

PICACHO WATER COMPANY & PICACHO SEWER COMPANY

Docket Nos. W-03528A-25-0056; SW-03709A-25-0057; W-03528A-25-0096; and SW-03709A-25-0097 (Consolidated)

NEW RATES & SURCHARGE IMPLEMENTATION

Effective April 1, 2026

Call Toll-Free 888-712-1120

Email contactus@picachowater.com or contactus@picachosewer.com

On March 19, 2025, Picacho Water Company (“Picacho Water”) filed an application with the Arizona Corporation Commission (“Commission”), in Docket No. W-03528A-25-0056, requesting adjustments to its rates and charges for **water** utility service. Also on March 19, 2025, Picacho Sewer Company (“Picacho Sewer”) filed an application with the Commission, in Docket No. SW-03709A-25-0057, requesting adjustments to its rates and charges for **wastewater** utility service. On May 2, 2025, Picacho Water filed an application with the Commission, in Docket No. W-03528A-25-0096, requesting authority to issue evidence of indebtedness in an amount not to exceed \$4,000,000 and to encumber its real property and utility plant as security. Picacho Sewer also filed an application with the Commission on May 2, 2025, in Docket No. SW-03709A-25-0097, requesting authority to issue evidence of indebtedness in an amount not to exceed \$8,000,000 and to encumber its real property and utility plant as security. The rate cases and financing dockets were consolidated for the purpose of hearing. At the conclusion of the proceeding, the Commission issued Decision No. 81674 (March 10, 2026), authorizing rate increases for Picacho Water and Picacho Sewer and the implementation of a rate case expense (“RCE”) surcharge, and approving debt financing in an amount of up to \$4,000,000 for Picacho Water and up to \$8,000,000 for Picacho Sewer.

PICACHO WATER

Authorized Rates and RCE Surcharge

The new rates approved will increase the monthly bill of a Picacho Water 5/8 x 3/4-inch residential customer with an average consumption of 5,003 gallons by \$6.85, from \$30.01 to \$36.86, or 22.83 percent. The RCE incurred was \$24,921, therefore Picacho Water is authorized to recover \$24,921. **The RCE surcharge is calculated to be \$0.36 per customer per month. The surcharge will be added to each customer bill beginning April 1, 2026, and will terminate in three years or once the total rate case expense of \$24,921 has been recovered, whichever occurs first.**

MONTHLY MINIMUM CHARGE

<u>Meter Size (All Classes)</u>	<u>Charge</u>
5/8 x 3/4” Meter	\$ 24.75
3/4” Meter	37.12
1” Meter	61.86
1 1/2” Meter	123.73
2” Meter	197.96
3” Meter	395.52
4” Meter	618.63
6” Meter	1,237.25
8” Meter	1,979.60
10” Meter	2,845.78
12” Meter	5,321.25
8” Lake / Irrigation	1,979.60
12” Lake / Golf Course Irrigation	5,321.25
Construction – Hydrant	395.52

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

<u>Meter Size</u>	<u>Charge</u>		
	<u>Service Line</u>	<u>Meter</u>	<u>Total Charge</u>
5/8 x 3/4” Meter	\$ 1,500	\$ 175	\$ 1,675
3/4” Meter	1,800	200	2,000
1” Meter	2,100	300	2,400
1 1/2” Meter	2,320	500	2,820
2” Meter	3,240	1,650	4,890
3” Meter	5,210	3,200	8,410
4” Meter	6,230	4,500	10,730
6” Meter & Larger	At Cost	At Cost	At Cost

HYDRANT METER DEPOSIT

Non-interest bearing and fully refundable upon return of meter in good condition and payment of final bill

<u>Meter Size</u>	<u>Charge</u>
3” Meter	\$740.00

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COMMODITY CHARGE (per 1,000 gallons of water)

<u>Meter Size</u>	<u>Charge</u>	<u>Meter Size</u>	<u>Charge</u>
5/8 x 3/4" Meter and 3/4" Meter - Residential		6" Meter – Residential, Commercial, Irrigation	
0 gallons to 4,000 gallons	\$2.09	0 gallons to 500,000 gallons	\$3.74
4,001 to 10,000 gallons	3.74	Over 500,000 gallons	7.36
Over 10,000 gallons	7.36	8" Meter – Residential, Commercial, Irrigation	
5/8 x 3/4" Meter and 3/4" Meter – Commercial, Irrigation		0 gallons to 800,000 gallons	\$3.74
0 gallons to 10,000 gallons	\$3.74	Over 800,000 gallons	7.36
Over 10,000 gallons	7.36	10" Meter – Residential, Commercial, Irrigation	
1" Meter – Residential, Commercial, Irrigation		0 gallons to 1,150,000 gallons	\$3.74
0 gallons to 25,000 gallons	\$3.74	Over 1,150,000 gallons	7.36
Over 25,000 gallons	7.36	12" Meter – Residential, Commercial, Irrigation	
1 1/2" Meter – Residential, Commercial, Irrigation		0 gallons to 2,150,000 gallons	\$3.74
0 gallons to 50,000 gallons	\$3.74	Over 2,150,000 gallons	7.36
Over 50,000 gallons	7.36	8" Meter – Lake/Irrigation - Non-Potable Water⁽¹⁾	
2" Meter – Residential, Commercial, Irrigation		All gallons	\$3.74
0 gallons to 80,000 gallons	\$3.74	12" Meter – Lake/Golf Course Irrigation - Non-Potable Water⁽¹⁾	
Over 80,000 gallons	7.36	All gallons	\$3.74
3" Meter – Residential, Commercial, Irrigation		Construction – Hydrant	
0 gallons to 160,000 gallons	\$3.74	All gallons	\$7.36
Over 160,000 gallons	7.36		
4" Meter – Residential, Commercial, Irrigation			
0 to 250,000 gallons	\$3.74		
Over 250,000 gallons	7.36		

⁽¹⁾ Non-potable water is to be used unless the source well is off-line for repairs and/or maintenance.

SERVICE CHARGES

<u>Service</u>	<u>Charge</u>
Establishment of Service	\$35.00
Reconnection (delinquent)	\$30.00
Meter Test (if correct)	\$30.00
Deposit	*
Deposit Interest	6.0%
Reestablishment (within 12 months)	**
NSF Check	\$30.00
Deferred Payment (per month)	1.5%
Meter Reread (if correct)	\$30.00
Late Payment Penalty	Greater of \$3.00 or 1.5% of unpaid balance
After-Hours Service Charge (at customer request)	\$40.00

Monthly Charge for Fire Sprinkler

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

* Per A.A.C. R14-2-403(B)

Residential - two times the average bill by class.

Non-residential – two and one-half times the customer's estimated maximum monthly bill.

** Months off system times the monthly minimum A.A.C. R-14-2-403(D).

***1% of monthly minimum for a comparable sized meter connection, but not less than \$5.00 per month. The Service Charge for Fire Sprinklers is only applicable for 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 Commission Rule 14-2-409(D)(5).

NOTE: Picacho Water many only charge one NSF fee when customers are billed for water and wastewater service on one bill.

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PICACHO SEWER

Authorized Rates and RCE Surcharge

The new rates approved will increase the monthly bill of a Picacho Sewer 5/8 x 3/4-inch residential customer by \$64.73, from \$42.00 to \$106.73, or 154.12 percent. The RCE incurred was \$24,921, therefore Picacho Sewer is authorized to recover \$24,921. **The RCE surcharge is calculated to be \$0.38 per customer per month. The surcharge will be added to each customer bill beginning April 1, 2026, and will terminate in three years or once the total rate case expense of \$24,921 has been recovered, whichever occurs first.**

MONTHLY SERVICE CHARGE

<u>Meter Size (Residential, Commercial)</u>	<u>Charge</u>
5/8 x 3/4" Meter	\$ 106.73
3/4" Meter	160.10
1" Meter	266.83
1 1/2" Meter	533.65
2" Meter	853.84
3" Meter	1,707.68
4" Meter	2,668.25
6" Meter	5,336.50
8" Meter	8,538.40
10" Meter	12,273.95
12" Meter	22,946.95

COMMODITY RATE

per 1,000 gallons

<u>Effluent</u>	<u>Charge</u>
All Usage	\$0.87

SERVICE CHARGES

<u>Service</u>	<u>Charge</u>	
Establishment of Service	\$35.00	* Per Commission Rule A.A.C. R14-2-603(D) – Months off the system times the monthly surcharge.
Reestablishment (within 12 months)	*	** Cost: The actual cost of disconnection and reconnection, including costs for excavation and trenching, pipeline modification, backfill and grading, road repairs, and permitting.
Reconnection (delinquent)	\$30.00	*** Per Commission Rule A.A.C. R14-2-603(B)(7).
Disconnection/Reconnection (delinquent account)	Cost**	**** Per Commission Rule A.A.C. R14-2-603(B)(3).
Deposit	***	
Deposit Interest (per annum)	6%****	
NSF Check	\$30.00	
Late Payment Penalty (per month)	1.5%	
Deferred Payment (per month)	1.5%	
After-Hours Service Charge (at customer request)	\$40.00	
Road Cutting or Boring	At Cost	

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 Commission Rule R14-2-608.D.5.

NOTE: Picacho Sewer may only charge one NSF fee when customers are billed for water and wastewater service on one bill.