From: Dunham, Doug <DDunham@epcor.com>

Sent: Thursday, July 14, 2022 5:13 PM

To: Rio Verde Foothills Water Resources, Inc. <info@gotwaterrvf.com> **Subject:** RE: Conversation on the Rio Verde Foothills water solution

Karen-

Thank you for the initial draft. I believe this summary captures the main points of our conversation, I made a few edits for clarity.

- 1. EPCOR is currently looking at the feasibility of installing a standpipe to provide water to RVF and has yet to determine if they will be offering a water solution for RVF.
- Currently, EPCOR has not submitted anything to the Arizona Corporation Commission, has not started building a fill station or determined a final location for one. EPCOR is still working through determining the costs to do so and if a new well would be required.
- 3. If EPCOR does decide to provide a solution, it would need to obtain permission from the Corporation Commission to do so in the form of a standpipe tariff approved by the Commission. If this happens, EPCOR would have every intention to continue to provide water hauling to the Rio Verde Foothills. Moreover, EPCOR would not be permitted to discontinue the standpipe tariff unilaterally. Instead, it could only discontinue that tariff with Commission permission.
- 4. Currently, EPCOR is not contemplating expanding its Certificate of Convenience and Necessity (service area) to include RVF. This means that EPCOR would not be legally obligated to serve properties in RVF water since RVF is not included in their service area. Any rights regarding continuity of service, or conversely limitations on service, associated with the potential standpipe service that EPCOR might offer would be dictated by the terms of the standpipe tariff that the Commission ultimately approves.
- 5. The Arizona Corporation Commission has opened a Docket to determine if the community wants a private utility as a standpipe operator. EPCOR is cooperating with the Commission in this effort. Other options on condition of standpipe service, security of standpipe service, or full extension of CC&N's should be explored with the Commission during this process.
- 6. The Gila River Adjudication has the possibility, in the future, of having an effect on both private wells and wells owned by EPCOR and Global Water in this area. The adjudication has been going on since the 80's and when the final decision will be made is unknown.

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