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BEFORE THE ARIZONA CORPORATION COMMISSION

2010 SEP 23 P 4: 35

COMMISSIONERS

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AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
DOCKETED

SEP 23 2010

DOCKETED BY [Signature]

IN THE MATTER OF THE  
APPLICATION OF JOHNSON  
UTILITIES, LLC, DBA JOHNSON  
UTILITIES COMPANY FOR AN  
INCREASE IN ITS WATER AND  
WASTEWATER RATES FOR  
CUSTOMERS WITHIN PINAL  
COUNTY, ARIZONA.

DOCKET NO. WS-02987A-08-0180  
COMPLIANCE FILING PURSUANT  
TO DECISION 71854

In accordance with Decision 71854 (August 24, 2010), as modified by the Order *Nunc Pro Tunc* and Extension of Deadlines<sup>1</sup> adopted by the Arizona Corporation Commission ("Commission") at its open meeting on September 21, 2010, Johnson Utilities, LLC, dba Johnson Utilities ("Johnson Utilities" or the "Company") hereby submits: (i) new tariff and schedules of rates and charges, a copy of which is attached hereto as Attachment 1; (ii) correspondence dated September 23, 2010, to Brian Bozzo, Compliance Manager, transmitting a list of outstanding notices of violation ("NOVs") issued by the Arizona Department of Environmental Quality ("ADEQ"), together with the status of each NOV and the steps the Company has taken to come into compliance with ADEQ requirements, a copy of which is attached hereto as Attachment 2; and (iii) the Company's proposed Central Arizona Groundwater Replenishment District adjustor fees for the Phoenix and Pinal Active Management Areas, together with the calculations and

<sup>1</sup> In the Order *Nunc Pro Tunc* and Extension of Deadlines, the Commission approved an extension of the deadline for filing Johnson Utilities' new rates and schedules from August 20, 2010, to September 23, 2010, and an extension of the deadline for filing the Company's proposed new CAGR D adjustor fees and supporting documentation from August 25, 2010, to September 23, 2010.

Snell & Wilmer

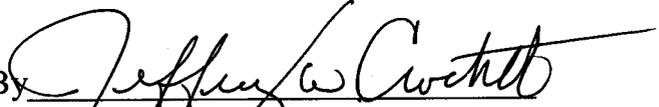
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1 documentation from the relevant state agencies to support the data used in the  
2 calculations, copies of which are attached hereto as Attachment 3.

3 RESPECTFULLY SUBMITTED this 23rd day of September, 2010.

4 SNELL & WILMER L.L.P.

5  
6 By 

7 Jeffrey W. Crockett  
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Attorneys for Johnson Utilities, LLC

11 COPIES of the foregoing hand-delivered this  
12 23<sup>rd</sup> day of September, 2010, to:

13 Docket Control  
14 ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
15 Phoenix, Arizona 85004

16 Teena Jibilian, Administrative Law Judge  
17 Hearing Division  
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24 Utilities Division  
25 ARIZONA CORPORATION COMMISSION  
1200 W. Washington Street  
26 Phoenix, Arizona 85007

1 COPIES of the foregoing sent via first-class  
2 mail this 23<sup>rd</sup> day of September, 2010, to:

3 Daniel W. Pozefsky, Chief Counsel  
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# **ATTACHMENT 1**

**JOHNSON UTILITIES, L.L.C.**  
dba Johnson Utilities Company

Sheet No. i

DOCKET WS-02987A

Cancelling Sheet No. \_\_\_\_

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# WATER AND WASTEWATER TARIFF

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Issued: September 23, 2010

Effective: June 1, 2010

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**I. RATES AND CHARGES.**

In Decision No. 71854 dated August 24, 2010, the Commission approved new rates and charges as set forth in this tariff to be effective for all water service rendered by the Company in all water service areas for all classes of service on and after June 1, 2010.

**A. Monthly Water Usage Charge.**

Each customer shall pay a Monthly Water Usage Charge for each water meter of that customer based upon the meter size, as follows:

**Gallons Included in Monthly  
Water Usage Charge:**

0

**Meter Size**

**Monthly Water Usage Charge**

|                   |            |
|-------------------|------------|
| 5/8" x 3/4" Meter | \$11.00    |
| 3/4" Meter        | \$16.50    |
| 1" Meter          | \$27.50    |
| 1-1/2" Meter      | \$55.00    |
| 2" Meter          | \$88.00    |
| 3" Meter          | \$176.00   |
| 4" Meter          | \$275.00   |
| 6" Meter          | \$550.00   |
| 8" Meter          | \$880.00   |
| 10" Meter         | \$1,265.00 |

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**B. Commodity Rates.**

In addition to the payment of the Monthly Water Usage Charge, each customer shall pay a commodity rate for all gallons of water delivered by the Company during the billing cycle as measured at the customer's meter. There are no minimum gallons included in the Monthly Water Usage Charge. The Commodity Rate applies to all meter sizes and all classes of service, as follows:

**Gallons Included in Monthly Water Usage Charge:**

0

**Meter Size**

**Rate Per Thousand Gallons**

**5/8" x 3/4" Meter—Residential**

|                         |          |
|-------------------------|----------|
| 0 to 4,000 Gallons      | \$1.7600 |
| 4,001 to 10,000 Gallons | \$2.1400 |
| Over 10,000 Gallons     | \$2.4960 |

**3/4" Meter—Residential**

|                         |          |
|-------------------------|----------|
| 0 to 4,000 Gallons      | \$1.7600 |
| 4,001 to 10,000 Gallons | \$2.1400 |
| Over 10,000 Gallons     | \$2.4960 |

**3/4" Meter—Commercial, Industrial, Irrigation and Public Authority**

|                             |          |
|-----------------------------|----------|
| 0 gallons to 10,000 gallons | \$2.1400 |
| Over 10,000 gallons         | \$2.4960 |

**1" Meter**

|                          |          |
|--------------------------|----------|
| From 1 to 32,000 gallons | \$2.1400 |
| Over 32,000 gallons      | \$2.4960 |

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

| <u>Meter Size</u>                    | <u>Rate Per Thousand Gallons</u> |
|--------------------------------------|----------------------------------|
| <b>1-1/2" Meter</b>                  |                                  |
| From 1 to 88,000 gallons             | \$2.1400                         |
| Over 88,000 gallons                  | \$2.4960                         |
| <b>2" Meter</b>                      |                                  |
| From 1 to 156,000 gallons            | \$2.1400                         |
| Over 156,000 gallons                 | \$2.4960                         |
| <b>3" Meter</b>                      |                                  |
| From 1 to 339,000 gallons            | \$2.1400                         |
| Over 339,000 gallons                 | \$2.4960                         |
| <b>4" Meter</b>                      |                                  |
| From 1 to 545,000 gallons            | \$2.1400                         |
| Over 545,000 gallons                 | \$2.4960                         |
| <b>6" Meter</b>                      |                                  |
| From 1 to 1,120,000 gallons          | \$2.1400                         |
| Over 1,120,000 gallons               | \$2.4960                         |
| <b>8" Meter</b>                      |                                  |
| From 1 to 1,800,000 gallons          | \$2.1400                         |
| Over 1,800,000 gallons               | \$2.4960                         |
| <b>10" Meter</b>                     |                                  |
| From 1 to 2,600,000 gallons          | \$2.1400                         |
| Over 2,600,000 gallons               | \$2.4960                         |
| <b>Construction Water</b>            | \$2.4960 (a)                     |
| <b>Central Arizona Project Water</b> | See Tariff Section I(E) below    |

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**Note to Commodity Rates:**

- (a) Construction water service shall be through a Company-approved meter, provided by the customer, and attached to a Company fire hydrant. If the customer does not provide a meter, the Company will provide a meter and will require a refundable deposit from the customer equal to the cost of the meter.

**C. Service Line and Meter Installation Charges.**

In addition to all other applicable rates and charges in this tariff, each customer requesting new water service shall pay a Service Line and Meter Installation Charge for each meter requested, as follows:

| <b>Meter Size (All Classes)</b> | <b>Service Line</b> | <b>Meter Installation</b> | <b>Total</b> |
|---------------------------------|---------------------|---------------------------|--------------|
| 5/8" x 3/4" Meter               | \$385.00            | \$135.00                  | \$520.00     |
| 3/4" Meter                      | \$385.00            | \$215.00                  | \$600.00     |
| 1" Meter                        | \$435.00            | \$255.00                  | \$690.00     |
| 1-1/2" Meter                    | \$470.00            | \$465.00                  | \$935.00     |
| 2" Turbine Meter                | \$630.00            | \$965.00                  | \$1,595.00   |
| 2" Compound Meter               | \$630.00            | \$1,690.00                | \$2,320.00   |
| 3" Turbine Meter                | \$805.00            | \$1,470.00                | \$2,275.00   |
| 3" Compound Meter               | \$845.00            | \$2,265.00                | \$3,110.00   |
| 4" Turbine Meter                | \$1,170.00          | \$2,350.00                | \$3,520.00   |
| 4" Compound Meter               | \$1,230.00          | \$3,245.00                | \$4,475.00   |
| 6" Turbine Meter                | \$1,730.00          | \$4,545.00                | \$6,275.00   |
| 6" Compound Meter               | \$1,770.00          | \$6,280.00                | \$8,050.00   |
| 8" and Larger                   | COST                | COST                      | COST         |

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

The Service Line and Meter Installation Charge shall be refundable to the customer pursuant to A.A.C. R14-2-405(B)(2). The customer shall be the owner of and shall be solely responsible for the design, installation, maintenance, repair, operation and cost of the service line on the customer's side of the water meter.

**D. Additional Service Charges.**

In addition to all other applicable rates and charges in this tariff, each customer shall be subject to the following charges, as applicable:

|   |                        |
|---|------------------------|
| Establishment   | \$25.00                |
| Establishment (After Hours)   | \$40.00                |
| Reconnection (Delinquent)   | \$50.00                |
| Reconnection (Delinquent, After Hours)  | N/A                    |
| Meter Test (If Meter is Correct)  | \$25.00                |
| Deposit (Residential)   | (a)                    |
| Deposit (Non-Residential)   | (a)                    |
| Deposit Interest, Per Annum   | (b)                    |
| Re-establishment (Within 12 Months)   | (c)                    |
| Re-establishment (After Hours)  | (c)                    |
| NSF Check   | \$15.00                |
| Deferred Payment Interest, Per Month  | 1.50%                  |
| Meter Re-Read (If Meter Read is Correct)  | \$5.00                 |
| Customer Requested Relocation of Meter and/or Service Line Per A.A.C. R14-2-405(B)(5) | Cost                   |
| After-Hours Service, Per A.A.C. R14-2-403(D)  | Refer to Above Charges |
| Late Charge, Per Month  | 1.50% (d)              |

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**Notes to Additional Service Charges:**

- (a) Residential: two times the average monthly bill.  
Non-Residential: two and one-half times the maximum monthly bill.
- (b) Interest per A.A.C. R14-2-403(B).
- (c) Monthly Water Usage Charge times number of months off the system, per A.A.C. R14-2-403(D).
- (d) Bills for water utility service are due and payable when rendered. Any payment not received by the Company within fifteen (15) days from the date a bill is rendered shall be considered delinquent and service shall be subject to a late charge and/or termination as set forth herein. A customer's failure to receive bills or notices which have been properly placed in the United States mail shall not prevent a bill from becoming delinquent nor relieve the customer of his or her obligations to pay a bill which is due. All late payment penalties shall be billed on the customer's next regularly scheduled billing. If a customer fails to pay the outstanding balance by the due date on the bill, the customer will receive a written notice that service will be terminated in ten (10) days from the date of the notice. If the customer does not pay the outstanding balance and the late payment penalty by the date in the termination notice, service will be terminated on the date in the notice. Service shall be terminated only for that service for which the customer is delinquent or in violation. All customers whose service is terminated for failure to pay a bill or a late payment penalty are subject to the Company's reconnection charge as set forth in this tariff.

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**E. Central Arizona Groundwater Replenishment District Adjustor Charge.**

1. CAGRD Adjustor Mechanism. In Decision No. 71854 dated August 24, 2010, the Arizona Corporation Commission authorized the Company to implement a Central Arizona Groundwater Replenishment District ("CAGRD") adjustor mechanism to recover the annual tax assessments 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 adjustor charge 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 June 1, 2010, in accordance with all conditions set forth in Decision No. 71854. The CAGRD adjustor fee shall be calculated as follows: The total CAGRD fees for the most current year in the Phoenix Active Management Area ("Phoenix AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Phoenix AMA. Similarly, the total CAGRD fees for the most current year in the Pinal Active Management Area ("Pinal AMA") shall be divided by the gallons sold in that year to determine a CAGRD fee per 1,000 gallons delivered to customers in the Pinal AMA. By August 25th of each year, the Company shall submit for Commission consideration its proposed CAGRD adjustor fees for the Phoenix AMA and the Pinal AMA, along with the calculations and documentation from the relevant state agencies to support the data used in the calculations. The Commission-approved CAGRD fees shall become effective on October 1 and shall remain in effect until the next CAGRD fee is calculated and approved. To prevent over or under recovery of CAGRD assessments, an annual true-up shall be performed at the time the Company submits its proposed CAGRD adjustor to the Commission. Any over or under recovery of CAGRD fees shall be included in the next year's computation.

2. CAGRD Adjustor Fees. A CAGRD adjustor fee shall be applicable to each thousand gallons of water sold, as follows:

| <u>AMA Where Customer Resides:</u> | <u>Rate Per Thousand Gallons of Water Delivered:</u> |
|------------------------------------|--|
| Phoenix AMA                        | \$0.68   |
| Pinal AMA                          | \$0.25   |

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**F. Non-Potable Central Arizona Project Water Service.**

1. Availability. Within the Company's certificated area, Central Arizona Project ("CAP") water may be purchased when available and subject to the terms and conditions set forth herein. Portions of the delivery service will be provided through certain facilities owned by New Magma Irrigation and Drainage District ("NMIDD") under a wheeling agreement with the Company. Service availability to the customer is contingent upon the availability of those NMIDD facilities pursuant to the wheeling agreement.

2. Suitability. It is the customer's responsibility to determine the initial and continuing suitability of the non-potable CAP water furnished under this tariff for any intended uses. The Company does not treat, test or monitor non-potable CAP water and furnishes it to customers strictly on an "as-received" basis from the Central Arizona Water Conservation District ("CAWCD") and as wheeled by NMIDD. The customer agrees to accept non-potable CAP water "as received." Compliance with any requirement of the Arizona Department of Environmental Quality, or any other agency having jurisdiction, concerning the use or quality of non-potable CAP water shall be the sole responsibility of the customer. The Company will not be liable for, and the customer will hold harmless, indemnify and defend the Company against, any injuries or damages arising from its service of non-potable CAP water.

3. Facilities and Demand. When applying for non-potable CAP water service, the customer shall specify the maximum annual quantity of CAP water in acre feet ("AF") that it intends to use under this tariff schedule and pursuant to a Non-Potable Water Facilities Contribution Agreement. This quantity of water will be used to determine the facilities required to serve the customer and will be the customer's maximum demand for non-potable CAP water ("CAP Demand") during any calendar year. The customer will be responsible for the annual CAWCD M&I Water Service Capital Charge on the CAP Demand. The customer will contribute the funds required to install all facilities needed to provide CAP water. Such facilities will be owned by the Company.

4. Monthly Bill. The monthly billing will consist of the following components:

a. A monthly CAP Demand charge equal to 1/12<sup>th</sup> of the customer's CAP Demand in AF times the applicable CAWCD M&I Water Service Capital Charge per AF plus four percent (4%) of such costs to cover the Company's administrative and handling costs.

b. A meter charge based on the applicable monthly minimum charge

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

by meter size as set forth in each system's General Service tariff schedule. This meter charge shall not include any water.

c. A commodity charge designed to pass on all costs of non-potable CAP water, except the monthly CAP Demand charge, as billed to the Company during the previous month by the CAWCD or any other authorized governmental agency, plus one percent (1%) of such costs to cover the Company's administrative and handling costs.

d. A power, maintenance, wheeling and depreciation charge based on the specific requirements of each customer.

i. The power component will be the direct and separately metered cost of the power billed to the Company during the previous month for CAP water delivered to the customer, plus one percent (1%) of the power cost to cover the Company's administrative and handling costs. If multiple customers are being served by common facilities, the power component will be prorated based on CAP water actually used during the month by each customer.

ii. The maintenance component will be the actual costs of maintaining the facilities required to serve the customer, plus a ten percent (10%) charge to provide for overhead and margin. If multiple customers are being served by common facilities, the maintenance component will be prorated based on each customer's CAP Demand.

iii. The wheeling component will be the actual costs to the Company of any and all costs to the Company associated with the NMIDD Wheeling Agreement, plus one percent (1%) of the contract cost to cover the Company's administrative and handling costs. If multiple customers are being served by common facilities, the power component will be prorated based upon CAP water actually used during the month by each customer.

iv. The depreciation component will be  $1/12^{\text{th}}$  of the product of the Company's book depreciation rate, as authorized by the Arizona Corporation Commission, times the original cost of the plant facilities serving the customer. If multiple customers are being served by common facilities, the depreciation component will be prorated based on each customer's CAP Demand.

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**G. Water Main Extensions.**

Water main extensions shall be pursuant to A.A.C. R14-2-406, except that refunds of advances in aid of construction shall be made at a rate of five percent (5%) of the gross revenues received by the Company from *bona fide* customers connected to the facilities funded with the advance, until all advances are fully refunded to the person paying the advance.

**H. Taxes and Assessments.**

In addition to the collection of all other rates and charges authorized herein, the Company shall collect from its customers a proportionate share of any privilege, sales, use and franchise tax, per A.A.C. R14-2-409(D)(5).

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**PART ONE**

**STATEMENT OF RATES AND CHARGES—WATER DIVISION**

**I. Permitted Costs.**

1. Costs shall be verified by invoice.
2. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
3. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
4. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the provision of the service or after the Company's receipt of invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
5. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
6. Permitted costs shall include any State or Federal income taxes that are or may be payable by the Company as a result of any tariff or contract for water facilities under which the Customer advances or contributes funds or facilities to the Company.

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---

**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION**

**I. CROSS-CONNECTION CONTROL.**

**A. Purpose.**

To protect the public water supply in the Company's water system from the possibility of contamination caused by backflow through unprotected cross-connections by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to A.A.C. R14-2-405(B)(6) and A.A.C. R18-4-232, as adopted by the Arizona Department of Environmental Quality, as those regulations may be revised from time to time.

**B. Inspections.**

The customers shall cooperate fully with the Company in its efforts to investigate and determine the degree of potential health hazard to the public water supply which may result from conditions existing on the customer's premises.

**C. Requirements.**

In compliance with the Rules and Regulations of the Arizona Corporation Commission and the Arizona Department of Environmental Quality, specifically A.A.C. R14-2-405(B)(6) and A.A.C. R18-4-232 relating to backflow prevention:

1. The Company shall require a customer to pay for and install, maintain, test and repair a backflow-prevention assembly if A.A.C. R18-4-232(B) or (C) applies.

2. A backflow-prevention assembly required to be installed by the customer under this tariff shall comply with the requirements set forth in A.A.C. R18-4-232(D) and (E).

3. The Company shall give any customer who is required to install and/or test 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 in which to comply with this notice. If the customer can show good cause as to why he or she cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may grant additional time for this requirement.

4. Testing shall be in conformance with the requirements of A.A.C. R18-4-232(F). The Company shall not require an unreasonable number of tests.

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Effective: June 1, 2010

ISSUED BY:

George H. Johnson, Managing Member  
Johnson Utilities Company  
5320 E. Shea Blvd.  
Scottsdale, AZ 85254

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**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION**

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

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

**D. Discontinuance of Service.**

In accordance with A.A.C. R14-2-407 and 410 and provisions of this tariff, the Company may terminate service or deny service to a customer who fails to install and/or test a backflow-prevention assembly as required by this tariff.

1. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410(B)(1)(a) is applicable, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be installed and repaired by the customer and retested before service is restored.

2. In the event the backflow-prevention assembly has not been installed or fails any test and A.A.C. R14-2-410(B)(1)(a) is applicable, the backflow-prevention assembly shall be installed and/or repaired by the customer and tested within fourteen (14) days of written notice by the Company. Failure to install or to remedy the deficiency or disfunction of the assembly, or failure to retest shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

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PART TWO

STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION

II. CURTAILMENT.

ADEQ Public Water System Numbers: 11-128, 11-116 & 11-245.

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

A. STAGE 1. Stage 1 exists when the Company is able to maintain water storage in the system at 100% of capacity and there are no known problems with its well production or water storage in the system.

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

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

B. STAGE 2. Stage 2 exists when:

- The Company's water storage or well production has been less than 80% of capacity for at least 48 consecutive hours; and

- The 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.

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

2. Notice Requirements. Under Stage 2, the Company is required to notify customers by (i) delivering written notice door to door at each service address, (ii) by United States first class mail to the billing address, or (iii) 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.

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**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION**

**C. STAGE 3.** Stage 3 exists when:

- The Company's total water storage or well production has been less than 50% of capacity for at least 24 consecutive hours; and

- The 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.

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

2. **Notice Requirements.**

a. 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.

b. Beginning with Stage 3, the Company shall post 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.

c. The Company shall notify the Consumer Services Section of the Utilities Division of the Arizona 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.

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**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION**

**D. STAGE 4.** Stage 4 exists when:

- The Company's total water storage or well production has been less than 25% of capacity for at least 12 consecutive hours; and

- The Company has identified issues such as 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.

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

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

The Company's operation of standpipe service is prohibited during Stage 4. In addition, the addition of new service lines and meter installations is prohibited.

2. **Notice Requirements.**

a. The 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.

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**PART TWO**

**STATEMENT OF TERMS AND CONDITIONS—WATER DIVISION**

b. The Company shall post 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.

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

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

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

**III. RULES AND REGULATIONS.**

The Company complies with and follows the Rules and Regulations established by the Arizona Corporation Commission for water service providers as set forth in A.A.C. R14-2-401 *et seq.* Accordingly, the rules set forth in A.A.C. R14-2-401 *et seq.* will be controlling of Company operating procedures unless a specific Commission order provides otherwise.

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**I. RATES AND CHARGES.**

In Decision No. 71854 dated August 24, 2010, the Commission approved new rates and charges as set forth in this tariff to be effective for all wastewater service rendered by the Company in all wastewater service areas for all classes of service on and after June 1, 2010.

**A. Monthly Wastewater Usage Charge.**

Each customer shall pay a Monthly Wastewater Usage Charge based upon the size of the customer's water meter, as follows:

| <u>Meter Size</u> | <u>Monthly Wastewater Usage Charge</u> |
|-------------------|--|
| 5/8" Meter        | \$29.8100                              |
| 3/4" Meter        | \$32.7900                              |
| 1" Meter          | \$41.7300                              |
| 1-1/2" Meter      | \$53.6508                              |
| 2" Meter          | \$86.4400                              |
| 3" Meter          | \$327.8700                             |
| 4" Meter          | \$625.9300                             |
| 6" Meter          | \$864.3700                             |
| 8" Meter          | \$1,092.6000                           |
| 10" Meter         | \$1,748.3300                           |

Pursuant to Decision No. 64062 (October 4, 2001), the monthly billing for wastewater service at a new wastewater service location shall commence when wastewater first flows into the wastewater collection system.

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**B. Service Line Connection Charge.**

In addition to all other applicable rates and charges in this tariff, each customer requesting new wastewater service shall pay a Service Line Connection Charge in the amount of \$350.00.

The Company shall install and own the service line up to the customer's property line. The customer shall install and own the service line on the customer's side of the customer's property line. The customer shall maintain and operate the service line from the connection to the main line in the street or right-of-way to its interconnection with the customer's building or facility.

**C. Sale of Effluent.**

1. Rate Per 1,000 gallons: \$0.5280.
2. Rate Per Acre-Foot: \$170.3200.

**D. Additional Service Charges.**

In addition to all other applicable rates and charges in this tariff, each customer shall be subject to the following charges, as applicable:

|  |                        |
|--|------------------------|
| Establishment                                | \$25.00                |
| Establishment (After Hours)                  | \$40.00                |
| Deposit (Residential)                        | (a)                    |
| Deposit (Non-Residential)                    | (a)                    |
| Deposit Interest, Per Annum                  | (b)                    |
| Re-establishment (Within 12 Months)          | (c)                    |
| Re-establishment (After Hours)               | (c)                    |
| NSF Check                                    | \$15.00                |
| Deferred Payment Interest, Per Month         | 1.50%                  |
| After-Hours Service, Per A.A.C. R14-2-603(D) | Refer to Above Charges |
| Late Charge, Per Month                       | \$40.00 (d)            |

**Notes to Additional Service Charges:**

- (a) Residential: two times the average monthly bill.  
Non-Residential: two and one-half times the maximum monthly bill.

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

- (b) Interest per A.A.C. R14-2-603(B).
- (c) Monthly Wastewater Usage Charge times number of months off the system (A.A.C. R14-2-603(D)).
- (d) Bills for wastewater utility service are due and payable when rendered. Any payment not received by the Company within fifteen (15) days from the date a bill is rendered shall be considered delinquent and service shall be subject to a late charge and/or termination as set forth herein. A customer's failure to receive bills or notices which have been properly placed in the United States mail shall not prevent a bill from becoming delinquent nor relieve the customer of his or her obligations to pay a bill which is due. All late payment penalties shall be billed on the customer's next regularly scheduled billing. If a customer fails to pay the outstanding balance by the due date on the bill, the customer will receive a written notice that service will be terminated in ten (10) days from the date of the notice. If the customer does not pay the outstanding balance and the late payment penalty by the date in the termination notice, service will be terminated on the date in the notice. Service shall be terminated only for that service for which the customer is delinquent or in violation. All customers whose service is terminated for failure to pay a bill or a late payment penalty are subject to the Company's reconnection charge as set forth in this tariff.

**E. Sewer Collection Main Extensions.**

Sewer collection main extensions shall be pursuant to A.A.C. R14-2-606, except that refunds of advances in aid of construction shall be based upon five percent (5%) of the gross revenues received by the Company from *bona fide* customers connected to the facilities funded with the advance, until all advances are fully refunded to the person paying the advance.

**F. Taxes and Assessments.**

In addition to the collection of all other rates and charges authorized herein, the Company will collect from its customers a proportionate share of any privilege, sales, use and franchise tax, per A.A.C. R14-2-608(D)(5).

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**PART THREE**

**STATEMENT OF RATES AND CHARGES—WASTEWATER DIVISION**

**G. Permitted Costs.**

1. Costs shall be verified by invoice.
2. For services that are provided by the Company at cost, cost shall include labor, materials, other charges incurred, and overhead. However, prior to any such service being provided, the estimated cost of such service will be provided by the Company to the customer. After review of the cost estimate, the customer will pay the amount of the estimated cost to the Company.
3. In the event that the actual cost is less than the estimated cost, the Company will refund the excess to the customer within 30 days after completion of the provision of the service or after Company's receipt of invoices, timesheets or other related documents, whichever is later.
4. In the event the actual cost is more than the estimated cost, the Company will bill the customer for the amount due within 30 days after completion of the invoices, timesheets or other related documents, whichever is later. The amount so billed will be due and payable 30 days after the invoice date.
5. At the customer's request, the Company shall make available to the customer all invoices, timesheets or related documents that support the cost for providing such service.
6. Permitted costs shall include any State or Federal income taxes that are or may be payable by the Company as a result of any tariff or contract for wastewater facilities under which the Customer advances or contributes funds or facilities to the Company.

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**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS—WASTEWATER DIVISION**

**I. CUSTOMER DISCHARGE TO SEWER SYSTEM.**

**A. Service Subject to Regulation.**

The Company provides wastewater service using treatment and collection facilities that are regulated by numerous county, state and federal statutes and regulations. Those regulations include limitations as to domestic strength wastewater and the type of wastewater that may be discharged into the system by any person directly or indirectly connected to the plant.

**B. Waste Limitations.**

The Company has established the permissible limits of concentration as domestic strength wastewater and will limit 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, with a copy filed with the Commission. No person shall discharge, or cause to be discharged, any new sources of inflow including, but not limited to, storm water, surface water, groundwater, roof runoffs, subsurface drainage, cooling water, or polluted industrial process waters into the sanitary sewer. The Company will require an affidavit from all commercial and industrial customers, and their professional engineer, stating that the wastewater discharged to the system does not exceed domestic strength.

**C. Inspection and Right of Entry.**

Every facility that is involved directly or indirectly with the discharge of wastewater to the Treatment Plant may be inspected by the Company as it deems necessary. These facilities shall include but not be limited to sewers; sewage pumping plants; all processes; devices and connection sewers; and all similar sewerage facilities. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these rules. Inspections may include the collection of samples. Authorized personnel of the Company shall be provided immediate access to all of the above facilities or to other facilities directly or indirectly connected to the Treatment Plant at all reasonable times including those occasioned by emergency conditions. Any permanent or temporary obstruction to easy access to the user's facility to be inspected shall promptly be removed by the facility user or owner at the written or verbal request of the Company and shall not be replaced. No person shall interfere with, delay, resist or refuse entrance to an authorized Company representative attempting to inspect any facility involved directly or indirectly with a discharge of wastewater to the Treatment Plant. Adequate identification shall be provided by the Company for all inspectors

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**PART FOUR**

**STATEMENT OF TERMS AND CONDITIONS—WASTEWATER DIVISION**

and other authorized personnel and these persons shall identify themselves when entering any property for inspection purposes or when inspecting the work of any contractor.

All transient motor homes, travel trailers and other units containing holding tanks must arrive at the Company's service area in any empty condition. Inspection will be required of said units prior to their being allowed to hookup to the wastewater system.

**D. Termination of Water Service for Violation of Wastewater Rules and Regulations.**

The Company is authorized to discontinue water service to any person connected to both its water and sewer systems who violates the Company's wastewater terms and conditions as set forth in this PART FOUR, Section I. This termination authority does not apply to non-payment for water or wastewater services.

**II. RULES AND REGULATIONS.**

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. R14-2-609 will be controlling of Company procedures, unless specifically approved tariffs or Commission Order(s) provide otherwise.

11978350.3

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# **ATTACHMENT 2**

# *JOHNSON UTILITIES, L.L.C*

5230 East Shea Boulevard \* Scottsdale, Arizona 85254  
PH: (480) 998-3300; FAX: (480) 483-7908

September 23, 2010

Mr. Brian Bozzo  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

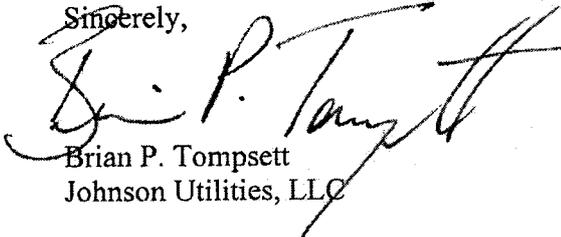
RE: Johnson Utilities, L.L.C.: Compliance with Decision No. 71854  
ACC Docket No. WS-02987A-08-0180  
RE: List of outstanding NOV's issued by ADEQ

Dear Mr. Bozzo:

Pursuant to the above mentioned decision, Johnson Utilities is required to file with Docket Control a list of the outstanding NOV's issued by ADEQ. The list of NOV's is attached hereto as Attachment 1. As stated on the attached, all of the NOV's have been fully responded to by Johnson Utilities and we believe it is in full compliance with each one. It is our belief that no additional information is required of us. Johnson Utilities has not received a request from ADEQ in over eighteen months on any of the matters listed in the attachment. Pursuant to Arizona Statute, ADEQ is required to send a monthly notice stating that they wish to keep a matter open that is the result of a site inspection. The only matter on which Johnson Utilities has received any type of notice from ADEQ that they wish to keep open is Case Id # 103956. Johnson Utilities is waiting for ADEQ to administratively close all of the remaining NOV's.

If you need any additional information in regards to this compliance item, please do not hesitate to contact me. Thank you for your time and consideration in this matter.

Sincerely,



Brian P. Tompsett  
Johnson Utilities, LLC

cc: Docket Control, (1 original, 15 copies)

ADEQ Open Notices of Violation

| <u>Case ID #</u> | <u>Violation Date</u> | <u>NOV Requirements</u>   | <u>Date Completed</u>  | <u>Further Requests from ADEQ</u>   |
|------------------|-----------------------|---|--|-------------------------------------|
| 92021            | March 4th, 2008       | Document the Violation didn't occur or:<br>1. Document that the debris located in spillway and wash has been removed<br>2. Within 30 days document reason's why there was a failure to give 24 hour notification and measures taken to prevent reoccurrence<br>3. Within 60 days document a plan of action to prevent a reoccurrence of the SSO from the liftstation  | March 14, 2008<br><br>April 1st, 2008  | No further requests as of 9-21-2010 |
| 97512            | June 5th, 2008        | Document the Violation didn't occur or:<br>1. Commence twice weekly sampling of the standing water in Queen Creek Wash until levels are below the Surface Water Quality Standard for Partial Body Contact for E coli.<br>2. Provide a list of SSOs since January 1, 2007 related to the Pecan WRP and actions taken to address the cause of the discharge<br>3. Provide a report for each sanitary sewer overflow that occurred on May 17 and 18, 2008<br>4. Provide verification that the liftstation was upgraded with two pumps at least 75 horsepower | Consent Order entered into 9/13/2008. Closed by ADEQ 11/17/2008. No further requests as of 9/21/2010 | No further requests as of 9-21-2010 |
| 99135            | October 8th, 2008     | Document the Violation didn't occur or:<br>1. Document verification of employment of an on-site operator that holds a grade 3 water distribution and treatment certification  | October 28, 2008   | No further requests as of 9-21-2010 |
| 102722           | October 20th, 2008    | Document the Violation didn't occur or:<br>1. Document a clean closure plan<br>2. Document that the closure plan was implemented within the timeframes of the approved plan   | 10/24/2008 & 10/28/2008<br>Provided Documentation that the violation never happened                  | No further requests as of 9-21-2010 |

103357 October 20th, 2008

Document the Violation didn't occur or:

1. Documentation on manifests of all biosolids deposited at the Section 11 facility
2. Dates when biosolids were deposited at Section 11 and trasporation method

10/24/2008 Provided No further requests as of  
Documentation that the 9-21-2010  
violation never occurred

3. The name and ADEQ certification number for every operator with knowledge of the shipment
4. Identify every individual and company that engaged in the transport of biosolids to the Section 11 facility
5. Name of every employee that engaged in the transport of biosolids
6. Detail description of biosolids removed on or after September 25,2008
7. Any correspondence referencing the storage or dumping of biosolids from the Section 11 facility
8. Documentation that all biosolids have been removed from the site

103956 March 11, 2009

Document the Violation didn't occur or:

1. Provide documentation that the 55 gallon drums of used oil have been labeled used oil or disposed of
2. Document that the solid waste has been properly disposed of
3. Document a closure plan

3/23/2009 Provided No further requests as of  
Documentation that the 9-21-2010  
violation never occurred

# **ATTACHMENT 3**

**CAGR D adjuster fee calculation for Decision 71854**

|                              | A                     | B             |                                |                           |                |   |                         |  |
|------------------------------|-----------------------|---------------|--------------------------------|---------------------------|----------------|---|-------------------------|--|
| Active Management Area (AMA) | Rate per AF (1)       | AF per excess | Amount to be recovered (A x B) | AF of total sales in 2009 | Gallons per AF | Total sales in gallons in 2009 (AF x 325,851) | Price per 1,000 gallons |  |
|                              | Fiscal year 2010/2011 |               |                                |                           |                |   |                         |  |
| Phoenix AMA                  | \$ 356.00             | 4,601         | \$ 1,637,956.00                | 7347.14                   | 325,851        | 2,394,072.916                                 | \$ 0.68                 |  |
| Pinal AMA                    | \$ 324.00             | 180           | \$ 58,320.00                   | 711                       | 325,851        | 231,680.061                                   | \$ 0.25                 |  |

(1) From Central Arizona Groundwater Replenishment District Final 2010/1011 and 2011/2012 Rate Schedule dated June 3, 2010.

**CENTRAL ARIZONA  
GROUNDWATER REPLENISHMENT DISTRICT  
FINAL 2010/11 AND 2011/12 RATE SCHEDULE**

**CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT ASSESSMENT RATES**

Units = \$/acre-foot

|   | Firm          |               | Advisory      |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2009/10       | 2010/11       | 2011/12       | 2012/13       | 2013/14       | 2014/15       | 2015/16       |
| <b>Phoenix Active Management Area</b>                       |               |               |               |               |               |               |               |
| Water & Replenishment Component <sup>1</sup>                | \$ 143        | \$ 140        | \$ 140        | \$ 140        | \$ 144        | \$ 157        | \$ 156        |
| Administrative Component <sup>2</sup>                       | 33            | 38            | 42            | 44            | 44            | 44            | 44            |
| Infrastructure & Water Rights Component <sup>3</sup>        | 101           | 131           | 170           | 204           | 245           | 294           | 353           |
| Replenishment Reserve Charge <sup>4</sup>                   | 41            | 47            | 51            | 54            | 54            | 55            | 55            |
| <b>Total Assessment Rate (\$/AF)</b>                        | <b>\$ 318</b> | <b>\$ 356</b> | <b>\$ 403</b> | <b>\$ 442</b> | <b>\$ 487</b> | <b>\$ 550</b> | <b>\$ 608</b> |
| <b>Pinal Active Management Area</b>                         |               |               |               |               |               |               |               |
| Water & Replenishment Component <sup>1</sup>                | \$ 107        | \$ 110        | \$ 116        | \$ 120        | \$ 121        | \$ 133        | \$ 128        |
| Administrative Component <sup>2</sup>                       | 33            | 38            | 42            | 44            | 44            | 44            | 44            |
| Infrastructure & Water Rights Component <sup>3</sup>        | 101           | 131           | 170           | 204           | 245           | 294           | 353           |
| Replenishment Reserve Charge <sup>4</sup>                   | 38            | 45            | 53            | 61            | 60            | 61            | 61            |
| <b>Total Assessment Rate (\$/AF)</b>                        | <b>\$ 279</b> | <b>\$ 324</b> | <b>\$ 381</b> | <b>\$ 429</b> | <b>\$ 470</b> | <b>\$ 532</b> | <b>\$ 586</b> |
| <b>Tucson Active Management Area</b>                        |               |               |               |               |               |               |               |
| Water & Replenishment Component <sup>1</sup>                | \$ 153        | \$ 155        | \$ 155        | \$ 161        | \$ 164        | \$ 166        | \$ 163        |
| Administrative Component <sup>2</sup>                       | 33            | 38            | 42            | 44            | 44            | 44            | 44            |
| Infrastructure & Water Rights Component <sup>3</sup>        | 101           | 131           | 170           | 204           | 245           | 294           | 353           |
| Replenishment Reserve Charge <sup>4</sup>                   | 46            | 53            | 60            | 65            | 61            | 59            | 57            |
| <b>Total Assessment Rate (\$/AF)</b>                        | <b>\$ 333</b> | <b>\$ 377</b> | <b>\$ 427</b> | <b>\$ 474</b> | <b>\$ 514</b> | <b>\$ 563</b> | <b>\$ 617</b> |
| <b>Contract Replenishment Tax - Scottsdale <sup>5</sup></b> |               |               |               |               |               |               |               |
| Cost of Water   | \$ 126        | \$ 133        | \$ 137        | \$ 137        | \$ 141        | \$ 139        | \$ 142        |
| Cost of Transportation                                      | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Cost of Replenishment                                       | 0             | 0             | 0             | 0             | 0             | 0             | 0             |
| Administrative Component <sup>2</sup>                       | 33            | 38            | 42            | 44            | 44            | 44            | 44            |
| <b>Total Tax Rate (\$/AF)</b>                               | <b>\$ 159</b> | <b>\$ 171</b> | <b>\$ 179</b> | <b>\$ 181</b> | <b>\$ 185</b> | <b>\$ 183</b> | <b>\$ 186</b> |

**ENROLLMENT & ACTIVATION FEES**

Units = \$/Housing Unit

|                                    |              |               |               |               |               |               |               |
|------------------------------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Enrollment Fee <sup>6</sup></b> | <b>\$ 83</b> | <b>\$ 107</b> | <b>\$ 138</b> | <b>\$ 165</b> | <b>\$ 198</b> | <b>\$ 237</b> | <b>\$ 284</b> |
| <b>Activation Fee <sup>6</sup></b> | <b>\$ 81</b> | <b>\$ 105</b> | <b>\$ 136</b> | <b>\$ 163</b> | <b>\$ 196</b> | <b>\$ 235</b> | <b>\$ 282</b> |

**CENTRAL ARIZONA  
GROUNDWATER REPLENISHMENT DISTRICT  
FINAL 2010/11 AND 2011/12 RATE SCHEDULE**

**NOTES:**

- 1 The Water & Replenishment Component is designed to cover the projected annual costs of satisfying replenishment obligations, including the purchase of long-term storage credits (LTSC) and the purchase and replenishment of water and effluent. The total volume of water to be purchased and replenished includes a sufficient volume to offset losses incurred during the replenishment process (generally 1% to 2.5%). For the Phoenix Active Management Area (AMA), replenishment will be accomplished at direct underground storage facilities (USFs) and groundwater savings facilities (GSFs) as well as through the use of LTSCs purchased from others. For the Pinal AMA, replenishment will be accomplished at GSFs. For the Tucson AMA, replenishment will be accomplished at USFs as well as through the use of LTSCs purchased from others.
- 2 The Administrative Component is designed to cover all CAGR D administrative costs. A \$2/AF has been added to this component to help fund the CAGR D conservation program.
- 3 The Infrastructure & Water Rights Component is designed to generate funds to purchase long-term rights to water, and construct additional infrastructure facilities as the need arises in the future.
- 4 The Replenishment Reserve Charge is designed to cover costs associated with establishing a replenishment reserve of LTSCs as required by statutes. Water will be stored at a combination of USFs and GSFs in the Phoenix and Tucson AMAs. LTSCs purchased from CAP and others will also be used to help establish the replenishment reserve in the Phoenix and Tucson AMAs. In the Pinal AMA, LTSCs will be purchased from CAP in accordance with Board policy adopted on October 6, 2005. This charge will be levied as provided in ARS Sections 48-3774.01 and 48-3780.01.
- 5 The components of the Contract Replenishment Tax - Scottsdale reflect the provisions in the Water Availability Status Contract to Replenish Groundwater between CAWCD and Scottsdale. The rates reflect the assumption that Non-Subcontract CAP water will be available to meet the associated contract replenishment obligations.
- 6 The Enrollment Fee and Activation Fee reflect the fees established pursuant to the CAGR D Enrollment Fee and Activation Fee Policy adopted by the Board on May 1, 2008. \$2 per housing unit is included in the Enrollment Fee to help fund CAGR D's conservation program.



CENTRAL ARIZONA PROJECT  
 P.O. Box 42447  
 Phoenix, AZ 85080-2447



**Invoice**

BILL TO: BRIAN TOMPSETT  
 JOHNSON UTILITIES LLC  
 5230 E SHEA BLVD  
 SCOTTSDALE AZ 85254

NUMBER [REDACTED]  
 BILL DATE 16-AUG-10  
 DUE DATE 15-OCT-10

CUSTOMER NUMBER 1286

| DESCRIPTION           | QTY   | UOM | UNIT COST       | TOTAL      |
|-----------------------|-------|-----|-----------------|------------|
| WATER REPLENISHMENT   | 4,601 | A/F | 140.00 F        | 644,140.00 |
| ADMIN COMPONENT       | 4,601 | A/F | 38.00 G         | 174,838.00 |
| INFRASTRUCTURE        | 4,601 | A/F | 131.00 H        | 602,731.00 |
| REPLENISHMENT RESERVE | 4,601 | A/F | 47.00 I         | 216,247.00 |
|                       |       |     | <u>81356.00</u> |            |

TOTAL DUE \$1,637,956.00

SPECIAL INSTRUCTIONS

2009 CAGR D MEMBER SERVICE AREA ANNUAL REPLENISHMENT TAX STATEMENT  
 (26-400665)

Refer questions to: Financial Services: 623-869-2149 • inquiries@cap-az.com

REMIT TO:  
 CENTRAL ARIZONA PROJECT  
 FINANCIAL SERVICES  
 P.O. BOX 42447  
 PHOENIX, AZ 85080-2447

NUMBER [REDACTED]  
 BILL DATE 16-AUG-10  
 DUE DATE 15-OCT-10

CUSTOMER NUMBER 1286

AMOUNT DUE: \$1,637,956.00

JOHNSON UTILITIES LLC

PAYMENT:

If you have any changes on the back of this stub please check this box.

PLEASE RETURN THIS PORTION WHEN MAILING YOUR PAYMENT

CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT (CAGRD)  
P.O. BOX 43820  
PHOENIX, AZ 85060-3820  
(602) 869-2243



2009 ANNUAL REPORT  
TO BE FILED BY MUNICIPAL WATER PROVIDERS WITH CAGRD MEMBER SERVICE AREAS

**REPORTING PARTY** (Water provider, Address)  
Johnson Utilities, L.L.C.  
5230 East Shea Boulevard, Ste. 200  
Scottsdale, Arizona 85254  
Attn: Brian Tompsett

**AMA:** Phoenix  
**AWS DESIGNATION #:** 26-400090

If any of the preprinted information provided on this report is incorrect, please make the necessary changes.

|  |    |  |    |       |         |
|--|----|--|----|-------|---------|
| <b>EXCESS GROUNDWATER DELIVERED TO MEMBER SERVICE AREA</b> | 1  | TOTAL GROUNDWATER WITHDRAWN WITHIN THE MEMBER SERVICE AREA IN 2009* (Must equal the volume reported on part 5.B.5 of the Assured Water Supply Supplement of the ADWR 2009 Annual Report) . . . . .   | 1  | 7,318 | Acre-ft |
|  | 2  | INCIDENTAL RECHARGE AS AWARDED BY ADWR FOR 2009 . . . . .  | 2  | 451   |         |
|  | 3  | MINIMUM EXCESS GROUNDWATER FACTOR . . . . .  | 3  | 0.67  |         |
|  | 4  | REQUIRED MINIMUM AMOUNT OF EXCESS GROUNDWATER (Subtract line 2 from line 1 and multiply by line 3, but not less than zero) . . . . .   | 4  | 4,601 | Acre-ft |
|  | 5  | ADDITIONAL AMOUNT REPORTED AS EXCESS GROUNDWATER . . . . .   | 5  |       | Acre-ft |
|  | 6  | TOTAL EXCESS GROUNDWATER (sum of lines 4 and 5, not to exceed Line 1) (Must equal the volume reported on part 5.B.6 of the Assured Water Supply Supplement of the ADWR 2009 Annual Report) . . . . . | 6  | 4,601 | Acre-ft |
| <b>CONTRACT REPLENISHMENT ACCOUNT ACTIVITY</b>             | 7  | CONTRACT REPLENISHMENT ACCOUNT BALANCE AS OF JANUARY 1, 2009 . . . . .   | 7  | 0     | Acre-ft |
|  | 8  | CONTRACT REPLENISHMENT CREDITS ACCRUED IN 2009 . . . . .   | 8  |       |         |
|  | 9  | VOLUME OF CONTRACT REPLENISHMENT CREDITS TO BE APPLIED TO REDUCE THE 2009 REPLENISHMENT OBLIGATION . . . . .   | 9  |       |         |
|  | 10 | CARRY FORWARD BALANCE IN THE CONTRACT REPLENISHMENT ACCOUNT (Sum of lines 7 and 8 minus line 9) . . . . .  | 10 |       |         |
| <b>SERVICE AREA REPLENISHMENT OBLIGATION</b>               | 11 | 2009 CAGRD SERVICE AREA REPLENISHMENT OBLIGATION (subtract line 9 from line 6) . . . . .   | 11 | 4,601 | Acre-ft |

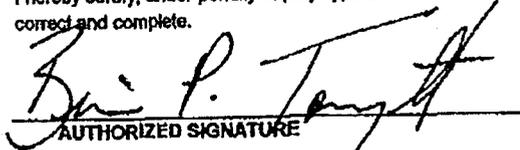
\* If the basis for calculating the total groundwater reported on Line 1 is other than by meter, please attach a sheet describing the basis.

Mail or hand deliver the completed original of this Annual Report to the Central Arizona Project, 23636 North 7th Street, Phoenix, AZ 85024, and a copy to the Arizona Department of Water Resources, 3550 N. Central Avenue, Phoenix, AZ 85012-2105. If mailed, the report must be postmarked no later than March 31, 2010. If hand delivered, the report must be received by each entity listed above no later than 5:00 p.m. on March 31, 2010.

REPORTS FILED AFTER MARCH 31, 2010, ARE SUBJECT TO LATE FEES PURSUANT TO A.R.S. 48-3775.

**\*\* Please enclose a copy of your 2009 ADWR Annual Withdrawal and Use Report (including the AWS Supplement) with this Report \*\***

I hereby certify, under penalty of perjury, that the information contained in this report is, to the best of my knowledge and belief, correct and complete.

  
\_\_\_\_\_  
AUTHORIZED SIGNATURE  
Brian P. Tompsett  
PRINTED NAME

Executive Vice President  
\_\_\_\_\_  
TITLE  
\_\_\_\_\_  
E-MAIL ADDRESS

3-31-2010  
\_\_\_\_\_  
DATE  
480-998-3300  
\_\_\_\_\_  
PHONE NUMBER

**SCHEDULE F-1 PART 2****1**

PROVIDER NAME

MUNICIPAL PROVIDER WATER DELIVERIES

RIGHT/PERMIT NO.

**ANNUAL REPORT 2009**Total Production 7,318 GW + 608 CAP = 7,926

Pursuant to the Third Management Plan (TMP) and the Groundwater Code, large water providers are required to supply the following information. Do not include direct use effluent on this schedule (please use Part 3 of Schedule F-1).

| MONTH                    | DELIVERIES IN ACRE-FEET |              |                          |                    |                   |                           |                     |                    |                    | TOTAL                |
|--------------------------|-------------------------|--------------|--------------------------|--------------------|-------------------|---------------------------|---------------------|--------------------|--------------------|----------------------|
|                          | RESIDENTIAL <b>A</b>    |              | NON-RESIDENTIAL <b>B</b> |                    |                   |                           |                     |                    |                    |                      |
|                          | Single Family           | Multi-Family | Industrial               | Commercial         | Govt.             | Turf Related Facilities * | Other Turf **       | Construction       |                    |                      |
| Jan                      | 308.52                  |              | 2.75                     | 9.78               | .69               | .37                       | 32.97               | 20.31              | 3.15               | 378.04               |
| Feb                      | 305.20                  |              | 2.23                     | 9.41               | 1.04              | 3.58                      | 33.55               | 26.59              | 4.49               | 376.09               |
| Mar                      | 320.53                  |              | 2.19                     | 10.80              | 1.20              | 11.80                     | 32.63               | 15.36              | 1.14               | 395.65               |
| Apr                      | 397.09                  |              | 2.28                     | 12.27              | 1.61              | 74.17                     | 87.09               | 15.29              | 2.19               | 589.80               |
| May                      | 411.92                  |              | 2.65                     | 14.00              | 5.84              | 60.03                     | 147.68              | 15.29              | 1.65               | 659.06               |
| Jun                      | 505.81                  |              | 2.22                     | 17.67              | 6.84              | 66.48                     | 165.59              | 15.29              | 2.27               | 782.17               |
| Jul                      | 434.10                  |              | 2.41                     | 17.01              | 3.57              | 73.22                     | 235.97              | 15.29              | 2.72               | 784.29               |
| Aug                      | 521.00                  |              | 2.26                     | 19.16              | 8.59              | 134.96                    | 202.42              | 15.22              | 2.58               | 906.29               |
| Sep                      | 402.99                  |              | 2.31                     | 15.68              | 4.91              | 106.30                    | 186.41              | 15.32              | 1.53               | 735.45               |
| Oct                      | 456.90                  |              | 2.96                     | 13.99              | 2.38              | 23.97                     | 192.90              | 15.82              | .45                | 708.87               |
| Nov                      | 379.96                  |              | 2.38                     | 12.27              | 1.91              | 32.29                     | 104.80              | 16.36              | 6.92               | 556.89               |
| Dec                      | 345.74                  |              | 2.25                     | 40.35              | 1.40              | 4.77                      | 62.59               | 15.05              | .20                | 472.35               |
| Total Deliveries         | <b>2</b><br>4789.76     | <b>3</b>     | <b>4</b><br>28.39        | <b>5</b><br>192.39 | <b>6</b><br>39.98 | <b>7</b><br>591.94        | <b>8</b><br>1484.60 | <b>9</b><br>190.79 | <b>10</b><br>29.29 | <b>11</b><br>7347.14 |
| Total Active Connections | <b>12</b><br>18,665     | <b>13</b>    | <b>14</b>                | <b>15</b>          | <b>16</b>         | <b>17</b>                 | <b>18</b>           | <b>19</b>          | <b>20</b>          | <b>21</b>            |

\* Turf Related Facilities includes turf-related facilities (10 or more acres of turf or other high water use landscaping) and landscaped public rights-of-way identified as Individual Users. (San Tan HOA)

\*\* Other Turf includes water delivered to other turf areas that are less than 10 acres. (Landscape Water)

\*\*\* Other includes unmetered deliveries. Unmetered deliveries must be calculated using a generally accepted method of estimating water use. Explain in a separate letter how any unmetered deliveries were calculated and to which category it would belong if it were metered. e.g. Industrial, Commercial, etc. (System Flushing, F.D. Use)

Please contact your local Active Management Area if you need assistance completing this form.

PHOENIX AMA (602) 771-8685 PINAL AMA (520) 838-4857 SANTA CRUZ AMA (520) 761-1614  
PRESCOTT AMA (928) 778-7202 TUCSON AMA (520) 770-3800



CENTRAL ARIZONA PROJECT  
 P.O. Box 42447  
 Phoenix, AZ 85080-2447

**Invoice**

BILL TO: BRIAN TOMPSETT  
 JOHNSON UTILITIES LLC  
 5230 E SHEA BLVD  
 SCOTTSDALE AZ 85254

NUMBER ~~5112~~

BILL DATE 16-AUG-10

DUE DATE 15-OCT-10

CUSTOMER NUMBER 1286

| DESCRIPTION           | QTY | UOM | UNIT COST | TOTAL       |
|-----------------------|-----|-----|-----------|-------------|
| WATER REPLENISHMENT   | 180 | A/F | 110.00    | 19,800.00   |
| ADMIN COMPONENT       | 180 | A/F | 38.00     | 6,840.00    |
| INFRASTRUCTURE        | 180 | A/F | 131.00    | 23,580.00   |
| REPLENISHMENT RESERVE | 180 | A/F | 45.00     | 8,100.00    |
| TOTAL DUE             |     |     |           | \$58,320.00 |

236.30

Pinel AUA-11-136



SPECIAL INSTRUCTIONS

2009 CAGR MEMBER SERVICE AREA ANNUAL REPLENISHMENT TAX STATEMENT  
 (26-401382.0000)

Refer questions to: Financial Services: 623-869-2149 • inquiries@cap-az.com

REMIT TO:  
 CENTRAL ARIZONA PROJECT  
 FINANCIAL SERVICES  
 P.O. BOX 42447  
 PHOENIX, AZ 85080-2447

NUMBER ~~5112~~

BILL DATE 16-AUG-10

DUE DATE 15-OCT-10

CUSTOMER NUMBER 1286

JOHNSON UTILITIES LLC

AMOUNT DUE: \$58,320.00

PAYMENT:

If you have any changes on the back of this stub please check this box.

PLEASE RETURN THIS PORTION WHEN MAILING YOUR PAYMENT

P.O. BOX 43020  
 PHOENIX, AZ 85008-3020  
 (623) 869-2243



2009 ANNUAL REPORT  
 TO BE FILED BY MUNICIPAL WATER PROVIDERS WITH CAGRD MEMBER SERVICE AREAS

**REPORTING PARTY** (Water provider, Address)  
 Johnson Utilities, L.L.C.  
 5230 East Shea Boulevard, Ste. 200  
 Scottsdale, Arizona 85254  
 Attn: Brian Tompsett

**AMA:** Pinal  
**AWS DESIGNATION #:** 26-401382.0000

If any of the preprinted information provided on this report is incorrect, please make the necessary changes.

|  |           |   |    |      |         |
|--|-----------|---|----|------|---------|
| <b>EXCESS GROUNDWATER DELIVERED TO MEMBER SERVICE AREA</b> | <b>1</b>  | <b>TOTAL GROUNDWATER WITHDRAWN WITHIN THE MEMBER SERVICE AREA IN 2009*</b> (Must equal the volume reported on part 5.B.5 of the Assured Water Supply Supplement of the ADWR 2009 Annual Report) . . . . .   | 1  | 783  | Acro-ft |
|  | <b>2</b>  | <b>INCIDENTAL RECHARGE AS AWARDED BY ADWR FOR 2009</b> . . . . .  | 2  | 36   |         |
|  | <b>3</b>  | <b>ANNUAL ALLOWABLE GROUNDWATER AVAILABLE WITHIN THE MEMBER SERVICE AREA IN 2009</b> . . . . .  | 3  | 567  |         |
|  | <b>4</b>  | <b>MINIMUM EXCESS GROUNDWATER FACTOR</b> . . . . .  | 4  | 0.67 |         |
|  | <b>5</b>  | <b>REQUIRED MINIMUM AMOUNT OF EXCESS GROUNDWATER</b> (Subtract lines 2 and 3 from line 1 and multiply by line 4, but not less than zero) . . . . .  | 5  | 121  | Acro-ft |
|  | <b>6</b>  | <b>ADDITIONAL AMOUNT REPORTED AS EXCESS GROUNDWATER</b> . . . . .   | 6  | 59   | Acro-ft |
|  | <b>7</b>  | <b>TOTAL EXCESS GROUNDWATER</b> (sum of lines 4 and 5, not to exceed Line 1) (Must equal the volume reported on part 5.B.6 of the Assured Water Supply Supplement of the ADWR 2009 Annual Report) . . . . . | 7  | 180  | Acro-ft |
| <b>CONTRACT REPLENISHMENT ACCOUNT ACTIVITY</b>             | <b>8</b>  | <b>CONTRACT REPLENISHMENT ACCOUNT BALANCE AS OF JANUARY 1, 2009</b> . . . . .   | 8  | 0    | Acro-ft |
|  | <b>9</b>  | <b>CONTRACT REPLENISHMENT CREDITS ACCRUED IN 2009</b> . . . . .   | 9  |      |         |
|  | <b>10</b> | <b>VOLUME OF CONTRACT REPLENISHMENT CREDITS TO BE APPLIED TO REDUCE THE 2009 REPLENISHMENT OBLIGATION</b> . . . . .   | 10 |      |         |
|  | <b>11</b> | <b>CARRY FORWARD BALANCE IN THE CONTRACT REPLENISHMENT ACCOUNT</b> (Sum of lines 7 and 8 minus line 9) . . . . .  | 11 |      |         |
| <b>SERVICE AREA REPLENISHMENT OBLIGATION</b>               | <b>12</b> | <b>2009 CAGRD SERVICE AREA REPLENISHMENT OBLIGATION</b> (subtract line 9 from line 6) . . . . .   | 12 | 180  | Acro-ft |

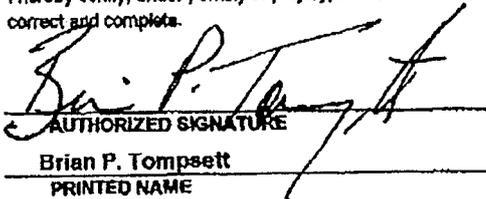
\* If the basis for calculating the total groundwater reported on Line 1 is other than by meter, please attach a sheet describing the basis.

Mail or hand deliver the completed original of this Annual Report to the Central Arizona Project, 23636 North 7th Street, Phoenix, AZ 85024, and a copy to the Arizona Department of Water Resources, 3550 N. Central Avenue, Phoenix, AZ 85012-2105. If mailed, the report must be postmarked no later than March 31, 2010. If hand delivered, the report must be received by each entity listed above no later than 5:00 p.m. on March 31, 2010.

REPORTS FILED AFTER MARCH 31, 2010, ARE SUBJECT TO LATE FEES PURSUANT TO A.R.S. 48-3775.

**\*\* Please enclose a copy of your 2009 ADWR Annual Withdrawal and Use Report (including the AWS Supplement) with this Report \*\***

I hereby certify, under penalty of perjury, that the information contained in this report is, to the best of my knowledge and belief, correct and complete.

  
 AUTHORIZED SIGNATURE  
 Brian P. Tompsett  
 PRINTED NAME

Executive Vice President  
 TITLE  
 E-MAIL ADDRESS

3-31-2010  
 DATE  
 480-998-3300  
 PHONE NUMBER

**SCHEDULE F-1 PART 2**

PROVIDER NAME

**1**

MUNICIPAL PROVIDER WATER DELIVERIES

RIGHT/PERMIT NO.

**ANNUAL REPORT 2009**Total Production 783 af

Pursuant to the Third Management Plan (TMP) and the Groundwater Code, large water providers are required to supply the following information. Do not include direct use effluent on this schedule (please use Part 3 of Schedule F-1).

| MONTH                    | DELIVERIES IN ACRE-FEET |              |                          |                   |                  |                           |                    |                   |                    | TOTAL            |
|--------------------------|-------------------------|--------------|--------------------------|-------------------|------------------|---------------------------|--------------------|-------------------|--------------------|------------------|
|                          | RESIDENTIAL <b>A</b>    |              | NON-RESIDENTIAL <b>B</b> |                   |                  |                           |                    |                   |                    |                  |
|                          | Single Family           | Multi-Family | Industrial (Anthem WWP)  | Commercial        | Govt.            | Turf Related Facilities * | Other Turf **      | Construction      |                    |                  |
| Jan                      | 19.07                   |              | 2.11                     | 2.69              | .11              |                           | 6.03               | 5.07              | .95                | 36.03            |
| Feb                      | 21.39                   |              | 2.24                     | 2.50              | .18              |                           | 7.25               | 2.85              | .98                | 37.39            |
| Mar                      | 22.35                   |              | 2.20                     | 3.41              | .20              |                           | 12.74              | 3.29              | 1.56               | 45.75            |
| Apr                      | 25.33                   |              | 2.20                     | 4.48              | .16              |                           | 13.51              | 2.98              | 1.80               | 50.46            |
| May                      | 28.59                   |              | 2.72                     | 3.83              | .21              |                           | 21.44              | 2.71              | .98                | 60.48            |
| Jun                      | 35.14                   |              | 2.08                     | 5.90              | .13              |                           | 33.56              | 3.10              | 2.97               | 82.88            |
| Jul                      | 25.36                   |              | 1.50                     | 4.24              | .05              |                           | 25.49              | 1.38              | 1.34               | 59.36            |
| Aug                      | 35.88                   |              | 2.02                     | 5.88              | .22              |                           | 32.41              | 3.62              | .33                | 80.36            |
| Sep                      | 30.90                   |              | 2.10                     | 4.40              | .19              |                           | 26.19              | 2.15              | .15                | 66.08            |
| Oct                      | 30.67                   |              | 3.06                     | 4.33              | .13              |                           | 30.13              | 2.41              | .02                | 70.75            |
| Nov                      | 32.58                   |              | 2.00                     | 4.80              | .21              |                           | 20.48              | 2.17              | 9.85               | 72.09            |
| Dec                      | 24.22                   |              | 2.12                     | 3.42              | .38              |                           | 8.45               | 3.60              | 6.75               | 48.94            |
| Total Deliveries         | <b>2</b><br>331.48      | <b>3</b>     | <b>4</b><br>26.34        | <b>5</b><br>49.90 | <b>6</b><br>2.19 | <b>7</b>                  | <b>8</b><br>237.68 | <b>9</b><br>35.32 | <b>10</b><br>27.60 | <b>11</b><br>711 |
| Total Active Connections | <b>12</b><br>1,555      | <b>13</b>    | <b>14</b>                | <b>15</b>         | <b>16</b>        | <b>17</b>                 | <b>18</b>          | <b>19</b>         | <b>20</b>          | <b>21</b>        |

\* Turf Related Facilities includes turf-related facilities (10 or more acres of turf or other high water use landscaping) and landscaped public rights-of-way identified as Individual Users.

\*\* Other Turf includes water delivered to other turf areas that are less than 10 acres. (Anthem HOA, Florence Unified School, Florence P.D)

\*\*\* Other includes unmetered deliveries. Unmetered deliveries must be calculated using a generally accepted method of estimating water use. Explain in a separate letter how any unmetered deliveries were calculated and to which category it would belong if it were metered. e.g. Industrial, Commercial, etc. (System flushing (metered) and Solar Facility dust control)

Please contact your local Active Management Area if you need assistance completing this form.

PHOENIX AMA (602) 771-8585 PINAL AMA (520) 836-4657 SANTA CRUZ AMA (520) 761-1814  
PRESCOTT AMA (928) 778-7202 TUCSON AMA (520) 770-3800