



PINETOP-LAKESIDE SANITARY DISTRICT RULES & REGULATIONS

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RESOLUTION 2007-02 (dtd 01-10-07)
PINETOP-LAKESIDE SANITARY DISTRICT
RULES AND REGULATIONS

ARTICLE I

Section 1 DEFINITIONS

The following definitions shall apply unless expressly stated otherwise:

1. “Adjacent” – a parcel of property is deemed adjacent when any portion of the easement containing the sanitary sewer is contiguous with the parcel, or any extension of the parcel created by an easement for roadway or utilities.
2. “Allowable Base Density” – one EDU per connection.
3. “Annexation Fee” – a fee charged for annexation of real property to the District.
4. “Applicable Fees” – those fees which must be paid as a condition for the issuance of any permit, permission, approval, inspection, plan review, or other activity by the District; the amount of such fees being set forth in Exhibit A.
5. “Assessment Area” – any of the areas within the boundaries of the District.
6. “B.O.D.” – Biochemical Oxygen Demand – the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedures in five days at twenty (20) degrees centigrade, expressed in milligrams per liter.
7. “Board” – the Board of Directors of the Pinetop-Lakeside Sanitary District.
8. “Capacity” - the ability for conveyance and treatment of wastewater from the point of each service connection to disposal.
9. “Collection System” – a pipeline or conduit, pumping station, force main, or any other device or appurtenance used to collect and conduct wastewater to a central point for treatment or disposal.
10. “Connection Fee” – the initial sewer connection charge as set forth in this Resolution and shall apply to all connections to the collection system.
11. “Developer” – any individual, firm, corporation, or other legal entity improving property for commercial, residential, or industrial purposes.
12. “District” – the Pinetop-Lakeside Sanitary District.
13. “EDU” – equivalent dwelling unit, as further defined in Article V.
14. “Excess Density Fee” – the fee charged to connections with a density, or required capacity, greater than the allowable base density.
15. “Excessive Flows” – the flow rate of wastewater in a sanitary sewer which exceeds 100 gallons per person per day per EDU when coming from residential connections, or which exceeds the estimate of the normal flow rate determined by the District for nonresidential connections.
16. “Fixture Unit Value” – the unit value prescribed for plumbing fixtures as set forth in the Uniform Plumbing Code computed on the basis of the design capability of such fixtures to permit the flow of water or wastewater.

17. "Flow" – liquids and suspended solids of all types which are found in the collection system.
18. "Flow Rate" – the total volume of flow which would accumulate in twenty-four (24) hours. Flow rate shall be expressed in gallons per day.
19. "Garbage" – solid wastes from the preparation, cooking and dispensing of food and the handling, storage and sale of produce.
20. "Improvement District" – any Sewer Improvement District formed pursuant to article 2, Chapter 14, Title 48 Arizona Revised Statutes within the District.
21. "Industrial Waste" – all wastewater resulting from the process, trade, business or operational procedures of an industrial user.
22. "May" – permissive.
23. "MSW" – Municipal Solid Waste – any and all putrescible and non-putrescible solid and semi-solid waste, including garbage, refuse or rubbish resulting from residential and non-residential activities.
24. "Natural Outlet" – any outlet into a watercourse, ditch, or other body of surface or groundwater.
25. "pH" – the logarithm of the reciprocal of the weight of hydrogen ions in grams per liter of solution.
26. "Permit" – any written authorization required pursuant to this resolution, or any other regulations of the District for the installation or connection to the District collection system.
27. "Private Collection System" – a collection system, usually located on private property, installed for the sole benefit of a private development with a central point(s) of connection to the District's collection systems.
28. "Properly Shredded Garbage" – garbage that has been shredded to a degree that all particles will be carried freely under the flow conditions prevailing in the collection system, with no particle greater than one-fourth ("1/4") inch in any dimension.
29. "Proper District Authority" – the District Manager, his designee, or one charged with the responsibility of carrying out the objectives of the District as outlined by the Board.
30. "Public Sewer" – a sewer controlled by public authority.
31. "Responsible Party" – owner of property, as recorded with Navajo County, or person authorized by the owner of record to act on their behalf.
32. "Residual Waste" – the waste which is not consumed or used in the Digester process.
33. "Sanitary Sewer" – a sewer that carries wastewater from residential, commercial, and industrial connections to which storm, surface, and ground waters are not intentionally admitted.
34. "Service Line" – the line, usually on private land, connecting a dwelling or unit to the District collection system.
35. "Sewer" – a pipe or conduit, either privately or publicly owned for carrying wastewater.

36. “Sewer Connection” – the connection to the public sewer to the property line at the easement, alley, or curb line of a street, whichever is applicable.
37. “Shall” – mandatory.
38. “Storm Sewer or Storm Drain” – a sewer which carries storm and surface water drainage but excludes wastewater and polluted industrial waste.
39. “Suspended Solids” – solids that either float on the surface or are suspended in water, wastewater or other liquids, and which are removable by laboratory filtering.
40. “Treatment Facilities” – all facilities for the treatment and disposal of wastewater.
41. “UPC” – Uniform Plumbing Code
42. “U.S.E.P.A.” – United States Environmental Protection Agency
43. “User” – the owner of real property using or required to use the District’s sanitary sewer system.
44. “User Fee” – that charge made to the user of sanitary sewer services by the District to defray the costs of operation, maintenance, replacement, of the wastewater collection, treatment, or disposal systems of the District.
45. “Wastewater” – untreated wastes from toilets, baths, sinks, lavatories, laundries, and other plumbing fixtures in places of human habitation, employment, or recreation, excluding industrial wastes.
46. “Watercourse” – a channel in which a flow of water occurs, either continually or intermittently.

ARTICLE II GENERAL CONDITIONS

Section 1. MANAGEMENT RESPONSIBILITIES

It shall be the responsibility of the Board of Directors to establish and adopt guidelines necessary to manage all matters pertaining to the collection, treatment, and disposal systems and all real and personal property of the District in conformity with all applicable federal, state, county, and local laws and regulations, and any other Resolutions of the District.

The Board shall employ a District Manager and grant to the Manager the authority for general supervision over the District’s wastewater systems, the real and personal property of the District, and the District employees, subject to the conditions of employment established between the Board of Directors and the District Manager.

Section 2. CONNECTION REQUIREMENTS

It shall be unlawful for any person to make any connection to the District's wastewater systems unless such person has first made proper application for a permit to connect, has paid all applicable fees required by the District, and the application has been approved by the Proper District Authority. Further, all connections shall be made in compliance with the Rules & Regulations, or resolutions in effect, the Standard Specifications established and adopted by the District, and be subject to inspection and approval at the time of connection. A connection shall be deemed to have occurred when a lateral, tap, or extension from the main collection line is joined to a private collection system or service line. Each parcel must have a separate connection to the mainline.

Section 3. COMPULSORY CONNECTION

A. The construction, maintenance, or use of cesspools, septic tanks, or other means of wastewater disposal are hereby abated and declared unlawful when a parcel of property, improvement, building site, or proposed building site is covered by any of the following conditions:

1. When the site is in a new or proposed subdivision within the District;
2. When the site becomes adjacent to a sanitary sewer; however, the property owner shall have one year following the completion of the wastewater collection system to make the connection;
3. When the District, County, or State determines that a health hazard exists.

In those cases where a parcel is subject to compulsory connection, and the owners split or subdivide the parcel into two or more sub-parcels, it shall be the responsibility of the party initiating the split or subdivision to provide easements, appropriately located, so that the sub-parcels have access to the District wastewater systems as such sub-parcels are subject to compulsory connection.

- B. The use of wastewater disposal systems referred to in Paragraph A must be abated within the time set forth except where a written extension has been granted by the District, upon application of the property owner for good cause as determined by the Proper District Authority.
- C. Special conditions or hardship to the individual property owner, affecting the feasibility of connection to the system may be considered by the Board with respect to granting a time extension as set forth in Paragraph B, provided that said special conditions or hardships are not self-imposed by the property owner.

Section 4. FINANCIAL ASSISTANCE

- A. Where the District has made connection to the collection system by residential dwelling units mandatory for any reason, the District shall receive and consider written application from individual lot or parcel owners for financial assistance. Financial assistance can be considered for connection fees, annexation fees, lateral fees, on-site construction of service lines, capacity fees, or assessments before the time any fee is due. Only applicants who own fewer than three parcels within the District will be eligible for assistance. Once a month, the Board will review all applications for financial assistance, consider the individual circumstances, and may, where appropriate, approve such request for assistance. The determination of the Board shall be final and conclusive.
- B. Financial assistance recipients will provide the District with a Promissory Note, secured by a deed of Trust. Installment payments of the amount owing the District will be mandatory; term not

in excess of ten (10) years; rate of interest set by the Board annually at the time of setting the District fees. In such cases of extreme hardship, appropriate alternative payment methods may be adopted.

Section 5. PRIVATE DISPOSAL – TREATMENT FACILITIES

- A. **When permitted:** Where sanitary sewer is not available within the District, or in an area under the jurisdiction of the District, as described in Section 3A, a building service line shall be connected to a private wastewater disposal system, which complies with the all the rules and regulations of the Arizona Department of Environmental Quality. Such private systems shall be constructed, maintained, and operated in a sanitary manner.
- B. In the event that a property installs an alternative, or private treatment facility, such treatment facilities must be approved by and comply with all the rules and regulations of Arizona Department of Environmental Quality, Navajo County, and the District. Further, the owner of such facilities must provide to the District satisfactory assurance in the form of an agreement, letter of credit, or performance bond that the facility will be properly operated and maintained.
- C. **Discontinuance:** Once any of the conditions exists for a direct connection to the District's collection system, any septic tank, cesspool, or private treatment facility shall be removed or abandoned and filled with suitable material as prescribed by the UPC and approved by the District.

Section 6. PROVISION OF SERVICE OUTSIDE DISTRICT

With the consent of the District, property located outside the District boundaries may be served by contract between the District and the owner of the property or improvements to be served, without such property being annexed to the District. Such contract shall provide the term of service, the conditions of service and the fees for such service. Fees for service shall be determined by the District and based on monthly sewer charges, ad valorem taxes and annexation fees.

The owner of the property shall provide sewer service including main line extension, if necessary, at their expense to their property. All sewer installation shall follow District Standard Specifications and these Rules and Regulations.

Section 7. AMMENDMENTS TO THE CODE

This code may be amended at any time by resolutions duly adopted by the Board, provided that notice of the same is duly given, as may be required by law.

**ARTICLE III
WASTEWATER SYSTEM USE REGULATIONS**

Section 1. **WATER OTHER THAN WASTEWATER PROHIBITED**

- A. No person shall discharge, or cause to be discharged, any storm water, surface water, ground water, roof runoff, sub-surface drainage, cooling water, water used for air cooling purposes, or unpolluted industrial process waters to any wastewater collection system. Failure to comply with this section will result in the District physically disconnecting any sewer service lines. Reconnection of sewer service line will require payment of fees set forth in Exhibit A and an inspection to verify changes to the service lines that will eliminate any future prohibited discharges.
- B. Storm water and all other unpolluted drainage shall be discharged to such systems or drains as are specifically designated as such, or to a natural outlet approved by the District.

Section 2. **PROHIBITED SUBSTANCES**

Except as herein provided, no person shall discharge, or cause to be discharged, any of the following described waters or wastes to any public sewer:

- a) Any liquid or vapor having a temperature higher than 150 degrees F.
- b) Any water or waste which may contain more than 100 parts per million (by weight) of fat, oil, or grease.
- c) Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquids solids, or gas.

- d) Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure, or any other solid or viscous substance capable of causing obstruction to the flow or other interference with the proper operations of the collection system.
- e) Any garbage that has not been properly shredded.
- f) Any water or waste containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any treatment process, constitute a hazard to humans or animals, or create any hazard in the receiving waters of the treatment facilities.
- g) Any water or waste having a pH lower than 5.5, higher than 9.0, or having any other corrosive property capable of causing damage or hazard to personnel, structures, or equipment of the wastewater systems.
- h) Any water or waste containing suspended solids of such character and quantity that unusual attention or expense is required to handle such matters at the treatment facilities.
- i) Any noxious or malodorous gas or substance capable of creating a public nuisance.
- j) Any substance whose physical, chemical, or electrical properties might be such as to interfere with any phase of the operation of the treatment facilities.
- k) Any waste from septic tanks or holding tanks unless authorized by the Proper District Authority.

Section 3. INTERCEPTOR AND GREASE TRAPS

- A. Grease, oil, and sand traps, or interceptors, shall be required at all public premises where food is served, including, but not limited to restaurants, schools, commercial kitchens, cafeterias and boarding houses. All traps or interceptors shall be of a type and capacity specified by the UPC or an equivalent approved by the District. Traps or interceptors shall be located as to be accessible for cleaning and inspection. Owners of all public premises requiring a trap or interceptor shall permit a District representative to inspect the trap or interceptor during normal business hours, or at an agreed upon time.
- B. Grease, oil, and sand traps, or interceptors, shall also be provided when, in the opinion of the Proper District Authority, they are necessary for the proper handling of wastewater containing, or exceeding limits of substances outlined in Section 2.
- C. Where required, all traps or interceptors shall be installed and maintained by the owner or responsible party, at their expense, in a continuously efficient operation at all times.

Section 4. EXCESSIVE FLOWS

- A. Flows from residential connections shall be deemed excessive when flow rates exceed the normal maximum flow rate of 100 gallons per person per connected dwelling unit per day. Flows from non-residential connections shall be deemed excessive when flow rates exceed the normal flow rate for that type of connection as set forth in Exhibit A.
- B. All excessive flows shall be measured and recorded in a manner sufficient to establish the instantaneous and average flows for a period of two (2) hours or more. All flow amounts over the normal maximum shall be billed to the originator of the excessive flows at the rate of four (4) times the standard billing rate in effect at the time the determination of excessive flows is made.

- C. When notified of the existence of excessive flows, the owner of the property or responsible party shall take corrective actions to reduce the flow rate and volume to non-excessive levels. Repairs and corrective action, as well as the schedule for completion, must be approved by the District. If the property owner or responsible party fails to adhere to the approved schedule, the District may terminate connections from where the excessive flows are emanating into the collection system.
- D. If at any time the public health, safety, or welfare is threatened or injured because of excessive flows entering the system through a connection, the District may, without notice, terminate the connection.

Section 5. WASTEWATER REQUIRING SPECIAL TREATMENT OR HANDLING

- A. In cases where the character of wastewater or industrial waste from any connection is such that it will damage the systems or cannot be treated satisfactorily in the treatment facilities, the District shall require such users to dispose of such waste and prevent it from entering the system.
- B. In such cases where the character of wastewater or industrial waste from any connection is such that it imposes an unreasonable burden upon the collection or treatment systems, the District shall, if deemed advisable, require such connection to pretreat the wastewater in such a manner as described in this Section.
- C. Discharging any waters or waste into the District collection or treatment systems of having:
 - 1. a five (5) day BOD greater than two hundred fifty (250) parts per million (PPM) by weight; or
 - 2. more than two hundred fifty (250) PPM by weight of suspended solids; or
 - 3. any quantity or substances having the characteristics described in Section 2 of this Article; or
 - 4. an average daily flow greater than two percent (2%) of the average daily flow of the District;

shall be subjected to the review and approval of the Proper District Authorities. Where deemed necessary by the Proper District Authorities, the owner shall provide, at their own expense, such preliminary treatment necessary to:

- 5. reduce the BOD to 250 PPM or less and the suspended solids to 250 PPM by weight or less; or
- 6. reduce the objectionable characteristics of constituents to within the maximum limits provided for in Section 2 of this Article; or
- 7. control the quantity and rate of discharge.

Where preliminary treatment is not feasible, as deemed by the Proper District Authorities, the user shall pay fees proportional to the strength of the wastewater discharged into the systems.

- D. Plans, specifications, and any other pertinent information relating to proposed preliminary treatment facilities shall be submitted for the approval of the Proper District Authorities and the Arizona Department of Environmental Quality. Construction of proposed preliminary treatment

facilities shall not commence until approval is received in writing. All federal pretreatment regulations shall be enforced as applicable.

- E. Prior to the connection of any manufacturing or industrial facilities to the District's collection and treatment systems, the owner or responsible party will develop and enter into an agreement with the District encompassing an industrial cost recovery system that complies with the current U.S.E.P.A. regulations.
- F. The owner or responsible party, at their own expense, shall insure that any preliminary treatment facilities are maintained continuously in satisfactory and effective operations.

Section 6. CONTROL MANHOLES, SAMPLING AND MEASURING

- A. Where required by the District, the owner of any facilities service line carrying industrial waste shall install a suitable control manhole in the private collection system to facilitate observation, sampling, and measurement of the wastes. Such manhole, when required, shall be located and constructed in accordance with plans approved by the Proper District Authorities. The manhole shall be installed by the owner at their expense and shall be maintained to be safe and accessible at all times.
- B. All measurements, tests, and analyses of the characteristics of water and waste shall be determined by the Proper District Authorities, in accordance with "Standard Methods for the Examination of Water and Sewage" and shall be determined at the control manhole provided for, or upon suitable samples taken at said manhole. In the event that no special manhole has been required, the control manhole shall be considered to be the nearest downstream manhole.

Section 7. SPECIAL ARRANGEMENTS

No statement contained in this Article shall be constructed as preventing any special agreement or arrangement between the District and any industrial concern whereby an industrial waste of unusual strength or character may be accepted by the District for treatment.

Section 8. MAINTENANCE

- A. All service lines must be maintained by the property owner or responsible party, to and including preventing or removing any blockage or obstruction of flows from the dwelling or unit to the mainline. Any maintenance that can be performed without excavating, removing, replacing or uncovering the service line may be performed without a permit from the District. In the event that it is necessary for the property owner or responsible party, to excavate, remove, uncover, alter, modify or change any portion of the service line, a permit must be obtained from the District. All fees prescribed, including any necessary inspection fees must be paid at the time the permit is issued by the District.
- B. In the event the lateral from the mainline to the service line has been determined to be unusable due to defects, broken pipe, collapse or joint separation, it will be the responsibility of the District to implement repairs or replacement in a timely manner at no cost to the user.

ARTICLE IV
CONNECTION PERMITS AND REQUIREMENTS

Section 1. **CONNECTION PROCEDURE**

- A. All owners, or responsible parties, of real property within the District required or desiring to connect to the District sanitary sewer may do so by making application upon such form as provided by the District. No connection shall be made to the District's wastewater systems without a permit being issued, and payment of all applicable fees received by the District.
- B. Permits can only be issued for connection to wastewater collection systems approved and accepted by the District.
- C. All permits for connection to the District's wastewater systems shall be subject to the following general conditions:
 - 1. **Adequacy of Design.** The responsibility for the adequacy of the design or the materials used shall rest solely with the permittee and the issuing of a permit shall not relieve him of the responsibility. The issuance of a permit shall not be construed as approval of the concept or construction details of the proposed facilities and shall not absolve the permittee or design engineer, if any, of their respective responsibilities.
 - 2. **Joint Construction and Operation Permits.** Unless otherwise stated by special conditions, the issuance of this permit shall be a joint construction and operation permit provided that the permittee complies with all rules and regulations of the District.
 - 3. **Allowable Discharges.** Discharges into the collection system constructed under this permit shall consist of wastewater only, unless specifically stated otherwise.
 - 4. **Construction Inspection.** All materials and construction shall be inspected and approved by the District. No trenches shall be backfilled except as authorized by the District after having been properly inspected and approved.
 - 5. **Maintenance.** The connections, private service lines, collection systems or facilities shall be properly maintained and operated at all times in accordance with all applicable requirements. It is understood that the responsibility for maintenance shall run as an obligation against the property served, as well as the owner or the operator of the facilities and said responsibility shall not be discharged nor in any way affected by change of ownership of said property.
 - 6. **Third Parties.** This permit does not grant the right or authority to the permittee;
 - (a) to construct or encroach upon any lands of the District or of any other parties;

- (b) to construct outside of the territorial boundaries of the District;
 - (c) to construct or encroach upon the territorial boundaries of any units of local government within the District.
- 7. **Costs.** It is expressly stipulated and clearly understood that the collection system or facilities for which the permit is issued shall be constructed, operated and maintained at no cost to the District.
- 8. **Other Construction.** The District reserves the right, privilege and authority to, in the District's discretion, allow others to reconstruct, change, alter and replace all sewers and appurtenances thereto at the point of connection of any private sewer to a District sewer or in public rightsofway or District easements, and to introduce additional flow through this connection into the wastewater systems of the District.
- 9. **Change of Use.** The owner or occupant of any building(s) served under this permit shall not cause, or permit, a change of use of the building to a use other than that indicated in this permit without first having obtained written permission from the District.
- 10. **Sewers Overloading.** The District serves notice that its collection systems may flow full and may surcharge, and flooding of the proposed system may occur. The permittee is put on notice that the proposed systems shall be constructed, operated and maintained at the sole risk of the permittee.
- 11. **Nontransferable.** This permit runs with the land and may not be assigned or transferred.
- 12. **Expiration.** This permit shall expire on the date shown on the face of the permit. Construction under an expired permit is deemed construction without permit. All construction under this permit shall be completed on or before the expiration date of the permit. If conditions so warrant, a new permit may be granted by the Proper District Authorities. There shall be no refund of any permit fees.
- 13. **Revocation.** In issuing this permit, the District has relied upon the statements and representations made by the permittee or their agent. Any incorrect statements or representations shall be cause for revocation of this permit, and all the rights of the permittee hereunder shall immediately become null and void.
- 14. **Compliance with Plans and Specifications.** All construction shall be in accordance with the plans and specification submitted for this permit and the Standard Specifications of the District. No changes in, or deviation from the plans and specifications which affect capacity, maintenance, design requirements, service area or permit requirements shall be permitted unless revised plans have been submitted to, and approved by the District. The permit, together with the current and correct set of the plans and specifications, shall be kept on the job site at all times during construction until final inspection and approval by the District.
- 15. **Testing and Approval.** All construction under this permit shall be subject to inspection, testing and approval by the District. Upon satisfactory completion of construction, the permittee and the owner shall submit, or cause to be submitted a request for approval on the form prescribed by the District. No connections or other facilities shall be put in service until all the conditions of the permit have been satisfactorily met.

16. **Compliance with Rules and Regulations.** The permittee is responsible for meeting the requirements of all applicable rules, regulations, ordinances and laws of local, state and federal authorities. Issuance of this permit shall not constitute a waiver of any applicable requirements.

17. **Rights upon expiration or termination.** The permittee agrees that immediately upon receipt of written notice of termination of the permit for any reason, it will stop all operations, discontinue any discharges and disconnect the collection systems or facilities constructed under this permit. If the permittee fails to do so, the District shall have the right to disconnect said system. The permittee hereby agrees to pay for any costs incurred by the District for said disconnections. The various rights and remedies of the District contained in the permit shall be construed as cumulative, and no one of them shall be construed as exclusive of any one or more of the others or exclusive of any other rights or remedies allowed by applicable rules, regulations, ordinances and laws. An election by the District to enforce any one or more of its rights or remedies shall not be construed as a waiver of the rights of the District to pursue any other rights or remedies provided under the terms and provisions of this permit or under any applicable rules, regulations, ordinances or laws.

Section 2. MAIN LINE EXTENSIONS

- A. The District has the right to construct all lines within the District. A property owner, who desires to construct such main lines prior to the construction by the District, may do so at their sole expense and in compliance with the following:
1. Plan submittal and review – After initial discussion, preliminary plans must be submitted to determine the scope and area to be served by the line extension, point of connection to existing service, determined capacity, and potential for expansion.
 2. Fees and Documentation – All fees, preliminary approval, and signed agreement must be received before the start of construction or submittal to the Arizona Department of Environmental Quality.
 3. Completion – All pipe, manholes, lift stations, and appurtenance must be installed according to District specifications, approved plans, and subject to inspection by a District representative. As-built drawings, copies of test results, Deed of Sewer System, easement documents, copy of ADEQ permit, and final payment of all fees must be received before the District accepts main line extensions.
- B. Any exceptions to this section will need to be reviewed by the District Manager and the Board of Directors for approval if there is any cost sharing of a Main Line Extension.

**ARTICLE V
FEES**

Section 1. ESTABLISHMENT OF FEES

All fees are to be in such classifications and amounts as annually approved by the Board of Directors at a public hearing conducted pursuant to Arizona Revised Statutes.

Section 2. EXCESS DENSITY FEE (CAPACITY)

- A. The purpose of excess density fees is to provide funds for the District to develop and expand the wastewater collection, treatment and disposal facilities necessary to accommodate the demands for service of the community.
- B. The District authorities shall use the water meter size for the purpose of calculating equivalent dwelling units (EDU) for commercial connections. Water meter size up to 3/4" will be equal to one EDU producing 5575 gallons per month.
- C. All property owners in the District having previously paid connection fees based on the square footage of the property are deemed to have the ability to connect to the District wastewater systems, improvements producing wastewater equivalent to 2.2 EDU's per acre.
- D. All property owners in the District having paid the per unit connection fee are deemed to have the ability to connect to the District wastewater systems, improvement producing wastewater equivalent to 1 EDU per connection.
- E. Any property owner who wishes to connect improvements which exceed the allowable base density shall submit plans and specifications to the District and pay, as set forth in the current schedule of rates and fees for each EDU or portion of, in excess of the allowable base density, and any amount determined by the District necessary to pay for additional collection capacity to that property.
- F. No excess density fee shall be refunded to a property owner due to a change in use of the property resulting in a decrease in the amount of EDUs on the property.
- G. The excess density fee shall apply to all property within the District, whether in a sewer improvement district or not, whether adjacent or not, in the vicinity of sanitary sewer or not, and whether the owner of said property has heretofore paid any assessment or connection fees. Service is deemed available to a parcel of property commencing at the time of the initiation of the planning of the construction of a collection system within such area. At the initiation of the planning, all property owners will be notified by mail at the address for the property owner maintained by the Navajo County Assessor of a collection system to which they must connect the improvements upon their property.
- H. The District shall cooperate with Navajo County and the Town of Pinetop-Lakeside in reviewing and monitoring building permits for alterations to existing structure to determine any changes in the number of EDU's connected to the District systems.
- I. If the District determines that a development will contribute flow to the wastewater systems that is in excess of the design capacity of the system or that it will require a disproportionate percentage of the remaining capacity of the system, the owner shall pay to the District the cost of additional system capacity. With the District's approval, the owner may, at their own expense, construct a new collection system to a point where the interceptor has the design capacity to handle the additional flow attributable to the proposed development. Payment must be made prior

to the District issuing an “Agreement to Provide Service” or at the time of issuing a connection permit, whichever first occurs. To determine whether the owner must pay for additional collection system capacity, the District may consider the following factors:

1. The amount of flow contributed by the proposed development that is attributable to EDU’s greater than the allowable base density.
 2. The capacity of the system at the point of connection.
 3. The existence of other property, which may potentially connect to the system at the same point and upstream locations, and the potential flows if that property were developed at the allowable base density.
 4. The most reasonable and economic method for the District to manage wastewater flows with respect to the actual connections and potential connections of the other property in the vicinity of the proposed development.
- J. Any person desiring to increase the number of EDUs, or change their use of the property which contains improvements existing on the date of the adoption of these Rules & Regulations or thereafter, whether connected or not, shall submit to the District at the time of applying for a permit the following information:
1. The size and location of the parcel or property.
 2. Sufficient information so that the District may determine the number of existing EDU’s.
 3. The proposed changes.
 4. Preliminary and final plans for the development of the property.

Section 3. CONNECTION FEES

- A. The Connection Fee is mandatory for a any property connecting to the District's wastewater collection and treatment systems. Revenue generated from the Connection Fee shall be used to construct additional conveyance and treatment capacity in the District’s wastewater collection and treatment systems, or the repair or replacement of the existing main lines as and when designated by the Proper District Authority. When said monies are not being expended for this purpose, they are to be invested or spent at the direction of the Proper District Authority.
- B. The Connection Fee for all new connections (whether constructed by the District or not) to the District’s wastewater collection and treatment systems, except for parcels of property within a Sewer Improvement District, which have been assessed an amount greater than one dollar (\$1.00), shall be determined in accordance with the formula set forth in Exhibit B. Connection Fees must be paid prior to the issuance of a sewer permit.

C. There are two different classifications of connections:

1. Main Line Connection – Any single connection to an adjacent main line,
2. Developer Connection – Any development not defined as a main line connection, which is constructed per District guidelines and specifications and for which the District will assume ownership. A Developer Connection Fee shall be applied to Developer Connections.

D. In addition to the Developer Connection Fee, the Connection Fee for a developer of any new subdivision, business, or industrial development shall also include all legal, engineering, and other costs that are directly attributable to the connection of the collection system constructed by the Developer to the District sewer system. The additional cost attributable to the connection of the development to the District's sewer shall not be waived or reduced except by a majority vote of the Board of Directors.

Section 4. LATERAL FEES & TAP FEES (updated 4/2026)

A. A lateral is defined as the portion of the District's collection system lying within an easement or road right-of-way that provides a means for transporting wastewater from a private service line to a main line sewer. Every effort is made to terminate laterals at the property line of a parcel.

B. Lateral construction by the Property Owner. It may be beneficial (financially or temporally) for the property owner to construct and install their own lateral line. A separate Lateral Fee is not required when the property owner constructs and installs their own lateral line. However, property owners electing to construct and install their own lateral line, must pay to the District a Tap Fee and an Inspection Fee, both listed in Exhibit "A". Although property owners or responsible parties may construct and install their own lateral line, the District retains the right of tapping the lateral line to the main line to ensure system integrity, compliance with safety regulations, use uniform equipment, mitigation of liability risks, etc. A property owner shall not tap their own lateral to the District's main line unless specifically authorized in writing by the District.

1. Property owners electing to construct and install their own lateral line are responsible for hiring licensed contractors authorized and qualified to work within a public right-of-way, public utility easement, etc., to carry out the excavation, installation, and construction of the new lateral line in accordance with these Rules and Regulations, the District's Standard Specifications, local, county, state and federal requirements.

2. Before the property owner's self-constructed- lateral is connected to the main line, the District Inspector shall inspect and if appropriate, approve the lateral line for tapping into the main line. Once approved by the District Inspector and after the lateral line is tapped to the main line, the homeowner's contractor shall properly backfill the areas excavated and continue construction of the remainder of the lateral line and service line. The property owner will assume all responsibility for any damages, and subsequent repairs to the main line during excavation, installation, construction, and backfill.

Section 5. MONTHLY SEWER CHARGES

A. The current user fees to be charged to service locations within the District shall be as set forth in Exhibit A. User fees will be established to reflect the proportional shares of the cost of the operation, maintenance, repair and replacement of the wastewater collection, treatment and

effluent disposal systems and may be expended for any purpose as approved by the Proper District Authority.

- B. In lieu of the user fees as defined in Exhibit A, an owner or responsible party of any of those places so defined may install and maintain at their own expense, in a control manhole, a suitable wastewater-measuring device. The user shall then pay the cost per gallon for treatment set forth in Exhibit A.
- (1) Failure to maintain the measuring device in efficient operating condition will constitute authority for the District to bill the customer according to their category of user as set forth in Exhibit A.
- C. If the District finds that it is not practicable to measure such waste by meters, the waste shall be determined in any manner or method as may be found practicable, in order to arrive at the quantity of water entering the system upon which the user fee per gallon shall be levied. Charges for quantities so determined will be made at a current rate set forth in Exhibit A attached hereto.
- D. The rate shall be based on four components:
1. Treatment cost per milligram of biochemical oxygen demand
(Total B.O.D. cost = B.O.D. cost per mg.)
 2. Treatment cost per milligram of suspended solids
(Total S.S. cost = S.S. cost per mg.)
 3. Collection cost per thousand gallons of wastewater
(Total flow cost = Cost per gallon)
 4. Administration cost per account
(Total administration cost number of accounts = Administrative cost per account)
- The rate formula is equal to the B.O.D. cost/mg + S.S. cost/mg. + flow cost/gallon x the user's contribution + administrative cost per account.
- E. Calculations showing the results of this formula and the rates determined by it are shown in Exhibit A attached.
- F. The above formula is used to determine the basic rate for all residential and commercial users. The rate per 1000 gallons will vary due to the B.O.D. and S.S. loading contributed by each user class. The B.O.D. and S.S. values used to calculate the basic rate for each class of user are from a table of average values compiled by the Arizona Department of Environmental Quality.
- G. The monthly user fee is determined by multiplying the rate per 1000 gallons as calculated above by the volume of wastewater contributed by each user. When water consumption records are not available for use in calculating user fees, the average water use for the class shall be applied. Large volume users shall be metered through special arrangements with the water company supplying water service or through installation of a special meter by the user.
- H. In the absence of metered water data for residential dwellings the District has opted to apply monthly user fees for all residential dwellings. The monthly fee is based on average monthly water consumption of 5575 gallons, including infiltration and inflow, per residential dwelling unit. The monthly user fee is computed by multiplying the rate per one thousand gallons by the gallons used in thousands.

Section 6.

OWNER'S RESPONSIBILITY FOR PAYMENT OF SEWER USER FEES

(revised 05-20-20)

All fees and charges shall be payable by and billed to the owner of the property whether or not the user is the owner of the property upon which are located the improvements that are connected to the sewer. No lease or other assignment of the owner's rights or interest in the real property shall change this responsibility of the owner for payment of fees and charges.

All user fees shall be due and payable on the fifteenth (15th) day of the month following billing. User fees will be deemed delinquent if unpaid thirty (30) days after the due date and subject to late fees as set forth in Exhibit A.

Section 7.

TRANSFER OF PROPERTY

(revised 09-09-09, Resolution 2009-11)

- A. When there is a transfer of property ownership to a connected user, it is the responsibility of the new owner to contact the District and provide the account information as deemed necessary by the District. Transfer of the sewer user account will not be made until transfer of property ownership has been verified with the Navajo County Assessor's office. There will be a transfer fee applied to the new property owner as set forth in Exhibit A.
- B. Use of the service lateral will be granted to the new property owner(s) after verification with the District that all outstanding fees and/or charges associated with the existing service lateral, and/or connection fees, have been paid.
- C. For requests for transfer of ownership of property on which the District has any outstanding Covenant, or Promissory Note and Deed of Trust pursuant to Article II, Section 4, where such note and deed of trust are changed in position, extinguished by a trustee sale or otherwise modified, use of the existing service lateral is prohibited until the full amount remaining on any Covenant or Promissory note is paid in full

Section 8.

COLLECTION PROCEDURES AND DISCONNECTS FOR DELINQUENCY

If any user fees, availability fees, transfer fees, or late fees are unpaid sixty (60) days or more after the due date, the District may serve written notice upon the owner, served personally or by mailing to the billing address. If said delinquency is not corrected by payment in full, or by other methods acceptable to the District within fifteen (15) calendar days from the date of the notice, the District may disconnect the private service line of the user from the collection system, or engage in collection proceedings as may be appropriate, including foreclosure or litigation. Any and all costs of collection, including reasonable attorney's fees, shall be added to the amount due.

The District will report all physical disconnections to the appropriate department(s) of Navajo County.

Section 9.

PHYSICAL DISCONNECTION FEE

- A. Physical Disconnection Fee - Whenever the District shall have physically disconnected any service line for nonpayment of fees or charges, the property shall not be reconnected to the wastewater system until all delinquent fees are paid in full, together with a physical disconnection fee as set forth in Exhibit A. In addition to the physical disconnection fee, the District may require a deposit to cover future user fees in an amount not to exceed one year's estimated fees before the

property is reconnected. All labor, material and equipment costs incurred to disconnection and reconnect shall be billed to the owner in addition to the physical disconnection fee.

- B. A parcel of property, which is physically disconnected from the sewer system by direct or indirect action, contract or order by the District, shall be charged a physical disconnection fee as set forth in Exhibit A of the rules and regulations

Section 10. LIEN AND COLLECTION REMEDIES (updated 9-1-2026)

- A. This Section establishes the procedures by which the District records, administers, enforces, and releases liens against real property for unpaid User Fees pursuant to A.R.S. § 48-2027(I) through (N), and the charges and costs the District may assess and seek to recover in connection with those procedures. This Section supplements, and does not limit, the remedies available to the District under Sections 6 through 9 of this Article, the District's Rules and Regulations generally, and Arizona law.

- B. The defined terms used in these Rules and Regulations apply to this Section. In addition, for purposes of this Section:

1. "Designated Official" means the District Manager or, in the District Manager's absence or upon the District Manager's recusal, such other officer or employee of the District as the Board designates by motion in an open meeting, who will conduct the pre-lien hearing provided in subsection D.
2. "Enforcement Costs" means attorneys' fees, court costs, expert and appraisal fees, title report charges, and other litigation expenses incurred by the District in an action to enforce a Lien or otherwise to collect Delinquent User Fees.
3. "Forbearance Agreement" means a written agreement between the District and an Owner or Customer under which the District agrees to forbear from one or more collection remedies in exchange for an acknowledgment of the amount owed, a schedule of payments, and such security and other terms as the Board approves.
4. "Lien" means a lien recorded by the District against real property for unpaid User Fees pursuant to A.R.S. § 48-2027(I) and (K).
5. "Owner" means the owner of record of the Property as shown by the records of the Navajo County Recorder.
6. "Property" means the real property to which the District provided the service for which the User Fees at issue were charged.

- C. The District may record a Lien against the Property only if:

1. the User Fees charged to the account have been delinquent, as determined under Section 6 of this Article, for more than ninety (90) days;
2. the District has completed the pre-lien notice and hearing procedure set forth in subsection D;
3. the Board has authorized the recording of the Lien, or has authorized the District Manager to record Liens meeting the requirements of this Section.

D. Not less than thirty (30) days before recording a Lien, the District will give written notice to the Owner in accordance with this subsection.

1. The notice will be personally served on the Owner or mailed to the Owner by certified mail at the Owner's last known address or at the address to which the tax bill for the Property was last mailed. If the Owner does not reside on the Property, the notice will be sent to the Owner's last known address.
2. The notice will state:
 - (a) the account number, the service address, and the legal description or parcel number of the Property;
 - (b) the amount of unpaid User Fees, itemized by billing period, together with late fees assessed under Section 6 of this Article and interest accrued at the rate prescribed by A.R.S. § 44-1201;
 - (c) that the District intends to record a Lien against the Property if the amount owed is not paid in full, or a Forbearance Agreement is not executed, before the date stated in the notice, which will be not fewer than thirty (30) days after the date of the notice;
 - (d) that the recorded Lien will include actual costs;
 - (e) that the Lien may be enforced by an action for judgment of foreclosure and order of sale, and that in such an action the District will seek recovery of its Enforcement Costs to the extent authorized by a Forbearance Agreement, a security instrument taken by the District, or applicable law;
 - (f) that the Owner may request a hearing before the Designated Official, and the manner and deadline for making that request; and
 - (g) the name, address, and telephone number of the District office to contact regarding the notice.
3. If the Owner requests a hearing on or before the date stated in the notice, the Designated Official will hold the hearing before the Lien is recorded. The Owner may appear, be represented, and present documents and testimony concerning the amount owed, the accuracy of the account, and the applicability of A.R.S. § 48-2027(N). The Designated Official will issue a written determination stating the amount the Designated Official finds to be owed and the basis for the determination, and will mail a copy to the Owner. The District will not record a Lien until the written determination has been issued and mailed.
4. The District will retain a copy of the notice, proof of service or mailing, any hearing request, the materials submitted at the hearing, and the written determination, in the District's records for the account.

E. Recording;

1. The District will record the Lien in the office of the county recorder of the county in which the Property is located. The recorded Lien will identify the District, the Owner, the Property by legal description and parcel number, the billing periods and amounts of unpaid User Fees, the late fees and accrued interest. The Lien attaches from the date of recording and continues until the amounts secured are paid.
2. The recording of a Lien does not bar the subsequent recording of one or more additional Liens against the same Property for User Fees that become delinquent after the recorded Lien, and any number of Liens against the same Property may be enforced in the same action.

F. Additional Charges.

1. In addition to the amounts provided in the District's adopted fee schedule, the District may charge the actual costs it incurs in performing the services listed in this subsection F, including county recorder recording fees, certified mail charges, and amounts paid to third parties for a parcel, ownership, or title search. Actual costs charged under this paragraph will be documented in the records for the account.

G. Enforcement Costs and Attorneys' Fees.

1. In any action to enforce a Lien or to collect delinquent User Fees, the District will seek recovery of its Enforcement Costs to the fullest extent authorized by a Forbearance Agreement, a security instrument taken by the District, or applicable law.
2. So that the District's Enforcement Costs are recoverable, each Forbearance Agreement and each security instrument taken by the District will include a provision entitling the District to recover its reasonable attorneys' fees and costs incurred in enforcing the agreement or collecting amounts owed under it, in substantially the form approved by the Board.

H. The District may enter into a Forbearance Agreement with respect to a delinquent account. Each Forbearance Agreement will be in writing and will include:

1. an acknowledgment by the Owner or Customer of the amount owed and of the accuracy of the account;
2. a payment schedule, and provisions for interest, default, notice of default, and acceleration;
3. a provision for the recovery of attorneys' fees and costs incurred by the District as required by subsection G.2;
4. where the Board determines that the amount owed warrants it, security for the amounts owed, which may include a deed of trust against the Property; and
5. an express reservation of the District's rights and remedies under these Rules and Regulations and A.R.S. § 48-2027, including the right to record and enforce a Lien upon default.

Each Forbearance Agreement, and any compromise, reduction, or write-off of amounts owed to the District, requires approval by the Board.

I. Enforcement of the Lien.

1. An action to enforce a Lien will be commenced only upon authorization by the Board. Before recommending authorization, the District Manager will present to the Board the amount

owed, the priority position of the Lien, the estimated Enforcement Costs, the basis on which Enforcement Costs would be recoverable, and any Forbearance Agreement offered to or by the Owner.

2. The District may bring an action to enforce the Lien in the superior court of the county in which the Property is located at any time after recording. A sale of the Property to satisfy the Lien will be made on judgment of foreclosure and order of sale. Failure to enforce the Lien does not affect its validity.
 3. Recording or enforcing a Lien is not a condition of, and does not limit, the District's other remedies, including disconnection of service under Section 8 of this Article and an action against the Customer for the amounts owed.
- J. Upon payment in full of the unpaid User Fees, late fees, accrued interest secured by a Lien, and of any amounts awarded by judgment, the District will record a release of the Lien within thirty (30) days and will mail a copy of the recorded release to the Owner. The District may record a partial release upon such terms as the Board approves.
- K. The remedies in this Section are cumulative and in addition to every other remedy available to the District under these Rules and Regulations and Arizona law. No forbearance, delay, or partial enforcement by the District, and no acceptance of a partial payment, constitutes a waiver of any right, claim, or remedy of the District, all of which are expressly reserved.

Section 11. ANNEXATION AND DEANNEXATION FEES

- A. All annexations of property to the District shall be accomplished in accordance with Arizona Revised Statutes Section 48262 or Section 48-2002, if noncontiguous, and the established procedures of the District. All property subject to the annexation shall pay annexation fees as set forth in Exhibit A, in addition to any costs directly attributable to the proposed annexation.
- B. All de-annexations of property from the District shall be accomplished in accordance with Arizona Revised Statutes Section 48262. The property owner shall pay any costs directly attributable to the proposed de-annexation.

Section 12. DEVELOPERS' PLAN REVIEW AND INSPECTION FEES

Before any plans for new main line extensions, or collection systems are approved by the District, the applicant must pay the plan review and inspection fees as set forth in Exhibit A. Separate plan review and inspection fee for each project will be based upon an engineer's estimate of the cost of construction.

Section 13. AVAILABILITY FEE

Whenever a parcel of property containing improvements, which are required by the rules and regulations of the District to be connected to the wastewater collection system, remains

unconnected after the due date for connection, said parcel of property shall be charged a monthly availability fee as set forth in Exhibit A.

Section 14. SUSPENSION OF SERVICE FEE

In that a property owner requests that the District suspend user fees, the property owner shall pay to the District a suspension fee as set for in Exhibit A. The property owner requesting the suspension shall provide the District with adequate evidence from the water company serving the property that the water service has been disconnected or otherwise terminated. If the property is provided water service from a private well, spring, or seep the property owner shall present evidence that the well has been capped, the pump removed, or service has been adequately interrupted to insure no water is flowing into the improvements. If the property owner reconnects the water service and fails to notify the District that they are commencing to use their sewer service, the user shall pay a penalty fee in the amount equal to the suspended user fees.

**ARTICLE VI
MISCELLANEOUS**

Section 1. PROTECTION OF DISTRICT PROPERTY

No person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any structure, appurtenance, or equipment that is part of the District wastewater systems.

Section 2. USE OF DISTRICT FUNDS

Funds of the District may be used for the construction of sewers:

- a) when District funds are available
- b) to service the greatest number of occupied dwellings within the District
- c) where additional sewer diameter is required
- d) when it is necessary to extend sewers to areas of existing habitation

Section 3. EASEMENTS

- A. All property owners desiring the connection of the improvements on their property to the sewer system of the District shall grant to the District those easements necessary to properly effectuate the connection desired.
- B. If a property owner splits or alienates only a portion of his parcel of property, such property owner must provide the necessary easements to provide service to all parcels of property created by the land division.

C. All easements granted to the District shall be subject to the following restrictions and conditions of use:

1. No person, firm or corporation having charge of property subject to easement in favor of District, shall hereafter construct, build, or establish a building upon the property subject to said easement. A building means a house, commercial building, industrial building, or any structure of a size or construction that the moving thereof would cause great inconvenience to any person.
2. Should the owner of the property subject to an easement in favor of the District construct a building thereon, in violation of this Resolution, District, may employ individuals to clear said property, and charge the costs of the same to the owner of the property. Nothing contained herein shall obligate the District to compensate the owner of the property subject to the easement for the value of a "building" cleared. The District may take those steps as are required to work in the easement and preserve the improvement, rather than clear the improvements.
3. No person shall excavate upon the property subject to the easement in favor of the District without having first obtained permission as herein required. Such permission shall be granted by the proper District authorities. Applications for permission to excavate upon property subject to easement in favor of the District shall be made in writing to the District and shall state specifically the size of the space intended to be excavated, and the purpose for the excavation.
4. No person shall plant any trees or shrubbery upon the property subject to the easement in favor of the District without having secured permission. Application for such permission shall be made to the District. All trees and shrubs so planted shall be placed subject to the direction and approval of the District. No boulders, benches or fences shall be built or maintained upon the property subject to the easement in favor of the District, unless approved by the District.
5. In the event any improvements are constructed within the boundaries of the easement, and these create additional costs to the District because it must incur additional expenses to repair, install or replace its sewers, the property owner shall be charged all additional costs incurred.

Section 4. CONSTRUCTION SPECIFICATION

All laterals, service lines or other connections, which adjoin or connect into any portion of the District wastewater system, shall be constructed in accordance with the Standard Specifications of the District and the UPC. All service lines or other connections to the wastewater system shall contain back flow prevention devices or check valves to reduce the possibility of wastewater backing up into the lateral or connection.

Section 5. EFFECTIVE DATE

The fees fixed by this Resolution shall become effective as of the day of the adoption of this resolution, or the date of adoption of such fees.

Section 6. VALIDITY OF REGULATION

If any article, section, paragraph, subdivision, clause, or phrase of this regulation shall for any reason be held illegal or unenforceable such decision shall not affect the validity of the remaining

portions of this regulation. The Board hereby declares that the District would have adopted this regulation and each and every other section, paragraph, subdivision, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this regulation may be held illegal, invalid or unenforceable.

Section 7. SPECIAL AGREEMENTS

The provisions of these rules and regulations, Section 204(b)(1)(A) of the Clean Water Act and Arizona Revised Statute Section 48-2027, shall take priority over the terms and conditions or any preexisting agreements when found to be in conflict regarding the levy, application and collection of user fees.

Section 8. FINANCIAL MANAGEMENT SYSTEM

The District shall account for all user fee revenues in a separate revenue account. All operations and maintenance and replacement part expenditures shall be accounted for in separate expense accounts. These revenue and expense accounts shall be maintained in the central accounting records of the District.

Section 9. NOTIFICATION OF USERS

Prior to the beginning of the fiscal year, the District shall prepare and make available a notice to all users that states the rate and the budgeted amount of the user fee to be spent on collection, treatment and administration expenses.

Section 10. WASTEWATER TREATMENT BYPRODUCTS

The District may market reclaimed water and other treatment byproducts in a manner consistent with the best interests of the District. Revenues received from the sale of byproducts shall be used to offset the costs of operations and maintenance and user fees to all users. Total annual revenues received shall be included in the budget for the fiscal year following receipt unless included in the current year's budget for operations and maintenance.

Section 11. REQUEST FOR SEPTIC OR ALTERNATIVE SYSTEMS

All release requests for septic or alternative systems must be made in writing by the owner or responsible party, stating the reason for the request. Release requests will not be considered until the Proper District Authority has ample time to thoroughly research each request and determine if there are mitigating circumstances to justify granting a release. Where applicable, requests by the District for easements deemed necessary for further sewer expansion must be granted before a release will be issued.

Section 12. PENALTIES

Any person, firm, or corporation violating any of the provisions of this regulation shall become liable to the District for any expense, loss, or damage occasioned the District by reason of such violation. Further the District may, pursuant to Arizona Revised Statutes Section 482031, prosecute any violation of these rules and regulations as a class 2 misdemeanor. Each and every day such violation continues shall be deemed and considered a separate offense.

ARTICLE VII BOARD MEMBER INDEMNIFICATIONS

The District hereby indemnifies and holds harmless, and agrees to defend, the individual members of the Board from any and all claims, causes of action, or liabilities arising out of their actions, or nonactions, as members of the Board.