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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WEST WATER AND WASTEWATER DISTRICTS.	**DOCKET NOS. WS-01303A-02-0867 WS-01303A-02-0868 W-01303A-02-0869 WS-01303A-02-0870 W-01303A-02-0908** **(CONSOLIDATED)**
IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WATER AND WASTEWATER DISTRICTS.	**ARIZONA-AMERICAN WATER COMPANY'S NOTICE OF FILING REVISED TARIFF SCHEDULES FOR SUN CITY WASTEWATER DISTRICT**
IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WATER AND HAVASU WATER DISTRICTS.	

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS ANTHEM WATER, AGUA FRIA WATER AND ANTHEM/AGUA FRIA WASTEWATER DISTRICTS.
IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS TUBAC WATER DISTRICT.

Arizona-American Water Company ("the Company") hereby filed true copies of its revised tariff schedules for the Sun City Wastewater District.

DATED this 13th day of July, 2004.

FENNEMORE CRAIG

By Norman D. James
Norman D. James
Jay L. Shapiro
Attorneys for Arizona-American Water Company

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Arizona American Water Company
(Name of Company)

Sun City Sewer District
(Name of Service Area)

Table of Contents

G-1	General Sanitary Sewer Service	1 - Original
IDS-1	Industrial Discharge Service	2 - Original
	Rules and Regulations	ACC No. 1 thru ACC No. 66

ISSUED: July 1, 2004 (Month Day Year) EFFECTIVE: July 1, 2004 (Month Day Year)

ISSUED BY: David Stephenson, Rate Regulation Manager
19820 N. 7th St., Suite 201, Phoenix, Arizona 85024

Decision No. 67093

General Sanitary Sewer Service G-1

Monthly Charges

Note: Charges are applied up to the usage indicated in the schedules. Amounts in excess of the first tier have no charges.

	Monthly Usage Charge	Gallons Included	Commodity Charge Per 1,000 Gallons
Residential Units (SSR)	$10.98	-	$
Comm/Resid Units (SSR)	10.98	-	-
Commercial	13.18	-	-
Comm. Large User (SS6)	27.95	20,000	$1.07
Multi-Family Res. Units (AC SSR)	10.98	-	-
Comm. Additional toilets (SS1)	3.25	-	-
Comm. per dishwasher (SS2)	24.79	-	-
Comm. per wash mach. (SS3)	6.03	-	-
Comm. per wash rack (SS4)	12.27	-	-
Rental Rooms/Paradise Resort Park (Contract Rate)	3.94	20,000	.91

Annual Fee for Industrial Discharge Service

Non-refundable annual fee assessed in advance each January by special billing to industrial customers. Gallonage applies to total gallonage through all water meters, inclusive of meters used for irrigation.

Industrial Discharge Annual Fee* <50,000 gal/mo. $ 500.00
Industrial Discharge Annual Fee* >50,000 gal/mo. $1,000.00

Availability

Available to all customers in this District, but Company reserves the right to restrict service of this District or affiliated company.

General Sanitary Sewer Service G-1 (continued)

Billing

Charges are billable during the month in which service is provided in accordance with this District's billing schedule.

Terms and Conditions

All rates in this Schedule shall be subject to their proportionate part of any taxes or other governmental imposts which are assessed directly or indirectly on the basis of revenues derived from service under this Schedule, or on the basis of the service provided or the volume of sewage treated or disposed of.

Sewer services under this schedule are for the exclusive use of the customer and sewer services shall not be resold or provided to others.

A 1½% late payment penalty will be applied to account balances not paid within twenty-five (25) days after the postmark date of the bill in accordance with Rule 8 (H).

Arizona-American Water Company
(Name of Company)

Sun City Sewer District
(Name of Service Area)

Annual Fee for Industrial Discharge Service

Applicable to all customers covered by this District's Rule No. 10 "USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS" and whom have entered an Industrial Discharge Service Agreement pursuant to Rule No. 10.

Rates

For those customers consuming an amount of water less than or equal to 50,000 gallons per month through one or more water meters to the same facility, inclusive of meters used for irrigation;

$500.00 per year

For those customers consuming more than 50,000 gallons per month of water through one or more water meters to the same facility, inclusive of meters used for irrigation;

$1,000.00 per year

Special Conditions

Charges shall be non-refundable and shall be assessed in advance each January by a Company special billing.

For new Customers receiving this service, a prorated charge shall be assessed.

RULES AND REGULATIONS
APPLICABLE TO
SEWER SERVICE
OF
SUN CITY SEWER DISTRICT

Legally named and operating in:

Sun City, Maricopa County, Arizona

These rules and regulations have been authorized by the Arizona Corporation Commission and are the effective rules and regulations of this District.

Services will be furnished in accordance with these rules and regulations and no officer, employee, or representative of this Company has any authority to write, alter, or amend these rules and regulations or any parts thereof in any respect.

Arizona-American Water Company
(Name of Company)

Sun City Sewer District
(Name of Service Area)

TABLE OF CONTENTS

Rule No.	Section No. - Title of Page	A.C.C. Sheet No.
1.	**DEFINITIONS**	6 - 8
2.	**ESTABLISHMENT OF SERVICE**	9 - 13
	A. INFORMATION FROM NEW APPLICANTS	9
	B. DEPOSITS	9 - 10
	C. GROUNDS FOR REFUSAL OF SERVICE	10 - 11
	D. SERVICE ESTABLISHMENTS, REESTABLISHMENTS, OR RECONNECTION CHARGE	11
	E. TEMPORARY SERVICE	11
	F, DOUBTFUL PERMENENCY	12
	G. SERVICE LOCATION INFORMATION	12
	H. IDENTIFICATION OF PREMISES	12
	I. SERVICE CALLS OR ESTABLISHMENTS UNDER REGULAR HOURS	12
	J. SERVICE CALLS OR ESTABLISHMENTS AFTER REGULAR HOURS	12 - 13
3.	**MINIMUM CUSTOMER INFORMATION REQUIREMENTS**	14
	A. INFORMATION FOR RESIDENTIAL CUSTOMERS	14
	B. INFORMATION REQUIRED DUE TO CHANGES IN TARIFFS	14
4.	**SERVICE CONNECTIONS AND REESTABLISHMENTS**	15 - 16
	A. PRIORITY AND TIMING OF SERVICE ESTABLISHMENTS	15
	B. SERVICE LINES	15 - 16
	C. CUSTOMER PROVIDED EQUIPMENT, SAFETY AND OPERATION	16
	D. EASEMENTS AND RIGHTS-OF-WAY	16
5.	**COLLECTION MAIN EXTENSION AGREEMENTS**	17 - 21
	A. EXTENSIONS TO MAINS AND SERVICES: ADVANCES IN AID OF CONSTRUCTION	17 - 19
	B. WRITTEN AGREEMENT REQUIREMENTS	19
	C. FINAL COST	20
	D. CONSTRUCTION/FACILITIES RELATED INCOME TAXES	20 - 21
6.	**PROVISION OF SERVICE**	22 - 26
	A. COMPANY RESPONSIBILITY	22
	B. CUSTOMER RESPONSIBILITY	22 - 23
	C. WATERS AND WASTES PROHIBITED TO BE DISCHARGED	23 - 24
	D. CONTINUITY OF SERVICE	24 - 25
	E. SERVICE INTERRUPTION	25

TABLE OF CONTENTS (Continued)

Rule No.	Section No.	- Title of Page	A.C.C. Sheet No.
		F. CONSTRUCTION STANDARDS	25 - 26
		G. ELECTION OF RATE SCHEDULE	26
7.		**BILLING AND COLLECTION**	27 - 29
		A. FREQUENCY	27
		B. MINIMUM BILLING INFORMATION	27
		C. BILLING TERMS	27
		D. APPLICABLE TARIFFS, PREPAYMENT, FAILURE TO RECEIVE, COMMENCEMENT DATE, TAXES	27 - 28
		E. INSUFFICIENT FUNDS (NSF) CHECKS	28
		F. DEFERRED PAYMENT PLAN	28 - 29
		G. LATE PAYMENT PENALTY	29
		H. CHANGE OF OCCUPANCY	29
8.		**TERMINATION OF SERVICE**	30 - 32
		A. NONPERMISSIBLE REASONS TO DISCONNECT SERVICE	30
		B. TERMINATION OF SERVICE WITHOUT NOTICE	30
		C. TERMINATION OF SERVICE WITH NOTICE	30 - 31
		D. TERMINATION NOTICE REQUIREMENTS	31
		E. TIMING OF TERMINATIONS WITH NOTICE	32
		F. LANDLORD/TENANT RULE	32
9.		**ADMINISTRATIVE AND HEARING REQUIREMENTS**	33
		A. CUSTOMER SERVICE COMPLAINTS	33
10.		**USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS**	34 - 66
		A. PURPOSE AND POLICY	34
		B. DEFINITIONS	34 - 40
		C. INDUSTRIAL WASTE DISCHARGE REQUIREMENTS	40 - 45
		D. MAINTENANCE OF FACILITIES	45
		E. MANHOLES	45
		F. TESTS AND ANALYSES	46
		G. INDUSTRIAL DISCHARGE SERVICE AGREEMENT	46
		H. PRETREATMENT PROGRAM ENFORCEMENT AND RESPONSE GUIDELINES	46 - 47
		I. PUBLICATION OF NONCOMPLIANCE LIST	48

TABLE OF CONTENTS (Continued)

Rule No.	Section No.	- Title of Page	A.C.C. Sheet No.
	J.	LIABILITY OF USER	48
	K.	INSPECTION AND MONITORING	48
	L.	ACCESS TO INFORMATION CONFIDENTIALITY	48 - 49
		EXHIBIT: Rule 10 Exhibit A	50 - 66

PRELIMINARY STATEMENT

Sun City Sewer District (hereinafter the "Company") of Arizona-American Water Company (hereinafter the "Company") is engaged in the business of supplying sewer service in the county or counties previously mentioned.

These Rules and Regulations are designed to govern the collection and treatment of sewage in such a manner as will secure to each customer the greatest practical latitude in the utilization of service, consistent with good service to himself and other customers, and with safety to all the public and the Company's employees.

These Rules and Regulations are on file with the Arizona Corporation Commission of the State of Arizona, and copies are available at all Company offices. They are a part of every contract for service and govern all classes of service, except where specific-provisions in contracts or schedules modify same. All prior rules, customs or alleged understandings are hereby rescinded. These rules and regulations are available for review by any customer, at any office of the Company.

Rates for sewer service or other services rendered are those on file with the Arizona Corporation Commission and are available at the offices of the District providing sewer service.

RULE NO. 1
DEFINITIONS

For the purpose of these rules and regulations, unless the context otherwise requires, the following definitions shall apply:

1. Advance in aid of Construction: Funds provided to the Company by the applicant under the terms of a collection main extension agreement the value of which may be refundable.
2. Applicant: A person or agency requesting the Company to supply sewer service.
3. Application: A request to the Company for sewer service, as distinguished from an inquiry as to the availabilitv or charges for such service.
4. Arizona Corporation Commission: The regulatory authority of the State of Arizona having jurisdiction over public service corporations operating in Arizona.
5. Billing Month: The period between any two regular billing periods of the Company's service at approximately thirty (30) day intervals.
6. Billing Period: The time interval between two consecutive billings.
7. Collection Main: All sewer pipe owned, operated, or maintained by the Company which is used for the collection and transportation of sewage, except any service line as defined herein.
8. Commission: The Arizona Corporation Commission.
9. Commodity Charge: The unit of cost per billed discharge as set forth in this District's tariffs.
10. Company: Arizona-American Water Company.
11. Contributions in Aid. of Construction: Funds provided to the Company by the applicant under the terms of a collection main extension agreement and/or service connection tariff, the value of which are not refundable.
12. Customer: The person or entity in whose name service is rendered, as evidenced by the signature on the application or contract for that service, or by the receipt and/or payment of bills regularly issued in his name regardless of the identity of the actual user of the service.
13. Customer Charge: The amount the customer must pay the Company for the availability of sewer service, excluding any amount of discharge, as specified in this District's tariffs.
14. District: Sun City Sewer District.
15. Main Extension: The mains and ancillary facilities related to providing service to additional customers via the extension of the collection system.
16. Minimum Charge: The amount the customer must pay for the availability of sewer service, including an amount of discharge, as specified in this District's tariffs.

RULE NO. 1 (continued)
DEFINITIONS

17. Permanent Customer: A customer who is a tenant or owner of a service location who applies for and receives sewer service.

18. Permanent Service: Service which, in the opinion of the Company, is of a permanent and established character. The use of sewer service may be continuous, intermittent, or seasonal in nature.

19. Person: Any individual, partnership, corporation, governmental agency, or other organization operating as a single entity.

20. Point of Collection: The point where pipes owned, leased, or under license by a customer connect to the Company's collection system.

21. Premises: All of the real property and apparatus employed in a single enterprise, or living unit, on an integral parcel of land undivided by public streets, alleys or railways.

22. Residential Subdivision Development: Any tract of land which has been divided into four or more contiguous lots for use for the construction of residential buildings or permanent mobile homes for either single or multiple occupancy.

23. Residential Use: Service to customers discharging sewage for domestic purposes.

24. Rules: The regulations set forth in the tariffs which appiy to the provision of sewer service.

25. Service Area: The territory in which this District has been granted a certificate of convenience and necessity and is authorized by the Commission to provide sewer service.

26. Service Establishment Charge: The charge as specified in this District's Schedule of Rates which covers the cost of establishing a new account.

27. Service Line: A sewer line that transports sewage from a customer's point of collection to a common source (normally a collection main) of collection of the Company.

28. Service Reconnect Charge: A charge, as specified in this District's tariffs, which must be paid by the customer prior to reconnection of sewer service each time the sewer service is disconnected for non-payment or whenever service is discontinued for failure to comply with this District's filed tariffs.

29. Service Reestablishment Charge: A charge as specified in this District's tariffs, for service at the same location where the same customer or a member of the customer's immediate family had ordered a service disconnection within the preceding twelve month period.

30. Sewage: Ground garbage, human or animal excretions and other domestic, commercial, or industrial waste normally disposed of through a sanitary sewer system, but not including storm water, surface water, roof run-off, surface drainage, footing drainage, or unapproved industrial process water or waste.

RULE NO. 1 (continued)
DEFINITIONS

31. Single Family Dwelling: A house, an apartment, or a mobile home permanently affixed to a lot, or any other permanent residential unit which is used as a home.

32. Tariffs: The documents filed with the Commission which list the services and products offered by the sewer company and which set forth the terms and conditions and a schedule of the rates and charges for those services and products.

33. Temporary Service: Service to premises or enterprises which are temporary in character, or where it is known in advance that the service will be of limited duration. Service which, in the opinion of the Company, is for operations of a speculative character is also considered temporary service.

34. Utility: The public service corporation providing sewer service to the public, in compliance with state law.

RULE NO. 2
ESTABLISHMENT OF SERVICE

A. INFORMATION FROM NEW APPLICANTS.

1. The Company may obtain the following minimum information prior to acceptance of an applicant as a customer.

   a. Name or names of applicant(s).

   b. Service address or location and telephone number.

   c. Billing address or location and telephone number, if different than service address.

   d. Address where service was provided previously.

   e. Date applicant will be ready for service.

   f. Indication of whether premises have been supplied with utility service previously.

   g. Purpose for which service is to be used.

   h. Indication of whether applicant is owner or tenant of or agent for the premises, and written proof of agency.

2. The Company may require a new applicant for service to appear at the Company's designated place of business to produce proof of identity and sign the Company's application form.

3. Where service is requested by two or more individuals the Company shall have the right to collect the full amount owed to the Company from any one of the applicants.

B. DEPOSITS.

1. The Company may require a deposit from any new applicant for service.

2. The Company shall issue a nonnegotiable receipt to the applicant for the deposit. The inability of the customer to produce such a receipt shall in no way impair his right to receive a refund of the deposit which is reflected on the Company's records.

3. Interest on deposits shall be calculated annually at an interest rate filed by the Company and approved by the Commission in a tariff proceeding. In the absence of such, the interest rate shall be six percent (6%).

4. Interest shall be computed and accrued to the customer's account on an annual basis.

5. Residential deposits plus accrued interest shall be refunded within thirty (30) days after discontinuance of service when the customer has paid all outstanding amounts due the Company.

RULE NO. 2 (continued)
ESTABLISHMENT OF SERVICE

6. A separate deposit may be required for each service installed.

7. The amount of a deposit required by the Company shall be determined according to the following terms:

   a. Residential customer deposits shall not exceed two times the average residential class bill as evidenced by this District's most recent annual report filed with the Commission.

   b. Nonresidential customer deposits shall not exceed two and onehalf times that customer's estimated maximum monthly bill.

   c. The Company may review the customer's discharge after service has been established and adjust the deposit amount based upon the customer's actual discharge.

8. Deposits will automatically be refunded by the Company after twelve (12) consecutive months during which time the customer has not been delinquent in the payment of utility bills more than two (2) times in a twelve (12) month period, or at the discretion of the Company at any time before service is discontinued. Upon final discontinuance of the use of the service and full settlement of all bills by the customer, any deposit, not previously refunded, with accrued interest, if any, in accordance with the provisions of this policy will be returned to the customer or at the Company's election, it may be applied to the payment of any unpaid accounts of the customer and the balance, if any, returned to the customer.

9. The Company may require a customer to establish or reestablish a deposit if the customer becomes delinquent in the payment of two (2) or more bills within a twelve (12) consecutive month period or has been disconnected for nonpayment during the last twelve (12) months.

10. Deposits shall not prevent the Company from terminating the agreement for service with a customer or suspending service for any failure in the performance of customer obligations under the agreement for service or any violation of this District's Rules and Regulations.

11. Upon discontinuance of service, the deposit may be applied by the Company toward settlement of the customer's bill.

C. GROUNDS FOR REFUSAL OF SERVICE

1. The Company may refuse to establish service if any of the following conditions exist:

   a. The applicant has an outstanding amount due for the same class of utility service with the Company, and the applicant is unwilling to make arrangements with the Company for payment.

   b. A condition exists or could occur which in the Company's judgment is unsafe or hazardous to the applicant, the general population, or the Company's personnel or facilities.

RULE NO. 2 (continued)
ESTABLISHMENT OF SERVICE

c. Refusal by the applicant to provide the Company with a deposit.

d. Customer is known to be in violation of this District's tariffs filed with the Commission or of the Commission's Rules and Regulations.

e. Failure of-the customer to furnish such funds, service, equipment, and/or rights-of-way necessary to serve the customer and which have been specified by the Company as a condition for providing service.

f. Applicant falsifies his or her identity for the purpose of obtaining service.

D. SERVICE ESTABLISHMENTS, REESTABLISHMENTS, OR RECONNECTION CHARGE

1. The Company may make a charge as periodically filed with the Commission for establishment, reestablishment, reconnection or disconnection of utility services.

2. Should service be established or disconnected during a period other than regular working hours at the customer's request or cause, the customer may be required to pay an after hours charge. Where the Company's scheduling will not permit the requested service on the same day requested, the customer can elect to pay the after hours charge for the service that day.

3. For the purpose of this rule, service establishments are where the customer's facilities are ready and acceptable to the Company and do not require construction on the part of the Company.

E. TEMPORARY SERVICE

1. Applicants for temporary service may be required to pay the Company, in advance of service establishment, the estimated cost of installing and removing the facilities necessary for furnishing sewer service.

2. Where the duration of service is to be less than one month, the applicant may also be required to advance a sum of money equal to the estimated bill for service.

3. Where the duration of service is to exceed one month, the applicant may also be required to meet the deposit requirements of the Company.

4. If at any time during the term of the agreement for service the character of a temporary customer's operations changes so that in the opinion of the Company the customer is classified as permanent, the terms of the Company's main extension rules shall apply.

RULE NO. 2 (continued)
ESTABLISHMENT OF SERVICE

F. DOUBTFUL PERMANENCY

When in the Company's opinion, the permanent nature of the customer's requirement for sewer service is doubtful, the customer shall be required to enter into an agreement with the Company and shall advance the entire cost of construction, including the mains and associated equipment. The agreement shall include provisions for refund upon proof of permanency to the satisfaction of the Company.

G. SERVICE LOCATION, INFORMATION

1. The Company reserves the right to determine the conditions under which extension will be made. Conditions for service and extending service to the customer will be based upon the following:

   a. All such installations shall be in accordance with the Company's specifications and located at an outdoor location accessible to the Company.

   b. Individual customers may be required to have their property corner pins and/or markers installed.

H. IDENTIFICATION OF PREMISES

The premises to be served by the Company shall be clearly identified by the customer at the time of application. If the service address is not recognized in terms of a commonly used identification system, the customer may be required to provide specific written directions and/or legal descriptions before the Company shall be required to act upon a request for sewer service.

I. SERVICE CALLS OR ESTABLISHMENTS DURING REGULAR HOURS

A service charge shall be made to the customer based upon the time, materials and equipment used by the Company for the following:

1. Interruption caused by the customer's willful act or omission, negligence or failure of customer owned equipment, even though the Company is unable to perform any work beyond the point of delivery.

2. Reconnection of sewer service to any customer previously disconnected for nonpayment, unlawful use of service, misrepresentation to the Company, unsafe conditions, threats to Company personnel or property, failure to permit safe access, detrimental effects of customer demands on the Company system, failure to establish credit and/or sign an agreement for service, or any other reason authorizing the Company to make such disconnection.

J. SERVICE CALLS OR ESTABLISHMENTS AFTER REGULAR HOURS

A service charge, not to exceed the actual cost of the employee's time and the materials and equipment used by the Company, will be imposed for a service call after regular hours for the following:

RULE NO. 2 (continued)
ESTABLISHMENT OF SERVICE

1. Interruptions caused by the customer's willful act or omission, negligence or failure of customer owned equipment, even though the Company is unable to perform any work beyond the point of delivery. The Company shall make reasonable effort to advise the customer about the possibility of such charges before the service call starts.

2. Reconnection of sewer service to any customer previously disconnected for nonpayment, unlawful use of service, misrepresentation to the Company, unsafe conditions, threats to Company personnel or property, failure to permit safe access, detrimental effects of customer demands on the Company system, failure to establish credit and/or sign an agreement for service or any other reason authorizing the Company to make such disconnection. Such work will be performed only when requested and agreed to by the customer.

RULE NO. 3
MINIMUM CUSTOMER INFORMATION REQUIREMENTS

A. INFORMATION FOR RESIDENTIAL CUSTOMERS

1. The Company shall make available upon customer request not later than sixty (60) days from the date of request a concise summary of the rate schedule applied for by such customer. The summary shall include the following:

    a. Monthly minimum or customer charge, identifying the amount of the charge and the specific amount of minimum discharge included in the minimum charge, where applicable.

    b. Rate calculation, including where applicable, computations based upon seasonal or annual water usages.

    c. Any adjustment factor(s) or tax impositions, and methods of calculation.

2. The Company shall, to the extent practical, identify the tariff most advantageous to the customer and notify the customer of such prior to service commencement.

3. In addition, the Company shall make available upon customer request not later than sixty (60) days from the date of request a copy of this District's Rules and Regulations concerning:

    a. Deposits
    b. Termination of service
    c. Billing and collection
    d. Complaint handling

4. The Company shall inform all new customers of their right to obtain the information specified above.

B. INFORMATION REQUIRED DUE TO CHANGES IN TARIFFS

1. The Company shall transmit to affected customers by the most economic means available a concise summary of any change in this District's tariffs affecting those customers.

2. This information shall be transmitted to the affected customer within sixty (60) days of the effective date of the change.

RULE NO. 4
SERVICE CONNECTIONS AND REESTABLISHMENT

A. PRIORITY AND TIMING OF.SERVICE ESTABLISHMENTS

1. After an applicant has complied with this District's application and deposit requirements and has been accepted for service by the Company, the Company shall schedule that customer for service connection and/or establishment.

2. Service establishments shall be scheduled within five (5) working days of the date the customer has been accepted for service, except in those instances when the customer requests service establishments beyond the five (5) working day limitation.

3. When the Company has made such arrangements to meet with a customer for service establishment purposes and the Company or the customer cannot make the appointment during the prearranged time, the Company shall reschedule the service establishment to the satisfaction of both parties.

4. The Company shall schedule service establishment appointments within a maximum range of four (4) hours during normal working hours, unless another time frame is mutually acceptable to the Company and the customer.

5. Service establishments shall be made only by qualified Company service personnel or persons authorized by the Company.

6. For the purposes of this rule, establishment of service takes place only when the customer's facilities are ready and acceptable to the Company.

B. SERVICE LINES

1. An applicant for service shall be responsible for the cost of installing all plumbing up to the applicant's property line. In addition, the applicant is responsible for the proper grade or leveling of the service line so that it conforms with the collection system of the Company.

2. An applicant for service shall pay to the Company as a refundable advance in aid of construction a sum for each service line.

3. Except where the refundable advances in aid of construction for service lines have been included in refundable advances in aid of construction for main extensions and thus are refundable pursuant to main extension contracts approved by the Commission, each advance in aid of construction for a service line shall be repaid by the Company by an annual credit of one-tenth of the amount received said credit to be applied upon the sewer bill rendered in November of each year until fully paid, for each service line for which the advance was made, and said credit to commence in the month of November for all such advances received during the preceding calendar year.

RULE NO. 4 (continued)
SERVICE CONNECTIONS AND REESTABLISH

4. Where the service line location on a customer's premises is changed at the request of the customer or due to alterations on the customer's premises, the customer shall provide and have installed at his expense in accordance with Company specifications, all piping necessary for relocating the service line and the Company may charge the actual cost of moving the service line.

5. The customer's piping must be installed in such a manner as to prevent cross-connection or backflow to the domestic water system.

6. The customer shall design and install all plumbing in accord with existing plumbing codes.

7. The Company shall retain the right to specify the location and size of any service connection.

C. CUSTOMER PROVIDED EQUIPMENT, SAFETY AND OPERATION

1. Each customer shall be responsible for maintaining all equipment and facilities used for Company services located on his side of the point of collection in safe operating condition.

D. EASEMENTS AND RIGHTS-OF-WAY

1. Each customer shall grant easements and rights-of-way satisfactory to the Company to ensure that customer's proper service connection. Failure on the part of the customer to grant adequate easements and rights-of-way shall be grounds for the Company to refuse service.

2. When the Company discovers that a customer or his agent is performing work or has contracted facilities adjacent to or within an easement or right-of-way and such work, construction or facility poses a hazard or is in violation of federal, state or local laws, ordinances, statutes, rules or regulations, or significantly interferes with the Company's access to equipment, the Company shall notify the customer or his agent and shall take whatever actions are necessary to eliminate the hazard, obstruction or violation at the customer's expense.

3. If it is necessary for the Company to excavate in an easement or right-of-way to extend or repair sewer facilities, the Company will not be responsible for the cost to replace or repair landscaping, fences, trees, shrubs, structures, etc. placed within the easement or right-of-way.

4. The Company shall at all times have the right of safe ingress and egress from the customer's premises at all reasonable hours for any purpose reasonably connected with the Company's property used in furnishing service.

RULE NO. 5
COLLECTION MAIN EXTENSION AGREEMENTS

A. EXTENSIONS OF MAINS AND SERVICES; ADVANCES IN AID OF CONSTRUCTION

1. The Company will supply services for temporary purposes, provided that the Company has capacity available in excess of the Company's regular needs and provided the Company has available material and equipment necessary to supply said service. Each applicant for such service must pay in advance, to the Company, the Company's estimate of the cost of labor and materials, less salvage value on removal, for installing and removing such service.

2. An applicant for the extension of mains or services shall be required to pay the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all main, service pipe lines, fittings, other costs and reasonable overheads.

   a. Upon request by a potential applicant for a collection main extension, the Company shall prepare, without charge, a preliminary sketch and rough estimates of the cost of installation to be paid by said applicant.

   b. Any applicant for a collection main extension requesting the Company to prepare detailed plans, specifications, or cost estimates may be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company shall, upon request, make available within forty-five (45) days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed collection main extension. Where the applicant accepts the plans and the Company proceeds with construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.

   c. In the event that additional facilities are required to provide or sustain service for the new service or services requested, or for existing customers, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future customers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.

RULE NO. 5 (continued)
COLLECTION MAIN EXTENSION AGREEMENTS

3. Refunds of advances shall be made in accordance with the following method: the Company shall each year pay to the party making an advance under a main extension agreement, or that party's assigns or other successors in interest where the Company has received notice and evidence of such assignment or succession, an amount equal to ten per centum (10%) of the total gross annual revenue, less any gross receipts or sales taxes and amounts payable to any municipalities or others for treatment and/or transmission of sewage, from each bonafide customer whose service is connected directly to main or extension lines covered by the main extension agreement. Refunds shall not be made for any period after the expiration of ten (10) years from the date of the advance. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from sewage revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period shall become non-refundable, and the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company.

4. The aggregate refunds shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the Company on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines leading up to or taking off from the particular main or line extension covered by the agreement.

5. The Company may, upon approval by the Commission, terminate its obligation to refund a percentage of gross revenues from a line extension by accord and satisfaction of its obligations under the line extension agreement.

6. All agreements entered into shall be evidenced by a written agreement, signed by the Company and the parties advancing the funds for advances in aid, or the duly authorized agents of each.

7. The size, design, type and quality of materials and of the system, installed location in the ground, and the manner of installation, shall be specified by the Company, and shall comply with the requirements of the Commission or other public agencies having authority therein. The Company may install line extensions of any size meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the sewer system.

8. All facilities installed shall be the sole property of the Company, and parties making advances in aid of construction shall have no right, title or interest in any such facilities.

9. The Company, upon written request, shall furnish to any party seeking to enter into a line extension agreement a schedule of the proposed reasonable contract price for such extension of mains or other facilities. Such schedule shall show a breakdown of the contract prices of materials and costs of installation. Different sizes and types of pipes shall be separately stated. Other facilities shall be separately stated or listed as a percentage of total cost. All installations shall be made without provision for profit to the Company but shall include reasonable overheads.

RULE NO. 5 (continued)
COLLECTION MAIN EXTENSION AGREEMENTS

10. The Company shall schedule within reason all new requests for line extension agreements, and for service under line extension agreements, promptly and in the order received.

11. If an applicant for service seeking to enter into a line extension agreement deems the contract price or the time of performance to be unreasonable, he may solicit bids from bonded contractors, provided that all bids shall be submitted by the bid date stipulated by the Company. If a lower bid is thus obtained, or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates total conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid.

12. In the case of disagreement or dispute regarding the application of this rule or any of its several provisions, or where the application of this rule works an injustice or undue hardship upon any party or anticipated party to any agreement hereunder, the party aggrieved may refer the matter to the Commission for hearing and decision in accordance with the Rules of Practice and Procedure of the Commission.

13. No extensions of facilities shall be made by the Company, or installations made by any applicant, without first having received approval of plans and specifications of such extensions or installations from the Arizona Department of Environmental Quality or its successor or delegate. A copy of such written approval shall then be filed with the Utilities Division of the Arizona Corporation Commission.

B. WRITTEN AGREEMENT REQUIREMENTS

1. Each collection main extension agreement shall, at a minimum, include the following information:

    a. Name and address of applicant(s).
    b. Proposed service address or location.
    c. Description of requested service.
    d. Description and sketch of the requested main extension.
    e. Itemized cost estimate to include materials, labor, and other costs as necessary.
    f. Payment terms.
    g. A clear and concise explanation of any refunding provisions, if applicable.
    h. Company's estimated start date and completion date for construction of the collection main extension.

2. Each applicant shall be provided with a copy of the written collection main extension agreement.

RULE NO. 5 (continued)
COLLECTION MAIN EXTENSION AGREEMENTS

C. FINAL COST

1. In the event the Company's actual completed cost is less than the amount advanced by the customer, the Company shall make a refund to the applicant within 90 days after completion of the construction or Company's receipt of invoices related to that construction.

2. In the event the Company's actual completed cost is more than the amount advanced by the customer the Company shall notify the applicant and the applicant shall remit additional funds within thirty (30) days of notification of the actual completed cost. Should the applicant fail to remit additional funds, service may be discontinued to the extension until the actual completed cost is paid in full.

D. CONSTRUCTION/FACILITIES RELATED INCOME TAXES

1. Definitions

   a. "Company" or "utility" refers to the entity authorized to provide public utility service in the geographic area involved.

   b. "Rate Basing" - Company pays federal income tax (FIT) and state income tax (SIT), if any, due on the receipt of an Advance in Aid of Construction (AIAC) or a Contribution in Aid of Construction (CIAC) in accordance with the Tax Reform Act of 1986 (TRA-86). Tax paid is included in the Deferred Income Tax Account and used in the calculation of rate base. This amount is reduced by the effect of tax depreciation received for AIAC/CIAC plant and tax deductions resulting from refunds of AIAC.

   c. "Full Gross Up" - Utility requires the contributor/advancer to pay entire FIT/SIT plus a gross-up to reflect the tax on tax resulting from treating all AIAC/CIAC payments as taxable income.

2. For construction or proposed construction which, in the judgment of the Company, will be utilized by ultimate customers of the Company in ' the near future, the Company shall account for the advances and/or contributions required by this Rule by "Rate Basing" them as defined in Paragraph D.I.b. No additional tax related amount shall be required with the AIAC or CIAC.

3. For construction or proposed construction costs collected pursuant to tariff provisions, Commission Rule and Regulation, or Order, and which are subject to Paragraph D.4, the Company shall require the contributor/advancer to provide funds necessary for Company to pay the state and federal income tax obligations associated with the subject construction or proposed construction.

RULE NO. 5 (continued)
COLLECTION MAIN EXTENSION AGREEMENTS

4. In the event the Company determines that the required construction, proposed construction or development fall within certain criteria, some of which are set forth below, Company may petition the Commission to authorize it to collect from the contributor/advancer funds sufficient to pay the "Full Gross Up" of state and federal income taxes as defined in Paragraph D.I.c. Without intending to limit, examples of events which shall cause Company to require contributor/advancer to advance the taxes as contemplated herein are as follows:

    a. The development or build-out of the project is remote or speculative; or

    b. The size of the development, as compared to the size of this District's customer base, represents undue risk for the Company; or

    c. The size of the advance/contribution or its related cost is extraordinarily large relative to this District's rate base or revenues; or

    d. The public interest is better served by treating the advance/contribution as other than the "Rate Basing" methodology.

    The Company must present sufficient evidence that its request to require "Full Gross Up" of taxes under this paragraph is in the public interest. The Commission may deny, alter, or amend the Company's petition for authorization to require "Full Gross Up".

5. In the event contributor/advancer is required by other tariff, agreement, rule, or order to advance Facilities for the subject development, those AIAC/CIACs shall be subject to the provisions of this Section D.

6. If, in the judgment of the Company based upon the specific development, tax or regulatory considerations, it is deemed inappropriate to utilize either the "Rate Basing" methodology, or the "Full Gross Up" methodology, the Company shall obtain specific Commission approval authorizing alternative treatment.

7. Paragraphs 1-7 of this Section of the Extension Rule shall apply to all refundable AIAC and CIAC agreements entered into on or after September 1, 1988; as well as to all prior AIAC and CIAC agreements which are performed in any manner after September 1, 1988.

RULE NO. 6
PROVISION OF SERVICE

A. COMPANY RESPONSIBILITY

1. The Company shall be responsible for the safe conduct and handling of the sewage from the customer's point of collection. The "customer's point of collection" is defined as the tap or connection of the service line to the sewer main.

2. The Company may, at its option, refuse service until the customer has obtained all required permits and/or inspections indicating that the customer's facilities comply with local construction and safety standards.

3. The Company will repair all leaks and remove all stoppages in the main. The property owner is responsible for all leaks and stoppages in the service line and same shall be repaired by him, and if such are not repaired within a reasonable time, the owner will be in violation of these rules and regulations and subject to the penalties thereby imposed, including discontinuance of service. For the case when a portion of the service line is outside the boundary of a parcel of private property, the property owner shall be responsible for all stoppages and the Company shall be responsible for any structural defects or failures (including penetration of tree roots) for that portion of the service line outside private property. In all cases when a problem arises with the service line within the boundaries of the private property; the property owner is solely responsible.

B. CUSTOMER RESPONSIBILITY

a. Each customer shall be responsible for maintaining all facilities on the customers premises in safe operating condition and in accordance with the rules of the Arizona Department of Environmental Quality, any local Department of Health and the prescribed specifications of the Company.

b. Each customer shall be responsible for safeguarding all Company property installed in or on the customer's premises for the purpose of supplying sewer service to that customer.

c. Each customer shall exercise all reasonable care to prevent loss or damage to Company property, excluding ordinary wear and tear. The customer shall be responsible for loss of or damage to Company property on the customer's premises arising from neglect, carelessness, or misuse and shall reimburse the Company for the cost of necessary repairs and replacements.

d. The customer shall be responsible for notifying the Company of any failure identified in the Company's equipment.

e. The customer agrees, when accepting service, that no one except Company employees or persons authorized by the Company shall be allowed to remove or replace any Company owned equipment installed on customer property.

f. No person, except an employee or person acting on behalf of the Company shall alter, remove or make any connection to the Company's facilities.

RULE NO. 6 (continued)
PROVISION OF SERVICE

g. The customer will be held liable for any loss or damage occasioned or caused by the customer's negligence, want of proper care or wrongful act or omission on the part of any customer agents, employees, licensees, or contractors.

C. WATERS AND WASTES PROHIBITED TO BE DISCHARGED

1. All customer classifications shall be required to comply with the prohibitions of discharge of certain waters and wastes to the sewer system as contained herein as RULE NO. 6. Non-compliance with these discharge prohibitions shall mean that the customer is in violation of these rules and regulations and subject to the penalties thereby imposed, including discontinuance of service.

2. Certain commercial and industrial customers may be subject to more extensive rules and regulations on the types, quantities and characteristics of waters and wastes to be discharged to the sewer system. These rules are contained in Rule No. 10 - "USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS." Significant Industrial Users, users subject to Federal Categorical Pre-Treatment Standards and other users which the Company deems to be regulated by more extensive discharge regulations shall enter into a special "Industrial Discharge Service Agreement" as detailed in Rule No. 10 and shall comply with all the conditions, rules and regulations contained in Rule No. 10.

3. Neither the customer, applicant, owner, nor any occupant of the premises shall discharge or cause to be discharged into the service line or into the main any of the following described waters or wastes:

   a. any storm water, surface water, roof run-off, surface drainage, footing or basement drainage, cooling water or unapproved industrial process water,

   b. any liquid or vapor having a temperature higher than 150 degrees F,

   c. any water or waste which may contain more than one hundred (100) parts per million by weight of fat, oil or grease;

   d. any gasoline, naphtha, fuel oil or other flammable or explosive liquid, solid or gas;

   e. any garbage that has not been properly shredded through a disposal unit or other shredding device;

   f. any ashes, cinders, sand, mud, straw, shavings, metal, glass, tar, wood or any other solid or viscous substance capable of causing obstruction to the sewers, mains or outlets or the proper operation of said sewer system;

   g. any water or waste having a toxic or poisonous substance in sufficient quantity so as to constitute a hazard to humans or animals;

   h. any noxious or malodorous gas or substance capable of creating a public nuisance;

RULE NO. 6 (continued)
PROVISION OF SERVICE

i. any water or waste containing more than five hundred (500) parts per million by weight of suspended solids as measured in any one grab type sample. The term "suspended solids" as used in this subparagraph shall mean solids that either float on the surface of, or are in suspension in, water, sewage or other liquids and which are removable by laboratory filtering;

j. any water or waste having a "pH" less than 5.0 units or greater than 10.5 units or having any other corrosive property capable of causing damage or hazard to personnel or structures, pipes and equipment of the sewer system. The term "pH" as used in this subparagraph shall mean the logarithm of the reciprocal of the concentration, by weight, of hydrogen ions expressed in grams per liter of solution;

k. any water or waste with pollutant concentrations in excess of the following instantaneous maximum effluent limitations as measured in any one grab type sample (expressed in the total form unless otherwise stated; μG/L = Micrograms per Liter, mg/l - Milligrams per Liter)

PARAMETER	EFFLUENT LIMITATION (INSTANTANEOUS MAXIMUM)
Benzene	130 μG/L
Chloroform	420 μG/L
Cyanide (amenable to chlorination)	200 μG/L
Methylene Chloride	4,200 μG/L
Sulfides (dissolved)	0.5 MG/L
Tetrachloroethylene	530 μG/L
Trichloroethylene	700 μG/L

l. Any of the following prohibited substances:
(a) BH
(b) BHC - Alpha
(c) BHC - Beta
(d) BHC - Gamma (Lindane)
(e) Chrysene
(f) Heptachlor
(g) Heptachlor Epoxide
(h) Phenanthrene
(i) Polychlorinated Biphenyl Compounds

D. CONTINUITY OF SERVICE

1. The Company shall make reasonable efforts to supply a satisfactory and continuous level of service. However, the Company shall not be responsible for any damage or claim of damage attributable to any interruption or discontinuance of service resulting from:

RULE NO. 6 (continued)
PROVISION OF SERVICE

a. Any cause against which the Company could not have reasonably foreseen or made provisions for, i.e., force majeure;

b. Intentional service interruptions to make repairs or perform maintenance;

c. Curtailment.

E. SERVICE INTERRUPTIONS

1. The Company shall make reasonable efforts to reestablish service within the shortest possible time when service interruptions occur.

2. The Company shall make reasonable provisions to address emergencies resulting from failure of service, and shall issue instructions to its employees covering procedures to be followed in the event of emergency in order to prevent or mitigate interruption or impairment of service.

3. In the event of a national emergency or local disaster resulting in disruption of normal service the Company may, in the public interest, interrupt service to other customers to provide necessary service to civil defense or other emergency service agencies on a temporary basis until normal service to these agencies can be restored.

4. When the Company plans to interrupt service for more than four (4) hours to perform necessary repairs or maintenance, the Company shall attempt to inform affected customers, at least 24 hours in advance, of the scheduled date and estimated duration of the service interruption. Such repairs shall be completed in the shortest time to minimize the inconvenience to the customers of the Company.

5. The Commission shall be notified of interruptions in service affecting the entire system or any major division thereof. The interruption of service and cause shall be reported within four (4) hours after the responsible representative of the Company becomes aware of said interruption, by telephone to the Commission, and followed by a written report to the Commission.

F. CONSTRUCTION STANDARDS

1. The design, construction and operation of all sewer plants and collection systems shall conform to the requirements of the Arizona Department of Environmental Quality, any local Department of Health authority or any successor agencies, any other governmental agency having jurisdiction thereof, and the Company. Phase construction is acceptable.

RULE NO. 6 (continued)
PROVISION OF SERVICE

2. The Company shall retain the right to specify the type, size and features of the constructed facilities in order to insure high standards of service and to facilitate efficiencies in operation. The Company shall have authority to specify unique manufacturers, models or features (including sole source supplies) to insure system standardization and operational efficiency. Life cycle cost analyses, including capital versus operational costs, shall be used in the process of determining the type, size and features of facilities to be constructed.

G. ELECTION OF RATE SCHEDULES

The Company shall use its best efforts to select the most favorable rate for which the customer is eligible based on available data at the time of application for service. The Company shall use its best efforts for notifying the customer of the most favorable rate schedule if the class has changed after initial application, and shall not be required to refund the difference in charge under different rate schedules. Upon written application of any material changes in the customer installation, the Company will assist in determining if a change in rate schedule is desirable.

RULE NO. 7
BILLING AND COLLECTION

A. FREQUENCY

The Company shall bill monthly for services rendered, unless otherwise approved by the Commission.

B. MINIMUM BILLING REQUIREMENTS

1. Each bill for residential service will contain the following minimum informaiton:

   a. Billing period
   b. Billed discharge, where applicable
   c. Company telephone number
   d. Customer's name
   e. Service account number
   f. Amount due and terms of payment
   g. Past due amount, where appropriate
   h. Adjustment factor, where applicable
   i. Privilage, sales or use tax, or any regulatory assessment applicable
   j. Other approved tariff charges

C. BILLING TERMS

1. All bills for Company services are due and payable when rendered. All bills not paid within fifteen (15) days shall be considered delinquent.
2. For purposes of this rule, the date a bill is rendered may be evidenced by:

   a. The postmark date

   b. The mailing date

3. All delinquent bills shall be subject to the provisions of this District's termination procedures.
4. All payments shall be made at a Company office or mailed to the address shown on the bill.

D. APPLICABLE TARIFFS, PREPAYMENT, FAILURE TO RECEIVE, COMMENCEMENT DATE, TAXES

1. Each customer shall be billed under the applicable tariff indicated in the customer's application for service.
2. The Company shall make provisions for advance payment for sewer services.
3. Failure to receive bills or notices which have been properly placed in the United States mail shall not prevent such bills from becoming delinquent nor relieve the customer of his obligations therein.

RULE NO. 7 (continued)
BILLING AND COLLECTION

4. Charges for service commence when the service is installed and connection made, whether used or not.

5. In addition to the collection of regular rates, the Company may collect from its customers a proportionate share of any privilege, sales or use tax, or other imposts based on the gross revenues received by the Company.

E. INSUFFICIENT FUNDS (NSF) CHECKS

1. The Company shall be allowed to recover a fee, as approved by the Commission, for each instance where a customer tenders payment for Company service with an insufficient funds check and require a security deposit equal to that prescribed in Section B, provision 7 of Rule No. 2.

2. When the Company is notified by the customer's bank that there are insufficient funds to cover the check tendered for utility service the Company may require the customer to make payment in cash, money order, certified check or other means which guarantee the customer's payment to the Company.

3. A customer who tenders an insufficient funds check shall in no way be relieved of the obligation to render payment to the Company under the original terms of the bill nor defer the Company's provision for termination of service for nonpayment of bills.

4. No personal checks will be accepted if two (2) NSF checks have been received the Company within a twelve-month period in payment of any billing.

F. DEFERRED PAYMENT PLAN

1. The Company may, prior to termination, offer to qualifying residential customers a deferred payment plan for the customer to retire unpaid bills for service.

2. Each deferred payment agreement, entered into in writing by the customer and the Company, due to the customer's inability to pay an outstanding bill in full shall provide that service will not be discontinued if:

   a. Customer agrees to pay a reasonable amount of the outstanding bill at the time the parties enter into the deferred payment plan.

   b. Customer agrees to pay all future bills for service in accordance with the billing and collection tariffs of this District.

   c. Customer agrees to pay a reasonable portion of the remaining outstanding balance in installments over a period not to exceed six (6) months.

3. For the purpose of determining a reasonable installment payment schedule under these rules, the Company and the customer shall give consideration to the following conditions:

RULE NO. 7 (continued)
BILLING AND COLLECTION

a. Size of the delinquent account.

b. Customer's ability to pay.

c. Customer's payment history.

d. Length of time that the debt has been outstanding.

e. Circumstances which resulted in the debt being outstanding.

f. Any other relevant factors related to the circumstances of the customer.

4. Any customer who desires to enter into a deferred payment agreement shall establish such agreement prior to the Company's scheduled termination date for nonpayment of bills. A customer's failure to execute a deferred payment agreement prior to the scheduled termination date shall not prevent the Company from terminating service for nonpayment.

5. Deferred payment agreements shall be in writing and signed by the customer and an authorized Company representative.

6. A deferred payment agreement may include a finance charge as approved by the Commission in a tariff proceeding.

7. If a customer has not fulfilled the terms of a deferred payment agreement, the Company shall have the right to disconnect service pursuant to this District's termination of service rules and, under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to termination.

G. LATE PAYMENT PENALTY

1. The Company may include in its tariffs a late payment penalty which may be applied to delinquent bills.

2. The amount of the late payment penalty shall be indicated upon the customer's bill when rendered by the Company.

3. In the absence of an approved tariff, the amount of the late payment penalty shall not exceed 1½% per month of the delinquent bill, applied on a monthly basis.

H. CHANGE OF OCCUPANCY

1. Not less than three (3) working days advance notice must be given in person, in writing, or by telephone at the Company office to discontinue service or to change occupancy.

2. The outgoing party shall be responsible for all utility services provided and/or consumed up to and including the scheduled turn off date.

RULE NO. 8
TERMINATION OF SERVICE

A. NONPERMISSIBLE REASONS TO DISCONNECT SERVICE

1. The Company may not disconnect service for any of the reasons stated below:

   a. Delinquency in payment for service rendered to a prior customer at the premises where service is being provided, except in the instance where the prior customer continues to reside on the premises.

   b. Failure of the customer to pay for service or equipment which are not regulated by the Commission.

   c. Nonpayment of a bill related to another class of sewer service.

   d. Failure to pay for a bill to correct a previous underbilling due to a billing error if the customer and Company agree in writing to payment terms over a reasonable period of time.

   e. Disputed bills where the customer has complied with the Commission's rules and regulations.

B. TERMINATION OF SERVICE WITHOUT NOTICE

1. Utility service may be disconnected without advance written notice under the following conditions:

   a. The existence of an obvious hazard to the safety or health of the consumer, the general population, Company personnel, or property.

   b. The Company has evidence of fraud.

   c. Unauthorized use of utility services.

2. The Company shall not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the Company.

3. The Company shall maintain a record of all terminations of service without notice. This record shall be maintained for a minimum of one (1) year and shall be available for inspection by the Commission.

C. TERMINATION OF SERVICE WITH NOTICE

1. The Company may disconnect service to any customer for any reason stated below provided the Company has met the notice requirements established by the Commission:

   a. Customer violation of any of this District's tariffs filed with the Commission and/or of violation of the Commission rules and regulations.

   b. Failure of the customer to pay a delinquent bill for utility service.

RULE NO. 8 (continued)
TERMINATION OF SERVICE

c. Failure to meet or maintain the Company's credit and deposit requirements.

d. Failure of the customer to provide the Company reasonable access to its equipment and property.

e. Customer breach of a written contract for service between the Company and customer.

f. When necessary for the Company to comply with an order of any governmental agency having such jurisdiction.

g. The Company may terminate water service to effect sewer service termination when it provides both services to the same customer upon the same premises.

2. The Company shall maintain a record of all terminations of service with notice. This record shall be maintained for one (1) year and be available for Commission inspection.

D. TERMINATION NOTICE REQUIREMENTS

1. The Company shall not terminate service to any of its customers without providing advance written notice to the customer of the Company's intent to disconnect service, except under those conditions specified where advance written notice is not required.

2. Such advance written notice shall contain, at a minimum, the following information:

a. The name of the person whose service is to be terminated and the address where service is being rendered.

b. The Commission rule or regulation that was violated and explanation thereof or the amount of the bill which the customer has failed to pay in accordance with the payment policy of this District, if applicable.

c. The date on or after which service may be terminated.

d. A statement advising the customer that the Company's stated reason for the termination of service may be disputed by contacting the Company at a specific address or phone number, advising the Company of the dispute and making arrangements to discuss the cause for termination with a responsible employee of the Company in advance of the scheduled date of termination. The responsible employee shall be empowered to resolve the dispute and the Company shall retain the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is just and advising the customer of his right to file a complaint with the Commission.

RULE NO. 8 (continued)
TERMINATION OF SERVICE

E. TIMING OF TERMINATIONS WITH NOTICE

1. The Company shall be required to give at least ten (10) days advance written notice prior to the termination date.
2. Such notice shall be considered to be given to the customer when a copy thereof is left with the customer or posted first class in the United States mail, addressed to the customer's last known address.
3. If after the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the Company for the payment thereof or in the case of a violation of this District's rules and the customer has not satisfied the Company that such violation has ceased, the Company may then terminate service on or after the day specified in the notice without giving further notice.
4. Service may only be disconnected in conjunction with a personal visit to the premises by an authorized representative of the Company.
5. The Company shall have the right (but not the obligation) to remove any or all of its property installed on the customer's premises upon the termination of service.

F. LANDLORD/TENANT RULE

1. In situations where service is rendered at an address different from the mailing address of the bill or where the Company knows that a landlord/tenant relationship exists and that the landlord is the customer of the Company, and where the landlord as customer would otherwise be subject to disconnection of service, the Company may not disconnect service until the following actions have been taken:

    a. Where it is feasible to so provide service, the Company, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in his or her own name. If the occupant then declines to so subscribe, the Company may disconnect service pursuant to the rules.

    b. The Company shall not attempt to recover from a tenant or condition service to tenant upon the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

RULE NO. 9
ADMINISTRATIVE AND HEARING REQUIREMENTS

A. CUSTOMER SERVICE COMPLAINTS

1. The Company shall make a full and prompt investigation of all service complaints made by its customers, either directly or through the Commission.

2. The Company shall respond to the complainant and/or the Commission representative within five (5) working days as to the status of the Company investigation of the complaint.

3. The Company shall notify the complainant and/or the Commission representative of the final disposition of each complaint. Upon request of the complainant or the Commission representative, the Company shall report the findings of its investigation in writing.

4. The Company shall inform the customer of his right of appeal to the Commission should the results of the Company's investigation prove unsatisfactory to the customer.

5. The Company shall keep a record of all written service complaints received which shall contain, at a minimum, the following data:

   a. Name and address of complainant

   b. Date and nature of the complaint

   c. Disposition of the complaint

   d. A copy of any correspondence between the Company, the customer, and/or the Commission.

   This record shall be maintained for a minimum period of one (1) year and shall be available for inspection by the Commission.

RULE NO. 10
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

A. PURPOSE AND POLICY

This Rule sets forth uniform requirements for industrial discharges into the sanitary sewer system, and also establishes a separate industrial discharge service agreement requirement for industrial users. Implementation of an industrial user pretreatment program is consistent with the Federal Water Pollution Control Act as amended by the Clean Water Act of 1977 (Public Law 95-217) and the general pretreatment regulations contained in Title 40 of the Code of Federal Regulations, Part 403. This program is implemented by Sun City and Sun City West Sewer Districts in order to promote consistent application of pretreatment requirements among their customers, and pursuant to Sun City Sewer District's agreements with the publicly owned treatment works that receive and treat wastewater collected by it.

B. DEFINITIONS

The following words when used in this Rule shall have the following meanings:

1. Approved Laboratory Procedures - The test procedures for the analysis of Pollutants as prescribed in 40 CFR Part 136, and amendments thereto that are performed by an environmental laboratory licensed by the state pursuant to A.R.S. Section 36-395. Alternative or additional validated analytical methods may be approved by the Company consistent with the requirements of applicable federal regulations.

2. BOD (biochemical oxygen demand) - The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory conditions for five (5) days at a temperature of twenty (20) degrees centigrade, expressed in milligrams per liter.

3. Bypass - The intentional diversion of wastes from any portion of a treatment facility.

4. Categorical Standards - Those pretreatment standards specifying quantities or concentrations of Pollutants or Pollutant properties which may be discharged to a POTW by Industrial Users in specific industrial categories and which are published in 40 CFR Chapter 1, Subchapter N (parts 405-471).

5. CFR - Code of Federal Regulations.

6. COD (chemical oxygen demand) - The quantity of oxygen consumed from a chemical oxidation of inorganic and organic matter present in the water or wastewater, expressed in milligrams per liter.

7. Cooling Water - The wastewater discharged from any heat transfer system such as condensation, air conditioning, cooling or refrigeration.

8. Company – Arizona-American Water Company.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

9. Composite Sample - A combination of individual samples obtained at regular intervals over a specified time period no longer than twenty-four hours. The volume of each individual sample shall be either proportional to the flow rate during the sample period (flow composite) or constant and collected at equal time intervals during the sample period (time composite) as set forth in the Industrial Discharge Service Agreement.

10. Composite Sample Quality - The concentration of some parameter tested in a composite sample.

11. Daily Average Effluent Limitation - The maximum allowable concentration of a Pollutant in the Discharge as measured in a Representative Sample during a sampling day.

12. Discharge - The addition of any Sewage, Pollutant(s), water or any liquid from any sewer user into the Sewage Collection System.

13. District – Sun City Sewer District and/or Sun City West Sewer District, as applicable.

14. Domestic User - Any user who discharges only Domestic Wastewater.

15. Domestic Wastewater - Any water-borne wastes, derived from the ordinary living processes in a residential dwelling unit, of such character as to permit satisfactory disposal, without special treatment, by conventional POTW processes.

16. Facility - Any establishment or plant producing liquid waste, with or without suspended solids, required to be discharged into the Sewage Collection System.

17. Free Access - The ability of Company personnel to enter a User's Facility under safe and nonhazardous conditions with a minimum of delay to inspect any and all parts of the User's Facility.

18. Garbage - Solid wastes from the preparation, cooking, and dispensing of food and from the handling, storage, and sale of produce.

19. Grab Sample - An individual sample collected in less than fifteen (15) minutes without regard for flow or time of day.

20. Grab Sample Quality - The concentration of some parameter tested in a Grab Sample.

21. Industrial Discharge - Any introduction into the Sewage Collection System of a non-domestic Pollutant which:

    a. Is produced by a source which would be subject to any Categorical Standards or Pretreatment Requirements if such source were to be discharged to the POTW, or

    b. Contains any substance or Pollutant for which a discharge limitation or prohibition has been established by any Categorical Standard or Pretreatment Requirement.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

22. Industrial Discharge Service Agreement - The separate agreement required by this Rule between the Company and an individual Industrial User specifying the terms and conditions under which the Industrial User may discharge Industrial Wastes into the Sewage Collection System.

23. Industrial User - This term includes:

    a. A source of Industrial Discharge;

    b. Any nonresidential user of the Sewage Collection System which discharges more than the equivalent strength of 25,000 gallons per day of domestic wastes.

    c. Any Significant Industrial User;

    d. A person who has control over the disposal of a waste as described in (a), (b) or (c) above; or

    e. A person who has the right of possession and control over any property which produces a waste as described in (a), (b), (c) or (d) above.

24. Industrial Waste - Any liquid, free-flowing waste resulting from any industrial or manufacturing process or from the development, recovery or processing of natural resources, with or without suspended solids, excluding Non-contact Cooling Water or other uncontaminated water.

25. Instantaneous Maximum Effluent Limitation - The maximum allowable concentration of a Pollutant in the Discharge at any time as measured in a Grab Sample. In determining compliance, Company samples shall not be combined with non-company samples.

26. Interference - A Discharge which, alone or in conjunction with a Discharge or Discharges from other sources, both:

    a. Inhibits or disrupts the POTW, its treatment processes or operations, or its sludge processes, use or disposal; and

    b. Therefore is a cause of a violation of any requirement of any environmentally related permit issued by a governmental entity to the Company or the Cities of Tolleson or Glendale (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the following statutory provisions and regulations or permits issued thereunder (or more stringent state or local regulations): Section 405 of the Clean Water Act; the Solid Waste Disposal Act (SWDA) (including Title 11, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and including state regulations contained in any state sludge management plan prepared pursuant to Subtitle D of the SWDA); the Clean Air Act; the Toxic Substances Control Act; and the Marine Protection, Research and Sanctuaries Act.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

27. National Pretreatment Standard - Any regulation containing pollutant discharge limits promulgated by the United States Environmental Protection Agency in accordance with Section 307(b) and (c) of the Clean Water Act (33 U.S.C. Section 1317(b) and (c)) which applies to industrial users. This term includes prohibitive discharge limits established pursuant to 40 CFR 403.5.

28. Non-contact Cooling Water - Cooling Water that does not come into direct contact with any raw material, intermediate product, waste product or finished product.

29. NPDES Permit - A national pollutant discharge elimination system permit, issued by the EPA or authorized delegate, which imposes federal standards governing the quality of the treated effluent discharged from the POTW.

30. Oil and Grease - The measure of oil and grease content of a sample as determined by EPA Method 413.1, or other equivalent test method approved by the Company.

31. Oil and Grease (TPH) - The measure of petroleum and mineral oil content of a sample as determined by EPA method 418.1, or other equivalent test method approved by the Company.

32. Pass Through - A Discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a Discharge or Discharges from other sources, is a cause of a violation of any requirement of the POTW NPDES Permit (including an increase in the magnitude or duration of a violation) or which causes or contributes to a violation of an applicable numeric or narrative water quality standard.

33. Person - Any individual, partnership, co-partnership, firm, company, corporation, association, joint stock company, trust, state, municipality, Indian tribe, political subdivision of the state or federal governmental agency or any other legal entity, including their legal representatives, agents or assigns.

34. pH - The logarithm of the reciprocal of the concentration of hydrogen ions in grams per liter of solution.

35. Pollutant - Any dredged spoil, solid waste, incinerator residue, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, or industrial, municipal or agricultural wastes.

36. Pretreatment - The physical, chemical, biological or other treatment of any Industrial Wastes prior to Discharge to the POTW, for the purpose of:

    a. Reducing the amount or concentration of any Pollutant;

    b. Eliminating the Discharge of any Pollutant: or

    c. Altering the nature of any Pollutant characteristic to a less harmful state.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

37. Pretreatment Requirements - All of the duties or responsibilities imposed upon Industrial Users by this Rule.

38. POTW (Publicly Owned Treatment Works) - The treatment works, including connecting sewer collection system not owned and/or operated by the Company, which has agreed to provide the Company with Wastewater collection, treatment and disposal services. For purposes of this rule, POTW includes the City of Tolleson Wastewater Treatment Plant and the City of Glendale Wastewater Collection System.

39. Properly Shredded Garbage - Garbage that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-fourth of an inch in any dimension.

40. Representative Sample - A Composite Sample obtained by flow-proportional sampling techniques where feasible. Where flow-proportional sampling is infeasible, the Company may allow or conduct composite sampling by time proportional techniques or by averaging one or more Grab Samples. "Representative Sample" does not include a composite sample comprised of both company and non-company samples.

41. Sewage - A combination of water-carried wastes from residences, business buildings, institutions, and industrial establishments, together with such ground, surface, and storm waters as may be incidentally present.

42. Sewage Collection System - All the pipes and conveyances owned and/or controlled by the Company that collects and/or transports sewage for disposal to the POTW or the Company's treatment works.

43. Sewage Works - All facilities for collecting, pumping, treating, and disposing of Sewage, including the Sewage Collection System and the POTW, as defined herein.

44. Significant Industrial User - This term includes:

    a. Users having Discharges subject to Categorical Standards; and

    b. Any other User that:

        i. discharges an average of twenty-five thousand (25,000) gallons per day or more of Industrial Waste to the Sewage Collection System;

        ii. contributes Industrial Waste which makes up five percent (5%) or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant(s); or

        iii. regardless of customer classification, is designated by the Company on the basis that it has a reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Requirement.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

45. Significant Noncompliance - An Industrial User is in a state of Significant Noncompliance when violations meet one or more of the following criteria:

    a. Chronic violation of the discharge limits established by this Rule, defined here as those in which sixty-six percent or more of all of the measurements taken during a six-month period exceed (by any magnitude) the Daily Average Effluent Limitation set forth in this Rule for the same pollutant;

    b. Technical review criteria (TRC) violations, defined here as those in which thirty-three percent or more of all of the measurements for each Pollutant taken during a six-month period equal or exceed the product of the Daily Average Effluent Limitation set forth in this Rule multiplied by the applicable TRC (TRC= 1.4 for BOD, TSS, fats, oil and grease, and 1.2 for all other pollutants except pH);

    c. Any other violation of a Pretreatment Requirement that the Company determines has caused, alone or in combination with other Discharges, Interference, Pass Through, or endangerment to the health of Sewage Works personnel or general public;

    d. Any Discharge of a Pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the POTW's exercise of its emergency authority to halt or prevent such a Discharge;

    e. Failure to meet, within ninety (90) days after the schedule date, a compliance schedule milestone contained in a permit or enforcement order for starting construction, completing construction, or attaining final compliance;

    f. Failure to provide, within thirty (30) days after the due date, required reports such as baseline monitoring reports, ninety (90) day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;

    g. Failure to accurately report noncompliance; or

    h. Any other violation or group of violations which the Company determines will adversely affect the operation or implementation of the local pretreatment program.

46. Slug Discharge - Any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge.

47. Standard Industrial Classification (SIC) - A coded classification of industries based upon economic activity developed by the U.S. Department of Commerce as published in the Standard Industrial Classification Manual, 1972, Office of Management and Budget.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

48. Standard Methods - The procedure as described in the most current edition of Standard Methods for the Examination of Water and Wastewater published by the American Health Association, or the most current edition of Manual of Methods for Chemical Analysis of Water and Wastes published by the U.S. Environmental Protection Agency.

49. Total Organic Carbon (TOC) - The total of all organic compounds expressed in milligrams per liter as determined by the combustion-infrared method prescribed by Approved Laboratory Procedures.

50. Total Suspended Solids (TSS) - Solids measured in milligrams per liter that either float on the surface of or are in suspension in water, Wastewater or other liquids and which are largely removable by a laboratory filtration device, as defined in the Standard Methods.

51. Upset - An exceptional incident in which there is unintentional and temporary noncompliance with Pretreatment Requirements because of factors beyond the reasonable control of the Industrial User, excluding noncompliance due to such factors as operational error, improperly designed or inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

52. User - Any person, lot, parcel of land, building, premises, municipal corporation or other political subdivision that discharges, causes or permits the Discharge of Wastewater into the Sewage Collection System.

53. Wastewater - Any liquid or pollutant, including an Industrial Discharge, which is introduced into the Sewage Collection System from any source.

54. Zero Industrial Discharge User - A user that only discharges domestic wastewater or has no discharge, but has significant quantities of hazardous materials or high strength wastes which, if discharged, would be regulated by this rule. Such user may be regulated by requiring it to maintain zero discharge of industrial wastes, allowing only domestic wastewater to be discharged.

C. INDUSTRIAL WASTE DISCHARGE REQUIREMENTS

1. Except as provided herein, no Industrial User shall discharge or cause to be discharged any of the following described water or wastes to the Sewage Collection System:

   a. Any storm water, surface water, ground water, roof run-off, subsurface drainage, Cooling Water or unacceptably treated Industrial Waste;

   b. Any Discharge at a temperature greater than 150°F as measured at the point of entry into the Sewage Collection System or at a temperature which could inhibit biological activity, cause Interference of mechanical or biological treatment processes, or cause the temperature of the influent at the POTW to exceed 104°F;

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

c. Any gasoline, naphtha, fuel oil or other flammable or explosive liquid, solid, or gas;

d. Any Garbage other than Properly Shredded Garbage;

e. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, grit, such as brick, cement, carbides, or any other solids or viscous substances capable of causing obstruction to the flow in the Sewage Collection System or other Interference with the proper operation of the Sewage Works;

f. Any water or Wastewater which contains a toxic, poisonous, or corrosive substance in sufficient quantities to cause or have the potential to cause interference with any Sewage treatment process, constitutes hazard to humans or animals, or creates any hazard in the receiving waters of the POTW;

g. Any water or Wastewater containing any Pollutant released at a flow rate and/or Pollutant concentration that will cause Interference at the POTW or the Company's treatment works;

h. Any noxious or malodorous gas or substance capable of creating a public nuisance;

i. Any waste which may contain more than one hundred (100) parts per million by weight of fats, oils, or grease in such quantities so as to require special handling;

j. Any surface active chemical which would tend to lower the surface tension between liquids, such as between acid and water; any surface active agents used in detergents to cause lathering, the volume or concentration of which would cause excessive foaming in the Sewage Works;

k. Any water or Wastewater that causes a Pass-Through resulting in the POTW violating any NPDES Permit requirement or that causes an obstruction to the flow in the sewage collection system or other interference with the proper operation of the sewage works. Such wastes include petroleum oil, non-biodegradable cutting oil products, or mineral oil origin in amounts that will cause Interference or Pass Through;

l. Any waste having a pH less than 5.0 or greater than 10.5 or having any corrosive or detrimental characteristics that may cause injury or damage to Wastewater treatment or maintenance personnel, structures, equipment, or other physical facilities of the Sewage Works.

m. For Significant Industrial Users, any water or Wastewater with Pollutant concentrations in excess of the following Daily Average Effluent Limitations (expressed in the total form unless otherwise stated; μg/l micrograms per liter, mg/l = milligrams per liter):

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

PARAMETER	EFFLUENT LIMITATION (daily average)	PARAMETER	EFFLUENT LIMITATION (daily average)
Arsenic	1 00, µg/l	Mercury	4.6 µg/l
Boron	5600, µg/l	Nickel	5000 µg/l
Cadmium	47, µg/l	Oil & Grease (TPH)	100 mg/l
Chromium	1400, µg/l	Selenium	100 µg/l
Copper	1700, µg/l	Silver	500 µg/l
Cyanide	2000, µg/l	Sulfides	10.0 µg/l
Lead	500 µg/l	Zinc	5400 µg/l

In determining compliance with a daily average effluent limitation, company samples shall not be combined with non-company samples.

n. When necessary in the opinion of the Company, any Water or Wastewater with BOD or TSS concentrations in excess of the following limits:

a. 24-hour average 5-day BOD of 250 ml/l by weight; and

b. Instantaneous Maximum TSS content of 500 ml/l by weight.

o. Any water or wastewater with pollutant concentrations in excess of the following instantaneous maximum effluent limitations (expressed in the total form unless otherwise stated; µG/L = Micrograms per Liter, mg/l = Milligrams per Liter):

PARAMETER	EFFLUENT LIMITATION (INSTANTANEOUS MAXIMUM)
Benzene	130 µG/L
Chloroform	420 µG/L
Cyanide (amenable to chlorination)	200 µG/L
Methylene Chloride	4,200, µG/L
Sulfides (dissolved)	0.5 MG/L
Tetrachloroethylene	530 µG/L
Trichloroethylene	700 µG/L

p. Any of the following prohibited substances:

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

i. BHC – Alpha
ii. BHC – Beta
iii. BHC - Gamma (Lindane)
iv. Chrysene
v. Heptachlor
vi. Heptachlor Epoxide
vii. Phenanthrene
viii. Polychlorinated Biphenyl Compounds

q. Any water added for the purpose of diluting a Discharge as a partial or complete substitute for adequate treatment to achieve compliance with a Daily Average Effluent Limitation or other limit established by this Rule.

r. Any waste requiring an excessive quantity of chlorine or other chemical compound used for disinfection purpose which would result in an excess of 0.05 mg/l residual at the headworks of the POTW or the Company's treatment works.

s. Any waste or dye producing excessive discoloration of Wastewater or POTW's or the Company's treatment works effluent.

t. Any quantities of radioactive material wastes.

u. Any substance which creates a fire or explosive hazard in the POTW or the Company's treatment works, including but not limited to Discharges with a closed-cup flashpoint of less than 140°F or 60°C as determined by the Pensky-Martens Standard D-93-79 or D-93-80, or the Setaflash Standard D-3278-78, or an equivalent test method approved pursuant to 40 CFR §§ 260.20 and 260.21.

v. Any hauled wastes, including Industrial Wastes.

2. Industrial Users are required to meet all applicable local, state, and federal discharge limits for any regulated Pollutant. Upon the effective date of any federal categorical pretreatment standards, as published in 40 CFR Chapter 1, Subchapter N, for a particular industrial category or subcategory, the federal standards, if more stringent than the limitations imposed under this rule, shall immediately supersede those limitations.

3. In addition to all other requirements, each Industrial User who discharges an Industrial Discharge into the Sewer Collection System shall also:

a. Provide all the Pretreatment necessary to comply with Categorical Standards and Pretreatment Requirements;

b. Maintain a continuous Discharge record which clearly identifies:

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

i. the dates and times of all Industrial Discharges; and

ii. the chemical nature, concentration, and volume of all such Industrial Discharges;

c. Provide the Company with all the same self-monitoring reports and notices that the Industrial User would be required to submit if it discharged directly to the POTW in accordance with the provisions of 40 CFR 403.12. In particular, the Industrial User shall submit to the Company:

i. Baseline Monitoring Reports (40 CFR 403.12 (b));
ii. Compliance Schedule Progress Reports (40 CFR 403.12 (c));
iii. Reports on compliance with Categorical Pretreatment Standard Deadline (40 CFR 403.12 (d));
iv. Periodic reports on Continued Compliance (40 CFR 403.12 (e), (H));
v. Notice of potential problems, including Slug Discharges (40 CFR 403.12 (f));
vi. Notification of changed Discharge (40 CFR 403.12 0)); and
vii. Notification of hazardous waste Discharge (40 CFR 403.12(p).

d. Ensure that all reports and any other documents relating to Industrial Discharges are signed by an authorized representative of the Industrial User in accordance with 40 CFR 403.12 (1);

e. Retain for a minimum of three (3) years any records of monitoring activities and results; such records shall be available for inspection and copying by the Company;

f. Develop a Slug Discharge control plan which outlines discharge practices (including non-routine batch discharges), describes stored chemicals, and contains procedures both to notify the Company immediately of Slug Discharges and to prevent adverse impacts from any accidental spill; and

g. To the extent necessary, develop in conjunction with the Company a compliance schedule for installation of equipment.

4. An Industrial User shall, at its expense, install such Pretreatment devices or systems necessary to treat Industrial Wastes so as not to cause violation of any Daily Average Effluent Limitation or other limit set forth in this Rule prior to discharge to the Sewage Collection System. Such a Pretreatment system or device may serve to:

a. Restrict or prevent the discharge of certain Pollutants;

b. Distribute over a longer period any peak discharge of Industrial Wastes; and/or

c. Reduce the concentration of a Pollutant regulated herein to a level equal to or less than the established discharge limitation.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

5. All Pretreatment systems or devices shall be approved by the Company and, if required, the Arizona Department of Environmental Quality (ADEQ). All Pretreatment systems shall require an engineering design and have plans prepared and stamped by an engineer of suitable discipline licensed in the State of Arizona. Plans, specifications, and any other pertinent information relating to proposed preliminary treatment facilities shall be submitted to the Company and to all appropriate regulatory agencies with jurisdiction for review and approval. No construction of such facilities shall begin until such approvals are obtained in writing. Purchase and installation of any required Pretreatment system or device shall be at the expense of the Industrial User.

6. A grease, oil, and sand interceptor shall be provided when necessary, in the opinion of the Company, for the proper handling of liquid wastes containing grease, flammable wastes, sand, and other harmful ingredients in excessive amounts, except that such interceptor shall not be required for a building used for residential purposes. All interceptors shall be of a type and capacity approved by the Company, and shall be so located as to be readily and easily accessible for cleaning and inspection. The Industrial User shall maintain service records for the Company's review showing date of service and type of service performed for each grease, oil, and sand interceptor installed, Such records shall be retained for a minimum of three (3) years.

7. All grease, oil, and sand interceptors shall be purchased, installed, and maintained in continuously efficient operation at the Industrial User's expense.

8. The Company may also require the installation of a pH probe with a recorder at a point prior to any Industrial Discharge entering the Sewage Collection System. This device shall be properly installed and maintained by the Industrial User at its expense.

D. MAINTENANCE OF FACILITIES

Where Pretreatment facilities are provided for any waters or wastes, they shall be maintained continuously in satisfactory and effective operation by the Industrial User at its own expense and subject to inspection by the Company.

E. MANHOLES

When required by the Company, the owner of any property served by a building sewer carrying Industrial Wastes shall install a suitable control manhole in the building sewer to facilitate observation and sampling of wastes. The manhole shall be installed in such a manner as to prevent the Discharge of any storm water, surface water, ground water, roof run off, Cooling Water or unapproved industrial process water. Such a manhole, when required, shall be accessible and safely located and shall be constructed in accordance with plans approved by the Company. The manhole shall be installed by the owner at his expense and shall be maintained by him so as to be safe and accessible at all times. Should the Company determine an existing manhole is suitable for use as a control manhole, the Company shall make such designation and a new control manhole shall not be required.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

F. TESTS AND ANALYSES

1. All tests and analyses of the characteristics of waters and wastes shall be determined in accordance with Approved Laboratory Procedures, and shall be determined at the control manhole provided for in the preceding section and upon Representative Samples taken at such control manhole. All sampling, analyses and flow measurements of Industrial Wastes shall be performed by an independent laboratory or by the laboratory of the Industrial User approved by the Company and licensed by the Arizona Department of Health Services. Prior to submittal to the Company of data developed in the contracted laboratory of an industrial User, the results shall be cettified by a responsible administrative official of the Industrial User.

2. Those Industrial Users required to make periodic measurements of flow volumes and constituents shall do so at a frequency and in such a manner as determined by the Company. Measurements to certify the quantities of waste flows and waste constituents reported by Industrial Users will be conducted on a random basis by personnel of the Company.

G. INDUSTRIAL DISCHARGE SERVICE AGREEMENT

1. Each Industrial User who proposes to begin a new Industrial Discharge or modify an existing Industrial Discharge into the Sewer Collection System shall:

   a. Submit to the Company a completed Industrial Discharge Questionnaire, the form and content of which will be provided by the Company to the customer.

   b. Test the proposed Industrial Waste Discharge for the presence of Pollutants for which Daily Average Effluent Limitations are established by this Rule and provide the Company with such test results from an Arizona Department of Health Services licensed laboratory. The proposed Industrial Waste discharge also shall be tested for pH, BOD, and TSS concentration.

   c. If the Industrial User is a Significant Industrial User, provide such additional information as necessary AND enter into an Industrial Discharge Service Agreement with the Company, substantially in the form attached as Exhibit A to this Rule;

2. Industrial Users in existence upon the effective date of this Rule shall complete and submit an Industrial Discharge Questionnaire for evaluation by the Company within forty-five (45) days after the effective date of this Rule. Significant Industrial Users in existence upon the effective date of this Rule must execute an Industrial Discharge Service Agreement within ninety (90) days of the effective date of this Rule.

H. PRETREATMENT PROGRAM ENFORCEMENT AND RESPONSE GUIDELINES

1. The goal of the Pretreatment program is to protect the environment, public, and both Company and POTW workers and to obtain compliance with all applicable laws and regulations by those regulated dischargers into the POTW.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

2. Violation of this Rule or of any provision of an Industrial Discharge Service Agreement is cause for termination of service or other appropriate Enforcement Response, as defined below.

3. "Enforcement Response" shall include but is not limited to the following:

   a. Inspection by the Company of an Industrial User's Facility;

   b. Notice of violation;

   c. Increased monitoring and testing;

   d. Report of violations to City of Tolleson, City of Glendale, ADEQ, and/or EPA;

   e. Termination of service with notice, pursuant to applicable Arizona Corporation Commission rules;

   f. Termination of service without notice, pursuant to applicable Arizona Corporation Commission rules; and/or

   g. Any and all remedies specifically provided in the Industrial Discharge Service Agreement.

4. In determining the appropriate Enforcement Response the Company shall consider the following factors:

   a. Consideration of previous compliance history;

   b. Length of violation;

   c. Number of violations;

   d. Seriousness of effects to the Sewage Works;

   e. Potential effects to the public health; and

   f. Any other relevant factors.

5. Violation of this rule could result in enforcement or other legal action against the Industrial User by the City of Tolleson, City of Glendale, City of Phoenix, the Arizona Department of Environmental Quality and/or the U.S. Environmental Protection Agency. These entities are authorized by law to impose monetary penalties of up to $25,000 per day per violation.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

I. PUBLICATION OF NONCOMPLIANCE LIST

At least annually, the Company, itself or in cooperation with the POTW, shall publish in the largest local newspaper of general circulation a list of all Industrial Users which at any time during the previous twelve (12) month period were in Significant Noncompliance. In addition, the Company shall provide to the POTW all information necessary to reflect Industrial Users subject to this Rule in its annual report to EPA required by 40 CFR 403.12(i).

J. LIABILITY OF USER

Any residential or commercial user, or Industrial User who causes the discharge of Industrial Wastes which results in damage to either the Tolleson POTW or the Glendale Wastewater Collection System, Interference, Pass Through, Upset, or any other damages resulting in costs to the Tolleson POTW or the Glendale Wastewater Collection System, shall be liable to the City of Tolleson or the City of Glendale, as appropriate, and shall indemnify and hold the Company harmless for all damages occasioned thereby.

K. INSPECTION AND MONITORING

1. Industrial Users shall provide the Company with Free Access in order to monitor compliance with Pretreatment Requirements. The Company may, in furtherance of the stated purpose and policy of this Rule:

   a. Enter the User's premises at reasonable times;

   b. Inspect generally for compliance;

   c. Take independent samples;

   d. Require installation of monitoring equipment; and

   e. Inspect and copy records.

2. Representatives of the City of Tolleson, the City of Glendale, or the City of Phoenix may accompany the Company in conducting any such inspection and monitoring.

L. ACCESS TO INFORMATION AND CONFIDENTIALITY

1. Reports, documents, testing and sampling data, and any other information required to be submitted to the Company pursuant to Rule 10 or the Industrial Discharge Service Agreement may be claimed as confidential by the customer, if the customer is able to demonstrate to the satisfaction of the Company that the release of such information would divulge information entitled to protection as trade secrets of the customer. Any claim of confidentiality must be asserted at the time of submission by stamping the words "Confidential Business Information" on each page containing such information. If no claim is made at the time of submission, the Company may make the information available to the public without further notice.

RULE NO. 10 (Continued)
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

2. When requested by the customer, those portions of any reports, documents, testing and sampling data, by other information which are entitled to confidentiality under Paragraph (1) shall not be made available to the public, but shall be made available upon written request to governmental agencies for uses related to the industrial user pretreatment program established by Rule 10.

3. Information and data provided to the Company which is effluent data shall upon written request be available to the public.

A copy of the standard Industrial Discharge Service Agreement is displayed on Rule 10, Exhibit A.

RULE 10
EXHIBIT A

INDUSTRIAL DISCHARGE SERVICE AGREEMENT

THIS INDUSTRIAL DISCHARGE SERVICE AGREEMENT (the "Agreement") made and entered into this _____ day of _____,2004, by and between Arizona-American Water Company (hereinafter, the "Company") and _____ (hereinafter, the Customer),

WITNESSETH:

WHEREAS, the Arizona Corporation Commission has issued a tariff for this District establishing the terms and conditions under which the Company may provide sewage collection service to customers in this certificated area:

WHEREAS, Rule 10 of such tariff establishes an industrial wastewater pretreatment program to protect the environment, the public, and Company workers from hazards associated with non-domestic wastewater;

WHEREAS, Rule 10 further provides that Significant Industrial Users shall enter into individual Industrial Discharge Service Agreements with the Company proscribing the specific terms and conditions under which nondomestic, or industrial, wastewater may be discharged to the Company's sewage collection system;

WHEREAS, the Company has determined that the Customer is a Significant Industrial User within the meaning of Rule 10;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Company and the Customer hereby mutually agree and undertake as follows:

PART I - DEFINITIONS

Capitalized terms used herein shall have the meanings set forth in this Agreement or in Rule 10.

1. **Bypass** - The intentional diversion of wastes from any portion of a treatment facility.
2. **Company** - [Sun City Sewer Company/Sun City West Utilities Company], an Arizona corporation.
3. **Composite Sample** - A combination of individual samples obtained at regular intervals over a specified time period no longer than twenty-four hours. The volume of each individual sample shall be either proportional to the flow rate during sample period (flow composite) or constant and collected at equal time intervals during sample period (time composite), as defined in Part 11 of this permit.
4. **Cooling Water** - The Wastewater discharged from any heat transfer system such as condensation, air conditioning, cooling or refrigeration.
   a. Non-Contact Cooling Water: Cooling Water that does not come into direct contact with any raw material, intermediate product, waste product or finished product.

RULE 10
EXHIBIT A

b) Contaminated Cooling Water: Cooling Water which may become contaminated, either through the use of water treatment chemicals used for corrosion inhibitors or biocides, or by direct contact with process materials and/or Wastewater.

5. **Customer** -_____, a(n)_____.

6. **Daily Average Effluent Limitation** - The maximum allowable concentration of a Pollutant in the Discharge as measured in a Representative Sample during a sampling day.

7. **Environmental Laws** - All present and future laws and any amendments, permits, and other requirements of governmental authorities applicable to the Customer's Facility and relating to the environment, health or safety, environmental conditions. Environmental Laws includes but is not limited to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA'); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.("RCRA"); the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§ 136 to 136y; the Federal Water Pollution Control Act, as amended by the Clean Water Act, 33 U. S. C. §§ 1251 et seq.; the Clean Air Act, 42 U. S. C. §§ 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2671; the Safe Drinking Water Act, 42 U.S.C. §§ 300f-300j-26; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §§ 101 et seq.; Title 49 of the Arizona Revised Statutes; and any regulations promulgated pursuant to such listed federal and state statutes.

8. **Grab Sample** - An individual sample collected in less than fifteen (15) minutes, without regard for flow or time of day.

9. **Instantaneous Maximum Effluent Limitation** - The maximum concentration of a Pollutant in the Discharge at any time as measured in a Grab Sample.

10. **Pretreatment Requirements** - All of the duties or responsibilities imposed upon Industrial Users by Rule 10.

11. **Representative Sample** - A Composite Sample obtained by flow-proportional sampling techniques where feasible. Where flow-proportional sampling is infeasible, the Company may allow or conduct composite sampling by time-proportional techniques or by averaging one or more Grab Samples.

12. **TTO** - Total Toxic Organic Compounds as listed on Attachment 11.

13. **Upset** - An exceptional incident in which there is unintentional and temporary noncompliance with Pretreatment Requirements, because of factors beyond the reasonable control of the Customer, excluding noncompliance due to such factors as operational error, improperly designed or inadequate treatment facilities, lack of preventative maintenance or careless or improper operation.

RULE 10
EXHIBIT A

PART II - WASTEWATER DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

A. During the term of this Agreement, the Customer may discharge Industrial Waste into the Sewage Collection System through Customer's building sewer or wastewater treatment system at the location specified below:

[insert exact location of connection, e.g., "through the 12 inch Palmer Bowles Flume receiving wastewater discharges from the facility's treatment system."]

B. The Customer agrees not to discharge Industrial Wastes to the Sewage Collection System other than that generated by the following processes or operations:

[List specific processes generating industrial waste, e.g., "electrolysis plating, chemical milling and etching, anodizing, printed circuit board manufacturing, and associated rinses.]

C. The Customer shall monitor all Industrial Wastes discharged to the Sewage Collection System. Sampling shall be performed at the sampling location depicted in Attachment 1, and samples analyzed according to Approved Laboratory Procedures for the parameters listed below. The Customer's Industrial Waste discharged to the Sewage Collection System shall not exceed the following limitations, derived from Rule 10.

(LIMITATIONS INCLUDED IN IDSA MAY VARY; SIGNIFICANT INDUSTRIAL USERS SUBJECT TO FEDERAL CATEGORICAL PRETREATMENT REQUIREMENTS SHALL COMPLY WITH THE MORE STRINGENT OF THE RULE 10 REQUIREMENT OR THE CATEGORICAL REQUIREMENT]

RULE 10
EXHIBIT A

Effluent Limitations(l)			
Parameter	Daily Average	Sampling Frequency	Sample(3) Type
Flow, gpd	xx(2)	Continuous	Metered
pH (s.u.)	Xx	Continuous	Metered
Cyanide(T(4)	Xx	3 monthly	Grab
Cadmium	Xx	3 monthly	Composite
Chromium	Xx	3 weekly	Composite
Copper	Xx	3 weekly	Composite
Lead	Xx	3 monthly	Composite
Nickel	Xx	3 monthly	Composite
Silver	Xx	3 monthly	Composite
Zinc	Xx	3 monthly	Composite
TTO(5)	Xx	2 monthly	Composite/Grab
NOTES:	1. Unless otherwise noted, all limitations are in concentration units of mg/l. [Prepare separate tables for Daily Average Effluent Limitations and INSTANTANEOUS Maximum Effluent Limitations] 2. To be determined. 3. Sample Location - Downstream of pretreatment facilities at sampling and metering vault or control manhole (see Attachment I for location). 4. Cyanide limitations apply, and monitoring shall occur downstream of Cyanide pretreatment facilities prior to combining with other flows. 5. TTO compounds to be monitored are specified in Attachment II. Monitoring requirements are specified in Part III.A.5. Grab Samples for volatile organics;		

RULE 10
EXHIBIT A

PART III - REPORTING REQUIREMENTS

A. PERIODIC MONITORING REPORT

1. All reporting, including written notifications, oral notifications, and discharge monitoring reports, required under this Agreement shall, unless otherwise specified, be addressed to:

For the Company:	For the Customer:
Arizona-American Water Co.	_____
19820 N. 7th Street	_____
Suite 201	_____
Phoenix, Arizona 85024	_____
Attention: Pretreatment Officer	_____

2. The Customer shall summarize and report monitoring results on an Industrial User Monitoring Report Form once per month. Completed Industrial User Monitoring Reports shall be submitted to the Company on the 28th day of each month, and shall include the results of monitoring for the prior calendar month. This monthly report must be postmarked, or delivered to the Company's above address, no later than the due date. In the absence of a legible postmark, the Company will consider any report received within five (5) calendar days of the due date as being received on time. The first report is due on 00/00/00, and shall contain the information required for any prior calendar month for which such information has not been previously submitted. Each report should indicate the nature and concentration of all Pollutants in the Discharge which are regulated by the limits set forth in Part 11.

3. If the Customer monitors any Pollutant more frequently than required by this Agreement, using Approved Laboratory Procedures, the results of such monitoring shall be included in the calculation and results shall be reported in the monthly report and submitted to the Company. Such increased monitoring frequency also shall be indicated on the monthly report.

4. Monitoring for Total Toxic Organics (TTO), when required by this Agreement, is to be performed for all toxic organics listed in Attachment 11 reasonably expected to be present. In lieu of monitoring for TTO, the Customer may, with the Company's approval, submit the following semi-annual certification:

   "Based on my inquiry of the person or persons directly responsible for managing compliance with the Daily Average Effluent Limitation for total toxic organics (TTO), / certify that to the best of my knowledge and belief, no disposal of concentrated toxic organics into the wastewater has occurred since filing of the last semi-annual compliance report. / further certify that this facility is implementing the toxic organic management plan submitted by it to Arizona-American Water Company on [date submitted].

   This semi-annual certification is to be submitted with those monthly compliance reports due on the 28th of August and February of each year.

RULE 10
EXHIBIT A

B. NOTIFICATION OF NONCOMPLIANCE

The Customer shall notify the Company within 24 hours of becoming aware of a Discharge which is known or suspected to be in violation with any limitation or provision of this Agreement and/or Rule 10.

During normal business hours, 8:00 am. to 4:00 p.m., the Company should be notified by telephone at 974-2521. At all other times, the Company should be notified by telephone at 974-2521, or by facsimile (FAX) at 933-0032. The notification shall include location of Discharge; date and time thereof, type of waste, including concentration and volume; and corrective actions taken.

C. WRITTEN REPORT ON NONCOMPLIANCE

Within five (5) calendar days of becoming aware of a Slug Discharge or accidental spill which results in a violation of any limitation or prohibition specified in this Agreement or Rule 10, the Customer shall submit a detailed written report to the Company specifying:

1. The cause of the Slug Discharge or accidental spill, and the impact on the Customer's compliance status (if the cause of the incident has not been definitively determined, the report shall propose a detailed plan and schedule describing the steps to be taken to determine the cause);
2. The location of the Discharge, and type, concentration, and volume of waste;
3. Duration of noncompliance, including exact dates and times of noncompliance, and if the noncompliance continues, the time by which compliance is reasonably expected to occur, and
4. All steps taken or to be taken to reduce, eliminate, and prevent other conditions of noncompliance.

D. AUTOMATIC RESAMPLING

If the results of the Customer's analysis of its Industrial Waste indicate a violation has occurred, the Customer shall repeat the sampling and Pollutant analysis, and submit to the Company, in writing, the results of such second analysis within 30 days of becoming aware of the first violation.

The Customer is not required to resample if the Company:

1. Performs sampling at the same sampling point for the same Pollutant at a frequency of at least once per month.

   or

2. Obtained a sample at the same sampling point for the same Pollutant between the time the Customer performed its sampling and the time the Customer receives the results of the sampling.

   or

RULE 10
EXHIBIT A

3. Resamples in the Customer's behalf within 48 hours of receiving notice from the Customer of the violation.

PART IV - SPECIAL CONDITIONS/COMPLIANCE SCHEDULE [IF APPLICABLE]

A. SETTLEMENT AGREEMENT

Nothing in this Agreement shall be construed as to allow noncompliance with the provisions of Pretreatment Settlement Agreement No. 00000, dated and effective as of 00/00/00 between the Company and the Customer.

B. COMPLIANCE SCHEDULE

The compliance schedule incorporated into the above referenced agreement, and as may be amended subject to the provisions of the agreement, is hereby made an enforceable condition for compliance with this Agreement.

PART V - STANDARD CONDITIONS

A. GENERAL CONDITIONS AND DEFINITIONS

1. Term of the Agreement

   This Agreement shall operate for an initial term of five (5) years beginning on the date stated above, unless sooner terminated in accordance with the provisions hereof. This Agreement may be renewed by the Customer upon written notice to the Company in accordance with paragraphs 11 and/or 12 below.

2. Severability

   The provisions of this Agreement are severable. If any provision of this Agreement, or the application of any provision of this Agreement to any circumstances, is held invalid, the application of such provision to other circumstances and the remainder of this Agreement shall not be affected thereby.

3. Duty to Comply

   The Customer must comply with all conditions of this Agreement. Failure to comply with the requirements of this Agreement shall be grounds for termination of service or other appropriate Enforcement Response, as determined by the Company pursuant to Rule 10.

RULE 10
EXHIBIT A (continued)

4. Duty to Mitigate

The Customer shall, at his sole cost and expense, take all reasonable steps to minimize or correct any adverse impact on the environment resulting from noncompliance with this Agreement, including such accelerated or additional monitoring as necessary to determine the nature and impact of any noncomplying Discharge.

5. Amendment of Agreement

This Agreement may be modified for good cause, including, but not limited to, the following:

1. New or revised federal, state, or local pretreatment standards or requirements;
2. Material or substantial alterations or additions to the Customer's operation or processes which are not covered in this Agreement;
3. A change in any condition that requires either a temporary or permanent reduction or elimination of the authorized Discharge;
4. Upon reasonable request of the Customer, provided that granting such request does not create a violation of any existing applicable requirements, standards, laws, or rules and regulations. A request by the Customer for a permit modification, or a notification of planned changes or anticipated noncompliance, does not stay any provision in this Agreement.

6. Company's Right of Termination Upon Customer's Default

1.In the event that at any time during the term of this Agreement the Customer shall:

i. Discharge Industrial Wastes such that the Discharge poses a threat to the Company's collection or treatment systems, the POTW, wastewater treatment plant personnel, to the receiving waters, or will adversely impact the environment;

ii. Knowingly making any false statement on any report or other document required by this Agreement or Rule 10, or knowingly rendering any monitoring device or method inaccurate;

[List additional violations that shall be cause for termination of the Agreement]

and any such failure or violation is not commenced to be cured within fifteen (15) days after the date the Company serves written notice of default or violation on the Customer pursuant to paragraph V.A.5.a above, and the default is not cured in a diligent manner within a reasonable period of time after commencement, then the Company may, at its

RULE 10
EXHIBIT A (continued)

option and in addition to any remedy provided for in this Agreement, terminate the Agreement by written notice to the Customer of its intention to do so.

2. No act by or on behalf of the Company shall constitute a termination unless the Company gives the Customer notice of termination in writing. Such termination shall not relieve or release the Customer from any obligation incurred pursuant to this Agreement prior to the date of such termination.

3. Termination of the Agreement under this paragraph shall not relieve the Customer from the obligation to pay any sum due to the Company or from any claim for damages against the Customer. The right of termination provided by this paragraph is not exclusive and shall be cumulative to all other rights and remedies possessed by the Company, and nothing contained herein shall be construed so as to defeat any other rights or remedies to which the County may be entitled.

7. Property Rights

This Agreement does not convey any property rights of any sort, or any exclusive privileges. Nor does it authorize any injury to private property or any invasion of personal rights, or any infringement of federal, state, or local laws or regulations.

8. Limitation on Transfer

This Agreement relates to a specific user for a specific operation, and is not assignable to another user or transferable to any other location. Prior to the effective date of sale or transfer of ownership of its Facility, the Customer must inform the purchaser or transferee of its obligation to enter into an Industrial Discharge Service Agreement, and provide written notification to the Company.

9. Duty to Reapply

If the Customer wishes to continue an activity authorized by this Agreement after the expiration of its term, the Customer must renew this Agreement or enter into a new Agreement. The request for renewal must be submitted at least 60 calendar days before the expiration of the term of this Agreement, unless the parties mutually agree to an extension of time.

10. Automatic Extension of Permit

Subject to the Company's right to amend, modify, or terminate this Agreement, it shall continue to remain in full force and effect after the date of expiration if the Customer has applied for a renewal in accordance with Part V A. 11., and the Company fails to execute a new Agreement prior to the expiration date.

RULE 10
EXHIBIT A (continued)

11. Dilution

The Customer shall not increase the use of potable or process water, or in any way attempt to dilute an Industrial Waste as a partial or complete substitute for adequate treatment to achieve compliance with the limitations set forth in this Agreement. Any attempt to use dilution, as stated above, shall result in immediate termination of this Agreement.

12. Adverse Impact

The Customer shall take all reasonable steps to minimize any adverse impact to the POTW or the Company's treatment works resulting from noncompliance with any discharge limitation specified in this Agreement, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying Discharge. The Customer shall immediately notify the Company of Slug Discharges, spills that may enter the public sewer, or any other significant changes in operations, wastewater characteristics, and constituents.

13. General Prohibitive Standards

The Customer shall comply with all the general prohibitive discharge standards in Rule 10.

14. Indemnification

The Customer will indemnify and save harmless the Company, its officers, agents, servants, and employees, from and against any and all suits, actions, legal proceedings, claims, demands, costs, orders (including consent and clean-up orders) and expenses (including engineering and attorneys' fees) pertaining to its Discharge of Industrial Wastes and due to (i) personal injury, including death or disease, and property damage, including environmental contamination, (ii) any violation of Environmental Laws, and/or (iii) any breach or violation of this Agreement by Customer. The provisions of this paragraph shall survive the expiration or termination of this Agreement.

B. OPERATION AND MAINTENANCE OF POLLUTION CONTROLS

1. Proper Operation and Maintenance

The Customer shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Customer to achieve compliance with the provisions of this Agreement and Rule 10. Proper operation and maintenance includes, but is not limited to: effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls, including appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems only when necessary to comply with this Agreement and/or Rule 10.

RULE 10
EXHIBIT A (continued)

2. Duty to Halt or Reduce Activity

Upon reduction, loss, or failure of the treatment facility, the Customer shall, to the extent necessary to maintain compliance with this Agreement, control production or all Discharges, or both, until operation of the treatment facility is restored or an alternative method of treatment is provided. This requirement applies, for example, when the primary source of power of the treatment facility fails or is reduced. IT SHALL NOT BE A DEFENSE FOR THE CUSTOMER IN AN ENFORCEMENT ACTION THAT IT WOULD HAVE BEEN NECESSARY TO HALT OR REDUCE THE DISCHARGING ACTIVITY IN ORDER TO MAINTAIN COMPLIANCE WITH THE CONDITIONS OF THIS AGREEMENT.

3. Bypass of Treatment Facilities

   a. BYPASS IS PROHIBITED under this Agreement unless it is unavoidable to prevent loss of life, personal injury, or severe property damage or no feasible alternatives exist.

   b. Bypass not exceeding limitations: The Customer may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it is also for essential maintenance to assure efficient operation.

   c. Notification of Bypass:

      i. Anticipated Bypass: If the Customer knows in advance of the need for a bypass, it shall submit prior written notice, at least 10 days before the date of the bypass, to the Company. All anticipated Bypasses must be monitored and metered.

      ii. Unanticipated Bypass: The Customer shall immediately notify the Company of any unanticipated Bypass and submit a follow-up written report to the Company within five (5) days. This report shall specify:

         1. A description of the Bypass, and its cause, including its duration;
         2. Whether the Bypass has been corrected; and
         3. The steps being taken or to be taken to reduce, eliminate and prevent reoccurrence of the Bypass.

4. Removed Substances

Solids, sludges, filter backwash, or other Pollutants removed by the Customer in the course of treatment or control of Wastewater shall be disposed of in accordance with Environmental Laws.

RULE 10
EXHIBIT A (continued)

C. MONITORING AND RECORDS

1. Representative Sampling

Samples and measurements taken as required herein shall be Representative Samples. All samples shall be taken at the monitoring points specified on Attachment I to this Agreement, and, unless otherwise specified, before the Discharge joins or is diluted by any other wastestream, body of water, or substance. All equipment used for sampling and analysis must be routinely calibrated and inspected and maintained to ensure their accuracy. Monitoring points shall not be changed without notification to, and the approval of, the Company. The Customer shall maintain records of routine equipment calibrations, maintenance activities, and inspections.

2. Flow Measurements

If flow measurement is required by this Agreement, the appropriate flow measurement devices and methods consistent with approved scientific practices shall be selected and used by the Customer to ensure the accuracy and reliability of measurements of the volume of monitored discharges. The devices shall be installed, calibrated, and maintained to ensure that the accuracy of the measurements are consistent with the accepted capability of that type of device. Devices selected shall be capable of measuring flows with a maximum deviation of less than 10 percent from true discharge rates throughout the range of expected discharge volumes.

3. Inspection and Entry

The Customer shall allow the Company, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

a. have safe access to any areas of the Facility that will be inspected by the authorized representative;

b. enter at any time during normal hours of operation upon the Customer's premises where the Facility or activity is located or conducted, or where records must be kept under the provisions of this Agreement;

c. have access to and copy, at reasonable times, any records that must be kept under the provisions of this Agreement;

d. inspect, at reasonable times, any facilities, equipment (including monitoring and control equipment), practices, or operations subject to this Agreement;

e. sample or monitor, for the purposes of assuring compliance with this Agreement, any substances or parameters at any location; and

f. inspect any production, manufacturing, fabricating, or storage area where Pollutants could originate.

RULE 10
EXHIBIT A (continued)

4. Retention of Records

   a. The Customer shall retain records of all monitoring information, including all calibration and maintenance records, and any original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this Agreement, and records of any data used to complete the Industrial Waste Questionnaire required by Rule 10, for a period of at least three (3) years from to date of the sample, measurement, report, or questionnaire. This period may be extended by request of the Company at any time.

   b. All records that pertain to matters that are the subject of special orders, or any other enforcement or litigation activities brought by the Company or other appropriate agency, shall be retained and preserved by the Customer until all such activities have concluded, and all periods of limitation with respect to any and all appeals have expired.

5. Record Contents

   Records of sampling information shall include:

   a. The date, exact place, time, and methods of sampling or measurements, and sample preservation techniques or procedures;

   b. The names of persons who performed the sampling or measurements;

   c. The date(s) analyses were performed;

   d. The names of persons who performed the analyses;

   e. The analytical techniques or methods used; and

   f. The results of such analyses.

D. ADDITIONAL REPORTING REQUIREMENTS

1. 90-Day Compliance Report [if applicable]

   Within 90 days following the final compliance date listed on the compliance schedule specified in Part III of this Agreement, the Customer shall submit a final compliance report. The Customer shall sample its Wastewater for the Pollutants specified in Part 11, and shall report the results of such sampling. Any reasons for not complying and steps being taken by the User to comply shall be part of the report.

RULE 10
EXHIBIT A (continued)

2. Planned Changes

The Customer shall give notice to the Company not less than 90 days prior to any Facility expansion, production increase, or process modifications which results or may result in new or increased Discharges or a change in the nature of the Discharge.

3. Anticipated Noncompliance

The Customer shall give advance notice to the Company of any planned changes in the Facility, or activity which may result in noncompliance with the requirements of this Agreement.

4. Duty to Provide Information

The Customer shall furnish to the Company, within a reasonable time, any information which the Company may request to determine whether cause exists for modifying or terminating this Agreement, or to determine compliance with this Agreement. The Customer shall also furnish to the Company upon request, copies of records required to be kept by this permit or other information reasonably needed by the Company.

5. Signatory Requirements

This Agreement and any reports required herein shall be signed by the appropriate signatory, as listed below:

a. For a corporation: by a corporate officer or other persons performing a similar policy or decision making function for the corporation;

b. For a partnership or sole proprietorship: by a general partner or the proprietor, respectively;

c. For a government entity: by the administrator, chairman, director, or principal executive responsible for operations at the Facility;

d. All applications, correspondence, reports, and self monitoring reports may be signed by a duly authorized representative of the person described above. A person is a duly authorized representative only if

i. The authorization is made in writing by a person described above; or

ii. The authorization specified either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as the position of plant manager, superintendent, or position of equivalent responsibility. A duly authorized representative may thus be either a named individual or any individual occupying a named position;

RULE 10
EXHIBIT A (continued)

e. Any person signing a document pursuant to this section shall make the following certification:

" I certify, under penalty of law, that this document and all attachments were prepared under my direction or supervision, in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. "

f. Written notice of any change in signatures or positions of the Customer shall be submitted to the Company in writing within thirty (30) days after the change.

IN WITNESS WHEREOF, the Company and the Customer have caused this Agreement to be signed by its respective authorized signatories, all as of the day and date first herein above set forth.

COMPANY: ARIZONA-AMERICAN WATER COMPANY, an Arizona Corporation

By: _____

Its: _____

CUSTOMER: _____
a(n) _____

By _____

Its _____

RULE 10
EXHIBIT A

ATTACHMENT I - SCHEMATIC
ATTACHMENT 11 - REGULATED TOXIC ORGANICS

1. Acenaphthene
2. Acrolein
3. Acrylonitrile
4. Benzene
5. Benzidine
6. Carbon Tetrachloride (Tetrachloromethane)
7. Chlorobenzene
8. 1,2,4-trichlorobenzene
9. Hexachlorobenzene
10. 1,2-dichloroethane
11. 1, 1, 1 -trichloroethane
12. Hexachloroethane
13. 1,11-dichloroethane
14. 1, 1,2-trichloroethane
15. 1, 1,2,2-tetrachloroethane
16. Chloroethane
18. Bis (2-chloroethyl)ether
19. 2-chloroethyl vinyl ether (mixed)
20. 2-chloronaphthalene
21. 2,4,6-trichlorophenol
22. Parachlorometa cresol
23. Chloroform (trichloromethane)
24. 2-chlorophenol
25. 1,2-dichlorobenzene
26. 1,3-dichlorobenzene
27. 1,4-dichlorobenzene
28. 3,3-dichlorobenzidine
29. 1,1-dichioroethylene
30. 1,2-trans-dichloro ethylene
31. 2,4-dichlorophenol
32. 1,2-dichloropropene
33. 1,2-dichloropropylene
34. 2,4-dimethylphenol
35. 2,4-dinitrotoluene
36. 2,6-dinitrotoluene
37. 1,2-diphenylhydrazine
38. Ethylbenzene
39. Fluoranthene
40. 4-chlorophyenylphenyi ether
41. 4-bromophenylphenyl ether
42. Bis(2-chloroisopropyl)ether
43. Bis (2-chloroethoy) methane
44. Methylene chloride(dichloromethane)
45. Methyl chloride (chloromethane)
46. Methyl bromide (bromomethane)
47. Bromoform (tribromomethane)
48. Dichlorobromomethane
51. Chlorodibromomethane
52. Hexachlorobutadiene
53. Hexachlorocyclopentadiene
54. Isophorone
55. Naphthalene
56. Nitrobenzene
57. 2-nitrophenol
58. 4-nitrophenol
59. 2,4-dinitrophenol
60. 4,6-dinitro-o-cresol
61. N-nitrosodimethylamine
62. N-nitrosodiphenylamine

RULE 10
EXHIBIT A

ATTACHMENT I - SCHEMATIC
ATTACHMENT 11 - REGULATED TOXIC ORGANICS

63. N-nitrosodi-n-propylamine
64. Pentachlorophenol
65. Phenol
66. Bis (2-ethylhexyl) phthalate
67. Butyl benzyl phthalate (1,3-dichloropropene)
68. Di-n-butyl phthalate
69. Di-n-octyl phthalate
70. Diethyl phthalate
71. Dimethyl phthalate
72. Benzo(a)anthrscene (1,2-benzanthracene)
73. Benzo(a)pyrene (1,2-benzanthracene)
74. 3,4-benzofluoranthene
75. Benzo(k)fluoranthene (
    11, 1 2-benzofluoranthene)
76. Chrysene
77. Acensphthylene
78. Anthracene
79. Benzo(ghi)perylene (1,12-benzoperylene)
80. Fluorene
81. Phenanthrene
82. Dibenzo (a,h)anthracene
83. Ideno (1,2,3-cd)pyrene
    (2-3-o-phenylene pyrene)
84. Pyrene
85. Tetrachloroethylene
86. Toluene
87. Trichloroethylene
88. Vinyl Chloride (chloroethylene)
89. Aldrin
90. Dieldrin
91. Chlordane (technical mixture 8, metabolites)
92. 4,4'- DDT
93. 4,4'- DDE (p,p'-DDX)
94. 4,4'- DDD (p,p-TDE)
95. A-endosulfan-Beta
96. B-endosulfin-Beta
97. Endosulfan sulfate
98. Endrin
99. Endrin aldehyde
100. Heptachlor
101. Heptachlor epoxide
102. A-BHC-Alpha
     (BHC = hexa-chlorocyclohexane)
103. B-BHC-Beta
104. R-BHC-aindane)-Gamma
105. B-BHC-Delta
106. PCB-1242 (Arochlor 1242)
107. PCB-1254 (Arochlor 1254)
108. PCB-1221 (Arochlor 1221)
109. PCB-1232 (Arochlor 1232)
110. PCB-1248 (Arochlor 1248)
111. PCB-1260 (Arochlor 1260)
112. PCB-1016 (Arochlor 1016)
113. Toxaphene
129. 2,3,7,8-Tetrachloro
     dibenzo-p-dioxin (TCDD)

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