

November 24, 2020

Dear RVF Neighbor,

We are reaching out to our neighbors to provide an update on the water efforts. We, along with many RVF residents, have been thoroughly researching options since the 2018 Community Meetings to obtain a long term water supply for the Rio Verde Foothills (RVF) Community. (See the [History](#) section in the website: [www.GotWaterRVF.com](http://www.GotWaterRVF.com)). We now are reaching out to involve and update our entire community about what we have learned about the *future* water situation as well as about the available options to obtain a secure water supply.

### **What are the issues?**

According to the American Municipal Water Users Association (1), Arizona has been in a drought condition for over 20 years. This drought has created a looming water shortage, not just for our community, but for Arizona and much of the West. Water sources are diminishing, and delivered water is expected to increase in cost in the coming years.

Scottsdale has been selling water for over 20 years to both commercial and residential water haulers, who in turn deliver that water to RVF residents. In the last few years they have repeatedly stated in writing that **“It is our intention, at some point in time in the future, to require that anyone purchasing water to haul, either for private or commercial use, to demonstrate that the water will be used in the Scottsdale service area.”\*** and **“...it is prudent for the RVF residents to find a long-term water supply and distribution system to meet their needs”**. Once Scottsdale takes this action, our **water haulers will no longer have access to Scottsdale water for the Rio Verde Foothills**. We cannot negotiate for other sources of water until we form an entity- such as a District or a Cooperative. It is in our best interests to be proactive in attempting to solve the water problem that clearly looms in the future.

### **What are the legal entity options?**

There are two types of legal entities that can be formed. A Domestic Water Improvement District (aka: District or DWID) or a Cooperative (Co-op). What are the differences?

<b>Comparison</b>	<b>District</b>	<b>Co-op</b>
<b>Not-for-profit</b>	<b>YES</b>	<b>YES</b>
<b>A political subdivision of the state</b>	<b>YES</b>	<b>NO</b>
<b>Authority to serve water outside of its boundaries. *</b>	<b>YES</b>	<b>NO</b>
<b>Regulated by the Arizona Corporation Commission - a form of governmental control, costly &amp; time intensive.</b>	<b>NO</b>	<b>YES</b>
<b>Less costly to form.</b>	<b>YES</b>	<b>NO</b>
<b>More efficient &amp; less costly to manage.</b>	<b>YES</b>	<b>NO</b>
<b>May levy taxes in place of fees. (Possible tax benefit.)</b>	<b>YES</b>	<b>NO</b>
<b>If a Co-op makes a profit, it distributes excess monies collected back to its members.</b>	<b>N/A</b>	<b>YES</b>
<b>If a District makes a profit, it can lower fees for members.</b>	<b>YES</b>	<b>N/A</b>
<b>Water Infrastructure Finance Authority (WIFA) loan rate as of 10/26/20 with Combined Interest and Fee Rate (CIFR). Copy of quote @ GotWaterRVF.com Docs tab.</b>	<b>1.97586%</b>	<b>3.13630%</b>

\*The benefit is the District can be a good neighbor by selling excess water to non-members in RVF who need a pool fill, to supplement when they have well issues, etc.

A Co-op and a District were considered as major options since the beginning of discussions. The formation of a District was discussed in the 2018 Community Meeting and advised by several Water Attorneys and is our recommendation. There are unknowns to the District until it is formed—such as the amended boundaries which will include only those parcels whose owner signs the petition and how many RVF residents will be members. Other unknowns include the source of water, the location of any standpipe(s), the amount of water needed, and the total cost. Once the District is formed, a primary objective will be to identify answers and options for these unknowns for the members.

One conclusion from the many community meetings was that a majority of the RVF residents do not want water lines installed throughout the community, and we do not believe it would be cost-effective. We do not recommend installed water lines. After much

discussion, the most appropriate choice for our community appears to be a standpipe(s) in an accessible location with public right-of-way, either within or outside of RVF.

### ***Misinformation***

There has been much misinformation distributed on social media about the proposed District. We would like to clarify some important items:

- The District does NOT have the authority to cap your well.
- The District will NOT stop you from using your own well.
- The District will NOT charge you to use your own well.
- The District will NOT stop a member from drilling a well on their own property.
- The District does have the ability of Annexation and Condemnation just like the State, County or a City. In fact, ANY INDIVIDUAL has the power of Condemnation. When would the District use this power? To lay pipe to connect the Standpipe to the source of water if there is not already an existing utility easement that the District can utilize.
- The District Board of Directors is a volunteer position, there is no salary. Directors receive up to \$75 per board meeting with a maximum of 4 meetings per month.

### ***Our Intent***

The intent of this letter is not to convince you to join the District, should one be formed. Rather, it is an attempt to outline the differences between the various options, correct the misinformation being distributed, and introduce you to the [GotWaterRVF.com](http://GotWaterRVF.com) website. We have provided considerable information on this website. Please take time to go to this website and read it thoroughly. The website outlines the past history, frequently asked questions (FAQ's), and important documents related to our current water situation and deliberations. It will answer many residents' questions and concerns. This website includes a link to a "[Get Notified](#)" tab which will allow you to submit your questions for the upcoming Virtual Community Meeting (date to be determined).

### ***How can you join the District?***

Should you choose to have your parcel(s) included in the District, you MUST sign the petition during the Petition signing process (Dates to be announced by December 4<sup>th</sup>, 2020.).

### ***What if you are opposed to the District?***

If you are opposed to the idea of a District, then simply do not sign the Petition for the formation of a District. If you do not sign, your property will not be included in the District Boundary Map that will be submitted with a Petition to form the District sent to the Board of Supervisors of Maricopa County.

### ***Next steps***

Please go to [www.GotWaterRVF.com](http://www.GotWaterRVF.com), get informed, and make sure to sign up for email notifications in the "Get Notified" tab for the upcoming Virtual Community Meeting, Petition Signing Notification and Updates!! We look forward to getting better acquainted with all of you and hearing your opinions and concerns.

### **Watch for our mailer with information on the Virtual Community Meeting and the Petition Signings!**

Wishing you a wonderful Thanksgiving,

Jennifer Simpson

John Jouas

Karen Nabity

Michelle Jameson

**RVF Water Resources Inc.**

Footnote:

1. For more information see: <https://www.amwua.org/where-we-stand/issues/drought-and-shortage>