

## CHECKLIST: PRIVATE WATER SUPPLIES DUE DILIGENCE REPRESENTING BUYERS

Given the importance of water-related concerns for buyers of rural residential properties and in order for them to make an informed decision on water-related matters when purchasing rural residential properties, the following checklist identifies many of the due diligence activities real estate professionals should undertake when representing buyers interested in purchasing properties with a private water supply. It is not an exhaustive list of all matters that may relate to private water supplies in a transaction, but is provided to assist real estate professionals address some of the more common water issues they may experience in their practice.

WHEN REPRESENTING BUYERS	Done
<p><b>Determine buyer's experience with private water supplies in rural residential properties</b></p> <ul style="list-style-type: none"> <li>• Educate buyer on private water systems associated with rural residential properties               <ul style="list-style-type: none"> <li>– Water wells</li> <li>– Water cooperatives</li> <li>– Water cisterns</li> <li>– Bulk water haulers and stations</li> <li>– Water distribution systems</li> <li>– Water dugouts</li> </ul> </li> </ul>	<input type="checkbox"/> <input type="checkbox"/>
<p><b>Identify buyer's needs for water quantity</b></p> <ul style="list-style-type: none"> <li>• Ensure buyer understands water quantity from private water supplies cannot be guaranteed and may depend on water source and/or seasonal fluctuations</li> </ul>	<input type="checkbox"/> <input type="checkbox"/>
<p><b>Explain water quality issues that may exist with private water supplies</b></p> <ul style="list-style-type: none"> <li>• Explain to buyer that water quality from private systems cannot be guaranteed and may be subject to contaminants (e.g. bacteria, chemicals, minerals, gases)</li> <li>• Discuss with buyer option/implications of having/not having water tested</li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
<p><b>If well is source of water supply</b></p> <ul style="list-style-type: none"> <li>• Request water well drilling report from seller's real estate professional or seller. Well drilling report may be obtained from Alberta Water Well Information Database, <a href="http://www.aep.alberta.ca">www.aep.alberta.ca</a></li> <li>• Ensure buyer understands report describes design, construction, and performance capability of well when constructed and may not represent its current status</li> <li>• Explain to buyer location of well must meet minimum setback distances from potential contamination sources, unless distance requirements grandfathered</li> <li>• Obtain well maintenance and service records, if available</li> <li>• Discuss with buyer option/implications of having/not having well inspected by certified water well driller</li> </ul> <p>If well shared with other property owners:</p> <ul style="list-style-type: none"> <li>• Obtain well sharing agreement, if available</li> <li>• Advise buyer of option to have well sharing agreement reviewed by lawyer</li> </ul> <p>If no well sharing agreement exists:</p> <ul style="list-style-type: none"> <li>• Discuss options/implications of not having a well sharing agreement               <ul style="list-style-type: none"> <li>– Buyer may need to enter into well sharing agreement</li> </ul> </li> </ul>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

WHEN REPRESENTING BUYERS	Done
<ul style="list-style-type: none"> <li>- Buyer may need to have well drilled</li> <li>• Seek buyer's instruction if they want to proceed/not proceed with transaction</li> </ul>	<input type="checkbox"/>
<p><b>Explain material latent defects and disclosure requirements</b></p>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Educate buyer on material latent defects as they relate to private water systems (i.e. wells in pits, abandoned wells, water quality, water quantity)</li> </ul>	<input type="checkbox"/>
<p><b>Wells in pit(s) and abandoned well(s)</b></p>	
<ul style="list-style-type: none"> <li>• Explain to buyer dangers and costs of wells in pits and abandoned wells not properly decommissioned</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Ask seller's real estate professional or seller if any well(s) in pits or abandoned well(s) located on property</li> </ul>	<input type="checkbox"/>
<p>If well(s) in pits located on property:</p>	
<ul style="list-style-type: none"> <li>• Confirm if well upgraded or eliminated according to Alberta legislation</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Obtain records, if available</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Advise buyer of option for expert to review records</li> </ul>	<input type="checkbox"/>
<p>If abandoned well(s) located on property:</p>	
<ul style="list-style-type: none"> <li>• Confirm if well(s) sealed and plugged according to Alberta legislation</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Obtain records, if available</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Advise buyer of option for expert to review records</li> </ul>	<input type="checkbox"/>
<p><b>Water quality</b></p>	
<ul style="list-style-type: none"> <li>• Ask seller's real estate professional or seller if water quality issues exist</li> </ul>	<input type="checkbox"/>
<p>If water quality issues exist:</p>	
<ul style="list-style-type: none"> <li>• Confirm if remedial measures taken or not taken</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Obtain records, if available</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Advise buyer of option to have water tested to ensure it's safe for human consumption</li> </ul>	<input type="checkbox"/>
<p><b>Water quantity</b></p>	
<ul style="list-style-type: none"> <li>• Ask seller's real estate professional or seller if water quantity issues exist</li> </ul>	<input type="checkbox"/>
<p>If water quantity issues exist:</p>	
<ul style="list-style-type: none"> <li>• Confirm if remedial measures taken or not taken</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Obtain records, if available</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Advise buyer of option to have water quantity tests done to determine volume of water adequate for their needs</li> </ul>	<input type="checkbox"/>
<p>If seller's real estate professional and seller don't provide information and documentation related to these issues:</p>	
<ul style="list-style-type: none"> <li>• Advise buyer doctrine of caveat emptor (i.e. let the buyer beware) applies</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Advise buyer of option to have water quantity tests done to determine volume of water adequate for their needs</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Advise buyer of option to have water tested to ensure it's safe for human consumption</li> </ul>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>• Advise buyer of option to have water quantity tests done to determine volume of water adequate for their needs</li> </ul>	<input type="checkbox"/>
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