



# EPCOR

**Delivering Reliable Water for Arizona Communities**  
**Doug Dunham, Water Resources Director**

March 24, 2026



# EPCOR

**130+** years in operation

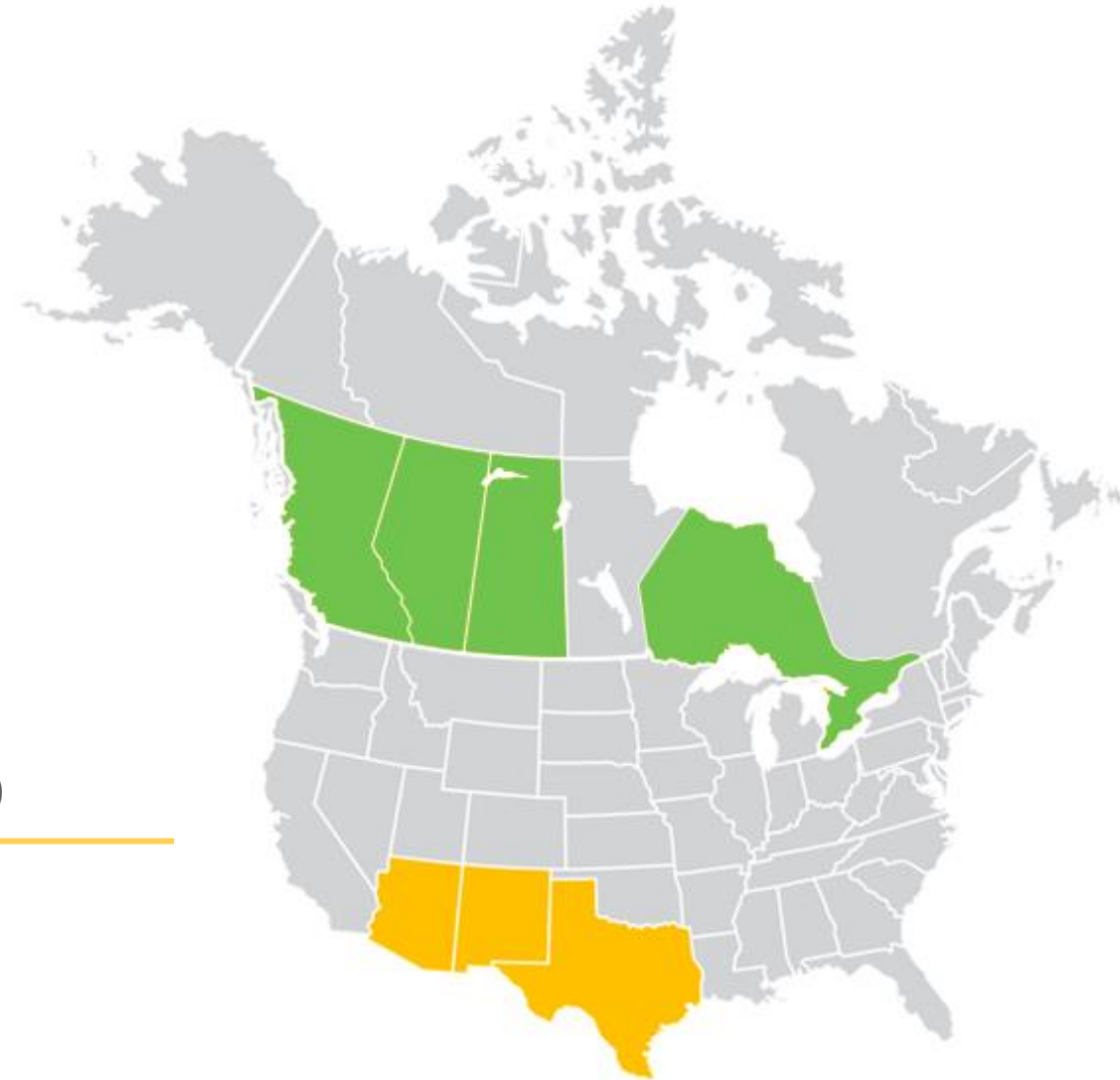
**\$17 Billion**

in assets (2025)

**\$2.9 Billion**

in revenue (2025)

- **3,700** employees (2025)
- **\$1.2 Billion** in capital expenditures (2025)





**Arizona**

- 17 Agua Fria ●●
- 18 Anthem ●●
- 19 Chaparral ●
- 20 Havasu / Parker ●
- 21 Luke 303 ●
- 22 Mohave ●●
- 23 Paradise Valley ●
- 24 Rio Verde ●●
- 25 Rio Verde Foothills ●
- 26 San Tan ●●
- 27 Sun City ●●
- 28 Sun City West ●●
- 29 Tubac ●
- 30 Willow Valley ●

**New Mexico**

- 31 Edgewood ●
- 32 Thunder Mountain ●
- 33 Clovis ●

**Texas**

- 34 Sandow ●●
- 35 130 Pipeline ●●
- 36 Vista Ridge ●●

**EPCOR Operations**

- Water
- Wastewater
- Commercial/Industrial

Jan 2026



## Regulated U.S. Water highlights

**Our focus – delivering clean, reliable water services in the Southwestern U.S.**

- Provides regulated water and wastewater services in 34 communities across 12 counties
- Operations include water treatment, distribution, transmission and wastewater collection and treatment services

# Arizona Water

- Four legal types of water in AZ:
  - In-State Surface water
  - Groundwater
  - Colorado River/ Central Arizona Project (CAP) water
  - Effluent (treated water)
- Unique in the West because we regulate groundwater and surface water separately:
  - Groundwater: Managed by basin as a public resource
  - Surface water: Managed as a property right
- Regulation varies by location:
  - Rural areas: little regulation
  - Irrigation Non-Expansion Areas (INA): Limit new agriculture development
  - Active Management Areas (AMA): Highly regulated



# ARIZONA'S WATER SUPPLY

**36%**

**COLORADO RIVER**

**5%**

**RECLAIMED WATER**

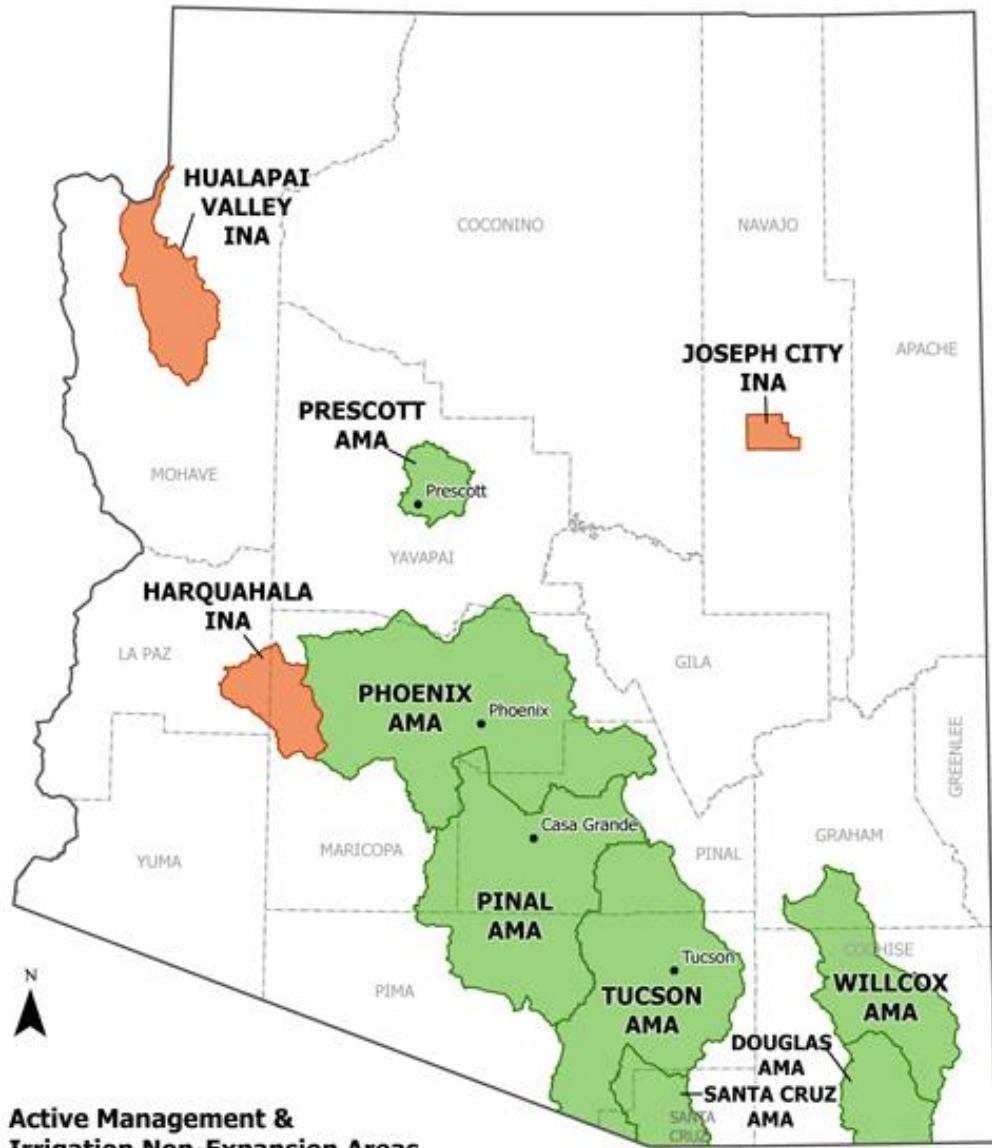
**18%**

**IN-STATE RIVERS**

**41%**

**GROUNDWATER**





Active Management & Irrigation Non-Expansion Areas



Active Management Areas  
Irrigation Non-Expansion Areas

ADWR, ITD-GIS January 2025

# 100 YEAR WATER SUPPLY REQUIREMENTS

**MUST BE:**

100 YEAR

- LEGALLY AVAILABLE
- FINANCIALLY AVAILABLE
- GOOD QUALITY
- PHYSICALLY AVAILABLE
- MUST HAVE RENEWABLE SOURCES

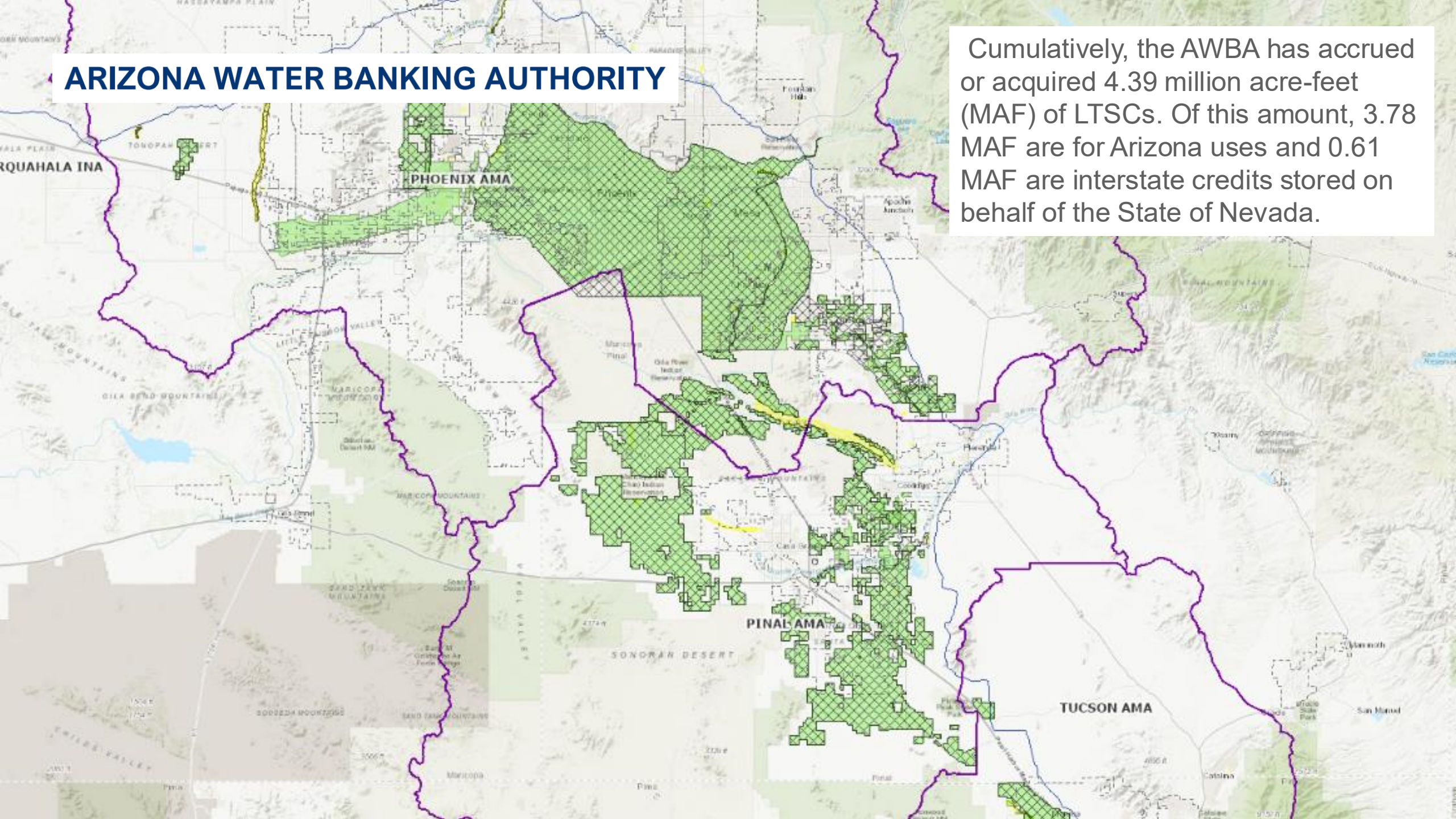
# Central Arizona Groundwater Replenishment District (CAGRDR)

- Designated provider is a member service area
  - For an MSA, replenishment obligations are reported and paid for as a pass-through cost by the provider.
- Certificate based is a member lands
  - For a ML, replenishment obligations are reported on a per subdivision basis and paid by the customer through their property tax bill.



# ARIZONA WATER BANKING AUTHORITY

Cumulatively, the AWBA has accrued or acquired 4.39 million acre-feet (MAF) of LTSCs. Of this amount, 3.78 MAF are for Arizona uses and 0.61 MAF are interstate credits stored on behalf of the State of Nevada.



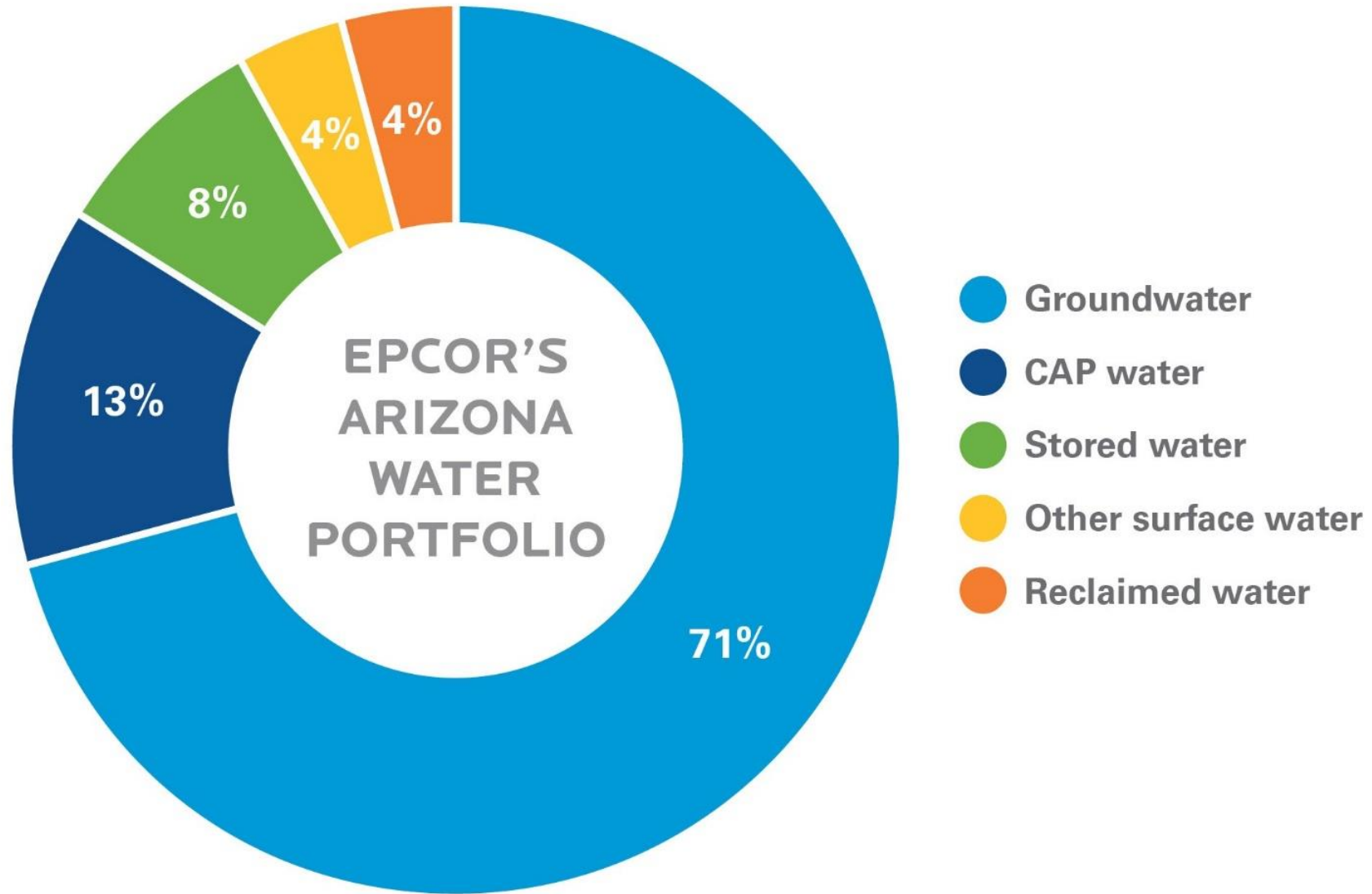


**26 billion gallons of purified water  
returned to the natural cycle**

**=**

**Nearly 80,000 football fields  
covered in a foot of water**

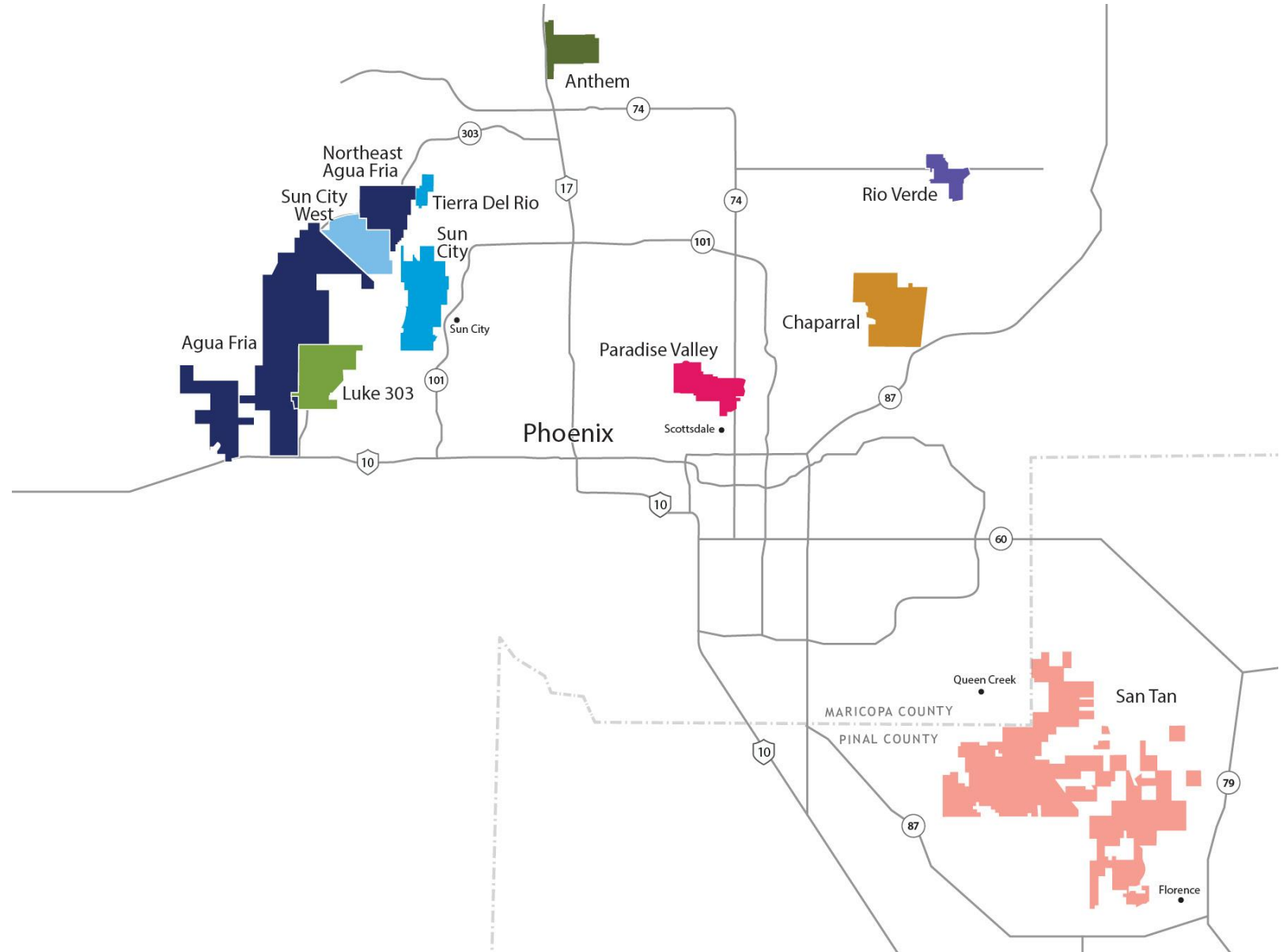
**EPCOR recycles 95.9% of treated effluent**



# EPCOR's Arizona Water Portfolio

System	Regulation
West Valley	Designated
San Tan	Designated
Fountain Hills	Designated
Paradise Valley	Certificates
Anthem	Certificates
Rio Verde	Certificates
Rio Verde Foothills	Standpipe
Tubac	Certificates
Havasu	Non AMA
Parker	Non AMA

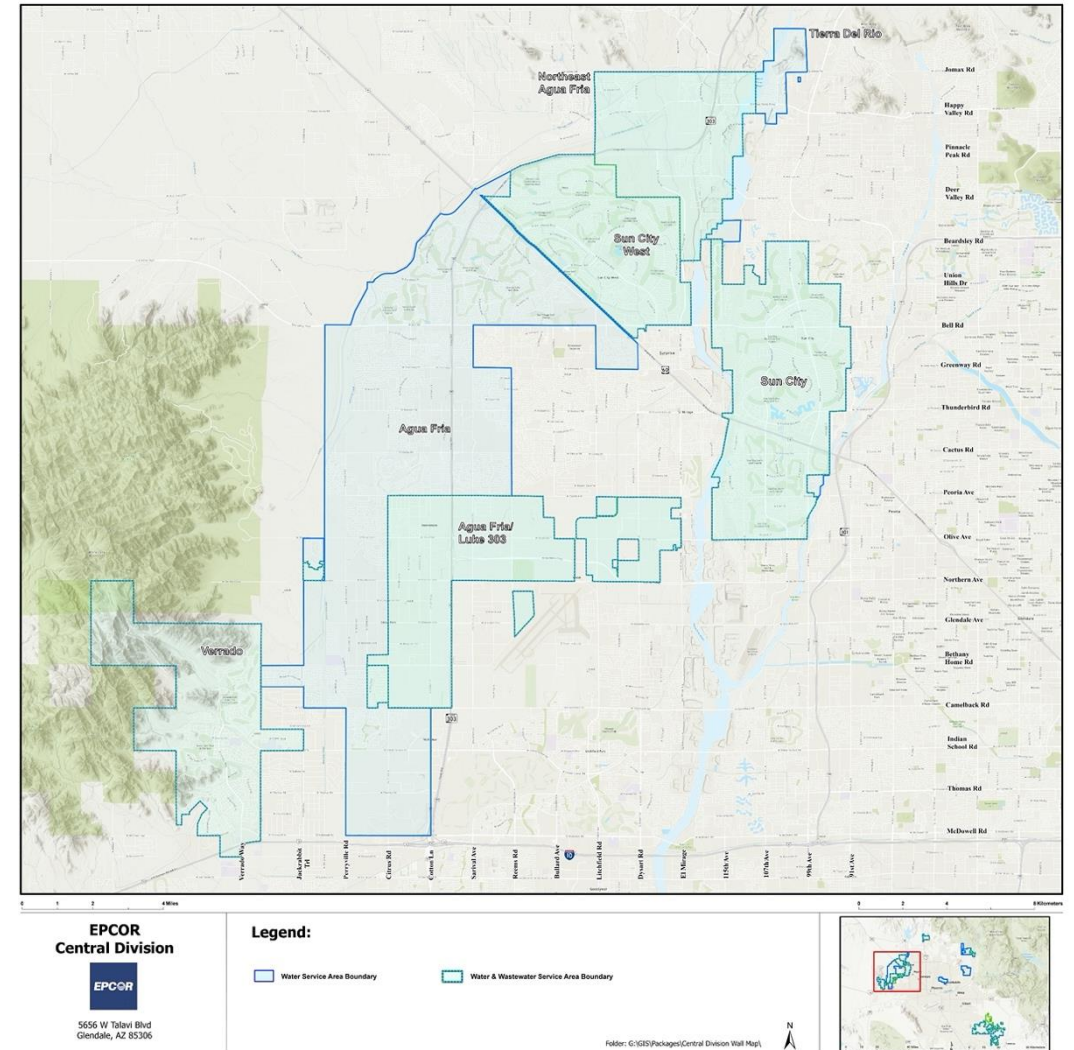
# Central Arizona Systems



# Designated Systems

# West Valley

- Designated in 2025 - ADAWS
- Designated through 2034
  - Total supplies is 69,753.01 AF/YR
  - 38,281.44 AF/YR - Groundwater physical availability
  - 866.46 AF/YR - effluent (direct delivery)
  - 2,785.45 AF/YR - Stored and recovered effluent
  - 17,504 AF/YR - CAP (combined 3 M&I subcontracts)
  - 10,315.66 AF/YR - MWD Surface Water



# Why was this needed?

- Groundwater model demonstrated a projected shortfall in Phoenix and Pinal AMA
- Lack of a path forward to new Designation under traditional assured water supply rules.
  - Groundwater would need to be physically available and if it was not, then you would need to obtain alternative supplies to cover 100% of demands
  - Legacy groundwater pumping was not subject to Assured Water Supply Program
  - There was not a way to easily transition to CAGR member service area without rate shock
- Therefore, there was no ability to issue a CAWS nor a path forward to transition to a DAWS



# The Process

Governor's Water Policy Council – Established in January 2023

Developed through rulemaking

Official application submitted – November 2024

Several rounds of review

Enroll in the CAGRDR as a Member Service Area

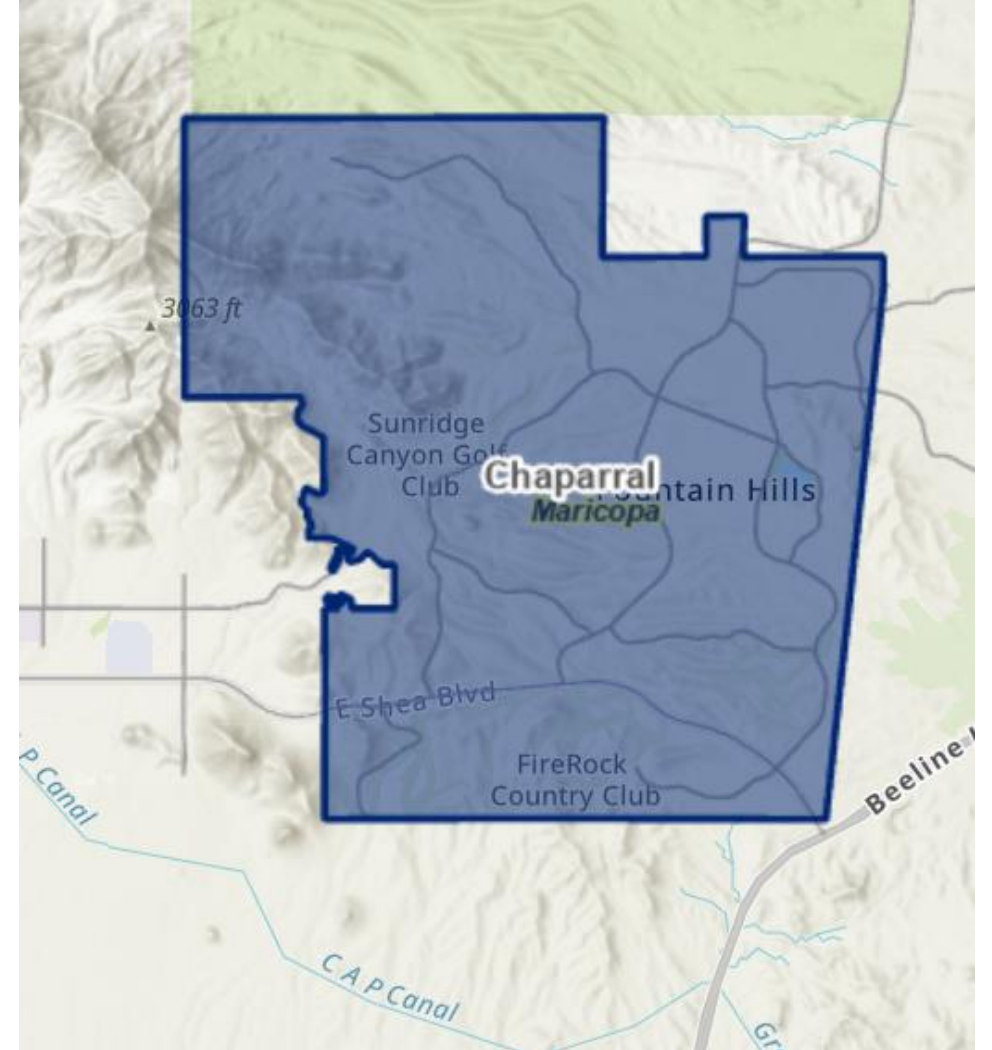
Formal exchange agreement with MWD

Public notice of Designation

Received designation - October 2025

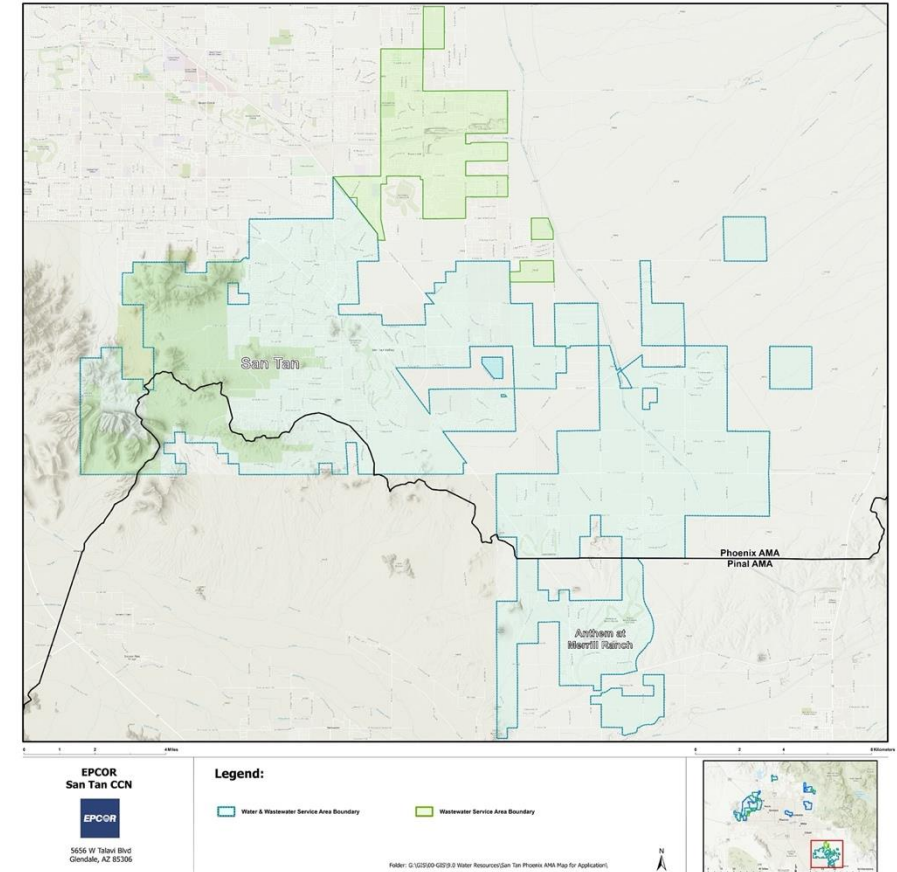
# Fountain Hills

- Designated
  - Expires in 2034
- DAWS Portfolio –
  - 8,909 acre-feet per year of Central Arizona Project (CAP) allocation
  - 3,079 AF/YR of groundwater approved in DAWS
  - 19,916 acre-feet of long-term storage credits (as of 2023)



## San Tan – Phoenix & Pinal AMA

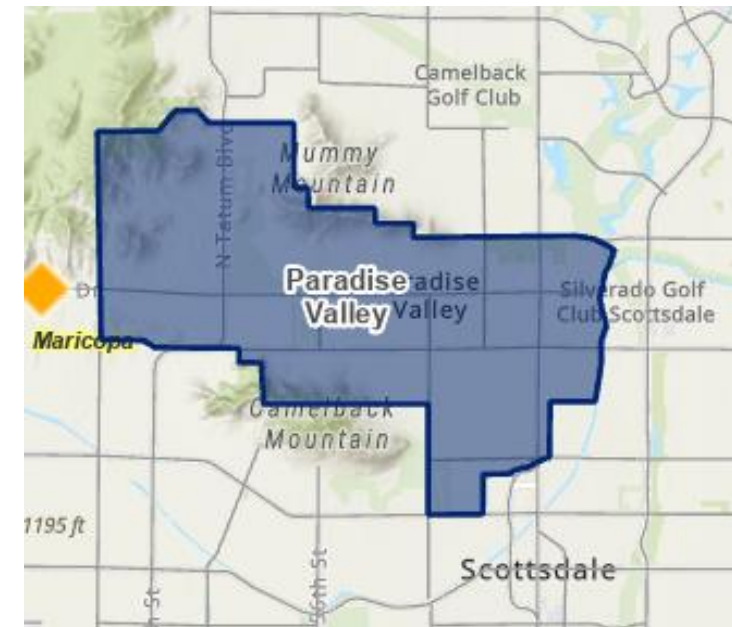
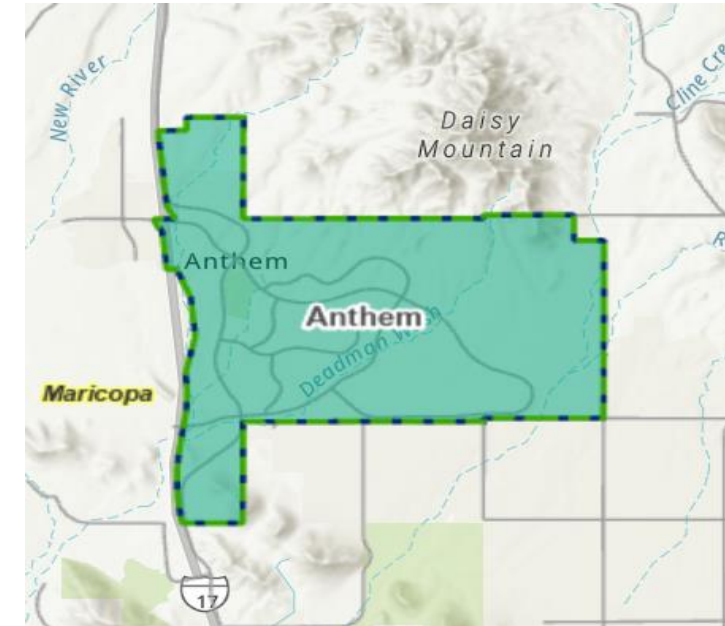
- Phoenix AMA
  - Designated through 2028
  - 18,154 AFA of groundwater supplies
- Pinal AMA
  - Designated through 2038
  - 4,114 AFA of groundwater & effluent supplies



# Certificate Systems

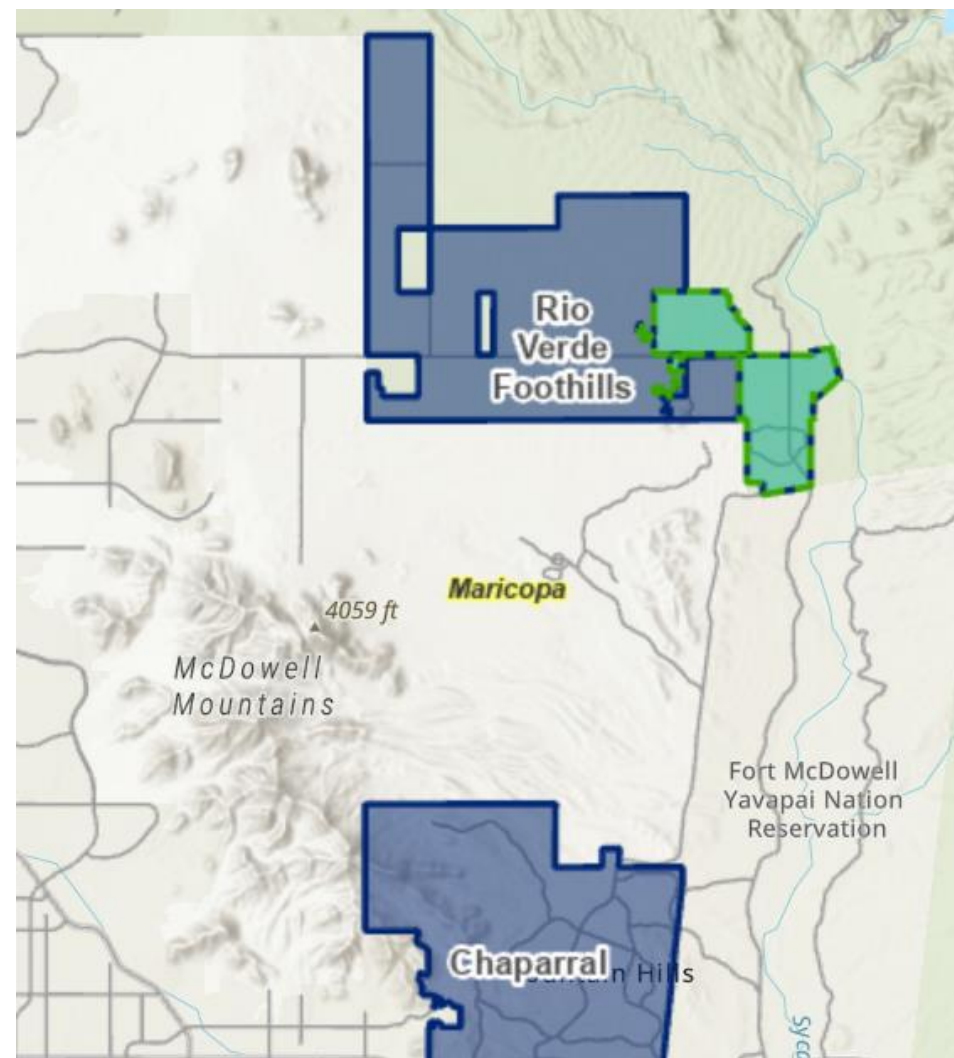
# Anthem & Paradise Valley

- Anthem
  - CAP & Effluent
  - The Anthem system holds a 6,300 AF/YR lease of water per year with the Ak-Chin Indian Community
- Paradise Valley
  - Groundwater and CAP system
  - Paradise Valley holds a CAP subcontract of 3,231 AF/YR
  - 17,009 AF/YR in groundwater physical availability



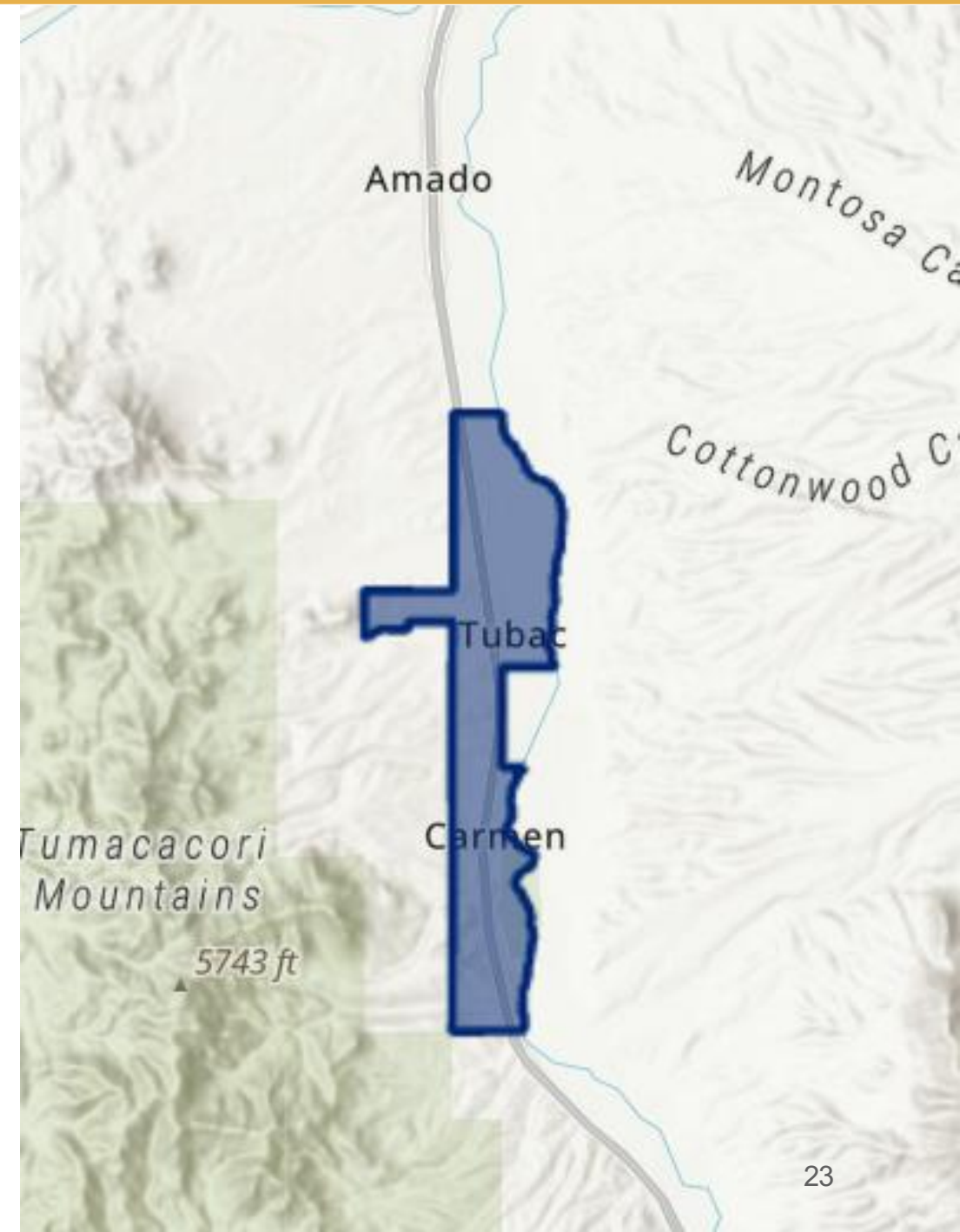
# Rio Verde & Foothills

- Rio Verde Foothills
  - Surface water provided through the standpipe
- Rio Verde Utilities
  - Groundwater per the CAWS volumes
  - CAP Allocation of 812 AF/YR
  - 2024 Effluent – 250 AF/YR which will be increasing



# Tubac

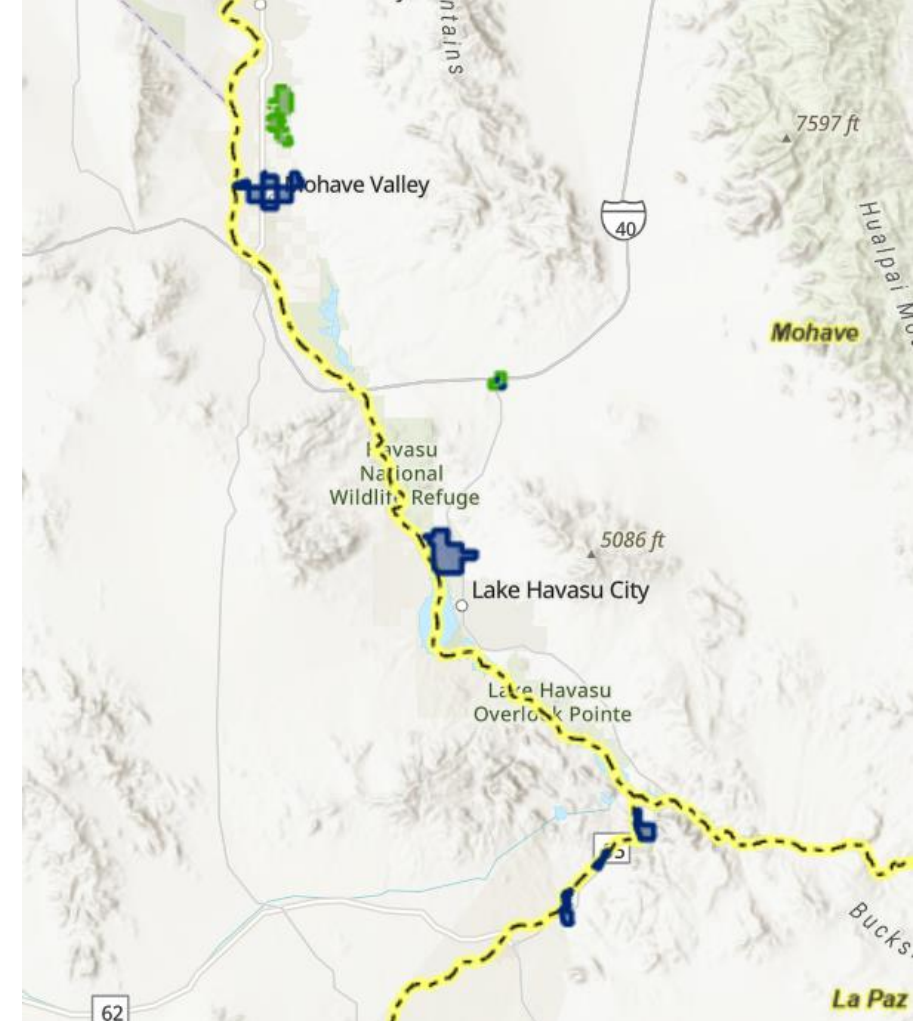
- Within an Active Management Area
  - Certificates (CAWS) required for new growth
  - 100% Groundwater system
  - 2024 Demand – 275 AF
  - Physically available groundwater – 1,427 AF/YR



# On River

# On River Systems

- Parker
  - Direct diversion of Colorado River
  - PPR & P4 entitlements
- Willow Valley
  - Groundwater pumping of Colorado River water
  - P4 rights through MVIDD
- Havasu
  - Groundwater pumping of Colorado River water
  - P4 entitlement





# EPCOR's Long-Range Planning

Efficiencies: Continuous internal review

New Water: Exploring new water resources and partnerships

Conservation: Infrastructure reviews and conservation-focused maintenance

Customer tools: WaterSmart/AMI

Technology: New treatment technologies/water conveyance

# Questions?