

An aerial photograph of a desert landscape. A long, straight canal filled with blue water runs diagonally from the top center towards the bottom right. To the left of the canal is a residential neighborhood with houses and trees. To the right is a large, open desert area with sparse vegetation. The sky is clear and blue.

# Rio Verde Foothills

## Domestic Water Improvement District

### Projected Business Plan Summary\*\*

March 2022

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# RVF

## Water Overview



- The Rio Verde Foothills (RVF) is an unincorporated area of Maricopa County east of North Scottsdale.
- RVF is comprised of roughly 18 square miles and includes 4,117 parcels, of which roughly 2,200 parcels are developed. Approximately 500 properties rely on hauled water which currently is delivered by local water haulers from the City of Scottsdale. Additionally, many residents rely on hauled water to supplement their well supply, fill pools, construction, etc.
- Since the 1970's, the City of Scottsdale has allowed water haulers and residents of the Rio Verde Foothills to purchase and haul water from the City of Scottsdale.
- Due to current drought conditions, and Scottsdale's Drought Management Plan, the City of Scottsdale notified RVF residents that they would enforce their boundaries and discontinue the sale of water to non-residents of Scottsdale effective January 1, 2023.

# **Executive Summary**

The intent of the Rio Verde Foothills Domestic Water Improvement District (RVF DWID) is to provide a long term, potable water solution to members and non-members of the community via a fill station dedicated to the Foothills. This service includes providing water for residential homes, firefighting support, construction, pool fills and other uses. The RVF DWID will be managed by a five-member Board of Directors who are initially appointed by the Maricopa County Board of Supervisors. Elections are held in even years and those elected hold a four-year term. Volunteer advisory boards will be established to advise the Board of Directors

# **Mission Statement**

To provide a safe, potable water source to the community of the Rio Verde Foothills, that is legally obligated to the properties within the Rio Verde Foothills Domestic Water Improvement District and to protect the local aquifer, as much as possible, for those property owners with wells.

# DWID Defined

A "Domestic Water Improvement District" is a County improvement district that is formed for the purpose of constructing or improving a domestic water delivery system or purchasing an existing domestic water delivery system and, if necessary, making improvements to the system per A.R.S. 48-1011.

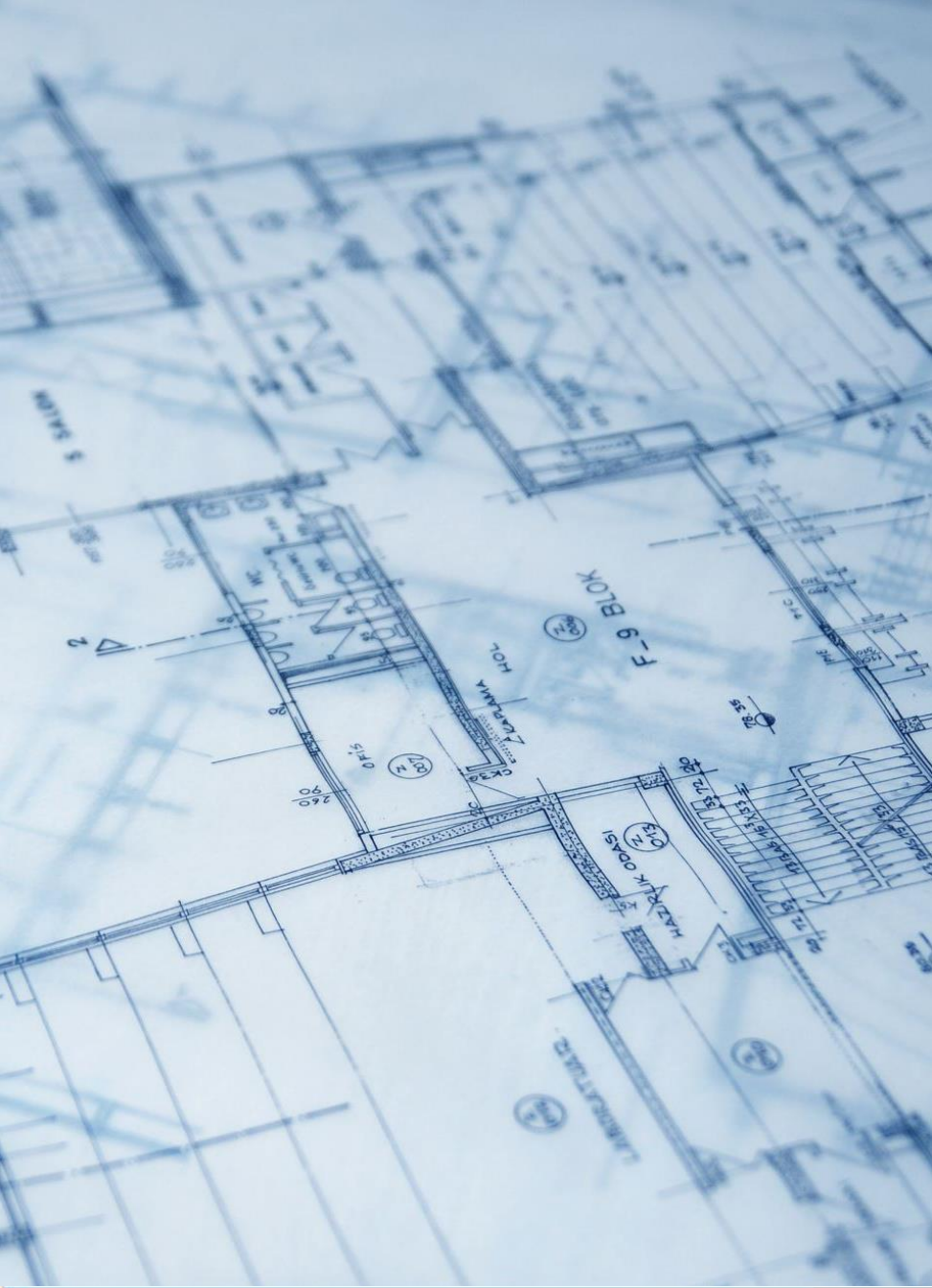
# **RVF DWID Project Proposed Plan**

# RVF DWID Plan

- Secure short-term water contracts that can be transported via the Central Arizona Project (CAP) canals and processed by the City of Scottsdale and made available at the Jomax fill station for the Foothills water haulers on 1/1/2023. **NOTE: It is critical for the RVF DWID to secure a short-term water supply for 2023. This is dependent upon the Board of Supervisor's approving formation of the RVF DWID, in time, to secure this critical water supply before it is purchased by other entities and no longer available.**
- Secure long-term water contracts for 200-acre feet of water per year (current estimate) from an outside source that can be transported via the Central Arizona Project canals to the City of Scottsdale for processing.
- Enter into an Intergovernmental Agreement with CAP (Central Arizona Project) and the City of Scottsdale to receive and process water for the RVF DWID and allow for interim use of the City of Scottsdale fill station (at Pima and Jomax).
- Purchase land within close proximity of the closest Scottsdale water line for the purpose of a fill station.
- Construct a fill station with 3 commercial standpipes, one equipped for residents who self-haul.







# RVF DWID Fill Station Project

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- The plans for the fill station include purchasing a minimum 2.5 acre parcel, constructing the fill station, and connecting a water line from the fill station to Scottsdale's closest water connection.
- Site Plan – The site includes 3 commercial fill stations, including one station equipped for residents who self-haul.

# Fill Station

The RVF DWID will hire an engineer to prepare plans and specifications for the Fill Station. An estimate of the total costs of the improvement, including construction, engineering, financial costs and a reserve fund will be filed with the Board of Directors. The reserve fund is used to cover delinquent assessments and is replenished as delinquencies are cured.

Once the RVF DWID goes through the process and orders, by resolution, the proposed improvements to be completed, a notice of the passage of the resolution ordering the work and inviting sealed bids for constructing the improvement is created based on the requirements of A.R.S. Title 48 Chapter 6.

The final design, specifications, and estimated costs will be determined by the RVF DWID's engineer and input from the Arizona Department of Environment Quality.

A minimum 2.5 acre parcel of land will be purchased to accommodate the fill station.

\* Arizona Dept. of Environmental Quality will conduct a detailed technical review of the designs prior to and after construction to ensure the systems are designed and built to standards that provide safe, potable water to customers.



# Projected Timeline

Project	Date by Quarter						
	Q2 2022	Q3 2022	Q4 2022	2023	2024	2025	2026
DWID Creation	Approval						
Set up operations							
Establish Short-Term Water Contracts	For 2023			For 2024	For 2025	For 2026	
Serve Short-term Water							
Establish Long-term Water Contracts							
IGA* - Scottsdale/CAP: Short/Long Term	Short Term					Long Term	
Land Acquisition (fill station)	Prep/Plan/Finance		Purchased				
Fill station development				Prep/Plan/Finance			Build Comp

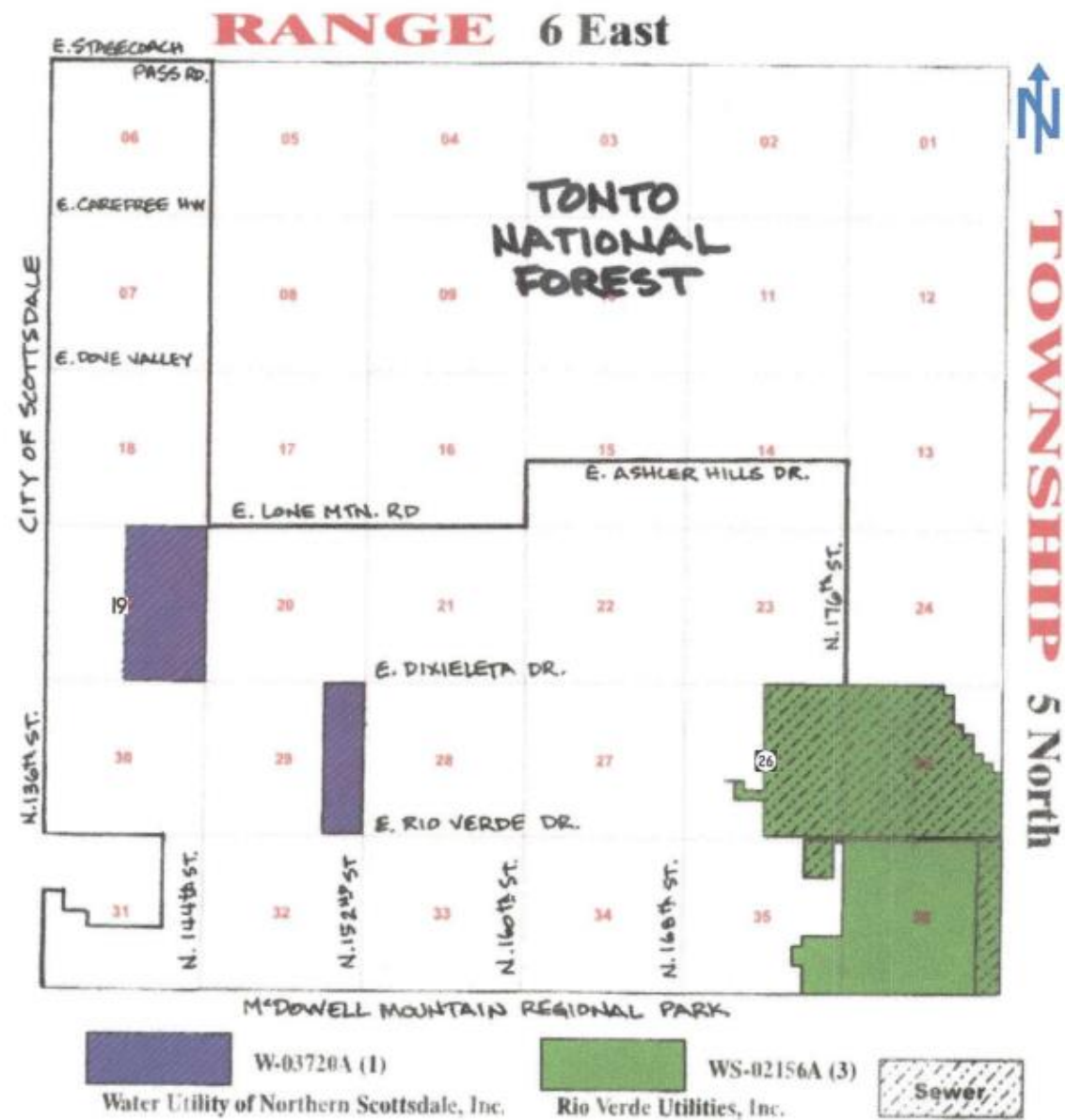
*\*IGA – Inter-governmental Agreement*

***Projected Timeline is subject to change***

# **RVF DWID Service Area Map & Non-Contiguous DWID Example**

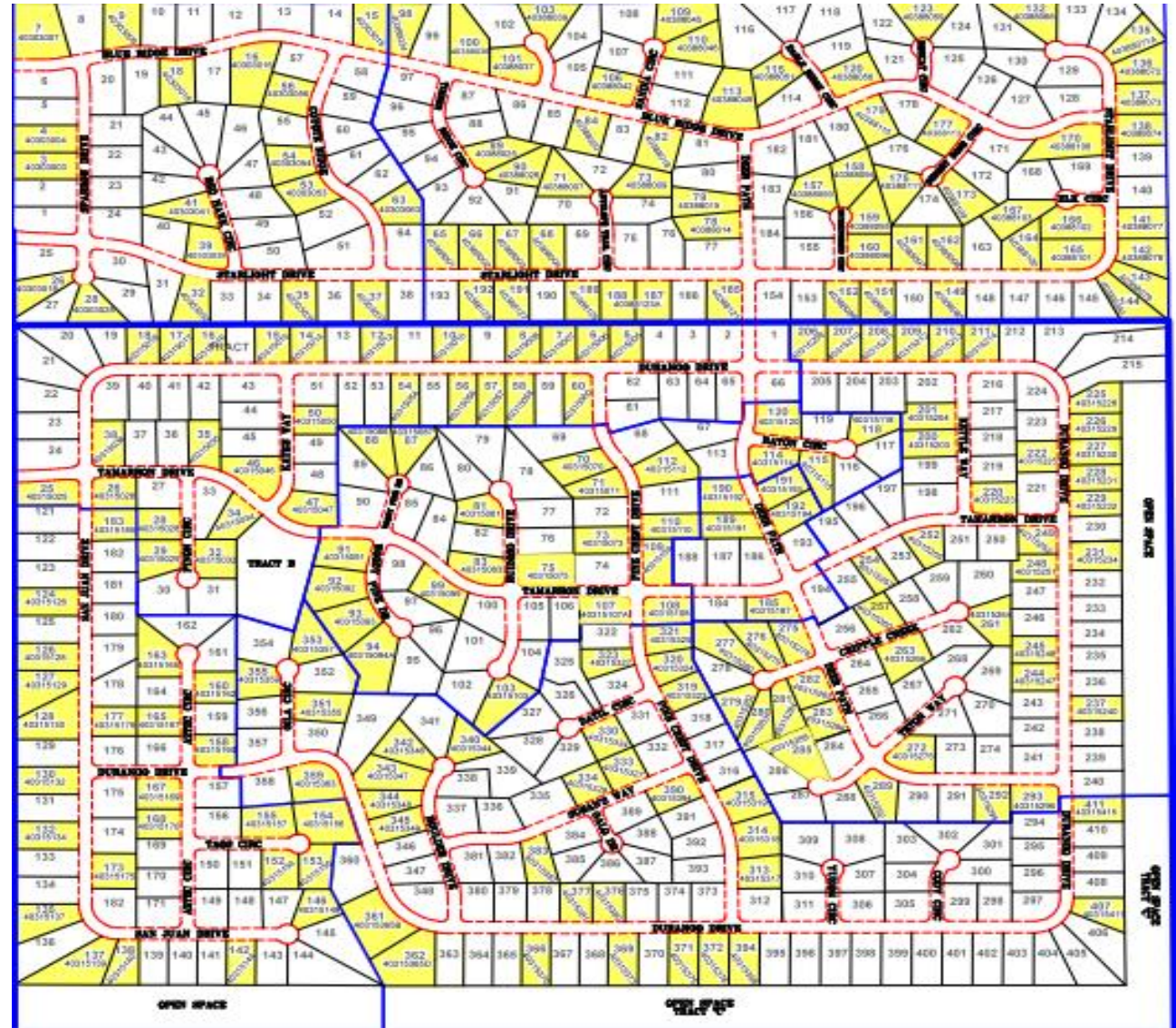


# RVF Area Map



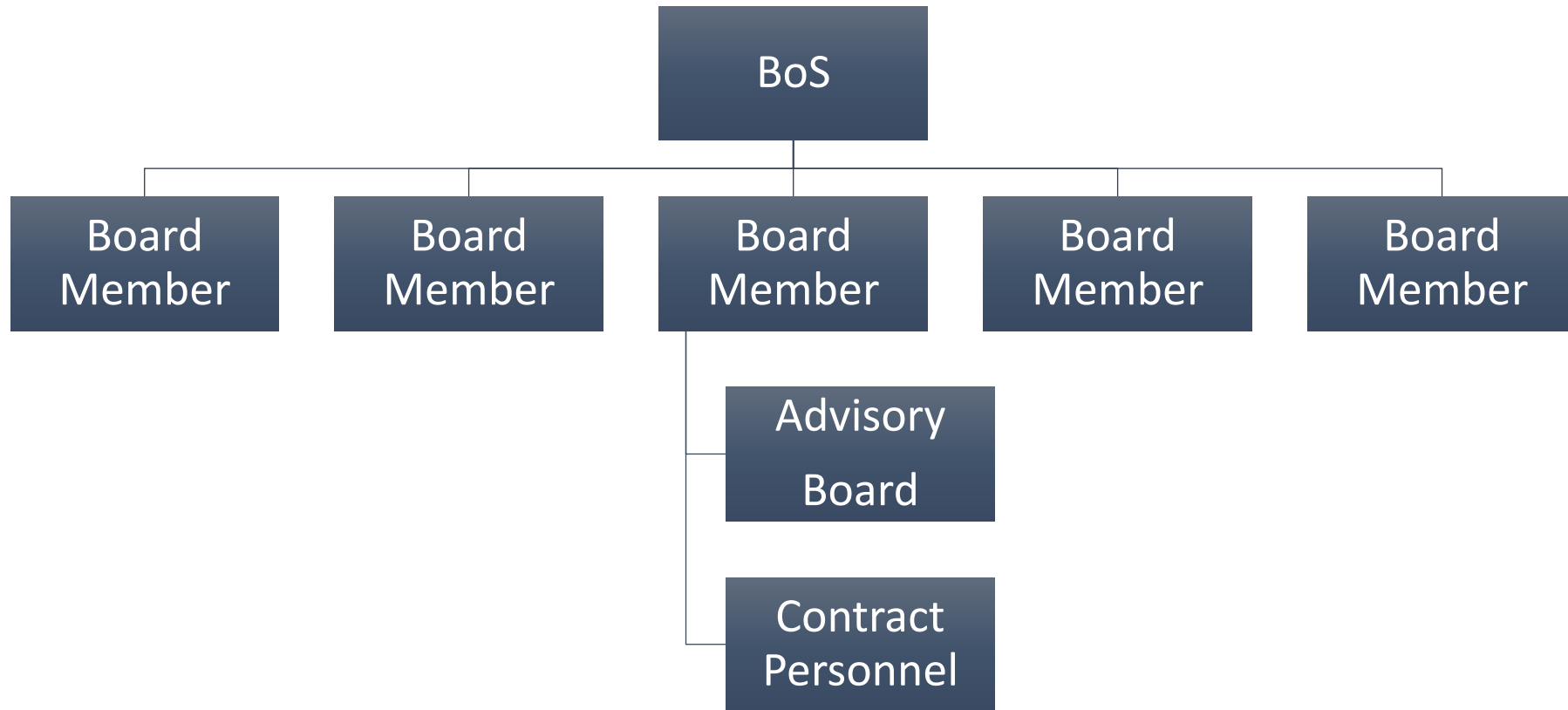
# Non-Contiguous DWID Example

- Non-contiguous means “Not connected.”
- This map shows the non-contiguous Blue Ridge DWID (brdwid.org) in Happy Jack, Coconino County, AZ.
- The RVF DWID provides property owners the choice to include their property.
- The RVF DWID will be non-contiguous.



# RVF DWID

## Organizational Structure



# Leadership Team (Initial Board)

## Karen Nabity

- Background in Banking, Financial Services and Coaching
- Real Estate Licensed

## Jennifer Simpson

- Background in real estate development
- Project Management
- Construction and Real Estate
- Business Owner

## John Jouas

- Engineering
- Project Management
- Construction Oversight
- Business Owner

## Jaime Phillips

- Retired Military Special Agent
- IT Operations and Cyber Security
- Background in Governmental Service



# Advisory Board

- Goal – Provide additional resources and guidance to the RVF Domestic Water Improvement District Board of Directors.
- Comprised of volunteer experts in various areas such as:
  - Civil Engineer
  - Successful Business Professionals
  - Groundwater Expertise
  - Accountant
  - Attorney
  - Other District Board Members
  - Other Professions

# **RVF DWID Water Services**

The RVF DWID will provide potable water for the following:

- RVF DWID Members
- Non-RVF DWID members, subject to water availability
  - Fees for Non-RVF DWID members will be set to provide for fair and equitable sharing of costs.
- Rural Metro and other fire suppression needs
- Construction and dust control

# Risk Analysis

- The timeline for securing water is already in jeopardy and at risk of being unable to meet Scottsdale's June 2022 contract date in order to secure water for January 1, 2023.
- The Board of Supervisors delayed approval of the RVF DWID impacts water availability, increased costs/interest rates and jeopardizes the timeline to be able to secure water.
- Lack of unanimous community and Board of Supervisor's support could result in possible outcomes:
  - Reinforced division within the community
  - Negative impact to Home and Land sales
  - Litigation

# RVF DWID Start-up Expenses

- Administrative fees
- Land for Fill Station
- Fill station build-out and OMR (Operations, Maintenance & Repair)
- Pipeline to Scottsdale waterline
- Purchase short-term water supply for 2023, 2024, 2025 & 2026 (estimated)
- Central Arizona Project (CAP) fees
- City of Scottsdale processing fees
- Purchase of long-term water supply
- Accounting and/or Legal fees



# DWID Ordinances

The RVF DWID intends to implement Ordinances to address the following:

- RVF DWID will provide water through a “Standpipe Only” district (No infrastructure to homes).
- The power of condemnation, if necessary, will be limited to securing a utility easement and public access to the fill station.
- Properties must choose, by petition, to be included in the RVF DWID.
- Annual opportunities for non-members to petition to be included in the RVF DWID, subject to water availability.
- Equitable rates and fees for non-members.
- Non-member use subject to water availability.
- Purchase water from outside sources, to preserve the local aquifer, as much as possible, for those property owners with wells.

# SUMMARY

Our team has spent years researching and acquiring the professional and logistical knowledge, resources and background to implement the Rio Verde Foothills Domestic Water Improvement District project. The RVF DWID will abide by all laws, rules and regulations of both the State of Arizona, Maricopa County, and any agencies thereof. We have and will continue to collaborate and interact with the respective governmental agencies, parties and our community - the residents of the Rio Verde Foothills.

The objective of the RVF DWID is to provide a safe, potable water source to the community of the Rio Verde Foothills that is legally obligated to the properties within the RVD DWID and to protect the local aquifer, for those property owners with wells.

*\* \* This is a projected Business Plan Summary. Due to changes in timing and the fluid market conditions all projections are subject to change.*

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