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SACYR LEADS DESALINATION PROPOSAL TO STRENGTHEN REGIONAL WATER SUPPLY

- **The proposal explores a potential desalination facility in Baja California, Mexico, and a pipeline near the U.S. border as part of a broader effort to evaluate mutually beneficial regional water supply opportunities.**

Madrid, October 5, 2026.- Sacyr has taken another step forward with the proposed Northern Gulf of California Desalination Plant, a desalination solution designed to strengthen region's long-term water supply.

The Board of Directors of the Water Infrastructure Finance Authority of Arizona (WIFA) approved the initial stage of the appraisal study for the proposal, which is led by **Sacyr** and includes Arcadis, U.S., Inc. and Plenary Americas US Holdings Inc. as a participant.

The study will be evaluating the viability of a new **desalination plant in Baja California, Mexico**, and a pipeline to convey the desalinated water to Morelos Dam, on the U.S. border, where it would be integrated into the **Colorado River system** for distribution and use in Mexico. The water produced would be exchanged for part of Mexico's Colorado River allocation, which could be made available to Arizona.

Ultimately, it could increase Arizona's supply by up to **500,000 acre-feet per year**, equivalent to **1.7 million cubic meters per day**, between **2034 and 2039**.

A solution to water supply challenges

Arizona faces water supply challenges, worsened by prolonged drought. This is putting pressure on traditional water sources, and has led the State to study long-term alternatives to diversify supply in the coming decades.

WIFA is an Arizona government agency that financially supports the development of solutions to ensure the state's water future. Its evaluation process reviews proposals capable of providing new, reliable and sustainable water sources.

Under the proposal, **Arcadis** would serve as lead engineering firm, while **Sacyr** would lead construction, operations and maintenance. **Sacyr** would also work with **Plenary Americas** on the project's financial development.

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During this initial phase, **Sacyr** will advance early studies to define the project's technical, financial, environmental, cultural and regulatory viability, reduce uncertainty and provide WIFA with information for future decisions within its phased evaluation process.

Approval of the scope authorizes only this first stage of analysis and does not represent a decision on delivery or on future funding requests, which WIFA will evaluate separately based on the results. Even so, it places the **Sacyr-led proposal** in the next phase of the process to identify long-term water supply solutions for Arizona.

International experience in desalination and water management

Sacyr Water brings its international experience in the design, construction and operation of water infrastructure, particularly in desalination, treatment and reuse, to develop solutions to water stress and help ensure secure, efficient resources.

This step strengthens **Sacyr's presence in North America** and its position in the water sector in a strategic market, in line with its commitment to sustainable, innovative and resilient infrastructure.

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