

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

- JIM O’CONNOR - CHAIRMAN
- LEA MÁRQUEZ PETERSON
- ANNA TOVAR
- KEVIN THOMPSON
- NICK MYERS

IN THE MATTER OF THE APPLICATION OF
 YARNELL WATER IMPROVEMENT
 ASSOCIATION FOR THE ESTABLISHMENT
 OF JUST AND REASONABLE RATES AND
 CHARGES FOR UTILITY SERVICE AND
 FOR A DETERMINATION OF THE FAIR
 VALUE OF ITS UTILITY PROPERTY.

DOCKET NO. W-02255A-24-0039

NOTICE OF FILING:

- i. Water Tariff Schedule
- ii. Curtailment Tariff
- iii. Emergency Water Augmentation
 Surcharge Tariff and Plan of
 Administration

CROCKETT LAW GROUP PLLC
 2198 E. Camelback Road, Suite 305
 Phoenix, Arizona 85016
 602.441.2775

On September 4, 2024, Yarnell Water Improvement Association (“Association”) filed conforming copies of its Water Tariff Schedule, Curtailment Tariff, Water System Tampering Tariff—BMP 5.2, and Emergency Water Augmentation Surcharge Tariff and Plan of Administration which were approved in Decision 79490. Utilities Division Staff (“Staff”) has requested that the Association make minor corrections to certain of the filed tariffs. Accordingly, the Association submits the following tariffs revised as requested by Staff:

- i. Water Tariff Schedule;
- ii. Curtailment Tariff; and
- iii. Emergency Water Augmentation Surcharge Tariff and Plan of Administration

RESPECTFULLY submitted this 24th day of September, 2024.

CROCKETT LAW GROUP PLLC



Jeffrey W. Crockett, Esq.
 2198 E. Camelback Road, Suite 305
 Phoenix, Arizona 85016
 Attorney for Yarnell Water Improvement
 Association, Inc.

1 COPY of the foregoing filed with Docket Control
2 via e-File this 24th day of September, 2024.

3 COPY of the foregoing sent via e-mail this
4 24th day of September, 2024, to:

5 Tom Van Flein, Chief Counsel/Division Director
6 Legal Division
7 ARIZONA CORPORATION COMMISSION
8 1200 W. Washington Street
9 Phoenix, Arizona 85007
10 E-mail: LegalDiv@azcc.gov
11 E-mail: utildivservicebyemail@azcc.gov
12 **Consented to Service by E-mail**

13 */s/ Jeffrey W. Crockett* _____

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WATER TARIFF SCHEDULE

**Yarnell Water Improvement Association
WATER TARIFF SCHEDULE**

DOCKET NO: W-02255A-24-0039

DECISION NO: 79490

EFFECTIVE: 01-Sep-24

RATES AND CHARGES

MONTHLY MINIMUM CHARGE:

5/8 x 3/4-inch Meter	\$ 35.00
3/4-inch Meter	52.80
1-inch Meter	87.50
1 1/2-inch Meter	175.00
2-inch Meter	280.00
3-inch Meter	560.00
4-inch Meter	875.00
6-inch Meter	1,750.00
8-inch Meter	2,800.00
10-inch Meter	4,025.00
12-inch Meter	5,425.00
Rate Case Surcharge ¹	\$ 0.95

¹ Rate case surcharge will terminate after five years, or once a total of \$30,000 has been recovered, whichever occurs first.

**Yarnell Water Improvement Association
WATER TARIFF SCHEDULE**

DOCKET NO: W-02255A-24-0039

DECISION NO: 79490
EFFECTIVE: 01-Sep-24

RATES AND CHARGES

COMMODITY RATES

(Per 1,000 gallons)

5/8 x 3/4-inch & 3/4-inch Meter - Residential

0 to 3,000 Gallons	\$	5.83
3,001 to 7,000 Gallons		8.63
7,001 to 50,000 Gallons		10.03
Over 50,000 Gallons		11.08

5/8 x 3/4-inch & 3/4-inch Meter - All Other Classes

0 to 7,000 Gallons	\$	8.63
7,001 to 50,000 Gallons		10.03
Over 50,000 Gallons		11.08

1-inch Meter - All Classes

0 to 80,000 Gallons	\$	10.03
Over 80,000 Gallons		11.08

1 1/2-inch Meter - All Classes

0 to 130,000 Gallons	\$	10.03
Over 130,000 Gallons		11.08

2-inch Meter - All Classes

0 to 190,000 Gallons	\$	10.03
Over 190,000 Gallons		11.08

3-inch Meter - All Classes

0 to 340,000 Gallons	\$	10.03
Over 340,000 Gallons		11.08

4-inch Meter - All Classes

0 to 540,000 Gallons	\$	10.03
Over 540,000 Gallons		11.08

6-inch Meter - All Classes

0 to 1,150,000 Gallons	\$	10.03
Over 1,150,000 Gallons		11.08

8-inch Meter - All Classes

0 to 1,800,000 Gallons	\$	10.03
Over 1,800,000 Gallons		11.08

**Yarnell Water Improvement Association
WATER TARIFF SCHEDULE**

DOCKET NO: W-02255A-24-0039

DECISION NO: 79490
EFFECTIVE: 01-Sep-24

RATES AND CHARGES

COMMODITY RATES (continued)

(Per 1,000 gallons)

10-inch Meter - All Classes

0 to 2,520,000 Gallons	\$	10.03
Over 2,520,000 Gallons		11.08

12-inch Meter - All Classes

0 to 3,000,000 Gallons	\$	10.03
Over 3,000,000 Gallons		11.08

Standpipe or Bulk

Gallons Included in Minimum		0
All Gallons - Per 1,000 Gallons	\$	25.00

**Yarnell Water Improvement Association
WATER TARIFF SCHEDULE**

DOCKET NO: W-02255A-24-0039

DECISION NO: 79490
EFFECTIVE: 01-Sep-24

RATES AND CHARGES

SERVICE LINE AND METER INSTALLATION

(Refundable Pursuant to R14-2-405)

	Service Line	Meter Charge	Total Charge	
5/8" x 3/4" Meter	\$ 565.00	\$ 158.00	\$ 723.00	†
3/4" Meter	565.00	260.00	825.00	†
1" Meter	629.00	321.00	950.00	†
1 1/2" Meter	699.00	536.00	1,235.00	†
2" Turbine Meter	At Cost	At Cost	At Cost	
2" Compound Meter	At Cost	At Cost	At Cost	
3" Turbine Meter	At Cost	At Cost	At Cost	
3" Compound Meter	At Cost	At Cost	At Cost	
4" Turbine Meter	At Cost	At Cost	At Cost	
4" Compound Meter	At Cost	At Cost	At Cost	
6" Turbine Meter	At Cost	At Cost	At Cost	
6" Compound Meter	At Cost	At Cost	At Cost	
8" Turbine Meter	At Cost	At Cost	At Cost	
10" Turbine Meter	At Cost	At Cost	At Cost	
12" Turbine Meter	At Cost	At Cost	At Cost	

† At Cost pricing will apply if installation requires the use of heavy equipment such as backhoe or involves crossing an improved road.

**Yarnell Water Improvement Association
WATER TARIFF SCHEDULE**

DOCKET NO: W-02255A-24-0039

DECISION NO: 79490
EFFECTIVE: 01-Sep-24

RATES AND CHARGES

SERVICE CHARGES:

Establishment	\$	50.00
Reconnection (Delinquent)		65.00
Meter Test (If Correct)		36.00
Deposit		*
Deposit Interest		*
Re-Establishment (Within 12 Months)		**
NSF Check	\$	30.00
Deferred Payment		***
Meter Re-Read (If Correct)	\$	25.00
Late Fee (Per Month)		****
After Hours Service Charge (At Customer's Request)	\$	60.00
Moving Customer Meter (Customer Request)		At Cost
Road Permit Fee		At Cost

Monthly Service Charge for Fire Sprinkler

4" or Smaller	*****
6"	*****
8"	*****
10"	*****
Larger than 10"	*****

- * Per A.A.C. R14-2-403(B).
- ** Months off system times the monthly minimum per A.A.C. R14-2-403(D)(1).
- *** 1.5% per month per A.A.C. R14-2-409(G)(6).
- **** \$5.00 or 1.50% of unpaid monthly balance, whichever is greater.
- ***** 2% of Monthly Minimum for a Comparable Sized Meter Connection, but no less than \$10.00 per month. The Service Charge for Fire Sprinklers is only applicable to service lines separate and distinct from the primary water service line.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, or use tax. Per A.A.C. R14-2-409(D)(5).

CURTAILMENT TARIFF

TARIFF SCHEDULE

Yarnell Water Improvement Association
Docket No. W-02255A-24-0039
Phone No.: (928) 445-0551

Decision No.: 79490
Effective: 09-01-2024

CURTAILMENT PLAN FOR: Yarnell Water Improvement Association

ADEQ Public Water System No: AZ 04-13057

Yarnell Water Improvement Association (“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 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 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

Yarnell Water Improvement Association
Docket No. W-02255A-24-0039
Phone No.: (928) 445-0551

Decision No.: 79490
Effective: 09-01-2024

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 3 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 the Consumer 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.

TARIFF SCHEDULE

Yarnell Water Improvement Association
Docket No. W-02255A-24-0039
Phone No.: (928) 445-0551

Decision No.: 79490
Effective: 09-01-2024

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 3 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 Consumer Services Section of the Utilities Division of the Corporation Commission at least 12 hours prior to entering Stage 4.

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.

TARIFF SCHEDULE

Yarnell Water Improvement Association

Docket No. W-02255A-24-0039

Phone No.: (928) 445-0551

Decision No.: 79490

Effective: 09-01-2024

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.

EMERGENCY WATER
AUGMENTATION SURCHARGE TARIFF
AND PLAN OF ADMINISTRATION

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF
AND PLAN OF ADMINISTRATION**

Utility: Yarnell Water Improvement Association
Docket No.: W-02255A-24-0039

Decision No: 79490
Effective Date: September 1, 2024

I. Purpose and Applicability

Purpose

The purpose of this tariff is to authorize **Yarnell Water Improvement Association** to make monthly adjustments to its rates and charges for water service in order to recover costs incurred for water purchases and hauling (“Water Augmentation Costs”) in the event that **Yarnell Water Improvement Association** experiences an emergency water shortage¹. The charges will be assessed based on usage as provided below.

Applicability

This tariff is obtained during the processing of a permanent rate application and only applies to residential customers of Class C, D, and E water companies as defined by the Arizona Administrative Code. This tariff only applies in the event of an “emergency water shortage” as defined in Section II of the definitions below. If a company also wants a water augmentation surcharge that can be used during non-emergency situations, the company should file a request for such which includes a draft of the proposed non-emergency water augmentation surcharge tariff. The “Purpose” section of the proposed tariff should clearly explain the water shortage problems that would cause the non-emergency water augmentation surcharge to go into effect.

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.

“Affiliate,” means any other entity² directly or indirectly controlling or controlled by, or under direct or indirect common control with **Yarnell Water Improvement Association**. For purposes of this definition, the term “control” (including the correlative meanings of the terms “controlled by” and “under common control with”), as used with respect to any entity, means the power to direct the management policies of such entity, whether through ownership of voting securities, or by contract, or otherwise.

“Company” means **Yarnell Water Improvement Association**.

“Curtailment Account Balance” means the monies collected under the curtailment tariff authorized by Decision No. **79490**.

“Emergency Water Augmentation Surcharge” means the surcharge calculated in accordance with Section IV below.

¹ See definition for meaning of emergency water shortage.

² A corporation, partnership, limited partnership, joint venture, trust, estate, or natural person.

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF
AND PLAN OF ADMINISTRATION**

Utility: Yarnell Water Improvement Association
Docket No.: W-02255A-24-0039

Decision No: 79490
Effective Date: September 1, 2024

“Emergency Water Shortage” means a water shortage of a serious nature, developing suddenly or unexpectedly, that is out of the Company’s control, and demanding immediate attention. Water shortages that are a recurring situation, for example, each year the utility needs to haul water every August, would not qualify as an emergency.

“Surcharge Rate” means the rate per 1,000 gallons that is calculated in accordance with Section III below.

“Water Augmentation Cost” means the actual cost of water purchased and water hauling costs.

“Water Augmentation Quantity” means the actual quantity of augmented water (in thousands of gallons).

“Water Sold” means the actual quantity (in thousands of gallons) of water sold by the Company to its Customers during the month corresponding to the month in which water was purchased.

III. Surcharge Rate Calculation

The surcharge is calculated using data from the previous month's bill. For example, the water augmentation surcharge that is applied on the July bill is calculated using the June water augmentation costs and the June total gallons sold. See Figure A for an example of the calculation.

Example

This example illustrates how the water augmentation surcharge that is included on a customer's July bill would be calculated using the 2,000 gallons that the customer used in the month of June.

[A] Total June Water & Hauling Costs	[B] June Ending Curtailement Account Balance	[C] Total Gallons Sold in June Gallons in 1,000's	[D] Emergency Water Augmentation Surcharge Per 1,000 Gallons
(\$3,000 -	\$100)	494	= \$5.87
/			
[E] Customer's June Usage Gallons in 1,000's	[F] Emergency Water Augmentation Surcharge (From Col. D)	[G] Total Emergency Water Augmentation Surcharge on July Bill	
2	\$5.87	\$11.74	=

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF
AND PLAN OF ADMINISTRATION**

Utility: Yarnell Water Improvement Association
Docket No.: W-02255A-24-0039

Decision No: 79490
Effective Date: September 1, 2024

Figure A

For each month that the Company augments water, the Company will calculate the Surcharge Rate per the following formula:

$$\text{Water Augmentation Cost} / \text{Water Sold}$$

IV. Plan of Administration

(A) Intent To Bill Emergency Water Augmentation Surcharge:

For any month in which water is augmented, after completing its billing for the month and receiving the billing for the month, the Company will calculate the Surcharge Rate using the same methodology discussed herein and shown on Figure A and provide Utilities Division of the Arizona Corporation Commission (“Commission Staff”) notice of the Company’s intent to bill the Emergency Water Augmentation Surcharge.

(B) Notice to Commission Staff:

For any month in which the Company intends to bill customers an Emergency Water Augmentation Surcharge, the Company shall provide Commission Staff notice of the Company’s intent to bill the Emergency Water Augmentation Surcharge. The notice to Commission Staff shall include the following:

1. The Water Augmentation Cost.
2. The Water Augmentation Quantity.
3. A copy of the bill(s) received for the Water Augmentation.
4. A description of the system problem necessitating Water Augmentation and a description of the action being taken by the Company to resolve the problem, including the date operations did or are expected to return to normal.
5. The dates for beginning and ending Water Augmentation.
6. A schedule showing the calculation of the Emergency Water Augmentation Surcharge Rate in excel format with formulas intact.
7. Identification of the hauling option(s) available. If only one option was available, please state that there was only one option.
8. Whether or not the hauling entity was an affiliate.

(C) Implementation of Emergency Water Augmentation Surcharge:

Commission Staff will review the Notice. If the filing is acceptable to Commission Staff, the resulting Surcharge will be charged in the following month. **Yarnell Water Improvement Association** will bill the Emergency Water Augmentation Surcharge to its customers. Each individual customer’s billing for the Emergency Water Augmentation Surcharge will be based on that customer’s actual usage for the previous month (the month corresponding to the Water Augmentation) times the Surcharge Rate. See Figure A for an example of the calculation.

The Emergency Water Augmentation Surcharge shall be presented as a separate line item on the customer billing.

**EMERGENCY WATER AUGMENTATION SURCHARGE TARIFF
AND PLAN OF ADMINISTRATION**

Utility: Yarnell Water Improvement Association
Docket No.: W-02255A-24-0039

Decision No: 79490
Effective Date: September 1, 2024

(D) Documentation to Be Maintained:

The Company shall maintain documentation for all costs, billing determinants, and revenues recoveries.

(E) Customer Notice:

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 but no later than sixty (60) days after the effective date of the tariff in a form acceptable to Staff.