NEW APPLICATION
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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
ROBERT "BOB" BURNS – Chairman
ANDY TOBIN
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON

IN THE MATTER OF THE JOINT APPLICATION OF EPCOR WATER ARIZONA INC., AN ARIZONA CORPORATION, AND BROOKE WATER LLC, A LIMITED LIABILITY COMPANY (1) FOR APPROVAL TO TRANSFER BROOKE WATER LLC ASSETS TO EPCOR WATER ARIZONA INC.; (2) TO CANCEL BROOKE WATER LLC CERTIFICATE OF CONVENIENCE AND NECESSITY; AND (3) TO EXTEND THE CERTIFICATE OF CONVENIENCE AND NECESSITY FOR EPCOR WATER ARIZONA INC., SPECIFICALLY ITS HAVASU WATER DISTRICT	)	DOCKET NOS. WS-01303A-19-0092 W-03039A-19-0092
	)	**JOINT APPLICATION**

EPCOR Water Arizona Inc. ("EWAZ" or "Company") requests approval from the Arizona Corporation Commission ("Commission") to: (1) transfer Brooke Water LLC ("Brooke") assets to EWAZ pursuant to A.R.S. §40-285; (2) cancel Brooke's Certificate of Convenience and Necessity ("CC&N"); and (3) extend the CC&N of EWAZ's Havasu water district to encompass the area currently served by Brooke through its six separate water systems (the "Brooke water systems"). In support of its Joint Application, EWAZ and Brooke (together the "Joint Applicants") state the following:

I. Introduction.

Approval of this Joint Application is in the public interest – as EWAZ is the public service corporation with the technical, financial, and managerial expertise to address the

long-term infrastructure improvements needed for the Brooke water systems over the next several years. EWAZ's Havasu water district ("Havasu") is located less than an hour north of the Brooke water systems, and EWAZ can provide economies of scale to the operations and maintenance of those systems. Brooke water system customers will benefit from in-state customer service dedicated to addressing water service billing and service issues arising from time to time. EWAZ can finance on reasonable terms the substantial necessary capital improvements that the Brooke water systems need in order to address any outstanding service adequacy and reliability issues. To do so, however, EWAZ must include the Brooke customers within the Havasu water district in order to mitigate the rate impact caused by the capital improvements necessary for the Brooke water systems.

Brooke is a Class "D" utility comprised of six physically separate public water systems as identified by the Arizona Department of Environmental Quality ("ADEQ"), but where all of the approximate 2,100 customers are on a single rate design. Brooke has not completed a general rate case since its systems were acquired out of the bankruptcy of Consolidated Water in 1995. *See* Decision No. 59435 (December 20, 1995). Afterwards, the Commission approved Brooke's application for approval to transfer assets, as well as several other applications filed by Brooke affiliates under common ownership, resulting in Brooke's current CC&N, which consists of the six water systems in La Paz County.[1] *See* Decision No. 60972 (June 19, 1998). Since that time, Brooke's owners have divested all the regulated utility systems acquired in Arizona, except for the Brooke water systems and one other system (Circle City Water Company, LLC).

Brooke's history is well-chronicled in the currently open Docket Nos. W-03039A-16-0332 and W-03039A-17-0295 and does not need to be repeated here. Based on the records in those proceedings, Brooke meets the definition of a non-viable utility under the Commission's Water Policies approved in Decision No. 75626 (July 25, 2016) as

[1] Several of Brooke's affiliates with common ownership seeking similar approvals were consolidated into one proceeding.

supplemented by Decision No. 75743 (September 19, 2016). While, Brooke has made substantial investments over the last two years to improve levels of service and address issues of concern relating to health, safety, and regulatory compliance, further substantial investment is needed, estimated to be approximately $7.5 million over the next 10 years.

On May 1, 2019, EWAZ entered into an asset purchase agreement with Brooke's owners for the transfer of the Brooke water systems assets.[2] Of particular relevance is that the purchase price will be based on Utilities Division Staff's Adjusted Rate Base determination of $1,007,340 as set forth in its pre-filed direct testimony[3], as adjusted through the closing date. Notably, the Joint Applicants are not seeking any acquisition premium as part of their request. Rather, the Joint Applicants seek a specific order confirming Staff's finding of rate base value of $1,007,340 for the Brooke water systems, based on a test-year ending on December 31, 2016, but including post-test year plant through December 31, 2017. Applicants will then use this Adjusted Rate Base determination, adjusted for any further additions and deductions through the date of closing, to determine the final purchase price that EWAZ will pay to Brooke owners.[4]

Although EWAZ is prepared to make the necessary investment in the Brooke water systems, the current Brooke rate structure cannot justify or sustain that level of investment; more importantly, Brooke customers would ultimately face more drastic rate impacts if Brooke customers are to absorb the costs of those investments alone and absent Brooke becoming part of EWAZ's Havasu water district.[5] EWAZ must have approval to extend its CC&N for Havasu into the service territory that Brooke serves via its six water systems

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[2] The Agreement was provided to Utilities Division Staff ("Staff") by Brooke in accordance with the terms and conditions of the protective agreement entered into by Brooke and Staff in Docket No. W-03039A-17-0295.

[3] *See e.g.* the Direct Testimony of Ralph C. Smith, Attachment RCS-3, Schedules A&B, submitted May 15, 2018 in Docket No. W-03039A-17-0295 (available at http://docket.images.azcc.gov/0000188396.pdf, at 261, 264) showing Adjusted Rate Base for Test-Year ending December 31, 2016.

[4] The purchase price will be established at the Closing Date as defined in the Agreement, but is tied to Staff's determination of Adjusted Rate Base.

[5] Brooke customers, in the short-term, would essentially cover the investments needed to the Brooke water systems, pending a future rate case,

and be able to charge its Havasu rates (as well as apply Havasu's depreciation rates starting January 1, 2018)[6] in order to support the substantial investment needed. Even so, EWAZ understands that the impacts to current Brooke customers are significant. To alleviate those impacts and provide for a smoother transition for Brooke customers, EWAZ is prepared to work with Staff on a phase-in of Havasu rates for Brooke customers across multiple steps.

II. Benefits of the Transaction – the Public Interest

Approval of this transaction is in the public interest and will benefit current Brooke customers. EWAZ has the technical, managerial, and financial capability to make the necessary improvements to the Brooke water systems, to ensure safe, reliable, and high quality service and to ensure full compliance with all applicable regulations going forward. This includes addressing any outstanding health and safety concerns. Significant investment is necessary, which EWAZ can finance with a combination of debt and equity. Access to a lower cost of debt in particular is one of the benefits EWAZ will provide to Brooke customers.

Brooke customers will also obtain long-term benefits from existing EWAZ operations in the region that provide economies of scale. EWAZ can provide in-house system planning and engineering expertise to the Brooke water systems, once acquired, to accommodate the needs of current as well as future customers.[7] While providing longer-term planning, EWAZ can also immediately start improving system reliability and operations. This includes maintenance management, environmental and water quality

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[6] EWAZ has been unable to identify if the Commission approved depreciation rates for Brooke, and what those depreciation rate may be. Hence, the basis for the depreciation rates to apply starting January 1, 2018. In effect, the depreciation expense and associated accumulated depreciation would be computed on the plant through December 31, 2017, using EWAZ – Havasu depreciation rates even though EWAZ would not purchase the assets until at least sometime in 2019.

[7] Notably, EPCOR personnel assisted Brooke on August 24, 2016, in addressing outages that occurred on its Lakeside System, including making permanent repairs to the system and rebuilding a pressure-reducing valve. EPCOR personnel were available to do so due to it being a "neighboring utility" and EPCOR had the technical in-house expertise to make the necessary repairs. See Staff Report in Docket No. W-03039A-16-0322 (docketed March 24, 2017 and available at https://docket.images.azcc.gov/0000178382.pdf)

compliance management, hydraulic modeling and implementation of GIS systems. Brooke customers will also benefit from a fully staffed in-house customer care and billing department providing services 24 hours a day located in Arizona and that is fully committed to assisting utility customers.

Further, the Joint Applicants have agreed to a purchase price without an acquisition premium. EWAZ will be acquiring the Brooke water systems' assets at a purchase price based on Staff's recommended Adjusted Rate Base value of $1,007,340, based on Staff's findings using a test year ending December 31, 2016 with post-test year plant through December 31, 2017. Extending the Havasu CC&N mitigates future rate impacts to Brooke customers, especially given the level of capital investment necessary. Moreover, eligible Brooke customers could benefit from EWAZ's customer assistance programs (low income, deployed service member, disabled veteran) that were approved in Decision No. 77147 (April 16, 2019). Brooke does not currently offer such programs to its customers. To alleviate the impacts to current Brooke customers, EWAZ will work with Staff to implement a phase-in of the EWAZ – Havasu rates for those customers.

EWAZ would also utilize depreciation rates currently in effect for Havasu and apply those to the Brooke water system assets starting from January 1, 2018.

In the meantime, current Havasu customers will incur no immediate impacts from the transaction. Current rates for Havasu customers will remain as they exist upon the transaction closing, but the Havasu water district will double in size, in terms of number of customers. Future capital investments to Havasu will be spread across more customers, which would serve to mitigate the rate impacts of those investments.

III. Consistency with the Commission's Water Policies.

As discussed earlier, Brooke meets the definition of a non-viable water system under the Commission's Water Policies approved in Decision No. 75626 as supplemented by

Decision No. 75743.[8] EWAZ acquiring Brooke is consistent with the Commission's water policy encouraging the consolidation of small Class "D" and "E" water and wastewater companies – especially since EWAZ can provide the benefits of access to less expensive capital and more extensive management resources. Brooke customers would have a three-tiered inverted block rate design that encourages conservation and would be eligible for EWAZ's customer assistance programs. Further, the Applicants are not seeking approval of an acquisition premium even though the parameters in Decision No. 75626 would appear to justify such a request. In short, the Joint Applicants have made significant efforts to mitigate the rate impact to Brooke customers (including to work with Staff on a phase-in of Havasu rates for current Brooke customers), while ensuring improvement to the level of service in a sustainable manner (and with no immediate impacts to current customers in Havasu). EWAZ has a successful track record of improving troubled water and wastewater systems, whether by acquisition (Willow Valley, North Mohave, Laughlin Ranch) or interim management (Johnson Utilities, LLC).

Put simply, the Joint Application is in the public interests as it will: (1) address any outstanding service quality and reliability issues; (2) allow for EWAZ to ensure all Brooke water systems remain fully compliant into the future; and (3) provide for Brooke customers to benefit from EWAZ's extensive technical, managerial and financial capabilities to provide adequate and reliable water service, with on-the-ground operational support from other nearby EWAZ systems.

IV. Dismissal of open Brooke matters and deferral of transaction and integration expenses.

Joint Applicants further request dismissal or administrative closure of the currently open matters involving Brooke in Docket Nos. W-03039A-16-0322 and W-03039A-17-0295. Upon the sale of assets to EWAZ, Brooke will cease to be providing water service and will no longer be a public service corporation. The two dockets are specific to Brooke,

[8]See Finding of Fact 63 in Decision No. 75743.

and therefore have no relevance to EWAZ. Thus, they should be dismissed or administratively closed.

Further, EWAZ will incur certain transaction and integration costs associated with acquiring the Brooke water systems and integrating those customers and systems within EWAZ. The non-recurring expenses associated with this transaction that EWAZ will incur include: expenses associated with customer outreach, uploading Brooke customers to EWAZ's customer service and billing systems, environmental surveys, and ALTA surveys for title commitment policies. All that EWAZ is requesting in this matter regarding these expenses is approval to the extent necessary to defer the expenses so that it can request recovery of these costs in a future rate case, once those expenses are known and measurable, with invoices available for review and verification. EWAZ believes its request is reasonable and that the expenses it will incur are reasonable and directly related to transitioning the Brooke water systems' customers into EWAZ.

. . .

V. Application.

The Joint Applicants submit the following information to further support their Application:

1. EWAZ is the largest private water and wastewater utility in Arizona and provides water and wastewater services to approximately 141,000 water customers and 60,000 wastewater customers throughout the state. EWAZ is a wholly owned subsidiary of EPCOR USA Inc. and was purchased from American Water on February 1, 2012. *See* Decision No. 72668 (November 17, 2011). EWAZ is in compliance with all applicable Commission orders, rules and regulations. The legal name of EWAZ, and its mailing address and telephone number are:

EPCOR Water Arizona Inc.
2355 West Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

(623) 445-2455

EWAZ operates its water utility business under this name.

2. The management contact for EWAZ is Kasey D. Bohannon, its Rates Manager. Ms. Bohannon's direct number is (623) 445-2421 and his mailing address is the same as in Paragraph 1. EWAZ's attorney responsible for this Application is Jason D. Gellman, whose mailing address is the same as in Paragraph 1. Mr. Gellman's direct number is (623) 445-2442. All data requests for information to EWAZ should be directed to Mr. Bradford with a copy to Mr. Gellman's attention on behalf of EWAZ. Their email addresses are sbradford@epcor.com and jgellman@epcor.com, respectively.

3. Brooke provides water utility service to approximately 2,100 customers. Brooke's management contact is Lee Jamieson. The mailing address for Mr. Jamieson is:

Lee Jamieson
Brooke Water, LLC
P.O Box 1807
Bakersfield, CA 93303
(661) 623-7566

Brooke's attorneys responsible for this Application are Patrick J. Black and Lauren Ferrigni. Their contact information is as follows:

Patrick Black
Lauren Ferrigni
Fennemore Craig, PC
2394 E. Camelback Road, Suite 600
Phoenix, Arizona 85016
(602) 916-5000

All data requests for information to Brooke should be directed to Mr. Black and Ms. Ferrigni. Their email addresses are pblack@fclaw.com and lferrigni@fclaw.com, respectively.

4. EWAZ's currently employed operator certified by the Arizona Department of Environmental Quality ("ADEQ") for Havasu is Charles D. Evans, whose mailing address

is 860 West Gemstone Avenue, Bullhead City, Arizona 86442 and whose telephone number is (928) 763-0487 – Operator ID No. OP000655. Steven Rasmussen is EWAZ's on-site manager for Havasu, and is located at 1742 East North View Drive, Lake Havasu City, Arizona.

5. EWAZ is an Arizona corporation. For federal tax purposes, EWAZ is structured as a "C" corporation. The names, titles and mailing addresses of all EWAZ's officers and directors are provided in Exhibit 1 attached to this Application. A copy of EWAZ's "Certificate of Good Standing" is provided as Exhibit 2 attached to this Application. The Company is authorized to issue 600,000 shares of stock. As of July 1, 2017, 104,576 shares are issued and outstanding. The last issuance date was August 12, 1998.

6. EWAZ does not have an ownership interest in any other utility. EWAZ's parent company, EUSA, did acquire the entire equity interests in Rio Verde Utilities, Inc. ("Rio Verde") and it is now a subsidiary of EUSA as of March 1, 2019. The Commission approved that transaction under its affiliate interest rules in Decision No. 77055 (January 16, 2019). Rio Verde's mailing address and telephone number is the same as EWAZ. EUSA also owns regulated entities in New Mexico and Texas. None of this, however, impacts: (1) EWAZ being able to provide safe and reliable service to the properties that are the subject of this Application; or (2) approval of this Application as being in the public interest for the reasons stated herein.

7. A description of the current Brooke service territory that will become part of EWAZ's CC&N for its Havasu water district expressed in metes and bounds will be provided when it becomes available.

8. The requested extension areas are located entirely within unincorporated La Paz County. Should this Application be approved, and if required by La Paz County,

EWAZ will enter into a franchise agreement and can provide a copy of that agreement when it is finalized.

9. As stated above, EWAZ believes substantial infrastructure improvement is necessary over the next ten years. Attached as Exhibit 3 is an evaluation of the capital investment EWAZ believes will be necessary to ensure safe and reliable service and full compliance with all applicable regulations.

10. EWAZ will purchase the assets of Brooke using traditional means (debt and equity). EWAZ does not need additional financing to acquire the assets of Brooke. Any main extensions or on-site facilities will be funded through such agreements, and refundable advances in accordance with the Company's tariffs and A.A.C. R14-2-406(D).

11. EWAZ will provide a copy of EWAZ's most recent balance sheet and income statement, as well as an estimate of revenues, expenses, and utility plant for the first five years following approval of this Application for the Brooke water systems (using current rates for the Havasu water district) when available. As stated previously, a condition of the Agreement is that the Brooke water systems become part of EWAZ's Havasu water district. Permanent rates for Havasu customers were last approved in Decision No. 73145 (May 1, 2012) with interim rate relief granted in Decision No. 77147 (April 16, 2019).[9] As established by Staff in Docket No. W-03039A-17-0295, the Adjusted Rate Base (which is rate base as of December 31, 2016 with pro forma adjustments including post-test year plant) was $1,007,340. Exhibit 4 are the tariffs for EWAZ – Havasu water district – and also include its Backflow Prevention Tariff and the Curtailment Tariff.

12. The Brooke water systems are all located within unincorporated La Paz County and only the Town of Parker is within five miles of any of the Brooke water systems. EWAZ is not seeking to extend its Havasu water district CC&N into any areas other than to cover the current Brooke CC&N that is to be canceled upon approval and

[9] As noted several times throughout this Application, EWAZ will work with Staff on an appropriate phase-in of Havasu rates for current Brooke customers to alleviate the impacts to those customers.

closing of the transaction. EWAZ is not currently aware of any new planned developments in the area.

13. EWAZ will obtain all county and state agency approvals required for it to provide water service in the area. EWAZ will obtain the necessary approvals required from ADEQ – including Approvals to Construct ("ATC") and Approvals of Construction ("AOC") – as required for improvements to the Brooke water systems.

14. Brooke currently serves about 2,100 customers and has not shown any significant growth in recent years. EWAZ does not currently anticipate any substantial growth over the next five years to the number of customers for any of the Brooke water systems. Consequently, EWAZ does not have any customer growth projections or any resulting financial information. Further, EWAZ is not currently aware of any new planned developments that are imminent in the area.[10]

15. EWAZ will provide notice to existing Brooke customers (as well as to its Havasu customers) by mail or email, depending on each customer's selected and preferred method of communication. A copy of the notice will also be posted on the Company's website, www.epcor.com.

16. The Brooke water systems utilize surface water as part of providing service to customers. EWAZ will continue to utilize surface water for these customers. EWAZ has a robust conservation program, from which current Brooke customers will benefit. EWAZ is experienced in technology and provision of treated surface water to its customers. EWAZ will require completion of the transfer of Brooke's surface water contract with the Bureau of Reclamation (Contract No. 05-XX-30-W0444) to EWAZ for continued use of water rights for the ongoing purpose of potable water supply.

17. EWAZ is only seeking to extend its CC&N for the Havasu water district into the service territory currently certificated to Brooke. Thus, there are no requests from

[10] To the extent future development does occur, and assuming approval of this Application, EWAZ would obviously work with landowners / developers to extend any CC&N approved here, as a separate application.

property owners of undeveloped land for EWAZ to provide water service. The City of Parker is the only municipality within five miles, and there is only one other water company within one mile (Cienega Water Company, Inc.). Assuming approval of this Application, EWAZ would seek to extend the service territory if and when requests for service were made and all requisite governmental approvals could be obtained.

18. Wastewater service in the area is provided either through septic or from the Buckskin Sanitary District. –

19. The Company can provide current versions of these compliance status reports if requested.

20. The notarized signature of Shawn Bradford, EWAZ's Vice President – Corporate Services, signing on behalf of the Company, is attached as Exhibit 5 to this Application.

21. EWAZ submits that Havasu customers will incur no immediate impacts from the transaction, as their rates will remain the same and there will be no adverse impact to the level of service they receive. Current Brooke customers will benefit from having an experienced provider with the technical, managerial and financial expertise to significantly improve safety and reliability of service. The Brooke water systems will become part of the largest private water and wastewater provider in Arizona, with better ability to secure debt financing, for example, on more reasonable terms. EWAZ has a strong track record of improving distressed and troubled systems, as is evidenced by its interim management of Johnson Utilities, LLC (among other examples). Ultimately, both current Havasu customers and current Brooke customers will benefit from improved economies of scale. While Brooke customers will see increased rates in the near term, the alternative of absorbing all of the costs for the approximate $7.5 million in necessary capital improvements would result in greater rate increases that would likely lead to an untenable

situation for them otherwise. The transaction will not have any impact on any of EWAZ's other Arizona water districts.

WHEREFORE, the Joint Applicants respectfully request that the Commission approve the Joint Application including:

(1) Approving the sale of Brooke's water system assets to EPCOR Water Arizona Inc. pursuant to A.R.S. § 40-285;

(2) Approve deletion of Brooke's Certificate of Convenience & Necessity;

(3) Approve extending the Certificate of Convenience & Necessity for EPCOR Water Arizona Inc.'s Havasu water district into the entire service territory currently served by Brooke in accordance with Arizona law and Commission regulations, and allow EPCOR Water Arizona Inc. to charge Brooke customers under current Havasu rates and utilize depreciation rates currently approved for Havasu (with an appropriate phase-in of Havasu rates for Brooke customers);

(4) Find that the Adjusted Rate Base Value of the Brooke water system assets is $1,007,340, based on a test-year ending on December 31, 2016 and including post-test year plant through December 31, 2017.

(5) Allow for EPCOR Water Arizona Inc. to defer transaction and integration expenses associated with this transaction for potential future recovery in a subsequent rate case;

(6) Dismiss the open proceedings involving Brooke Water LLC in Docket Nos. W-03039A-16-0322 and W-03039A-17-0295;

(7) Grant additional relief as the Commission deems just and proper.

RESPECTFULLY SUBMITTED this 13th day of May, 2019.

EPCOR WATER ARIZONA INC.

Jason D. Gellman
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Attorney for EPCOR Water Arizona Inc.

and

BROOKE WATER, LLC

Patrick J. Black
Lauren Ferrigni
Fennemore Craig, PC
2394 E. Camelback Road, Suite 600
Phoenix, Arizona 85016

Attorneys for Brooke Water, LLC

ORIGINAL and thirteen (13) copies of the foregoing filed this 13th day of May, 2019, with:

Docket Control
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Copy of the foregoing hand-delivered this 13th day of May, 2019, to:

Jane Rodda, Esq.
Chief Administrative Law Judge
Hearing Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Robin R. Mitchell, Esq.
Legal Division Chief Counsel/Division Director
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Elijah Abinah
Director, Utilities Division
Arizona Corporation Commission
1200 W. Washington Street
Phoenix, Arizona 85007

Exhibit 1

Company Officers and Directors

Arizona Corporation Commission - RECEIVED: 1/24/2019
Arizona Corporation Commission - FILED: 1/22/2019

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2019 ANNUAL REPORT

ENTITY INFORMATION

ENTITY NAME:	EPCOR WATER ARIZONA INC.
ENTITY ID:	00420990
ENTITY TYPE:	Domestic For-Profit (Business) Corporation
CHARACTER OF BUSINESS:	UTILITIES
AUTHORIZED SHARES:	Share Class: 600,000 Share Series: N/A Share Total: 600,000
ISSUED SHARES:	Share Class: 104576 Share Series: N/A Share Total: 104576

STATUTORY AGENT INFORMATION

STATUTORY AGENT NAME:	C T CORPORATION SYSTEM
PHYSICAL ADDRESS:	3800 N CENTRAL AVE SUITE 460 , PHOENIX, AZ 85012
MAILING ADDRESS:	3800 N CENTRAL AVE SUITE 460 , PHOENIX, AZ 85012

KNOWN PLACE OF BUSINESS

2355 W PINNACLE PEAK RD SUITE 300 , PHOENIX, AZ 85027

PRINCIPAL OFFICE ADDRESS

PRINCIPAL INFORMATION

Director: GREGORY BARBER - 2355 W PINNACLE PEAK RD #300, PHOENIX, AZ 85027 - - Date of Taking Office: 12/11/2017

Director: JOSEPH GYSEL - 2355 W PINNACLE PEAK RD #300, PHOENIX, AZ 85027 - - Date of Taking Office: 02/01/2012

Other Officer: GREGORY BARBER - 2355 W PINNACLE PEAK RD SUITE 300, PHOENIX, AZ 85027 - - Date of Taking Office: 04/10/2018

President: JOSEPH GYSEL - 2355 W PINNACLE PEAK RD #300, PHOENIX, AZ 85027 - - Date of Taking Office: 02/01/2012

Secretary: MARTIN J STANEK - 2355 W PINNACLE PEAK RD #300, PHOENIX, AZ 85027 - - Date of Taking Office: 02/01/2012

Shareholder: EPCOR USA INC. - 2355 W PINNACLE PEAK ROAD, SUITE 300, PHOENIX, AZ 85027 - - Date of Taking Office: 12/31/9999

Treasurer: GREGORY BARBER - 2355 W PINNACLE PEAK RD SUITE 300, PHOENIX, AZ 85027 - - Date of Taking Office: 04/10/2018

SIGNATURE

Secretary: MARTIN J STANEK - 01/24/2019

Exhibit 2

Certificate of Good Standing

STATE OF ARIZONA

Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

I, the undersigned Executive Director of the Arizona Corporation Commission, do hereby certify that:

EPCOR WATER ARIZONA INC.

ACC file number: 00420990

was incorporated under the laws of the State of Arizona on 12/30/1949;

That all annual reports owed to date by said corporation have been filed or delivered for filing, and all annual filing fees owed to date have been paid; and

That, according to the records of the Arizona Corporation Commission, said corporation is in good standing in the State of Arizona as of the date this Certificate is issued.

This Certificate relates only to the legal existence of the above named entity as of the date this Certificate is issued, and is not an endorsement, recommendation, or approval of the entity's condition, business activities, affairs, or practices.

IN WITNESS WHEREOF, I have hereunto set my hand, affixed the official seal of the Arizona Corporation Commission, and issued this Certificate on this date: **05/08/2019**

Matthew Neubert, Executive Director

Exhibit 3

Capital Investment Evaluation

Brooke Outline 10-yr CAPEX plan

Project	Asset Category	NARUC Code	2020	2021	2022	2023	2024	2025
					Spend Year			
			1	2	3	4	5	6
				Test Year		Test Year		Test Year
Meter Replacements	Meters and meter installation	334	200,000	200,000				
Service Line Replacements	Services	333	200,000	200,000				
Main Replacements	Distribution mains	331	348,000	348,000	348,000	348,000	348,000	348,000
H&S Improvements	Structures and Improvements	304	100,000	150,000				
Pressure Vessel Replacements	Water Treatment Equipment	320		50,000	50,000			
Storage Tank Maintenance	Storage Tanks	330.1	100,000	100,000	100,000	100,000		100,000
SCADA	Computer and software	340.1						
Geotech	Structures and Improvements	304			150,000	1,350,000		
Annual Total			**948,000**	**1,048,000**	**648,000**	**1,798,000**	**348,000**	**448,000**

Brooke Outline 10-yr CAPEX plan

Project	Asset Category	NARUC Code	2026	2027	2028	2029	Total
			7	8 Test Year	9	10 Test Year	
Meter Replacements	Meters and meter installation	334					**400,000**
Service Line Replacements	Services	333					**400,000**
Main Replacements	Distribution mains	331	348,000	348,000	348,000	348,000	**3,480,000**
H&S Improvements	Structures and Improvements	304					**250,000**
Pressure Vessel Replacements	Water Treatment Equipment	320					**100,000**
Storage Tank Maintenance	Storage Tanks	330.1					**500,000**
SCADA	Computer and software	340.1					**0**
Geotech	Structures and Improvements	304		800,000			**2,300,000**
Annual Total			**348,000**	**1,148,000**	**348,000**	**348,000**	**7,430,000**

Brooke Outline 10-yr CAPEX plan

Project	Asset Category	NARUC Code	Notes: Assume yr 1 of EPCOR ownership commences start 2020
Meter Replacements	Meters and meter installation	334	Assume replacement of 2000 meters over first 2 years @ $200 per meter
Service Line Replacements	Services	333	Replace 2% of service lines in each year of meter replacements @ $5K per line
Main Replacements	Distribution mains	331	Assume replacement of 2% of all ACP per year (includes all usual appurtenances such as valves) - total replacement cost of ACP = $17.4M
H&S Improvements	Structures and Improvements	304	Placeholder for various observed issues
Pressure Vessel Replacements	Water Treatment Equipment	320	Concerns with integrity of pressure treatment vessels - replace vessels at all treatment sites
Storage Tank Maintenance	Storage Tanks	330.1	Storage tank integrity concerns at multiple sites
SCADA	Computer and software	340.1	Placeholder for SCADA implementation throughout - NOT REVIEWED BY EPCOR SCADA MANAGER
Geotech	Structures and Improvements	304	Based on preliminary (cursory) engineering review - REQUIRES MORE THOROUGH ENGINEERING REVIEW

Annual Total

Exhibit 4

Authorized Tariffs – Havasu Water District

ORIGINAL

EPCOR Water Arizona, Inc.
(Name of Company)

2nd Revised SHEET NO. TOC
Cancel 1st Revised SHEET NO. TOC

Havasu Water District
(Name of Service Area)

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ISSUED: July 1, 2012 (Month Day Year) EFFECTIVE: July 1, 2012 (Month Day Year)
ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 73145

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

EPCOR Water Arizona, Inc.
(Name of Company)

2nd Revised SHEET NO. 1
Cancelling 1st SHEET NO. 1

Havasu Water District
(Name of Service Area)

GENERAL WATER RATE

Availability
Available for all metered residential, commercial, and industrial served by this District.

Schedule of Charges:

Meter Size	Basic Service Charge	Tier One		Tier Two		Tier Three	
		Commodity Rate (per 1,000 gallons)	First Tier (gallons)	Commodity Rate (per 1,000 gallons)	Second Tier (gallons)	Commodity Rate (per 1,000 gallons)	Third Tier (gallons)
Residential							
5/8 x3/4 -inch Low Income *	$ 19.00	$3.1300	0 - 3,000	$4.3300	3,001-9,000	$6.8119	Over 9,000
5/8 x 3/4 -inch	$ 29.00	$3.1300	0 - 3,000	$4.3300	3,001-9,000	$6.8119	Over 9,000
1-inch	$ 72.50	$4.3300	0 - 15,000	$6.8119	Over 15,000		
1-1/2-inch	$ 145.00	$4.3300	N/A	$6.8119	N/A		
2-inch	$ 232.00	$4.3300	0 - 60,000	$6.8119	Over 60,000		
3-inch	$ 464.00	$4.3300	0 - 90,000	$6.8119	Over 90,000		
4-inch	$ 725.00	$4.3300	0 - 150,000	$6.8119	Over 150,000		
6-inch	$1,450.00	$4.3300	0 - 400,000	$6.8119	Over 400,000		
8-inch	$2,320.00	$4.3300	N/A	$6.8119	N/A		
10-inch	$3,335.00	$4.3300	N/A	$6.8119	N/A		
12-inch	$6,235.00	$4.3300	N/A	$6.8119	N/A		
Commercial, Irrigation, Miscellaneous, and Resale							
5/8 x 3/4 -inch	$ 29.00	$4.3300	0 - 9,000	$6.8119	Over 9,000		
1-inch	$ 72.50	$4.3300	0 - 15,000	$6.8119	Over 15,000		
1-1/2-inch	$ 145.00	$4.3300	N/A	$6.8119	N/A		
2-inch	$ 232.00	$4.3300	0 - 60,000	$6.8119	Over 60,000		
3-inch	$ 464.00	$4.3300	0 - 90,000	$6.8119	Over 90,000		
4-inch	$ 725.00	$4.3300	0 - 150,000	$6.8119	Over 150,000		
6-inch	$1,450.00	$4.3300	0 - 400,000	$6.8119	Over 400,000		
8-inch	$2,320.00	$4.3300	N/A	$6.8119	N/A		
10-inch	$3,335.00	$4.3300	N/A	$6.8119	N/A		
12-inch	$6,235.00	$4.3300	N/A	$6.8119	N/A		
Apartments, RV Parks and Resorts							
Apts 1" LH RV	$18.20 per Unit	$4.3300	0 - 15,000	$6.8119	Over 15,000		
Apts 1" D Hills RV	$18.20 per Unit	$4.3300	0 - 15,000	$6.8119	Over 15,000		
Apts 4" Valley Manor	$18.20 per Unit	$4.3300	0 - 150,000	$6.8119	Over 150,000		
Apts 4" Kenjen RV	$18.20 per Unit	$4.3300	0 - 150,000	$6.8119	Over 150,000		
Apts 4" Falls RV	$18.20 per Unit	$4.3300	0 - 150,000	$6.8119	Over 150,000		
Apts 4" RIV Vlly D	$18.20 per Unit	$4.3300	0 - 150,000	$6.8119	Over 150,000		
Multi-family 2"	$18.20 per Unit	$4.3300	0 - 60,000	$6.8119	Over 60,000		
Multi-family 3"	$18.20 per Unit	$4.3300	0 - 90,000	$6.8119	Over 90,000		
Multi-family 6"	$18.20 per Unit	$4.3300	0 - 400,000	$6.8119	Over 400,000		

Note: * Low Income Program details are noted in the Terms and Conditions section for General Water Rates. Upper tier rate for residential and commercial customers is comprised of $6.6600 approved rate plus $0.1519 for the Low Income Surcharge for a total of $6.8119.

(continued on next page)

ISSUED: July 1, 2012 (Month Day Year) EFFECTIVE: July 1, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 73145

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

EPCOR Water Arizona, Inc.
(Name of Company)

4th Revised SHEET NO. 1a .
Cancelling 3rd Revised SHEET NO. 1a .

Havasu Water District
(Name of Service Area)

GENERAL WATER RATE
(continued)

Terms and Conditions

Water service under this Schedule is for the exclusive use of the Customer and water shall not be resold or provided to others.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per Commission Rule 14-2-409D(5).

A 1½% late payment penalty will be applied to account balances not paid within twenty-five (25) days after the postmark date of the bill in accordance with Rule 8 (H) of EPCOR Water Arizona, Inc.'s Havasu Water District Rules and Regulations.

Low Income Program – Monthly Low Income Credit of $10.00 is available in the Havasu Water district bringing the basic charge down from $29.00 to $19.00.. Requires the completion of a Low Income Program Application. Program is restricted to the first 100 eligible residential customers on 5/8 x 3/4 inch meters in the Havasu Water district. Applicants must swear that he/she has annual income below the threshold. The threshold is below 150% of the federal low income guidelines as periodically revised. Applicant may not be claimed as a dependent on another person's tax return. Applicant must reapply each time moving residences. Refusal or failure to provide acceptable documentation of eligibility, upon request, shall result in removal from the low income program. Rebilling of customers under the otherwise applicable rate schedule may occur for periods of ineligibility previously billed under the low income tariff. Annual income means the value of all money and non-cash benefits available for living expenses, from all sources, both taxable and non-taxable, before deductions, for all people who live with the applicant.

ISSUED: July 1, 2012 (Month Day Year) EFFECTIVE: July 1, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 73145

APPROVED FOR FILING
DECISION # 73145

FIRE PROTECTION

Availability

Available for all establishments served by the Company.

Schedule of Charges

Line Size	Basic Service Charge	Commodity Rate (per 1,000 gallons)
2-inch Private Fire	$ 5.00	$4.3300
4-inch Private Fire	$ 10.00	$4.3300
6-inch Private Fire	$ 15.00	$4.3300
8-inch Private Fire	$ 20.00	$4.3300
10-inch Private Fire	$ 25.00	$4.3300
Public Hydrant	$ 12.50	$4.3300

Terms and Conditions

Water service provided under this rate schedule is subject to this District's Rules and Regulations applicable to Water Service and may be subject to this District's Service Charges set forth in Rate Schedule Service Charges.

Water service under this Schedule is for the exclusive use of the Customer and water shall not be resold or provided to others.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use and franchise tax, per Commission Rule 14-2-409.D.5.

A 1-1/2% late payment penalty will be applied to account balances not paid within twenty-five (25) days after the postmark date of the bill in accordance with Rule 8 (H) of EPCOR Water Arizona Inc.'s Havasu Water District Rules and Regulations.

ORIGINAL

SHEET NO 3
SHEET NO. _____

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

RESERVED

ISSUED: February 20, 2012 (Month Day Year)

EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

EPCOR Water Arizona, Inc.
(Name of Company)

2nd Revised SHEET NO. 4
Cancel 1st SHEET NO. 4

Havasu Water District
(Name of Service Area)

SERVICE CHARGES

This District is authorized to charge the following service charges:

As provided for in EPCOR Water Arizona, Inc.'s Havasu Water District Rule No. 2 (D), the Company will charge the following rates for the establishment or reestablishment and/or reconnection of water utility service:

A.	Establishment or Re-establishment and/or reconnection of Water Utility Service:	
	1. Regular Hours.	$25.00
	2. After Hours.	$35.00
B.	Water Meter Test (If Correct)	$10.00
C.	Meter Re-read (If Correct)	$5.00
D.	NSF Check Charge	$25.00
E.	Late Fee Charge	1.50% per month
F.	Deferred Payment Finance Charge	1.50% per month
G.	Deposit Requirements Residential	**
H.	Deposit Requirements Non-Residential	**
I.	Deposit Interest	***

** Residential – Two times the average bill.
Non-residential – Two and one-half times the estimated maximum bill.

*** Interest per [Per ACC Rule 14-2-403(B)

(continued on next page)

ISSUED: July 1, 2012 (Month Day Year) EFFECTIVE: July 1, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 73145

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

EPCOR Water Arizona, Inc.
(Name of Company)

2nd Revised SHEET NO. 4a
Cancel 1st Revised SHEET NO. 4a

Havasu Water District
(Name of Service Area)

SERVICE CHARGES
(continued)

Service Line and Meter Installation Charges

As provided for in EPCOR Water Arizona, Inc.'s Havasu Water District Rule No. 4 (B), the Company will charge the customer, as a refundable advance in aid of construction, an amount for each meter and service line as specified below:

Meter Size	Service Line Charge	Meter Installation Charge	Total Charge
5/8" x 3/4- inch Meter	$445.00	$155.00	$600.00
3/4- inch Meter	$445.00	$255.00	$700.00
1- inch Meter	$495.00	$315.00	$810.00
1-1/2 - inch Meter	$550.00	$525.00	$1,075.00
2- inch Turbine Meter	$830.00	$1,045.00	$1,875.00
2- inch Compound Meter	$830.00	$1,890.00	$2,720.00
3- inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
3- inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
4- inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
4- inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
6- inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
6- inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
8- inch larger	Actual Cost	Actual Cost	Actual Cost

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ISSUED: February 20, 2012 (Month Day Year)
EFFECTIVE: January 20, 2012 (Month Day Year)
ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 5
SHEET NO. 5

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

ARSENIC IMPACT HOOK-UP FEE

I. Purpose and Applicability

The purpose of the Arsenic Impact Fee ("AIHUF") payable to **EPCOR Water Arizona, Inc. – Havasu Water District** ("the Company") pursuant to this tariff is to equitably apportion the costs of constructing water treatment plant facilities to treat and remove arsenic. These charges are applicable to all new service connections established after the effective date of the tariff. The charges are one-time charges and are payable as a condition to the Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting, this tariff schedule.

"Applicant" means any party entering into an agreement with the Company for the installation of water facilities to serve new service connections.

"Arsenic Treatment Facilities" means treatment equipment and related appurtenances necessary for the removal of arsenic through treatment of water to meet the 10 parts per billion ("ppb") arsenic standards.

"Company" means EPCOR Water Arizona, Inc. – Havasu Water District, an Arizona corporation.

"Main Extension Agreement" means any agreement whereby an applicant agrees to advance the costs of the installation of water facilities to the Company to serve new service connections, or install water facilities to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission's Utilities Division (same as line extension agreement).

"Service Connection" means and includes all service connections for residential, commercial, industrial, or other uses, regardless of meter size.

ISSUED: November 14, 2005 (Month Day Year) EFFECTIVE: November 14, 2005 (Month Day Year)

ISSUED BY: Thomas M. Broderick, Manager, Rates
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Decision No. 68310

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 5a .
SHEET NO. 5a .

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

ARSENIC IMPACT HOOK-UP FEE
(continued)

III. Arsenic Impact Fee Charges

Each new service connection shall pay the Arsenic Impact Hook-up Fee derived from the following table:

ARSENIC IMPACT FEE TABLE

Meter Size	Meter Factor	Fee
5/8" x 3/4"	1	$870
3/4"	1.5	$1,305
1"	2.5	$2,175
1-1/2"	5	$4,350
2"	8	$6,960
3"	16	$13,920
4"	25	$21,750
6"	50	$43,500
8" or larger	80	$69,600

IV. Terms and Conditions

(A) Assessment of One Time AIHUF Charge: The AIHUF may be assessed only once per service connection, or lot within a platted subdivision (similar to service line and meter installation charges). However, this provision does not exempt from the AIHUF, any newly created parcel(s) which are the result of further subdivision of a lot or land parcel and which do not have a service connection.

(B) Use of AIHUF: AIHUF may only be used to pay for capital items of arsenic treatment facilities (including engineering and design costs for such facilities), or for repayment of loans obtained for installation of arsenic treatment facilities. AIHUF shall not be used for expenses, maintenance, or operational purposes.

ISSUED: November 14, 2005 (Month Day Year) EFFECTIVE: November 14, 2005 (Month Day Year)

ISSUED BY: Thomas M. Broderick, Manager, Rates
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Decision No. 68310

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

EPCOR Water Arizona, Inc.
(Name of Company)

Original SHEET NO. 5b .
SHEET NO. 5b .

Havasu Water District
(Name of Service Area)

ARSENIC IMPACT HOOK-UP FEE
(continued)

(C) Time of Payment:

(1) In the event that the Applicant is required to enter into a main extension agreement, whereby the Applicant agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the charges required hereunder shall be made by the Applicant within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Commission has approved the main extension agreement in accordance with R-14-2-406(M).

(2) In the event the Applicant is not required to enter into a main extension agreement, the charges hereunder shall be due and payable at the time the service line and meter installation charge is due and payable.

(D) Failure to Pay Charges, Delinquent Payments: Under no circumstances will the Company set a meter or otherwise allow service to be established if the Applicant has not paid in full all charges as provided by this AIHUF tariff.

(E) AIHUF Non-refundable: The amounts collected by the Company pursuant to the AIHUF shall be non-refundable advances in aid of construction.

(F) Use of Charges Received: All funds collected by the company pursuant to the hookup fee shall be treated as an offset to the costs of arsenic treatment facilities (including engineering and design costs for such facilities) in the ACRM step one and step two increases and in rate base in any future ratemaking proceeding. The company shall maintain on its books an accounting of the arsenic treatment facilities hookup fees collected pursuant to this tariff and an accounting of the arsenic treatment facilities constructed subsequent to adoption of this tariff.

(G) AIHUF in Addition to Other Charges: The AIHUF shall be in addition to any costs associated with a main extension agreement for on-site facilities, and are in addition to the amounts to be advanced pursuant to charges authorized under other sections of this tariff.

(H) Disposition of Excess Funds: After all necessary funds are collected to pay for all Arizona Department of Environmental Quality required arsenic treatment facilities or the AIHUF has been terminated by order of the Commission, any funds not necessary to pay for arsenic treatment facilities remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

ISSUED: November 14, 2005 (Month Day Year) EFFECTIVE: November 14, 2005 (Month Day Year)

ISSUED BY: Thomas M. Broderick, Manager, Rates
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Decision No. 68310

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 6
SHEET NO. 6

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

CURTAILMENT PLAN FOR HAVASU WATER DISTRICT

(Template 063004)

ADEQ Public Water System No: 04-07-099

EPCOR Water Arizona Inc. ("Company"), is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

The Company shall provide a copy of the curtailment tariff to any customer, upon request.

Stage 1 Exists When:

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

Restrictions: Under Stage 1, Company is deemed to be operating normally and no curtailment is necessary.

Notice Requirements: Under Stage 1, no notice is necessary.

Stage 2 Exists When:

a. Company's water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 2, the Company may request the customers to voluntarily employ water conservation measures to reduce water consumption by approximately 50 percent. Outside watering should be limited to essential water, dividing outside watering on some uniform basis (such as even and odd days) and eliminating outside watering on weekends and holidays.

(continued on next page)

ISSUED: Oct. 24, 2007 (Month Day Year) EFFECTIVE: Oct. 24, 2007 (Month Day Year)

ISSUED BY: Thomas M. Broderick, Director, Rates & Regulation
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 69983 (Administratively Approved)

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 6a
SHEET NO. 6a

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

CURTAILMENT TARIFF

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

Stage 3 Exists When:

a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 3, Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible. Standpipe service shall be suspended.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.

2. Beginning with Stage 3, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at the well and/or pump sites located within the Havasu Water District.

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

(continued on next page)

ISSUED: Oct. 24, 2007 (Month Day Year) EFFECTIVE: Oct. 24, 2007 (Month Day Year)

ISSUED BY: Thomas M. Broderick, Director, Rates & Regulation
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 69983 (Administratively Approved)

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

EPCOR Water Arizona, Inc.
(Name of Company)

Original SHEET NO. 6b .
SHEET NO. 6b .

Havasu Water District
(Name of Service Area)

CURTAILMENT TARIFF

Stage 4 Exists When:

a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and

b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, Company shall inform the customers of a mandatory restriction to employ water conservation measures to reduce daily consumption. Failure to comply will result in customer disconnection. The following uses of water shall be prohibited:

- Irrigation of outdoor lawns, trees, shrubs, or any plant life is prohibited
- Washing of any vehicle is prohibited
- The use of water for dust control or any outdoor cleaning uses is prohibited
- The use of drip or misting systems of any kind is prohibited
- The filling of any swimming pool, spas, fountains or ornamental pools is prohibited
- The use of construction water is prohibited
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity is prohibited

The Company's operation of its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

2. Beginning with Stage 4, Company shall post at least two (2) signs showing the curtailment stage. Signs shall be posted at the well and/or pump sites located within the Havasu Water District

3. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

(continued on next page)

ISSUED: Oct. 24, 2007 (Month Day Year) EFFECTIVE: Oct. 24, 2007 (Month Day Year)

ISSUED BY: Thomas M. Broderick, Director, Rates & Regulation
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 69983 (Administratively Approved)

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 6c
SHEET NO. 6c

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

CURTAILMENT TARIFF

Customers who fail to comply with the above restrictions will be given a written notice to end all outdoor use. Failure to comply within two (2) working days of receipt of the notice will result in temporary loss of service until an agreement can be made to end unauthorized use of outdoor water. To restore service, the customer shall be required to pay all authorized reconnection fees. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

Once Stage 4 has been reached, the Company must augment the supply of water by hauling or through an emergency interconnect from an approved supply or must otherwise provide emergency drinking water for its customers until a permanent solution has been implemented.

ISSUED: Oct. 24, 2007 (Month Day Year) EFFECTIVE: Oct. 24, 2007 (Month Day Year)

ISSUED BY: Thomas Broderick, Director, Rates & Regulation
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 69983 (Administratively Approved)

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Local and/or Regional Messaging Program Tariff – BMP 1.1

PURPOSE

A program for the Company to actively participate in a water conservation campaign with local or regional advertizing (Modified Non-Per Capita Conservation Program BMP Category 1: Public Awareness/Public Relations 1.1: Local and/or Regional Messaging Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall actively participate in water conservation campaign with local and/or regional advertising.
2. The campaign shall promote ways for customers to save water.
3. The Company shall facilitate the campaign through one or more of the following avenues (not an all inclusive list):
   a. Television commercials
   b. Radio commercials
   c. Websites
   d. Promotional materials
   e. Vehicle signs
   f. Bookmarks
   g. Magnets
4. The Company shall keep a record of the following information and make it available to the Commission upon request:
   a. A description of the messaging program implemented and program dates.
   b. The number of customers reached (or an estimate).
   c. Costs of Program implementation.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7a

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Youth Conservation Education Program Tariff – BMP 2.2

PURPOSE

A program for the Company to promote water conservation by increasing students' understanding of water resources and the need to conserve (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.2: Youth Conservation Education Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall work with schools in its service area to increase students' understanding of water resources and to promote water conservation.
2. The Company shall provide a combination of instructional assistance, education materials, teacher education, classroom presentations, and field trips to water related facilities.
3. The Company shall provide the following teacher resources.
    a. Offer Project WET (Water Education for Teachers) workshops to teachers twice yearly. In lieu of Project WET the Company may market its Water Conservation Assembly Program to all schools within its service area. The Water Conservation Assembly Program will focus on teaching students about water resources and water conservation. The assembly itself will be an interactive water conservation discussion.
    b. Provide free resource materials and information upon request.
    c. Provide in-classroom presentations upon request.
4. The Company shall make available free take home educational materials for elementary school students.
5. The Company shall keep a record of the following information and make it available upon request.
    a. A description of the youth conservation education process implemented.
    b. The number of students reached (or an estimate).
    c. A description of the written water conservation material provided free to students.
    d. Costs of the Youth Conservation Education Program implementation.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7b

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

New Homeowner Landscape Information Tariff – BMP 2.3

PURPOSE

A program for the Company to promote the conservation of water by providing a landscape information package for the purpose of educating its new customers about low water use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.3: New Homeowner Landscape Information).

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. Upon establishment of water service the Company shall offer and make available upon request a free "Homeowner Landscape Packet" to each new customer in the Company's service area. The packet will include at a minimum: a cover letter describing the water conservation expectations for all customers in the Company's service area, applicable rate tariffs, a basic interior/exterior water saving pamphlet, xeriscape landscape information, a list of low water use trees, plants, shrubs, etc., watering guidelines, and a rain water harvesting pamphlet.

2. Upon customer request, the Company shall provide:
   a. On-site consultations on low water use landscaping and efficient watering practices.
   b. A summary of water saving options.

3. The Company shall keep a record of the number of packets provided to new customers and make it available to the Commission upon request.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7c .

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Residential Audit Program Tariff – BMP 3.1

PURPOSE

A program for the Company to promote water conservation by providing customers with information on performing water audits to determine conservation opportunities at their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.1: Residential Audit Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall offer self-audit information.
2. The Company or designated representative shall provide all customers that request them with a self–audit kit.
3. The kit shall include detailed instructions and tools for completing the water audit including information on how to check their water meter. The audit kit shall include but not be limited to information on checking the following components: irrigation system, pool, water features, toilets, faucets and shower.
4. If requested, the Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing high water usage as well as supply customer with information regarding water conservation and landscape watering guidelines. As part of the water audit, and if requested to do so by the customer, the Company shall confirm the accuracy of the customer meter (applicable meter testing fees shall apply).
5. The Company shall keep a record of the following information and make it available to the Commission upon request:
   a. A description of the water conservation material provided in the kit.
   b. The number of kits provided to customers.
   c. Implementation costs of the Residential Audit Program.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7d

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Residential Interior Retrofit Program Tariff – BMP 3.4

PURPOSE

A program for the Company to promote water conservation by providing residential customers free or low cost plumbing fixtures for their residence (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.4: Residential Interior Retrofit Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company or designated representative shall provide to residential customers that request them that live in homes built prior to the adoption of the 1990 Uniform Plumbing Code free or low cost low water use fixtures such as faucets, faucet aerators, low flow shower heads, toilets and toilet dams. The Company must offer the fixtures/fixture retrofits to all residential customers meeting the above criteria unless the Company can demonstrate that targeting certain portions of its water service area is likely to yield the highest participation and/or potential water savings.

2. The fixtures or retrofit kit shall include detailed instructions for installing the retrofit fixtures.

3. The Company shall select appropriate communications channels to advertize the program.

4. The Company shall keep a record of the following information and make it available to the Commission upon request:

   a. A description of the Residential Interior Retrofit Program including a description of the fixtures provided to customers and estimated water savings as a result of Program implementation.
   b. The number of retrofit fixtures requested by customers and the number of fixtures provided.
   c. Costs of the Residential Interior Retrofit Program.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7e

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.
2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.
3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to verify consumption and conduct a leak detection inspection and further assist the customer with water conservation measures.
4. The Company shall follow up on every customer inquiry or complaint and keep a record of inquiries and follow-up activities. The Company shall make this information available to the Commission upon request.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7f

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Customer High Water Use Notification Tariff – BMP 3.7

PURPOSE

A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services Program 3.7: Customer High Water Use Notification).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall track water usage for each customer and notify the customer if water use seems excessive for that particular billing for that time of the year.

2. The Company shall identify customers with high consumption, verify the high consumption, and investigate each instance to determine the possible cause.

3. The Company shall contact the high water use customers via telephone, email, by mail or in person. The Company shall contact the customer as soon as practical in order to minimize the possible loss of water. The customer will not be required to do anything to receive this notification.

4. In the notification the Company shall explain some of the most common water usage problems and common solutions and points of contact for dealing with the issues.

5. In the notification, the customer will be reminded of possible high water-consumption occurrences, such as:
   a. Leaks, running toilets, or valves or flappers that need to be replaced.
   b. Irrigation system valves or sprinkler heads which may be leaking.
   c. Sprinklers that may be watering the house, sidewalk, or street, etc. increasing irrigation requirements.
   d. Leaking pool or spas and possible leaks around pumps.
   e. More people in the home than usual taking baths and showers.
   f. Doing more loads of laundry than usual.
   g. Doing a landscape project or starting a new lawn.
   h. Washing vehicles more often than usual.

(Continued on Sheet No. 7g)

ISSUED: February 20, 2012 (Month Day Year)
EFFECTIVE: January 20, 2012 (Month Day Year)
ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7g

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Customer High Water Use Notification Tariff – BMP 3.7
(Continued)

6. The Company shall offer water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.

7. The Company shall assist the customer in determining what might be causing the high water usage as well as offer the customer information regarding water conservation and landscape watering guidelines. The Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).

8. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded. The Company shall make this information available to the Commission upon request.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7h

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Leak Detection Program Tariff – BMP 4.1

PURPOSE

A program for the Company to systematically evaluate its water distribution system to identify and repair leaks (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.1 Leak Detection Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

On a systematic basis, the Company shall perform leak detection inspections of its distribution system to identify and fix leaks.

This program shall be implemented through a strategy of targeting certain portions of the water service area which will yield the highest potential for water savings first.

1. The Company shall implement a comprehensive leak detection and repair program to attain and maintain a goal of less than 10 percent unaccounted for water loss in its system(s). The program must include auditing procedures, in-field leak detection and repair efforts. The Company shall take whatever practical steps are necessary to ensure that its water system is operating at optimal efficiency.
2. On a systematic basis, at least every two years (annually for smaller systems), the Company shall visually inspect its above ground water distribution system (to include hydrants, valves, tanks, pumps, etc. in the distribution system) to identify and repair leaks. Detection shall be followed by repair or in some cases replacement. Repair vs. replacement will depend upon site-specific leakage rates and costs.
3. Leak Detection efforts should focus on the portion of the distribution system with the greatest expected problems, including:
    a. areas with a history of excessive leak and break rates;
    b. areas where leaks and breaks can result in the heaviest property damage;
    c. areas where system pressure is high;
    d. areas exposed to stray current and traffic vibration;
    e. areas near stream crossings; and,
    f. areas where loads on pipe may exceed design loads.
4. The Company shall keep accurate and detailed records concerning its leak detection and repair/rehabilitation program and the associated costs. Records of repairs shall include: possible causes of leak; estimated amount of water lost; and date of repair. These records shall be made available to the Commission upon request.

(Continued on Sheet No. 7i)

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7i

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Leak Detection Program Tariff – BMP 4.1
(continued)

5. The Company shall maintain a complete set of updated distribution system maps.

6. The Company shall conduct a water audit annually which includes the following steps to determine how efficient each water system is operating and where the losses might be.
   a. Use coordinated monthly source and service meter readings to calculate how much water enters and leaves the system during the 12 month review period.
   b. Track and estimate any unmetered authorized uses.
   c. Calculate the total amount of leakage using the following formula:

      Unaccounted for water (%) = [(Production and/or purchased water minus metered use & estimated authorized un-metered use) / (Production and/or purchased water)] x 100%

   d. Authorized un-metered uses may include firefighting, main flushing, process water for water treatment plants, etc. Water losses include all water that is not identified as authorized metered water use or authorized un-metered use.
   e. Determine possible reasons for leakage, including physical leaks and unauthorized uses.
   f. Analyze results to determine the improvements needed, such as, better accounting practices, leak survey or replacing old distribution pipes.

7. The Company shall keep accurate and detailed records concerning its annual water audit results. These records shall be made available to the Commission upon request.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)
ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7i

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters and to repair or replace them (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will replace all 2-inch and smaller in-service water meters at least once every fifteen years.

2. The Company will test all meters that have caused a meter reading complaint to be filed with the Arizona Corporation Commission.

3. Meters larger than 2-inch shall be tested for one of the following reasons:
   a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
   b. A meter has been in service for five years.

4. The test will be accomplished by one of the following:
   a. Having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair.
   b. Utilizing equipment to verify that all electronic components are within manufacturer specifications and are operating properly.

5. In addition, meters shall be randomly selected for flow testing utilizing a flow through detector testing meter.

6. All replacement water meters shall register in gallons:
   a. All new 1-inch and smaller meters that are installed will register usage in 1 gallon increments,
   b. All new 1-1/2-inch through 4-inch meters that are installed will register in 10 gallon increments, and
   c. All new 6-inch and larger meters that are installed will register in 100 gallon increments.

7. The Company shall keep records on the number of meters that were replaced and make this information available to the Commission upon request.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 7k

EPCOR Water Arizona, Inc.
(Name of Company)
(623) 445-2416
(Water Conservation Phone)

Havasu Water District
(Name of Service Area)

WATER SYSTEM TAMPERING TARIFF – BMP 5.2

PURPOSE

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company's water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company's authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company's services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company's action is successful, the Company may recover as damages three times the amount of actual damages.

2. Compliance with the provisions of this tariff will be a condition of service.

3. The Company shall make available to all its customers a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.

4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.

5. If a customer believes he/she has been disconnected in error, the customer may contact the Commission's Consumer Services Section at 1-800-222-7000 to initiate an investigation.

ISSUED: February 20, 2012 (Month Day Year) EFFECTIVE: January 20, 2012 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 72741

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

Original SHEET NO. 8
SHEET NO. 8

EPCOR Water Arizona, Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

TARIFF

CUSTOMER WATER CONSUMPTION INFORMATION SHARING WITH MUNICIPAL WASTEWATER PROVIDERS

EPCOR Water Arizona, Inc. ("Company") is authorized to share water consumption information of individual customers to municipal providers of wastewater service for common customers purchasing water from the Company and wastewater from the municipal provider. The purpose of this Tariff, and the authorized provision of customer water consumption information, is to assist municipal providers in billing for wastewater utility services. City agrees that it is only authorized to use such water consumption information for purposes of wastewater services billing and is not authorized to disclose such information to any other party except as may be required by law.

The Company shall enter into an agreement with a municipal provider before providing individual water consumption data, in a form materially similar to the standard form agreement attached hereto. Any such agreement shall be subject to Arizona Corporation Commission ("Commission") review as set forth in Section 4 of the standard form agreement.

The Company shall notify all water utility customers affected by an agreement between the company and a municipal provider of wastewater services, signed pursuant to this Tariff, by means of a billing insert during the first billing cycle immediately after said agreement is signed.

ISSUED: October 15, 2003 (Month Day Year) EFFECTIVE: October 6, 2003 (Month Day Year)

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Rd., Suite 300, Phoenix, AZ 85027

Decision No. 66387

APPROVED FOR FILING
DECISION # 73145

ORIGINAL

CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect EPCOR Water Arizona, Inc.'s Havasu Water District's ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-215.

REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.

2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.

3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.

4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

ORIGINAL

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.

6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:

   a. assembly identification number and description;
   b. location
   c. date(s) of test(s);
   d. description of repairs and recommendations for repairs made by tester; and
   e. the tester's name and certificate number.

7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.

8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

EPCOR Water Arizona Inc.
(Name of Company)

Havasu Water District
(Name of Service Area)

INTERIM RATE SURCHARGE

Availability

Applicable to all metered Residential, Commercial, Industrial, Public Authority and Potable Irrigation customers served by the Company. Customers exempt from this surcharge include those jurisdictional customers receiving general service under the Company's raw water, wheeling, and effluent rate schedules.

Rate

All Consumption

	Commodity Rate (per 1,000 gallons)
Interim Rate Surcharge	$ (0.0001)

Special Conditions

This surcharge will be displayed as a separate line item on the customers' monthly bill. This surcharge will remain in effect until new rates are approved for this district.

Terms and Conditions

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use and franchise tax, per Commission Rule 14-2-409.D.5.

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts which are assessed directly or indirectly on the basis of revenues derived from this Schedule, or on the basis of the service provided or the volume of water produced, purchased or sold.

A 1-1/2% late payment penalty will be applied to account balances not paid within twenty-five (25) days after the postmark date of the bill in accordance with Rule 8 (H) of EPCOR Water Arizona Inc.'s Havasu Water District Rules and Regulations.

Exhibit 5

Affidavit

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS
ROBERT "BOB" BURNS– Chairman
ANDY TOBIN
BOYD DUNN
SANDRA D. KENNEDY
JUSTIN OLSON

IN THE MATTER OF THE JOINT APPLICATION OF EPCOR WATER ARIZONA INC., AN ARIZONA CORPORATION, AND BROOKE WATER LLC, A LIMITED LIABILITY COMPANY (1) FOR APPROVAL TO TRANSFER BROOKE WATER LLC ASSETS TO EPCOR WATER ARIZONA INC.; (2) TO CANCEL BROOKE WATER LLC CERTIFICATE OF CONVENIENCE AND NECESSITY; AND (3) TO EXTEND THE CERTIFICATE OF CONVENIENCE AND NECESSITY FOR EPCOR WATER ARIZONA INC., SPECIFICALLY ITS HAVASU WATER DISTRICT	DOCKET NO. WS-01303A-19- W-03039A-19- **AFFIDAVIT OF SHAWN BRADFORD**

State of Arizona)
)ss.
County of Maricopa)

SHAWN BRADFORD, being duly sworn, deposes and says:

1. I am a resident of Maricopa County, over 18 years of age, and make this affidavit based on my own personal knowledge.

2. I am Vice President – Corporate Services for EPCOR Water Arizona Inc. (the "Company").

3. I hereby certify that the Joint Application dated May 13, 2019, was prepared and filed under my direct supervision.

4. The Company submits this affidavit in accordance with Arizona law and Commission regulations.

Dated this ___ day of May, 2019.

Shawn Bradford

SUBSCRIBED AND SWORN to before me this 9 day of May, 2019 by Shawn Bradford

Notary Public

My Commission Expires:

8/14/2022

6823768

SUMMER BROWN
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 549453
Expires August 14, 2022