

**WATER UTILITY
ANNUAL REPORT
APRIL 2026**

**TOWN OF ORO VALLEY
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ABOUT THE WATER UTILITY COMMISSION

The Oro Valley Water Utility Commission is appointed by the Oro Valley Mayor and Council (Mayor and Council). The Mayor and Council have jurisdiction over rates, fees and water management issues. In March of 1996, the Mayor and Council created the Oro Valley Water Utility Commission (commission) to act as their advisory body. Please refer to the Town Water Code, Article 15-4, on the Town website at <http://www.codepublishing.com/AZ/OroValley/>.

The Commission is composed of seven members that shall serve terms of three years. The Commissioners are selected to give a balanced representation of residential and commercial/turf interests served by the Utility.

The primary responsibility of the Commission is to review and make recommendations on Oro Valley Water Utility topics that require Mayor and Council action. These topics may include water system development, long-term water resource planning, rate adjustments, five-year capital improvement program, state and federal legislation regarding water related issues, expansion of service areas and water acquisitions. The commission also supports community programs and education related to the Oro Valley Water Utility.

The Commission welcomes the public to attend its meetings. The Commission meets the second Monday of each month, unless otherwise posted. All meetings are noticed on the Town's website at <https://www.orovalleyaz.gov/Government/Departments/Town-Clerk/Meetings-and-Agendas>.

In 2025, the Commission held 8 Water Utility Commission meetings and participated in one field trip. Work performed or reviewed by the Commission in 2025 included:

Meeting Date	Action Item
January 13, 2025	Election of Commission Chair and Vice Chair Recommendation on Water Rates, Water Utility Quarterly Updates
February 10, 2025	Update and Discussion on the Aquifer Conditions
March 10, 2025	Recommendation for acceptance of the Annual Report
April 7, 2025	Field Trip – Tour of Tucson Water’s CAVSARP/SAVSARP Facilities
May 12, 2025	Water Utility Quarterly Reports
August 11, 2025	Update and Discussion on Water Resource Usage
September 8, 2025	Update and Discussion on Central Arizona Project Water
October 13, 2025	Update and Discussion on Water Utility Quarterly Updates
November 10, 2025	Update, Discussion and Possible Action on Water Rates Analysis

Additional notable items on Commission agendas in 2025 include:

- Review and comment on Groundwater Metrics and Wellfield Condition
- Quarterly updates on Water Utility Financials, Water Operations, Capital Projects and Water Resource Utilization

Notable issues planned for Commission review or action in 2026 include:

- Recommendation for acceptance of the Annual Report
- Recommendation for acceptance of the Water Rates
- Northwest Recharge, Recovery and Delivery System project (NWRDRS) review
- Review of Conservation and Water Quality programs
- Water resource usage
- Capital Improvement Projects
- Utility financial review
- Field trips/guest speakers TBD

COMMITTEE REPORTS

In accordance with the Town's Water code *Article 15-4-5 Committee Reports*, the Commission shall render to the Town Council an annual report on or before April 1st. This report is prepared by the Utility staff and reviewed by the Commission for completeness and accuracy.

The Water Utility staff would like to thank the Commission for their detailed review and contributions to ensure the accuracy of this annual report.

WATER UTILITY COMMISSION 2026



Chair Michael Smejkel



Vice-Chair Joe Hornat



Commissioner Rebecca Badruddoja



Commissioner Alan Forrest



Commissioner Greg Hitt



Commissioner Steven Linder



Commissioner Niranjan Vescio

We would like to extend our gratitude to our outgoing Commissioners, Tom Marek and David Adler for their dedication and service to the Water Utility Commission.

EXECUTIVE SUMMARY

This section summarizes the activities of the Water Utility Commission, the Utility’s operations, capital projects, water resource portfolio, and financial management.

WATER RESOURCES HIGHLIGHTS

The Utility operates two water systems, the Oro Valley Water Service Area, and the Countryside Water Service Area. There are three sources of water supply: groundwater, Central Arizona Project (CAP) water, and reclaimed water. Groundwater is pumped from the wells in the aquifer below the water service areas, blended with the CAP water and then delivered through the potable drinking water distribution system. Reclaimed water is for non-potable uses and is predominantly used for irrigation of golf courses, parks and athletic fields.

The potable drinking water system is completely isolated from the reclaimed water system. The following table (**Table 1**) shows the total water resource utilization for each source of supply.

TABLE 1

Total Water Produced in 2025 (Acre-Feet)			
Groundwater	CAP Water	Reclaimed Water	Total Water Produced
4,629	2,863	1,982	9,474

The Utility uses CAP water in the following three ways:

- 1) Aquifer recharge and recovery for water delivery to the potable water systems in both Oro Valley and Countryside.
- 2) Aquifer recharge for replacement credit for water pumped from the Utility’s wells.
- 3) Aquifer recharge and storage in nearby recharge facilities for future use. This water is referred to as the accumulation of Long-Term Storage Credits (LTSC).

Annually, the Utility purchases its full CAP allocation. The CAP allocation minus the CAP water delivered minus the CAP water used to replace the groundwater pumped is stored underground and becomes a LTSC. As of December 31, 2025 the Utility has accrued an estimated 39,908 Acre-Ft. (AF) of LTSC’s that can be pumped and delivered to the Oro Valley water service area.

In addition to the accumulation of LTSC’s the Utility also has a Groundwater Allowance Account. A groundwater allowance account is a specific, limited volume of groundwater granted to a municipal water provider by the Arizona Department of Water Resources (ADWR) upon the issuance of a Certificate or Designation of Assured Water Supply. This allowance allows the provider to withdraw and use a set amount of groundwater without being required to replenish or offset it. As of December 31, 2025 the Utility had an estimated Groundwater Allowance Account of 19,500 AF.

CUSTOMER SERVICE HIGHLIGHTS

At the end of June 2025, the Utility had 21,609 customer connections serving a population of approximately 49,000 residents in the service area. Utility water sales revenues totaled \$18.2 million for fiscal year 2024-25.

WATER CONSERVATION HIGHLIGHTS

The Utility encourages water conservation by informing and educating customers. Specifically in 2025, the following conservation efforts were accomplished.

- Fourth anniversary of the quarterly newsletter *Behind the Meter*.
- 10,029 automated alerts sent out by WaterSmart.
- Over 21,986 leaks were detected by WaterSmart.
- 50% of leaks were related to outdoor irrigation.
- 1,393 messages received from customers on the WaterSmart Portal.
- 800 new customers registered with WaterSmart.
- 3,828 unique portal visitors in 2025.
- 101,569 High-Use notifications were sent to WaterSmart users.
- 25,127 portal logins to WaterSmart.
- 899 first-time visitors to WaterSmart.
- 471 customer-initiated leak checks using the leak diagnosis and investigation tool in WaterSmart.
- 180 customers were assisted with Water Audits.
- Roll-out of Sprypoint Interval Data Management (IDM) platform to enhance customer experience and control over water consumption and conservation.

WATER UTILITY OPERATIONS HIGHLIGHTS

Water Operations are a 24-hour per day, seven days per week operation. Staff performed routine maintenance on all production and distribution facilities. In 2025, Water Operations completed the following:

- Continued multi-year project of adding security upgrades at water facilities which included badge access, automatic gate actuators and security cameras.
- Staff cross training – internal and external employees.
- Continuing Supervisory Control and Data Acquisition (SCADA) software upgrades.
- Partnership with Water Engineering on efficient and timely plan review.
- Monitoring pumping water levels in all wells.

WATER QUALITY HIGHLIGHTS

In 2025, the Utility received 4,681 analytical results for required water sampling and operational data for the potable water system and met requirements of the US Environmental Protection Agency's (EPA), Safe Drinking Water Act (SDWA). The Utility is also in compliance with the regulatory requirements of the Arizona Department of Environmental Quality (ADEQ).

FINANCIAL HIGHLIGHTS

The Utility continues to be financially sound in the management of its revenues, expenses, and debt reduction.

The Water Utility's outstanding revenue bonds have a rating of "AA+" from Standard and Poor's, and "AA" from Fitch Ratings. Ratings criteria include stable economic base, sufficient water supply for current and long-term needs, a manageable capital improvement plan, timely rate increases, maintaining adequate debt service coverage and cash reserve balances.

The water rate study for FY 2026/27 resulted in a recommendation to increase the base rates only for potable water customers. There will be no change to the potable commodity rates or the Groundwater Preservation Fee. These proposed changes will result in a potable water monthly increase of \$1.86 per month (or 3.6%) for a customer with a 5/8-inch meter using 7,000 gallons per month. Customers with a 5/8-inch meter represent 84% of the total customer base and include residential, commercial and irrigation classifications with the majority being residential.

There are no proposed changes to the reclaimed base or commodity rates or fees. The proposed changes will be presented to the Town Council in June 2026 and, if adopted, the new potable water base and commodity rates would become effective in July 2026.

All current water rates, fees and charges, including impact fees, are available to view on the Town website at <https://www.ovalleyaz.gov/government/departments/water-utility>.

INTRODUCTION

This report provides information to the Mayor and Council and the public on the annual work of the Water Utility Commission, and updated information on the Oro Valley Water Utility (Utility). The report outlines how the divisions within the Utility work together to provide the community with reliable and safe water supplies. Through partnerships with other professional water agencies, the Utility maintains water quality standards, protects the groundwater supply, and conducts long-term planning for water resources and capital infrastructure. The report details how the Utility maintains financial health through analyzing and initiating responsible water rates and through cost recovery for new development. This report provides information and details of activities for calendar year (CY) 2025 with additional financial information reported for the fiscal year (FY) ending June 30, 2025.

WATER RESOURCES

The primary function of the Utility is the production and efficient use of available water resources that meet or exceed water quality standards. To ensure long-term sustainability, the Utility works closely with regional water providers, state agencies and the development community in planning for future water resource requirements. Utility staff closely monitor all water resources in the Utility’s water portfolio. The water portfolio includes groundwater, Central Arizona Project (CAP) water entitlement, reclaimed water entitlement, long-term storage credits and groundwater allowance account credits.

Current Water Supply includes groundwater, CAP water and reclaimed water. The Utility operates in two separate water service areas: the Oro Valley Water Service Area (OVWSA) and the Countryside Water Service Area (CSWSA). The CSWSA was acquired by the Town with the acquisition of the private water companies in 1996. This small satellite service area is located approximately two miles from the western boundary of the Town. Data from these two service areas is combined for regulatory reporting purposes. The following table (**Table 2**) provides the water production in acre feet (AF) for both service areas in 2025.

Note: 1 AF = 325, 851 gallons

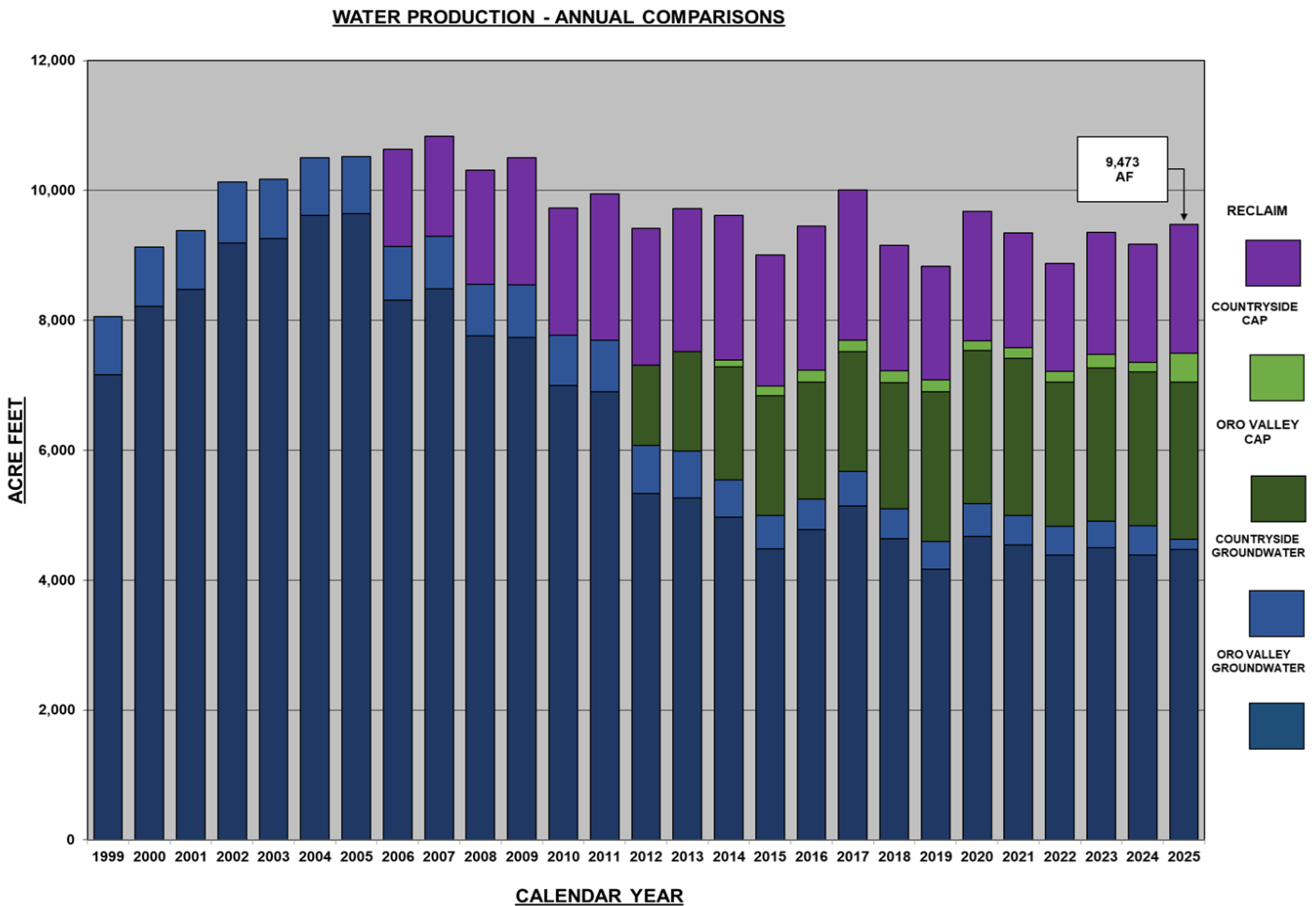
TABLE 2

Total Water Production in 2025			
Water Resources	OVWSA	CSWSA	Totals
Groundwater	4,471 AF	*158 AF	4,629 AF
CAP Water	2,418 AF	*445 AF	2,863 AF
Reclaimed Water	1,982 AF	----	1,982 AF
Total	8,871 AF	603 AF	9,474 AF

- The CSWSA experienced a decrease in groundwater pumping of 299 AF and an increase in CAP water deliveries of 328 AF due to the capacity increase in the CWSA CAP wheeling station in late 2024.

Figure 1 shows total water production in each service area from 1999 through 2024. The components of total water production include 1) groundwater production 2) CAP water utilization and 3) reclaimed water utilization. The graph depicts the increase in overall water production for 2025 as compared to 2024, as well as maintaining a dramatic decrease in groundwater utilization since 2005.

FIGURE 1



Groundwater remains the primary potable water resource for the Utility. In 2025, the Utility’s 18 groundwater production wells produced 53 percent of the Utility’s total water production.

Table 3 highlights the production capacity in all wells, the storage capacity in all reservoirs and the average rise or decline in static water levels for the wells in both service areas at the end of CY 2025.

TABLE 3

	Groundwater Production Capacity	Storage Capacity (Gallons)	Average Water Level +Rise/-Decline
OVWSA	11.9MGD	11.9 million	-1.78 Feet
CSWSA	2.2 MGD	.90 million	1.85 Feet

On an individual basis, groundwater level changes in 2025 for active wells varied from a rise of 3.90 feet to a decline of 7.42 feet. Details on static groundwater levels for individual wells may be found in **Appendix A**.

Central Arizona Project (CAP) Water is the Utility’s only other potable water resource. In 2025, the Utility’s four CAP wheeling locations delivered 28 percent of the Utility’s total water production. The Utility delivers its entire annual CAP entitlement of 10,305 AF to several recharge facilities in the Tucson Active Management Area (TAMA). In 2025, the Utility purchased the entire allocation for use as follows:

- 1) Aquifer recharge and recovery for water delivery to the potable water systems in both Oro Valley and Countryside.
- 2) Aquifer recharge for replacement credit for water pumped from the Utility’s wells.
- 3) Aquifer recharge in nearby recharge facilities for future use.

CAP Water Delivery (Wheeling): Oro Valley’s CAP water that is recharged and recovered for delivery, is first delivered to Tucson Water’s Central Avra Valley Storage and Recovery Project. The recharged CAP water is then recovered and delivered (wheeled) through the Tucson Water system to various connection points in the Oro Valley system for delivery to Utility customers.

The Utility has an Intergovernmental Agreement (IGA) with Tucson Water enabling the delivery of CAP water to customers through four connections to the Tucson Water system. There are three CAP water connection points in the OVWSA. One is located on Vista del Sol, north of Naranja Drive, a second connection is on Calle Buena Vista, south of Calle Concordia and a third is located near Oracle and Hardy. CAP water is also delivered to the CSWSA at a connection located on Camino de Oeste, just north of Linda Vista Blvd. The Utility delivered 2,863 AF of CAP water in 2025 thus continuing a reduction in the reliance on groundwater to meet the communities water resource needs. CAP water deliveries and locations are shown in **Table 4**.

TABLE 4

CAP Water Deliveries in 2025		
Locations		Delivery
Vista Del Sol	(OVWSA)	1,503 AF
Calle Buena Vista	(OVWSA)	503 AF
Oracle & Hardy	(OVWSA)	412 AF
Camino De Oeste	(CSWSA)	445 AF
Total		2,863 AF

CAP Water Delivery (NWRDRS): In calendar year 2017, the Town of Oro Valley, Metro Water and the Town of Marana began collaboration on the development of a unique IGA to construct a future project known as the Northwest Recharge, Recovery and Delivery System (NWRDRS). The IGA was unanimously approved by each governing body in March of 2017. This agreement provides another means for the Town to deliver CAP water to the Utility’s service areas. The project is estimated to be completed in FY 2027 and will allow for the annual delivery of up to an additional 4,000 acre-feet of recovered CAP water.

Colorado River: The reservoirs on the Colorado River supply water to the CAP and other water projects in the lower basin states that include Arizona, California and Nevada. Additionally, these reservoirs provide required water deliveries to Mexico. A 28-year drought caused by reduced precipitation and snowpack in the upper basin has significantly lowered water levels in Lake Mead and Lake Powell. Over the past 28 years, water demand has exceeded available inflows for supply driving reservoir levels lower.

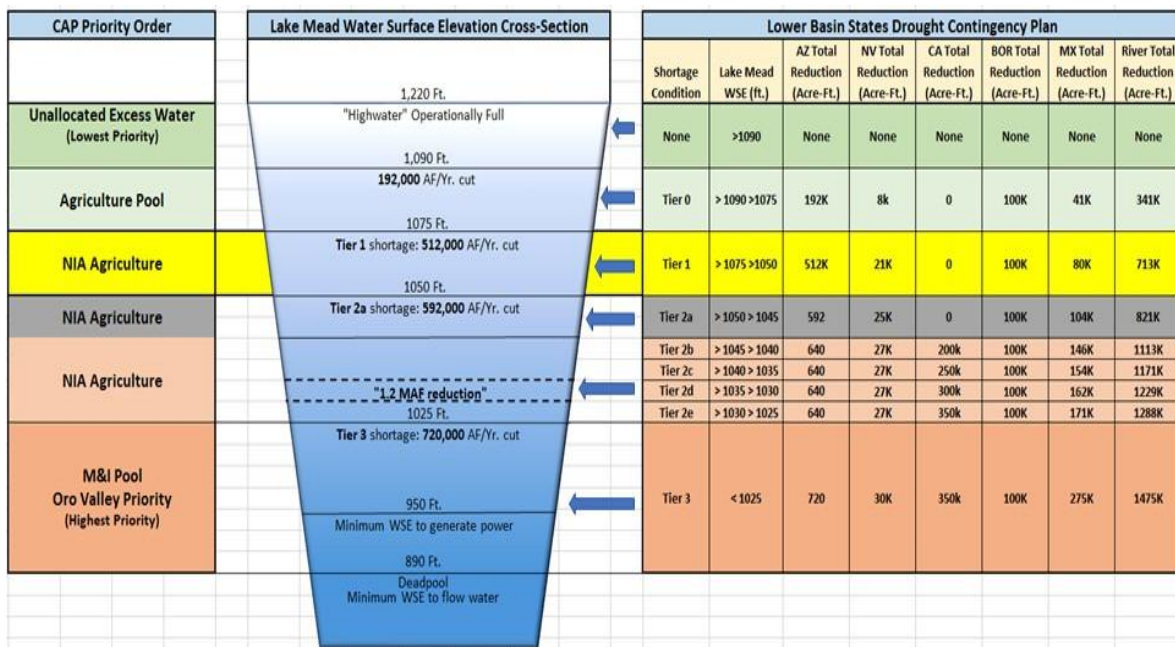
Reservoir levels determine supply availability in accordance with shortage sharing guidelines established in 2007 and amended in 2019. Beginning in 2018, The ADWR and CAP staff collaborated with CAP water users and the Lower Colorado River Basin states to finalize the Lower Basin States Drought Contingency Plan (LBDCP). The LBDCP modifies the 2007 shortage sharing guidelines so that curtailments in CAP deliveries happen sooner and are larger. The goal of this plan is to close the gap between the over-allocation of the river’s natural replenishment capability and water deliveries, thus leaving enough water in Lake Mead to avoid drastic cuts to priority subcontract holders like Municipal and Industrial users. The LBDCP was approved by Governor Doug Ducey on January 31, 2019, and was later approved by the Federal Legislature and went into effect on January 1, 2020.

The LBDCP specifies what the curtailments are to each of the Lower Basin States depending on the water surface elevation of Lake Mead on January 1st of the given year.

The Bureau of Reclamation (BOR) determined in 2025, that beginning in January of 2026, the BOR would declare the same Tier 1 water shortage as it was in 2025 for many Colorado River Water users, including Arizona. A Tier 1 water shortage reduces Arizona’s Colorado River allocation by 30% but has no effect on Oro Valley’s CAP allocation.

Figure 2 shows the relationship between the CAP priority order, Lake Mead water surface elevation and the LBDCP. The area highlighted in yellow represents the current Tier 1 water shortage which resulted in a 512 AF reduction in CAP deliveries for calendar year 2025.

FIGURE 2



In March of 2024 Arizona, California, and Nevada (Lower Basin States) submitted to the BOR the “Lower Basin Alternative” for the BOR to review. The Lower Basin Alternative is designed to provide for the sustainable management of the Colorado River system and its resources under a wide range of potential future system conditions due to the changing climate. Colorado, New Mexico, Utah and Wyoming (Upper Basin States) have rejected the “Lower Basin Alternative” and several other Lower Basin States plans. Arizona’s lead Colorado river negotiator, ADWR’s director, Tom Buschatzke, has stated that “virtually all” of the numerous, “good-faith compromises” offered by the Lower Basin to the Upper Basin have been rejected.

The situation with the Colorado River has reached a critical point. After years of negotiations, the seven basin states failed to meet a second major federal deadline of February 14, 2026, to agree on a long-term water shortage sharing plan. Because the basin states cannot agree on a long-term water shortage sharing plan the BOR will now have to impose its own Colorado river water shortage sharing plan.

The BOR has released five operational alternatives for managing the Colorado river after the current guidelines expire at the end of 2026. The five potential operational alternatives are:

- 1) **No Action Alternative:** A legally required baseline that continues the 2007 Interim Guidelines. It maintains fixed shortage tiers for Lake Mead and coordinated operations between reservoirs but lacks flexibility for worsening drought conditions.
- 2) **Basic Coordination Alternative:** Formerly known as the "Federal Authorities Alternative," this option utilizes existing federal authorities without requiring new state agreements. It modifies Lake Mead shortage guidelines, enhances coordination between Lake Powell and Lake Mead, and allows for the storage and delivery of conserved water.
- 3) **Enhanced Coordination Alternative:** Formerly the "Federal Authorities Hybrid Alternative," this plan updates shortage triggers with deeper potential cuts. It pairs these cuts with expanded conservation measures and additional upstream protections to improve resilience during dry periods.
- 4) **Maximum Operational Flexibility Alternative:** Formerly the "Cooperative Conservation Alternative," this strategy uses flexible shortage curves and release conditions. It maximizes reservoir coordination and sets higher limits on conservation creation and delivery, emphasizing adaptive management.
- 5) **Supply-Driven Alternative:** This option ties reservoir releases and allocations directly to actual available water supply and historical natural flows. It prioritizes system sustainability by adjusting Lake Mead deliveries based on current hydrologic conditions rather than rigid forecasting.

The BOR needs to take decisive action. All Colorado River water users will need to commit to reductions. The sooner the river's demand is reduced to a sustainable level the sooner the river will be protected, benefiting everyone. For 2026, Oro Valley will not see any reduction in Colorado River Water deliveries, but we can expect a reduction in deliveries in future years. Fortunately, Southern Arizona water professionals have been planning for these challenging times for over 2 decades.

The State of Arizona offers a level of protection from CAP curtailments for priority CAP users through the creation of the Arizona Water Banking Authority (AWBA). The AWBA has been storing water underground for municipal and industrial water users for decades to guard against the impacts of CAP delivery curtailments. Over 600,000 acre-feet of water have been stored underground by the AWBA in the TAMA. This stored water will be made available to municipal water providers to mitigate curtailments of CAP water deliveries to municipal water users.

In addition to the AWBA storing water, the Central Arizona Groundwater Replenishment District (CAGRDR) has stored water for the future to replenish groundwater.

The Utility also continues to store a portion of its CAP water to increase its balance of LTSC. This water is also available to mitigate curtailments of CAP water deliveries.

The above action plans combined with a diverse water resource portfolio reduces the chances of a water resource shortage when CAP water delivery curtailments occur. In addition, reducing demand through an increased focus on the efficient use of water resources will help to preserve water supplies for future uses.

Reclaimed Water is produced from wastewater effluent from the sanitary sewer system which is then treated for irrigation and other non-potable uses. In 2025, the Utility's reclaimed system produced 21 percent of the Utility's total water production.

Oro Valley owns all the effluent produced by its customers. The Utility has an IGA with Tucson Water to deliver reclaimed water to the OVWSA through their facility at Thornydale and Tangerine. From that location, the Utility independently operates the transmission and water distribution system that delivers the reclaimed water to reclaimed water customers in the OVWSA. No reclaimed water is delivered to the CSWSA.

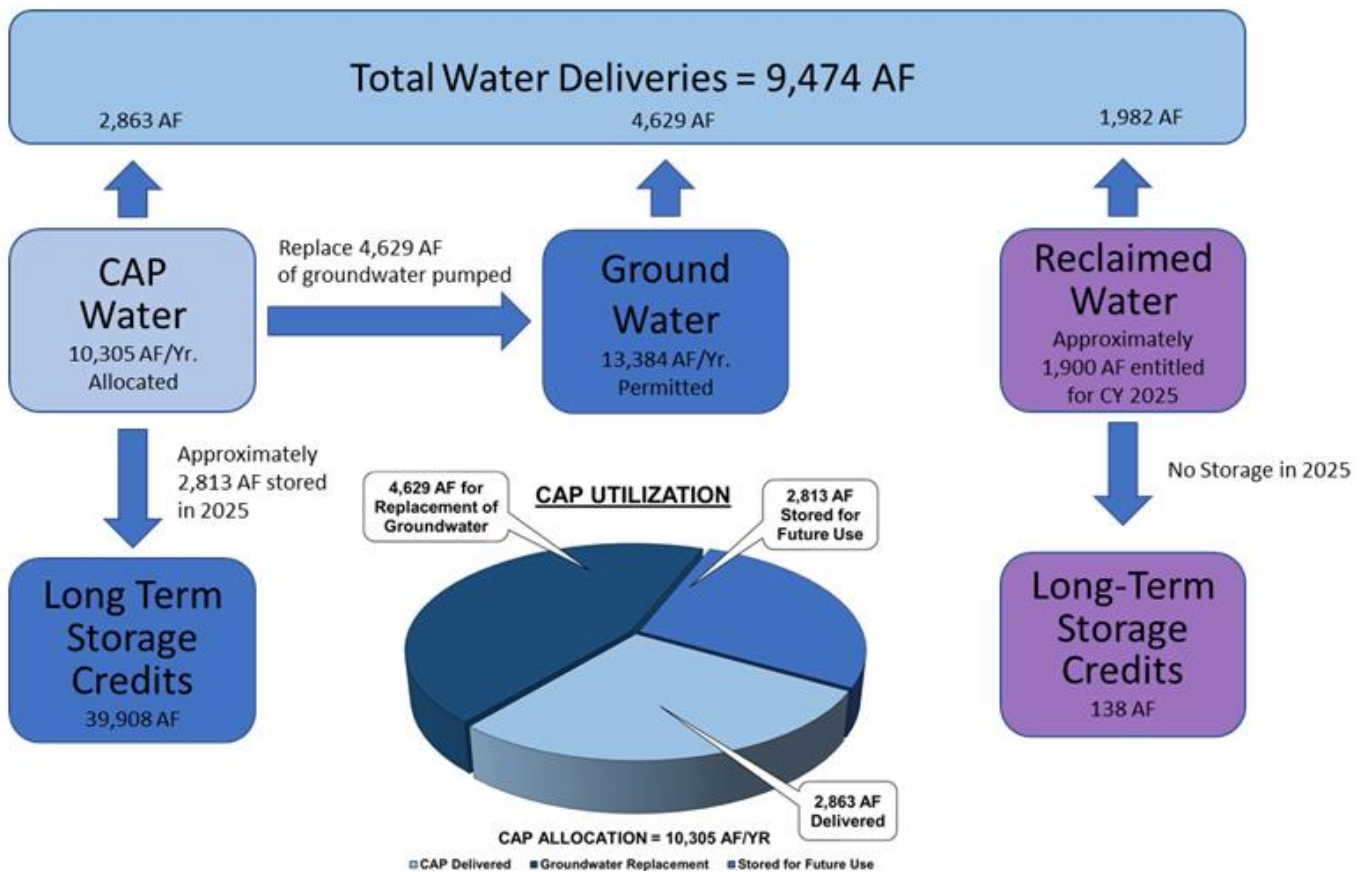
The Utility supplies reclaimed water for the irrigation of four 18-hole golf courses, the Naranja Park athletic fields and the Painted Sky elementary school athletic field. In 2025, 1,982 AF of reclaimed water was delivered.

REGULATORY

The ADWR requires the Water Utility to replace all the groundwater pumped from wells owned and operated by the Utility. To comply with this requirement, AF of groundwater pumped is replaced through annual aquifer recharge utilizing CAP water. The replacement of pumped groundwater can happen anywhere within the TAMA. Due to the lack of Utility-owned aquifer recharge facilities, the Utility recharges the aquifer outside of the service area to meet this requirement. Long-term storage credits can also be used to replace the groundwater pumped to maintain compliance with ADWR requirements.

Figure 3 graphically shows how the Utility utilized water resources in 2025 as described in this **WATER RESOURCES** section.

FIGURE 3



The Designation of Assured Water Supply (DAWS) issued by the ADWR requires compliance with the Fourth Management Plan in the TAMA. In 2025, the Utility was in compliance with all requirements under the DAWS and fully expects to meet all requirements in 2026. The ADWR requires the Utility to submit water system information and water usage data in an annual report. The information provided includes service area boundaries, total water use, population, gallons per capita per day, recharge, recovery and system water loss.

Pursuant to the DAWS, the Utility has a right to pump a maximum of 13,384 AF per year of groundwater

Long-Term Storage Credits are earned when water is recharged and stored underground for more than one year. In 2025, the Utility purchased 10,305 AF of CAP water for delivery to recharge facilities. Of that amount, approximately 2,500 AF were not used for direct delivery or annual recovery; therefore, increasing the long-term storage credit balance. The water stored will be saved for future use. At the end of 2025, the Utility calculated that it had approximately 39,908 AF in long-term storage credits.

Table 5 shows the estimated water storage summary for the end of the 2025 calendar year. The ADWR will adjust the storage balance to account for recharge basin evaporation and aquifer losses. The final balance will be provided by the ADWR in October of 2026.

TABLE 5

Water Storage Summary for Calendar Year 2025 (AF)			
Groundwater Storage Facility	2025 CAP Delivery to Storage Facility	2025 CAP Recovery from Storage Facility	Storage Balance 12/31/25
Kai Farms	4,000	3,000	22,260
Lower Santa Cruz	2,805	1,838	10,542
Pima Mine Road	---	---	2,868
Central Avra Valley	3,500	2,654	1,600
Effluent Storage	---	---	138
Total	10,305	7,492	39,908

Note: The 2025 CAP recovery from storage facility column (3rd column) represents the aggregate of CAP water either delivered to customers or used to replace the groundwater that was pumped.

The ADWR will adjust the storage balance to account for recharge basin evaporation and aquifer losses. The Storage balances provided are an approximation.

The Groundwater Allowance Account identifies the amount of groundwater that can be pumped, if desired, and still be considered exempt from the state's requirement for replenishment in the TAMA. In general, the balance in the account may be used for any groundwater pumped from a well that has a five-year average annual decline greater than four feet or water pumped from a well that is not permitted as a recovery well. In 2025, the Utility did not use any credits from the Groundwater Allowance Account. All the Utility's wells are permitted as recovery wells; therefore, long-term storage credits were used to meet the replenishment requirements instead of using credits in the Groundwater Allowance Account. The balance in the Groundwater Allowance Account at the end of 2025 was 19,230 AF.

ENGINEERING AND PLANNING

The Engineering and Planning Division is responsible for planning and managing the design, construction, and inspection of new water infrastructure for the Town of Oro Valley, as well as providing engineering support to the Water Operations group.

Engineering and Planning is also responsible for managing and maintaining a Geographic Information System (GIS) database, consolidating well data on all active and non-active wells, as well as existing and new water system infrastructure. Additionally, Engineering continues to build on existing databases to implement business intelligence and documenting the lifecycle of the Utility's water assets. Engineering continues to develop standardization across all the design work and expectations for future deliverables.

In 2025, the New Development Section within the Engineering and Planning Division completed the following:

- 14 reviewed and approved New Development water improvement plans
- 8 projects completed and "As-Built (Capital Improvement Projects (CIP) and New Development Projects)
- 3 emergency main breaks repaired
- Shannon Road Phase 2 "E" Zone main and service lines from Shannon Road Booster to Tangerine Road at St. Marks completed
- La Canada Booster "F" & "G" Zone construction completed
- Finalized Nakoma Sky Well Design and Approval to Construct (ATC)
- Finalized Steam Pump Well Design and ATC
- Fire hydrant installation at Linda Vista & Korte providing fire protection in areas that are currently underserved
- NWRDSD Partnered Booster at Twin Peaks – managed by OVWU construction started
- NWRDSD Independent Transmission Main from Shannon Road Booster to Blue Bonnet construction started
- Began system hydraulic modeling for OVWU Main Service Area
- Countryside Booster Motor Operated Valve (MOV) installation completed
- Groundwater dashboard for well performance completed
- As-Built Well C-5 after well rehab and small piping upgrades completed

CAPITAL PROJECTS

The Engineering and Planning Division manages the design and construction of capital projects identified in the Capital Improvement Program (CIP); found in **Appendix B**. CIP are designed to improve water service and operational efficiency of the existing system. Engineering also reviews and approves new development engineering water plans. These projects are designed to serve expansions to the existing system to serve new customers. Some of the notable CIP's are described next.

Northwest Recharge Recovery and Delivery System (NWRRDS):

The Utility's largest CIP commitment in 2025, continues to be the NWRRDS project. In 2017, the governing bodies of the Town of Oro Valley, Metro Water, and the Town of Marana unanimously approved a 50-year IGA supporting regional water resource stability initiatives and aquifer preservation. The agreement provides a framework for the Town of Oro Valley, Metro Water, and the Town of Marana to partner in the design, construction, operation, and maintenance of the partnered components of NWRRDS. Oro Valley will also fund 100% of Oro Valley's independent components of NWRRDS.

Figure 4 provides an image overview showing both the *partnered* and *independent* components of the NWRRDS project. This illustration includes the realignment of the NWRRDS recovered CAP water transmission main west of railroad tracks.

Figure 4

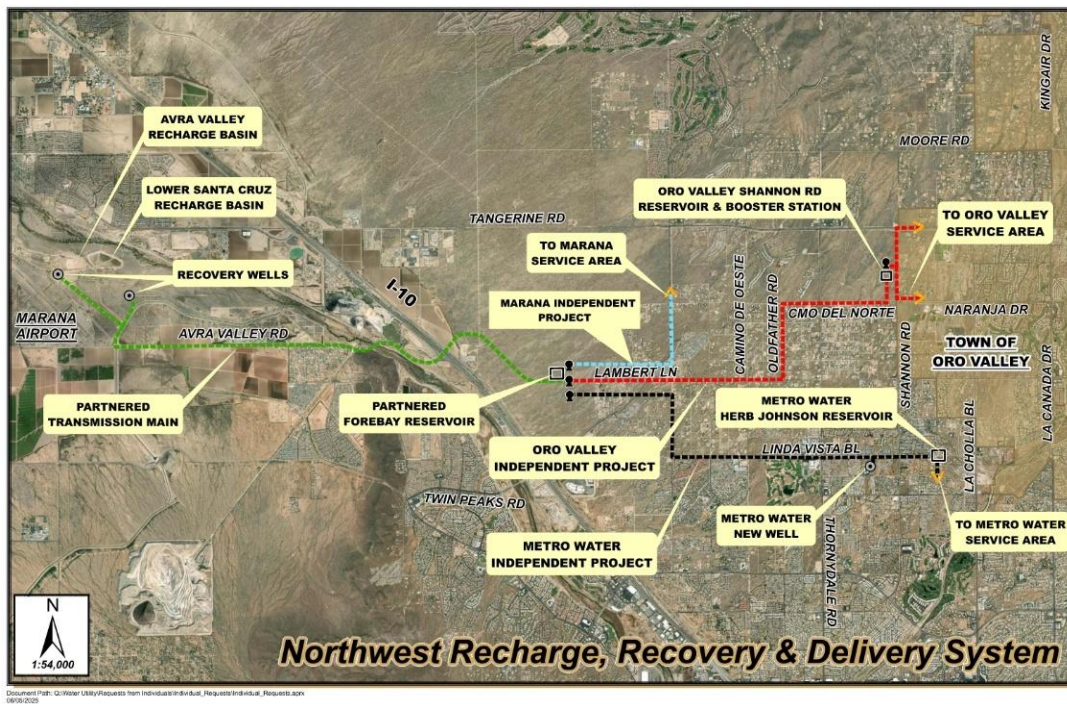
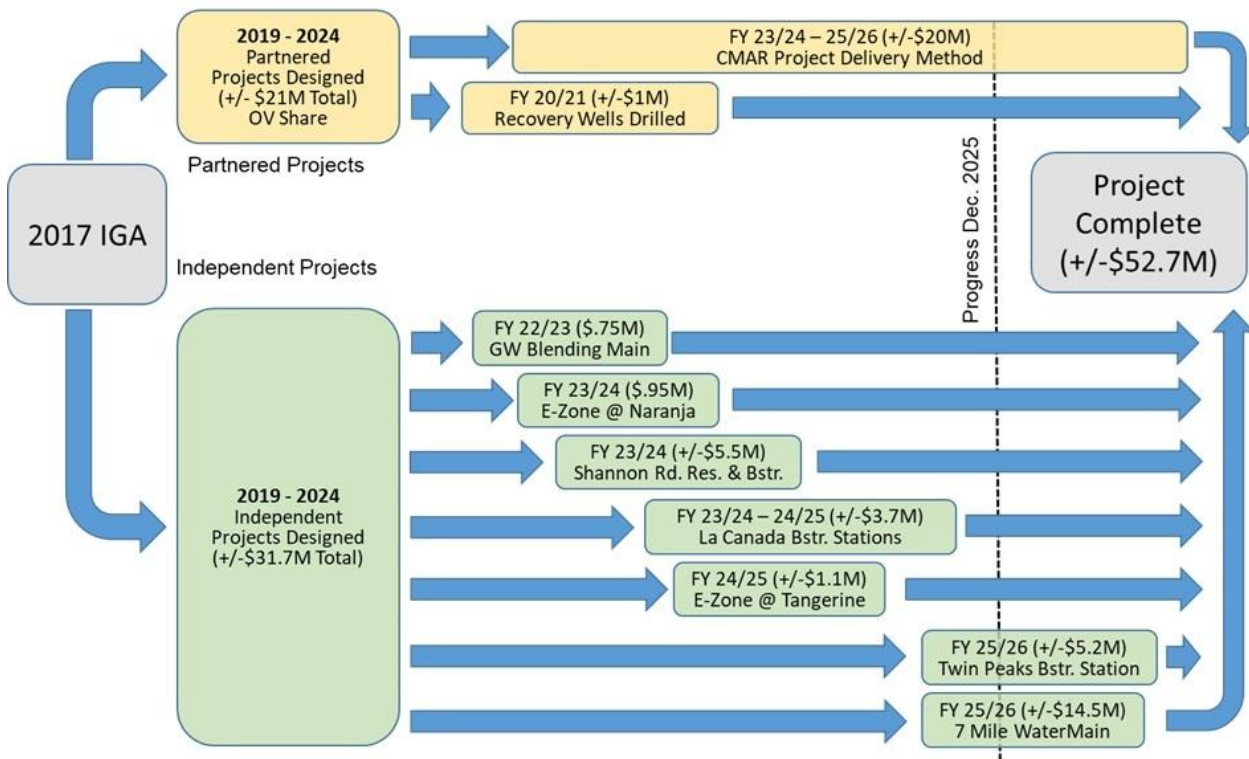


Figure 5 provides a graphical representation showing both the *partnered* and *independent* components of the NWRDS projects and their respective relative timelines. *Note: The construction costs for the independent Twin Peaks Booster Station and Independent Water Transmission main have been updated to reflect the actual construction costs and not the Engineer’s construction cost estimates from last year.*

Figure 5



NWRRDS Independent 20-inch Transmission Main: Construction of this project began in late 2025 and is expected to be completed in mid to late 2026. This project was designed to convey recovered CAP water from the Independent NWRRDS booster station at Twin Peaks to the Independent NWRRDS Shannon Rd. Reservoir and into the Utility’s service area.



The NWRRDS Independent 20-inch Transmission Main looking east towards the Santa Catalina Mountains at intersection of Camino Del Norte and Oldfather Road

NWRRDS Independent Shannon Road Booster Station Discharge Main to Tangerine Road Project: This project was completed in 2025. This discharge main construction project is one of two “E” Zone discharge mains from the NWRRDS Independent Shannon Road Booster Station project to Oro Valley’s main service area. This main will also move water into our La Canada Reservoir and from there we will have ability to move into our “F” & “G” Zones.



View of the construction of the NWRRDS Independent Shannon Road Booster Station Discharge Main to Tangerine Rd.

La Cañada “E” to “F”; and “E” to “G” Zone Booster Station Project: This project was completed in November of 2025, and is located north of Moore Road and east of King Air Drive within the Oro Valley Main Service Area. This project is an important asset that enhances the system capacity by enabling delivery of up to 4,000 AF per year of recovered CAP water to the Utility’s service area.



“F” Zone discharge header pipe with meter and 5000 Gallon HP Tank in foreground.



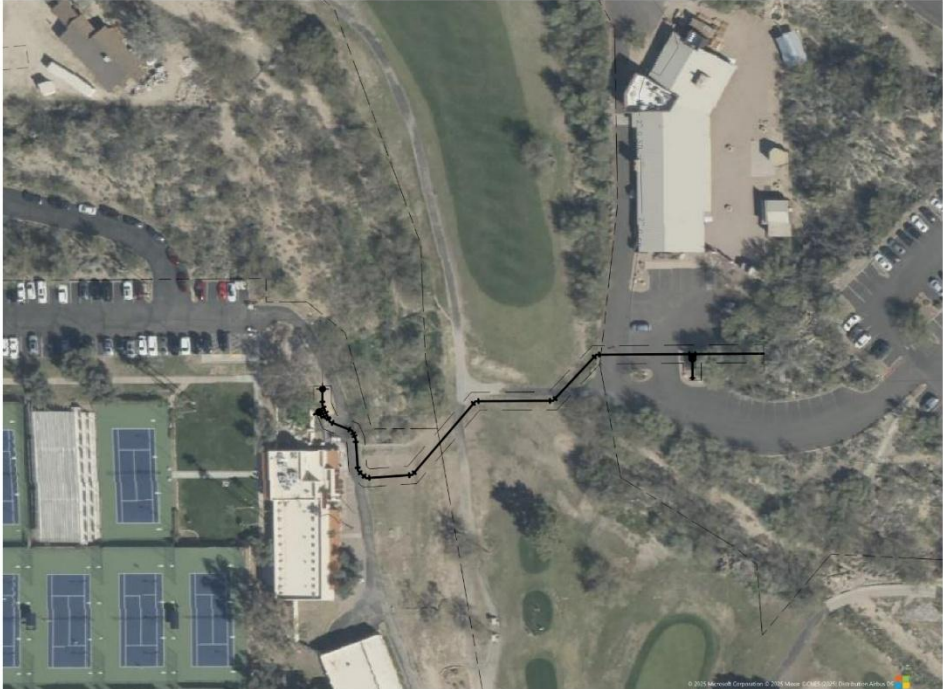
Two Zone Booster Site at La Canada. Left side of photo is “F” Zone and Right side is “G” Zone.

Well D-9 Rehabilitation Project: This Well rehabilitation work began in the Winter of 2025 and includes pre-and-post video logs to assess the well's condition, a down-hole well alignment survey, new pumping unit and pump system testing. This work is slated to be completed by April of 2026.



The photo above shows contractor pulling column pipe and pump from Well D-9. Work includes well rehabilitation, vertical turbine pump, and Hi Thrust Motor 200HP

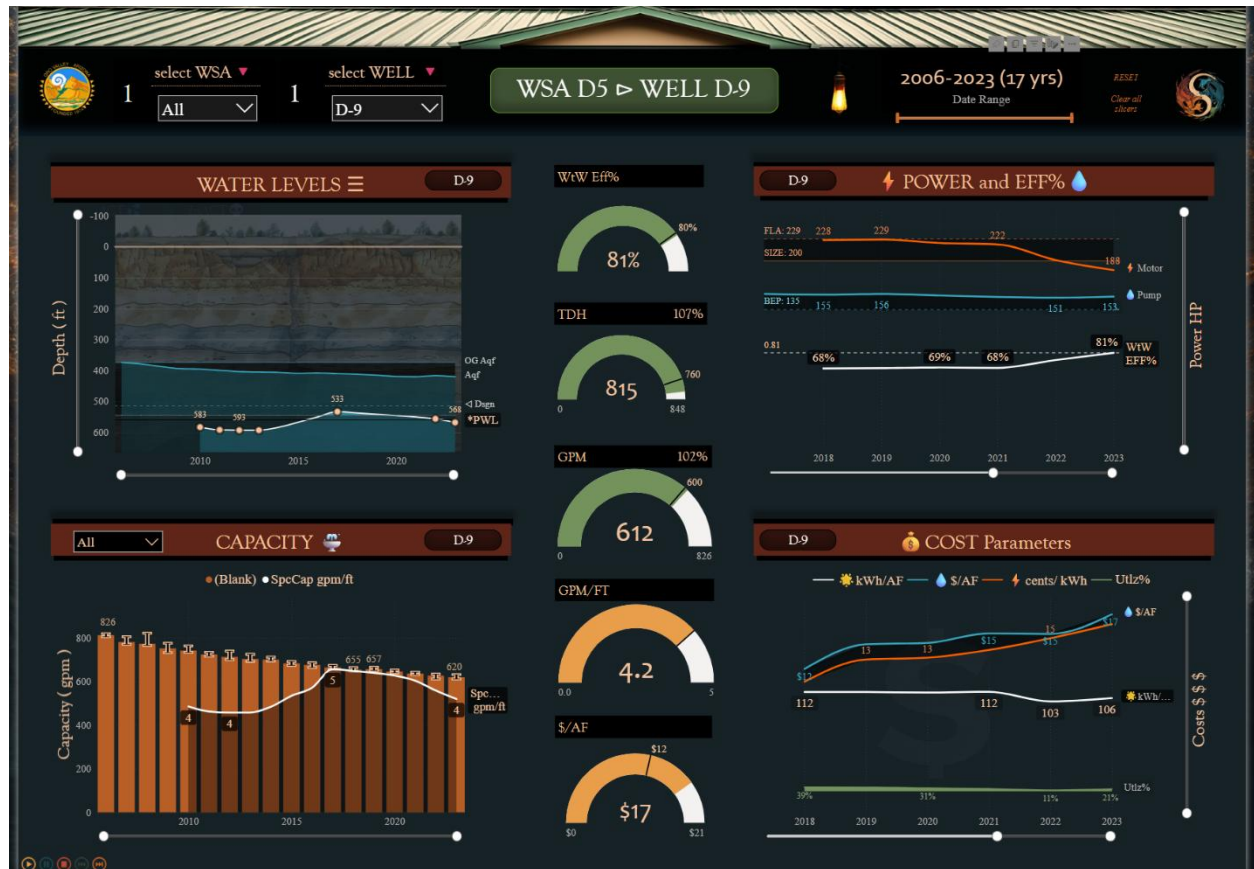
El Conquistador Watermain Interconnection Project: Project design began in 2025 and is expected to be completed in 2026. The purpose of this project is to provide distribution main “looping” that is aimed to improve water quality and system reliability in an area that is limited in its water distribution redundancy.



SHEET INDEX PLAN
1"=40'

Proposed interconnection between El Conquistador Tennis Courts and the Western Town at El Conquistador Resort. The proposed main will be approximately 380 linear feet of 8" Ductile Iron Pipe

Groundwater Dashboard: Engineering created the Groundwater Dashboard in 2025 to help us visually monitor changes and general overview of groundwater well conditions, as well as pump performance conditions.



WP-14 Reservoir Rehabilitation Project: Project planning and design for WP-14 rehabilitation was started in the Fall of 2025 and is expected to be completed by June of 2026 with the actual rehabilitation taking place next FY. The purpose of this project is to ensure the continuous and uninterrupted service of this 800k reservoir located in the H1 Service Area. Because this is a single reservoir the plan is to purchase a temporary reservoir that can be relocated to various sites around the town of Oro Valley to allow us to rehabilitate reservoirs without interrupting water service to our customers.



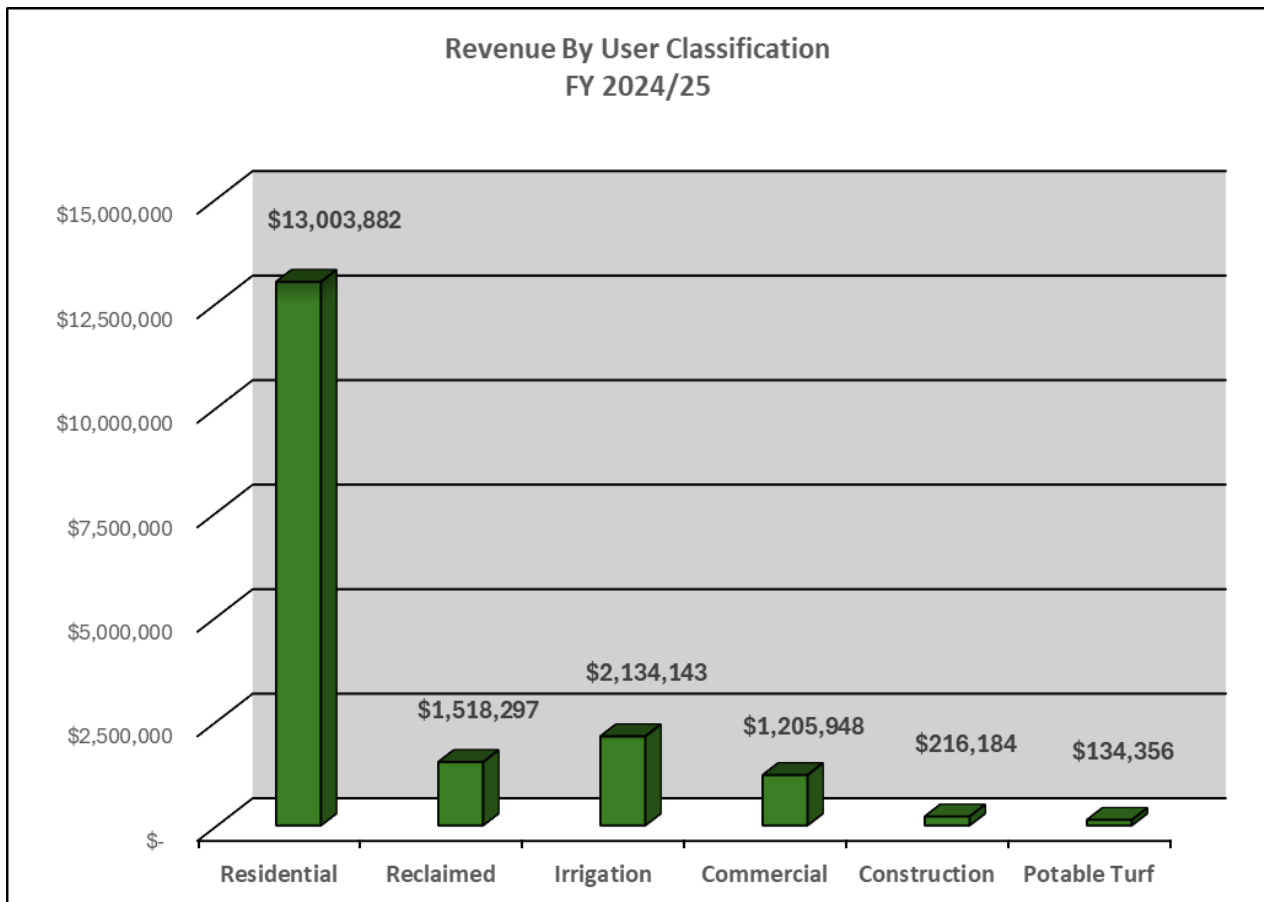
The photo above shows an illustration of what our temporary tank would look like at site during tank rehabilitation

CUSTOMER SERVICE

Customer Service is an integral element of the Utility, providing a full range of support to its customers. The Utility's 21,609 customer connections, which serve a combined population of approximately 49,000 for both water service areas. Customer Service responsibilities include preparing the monthly billing, processing cash receipts, responding to customer portal inquiries, preparing daily deposits, and processing new meter and hydrant applications. In addition, staff assist customers with new and closed accounts as customers move in and out of the water service areas.

Customer Service staff produced over 333,120 bills in FY 2024/25, generating \$18,212,810 in water sales revenue. This revenue does not include sales taxes, Groundwater Preservation Fees, or service fees. Water sales revenue by user classification is illustrated in **Figure 6**.

FIGURE 6



The Utility has an IGA with Pima County Regional Wastewater Reclamation Department to provide their monthly sewer billing. In addition, the Utility provides monthly and quarterly billing for the Town’s Stormwater Utility. In FY 2024/25, the Utility processed a total of \$33,642,148 in payments for the Utility and the other two organizations as follows:

- Oro Valley Water Utility \$22,354,283
- Pima County Wastewater Reclamation \$ 9,757,227
- Town of Oro Valley Stormwater Utility \$ 1,530,638

Total payments handled by the Oro Valley Water Utility are more than the water sales billed because the payments processed include sales taxes, Groundwater Preservation Fees, security deposits and other service fees charged by the Utility.

Of the above payments processed, payments made by credit card or electronically totaled \$33.3 million, or 99%. These payment methods are more convenient for Water Utility customers and Customer Service staff. Payments are posted to customer accounts in a more timely and efficient manner. In addition, this reduces data entry errors and increases time available for staff to perform other job functions.

The Water Utility's Customer Information System (CIS) continues to be a benefit to Utility customers. This software includes a mobile application for field staff and a customer portal. The customer portal allows customers to manage their account, review consumption information, make payments with several payment options, and a variety of other self-service features. In Fiscal Year 2024/25, 13,263 or 62% of Water Utility customers registered for the customer portal. This is an increase of 11% compared to Fiscal Year 2023/24.

WaterSmart is another customer portal that provides customers with the ability to monitor their own water use on an hourly, daily, weekly or monthly basis. They can also set their individual water use thresholds that will enable the technology to send them high water use alerts. Customer Service staff use Utility's customer kiosk to assist customers with registering in WaterSmart and to teach them how to establish water use thresholds.

The major accomplishments by Customer Service staff in FY 2024/25 include the following:

- Produced over 333,120 water bills
- Registered 2,322 customer portal accounts for a total of 13,263
- Processed 111 new meter installation applications

Utility Statistics may be found in **Appendix C**.

WATER CONSERVATION

The Utility encourages water conservation by informing and educating customers. Specifically in 2025, the following conservation efforts were accomplished.

- Fourth anniversary of the quarterly newsletter *Behind the Meter*.
- 10,029 automated alerts sent out by WaterSmart.
- Over 21,986 leaks were detected by WaterSmart.
- 50% of leaks were related to outdoor irrigation.
- 1,393 messages received from customers on the WaterSmart Portal.
- 800 new customers registered with WaterSmart.
- 101,569 high use notifications were sent to WaterSmart users.
- 471 customer-initiated leak checks using the WaterSmart leak diagnosis tool.
- 180 customers were assisted with Water Audits.
- Roll-out of Sprypoint's Interval Data Management (IDM) platform to enhance customer experience and control over water consumption and conservation

Outreach to Oro Valley Residents

- Project Wet – March 11th. Utility participation in the University of Arizona's Project WET (Water Education for Teachers) which promotes water literacy through hands-on learning, teacher training, and community outreach. It focuses on building an understanding of Arizona's water resources, conservation, and sustainable water use.
- Environmental Education Exchange E3 – May 8th Conservation staff attended and observed E3's presentation to a group of first-grade students at Lehman Academy in Oro Valley where the students were taught through interactive learning about water resources and conservation.
- Water Utility Commission – May 12th. Update and discussion on water conservation efforts.
- Oro Valley National Night Out – October 24th. Provided water conservation information to attendees.
- Saddlebrooke Philanthropic Educational Organization (PEO) Women's Group – October 27th Water conservation was invited to speak on water conservation and suggested ways to improve water conservation in the typical household.
- Oro Valley Community Academy presentation – October 30th. A presentation on Water Conservation at home with an overview of the importance of water resources.
- Oro Valley State of the Town – October 30th. Community outreach on water conservation.
- Oro Valley Volunteer Ceremony – December 11th. Community outreach on water conservation.



*Project WET (above)
Philanthropic Educational*



Environmental Education Exchange (above)

Organization Women's Group (below)



Oro Valley PD Night Out (below)



OPERATIONS AND MAINTENANCE

All Production, Distribution and Meter Operations Personnel are certified operators licensed by the Arizona Department of Environmental Quality (ADEQ).

Under direction of the Water Operations Manager, water operations personnel work together to operate and maintain the water system. On-call staff respond to water system issues 24 hours per day, seven days per week. This on-call staffing utilizes a tiered-level after-hours response protocol in accordance with the existing Emergency Response Plan (ERP).

WATER PRODUCTION

Personnel are responsible for the operation and maintenance of wells, reservoirs and booster stations for the potable water system. Additionally, Production staff are responsible for the booster pumps, metering stations, and the reservoir of the reclaimed water system. These systems are monitored with the use of Supervisory Control and Data Acquisition (SCADA) technology that is managed by the Water Control Systems section. Production staff perform routine mechanical maintenance and assist with electrical maintenance at 45 production sites. They uphold operational balance for CAP water delivery to the potable systems, maintain 21 disinfection injection pumps and disinfection residuals at injection points on the potable and reclaimed water delivery systems. Production staff also perform an annual groundwater level survey of static water levels in all wells.

The following are major activities and accomplishments of Water Production personnel in 2025:

- The commissioning and operation of the new La Canada Booster Station.
- Inspected and cleaned 6 potable water reservoirs.
- Vertical turbine motor preventive maintenance program.
- Completed 2,713 potable and reclaimed water facility site checks.
- Measured and recorded static water levels of 32 active and deactivated wells quarterly.
- Performed 13 water storage tank overflows to achieve consistent production of exceptional water quality to our customers.
- Through the provision of continued training, diverse skillsets, and veteran operator knowledge; over 5 intricate projects/major repairs were able to be completed in-house.



Staff mixing concrete for pipe support footers (left).



Staff replacing a broken check valve at a booster site (right).

ADC PROGRAM

Water Operations implemented the Arizona Department of Corrections (ADC) Inmate Work Program in August of 2022. This program's labor force completes the general facility maintenance, which provides Water Utility staff the time to perform advanced skilled tasks required to maintain a robust preventative maintenance program.

Below are the major accomplishments of the ADC Program in 2025:

- 8 operators continue ADC training-process for working with or around inmates.
- Cleaned 10 water facilities for vegetation abatement.
- Painted site walls and buildings, dug conduit trenches, and sealed cracks in paved facilities.



Using the ADC crew, sites, such as the one pictured to the left and right, are cleaned, restored and improved on a regular schedule basis. Utilizing this program saves the Utility money, resulting in lower Utility rates for our customers



WATER DISTRIBUTION

Distribution Personnel are responsible for routine maintenance of all water distribution system components. This work includes the repair and installation of water mains and services, isolation valves, fire hydrants, pressure reducing valves, drain valve assemblies, and air relief valves. Water Distribution Operators additionally perform a variety of internal tasks that go beyond typical Water Utility maintenance. The tasks performed may include erosion repairs, grading, paving, concrete work, landscaping and various types of demolition, construction, and fabrication related activities. Staff also collaborate with the Water Engineering Staff to provide accurate as-built data for the GIS system, which ensures that assets remain current and are accurately depicted on system maps. Additionally, assets are tracked and updated using the Town's Asset Management Program. Distribution staff regularly establish and maintain professional relationships with contractors and vendors. These professional relationships are especially important when responding to emergencies, such as large water main breaks or other major repairs. The Utility's Distribution staff also assist residential customers who have questions or concerns about their water.

The following are the major activities and accomplishments of Water Distribution staff in 2025:

- Completed 9,758 service orders including after-hour call outs and emergencies.
- Exercise 3% of water system valves annually.
- Repaired 85 fire hydrants.
- Performed 162 inspections on 43 pressure regulating valves (PRV).
- Responded to and repaired 5 mainline breaks and 4 water service line leaks.

An inventory of all facility assets may be found in **Appendix D**.



Water Distribution staff dug up a 4" main on Alder Springs Pl. (left) to repair a bad saddle tap (right)



METER OPERATIONS

Advanced Metering Infrastructure (AMI) is an integral part of the Oro Valley Water system, modernizing water-use data collection,, customer engagement, and utility operations. AMI provides accurate historical and frequent usage data, enabling timely identification of issues such as leaks, and supporting customer conservation efforts.

Staff use advanced technical, analytical, and troubleshooting skills to manage metering data and resolve system issues through AMI network software, Meter Data Management tools, GIS systems, and field equipment. Operational efficiency has improved by eliminating manual meter reading, reducing travel time, and enabling proactive system monitoring, preventive maintenance, equipment programming, and commercial meter testing.

AMI also provides key benefits to the Utility and its customers, including improved data accuracy, quicker detection of abnormal usage, enhanced customer transparency, reduced operational costs, and strengthened water conservation practices.

Meter Operations staff additionally perform legally required bluestaking of underground water mains for all construction projects within the service area to protect infrastructure and ensure public safety.

An inventory of all facility assets may be found in **Appendix D**.

The following are major activities and accomplishments of Water Meter personnel in 2025:

- Installed 109 meters for new developments.
- Replaced an estimate of 5,264 warranty residential meters.
- Repaired 72 angle meter stops.
- Completed 9,246 AZ811 utility locate requests.
- 3 Water Utility Operator I promoted to Utility Operator II.
- 1 Water Utility Operator I promoted to our Streets department.
- 7 New employees trained.



*Meter Operations staff replacing a 6" meter for La Cholla Airpark (left).
New Meter Operations staff training in the field (right).*



*Meter Operations staff drilling our meter lid to install transponder (left).
Meter Operations staff replacing pavers around meter box after repairs (right).*

WATER CONTROL SYSTEMS

Personnel are responsible for the Supervisory Control and Data Acquisition (SCADA) system, facility instrumentation and controls, facility electrical equipment, telemetry radio systems, and Programmable Logic Controllers (PLC).

Key functions of Water Control Systems include troubleshooting control system and electrical issues, equipment calibration, instrumentation and control upgrades for wells, pressure reducing valves, boosters, reservoirs, facility system security, and preventative maintenance for all instrumentation and electrical equipment.

Staff works with Water Utility Engineering Staff and Contractors reviewing capital projects and is responsible for all new instrumentation and control process start-ups for facilities.

The following are major activities and accomplishments of Water Control systems personnel in 2025:

- Design station control panels at one booster site.
- Fabrication of two station control panels at two reservoir sites.
- Start up for the La Canada Booster Station new PLC and instrumentation.
- Upgraded water level instrumentation at one reservoir, and two booster sites
- Upgraded reclaim SCADA radio system.
- Programmed two-meter upgrades.
- Preventative maintenance program for electrical, instrumentation, and controls.
- Reviewed engineering plans for the Twin Peaks (NWRD) booster site.
- Upgraded instrumentation for the Countryside bypass MOV project.
- Installed uninterruptible power supplies at three reclaim valve stations, two wells and two reservoir sites.



*Big View PLC Panel Upgrade (left)
Water Control Systems staff programming Countryside MOV bypass project (right)*



*La Cañada Booster Motor Control Center panel programming (left)
Water Control Systems staff programming La Canada Booster Station new PLC (right)*

WATER QUALITY

Water quality sampling and testing is essential to provide safe and reliable water. The Town's water system is in full compliance with all State and Federal regulations. The Utility is regulated by the ADEQ and works closely with the ADEQ to ensure all Federal and State standards are met. The Water Utility provides all required water quality testing results to the ADEQ as well. The website for the ADEQ is www.azdeq.gov.

In 2025, the Utility received 4,681 analytical results for required water sampling and operational data for the potable water system and met requirements of the U.S. EPA's, SDWA. Each year, the Utility collects hundreds of water samples from 15 point of entry sites, including groundwater wells, reservoirs, and pumping stations. The Utility also retrieves samples from 58 sampling stations as required by the ADEQ. These stations are located in neighborhoods that are specifically selected to represent the water quality delivered to the customers throughout the water distribution system. The Utility has an additional 101 sampling stations that can be used during emergencies, or to meet future testing requirements. Every three years, water samples are taken from 50 private residences within the water service areas to test for lead and copper. The most recent sampling was completed in June of 2025. The results met the EPA's SDWA rules for lead and copper. The Utility provides all water quality testing results to the ADEQ.

During 2025, the Utility collected 696 compliance samples for analysis of Total Coliform and E. Coli bacteria, in which the samples resulted negative for these contaminants. This is a direct result of a successful disinfection program through wellhead chlorination, effective system monitoring, proficient sampling methods and routine maintenance.

Testing includes water hardness, which is a measurement of the concentration of calcium and magnesium. During 2025, the hardness levels in Oro Valley ranged from 2.9 to 15.8 grains per gallon (51 ppm to 270 ppm). The Utility's water hardness ranges from soft to very hard with the majority of the water testing at moderately hard to hard. The water hardness varies depending on the volume of CAP water that is being blended at any given time in a specific pressure zone. In 2025, due to proposed regulatory changes and requirements, the Utility continued preparation to phase in five proposed and pending EPA regulations related to monitoring rules:

- | | |
|---|--------------|
| ➤ Fifth Unregulated Contaminant Monitoring Rule | 2023-2025 |
| ➤ Revised Long-Term Lead and Copper Rule | October 2024 |
| ➤ Perchlorate | TBD |
| ➤ Strontium | TBD |
| ➤ Chromium Total/Hexavalent Chromium | TBD |

In 2025, the Utility will continue to phase in sampling and monitoring of new contaminants in accordance with SDWA regulatory requirements.

The Utility produced a 2024 Consumer Confidence Report for each water system in April of 2025. These reports are available electronically. The Utility notified customers via mail that the Consumer Confidence Report could be accessed on the Town's website. The 2025 Consumer Confidence Report will be completed and available to consumers by June of 2026.

In addition to sampling the potable water system, water quality samples are routinely taken on the reclaimed water system for chlorine levels and turbidity to assure compliance with regulatory standards. All the ADEQ standards and regulations for reclaimed water were met in 2025.

In 2026 the Water Quality section of the Utility will continue the use of the Smart Asset Management System (SAMS) compliance software. The SAMS compliance software is a scheduling monitoring and analysis software tool that helps water systems comply with federal and state drinking water regulations. SAMS is an additional module integrated with the Cross Connection Module currently in use.

BACKFLOW PREVENTION

Backflow prevention is an important component of water quality designed to protect the public water system. The purpose of this program is to keep the water supply safe from contaminants that could be introduced into the distribution system through backflow, back siphoning or back pressure from customers' plumbing systems or internal processes.

The Backflow Prevention Program is administered in accordance with the Town of Oro Valley Ordinance (O) 07-21, the ADEQ Arizona Administrative Code (A.A.C.) section R18-4-215, and the guidelines of the University of Southern California Foundation for Cross Connection Control and Hydraulic Research.

There are 1,628 backflow prevention assemblies in the program. The following are major activities and accomplishments of Water Quality personnel in 2025:

- Tested 223 backflow assemblies
- Repaired 15 in-ground and construction water backflow prevention assemblies
- Issued 32 permits for new and replacement backflow prevention assemblies
- Continue to use newly implemented cross connection control program software



Staff repairing and testing Town of Oro Valley backflow prevention assemblies (left and right)



Staff collecting water samples in compliance with the Safe Drinking Water Act (left & right)

SECURITY AND EMERGENCY RESPONSE

Under current federal guidelines, Water Operations personnel are considered first responders. Though primarily mandated by state rules with public health responsibilities (Arizona Administrative Code Title 18), Water Operators also have a public health and safety responsibility relevant to the water systems they operate which includes support of firefighting tasks. Any water system security situations also directly involve water operations along with the Oro Valley Police Department as a first response action.

In 2025, Utility personnel, with the assistance of a security consultant were mainly focused on finalizing and submitting the Risk and Resilience Assessment Certifications for the America's Water Infrastructure Act (AWIA) of 2018. Certifications for the Oro Valley Water System and the Countryside Water System were submitted, and confirmation received, before the due date of 12/31/2025. Selective training will be conducted in Fall of 2026, and Water Utility staff will participate in an Emergency Simulation Tabletop Exercise. The training will be conducted in accordance with the guidelines from the Department of Homeland Security, Federal Emergency Management Agency, and the U.S. EPA. The Utility continues to update the Emergency Response Plan and Business Continuity Plan on an annual basis and will continue to mitigate the elements defined in the vulnerability assessments, as well as those identified through the course of business.

Security features, which include perimeter fencing, security walls, warning signage, motion sensors, and cameras at all active production facilities were inspected to maintain integrity. Hydrants throughout the system are protected by security locking systems.

The Utility is kept abreast of local, regional, and national security issues by the Water Information Sharing and Analysis Center (WaterISAC). WaterISAC has established secure and close contact with partners in government to access sensitive and classified security information. WaterISAC maintains two-way communication with the U.S. Department of Homeland Security, especially its National Cybersecurity and Communications Integration Center, the FBI, the U.S. EPA, State Intelligence Fusion centers, and other Federal and State agencies.

The Utility is also a member of the Arizona Water/Wastewater Agency Response Network (AZWARN). Members of AZWARN agree to provide aid to other member utilities in the event of an emergency.

FINANCE

The Utility continues to be financially sound in the management of its revenues, expenses, and debt reduction. The Water Utility's outstanding revenue bonds have a rating of "AA+" from Standard and Poor's, and "AA" from Fitch Ratings. Ratings criteria include stable economic base, sufficient water supply for current and long-term needs, a manageable capital improvement plan, timely rate increases, maintaining adequate debt service coverage and cash reserve balances.

Revenues and Expenses

The Utility's revenue consists of potable and reclaimed water sales, Groundwater Preservation Fees (GPF), miscellaneous service fees and charges, Water Development Impact Fees (WRSDIF), and interest income. The Utility has two funds:

- **The Operating Fund** is the primary fund for the Utility. Costs for the administration, operations, existing system improvements and debt service are managed in this fund. The sources of revenue are water sales, service-related charges, and GPF. The GPF funds are dedicated to paying for debt or capital costs related to renewable water resources, renewable water supplies and costs to wheel CAP water to the Town.
- **The Water Resource and System Development Impact Fee Fund (WRSDIF)** provides funding for expansion related projects for new growth, development of renewable sources of water supply and infrastructure required for delivery of those resources. The source of revenue for this fund is impact fees collected at the time water meters are purchased.

Table 6 illustrates actual & budgeted revenues for FY 2024/25 for the Operating Fund and WRSDIF:

TABLE 6

Revenue Source	Actual FY 2024/25	Budget FY 2024/25	Over / (Under) Budget	% Budget to Actual
Potable Water Sales:				
Residential	\$ 13,003,882	\$ 13,100,000	\$ (96,118)	99.3%
Commercial	\$ 1,205,948	\$ 1,170,000	\$ 35,948	103.1%
Irrigation	\$ 2,134,143	\$ 2,000,000	\$ 134,143	106.7%
Turf	\$ 134,356	\$ 112,000	\$ 22,356	120.0%
Construction	\$ 216,184	\$ 235,000	\$ (18,817)	92.0%
Reclaimed Water Sales:				
Turf	\$ 1,420,378	\$ 1,300,000	\$ 120,378	109.3%
Irrigation	\$ 90,901	\$ 69,000	\$ 21,901	131.7%
Construction	\$ 7,018	\$ 14,000	\$ (6,982)	50.1%
Subtotal Water Sales:	\$ 18,212,810	\$ 18,000,000	\$ 212,810	101.2%
Fees, Charges, Misc. & Interest:				
Service Fees & Charges	\$ 848,346	\$ 824,000	\$ 24,346	103.0%
Miscellaneous	\$ 64,157	\$ -	\$ 64,157	0.0%
Federal Grant	\$ 895,902	\$ 1,638,383	\$ (742,481)	0.0%
Groundwater Preservation Fees	\$ 2,658,134	\$ 2,600,000	\$ 58,134	102.2%
Impact Fees	\$ 845,054	\$ 1,270,841	\$ (425,787)	66.5%
Interest Income	\$ 667,252	\$ 375,000	\$ 292,252	177.9%
Subtotal Fees, Charges, Misc. & Interest:	\$ 5,978,844	\$ 6,708,224	\$ (729,380)	89.1%
Total Revenues	\$ 24,191,654	\$ 24,708,224	\$ (516,570)	97.9%

Revenues collected from water sales exceeded the budget by \$212,810 due to higher-than-normal irrigation and reclaimed consumption. Impact fee revenues came in below budget by \$425,787 due to lower than anticipated meter sales. As a result of impact fee revenues coming in lower than anticipated two Impact Fee funded Projects have been postponed. Additionally, an updated Impact Fee analysis is being performed to re-align growth related projects with the rate in which growth is occurring. Federal grant revenue is below budget by \$742,481 due to the NWRDS project carry forward into FY 2025/26.

Table 7 illustrates actual & budgeted expenses for the Operating Fund and WRSDIF Fund (excluding depreciation and amortization) for FY 2024/25:

TABLE 7

Expenses	Actuals FY 2024/25	Budget FY 2024/25	Over / (Under) Budget	% Budget to Actual
Personnel	\$ 3,536,734	\$ 3,992,428	\$ (455,694)	88.6%
Operations and Maintenance	\$ 11,739,297	\$ 11,360,284	\$ 379,013	103.3%
Capital Outlay	\$ 15,980,810	\$ 28,039,253	\$ (12,058,443)	57.0%
Total expenses	\$ 31,256,841	\$ 43,391,965	\$ (12,135,124)	93.9%

Personnel ended the year below budget due to vacancy savings in various divisions. Operations & Maintenance ended the year over budget due by \$379,013 due to several main breaks throughout the fiscal year. Capital outlay was below budget due to projects carried forward to the next fiscal year primarily the Northwest Recharge, Recovery, and Delivery System (NWRDRS) project.

Outstanding Debt

Table 8 is a summary of the outstanding debt (principal only) and the annual debt service payments (principal and interest) for all funds within the Utility:

TABLE 8

Debt Service	Bond Series	Outstanding Debt At 6/30/25	Debt Service Payment -Principal FY 2025/26	Debt Service Payment-Interest FY 2025/26	Interest Rate	Maturity
WIFA Loan-Sr. Lien-Operating	2014	\$ 1,427,504	\$ 342,989	\$ 33,309	2.7%	2028
2015 Excise Tax Revenue Refunding Obligations -Operating	2015	\$ 148,500	\$ 148,500	\$ 1,418	2.3%	2025
2017 Excise Tax Revenue Refunding Obligations -Operating	2017	\$ 3,199,340	\$ 1,580,308	\$ 58,543	2.4%	2026
2018 Excise Tax Revenue Obligations -Operating	2018	\$ 4,050,000	\$ 398,250	\$ 116,296	3.0%	2033
Series 2021 Sr. Lien Water Refunding Obligations-Operating	2021	\$ 1,011,282	\$ 264,557	\$ 10,932	1.5%	2029
Series 2021 Sr. Lien Water Refunding Obligations-GPF	2021	\$ 1,733,282	\$ 453,437	\$ 18,737	1.5%	2029
Series 2021 Sr. Lien Water Refunding Obligations-WRSDIF	2021	\$ 206,437	\$ 54,005	\$ 2,232	1.5%	2029
Series 2025 Sr. Lien Water Revenue Obligations-GPF	2025	\$ 2,433,820	\$ -	\$ 68,767	4.4%	2035
Series 2025 Sr. Lien Water Revenue Obligations-WRSDIF	2025	\$ 3,650,730	\$ -	\$ 103,150	4.4%	2035
TOTAL		\$ 17,860,894	\$ 3,242,046	\$ 413,384		

Loan proceeds of \$11 million from Water Infrastructure Financing Authority (WIFA) for the NWRDRS project will be received by the end of FY 2025/26. Repayment will be made with funds from GPF and WRSDIF.

Debt Service Payments

Table 9 is a summary of the Utility’s annual debt service payments (principal and interest) for the Operating Fund, GPF Fund and the WRSDIF Fund.

TABLE 9

Debt Service Payments	Purpose	FY 2025/26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31
Operating Fund Debt Service Payments	Project(s)	Annual \$	Annual \$	Annual \$	Annual \$	Annual \$	Annual \$
2014 WIFA Loan-Sr. Lien	AMI Meter Replacement	\$ 376,298	\$ 376,178	\$ 376,054	\$ 375,927	\$ -	\$ -
2015 Excise Tax Revenue Refunding Obligations	Land for MOC	\$ 149,918	\$ -	\$ -	\$ -	\$ -	\$ -
2017 Excise Tax Revenue Refunding Obligations	Existing Potable System	\$ 1,638,851	\$ 1,638,703	\$ -	\$ -	\$ -	\$ -
2018 Excise Tax Revenue Obligations	Existing Potable System	\$ 514,546	\$ 514,338	\$ 514,506	\$ 514,289	\$ 513,687	\$ 513,438
Series 2021 Sr. Lien Water Refunding Obligations	Existing Potable System	\$ 275,489	\$ 276,064	\$ 274,061	\$ 169,843	\$ 40,694	\$ -
Total Operating Fund Debt Service Payments		\$2,955,102	\$ 2,805,283	\$1,164,621	\$1,060,059	\$ 554,381	\$ 513,438
GPF Debt Service Payments		Annual \$	Annual \$	Annual \$	Annual \$	Annual \$	Annual \$
Series 2021 Sr. Lien Water Refunding Obligations	Existing Potable System	\$ 472,174	\$ 473,158	\$ 469,726	\$ 291,102	\$ 69,748	\$ -
Series 2025 Sr. Lien Water Revenue Obligations	NWRRDS Private Placement Partnered Projects	\$ 68,767	\$ 280,768	\$ 299,282	\$ 299,104	\$ 298,920	\$ 298,730
2025 WIFA Loan-Sr. Lien-Operating	NWRRDS Independent Projects	\$ -	\$ 312,426	\$ 312,426	\$ 312,426	\$ 312,426	\$ 312,426
Total GPF Fund Debt Service Payments		\$ 540,941	\$ 1,066,352	\$1,081,434	\$ 902,632	\$ 681,094	\$ 611,156
WRSDIF Debt Service Payments		Annual \$	Annual \$	Annual \$	Annual \$	Annual \$	Annual \$
Series 2021 Sr. Lien Water Refunding Obligations	Existing Potable System	\$ 56,237	\$ 56,354	\$ 55,945	\$ 34,671	\$ 8,307	\$ -
Series 2025 Sr. Lien Water Revenue Obligations	NWRRDS Private Placement Partnered Projects	\$ 103,150	\$ 421,152	\$ 448,923	\$ 448,655	\$ 448,381	\$ 448,095
2025 WIFA Loan-Sr. Lien-Operating	NWRRDS Independent Projects	\$ -	\$ 468,639	\$ 468,639	\$ 468,639	\$ 468,639	\$ 468,639
Total WRSDIF Debt Service Payments		\$ 159,387	\$ 946,145	\$ 973,507	\$ 951,965	\$ 925,327	\$ 916,734
TOTAL		\$3,655,430	\$ 4,817,780	\$3,219,562	\$2,914,656	\$2,160,802	\$2,041,328

Water Rates

The functions and duties of the Water Utility Commission include annually reviewing and developing recommendations for water revenue requirements, water rates and fee structures. The commission evaluates staff recommendations based on an annual water rates analysis to ensure the recommendations meet Town policies and bond covenants. The Utility bases its financial analysis on the American Water Works Association Cash Needs Approach.

FY 2025/26 Water Rate Recommendation and Approval by Council: The water rate study for FY 2025/26 resulted in a recommendation to increase the base rates and commodity rates for potable water customers. There was no recommended change to the potable GPF. These changes resulted in a monthly potable water increase of \$1.81 per month (or 3.6%) for a customer with a 5/8-inch meter using 7,000 gallons per month. Customers with a 5/8-inch meter using 7,000 gallons per month represent 84% of the total customer base.

There were no proposed changes to the reclaimed base or commodity rates and fees. The proposed changes were presented to the Town Council in June 2025 and unanimously approved. The new water rates became effective in July of 2025.

All current water rates, fees and charges, including impact fees, are available to view on the Town website at:

[https://www.orovalleyaz.gov/government/departments/water-utility.](https://www.orovalleyaz.gov/government/departments/water-utility)

FY2026/27 Water Rates Recommendation and Pending Approval by Council: The Utility continues to be fiscally sound. The water rate study for FY 2026/27 resulted in a staff and Commission recommendation to increase the base rates for potable water customers. There will be no change to the potable water commodity rates or the potable GPF. These proposed changes would result in a potable water monthly increase of \$1.86 per month (or 3.6%) for a customer with a 5/8-inch meter using 7,000 gallons per month. Customers with a 5/8-inch meter using 7,000 gallons per month. Customers with a 5/8-inch meter represent 84% of the total customer base.

There are no proposed changes to the reclaimed base or commodity rates or fees. The proposed changes will be presented to the Town Council on June 3, 2026, and, if adopted, the new potable water base and commodity rates would become effective in July of 2026.



TOWN OF ORO VALLEY WATER UTILITY

2026 ANNUAL REPORT

APPENDIX A

STATIC GROUNDWATER LEVELS

STATIC GROUNDWATER LEVELS

The Water Utility annually reports the static groundwater levels in all of the Utility’s production wells to the ADWR. Static water levels are measured in the following way. First, the pump is shut off for a minimum of 24 hours to allow the aquifer level to stabilize. Then, an electronic probe that is inserted into the well casing provides the operator with an audio tone once it is in contact with the groundwater. This reading is compared to the reading of the previous year. If the measurement is less than the year before, it indicates that the aquifer is recovering in that area. If the measurement is more than the year before, it indicates that the aquifer is being depleted in that area. The Utility’s long-range goal is to have all wells show no change or indicate aquifer recovery.

The following table lists all production wells, the amount of groundwater pumped and the change in depth to groundwater between January of 2024 and 2025 for both the Countryside and Oro Valley Main Water Service areas. To provide context the amount of groundwater pumped and the change in depth to groundwater is also shown for years 2020, 2021, 2022, 2023, 2024 and 2025.

Drawdowns not highlighted indicate an aquifer drawdown while drawdowns highlighted in green indicate aquifer recovery.

Oro Vally Water Service Area														
Annual Acre-Feet Pumped and Annual Static Water Level (SWL) Change														
Well ID	2020		2021		2022		2023		2024		2025		2020-2024	
	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	5-YEAR AVERAGE	
C-4	100	-1.09	108	-1.27	98	-1.71	77	4.82	44	3.08	85	-7.42	-0.50	
C-5	167	-2.00	274	-2.22	241	-0.81	606	-7.43	280	3.75	106	3.9	-0.56	
C-6	246	-2.00	264	-0.15	251	-0.77	165	-3.81	433	-1.75	376	2.36	-0.82	
C-8	243	-9.09	365	-4.40	365	-1.13	231	2.35	277	-4.40	326	-2.22	-1.96	
C-9	238	-1.00	240	-0.50	276	0.02	353	-5.85	275	1.67	331	-1.14	-1.16	
D-1	195	-2.59	208	0.58	153	-0.08	122	-3.08	172	-0.09	185	-2.9	-1.11	
D-6	215	-2.50	181	-0.96	157	1.51	127	-1.30	94	1.92	177	-5.17	-0.80	
D-7	288	-6.84	308	-2.08	259	-4.24	257	7.74	143	-4.25	336	-3.57	-1.28	
D-8	60	3.66	189	-7.66	201	-2.87	145	4.48	88	-2.86	193	-6.09	-3.00	
D-9	318	-0.42	244	2.83	116	-3.73	256	-1.60	273	-0.58	136	2.63	-0.09	
E-1B	457	-5.08	48	2.53	467	-1.47	462	-7.74	468	1.27	347	3.61	-0.36	
E-2	399	0.24	391	-1.98	366	-1.16	54	5.82	163	-6.09	343	0.18	-0.65	
E-5B	303	2.34	307	-6.54	315	-2.00	345	1.71	314	-2.42	336	-1.39	-2.13	
E-6B	602	-4.00	560	-0.62	386	0.89	488	0.07	569	-0.17	546	-0.17	0.00	
E-7B	356	-6.83	377	-0.75	314	3.02	366	-0.93	322	4.33	286	-6.29	-0.12	
F-1	487	-4.17	479	-0.77	420	-3.07	468	0.46	471	2.00	359	-4.84	-1.24	
Average		-2.59		-1.50		-1.10		-0.27		-0.29		-1.78	-0.99	
Total	4,674		4,544		4,384		4,522		4,383		4,469			

Countryside Water Service Area														
Annual Acre-Feet Pumped and Annual Static Water Level (SWL) Change														
Well ID	2020		2021		2022		2023		2024		2025		2020-2024	
	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	Pumpage (Acre-Feet)	SWL Change (Feet)	5-YEAR AVERAGE	
CS-1	204	-0.58	187	0.38	290	-3.77	183	-1.69	233	1.63	85	1.46	-0.40	
CS-2	298	-5.03	266	4.12	152	-6.36	220	-0.47	223	2.92	72	2.23	0.49	
Average		-2.81		2.25		-5.07		-1.08		2.28		1.85	0.05	
Total	502		453		442		403		456		158			



TOWN OF ORO VALLEY WATER UTILITY

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APPENDIX B PROPOSED FIVE-YEAR CAPITAL IMPROVEMENT PROJECT

B-1 Existing System Capital Projects funded by the **Operating Fund**

B-2 NWRDSD Projects funded by the **Groundwater Preservation Fee**

B-2 NWRDSD Projects funded by the **Water Resource and System
Development Impact Fee Fund**

B-3 Miscellaneous Growth-Related Projects funded by the **Water Resources
and System Development Impact Fee Fund**

5-Year Oro Valley Water Utility Existing System Capital Projects							
Colors:		Study/Design/Permit	Construct	Purchases			
Operating Fund Projects							
Project No.	Project Name	2026-27	2027-28	2028-29	2029-30	2030-31	Totals Years 1-5
Wells							
1	Well Rehabilitaion	250,000	250,000	250,000	250,000	250,000	1,250,000
2	HP Tank Replacement						-
	Subtotal	250,000	250,000	250,000	250,000	250,000	1,250,000
Reservoirs							
3	Reservoir Relining	400,000	400,000	400,000	400,000	400,000	2,000,000
	Subtotal	400,000	400,000	400,000	400,000	400,000	2,000,000
Booster Stations							
4	Booster Rehab	250,000	250,000	250,000	250,000	250,000	1,250,000
5	HP Tank Replacement						-
	Subtotal	250,000	250,000	250,000	250,000	250,000	1,250,000
Mains							
	Subtotal	-	-	-	-	-	-
Buildings & Improvement							
	Subtotal	-	-	-	-	-	-
Total Capital Projects		900,000	900,000	900,000	900,000	900,000	4,500,000
Meters & Equipment							
6	Water Meters - New Connections (Based on 2,000 meters per year)	700,000	700,000	700,000	700,000	700,000	3,500,000
7	Control Systems	500,000	500,000	500,000	500,000	500,000	2,500,000
	Subtotal	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	6,000,000
Vehicles							
8	Replacement Vehicles - Meter Operations			70,000			70,000
9	Replacement Vehicles - Distribution Operations		70,000				70,000
10	Replacement Vehicles - Production Vehicles		70,000				70,000
11	New Vehicle - Water Control System Operations			70,000			70,000
12	Replacement Vehicles - Const Inspectors						-
13	Replacement Vehicles - Water Quality				70,000	70,000	140,000
14	ADC Truck / Trailer / Tools						-
	Subtotal	-	140,000	140,000	70,000	70,000	420,000
Total for all projects		2,100,000	2,240,000	2,240,000	2,170,000	2,170,000	10,920,000

5-Year Oro Valley Water Utility Projects funded by Groundwater Preservation Fees (GPF) NWRRRDS Projects - Existing Customer Related Projects - 40% of Total Costs								
Colors:		Study/Design/Permit	Construct	Purchases				
NWRRRDS Existing customer portion of projects paid for by Groundwater Preservation Fees								
Project No.	Project Name	Percent of Total	2026-27	2027-28	2028-29	2029-30	2030-31	Totals Years 1-5
NWRRRDS Partnered Projects								
1	NWRRRDS (Partnered) Well Equipping TRICO power to sites and associated tasks	40%	400,000		-	-		400,000
2	NWRRRDS (Partnered) Pipeline construction (Recovered Water & Transmission)	40%	-		-	-		-
	Subtotal		400,000	-	-	-	-	400,000
NWRRRDS Independent Projects								
3	NWRRRDS (Independent) Booster Station at Partnered Reservoir	40%	-		-	-		-
4	NWRRRDS (Independent) Pipeline from Partnered Reservoir to Shannon Rd. Reservoir	40%	400,000		-	-		400,000
	Subtotal		400,000	-	-	-	-	400,000
Existing System Improvements for blending & distribution of NWRRRDS water								
		40%			-	-		-
		40%			-	-		-
	Subtotal				-	-	-	-
	Total for all projects		800,000	-	-	-	-	800,000

5-Year Oro Valley Water Utility Projects funded by Water Resources and System Development Impact Fee Fund (WRSDIF Impact Fees) NWRRRDS Projects - Growth Related Projects - 60% of Total Costs								
Colors:		Study/Design/Permit	Construct	Purchases				
NWRRRDS Growth related projects paid for by WRSDIF								
Project No.	Project Name	Percent of Total	2026-27	2027-28	2028-29	2029-30	2030-31	Totals Years 1-5
NWRRRDS Partnered Projects								
1	NWRRRDS (Partnered) Well Equipping TRICO power to sites and associated tasks	60%	600,000					600,000
2	NWRRRDS (Partnered) Pipeline construction (Recovered Water & Transmission)	60%	-					-
	Subtotal		600,000	-	-	-	-	600,000
NWRRRDS Independent Projects								
3	NWRRRDS (Independent) Booster Station at Partnered Reservoir	60%	-		-	-		-
4	NWRRRDS (Independent) Pipeline from Partnered Reservoir to Shannon Rd. Reservoir	60%	600,000		-	-		600,000
	Subtotal		600,000	-	-	-	-	600,000
Existing System Improvements for blending & distribution of NWRRRDS water								
		60%			-	-		-
		60%			-	-		-
	Subtotal				-	-	-	-
	Total for all projects		1,200,000	-	-	-	-	1,200,000

5-Year Oro Valley Water Utility Projects funded by Water Resources and System Development Impact Fee Fund (WRSDIF Impact Fees) Miscellaneous Growth Related Projects								
Colors:		Study/Design/Permit	Construct	Purchases				
Miscellaneous Growth related projects paid for by WRSDIF								
Project No.	Project Name	Percent Growth	2026-27	2027-28	2028-29	2029-30	2030-31	Totals Years 1-5
Wells								
1	Steam Pump D-Zone Well (Design/Permit/Drill/Equip)	100%			750,000			750,000
2	La Posada Well (Design/Permit/Drill/Equip)	100%				750,000		750,000
	Subtotal		-	-	750,000	750,000	-	1,500,000
Reservoirs								
	Subtotal		-	-	-	-	-	-
Booster Stations								
	Subtotal		-	-	-	-	-	-
Mains								
	Subtotal		-	-	-	-	-	-
	Total for all projects		-	-	750,000	750,000	-	1,500,000

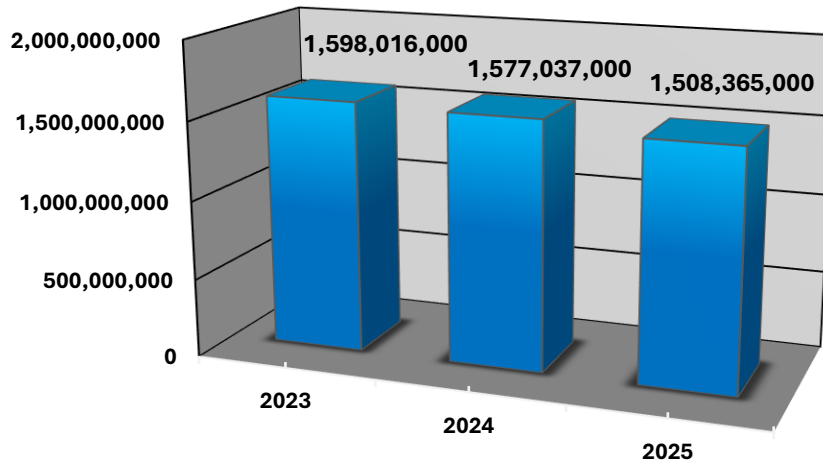


TOWN OF ORO VALLEY WATER UTILITY

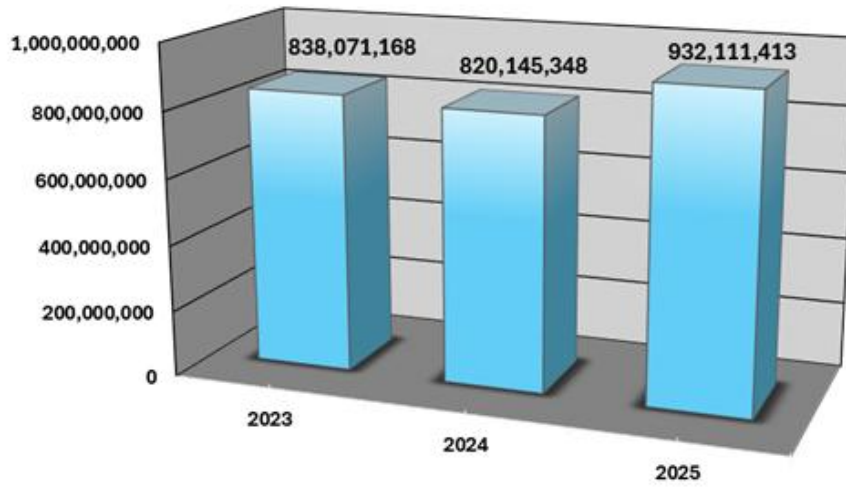
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APPENDIX C UTILITY STATISTICS

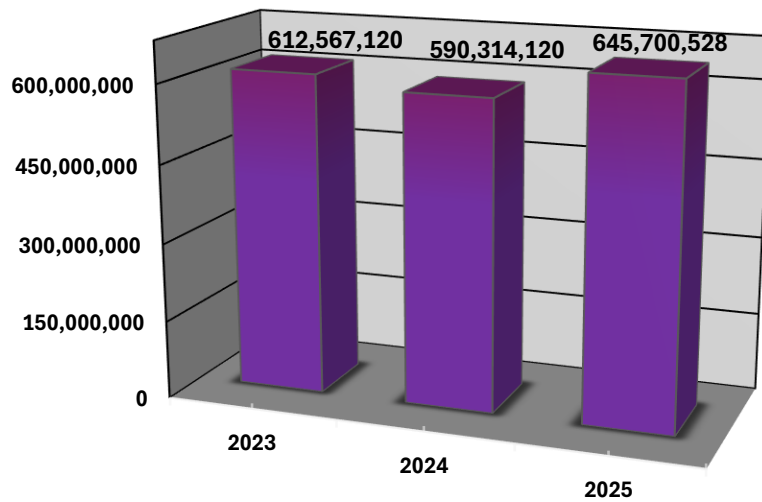
Groundwater Deliveries in Gallons

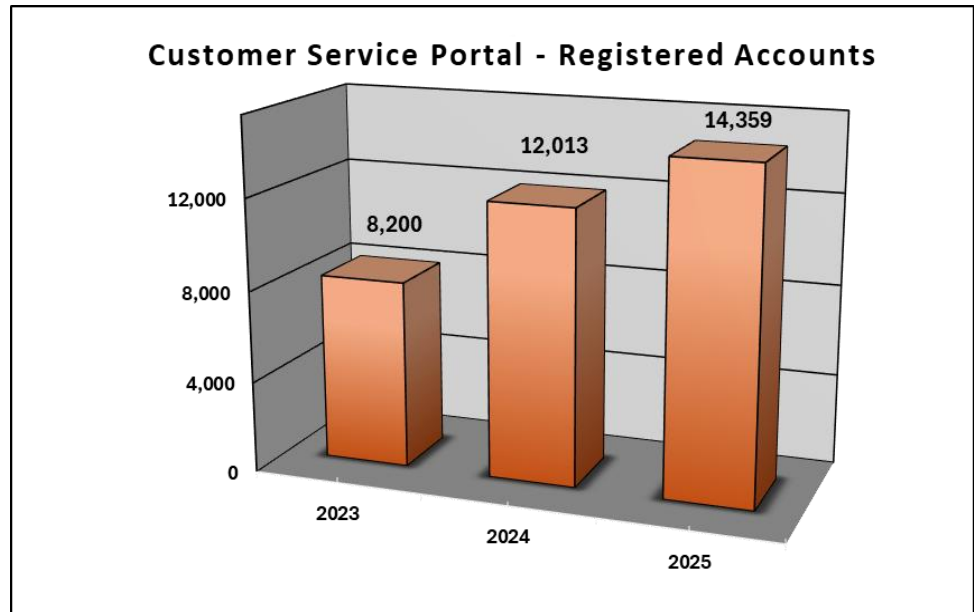
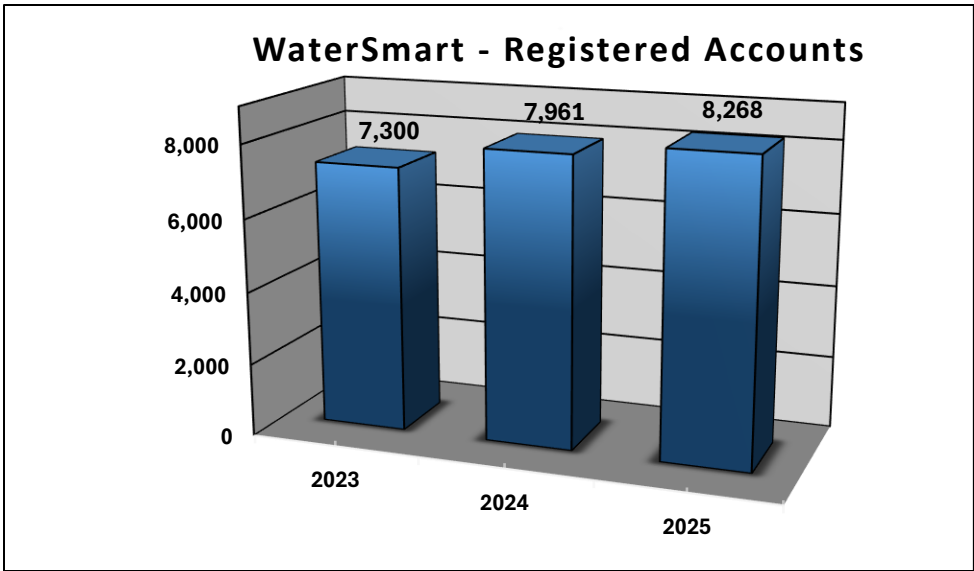
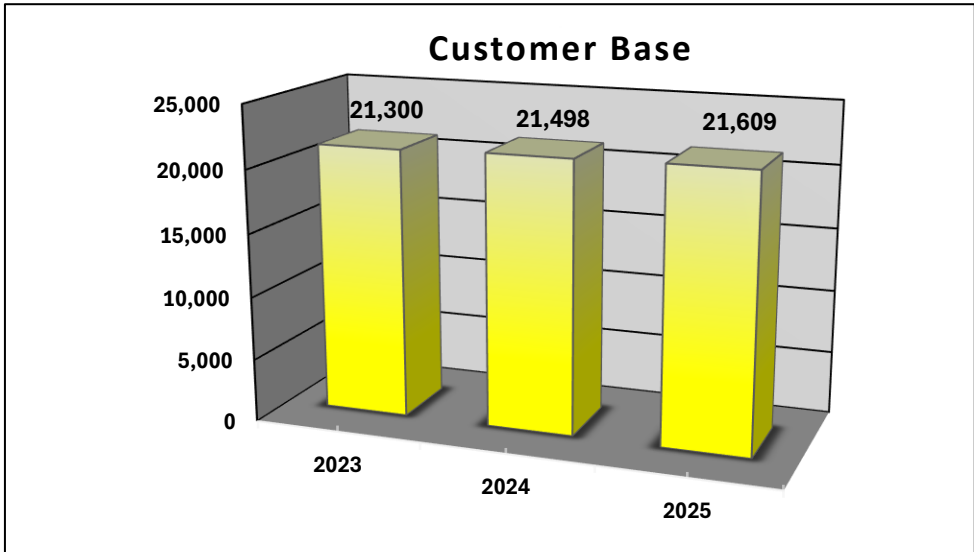


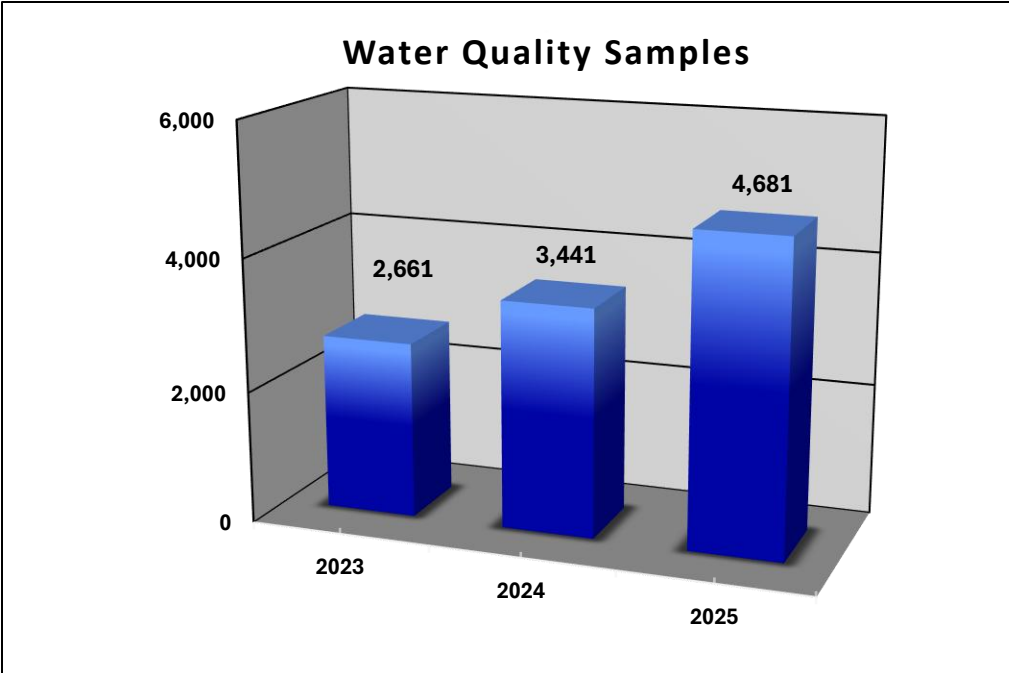
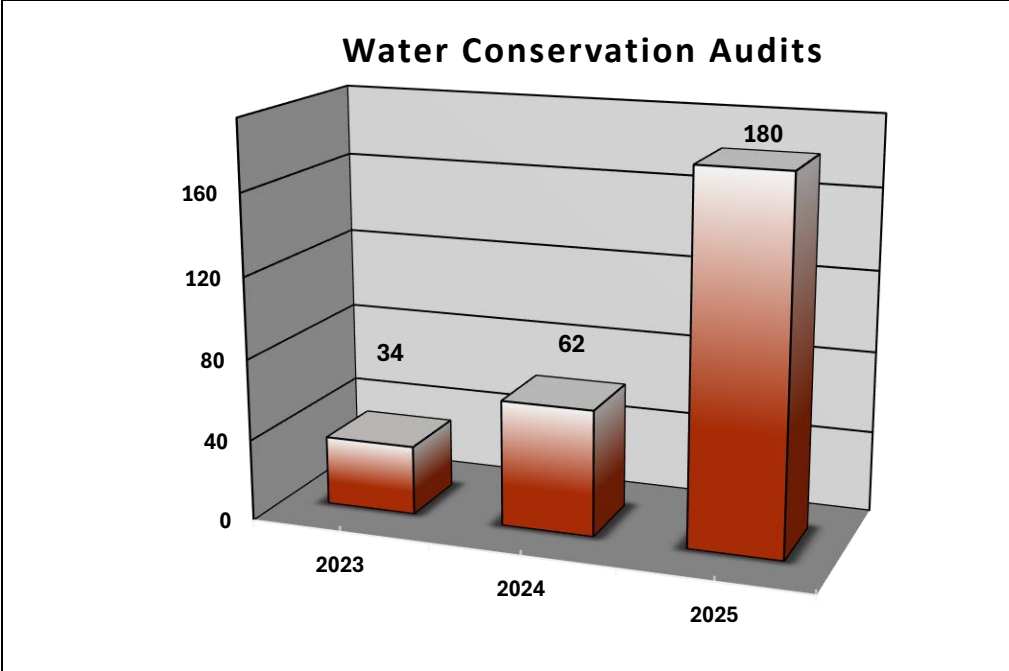
CAP water Deliveries in Gallons



Reclaimed water Deliveries in Gallons









TOWN OF ORO VALLEY
WATER UTILITY
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APPENDIX D
ASSET INVENTORY

Water Utility Capital Assets at 6/30/25

Potable Assets		Value
CAP Water Rights (allotment in acre feet)	10,305	\$ 8,534,490
Land	-	\$ 2,189,864
Wells (active & inactive)	35	\$ 12,449,263
Booster Stations (active & inactive)	26	\$ 6,079,898
Reservoir Capacity (million gallons)	11	\$ 14,022,224
Fire Hydrants	2,534	\$ 3,972,279
Meters	21,609	\$ 9,179,780
Services (Less Meters and Fire Hydrants)	11,413	\$ 6,550,877
Equipment	-	\$ 3,496,691
Structures	-	\$ 1,998,819
Vehicles	38	\$ 2,418,555
Telemetry	-	\$ 451,416
Buildings & Improvement	-	\$ 776,978
Water Mains (miles)	376	\$ 73,655,408
Construction in Progress	-	\$ 36,222,643
Subtotal Value of Potable Assets		\$ 181,999,184
Accumulated Depreciation		\$ (64,613,392)
Net Value of Potable Assets		\$117,385,792
Reclaimed Assets		
Land	-	\$ 220,796
Telemetry	-	\$ 29,654
Booster Stations	2	\$ 7,478,811
Reservoir Capacity (million gallons)	1.5	\$ 2,494,603
Water mains (miles)	14	\$ 14,762,599
Subtotal Value of Reclaimed Assets		\$ 24,986,463
Accumulated Depreciation		\$ (9,250,781)
Net Value of Reclaimed Assets		\$ 15,735,682
Total Value of Water Assets Net of		\$133,121,474



TOWN OF ORO VALLEY
WATER UTILITY
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APPENDIX E
ACRONYMS AND GLOSSARY

GLOSSARY

Acre Foot – The volume of water necessary to cover an area of one acre to the depth of one foot, 43,560 cubic feet. One acre foot is equal to 325,851 US gallons.

Arizona Water/Wastewater Agency Response Network – AzWARN is a statewide mutual assistance program between water and wastewater utilities. This volunteer-based network allows utilities to help one another in times of emergency. The foundation of the network is a signed mutual aid agreement between all participating utilities.

Aquifer – An underground layer of water-bearing permeable rock or unconsolidated materials (gravel, sand, or silt) from which groundwater can be extracted using a water well.

Bluestake – When a utility company comes to the job site and locates and spray paints the ground to show where service is located underground.

Central Arizona Groundwater Replenishment District (CAGRD) – It was created in 1993 to replenish (or recharge) the amount of groundwater pumped or delivered to its members which exceeds their pumping limitations using any water source available except groundwater.

Central Avra Valley Storage and Recovery Project – An approved Underground Storage Facility operated by Tucson Water located in the Tucson Active Management Area located approximately one mile west of Sandario Road and just south of Mile Wide Road, in the Avra Valley, Pima County, Arizona.

Colorado River Basin – The drainage basin of the Colorado River is located in the southwestern United States and northwest Mexico. The 1,450 mile river drains an expansive, arid watershed that encompasses parts of six U.S. (Wyoming, Colorado, Utah, New Mexico, Arizona and California) and two Mexican states (Sonora and Baja). Rising in the central Rocky Mountains in the U.S., the river flows generally southwest across the Colorado Plateau and through the Grand Canyon before reaching Lake Mead on the Arizona–Nevada line, where it turns south toward the international border at Yuma, Arizona. After entering Mexico, the Colorado approaches the large Colorado River Delta where it naturally empties into the Gulf of California.

Effluent – Generally refers to wastewater that is treated and discharged to a natural water course. Oro Valley Water Utility's effluent is treated at facilities owned and operated by Pima County. This treated wastewater effluent is the source of Oro Valley's reclaimed water.

Five Year Capital Improvement Plan – A long-term plan for development of water related projects to develop and deliver water supply to our community. It includes existing system improvements and expansion related projects to meet future demands.

GLOSSARY

Groundwater – The water located in an aquifer beneath earth's surface in soil pore spaces and in the fractures of rock formations. The depth at which soil pore spaces or fractures and voids in rock become completely saturated with water is called the water table.

Groundwater Extinguishment Credits- Credits that are generated when a groundwater right is extinguished or retired and never used again. The credits are issued as a certificate from the Arizona Department of Water Resources. Ownership of the credits can be transferred from the owner to another entity within the same Active Management Area.

Kai Farms – An approved Groundwater Savings Facility located at a farm near Redrock, Arizona that uses CAP water for irrigation.

Lake Powell – A water storage reservoir on the Colorado River near Page, Arizona with a capacity of 24.3-million-acre feet. Glen Canyon Dam forms the lake and provides hydro-electric power.

Lake Mead – The largest water storage reservoir in the United States with a capacity of 25.9 million acre - feet. It is located on the Colorado River about 24 miles southeast of Las Vegas, Nevada. Hoover Dam forms the lake and provides hydro-electric power.

Long-Term Groundwater Storage Credit – A credit for storing CAP water or wastewater effluent that is accrued when this water is delivered to and recharged into an approved underground water storage facility. Once the water is recharged and stored and a deduction is taken for losses to the aquifer, it becomes a credit that can be used in the future either by direct delivery or used as credits to replace groundwater pumped from recovery wells.

Lower Santa Cruz Replenishment Project – An approved Underground Storage Facility operated by the Central Arizona Project located in the Tucson Active Management Area near Marana, Arizona.

Northwest Recharge Recovery and Delivery System – Partnership project between The Town of Oro Valley, Metro Water and Town of Marana to plan, design, construct and operate a recovery and delivery system to facilitate the delivery of recovered CAP water from the Lower Santa Cruz Recharge Project and the Avra Valley Recharge Project to each partner's respective service area.

Pima Mine Road Recharge Project – An approved Underground Storage Facility operated by the Central Arizona Project located in the Tucson Active Management Area near Sahuarita, Arizona.

GLOSSARY

Recharge – The replenishment of an aquifer's groundwater. An aquifer recharges water that percolates into the ground. Recharge takes advantage of water supplies available now and stores them for future use. Recharge also allows the slow introduction of new water supplies into our drinking water system by blending the new source with existing groundwater.

Tucson Active Management Area – One of five Active Management Areas in Arizona established under the 1980 Groundwater Code to manage groundwater usage through the Assured Water Supply Program.

Turbidity – Turbidity is the cloudiness or haziness of a fluid caused by large numbers of individual particles that are generally invisible to the naked eye similar to smoke in air.

Zones – A “zone”, or “pressure zone” is defined as the area bounded by both a lower and upper elevation. Water service areas with elevation changes establish pressure zones to ensure that all customers’ water pressure is within a prescribed pressure range regardless of the customers’ service elevation.

GLOSSARY

ADC	Arizona Department of Corrections
ADEQ	Arizona Department of Environmental Quality
ADWR	Arizona Department of Water Resources
AF	Acre Feet = 325,851 gallons
AMI	Advanced Metering Infrastructure
AWBA	Arizona Water Banking Authority
AZWARN	Arizona Water and Wastewater Agency Response Network
CAGRD	Central Arizona Groundwater Replenishment District
CAP	Central Arizona Project
CAVSRP	Central Avra Valley Storage and Recovery Project
CIP	Capital Improvement Projects
CSWSA	Countryside Water Service Area
CY	Calendar Year
DAWS	Designation of Assured Water Supply
EPA	Environmental Protection Agency
ERP	Emergency Response Plan
FY	Fiscal Year
GIS	Geographic Information System
GPF	Groundwater Preservation Fee
IDM	Interval Data Management
IGA	Intergovernmental Agreement
LTSC	Long-Term Storage Credits
MGD	Million Gallons per Day
NWRRDS	Northwest Recharge and Recovery Delivery System
OVWSA	Oro Valley Water Service Area
PDEQ	Pima County Department of Environmental Quality
SAMS	Smart Asset Management System

GLOSSARY

SCADA	Supervisory Control and Data Acquisition
TAMA	Tucson Active Management Area
WIFA	Water Infrastructure Financing Authority
WRSDIF	Water Resource and System Development Impact Fee Fund