



CASE STUDY

Water Service Interruption in Rio Verde Foothills

“You're a listing agent in an area that has experienced water service interruption and you need to communicate to your client the implications of this water issue for property pricing and the anticipated sale timeline of their property. Depending on market conditions and buyer demand, delaying the listing may be worth discussing. They will need to disclose this water situation and you can use the Rio Verde Case study to explain to them how the market might react to this water challenge.”

What are the water issues behind the scenario?

Background

On Jan. 1st of 2023 the water supply that Scottsdale Water was providing to Rio Verde water haulers, serving around 500 homes, was cut off via a contract non-renewal from the City of Scottsdale. Due to the city's enactment of Stage One drought restrictions, they decided to align with their drought management plan, ceasing water deliveries for hauled water users in a stage one drought status. This created a stressful and uncertain situation for many homeowners and water haulers. As a result, haulers had to travel much farther to refill, hauling less water and charging residents more while interim solutions were arranged and state lawmakers moved to respond. Three water haulers who serve the Rio Verde community are Dynamite Water, Rio Verde Water and Water Express.

The Maricopa County Supervisor of District 2, Thomas Galvin, and Governor Hobbs ended up getting involved in this situation. Maricopa County, Scottsdale, and potential private suppliers (e.g., EPCOR) were pulled into negotiations, emergency planning, and later legislation to address water access for Rio Verde residents. The Arizona Legislature acted to create a pathway to restore access, and passed Bill xxx to enact a Standpipe District, as well as force Scottsdale water to continue to deliver to Rio Verde as a interim solution until EPCOR could get their standpipe constructed to provide residents with a long term source. The interim solution required Scottsdale to treat and deliver CAP water (an additional allocation from CAP, not from the city's supply portfolio). This allotment was secured by the standpipe district through (Canadian-based water utility company) EPCOR, and provided to haulers at the Pima Road Fill Station. This interim solution expired on Dec. 31st, 2025.

EPCOR agreed to supply the water and their application was approved by county government, but EPCOR was not going to be able to supply enough for 500 homes. They would provide to Rio Verde Foothills residents with occupied homes as of December 12, 2023 who submitted an application, and would also establish 150 additional resident accounts for property owners who paid the hook up fees, but didn't have occupied residences as of December 12, 2023. Because EPCOR received more than 150 applications, they conducted an online lottery on October 21, 2024, to ensure a transparent, equitable approach for all applicants. During the lottery, EPCOR shared real-time announcements as residents were randomly selected, and 150 residents who had applied by June 1, 2024, were chosen to receive standpipe service. Lottery winners were required to pay the hook-up fee within 45 days of billing. There are some homes in Rio Verde were not eligible for EPCOR standpipe service who won't receive EPCOR water because they weren't chosen in the lottery. The hook-up fee, set at \$24,000 in the Arizona Corporation Commission decision, was required only for properties with unoccupied homes after December 12, 2023, who wished for service from EPCOR.

EPCOR's website says: "Any eligible homeowner in the Rio Verde Foothills service area, including those with private wells, can establish an account for service with EPCOR when the permanent standpipe infrastructure is complete. Customers must have registered by June 1, 2024, and no applications will be processed after that date. If a parcel in the Rio Verde Foothills community is not approved for EPCOR service, please contact a water hauler in the area. You may be able to obtain water from outside sources. EPCOR is aware of three water haulers for the community — Dynamite Water, Rio Verde Water and Water Express. We cannot recommend one hauler over another.

EPCOR's water service agreement is transferred to a new owner in the event of a property sale, because the approval is linked to the property identification number (APN)."

Step by step actions that the agent should take:

1. Have your clients verify the source of water that the hauler receives, and the contractual detail around the company or city providing that water. What happens in a time of drought restrictions, or less Colorado River water, do water haulers get cut off?
2. If your client uses this example to justify a concern, talk to them about what really happened in Rio Verde and the need to investigate the hauled water companies. Don't take their supply for granted.
3. Discuss the costs of drilling a well and viability of well water. Are there a lot of wells in the area? How deep are they (affects costs of drilling) and are they seasonal or do they provide a year round supply?
4. Notify your client that rainwater capture or a grey water system can help augment their landscaping water use, so they can save their hauled water for drinking, cooking, and washing. (there are some restrictions on water capture based on area: Rainwater harvesting is generally permitted in Arizona, although local building codes and HOA requirements may apply. Greywater systems are regulated separately under ADEQ rules..)
5. Discuss available market data, if any, while avoiding guarantees regarding future property values or market performance, seller's disclosures and home values during this time of uncertainty with the Rio Verde water situation. Your client has to be okay with the potential risk of rising water costs, and limited supply from Haulers if the contracts are affected by drought management plans. The Cities' first priority are the water users within their city limits. You can pull historic market stats our use the case study stats.
6. Make sure seller's disclose these water details for Rio Verde to new buyers! At the time of this case study, EPCOR is not accepting new applications beyond the authorized service program established by the Arizona Corporation Commission. Buyers should verify current service availability directly with EPCOR before relying on future service.

Agency/Resource	Source Link	When can you use it
AAR Buyer Advisory	https://azre.gov/sites/default/files/2025-08/Buyer%20Advisory%20January%202025.pdf	Disclosure requirements, links to forms
Rio Verde Foothills Water Fill Station	https://www.epcor.com/us/en/az/account/manage-account/rio-verde-foothills-water-fill-station.html	Find information about EPCOR's Rio Verde Foothills Water Fill Station, including location, water access, water haulers, and costs.

How should you talk to your client about this?

Use of plain, professional language to convey the scenario:

- *“What happened in Rio Verde, can’t happen to you here because you are within city limits and the provider has a “Designated” water supply.”*
- *“This particular property presents some risks related to Rio Verde. You won’t necessarily be unable to find water, it’s just your cost of water could spike if the water haulers’ source of water gets interrupted.”*
- *“We have had a drought for quite some time, and if the drought doesn’t lift there will be more drought management plan changes so cities can preserve their supplies. This could negatively affect your water source here, and the water haulers who provide your supply.”*
- *“Consider how big you want your storage tank to be on property. Maybe you want to mitigate your risk by being able to store more water.”*
- *“I would recommend buying a place with a well, if you want to buy in Rio Verde. EPCOR won’t be providing any more hookups in the future. Buyers’ can’t count on that. Otherwise, the longevity and the cost of your property water supply is uncertain.”*

Potential questions to consider depending on nuances:

- Will Rio Verde Ever Happen Again, or did government address this problem with the Standpipe district and making Scottsdale provide water? Should we talk to the County Supervisor who was involved in all of this? Or someone who is a member of the standpipe district?



Disclaimer: *This case study is provided for educational purposes only and reflects information available at the time it was developed. Arizona water laws, regulations, policies, and agency guidance may change over time. Always verify the most current information through official sources, such as the Arizona Department of Water Resources (ADWR), Arizona Department of Real Estate (ADRE), and other applicable state agencies. The Real Water Arizona project and its contributors are not responsible for decisions made based solely on this educational material.*