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**FOR IMMEDIATE RELEASE**

**Multi-million dollar effluent water auction scheduled in water-thirsty southwest**

PRESCOTT VALLEY, AZ– Investors, developers and interested parties will have an opportunity to bid on rights to 2,724 acre-feet of effluent water in a two-day auction on Oct. 29-30, 2007, in Prescott Valley.

The winning bidder can resell, assign or pledge the rights in one or more applications to the Arizona Department of Water Resources for a Certificate of Assured Water Supply, which the state requires for all new subdivisions in Prescott Valley.

“The auction provides a unique investment opportunity in a valuable resource,” said Clay Landry, managing director of WestWater Research, the economic consulting firm advising the town on the auction. “Already, private equity firms and investment buyers throughout the country have shown an interest in the rights to be auctioned.”

The rights could be used to support as many as 12,000 new homes in Prescott Valley, Landry added. The town’s population is projected to increase by 55 percent from 2005 to 2025.

The opening bid price at auction will be at least \$22,500 per acre-foot based on the terms of a price-floor agreement between the town and a water resource investment company. Bidders must pre-qualify to submit a sealed bid on Oct. 29. Only bidders who submit sealed bids will be able to participate in an oral auction on Oct. 30. The rights to the effluent will be awarded to the qualified bidder that submits the highest sealed or oral bid at auction that meets the bid requirements. If the town does not receive a higher bid at auction, the company providing the price-floor agreement will be awarded the rights to the effluent under the terms of the price-floor agreement.

“The opening bid price of \$22,500 an acre-foot attests to the high value of water in the community,” Landry said. “The price-floor agreement ensures that the town will receive an adequate return on its resource.”

**For more information about the auction contact Clay Landry of WestWater Research at 360-695-5233 or visit [www.waterexchange.com](http://www.waterexchange.com). A general information packet is available upon request.**

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