

WATER HAULING FOR THE RIO VERDE FOOTHILLS WILL CEASE EFFECTIVE 12/31/2022.

Jennifer and I had a meeting on 10/4/2021 with Brian Biesemeyer, Executive Director for Scottsdale Water. He confirmed water hauling will be restricted to only residents residing within Scottsdale city limits per their Drought Management Plan. Additionally, letters were sent to ALL water hauling customers notifying them that they would have to have proof of City of Scottsdale residency and that residents would be required to document the reason for hauling.

INTERIM WATER SUPPLY:

During the meeting Brian said the City would consider negotiating to continue to supply water for hauling to RVF on a temporary basis, if the District was approved and was able to replenish the water supply with their water purchase.

HARQUAHALA VALLEY WATER SOURCE:

In December 2021, Water Asset Management will start entering into agreements for purchase of available water. It is imperative that the County is ready to secure this water for our community since the District has not been approved. (NOTE: There is increased competition for this water source. Several developers within Pinal County are looking at using Harquahala Valley (HV) water for development. Central Arizona Ground Replenishment District, the State Land department, Cities and others are also considering HV as a possible water source.)

EPCOR (EDMONTON POWER CORPORATION) or other private utility:

While EPCOR or another private utility may be a part of the solution proposed by County, the primary concerns are:

1. **WOULD WATER BE LEGALLY OBLIGATED** to individual parcels in the Foothills? A private utility like EPCOR would have to include those properties within their Certificate of Convenience and Necessity (CC&N) which defines the service area for a utility and obligates the water to those properties.
 - This would enable EPCOR or another private utility to have the right to approve or deny future wells or the re-drilling of current wells within the Foothills.
 - All properties would be included in the service area of the CC&N whether they agreed to it or not.
2. **WOULD EPCOR BE A TEMPORARY SOLUTION** to provide water via a standpipe? If water is not legally obligated to RVF properties via a CC&N then a long-term water solution for the future would be delayed. A 10 year contract with EPCOR was obtained for New River/Desert Hills; this has left them with NO long-term legally obligated source of water, and that contract expires in 2027.
3. **FUTURE DEVELOPMENT** - The addition of EPCOR could exponentially encourage future development in the Foothills.
4. **EPCOR is a foreign entity**, and the City of Edmonton is the sole shareholder. They received \$171 million in dividends in 2020.

5. **FUTURE WATER COSTS:** On September 1, 2021, Bullhead City, AZ took back possession of their water system from EPCOR. Bullhead City Manager stated, *“Local control is by far the best way to operate a water system. No Arizona community should want it’s water rates and systems controlled by a Canadian city.”*¹
6. **EFFECT ON WELLS:** EPCOR would have the right to apply for more wells or withdrawals from our aquifer/sub-basin.
7. **INFASTRUCTURE:** EPCOR makes their money by building infrastructure. The Foothills residents have made it clear they do not want expensive infrastructure running through their properties.

WATER REQUIREMENTS FOR LENDERS:

Fannie Mae and some private lenders require a legally dedicated source of water for those on water hauling.²

WATER SCARCITY:

We have talked with several water attorneys, water entities, water sources, and several City and State officials who have all advised us to secure a long-term source of water now while there is water to purchase. In the near future, water availability will be increasingly scarce.

IN SUMMARY:

Whatever your thoughts on the water situation, with the loss of Scottsdale Water at the end of 2022, it is now undeniably imperative that the Rio Verde Foothills secures it’s own long-term source of water for our community.

The DWID is one option, but we are open to an alternative viable solution. The DWID or any other solution should:

- **Legally obligate water to properties within the Rio Verde Foothills**
- **Have no negative impact on our aquifer and/or sub-basin or private wells**
- **Be a permanent long-term solution, not temporary**
- **Be as cost effective as possible**

In This Together,

RVF Water Resource Team

¹ [City takes over water system: EPCOR receives \\$80 million following judge's ruling | News West Publishing \(mohavedailynews.com\)](#)

² <https://selling-guide.fanniemae.com/Selling-Guide/Origination-thru-Closing/Subpart-B4-Underwriting-Property/Chapter-B4-1-Appraisal-Requirements/Section-B4-1-3-Appraisal-Report-Assessment/1032992601/B4-1-3-04-Site-Section-of-the-Appraisal-Report-06-05-2018.htm>