



To Our Valued Customers:

In December 2020, Global Water Resources, Inc. (“Global Water”) acquired Tortolita Water Company and began servicing customers in your neighborhood. Global Water has made numerous system enhancements and investments since taking ownership of the utility.

Global Water has filed a rate application with the Arizona Corporation Commission (“ACC”). Rate cases ensure rates for essential utilities are just and reasonable, while enabling utility providers to recover the costs necessary to provide high quality, safe, reliable, and sustainable services. Over the next nine months, the rate application, which consists of detailed financial and operational data, will be thoroughly reviewed and analyzed by the ACC. This process will ultimately determine the rates the utility will collect to meet its financial obligations and to continue to provide safe and reliable water.

Some of the investments made into the utility include:

- 1) Exchanged customer meters and deployed customer portal with enhanced customer service tools.
- 2) Deployed Global Water’s best-in-class asset management program to track asset maintenance and increase system redundancy.
- 3) Deployed Supervisor Control and Data Acquisition (SCADA) system to provide remote system monitoring and system alarming.
- 4) Upgraded water distribution system to include well rehabilitation, replacement of booster pumps and replacement of the air compressor.

In addition to the investments made to bring this utility back into compliance, it has been **18 years** since the last rate case/price adjustment. Costs to operate a utility have increased substantially since 2004.

The chart below shows the proposed rate change for the media GW – Tortolita Company, Inc. customer with a 1” water meter and median water usage of 10,000 gallons per month:

System	Meter Size & Median Water Usage	Current Median Bill	Phase 1 (Increase)	Phase 2 (Increase)	Median Proposed Bill
GW – Tortolita Water Company, Inc.	1" 6,500 gal.	\$44.00	\$0.50	\$7.93	\$52.44

Global Water is committed to keeping our customers informed. During the rate application process, a series of open meetings will be held by the ACC where customers can provide input. The attached letter provides additional details on public comment meetings. Customers can also find additional information about the rate case at <https://www.gwresources.com/rate-case>. You may also send questions and comments to [ratecase@gwresources.com](mailto:ratecase@gwresources.com).

**PUBLIC NOTICE OF HEARING & PUBLIC COMMENT MEETINGS ON THE APPLICATIONS OF GLOBAL WATER-FRANCESCA WATER COMPANY, INC. (“FRANCESCA”), GLOBAL WATER – LAS QUINTAS SERENAS WATER COMPANY, INC. (“LAS QUINTAS SERENAS”), GLOBAL WATER – LYN LEE WATER COMPANY, INC. (“LYN LEE”), GLOBAL WATER – RINCON WATER COMPANY, INC. (“RINCON”), GLOBAL WATER – MIRABELL WATER COMPANY, INC. (“MIRABELL”), GLOBAL WATER - TORTOLITA WATER COMPANY, INC. (“TORTOLITA”), GLOBAL WATER – RED ROCK WATER COMPANY, INC. (“RED ROCK”), FOR PERMANENT THE ESTABLISHMENT OF JUST AND REASONABLE RATE AND CHARGES FOR UTILITY SERVICE DESIGNED TO REALIZE A REASONABLE RATE OF RETURN ON THE FAIR VALUE OF THEIR PROPERTY AND FOR CERTAIN OTHER APPROVALS (DOCKET NOS. W-03945A-23-0130 et al.)**

**Summary**

On June 27, 2023, each of the utilities named above, all of which are subsidiaries of Global Water Resources, Inc. ("GWR") and located in Pima County, filed with the Arizona Corporation Commission ("Commission") a Rate Application requesting the establishment of just and reasonable rates an increase in rates and charges for water utility service and that the utilities' Rate Applications be consolidated into a single manner for consideration and approval.

The Commission has granted consolidation of the utilities' Rate Applications and hereinafter refers to GWR and the utilities collectively as "Global Water".

For the test year ending December 31, 2022, Global Water reports an adjusted original cost rate base ("OCRB") and fair value rate base ("FVRB") of \$3,531,670 an adjusted operating loss of \$46,298, and a current rate of return of -1.31%. Global Water requests approval of a rate of return of 7.36% on its OCRB/FVRB and a gross revenue increase of \$424,121.

Global Water requests consolidation of the rates for the utilities as well as approval to make organizational changes that would ultimately result in a single utility to be named Global Water – Saguaro District Water Company, Inc.

Global Water proposes the rate consolidation to be implemented over two phases for Las Quintas Serenas, Lyn Lee, and Tortolita, while the other water utility systems' rate would be the same in Phase 1 and Phase 2. The rate changes would involve monthly bill increases for customers of some water utility systems and decreases for others. The following table shows the bill impacts for a residential customer in each system served by the most common meter size for the system and with standardized usage of 7,000 gallons per month:

Phase 1						
	Most Common Residential Meter Size	Usage (gallons)	Current Bill	Proposed Bill	Increase / (Decrease) \$	Increase %
Francesca	5/8" x 3/4"	7,000	55.49	40.26	(15.24)	-27%
LQS	5/8" x 3/4"	7,000	35.50	37.37	1.87	5%
Lyn Lee	5/8" x 3/4"	7,000	35.80	37.37	1.57	4%
Rincon	1"	7,000	55.00	53.38	(1.63)	-3%
Mirabell	5/8" x 3/4"	7,000	46.75	40.26	(6.50)	-14%
Tortolita	1"	7,000	45.50	53.38	7.88	17%
Red Rock	No customers	7,000	N/A	N/A	N/A	N/A
Phase 2						
	Most Common Residential Meter Size	Usage (gallons)	Current Bill	Proposed Bill	Increase / (Decrease) \$	Increase %
Francesca	5/8" x 3/4"	7,000	55.49	40.26	(15.24)	-27%
LQS	5/8" x 3/4"	7,000	35.50	40.26	4.76	13%
Lyn Lee	5/8" x 3/4"	7,000	35.80	40.26	4.46	12%
Rincon	1"	7,000	55.00	53.38	(1.63)	-3%
Mirabell	5/8" x 3/4"	7,000	46.75	40.26	(6.50)	-14%
Tortolita	1"	7,000	45.50	53.38	7.88	17%
Red Rock	No customers	7,000	N/A	N/A	N/A	N/A

In the alternative to the rate consolidation, Global Water has proposed stand-alone rates and charges for each of the utilities. The following table shows the bill impacts for a residential customer in each system served by the most common meter size for the system and with standardized usage of 7,000 gallons per month:

	Most Common Residential Meter Size	Usage (gallons)	Current Bill	Proposed Bill	Increase / (Decrease) \$	Increase %
Francesca	5/8" x 3/4"	7,000	55.49	63.20	7.71	13.89%
LQS	5/8" x 3/4"	7,000	35.50	26.18	(9.33)	-26.27
Lyn Lee	5/8" x 3/4"	7,000	35.80	90.14	54.34	151.78%
Rincon	1"	7,000	55.00	57.80	2.80	5.08%
Mirabell	5/8" x 3/4"	7,000	46.75	66.45	19.70	42.14%
Tortolita	1"	7,000	45.50	99.20	53.70	118.02%
Red Rock	No customers	N/A	N/A	N/A	N/A	N/A

The bill impact under either the consolidation scenario or stand-alone scenario would be different for a residential customer with a different meter size or monthly usage.

Regardless of whether consolidation is granted. Global Water also requested Commission approval of acquisition premiums due to its recent purchase of each of the water utility systems, of a rate case expense surcharge to be collected over two years, of adjustor mechanisms for income taxes and the acquisition of water resources, of certain tariff changes, and of deferral of costs for certain post-TY plant.

**THE COMMISSION IS NOT BOUND BY THE PROPOSALS OF GLOBAL WATER, STAFF, OR ANY INTERVENORS. THE COMMISSION WILL DETERMINE THE APPROPRIATE RELIEF TO BE GRANTED IN RESPONSE TO GLOBAL WATER'S APPLICATION BASED ON THE EVIDENCE PRESENTED IN THIS MATTER.**

**How You Can View or Obtain a Copy of the Application**

Copies of the Application are available from Global Water Resources, Inc. 21410 N. 19<sup>th</sup> Avenue, Suite 220, Phoenix, Arizona 85027, Phone Number 866-940-1102; by emailing a request to [ratecase@gwresources.com](mailto:ratecase@gwresources.com); at the Commission's Docket Control Center at 1200 West Washington Street, Phoenix, Arizona, and the Commission's office at 400 West Congress Street, Suite 218, Tucson, Arizona, during regular business hours; and on the Commission website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function and the Docket Number shown above.

**Arizona Corporation Commission Public Hearing Information**

The Commission will hold a hearing on this matter beginning **March 25, 2024, at 10:00 a.m.** at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona 85007.

**Public Comment Meetings at Commission Offices**

The Commission will hold the following public comment meetings in this matter at the Commission's offices in Phoenix and Tucson, at which **either in-person or telephonic public comments may be provided:**

<b>Date</b>	<b>Location</b>	<b>Time</b>	<b>Call-In Number</b>
March 1, 2024	Arizona Corporation Commission 1200 W. Washington St. Phoenix, AZ 85007	Beginning at 10:00 am and ending at 1:00 pm or when the last commenter has finished speaking, whichever comes first	1-877-309-3457 and enter passcode 801972877##
March 5, 2024	Arizona Corporation Commission 400 W. Congress St. Room 222 Tucson, AZ 85701	Beginning at 5:30 pm and ending at 8:00 pm or when the last commenter has finished speaking, whichever comes first	1-877-309-3457 and enter passcode 24601833204##

During public comment meetings at the Commission's offices, both telephonic and in-person public comment may be provided.

A public comment meeting will also be held at the beginning of the first day of hearing, during which public comment may be provided in person or telephonically using the number and passcode shown for the Phoenix public comment above,

Written public comments may be submitted by mailing a letter referencing **Docket No. W-03945A-23-0130 et. al.** to Arizona Corporation Commission, Consumer Service Section, 1200 West Washington, Phoenix, AZ 85007, or by submitting comments on the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using "Cases and Open Meetings" and "Make a Public Comment in a Docket." If you require assistance, you may contact the Consumer Service Section at 602-542-4251 or 1-800-222-7000.

**If you do not intervene in this proceeding, you will receive no further notice of the proceedings in this docket unless you sign up to Follow the Docket. However, all documents filed in this docket are available online** (usually within 24 hours after docketing) at the Commission's website ([www.azcc.gov](http://www.azcc.gov)) using the e-Docket function. **Information on how to Follow a Docket is available on the Commission's website by clicking on "Cases and Open Meetings" and "Follow a Docket or Document Type."**

### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested persons may intervene. An interested person may be granted intervention if the outcome of the case will directly and substantially impact the person, and the person's intervention will not unduly broaden the issues in the case. Intervention, among other things, entitles a party to present sworn evidence at hearing and to cross-examine other parties' witnesses. **Intervention is not required for you to provide telephonic public comment, to file written comments in the record of the case, or to receive emailed notice of each filing made in the case by following the docket.**

**Information about what intervention means, including an explanation of the rights and responsibilities of an intervenor, is available on the Commission's website ([www.azcc.gov](http://www.azcc.gov))** by clicking on "Cases and Open Meetings" and then clicking on "Intervene in a Case." The information includes a Sample Intervention Request and a Fillable Intervention Request Form.

To request intervention, you must file a written request to intervene, either (a) by filing a hard copy request (meeting filing requirements) with Docket control (Docket Control, 1200 West Washington, Phoenix, AZ 85007), or (b) by **eFiling** the request. Your request **must be filed or eFiled no later than November 20, 2023**. Instructions and restrictions for eFiling are available on the Commission's website at <http://azcc.gov/hearing/efile-for-utilities-instruction>. You also **must** serve a copy of the request to intervene on each party of record, on the same day that you file the request to intervene with the Commission.

Your request to intervene **must** contain the information below:

1. Your name, address, and telephone number;
2. A reference to Docket number for the case in which you are requesting to intervene;
3. A short statement explaining:
  - a. Your interest in the proceeding (e.g., a customer of the regulated company involved, a property owner in an area to be affected by the case, etc.),
  - b. How you will be directly and substantially affected by the outcome of the case, and
  - c. Why your intervention will not unduly broaden the issues in the case;
4. A statement certifying that you have sent a copy of your request to intervene to the regulated company or its attorney and to all other parties of record in the case; and
5. If you are not represented by an attorney who is an active member of the Arizona State Bar, and you are not representing yourself as an individual, sufficient information and any appropriate documentation to demonstrate compliance with Arizona Supreme Court Rules 31.1, 31.2, 31.3, 38, 39, and 42, as applicable. This only applies if you are NOT representing yourself and you are not a licensed attorney.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before **November 20, 2023**.

#### **ADA/Equal Access Information**

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Carolyn Buck, E-mail [ADACoordinator@azcc.gov](mailto:ADACoordinator@azcc.gov), voice phone number 602-542-2247. Requests should be made as early as possible and no later than 48 hours in advance of the event to allow time to arrange the accommodation.