



ARIZONA CORPORATION COMMISSION

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Corporation Commission Approves Historic CAP/ Liberty Utilities Water Reclamation Project *Nominated for "Water Deal of the Year" award*

PHOENIX, AZ—The Arizona Corporation Commission has given its approval to a plan that clears the way for Liberty Utilities and Central Arizona Project (CAP), which manages the Central Arizona Groundwater Replenishment District (CAGR), to develop the first-ever public-private reclaimed water recharge facility. This historic partnership is expected to recharge at least 78 billion gallons of water into the West Valley aquifer, and will enable the reuse of at least 2,400 and up to 5,000 acre-feet per year of high-quality A+ treated municipal effluent through groundwater recharge.

“This historic public-private partnership in recharge is truly a creative and positive step toward continuing to provide Arizonans assurance that there will be water supplies for them in the future!” said **Corporation Commission Chairman Susan Bitter Smith**.

Notably, this program has already gained international attention and has been selected as a finalist for “Water Deal of the Year” by Global Water Intelligence for “the project which has made the biggest contribution to the advancement of private sector participation in the international water sector.” The Global Water Awards are presented annually at the Global Water Summit to acknowledge the most important achievements in the water industry worldwide.

According to **CAP Board President Lisa Atkins**, “The CAP/Liberty Utilities partnership establishes a ‘Gold Standard’ for fulfilling CAGR’s replenishment obligations. The reclaimed water recharge project reflects responsible water management, puts to beneficial use a potentially under-utilized water resource, replenishes in the location of pumping and helps rectify the groundwater declines that have historically occurred in this area. It is a truly historic, long-term public-private partnership the likes of which have never been seen before in Arizona.”

“We are excited to partner with CAP and to have the support of the Corporation Commission, City of Litchfield Park and City of Goodyear as we embark on this project,” explained **Greg Sorensen, Liberty Utilities President**. “Liberty’s core mission is providing safe, adequate, and reliable service to our customers – this project goes a long way toward ensuring that Litchfield Park and Goodyear will have resilient groundwater resources well into the future and provides great benefit to our customers and the State.”

The CAGR is statutorily obligated to replenish excess groundwater withdrawn by its members in the Phoenix, Pinal, and Tucson Active Management Areas (AMAs). This new recharge facility will replenish the aquifer, reducing the environmental impacts of pumping and helping CAGR meet its replenishment obligations with a 100-year, renewable water supply. CAGR is helping to fund the

project in exchange for this water supply.

The Effluent Recharge Project will be owned and operated by Liberty Utilities, which owns water and wastewater companies throughout Arizona, including in Litchfield Park and Goodyear – whose residents will be the direct beneficiaries of the recharge project. Liberty will treat effluent from its Palm Valley Water Reclamation Facility (PVWRF) in Goodyear, Arizona and recharge the water at a site in the City of Goodyear. Both communities draw from the same aquifer, and are served by Liberty Utilities' water and wastewater companies, the Litchfield Park Water and Sewer Companies.

The joint Project will strengthen the water supply in the West Valley, benefiting Liberty's customers and the general public – importantly, the recharge project will also help to reduce the ground subsidence that has challenged the area surrounding Luke Air Force Base for decades. The Project will provide a long-term renewable supply of water through the provision of excess effluent from PVWRF, and will also benefit Liberty Utilities' customers by eliminating the need for funding a long-term method for disposal of excess effluent from PVWRF.

The Commission's approval provides certainty to CAGR and Liberty Utilities by approving a contract under which Liberty Utilities will recharge excess effluent and CAGR will purchase the storage credits generated by that recharge. The Commission's approval grants Liberty Utilities the right and authority to commit its Effluent Entitlement to CAGR for 100 years, including approval of the agreed-upon rates and rate-adjustment mechanisms for delivery and disposal of effluent to the Effluent Recharge Project.

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