WATER TARIFF SCHEDULE

VAIL WATER COMPANY
Docket No. W-01651B-12-0339

Decision No. 73995
Effective August 1, 2013

<table>
<thead>
<tr>
<th>MONTHLY CHARGE (All Classes)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meter Size</strong></td>
<td><strong>Charge</strong></td>
</tr>
<tr>
<td>5/8 x 3/4&quot; All Meters</td>
<td>$14.70</td>
</tr>
<tr>
<td>3/4&quot; All Meters</td>
<td>22.50</td>
</tr>
<tr>
<td>1&quot; All Meters</td>
<td>37.50</td>
</tr>
<tr>
<td>1 1/2&quot; All Meters</td>
<td>75.00</td>
</tr>
<tr>
<td>2&quot; All Meters</td>
<td>120.00</td>
</tr>
<tr>
<td>3&quot; All Meters</td>
<td>240.00</td>
</tr>
<tr>
<td>4&quot; All Meters</td>
<td>375.00</td>
</tr>
<tr>
<td>6&quot; All Meters</td>
<td>750.00</td>
</tr>
<tr>
<td>8&quot; All Meters</td>
<td>1,200.00</td>
</tr>
<tr>
<td>10&quot; All Meters</td>
<td>1,725.00</td>
</tr>
<tr>
<td>12&quot; All Meters</td>
<td>3,225.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MISCELLANEOUS SERVICE CHARGES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Service</strong></td>
<td><strong>Charge</strong></td>
</tr>
<tr>
<td>Establishment</td>
<td>$25.00</td>
</tr>
<tr>
<td>Reestablishment (within 12 months)</td>
<td>(a)</td>
</tr>
<tr>
<td>Reconnection (Delinquent)</td>
<td>$30.00</td>
</tr>
<tr>
<td>Reconnection (Delinquent)- After Hours</td>
<td>$30.00</td>
</tr>
<tr>
<td>Meter Test (if correct)</td>
<td>$20.00</td>
</tr>
<tr>
<td>Deposit</td>
<td>(b)</td>
</tr>
<tr>
<td>Deposit interest</td>
<td>(b)</td>
</tr>
<tr>
<td>NSF Check</td>
<td>$25.00</td>
</tr>
<tr>
<td>Deferred Payment (per month)</td>
<td>1.5% per month</td>
</tr>
<tr>
<td>Late Payment Fee (per month)</td>
<td>1.5% per month</td>
</tr>
<tr>
<td>Moving Customer Meter (Customer Request)</td>
<td>At Cost</td>
</tr>
<tr>
<td>Illegal Hook-up</td>
<td>(c)</td>
</tr>
<tr>
<td>Transfer Fee</td>
<td>$25.00</td>
</tr>
<tr>
<td>After Hours Service Charge (at customers request)</td>
<td>$50.00</td>
</tr>
</tbody>
</table>

(a) Number of months off the system times the monthly minimum per A.A.C. R14-2-403(D).
(b) Per Rule R14-2-403(b).
(c) Estimated billings from the time illegal connection was made to date.

In addition to the collection of regular rates, the utility will collect from its customers a proportionate share of any privilege, sales, use, and franchise tax. Per commission rule 14-2-409D(5).

COMMODITY CHARGE (per 1,000 gallons of water)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Charge</th>
<th>Meter Size</th>
<th>Charge</th>
<th>Meter Size</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8 x 3/4&quot; Meter (Residential)</td>
<td></td>
<td>1&quot; Meter (All Classes Including Standpipe and Construction)</td>
<td></td>
<td>4&quot; Meter (All Classes Including Standpipe and Construction)</td>
<td></td>
</tr>
<tr>
<td>First 3,000 gallons</td>
<td>$2.94</td>
<td>First 22,000 gallons</td>
<td>$4.15</td>
<td>First 250,000 gallons</td>
<td>$4.15</td>
</tr>
<tr>
<td>3,001 to 10,000 gallons</td>
<td>4.15</td>
<td>Over 22,000 gallons</td>
<td>5.28</td>
<td>Over 250,000 gallons</td>
<td>5.28</td>
</tr>
<tr>
<td>Over 10,000 gallons</td>
<td>5.28</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5/8 x 3/4&quot; Meter (Commercial, Industrial, Irrigation)</th>
<th></th>
<th>1 1/2&quot; Meter (All Classes Including Standpipe and Construction)</th>
<th></th>
<th>6&quot; Meter (All Classes Except Standpipe and Construction)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First 10,000 gallons</td>
<td>$4.15</td>
<td>First 50,000 gallons</td>
<td>$4.15</td>
<td>First 500,000 gallons</td>
<td>$4.15</td>
</tr>
<tr>
<td>Over 10,000 gallons</td>
<td>5.28</td>
<td>Over 50,000 gallons</td>
<td>5.28</td>
<td>Over 500,000 gallons</td>
<td>5.28</td>
</tr>
</tbody>
</table>

| 3/4" Meter (Residential) | | 2" Meter (All Classes Including Standpipe and Construction) | | 8" Meter (All Classes Except Standpipe and Construction) | |
|--------------------------||--||--|--------|
| First 3,000 gallons | $2.94 | First 80,000 gallons | $4.15 | First 720,000 gallons | $4.15 |
| 3,001 to 10,000 gallons | 4.15 | Over 80,000 gallons | 5.28 | Over 720,000 gallons | 5.28 |
| Over 10,000 gallons | 5.28 | | | |
WATER TARIFF SCHEDULE

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Docket No. W-01651B-12-0339

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3/4" Meter (Commercial, Industrial, Irrigation)
First 10,000 gallons $4.15
Over 10,000 gallons 5.28

3" Meter (All Classes Including Standpipe and Construction)
First 160,000 gallons $4.15
Over 160,000 gallons 5.28

10" Meter (All Classes Except Standpipe and Construction)
First 1,035,000 gallons $4.15
Over 1,035,000 gallons 5.28

12" Meter (All Classes Except Standpipe and Construction)
First 1,935,000 gallons $4.15
Over 1,935,000 gallon 5.28

Construction/Standpipe All Gallons $5.28

CAP Water Surcharge (per 1,000 gallons) As Approved by Commission

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SERVICE LINE AND METER INSTALLATION CHARGES (Refundable pursuant to A.A.C. R14-2-405)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Line</th>
<th>Charge</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot; x 3/4&quot; Meter</td>
<td>$445.00</td>
<td>$305.00</td>
<td>$750.00</td>
</tr>
<tr>
<td>3/4&quot; Meter</td>
<td>445.00</td>
<td>405.00</td>
<td>850.00</td>
</tr>
<tr>
<td>1&quot; Meter</td>
<td>495.00</td>
<td>465.00</td>
<td>960.00</td>
</tr>
<tr>
<td>1 1/2&quot; Meter</td>
<td>550.00</td>
<td>675.00</td>
<td>1,225.00</td>
</tr>
<tr>
<td>2&quot; Turbine Meter</td>
<td>830.00</td>
<td>1,195.00</td>
<td>2,025.00</td>
</tr>
<tr>
<td>2&quot; Compound Meter</td>
<td>830.00</td>
<td>2,040.00</td>
<td>2,870.00</td>
</tr>
<tr>
<td>3&quot; Turbine Meter</td>
<td>1,045.00</td>
<td>1,820.00</td>
<td>2,865.00</td>
</tr>
<tr>
<td>3&quot; Compound Meter</td>
<td>1,165.00</td>
<td>2,604.00</td>
<td>3,769.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Service Line</th>
<th>Charge</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4&quot; Turbine Meter</td>
<td>1,490.00</td>
<td>2,820.00</td>
<td>4,310.00</td>
</tr>
<tr>
<td>4&quot; Compound Meter</td>
<td>1,670.00</td>
<td>3,795.00</td>
<td>5,465.00</td>
</tr>
<tr>
<td>6&quot; Turbine Meter</td>
<td>2,210.00</td>
<td>5,175.00</td>
<td>7,385.00</td>
</tr>
<tr>
<td>6&quot; Compound Meter</td>
<td>2,330.00</td>
<td>7,070.00</td>
<td>9,400.00</td>
</tr>
</tbody>
</table>

If you have any questions regarding this Notice, please contact VWC at 520-647-3679.
Xeriscape Demonstration Garden Tariff – BMP 2.4

PURPOSE

A program for the Company to install and maintain a water efficient demonstration garden for the purpose of educating its customer base on low water-use landscaping (Modified Non-Per Capita Conservation Program BMP Category 2: Conservation Education and Training 2.4: Xeriscape Demonstration Garden).

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 design, construct and maintain a demonstration garden that shall include a large variety of low water use and native plants, shrubs and shade trees.
2. The demonstration garden shall include a walkway throughout the site and include interpretive signage and literature about low water use plants and water efficient landscape techniques.
3. The demonstration garden shall be open, free of charge, to the public during normal business hours and EVERY Saturday of each month.
4. Maps providing driving directions to the demonstration garden shall be available at the Company office, on the Company web-site, and shall be provided to each new customer upon establishment of service.
5. The Company shall work with the schools, including the universities, to continually upgrade the site with additional technologies and techniques.
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

Decision No.: 74207
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
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
WATER SYSTEM TAMPERING TARIFF – BMP 5.2

PURPOSE

The purpose of this tariff is to promote the conservation of groundwater by enabling the Company to bring an action for damages or to enjoin any activity against a person who tampers with the water system.

REQUIREMENTS:

The requirements of this tariff are governed by Rules of the Arizona Corporation Commission, specifically Arizona Administrative Code ("AAC") R14-2-410 and the Arizona Department of Water Resources’ Required Public Education Program and Best Management Practices in the Modified Non-Per Capita Conservation Program.

1. In support of the Company’s water conservation goals, the Company may bring an action for damages or to enjoin any activity against a person who: (1) makes a connection or reconnection with property owned or used by the Company to provide utility service without the Company’s authorization or consent; (2) prevents a Company meter or other device used to determine the charge for utility services from accurately performing its measuring function; (3) tampers with property owned or used by the Company; or (4) uses or receives the Company’s services without the authorization or consent of the Company and knows or has reason to know of the unlawful diversion, tampering or connection. If the Company’s action is successful, the Company may recover as damages three times the amount of actual damages.

2. Compliance with the provisions of this tariff will be a condition of service.

3. The Company shall provide to all its customers, upon request, a complete copy of this tariff and AAC R14-2-410. The customers shall follow and abide by this tariff.

4. If a customer is connected to the Company water system and the Company discovers that the customer has taken any of the actions listed in No. 1 above, the Company may terminate service per AAC R14-2-410.

5. 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.

Revised: 5-26-11

Decision No. 74207

APPROVED FOR FILING

DECISION #: 74207
CROSS-_CONNECTION OR BACKFLOW TARIFF

PURPOSE:

The purpose of this tariff is to protect ("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: January 23, 2013

ADMINISTRATIVELY APPROVED FOR FILING
5. Testing shall be in conformance with the requirements 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.

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: January 23, 2013
CAP SURCHARGE TARIFF

APPLICABILITY
Applicable to all customers of Vail Water Service Area

TERRITORY
Vail Water service area, Pima County.

RATES

Surcharge Rate:

| All Customers: | Per Customer |
| All meter sizes | $2.44 per 1,000 gallons |

SPECIAL CONDITIONS:

1. The Company is authorized to recover CAP related costs based on its CAP allocation of 1,857 AF.

2. Calculation of the CAP Surcharge. Component No. 1 calculates the variance between the current CAP charge and the CAP base rate of $105.87. Component 2 adds the City of Tucson's cost for wheeling the CAP water from the CAP canal to the Company's service area. Unrecovered recharge credits are deducted in Component 3. Component 4 consists of a true up of the prior year's under or over recovery. The cost of LTSCs is added in Component 5. Component 6 deducts the ratepayer's 50% share of any gain on the sale of LTSCs. Component 7 credits the account for water loss exceeding 10%. Finally, total net costs to be recovered are divided by the gallons sold (in 1,000s) in the previous year.

3. The Company will annually file with the Commission by February 1 the proposed annual CAP surcharge for the current calendar year. The filing shall contain all documentation to support the proposed surcharge.

4. The annual CAP surcharge will be calculated based on the Decision 73995 Amended Plan of Administration.

5. The revised CAP surcharge will be effective on April 1 of each year.

6. Collection of the CAP surcharge will not generate a positive operating income to Vail Water Company. It is intended only to recover CAP related costs.

 ISSUED: 01/28/2019  EFFECTIVE: April 1, 2019
 ISSUED BY: Vail Water Company
            Decision No. 75029, Docket W-01651B-12-0339
            Decision No. 73995