

Agents: Don't let a private water well get you into hot water!

By Gary L. Hix, R.G., CWD/PI

In this fast paced world many things are taken for “granted”, but other items are often checked out to the last nut and bolt. So it is with real estate transfers and home inspections. Ever since Arizona passed a law requiring all home inspectors to be certified by the State Board of Technical Registration, realtors have come to rely on the inspection reports to assume much of the responsibility of performing the buyer's due diligence. The same is not always true of buying and selling homes that are on a private water well. We have seen where some properties are being bought and sold without the private water well being inspected.

Private water wells serve many homes throughout Arizona. Some agents deal with properties that have private water wells almost daily and are familiar with the issues that can arise. Other agents may only handle one or two in their entire career. Even if it's only one transaction with a private water well, it can cause some serious problems for an agent it is not dealt with professionally.

The disclosure statement prepared by the seller regarding the water well is often less than complete, and maybe even misleading for the buyer. There are many reasons for the incompleteness and misleading statements made by sellers. At the top of the list is the truthful fact that they just don't know all the details about their well. Second on the list is a truthful misunderstanding about the details of the water well due to being

unfamiliar with how private water wells are evaluated. There are many strange sounding technical terms such as: static water levels, pumping water levels, pump inlet setting, and total depth of the well. To add to this confusion, all of these numbers change with time, and owners will often quote very old data regarding their wells.

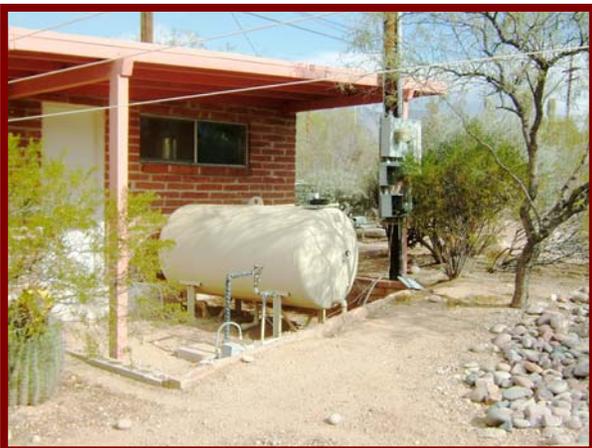


Further down the list of reasons why people make misleading statements about private water wells is that they want to sell or sell shares in their water well for a financial gain. For this, and many other reasons I can think of, agents should never rely solely on the seller's disclosure statement regarding the water well. There is more to be known about a private water well than just the gallons per minute it produces, or how cold and sweet the water has tasted for years. Home owners are typically very proud of their wells and will take every opportunity to brag about how good they are.

Wells are such an integral part of the total property and yet they typically receive very little attention throughout their life span. Often water well systems go for several years without being serviced or repaired. The true value of the land is highly dependent upon the capability of the water well. Dry lots are much harder to sell and they sell for a lot less than lots with a good water well.

It isn't enough to simply have a private water well. The well must produce sufficient water for the home owner's needs. Just because a private water well has provided adequate service for the present owner for the past decade, there is no guarantee that it will be adequate for the new buyer. Aquifers change with time, and different families have different water demands. Therefore, what might have been sufficient of one owner, simply won't do for another. Stating what the well produced when it was first drilled, or what it did in the recent past, is not sufficient diligence for a buyer's interest. If you are the agent representing the buyer, you should insist that a more thorough investigation be completed during the inspection period.

When taking a listing on a property with a private water well, don't automatically assume that just because there is one



present that it is located on the listed property. Many older water wells were not located on the lot that they were intended to serve. We have seen these locations errors come to light only during the inspection period. Similarly, don't assume that because the seller offers his property with a private water well that he is the sole owner of the well, all related the equipment, or the right to transfer the water rights. We have seen attempts to try to sell land and the rights to a well that was not registered to the seller. By stating registered, I'm implying that the well is legally registered with the Arizona Department of Water Resources as is required by the Ground Water Management Act of 1980.

Each and every water well in the State of Arizona should be registered by now with the Arizona Department of Water Resources and should have been issued it's own registration numbers, one starting with 55- followed by six digits. Each well should have a file number that may, or may not, be unique. It should include the Township, Range, Section, and quarter, quarter, quarter, indicating where the well is located in the state. Private water wells can also be located by street address, and by polar coordinates. If you represent the buyer, try to obtain all the above references to the well in question. All the information should be clearly stated on the seller's disclosure statement. Use the Arizona Association of REALTORS "Domestic Water Well Addendum" to assist in the transfer of the well ownership.

Private water well systems come in many different sizes, configurations and operating conditions. Water is such a vital element in our everyday lives that when it cannot be delivered upon

demand, the issue becomes critical in a very short time frame. Lenders don't lend money for homes without a water source, and people cannot occupy a home for very long without water. One critical step in performing a thorough inspection of a private water well is to assure the buyer that if servicing should be needed, the well is accessible, and the equipment is replaceable.

While a thorough inspection and evaluation of a private water well and associated equipment might cost the owner approximately \$300, the cost is minimal compared to attorney fees and

court costs if undisclosed issues arise after the sale has closed. Arizona's Certified Home Inspectors do not inspect private water wells, and not all water well drillers and pump contractors perform inspections for real estate transfers.

It's best to find and use a qualified water well inspector to check out any property with a domestic water well, or a share in a community well. Remember, water well inspections, testing, and data analysis can take time. Contact the inspector and schedule an inspection as soon as you know there is a private water well associated with the listed property.

This the second of a series of informative papers about private water wells by Gary L. Hix, Registered Geologist, Certified Well Driller / Pump Installer. Gary is a former licensed water well driller and a certified pump installer turned consultant who performs water well inspections for transfers of real estate.