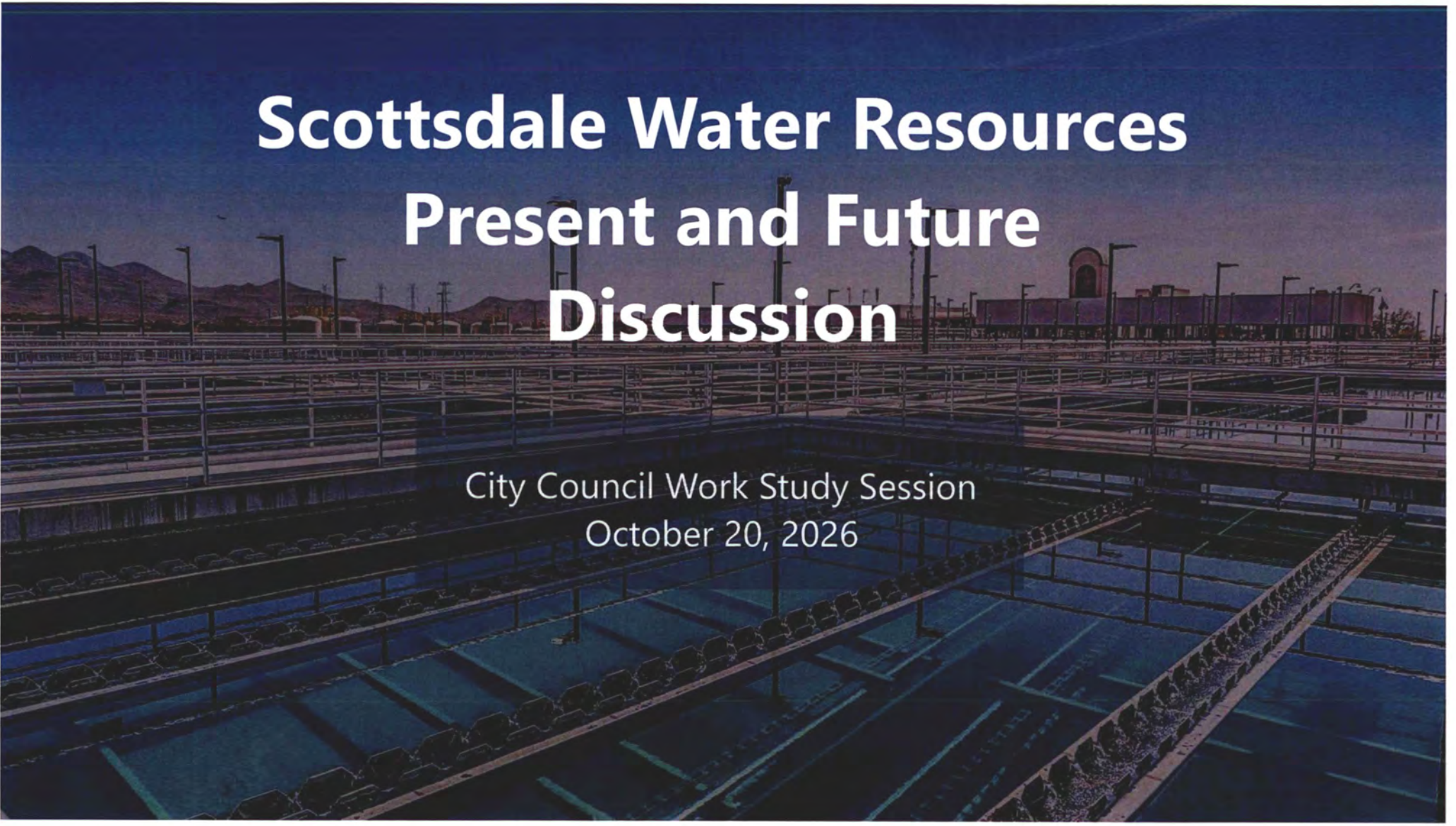




Scottsdale Water Resources Present and Future Discussion

City Council Work Study Session
October 20, 2026

Presentation Overview

01 Source & Supply Update

02 Strategic Plan Update

03 Conservation Program

04 Harquahala & Bartlett Dam
Expansion Update

05 Water Source &
Supply Solutions

Scottsdale's Five-Spoke Approach



Source and Supply Update

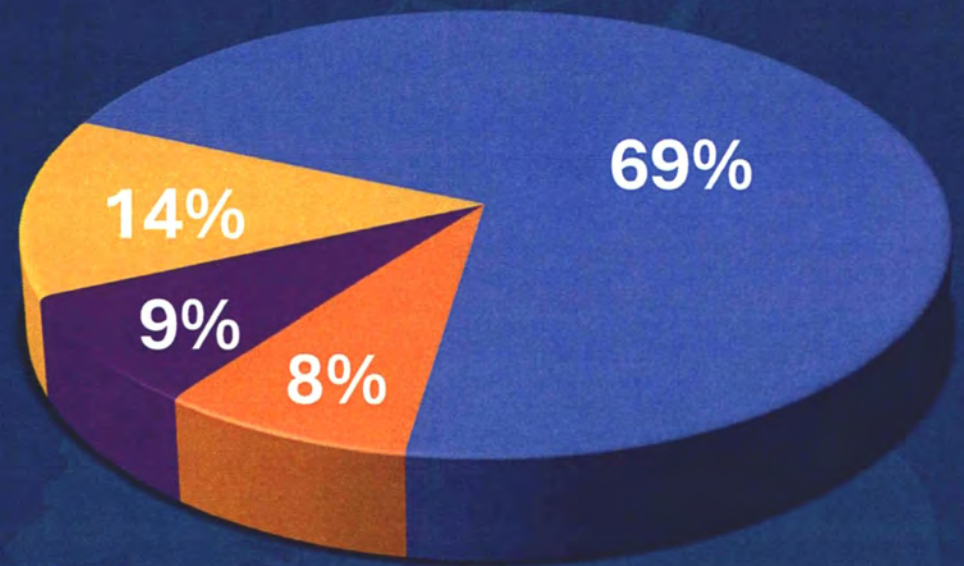
Scottsdale's Water Portfolio

- Current Designation of Assured Water Supply:
141,341.74 acre-feet (AF) through the Arizona Department of Water Resources
- Decision and Order Number 86-400619.0001
- The Modified Designation is in the final stages of revisions



2025 Water Deliveries

- CAP (Colorado River Water) – 62,500 AF
- SRP (Salt River Project Water) – 12,700 AF
- Reclaimed – 8,200 AF
- Groundwater – 7,400 AF

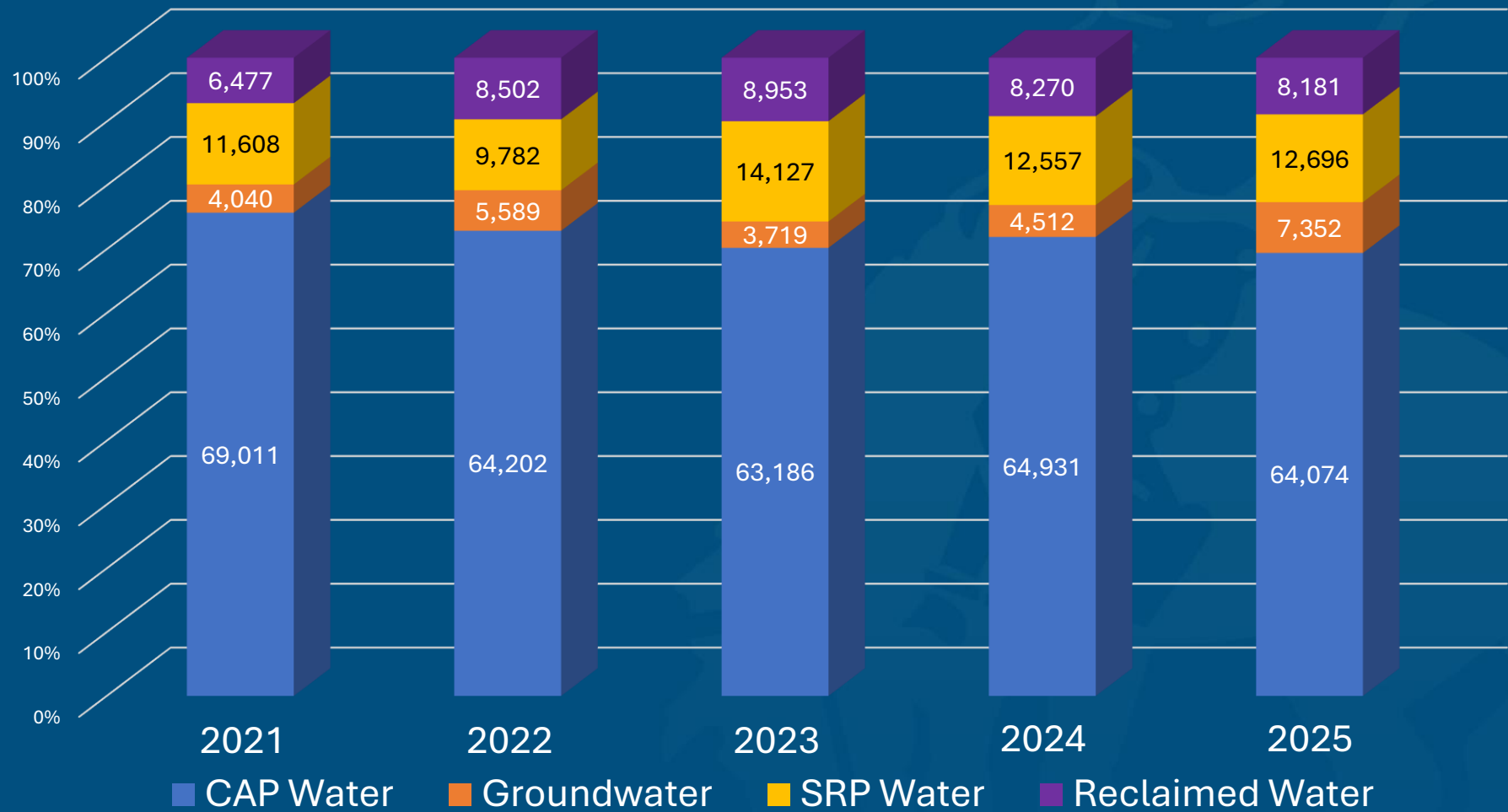


Total potable delivered: 82,600 AF

Total Water Delivered (including reclaimed): 90,800 AF

2021-2025 Water Deliveries

Water Deliveries By Supply Type (AF)



Colorado River through Central Arizona Project Canal

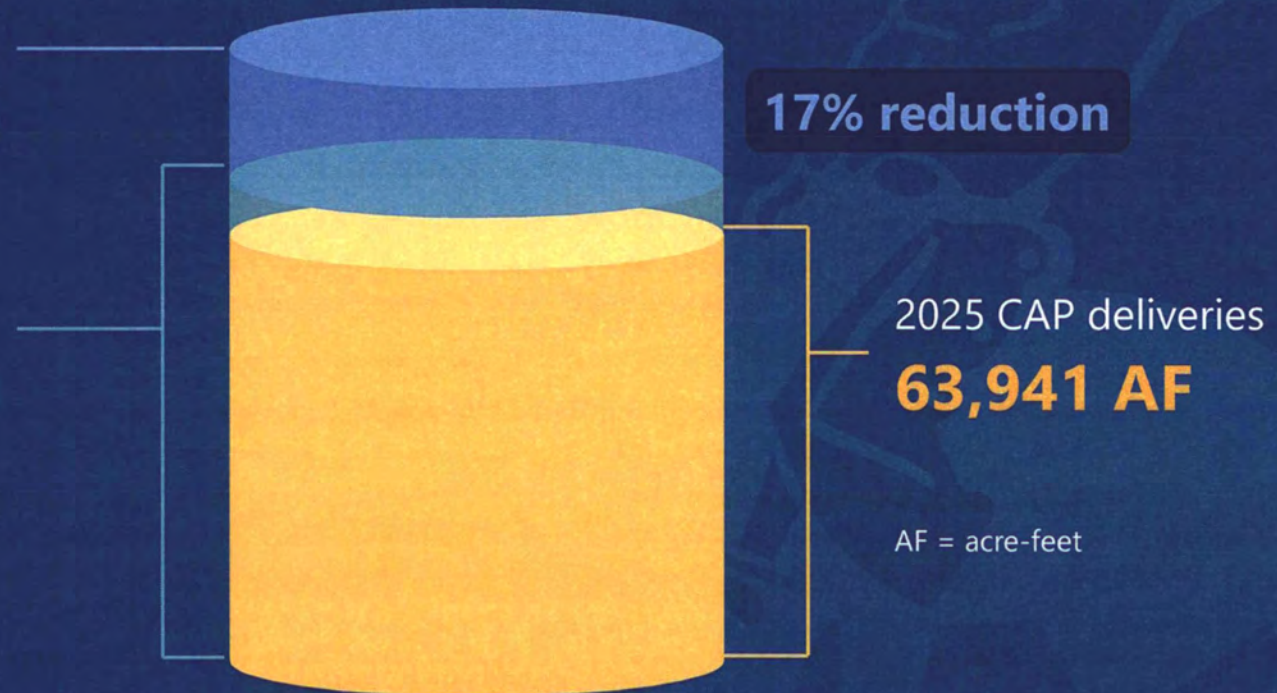
- Scottsdale has rights to **81,271 AF**
- Water rights are governed by a stacked priority system.
- Shortage/Drought reductions occur first to those with junior priority and Lake Mead water elevation.
- Arizona is most junior amongst states; CAP is junior within AZ.



2027 Potential CAP Cuts

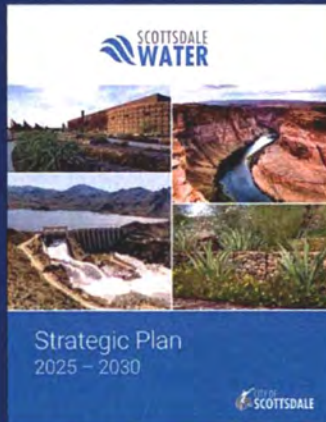
Scottsdale
CAP Allocation
81,271 AF

2027 Potential
CAP Supply
67,455 AF



Strategic Plan Update

Strategic Plan Frames Water Resources Stewardship



Strategic Initiatives

1 Implement Advanced Purified Recycled Water (direct potable reuse) on a system wide basis by 2027.

As Scottsdale's Colorado River water allotment faces significant reductions when the Colorado River's drought response principles change in 2027, the need to implement Advanced Purified Recycled Water is critical to maintaining Scottsdale's drinking water supply for our residents and customers. Scottsdale Water's legacy of being an innovator in water recycling places the city in a unique position to leverage our existing Advanced Water Treatment facility at the Scottsdale Water Campus and become the first city in Arizona to implement direct potable reuse on a system-wide basis.

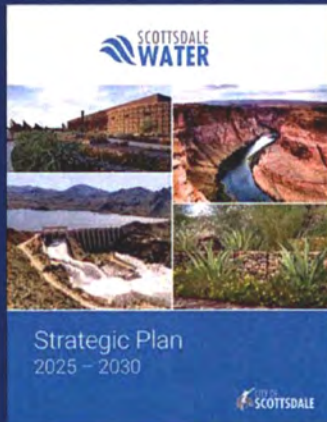
2 Increase system-wide well recovery capabilities by 5 million gallons per day by 2029.

As drought continues to be a concern and the risk of significant cuts in CAP water becomes a reality, the City needs to be able to access the hundreds of thousands of acre-feet of stored water in our aquifers. Scottsdale Water will continue to work for long term aquifer stability but needs the ability to access groundwater in larger volumes to supplement short term reductions in surface water.

3 Fully Implement system-wide Automated Meter Infrastructure (AMI) Technology by 2030.

Scottsdale Water fully implemented Automated Meter Reading (AMR) technology and created a real-time customer interface per Strategic Plan 2019 - 2024. However, 45% of our customers lack access to same day information on water use available with Automated Meter Infrastructure (AMI) technology. This initiative calls for installation systemwide AMI technology by 2030 to ensure customers have sufficient information to proactively monitor and reduce water usage.

Strategic Plan Frames Water Resources Stewardship



4 Pursue additional future water resources and wastewater volume that can be reclaimed and reused.

As other water sources are being developed in Arizona as a result of dwindling Colorado River supplies, Scottsdale needs to pursue these sources to ensure a long-term and sustainable water supply. These sources include, but are not limited to, SRP's new Bartlett Dam discussion and the City of Phoenix regional APRW facility. Scottsdale Water needs to be actively involved in these discussions and will propose to the City Council investments in these resources when possible and prudent for the City's long-term prosperity.



5 Expand capacity to move water north from SRP service area by 8 million gallons per day by 2030.

Scottsdale currently has water available in the SRP service area that can be used "off project" or outside this area. The City needs more ability to move this water north to fully utilize it. With eight million gallons a day of additional capacity, Scottsdale Water can move up to 20,000 acre-feet of water per year from the SRP service area north into areas traditional using CAP water.

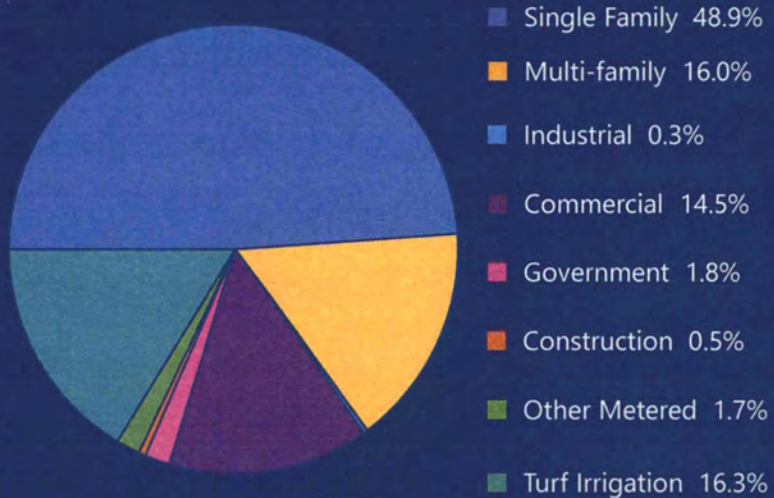


Water Conservation Program

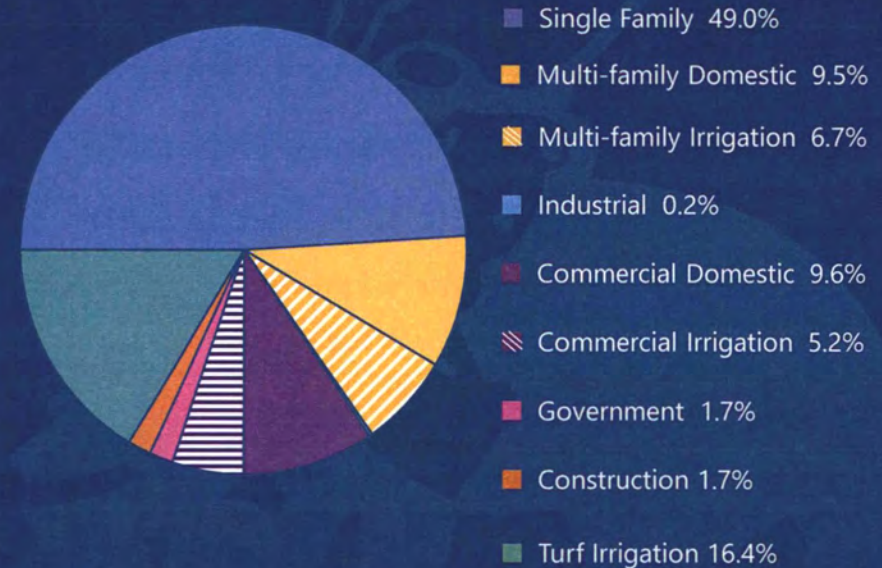


Scottsdale's Demand Classification Profile

2019 Demand Classification Profile



2025 Demand Classification Profile



WaterSmart Portal & Leak Detection

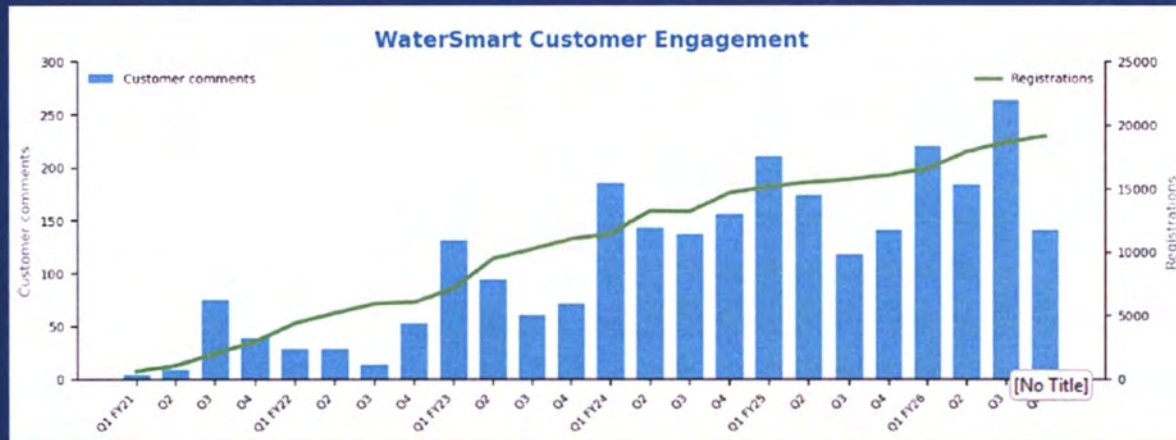
CUSTOMER ADOPTION

65% to 75%

Customers with hourly data access 2025 to 2026

14,900 to 20,000

Portal registrations
34% increase, 2025 to 2026



Free hourly-use data, personalized views, text/email alerts, and water-saving resources.

LEAK DETECTION

35M gallons

Estimated leak loss prevented in 2025

6,271 leak alerts

Issued to Scottsdale customers



Staff follow up on abnormal use when available, with guidance and repair resources.

Waterfluence

Site-specific water budgets help large commercial and HOA landscapes manage water use

Up to
1,000 sites
Potential funding coverage

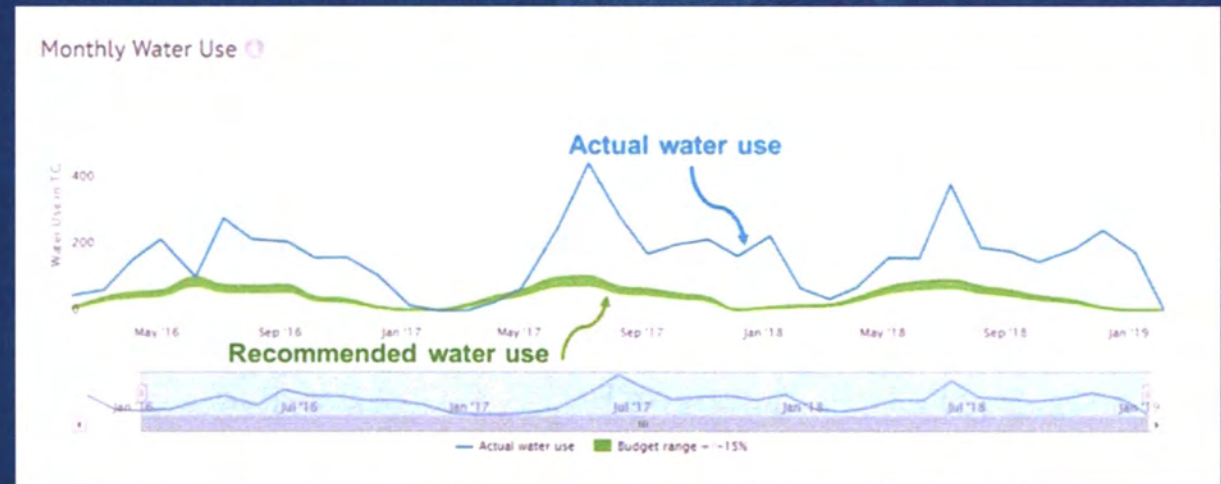
Under Exploration

Scottsdale is exploring an intergovernmental agreement with SRP



Actual vs. Recommended Water Use

Budgets reflect each site's landscape size and plant types.



Source: Waterwise Gilbert Webpage

Residential Outdoor Efficiency & Leak Assistance

Outdoor Water Efficiency Checks

- Outdoor use can account for **nearly 70%** of residential consumption
- Appointments routinely book **months in advance**



Fiscal Year	Checks Conducted	Total Savings (Gallons)
FY24	417	9,473,406
FY25	393	8,928,174
FY26	437	9,927,766

On-Site Continuous Flow Check Pilot

11 to 76 checks FY25 to FY26 **1.20 million gallons saved in FY26**

Fiscal Year	Checks Conducted	One-Month Average Savings (Gallons per Check)	Total Savings (Gallons)
FY25	11	12,614	138,754
FY26	76	15,733	1,195,708



Savings methodology: 12-month pre/post data where available. Estimates use the mean for customers with data, excluding outliers. Current-year estimates use the prior-year mean × checks completed.

FY26 Rebate Program

346

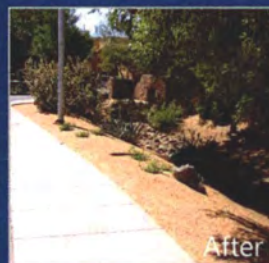
Total Approved Rebates

\$628,233

FY26 Total Rebated

Program	Approvals	Rebated	Estimated Annual Savings (Gallons)
Grass Removal	155	\$295,308	6,792,084
Irrigation Controllers	161	\$31,754	1,112,188
Smart Home Water Monitoring Devices	25	\$2,499	1,440,500
Water Management & Efficiency Technology	5 commercial	\$47,614	Site-specific savings tracked separately

Grass Removal



Monitoring & Irrigation Technology



HOA & Commercial Water Efficiency Assistance

HOA Assistance

FY26

104

Consultations /
assessments

228 hrs.

In-person
meetings

- Landscape assessments
- Leak identification
- Meter support
- Efficiency-technology guidance



Commercial Audits

45

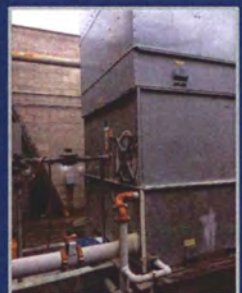
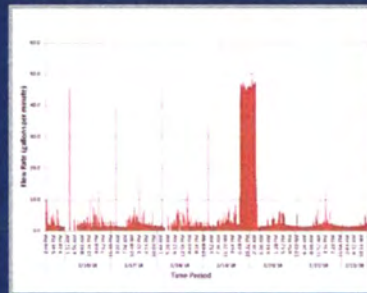
Audits, FY23–FY26

43.5M gal.

Total audit savings

FY26: 2 audits and 703,259 gallons saved

- Customers: hospitals, resorts, grocery stores and others
- Common outcome: large leak repair



How Scottsdale Plans for Drought

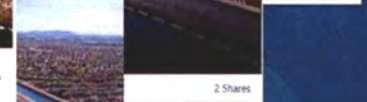
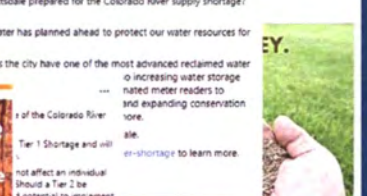
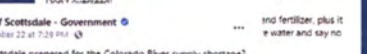
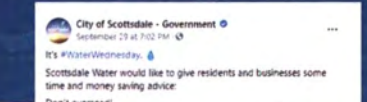
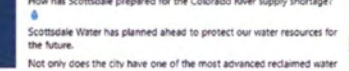
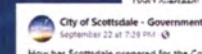
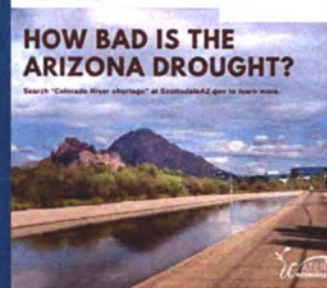
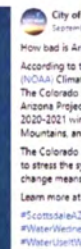
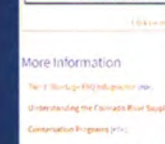
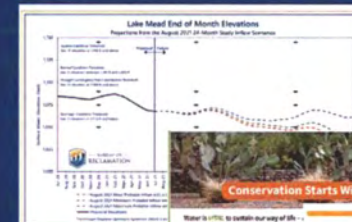
Drought Management Plan

Early Stages: Conservation

- Education
- Voluntary conservation
- Efficiency improvements

Later Stages: Demand Management

- Outdoor watering limits
- Restrictions on certain uses



Drought Management Team

- Drought Management Team (DMT)
Deployed when Stage 1 declared Aug 17, 2021
 - Stage 1 went into effect Jan 2022
- Evaluate the current water supply status, water demands, water supply projections and other shortage-related scenarios
- Report findings and recommendations to the City Council
- The DMT will be responsible for recommending the appropriate stage and response levels for the city

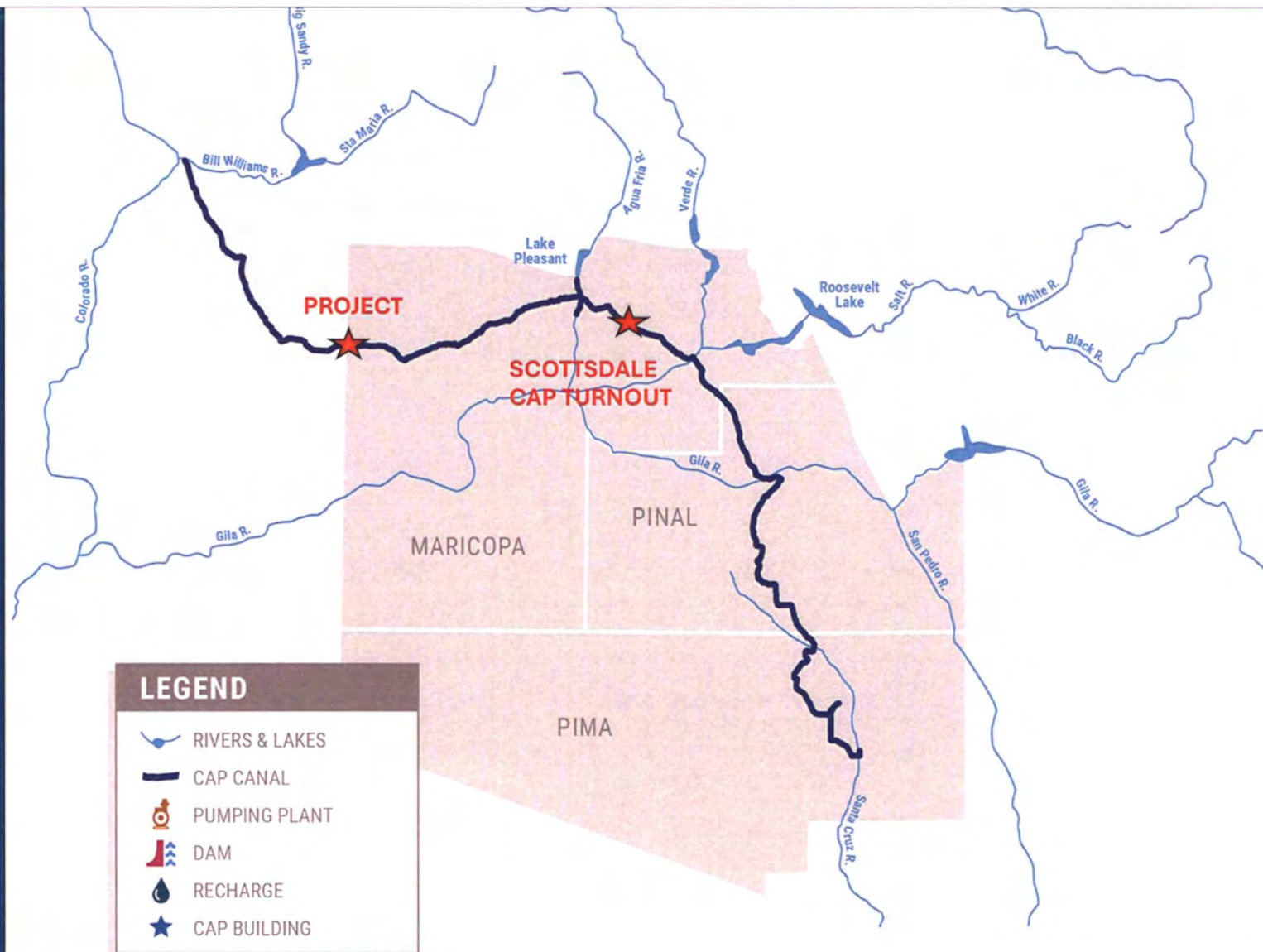
City Water Shortage Stages and Supply Reductions

Stage number	Stage	Supply reduction (MGD)	Supply reduction (AF)
Zero	Water Shortage Preparation	Zero to 1	Zero to 1,100
1	Minimum Water Shortage	1 to 6	1,100 to 6,700
2	Moderate Water Shortage	6 to 13	6,700 to 14,600
3	Severe Water Shortage	13 to 23	14,600 to 25,800
4	Critical Water Shortage	>24	>27,000

Source: Scottsdale's Drought Management Plan

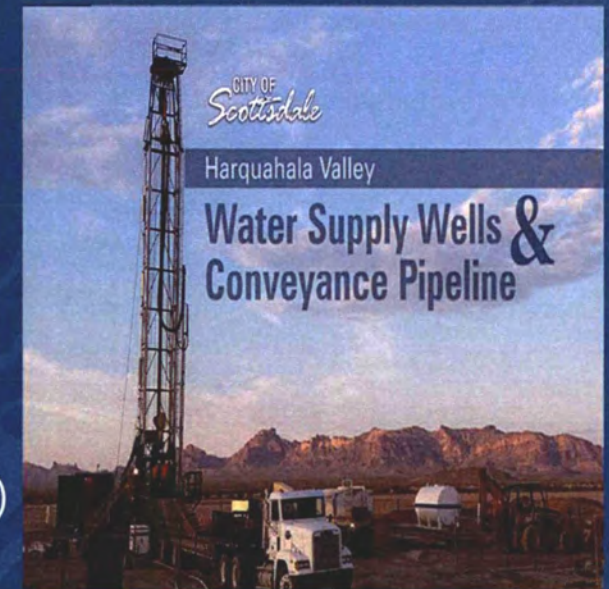
Harquahala & Bartlett Dam Expansion Update

Project Location – Harquahala Valley



Harquahala

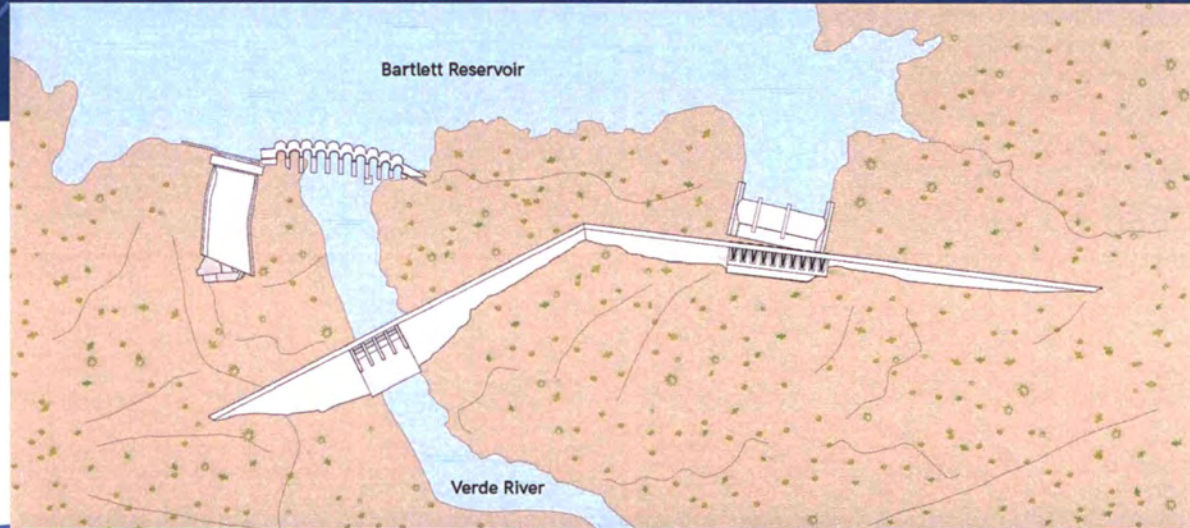
- Legally entitled to 3,837 AF per year
 - Ownership of 1,279 acres
 - 3 AF per year per acre
- Additional 15,000 AF of Long-Term Storage Credits (LTSC)
- Current estimate \$32M
 - Partnership with the Irrigation Water Distribution System (IWDS)
- Beginning NEPA process and progressing to 100% design
- Construction late Fall 2027
 - 18-24 month construction schedule



Project Location - Bartlett Dam



Source: SRP



Source: SRP

Bartlett Dam

- Bureau of Reclamation (BOR) potentially retains 50% of the expansion
- Current Dam expansion modeled storage capacity of 8,751 AF for Scottsdale
 - Estimated annual yield approximately 2,500 AF
- Current projected cost \$4.4B in 2026 dollars
- Scottsdale cost proportional to allocation based on the remaining partners
 - Estimated Capital Cost per AF \$11,800
- NEPA in progress to determine final design option
- Estimated construction start 2035 with completion in 2045



Water Source and Supply Solutions

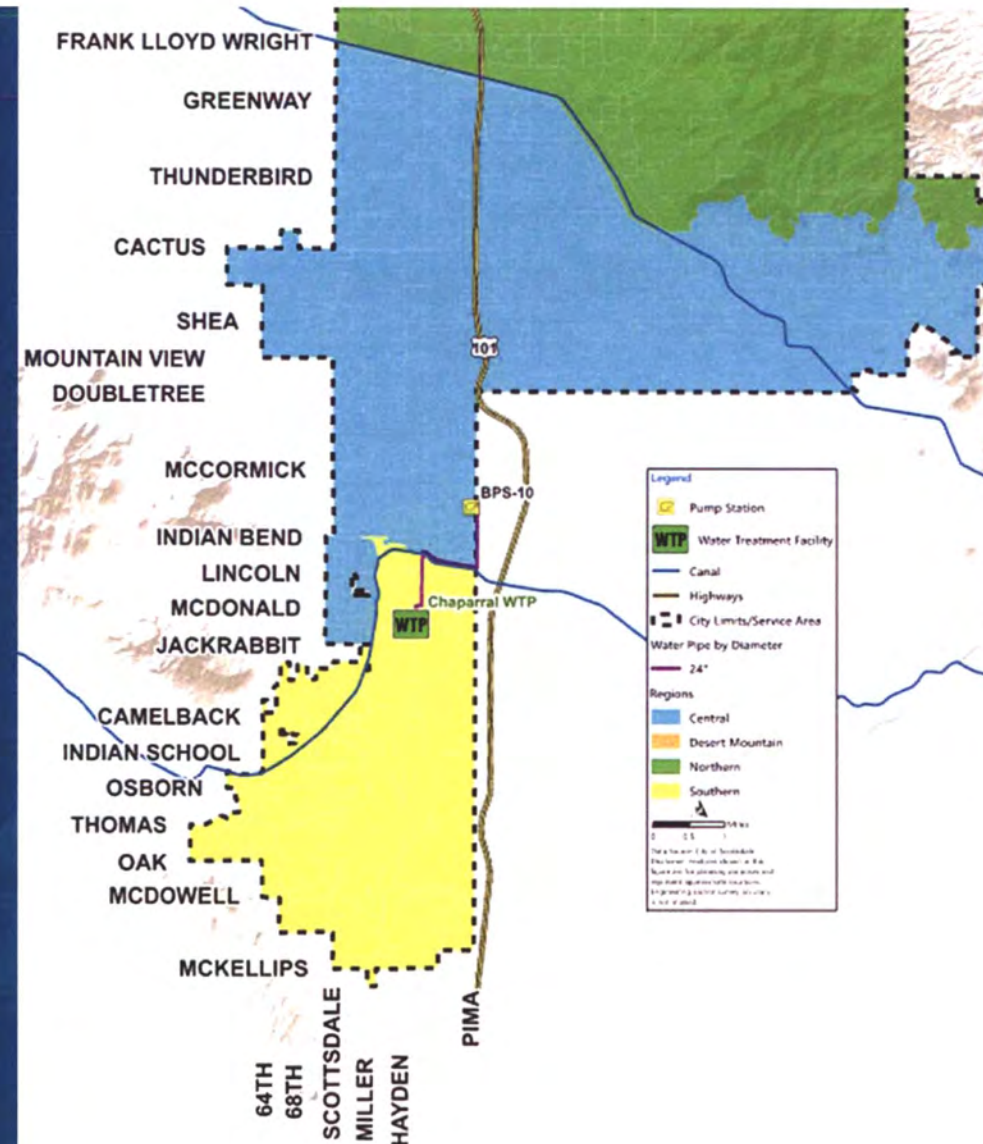


Several Potential Water Source and Supply Solutions Were Reviewed

- Utilization of **NCS Water** to meet summer demands
- An **additional pumpback**
- **AWT Treated Water Exchange** in CAP Canal
- **AWPF** at the Water Campus
 - Facilities with **2,600 AFY** and **1,800 AFY** yields were analyzed

Expansion of Booster Pump Station 10

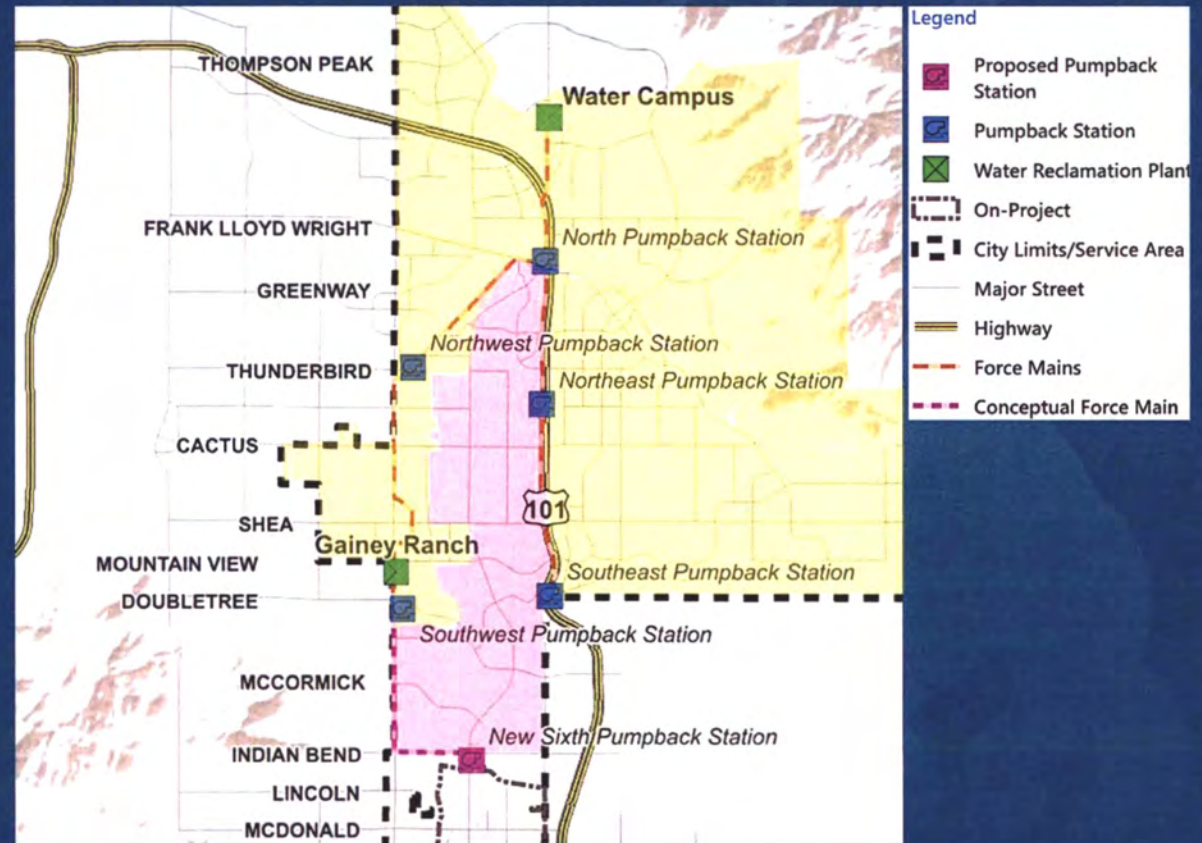
- Convey NCS water treated at Chaparral WTP from the south service area to the north through **Site 10**, using the existing distribution system
- Assume **8 mgd** available each month for **4 months** to meet peak summer demands
- Minor distribution system improvements would be required
- **Site 10** could also receive future water from Bartlett Dam



Sixth Pumpback Station

- New sewer pumpback station near Indian Bend Rd and Hayden Rd, with a force main to the Water Campus WRF
- The project would reclaim **4 mgd** of additional wastewater

Sixth pumpback station supports all water reclamation water supply options



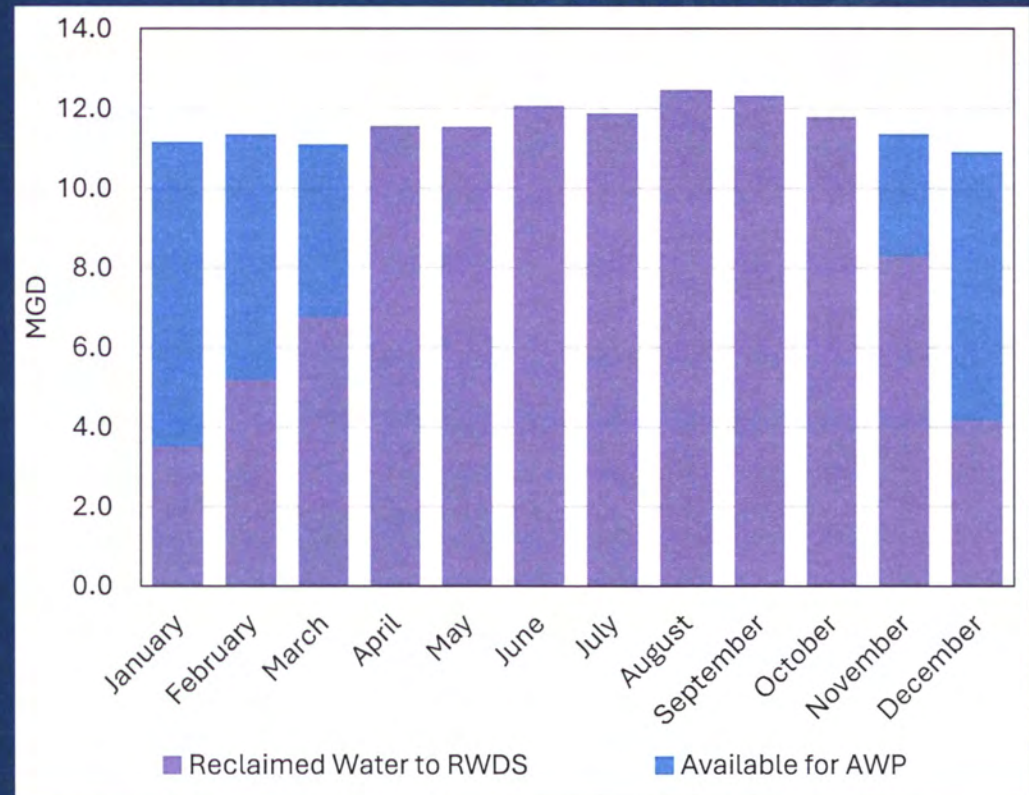
AWT Treated Water Exchange in CAP Canal



- New pipeline to convey AWT treated water to the CAP Canal in exchange for CAP water
- Annual project yield: **2,300 AFY**, based on available AWT treated water
- Active discussions with the Bureau of Reclamation

1,800 – 2,600 AFY Yield AWPf at Water Campus

- A new AWPf would use available Water Campus flow to supply potable water to the distribution system
- Flow analysis indicates operation for **5 months a year**



Scottsdale Golf Courses

A partnership that works



23 GOLF COURSES

In Scottsdale use recycled water from the Reclaimed Water Distribution System (RWDS).



SOME OF OUR MOST EFFICIENT USERS

Golf courses are among the most efficient water users in the city, using recycled water and state-of-the-art irrigation practices.



REAL IMPACT

DC Ranch Country Club recently removed 10 acres of turf to reduce water use – an example of the industry's ongoing commitment to conservation.



A MAJOR DRIVER OF OUR ECONOMY

Golf courses attract visitors, create jobs and support local businesses, making them a key part of Scottsdale's economic vitality.

CONSERVES DRINKING
WATER

HELPED MAKE RWDS
POSSIBLE

INVESTS IN OUR
INFRASTRUCTURE

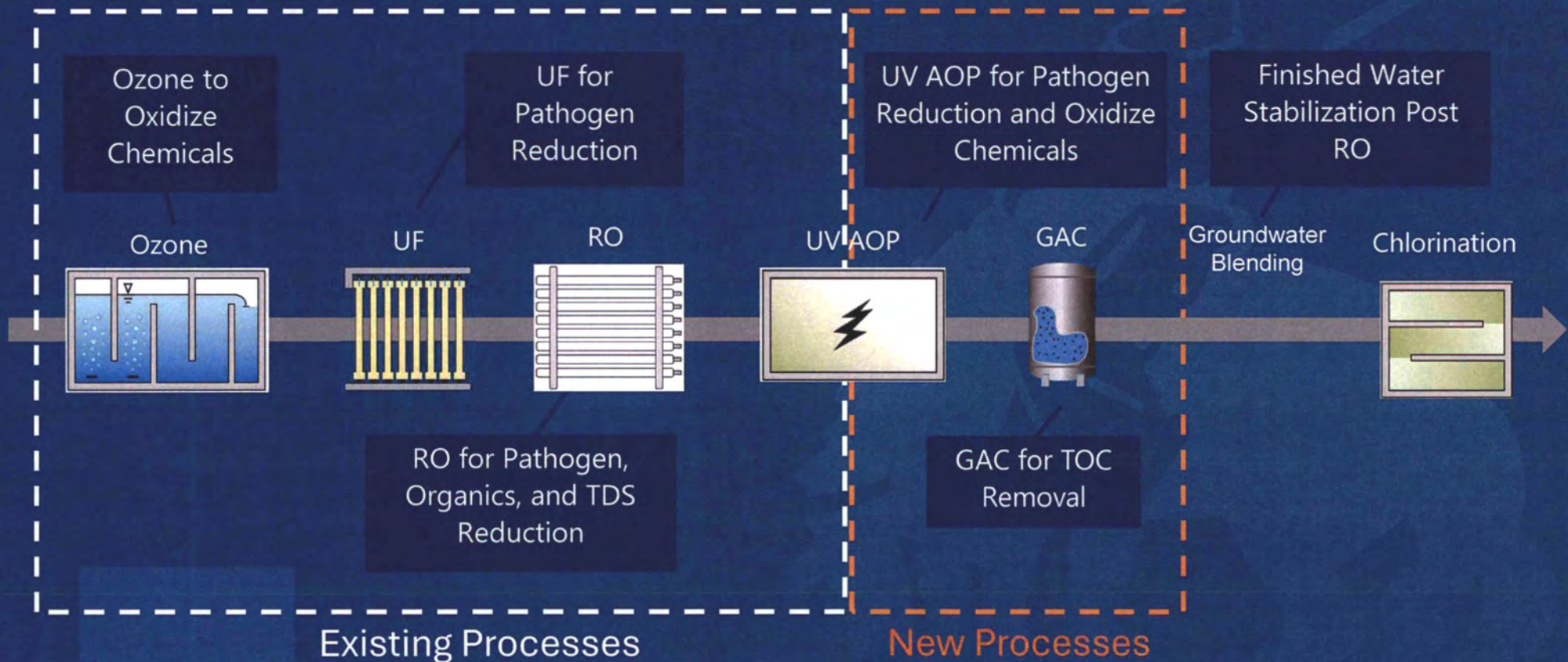
CONTINUE TO SUPPORT
THE SYSTEM



THE 23 SCOTTSDALE GOLF COURSES USING RWDS

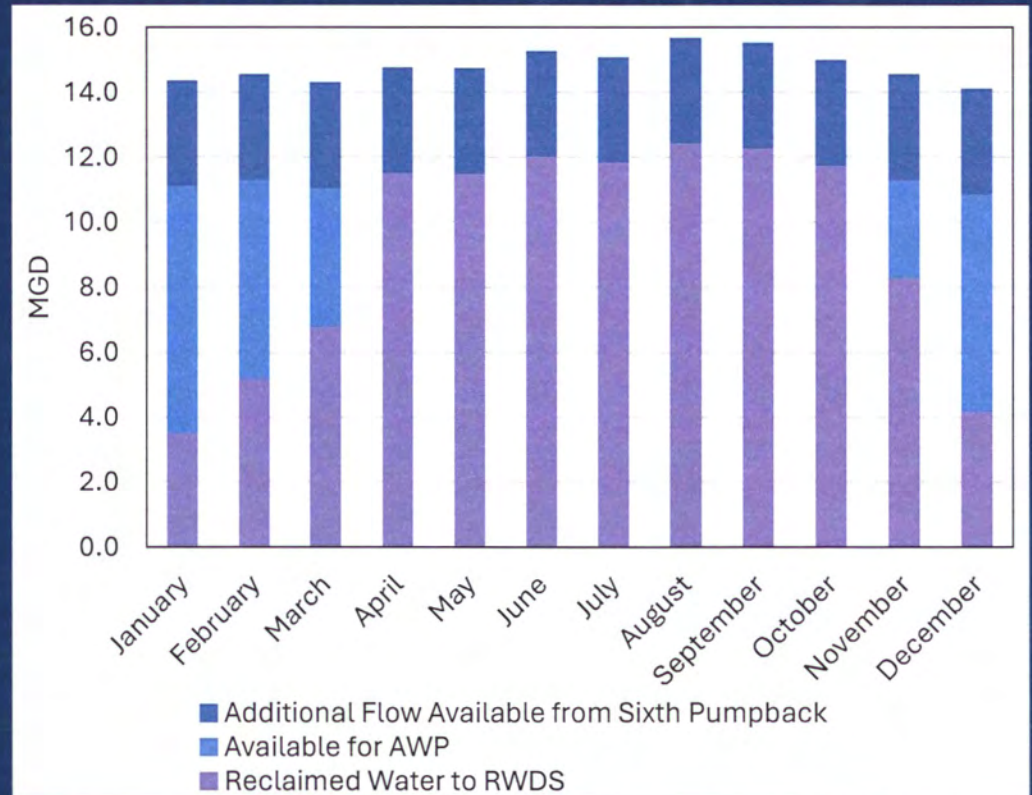
- The Boulders - North Course
- The Boulders - South Course
- Terravita Golf & Country Club
- Desert Highlands Golf Club
- Grayhawk - Raptor Course
- Grayhawk - Talon Course
- Troon Country Club
- Troon North - Monument Course
- Troon North - Pinnacle Course
- Estancia Club
- Whisper Rock - Upper Course
- Whisper Rock Lower Course
- DC Ranch Country Club
- Silverleaf Club
- Legend Trail Golf Club
- Desert Mountain - Cochise Course
- Desert Mountain - Geronimo Course
- Desert Mountain - Outlaw Course
- Desert Mountain - Renegade Course
- Desert Mountain - Chiricahua Course
- Desert Mountain - Apache Course
- Mirabel Club
- TPC Scottsdale - Stadium Course

AWP Builds on Scottsdale's Current Multi-Barrier Treatment



Sixth Pumpback & AWP

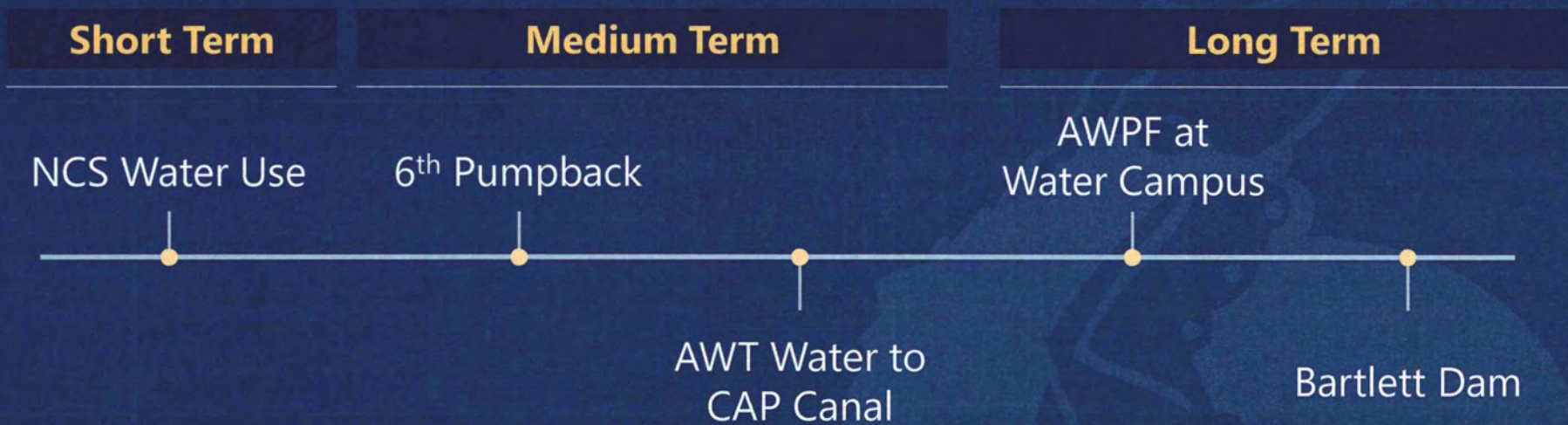
- Adding the sixth pumpback to an AWP at the Water Campus would increase AWP yield
- **10 mgd** facility: **6,000 AFY** yield
- **4 mgd** facility: **3,900 AFY** yield



Project Yields

Project Description	Infrastructure Capacity (mgd)	Annual Yield (AFY)
NCS Water Use	8	3,000
6th pumpback	8	3,600
AWT Water to CAP Canal	8	2,300
1,800 AFY Yield AWPf at Water Campus	4	1,800
2,600 AFY Yield AWPf at Water Campus	10	2,600
6th pumpback + 1,800 AFY Yield AWPf	4	3,900
6th pumpback + 2,600 AFY Yield AWPf	10	6,000

Water Source and Supply Solution Timeline



\$/AF Comparative Cost Approach

- Comparative costs to produce an AF of potable water for each project were developed
- For some options, this requires annual O&M costs for existing and upgraded facilities

Project Description	Total Capital Cost Escalated to Midpoint of Construction (\$ million)	Annual O&M (\$ million)	Total Present Worth (\$ million)
1,800 AFY Yield AWPf at Water Campus	\$133	\$6.3	\$232
2,600 AFY Yield AWPf at Water Campus	\$164	\$7.3	\$277

Conceptual Project Costs

Project Description	Total Capital Cost Escalated to Midpoint of Construction (\$ million)	\$/AF
NCS Water Use	\$6	\$600
6 th pumpback	\$81	\$2,200
AWT Water to CAP Canal	\$21	\$1,700
1,800 AFY Yield AWPf at Water Campus	\$133	\$8,400
2,600 AFY Yield AWPf at Water Campus	\$164	\$6,900
6 th pumpback + 1,800 AFY Yield AWPf	\$231	\$5,900
6 th pumpback + 2,600 AFY Yield AWPf	\$261	\$4,600

Next Steps

Conservation, Resiliency, and Operational Flexibility

- Confirm Scottsdale's interest in the Secure Water Arizona Program (SWAP) and participate in the first SWAP Meet in January 2027 as a regional partner.
- Evaluate additional conservation rebate programs through public outreach workshops as part of the 2027 Drought Management Plan outreach effort.
- Finish the new 2027 Drought Management Plan and return the updated plan to the council for approval in spring 2027.
- Build upon the Salt River Project (SRP) and Scottsdale partnership with Waterfluence, the Bartlett Dam Study, and the SRP-Central Arizona Project (CAP) Interconnection Facility.
- Continue working with the Arizona Department of Environmental Quality (ADEQ) on Advanced Water Purification Facility (AWPF) rules to align with achievable results and city operations.
- Carry on working with the Bureau of Reclamation (BOR) and Central Arizona Project (CAP) on wheeling water on the CAP canal water highway.
- Advance pursuing and retaining water sources and supplies in our Capital Improvement Plan by expanding Site 10, adding the Sixth Pumpback, and upgrading the AWT UV/AOP.



Questions

Lane, Benjamin

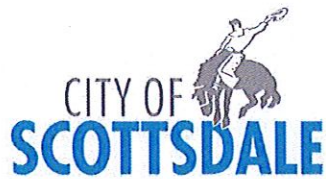
From: Whitehead, Solange
Sent: Tuesday, October 20, 2026 9:19 AM
To: Lane, Benjamin
Subject: Slide for tonight
Attachments: WaterMemo-ADWR2021-2025.pdf; GRAPH-ADWR2021-2025.pdf

Can you make the attached "Graph" available to put on the screen tonight. And put the memo as an attachment to our work study presentation - basically make it available to the public and council.



Solange Whitehead
Councilwoman
swhitehead@ScottsdaleAZ.gov
Office: 480.312.2550

City of Scottsdale
3939 N. Drinkwater Blvd.
Scottsdale, AZ 85251



City Manager's Office

Memorandum

To: Honorable Mayor Borowsky and Members of City Council

From: Greg Caton, City Manager
Thyra Ryden-Diaz, Interim Senior Director Scottsdale Water

Date: September 18, 2026

Subject: Update to Scottsdale's Conservation Efforts

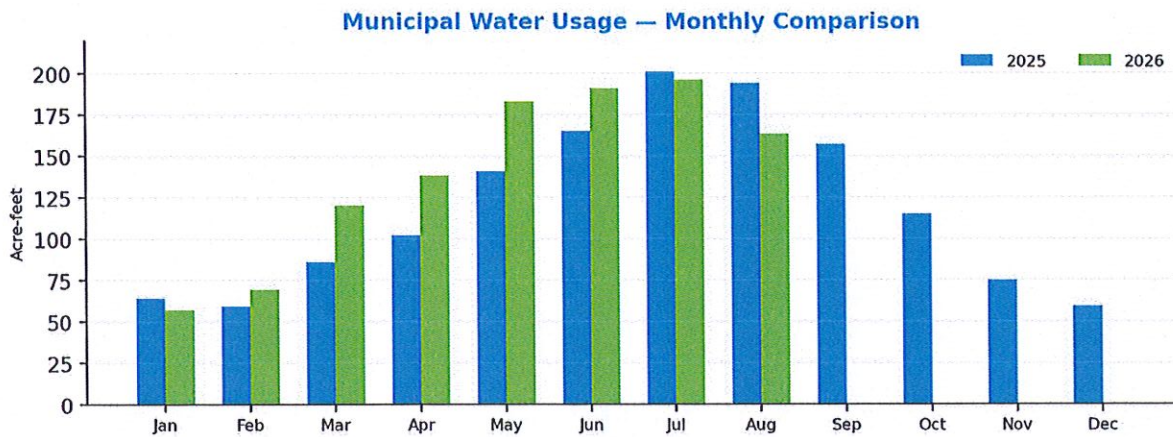
This memo provides a follow-up update to the City Council's previous briefing on Scottsdale Water's conservation efforts. The information below adds recent water-use, distribution and treatment-cost data elements which provide additional context for how water is used across the municipal system and how conservation-related savings are estimated. The tables are presented in the same format as the supporting spreadsheets, with accompanying graphics provided for ease of reference.

The monthly 2026 figures in the first two tables are provided through August, while the corresponding 2025 figures include the full calendar year. Annual distribution and citywide-use figures reflect the years shown in the source information. No changes have been made to the underlying figures provided for this update.

Potable Water Delivery — Municipal Water Usage

The table below shows monthly municipal potable water usage in acre-feet for 2025 & 2026. The 2026 figures include January through August; September through December are blank in the source data. The accompanying chart provides a visual comparison of the two years.

MONTH	2025 (Acre-feet)	2026 (Acre-feet)
January	64	57
February	59	69
March	86	120
April	102	138
May	141	183
June	165	191
July	201	196
August	194	163
September	157	--
October	115	--
November	75	--
December	59	--
TOTAL	1,417	1,117

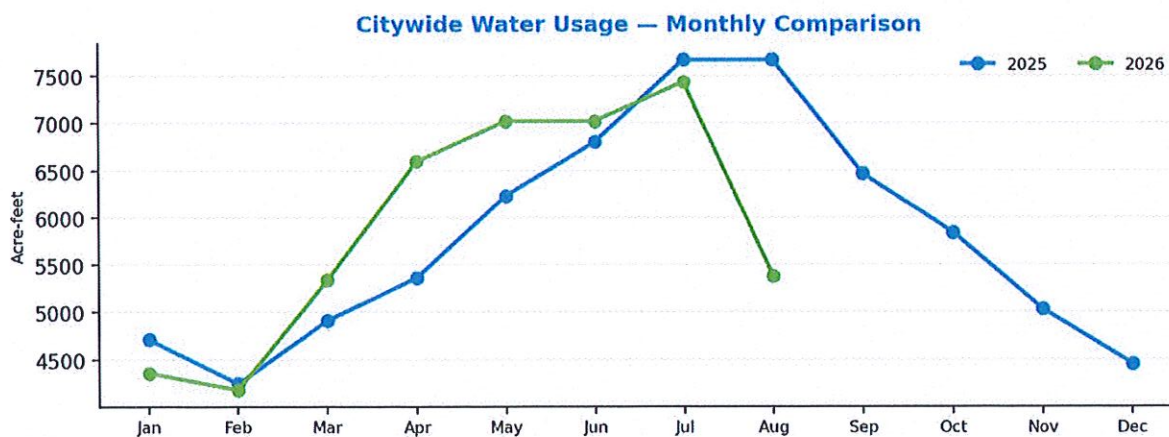


Citywide Potable Water Delivery

The following table provides monthly citywide water usage in acre-feet for 2025 & 2026. As with the preceding table, the 2026 data provided for this update extends through August.

MONTH	2025 (Acre-feet)	2026 (Acre-feet)
January	4,709.06	4,355
February	4,242.82	4,178
March	4,913.25	5,338
April	5,364.85	5,797
May	6,233.38	6,594
June	6,801.31	7,021
July	7,665.86	7,433
August	7,666.06	5,376
September	6,463.82	--
October	5,841.39	--
November	5,031.38	--
December	4,452.89	--
TOTAL	69,386.07	46,092

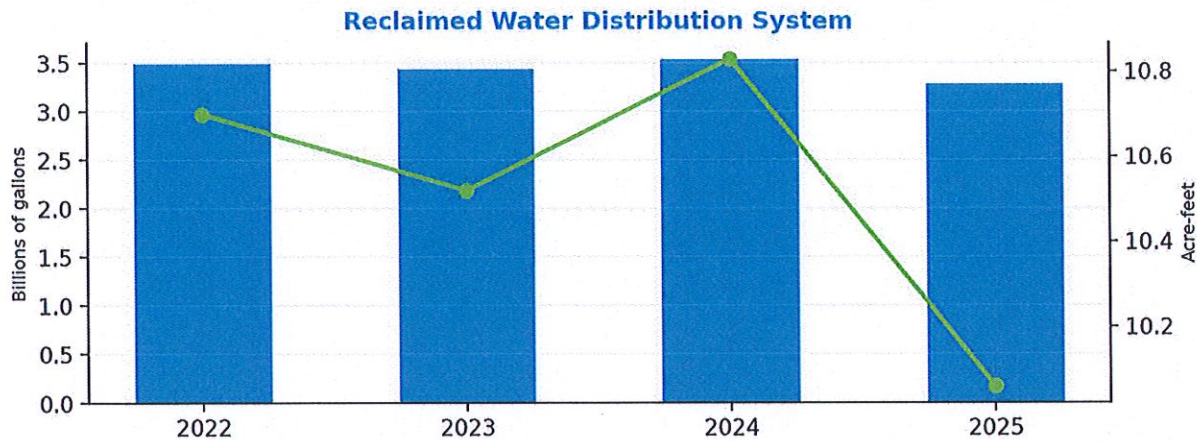
Note: Figures for 2025 are presented with additional decimal places because rounding individual figures may result in minor differences when calculating the sum total.



Reclaimed Water Distribution System

This table summarizes reclaimed water distributed through the Reclaimed Water Distribution System from 2022 through 2025, showing both billions of gallons and the corresponding acre-feet.

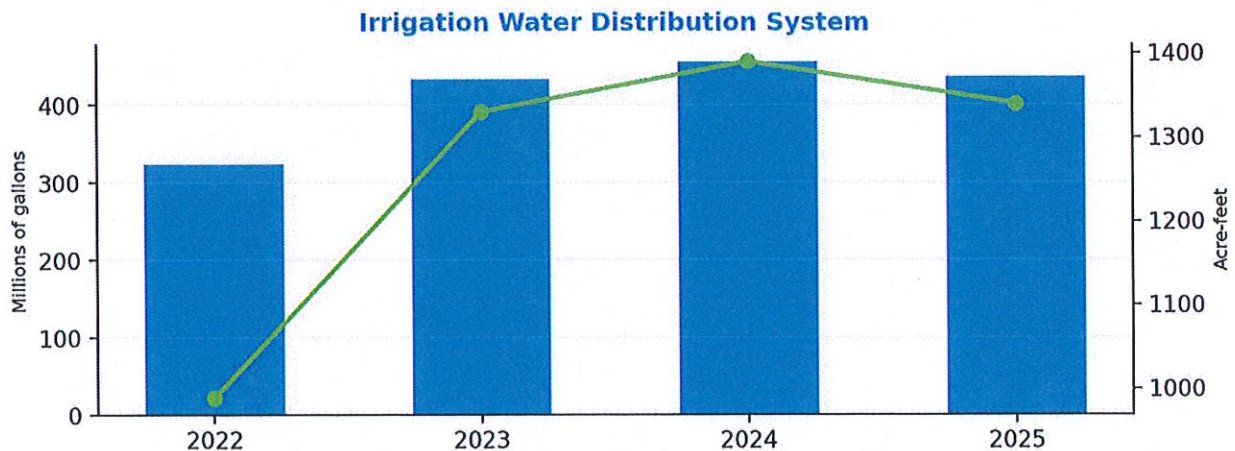
Year	Billions of Gallons	Acre Feet (thousands)
2022	3.49	10.7
2023	3.43	10.52
2024	3.53	10.83
2025	3.28	10.06



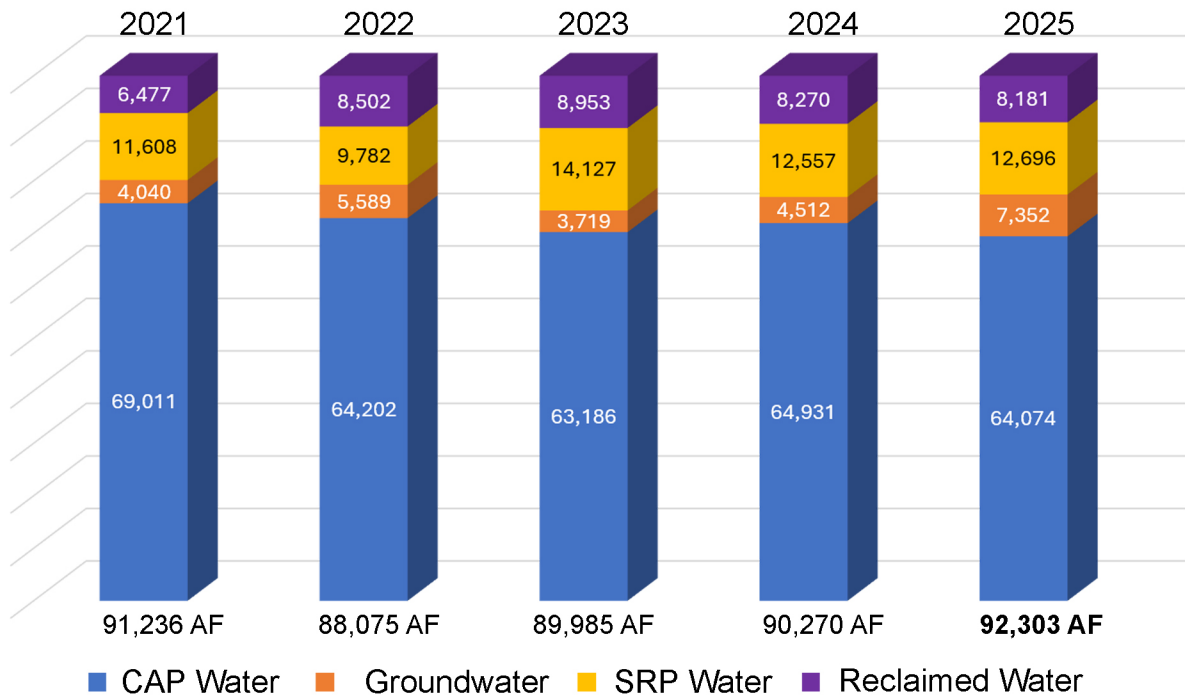
Irrigation Water Distribution System

The following table shows water distributed through the Irrigation Water Distribution System from 2022 through 2025, reported in millions of gallons and acre-feet.

Year	Millions of Gallons	Acre Feet
2022	322.45	989.55
2023	432.26	1,330
2024	454.2	1,390
2025	435.12	1,340



This graphic shows the annual citywide water-use totals supplied for 2021 through 2025 with its source.

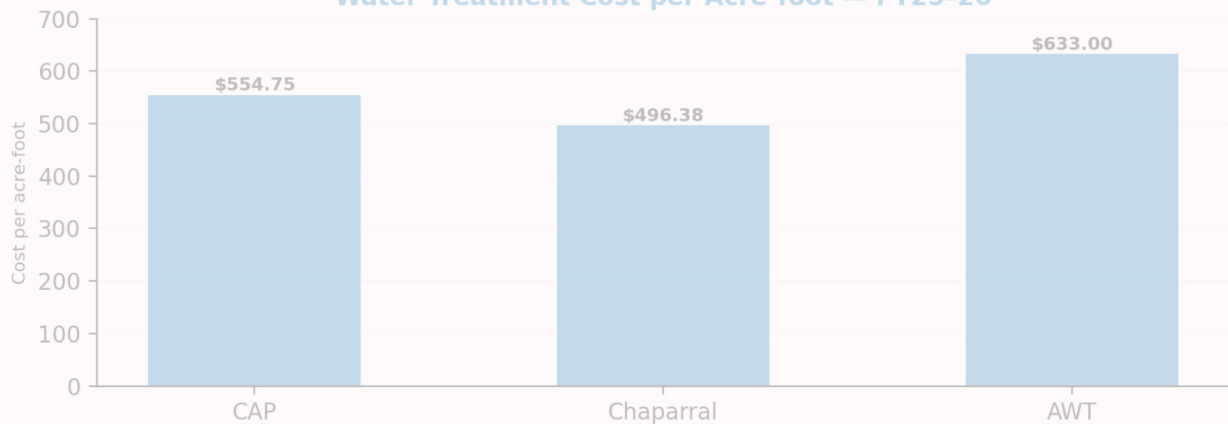


Water Treatment Cost per Acre-foot (FY25–26)

The following table shows the supplied treatment cost per acre-foot for the CAP, Chaparral and Advanced Water Treatment (AWT) plants for FY25-26.

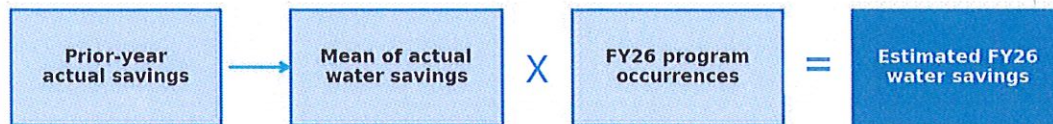
Water Treatment Plant	Cost per acre foot
CAP	\$554.75
Chaparral	\$496.38
AWT	\$633

Water Treatment Cost per Acre-foot — FY25-26



Regarding water conservation and how water savings are calculated and reported, the residential estimated water savings are based on the mean of the actual water savings from a previous year's analysis. This mean is then multiplied by the occurrences in FY26 to reach an estimate.

Residential Estimated Water Savings — Calculation Approach



Closing

Together, these data provide additional context for evaluating Scottsdale's water-conservation efforts by showing water use across municipal and citywide systems, the role of reclaimed and irrigation distribution, historical annual use, treatment costs and the methodology used to estimate residential conservation savings. The figures in this update are presented as provided and are intended to supplement the information contained in the previous conservation memo.

C: Charter Officers
Judy Doyle, Deputy City Manager
Kira Peters, Deputy City Manager
Chief of Staff to Mayor Borowsky

Lane, Benjamin

From: Andrews, Sonia
Sent: Tuesday, October 20, 2026 9:21 AM
To: City Council
Cc: Caton, Greg; Santaella, Luis; Lane, Benjamin; Cluff, Lai M
Subject: Water Fund Reserve Balances

To ensure compliance with the Open Meeting Law, members of Council should not discuss contents of this message with other members of Council. Members of Council may reply to this message, but Do Not Reply All.

Honorable Mayor and Councilmembers,

As requested by a Councilmember, the Water Fund Reserve Balances are shown in the table below. We also have preliminary water/sewer fund financials and I will send those to you in a separate email later today. Please let me know if you have any questions or would like additional information.

Water Ending Fund Balances - Budget Basis

	FY24/25 Actual Balances	FY25/26 Preliminary Actuals	FY26/27 Forecast Budget
Operating Reserves			
Operating Reserve	18,090,204	20,062,540	21,576,958
Operating Contingency	3,000,000	3,000,000	2,500,000
Other Designated Operating Reserves			
Debt Service Reserve	5,160,354	4,884,629	5,701,542
Water Drought Reserve	5,000,000	5,000,000	5,000,000
Water Rate Stabilization Reserve	-	5,000,000	5,000,000
Ending Operating Reserves	31,250,558	37,947,169	39,778,501
Capital Project Fund Balances			
Beginning Balance	116,861,531	190,324,257	156,877,197
Net Capital Resources	113,597,781	18,327,349	43,580,517
Capital Project Expenditures ^(a)	(40,135,054)	(51,774,409)	(160,060,523)
Ending Capital Reserves	190,324,257	156,877,197	40,397,191
Total Combined Reserves	221,574,815	194,824,366	80,175,691

^(a) FY 2026/27 Budget assumes expenditures for all amounts approved in CIP

Note: amounts above exclude funds restricted under the city's irrigation reimbursement contracts

Sonia Andrews, CPA

City Treasurer/ Chief Financial Officer | City of Scottsdale

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www.scottsdaleaz.gov/finance