

We have good news regarding the Aquifer Science/Campbell Ranch case and our efforts to protect East Mountain water. Effective March 12, 2021, the Office of the State Engineer (OSE) entered a Closure Order for the Sandia Basin and a small portion of the Rio Grande Basin to the north, which includes the San Pedro Creek Estates, La Madera, and San Pedro Overlook areas. The Closure Order is based on OSE's careful review of new and existing water level monitoring data, which indicate water levels in the closure area are declining on average at more than 2 ft per year. (We had presented evidence and argued that this was the case during the OSE hearing and the District Court trial!) The Closure Order means that new applications for commercial ground water appropriations will not be accepted, thus preventing long expensive court proceedings regarding potential new withdrawals. **The Closure Order will not change or impact existing water systems or domestic wells. New or replacement domestic wells are still allowed. Existing water systems/water rights are not affected by the Closure Order.** With the issuance of this order, we have resolved issues with the OSE and they have dropped their appeals of the water decision and will no longer be liable for costs.

The Closure Order does not impact the pending case with Aquifer Science and their parent company, Vidler Water. The only change is that the OSE appeals no longer exist. Aquifer Science is continuing to appeal the denial of their application to withdraw water and the award of costs to the Court of Appeals. A word about the award of costs: With the OSE no longer part of the case, Aquifer Science is now liable for the entire award of costs. The final award amount will be determined by either the Court of Appeals decision or reaching a settlement with Aquifer Science. In either case, it could be years before any award is received. Any money received must first be used to reimburse San Pedro Creek Estates HOA who have been paying for the special Appeals attorneys hired for this appeal process. We anticipate that the appeals process will take several years, and we will require your continued support. We will update you when there are new developments.