

Proposed Domestic Water Improvement District (DWID) in the Rio Verde Foothills

Frequently Asked Questions

Domestic Water Improvement District (DWID)

How can a DWID be formed without the agreement of 51% of property owners in the Rio Verde Foothills?

Arizona law allows for the formation of a non-contiguous DWID. Under this model, only property owners who sign the petition to form the DWID are included within the non-contiguous boundary. In other words, 100% of the participants would be in agreement.

See Aug. 4, 2020 Attorney General Opinion >

How can a DWID be formed without a domestic water delivery system?

A standpipe with water hauling to individual residents is considered a domestic water delivery system.

Does the DWID have the power to tax non-members (property owners outside of the non-contiguous boundary)? *No*.

Does the DWID have the power to condemn property outside of the non-contiguous boundary?

Yes. This process is administered by the courts and would require compensation to the property owner.

Can the DWID drill a well?

Yes. If the DWID drills a Non-Exempt Well, obtaining a permit for that well would require a well spacing analysis to determine if the proposed new well would have an unreasonable impact on other nearby wells. It should be noted that private property owners can drill exempt wells (defined as wells that pump less than 35 gallons per minute) without any well spacing analysis.

Can a property owner who is not a member of a non-contiguous DWID be held responsible for the cost/maintenance of infrastructure that may cross their property?

No. The DWID cannot assess taxes to property owners who are not members of the DWID. Furthermore, the DWID cannot hold property owners who are not members of the DWID responsible for the cost and/or maintenance of DWID infrastructure.

Are both a DWID and Co-Op entities that can be used to acquire a water source?

Yes, although a Co-Op has limited powers that may affect its ability to actually provide the services necessary for a stable long-term water supply.

Is it feasible for Maricopa County Board of Supervisors to act as the board of directors for the DWID?

Under Arizona law, the role of the Board of Supervisors (BOS) is to provide oversight. AZ law allows a BOS to revoke the authority of the DWID's board of the directors to "protect the residents of the district." In this scenario the BOS would have the option of calling for new elections for the DWID's board of directors.

Can the DWID force you to cap your well?

No. The only power a DWID would have over someone else's well would be to condemn it, and that would require payment of full market value of that well to the well owner.

Possible Water Shortages and Alternative Water Sources

Is Scottsdale stopping the sale of water to water haulers and Rio Verde residents?

The City of Scottsdale approved an updated Drought Management Plan in April 2021. The Plan says that when the Colorado River system goes into Tier 1 shortage, Scottsdale will invoke access restrictions at water hauling stations to non-residents of the City of Scottsdale.

The U.S. Bureau of Reclamation will make a final decision on the Tier 1 shortage this August. If the USBR declares a shortage it will take effect January 1, 2022. Should the Tier 1 shortage continue, Scottsdale's restrictions on water haulers will take effect in 2023. Hydrology models indicate that a Tier 1 shortage is likely for both 2022 and 2023 and a Tier 2 and 3 shortage is possible for 2024 and 2025.

<u>See May 11, 2020 Rio Verde letter to Supervisor Chucri ></u> <u>See May 7, 2021 Rio Verde letter to Supervisor Chucri ></u>

If a DWID is not formed and drought conditions improve, would the City of Scottsdale return to allowing use of the fill station for water haulers delivering to Rio Verde?

The city council voted on a <u>drought management plan</u> and at least in this document, they do not contemplate a return of service. On page 17 it states:

"It is important to note that these scenarios are snap shots in time of a single year and do not represent the length of time a shortage will last. For long-term planning purposes, these shortages are assumed to last multiple years. In normal years Scottsdale's excess CAP supply is recharged into the ground to be able to be withdrawn in times of shortage. Nevertheless, demand management during a shortage declaration is an important and purposeful tool to manage water supply and provides Scottsdale with the ability to utilize several options to effectively serve the citizens of the community in times of prolonged shortage. Prolonged reduction beyond 2025 are outside of the scope of this document but could impact supplies in future years."

Does EPCOR have water they can provide to Rio Verde?

No. EPCOR expressed they would consider acting as service provider only if a source of water is acquired.

What is the role of the Central Arizona Water Conservation District?

A water conservation tax supports the Central Arizona Water Conservation District (CAWCD) and the Arizona Water Banking Authority. The CAWCD was created to pay for the construction and operation of the Central Arizona Project or CAP canal. Property owners in Maricopa, Pinal and Pima county pay this tax. You can find more information regarding the tax on the CAWCD's website <u>https://www.cap-az.com/departments/finance/property-taxes</u>. Their website explains that the CAWCD tax is similar to paying for roads and highways. You may not drive on all the roads in the community, but you benefit from living in a county with a well-developed highway system.

What are the available options for acquiring an outside source of water and how would this water be processed?

There are limited options available for the acquisition of a new (outside) water resource, but options do exist. Acquisition of an outside source will require a substantial capital investment, either by the participating landowners or perhaps a utility willing to make the investment for future service revenues. All of these options are being explored by the County in its efforts to help the Rio Verde Foothills find a water solution.

Development in Rio Verde Foothills

Why does Maricopa County continue to issue building permits in the Rio Verde Foothills with the ongoing water issue?

Minor lot divisions (aka lot splits) are governed by Arizona state law. State law allows property owners to split their parcel up to 5 times without following the state's subdivision regulations. This means that the developers of these minor land divisions do not need to prove that they have a 100-year assured water supply or provide any of the infrastructure (roads, drainage features, etc.) that are typically associated with subdivisions.

Why doesn't Maricopa County stop "wildcat" subdivisions?

Maricopa County does not have the authority to regulate "wildcat" subdivisions The Arizona Department of Real Estate is responsible for investigating illegal subdivisions (a parcel that is split 6 or more times by the same owner). Maricopa County reports suspected violations to the AZ Department of Real Estate for investigation and enforcement. Residents can also file a complaint directly on the Arizona Department of Real Estate's website: <u>https://azre.gov/investigations/file-complaint</u>