

TARIFF

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Applies to all service areas

STATEMENT OF CHARGES

I. RATES

In Decision No. 81448, dated August 19, 2025, the Commission approved the following rates and charges **effective for all service provided on and after September 1, 2025**:

A. Monthly Usage Charge

<u>Meter Size – All Classes</u>	<u>Minimum Charge¹</u>
5/8" x 3/4" Meter	\$ 18.37
3/4" Meter	27.56
1" Meter	45.93
1 1/2" Meter	91.86
2" Meter	146.98
3" Meter	293.96
4" Meter	459.31
6" Meter	918.63

¹ In Decision No. 81448, the Commission authorized the Company to recover its rate case expense of \$150,000 by applying a surcharge of \$0.61 to each customer bill. The surcharge takes effect on September 1, 2025 and will remain in place until the Company has collected \$150,000 in rate case expense recovery.

Applies to all service areas

STATEMENT OF CHARGES**B. Commodity Rates (per 1,000 gallons)**

<u>Meter Size</u>	<u>Consumption</u>	<u>Charge</u>
5/8" x 3/4" Meter – Residential		
	0 - 3,000 Gallons	\$2.754
	3,001 - 9,000 Gallons	4.054
	Over 9,000 Gallons	4.854
5/8" x 3/4" Meter – Non-residential		
	0 - 9,000 Gallons	\$4.054
	Over 9,000 Gallons	4.854
3/4" Meter – Residential		
	0 - 3,000 Gallons	\$2.754
	3,001 - 9,000 Gallons	4.054
	Over 9,000 Gallons	4.854
3/4" Meter – Non-residential		
	0 - 9,000 Gallons	\$4.054
	Over 9,000 Gallons	4.854
1" Meter – All Classes		
	0 - 20,000 Gallons	\$4.054
	Over 20,000 Gallons	4.854
1 1/2" Meter – All Classes		
	0 - 55,000 Gallons	\$4.054
	Over 55,000 Gallons	4.854

Applies to all service areas

STATEMENT OF CHARGES**B. Commodity Rates (per 1,000 gallons) cont.**

<u>Meter Size</u>	<u>Consumption</u>	<u>Charge</u>
2" Meter – All Classes		
	0 - 90,000 Gallons	\$4.054
	Over 90,000 Gallons	4.854
3" Meter – All Classes		
	0 -200,000 Gallons	\$4.054
	Over 200,000 Gallons	4.854
4" Meter – All Classes		
	0 - 350,000 Gallons	\$4.054
	Over 350,000 Gallons	4.854
6" Meter – All Classes		
	0 - 750,000 Gallons	\$4.054
	Over 750,000 Gallons	4.854
Construction/Bulk	All Gallons	\$4.854

Applies to all service areas

STATEMENT OF CHARGES**II. SERVICE LINE AND METER INSTALLATION CHARGES**

(Subject to refund pursuant to A.A.C. R14-2-405)

<u>Service Size</u>	<u>Service Line</u>	<u>Meter</u>
5/8 x 3/4" Meter	At Cost	\$ 193.00
3/4" Meter	At Cost	193.00
1" Meter	At Cost	300.00
1 1/2" Meter	At Cost	1,712.00
2" Turbine Meter	At Cost	1,363.00
2" Compound Meter	At Cost	1,976.00
3" Turbine Meter	At Cost	1,698.00
3" Compound Meter	At Cost	2,503.00
4" Turbine Meter	At Cost	At Cost
4" Compound Meter	At Cost	At Cost
6" Turbine Meter	At Cost	At Cost
6" Compound Meter	At Cost	At Cost
Over 6" Meter	At Cost	At Cost

Applies to all service areas

STATEMENT OF CHARGES**III. SERVICE CHARGES**

<u>Service</u>	<u>Charge</u>
Establishment	\$35.00
Re-establishment (within 12 months)	*
After Hours Service Charge	\$60.00
Reconnection (Delinquent)	35.00
Meter Test (if correct)	25.00
Meter Re-Read (if correct)	25.00
NSF Check	30.00
Deposit	**
Deposit Interest	6%
Deferred Payment (per month)	1.5%
Late Payment Fee (per month)	Minimum \$10.00 or 1.5%
Moving Meter at Customer Request	At Cost
Main Extension and Additional Facilities	At Cost

* Per A.A.C. R14-2-403.D. Number of months off the system times the monthly minimum.

** Per A.A.C. R14-2-403.B.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, or use tax per A.A.C. R14-2-409.D

Applies to all service areas
CAGRD FEE ADJUSTOR

IV. CAGRD FEE ADJUSTOR:

The Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District (“CAGRD”) fee adjustor to recover the annual charges imposed upon the Company by the CAGRD as a result of the Company’s membership in the CAGRD. Accordingly, in addition to all other applicable rates and charges in this tariff, each customer shall pay a monthly CAGRD fee adjustor per thousand gallons of water delivered, as set forth below, effective for all water service rendered in all water service areas for all classes of service on and after March 1, 2011 in accordance with the following conditions as set forth in Decision No. 72177 and subsequently modified in Decision No. 73283, 73616, 74868, 75351, 75825, 76526, 77123, 77536, 78363, 78802, 79210 and ~~73283~~.

1. The adjustor fee shall apply to all water sold after October 1, 2010, or shall become effective on the date new rates from this case become effective, whichever is later.
2. The Company shall, on a monthly basis, place all CAGRD monies collected from customers in a separate, interest-bearing account (“CAGRD Account”).
3. The only time the Company can withdraw money from the CAGRD Account is to pay the annual CAGRD fee to the CAGRD, which is due on October 15th of each year.
4. The Company must provide to Staff a semi-annual report of the CAGRD account and CAGRD use fees collected from customers and paid to the CAGRD, with the reports due during the last week of October and the last week of April of each year.
5. The Company must provide to Staff, every June 30th, the new firm rates set by the CAGRD for the following years.
6. The CAGRD adjustor fee shall be calculated as follows: The total CAGRD fees paid by the Company for the most current year in the Tucson Active Management Area (AMA) shall be divided by the gallons sold by the Company in that year to determine a CAGRD adjustor fee per 1,000 gallons.

Applies to all service areas
CAGRD FEE ADJUSTOR

CAGRD FEE ADJUSTOR (continued)

7. By October 25th of each year, the Company shall submit for Commission consideration its proposed CAGRD adjustor fee for the Tucson AMA along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. Failure to provide such documentation to Staff shall result in the immediate cessation of the CAGRD adjustor fee. Commission-approved fees shall be applied to all water sales billed after December 1st.

8. If the CAGRD changes its current method of assessing fees to some other method, such as, but not limited to, future projections, water usage, or total water allocated to the Company, the Company's collection from customers of CAGRD fees shall cease.

9. As a compliance item, the Company shall submit yearly, a new tariff reflecting the reset adjustor amount.

The CAGRD fee is calculated by dividing the total CAGRD fees for 2023 by the gallons sold for that year.

A. Total 2023 CAGRD Fees, plus 2023 under-collection	\$1,233,765.10
B. Total Gallons Sold (1,000) in 2023	533,783.71
C. Charge per 1,000 gallons (A divided by B)	\$ 2.31

Applies to all service areas

TERMS AND CONDITIONS

VI. TERMS AND CONDITIONS OF SERVICE

- 1.0 **Applicability.** This Terms and Conditions of Service Tariff applies to all services provided by the Company.
- 2.0 **Adoption of Rules.** For potable water service, the Company adopts the Rules of the Arizona Corporation Commission for water service (A.A.C. R14-2-401 to R14-2-411), as supplemented by this Tariff.
- 3.0 **Electronic Billing.** Electronic Billing is an optional billing service whereby Customers may elect to receive, view, and pay their bills electronically. The Company may modify its Electronic Billing services from time to time. A Customer electing an electronic billing service may receive an electronic bill in lieu of a paper bill. Customers electing an electronic billing service may be required to complete additional forms and agreements. Electronic Billing may be discontinued at any time by the Company or the Customer. An Electronic Bill will be considered rendered at the time it is electronically sent to the Customer. Failure to receive bills or notices which have been properly sent by an Electronic Billing system does not prevent these bills from becoming delinquent and does not relieve the Customer of the Customer's obligations therein. Any notices which the Company is required to send to a Customer who has elected an Electronic Billing service may be sent by electronic means at the option of the Company. Except as otherwise provided in this section, all other provisions of the Company's tariffs and the Commission's Rules and Regulations are applicable to Electronic Billing. The Customer must provide the Company with a current email address for electronic bill delivery. If the Electronic Bill is electronically sent to the Customer at the email address that Customer provided to the Company, then the Electronic Bill will be considered properly sent. Further, the **Customer will be responsible for updating the Company with any changes to this email address.** Failure to do so will not excuse the Customer from timely paying the Company for utility service.
- 4.0 **Liability.**
 - 4.1 **Water pressure for Private Fire Service and Public Fire Hydrant Service.** 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 does not guarantee a specific water pressure or gallons per minute flow rate at any public fire hydrant or private fire service. In the event service is interrupted or 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. Ratepayers shall not be required to reimburse through rates, damages from the acts or omissions of the Company, its principals, agents or employees.

- 4.2 **Limitation of Company responsibility.** The Company does not assume the responsibility of inspecting or maintaining any customer's piping or apparatus and will not be responsible therefor; however, the Company reserves the right to refuse water service unless the customer's piping or apparatus is installed in such manner as to prevent cross connections or backflow into the Company's system in compliance with the Company's Cross-Connection/Backflow Tariff as approved by the Commission.
- 4.3 **Third party claims.** Company will not be responsible for any third-party claims against Company that arise from Customer's use of Company's utility service unless such claims are caused by the Company's willful misconduct or gross negligence.
- 4.4 **Indemnity.** Customer will indemnify, defend and hold harmless the Company (including the costs of reasonable attorney's fees) against all claims (including, without limitation, claims for damages to any business or property, or injury to, or death of, any person) arising out of any wrongful act or negligent omission of the Customer, or the Customer's agents, in connection with the Company's service or facilities.
- 4.5 **Limitation of damages.** The liability of the Company for damages of any nature arising from errors, mistakes, omissions, interruptions, or delays of the Company, its agents, servants, or employees, in the course of establishing, furnishing, rearranging, moving, terminating, or changing the service or facilities or equipment shall not exceed an amount equal to the charges applicable under the Company's tariff (calculated on a proportionate basis where appropriate) to the period during which the error, mistake, omission, interruption or delay occurs, except if such damages are caused by the Company's willful misconduct or gross negligence.
- 4.6 **Incidental, indirect, special, or consequential damages.** In no event will the Company be liable for any incidental, indirect, special, or consequential damages (including lost revenue or profits) of any kind whatsoever regardless of the cause or foreseeability thereof.
- 4.7 **Interference with Company facilities.** The Company will not be responsible in any occasion for any loss or damage caused by the negligence or wrongful act of the Customer or any of his agents, employees or licensees in installing, maintaining, using, operating or interfering with any Company facilities.

Applies to all service areas
OFF-SITE FACILITIES HOOK-UP FEE

V. OFF-SITE FACILITIES HOOK-UP FEE:

I. Purpose and Applicability

The purpose of the off-site hook-up fee payable to Sahuarita Water Company, L.L.C. ("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-14-2-401 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 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 Sahuarita Water Company, L.L.C.

"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 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.

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

OFF-SITE FACILITIES HOOK-UP FEE (continued):**III. Off-Site Water Hook-up Fee**

For each new service connection, the Company shall collect an off-site hook-up fee derived from the following table:

OFF-SITE FACILITIES HOOK-UP FEE TABLE

<u>Meter Size</u>	<u>Size Factor</u>	<u>Total Fee</u>
5/8" X 3/4"	1	\$1,000
3/4"	1.5	\$1,500
1"	2.5	\$2,500
1 1/2"	5	\$5,000
2"	8	\$8,000
3"	16	\$16,000
4"	25	\$25,000
6" or large	50	\$50,000

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 parcel, 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-14-2-406(B), payment of the hook-up fees required hereunder shall be made by the Applicant no later than 15 calendar 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).

OFF-SITE FACILITIES HOOK-UP FEE (continued):

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 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 150 lots, the Company may, in its discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision and/or development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's construction schedule and water service requirements. In the alternative, the Applicant shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.

(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.

OFF-SITE FACILITIES HOOK-UP FEE (continued):

(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 that will benefit the entire water system.

(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.

(K) Fire Flow Requirements: In the event the Applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the off-site hook-up fee, and, which are contemplated to be constructed using the proceeds of the off-site hook-up Fee, the Company may require the Applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the off-site hook-up fee.

(L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Hook-Up Fee status report each January 31st to Docket Control for the prior twelve (12) month period, beginning January 31, 2015 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.