” while seeking to “influence our elected officials against the will of their constituents.”

Prendamano raised democratic arguments of his own in the meeting and in his interview with the Journal, saying that elected bodies and boards such as the Spaceport Authority needed to uphold their authority to consider policy and make decisions about projects — including those that are not immediately popular. He also suggested that the county’s moratorium, initially introduced as a separate resolution and later changed during the meeting, lacked transparency and blindsided developers.

Prendamano also discussed the spaceport’s need for revenue following years of delays in anchor tenant Virgin Galactic’s spaceflight enterprise, among other factors. He referred to AI development as “our Cold War” in reference to international competition to develop technologies marketed as “artificial intelligence.”

“If we lose this, the grandkids will speak a different language,” Prendamano said in the recording.

Yet Parr told the Journal that when commissioners enacted the moratorium, she and other community members felt heard by their representatives.

She added, "I think we're worth the time, and we are informed and educated enough to understand what might be best for us and our future."

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