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ARIZONA DEPARTMENT OF WATER RESOURCES
BEFORE THE DIRECTOR

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In the Matter of Certificates of Assured Water Supply Nos.

27-402175.0000, Verrado Parcel 4.401,
27-402177.0000, Verrado Parcel 4.403,
27-402179.0000, Verrado Parcel 4.405,
27-402180.0000, Verrado Parcel 4.406,
27-402181.0000, Verrado Parcel 4.407,
27-402182.0000, Verrado Parcel 4.408,
27-402168.0000, Verrado Parcel 4.414, and
27-402169.0000, Verrado Parcel 4.415

**STIPULATION AND CONSENT ORDER
REVOKING CERTIFICATE OF
ASSURED WATER SUPPLY**

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The Department of Water Resources (Department) and DMB White Tank, LLC (DMB) agree as follows:

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I. JURISDICTION

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1. This Stipulation and Consent Order is entered into pursuant to the authority of the Director of the Department (Director) as set forth in A.R.S. §§ 45-105 and 45-576 and A.A.C. R12-15-709(A).

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II. FACTUAL BACKGROUND

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2. Verrado Parcel 4.401, Verrado Parcel 4.403, Verrado Parcel 4.405, Verrado Parcel 4.406, Verrado Parcel 4.407, Verrado Parcel 4.408, Verrado Parcel 4.414 and Verrado Parcel 4.415 are subdivisions located in Maricopa County, Arizona, within the Phoenix Active Management Area.

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3. On September 21, 2006, the Department issued Certificate of Assured Water Supply (Certificate) No. 27-402175.0000 for 20 lots in Verrado Parcel 4.401 with an estimated water demand of 9.15 acre-feet per year to Fidelity National Title Insurance Company, a

1 California corporation, as Trustee of Trust No. B176, with Caterpillar Foundation, an
2 Illinois not-for-profit corporation, as first beneficiary and DMB, an Arizona limited liability
3 company, as second beneficiary. Physical availability for Certificate No. 27-402175.0000
4 was demonstrated with Analysis of Assured Water Supply No. 28-400460.0000 as extended
5 by 42-400460.0001 and 42-400460.0002 (Verrado Analysis).
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7 4. On September 21, 2006, the Department issued Certificate No. 27-402177.0000 for 26 lots
8 in Verrado Parcel 4.403 with an estimated water demand of 11.78 acre-feet per year to
9 Fidelity National Title Insurance Company, a California corporation, as Trustee of Trust
10 No. B176, with Caterpillar Foundation, an Illinois not-for-profit corporation as first
11 beneficiary and DMB, an Arizona limited liability company as second beneficiary. Physical
12 availability for Certificate No. 27-402177.0000 was demonstrated with the Verrado
13 Analysis.
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16 5. On August 22, 2006, the Department issued Certificate No. 27-402179.0000 for 29 lots in
17 Verrado Parcel 4.405 with an estimated water demand of 13.91 acre-feet per year to Fidelity
18 National Title Insurance Company, a California corporation, as Trustee of Trust No. B176,
19 with Caterpillar Foundation, an Illinois not-for-profit corporation as first beneficiary and
20 DMB, an Arizona limited liability company as second beneficiary. Physical availability for
21 Certificate No. 27-402179.0000 was demonstrated with the Verrado Analysis.
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23 6. On September 14, 2006, the Department issued Certificate No. 27-402180.0000 for 42 lots
24 in Verrado Parcel 4.406 with an estimated water demand of 15.8 acre-feet per year to
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Fidelity National Title Insurance Company, a California corporation, as Trustee of Trust No. B176, with Caterpillar Foundation, an Illinois not-for-profit corporation as first beneficiary and DMB, an Arizona limited liability company as second beneficiary. Physical availability for Certificate No. 27-402180.0000 was demonstrated with the Verrado Analysis.

7. On August 22, 2006, the Department issued Certificate No. 27-402181.0000 for 19 lots in Verrado Parcel 4.407 with an estimated water demand of 6.2 acre-feet per year to Fidelity National Title Insurance Company, a California corporation, as Trustee of Trust No. B176, with Caterpillar Foundation, an Illinois not-for-profit corporation as first beneficiary and DMB, an Arizona limited liability company as second beneficiary. Physical availability for Certificate No. 27-402181.0000 was demonstrated with the Verrado Analysis.

8. On September 14, 2006, the Department issued Certificate No. 27-402182.0000 for 52 lots in Verrado Parcel 4.408 with an estimated water demand of 15.81 acre-feet per year to Fidelity National Title Insurance Company, a California corporation, as Trustee of Trust No. B176, with Caterpillar Foundation, an Illinois not-for-profit corporation as first beneficiary and DMB, an Arizona limited liability company as second beneficiary. Physical availability for Certificate No. 27-402182.0000 was demonstrated with the Verrado Analysis.

9. On August 22, 2006, the Department issued Certificate No. 27-402168.0000 for 40 lots in Verrado Parcel 4.414 with an estimated water demand of 17.72 acre-feet per year to Fidelity

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National Title Insurance Company, a California corporation, as Trustee of Trust No. B176, with Caterpillar Foundation, an Illinois not-for-profit corporation as first beneficiary and DMB, an Arizona limited liability company as second beneficiary. Physical availability for Certificate No. 27-402168.0000 was demonstrated with the Verrado Analysis.

10. On September 14, 2006, the Department issued Certificate No. 27-402169.0000 for 43 lots in Verrado Parcel 4.415 with an estimated water demand of 28.74 acre-feet per year to Fidelity National Title Insurance Company, a California corporation, as Trustee of Trust No. B176, with Caterpillar Foundation, an Illinois not-for-profit corporation as first beneficiary and DMB, an Arizona limited liability company as second beneficiary. Physical availability for Certificate No. 27-402169.0000 was demonstrated with the Verrado Analysis.

11. Prior to the issuance of Certificate Nos. 27-402175.0000, 27-402177.0000, 27-402179.0000, 27-402180.0000, 27-402181.0000, 27-402182.0000, 27-402168.0000, and 27-402169.0000, Verrado Parcels 4.401, 4.403, 4.405, 4.406, 4.407, 4.408, 4.414 and 4.415 were enrolled as member lands in the Central Arizona Groundwater Replenishment District (CAGRDR), pursuant to A.R.S. § 48-3774.

12. On August 29, 2016, DMB submitted a request to CAGRDR to terminate its member land status for Verrado Parcels 4.401, 4.403, 4.405, 4.406, 4.407, 4.408, and 4.415.

13. On September 29, 2016, DMB submitted a request to CAGRDR to terminate its member land status for Verrado Parcel 4.414.

1 14. The CAGR D has verified that DMB is the current owner of all the lands contained within
2 Certificate Nos. 27-402175.000, 27-402177.0000, 27-402179.0000, 27-402180.0000, 27-
3 402181.0000, 27-402182.0000, 27-402168.0000 and 27-402169.0000.

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5 15. On September 29, 2016, DMB submitted a request for revocation of Certificate Nos. 27-
6 402175.000, 27-402177.0000, 27-402179.0000, 27-402180.0000, 27-402181.0000, 27-
7 402182.0000, 27-402168.0000 and 27-402169.0000 and a return of the groundwater
8 demand included in the certificates to the Verrado Analysis.

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10 16. No residential lots have been sold nor has any building begun at Verrado Parcels 4.401,
11 4.403, 4.405, 4.406, 4.407, 4.408, 4.414 and 4.415.

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13 **III. EFFECTIVE DATE**

14 17. This Stipulation and the Consent Order below, when signed and approved by the Director
15 or his designated representative, shall have the full force and effect of a final decision and
16 order, and it shall be effective as of that date.

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18 **IV. CONSENT TO REVOCATION OF CERTIFICATES**

19 18. DMB waives its right to a hearing in this matter and the right to appeal this Stipulation and
20 the Consent Order below.

21 19. DMB affirms that it is the sole owner of the lands described in Certificate Nos. 27-
22 402175.000, 27-402177.0000, 27-402179.0000, 27-402180.0000, 27-402181.0000, 27-
23 402182.0000, 27-402168.0000 and 27-402169.0000.

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25 20. DMB agrees that Certificate No. 27-402175.0000 shall be revoked effective upon
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CAGRD's termination of member land status for Verrado Parcel 4.401.

21. DMB agrees that Certificate No. 27-402177.0000 shall be revoked effective upon CAGRD's termination of member land status for Verrado Parcel 4.403.

22. DMB agrees that Certificate No. 27-402179.0000 shall be revoked effective upon CAGRD's termination of member land status for Verrado Parcel 4.405.

23. DMB agrees that Certificate No. 27-402180.0000 shall be revoked effective upon CAGRD's termination of member land status for Verrado Parcel 4.406.

24. DMB agrees that Certificate No. 27-402181.0000 shall be revoked effective upon CAGRD's termination of member land status for Verrado Parcel 4.407.

25. DMB agrees that Certificate No. 27-402182.0000 shall be revoked effective upon CAGRD's termination of member land status for Verrado Parcel 4.408.

26. DMB agrees that Certificate No. 27-402168.0000 shall be revoked effective upon CAGRD's termination of member land status for Verrado Parcel 4.414.

27. DMB agrees that Certificate No. 27-402169.0000 shall be revoked effective upon CAGRD's termination of member land status for Verrado Parcel 4.415.

28. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate No. 27-402175.0000 upon termination of member land status for Verrado Parcel 4.401 and consents to entry of the Consent Order below.

- 1 29. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate
2 No. 27-402177.0000 upon termination of member land status for Verrado Parcel 4.403 and
3 consents to entry of the Consent Order below.
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- 5 30. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate
6 No. 27-402179.0000 upon termination of member land status for Verrado Parcel 4.405 and
7 consents to entry of the Consent Order below.
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- 9 31. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate
10 No. 27-402180.0000 upon termination of member land status for Verrado Parcel 4.406 and
11 consents to entry of the Consent Order below.
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- 13 32. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate
14 No. 27-402181.0000 upon termination of member land status for Verrado Parcel 4.407 and
15 consents to entry of the Consent Order below.
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- 17 33. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate
18 No. 27-402182.0000 upon termination of member land status for Verrado Parcel 4.408 and
19 consents to entry of the Consent Order below.
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- 21 34. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate
22 No. 27-402168.0000 upon termination of member land status for Verrado Parcel 4.414 and
23 consents to entry of the Consent Order below.
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- 25 35. DMB admits the jurisdiction of the Department and consents to the revocation of Certificate
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- 1 No. 27-402169.0000 upon termination of member land status for Verrado Parcel 4.415 and
2 consents to entry of the Consent Order below.
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- 4 36. Upon revocation of Certificate No. 27-402175.0000, 9.15 acre-feet per year of groundwater
5 will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as extended by
6 42-400460.0001 and 42-400460.0002.
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- 8 37. Upon revocation of Certificate No. 27-402177.0000, 11.78 acre-feet per year of
9 groundwater will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as
10 extended by 42-400460.0001 and 42-400460.0002.
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- 12 38. Upon revocation of Certificate No. 27-402179.0000, 13.91 acre-feet per year of
13 groundwater will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as
14 extended by 42-400460.0001 and 42-400460.0002.
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- 16 39. Upon revocation of Certificate No. 27-4021780.0000, 15.8 acre-feet per year of
17 groundwater will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as
18 extended by 42-400460.0001 and 42-400460.0002.
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- 20 40. Upon revocation of Certificate No. 27-402181.0000, 6.2 acre-feet per year of groundwater
21 will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as extended by
22 42-400460.0001 and 42-400460.0002.
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- 24 41. Upon revocation of Certificate No. 27-402182.0000, 15.81 acre-feet per year of
25 groundwater will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as
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extended by 42-400460.0001 and 42-400460.0002.

42. Upon revocation of Certificate No. 27-402168.0000, 17.72 acre-feet per year of groundwater will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as extended by 42-400460.0001 and 42-400460.0002.

43. Upon revocation of Certificate No. 27-402169.0000, 28.74 acre-feet per year of groundwater will be returned to Analysis of Assured Water Supply No. 28-400460.0000 as extended by 42-400460.0001 and 42-400460.0002.

44. DMB agrees that the return of the groundwater to Analysis of Assured Water Supply No. 28-400460.0000 as extended by 42-400460.0001 and 42-400460.0002 shall not extend the term of the analysis.

45. DMB affirms that no promise was made to induce it to enter this Stipulation and declares that it has entered this Stipulation voluntarily.

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The undersigned warrant their authority to bind the parties on whose behalf their signatures are made to the provisions of this Stipulation, and the Consent Order shall be binding on the parties, their successors and assigns, forever.

DMB White Tank, LLC, an Arizona limited liability company

ARIZONA DEPARTMENT OF WATER RESOURCES

By: DMB Associates, Inc., an Arizona corporation
Its: Manager

Name: Clint Chandler

Mary S Alexander

Title: Assistant Director

Name: MARY S ALEXANDER

Date: January 13, 2017

Title: Executive VP

Date: January 11, 2017

1 **CONSENT ORDER**

2 IT IS ORDERED that the terms of the foregoing Stipulation are approved and adopted as
3 the final Decision and Order in this case.

4 IT IS FURTHER ORDERED that Certificate No. 27-402175.0000 is revoked effective upon
5 termination of member land status for Verrado Parcel 4.401.
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7 IT IS FURTHER ORDERED that Certificate No. 27-402177.0000 is revoked effective upon
8 termination of member land status for Verrado Parcel 4.403.

9 IT IS FURTHER ORDERED that Certificate No. 27-402179.0000 is revoked effective upon
10 termination of member land status for Verrado Parcel 4.405.

11 IT IS FURTHER ORDERED that Certificate No. 27-402180.0000 is revoked effective upon
12 termination of member land status for Verrado Parcel 4.406.
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14 IT IS FURTHER ORDERED that Certificate No. 27-402181.0000 is revoked effective upon
15 termination of member land status for Verrado Parcel 4.407.

16 IT IS FURTHER ORDERED that Certificate No. 27-402182.0000 is revoked effective upon
17 termination of member land status for Verrado Parcel 4.408.

18 IT IS FURTHER ORDERED that Certificate No. 27-402168.0000 is revoked effective upon
19 termination of member land status for Verrado Parcel 4.414.
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21 IT IS FURTHER ORDERED that Certificate No. 27-402169.0000 is revoked effective upon
22 termination of member land status for Verrado Parcel 4.415.

23 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402175.0000, 9.15
24 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No. 28-
25 400460 as extended by 42-400460.0001 and 42-400460.0002.
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1 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402177.0000,
2 11.78 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No.
3 28-400460 as extended by 42-400460.0001 and 42-400460.0002.

4 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402179.0000,
5 13.91 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No.
6 28-400460 as extended by 42-400460.0001 and 42-400460.0002.

7 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402180.0000, 15.8
8 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No. 28-
9 400460 as extended by 42-400460.0001 and 42-400460.0002.

10 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402181.0000, 6.2
11 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No. 28-
12 400460 as extended by 42-400460.0001 and 42-400460.0002.

13 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402182.0000,
14 15.81 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No.
15 28-400460 as extended by 42-400460.0001 and 42-400460.0002.

16 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402168.0000,
17 17.72 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No.
18 28-400460 as extended by 42-400460.0001 and 42-400460.0002.

19 IT IS FURTHER ORDERED that upon revocation of Certificate No. 27-402169.0000,
20 28.74 acre-feet per year of groundwater shall be returned to Analysis of Assured Water Supply No.
21 28-400460 as extended by 42-400460.0001 and 42-400460.0002.

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BE IT SO APPROVED this 19 day of January, 2017.



Thomas Buschatzke
Director
Arizona Department of Water Resources
1110 W. Washington Street, Suite 310
Phoenix, Arizona 85007

COPIES of the foregoing sent via
Certified mail and electronic mail
this 19th day of January 2017 to:

DMB White Tank, LLC
c/o DMB Associates, Inc.
7600 E. Doubletree Ranch Road
Suite 300
Scottsdale, AZ 85258
Attn: Mary Alexander
MAlexander@dmbinc.com

CMRRR# 7007 2680 0000 5306 9340

Copy of the foregoing sent by electronic mail
this 19th day of January 2017 to:

Central Arizona Groundwater Replenishment District
Candi Cox
ccox@cap-az.com

Arizona Department of Real Estate
Carla Randolph
crandolph@azre.gov

Margaret R. Gallogly
Attorney for DMB White Tank, LLC
mgallogly@fclaw.com