

RIO VERDE UTILITIES, INC.

ORIGINAL

Docket WS-02156A-16-0201

TARIFF

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 76101

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James S. Thomson, President
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25609 Danny Lane
Rio Verde, Arizona 85263

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RIO VERDE UTILITIES, INC.

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2018 Federal Tax Act One-Time Credit

Availability

Available to all customer classes within the water certificated area of Rio Verde Utilities, Inc. receiving general water service, irrigation water service, wheeled water service or fire sprinkler service.

Schedule of Charges

A. One-Time Credit

All customers of the Company taking general water service, irrigation water service, wheeled water service or fire sprinkler service during the month of August 2018 will receive a one-time credit on their August 2018 bill.

B. Amount of One-Time Credit

The One-Time Credit shall be 2.764% of the Actual Water Revenue Billed to each customer for water service during the period January 1, 2018 through May 31, 2018 plus 4.015% of the Actual Water Revenue Billed to each customer for water service during the period June 1, 2018 through July 31, 2018.

Actual Water Revenue Billed does not include Sustainable Water Surcharge Revenue or applicable sales, transaction privilege, use, regulatory or other taxes and assessments.

Terms and Conditions

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-409.D.5.

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

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Rio Verde Utilities, Inc.
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Rio Verde, Arizona 85263

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2018 Federal Tax Act One-Time Credit

Availability

Available to all customer classes within the wastewater certificated area of Rio Verde Utilities, Inc. receiving sanitary sewer service or reclaimed water service.

Schedule of Charges

A. One-Time Credit

All customers of the Company taking sanitary sewer service or reclaimed water service during the month of August 2018 will receive a one-time credit on their August 2018 bill.

B. Amount of One-Time Credit

The One-Time Credit shall be 3.026% of the Actual Wastewater Revenue Billed to each customer for sewer service or reclaimed water service during the period January 1, 2018 through May 31, 2018 plus 4.253% of the Actual Wastewater Revenue Billed to each customer for sewer service or reclaimed water service during the period June 1, 2018 through July 31, 2018.

Actual Wastewater Revenue Billed does not include applicable sales, transaction privilege, use, regulatory or other taxes and assessments.

Terms and Conditions

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-608.D.5.

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-610 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

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Rio Verde Utilities, Inc.
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PART 1 – Water Service

RIO VERDE UTILITIES, INC.

Sheet No. 1

Docket WS-02156A-18-0089

General Water Service

Availability

Available to all customer classes within the water certificated area of Rio Verde Utilities, Inc. receiving metered potable water service where facilities of adequate capacity and pressure are adjacent to the premises served.

Schedule of Charges

A. Monthly Basic Service Charge

<u>Meter Size & Class</u>	<u>Effective Date:</u>	<u>Step 2</u> <u>8/1/18</u>	<u>Step 3</u> <u>6/1/19</u>	<u>Step 4</u> <u>6/1/20</u>
¾ inch – Residential		\$ 10.72	\$ 11.08	\$ 11.45
1 inch – Residential		10.72	11.08	11.45
¾ inch – Commercial		10.72	11.08	11.45
1 inch – Commercial		14.43	15.59	16.75
1½ inch – All Classes		42.40	44.62	46.85
2 inch – All Classes		88.13	92.02	95.90
3 inch – All Classes		145.77	153.44	161.10
4 inch – All Classes		231.98	244.19	256.40
6 inch – All Classes		397.69	418.62	439.55

All Sizes – Construction and Standpipe

Same as
Commercial Meter
of equivalent size

B. Commodity Rates

The rate for water usage in addition to the Basic Service Charge above shall be at the following rates per 1,000 gallons:

<u>Meter Size & Class</u>	<u>Consumption</u>	<u>Step 2</u> <u>8/1/18</u>	<u>Step 3</u> <u>6/1/19</u>	<u>Step 4</u> <u>6/1/20</u>
¾ inch – Residential (Dwelling Units)	0 to 3,000 gallons	\$ 1.67	\$ 1.68	\$ 1.71
	3,001 to 15,000 gallons	1.84	1.89	1.94
	Over 15,000 gallons	2.15	2.27	2.39

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PART 1 – Water Service

RIO VERDE UTILITIES, INC.

Sheet No. 2

Docket WS-02156A-18-0089

General Water Service (Cont.) Commodity Rates (Cont.)

<u>Meter Size & Class</u>	<u>Consumption</u>	<u>Step 2 8/1/18</u>	<u>Step 3 6/1/19</u>	<u>Step 4 6/1/20</u>
¾ inch – Residential (Landscape Irrigation Service)	0 to 15,000 gallons	1.84	1.89	1.94
	Over 15,000 gallons	2.15	2.27	2.39
1 inch – Residential (Dwelling Units)	0 to 3,000 gallons	1.67	1.68	1.71
	3,001 to 15,000 gallons	1.84	1.89	1.94
	Over 15,000 gallons	2.15	2.27	2.39
1 inch – Residential (Landscape Irrigation Service)	0 to 15,000 gallons	1.84	1.89	1.94
	Over 15,000 gallons	2.15	2.27	2.39
¾ inch – Commercial	0 to 15,000 gallons	1.84	1.89	1.94
	Over 15,000 gallons	2.15	2.27	2.39
1 inch – Commercial	0 to 30,000 gallons	1.84	1.89	1.94
	Over 30,000 gallons	2.15	2.27	2.39
1½ inch – All Classes (except Construction / SP)	0 to 70,000 gallons	1.84	1.89	1.94
	Over 70,000 gallons	2.15	2.27	2.39
2 inch – All Classes (except Construction / SP)	0 to 160,000 gallons	1.84	1.89	1.94
	Over 160,000 gallons	2.15	2.27	2.39
3 inch – All Classes (except Construction / SP)	0 to 170,000 gallons	1.84	1.89	1.94
	Over 170,000 gallons	2.15	2.27	2.39
4 inch – All Classes (except Construction / SP)	0 to 180,000 gallons	1.84	1.89	1.94
	Over 180,000 gallons	2.15	2.27	2.39
6 inch – All Classes (except Construction / SP)	0 to 200,000 gallons	1.84	1.89	1.94
	Over 200,000 gallons	2.15	2.27	2.39
All Sizes – Construction and Standpipe	All Usage	2.62	2.69	2.77

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Docket WS-02156A-18-0089

General Water Service (Cont.)

Terms and Conditions

The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallon per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

Service under this rate schedule is subject to the Miscellaneous Charges included in this Tariff.

Service provided under this rate schedule is subject to the Sustainable Water Surcharge included in this Tariff.

Service provided under this rate schedule is subject to the Purchased Power Adjustment Mechanism included in this Tariff.

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-409.D.5.

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

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PART 1 – Water Service

RIO VERDE UTILITIES, INC.

Sheet No. 4

Docket WS-02156A-18-0089

Irrigation Water Service

Availability

Available to large irrigation water users, including golf courses, home owners' associations and other large users within the water certificated area of Rio Verde Utilities, Inc. where non-potable water facilities of adequate capacity and pressure are adjacent to the premises served.

Schedule of Charges

A. Monthly Basic Service Charge

<u>Meter Size</u>	<u>Effective Date:</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
¾ inch	<u>8/1/18</u>	\$ 9.70	\$ 9.85	\$ 10.00
1 inch		9.70	9.85	10.00
1½ inch		37.60	38.80	40.00
2 inch		84.00	87.00	90.00
3 inch		131.00	135.50	140.00
4 inch		206.50	213.25	225.00
6 inch		356.00	368.00	380.00
8 inch		715.50	740.25	765.00
12 inch		1,249.50	1,292.25	1,340.00

B. Commodity Rates

The rate for water usage in addition to the Basic Service Charge above shall be at the following rates per 1,000 gallons for all meter sizes.

	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
	<u>8/1/18</u>	<u>6/1/19</u>	<u>6/1/20</u>
All Meter Sizes	\$ 1.26	\$ 1.30	\$ 1.34

Terms and Conditions

Service provided under this schedule is limited to non-potable water delivered from the Company's non-potable water system and is subject to availability.

If potable water is used to supplement irrigation service, the potable water will be billed in accordance with the Company's General Water Service rate for potable water.

Service under this rate schedule is subject to the Miscellaneous Charges included in this Tariff.

Service provided under this rate schedule is subject to the Sustainable Water Surcharge included in this Tariff.

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PART 1 – Water Service

RIO VERDE UTILITIES, INC.

Sheet No. 5

Docket WS-02156A-18-0089

Irrigation Water Service (Cont.)

Terms and Conditions (Cont.)

Service provided under this rate schedule is subject to the Purchased Power Adjustment Mechanism included in this Tariff.

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-409D.5.

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

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Wheeled Water Service

Availability

Available to a customer eligible to receive General Water Service or Irrigation Water Service that has acquired its own sustainable water supply, obtained necessary permits from the Arizona Department of Water Resources, entered into an exchange agreement with Salt River Project or others as may be required, entered into a wheeling agreement with the Company, and taken all other action that is required to allow the Company to legally deliver the Customer's renewable water supply to the Customer from the Company's existing wells.

Schedule of Charges

A. Wheeled Water Rate

Charges for Wheeled Water Service shall be in accordance with the Company General Water Service or Irrigation Water Service rate schedule as applicable to the class of customer requesting Wheeled Water Service, except that Wheeled Water Service is not subject to the Sustainable Water Surcharge.

Terms and Conditions

The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallon per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

Service provided under this schedule is subject to the provisions of permits issued by the Arizona Department of Water Resources, requirements imposed by Salt River Project through an exchange agreement and terms of the wheeling agreement between the Company and the Customer.

Service under this rate schedule is subject to the Miscellaneous Charges included in this Tariff.

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-409(D)(5).

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

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Fire Sprinkler Service**Availability**

Available to all customers within any customer class with a fire sprinkler connection separate and distinct from the primary water service line, where facilities of adequate capacity and pressure are adjacent to the premises served.

Schedule of Charges**A. Fire Sprinkler Rates**

Charges for Fire Sprinkler Service shall be by connection size. The charge shall be the greater of \$10.00 or 2 percent of the general service rate for a similar size meter.

Terms and Conditions

Service under this rate schedule is subject to the Miscellaneous Charges included in this Tariff.

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-409D.5.

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

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Miscellaneous Charges - Water

A. Service Charges

The following service charges are applicable to services provided.

<u>Service Charge</u>	<u>Applicable Rate</u>
Establishment	\$25.00
Reconnection (Delinquent) **	20.00
After Hours Charge (Customer Request)	25.00
Meter Test (If Correct)	30.00
Meter Re-Read (If Correct)	15.00
Deposit Amount Residential *	Maximum of 2 times average bill
Deposit Amount Non-Residential *	Maximum of 2.5 times average bill
Deposit Interest *	6.00%
Re-establishment of Service within 12 months **	Months off system times Monthly Basic Service Charge
NSF Check – Company may only charge one NSF Fee when customer is billed for water and sewer service on <u>one</u> bill and when the customer pays their bill with <u>one</u> check.	25.00
Deferred Payment (Per Month) ***	1.50% of the unpaid balance per month
Late Payment Penalty (Per Month)	1.50% of the unpaid balance
Moving meter/service at customer request	Cost
Service Line or Meter Upsizing at customer request	Cost

* Per Commission Rule R14-2-403.B.

** Per Commission Rule R14-2-403.D.

*** Per Commission Rule R14-2-409.G.

All items billed at cost to include labor, materials, parts, overheads, and all applicable taxes.

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25609 Danny Lane
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Miscellaneous Charges - Water (Cont.)

B. Service Line and Meter Installation Charges

As required pursuant to R14-2-405, new customers will be required to pay a refundable advance in aid of construction for installation of service line and meter as specified below, except where the refundable advance in aid of construction has been included in a main extension agreement.

<u>Meter Size / Type</u>	<u>Service Line</u>	<u>Meter* Installation</u>	<u>Total</u>
3/4" Meter	500.00	260.00	760.00
1" Meter	550.00	320.00	870.00
1 1/2" Meter	610.00	535.00	1,145.00
2" Meter	925.00	1,065.00	1,990.00
2" Meter (Compound)	925.00	1,925.00	2,850.00
3" Meter	1,170.00	1,700.00	2,870.00
3" Meter (Compound)	1,310.00	2,595.00	3,905.00
4" Meter	1,660.00	2,720.00	4,380.00
4" Meter (Compound)	1,870.00	2,715.00	4,585.00
6" Meter	2,480.00	5,125.00	7,605.00
6" Meter (Compound)	2,615.00	7,055.00	9,670.00
Larger Meters	Cost	Cost	Cost

* Meter Charge includes meter box or vault.

All items billed at cost to include labor, materials, parts, overheads, and all applicable taxes.

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Docket WS-02156A-16-0201

Sustainable Water Surcharge**Plan of Administration of
Sustainable Water Surcharge****1. GENERAL DESCRIPTION.**

This document is the Plan of Administration ("POA") for the Sustainable Water Surcharge ("SWS") for Rio Verde Utilities, Inc., Water Division ("Rio Verde" or "Company") approved by the Arizona Corporation Commission ("Commission") in Decision No. 76101 on May 22, 2017. The SWS allows Rio Verde to pass through to its customers the costs related to the purchase and exchange of sustainable water supplies with Salt River Project ("SRP").

2. INITIAL SURCHARGE RATE

Decision No. 76101 approving the SWS set the initial rate of the SWS as follows:

\$0.1157 per 1,000 gallons of water sold.

3. GENERAL DESCRIPTION OF SWS

A. The purpose of the SWS is to recover the costs of purchasing sustainable water supplies, utilizing those sustainable water supplies via exchange with SRP. Recoverable costs include contracting, delivery, legal and administrative costs paid to Central Arizona Project ("CAP"), SRP and others, as necessary to allow the Company to deliver the renewable water supplies to the Company's customers via exchange with SRP or others and thereby reduce the Company's pumping of groundwater. The SWS will include costs for groundwater withdrawal fees paid to the Arizona Department of Water Resources ("ADWR"), since these costs will be reduced as the Company increases its use of sustainable water supplies and reduces its use of groundwater.

B. The SWS is applicable to all water sales by the Company's water division, including residential, commercial, construction, potable irrigation and non-potable irrigation sales, excepting all water delivered pursuant to the Company's Wheeled Water Service tariff.

C. The Company will make an annual SWS Filing (the first being due January 31, 2018, then by January 31 of each year thereafter) to adjust the SWS rate. The SWS rate will be billed per thousand gallons sold similar to a commodity rate for all water customers. The SWS will appear on customers' bills as a separate line item labeled "Sustainable Water Surcharge". This rate will be adjusted annually March 1st of each year to true up the previous year's activity and reflect the current year's costs.

4. COMPONENTS OF SWS

A. The SWS is implemented via an annual reconciliation which includes: 1) Prior Year Under/Over Recovery, 2) Projected Current Year Expenses, and 3) Determination of the surcharge rate, per 1,000 gallons of usage for the current year.

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Prior Year Under/Over Recovery

This component accounts for the under- or over- recovery of the prior year's sustainable water costs through the surcharge. The computation is:

- 1) Actual annual sustainable water costs for the previous year ending December 31.
- 2) Less actual annual SWS revenues collected through the previous year ending December 31.
- 3) Equals the Over / Under Collection Balance.

Projected Current Year Expenses

This component accounts for the expected current year sustainable water costs. The computation is:

- 1) Projected sustainable water costs for the current year.
- 2) Less or Plus the Over / Under Collection Balance.
- 3) Equals the Current Year SWS Revenue Target.

Determination of Current Year SWS

This Component determines the current year SWS on a per 1,000-gallon basis.

- 1) Current Year SWS Revenue Target.
- 2) Divided by Current Year Projected Sales.
- 2) Equals Current Year SWS, per 1,000 gallons sold.

5. **SUSTAINABLE WATER USAGE PROJECTION**

A. The Company anticipates the following use of sustainable water supplies for calendar years 2017 through 2021.

	<u>2016</u>	<u>Projected</u>				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	
Central Arizona Project Water (ac-ft)	385	400	480	560	640	720
Other Sustainable Water Supplies	0	0	0	0	0	0

6. **ALLOWABLE COMPONENTS OF SUSTAINABLE WATER COST**

A. The following costs will be eligible for recovery under the SWS.

Category 1 Costs:

- 1) Costs paid to the Central Arizona Water Conservation District pursuant to Subcontract No. 07-XX-30-W0512 dated October 3, 2007.
- 2) Costs paid to Salt River Valley Water Users' Association pursuant to Agreement for Upstream Exchange of Central Arizona Project Water dated April 24, 1991.
- 3) Groundwater withdrawal fees paid to the Arizona Department of Water Resources.

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Category 2 Costs:

- 1) Costs paid to acquire and use sustainable water supplies or stored sustainable water supplies other than CAP water available pursuant to Subcontract No. 07-XX-30-W0512 dated October 3, 2007.
 - 2) Costs paid to SRP or others for the exchange of sustainable water supplies or stored sustainable water supplies with SRP or others, except for CAP water available pursuant to Subcontract No. 07-XX-30-W0512 dated October 3, 2007.
- B. Through calendar year 2019, the SWS shall only include Category 1 Costs.
- C. Through calendar year 2019 the SWS shall only include costs for the lower of actual CAP water purchased or the projected amount of CAP water usage shown in Section 5.
- D. Category 2 Costs shall not be included in the SWS unless the Company has given two-years prior notice, in the form of an updated Sustainable Water Use Projection included with its annual filing to the Commission, its intent to use sustainable water supplies that would constitute Category 2 Costs.

7. SWS RELATED FILINGS.

- A. The Company shall file the required annual SWS Filing by January 31st each year to be effective on March 1st of the same year.
- B. The Company will provide the Commission with schedules showing:
- a. Its sustainable water supply costs for the previous year and its collections under the SWS that includes a calculation of any under or over recovery for the previous year.
 - b. Its projected sustainable water supply costs for the current year, including a calculation of the current year SWS revenue target.
 - c. Calculation of the current year SWS, per 1,000 gallons of water sold.
 - d. An updated Sustainable Water Use Projection for the current year and the following 4 years.
- C. A discussion of any significant events affecting the Company's acquisition and use of sustainable water supplies.

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PART 1 – Water Service

RIO VERDE UTILITIES, INC.

Sheet No. 12a

Docket WS-02156A-16-0201

Sustainable Water Surcharge

General Description

The Sustainable Water Surcharge allows Rio Verde Utilities to pass through to its customers the costs related to the purchase and exchange of sustainable water supplies with Salt River Project. All charges are calculated and assessed to customers in accordance with the Plan of Administration for the Sustainable Water Surcharge approved in Decision No. 76101 on May 22, 2017.

Availability

Available to all customer classes within the water certificated area of Rio Verde Utilities, Inc. where facilities of adequate capacity and pressure are adjacent to the premises served.

Surcharge Rate

All classes of water customers \$0.2791 per thousand gallons sold

Terms and Conditions

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory, or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-409.D.5.

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C R14-2-411 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

Issued: January 31, 2024

Effective: March 1, 2024

ISSUED BY:

Sheryl L. Hubbard, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

Administratively Approved

**APPROVED FOR FILING
DECISION #: 78439, 76101
Effective: March 1, 2024**

Docket WS-02156A-16-0201

Off-Site Facilities Hook-Up Fee – Water**I. Purpose and Applicability**

The purpose of the off-site hook-up fees payable to Rio Verde Utilities, Inc. (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections established after the effective date of this tariff undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-601 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 Company for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

“Company” means Rio Verde Utilities, Inc.

“Main Extension Agreement” means any agreement whereby an Applicant agrees to advance the costs of the installation of water facilities necessary to the Company to serve new service connections within a development, or installs such water facilities necessary to serve new service connections and transfer ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as “Water Facilities Agreement” or “Line Extension Agreement.”

“Off-site Facilities” means the wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Offsite facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.

Issued: May 31, 2017

Effective: June 1, 2017

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 710101

Docket WS-02156A-16-0201

“Service Connection” means and includes all service connections for single-family residential, commercial, industrial or other uses, regardless of meter size.

III. Off-Site Water Hook-up Fee

For each new service connection, the Company shall collect an off-site hook-up fee of \$1,000.

IV. Terms and Conditions

(A) Assessment of One Time Off-Site Hook-up Fee: The off-site hook-up fee may be assessed only once per service connection or lot within a subdivision (similar to meter and service line installation charge).

(B) Use of Off-Site Hook-up Fee: Off-site hook-up fees may only be used to pay for capital items of off-site facilities or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs.

(C) Time of Payment:

- 1) For those requiring a Main Extension Agreement: 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 or construct such improvements in order to extend service in accordance with R-14-3-406.B, payment of the hook-up fees required hereunder shall be made by the Applicant no later than 15 days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406.M.
- 2) For those connecting to an existing main: In the event that the Applicant is not required to enter into a Main Extension Agreement, the hook-up fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.

(D) Off-Site Facilities Construction by Developer: Company and Applicant may agree to construction of off-site facilities necessary to serve a particular development by Applicant, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the

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James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

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DECISION #: 76101

PART 1 – Water Service**RIO VERDE UTILITIES, INC.**Docket WS-02156A-16-0201

total cost of the off-site facilities constructed by Applicant and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Applicant shall be refunded the difference upon acceptance of the off-site facilities by the Company.

- (E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or to actually provide water service to any Applicant in the event that the Applicant has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.
- (F) Large Subdivision and/or Development Projects: In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 50 lots, the Developer may pay hook-up fees either at the time of permit issuance or when a plat is approved for a new subdivision.
- (G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company as hook-up fees pursuant to the off-site hook-up fee tariff shall be non-refundable contributions in aid of construction.
- (H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site hook-up fees shall be deposited into a separate interest bearing bank account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.
- (I) Off-Site Hook-up Fee in Addition to On-site Facilities: The off-site hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.
- (J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site hook-up fees, or if the off-site hook-up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.
- (L) Status Reporting Requirements to the Commission: The Company shall submit a calendar
-

Issued: May 31, 2017

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ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 76101

Docket WS-02156A-16-0201

year Off-Site Facilities Hook-Up Fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2018, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities that have been installed with the tariff funds during the 12-month period.

Issued: May 31, 2017

Effective: June 1, 2017

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING
DECISION #: 76101

Docket WS-02156A-16-0201

Water Main Extension Agreements

The Company has adopted A.A.C. R14-2-406 as its water main extension tariff.

Issued: May 31, 2017

ISSUED BY:

Effective: June 1, 2017

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING
DECISION #: 76101

Cross-Connection Control and Backflow Prevention Tariff

PURPOSE:

The purpose of this tariff is to protect Rio Verde Utilities, Inc. ("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.

Issued: January 9, 2015

Effective: February 8, 2015

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 76101

Docket WS-02156A-15-0003

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);b
 - 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.

Issued: January 9, 2015

Effective: February 8, 2015

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 76101

Curtailment Plan for Rio Verde Utilities, Inc.

ADEQ Public Water System No: 07-121

Rio Verde Utilities, 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 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, the 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.

Issued: December 15, 2014

Effective: January 14, 2015

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 76101

Docket WS-02156A-14-409

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 six signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
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.

Issued: December 15, 2014

Effective: January 14, 2015

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 746101

Docket WS-02156A-18-0089

General Sanitary Sewer Service

Availability

Available to all customer classes within the sewer certificated area of Rio Verde Utilities, Inc where facilities of adequate capacity are adjacent to the premises served.

Schedule of Charges

A. Monthly Sewer Charge

<u>Customer Class</u>	<u>Effective Date:</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>
Residential – All Meter Sizes	8/1/18	\$ 57.97	\$ 60.96	\$ 63.95
Commercial – All Meter Sizes (Except Restaurants)		263.42	277.01	290.60
Commercial – Restaurants		395.20	415.60	436.00

Terms and Conditions

The Company shall have the authority to establish permissible limits of concentration for various specific substances, materials, waters, or wastes that can be accepted in the sewer system, and to specify those substances, materials, waters, or wastes that are prohibited from entering the sewer system. Each permissible limit so established shall be placed on file in the business office of the Company. No person shall discharge, or cause to be discharged, any sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or unpolluted industrial process waters into the sanitary sewer.

Service provided under this rate schedule is subject to the Purchased Power Adjustment Mechanism included in this Tariff.

Service under this rate schedule is subject to the Miscellaneous Charges included in this Tariff.

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-608.D.5.

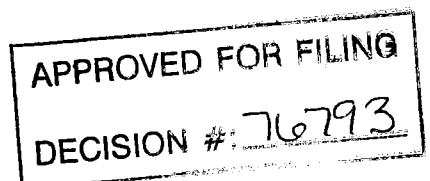
The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-610 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

Issued: August 1, 2018

ISSUED BY:

Effective: 1st Billing Cycle
of August 2018

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263



Reclaimed Water Service

Availability

Available to golf courses and other large users within the sewer certificated area of Rio Verde Utilities, Inc that have reclaimed water contracts and access to the Company's reclaimed water system where facilities of adequate capacity and pressure are adjacent to the premises served.

Schedule of Charges

A. Reclaimed Water Charge

	Step 2	Step 3	Step 4
Effective Date:	<u>8/1/18</u>	<u>6/1/19</u>	<u>6/1/20</u>
All Reclaimed Water – All Usage	\$ 1.14	\$ 1.17	\$ 1.21

Terms and Conditions

Service provided under this schedule is limited to reclaimed wastewater delivered from the Company's reclaimed water system and is subject to availability.

Service provided under this rate schedule is subject to the Purchased Power Adjustment Mechanism included in this Tariff.

Service under this rate schedule is subject to the Miscellaneous Charges included in this Tariff.

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-608.D.5.

The Company has adopted the Rules and Regulations established by the Commission as the basis for its operating procedures. A.A.C. R14-2-601 through A.A.C. R14-2-610 will be controlling of Company's procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

Issued: August 1, 2018

ISSUED BY:

Effective: 1st Billing Cycle
of August 2018

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 76793

Docket WS-02156A-16-0201

Miscellaneous Charges - Wastewater

A. Service Charges

The following service charges are applicable to services provided.

<u>Service Charge</u>	<u>Applicable Rate</u>
Establishment	\$25.00
Reconnection (Delinquent) **	Cost
After Hours Charge (Customer Request)	25.00
Deposit Amount Residential *	Maximum of 2 times average bill
Deposit Amount Non-Residential *	Maximum of 2.5 times average bill
Deposit Interest *	6.00%
Re-establishment of Service within 12 months **	Months off system times Monthly Sewer Charge
NSF Check – Company may only charge one NSF Fee when customer is billed for water and sewer service on <u>one</u> bill and when the customer pays their bill with <u>one</u> check.	25.00
Deferred Payment (Per Month) ***	1.50% of the unpaid balance per month
Late Payment Penalty (Per Month) ****	1.50% of the unpaid balance

* Per Commission Rule R14-2-603.B.

** Per Commission Rule R14-2-603.D.

*** Deferred payments for wastewater service are only available if established in connection with deferred payments for water service.

**** Per Commission Rule R14-2-608(F).

All items billed at cost to include labor, materials, parts, overheads, and all applicable taxes.

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ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING
DECISION #: 76101

Docket WS-02156A-16-0201

Miscellaneous Charges - Wastewater (Cont.)

B. Service Line Installation Charges

As required pursuant to R14-2-605, new customers will be required to pay a nonrefundable contribution in aid of construction for installation of service line as specified below, except where the service line has been included in a collection main extension agreement.

	<u>Service Line</u>
4" Service Line	Cost
6" Service Line	Cost
8" Service Line	Cost
10" Service Line	Cost
12" Service Line	Cost

All items billed at cost to include labor, materials, parts, overheads, and all applicable taxes.

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James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING
DECISION #: 76101

Docket WS-02156A-16-0201

Off-Site Facilities Hook-Up Fee – Wastewater**I. Purpose and Applicability**

The purpose of the off-site hook-up fees payable to Rio Verde Utilities, Inc. (“the Company”) pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide wastewater treatment plant facilities among all new service laterals. These charges are applicable to all new service laterals established after the effective date of this tariff undertaken via Collection Main Extension Agreements or requests for service not requiring a Collection Main Extension Agreement. The charges are one-time charges and are payable as a condition to Company’s establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-601 of the Arizona Corporation Commission’s (“Commission”) rules and regulations governing sewer utilities shall apply in interpreting this tariff schedule.

“Applicant” means any party entering into an agreement with Company for the installation of wastewater facilities to serve new service laterals, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

“Company” means Rio Verde Utilities, Inc.

“Collection Main Extension Agreement” means any agreement whereby an Applicant agrees to advance the costs of the installation of wastewater facilities necessary to the Company to serve new service laterals within a development, or installs such wastewater facilities necessary to serve new service laterals and transfer ownership of such wastewater facilities to the Company, which agreement does not require the approval of the Commission pursuant to A.A.C. R-14-2-606, and shall have the same meaning as “Wastewater Facilities Agreement.”

“Off-site Facilities” means the wastewater treatment plant, sludge disposal facilities, effluent disposal facilities and related appurtenances necessary for proper operation, including engineering and design costs. Offsite facilities may also include lift stations, transportation mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and will benefit the entire wastewater system.

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James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

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DECISION #: 76101

Docket WS-02156A-16-0201

“Service Lateral” means and includes all service laterals for single-family residential, commercial, industrial or other uses.

III. Off-Site Facilities Hook-up Fee

For each new service lateral, the Company shall collect an off-site hook-up fee as specified below:

	Effective:	Step 1 <u>6/1/17</u>	Step 2 <u>6/1/18</u>
Hook-Up Fee		\$ 1,500	\$ 2,000

IV. Terms and Conditions

(C) Assessment of One Time Off-Site Hook-up Fee: The off-site hook-up fee may be assessed only once per service lateral or lot within a subdivision (similar to meter and service line installation charge).

(D) Use of Off-Site Hook-up Fee: Off-site hook-up fees may only be used to pay for capital items of off-site facilities or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs.

(C) Time of Payment:

- 1) For those requiring a Collection Main Extension Agreement: In the event that the Applicant is required to enter into a Collection Main Extension Agreement, whereby the Applicant agrees to advance the costs of installing on-site improvements or construct such improvements, payment of the hook-up fees required hereunder shall be made by the Applicant when payment is made for the on-site improvements or 30 days after the Collection Main Extension Agreement is executed, whichever is later.
- 2) For those connecting to an existing main: In the event that the Applicant is not required to enter into a Collection Main Extension Agreement, the hook-up fee charges hereunder shall be due and payable at the time wastewater service is requested for the property.

(D) Off-Site Facilities Construction By Developer: Company and Applicant may agree to

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James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

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DECISION #: <u>76101</u>

Docket WS-02156A-16-0201

construction of off-site facilities necessary to serve a particular development by Applicant, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Applicant shall be refunded the difference upon acceptance of the off-site facilities by the Company.

(E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or to actually provide wastewater service to any Applicant in the event that the Applicant has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.

(F) Large Subdivision and/or Development Projects: In the event that the Applicant is engaged in the development of a residential subdivision and/or development containing more than 50 lots, the Developer may pay hook-up fees either at the time of permit issuance or when a plat is approved for a new subdivision.

(G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company as hook-up fees pursuant to the off-site hook-up fee tariff shall be non-refundable contributions in aid of construction. The Company shall record amounts collected under the tariff as CIAC; however, such amounts shall not be deducted from rate base until such amounts have been expended for plant.

(H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site hook-up fees shall be deposited into a separate interest bearing bank account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities.

(I) Off-Site Hook-up Fee in Addition to On-site Facilities: The off-site hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Collection Main Extension Agreement.

(J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site hook-up fees, or if the off-site hook-

Issued: May 31, 2017

Effective: June 1, 2017

ISSUED BY:

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING
DECISION #: 76101

Docket WS-02156A-16-0201

up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the bank account shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Facilities Hook-Up Fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2018, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities that have been installed with the tariff funds during the 12-month period.

Issued: May 31, 2017

ISSUED BY:

Effective: June 1, 2017

James S. Thomson, President
Rio Verde Utilities, Inc.
25609 Danny Lane
Rio Verde, Arizona 85263

APPROVED FOR FILING

DECISION #: 76101

Collection Main Extension Agreements**A. APPLICANTS FOR EXTENSIONS OF SEWER COLLECTION MAINS.**

1. An applicant for the extension of mains of any length requesting that the Company construct the main extension may be required to pay to the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, manholes, service pipe lines, fittings, engineering, inspections, other costs and reasonable overheads.
2. Upon request by a potential applicant for a sewer main extension, the Company shall prepare, if requested, at no charge to the potential applicant, a preliminary sketch and rough estimate of the cost of constructing the main extension.
3. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 90 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.
4. Where the utility requires an applicant to advance funds for a main extension, the utility shall furnish the applicant with a copy of the Commission rules on main extension agreements prior to the applicant's acceptance of the utility's extension agreement.
5. In the event the utility's actual cost of construction is less than the amount advanced by the customer, the utility shall make a refund to the applicant within 30 days after the completion of the construction or utility's receipt of invoices related to that construction.
6. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.

B. MINIMUM WRITTEN AGREEMENT REQUIREMENTS

1. Each main extension agreement shall include the following information:
 - a. Name and address of applicant(s)
 - b. Proposed service address
 - c. Description of requested service
 - d. Description and map of the requested line extension
 - e. Itemized cost estimate to include materials, labor, and other costs as necessary

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ISSUED BY:

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- f. Payment terms
 - g. A clear and concise explanation of any refunding provisions, if applicable
 - h. Utility's estimated start date and completion date for construction of the main extension
2. Each applicant shall be provided with a copy of the written main extension agreement.

C. REFUNDS OF ADVANCES

1. The Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment or succession, a minimum amount equal to 10% of the total gross annual revenue from sewer services to each bona fide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of not less than 10 years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from sewer revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company, however, agreements may provide that any balance of the amount advanced thereunder remaining at the end of the 10 year period set out, shall thereafter remain payable in whole or in part and in such manner as is set forth in the agreement. The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by the agreement.

D. FINAL COST OF SEWER MAIN EXTENSION.

1. In the event the actual cost of constructing a sewer main extension is less than the estimated cost advanced by the applicant, the Company shall refund the excess to the applicant within 30 days after completion of construction or after the Company has received all invoices, timesheets and other related documents for the project, whichever is later.
2. In the event the actual cost of constructing the sewer main extension is more than the estimated cost advanced by the applicant, the Company shall bill the applicant for the additional amount due of up to ten percent of the original investment within 30 days after completion of construction or after the Company has received all invoices, timesheets and other related documents for the project, whichever is later. The amount billed shall not be more than ten percent of the estimate and shall be due and payable 30 days after the invoice date.

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Purchased Power Adjustor Mechanism – Rate**General Description**

The Purchased Power Adjustor Mechanism (“PPAM”) is allows Rio Verde Utilities to pass through to its customers changes in purchased power costs that result from a rate changes by Salt River Project for electric service. All charges are calculated and assessed to customers in accordance with the Plan of Administration for the PPAM approved in Decision No. 76101 on May 22, 2017.

Charges

Potable and Irrigation Customers	\$0.0286 per thousand gallons
Effluent Customers	-\$0.3865 per thousand gallons
Flat Rate Sewer Customers	\$0.11 monthly charge

Terms and Conditions

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction privilege, use, regulatory, or other taxes and assessments as may apply now or in the future, per Commission Rule R14-2-409.D.5.

The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. A.A.C. R14-2-401 through A.A.C R14-2-411 will be controlling of Company’s procedures, unless this Tariff or specific Commission Order(s) provide otherwise.

Issued: May 31, 2023

Effective: July 1, 2023

ISSUED BY:

Sheryl L. Hubbard, Director, Regulatory and Rates
2355 W. Pinnacle Peak Road, Suite 300
Phoenix AZ 85027

Administratively Approved

**APPROVED FOR FILING
DECISION #: 76101**

Purchased Power Adjustment Mechanism**Plan of Administration of
Purchased Power Adjustment Mechanism****1. GENERAL DESCRIPTION.**

This document is the Plan of Administration ("POA") for the Purchased Power Adjustment Mechanism ("PPAM") for Rio Verde Utilities, Inc., ("Rio Verde" or "Company") approved by the Arizona Corporation Commission ("Commission") in Decision No. 76101 on May 22, 2017. The PPAM allows Rio Verde to pass through to its customers the increase or decrease in purchased power costs that result from a rate change by Salt River Project for the electric service to the Company.

2. PPAM RELATED FILINGS.

- A. Within 60 days of the effective date of a change in the Salt River Project electric rates for retail electric service to the Company, the Company shall file with Docket Control an analysis of the actual impact on the energy portion of the Company's electric service costs.
- B. The Company will provide the Commission with spreadsheets detailing exactly how the Company's purchased power expenses were calculated in the time period prior to a change in the rate that the Company must pay for purchased power. These calculations will include basic service charges and rate and volume figures. That is, the Company will break down its total purchased power bill into the amount due to fixed fees, volume of electricity used, and the rates paid per unit of electricity. For the period following the rate change, the Company will provide the same information, then compare the two periods, isolating any change in purchased power cost that is due exclusively to a rate change. The specific intent is to show exactly how much of any increase or decrease is due to changes in rates beyond the Company's control and how much is due to a change in the amount of power that the Company consumes. The Company will only recover increases or refund decreases that are due to changes in rates.
- C. All revised schedules filed with the Commission pursuant to the provisions of this PPAM will be accompanied by documentation prepared by the Company in a format approved by Utilities Division Staff of the Commission and will contain sufficient detail to enable the Commission to verify accuracy of the Company's calculations.
- D. The surcharges will not become effective until approved by the Commission.

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- E. The Company will file annually with the Commission a report detailing the Company's purchased power costs and any conservation or power-shifting measures employed by the Company.
- F. The Company shall provide notice (in a form acceptable to Staff) of the rate increases to customers with the bill where the rate increase first appears.

3. **APPLICATION TO WATER AND SEWER CUSTOMERS.**

A. The increase or decrease in purchased power costs that are due to changes in rates at the Company's water facilities will be allocated to all customers on a per 1,000-gallon basis.

B. The increase or decrease in purchased power costs that are due to changes in rates at the Company's sewer facilities will be allocated between effluent pumping and other power costs. Effluent pumping costs will be allocated to effluent customers on a per 1,000-gallon basis. All other power costs (collection and treatment) will be allocated on a per capita basis.

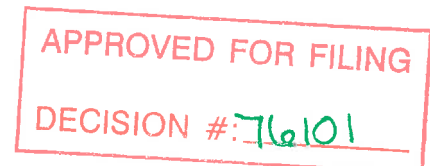
C. See the example on the following page:

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PPAM Sample Calculation

Water	Sewer
Test Year	
Purchased Power	
Rate	0.0800
Kilowatt Hours Used	2,500,000
Purchased Power Expense	\$ 200,000
Current Year	
Purchased Power	
Rate	0.0900
Kilowatt Hours Used	2,500,000
Purchased Power Expense	\$ 225,000
Test Year	
Purchased Power	
Rate	0.0800
Kilowatt Hours Used	1,250,000
Purchased Power Expense	\$ 100,000
Current Year	
Purchased Power	
Rate	0.0900
Kilowatt Hours Used	1,250,000
Purchased Power Expense	\$ 112,500
Pass Through Calculation Water	
Current Year Purchased Power Expense	\$ 225,000
Test Year Purchase Power Expense	200,000
Increase in Purchased Power Expense Due to Rate Increase	\$ 25,000
PPAM Charge on Sample Bill	
Current Annual Water Sales (1,000 gallons)	875,000
PPAM per 1,000 gallons	\$ 0.0286
PPAM Charge on Sample Customer Bill for 10,000 gallons	\$ 0.29
Pass Through Calculation Sewer	
Current Year Purchased Power Expense	\$ 112,500
Test Year Purchased Power Expense	100,000
Increase in Purchased Power Expense Due to Rate Increase	\$ 12,500
PPAM Charge on Sample Effluent Bill	
Increase in Purchased Power Allocated to Reuse Customers	12% \$ 1,500
Current Annual Effluent Sales	48,657
PPAM per 1,000 gallons	\$ 0.0308
PPAM Charge on Sample Customer Bill for 1,000,000 gallons	\$ 30.83
PPAM Charge on Sample Flat Rate Customer Bill	
Increase in Purchased Power Allocated to Flat Rate Customers	88% \$ 11,000
Current Number of Sewer Customers	1,700
PPAM Annual Cost	\$ 6.47
PPAM Charge and Sample Customer Monthly Bill	\$ 0.54

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