

Offering of the Del Lago Dam and Associated Surface Water Rights

The information contained on the following pages is intended to convey a brief narrative of the ownership, beneficial use, and the offered Property. A series of potential uses and methods is also described. Additionally, the price, procedural method, and contact information are included.



Notice

The information included in this document was obtained from sources believed to be reliable. We have not verified its accuracy and make no guarantee or representations regarding the content. This information is submitted with the understanding that errors and/or omissions may exist. This offering is subject to change of price, prior sale, or withdrawal without notice. All projections, maps, videos, opinions, assumptions, or estimates are for example only, and may not represent the current or future condition of the property or suitability for your intended use. You are instructed to rely on the brokerage, legal, and tax advisors of your choice and to conduct a thorough due diligence investigation of the property and transaction.

Agency Disclosure

William G. Arnold, Ltd. and William Arnold, Broker, are acting exclusively on behalf of the Owner/Seller as their Broker.

Del Lago Golf, LLC Sale of Appropriative Surface Water Rights and Real Property

Available for acquisition

Del Lago Golf, LLC (Del Lago) currently owns a golf course located near Vail, Arizona. Del Lago is the successor in interest to certain surface water diversion and use rights from Pantano Wash (AKA Pantano Creek). Del Lago owns a 2-acre parcel on Pantano Wash where it diverts the surface water supply, then delivers it via gravity-fed pipeline to its golf course. All of the water rights have been transferred to Del Lago, with the golf course as the recognized place of beneficial use. Such water rights are very rare in Arizona, representing the right to capture and use the normal flow of Pantano Wash for any appropriate beneficial use.

Del Lago Golf, LLC Water Rights (Pantano Wash, Arizona) and Real Property

Cert. No.	Acres	Priority Date	Volume of Water
BB-610.0002	119.551	1908	597.755
665.0003	95.509	May 18, 1933	477.545
617.0002	9.291	May 20, 1935	46.455
Totals	224.351		1121.755

Each of the Certificates was granted by the Arizona Department of Water Resources (ADWR) and is documented as Decision and Order No. ST-11-001 on April 27th, 2011.

Approximately two acres of land in and around Pantano Wash (Dam site). PIN 305-11-024C.

Approximately one-third of an acre of land, which is located within the vicinity of the dam site (“Well Number 1”). PIN 305-11-0280.

All fixtures and appurtenances as currently existing, including any fencing, pipes, pumps, and miscellaneous well equipment, if any.

Possible Future Beneficial Uses

- Used for ecological enhancement of Pantano Wash below the current Del Lago Dam point of diversion*. The downstream land is owned by the Pima County Flood Control District and is currently maintained by the County as part of the Cienega Creek Natural Preserve. This beneficial use could be achieved by creating a Managed Underground Storage Facility (MUSF) in the stream reach immediately below the existing point of diversion.

- Potentially converted to in-stream flow rights.* An in-stream flow right is a designation to use surface water within a specified reach of a stream channel for fish, wildlife, or recreational uses. An in-stream flow right has the potential to protect a designated flow from depletion by new water users.
- Used at an upstream or downstream location for an alternative beneficial use by sever and transfer of the water rights away from the current point of diversion to a location upstream on Cienega Creek or Davidson Canyon or downstream on the Pantano. For instance, the holder of the right could dedicate the appropriate surface water to an upstream natural preserve, thereby ensuring that no other water claimant could appropriate the normal flow in the upper watershed or interfere with the use of the water for the natural preserve value.*
- Used by storing the diverted water in a permitted recharge facility and accruing long-term storage credits (LTSCs). One LTSC authorizes the future recovery and use of one AF of water. LTSCs are transferable and recoverable within the AMA in which the water is stored. The process for transferring LTSC is generally viewed as streamlined, straightforward, and low-risk.
- Used for mitigation credit against land use-related environmental impacts that regulated activities may have on the Davidson Canyon, Cienega Creek, and Pantano Wash watershed. There are many beneficial uses for the water in this context.
- Used for purposes of creating a “404 Permit” mitigation bank (credits to be sold to third parties to facilitate the acquisition of Clean Water Act “404” permits).
- Used for a downstream industrial or municipal purpose by severe and transfer.
- Used in the exchange of the surface water rights for CAP water.
- Used in the exchange of the surface water rights for effluent or groundwater credits or uses.

This is not a complete list of possible future beneficial uses or methods by which to achieve them. Each of the possible uses/methods listed is presented to stimulate creative thought and is not an assertion of any given fact-based outcome. You are instructed to consult with the professionals of your choice to explore these and other options available.

*These potential uses are consistent with Pima County’s desire to protect and acquire the Del Lago Dam inholdings and associated surface water rights and restore the natural functions and flow of water downstream of the dam/water diversion site. See Pima County’s “Strategies from Cienega Creek Natural Preserve Management Plan” and “Strategies from Cienega Creek Management Plan” for more information.

William G. Arnold, Ltd.

Land Sales • Consulting

Price and Terms

\$15,000,000 (\$13,372/af, inclusive of the real property)

Submit Letters of Intent with your preferred terms to:

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