HYDRO-RESOURCES, INC.

WATER RATES -- GENERAL SERVICE

A.C.C. NO. 75594

Filed by: John W. Rueter

Title: President

Date of Original Filing: 10/15/2014

Filed 6/30/2016

System: Tusayan Water System

Effective 7/1/2016

RATES:

Monthly Usage Charges:
(All Customers)

<table>
<thead>
<tr>
<th>Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot;</td>
<td>$43.00</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>$64.50</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>$107.50</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>$215.00</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>$344.00</td>
</tr>
<tr>
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<td>$1,075.00</td>
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<tr>
<td>6&quot; Meter</td>
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<tr>
<td>8&quot; Meter</td>
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<tr>
<td>10&quot; Meter</td>
<td>$4,945.00</td>
</tr>
<tr>
<td>12&quot; Meter</td>
<td>$9,245.00</td>
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</table>

Commodity Charges:
(Per 1,000 Gallons)

<table>
<thead>
<tr>
<th>Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4&quot; Meter - Residential &amp; Commercial</td>
<td>$12.00</td>
</tr>
<tr>
<td>First 3,000 Gallons</td>
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<tr>
<td>3,001 to 7,500 Gallons</td>
<td>$13.66</td>
</tr>
<tr>
<td>Over 7,500 Gallons</td>
<td>$17.00</td>
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</table>

<table>
<thead>
<tr>
<th>Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot; Meter - Residential &amp; Commercial</td>
<td>$12.00</td>
</tr>
<tr>
<td>First 4,500 Gallons</td>
<td>$12.00</td>
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<tr>
<td>4,501 to 11,250 Gallons</td>
<td>$13.66</td>
</tr>
<tr>
<td>Over 11,250 Gallons</td>
<td>$17.00</td>
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</table>

<table>
<thead>
<tr>
<th>Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1&quot; Meter - Residential &amp; Commercial</td>
<td>$13.66</td>
</tr>
<tr>
<td>First 18,750 Gallons</td>
<td>$13.66</td>
</tr>
<tr>
<td>Over 18,750 Gallons</td>
<td>$17.00</td>
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<table>
<thead>
<tr>
<th>Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 1/2&quot; Meter - Residential &amp; Commercial</td>
<td>$13.66</td>
</tr>
<tr>
<td>First 62,500 Gallons</td>
<td>$13.66</td>
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<tr>
<td>Over 62,500 Gallons</td>
<td>$17.00</td>
</tr>
<tr>
<td>Size</td>
<td>Residential &amp; Commercial</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>2&quot; Meter</td>
<td>First 100,000 Gallons $13.66</td>
</tr>
<tr>
<td></td>
<td>Over 100,000 Gallons $17.00</td>
</tr>
<tr>
<td>3&quot; Meter</td>
<td>First 200,000 Gallons $13.66</td>
</tr>
<tr>
<td></td>
<td>Over 200,000 Gallons $17.00</td>
</tr>
<tr>
<td>4&quot; Meter</td>
<td>First 312,500 Gallons $13.66</td>
</tr>
<tr>
<td></td>
<td>Over 312,500 Gallons $17.00</td>
</tr>
<tr>
<td>6&quot; Meter</td>
<td>First 625,000 Gallons $13.66</td>
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<td></td>
<td>Over 625,000 Gallons $17.00</td>
</tr>
<tr>
<td>8&quot; Meter</td>
<td>First 1,000,000 Gallons $13.66</td>
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<td></td>
<td>Over 1,000,000 Gallons $17.00</td>
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<tr>
<td>10&quot; Meter</td>
<td>First 1,437,500 Gallons $13.66</td>
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<tr>
<td></td>
<td>Over 1,437,500 Gallons $17.00</td>
</tr>
<tr>
<td>12&quot; Meter</td>
<td>First 2,687,500 Gallons $13.66</td>
</tr>
<tr>
<td></td>
<td>Over 2,687,500 Gallons $17.00</td>
</tr>
</tbody>
</table>
HYDRO-RESOURCES, INC.

TARIFF SCHEDULE – SERVICE CHARGES  
A.C.C. NO. 75594

Filed by: John W. Rueter
Title: President

Date of Original Filing: 10/15/2014  
Filed 6/30/2016
System: Tusayan Water System  
Effective 7/1/2016

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

<table>
<thead>
<tr>
<th>Meter Sizes</th>
<th>Service Line Charge</th>
<th>Meter Charge</th>
<th>Total Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Meter</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>2&quot; Meter (Turbo &amp; Compound)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>3&quot; Meter (Turbo &amp; Compound)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>4&quot; Meter (Turbo &amp; Compound)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>6&quot; Meter (Turbo &amp; Compound)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
<tr>
<td>8&quot; Meter &amp; Larger</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
<td>At Cost (a)</td>
</tr>
</tbody>
</table>

Service Charges:

- Establishment of Service per R14-2-403.D: $25.00
- Meter Re-Read (If Correct) per R14-2-408: $15.00
- Meter Test (If Correct) per R14-2-408.F: $40.00
- Deposit
- Deposit Interest
- Re-Establishment (Within 12 months) per R14-2-403.D
- Reconnection (Delinquent) per R14-2-403.D.1: $25.00
- Charge for NSF Check per R14-2-409.F.1: $20.00
- Deferred Payment Finance Charge (Per Month) per R14-2-409.G: 1.50%
- Late Payment Penalty (Per Month) per R14-2-409.C.1: 1.50%

APPROVED FOR FILING
DECISION #: 75594
Charge for Moving Meter (Customer Request) At Cost (a)
per R14-2-405.B.5

After Hours Service Charge per R14-2-403.D $35.00(d)
Main Extension At Cost (a)

a) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.
b) Per A.A.C. R14-2-403.B.
c) Per A.A.C. R14-2-403.D.
d) Applies to all services performed after hours and at the customer’s request.

Main Extension and additional facilities agreements at cost per R14-2-406.B.

In addition to collection of its regular rates and charges, Hydro-Resources, Inc. shall collect from its customers a proportionate share of any privilege, sales or use tax per A.A.C. R-14-2-409.D.5.

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 orders provide otherwise.
Customer High Water Use Inquiry Resolution Tariff – BMP 3.6

PURPOSE

A program for the Company to assist its customers with their high water-use inquiries and complaints (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services 3.6: Customer High Water Use Inquiry Resolution).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources' Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall handle high water use inquiries as calls are received.

2. Calls shall be taken by a customer service representative who has been trained on typical causes of high water consumption as well as leak detection procedures that customers can perform themselves.

3. Upon request by the customer or when the Company determines it is warranted, a trained Field Technician shall be sent to the customer's residence to conduct a leak detection inspection and provide the customer with water conservation measures. The leak detection inspection may consist of a meter read check for flow verification. If the on-site inspection is requested by the customer, the Commission approved meter re-read tariff fee shall apply.

4. The Company shall follow up in some way on every customer inquiry or complaint and keep a record of inquiries and follow-up activities.

Revised: 7-2-12
Customer High Water Use Notification Tariff – BMP 3.7

PURPOSE

A program for the Company to monitor and notify customers when water use seems to be abnormally high and provide information that could benefit those customers and promote water conservation (Modified Non-Per Capita Conservation Program BMP Category 3: Outreach Services Program 3.7: Customer High Water Use Notification).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources’ Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. The Company shall track water usage for each customer and notify the customer if water use seems excessive for that particular billing for that time of the year.
2. The Company shall identify customers with high consumption and investigate each instance to determine the possible cause.
3. The Company shall contact the high water use customers via telephone, email, by mail or in person. The Company shall contact the customer as soon as practical in order to minimize the possible loss of water. The customer will not be required to do anything to receive this notification.
4. In the notification the Company shall explain some of the most common water usage problems and common solutions and points of contact for dealing with the issues.
5. In the notification, the customer will be reminded of at least the following water-saving precautions:
   a. Check for leaks, running toilets, or valves or flappers that need to be replaced.
   b. Check landscape watering system valves periodically for leaks and keep sprinkler heads in good shape.
   c. Adjust sprinklers so only the vegetation is watered and not the house, sidewalk, or street, etc.
   d. Continue water conservation efforts with any pools such as installing covers on pools and spas and checking for leaks around pumps.
6. In the notification, the customer will also be reminded of at least the following ordinary life events that can cause a spike in water usage:
   a. More people in the home than usual taking baths and showers.
   b. Doing more loads of laundry than usual.
   c. Doing a landscape project or starting a new lawn.
   d. Washing vehicles more often than usual.
7. The Company shall provide water conservation information that could benefit the customer, such as, but not limited to, audit programs, publications, and rebate programs.
8. The Company shall assist the customer in a self-water audit and assist the customer in determining what might be causing the high water usage as well as supply
customer with information regarding water conservation and landscape watering guidelines. As part of the water audit the Company shall confirm the accuracy of the customer meter if requested to do so by the customer (applicable meter testing fees shall apply).

9. The type of notification, the timing of the notification (i.e., how long after high water use was discovered by the Company), and the criteria used for determining which customers are notified shall be recorded and made available to the Commission upon request.
Meter Repair and/or Replacement Tariff – BMP 4.2

PURPOSE

A program for the Company to systematically assess all in-service water meters (including Company production meters) in its water service area to identify under-registering meters for repair or replacement (Modified Non-Per Capita Conservation Program Best Management Practice Category 4: Physical System Evaluation and Improvement 4.2 Meter Repair and/or Replacement Program).

REQUIREMENTS

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission and were adapted from the Arizona Department of Water Resources’ Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. On a systematic basis, the Company will inspect 100 percent of its 1-inch and smaller in-service water meters at least once every ten years for one of the following reasons (whichever occurs first):
   a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
   b. A meter has registered 1,000,000 gallons of usage,
   c. A meter has been in service for ten years.

2. Meters larger than 1-inch shall be inspected for one of the following reasons:
   a. A meter reading complaint is filed with the Company by a customer or Arizona Corporation Commission Staff,
   b. A meter has been in service for five years.

3. The inspection will be accomplished by having the meter pulled and having a Company Technician physically inspect each meter and its fittings for leaks, registers which may have become loose or are not properly attached to the meter and could be under-registering or other broken parts which need repair. In addition, meters shall be randomly selected for flow testing to identify potentially under-registering meters.

4. The Company shall also replace or reprogram any water meters that do not register in gallons. Upon the effective date of this tariff, the Company shall install all replacement meters with new:
   a. 1-inch and smaller meters that register in 1 gallon increments,
   b. 1-1/2-inch through 4-inch meters that register in 10 gallon increments, and
   c. 6-inch and larger meters that register in 100 gallon increments.

5. The Company shall keep records of all inspected and replacement meters and make this information available to the Commission upon request.

Revised: 8-24-11
TARIFF SCHEDULE

Utility:   Hydro-Resources, Inc.       Tariff Sheet No.:   1 of 4
Docket No.:             Decision No.:  
Phone No.:   928-638-8205    Effective:       

CURTAILMENT PLAN FOR:    Hydro-Resources, Inc.       
(Placeholder)

ADEQ Public Water System No:   

Hydro-Resources, Inc. ("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 90 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 70 percent of capacity for at least 96 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.

Revised October 21, 2009
TARIFF SCHEDULE

Utility: Hydro-Resources, Inc.  Tariff Sheet No.: 2 of 4
Docket No.:  Decision No.:  
Phone No.: 928-638-8205  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 72 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 4 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.

Revised October 21, 2009
Stage 4 Exists When:

a. Company’s total water storage or well production has been less than 25 percent of capacity for at least 36 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 4 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.

Revised October 21, 2009
TARIFF SCHEDULE

Utility: Hydro-Resources, Inc.  Tariff Sheet No.: 4 of 4
Docket No.:  
Phone No.: 928-638-8205  Decision No.:  
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.
CROSS-CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect Hydro-Resources, Inc. ("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.A.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 A.A.C. 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. R14-2-410.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 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: October 12, 2013

APPROVED FOR FILING DECISION #: 714742
5. Testing shall be in conformance with the requirements of A.A.C. R18-4215.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.

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 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: October 12, 2013