

A CUSTOMER UPDATE FROM EPCOR

August 27, 2019

Community Open House with EPCOR – Public Welcome

It's been almost a year since EPCOR stepped in as Interim Manager of Johnson Utilities. EPCOR will host its next community meeting September 9 to give customers and the public an overview of the work we've accomplished in that time as well as our plans going forward. Representatives from EPCOR and Johnson Utilities will be at the meeting to answer questions. We value customer input and encourage all to attend.

Monday, September 9, 2019

6 to 7:30 pm Central Arizona College – San Tan Campus 3736 E. Bella Vista Road, San Tan Valley, AZ 85143

Update on Capital Improvement Plan

As we reported in July, the Arizona Corporation Commission (ACC) has approved EPCOR's proposed three-year capital improvement plan for Johnson Utilities and directed EPCOR to move forward immediately with the work outlined. Here's an overview of what this decision means for customers.

The capital improvement plan is a comprehensive roadmap for correcting operational and compliance issues with Johnson Utilities' water and wastewater systems — and making sure both are equipped to meet demands as the utility's customer base expands. The plan encompasses 48 water projects and 22 wastewater projects including these major capital improvement priorities:

- Replace the Section 11 Wastewater Treatment Plant with the new Copper Basin Wastewater Treatment Plant
- Expand capacity at the Pecan Water Reclamation Plant
- Expand capacity at the Anthem Water Reclamation Facility
- Furnish and install a third and possibly a fourth tank for nitrate treatment at the Main Yard

The ACC has directed Johnson Utilities to fund the improvements, and stipulates the projects will be completed by December 2022 regardless of whether EPCOR is still serving as Interim Manager.

Water Supply and Quality

EPCOR's focus on water supply in recent months has paid off as the system has kept up with water service demand through the warmest part of the summer.

San Tan Well #1 was equipped with a larger pump and motor on August 1 and a power upgrade to run the new equipment is now complete. With these improvements, production at this well has more than doubled from 420 gallons per minute (gpm) to 980 gpm. This is good news for Regions 1 and 2 and will help us meet our goal of lifting meter restrictions in this area by the end of 2019.

In Region 3, we're close to finalizing similar improvements at Magma Well #1. A power upgrade will be finalized this month, enabling the well to produce up to 700 gpm. In the meantime, we're using an electrical generator to keep this well ready for production as needed.

We've also made progress on design work for the new Ricke Well #2 with a targeted completion in May 2020. We issued a request for proposals to in July and are receiving bids for construction at this wellsite.

Water Pressure Improvements

Adding new sources of water supply is helping alleviate low water pressure problems throughout the system. We're outfitting Morning Sun Farms and the Main Yard with additional pumps to keep water pressure steady during high water demand periods, and are evaluating pipeline projects to increase water supply – and therefore pressure – to areas that have historically recorded low water pressure.

Water Quality



Ion exchange (IX) technology is widely recognized as a proven and cost-effective method of removing nitrates from water. At the Johnson Utilities Main Yard, the new IX system has now been up and running for several weeks. Installing equipment of this size and level of complexity normally entails some commissioning adjustments. We've largely worked through these issues and the system is meeting our expectations for treating groundwater in the region to bring it into water quality compliance.

Wastewater and Section 11

The temporary bypass pipeline between Copper Basin 1 and 2 lift stations will be made permanent once the pumps at the Main Yard lift station are operating properly. The pipeline reduces the amount of wastewater entering the Section 11 Wastewater Treatment Plant by diverting some excess flow to the Anthem Water Reclamation Facility. While the current pipeline meets all safety requirements, we'd like to remind customers not to approach or come into contact with the structure as a precaution.

Customer Care

As always, EPCOR values transparent communications with Johnson Utilities customers. If you experience problems with your service, please help us address them efficiently by reporting issues promptly and in as much detail as possible. We thank you for your continued patience and cooperation as we work to ensure safe, reliable water and wastewater services throughout the Johnson Utilities territory.

How to Contact Us

24/7 Bill Payment:

Online:

Customer service & billing inquiries:

Emergencies:

1-844-567-2502

www.johnsonutilities.com

480-987-9870

480-987-9870 (press 6) or 480-887-0648