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FOR IMMEDIATE RELEASE

Auction creates competition for water supplies

PRESCOTT VALLEY, ARIZ. –The Town of Prescott Valley sold 2,724 acre-feet of effluent water for more than \$67 million during an innovative two-day auction on Oct. 29-30.

The town awarded the effluent water to the highest bidder—Water Property Investors LLC, a New York-based water resource-investment firm—for \$24,650 per acre-foot. Water Property Investors can re-sell or use the water to meet state water supply requirements for new subdivision developments.

The auction attracted both local and national bidders through the use of a unique price-floor bid process that the town’s consultants, WestWater Research LLC, developed and arranged. The town set a minimum-bid price by negotiating a \$53-million agreement with Aqua Capital Management LP, a Nebraska-based water resource investment and management company. The company worked cooperatively with Prescott Valley for more than nine months to develop a price-floor agreement that provided financial security for the unprecedented effluent water auction. The agreement provided the town a guaranteed price of \$19,500 per acre-foot and would have awarded the effluent water to Aqua Capital if no qualified bids were received during the two-day auction.

“An auction format with a price-floor agreement is an innovative way to address the increasing water needs in the Southwest and to create a market environment for water trading,” said Clay Landry, managing director of WestWater Research. “The Aqua Capital price floor agreement provided financial security for the town and created an auction format that encouraged a competitive-market outcome that generated an additional \$14 million.”

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www.waterexchange.com



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For more information about the auction visit www.waterexchange.com.

About WestWater Research

WestWater Research LLC (www.waterexchange.com) is the premier transaction and asset-valuation advisory company to the water sector. The company specializes in water-asset sales and acquisitions, water resource economics, water right and asset appraisals, and project finance services.

With offices in Vancouver, Wash., Boise, Idaho, and Middlebury, Vt., WestWater is forging new approaches to water development by providing marketing and investment solutions to the financial industry, energy and water supply industry, municipalities, and the property development sector.

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