

COMPANY LINE

AZ Water Rights Auction a Bust

In November, the town of Prescott Valley, Arizona, 85 miles north of Phoenix, held an auction to sell 2,724 acre-feet annually of treated effluent that could be used to support real estate and economic development. The auction was the first of its kind and size in the

United States, according to a press release from WestWater Research LLC.

Prescott Valley hoped to generate more than \$50 million in revenue, according to Clay Landry of WestWater Research, the town's water-marketing consultant. The auction was publicized nationally for six months before the

event, and the consultant was paid \$100,000 to plan it, reported the [Yavapai County] *Daily Courier*.

Alas, the auction drew only one qualified bidder, an investing firm from Nebraska, said the *Courier*. After no offers were made for the entire quantity, the town established a minimum price of \$28,000 per acre-foot. According to the newspaper, several other offers were made below the minimum.

What's next? Prescott Valley needs around \$75 million to pay for its portion of a planned 4,000 acre-foot-per-year water supply project, for which the bills may start arriving soon. Options outlined by the *Courier* include issuing bonds, selling the treated water as an asset, or rescheduling the auction. The latter option appears likely, given that other parties expressed some interest in the water.

Prescott Valley has been growing rapidly, with its current 33,000 residents expected to increase to more than 52,000 residents by 2025. In 2005, a record 1,100 new homes sold in Prescott Valley, driving the urgency for the new water supply. However, sales in the first 10 months of 2006 fell to a seven-year low of around 640 homes, according to the *Courier*—perhaps diminishing that urgency.

Visit www.waterexchange.com and prescottdailycourier.com.

TestAmerica Acquires Severn Trent

In September, TestAmerica announced that Severn Trent Laboratories (STL) was acquired by an H.I.G. Capital affiliate, a private investment firm that owns TestAmerica. With the purchase, the two environmental testing companies will be combined. Prior to the merger, STL had 31 laboratories nationwide and TestAmerica had 73, including the recently acquired Del Mar Analytical Laboratories in California and Arizona.

Visit www.testamerica.com.



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Effects of urban development on stream ecosystems along the Front Range of the Rocky Mountains, Colorado and Wyoming, by L.A. Sprague, R.E. Zuellig, and J.A. Dupree.
<http://pubs.usgs.gov/fs/2006/3083/>

Application of a stream-aquifer model to Monument Creek for development of a method to estimate transit losses for reusable water, El Paso County, Colorado, by Gerhard Kuhn and L Rick Arnold.
<http://pubs.usgs.gov/sir/2006/5184/>

Questa baseline and pre-mining ground-water quality investigation. 21. Hydrology and water balance of the Red River Basin, New Mexico 1930-2004, by C.A. Naus, D.P. McAda, and N.C. Myers.
<http://pubs.usgs.gov/sir/2006/5040/>

Characterization of dissolved solids in water resources of agricultural lands near Manila, Utah, 2004-05, by S.J. Gerner, L.E. Spangler, B.A. Kimball, and D.L. Naftz.
<http://pubs.usgs.gov/sir/2006/5211/>

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