

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

I. RATES – General Residential, Commercial, and Industrial Service

In Opinion and Order No. 75810, dated November 21, 2016, the Commission approved the following rates and charges effective **December 1, 2016**:

A. Monthly Usage Charge

<u>Meter Size</u> <u>Inches (all classes except Irrigation,</u> <u>Standpipe, Bulk and Construction)</u>	<u>Minimum</u> <u>Charge</u> <u>Per Month*</u>
5/8" x 3/4" Meter	\$ 14.55
3/4" Meter	14.55
1" Meter	24.30
1 1/2" Meter	48.45
2" Meter	77.55
3" Meter	145.50
4" Meter	242.55
6" Meter	484.95
8" Meter	775.95
10" Meter	1,115.55
12" Meter	2085.45

*Note 1: Multi-Unit Monthly Charge is a 3/4 Inch meter times the number of units.

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1,
90 Oak Creek Blvd.
Sedona, AZ 86336

APPROVED FOR FILING
DECISION #: 75810

ORIGINAL**B. IRRIGATION**

<u>Meter Size Inches (Irrigation)</u>	<u>Minimum Charge Per Month</u>
5/8" x 3/4" Meter	\$ 14.55
3/4" Meter	14.55
1" Meter	24.30
1 1/2" Meter	48.45
2" Meter	77.55
3" Meter	145.50
4" Meter	242.55
6" Meter	484.95
8" Meter	775.95
10" Meter	1,115.55
12" Meter	2085.45

<u>Fire Lines:</u>	
Up to 8"	Per Rule*
10"	Per Rule*
12"	Per Rule*

*2% of monthly minimum for a comparable size meter connection, but no less than \$10.00 per month. The service charge for fire sprinklers is only applicable for service lines separate and distinct from the primary water service line.

Issued: December 22, 2016

ISSUED BY:

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

Effective: December 1, 2016

APPROVED FOR FILING
DECISION #: 75810

ORIGINAL

Applies to all WATER service areas

PART ONE**STATEMENT OF CHARGES FOR WATER SERVICE****C. Commodity Rates****RESIDENTIAL**

The rate for use in addition to the minimum stated above shall be at the following rates per 1,000 gallons:

<u>Meter Size (Residential)</u>	<u>Consumption</u>	<u>Charge</u>
5/8" x 3/4" Meter	From 0 to 4,000 gallons	\$1.75
	From 4,001 to 10,000 gallons	3.20
	Over 10,000 gallons	3.70
3/4" Meter	From 0 to 4,000 gallons	1.75
	From 4,001 to 10,000 gallons	3.20
	Over 10,000 gallons	3.70
1" Meter	From 0 to 4,000 gallons	1.75
	From 4,001 to 15,000 gallons	3.20
	Over 15,000 gallons	3.70
1 1/2" Meter	From 0 to 4,000 gallons	1.75
	From 4,001 to 25,000 gallons	3.20
	Over 25,000 gallons	3.70
2" Meter	From 0 to 40,000 gallons	3.20
	Over 40,000 gallons	3.70
3" Meter	From 0 to 80,000 gallons	3.20
	Over 20,000 gallons	3.70

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

APPROVED FOR FILING
DECISION #: 75810

ORIGINAL

<u>Meter Size (Residential)</u>	<u>Consumption</u>	<u>Charge</u>
4" Meter	From 0 to 125,000 gallons	3.20
	Over 125,000 gallons	3.70
6" Meter	From 0 to 250,000 gallons	3.20
	Over 250,000 gallons	3.70
8" Meter	From 0 to 500,000 gallons	3.20
	Over 500,000 gallons	3.70
10" Meter	From 0 to 750,000 gallons	3.20
	Over 750,000 gallons	3.70
12" Meter	From 0 to 1,250,000 gallons	3.20
	Over 1,250,000 gallons	3.70

COMMERCIAL, IRRIGATION, INDUSTRIAL

The rate for use in addition to the minimum stated above shall be at the following rates per 1,000 gallons:

<u>Meter Size (Commercial, Irrigation, Industrial)</u>	<u>Consumption</u>	<u>Charge</u>
5/8" x 3/4" Meter	From 0 to 12,500 gallons	\$3.20
	Over 12,500 gallons	3.70
3/4" Meter	From 0 to 12,500 gallons	3.20
	Over 12,500 gallons	3.70
1" Meter	From 0 to 15,000 gallons	3.20

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

APPROVED FOR FILING
DECISION #: 75810

ORIGINAL

<u>Meter Size (Commercial, Irrigation, Industrial)</u>	<u>Consumption</u>	<u>Charge</u>
	Over 15,000 gallons	3.70
1 1/2" Meter	From 0 to 25,000 gallons	3.20
	Over 25,000 gallons	3.70
2" Meter	From 0 to 40,000 gallons	3.20
	Over 40,000 gallons	3.70
3" Meter	From 0 to 80,000 gallons	3.20
	Over 80,000 gallons	3.70
4" Meter	From 0 to 125,000 gallons	3.20
	Over 125,000 gallons	3.70
6" Meter	From 0 to 250,000 gallons	3.20
	Over 250,000 gallons	3.70
8" Meter	From 0 to 500,000 gallons	3.20
	Over 500,000 gallons	3.70
10" Meter	From 0 to 750,000 gallons	3.20
	Over 750,000 gallons	3.70
12" Meter	From 0 to 1,250,000 gallons	3.20
	Over 1,250,000 gallons	3.70

STANDPIPE, BULK, CONSTRUCTION

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

APPROVED FOR FILING
DECISION #: 75810

ORIGINAL

OAK CREEK WATER COMPANY NO. 1

Sheet No. 2

DOCKET NO. W-01392A-16-0161

Cancelling Sheet No. ____

The rate for use in addition to the minimum stated above shall be at the following rates per 1,000 gallons:

<u>Meter Size (Standpipe, Bulk, Construction)</u>	<u>Consumption</u>	<u>Charge</u>
All Meter Sizes	All Gallons	\$3.70

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

APPROVED FOR FILING
DECISION #: 15810

ORIGINAL

Applies to all WATER service areas

PART ONE**STATEMENT OF CHARGES FOR WATER SERVICE**

Applies to all WATER service areas

D. Service Line and Meter Installation Charges
(Refundable pursuant to A.A.C. R14-2-405)

<u>Meter Size</u>	<u>Line</u>	<u>Meter</u>	<u>Total</u>
5/8 x 3/4" Meter	\$500.00	\$150.00	\$650.00
3/4" Meter	500.00	175.00	675.00
1" Meter	550.00	250.00	800.00
1 1/2" Meter	600.00	500.00	\$1,100.00
2" Meter	At Cost	At Cost	At Cost
3" Meter	At Cost	At Cost	At Cost
4" Meter	At Cost	At Cost	At Cost
6" Meter	At Cost	At Cost	At Cost
Over 6-Inch	At Cost	At Cost	At Cost

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

APPROVED FOR FILING
DECISION #: 79810

Applies to all WATER service areas

PART ONE**STATEMENT OF CHARGES FOR WATER SERVICE****E. Service Charges**

<u>Service</u>	<u>Charge</u>
Establishment	\$35.00
Reconnection (Delinquent)	50.00
Meter Test (if correct)	30.00
Deposit	Per Rule*
Deposit Interest	Per Rule*
Re-Establishment (within 12 months)	Per Rule**
NSF Check	\$25.00
Meter Re-Read (If Correct)	20.00
Late Payment Penalty	5.00
Deferred Payment***	1.5%/mo
Moving meter at customer request	At Cost
Service Calls – per hour / after hours	\$50.00

* Per Commission Rules (R14-2-403.B)

** Months off the system times the minimum (R14-2-403.D)

*** Per Commission Rules (R14-2-409.G)

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

APPROVED FOR FILING
DECISION #: 75810

ORIGINAL

Applies to all WATER service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

II. TAXES AND ASSESSMENTS

In addition to all other rates and charges authorized herein, the Company shall collect from its customers all applicable sales, transaction, privilege, regulatory or other taxes and assessments as may apply now or in the future, per Rule R14-2-409(D)(5).

Issued: December 22, 2016

ISSUED BY:

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

Effective: December 1, 2016

APPROVED FOR FILING
DECISION #: 75810

ORIGINAL

Applies to all **WATER** service areas
PART ONE
STATEMENT OF CHARGES FOR WATER SERVICE

III. PERMITTED COSTS

- A. Costs shall be verified by invoice.
- B. For services that are provided by the Company at cost, costs shall include labor, materials, other charges incurred, and overhead not to exceed 10%. 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.
- C. 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.
- D. 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. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the customer will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
- E. 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.
- F. Permitted costs shall include any Federal, State or local 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.

Issued: December 22, 2016

ISSUED BY:

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

Effective: December 1, 2016

APPROVED FOR FILING
DECISION #: 75810

Applies to all WATER service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

I. CROSS-CONNECTION OR BACKFLOW TARIFF

Purpose.

The purpose of this tariff is to protect the Oak Creek Water No. 1 ("Company") 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 Arizona Administrative Code (A.A.C.) R14-2-405.B.6 and A.A.C. R18-4-215.

Requirement.

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. R18-4-215 relating to backflow prevention:

1. The Company may require a customer to pay for and install a backflow-prevention assembly if A.A.C. R18-4-215.B or C applies.
2. Any 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 provision 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 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. R14-2-410.B.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 she or he cannot install the device within thirty (30) days, the Company or Commission Staff may suspend this requirement for a reasonable period of time.

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

Applies to all WATER service areas

PART TWO**STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE**

5. Testing shall be in conformance with the requirement of A.A.C. R18-4-215.F. 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. The Company may also require the customer to pay for repairs to a backflow-prevention assembly.
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) of test(s);
 - d. description of repairs and recommendations for repairs made by tester; and
 - e. the tester's name and certification 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 before service is restored.
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.

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

Applies to all WATER service areas

PART TWO**STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE****II. INTERRUPTIBLE SERVICE; COMPANY'S LIABILITY LIMITATIONS**

The Company will supply only such water at such pressures as may be available from time to time as a result of the normal operation of its water system. The Company will maintain a minimum water pressure of 20 p.s.i. and will not guarantee a specific gallons per minute flow rate at any public fire hydrants or fire sprinkler service. In the event service is interrupted, irregular or defective, or fails from causes beyond the Company's control or through ordinary negligence of its employees or agents, the Company will not be liable for any injuries or damages arising therefrom.

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1,
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

Applies to all **WATER** service areas

PART TWO

STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

III. 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. R14-2-401 through A.A.C. R14-2-411 will be controlling of Company procedures, unless specific Commission Order(s) provide otherwise.

Issued: December 22, 2016

ISSUED BY:

Effective: December 1, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

Applies to all **WATER** service areas
PART TWO

STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE**IV. CURTAILMENT PLAN**ADEQ Public Water System Number: 12-011

Oak Creek Water Company No. 1. ("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, Company is deemed to be operating 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 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.

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.

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

Applies to all **WATER** service areas
PART TWO

STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE

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, Company shall request the customers to voluntarily employ water conservation measures to reduce daily consumption by approximately 50 percent of Stage 1 consumption. All outside watering should be eliminated, except livestock, and indoor water conservation techniques should be employed whenever possible.

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, Company shall post at least 6 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. Company shall notify the Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 3.

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.

Issued: December 22, 2016

ISSUED BY:

Effective: November 21, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1,
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

Applies to all WATER service areas

PART TWO**STATEMENT OF TERMS AND CONDITIONS FOR WATER SERVICE**

Restrictions: Under Stage 4, Company shall inform the customers of a mandatory restriction to employee 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
- Restaurant patrons shall be served water only upon request
- Any other water intensive activity 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 6 signs showing curtailment stage. Signs shall be posted at noticeable locations, like at the well sites and at the entrance to the major subdivisions served by the Company.
3. Company shall notify the Consumer Services Section of the Utilities Division of the 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 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.

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.

Issued: December 22, 2016

ISSUED BY:

Effective: November 21, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

PAGE INTENTIONALLY LEFT BLANK

Issued: December 22, 2016

ISSUED BY:

Effective: November 21, 2016

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

Applies to all WATER service areas

PART THREE**HOOK-UP FEE TARIFF**

In Opinion and Order No. 71,252, dated September 2, 2009, the Commission approved the following rates and charges effective September 2, 2009:

WATER HOOK-UP FEE**I. Purpose and Applicability**

The purpose of the off-site hook-up fees payable to Oak Creek Water Company No. 1 (the "Company") pursuant to this tariff is to equitably apportion the costs of constructing additional off-site facilities necessary to provide water production, delivery, storage and pressure among all new service connections. These charges are applicable to all new service connections undertaken via Main Extension Agreements or requests for service not requiring a Main Extension Agreement entered into after the effective date of this tariff. The charges are one-time charges and are payable as a condition to Company's establishment of service, as more particularly provided below.

II. Definitions

Unless the context otherwise requires, the definitions set forth in R-14-2-401 of the Arizona Corporation Commission's ("Commission") rules and regulations governing water utilities shall apply in interpreting this tariff schedule.

"Applicant" means any party entering into an agreement with Company for the installation of water facilities to serve new service connections, and may include Developers and/or Builders of new residential subdivisions and/or commercial and industrial properties.

"Company" means Oak Creek Water Company No. 1.

"Main Extension Agreement" means any agreement whereby an Applicant, Developer and/or Builder agrees to advance the costs of the installation of water facilities necessary to the Company to serve new service connections within a development, or installs such

Issued: December 22, 2016

ISSUED BY:

Effective: September 2, 2009

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

water facilities necessary to serve new service connections and transfers ownership of such water facilities to the Company, which agreement shall require the approval of the Commission pursuant to A.A.C. R-14-2-406, and shall have the same meaning as "Water Facilities Agreement" or "Line Extension Agreement."

"Off-site Facilities" means wells, storage tanks and related appurtenances necessary for proper operation, including engineering and design costs. Off-site facilities may also include booster pumps, pressure tanks, transmission mains and related appurtenances necessary for proper operation if these facilities are not for the exclusive use of the applicant and will benefit the entire water system.

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

III. Water Hook-up Fee

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

Meter Size	Size Factor	Total Fee
5/8" x 3/4"	1	\$1,600
3/4"	1.5	\$2,400
1"	2.5	\$4,000
1-1/2"	5	\$8,000
2"	8	\$12,800
3"	16	\$25,600
4"	25	\$40,000
6" or Larger	50	\$80,000

IV. Terms and Conditions

Issued: December 22, 2016

ISSUED BY:

Effective: September 2, 2009

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**

ORIGINAL

- (A) Assessment of One Time Off-Site Hook-up Fee: The off-site hook-up fee may be assessed only once per parcel, service connection, or lot within a subdivision (similar to meter and service line installation charge).
- (B) Use of Off-Site Hook-up Fee: Off-site hook-up fees may only be used to pay for capital items of Off-site Facilities, or for repayment of loans obtained to fund the cost of installation of off-site facilities. Off-site hook-up fees shall not be used to cover repairs, maintenance, or operational costs. The Company shall record amounts collected under the tariff as CIAC; however, such amounts shall not be deducted from rate base until such amounts have been expended for plant.
- (C) Time of Payment:
- 1) For those requiring a Main Extension Agreement: In the event that the person or entity that will be constructing improvements ("Applicant", "Developer" or "Builder") is otherwise required to enter into a Main Extension Agreement, whereby the Applicant, Developer or Builder agrees to advance the costs of installing mains, valves, fittings, hydrants and other on-site improvements in order to extend service in accordance with R-14-2-406(B), payment of the Hook-Up Fees required hereunder shall be made by the Applicant, Developer or Builder no later than within 15 calendar days after receipt of notification from the Company that the Utilities Division of the Arizona Corporation Commission has approved the Main Extension Agreement in accordance with R-14-2-406(M).
 - 2) For those connecting to an existing main: In the event that the Applicant, Developer or Builder for service is not required to enter into a Main Extension Agreement, the Hook-Up Fee charges hereunder shall be due and payable at the time the meter and service line installation fee is due and payable.
- (D) Off-Site Facilities Construction By Developer: Company and Applicant, Developer, or Builder may agree to construction of off-site facilities necessary to serve a particular development by Applicant, Developer or Builder, which facilities are then conveyed to Company. In that event, Company shall credit the total cost of such off-site facilities as an offset to off-site hook-up fees due under this Tariff. If the total cost of the off-site facilities constructed by Applicant, Developer or Builder and conveyed to Company is less than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall pay the remaining amount of off-site hook-up fees owed hereunder. If the total cost of the off-site facilities contributed by Applicant, Developer or Builder and conveyed to Company is more than the applicable off-site hook-up fees under this Tariff, Applicant, Developer or Builder shall be refunded the difference upon acceptance of the off-site facilities by the Company.

ORIGINAL

- (E) Failure to Pay Charges; Delinquent Payments: The Company will not be obligated to make an advance commitment to provide or actually provide water service to any Developer, Builder or other applicant for service in the event that the Developer, Builder or other applicant for service has not paid in full all charges hereunder. Under no circumstances will the Company set a meter or otherwise allow service to be established if the entire amount of any payment due hereunder has not been paid.
- (F) Large Subdivision/Development Projects: In the event that the Applicant, Developer or Builder is engaged in the development of a residential subdivision containing more than 150 lots, the Company may, in its discretion, agree to payment of off-site hook-up fees in installments. Such installments may be based on the residential subdivision development's phasing, and should attempt to equitably apportion the payment of charges hereunder based on the Applicant's, Developer's or Builder's construction schedule and water service requirements. In the alternative, the Applicant, Developer, or Builder shall post an irrevocable letter of credit in favor of the Company in a commercially reasonable form, which may be drawn by the Company consistent with the actual or planned construction and hook up schedule for the subdivision and/or development.
- (G) Off-Site Hook-Up Fees Non-refundable: The amounts collected by the Company as Hook-Up Fees pursuant to the off-site hook-up fee tariff shall be non-refundable contributions in aid of construction.
- (H) Use of Off-Site Hook-Up Fees Received: All funds collected by the Company as off-site hook-up fees shall be deposited into a separate interest bearing trust account and used solely for the purposes of paying for the costs of installation of off-site facilities, including repayment of loans obtained for the installation of off-site facilities that will benefit the entire water system.
- (I) Off-Site Hook-up Fee in Addition to On-site Facilities: The off-site hook-up fee shall be in addition to any costs associated with the construction of on-site facilities under a Main Extension Agreement.
- (J) Disposition of Excess Funds: After all necessary and desirable off-site facilities are constructed utilizing funds collected pursuant to the off-site hook-up fees, or if the off-site hook-up fee has been terminated by order of the Arizona Corporation Commission, any funds remaining in the trust shall be refunded. The manner of the refund shall be determined by the Commission at the time a refund becomes necessary.

ORIGINAL

- (K) Fire Flow Requirements: In the event the applicant for service has fire flow requirements that require additional facilities beyond those facilities whose costs were included in the off-site hook-up fee, and which are contemplated to be constructed using the proceeds of the off-site hook-up Fee, the Company may require the applicant to install such additional facilities as are required to meet those additional fire flow requirements, as a non-refundable contribution, in addition to the off-site hook-up fee.
- (L) Status Reporting Requirements to the Commission: The Company shall submit a calendar year Off-Site Hook-Up Fee status report each January to Docket Control for the prior twelve (12) month period, beginning January 2015, until the hook-up fee tariff is no longer in effect. This status report shall contain a list of all customers that have paid the hook-up fee tariff, the amount each has paid, the physical location/address of the property in respect of which such fee was paid, the amount of money spent from the account, the amount of interest earned on the funds within the tariff account, and a list of all facilities that have been installed with the tariff funds during the 12 month period.

Issued: December 22, 2016

ISSUED BY:

Effective: September 2, 2009

Kristen Wakeman, Office Manager
Oak Creek Water Company No. 1.
90 Oak Creek Blvd.
Sedona, AZ 86336

**ADMINISTRATIVELY
APPROVED FOR FILING**