

Sahuarita Water Company



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ORIGINAL



June 6, 2011

W-03718A-09-0359

Mr. Steve Olea
Director, Utilities Division
Arizona Corporation Commission
1200 W Washington St.
Phoenix, AZ 85007

RE: Sahuarita Water Company CAGR D Pass-through Compliance Document

Dear Mr. Olea,

Pursuant to Decision No. 72177, Condition #5 of the CAGR D Pass-through adjuster, Sahuarita Water Company, LLC (Company) is submitting the final rate schedule for the CAGR D fees firm for the years 2011_2012. These rates were approved by the CAP Board of Directors at their June 2, 2011 meeting. The rate schedule is attached.

Should you require any further information, please contact me.

Best regards,

Mark J Seamans, President
Sahuarita Water Company, LLC

Arizona Corporation Commission
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Attachment

Cc: Kimberly D Battista, Chief of Compliance & Enforcement, ACC
Robert M. Sharpe, Sharpe and Associates, Inc
Lawrence V Robertson, Atty
File

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

CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT ASSESSMENT RATES

Units = \$/acre-foot

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

ENROLLMENT & ACTIVATION FEES

Units = \$/Housing Unit

Enrollment Fee ⁶	\$ 83	\$ 107	\$ 138	\$ 165	\$ 198	\$ 237	\$ 284
Activation Fee ⁶	\$ 81	\$ 105	\$ 136	\$ 163	\$ 196	\$ 235	\$ 282

ANNUAL MEMBERSHIP DUES

Member Land Annual Membership Dues (\$/Lot) ⁷

Phoenix Active Management Area	--	--	\$ 6.88	\$ 8.80	TBD	TBD	TBD
Pinal Active Management Area	--	--	\$ 0.90	\$ 1.15	TBD	TBD	TBD
Tucson Active Management Area	--	--	\$ 4.34	\$ 5.55	TBD	TBD	TBD
Member Service Area Annual Membership Dues (\$/AF) ⁷	--	--	\$ 10.35	\$ 13.32	TBD	TBD	TBD

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

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 CAGRDR administrative costs. A \$2/AF rate has been added to this component to help fund the CAGRDR conservation program.
- 3 The Infrastructure & Water Rights Component is designed to generate funds required for the acquisition, lease or exchange of water or water rights and development of infrastructure necessary for CAGRDR to perform its replenishment.
- 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 CAGRDR Enrollment Fee and Activation Fee Policy adopted by the Board on May 1, 2008. A \$2 per housing unit is included in the Enrollment Fee to help fund CAGRDR's conservation program.
- 7 The Annual Membership Dues for Member Lands and Member Service Areas reflect the fees established pursuant to ARS Sections 48-3772.A.8. and 48-3779 as well as the Policy on Collection of CAGRDR Annual Membership Dues adopted by the Board on April 7, 2011.