

ORIGINAL

**SOUTHWEST ENVIRONMENTAL UTILITIES**

5230 East Shea Boulevard, Suite 200 \* Scottsdale, Arizona  
PH: (480) 998-3300; FAX: (480) 483-7908



0000147552

RECEIVED

2013 AUG 22 P 4: 02

AZ CORP COMMISSION  
DOCKET CONTROL

22 August 2013

Arizona Corporation Commission

DOCKETED

AUG 22 2013

Blessing N. Chukwu  
Executive Consultant III  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix AZ 85007-2927



Re: Southwest Environmental Utilities, L.L.C. – Application for a Certificate of Convenience and Necessity (CC&N) to provide Water and Wastewater.  
Docket No. WS-20878A-13-0065  
**Compliance with Insufficiency Letter of April 22, 2013**

Dear Ms. Chukwu:

Listed below are the Insufficiency Demands from your letter of April 22, 2013 and our responses.

- 1. Please clarify the type of service to be provided if the application is approved. On Page 1 of the application, the Company seeks approval for water and on subsequent pages, it seeks approval for both water and wastewater.

*Response: This application is for water and wastewater service*

- 2. The following minimum requirements of R14-2-402-B5 for water were not submitted:

- n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provide under subsection (B)(5)(o) and verification of the requirements of the Commission and the Arizona Department of Environmental Quality can be met;

*Response: Please see the attached engineering report from WLB attached hereto as Attachment 1.*

- o. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof.

*Response: The onsite facilities will be financed by advances in aid of construction. The offsite cost will be financed by a combination of 35% contributions in aid of construction and 65% Equity Funded*

- p. Documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application,

*Response: This response will be supplemented in a later filing.*

- s. A detailed description of the proposed construction timeline for facilities, with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction.

*Response: Please see the attached engineering report listing the construction timeline for phases 1 and 2.*

- dd. A backflow prevention tariff that complies with Commission standards, if not already on file; (Please use template on ACC's website)

*Response: Please see Attachment 2*

- ee. A curtailment tariff that complies with Commission standards, if not already on file; (Please use template on ACC's website)

*Response: Please see Attachment 3*

- ff. A copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval.

*Response: The application to the Arizona Department of Water Resources is being prepared by Southwest Groundwater. The application is planned to be filed the first half of September.*

3. The following minimum requirements of R14-2-106-B5 for wastewater were not submitted:

n. A complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each sewer system and the principal components of each sewer system (e.g., collection mains, trunk lines, lift station, treatment plants, effluent disposal areas, etc.) to allow verification for the estimated costs provided under subsection (B)(5)(p) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.

*Response: Please see the attached engineering report from WLB attached hereto as Attachment 1.*

o. A copy of the Aquifer Protection Permit issued by the Arizona Department of Environmental Quality for the proposed service area or extension area or, if not yet obtained, the status of the application for such Aquifer Protection Permit.

*Response: The application for the Aquifer Protection Permit has received administrative approval from the Arizona Department of Environmental Quality.*

p. The estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof.

*Response: The onsite facilities in the amount of will be financed by advances in aid of construction. The offsite cost will be financed by a combination of 35% contributions in aid of construction and 65% Equity Funded*

q. Documentation establishing the applicant's financial condition, including at least the applicant's current assets and liabilities, an income statement, the applicant's estimated revenue and expenses for the first five years following approval of the application, and the estimated value of the applicant's utility plant in service for the first five years following approval of the application.

*Response: This response will be supplemented in a later filing.*

t. A detailed description of the proposed construction timeline for facilities, with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction.

*Response: Please see the attached engineering report listing the construction timeline for phases 1 and 2.*

22 August 2013  
Southwest Environmental Utilities, L.L.C.  
Application for a Certificate of Convenience and Necessity (CC&N) to provide Water and Wastewater  
Docket No. WS-20878A-13-0065  
Compliance with Insufficiency Letter of April 22, 2013

Thank you for the opportunity of complying with these Insufficiency Demands.

Regards,



Daniel R. Hodges  
SOUTHWEST ENVIRONMENTAL UTILITIES, L.L.C.

MEB

cc: Docket Control  
Del Smith  
Lyn Farmer  
Brian Bozzo  
Connie Walczak

# *Attachment 1*



Engineering • Planning  
Surveying • Urban Design  
Landscape Architecture

August 16, 2013

Mr. Daniel Hodges  
Southwest Environmental Utilities, L.L.C.  
5230 E. Shea Blvd., Ste. 200  
Scottsdale, AZ 85254

Subject: Southwest Environmental Utilities, L.L.C.  
CC&N Expansion

Dear Mr. Hodges:

This letter identifies the water demand, as well as sewer flow and plant requirements, for the property located within the CC&N area requested by Southwest Environmental Utilities, L.L.C. It also lists the associated costs for installing the necessary infrastructure in response to comments received from the Arizona Corporation Commission (ACC) in its review of Southwest Environmental Utilities, L.L.C. application for a water and sewer service area.

### **1. Development Phasing**

Phase I consists of the following development parcels as shown on the attached "Conceptual Land Use Plan" for Johnson Ranch Estates: Parcels B, C, D, E, F, G, H, I, J, K, Z, AA, BB, CC, DD, EE, FF, MM, and NN. These areas consist of the following uses: residential (a variety of different types and densities), mixed use, a town square, an equestrian facility and a wastewater treatment plant. It is anticipated that construction of this initial phase will begin in January 2014. See Appendix A for the Johnson Ranch Estates Conceptual Land Use Plan and phasing of the project.

Phase II within the requested CC&N area is anticipated to be under construction in the year 2017. This property will be developed with primarily residential and commercial land uses.

### **2. Water System**

The water demands for the phases are shown in the following tables and are based on the Southwest Environmental Utilities Design Guide:



Water Use:

- 2.6 people/DU @ 100 gallons per day (gpd)
- Average Day (AD) =  $2.6 \times 100 = 260$  gallons per unit per day (gpud)
- Peak Day (PD) =  $2 \times AD = 520$  gpud
- Peak Hour (PH) =  $3.5 \times AD = 910$  gpud
- Commercial – AD = 1500 gallons per acre per day (gpud)  
PD =  $2 \times AD$   
PH =  $3.5 \times AD$

Supply

Wells: Minimum supply from wells pumping to storage to meet peak day.

Booster: Minimum booster capacity without elevated storage to meet peak hour (PH) demand plus fire flow (FF).

Storage:

- Usable volume equal to AD minimum (50% PD) per ADEQ + fire flow (FF) with minimum FF of 2 hours @ 1000 gpm = 120,000 gal. May be reduced per R18-5-503.
- With well @ PD, provide minimum AD storage at ground storage tanks with boosters to meet PH. Provide well, storage tank and booster at each water plant.

Pipe Sizes:

- Sized for PH with provisions for fire flow.



**Table 1 – Water Demands – Phase 1**

Parcel	Proposed Zoning	Acreage	Dwelling Units	Unit Factor	Avg. Daily Demand (gpd)	Peak Daily Demand (gpd)	Peak Hour Demand (gpd)
B	MFR	10	80	260 gpud	20,800	41,600	72,800
C	MFR	33	264	260 gpud	68,640	137,280	240,240
D	MFR	31	248	260 gpud	64,480	128,960	225,680
E	VVWTP	15	--	--	--	--	--
F	MFR	12	96	260 gpud	24,960	49,920	87,360
G	MDR	36	263	260 gpud	68,380	136,760	239,330
H	Mixed Use	34	68	260 gpud	17,680	35,360	61,880
I	MDR	10	73	260 gpud	18,980	37,960	66,430
J	MDR	14	102	260 gpud	26,520	53,040	92,820
K	MDR	21	153	260 gpud	39,780	79,560	139,230
Z	MDR	27	189	260 gpud	49,140	98,280	171,990
AA	Mixed Use	31	62	260 gpud	16,120	32,240	56,420
BB	Mixed Use	14	28	260 gpud	7,280	14,560	25,480
CC	Mixed Use	40	80	260 gpud	20,800	41,600	72,800
DD	Mixed Use	17	34	260 gpud	8,840	17,680	30,940
EE	MDR	12	84	260 gpud	21,840	43,680	76,440
FF	EQ	20	--	--	--	--	--
MM	Mixed Use	25	50	260 gpud	13,000	26,000	45,500
NN	Town Square	11	--	1,500 gpad	16,500	33,000	57,750
<b>Totals Phase 1</b>		<b>413</b>	<b>1,874</b>		<b>503,740 (350 gpm)</b>	<b>1,007,480 (700 gpm)</b>	<b>1,763,090 (1225 gpm)</b>

**Table 2 – Water Demands – Phase 2 (Balance of CC&N Area)**

Project	Proposed Use	Acreage	Dwelling Units	Unit Factor	Avg. Daily Demand (gpd)	Peak Daily Demand (gpd)	Peak Hour Demand (gpd)
Florence	Residential	138	638	260 gpud	165,880	331,760	580,580
Majestic Ranch	Commercial	16	--	1,500 gpad	24,000	48,000	84,000
Majestic Ranch	Residential	123	648	260 gpud	168,480	336,960	589,680
	Commercial	11	--	1,500 gpad	16,500	33,000	57,750
Florence Crossing	Residential	36	250	260 gpud	65,000	130,000	227,500
	Commercial	9	--	1,500 gpad	13,500	27,000	47,250
Sunaire	Residential	108	428	260 gpud	111,280	222,560	689,480
	Commercial	--	--	1,500 gpad	--	--	--
Johnson Ranch Estates	Residential	673	2,390	260 gpud	755,300	1,510,600	2,643,550
	Commercial	26	--	1,500 gpad	39,000	78,000	136,500
<b>Totals Phase 2</b>		<b>1,140</b>	<b>4,354</b>		<b>1,358,940 (944 gpm)</b>	<b>2,717,880 (1,887 gpm)</b>	<b>4,756,290 (3,303 gpm)</b>
<b>Totals Phases 1 &amp; 2</b>		<b>1,553</b>	<b>6,228</b>		<b>1,862,680 (1,294 gpm)</b>	<b>3,725,360 (2,587 gpm)</b>	<b>6,519,380 (4,528 gpm)</b>



*Water System Improvements*

The proposed spine water system improvements are shown on the Conceptual Master Water Plan located in Appendix B of this document. This infrastructure has been designed to meet the water demand of the CC&N area.

The following system improvements are required for Phase 1 of the CC&N area:

- Production will be provided by two wells capable of producing approximately 750 gpm each.
- 2 water plants with 0.5 MG storage reservoirs and a total of 1,225 gpm of booster pumping capacity.
- Water will be distributed via 8", 12" and 16" mains totaling approximately 13,000 linear feet.

The following total system improvements are required for Phases 1 and 2 of the CC&N area:

- Production will be provided by a total of four wells capable of producing approximately 750 gpm each.
- 4 water plants totaling a minimum of 2.0 MG of storage reservoirs with a total of 4,530 gpm of booster pumping capacity.
- Water will be distributed via 8", 12" and 16" mains totaling approximately 24,000 linear feet.

**Table 3 – Water System Spine Infrastructure and Plant Requirements – Phases 1 & 2**

<b>Project</b>	<b>Spine Water Line</b>	<b>Water Plants</b>	<b>Min. Total Wells Capacity</b>	<b>Min. Total Booster Capacity</b>	<b>Min. Total Storage</b>	<b>Storage Provided</b>
Phase 1	13,000 LF*	2	1.01 mgd	1,225 gpm	0.624 MG	1 MG
Phase 2	11,000 LF*	2	2.72 mgd	3,305 gpm	1.355 MG	1 MG
<b>Total</b>	<b>24,000 LF*</b>	<b>4</b>	<b>3.73 mgd</b>	<b>4,530 gpm</b>	<b>1.98 MG</b>	<b>2 MG</b>

\*Linear footage is approximate.



### 3. Wastewater System

The sewer demands for the initial phases are shown in the tables below and are based on the Southwest Environmental Utilities Design Guide :

#### Sewer Demand

- 80 gallons per capita per day (gpcd) for all residential areas requiring sewers (ADWF)
- 2.6 persons/du for all Family Community Residences
- 1,000 gallons per acre per day (gpud) for all commercial (ADWF)
- 3.0 Peaking Factor for all commercial (PDWF)
- 250 gpud for wet weather flow infiltration and inflow

Note: ADWF = Average Dry Weather Flow  
 PDWF = Peak Dry Weather Flow  
 WWF = Wet Weather Flow

#### Sewage Treatment Plant

- Per the Southwest Environmental Utilities Design Guide, the plant is sized for minimum 187.2 gpud + commercial @ 1,000 gpud.

**Table 4 – Sewer Flow and Plant Requirements – Phase 1**

Project	Total No. Acres	Acres of Comm.	Comm. Flow @ 1000 gpud	Number Of DU	DU x 187.2 gpud	Total AD + Comm.
Johnson Ranch Estates (Phase 1)	372	11	11,000	1,359	254,405	265,405



**Table 5 – Sewer Flow and Plant Requirements – Phase 2 (Balance of CC&N Area)**

Project	Total No. Acres	Acres of Comm.	Comm. Flow @ 1000 gpud	Number Of DU	DU x 187.2 gpud	Total AD + Comm.	% of Total AD + Comm.
Johnson Ranch Estates (Phase 2)	740	26	26,000	2,905	543,816	0.570 MG	58.54%
Sunaire	108	0	0	428	80,122	0.080 MG	8.23%
Florence Crossing	45	9	9,000	250	46,800	0.056 MG	5.73%
Majestic Ranch	134	11	11,000	648	121,306	0.132 MG	13.59%
Florence Majestic Ranch	154	16	16,000	638	119,434	0.135 MG	13.91%
<b>Totals</b>	<b>1,181</b>	<b>62</b>	<b>62,000</b>	<b>4,869</b>	<b>911,478</b>	<b>0.973 MG</b>	<b>100%</b>

**Table 6 – Sewer Flow and Plant Requirements – Phases 1 & 2**

	Total No. Acres	Acres of Comm.	Comm. Flow @ 1000 gpud	Number Of DU	DU x 187.2 gpud	Total AD + Comm.
Phase 1	372	11	11,000	1,359	254,405	265,405
Phase 2	1,181	62	62,000	4,869	911,478	973,000
<b>Totals</b>	<b>1,553</b>	<b>73</b>	<b>73,000</b>	<b>6,228</b>	<b>1,165,883</b>	<b>1,238,405</b>



*Sewer System Improvements*

The proposed spine sewer system improvements are shown on the Conceptual Master Sewer Plan located in Appendix C of this document. This infrastructure has been designed to meet the sewer demand of the CC&N area.

The following system improvements are required for Phase 1 of the CC&N area:

- 300,000 gpd (0.3 MGD) wastewater treatment plant employing the sequencing batch reactor (SBR) process.
- Gravity sewer mains measuring 8", 10", 12" and 15" and totaling approximately 14,000 linear feet.
- No lift stations are required in this phase.

The following total system improvements are required for Phases 1 and 2 of the CC&N area:

- Minimum of 1.3 MGD wastewater treatment plant.
- Gravity sewer mains measuring 8", 10", 12" and 15" and totaling approximately 19,000 linear feet.
- 8" force mains totaling approximately 7,000 linear feet.
- Two lift stations.

**Table 7 – Sewer System Spine Infrastructure – Phases 1 & 2**

<b>Project</b>	<b>Spine Gravity Sewer Line</b>	<b>Force Main</b>	<b>Lift Stations</b>
Phase 1	14,000 LF*	N/A	N/A
Phase 2	5,000 LF*	7,000 LF*	2
Total	19,000 LF*	7,000 LF*	2

\*Linear footage is approximate.

Mr. Daniel Hodges  
August 16, 2013  
Page 8



#### 4. Estimated Cost of System Improvements

Construction cost estimates for the above-mentioned infrastructure were prepared by Specific Engineering, LLC and are included in the original application for a CC&N expansion. Please refer to this application for this information.

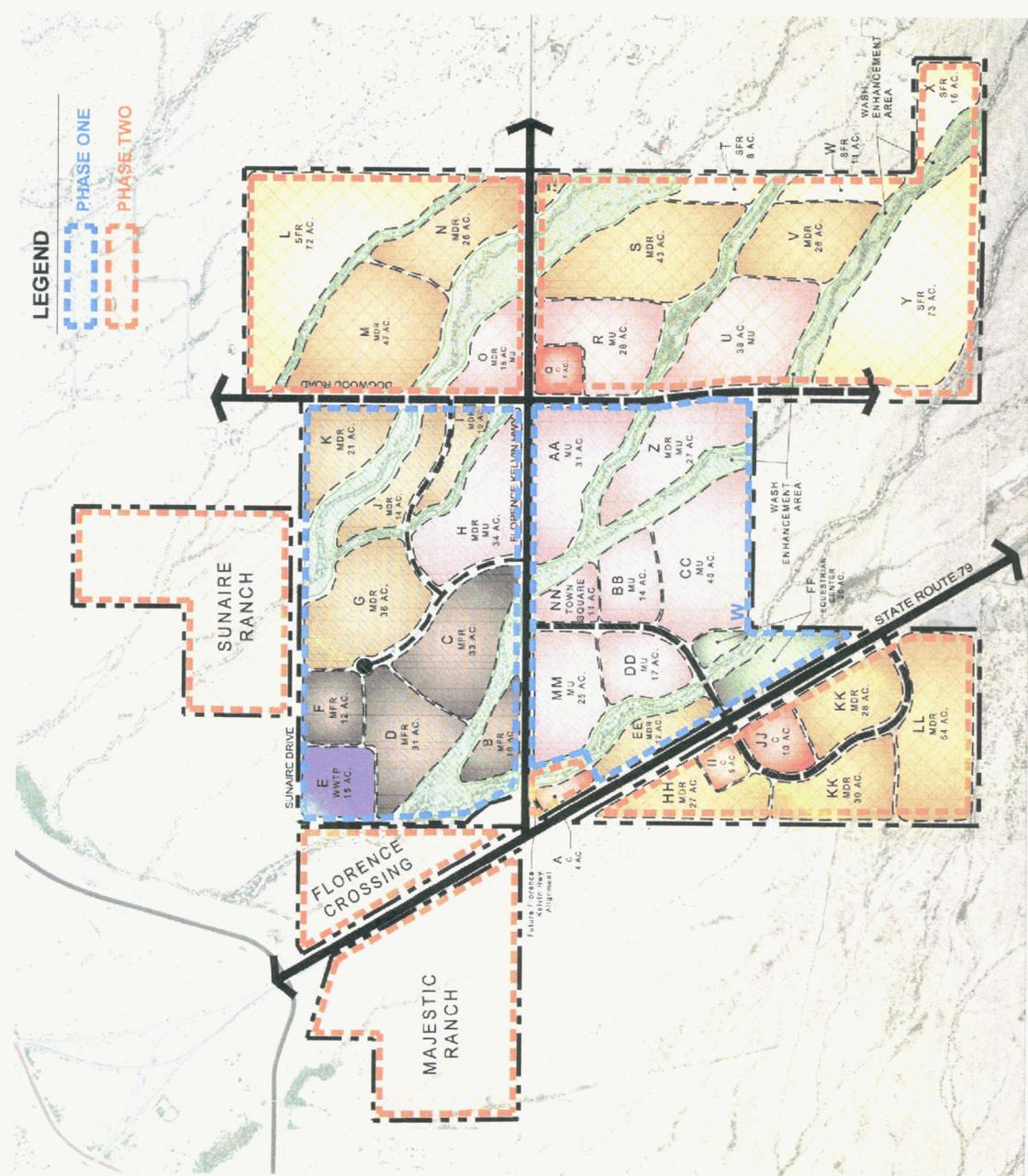
Should you have any questions, please feel free to contact me.

Sincerely,

THE WLB GROUP, INC.

*W.C. Walker*  
For: William C. Walker, PE, RLS  
Principal

**Appendix A**  
**Conceptual Land Use and Phasing Exhibit**



**LEGEND**  
 PHASE ONE  
 PHASE TWO

**Legend of Symbols**

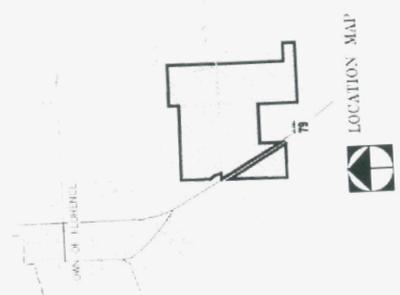
- PROPERTY BOUNDARY
- - - DEVELOPMENT PARCEL BOUNDARY
- PROPOSED ROAD
- W WATER PLANT SITE

LOCATION MAP  
 101 TO 32401

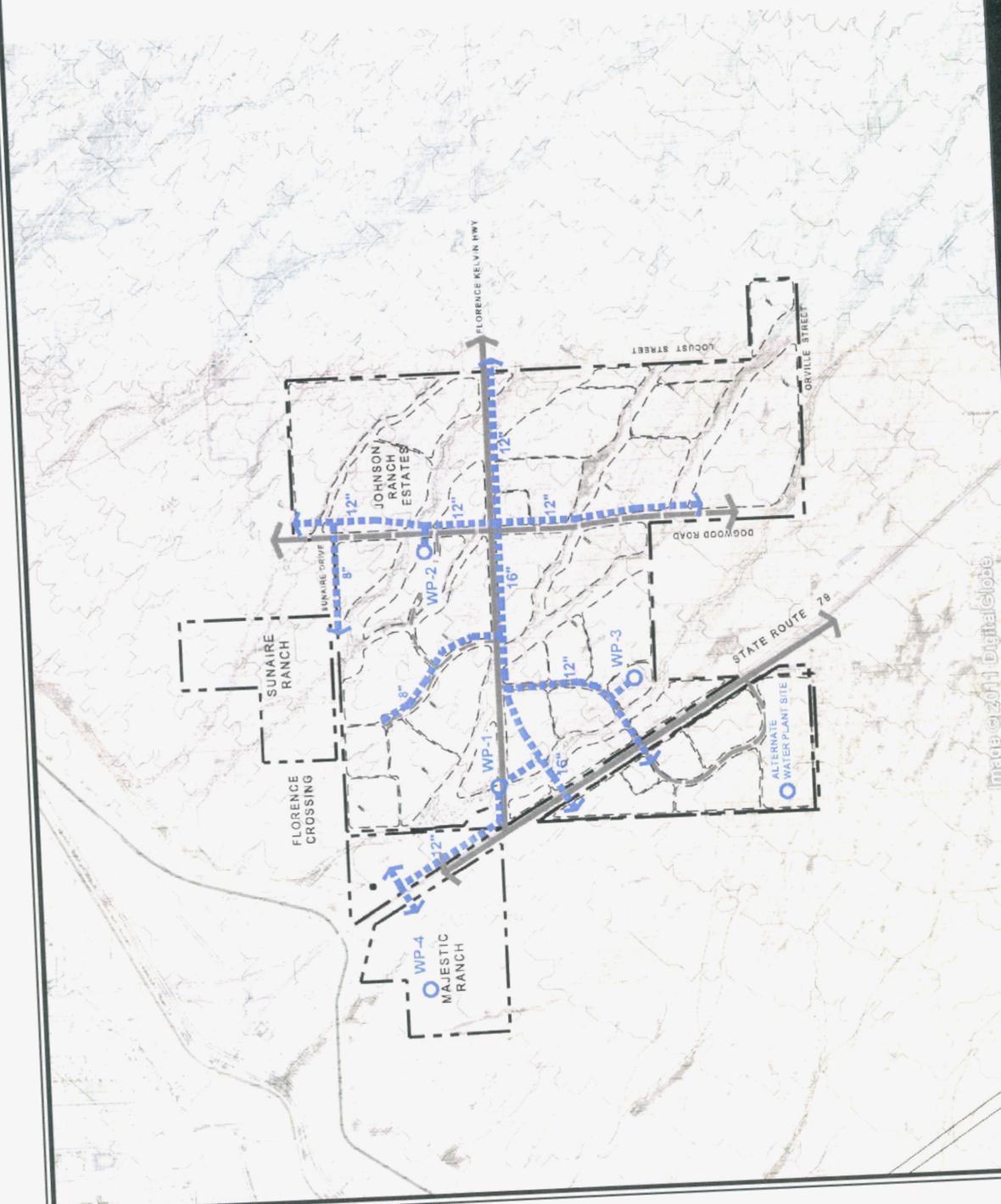
**Johnson Ranch Estates Land Use Table**

Land Use Categories	Acreage	Dwelling Units
Single Family Residential (SFR)	180 Acres	540 D.U.
Medium Density Residential (MDR)	414 Acres	3,022 D.U.
Multi-Family Residential (MFR)	114 Acres	920 D.U.
Mixed Use (MU)	212 Acres	420 D.U.
Commercial (C)	26 Acres	
WWTP	15 Acres	
Equestrian Center	20 Acres	
Open Space	260 Acres	
Arterial/Collector Road ROW	25 Acres	
<b>Totals</b>	<b>1,266 Acres</b>	<b>4,902 D.U.</b>

**Appendix B**  
**Conceptual Master Water Plan**



- Legend of Symbols**
-  PROPOSED WATER MAIN
  -  WP-2  
PROPOSED WATER PLANT, WHICH INCLUDES WELL, STORAGE TANK AND BOOSTER STATION



E. 10.2013  
 Aerial Photo  
 WLS No. 11057-A-001

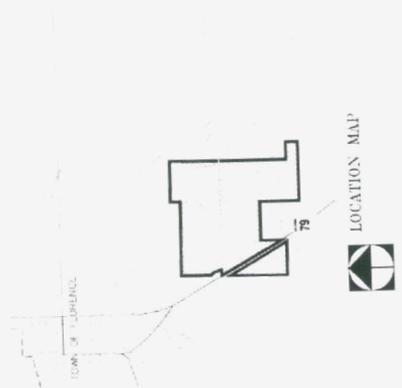
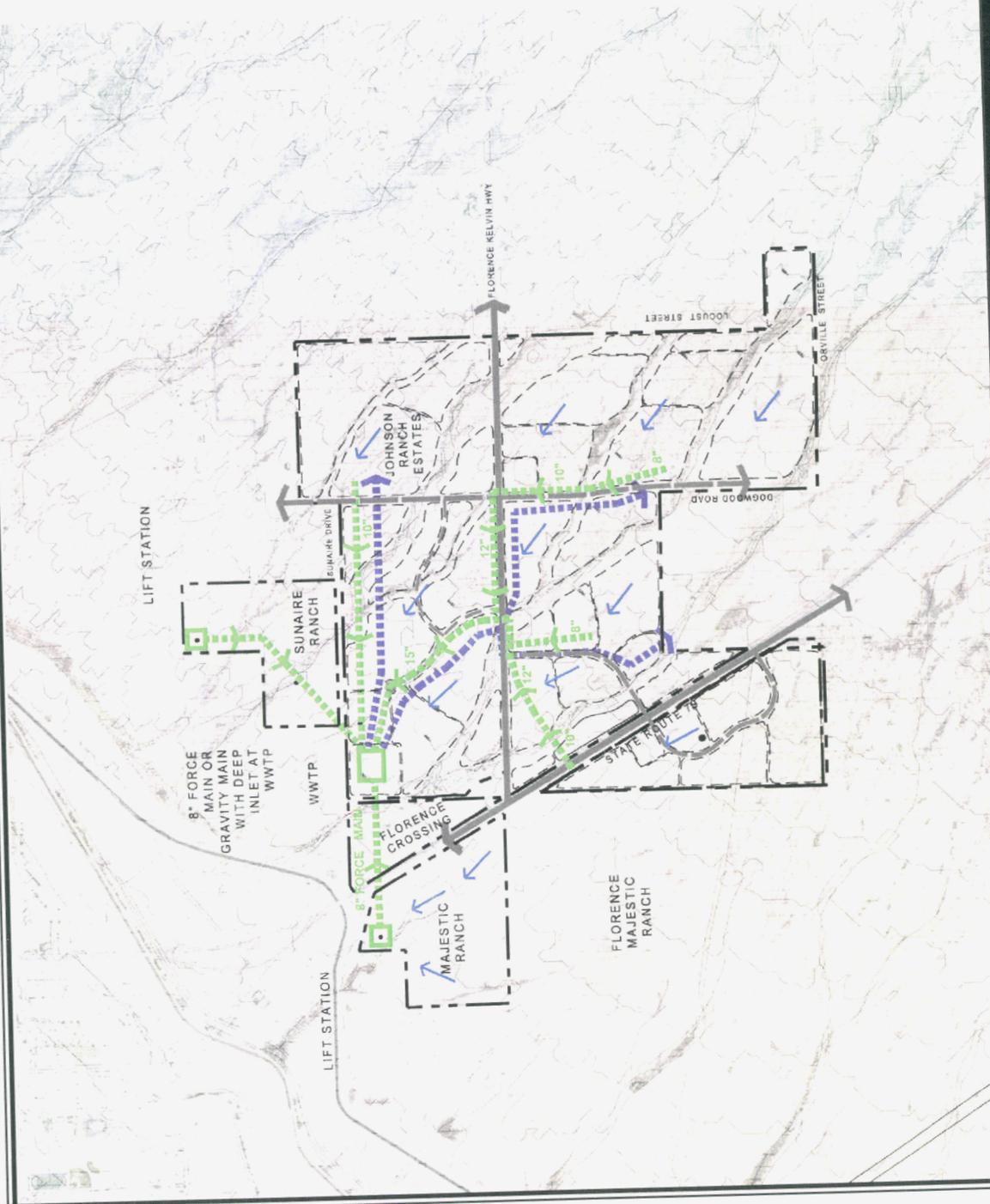


**Johnson Ranch Estates  
 Preliminary Water Design Concept**

**The WLB Group**  
 CONSULTING ENGINEERS AND ARCHITECTS  
 1000 WEST 10TH AVENUE, SUITE 1000  
 DENVER, CO 80202

PROJECT NO. 1000 WEST 10TH AVENUE, SUITE 1000

**Appendix C**  
**Conceptual Master Sewer Plan**



**Legend of Symbols**

- PROPOSED SEWER MAIN
- PROPOSED RECLAIMED LINE
- PROPOSED LIFT STATION
- PROPOSED WASTEWATER TREATMENT PLANT
- SURFACE FLOW DIRECTION

8.16.2013  
Aerial Photo Date: 2011  
WLB No. 111007-AA-001

**Johnson Ranch Estates  
Preliminary Sewer Design Concept**

*Attachment 2*

## CROSS-CONNECTION OR BACKFLOW TARIFF

### PURPOSE:

The purpose of this tariff is to protect **Southwest Environmental Utilities LLC** ("Company") water from the possibility of contamination caused by the backflow of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.C.C.") R14-2-405.B.6 and A.A.C. R18-4-215.

### REQUIREMENTS:

In compliance with the Rules of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and to have installed a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-215.D and E.
3. Subject to the provisions of A.A.C. R14-2-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.
4. The Company shall give any existing customer who is required to install a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410B.1.a. is **not** applicable, the customer shall be given thirty (30) days from the time such written notice is received in which to comply, with this notice. If the customer can show good cause as to why he cannot install the backflow-prevention assembly within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

---

**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-215F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.
6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:
  - a. Assembly identification number and description;
  - b. Location
  - c. Date(s) or test(s)
  - d. Description of repairs and recommendations for repairs made by tester; and
  - e. The tester's name and certificate number.
7. In the event the backflow-prevention assembly does not function properly or fails any test, and an obvious hazard as contemplated under A.A.C. R14-2-410.b.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.
8. In the event the backflow-prevention assembly does not function properly or fails any test, or in the event that a customer fails to comply with the testing requirement, and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water service in accordance with A.A.C. R14-2-410.

---

**\*\*FOR OFFICIAL USE ONLY\*\***

Effective Date: \_\_\_\_\_

*Attachment 3*

**TARIFF SCHEDULE**

Utility: Water/Wastewater Tariff Sheet No.: 1 of 4

Docket No.: \_\_\_\_\_ Decision No.: \_\_\_\_\_

Phone No.: (480) 998-3300 Effective: \_\_\_\_\_

**CURTAILMENT PLAN FOR:** Southwest Environmental Utilities LLC  
(Template 102109)

ADEQ Public Water System No: \_\_\_\_\_

**Southwest Environmental Utilities LLC** (“Company”), is authorized to curtail water service to all customers within its certificated area under the terms and conditions listed in this tariff.

This curtailment plan shall become part of the Arizona Department of Environmental Quality Emergency Operations Plan for the Company.

The Company shall notify its customers of this new tariff as part of its next regularly scheduled billing after the effective date of the tariff or no later than sixty (60) days after the effective date of the tariff.

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

**Stage 1 Exists When:**

Company is able to maintain water storage in the system at 100 percent of capacity and there are no known problems with its well production or water storage in the system.

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

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

**Stage 2 Exists When:**

- a. Company’s water storage or well production has been less than 80 percent of capacity for at least 48 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

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

## TARIFF SCHEDULE

Utility: Water/Wastewater

Tariff Sheet No.: 2 of 4

Docket No.: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone No.: (480) 998-3300

Effective: \_\_\_\_\_

Notice Requirements: Under Stage 2, the Company is required to notify customers by delivering written notice door to door at each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.

### **Stage 3 Exists When:**

- a. Company's total water storage or well production has been less than 50 percent of capacity for at least 24 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

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

### Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such Notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Beginning with Stage 3, the Company shall post at least \_\_\_\_ signs showing the curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. The Company shall notify Customer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

Once Stage 3 has been reached, the Company must begin to augment the supply of water by either hauling or through an emergency interconnect with an approved water supply in an attempt to maintain the curtailment at a level no higher than Stage 3 until a permanent solution has been implemented.

Revised October 21, 2009

## TARIFF SCHEDULE

Utility: Water/Wastewater

Tariff Sheet No.: 3 of 4

Docket No.: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone No.: (480) 998-3300

Effective: \_\_\_\_\_

### Stage 4 Exists When:

- a. Company's total water storage or well production has been less than 25 percent of capacity for at least 12 consecutive hours, and
- b. Company has identified issues such as a steadily declining water table, increased draw down threatening pump operations, or poor water production, creating a reasonable belief the Company will be unable to meet anticipated water demand on a sustained basis.

Restrictions: Under Stage 4, 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 its standpipe service is prohibited. The addition of new service lines and meter installations is prohibited.

### Notice Requirements:

1. Company is required to notify customers by delivering written notice to each service address, or by United States first class mail to the billing address or, at the Company's option, both. Such notice shall notify the customers of the general nature of the problem and the need to conserve water.
2. Company shall post at least \_\_\_\_\_ signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to major subdivisions served by the Company.
3. Company shall notify the Customer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

Revised October 21, 2009

**TARIFF SCHEDULE**

Utility: Water/Wastewater

Tariff Sheet No.: 4 of 4

Docket No.: \_\_\_\_\_

Decision No.: \_\_\_\_\_

Phone No.: (480) 998-3300

Effective: \_\_\_\_\_

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.

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