

What is a DWID?

“DWID’s are special types of County Improvement Districts, which are *political subdivisions of the State*, with specific geographic boundaries and the **authority to acquire, construct and operate a domestic water system; finance acquisition and construction with special assessment bonds or revenue bonds; charge and collect water rates and user fees; levy ad valorem taxes for operation and maintenance.**’

Powers of a DWID

- Most *special taxing districts*, regardless of their purpose, have **substantial administrative and fiscal independence from other local governments** and possess the following:
 - A structural form (generally within or adjacent to a single county).
 - An official name.
 - An elected governing body.
 - **The power to impose and collect taxes.**
 - **The power to incur governmental debt.**
 - **The right to sue and be sued.**

Powers of a DWID

- The ability to make contracts and to **obtain and dispose of property**, aka Condemnation
- Special districts may be designated as **municipal corporations and as political subdivisions having the rights, powers and immunities as cities and towns.**
- They are **governmental entities**, exempt from taxation on their governmental activities and property, and function under their own separate identity, you are taxed, a DWID is not.

Why a DWID?

- A group of Rio Verde Foothills residents have concerns that stemmed from the City of Scottsdale moving a fill site for commercial hauled water suppliers and private users to a location better equipped to handle the traffic created by the haulers.
- This was perceived by members of the community that the City of Scottsdale was going to remove access to the purchase of water from the City of Scottsdale.

Why a DWID (Cont'd)

- Meetings with the City of Scottsdale have disproven the theory that COS will cut-off water to commercial and private water haulers.
- COS has no intention of cutting off or limiting the purchase of water.....unless there is a Stage 2 Drought Management Event, or higher. A Stage 1 Drought has never been declared by the City of Scottsdale, but it is possible at sometime if present conditions continue....

Why are we still talking about a DWID then?

Great question...and glad you asked!

The answer? We do not know. What we do know is that a group continues to explore establishing a DWID to apparently manage something that, at this time, does not need managing, but they continue on in their efforts.

Let me ask it another way then, “Why are we still talking about a DWID then?” See next slide

Still Talking about a DWID

Again, we have no idea why they are continuing to pursue forming a DWID.

Can they form a DWID?

Yes, they Can..

How?

Characteristics of Forming a DWID

A unique ability of forming a DWID is that the parcels in a DWID do not have to be contiguous, meaning you can have a donut with the center cut out.....and, more than one donut can be created, meaning multiple disjointed locations can be incorporated into the DWID.

See the next slide for an explanation.

Hypothetical Initial DWID Formation Boundaries Tonto National Forest



Initial DWID Boundaries



Internal Parcels in DWID Boundary but not a part of DWID Initially

Mountain Rd

130th St

144th St

Dixileta Dr

152nd St

160th St

168th St

Vista Verde

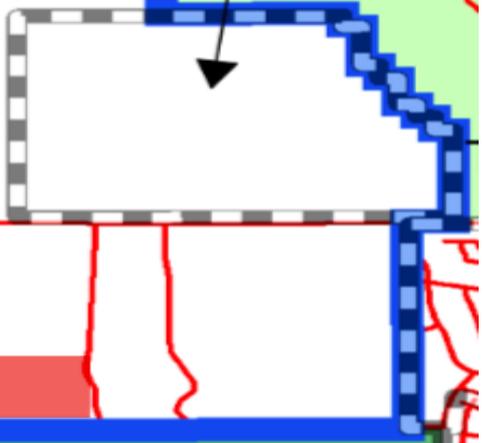
Area 1

Area 2

Area 3

Area 4

Area 5



DWID is Formed

Looking at the last slide, we see the DWID is formed. Some members of the formation area opted out as they thought they would be protected by choosing to not be in the DWID.

Now that we have a DWID we have water right?

Wrong, just because you are incorporated into the boundaries of the DWID water does not magically appear.

What's next?

Well, water has to come from somewhere.....

Since the City of Scottsdale has no interest in providing a non-incorporated area with a main water line.....well, oh you mean a WELL. Let's go drill a WELL!

Where do we drill this well?....well, where there is water.

Wait, we just formed DWID boundaries in areas where there is little or no known ground water....let's see, a DWID has the power of annexation and condemnation. We'll annex and condemn properties where there is known water for our water source.

But, Where is the Money Coming From?

Well, let's see, a DWID has the powers of: Selling Bonds, Borrowing Money, Taxation of Parcels in the DWID as well as Special Assessments....we have a lot of options, just drill the well.

Where?

Well, since we know the areas of the DWID were originally setup in areas of little or no accessible groundwater, let's annex parcels to an area where there is known groundwater and condemn a parcel for our well location.

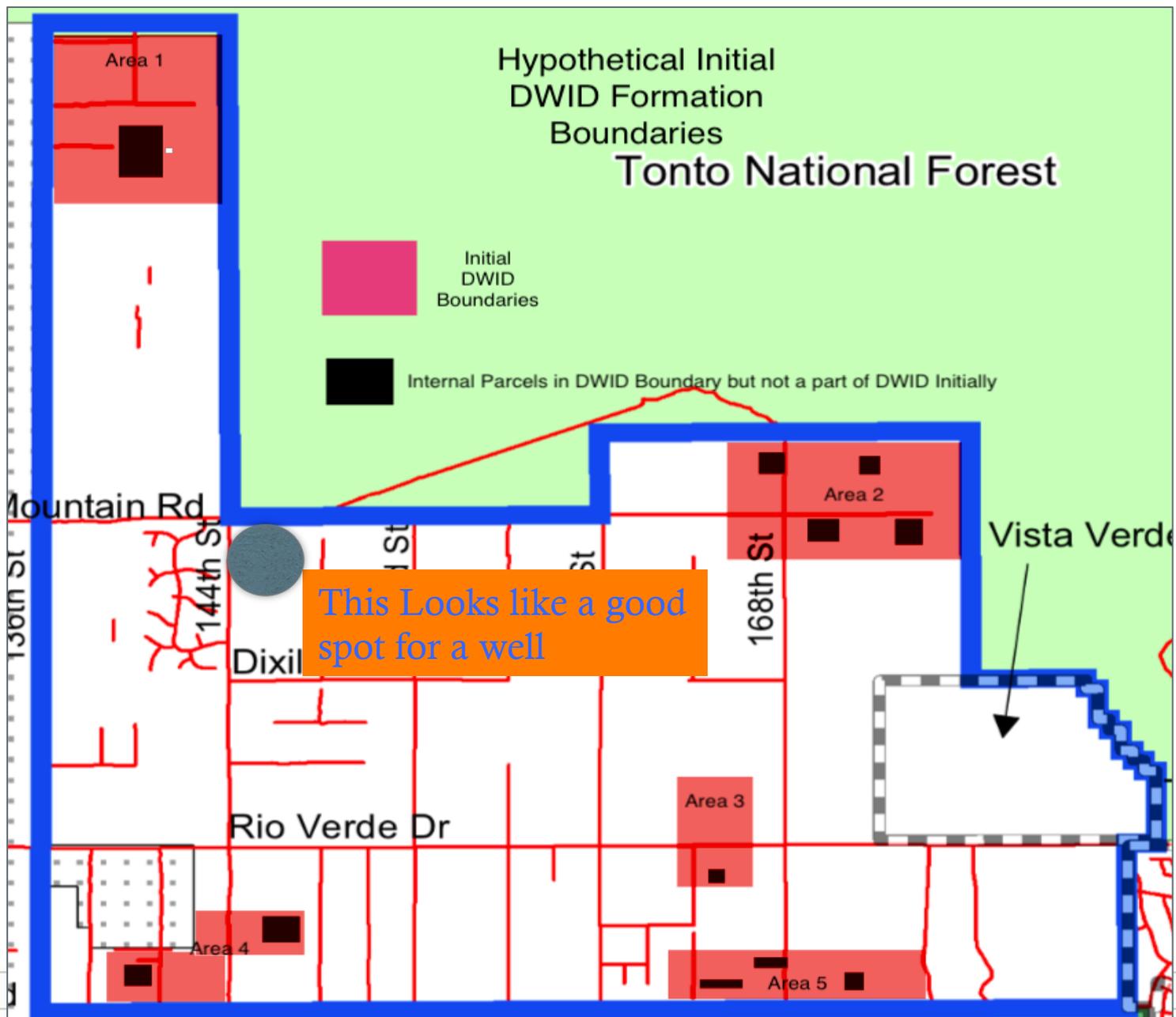
Hypothetical Initial DWID Formation Boundaries Tonto National Forest



Initial DWID Boundaries



Internal Parcels in DWID Boundary but not a part of DWID Initially



This Looks like a good spot for a well

Area 1

Area 2

Area 3

Area 4

Area 5

Mountain Rd

144th St

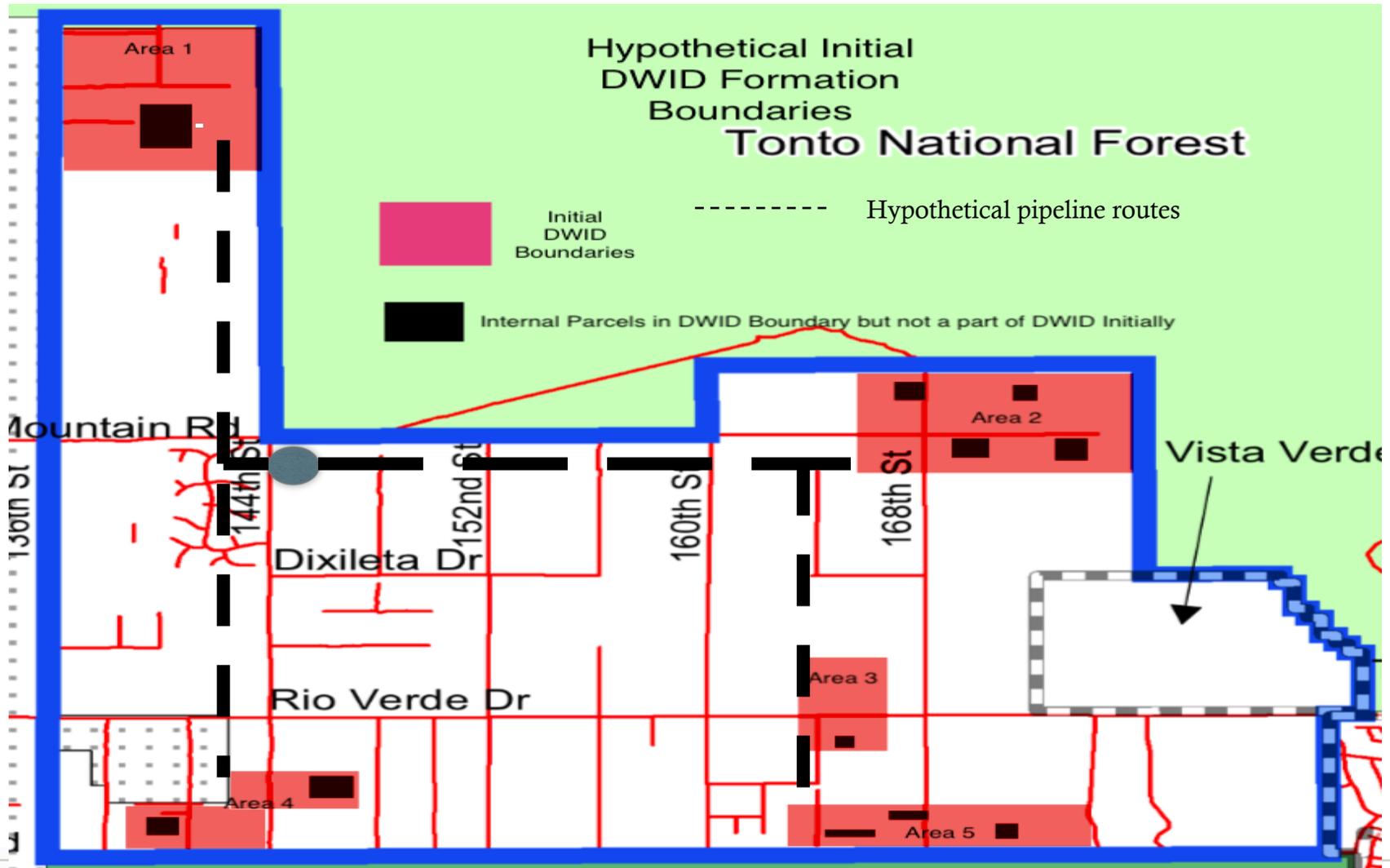
Dixie St

Rio Verde Dr

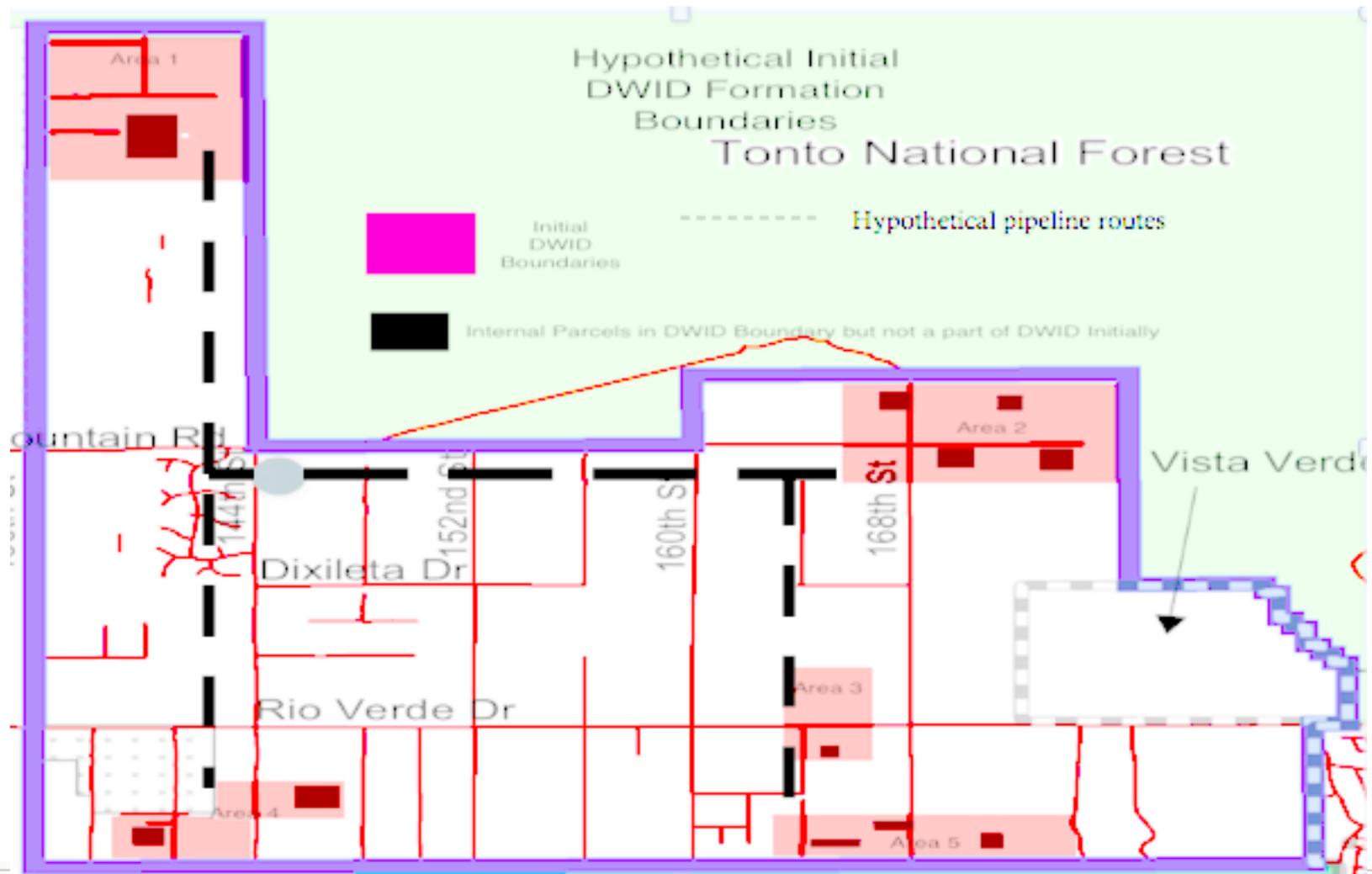
168th St

Vista Verde

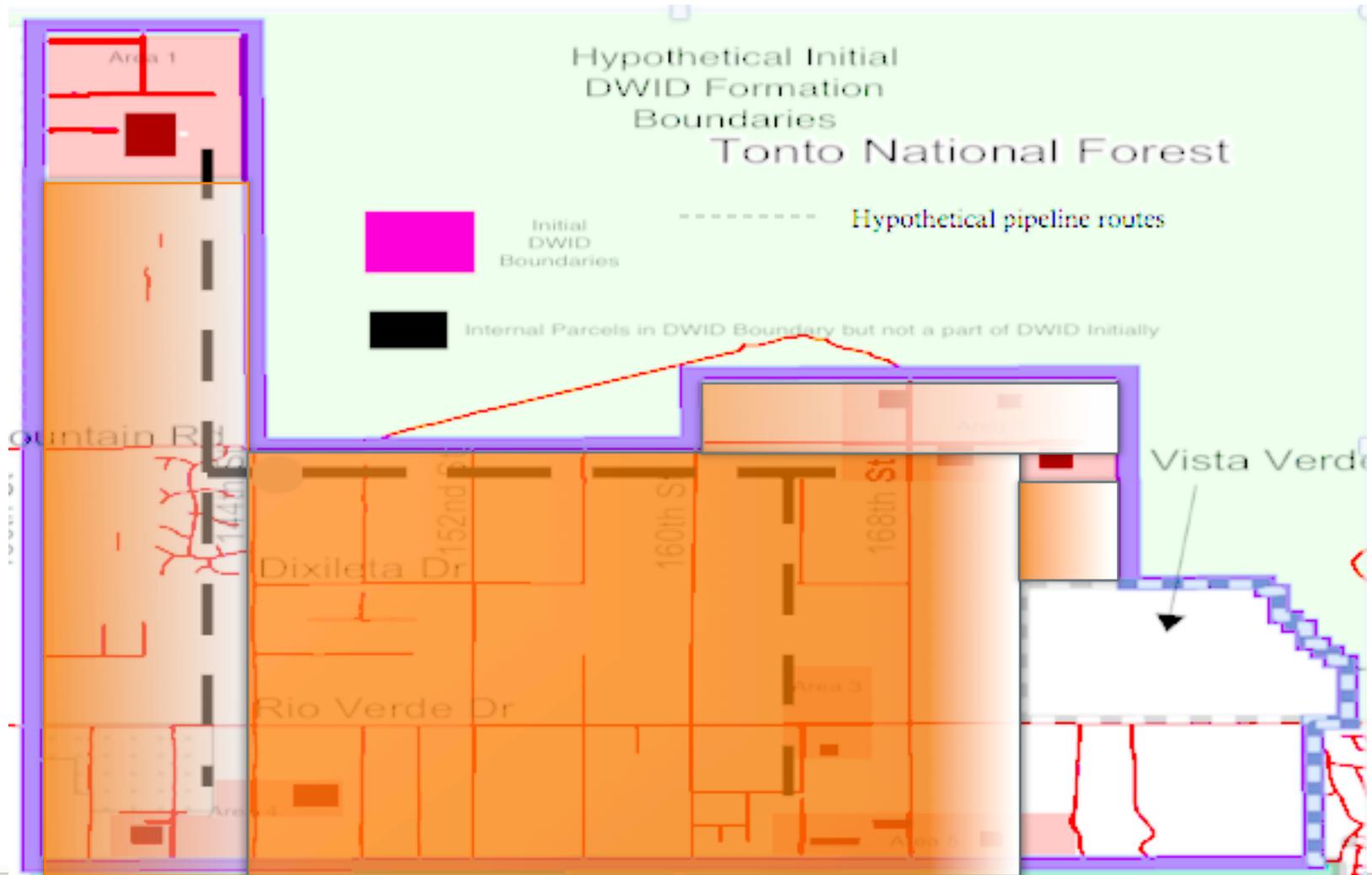
Now that we have a well, how do we connect to the users? Simple, but expensive, pipelines.



But isn't infrastructure expensive? Yes it is. Who will pay for it? You Will. But I'm not in the DWID boundaries. You will be, remember annexation?



The next step will be annexation. Why? To create a tax base to pay for the loans incurred by the DWID. The annexation continues until all parcels in the Rio Verde Foothills are in the DWID.



Another Item Not Mentioned from the DWID Support



A water tower, or towers, might be utilized to provide the pressurization for the buried piping.

If not, a series of pressurization pumps would be required to maintain adequate pressurization of the system to insure water flow.

The tower is ugly and ground level pressurization stations are noisy and use significant energy.

Would the DWID increase development in the area?

Hypothetically....if a DWID were formed, if the DWID was successful in drilling new or securing existing well(s), by the powers a DWID has, and utilizing our aquifer to satisfy new development needs at the expense of the aquifer....yes, a DWID has the potential of increasing speculative development in the area.

Are Existing Well Owners Affected?

Yes, they could be:

Because of the powers of the DWID, it would be conceivable that the DWID could condemn your well and add it to their producing well(s).

Another factor is that the regulatory powers of a DWID allow them to invoke ordinances. As such, it would be conceivable for the DWID, by ordinance, could restrict your right to produce water from your well, or, eliminate your right to use your well.

Does this include Shared Well Users

Yes, shared well owners would be subject to all of the rights of the DWID to restrict or eliminate your right to obtain water from a Shared Well.

What is the Process to Form a DWID?

Step 1

Formation of a domestic water improvement district is the same as that for a County improvement district:

- Petitions containing the signatures of **a majority of the persons owning real property in the proposed district or by the owners of 51% or more of the real property** in the proposed district are filed with the Board of Supervisors, along with a check or bond to cover the County's expenses in the event the district is not formed. If 100% of the property owners sign the petition and the petitioners provide a records search showing the names of all the property owners in the proposed district, the Board of Supervisors may establish the district without going through the notice and formal hearing process. The petitions include information such as statements that establishment of the district will benefit property owners in the district and serve the public convenience, necessity and welfare; the boundaries of the proposed district, along with a map of the same; a general description of the proposed improvements; and the names and addresses of the individuals who will serve as the organizing board of directors. In most cases the petitions also include **a petition to incur expense** which authorizes the district, once established, to move forward with incurring the expenses necessary to construct, acquire or improve the water delivery system. However, **prior to moving forward with improvements, the district must follow a legal process that requires notifying all property owners of the district's intent to make improvements and providing for a public hearing on the matter.**

Steps 2 and 3 of DWID Formation

- When the petitions are officially accepted by the Board of Supervisors, the Board sets a hearing on establishment of the proposed district and mails notice of the hearing to each property owner of record within the proposed district. **Persons wishing to object to establishment file written objections with the Clerk of the Board of Supervisors prior to the hearing date.** The hearing must be held not more than 40 days following acceptance of the petitions.
- The Board of Supervisors holds the hearing on establishment, at which it hears comments from the public, determines if the petition has been signed by the requisite number of property owners, determines if there is any property within the proposed boundaries of the district that would not benefit from establishment and excludes it from the boundaries, **and determines whether establishment of the district will promote the public convenience, necessity and welfare.**

Steps 4 & 5 of Forming a DWID

- If the Board of Supervisors approves establishment of the district, it will also appoint the district's first board of directors. Usually, the persons named as board members in the petition for establishment are the persons appointed as the first board of directors. The first board of directors determines who on the board will serve four-year terms and who will serve two year terms, and the district's first election for board members is held approximately two years after establishment of the district. At that time the board seats designated for the two-year terms are up for election, but the persons elected to fill those seats will be elected for four-year terms. This provides for the staggering of terms for board members, with the result that the district will have an election for board members every two years. In a domestic water improvement district, **non-resident property owners in the district are eligible to vote in district elections as long as they are qualified electors anywhere in the state of Arizona.**
- Upon establishment of the district, the County will request taxing authority for the district from the Arizona Department of Revenue and will also submit the necessary paperwork to the U.S. Justice Department for election purposes. Following the County's initial submission to the Justice Department, the district becomes responsible for any future submissions that may arise, for example, as the result of a boundary change in the district.

What Can I Do to prevent this from happening?

Contact County Supervisor Steve Chucris to voice your opinion that you DO NOT WANT this DWID in the Rio Verde Foothills.

Email: chucris@mail.maricopa.gov

Twitter: @steve_chucris



And, for the record, Supervisor Chucris gave \$1,500 to the formation of the DWID at a Feb. 28th 2018 Meeting of the Rio Verde Foothills Water Task Force.

The Other County Supervisors

Bill Gates, District 3

district3@mail.maricopa.gov



Denny Barney, District 1

barneyd@mail.maricopa.gov



Clint Hickman, District 4

chickman@mail.maricopa.gov



Steve Gallardo, District 5

district5@mail.maricopa.gov



As all of the County Supervisors will vote on the DWID, it is necessary to inform them as well of your being **OPPOSED** to the Formation of a DWID in the Rio Verde Foothills.

Click on the email link and your mail program will open.

Summarization

- There is no immediate threat of the restriction or curtailment of the purchase of water from the City of Scottsdale
- There is no necessity for the formation of a DWID or any other entity to purchase water from the City of Scottsdale
- Primary efforts should be directed to understanding our aquifer
- When those efforts result in a definitive evaluation of the longevity of our aquifer to sustain the present and future demands, then and only then do we need to evaluate what water management practices and authorities need to be implemented to maintain the aquifer.
- We will monitor the Application for the formation of the DWID. The best way to remove the threat is to contact Supervisor Chucri and voice your opposition.
- If the Application is filed, we will be contacting you for further intervention in the process.

How to Keep in Touch

Let us add you to our email list to keep you apprised of the situation. Send us an email at:

RVFwaterfacts@gmail.com