Sahuarita Water Company



Notice of CAGRD Rate Increase

The CAGRD Fee Adjuster authorized by the Arizona Corporation Commission ("ACC") in decision 75825 is increasing from \$1.46 per \$1,000 gallons to \$1.69 per 1,000 gallons water usage. Sahuarita Water Company ("SWC") will begin collecting this monthly charge on all water sales billed after December 1, 2016.

What is the "CAGRD Fee Adjuster" that appears on my bill?

The Central Arizona Groundwater Replenishment District ("CAGRD") provides a mechanism to help ensure water companies are able to maintain a "100 year water supply" as required under Arizona law. Sahuarita Water Company (SWC) complies with the Arizona law by utilizing the CAGRD to replenish the groundwater pumped to serve your home/business. The CAGRD charges SWC for the cost of replenishing this groundwater.

The ACC has authorized SWC to assess a monthly charge to its customers based upon the volume of water sold to its customers to cover the costs associated with SWC's participation in the CAGRD. The CAGRD charge is part of your water bill and will appear as "CAGRD Fee Adjuster".

The CAGRD charges collected by SWC are held in a separate account and may only be used by SWC to pay its annual assessments to the CAGRD. The CAGRD adjusts its fees annually and the CAGRD Fee Adjuster will be identified by SWC on an updated tariff filed with and approved by the ACC each year. SWC will implement the new CAGRD Fee Adjuster on December 1st of each year.

Please note that the CAGRD assessment is directly related to the amount of water you use at your home/business. Therefore, reducing your water consumption will reduce your replenishment fee as well as your water bill. If you would like to learn more about CAGRD charges, please visit <u>www.cagrd.com</u> or for more information and ideas on how to conserve water, visit our website at <u>www.sahuaritawater.com</u>