



Arizona Water Company: Sustainable Water Resources Strategy

**October 22, 2025
WRRC Water Webinar**

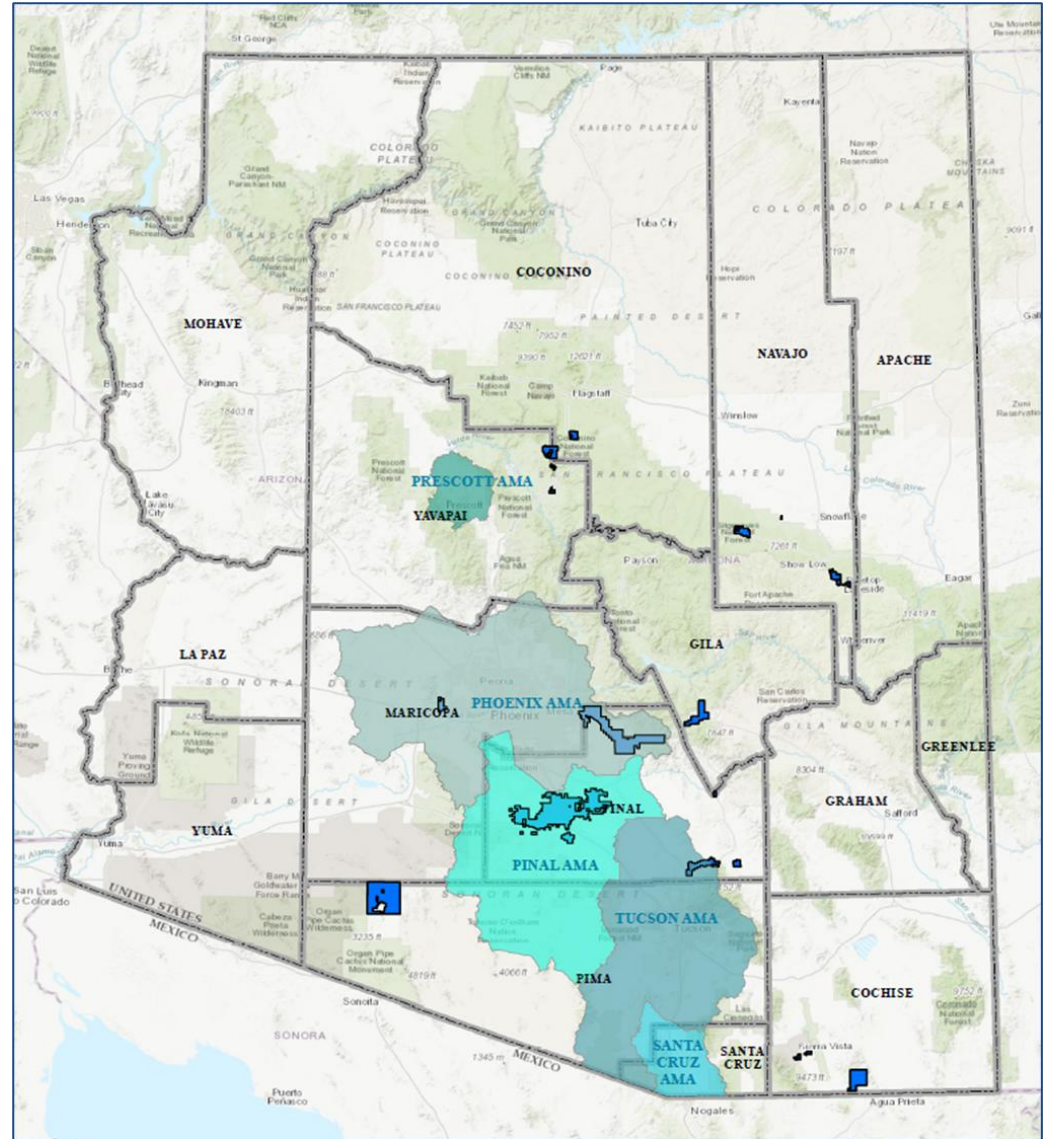
Presenters:

**Fredrick K. Schneider
President and COO**

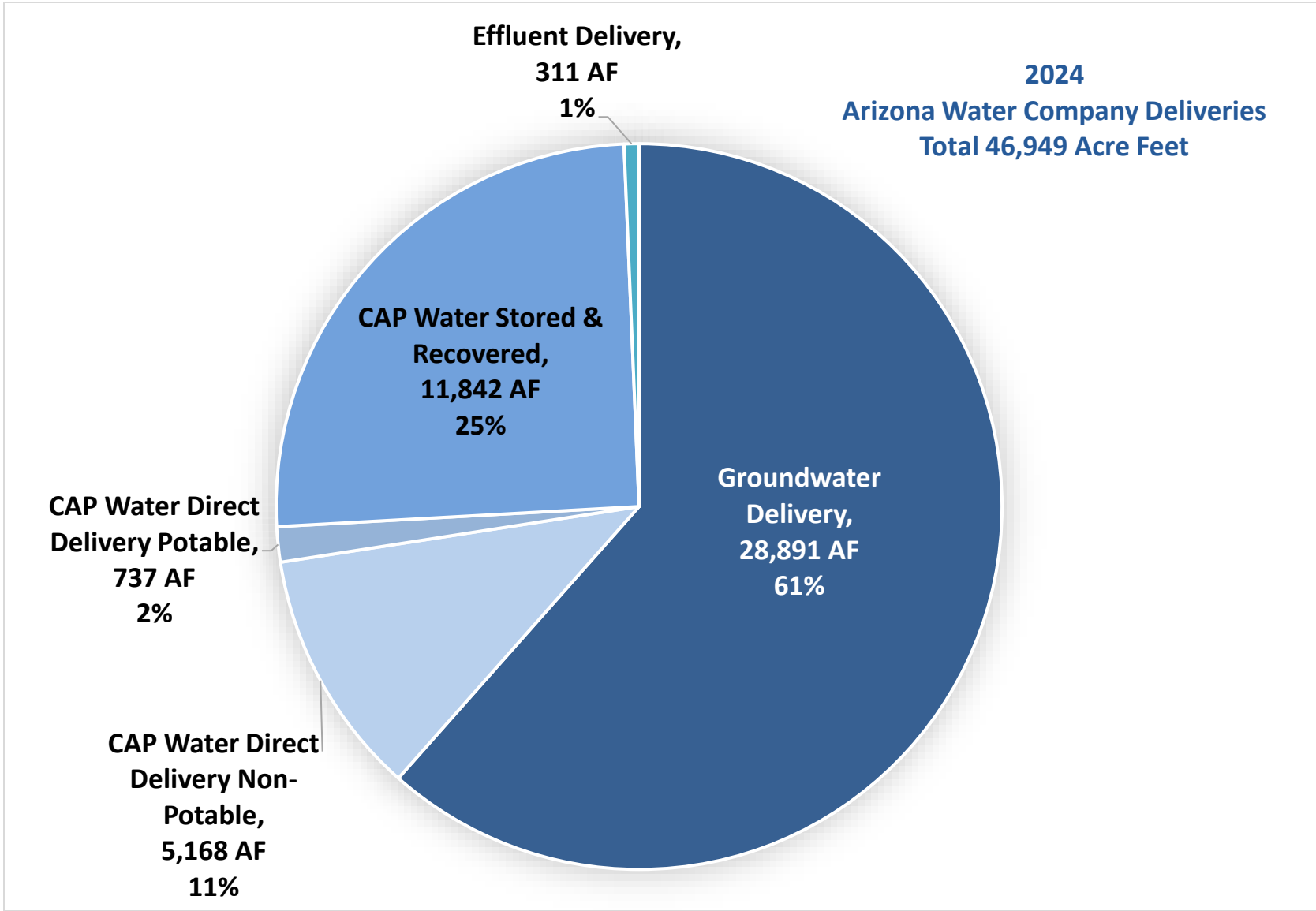
**Terri Sue C. Rossi
VP – Water Resources**

Arizona Water Company - Overview

- Largest U.S. Family-Owned Utility in Arizona
- 109,000 Water Service Connections (2024)
- Established in 1955
- 24 Water Systems
- 30 Communities in Eight Counties
- Serving 307,000 People (2024)
- 12 Community Offices
- Property Tax \$3.1 Million (2024)
- 283 Employees (2024)
- Salaries \$22.9 Million (2024)



AWC Water Supply Portfolio



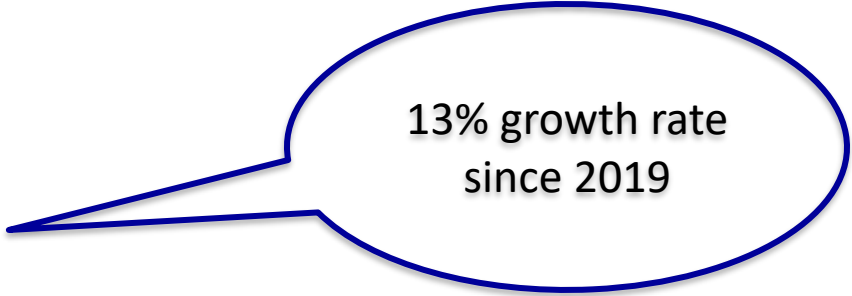
AWC's Assured Water Supply (Certificate Based)

- Inside Phoenix AMAs
 - Apache Junction and Gold Canyon
 - Superior
 - White Tank (Buckeye area)
- Inside Pinal AMA
 - Casa Grande
 - Coolidge
 - Tierra Grande
 - Stanfield
 - Arizona City
- Inside Tucson AMA
 - Saddlebrook Ranch and Oracle
- Inside Douglas AMA
 - Old Bisbee

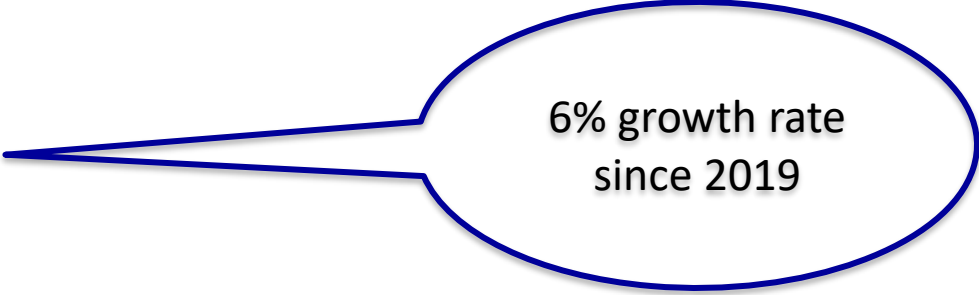


AWC's Assured Water Supply (Certificate-Based)

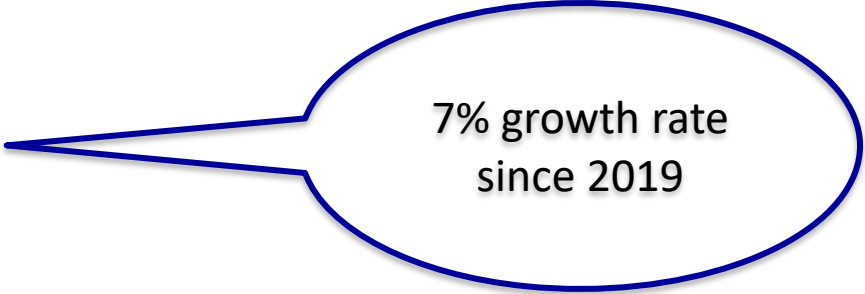
- Inside Phoenix AMAs
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 - **White Tank (Buckeye area)**
- Inside Pinal AMA
 - **Casa Grande**
 - **Coolidge**
 - Tierra Grande
 - Standfield
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 - **Saddlebrook Ranch and Oracle**
- Inside Douglas AMA
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13% growth rate
since 2019



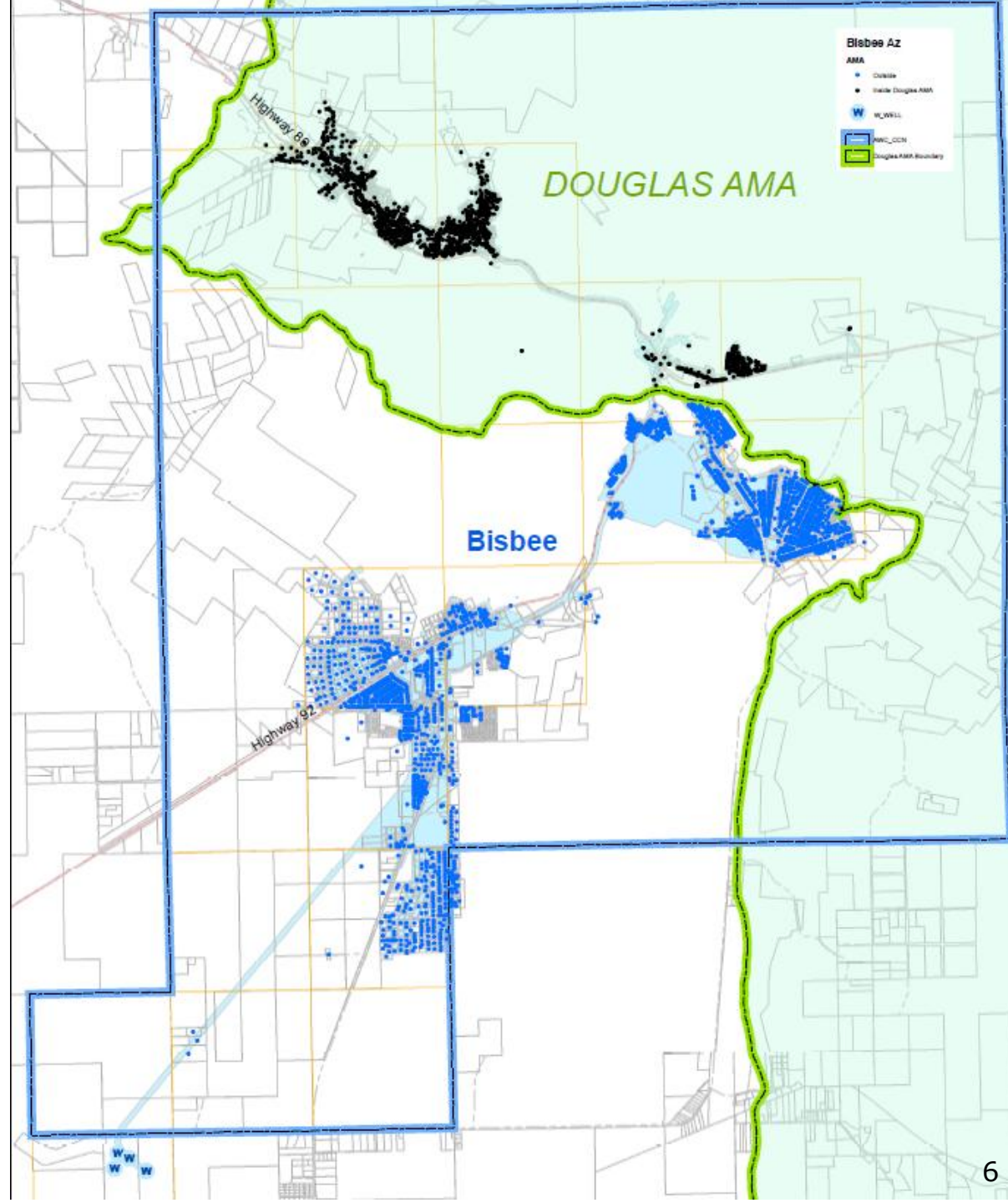
6% growth rate
since 2019



7% growth rate
since 2019

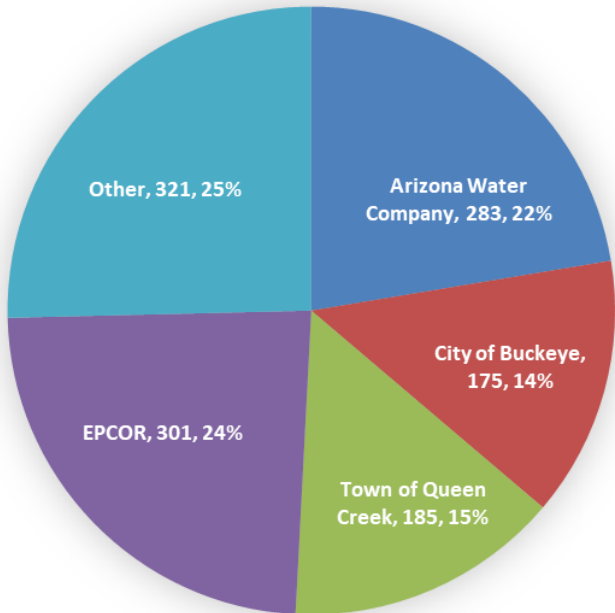
Newest Member of AWC's Assured Water Supply Family

- City of Bisbee
 - Old Bisbee
- Bifurcated by Douglas AMA
- Certificate-based
- Wells located outside CCN (southwestern corner)
- Wells located outside Douglas AMA



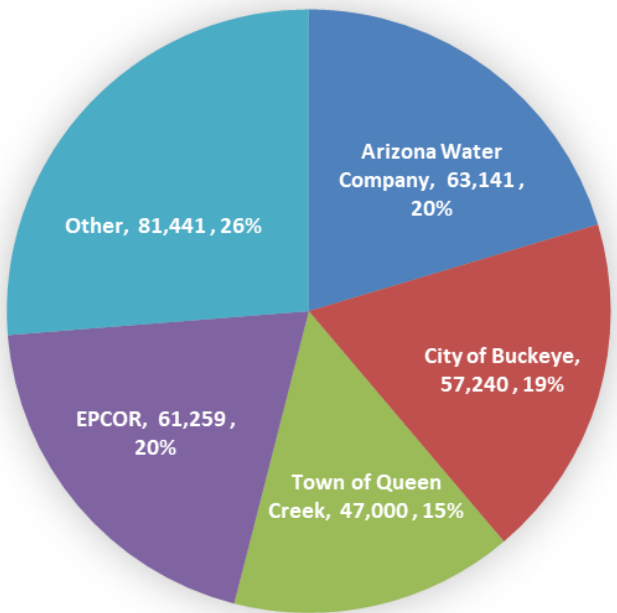
CAGR Member Lands by Water Providers (All AMAs)

CAGR Subdivisions = 1,265



■ Arizona Water Company ■ City of Buckeye ■ Town of Queen Creek ■ EPCOR ■ Other

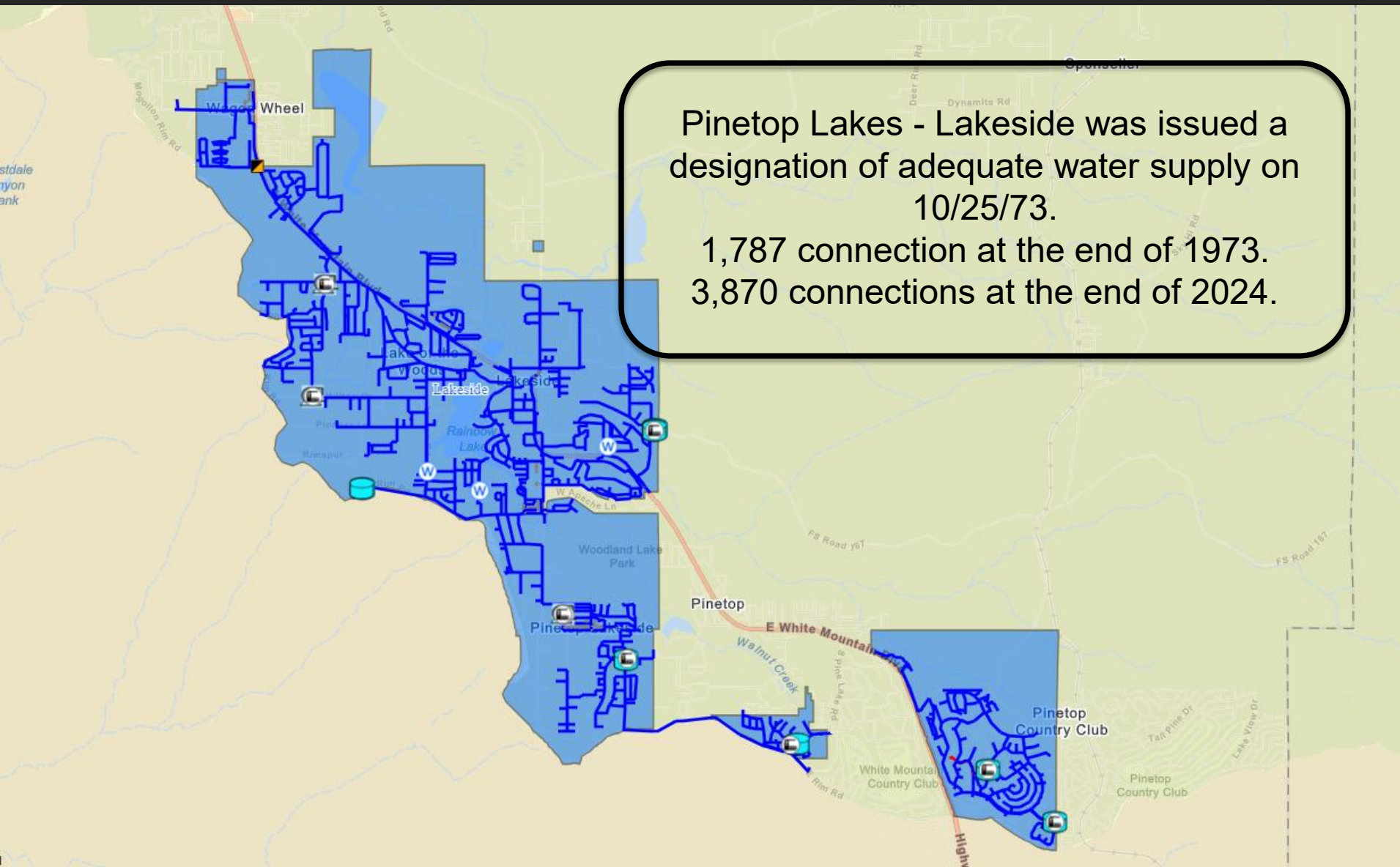
Total Lots = 310,081



■ Arizona Water Company ■ City of Buckeye ■ Town of Queen Creek ■ EPCOR ■ Other

Source: CAGR through 08.27.24

AWC's Determination of Adequate Water Supply



AWC's Water Resources Strategy

- 1. Obtain and maintain a diverse water supply**
- 2. Promote the efficient use of those water supplies**

AWC seeks to rely on water supplies that are reliable and sustainable under a variety of hydrologic and operational conditions.

AWC strives to develop and protect its diverse water supply portfolio and associated infrastructure in a way that balances system redundancy with affordable water rates.

Develop a system that provides an assured water supply under a variety of rules.

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90% of customers

Integrated Demand Management Program



9/28/24



7/1/24



5/28/24



10/7/23



5/26/23



2/25/23



11/5/22



10/2/21



8/14/21



4/1/21



CII Water Efficiency Checkup



FREE Conservation Kit



Toilet Rebate Program



project WET
WATER EDUCATION TODAY

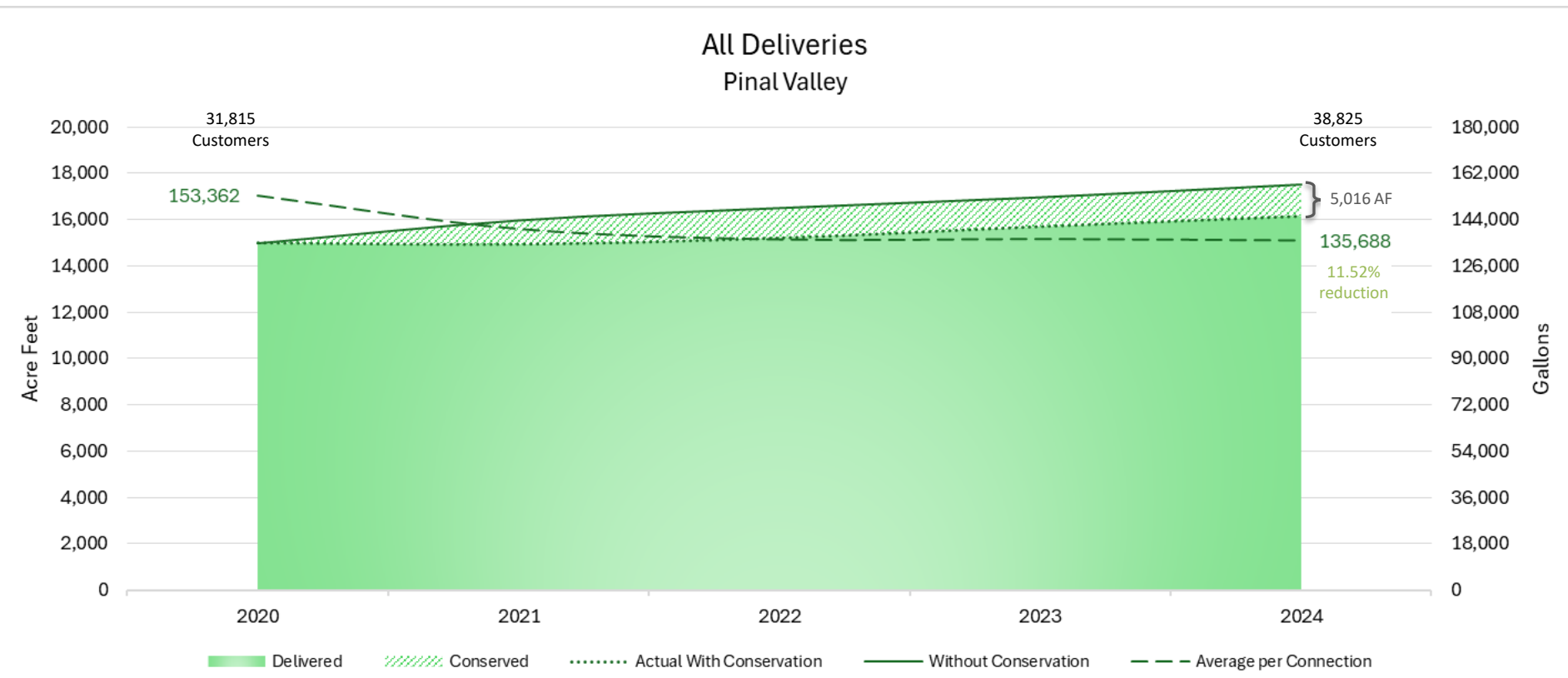
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Advancing a More Sustainable Water Future
WATERSMART
INNOVATIONS
Founded by Southern Nevada Water Authority

Evaluation of Pinal Valley Water System

- Methodology Basics
 - All customers (38,825 customers in 2024)
 - Control group (17,045 customers in 2020 through 2024)
 - 2020 average use/customer held constant to determine what water use would have been
- Savings = Per customer reduction is 11.52%
- Total water saved = 5,016 AF since 2020
- Savings going forward is 1,366 AF/YR



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Assured Water Supply Journey

- **Last new Certificate of AWS in Pinal AMA**
 - Villago Village Commercial Center (July 15, 2011)
- **Last new Analysis of AWS in Pinal AMA**
 - Addison Park (August 10, 2015)
- **Cook Ad Hoc Committee on Groundwater Supply in Pinal County** (Sep through Nov 2019)
- **Pinal AMA Stakeholder Group Meeting** (Dec 2019 through Jun 2021)
- **Pinal AMA Groundwater modeling**
 - Pinal AMA Stakeholder Group (Apr 2020 through Sep 2022)
 - Pinal County Water Augmentation Authority (Oct 2022 through current)
- **ADWR Declarations**
 - June 28, 2021 = Close of Pinal AMA
 - June 2, 2023 = Close of Phoenix AMA

Assured Water Supply Journey

- **Successful Legislation**

- SB 1274 (Assured Water Supply; subdivisions) 2021
 - Allows new non-groundwater supplies like effluent to be added to designation without any modeling review
 - Allows changes to number of lots associated with Certificates of Assured Water Supply so long as demand does not change
- SB 1181 (Groundwater Replenishment; Member Lands; Area) 2024
 - Allows transitioning replenishment fees from property taxes to water bills to gradually occur over 20 years in Phoenix AMA

Assured Water Supply Journey

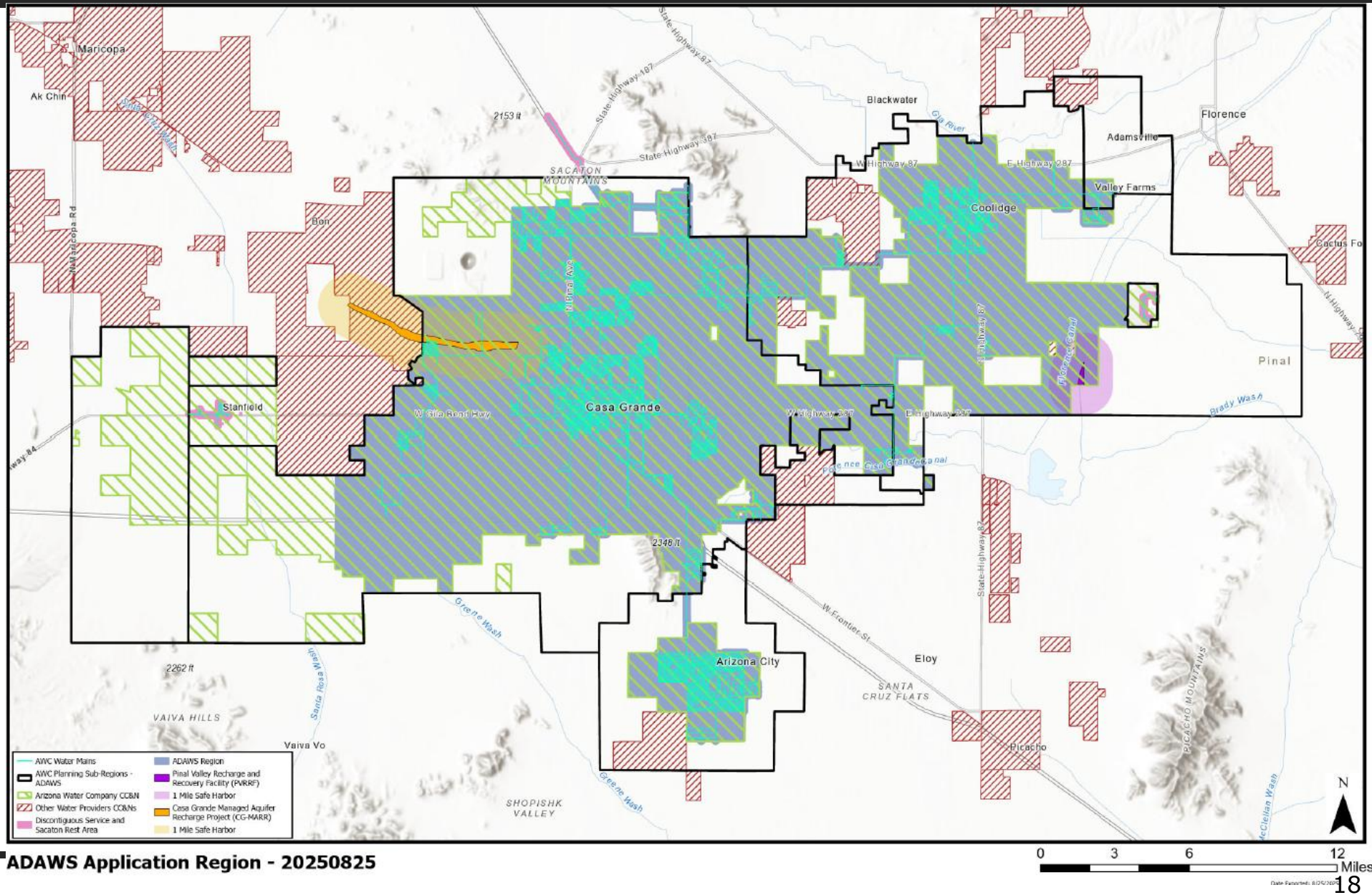
- **Successful Legislation**

- HB 2368 (Transportation; Groundwater; Douglas AMA) 2024
 - Authorizes deliveries of groundwater pumped outside Douglas AMA to continue being transported into Douglas AMA
- HB 2753 (Groundwater Replenishment; Pinal AMA) 2025
 - Allows transitioning replenishment fees from property taxes to water bills to gradually occur over 20 years in Pinal AMA
- SB 1611 (Groundwater Savings Credits ADWR) 2025
 - Allows for creation of groundwater savings credits (GSCs) for extinguishing irrigation grandfathered rights and pledging those GSCs for Assured Water Supply purposes in Phoenix and Pinal AMAs

Alternative Path to Designation of Assured Water Supply

- **Informal Public Rule Making** (Apr through Jul 2024)
- **Draft ADAWS rules released** (Aug 1, 2024)
- **Submittal of Rules Package** (Oct 7, 2024)
- **Governor's Regulatory Review Council Meetings**
 - October 29, 2024 Study Session
 - November 5, 2024 Council Meeting
 - November 22, 2024 Study Session – ADAWS Rules approved
- **Effective Date of ADAWS = November 25, 2024**
 - Submittal of ADAWS Application by EPCOR = Nov 25, 2024
 - Submittal of ADAWS Application by AWC = Dec 16, 2024
- **Designation Orders Issued**
 - EPCOR Designation Order executed Oct 7, 2025
 - AWC Designation Order expected before year end

AWC's Designation Area – Pinal Valley Water System



Water Supplies = 53,965 AF

- **Physically Available Groundwater**

Category of Physically Available Groundwater	Total in Acre-Feet
2023 Total Groundwater Withdrawn	11,111
2023 Stored Water (i.e. CAP water) Recovered Outside Area of Hydrologic Impact (AOHI)	7,019
Estimated Groundwater and CAP Water Recovered Outside AOHI Associated with Unbuilt CAWS	22,473
Estimated Groundwater and CAP Water Recovered Outside AOHI Associated with Unbuilt Pre-Code Subdivisions	2,479
	43,081

**Term of Designation =
10 Years**

- **CAP Water**

- 10,884 AF M&I CAP Subcontract
 - 2,912 AF directly delivery
 - 7,019 AF recovered outside the Area of Hydrologic Impact (AOHI)
 - 751 AF recovered inside AOHI
 - 202 AF of evaporative losses through recharge

- **Effluent (future)**

- Up to 4,391 AF provided by AWC's sewer system and through agreements with other sewer providers
- Recovery of effluent LTSCs
- Direct deliveries

Important ADAWS Volumes - Summarized

Category	Groundwater (acre-feet)
Physically Available Groundwater	43,081
Groundwater Allowances and Extinguishment Credits	
Existing CAWS	24,239
Legacy Pumping	3,292
Extinguishment Credits	4,029
	31,560
Year 2035 Incidental Recharge	1,266
TOTAL ALLOWABLE PUMPING	32,826

Water Availability Fee

- Adoption of “Water Availability Fee” or WAF in Pinal Valley
 - Based on market prices
 - Existing AWS entitlements exempt from WAF
- Affects all new connections (subdivided or not):
 - Residential
 - Commercial
 - Industrial
 - Other
- Large developments can secure and convey water supplies to AWC in lieu of WAF

Example Development

- 300 AF of demand in development
- AWC temporarily makes 400 AF of existing CAP Water available (includes 25% groundwater offset)
- Arizona Water Company:
 - 100 AF of CAP Water set aside to offset existing groundwater demand (25% groundwater offset)
 - 100 AF of future effluent dedicated back to development;
 - Replaces like volume of AWC's CAP Water
- Developer:
 - 200 AF of non-groundwater supplies meets remaining development demand
 - Replaces like volume of AWC's CAP Water
 - Development of new well capacity inside AOHI for development demand including peaking

AWC's Water Resources Strategy

1. Obtain and maintain a diverse water supply

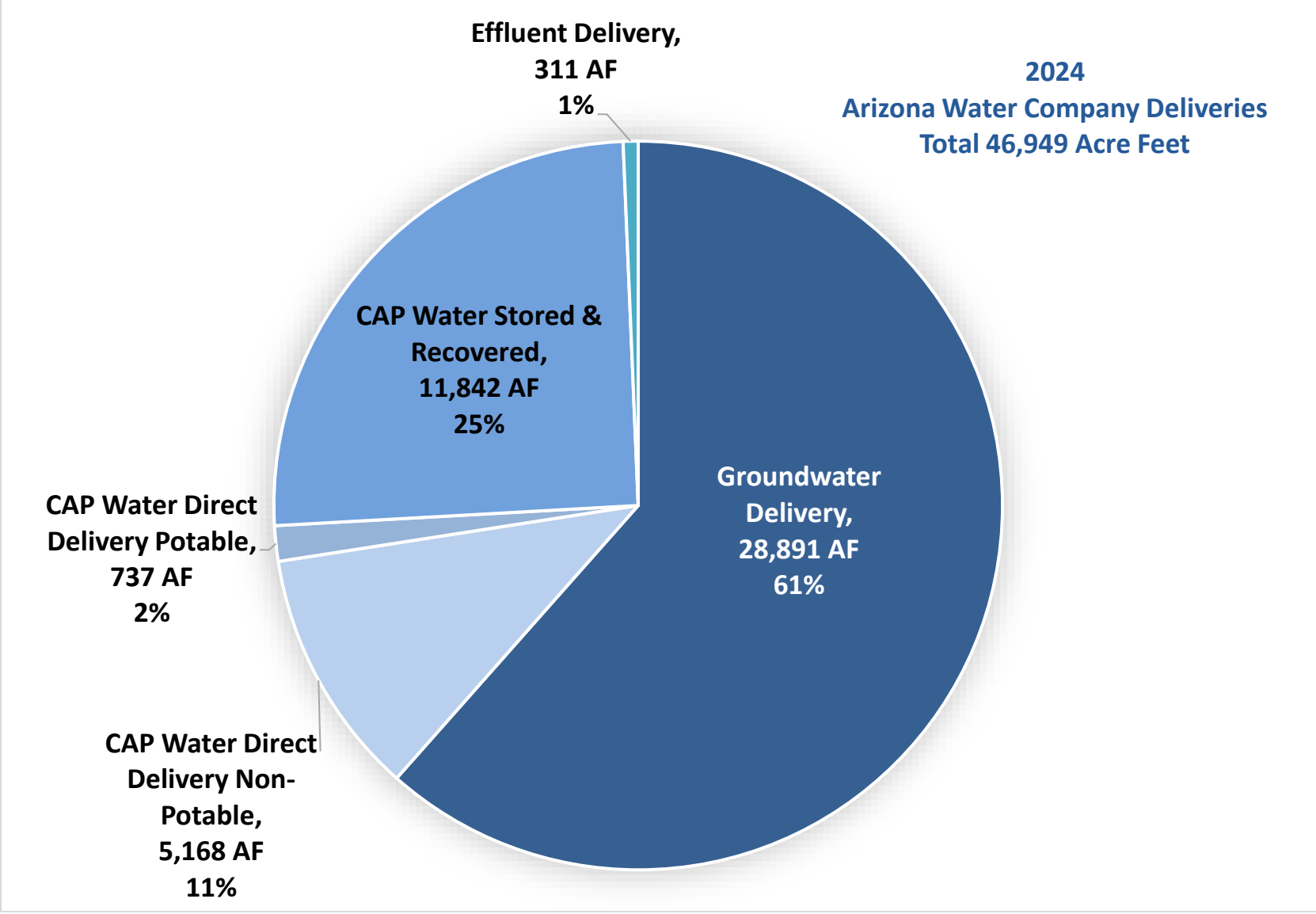
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Develop a system that provides an assured water supply under a variety of rules.

- 1. Protect CAP water**
- 2. Develop and secure local effluent**
- 3. Participate in expansion of Bartlett Dam**
- 4. Explore remote groundwater projects**
- 5. Explore ocean desalination projects**

AWC Water Supply Portfolio



Alternatives Described in EIS

FEASIBILITY STUDY ALTERNATIVES

Bartlett Reservoir Inundation

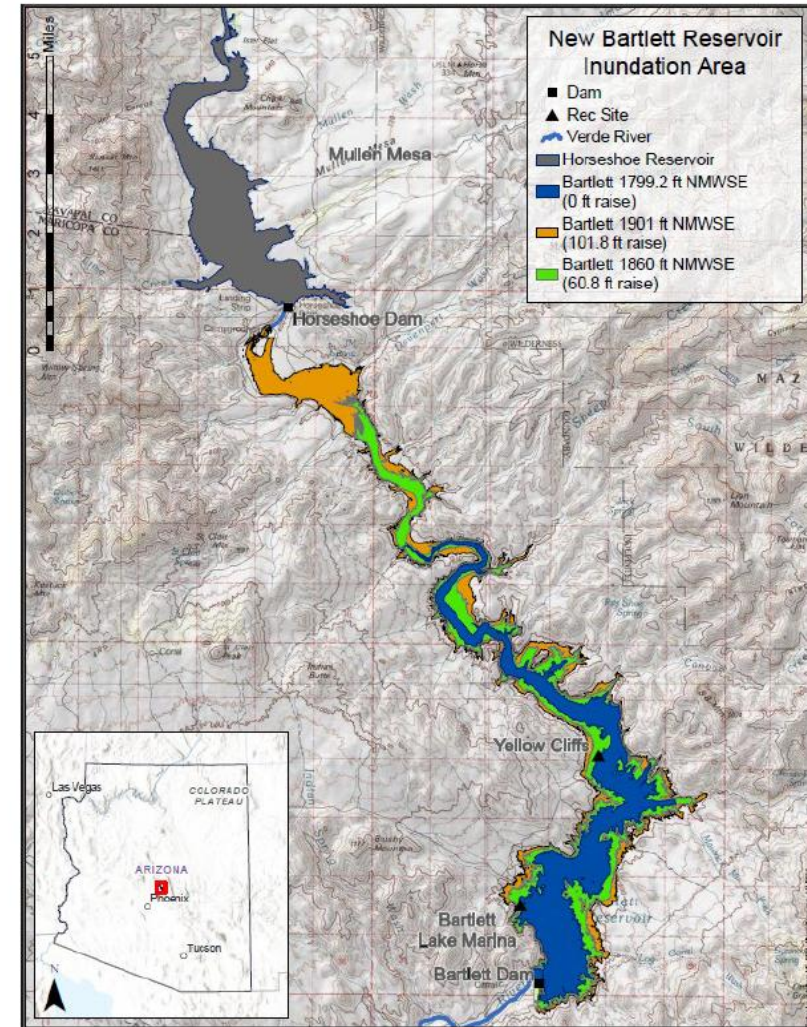
Blue = Current Reservoir 1799.2 ft
Normal Maximum Water Surface
Elevation (NMWSE) (NAVD88)

Green = Alternative 3: 1860 ft NMWSE
(60.8 ft raise)

Orange = Alternative 2: 1901 ft NMSWE
(101.8 ft raise)

Alternative 4 – Maintenance Dredging

**Potential allocation for AWC =
10,405 AF of capacity
2,973 AF of yield**



<https://www.virtualpublicmeeting.com/vrsmp-fr-eis-alternatives>

Bartlett Reservoir before Inundation

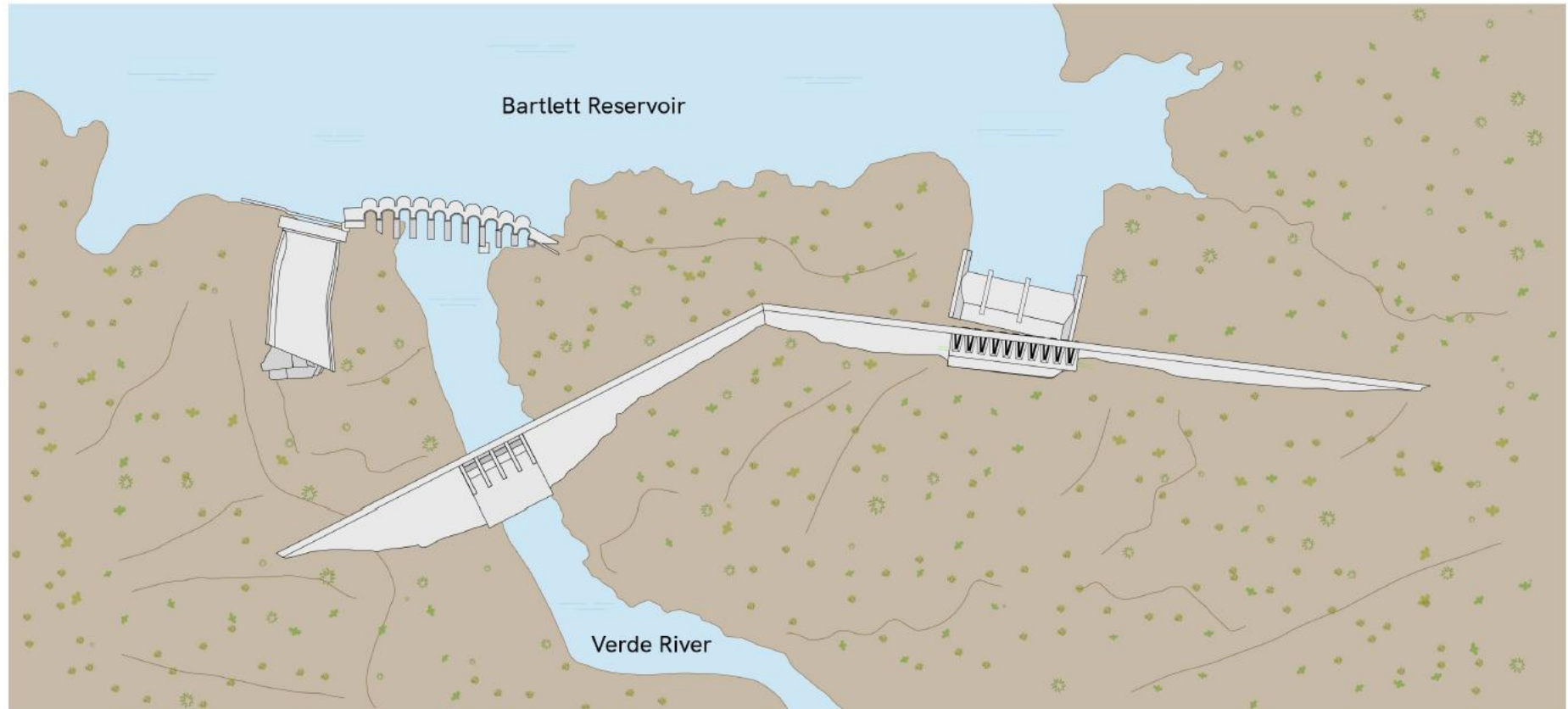


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Bartlett Reservoir after Inundation

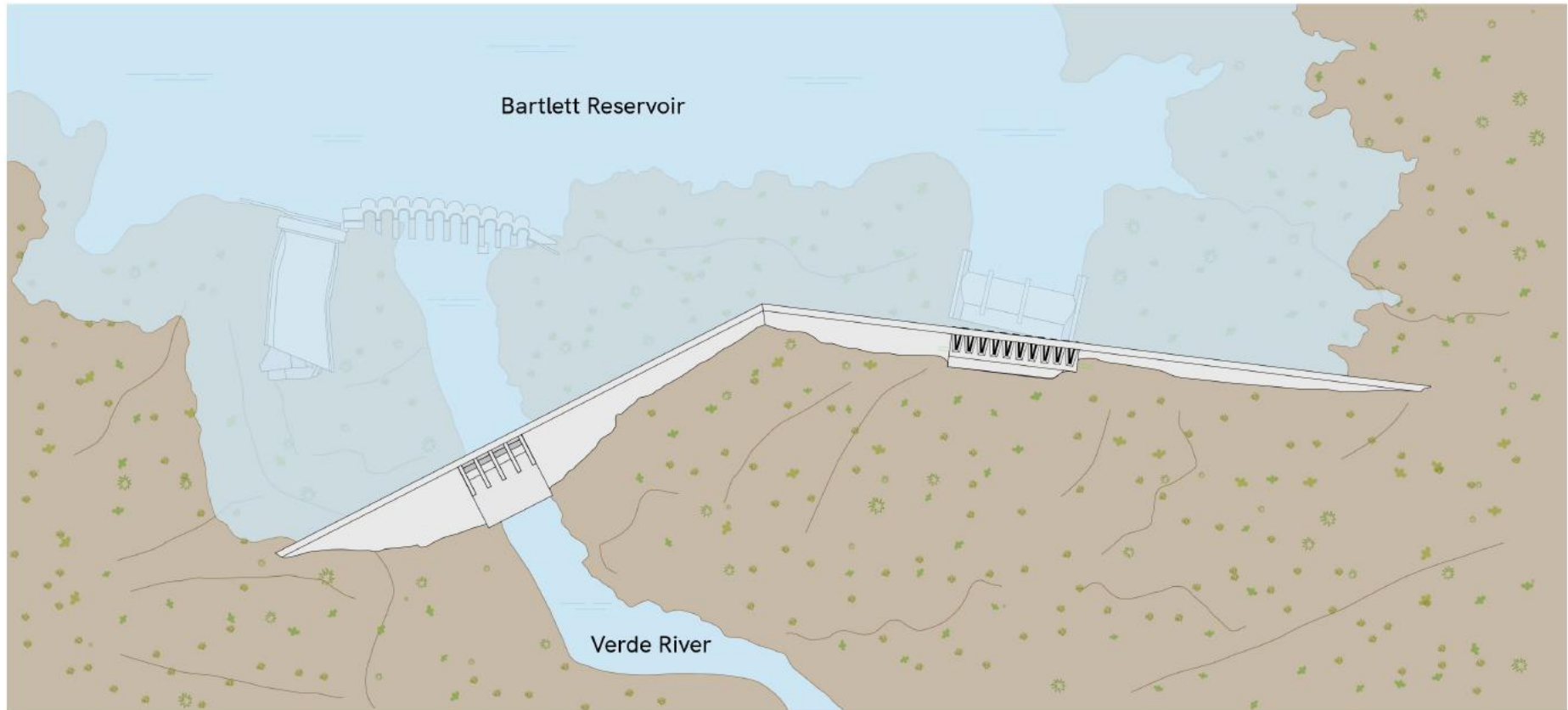


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Questions

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