



CREATION OF LOCAL NON-PROFIT CORPORATIONS FOR THE IMPLEMENTATION OF INCENTIVIZED MANAGED AQUIFER RECHARGE

“The ARU Solution™”

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• Outline

- What is "Incentivized Managed Aquifer Recharge"
- Eligible Basins
- Aquifer Recharge Units (ARUs) via The ARU Solution™
- The Roles of Recharge Development Corporation (RDC®) and the Basin Non-Profit Corporations, offering ARU™ Aquifer Management Services
- The Future



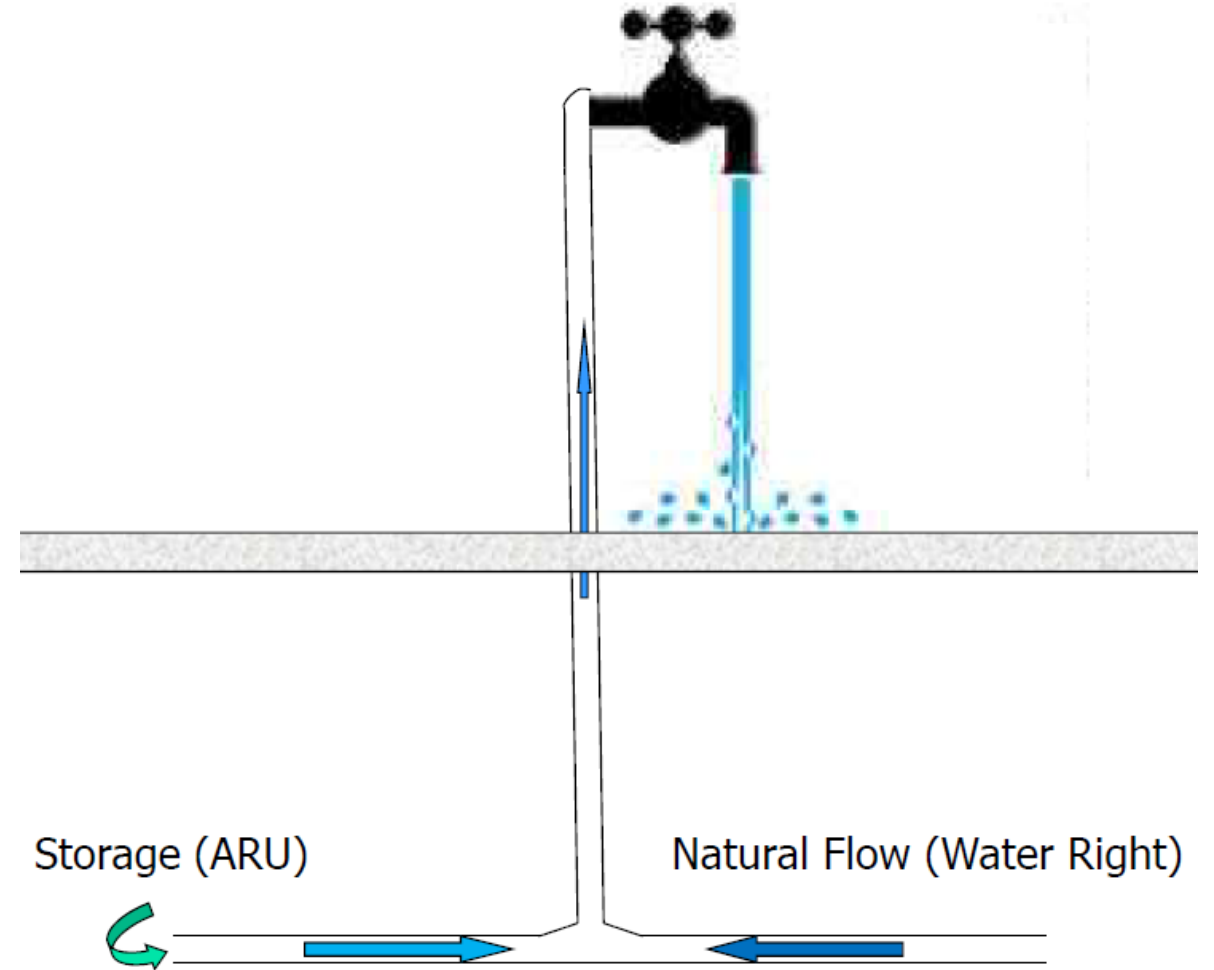


What is Incentivized Managed Aquifer Recharge?

Much of the MAR in the world is done by government or single user entities.

IMAR is **incentivized by private investment**, linking those who recharge with those who need recharge credits via our

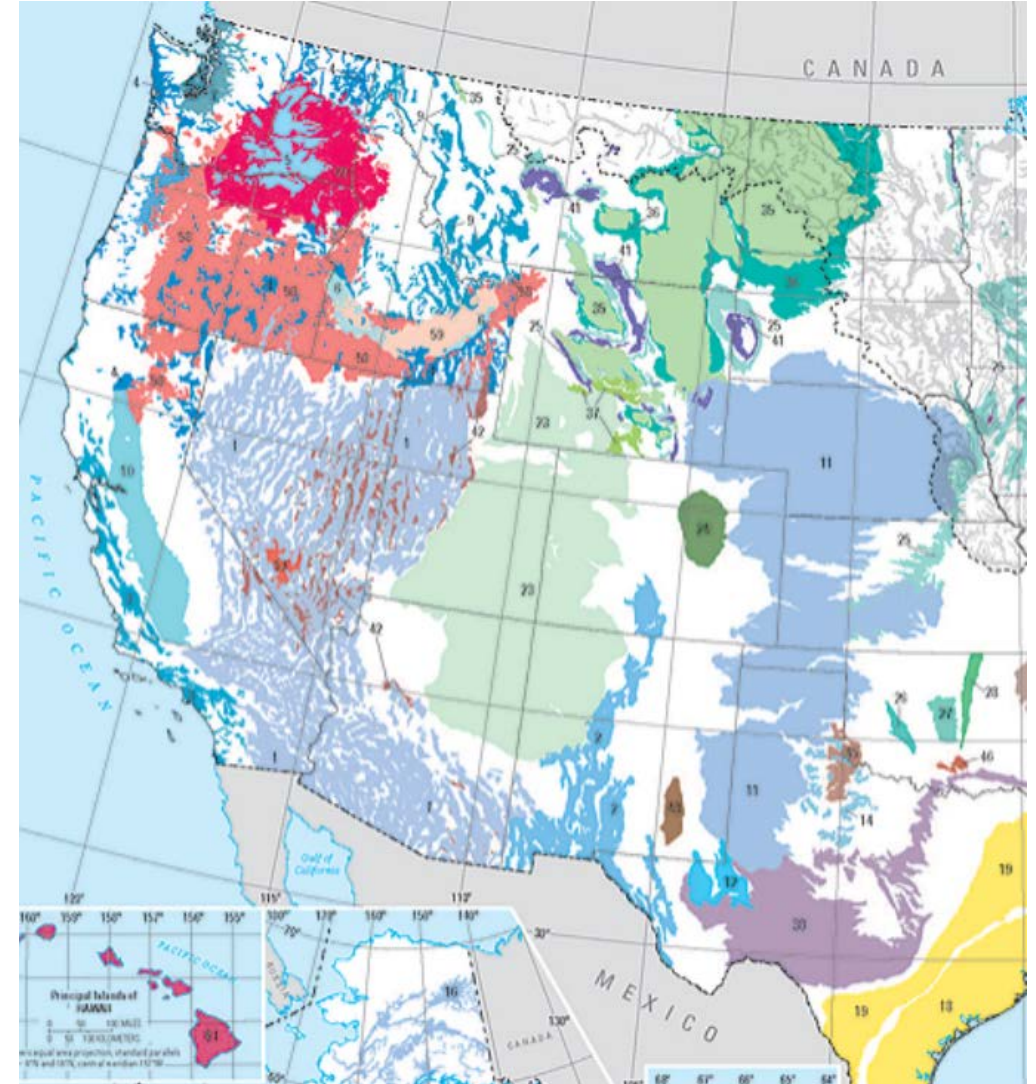
ARU™ Aquifer
Management Services.





Eligible Basins for Implementation of IMAR are those where...

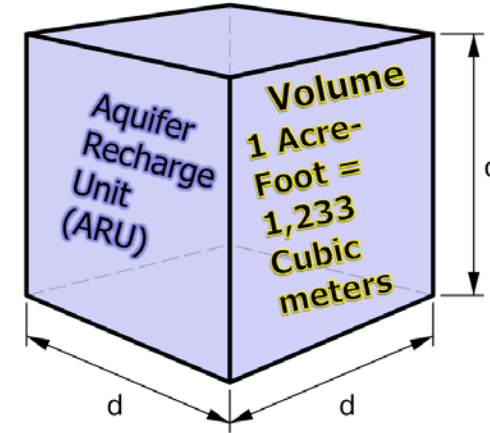
1. Diversions from groundwater are regulated or are soon to be regulated.
2. The aquifer has space to accept recharge.
3. A source of water for IMAR is relatively nearby and in reasonable quantity and quality for at least part of most years.
4. The state or nation has a regulatory framework that accommodates IMAR.





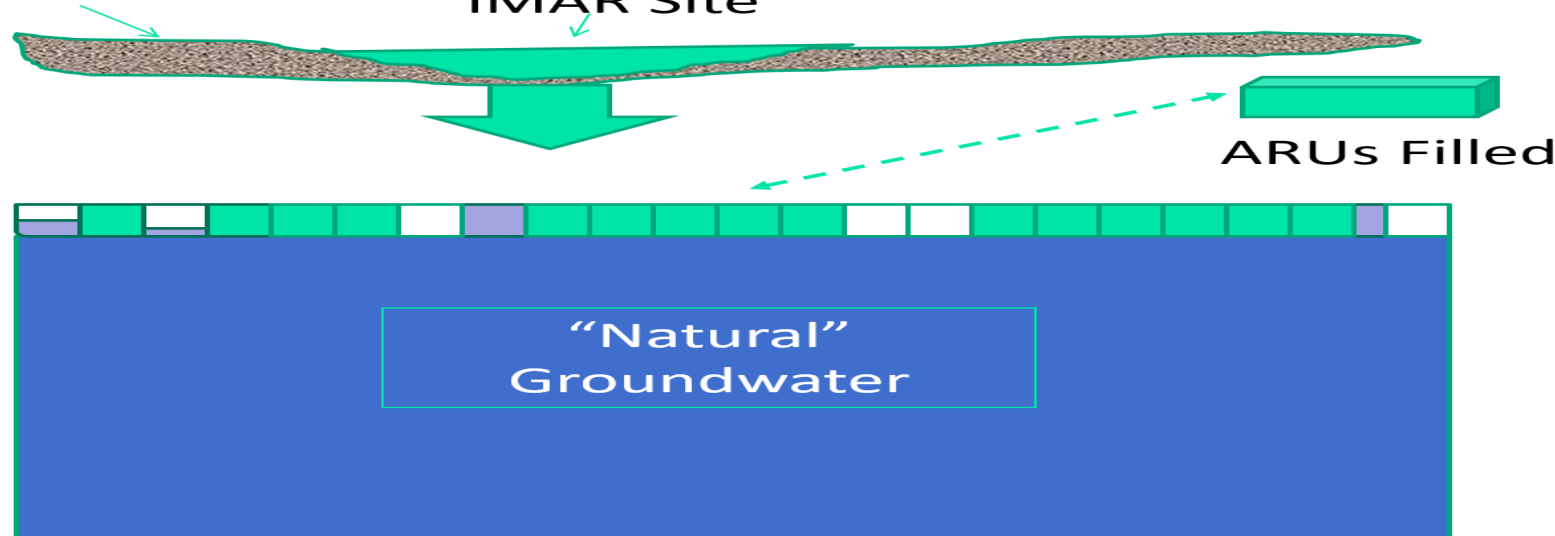
What is An Aquifer Recharge Unit (ARU™)?

An ARU™ represents one acre-foot of space in the aquifer equivalent to one acre-foot (1,233 cubic meters) of space in a surface reservoir.

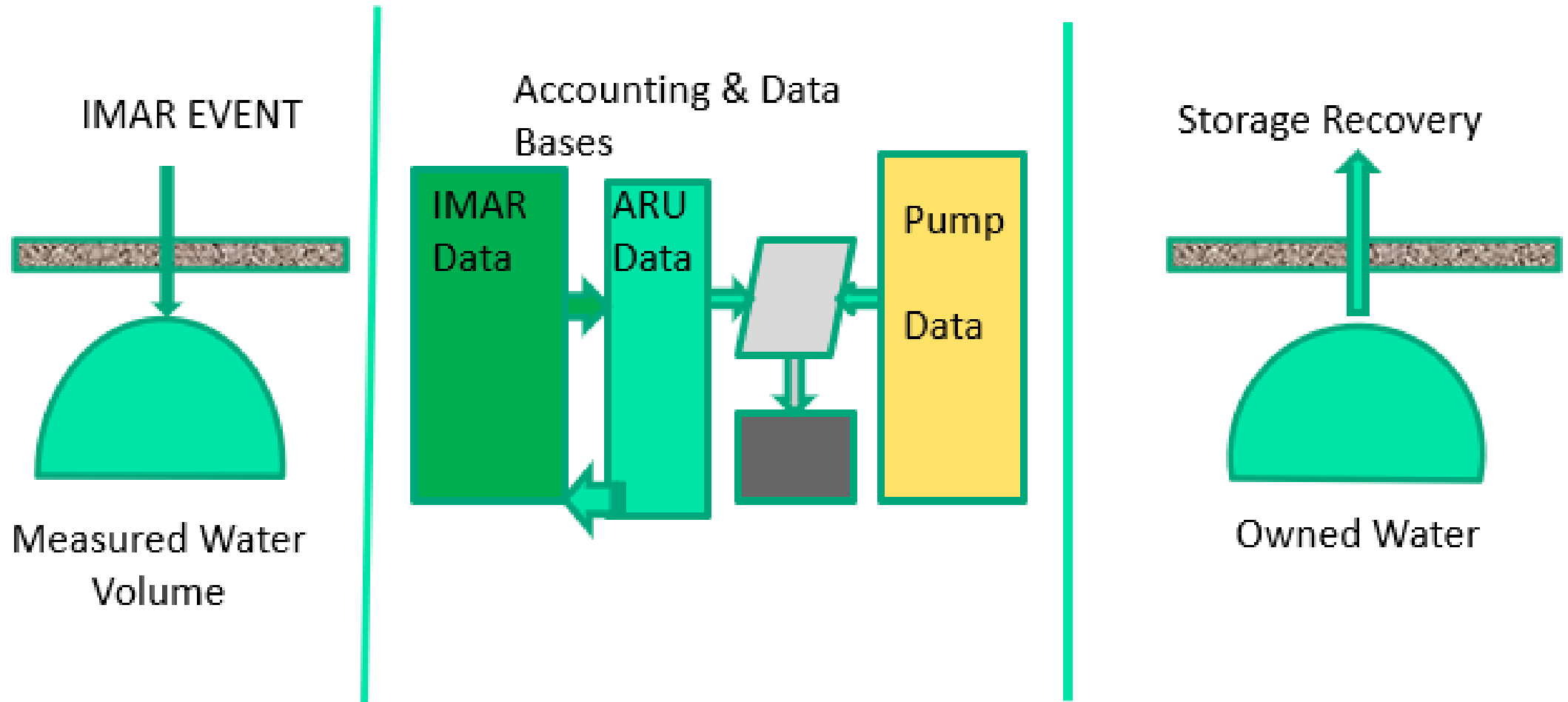


Land Surface

IMAR Site



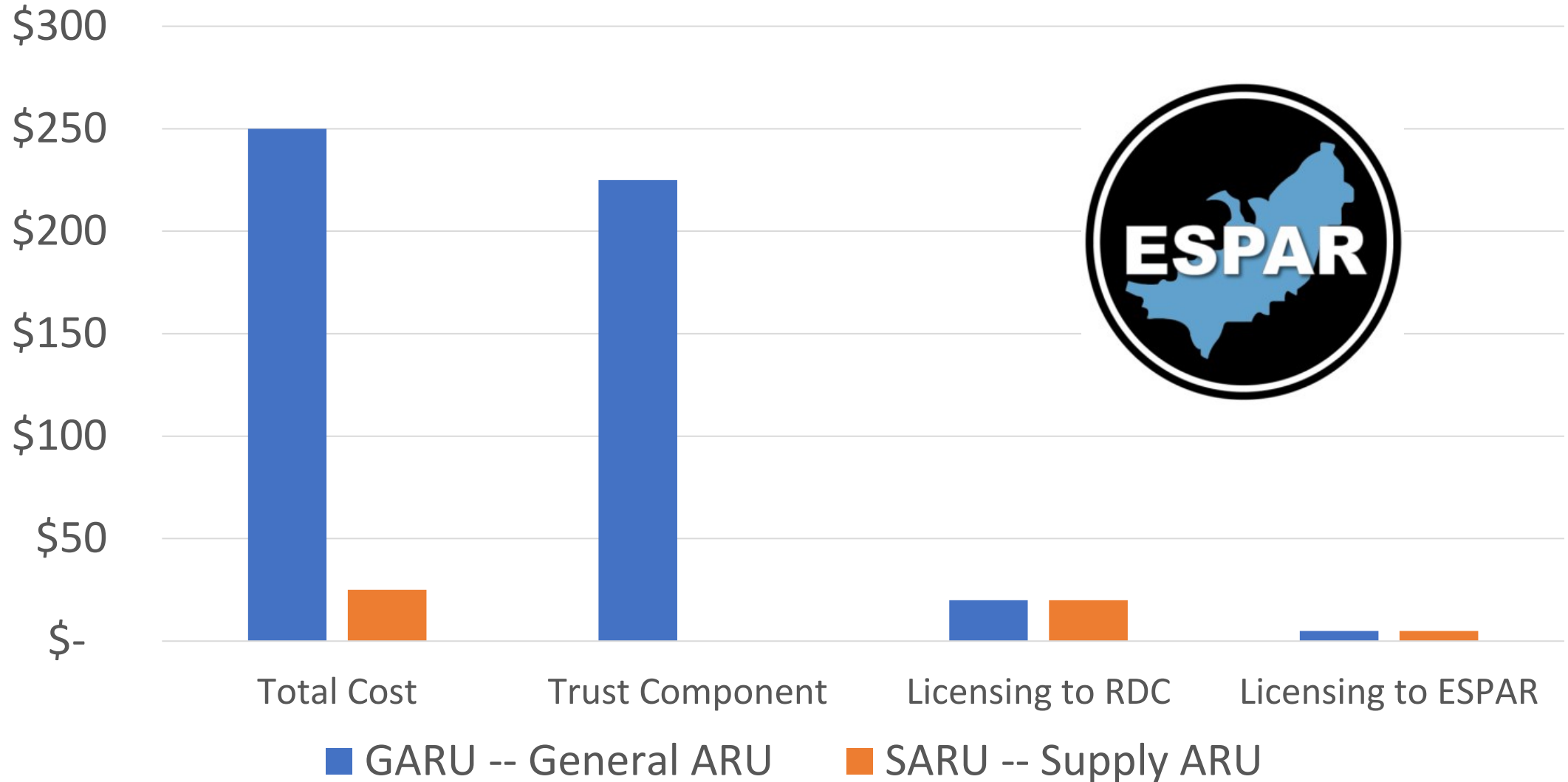
How Does it Work?





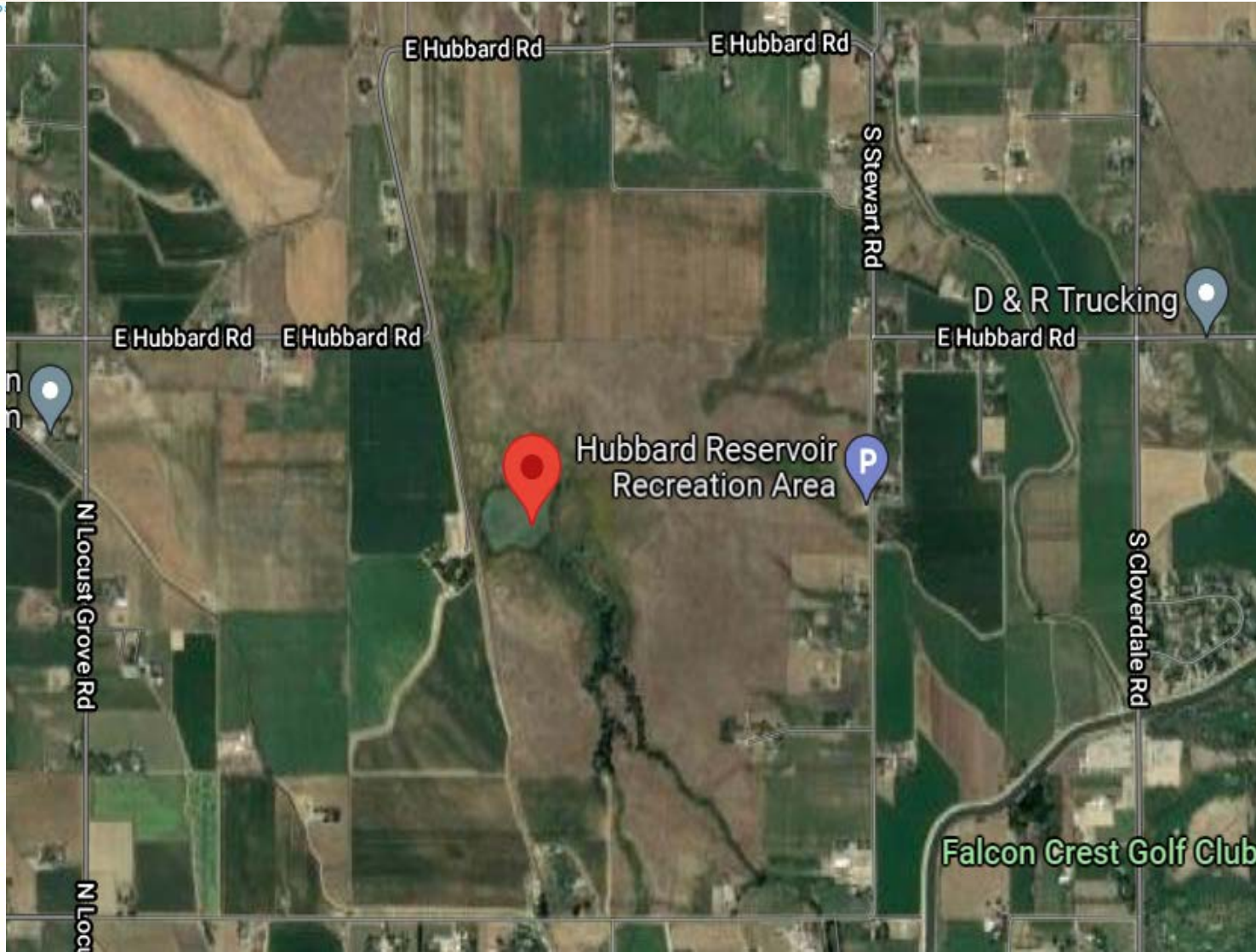
Costs of ARUTMs in ESPAR

Eastern Snake Plain Aquifer Recharge, Inc.





Example of a Recharge Opportunity in BBAR Boise Basin Aquifer Recharge, Inc.





Roles

RDC Roles

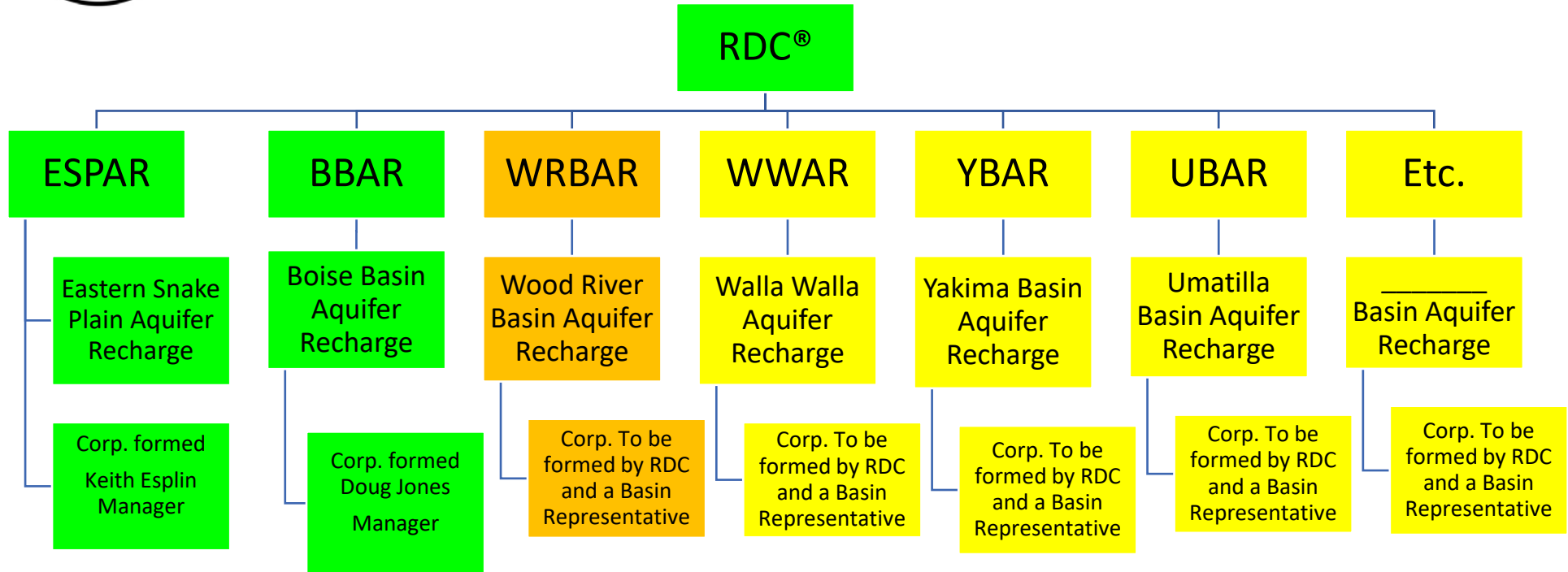
- Assist with setup.
- Provide techniques.
- Provide initial advice and support.
- Receive 80% of ARU™ licensing fees.
- Role wanes over time.

Local Non-Profit Roles

- Participate in setup.
- Create a local board.
- Fund an Executive Director.
- Operate with funds generated by O&M for ARU™s, fees for transactions and 20% of ARU™ licensing fees.
- 100% ownership – each ARU represents share in the corporation.
- Role increases over time. Incremental management leading to 100% control.



RDC[®] Organizational Structure





Why this Model Works

Capitalism works.

Private ownership of shares in local non-profits that license The ARU Solution™ services provides private incentive for investment in sustainable water supplies. Government can help, but for long term success, capitalism is a strong incentive for success.



Nobody has more incentive to fill a declining aquifer than a water user in need, be it a grower, a municipal provider or an industrial user.

1 ARU™ = 1 Share in the Local Non-Profit, which functions like a canal company. Thus the non-profit is totally owned by the ARU holders so it functions like a classic cooperative.



The Future

The success of Eastern Snake Plain Aquifer Recharge, Inc. (ESPAR) shows the IMAR model, The ARU Solution™, works. It is now being expanded across Idaho and it might be a model that should be considered for your area. Contact Recharge Development Corporation for ARU™ Aquifer Management Services.





Thank you.



www.rechargedevelopment.com