

SUPERSTITION MOUNTAINS COMMUNITY FACILITIES DISTRICT NO. 1



Operating Policies and Procedures

**Adopted by the Board of Directors
May 22, 2015**

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SUPERSTITION MOUNTAINS COMMUNITY FACILITIES DISTRICT NO. 1 OPERATING POLICIES AND PROCEDURES

ARTICLE 1.1 GENERAL PROVISIONS

Section 1.1.1 Purpose and Background

A. Findings

The Superstition Mountains Community Facilities District No. 1, located in the City of Apache Junction, Arizona, hereinafter referred to as the “District,” developed, and now operates and maintains a system for the treatment of Septage and the collection, transport and treatment of Sewage from properties existing within the District’s Service Area. These Policies and Procedures were adopted on December 15, 1999, and amended on August 16, 2000 and on May 22, 2015 based on the following facts:

1. The District operates a Sewage Treatment System.
2. The District maintains a system of sewer charges that places the costs of abatement on contributors and maintains financial self-sufficiency.
3. The District must pay the capital, Debt Service, operation and maintenance expenses associated with the Sewage Treatment System and charge the Customers of the Sewage Treatment System accordingly.

B. Purpose and Effect

The District is a municipal corporation and political sub-division of the State of Arizona. These Policies and Procedures are intended to provide the framework under which the District will conduct its affairs. These Policies and Procedures are designed to serve as the District’s ordinances, and are intended to have the force of law with respect to all properties within the District’s Service Area. For Customers receiving service based on an agreement with the District, because property is not included within the District Boundary, these Policies and Procedures shall serve as contractual obligations which will be incorporated by reference in each Service Agreement executed by the District with its Customers. The District may levy and collect rates, fees and charges pursuant to these Policies and Procedures. The District shall make and enforce such rules and regulations as may be deemed necessary for the safe, lawful, economical and efficient management and protection of the Sewage Treatment System, including the construction and use of the sewers and connections to the Sewage Treatment System and the regulation, collection, rebating and refunding of sewer fees and charges. Notwithstanding any provision in these Policies and Procedures to the contrary, the District shall have all the power and authority accorded to it under federal, State and other applicable law.

Section 1.1.2 Definitions

For the purpose of these Policies and Procedures, the following terms shall have the following meanings, unless such definition would be clearly inconsistent with the manifest intent of the District in adopting these Policies and Procedures:

“Act” shall mean the **Arizona Community Facilities District Act, pursuant to Arizona Revised Statutes Title 48, Chapter 4, Article 6**, as amended from time to time.

“Applicant” shall mean any property owner or Person, with an interest in a property, who applies to receive service from the District.

“Application Fee” shall mean those fees charged by the District for the purpose of attempting to defray the District’s cost, expense and overhead associated with review, processing or inspection of a Customer’s proposed service by the District.

“ADEQ” shall mean the Arizona Department of Environmental Quality.

“BOD” shall mean Biochemical Oxygen Demand.

“Board of Directors” shall mean the Board of Directors of the District.

“Building Sewer” shall mean those drain lines commencing at and connecting one or more drains or other plumbing fixtures, usually within a structure.

“City” shall mean the City of Apache Junction, Arizona.

“Collection Main” shall mean a sewer pipe with a diameter of **six (6) inches** or greater.

“Collection Main Extension” shall mean any extension of a Collection Main as set forth in these Policies and Procedures.

“Collection Main Extension Agreement” shall mean an agreement entered into pursuant to these Policies and Procedures.

“Collection System” shall mean the series of pipes, Manholes, pumping stations and appurtenances owned by the District whose function is to gather Sewage from divergent Sources and deliver same to one central location, but not including Building Sewer or Lateral Sewer Lines.

“Connection Permit Fees” shall mean those fees collected in return for the right to connect a Source to the Collection System.

“Customer” shall mean any Person or user whose property by application, petition, permit or Service Agreement is subject to payment of any rates, fees or charges pursuant to these Policies and Procedures, including, but not limited to, any Person, lot, parcel of land, building, premises or Septage Waste Hauler that has the right to Discharge into the Sewage Treatment System.

“Customer Deposit” shall mean a payment made in advance of service to the District by the Customer to provide the District with a cash reserve to cover any rate, fee or charge delinquencies or non-payments on the part of, or other damages or costs caused by, the Customer.

“Debt Service” shall mean the amount of principal, premium, if any, and interest due on any borrowed money of the District.

“Delinquent Charges” shall mean the charges imposed on a Customer by the District for failure to remit any rates, fees or charges when due.

“Discharge” or **“Discharged”** shall mean the deposit of any substance or matter, including without limitation sewage, wastewater, water or any liquid or solid, into the Sewage Treatment System, or the substance or matter which is so deposited.

“Disconnect Charge” shall mean the charge imposed by the District to duly compensate the District for the effort of disconnecting a Customer’s service upon the Customer’s failure to abide by the terms of these Policies and Procedures or any Service Agreement executed by the Customer.

“District” shall mean the sewer district formed by the City of Apache Junction and known as Superstition Mountains Community Facilities District No. 1 (“SMCFD”) or such Person, firm, authority or department as may be designated by SMCFD to perform a particular function for or on behalf of SMCFD.

“District Assistant Treasurer” or **“Assistant Treasurer”** shall mean the person responsible for assisting the Treasurer in carrying out of his or her statutorily-required duties.

“District Authorized Representative” shall mean the Person or Persons designated by the District with the authority to act on its behalf, which may include the District Manager, the District Engineer, the District Clerk, the Chairman, Vice Chairman, Treasurer or Assistant Treasurer.

“District Boundary” shall mean the 2,388 noncontiguous parcels of land described in Resolution 92-15 of the Mayor and City Council of the City of Apache Junction, Arizona, ordering and declaring formation of the Superstition Mountains Community Facility District No. 1, and Resolution 94-14 of the Mayor and City Council of the City of Apache Junction intending to add an area of land to the District.

“District Chairman” or **“Chairman”** shall mean the member of the Board of Directors who shall be responsible for setting the agenda and conducting the Board of Directors’ meetings and performing those functions as directed or authorized by the Board of Directors and as provided herein.

“District Clerk” or **“Clerk”** shall mean the person appointed in the manner contemplated by the Act and responsible for carrying out the statutorily-required duties of the District Clerk in accordance with the Act.

“District Engineer” shall mean an engineer appointed or employed by the District who shall be duly registered in the State of Arizona and shall be qualified in all applicable aspects of standard sewer design, operation and maintenance.

“District Manager” shall mean the person responsible for carrying out the duties of the District Manager under these Policies and Procedures and as directed by the Board of Directors or any person designated by the District Manager to assist the District Manager in the carrying out of those duties.

“District Vice Chairman” or **“Vice Chairman”** shall mean the member of the Board of Directors who, in the absence of the Chairman, shall be responsible for performing all duties of the Chairman.

“District Recording Secretary” or **“Recording Secretary”** shall mean the person responsible for assisting the District Clerk in the preparation of minutes of the District’s Board of Directors’ meetings.

“District Treasurer” or **“Treasurer”** shall mean the person appointed in the manner contemplated by the Act and responsible for carrying out the statutorily-required duties of the District Treasurer in accordance with the Act.

“EPA” shall mean the United States Environmental Protection Agency or its successor.

“Establishment” shall mean any building, business, facility, operation, plant or other improvement producing any substance, with or without Suspended Solids, required to be Discharged into the Sewage Treatment System.

“Family” shall mean **one (1)** or more individuals occupying a premise and living as a single housekeeping unit.

“Industrial Waste” shall mean any liquid or 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.

“Lateral Sewer Line” shall mean that portion of a Sewage Treatment System commencing at the termination of the Building Sewer and extending to the Service Line. A Lateral Sewer Line is constructed by or for and maintained by or for a single Customer and not by the District.

“Maintenance” shall mean those actions taken and expenditures made in order to keep the Sewer Treatment System in a state of repair, including expenditures necessary to maintain the Collection System, the capability and System Design Capacity for which the Sewer Treatment System was designed and constructed.

“Manhole” shall mean a structure located at regular intervals along a sewer pipe line of sufficient size for a work person to enter and designed for the purpose of permitting, cleaning or maintaining the Collection System.

“Monthly Minimum Charge” shall mean the monthly fee determined, in accordance with these Policies and Procedures, imposed on Customers by the District at least sufficient to defray a proportionate share of Debt Service, whether or not the Customer utilizes the Sewage Treatment System.

“NAICS” shall mean the North American Industry Classification System -- United States prepared by the Office of Management and Budget’s Economic Classification Policy Committee.

“No Service Customer” shall mean those Customers who signed an application for service, but in a timely manner during **1994**, sent the District notice informing the District of the Customer’s desire not to receive service.

“Non-Service Area” or **“NSA”** shall mean those properties within the District Service Area that cannot be practically served by the District.

“On-Site Improvement Charges” shall mean those charges imposed by the District on Customers for the District’s construction of improvements necessary to connect the Customer’s property to the District’s Collection System.

“Permittee” shall mean any Person that has a valid permit granted pursuant to these Policies and Procedures.

“Person” shall mean any individual, partnership, co-partnership, firm, company, limited liability company, limited liability partnership, corporation, association, joint stock company, trust, state, municipality, Indian tribe, political subdivision of the State, federal governmental agency or any other legal entity, including its legal representatives, agents or assigns but not including the District.

“Policies and Procedures” shall mean these Superstition Mountains Community Facilities District No. 1 Operating Policies and Procedures, as adopted by the Board of Directors and as amended from time to time.

“Pollutant” shall mean 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, toxic substance, garbage, industrial or domestic wastes, municipal and agricultural wastes.

“Property Line” shall mean the boundary lines defining or marking the location of a parcel of real property.

“Reconnect Charges” shall mean the charges imposed to duly compensate the District for the effort of subsequently reconnecting a Customer’s service after disconnection, when the disconnection is a result of the Customer’s failure to abide by these Policies and Procedures or any Service Agreement duly executed by the Customer.

“Reestablishment Charges” shall mean those charges imposed to duly compensate the District for maintaining treatment capacity and sewer line integrity for a property that has been disconnected as a result of a Customer's failure to abide by these Policies and Procedures.

“Regulatory Agencies” shall mean any applicable public authority or government agency including, but not limited to, federal, state, county and city authorities.

“Replacement” shall mean those actions taken and expenditures made in order to obtain and install equipment, accessories and/or appurtenances during the useful life of the Sewage Treatment System which are necessary to maintain the System Design Capacity and performance of the Sewage Treatment System.

“Residential Unit” shall mean a structure, portion of a structure or vehicle which is intended to be used as a dwelling. Residential units shall include Single Family Dwellings, Multiple Family Dwellings, Mobile Home Dwellings and Recreational Vehicles.

“Septage” shall mean waste from nonindustrial sources produced in individual, on-site wastewater disposal systems such as septic tanks and portable toilets, as well as biodegradable liquid wastes from sanitary sewers, decorative ponds, swimming pools, cooling towers and activated sludge.

“Septage Waste Hauler” shall mean any Person who hauls Septage or who owns, leases, operates or controls an entity which hauls Septage.

“Service Agreement” shall mean the written agreement between the District and a Customer in the form prescribed from time to time by the District pursuant to which the District provides sewer service to the Customer and the Customer agrees to pay the Service Charges and other applicable fees, charges and expenses provided for in the Service Agreement and these Policies and Procedures.

“Service Area” shall mean that area defined as the District’s Service Area in the CAG 208 Areawide Water Quality Management Plan Amendment dated April 2011, and as may be updated from time to time.

“Service Charge” shall mean the monthly fee imposed on Customers by the District for sewer service, which shall include, but shall not be limited to, the applicable Monthly Minimum Charge.

“Service Line” shall mean the sewer pipe line from the Lateral Sewer Line at or near the Property Line of a Customer to the Collection System. A Service Line is constructed by or for and maintained by or for a single Customer and not by the District

“Service Location” shall mean any easement area used for the location of any portion of the Sewage Treatment System.

“Sewage” shall mean any combination of water-carried wastes or Discharges, including but not limited to Wastewater, from Establishments, residences, business buildings, institutions and industrial establishments, together with such ground, surface and storm waters as may be present.

“Sewage Treatment System” shall mean all facilities, including the Treatment Plant and Collection System for collecting, pumping, treating and disposing of Sewage, the residue thereof and the effluent.

“Source” shall mean any discernible, discrete point from whence Discharge initially enters the Collection System.

“Standard Methods” shall mean the procedure as described in the most current edition of Standard Methods for the Examination of Water and Wastewater, published by the American Public Health Association, the American Water Works Association and the Water Environment Federation, or the most current edition of Manual of Methods for Chemical Analysis of Water and Wastes published by the U.S. Environmental Protection Agency.

“State” shall mean the State of Arizona and its agencies, commissions, divisions and departments.

“System Design Capacity” shall mean the design capacity for the Sewage Treatment System as established by accepted engineering standards.

“Total Calculated Peak Daily Discharge” or **“TCPDD”** shall mean the maximum total amount of Discharge released into the Sewage Treatment System at a Source in any 24 hour period.

“Treatment Parameter” shall mean a fundamental characteristic of sewage, around which treatment is designed, such as, but not limited to flow, BOD, suspended solids and nitrogen.

“Treatment Plant” shall mean that portion of the Sewage Treatment System commencing at the headworks, and including all devices, holding areas, buildings, property and other equipment, devices and structures used for or designed for the treatment of Sewage and Septage and the disposal of effluent.

“Undeveloped Land” shall mean real property for which the property owner is paying the per acre charge to secure a reduced Connection Permit Fee. After **December 1, 1994**, no additional Customers will be included in the Undeveloped Land classification.

“Wastewater” shall mean any spent or used liquid or water-carried pollutant, including industrial waste, with dissolved or suspended solids, discharged from Establishments, homes, commercial establishments and industries.

“Website” shall mean the District’s web address which is www.smcfcd.org.

Section 1.1.3 Connection Requirements

A. Connection Authorization Required

In order to connect any Lateral Sewer Line or Service Line to the Sewage Treatment System, or to change the use (including without limitation, the volume or characteristics of the Discharge) an Applicant or Customer must first obtain connection authorization from the District.

B. Investigation by District

The District, before issuing any authorization to connect, will investigate and inquire into the conditions of all proposed connections with the Sewage Treatment System to ascertain whether the connection can be made in accordance with these Policies and Procedures and all applicable law. If the proposed connection can be so made or installed, and upon receipt of a properly prepared and executed application, Service Agreement and applicable fees, the District will issue a permit to the Applicant, to make or install the proposed connection.

C. Connection Permitted

Except as otherwise stated herein, all Persons owning real property within the District's Service Area may apply to connect improvements located on their real property to the Collection System by meeting the requirements of these Policies and Procedures. All expenses of such connection, and all expenses associated with permitting, connection, construction, operation and maintenance of any Lateral Sewer Line and Service Line must be borne by the owner of the real property.

D. Easements

1. All Persons desiring the connection of any Establishment on their property to the Sewage Treatment System must grant to the District or obtain for the District those easements necessary to properly effectuate the desired sewer connection.
2. If a property owner splits or alienates a portion of his property, the Customer must provide the necessary easements to provide sewer service to all parcels created by the land division.
3. All easements are subject to the following restrictions and conditions of use:
Any Person having charge of property subject to easement in favor of the District must refrain from placing, constructing or building any Establishment (collectively or individually "Improvements") within the Service Location.

Should the owner or occupant of property containing a Service Location construct Improvements thereon in violation of these Policies and Procedures, the District may employ individuals to clear the Service Location of the Improvements and charge the costs of the same to the owner of the property.

The District will not be obligated to compensate the owner of the Service Location for the value of any Improvements cleared.

If any person desires to excavate deeper than **three (3) feet** within the Service Location, a written application for permission to excavate must first be made to the District and must state specifically the location and size of the space intended to be excavated and the purpose for the excavation.

If any Improvements are constructed within the Service Location that result in additional expenses to the District in fulfilling its obligation to repair, install or replace its Sewage Treatment System within the Service Location, then such additional expenses may be charged directly to and are payable by the property owner.

E. Construction Specifications

All new Service Lines and Collection Mains connecting to the District's Sewage Treatment System must be constructed in accordance with the District's standard specifications and any applicable code or regulations of the State or other political subdivision having jurisdiction over the construction.

F. Abandonment

Persons who connect directly or indirectly to the Sewage Treatment System must abandon all cesspools, septic tanks, other wastewater treatment and disposal facilities, leach lines, pits, privies, and open and unconnected drains within their Property Lines, in accordance with the requirements of all applicable Regulatory Agencies. All abandoned cesspools, septic tanks, other wastewater treatment and disposal facilities, leach lines, pits, privies, and open and unconnected drains must be inspected and approved by the applicable Regulatory Agencies prior to District's final acceptance of the connection.

G. Property Outside District

The District cannot enter into a Service Agreement to provide service to property outside the District's Boundary without the consent of the City. Service to those properties shall be subject to available capacity and compliance with all applicable laws. Nothing in these Policies and Procedures establishes any right to sewer service for any property located outside the District's Service Area.

H. Service Limited by Capacity; Preference for District Properties

Notwithstanding any other provision in these Policies and Procedures, all applications for service which would result in the actual total system capacity exceeding the System Design Capacity will be rejected. In evaluating applications for service, the District shall give preference to any properties within the District's Service Area.

I. Consent to On-site Disposal Systems

Persons within the District's Service Area are required to connect to the District's Sewage Treatment System unless the District has made a written determination that it will not provide service.

J. Compulsory Connection

Persons that the District determines can be served by its Sewage Treatment System but that have a properly functioning on-site system in use may stay on their existing on-site systems as long as there are no changes to the property and the on-site system remains in continuous use without repair or alteration. A person must abandon an existing on-site treatment system and connect to the District's Sewage Treatment System whenever a new Residential Unit or non-Residential Unit is constructed or placed; or an existing Residential Unit or non-Residential Unit is replaced, modified or expanded. Further, a person must abandon an existing on-site treatment system and connect to the District's Sewage Treatment System whenever an existing on-site system either needs repairs, needs to be expanded, needs to be altered in any manner, needs to be replaced or is disconnected from continuous use.

Section 1.1.4 Collection Main Extension Agreements

A. General Requirements

Customers applying for service that requires an extension of a Collection Main are required to execute a Collection Main Extension Agreement with the District prior to sewer service being extended to that property. The terms of the Collection Main Extension Agreement may include some or all of the following provisions:

1. The Customer must submit the plans, specifications and cost estimates for the Collection Main Extension.
2. The District will review the plans, specifications and cost estimates and notify the Customer whether such plans and specifications are acceptable.
3. The Customer must furnish any necessary easements for the Service Location and, if a condemnation action is necessary, the Customer must pay all fees, costs and expenses, and court costs and expenses of any form or nature incurred by the District for any condemnation or eminent domain proceeding initiated by the District to secure the necessary easement rights for the installation of the Collection Main Extension including, but not limited to the fees, costs and expenses incurred by the District for (a) surveying the Service Location, (b) the District's attorneys' fees, (c) any and all filing fees, (d) any and all recording fees and title company charges and (e) the payment of the finally adjudicated value of the interest in and to the Service Location acquired by the District.

4. The Customer is responsible for the construction and payment of the cost of construction of the Collection Main Extension and the construction must be made in accordance with plans and specifications approved by the District.
5. Upon completion of the construction, the Customer must provide the District with **“as built”** plans and any other documentation that may be required by the District.
6. The District must inspect the Collection Main Extension to determine compliance with the plans and specifications.
7. The Customer must obtain all required permits for the operation of the Collection Main Extension.

B. Minimum Written Agreement Requirements

Each Collection Main Extension Agreement must at a minimum include the following information:

1. Name and address of Customer;
2. Proposed service address or location;
3. Description of requested service;
4. Description of the Service Location;
5. Any additional information requested by the District; and
6. Notice of the provisions of **Arizona Revised Statutes Title 38, Chapter 3, Article 8, §511.**

C. Ownership of Facilities

Any portion of the Collection System installed under a Collection Main Extension Agreement shall be the sole property of the District.

D. Taxes

The District may include in the cost of the Collection Main Extension Agreement any taxes which may be imposed upon the District as a result of the Collection Main Extension Agreement.

Section 1.1.5 Customer Responsibilities

A. Customer Maintenance

In addition to other responsibilities contained in these Policies and Procedures, the Customer is responsible for the cleaning, unstopping, maintenance and repair of the Lateral Sewer Line, the Building Sewer and the Service Line.

Section 1.1.6 Interceptors

Grease, oil, lint or sand interceptors must be installed by the Customer for laundries, restaurants, service stations, auto repair shops, carwashes and any facilities that discharge liquid wastes containing grease, oil, lint or sand in excessive amounts or any flammable wastes and other harmful ingredients. All interceptors must be of a type and capacity approved by the District and must be located as to be readily and easily accessible for cleaning and inspection. Interceptors must be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. Interceptors must be of substantial construction, watertight and equipped with easily removable covers. When bolted covers are required, interceptors must be gas-tight and water-tight. Interceptors must be maintained by the Customer, at the Customer's expense, in conformity with the Customer's cleaning schedule approved by the District to allow for continuously efficient operation.

Section 1.1.7 Control Manholes

When required by the District, a Customer owning any Lateral Sewer Line, Service Line or Collection Main must install a suitable control Manhole to facilitate observation, measurement and sampling of the wastes. Such Manhole, when required, must be accessible and safely located and must be constructed in accordance with plans approved by the District. The Manhole must be installed by the Customer at the Customer's expense and must be maintained by the Customer so as to be safe and accessible at all times. The Customer is solely responsible for the proper and safe design, construction, use and maintenance of the Manhole.

Section 1.1.8 Determination of Discharge Quality

A. Quality Determination

Discharge quality will be determined by the type of business, residence or industry using the Sewage Treatment System, and by testing the Discharge as required herein.

B. Basic Testing

Testing by direct sampling, utilizing recognized field techniques, equipment and procedures, will be performed by the Customer as required by the District. Discharge characteristics will be determined by the District on the basis of monitored Discharge, a certified statement from the Customer, or on the best available data as to the characteristics of such Discharges. The method of determination will be chosen by the District.

C. Notice of Process Change

Any change in the ongoing process(es) employed by a Customer which results in a significant variation in one or more characteristics of the Discharge must be reported to the District within thirty (30) days of such change.

D. Adjustment of Charge

If it is determined through testing that a significant variation exists between Discharge characteristics as represented by the Customer and the Discharge characteristics as monitored by the District, the District may adjust the Service Charge based on the monitored data from the original date of certification, unless written communication has occurred notifying the District of changes in loading and giving specific dates of changes.

E. Economic Feasibility

Where sampling and gauging of a specific Customer is not practical, for physical, economic, safety or other reasons, the District may designate values for concentrations of the Discharge into the Sewage Treatment System for all Customers in the same NAICS or sub classification hereof.

Section 1.1.9 Compliance

All Customers must, at all times, comply with these Policies and Procedures and with all applicable laws pertaining to wastewater and sewage service and treatment. Any Person who interferes with the officers or agents of the District in the discharge of their duties or who violates any of the provisions of these Policies and Procedures is subject to civil suit, rates, fees, charges and applicable legal remedies. Such noncompliance includes, but is not limited to:

- A. The construction or modification of any sewage facilities directly or indirectly connected to the Sewage Treatment System without prior written authorization of the District;
- B. Inspecting or entering any portion of the Sewage Treatment System without prior written authorization of the District;
- C. The excavating, either directly or indirectly, of a street or alley for the purpose of connecting with the Sewage Treatment System without first obtaining a permit from the District;
- D. Illegal use of the Sewage Treatment System, including but not limited to:
 - 1. deposit of any liquid or solid waste not in compliance with these Policies and Procedures or with any applicable law;

2. any connection (whether direct or indirect) to the Sewage Treatment System which is not in compliance with these Policies and Procedures or with any applicable law;
 3. operation of a Commercial Dump Station connected to the Sewage Treatment System without first obtaining District authorization.
- E. Discharging into the Sewage Treatment System without properly obtaining service, paying the appropriate sewer charges and obtaining the necessary permit;
 - F. When depositing Septage in the system by means of a tanker truck, willfully misrepresenting the contents of the tanker either through providing incorrect information or falsifying the load manifests;
 - G. Exceeding quantity Discharge limitations as set forth herein, or as made part of any Discharge permit issued under these Policies and Procedures;
 - H. Permitting the Discharge of excessive concentrations of substances limited by these Policies and Procedures, or by any Discharge permit issued pursuant to these Policies and Procedures;
 - I. Permitting the Discharge of any substance prohibited by these Policies and Procedures or by any Discharge permit issued pursuant to these Policies and Procedures;
 - J. Failure to pay any applicable rates, fees and charges established in accordance with these Policies and Procedures;
 - K. Knowingly misrepresenting or omitting any pertinent information in applications or reports submitted to the District pursuant to these Policies and Procedures.

Section 1.1.10 Administration

A. Board of Directors and Indemnification

The District is governed by a Board of Directors appointed by the City's Mayor and Council in the manner contemplated by the Act. The Board of Directors will conduct meetings in accordance with Arizona's open meeting laws.

To the greatest extent permitted by law, the District will pay, defend, protect, indemnify and hold its past, present and future members of its Board of Directors (each individually an "**Indemnified Party**" and collectively "**Indemnified Parties**") harmless for, from and against all causes of action (whether in contract, tort or otherwise), claims, costs, damages, demands, judgments, liabilities, losses, suits and expenses (including, without limitation reasonable cost of investigation and attorneys' fees and expenses) of every kind, character and nature whatsoever (collectively referred to herein as "**Liabilities**"), directly or indirectly arising from or related to each Indemnified Party's service to the District.

Any person entitled to indemnification under these policies and procedures must notify the District's Chairman in writing of the existence of any claim, demand or other matter to which the District's indemnification obligations would apply, and must give the District a reasonable opportunity to defend the same at the District's expense and with counsel satisfactory to the Indemnified Party; provided that the Indemnified Party, at all times, will also have the right to participate in the defense of any such claim, demand or other matter to which the indemnification obligations would apply. If the Indemnified Party is advised in the opinion of legal counsel that there may be legal defenses available to the Indemnified Party which are different from or in addition to those available to the District or if the District, after receiving written notice from the Indemnified Party of the existence of any claim, demand or other matter to which the District's indemnification obligation applies, within a reasonable period necessary to preserve any and all defenses to the claim, demand or other matter asserted, fails to assume the defense or employ legal counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party will have the right, but not an obligation, to undertake the defense of and to compromise or settle the claim, demand or other matter on behalf of and for the account of and at the risk of the District.

The District shall be responsible for the reasonable legal counsel fees, costs and expenses of the Indemnified Party conducting its defense. Nothing in these Policies and Procedures shall be deemed to provide indemnification to any Indemnified Party with respect to Liabilities arising from the fraud or willful misconduct of such Indemnified Party. However, these Policies and Procedures are intended to provide indemnification to each Indemnified Party for his or her own active or passive negligence.

B. Chairman

The Board of Directors must elect from their members a Chairman who is responsible for setting the Board of Directors' agenda and conducting the Board of Directors' meetings.

C. Vice Chairman

The Board of Directors must select from their members a Vice Chairman, who, in the absence of the Chairman, is responsible for setting the Board of Directors' agenda and conducting the Board of Directors' meetings.

D. Statutorily-Required Officers

The District must have a District Clerk and District Treasurer in order to comply with the requirements of the Act. Further, the Board of Directors may appoint one (1) or more persons to assist the District Clerk or the District Treasurer in carrying out his or her statutorily-required duties, including, but not limited to, the power of the District to appoint a Recording Secretary to assist the District Clerk in the preparation of the District's meeting minutes and an Assistant Treasurer to assist the Treasurer in carrying out his or her duties.

E. District Manager

For the proper administration of the Sewage Treatment System, the Board of Directors must appoint by resolution a qualified District Manager. The District Manager is the executive officer in charge of all personnel as well as the day-to-day operation of the Sewage Treatment System, including maintenance of facilities and equipment. The District Manager will also have general supervision over all rates, fees and charges for sewer services, agreements, new connections and repairs. The District Manager serves at the pleasure of, and reports directly to, the Board of Directors. The District Manager may, by contract and with approval of the District, employ professional services to perform the duties and functions of the District. All persons or services employed must be qualified and, if applicable, duly registered or licensed by the State and/or by other relevant authorities.

Section 1.1.11 Authority of the District Manager

The District Manager is authorized to enforce these Policies and Procedures. In carrying out this responsibility, the District Manager has authority to do the following, in addition to other authority as may be set forth in these Policies and Procedures or as may be delegated to the District Manager by the Board of Directors from time to time:

- A. Issue, amend or revoke permits;
- B. Impose monitoring, reporting, inspections, testing, sampling or treatment requirements as conditions of any permits issued;
- C. Impose other such conditions of permits as are deemed necessary to carry out the purpose of these Policies and Procedures.
- D. Conduct monitoring or testing of Discharge, with costs to be borne by the Customer if it is determined that Discharge is in violation of the District's Policies and Procedures;
- E. Investigate possible violations of these Policies and Procedures;
- F. Notify Persons of violations of these Policies and Procedures and demand any appropriate corrective action; the violator will be allowed the opportunity to respond to an order of the District Manager before any enforcement action against such Person is initiated, unless the Discharge is a threat to the public health or safety or the lawful, safe or effective operation of the Sewage Treatment System, in which case the District Manager may initiate enforcement action without giving notice or an opportunity to respond;
- G. Impose appropriate fees or charges, or initiate appropriate actions, for noncompliance with these Policies and Procedures, including suspension or revocation of permits; termination of services; restricting or terminating discharges; or requesting that the District initiate legal action against any Person violating any requirement of these Policies and Procedures;

- H. Inspect the property of any Customer in connection with any known or suspected violation of any of these Policies and Procedures or for any other lawful purpose related to the Sewage Treatment System;
- I. Represent the District in collecting accounts or other amounts owed the District when permitted to do so by applicable law; and
- J. Have care, custody and control of and serve as custodian of the records of the District.

Section 1.1.12 Amendments and Revisions

The District may from time to time amend its Policies and Procedures. In order to do so, the District must take the following actions:

- A. Notice of the proposed amendments to these Policies and Procedures must be placed on the District's agenda for a public meeting.
- B. A written copy of the proposed amendments to the Policies & Procedures must be presented to the District's Board of Directors for consideration at the aforementioned public meeting.
- C. During the course of the aforementioned public meeting, the District's Board of Directors may require that the proposed amendments to these Policies & Procedures be read aloud in their entirety or the Board of Directors may elect to dispense with the reading of the proposed amendments to these Policies & Procedures.
- D. If the District's Board of Directors is interested in taking action to adopt the proposed amendments to these Policies and Procedures, then the District must notify its Customers of the proposed amendments to these Policies and Procedures by the publication of a notice of hearing on the adoption of amendments to these Policies and Procedures in a newspaper of general circulation in the City and by posting the notice of hearing on the District's website, which must appear not less than **ten (10)** days prior to the date on which the District's hearing will be held. The notice of hearing must inform interested parties where they may obtain a copy of the proposed amendments to these Policies and Procedures. Interested parties may be required to pay the appropriate costs for obtaining such copies. The District is subject to the constraints imposed by Arizona's Public Records Law.
- E. During the course of the public hearing, the District will take public comment to the extent required by Arizona's Open Meeting Law with respect to the proposed amendments to these Policies and Procedures.
- F. Once the public hearing has been concluded, the District's Board of Directors may, by simple majority of the members present at a properly noticed public meeting, at which a quorum of directors is present, adopt the proposed amendments to these Policies and Procedures.

- G. If an amendment to these Policies and Procedures is adopted in the manner set forth above, the amendments must be signed by the District's Chairman, and the District's Clerk must maintain the amendments in the District's records.
- H. Notice of the adoption of the amendments to these Policies and Procedures shall be published in whole or **"by reference"** in a newspaper of general circulation in the City and posted on the District's website.

Section 1.1.13 Obligations Under Other Laws

Nothing in these Policies and Procedures relieves any Person's obligation to conform to any federal, State or local law. Nothing in these Policies and Procedures requires the District to act in violation of any applicable law or to confer any substantive rights on any Person. The District may, in its discretion, impose requirements which are not mandated by any applicable law, provided that imposing such requirements would not violate any applicable law.

Section 1.1.14 Service Agreements

A. General Requirements

All Customers obtaining sewer service are required to enter into a Service Agreement with the District in the form prescribed from time to time by the Board of Directors. Any Person receiving sewer service from the District and paying Service Charges, and other charges, costs and expenses imposed by the District, will be deemed to have entered into a Service Agreement and will be governed by these Policies and Procedures. Sewer service may be withheld from any Person who has not entered into a Service Agreement. The Service Agreement may include some or all of the following provisions:

1. Requirements for connection of the Customer's property to the Sewage Treatment System.
2. The Customer's obligation to pay Service Charges and other charges, costs and expenses imposed by the District from time to time.
3. That the Service Agreement is governed by and subject to these Policies and Procedures.

Section 1.1.15 Termination

A. Termination of Service with Notice

The District may disconnect service to any Customer with notice for any reason stated below provided the District has met the notice requirements of these Policies and Procedures.

1. Violation of any of the District's Policies and Procedures;
2. Failure to pay any amounts owed to the District;
3. Failure to meet or maintain the District's credit and deposit requirements;
4. Failure to provide the District reasonable access to its equipment and property;
5. Misrepresentation in any application for service, Service Agreement or mainline extension agreement;
6. Any material breach of a Service Agreement or mainline extension agreement;
or
7. When necessary for the District to comply with an order of any court or governmental agency having jurisdiction.

B. Termination of Service Without Notice

1. The District may disconnect a Customer without advance notice under the following conditions:

The existence of an obvious hazard to the safety or health of the Customer or the general population;

The District has evidence of fraud relating to that Customer's use of the Sewage Treatment System.
2. The District will not be required to restore service until the conditions which resulted in the termination have been corrected to the satisfaction of the District.

C. Termination Notice Requirements

1. The District will not terminate service to any Customer without providing five (5) working days advance notice to the Customer of the District's intent to terminate service, except for those conditions specified in these Policies and Procedures.
2. Such advance notice must contain, at a minimum, the following information:

The name of the Customer whose service is to be terminated and the address where service is being rendered;

The reason for termination;

The date on or after which service may be terminated; and

A statement advising the Customer that the District's stated reason for the termination of service may be disputed by contacting the District, advising the District of the dispute and making arrangements to discuss the cause of termination with the District Manager in advance of the scheduled date of termination. The District retains the option to terminate service after affording this opportunity for a meeting and concluding that the reason for termination is valid.

3. The notice will be considered to be given to the Customer when a copy is posted at the address where service is provided and posted first class in the United States mail, addressed to the Customer at the billing address for the Customer as provided in the Service Agreement.
4. If the period of time allowed by the notice has elapsed and the delinquent account has not been paid nor arrangements made with the District for the payment thereof, or in the case of a violation of the District's Policies and Procedures the Customer has not satisfied the District that such violation has ceased, the District may then terminate service without giving further notice.

D. Hearings

1. If requested by the Customer, the District must schedule a hearing on any disputed matter relevant to the termination of service or rates, fees or charges. Once a request for hearing is made by the Customer, the District must not terminate service until the matter is resolved, unless the District Manager determines that the continuance of sewer service would endanger the public health or safety, or would interfere with the lawful, safe or effective operation of the Sewer Treatment System.
2. If the request for a hearing is based on a dispute concerning bills or rates, fees or charges, the Customer will be required to pay the amount in dispute, pending the resolution of the matter. If the matter is resolved in favor of the Customer, the District must promptly return any funds due the Customer. Nothing herein will relieve the Customer of paying any fees for sewer services or other rates, fees or charges while the matter is pending resolution.

E. Landlord/Tenants

The District will allow a tenant to rectify an account delinquency prior to service being terminated. If the tenant declines to rectify the delinquency, the District may terminate service. The District will not attempt to recover from a tenant or condition service to a tenant on the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

F. Undeveloped Land

Customers classified as Undeveloped Land who do not remedy a notice of the District's intention to terminate the Customer's account will be relieved of the obligation to pay any future fees and will lose the right to obtain reduced Connection Fees. If the Customer subsequently desires to connect to the Sewage Treatment System, the Customer will have an obligation to pay all of the then prevailing rates, fees and charges associated with obtaining service from the District.

ARTICLE 1.2 PERMITTING

Section 1.2.1 Permits Required

Permits are required for the following activities:

- A. Connection to the Sewage Treatment System;
- B. Construction, extension, repair or replacement of the Collection System;
- C. Operation of a Commercial Dump Station;
- D. Discharge by an Industrial Customer;
- E. Otherwise Discharging into the Sewage Treatment System; and
- F. Other activities deemed necessary by the District.

Section 1.2.2 Permitting Policies

Except as otherwise stated in these Policies and Procedures, permitting will be conducted as follows:

- A. Applications for permits must be made on forms provided by the District.
- B. An Applicant for a permit must pay the required fees.
- C. Applications for permits must be submitted and signed by the Applicant or an authorized representative of the Applicant.
- D. An application will not be considered complete until and unless all required information is provided and any applicable fees are paid.
- E. Issuance of a permit will not release the Permittee from the obligation to comply with all other provisions of these Policies and Procedures.
- F. The District may change the conditions of any permit from time to time, as Regulatory Agencies may require, or to preserve and protect public safety and health and the lawful, safe and effective operation of the Sewage Treatment System.

- G. Noncompliance with any or part of these Policies and Procedures or applicable laws and regulations may subject the Permittee to revocation of the permit. Re-issuance of a permit after revocation will be at the District's discretion, and may be made subject to such conditions as the District deems appropriate.
- H. Permits may not be transferred without the District Manager's written authorization.

ARTICLE 1.3 SEWER USE AND SEWER CHARGES AND FEES

Section 1.3.1 Authority of the District

In addition to other authority contained in these Policies and Procedures, the District has the authority for the following;

A. Design Review and Issuance of Construction Permit

A sewage construction permit will be issued only when the District is satisfied that all designs, plans and specifications relating to sewage facilities are in compliance with these Policies and Procedures and the sewage facilities will function in a safe, sanitary, manner. Nothing herein relieves the Customer of the need to obtain review and/or approval from the Regulatory Agencies having jurisdiction.

B. Inspections

1. The District may perform inspections of any facility that is planning to Discharge, Discharges or allows Discharge, either directly or indirectly, to the Sewage Treatment System.
2. Inspections may include, but are not limited to, Service Lines, Lateral Sewer Lines, Collection Systems, interceptors, pollution control plants, all industrial processes and all other facilities whether directly or indirectly connected to the Sewage Treatment System. Inspections may be made to determine that such facilities are maintained and operated properly and are adequate to meet the provisions of these Policies and Procedures and all applicable law.
3. Access to all sewage facilities directly or indirectly connected to the Sewage Treatment System must be given to the District at all reasonable times. The Customer has an obligation to remove any permanent or temporary obstruction blocking the District's access to the sewage facility.
4. No Person may interfere with, delay, resist or refuse entrance to an authorized District inspector attempting to inspect any sewage facility connected directly or indirectly to the Sewage Treatment System.

C. Construction Inspections

Collection Mains and Service Lines to be connected directly or indirectly to the Sewage Treatment System or to any sewer pipe line already in existence must be inspected by the District prior to connection. Each Customer must notify the District at least two (2) full business days prior to connecting to the Collection System. No connection to the Sewage Treatment System will be permitted until an inspector is present. No Discharge is permitted prior to obtaining inspection and approval of construction by the District.

D. Permissible Limits

The District has the authority to establish quantity of Discharges and permissible limits of concentration for specific substances, materials, waters or wastes.

E. Maintenance and Repair

In order to facilitate the operation and Maintenance of the Sewage Treatment System, all Persons owning property having sewage facilities directly or indirectly connected to the Sewage Treatment System must give the District reasonable access to service and repair the Sewage Treatment System. Further, property owners have an obligation to remove any permanent or temporary obstruction necessary in a timely manner to allow the District to carry out its maintenance obligations.

Section 1.3.2 Rates, Fees and Charges

A. Necessity for Charges

Charges for sewer service are deemed necessary for the protection of the public's health, safety and welfare and so that the Sewer Treatment System can conform to federal, State, County and local laws and regulations. The District maintains a system of rates, fees and charges for sewer service which allocates the cost of providing sewer service to each Customer who Discharges, either directly or indirectly, or who has the right Discharge at some time in the future and to allow the District to pay capital, Debt Service, operation and maintenance expenses of the District. All Customers are required to pay the rates, fees and charges as provided for in these Policies and Procedures.

B. Rates, Fees and Charges

The District has established the following categories of rates, fees and charges:

1. Application Fees;
2. Connection Fees;
3. Customer Deposits;
4. Service Charges;

5. Special Assessments;
6. Delinquent Charges;
7. Disconnect Charges;
8. Reconnect Charges;
9. Returned Payment Charges;
10. Re-establishment Charges;
11. Commercial Dump Station Charges;
12. Septage Fees;
13. Undeveloped Land Fees;
14. On-Site Improvement Charges;
15. Monthly Minimum Charges;
16. Recoveries of Actual Costs.

C. Service Classifications

The rates, fees and charges authorized under these Policies and Procedures will be charged to Customers based on the Customer's service classification. Each customer service classification may be subdivided into one or more sub classifications in order to provide a more appropriate allocation of the costs of service. The primary service classifications are listed as follows:

1. Single Family Residential;
2. Multi-Unit Residential;
3. Non-Residential;
4. Industrial;
5. Undeveloped Land;
6. Septage Waste Hauler.

D. General Establishment Procedures

In connection with the preparation of the District's budget for its fiscal year (July 1 to June 30) the District will propose rates, fees and charges for the next fiscal year. The District's Customers will be notified of the proposed rates, fees and charges by the District's publication of a notice of a hearing on the establishment of such rates, fees and charges in a newspaper of general circulation in the City which must appear not less than ten (10) days prior to the date on which the District's hearing will be held and by posting the notice of hearing on the District's website,. During the course of the hearing, the Customers and other members of the public are entitled to comment on

the proposed rates, fees and charges. At the conclusion of the public hearing on the establishment of the proposed rates, fees and charges, the District's Board will be empowered to establish rates, fees and charges for the next fiscal year.

The District may amend any of its rates, fees or charges at any time during its fiscal year, provided that it follows the notice and hearing procedure set forth in this Section.

E. Individual Agreements

In addition to the general rates, fees and charges that are established in the manner described above, the Board of Directors reserves the right to establish separate rates, fees or charges for any individual Customer or Customers when it is, in the Board of Director's judgment, in the best interests of the District to do so, and to the extent permitted by law.

F. Assessment of Connection Permit Fees

A Connection Permit Fee will be imposed whenever:

1. Application is made to the District for the issuance of a permit to provide sanitary sewer service to a new or existing structure;
2. Application is made for the issuance of a permit to provide sewer service to an existing structure already connected to the Collection System if the new construction or use will result in a change in the Customer's service classification; or
3. An existing structure is removed and a new structure built, and use is made of an existing sewer pipe line, or a new sewer pipe line is constructed to connect to the Collection System.

G. Special Assessments

These fees are intended to cover extraordinary costs to maintain, operate or improve the Sewage Treatment System. A special assessment may be imposed against one or more than one Customer. The purpose of any special assessment will be expressly identified at the time it is imposed.

H. Delinquent Rates, Fees and Charges

1. All rates, fees and charges are due and payable when billed. Amounts due are considered delinquent if not paid by the due date stated on the billing statement unless other arrangements have been made in advance and in writing between the Customer and the District. Any delinquent account requiring special collection effort may be assessed Delinquent Charges as established by the District's Board of Directors. If the total of such delinquent amounts and Delinquent Charges is not received within **five (5) days** after date

of delinquency and notice of delinquency has been given, sewer service may be disconnected from the premises of the delinquent Customer and a Disconnect Charge charged to the Customer's account.

2. Delinquent Charges may be assessed to Customer accounts not paid in full by the stated due date. In addition, the Customer's account will bear interest on all delinquent amounts owed to the District at a rate specified by the District's Board of Directors in the adopted rates, fees and charges until paid in full.
3. A Customer's sewer service may be disconnected at one location for nonpayment of a bill for sewer services rendered at a previous or alternative location, provided such bill is not paid within **twenty (20) days** after the unpaid bill has been presented to the Customer at the most recent billing address on file with the District.
4. Any expense incurred by the District for the repair or replacement of damaged, stolen, tampered with or misused Sewage Treatment System and all expenses related to the collection of such expenses including attorneys' fees and court costs will be charged against and collected from the Customer. Such expenses will be subject to Delinquent Charges if not paid by the stated due date.
5. When a Customer has been notified of the amount of Service Charges remaining due after the deduction of any Customer Deposit, or has been notified that any other rates, fees and charges remain due, and payment of same has not been received by the stated due date, the District may assign the account to a collection agency, and/or record a lien on the Customer's property for the delinquent amount, or institute legal action to collect all amounts due the District, or foreclose the District's lien. If legal action is instituted or the District otherwise engages legal counsel to collect any amounts due the District, the delinquent Customer will be obligated to pay the District's expenses, including all attorneys' fees incurred.
6. Before sewer service will be provided or restored to any property, all rates, fees and charges for service to the property then due and payable to the District must be paid, including, without limitation: charges for labor supplied or materials furnished by the District in installation of sewer pipe lines connecting the property with the Collection System; fees or charges for connecting to the Sewage Treatment System; any expenses incurred by the District (including, without limitation, legal expenses) in connection with service provided to the Property; any Connection Permit Fee, Disconnect Charge, Reestablishment Charge or Reconnection Charge; or charges for repair or Replacement of damaged, stolen or misused Sewage Treatment System facility or facilities.
7. If a Customer Deposit is applied to the amount past due, the Customer may be considered delinquent until the Customer Deposit is restored to the required amount.

I. Returned Payment Charge

The District may establish a charge for payments returned to the District by financial institutions or other payment processors.

J. Commercial Dump Charge

The District may establish a charge for Customers who operate a Commercial Dump station. The Commercial Dump Charge may be in addition to the rates, fees and charges imposed for Septage treatment services.

K. Undeveloped Land Fee

The District may establish a per acre monthly fee applicable to Customers assigned to the Undeveloped Land classification. Customers in the Undeveloped Land classification that pay fees in a timely manner will be entitled to a reduced Connection Permit Fee equivalent to one-half (½) of the then prevailing Connection Permit Fee for the service classification. However, Customers that do not pay Undeveloped Land Fees in a timely manner will lose the right to reduced Connection Permit Fees.

L. Billing of Sewer Charges

At the option of the District, billing for sewer service may be rendered on a monthly, quarterly or annual basis.

Section 1.3.3 Industrial Customer Requirements

A. All Industrial Customers shall apply for service in accordance with the District's Industrial Pretreatment Program as may be amended from time to time

Section 1.3.4 Septage, Septage Waste Haulers

A. Septage Discharge

1. No Septage Waste Hauler may Discharge without submitting an application for service and receiving approval from the District.
2. Septage may be discharged only at the Treatment Plant. The District will not accept wastes that are not readily biodegradable or are suspected to be incompatible with the operation of the Treatment Plant. All hauled loads of Septage to be Discharged at the Treatment Plant must be accompanied by a load manifest identifying the origins of the waste transported, contents of the waste to be Discharged and quantity of load. Failure to provide an adequate manifest may result in prohibition of Discharge into the Treatment Plant.

B. Delinquency and Revocation

Charges for Septage Discharge will be considered delinquent if not paid by the stated due date and will be subject to late interest penalty. Delinquency in payment may be grounds for suspension or termination of the account.

Section 1.3.5 Accidental Discharges

A. Protection Against Discharge

Each Customer must provide protection from accidental Discharge of Unacceptable Discharges as set forth in these Policies and Procedures or materials that are incompatible with the operation of the Treatment Plant.

B. Notification of District

A Customer must notify the District immediately upon accidentally discharging wastes in violation of these Policies and Procedures. This notification must be followed within fifteen (15 days) of the date of occurrence by a detailed written statement describing the cause or causes of the accidental Discharge, the remediation measures being taken and the measures being taken to prevent future occurrence. The notification will not relieve the Customer of liability for any expense, loss or damage caused by the accidental discharge, including but not limited to, damage to the Sewage Treatment System. The Customer will be liable to the District for any fines imposed on the District as a result of the accidental discharge, and/or for the District's cost of defense of any enforcement action including, without limitation, the District's attorneys' fees resulting from the occurrence.

C. Labeling

Any possible connection or entry point at which a hazardous and/or prohibited substance may enter the Customer's Building Sewer or the Collection System must be appropriately labeled to warn operating personnel against the Discharge of any such substance in violation of these Policies and Procedures.

Section 1.3.6 Discharge Restrictions

A. District Determines Acceptability

The District will determine the acceptability or unacceptability of any Discharge to the Sewage Treatment System. Such a determination will be made on the basis of sound engineering and operational evaluations, taking into consideration the nature and concentration of the Discharge, its point of entry into the Sewage Treatment System, its compatibility with other Discharges in the Sewage Treatment System, its compatibility with the Treatment Plant, the requirements of applicable law and all other factors pertinent to the effect of the Discharge on any part of the Sewage Treatment System.

B. Unacceptable Discharge Prohibited

No Person shall release or cause to be released or allow to run, leak or escape into the Sewage Treatment System any Discharge that the District has determined is unacceptable or not in compliance with these Policies and Procedures. The District may impose fees or charges on any Customer who Discharges wastes having strength greater than normal sewage or containing non-permissible quantities of prohibited substances into the Sewage Treatment System. The fees or charges so imposed will reflect the extra costs incurred by the District in surveillance, sampling, testing and treatment of the Discharges, plus any additional administrative, legal, engineering, regulatory or operating and Maintenance expenses, and any other actions required to identify, handle, process or supplement normal activities of the Sewage Treatment System due to the unauthorized Discharge. Failure by a Customer to pay the charges and to provide such corrective measures as may be required to prevent further unauthorized Discharges, after written notice by the District shall be sufficient cause to discontinue sewer service immediately.

C. Unacceptable Discharges

Unacceptable Discharges include, but are not limited to, those which have been determined by the District to:

1. Contain materials or substances which could constitute a hazard to the health or safety of personnel engaged in inspection, maintenance and operation of the Sewage Treatment System;
2. Contain materials or substances which are determined by the District to be toxic;
3. Contain materials or substances which are in any way deleterious to any part of the Sewage Treatment System;
4. Contain concentrations of any chemicals, materials or substances in excess of any limits set thereon, in accordance with these Policies and Procedures;
5. Cause the District to incur excessive expense in the handling or treatment thereof;
6. Be incompatible with the treatment process or inhibit the performance of the treatment process at a District Sewage Treatment System facility;
7. Be of such volume or contain such BOD, Suspended Solids or exhibit some other Treatment Parameter which could cause the treatment facility to exceed its design capabilities;
8. Cause a treatment facility of the District to fail to meet requirements set by any applicable Regulatory Agencies, or cause adverse effect on the receiving body of water, aquifer or point of discharge or reuse;

9. Contain viable pathogenic organisms in such quantities as to be a hazard to public health;
10. Contain any chemicals, materials or substances in excess of those allowed by Regulatory Agencies; or
11. Be harmful to public health or safety.

D. Toxic and Deleterious Substances

Certain materials shall by their nature be considered by the District to be toxic or deleterious to the Sewage Treatment System, including but not limited to:

1. Construction materials, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, paunch manure, fur, waste or any solid or viscous substance capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the Sewage Treatment System;
2. Any gasoline, benzene, naphtha, fuel oil or other flammable or explosive liquids, solids or gases;
3. Steam or hot water above **105° F (40°C)**;
4. Any water or waste containing fats, wax, grease or oils, whether emulsified or not, in excess of **100 mg/l** or containing substances which may solidify or become viscous at temperatures between **33°F** and **150° F (1°C and 65°C)**;
5. Any water or waste having a pH lower than **5.5** or higher than **9.5**, or having any other corrosive property apt to cause damage or hazard to structures, equipment of the Sewage Treatment System or personnel employed in its operation;
6. Any water or waste containing readily releasable cyanide (cyanide released at a temperature of **150°F/65°C** and pH = **2.5**) in excess of **2 mg/l**; any water or water containing total cyanide in excess of **5 mg/l**;
7. Coal tar, its derivatives and waste;
8. Any liquids or wastes containing toxic, radioactive, poisonous or other substances in sufficient quantities or rate of flow as to injure or interfere with any of the sewage treatment process, to cause corrosive structural damage, to constitute a hazard to human beings or animals, or to create any hazard in the receiving body of water, aquifer or point of discharge or reuse; or
9. Any storm water, surface water, ground water, roof runoff or surface drainage.

E. Discharges Permitted

Certain toxic or deleterious substances and pathogenic bacteria, admission of which into the system would otherwise be prohibited, may be acceptable in a Discharge, upon written advance approval by the District, if (1) treated by the Customer before Discharge in such a manner that it will meet the requirements set forth in these Policies and Procedures; or (2) Discharged in such small concentrations so as to not be injurious to or adversely affect personnel, the public health and safety, the lawful, safe or effective operation of the Sewage Treatment System, or receiving body of water, aquifer or point of discharge.

F. Conformance with Other Laws

In no event shall any toxic substance, pathogenic bacteria or any other chemical, substance, or material be Discharged if such Discharge would violate federal, State, or local law.

G. Maximum Allowable Values.

Table A lists the maximum allowable values for certain materials in, or characteristics of, Discharge entering the Sewage Treatment System. The District reserves the right to establish standards for substances not contained in this list.

TABLE A

<u>Material or Characteristic</u>	<u>Maximum Allowable Value</u>	
Antimony	30.0	µg/l
Arsenic	0.1	ppm
Beryllium	5.0	µg/l
Boron	1.0	ppm
Barium	10.0	ppm
Cadmium	2.0	µg/l
Chloroform	80.0	µg/l
Chromium	1.0	mg/l
Chromium III	0.5	mg/l
Chromium IV	10.0	µg/l
Chromium, total	10.0	ppm
Copper	10.0	ppm
Cyanides	2.0	ppm
Cadmium	2.0	ppm
Lead	0.1	ppm
Manganese	0.5	ppm
Mercury	0.05	ppm
Nickel	10.0	ppm
Selenium	0.1	ppm
Silver	0.5	ppm
Sulfide	1.0	mg/l
Thallium	0.15	mg/l
Zinc	10.0	ppm
Iron	25.0	ppm
Phenols	0.5	ppm
Temperature	105°F	

The above limitations are intended to apply generally to all Customers utilizing the Sewage Treatment System. If and when any applicable Regulatory Agency regulations require a specific pretreatment concentration for a specific industry, whichever is the more stringent concentration level between these Policies and Procedures and applicable regulations shall apply.

Section 1.3.7 Industrial Waste Pretreatment Requirements

A. When Required

Pretreatment will be required in the following instances, and the District shall provide to each applicant the pretreatment levels which must be obtained:

1. If the District determines upon the initial application for a permit under these Policies and Procedures that the proposed Discharge must be pretreated by the applicant to lower the level of any Treatment Parameter of the Industrial Waste Discharged to the sewer.
2. If the District determines it must improve the quality of its effluent, then the District may require that a Customer install or enlarge pretreatment facilities to lower the affected Treatment Parameter of the Customer's Discharge to an acceptable level.
3. If any Discharge prohibited under these Policies and Procedures is produced by a Customer, then the Customer shall pretreat the Discharge to the extent required, to comply with the standards established herein before Discharging to any part of the Sewage Treatment System.

B. Consideration by District

The acceptability of a pretreatment method for any given Discharge and the terms for the installation and use thereof, shall be reviewed by the District at the time that an application for Discharge is considered. Such a review shall be made on the basis of sound engineering and operational evaluations, taking into consideration all factors pertinent to the effect of the Discharge, both before and after pretreatment, on public health and safety and on the lawful, safe and effective operation of the Sewage Treatment System.

C. Costs Borne by Customer

Pretreatment facilities shall be provided, and shall at all times be maintained in satisfactory and effective operation, by the Customer and at the Customer's expense. Pretreatment facilities shall at all times be subject to inspection by the District in order to determine if such facilities are efficiently performing the function for which they are installed.

D. Changes in Process

If the District determines that a Permittee has increased either the strength or volume of its Discharge, the District may require additional pretreatment to lower the level of the volume and/or any Treatment Parameter of the waste before Discharge.

E. Dilution Generally Prohibited: Exceptions

Except as otherwise stated herein, dilution of waste Discharged to the Sewage Treatment System is prohibited, whether accomplished by the combination of two (2) or more waste streams by a Customer or Customers, or by the addition of other liquids solely for the purpose of diluting the quality of the waste Discharge. One or more Customers may, upon application and approval by the District, combine waste streams prior to Discharge to avoid pretreatment requirements if, and only if, such combination of waste streams produces a combined Discharge of better quality (i.e. more easily treated) than the two (2) waste streams would have been if Discharged separately, and if the combination meets the requirements of these Policies and Procedures in all other respects.

F. Plans

Detailed plans showing any pretreatment facilities shall be submitted to the District for approval before construction of the facilities. The review of such plans will in no way relieve the Permittee from the responsibility of modifying and operating the facilities to produce an effluent complying with the established conditions of the Discharge permit and federal regulations. Any subsequent, significant changes in the approved facilities or method of operation shall be reported to the District and must be reviewed and approved by the District as complying with the provisions hereof. Furthermore, all facilities, methods of operation and Discharges must comply with the rules and regulations contained in Code of Federal Regulations, Title 40, Chapter 1, Part 403, and with all other applicable law. No construction of pretreatment facilities shall be commenced until the District's approval is obtained in writing. The completed facilities shall not be placed in service until the facilities have been inspected for conformance to the approved plans and the final construction approved by the District. After the as built construction plans for such pretreatment plants have been approved and a permit issued the approved as built plans shall be placed on file in a permanent, reproducible form with the District, without cost to the District, before Discharge is allowed.

G. Record-Keeping Requirements

Customers required to conduct pretreatment pursuant to these Policies and Procedures shall collect, maintain and submit to the District such records and data as the District may require. Such record-keeping and testing requirements shall be set forth in the Customer's pretreatment permit.