

EPCOR Water Arizona Inc.

West Valley Regional Water Reclamation Facility

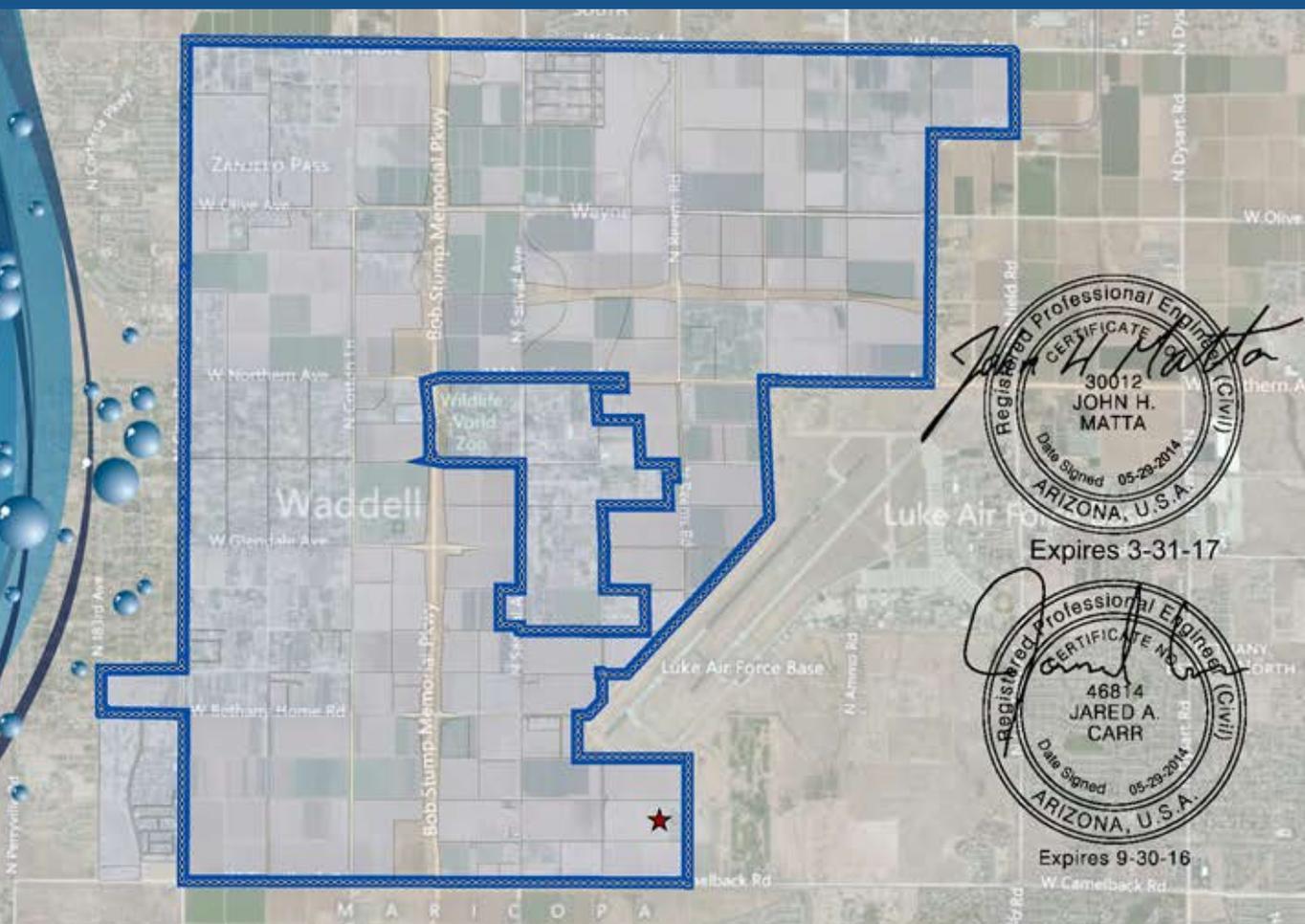
Maricopa Association of Governments 208 Water Quality Management Plan Amendment

Prepared for:
City of Glendale and Maricopa County



WATERWORKS
ENGINEERS

May 2014



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List of Exhibits

- Exhibit 1- Service Area Boundary
 - Exhibit 2- 208 Amendment Map
 - Exhibit 3- Initial Wastewater CC&N Map
 - Exhibit 4A- City of Glendale 2025 General Plan Projected Land Use
 - Exhibit 4B- Conceptual Land Use Map
 - Exhibit 5- 3-Mile Radius Service Area Map
 - Exhibit 6A- Conceptual Layout of the West Valley Regional Water Reclamation Facility
 - Exhibit 6B- Preliminary Rendering of West Valley Regional Water Reclamation Facility
 - Exhibit 7- Process Flow Diagram
 - Exhibit 8- 208 Amendment Checklist
 - Exhibit 9- Pre-Annexation Development Agreement For Loop 303 Phase 1 Utility Group
 - Exhibit 10- Agreements for Future Wastewater and Recycled Water Services between EPCOR Water and City of Glendale
 - Exhibit 11- EPCOR's Designated Management Agency Demonstration
 - Exhibit 12- Conceptual Site Plan for RRWRF Capacity Upgrade
 - Exhibit 13- EPCOR's Demonstration of Financial Condition – December, 2012
 - Exhibit 14- Russell Ranch Service Area and Adjacent Features
 - Appendix A - Pretreatment- Wastewater System Design Standards and Code of Practice
 - Appendix B - Letters of No Objection from Surrounding Municipalities
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1.0 AUTHORITY

In accordance with Section 208 of the Clean Water Act, the Maricopa Association of Governments (MAG) is the designated Regional Water Quality Management Planning Agency for Maricopa County, Arizona. The 208 Amendment Checklist for completion of the request for amendment is located in Exhibit 8 at the end of this document. The project is located within the Municipal Planning Area of The City of Glendale, which includes unincorporated portions of Maricopa County. Glendale is the Designated Management Agency (DMA) for this area, and the City of Glendale and Maricopa County are the co-sponsors for this amendment (Appendix D).

EPCOR Water Arizona Inc. (EPCOR) is concurrently applying for a Certificate of Convenience and Necessity (CC&N) with the Arizona Corporation Commission to provide wastewater collection and treatment services for that portion of the area depicted in this 208 Plan amendment for the property owners who have expressly requested service.



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2.0 OVERVIEW

This document is an application for an Amendment to the Maricopa Association of Governments (MAG) Clean Water Act Section 208 Water Quality Management Plan (WQMP) for EPCOR Water. The purpose of the amendment is to include the EPCOR West Valley Regional Water Reclamation Facility (WVRWRF) in the MAG 208 Plan. The focus of this amendment is to provide planning information for the proposed service area of the WVRWRF with an ultimate capacity of 8 million gallons per day (MGD) that will serve the proposed service area to be known as the Loop 303 Corridor Service Area ("303 Service Area") and potential adjacent areas. The 303 Service Area comprises approximately 17 square miles located within the City of Glendale's (Glendale) western Municipal Planning Area (MPA) boundary and includes unincorporated portions of Maricopa County. The 303 Service Area is bounded by Peoria Avenue on the north, Citrus Road and North 183rd Avenue on the west, Camelback Road to the south, and an irregular boundary on the east including Litchfield Road, 143rd Avenue, the western boundary of Luke Air Force Base and Reems Road (Exhibit 1). The proposed 303 Service Area will also incorporate EPCOR's existing service area associated with the Russell Ranch Water Reclamation Facility.

In order to provide regional planning, centralized wastewater services, reclaimed water management and to consolidate reuse and recharge activities, EPCOR proposes a regional wastewater solution for the 303 Service Area and demonstrates there is considerable support for such a solution for wastewater and reclaimed water services throughout the 303 Service Area. EPCOR has assumed from Global Water all of the rights and obligations for executed agreements with landowners within the 303 Service Area desiring to receive wastewater and reclaimed water services, and the City of Glendale has approved those transfers and assignments (Exhibit 10). The landowners who have already executed agreements consist of the initial Phase 1 Landowners in the Loop 303 project. In addition, the Elliott Homes Granite Vista and Cordillera developments have also submitted requests to EPCOR for wastewater service. The total area for this 303 Service Area amendment is 10,882 acres (Exhibit 2). Additionally, EPCOR has executed an agreement with The City of Glendale (City) governing the extension of wastewater and reclaimed water services within this portion of the City's MPA (Exhibit 10). The landowners desiring service have also executed pre-annexation development agreements with the City providing for the eventual inclusion of their properties into the municipal boundaries of Glendale (Exhibit 9).

An area referred to as the "Adaman Island" was excluded from the proposed 303 Service Area boundary. The "Adaman Island" is an area of approximately 1,200 acres in the center of the proposed 303 Service Area which is excluded from this



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208 amendment application. Those lands are not subject to the pre-annexation development agreement with the City of Glendale that served as the original basis for delineating the proposed 303 Service Area. However, EPCOR has sized the wastewater collection system and the ultimate WWRWRF treatment capacity so these lands could be serviced by the WWRWRF if they eventually become part of the 303 Service Area. If EPCOR receives a request from The City of Glendale at some point in the future to expand the 303 Service Area to include these lands or any other lands along the exterior boundary, EPCOR will submit an amendment to MAG to expand the 303 Service Area.

EPCOR Water Arizona Inc. is an Arizona public service corporation which owns and operates water and sewer utility systems throughout the State. In that capacity, in December of 2013 EPCOR filed with the Arizona Corporation Commission (ACC) for an expansion of its existing Certificate of Convenience and Necessity (CC&N) for the Agua Fria Wastewater District. The requested CC&N expansion encompasses approximately 3,600 acres of the 303 Service Area as shown in Exhibit 3. As discussed in Exhibit 11, EPCOR has adequate authority to perform the functions enumerated in the Clean Water Act Section 208(c)(2)(A)-(I).

To optimize infrastructure and act responsibly in deploying capital to meet the demands for service in the 303 Service Area, the EPCOR WWRWRF will be built in phases based on the actual pace and location of future development activity. All flows generated in the 303 Service Area will be treated to meet Class A+ Reclaimed Water Quality Standards (RWQS) as defined by Arizona Administrative Code (A.A.C), Title 18, Chapter 11, Article 3 (R18-11-302).

At present there are very few facilities / users within the proposed service area that could be a customer for reuse water, but those opportunities will increase as the area experiences growth. Reclaimed water from the EPCOR WWRWRF will be made available for beneficial reuse in common-area irrigation in subdivisions and parks, golf course irrigation, willing agricultural operations, recharge to the aquifer, and/or discharge under Arizona/National Pollutant Discharge Elimination System (AZPEDES or NPDES) permits. EPCOR may also contract with local growers to use the Class A+ reclaimed water on agricultural crops.

EPCOR is aware there may be groundwater quality issues in the service area due to historical agricultural land usage and naturally occurring conditions. WWRWRF effluent will be treated to A+ quality so that total nitrogen concentrations are less than 10 mg/L. Ground water in the region of the 303 service area has been under the influence of agricultural practices for decades. Neighboring municipalities have encountered high nitrate levels in domestic well water, which has required treatment. It is anticipated that recharge of this A+ quality effluent from the



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WWRWRF will improve existing groundwater quality relative to nitrate concentrations.

The effluent management plan will describe the order of priority for the reuse of reclaimed water in the 303 Service Area. Discharges to a stormwater conveyance will occur infrequently, if at all, and then only on a last resort basis. The recharge facilities will be designed to handle the maximum month capacity and daily peak flows. Discharge will meet the Surface Water Quality Standards prescribed in the AZPDES/NPDES permit, which for some parameters are more stringent than the AWQS.

Likewise, recharge to the aquifer will meet all AWQS prescribed in the APP which governs these recharges. Recharge is an important element in EPCOR's effluent management plan, and is a necessary water supply strategy to ensure the viability of the water resources in the area.

Expansion of wastewater service into areas not currently included in EPCOR's Agua Fria Wastewater CC&N will require application to the ACC for inclusion of that area in the CC&N.

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3.0 TWENTY-YEAR NEEDS

A description of the 20-year needs, including adjacent area wastewater/water reclamation facilities, growth estimates during the 20-years, as well as descriptions of the proposed EPCOR WVRWRF is addressed in this section.

3.1 Description of Existing Wastewater Treatment Facilities

There are two existing wastewater treatment facilities within the vicinity of the proposed WVRWRF. The Russell Ranch Water Reclamation Facility (RRWRF) is owned and operated by EPCOR. The Palm Valley Water Reclamation Facility (PVWRF) is owned and operated by Liberty Utilities.

3.1.1 Russell Ranch Water Reclamation Facility

EPCOR owns and operates the RRWRF on a three acre site north of Camelback Road and west of Citrus Road (Exhibit 14). The Service area for RRWRF consists of most of the eastern half of Section 15, Township 2 North, Range 2 West, which is also part of EPCOR’s existing Agua Fria Wastewater District CC&N. The western half of Section 15 falls within the Service area of Liberty Utilities and flows from that area to the Liberty Utilities’ PVWRF. RRWRF is currently permitted to treat 60,000 gallons per day (gpd) of wastewater and the facility has an Aquifer Protection Permit for recharge of up to 198,000 gpd of Class A+ treated effluent. The ultimate treatment capacity for RRWRF identified in the MAG 208 plan was 400,000 gpd. Current inflow to the facility is approximately 34,000 gpd from 220 single family homes (or 155 gpd) in the Russell Ranch residential development which may include 485 total homes at buildout. Future inflows to the facility will come from filling out the remaining 277 lots of the eastern portion of Russell Ranch. Using current data for actual measured inflow and connections to project future flows, the total projected inflow to RRWRF from the Russell Ranch subdivision would be 106,100 gpd. Table 1 summarizes relevant information for RRWRF.

Table 1 Russell Ranch Water Reclamation Facility Inflows and Capacities

| | Existing | Future |
|--|-----------------|---------------|
| Residential Units (EDU) | 220 | 485 |
| Inflow (gpd) | 34,000 | 106,100 |
| Operating Capacity (gpd) | 60,000 | 198,000 |
| Aquifer Protection Permit (gpd) | 198,000 | 198,000 |
| Ultimate Capacity Identified in Current 208 Plan (gpd) | 400,000 | 400,000 |

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Because RRWRF is a package plant with a limited lifespan, EPCOR plans to retire the facility after the WVRWRF becomes operational and will incorporate the RRWRF Service area into the new 303 Service Area. Flows currently going to RRWRF will be redirected to the WVRWRF via a gravity sewer running eastward along Camelback and tying into the WVRWRF collection system at the intersection of Cotton Lane and the Missouri Road alignment. EPCOR is currently developing the schedule for retirement of the RRWRF to ensure adequate service is maintained for existing customers while the WVRWRF is constructed and brought into service. If there is an unforeseen delay in constructing the WVRWRF, it may be necessary to implement short-term treatment capacity improvements at RRWRF (see Section 3.2.7).

3.1.2 Palm Valley Water Reclamation Facility

Liberty Utilities operates the PVWRF located southeast of the 303 Service Area on McDowell Road in Goodyear. There are no other wastewater service areas or facilities near the area proposed to be served by the WVRWRF.

3.2 Description of Proposed EPCOR WVRWRF

3.2.1 Site Location and Property Ownership

The proposed location for the EPCOR WVRWRF is in southeast quarter of Section 18, Township 2 North, Range 1 West (Exhibit 1). The proposed site was selected based on numerous criteria including local topography, hydraulics of the collection system, and zoning. EPCOR is negotiating with the Phase 1 Landowner Group to acquire the proposed 40 acre site. If this site cannot be acquired, another nearby site will be acquired.

3.2.2 Topographic Conditions

The topographic data used for the basis of design was obtained from the Geodetic Densification and Cadastral Survey (GDACS) monument database maintained by Maricopa County, which is on North American Vertical Datum of 1988 (NAVD 88). Overall, the study area slopes from the northwest (1,243 ft. amsl at Peoria Ave and Citrus Rd) to the southeast (1,055 ft. amsl at Camelback Rd and Reems Rd) at a slope of approximately 0.6 percent. The service area is bisected north to south by the new Loop 303 Corridor between Cotton Lane and Sarival Road, and east to west by the new Northern Parkway alignment between Olive Road and Northern Avenue. The areas eastern boundary is also constrained by Luke Air Force Base.

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3.2.3 Population Projection

The population projections for the 303 Service Area were derived using EPCOR's design standards in conjunction with the City of Glendale's Master Planning Amendment (GPA05-06) and a Conceptual Land Use Plan that was developed based on feedback from the existing Phase 1 landowners. The City of Glendale's Master Planning Amendment and the Conceptual Land Use Plan are included as Exhibits 4A and 4B, respectively. With the changing dynamic of the Loop 303 area, the Phase 1 landowners and other developers were surveyed to determine their desired future land uses and the resulting information was compiled into the Conceptual Land Use Plan. EPCOR acknowledges that the Glendale General Plan is the official statement of land use policy for the City of Glendale and that all zoning and development must be consistent with the General Plan. Differences in land use designation between Exhibits 4A and 4B equate to approximately 250,000 gpd of additional treatment capacity needed if all parcels develop according to Glendale's GPA05-06 land use designations. This difference lies within the 1.0 MGD margin of additional treatment capacity provided in the conceptual sizing of EPCOR's WVRWRF, which is in excess of the projected sewer flow calculations for the 303 Service Area. The sewer collection system is also appropriately sized to adequately convey flows generated under either land use plan.

The planned land uses include schools, parks, business parks, office, commercial, industrial, mixed use, golf course, limited use and low to medium density residential. In coordination with Glendale, the Luke Compatible Land Use zone has established Luke noise contour (Ldn) distances from the Air Force Base to address the issue of compatible land use. As stated in the City of Glendale 2025 General Plan, retention of agricultural uses and future industrial development are supported in this zone to afford viable, economic use of the property, and as a protection of public health and safety.

In order to account for the wastewater generated by residential users and other land uses such as commercial, industrial, office parks, schools, community service facilities and others, equivalent dwelling units (EDUs) were calculated based on water usage by acreage based on Table 2.

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Table 3 303 Service Area Housing and Population Projections

| Yr | Population | Dwelling Units (DUs) |
|----|------------|----------------------|
| 1 | 559 | 175 |
| 2 | 1,118 | 349 |
| 3 | 1,677 | 524 |
| 4 | 2,236 | 699 |
| 5 | 2,795 | 873 |
| 6 | 3,434 | 1,073 |
| 7 | 4,072 | 1,273 |
| 8 | 4,711 | 1,472 |
| 9 | 5,350 | 1,672 |
| 10 | 5,989 | 1,871 |
| 11 | 6,883 | 2,151 |
| 12 | 7,777 | 2,430 |
| 13 | 8,672 | 2,710 |
| 14 | 9,566 | 2,989 |
| 15 | 10,460 | 3,269 |
| 16 | 11,355 | 3,548 |
| 17 | 12,249 | 3,828 |
| 18 | 13,143 | 4,107 |
| 19 | 14,038 | 4,387 |
| 20 | 14,932 | 4,666 |
| 21 | 15,826 | 4,946 |
| 22 | 16,721 | 5,225 |
| 23 | 17,615 | 5,505 |
| 24 | 18,360 | 5,738 |
| 25 | 19,105 | 5,970 |
| 26 | 19,851 | 6,203 |
| 27 | 20,596 | 6,436 |
| 28 | 21,235 | 6,636 |
| 29 | 22,003 | 6,876 |
| 30 | 22,565 | 7,052 |

For comparison, the population estimate for the relevant Regional Analysis Zones (RAZ) 255 and 254 projects a population of 47,957 people in 2030 holding almost constant through 2040 (47,962 people). The Loop 303 Project area comprises most of RAZ 255 and the less intensively developed portion of RAZ 254, so the 2035 POPTAC population projection for Loop 303 would be 29,654 people, versus EPCOR's projection of 14,932 people. EPCOR has more confidence in the

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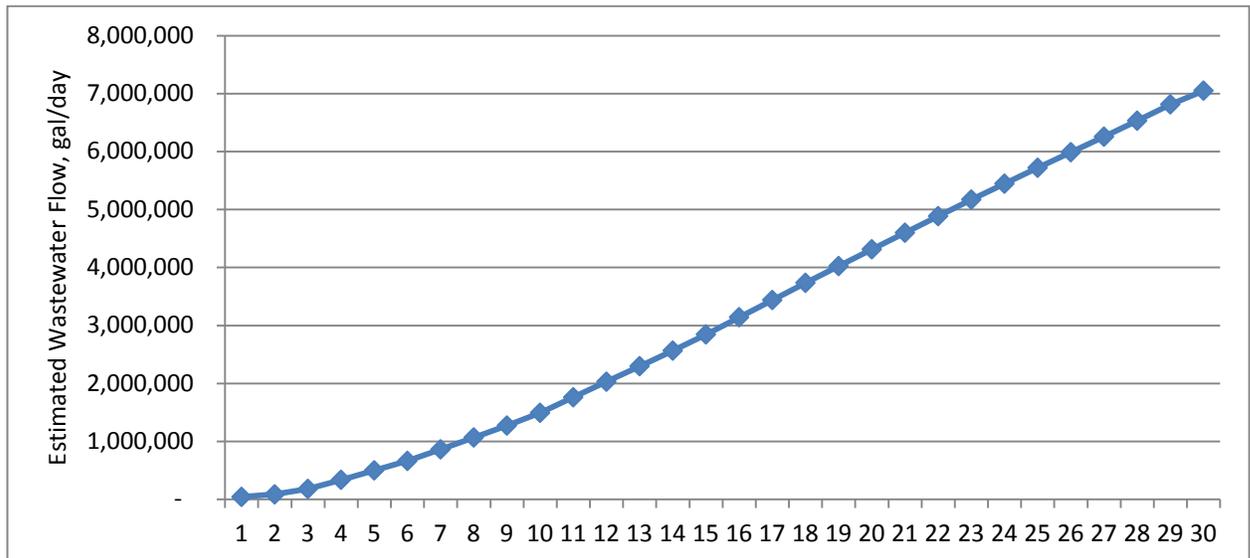
population estimates derived from the conceptual land use plan. In addition, there is also a 1 mgd margin of safety in the ultimate treatment capacity of WVRWRF and the projected flows from residential and industrial land uses are conservatively high based on observed flows in the area.

3.2.4 Wastewater Flow Estimates

The wastewater flow estimates provided in Table 4 below are derived from EPCOR's Water Design Criteria described above. The estimated wastewater flows generated for the residential population, school, park, commercial and industrial land uses is based on the flows from the "Loop 303 Corridor Wastewater Master Plan". The 303 Service Area is expected to generate approximately 7.0 MGD of wastewater at buildout.

Figure 1 is a graphical representation of the growth of the flow projection over time. Table 4 is a tabular representation of the same data. The columns in Table 4 representing the various land uses within the service area (e.g., "Residential Use") show the annual volume of wastewater flows in gallons per day that will be generated from development occurring in that calendar year. The column on the far right edge of Table 4 shows a running cumulative total of wastewater flows generated in the service area.

Figure 1 – Wastewater Generation Projection Model





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Table 4 Projected 303 Service Area Growth Over 30 Years

| Yr | Cumulative Total Population | Cumulative Total Dwelling Units (DUs) | Residential Use Annual Increase (gpd) | Commercial Use Annual Increase (gpd) | Business Park/Office Annual Increase (gpd) | Industrial Use Annual Increase (gpd) | School Annual Increase (gpd) | Park Annual Increase (gpd) | Mixed Use Annual Increase (gpd) | Limited Use Annual Increase (gpd) | Cumulative Total Flow (gpd) |
|----|-----------------------------|---------------------------------------|---------------------------------------|--------------------------------------|--|--------------------------------------|------------------------------|----------------------------|---------------------------------|-----------------------------------|-----------------------------|
| 1 | 559 | 175 | 43,668 | - | - | - | - | - | - | - | 43,668 |
| 2 | 1,118 | 349 | 43,668 | - | - | - | - | - | - | - | 87,336 |
| 3 | 1,677 | 524 | 43,668 | 27,104 | 5,709 | - | - | - | 17,891 | - | 181,707 |
| 4 | 2,236 | 699 | 43,668 | 27,104 | 5,709 | 62,318 | - | - | 17,891 | - | 338,397 |
| 5 | 2,795 | 873 | 43,668 | 27,104 | 5,709 | 62,318 | - | 5,580 | 17,891 | - | 500,666 |
| 6 | 3,434 | 1,073 | 49,906 | 27,104 | 5,709 | 62,318 | - | - | 17,891 | - | 663,594 |
| 7 | 4,072 | 1,273 | 49,906 | 40,656 | 7,612 | 83,091 | - | - | 17,891 | - | 862,749 |
| 8 | 4,711 | 1,472 | 49,906 | 40,656 | 7,612 | 83,091 | - | - | 23,854 | - | 1,067,868 |
| 9 | 5,350 | 1,672 | 49,906 | 40,656 | 7,612 | 83,091 | - | - | 23,854 | - | 1,272,987 |
| 10 | 5,989 | 1,871 | 49,906 | 40,656 | 7,612 | 83,091 | 14,500 | - | 23,854 | - | 1,492,605 |
| 11 | 6,883 | 2,151 | 69,869 | 65,049 | 9,134 | 99,709 | - | - | 23,854 | - | 1,760,221 |
| 12 | 7,777 | 2,430 | 69,869 | 65,049 | 9,134 | 99,709 | - | - | 23,854 | - | 2,027,836 |
| 13 | 8,672 | 2,710 | 69,869 | 65,049 | 9,134 | 99,709 | - | - | 23,854 | - | 2,295,451 |
| 14 | 9,566 | 2,989 | 69,869 | 65,049 | 9,134 | 99,709 | - | - | 23,854 | - | 2,563,066 |
| 15 | 10,460 | 3,269 | 69,869 | 65,049 | 9,134 | 99,709 | - | - | 35,782 | - | 2,842,609 |
| 16 | 11,355 | 3,548 | 69,869 | 81,311 | 9,134 | 99,709 | - | - | 35,782 | - | 3,138,413 |
| 17 | 12,249 | 3,828 | 69,869 | 81,311 | 9,134 | 99,709 | - | - | 35,782 | - | 3,434,218 |
| 18 | 13,143 | 4,107 | 69,869 | 81,311 | 9,134 | 99,709 | - | - | 35,782 | - | 3,730,022 |
| 19 | 14,038 | 4,387 | 69,869 | 81,311 | 9,134 | 99,709 | - | - | 28,625 | - | 4,018,671 |



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| Yr | Cumulative Total Population | Cumulative Total Dwelling Units (DUs) | Residential Use Annual Increase (gpd) | Commercial Use Annual Increase (gpd) | Business Park/Office Annual Increase (gpd) | Industrial Use Annual Increase (gpd) | School Annual Increase (gpd) | Park Annual Increase (gpd) | Mixed Use Annual Increase (gpd) | Limited Use Annual Increase (gpd) | Cumulative Total Flow (gpd) |
|--------------|-----------------------------|---------------------------------------|---------------------------------------|--------------------------------------|--|--------------------------------------|------------------------------|----------------------------|---------------------------------|-----------------------------------|-----------------------------|
| 20 | 14,932 | 4,666 | 69,869 | 81,311 | 9,134 | 99,709 | | | 28,625 | | 4,307,319 |
| 21 | 15,826 | 4,946 | 69,869 | 65,049 | 9,134 | 99,709 | | | 28,625 | 12,497 | 4,592,202 |
| 22 | 16,721 | 5,225 | 69,869 | 65,049 | 9,134 | 99,709 | | | 28,625 | 12,497 | 4,877,085 |
| 23 | 17,615 | 5,505 | 69,869 | 65,049 | 9,134 | 99,709 | | | 28,625 | 12,497 | 5,161,968 |
| 24 | 18,360 | 5,738 | 58,224 | 65,049 | 9,134 | 99,709 | | | 28,625 | 12,497 | 5,435,206 |
| 25 | 19,105 | 5,970 | 58,224 | 65,049 | 9,134 | 99,709 | | | 28,625 | 12,497 | 5,708,444 |
| 26 | 19,851 | 6,203 | 58,224 | 65,049 | 7,612 | 99,709 | | | 23,854 | 12,497 | 5,975,389 |
| 27 | 20,596 | 6,436 | 58,224 | 65,049 | 7,612 | 99,709 | | | 23,854 | 12,497 | 6,242,333 |
| 28 | 21,235 | 6,636 | 49,906 | 82,000 | 7,612 | 99,709 | | | 23,854 | 12,497 | 6,517,912 |
| 29 | 22,003 | 6,876 | 60,000 | 81,000 | 7,612 | 96,728 | | | 23,854 | 12,497 | 6,799,602 |
| 30 | 22,565 | 7,052 | 43,930 | 79,403 | 7,612 | 84,112 | | | 8,186 | 12,497 | 7,035,342 |
| Total | | | 1,762,899 | 1,700,585 | 228,350 | 2,494,917 | 14,500 | 5,580 | 703,542 | 124,968 | |

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3.2.5 Water Reclamation Facility Description

The new EPCOR WVRWRF will be designed and built in phases when required determined by the pace of development of the 303 Service Area, beginning with a 0.135 MGD (135,000 gpd) plant based upon projected initial demand for service (see also Section 6). Future phases of the EPCOR WVRWRF will be built well in advance of the flows. Typically when flows reach 70 percent of the then in-service capacity, design for the next phase begins. Construction of the next phase will be underway no later than when flows reach 85 percent of the then in-service capacity. The phasing of expansion is proposed as follows:

Table 5 WVRWRF Expansion Phasing Summary

| Phase | Capacity (MGD) By Phase | Cumulative Capacity (MGD) |
|-------|-------------------------|---------------------------|
| A | 0.135 | 0.135 |
| 1 | 0.5 | 0.635 |
| 2 | 0.5 | 1.135 |
| 3 | 1 | 2 |
| 4 | 2 | 4 |
| 5 | 2 | 6 |
| 6 | 2 | 8 |

This phasing strategy provides 1,000,000 gpd of reserve treatment capacity for additional unforeseen growth.

The EPCOR WVRWRF facilities will be designed in accordance with Best Available Demonstrated Control Technology (BADCT) for Sewage Treatment Facilities as prescribed by A.A.C. Title 18, Chapter 9, Article 2, Part B (R18-9-B201). The WVRWRF will also be designed to produce Class A+ effluent suitable for open access reuse, and to meet or exceed the anticipated requirements of reclaimed water or discharge under an AZPDES/NPDES permit. Reclaimed water will have less than 10 mg/L total nitrogen (8 mg/L alert level), BOD5, and TSS, and turbidity less than 2 NTU. In case of discharging to various receiving water bodies, the effluent will be dechlorinated to ensure that the Surface Water Quality Standard (SWQS) of the receiving water body for Total Residual Chlorine is achieved.

EPCOR's primary focus for disposal of treated effluent will be on-site recharge and reuse for local customers. The facility will be designed with approximately 3 or more days of on-site storage capacity using available space in the recharge basins during periods of wet weather when the demand for reuse is minimal or non-existent. In addition to recharge and reuse, EPCOR will apply for an AZPDES permit for surficial discharge to provide operational flexibility in the event of an unforeseen

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circumstance when recharge, reuse and on-site storage are inadequate to handle all flows. EPCOR has discussed the possibility of occasional surface discharges with potential downstream communities and recognizes the need to dispose of Class A+ effluent in a manner that will not cause a public nuisance. As a result, EPCOR is evaluating several options that do not involve a surface discharge to the headwaters of Bullard Wash including:

- Discharge to Bullard Wash or the RID Canal south of Litchfield Park via a below-ground pipeline, or
- Discharge to the Agua Fria River via existing concrete lined stormwater channels.

EPCOR is also evaluating the feasibility of two additional effluent management options that would not require an AZPDES permit:

- Sale and transport of effluent to an above-ground recharge facility to be constructed for the Central Arizona Groundwater Replenishment District near the WVRWRF, and
- An existing deep injection well within the proposed service area.

The proposed EPCOR WVRWRF will consist of the following process units:

- Preliminary Treatment/Headworks Facilities including screening and grit removal
- Equalization
- Secondary Treatment including bioreactors for nutrient removal, secondary clarifiers, return activated sludge and waste activated sludge (RAS/WAS) pump station and aeration facilities
- Tertiary filtration
- Disinfection using chlorination. A residual chlorine concentration will be maintained in the reclaimed water distribution system to reduce any potential for algae growth or other operational problems associated with re-growth. Dechlorination will be provided in case discharge is needed.
- Aerobic digesters will be designed to produce Class B sludge suitable for land application or landfill disposal.
- The treatment and disposition of biosolids will be performed in compliance with ADEQ's Biosolids / Sewage Sludge Management Program.
- Thickening may be provided to optimize the sizing of the digesters (may not be needed for the the early phases of the plant).

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- Sludge dewatering facilities will consist of belt press or centrifuge.
- The facility will have noise, odor, and aesthetic controls and include a standby generator for 100 percent backup power. The setbacks for the facility will be 350 feet from property lines as required by the Arizona Administrative Code pertaining to aquifer protection (AAC 18-9-B201-I).
- Odor Control facilities will include chemical wet scrubbers or biofilters.
- The process basins will be designed to mitigate the potential for bird strikes using design guidance provided by the Wildlife Services Division of the US Department of Agriculture.

A conceptual layout and a process flow diagram for the EPCOR WVRWRF are shown in Exhibits 6 and 7, respectively. Any nuisance causing treatment facility components will be enclosed.

The WVRWRF will be automated and controlled with a Supervisory Control and Data Acquisition (SCADA) system.

EPCOR will also deploy SCADA and Asset Management systems for asset management, process optimization, predictive maintenance, trouble shooting, and reclaimed water management.

3.2.6 Treatment Plant Startup Procedure

The overriding intent of this MAG 208 Amendment application is to make the WVRWRF the regional wastewater solution for the entire proposed 303 Service Area, which includes incorporating the wastewater flows currently going to the Russell Ranch Water Reclamation Facility (RRWRF) from its existing service area. EPCOR is designing the wastewater collection system to direct all future flows in the service area to the new WVRWRF and will connect the existing RRWRF to the WVRWRF via gravity sewer so those flows will serve as the startup flows for the WVRWRF.

However, recognizing the dynamic and uncertain nature of future growth and development in the area combined with the need to plan and design wastewater solutions in advance of when they are needed, EPCOR is also developing an interim option that could direct initial wastewater flows from the proposed Granite Vista residential development on the northwest corner of Cotton Lane and Northern Avenue to RRWRF. If it becomes necessary to implement this interim option because the WVRWRF will not be operational soon enough, a sewer line will be constructed down Cotton Lane to a lift station at Camelback Road and the flows will be directed west to the RRWRF until the WVRWRF is operational. This proposed

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alignment may change during detailed design based on cost and constructability considerations.

If the WVRWRF becomes operational prior to EPCOR investing in additional improvements to the treatment capacity at RRWRF, all wastewater flows will be directed to the WVRWRF and flows to the RRWRF will be minimized or the plant will be kept in non-operating reserve status through 2024 to provide operational flexibility in the event of unforeseen conditions requiring wastewater treatment capacity. If EPCOR is required to invest in interim improvements to RRWRF to provide wastewater treatment capacity for Granite Vista, EPCOR will operate and maintain RRWRF until those assets are fully depreciated and then redirect all flows to the WVRWRF.

Once the collection system connection has been established such that wastewater flows originally directed to RRWRF can reach WVRWRF, RRWRF will be placed in a non-operational reserve status. EPCOR will maintain the permits to allow RRWRF to operate on an emergency or short term basis if necessary, but it will not be reactivated to receive wastewater flows without prior coordination with MCESD.

There will be a period of time when the model homes and the first group of occupied homes in Phase 1 of the Granite Vista development will not generate the minimum volume of wastewater flows sufficient to reach the WVRWRF via approximately four miles of 18" to 36" gravity sewer lines. In light of this situation, EPCOR will work with relevant regulatory agencies, and will design, construct, and operate an interim on-site low flow wastewater treatment solution that complies with existing regulations and will not generate nuisance conditions for residents and neighbors. This temporary on-site low flow treatment solution for Granite Vista will accept no more than 24,000 gallons per day of flow.

3.2.7 Russell Ranch Water Reclamation Facility Interim Treatment Solution

The existing RRWRF and its service area are described in Section 3.1.1. While EPCOR is in the process of designing and permitting the new WVRWRF, EPCOR is also designing additional treatment capacity at the RRWRF as an interim solution in the event that development in the 303 Service Area is delayed due to fluctuating economic conditions which are difficult to predict. Elliott Homes has requested wastewater service from EPCOR for the 388 single family lots in Phase 1 of the Granite Vista subdivision to be located at the northwest corner of Northern Avenue and Cotton Lane. EPCOR has begun the design work to increase the total treatment capacity of RRWRF to 198,000 gpd on the existing site if necessary, which would be sufficient to provide service to all 485 lots in Russell Ranch as well

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as all 388 proposed lots of the Elliott Homes - Granite Vista Phase 1 development (Table 6).

Table 6 Projected Dwelling Units and Flows to RRWRF as Interim Treatment Solution

| Year | Dwelling Units @ Russell Ranch | Population | Wastewater Flows from Russell Ranch ¹ (gpd) | Dwelling Units @ Granite Vista | Population | Wastewater Flows from Granite Vista (gpd) ² | Cumulative Flows (gpd) |
|------|--------------------------------|------------|--|--------------------------------|------------|--|------------------------|
| 2014 | 220 | 704 | 34,100 | 0 | 0 | 0 | 34,100 |
| 2015 | 256 | 819 | 39,680 | 25 | 80 | 6,250 | 45,930 |
| 2016 | 292 | 934 | 45,260 | 175 | 560 | 43,750 | 89,010 |
| 2017 | 328 | 1,050 | 50,840 | 375 | 1,200 | 93,750 | 144,590 |
| 2018 | 364 | 1,165 | 56,420 | 388 | 1,242 | 97,000 | 153,420 |
| 2019 | 400 | 1,280 | 62,000 | 388 | 1,242 | 97,000 | 159,000 |
| 2020 | 436 | 1,395 | 67,580 | 388 | 1,242 | 97,000 | 164,580 |
| 2021 | 472 | 1,510 | 73,160 | 388 | 1,242 | 97,000 | 170,160 |
| 2022 | 485 | 1,552 | 75,175 | 388 | 1,242 | 97,000 | 172,175 |

For the 388 Phase 1 lots in the new Granite Vista subdivision, the inflow projections in Table 6 assume a residential wastewater flow rate of 250 gallons per day per Equivalent Residential Unit, which is a conservatively high flow rate in this area. The total projected flow from Granite Vista Phase 1 at buildout is estimated at 97,000 gpd. Analysis of observed flows at RRWRF and connection data in Russell Ranch indicates actual wastewater flows are slightly less than 155 gallons per day per single family home. Projected total inflows from Russell Ranch using the measured flow rates per home would be 75,175 gpd at buildout. Thus, the total projected inflow to RRWRF at buildout for the two subdivisions would be 172,175 gpd. Exhibit 12 shows a conceptual site plan for the expansion of RRWRF to a 198,000 gpd treatment capacity consistent with existing site constraints.

If EPCOR determines it is necessary to expand treatment capacity at RRWRF to 198,000 gpd to handle the flows from Granite Vista in addition to Russell Ranch, EPCOR will design and construct a force main or sewer line and lift station from the intersection of Cotton Lane and the Missouri Road alignment to the RRWRF. Elliott Homes is currently designing a sewer line from Granite Vista to the point where Missouri Road reaches the western edge of the Loop 303 right of way, and EPCORs line would intercept those flows until they are redirected to the WVRWRF.

¹ Projected inflow to RRWRF from Russell Ranch is based on measured inflow and existing connections which yields an inflow rate of 155 gpd per single family home.

² Projected inflow to RRWRF from Granite Vista assumes 250 gpd per single family home.

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4.0 EFFLUENT MANAGEMENT

EPCOR is committed to maximizing the use of reclaimed water via beneficial use or recharge. EPCOR will contact adjacent farms and golf courses and future industries to maximize the use of effluent. Reclaimed water may be used for the following uses:

- Irrigation of common areas in subdivisions and schools
- Residential landscaping or agricultural irrigation
- Construction water
- Recharge to manage seasonal demand fluctuations and to reduce the impact of groundwater pumping on the aquifer

EPCOR will look to maximize the use of reclaimed water for beneficial use. Potential users of reclaimed water will be given priority for economic reasons and for the improvement of the community. However, the imminent need for reclaimed water by residential and industrial developments is not certain. Recharge facilities will be constructed within the setback area of WVRWRF to provide a reliable disposal solution of treated effluent. The WVRWRF site will be evaluated for percolation rates and recharge infrastructure will be designed accordingly. In order to provide operational flexibility for the effluent management strategy, a surficial discharge option will also be pursued as discussed in Section 3.2.5. EPCOR will identify and implement a surficial discharge option under an AZPDES permit that will not cause a public nuisance to downstream communities.

Since industrial users are not yet established in the 303 Service Area, recharge facilities will be designed to handle the seasonal effluent flow fluctuation. The recharge facilities will be located on the EPCOR WVRWRF site. The recharge facilities could include covered recharge basins, subsurface leach lines or aquifer storage and recovery (ASR) wells. Recharge basins will be designed consistent with guidance provided to EPCOR by the Wildlife Services Division of the US Department of Agriculture to help mitigate the potential hazard for bird strikes related to Luke AFB flight operations (Appendix C).

The implementation of recharge facilities and interconnectivity of the reclaimed water infrastructure will provide flexibility of operation especially during the winter months and during periods of extended rainfall.

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The EPCOR WVRWRF may require the following permits, certifications and approvals to be able to construct and operate the facility as a recharging facility:

- Section 401 Water Quality Certification issued by ADEQ
- AzPDES/NPDES Permits, ADEQ
- Stormwater Discharges
- Aquifer Protection Permit, ADEQ
- Drywell Registration, ADEQ
- Air Quality Permit, Maricopa County Air Quality Department (MCAQD)
- Approval to Construct, Maricopa County Environmental Services Department (MCESD)
- Approval of Construction, MCESD
- Special Use Permit, Maricopa County Planning and Development Department
- Building Permit, City of Glendale

The following permits will be needed to be able to perform beneficial use of the effluent and obtain credits for recharged water:

- Section 404 Permits (for construction of outfalls), Army Corps of Engineers
- Underground Storage Facility Permit (to obtain credit for reclaimed water storage in aquifer), Arizona Department of Water Resources (ADWR)
- Water Storage Permit, ADWR
- Recovery Well Permit, ADWR
- Reclaimed Water Permit, ADWR

Industrial wastewater is anticipated in the 303 Service Area; therefore, all industrial users will be required to meet the EPCOR Pretreatment Requirements (Appendix A). The EPCOR line extension agreements for in-parcel infrastructure will include a provision that obligates users to comply with these requirements.

The following is a summary of the permit requirements applicable to the EPCOR WVRWRF.

4.1 Section 208 Plan Amendment

In accordance with Section 208 of the Clean Water Act, an Areawide Water Quality Management Plan was prepared by the Maricopa Association of Governments (MAG). The MAG is the designated Regional Water Quality Management Planning

MAG 208 Water Quality Management Plan Amendment

Agency for Maricopa County. The Water Quality Management Plan has continually been updated through several Plan Amendments and updates. This document will serve as the 208 Water Quality Plan Management Plan Amendment for EPCOR which proposes its West Valley Regional Water Reclamation Facility to serve an area in Maricopa County that includes approximately 17 square miles within the Glendale Municipal Planning Area.

4.2 Aquifer Protection Permit (APP)

The State of Arizona APP Program was established by the Environmental Quality Act (EQA) and is primarily designed to regulate facilities that may discharge to an aquifer. An individual APP permit, as administered by ADEQ, is required for all new wastewater treatment plant facilities and all such facilities must be constructed and operated to meet the greatest degree of discharge constituent reduction achievable. The WRF will produce AAC Title 18 Class A+ effluent suitable for reuse, recharge and discharge.

4.3 AZPDES/NPDES Permits

If the treated effluent from the EPCOR WVRWRF is discharged to any receiving waterbody, an AZPDES permit (from ADEQ) for discharge will be required. As discussed in Section 3.2.5, EPCOR will apply for an AZPDES permit to provide operational flexibility in the event of an extended wet period. EPCOR is evaluating several discharge options and will identify and implement the most cost effective alternative that does not create a public nuisance for downstream communities.

4.4 Sludge Management

Part 503 of the Clean Water Act and ACC Title 18, Chapter 9 specifies the quality of sewage sludge that may be applied to land, distributed and marketed, placed in a sludge disposal facility, or incinerated in a sewage sludge incinerator. The sludge generated at the EPCOR WVRWRF will be stabilized and dewatered Class B sludge. This class of sludge may be disposed of at any operating sanitary landfill certified by ADEQ to handle and dispose of sludge from wastewater treatment plants. It should be noted that the Class B sludge produced at the facility will be suitable for land application and can also be used for daily cover at the landfill site. Also, Class B sludge is suitable for farmland application at ADEQ approved sites. EPCOR may choose to use one or both the options for sludge beneficial reuse.

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The closest landfill accepting sludge for disposal is:

Northwest Regional Landfill
19401 W Deer Valley Road
Surprise, Arizona 85387
Operated by:
Waste Management, Inc.
2425 South 40th Street
Phoenix, Arizona

Currently, Waste Management, Inc. accepts sludge from the City of Surprise, Avondale, and other municipalities near EPCOR's WVRWRF, and from EPCOR's Russell Ranch and Verrado WRF's. Waste Management, Inc. has indicated they will accept the sludge from WVRWRF if it is similar to the other sludge currently being generated at Russell Ranch and Verrado WRF's. The life expectancy of the landfill is at least forty (40) to fifty (50) years. Protection of the groundwater at the landfill location will be provided by the landfill facility.

Odor control facilities at EPCOR's WVRWRF will be appropriately designed to enclose and treat odors associated with sludge stabilization equipment. Chemical or biofilter scrubbers will be employed to treat odors associated with sludge processes. Also, the WVRWRF will meet or exceed all setback requirements per AAC R18-9-B201.

4.5 AZPDES Storm Water Pollution Prevention

An AZPDES Storm Water Pollution Prevention Permit (SWPPP) will be required for the treatment plant site work. All hazardous material and potential pollutants shall be stored onsite in appropriate storage areas which will be constructed to contain any spills or runoff of hazardous materials. Retention basins, silt traps, and other sediments barriers are to be provided at the site to filter sediments from storm water runoff leaving the site. The construction contractor for the facilities will be responsible to obey all AZPDES or NPDES Permit regulations relevant to construction sites to prevent surface water and groundwater contamination. The contractor shall keep the site clean and have covered dumpsters on site which are emptied regularly.

4.6 Local Floodplain and Drainage Regulations

The proposed EPCOR WVRWRF site is outside the boundary of the 100 year floodplain.

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4.7 Construction Permits (404/401 Permits)

As appropriate, permits covering the requirements of Section 404 of the Clean Water Act will be obtained from the US Army Corps of Engineers (USACE), likely required to construct the outfalls for any discharges into the Waters of the United States (WUS), and for any other infrastructure installed in the WUS. The impacted areas will be minimized, to the extent possible, to allow most 404 permitting requirements to be covered under the Nationwide Permit Program.

4.8 Air Quality Permits

An Air Quality Permit will be obtained from Maricopa County for the facility as required by the County's Health Code.

4.9 Non-Point Source Permits

Runoff from the streets and golf courses are nonpoint issues, but will not be under the control of EPCOR. It will be the responsibility of developers, contractors, and ultimately the Property Owners Associations and property owners to manage these issues.

4.10 Approval to Construct/Approval of Construction

The Approval to Construct permit for the EPCOR WVRWRF and associated infrastructure will be obtained from Maricopa County prior to construction. Upon completion of construction, EPCOR will coordinate with Maricopa County to obtain Approval of Construction for the EPCOR facilities prior to operation.

4.11 Special Use Permit

The site EPCOR has identified for the WVRWRF falls within the Luke Compatible Land Use Area (LCLUA). EPCOR held a pre-application meeting with the Maricopa County Planning and Development Department to discuss the site and identify any restrictions or mitigation that needs to be imposed on the design and operation of the water reclamation facility. Based on that meeting, EPCOR will obtain a Use Compatibility Consistency Determination as well as a Military Compatibility Permit with a Plan of Development. EPCOR has also met with representatives of Luke Air Force Base and the City of Glendale for their feedback on the proposed site. EPCOR's interpretation of the existing zoning restrictions within the LCLUA is that a properly designed and operated water reclamation facility is a compatible land use in this area.

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4.12 Reclaimed Water Reuse Permits

Type 2 Reclaimed Water General Permits are required for direct use of reclaimed water. The permit applications will be prepared for each reuse site including any agricultural land that will be irrigated until the permit reuse sites are operational. Reclaimed water from the EPCOR WVRWRF will be used for beneficial reuse that could include turf and xeriscape irrigation, direct delivery to residential irrigation, sale to agricultural reuse customers, and construction water.

4.13 USF/WS Permits

If the effluent from the EPCOR WVRWRF is used to recharge the aquifer, an Underground Storage Facility (USF) permit will be required. A USF permit will be obtained as required depending on the construction and phasing of the treatment facility. The Water Storage (WS) permit is affiliated with the underground storage facility and allows the permit holder to store a specific amount of eligible water at that facility. The WS permit will be obtained when required for all treatment facilities. It should be noted that other land owned by EPCOR such as water distribution and pump station sites, may be used as recharge sites if necessary and will be permitted accordingly.

The WVRWRF site will be evaluated for percolation rates and preference will be given to on-site recharge if percolation rates are amenable. Recharge methods will be compatible with Luke Air Force Base operations. EPCOR currently recharges approximately 3 miles to the west of the proposed WVRWRF site at the Russell Ranch WRF. Recharge at this existing facility has been effective and reliable. During detailed design and development of the Aquifer Protection Permit materials, EPCOR will explore multiple disposal and recharge options including vadose zone wells, trenches, ASR wells, disposal to RID, transfer to the CAGR, and reuse.

4.14 Building Permits

Construction documents will be submitted to the City of Glendale and/or Maricopa County as jurisdictional agencies overseeing conformance to International Building Code (IBC), plumbing, fire and electrical codes.

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5.0 ENVIRONMENTAL IMPACTS/BENEFITS

The water reclamation facility for the 303 Service Area will provide positive environmental benefits to the region:

- Centralized wastewater treatment will be provided, reducing the potential for groundwater contamination from overuse of septic tanks with leach fields in the area.
- Regional planning allows for maximum flexibility in wastewater treatment system infrastructure deployment and use.
- Planning for regional treatment sites now precludes siting problems in the future.
- The reclaimed water from the EPCOR WVRWRF will be used for beneficial reuse (including common area irrigation and residential irrigation) or for aquifer recharge. Interim application may be for crop irrigation.
- A consolidated, integrated water reclamation mandate reduces the impact of development on non-renewable groundwater resources.
- The development and expansion of the EPCOR WVRWRF will allow the area to accommodate growth in an environmentally safe manner.
- The development of new industrial and commercial properties will fulfill a growing demand for large-scale commercial and industrial uses compatible with Luke Air Force Base restrictions and will provide an increased tax and employment base for Glendale and Maricopa County.
- The mechanical plants will meet or exceed Aquifer Water Quality Standards and surface water quality standards.
- This plan meets the goal of regionalization set forth by MAG, Maricopa County, the State of Arizona and the Clean Water Act.
- The EPCOR WVRWRF will have the ability to discharge excess A+ reclaimed water flows to WUS under an AZPDES/NPDES permit and will meet or exceed the surface water quality standards for such discharges.

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6.0 CONSTRUCTION OF WATER RECLAMATION FACILITIES

Initially, a 0.135 MGD treatment facility may be built to treat wastewater. However, depending on projected near-term growth, it may be necessary to forego Phase A and proceed directly to construction of the Phase 1 facility rated at .5 mgd. Deployment of the second phase will be coordinated with increasing wastewater flows triggering the need for additional treatment capacity. The expected wastewater flows throughout the ultimate service area are projected to be 7.0 MGD and the ultimate capacity of the EPCOR WVRWRF will accommodate 8.0 MGD to account for unforeseen growth and/or potential tie-ins from adjacent areas in the Glendale Municipal Planning Area. The construction phasing table presented in this section is tentative and will change depending on the development of the 303 Service Area and any other areas for which the facility is utilized. All infrastructure and discharge lines will be sized for ultimate flows, unless there is an early development of an “outlier” property that requires a more economical solution. Some process units like odor control, solids handling and generators may be sized for multiple phases. Construction will comply with non-point source requirements to control stormwater runoff.

6.1 West Valley Regional Water Reclamation Facility

Table 7 outlines the proposed phasing and Table 8 lists the facilities that are anticipated under each phase. Approximate costs for construction phasing of the sewer collection system are also shown in Table 7.

Table 7 EPCOR WVRWRF Summary of Construction Phases

| Phase | Description | Yr (Completion) | Capacity (MGD) | WVRWF (Costs) | Collection System (Costs) |
|---------|---------------------------------|----------------------------|----------------|---------------|---------------------------|
| Phase A | Concrete Below Grade Plant. | 2015 | 0.135 | \$2,430,000 | \$4,213,440 |
| Phase 1 | Concrete Below Grade Plant. | 2016 | 0.5 | \$7,500,000 | \$8,001,930 |
| Phase 2 | Phase A incorporated in Phase 1 | 2019 | 0.5 | \$7,000,000 | \$5,865,120 |
| Phase 3 | | 2022 | 1 | \$12,000,000 | \$1,140,480 |
| Phase 4 | | 2026 | 2 | \$22,000,000 | \$3,072,960 |
| Phase 5 | | 2032 | 2 | \$22,000,000 | \$2,185,920 |
| Phase 6 | | Concrete Below-Grade Plant | 2038 | 2 | \$22,000,000 |

The entire collection system is anticipated to be gravity flow, and is estimated to be constructed over six phases.

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Table 8 Treatment Facilities by Phase of WWRWF Construction

| Phases | Setback Required (ft) | Odor Control (Odor Generating Processes) | Headworks (Screen and Grit) | Equalization/ Bioreactors | Clarifiers | Filters | Chlorine Contact Basin | Effluent Management | Digestion | Thickening (T) and Dewatering (D) |
|---------|-----------------------|--|-----------------------------|---------------------------|------------|---------|------------------------|---------------------|-----------|-----------------------------------|
| Phase A | 100 | X | X | X | X | X | X | X | X | D |
| Phase 1 | 250 | X | 4 mgd | 0.5 mgd | 2 mgd | 0.5 mgd | 0.5 mgd | 0.5 mgd | - | D |
| Phase 2 | 350 | X | | 0.5 mgd | | 0.5 mgd | 0.5 mgd | 0.5 mgd | - | D |
| Phase 3 | | X | | 1 mgd | | 1 mgd | 1 mgd | 2 mgd | T and D | |
| Phase 4 | | X | 2 mgd | 2 mgd | 2 mgd | 2 mgd | 2 mgd | T and D | | |
| Phase 5 | 350 | X | 4 mgd | 2 mgd | 2 mgd | 2 mgd | 2 mgd | 2 mgd | 2 mgd | T and D |
| Phase 6 | | X | | 2 mgd | 2 mgd | 2 mgd | 2 mgd | 2 mgd | 2 mgd | T and D |

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6.2 Russell Ranch Water Reclamation Facility

As discussed in Section 3.2.7, if construction of the WVRWRF is delayed by a few years it may be necessary to construct additional treatment capacity at the RRWRF as an interim treatment solution for Russell Ranch and Granite Vista. EPCOR has developed preliminary cost estimates and timelines for the design and construction of up to 138,000 gallons per day of additional treatment capacity which could bring RRWRF to a total daily capacity of 198,000 gallons. Construction efforts would include upgrades and refinements to the existing package plant as well as additional treatment works. The estimated construction cost to add 138,000 gpd of treatment at RRWRF and achieve 198,000 gpd total capacity is approximately \$2,500,000. Design costs are \$100,000. Design could be completed in 6 months, and construction could be completed in less than a year from Approval To Construct. It should be noted that expansion to a 198,000 gpd facility would still represent a total treatment volume well below the 400,000 ultimate treatment capacity identified in the MAG 208 Plan.



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7.0 FINANCIAL INFORMATION

EPCOR Water Arizona Inc. is an Arizona public service corporation with existing water and wastewater service areas and operations throughout the State.

EPCOR will own and be responsible for the operation and maintenance of the wastewater management system within the proposed service area. Construction of the initial infrastructure will be funded primarily by Contributions in Aid of Construction by the Phase 1 landowners and developers. All funding required beyond landowner contributions will be met by EPCOR capital. Developer installed infrastructure will be funded by Advances in Aid of Construction pursuant to in-parcel line extension agreements. These in-parcel line extension agreements will be in accordance with ACC requirements and will require developers to convey local wastewater infrastructure to EPCOR. Exhibit 13 is a demonstration of financial condition for EPCOR.

MAG 208 Water Quality Management Plan Amendment**8.0 IMPACTS AND IMPLEMENTATION*****8.1 Implementation Plan***

Construction of the initial phase for the EPCOR WVRWRF is anticipated to begin in early 2015 (see also Section 6).

8.2 Impacts of the Proposed Plan

The 303 Service Area is in a largely undeveloped area of western Maricopa County. The EPCOR WVRWRF is not likely to have any adverse impact on adjacent land uses, municipalities, certified service areas, existing sanitary districts, communities or businesses. The facility will be constructed and operated with current noise and odor control technologies. The EPCOR WVRWRF reclaimed water will be used for reuse and recharge thereby providing the benefit of augmented water resources. At times, the reclaimed water may be discharged to a nearby wash or stormwater conveyance as circumstances warrant. It is not anticipated that any of these uses will increase the vector population or odors.

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9.0 PUBLIC PARTICIPATION

MAG is responsible for ensuring that the following actions are taken as part of the public participation requirements outlined in 40 CFR 25. EPCOR will participate in these efforts as required. The requirements include:

- Submit a mailing list that will be used to notify the public of the hearing on the 208 Plan Amendment.
- Provide a 30-day notification to the public of the location where documentation pertaining to the amendment is available for review.
- Publish a public notice with information on the date, time, subject, and location of the public hearing on the amendment application at least 45 days prior to the hearing.
- Submit an affidavit of publication of the public notice.
- Submit a responsiveness summary for the public hearing.



EPCOR Water Arizona



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Exhibit 1- Service Area Boundary

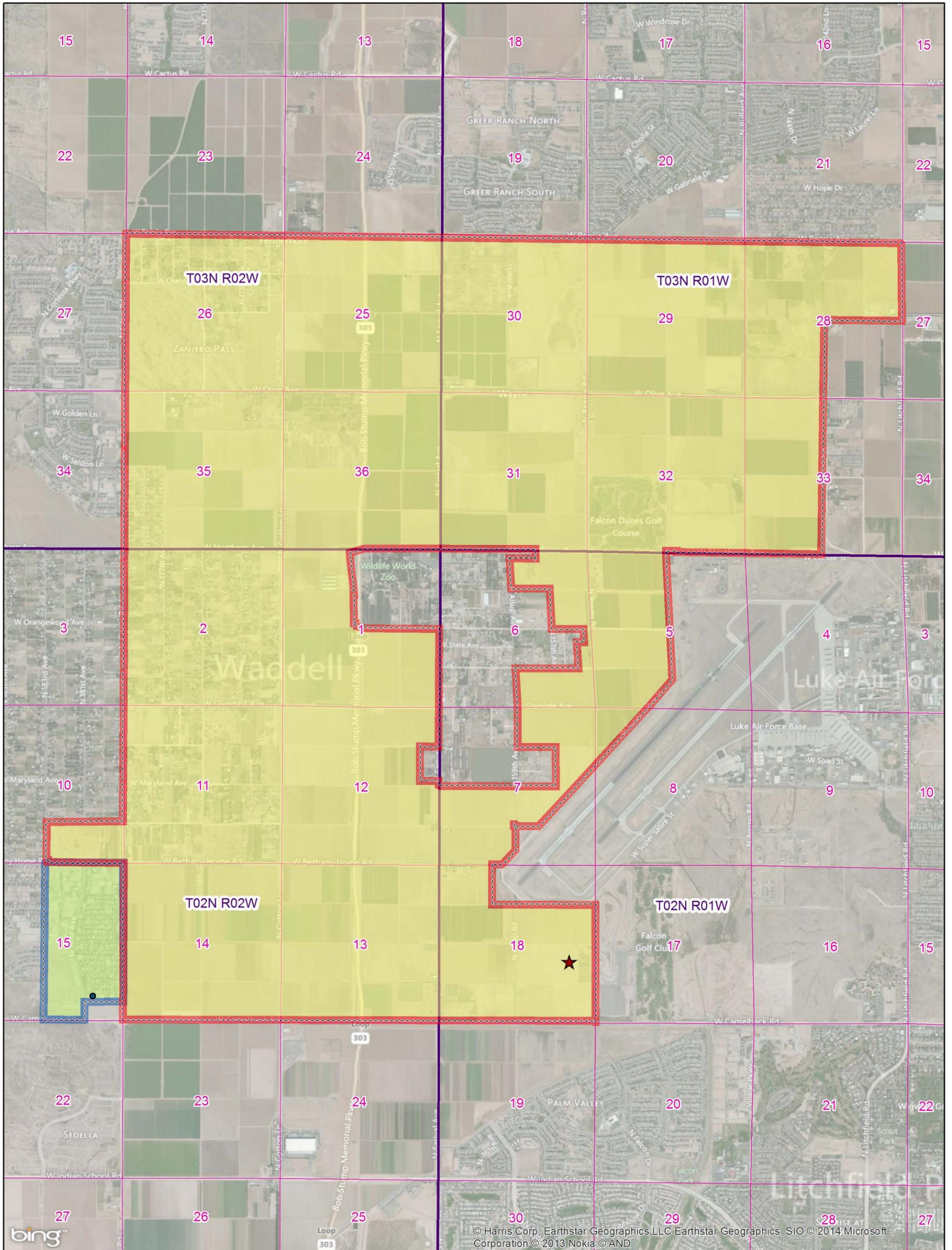


Exhibit 1: Service Area Loop 303 Corridor 208 Water Quality Management Plan

- ★ Proposed WRF
- ▭ Service Area
- Existing Russell Ranch WRF
- ▭ Russell Ranch WRF Service Area
- ▭ Township & Range
- ▭ Section

0 0.5 1 Miles

Date: 5/27/2014



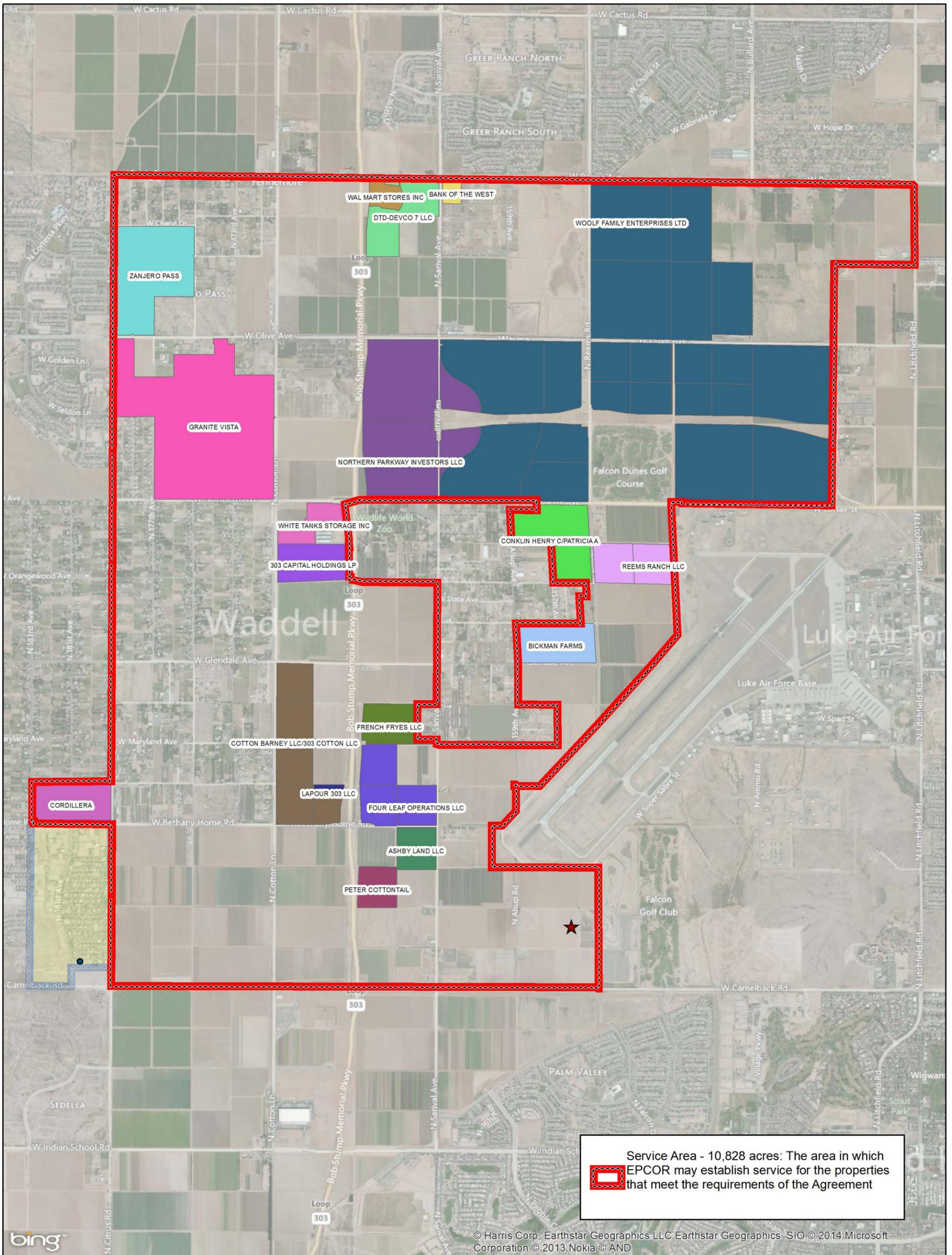


EPCOR Water Arizona



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Exhibit 2- 208 Amendment Map



Service Area - 10,828 acres: The area in which EPCOR may establish service for the properties that meet the requirements of the Agreement

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0 0.5 1 Miles

Date: 5/27/2014

Exhibit 2 208 Amendment Map 208 Water Quality Management Plan

| | | |
|--------------------------------|--|---|
| ★ WRF | PHASE 1 LAND OWNERS | French Fries LLC (54.82 ac) |
| Service Area | 303 Capital Holdings, LP (66 ac) | Lapour 303 LLC (10 ac) |
| Existing Russell Ranch WRF | Ashby Land LLC (40.28 ac) | Nothern Parkway Investors LLC (269.08 ac) |
| Russell Ranch WRF Service Area | Bank of the West (10.8 ac) | Peter Cottontail (38.16 ac) |
| Cordillera (77 ac) | Bickman Farms (75 ac) | Reems Ranch LLC (100 ac) |
| Granite Vista (437 ac) | Conklin Henry C/Patricia A (103 ac) | Wal Mart Stores Inc (20.77 ac) |
| | Cotton Barney LLC/303 Cotton LLC (143.55 ac) | White Tanks Storage Inc (36.64 ac) |
| | DTD-DEVCO 7 LLC (76.4 ac) | Wolf Family Enterprises LTD (1,717.35 ac) |
| | Four Leaf Operations LLC (108.44 ac) | Zanjero Pass (168.59 ac) |

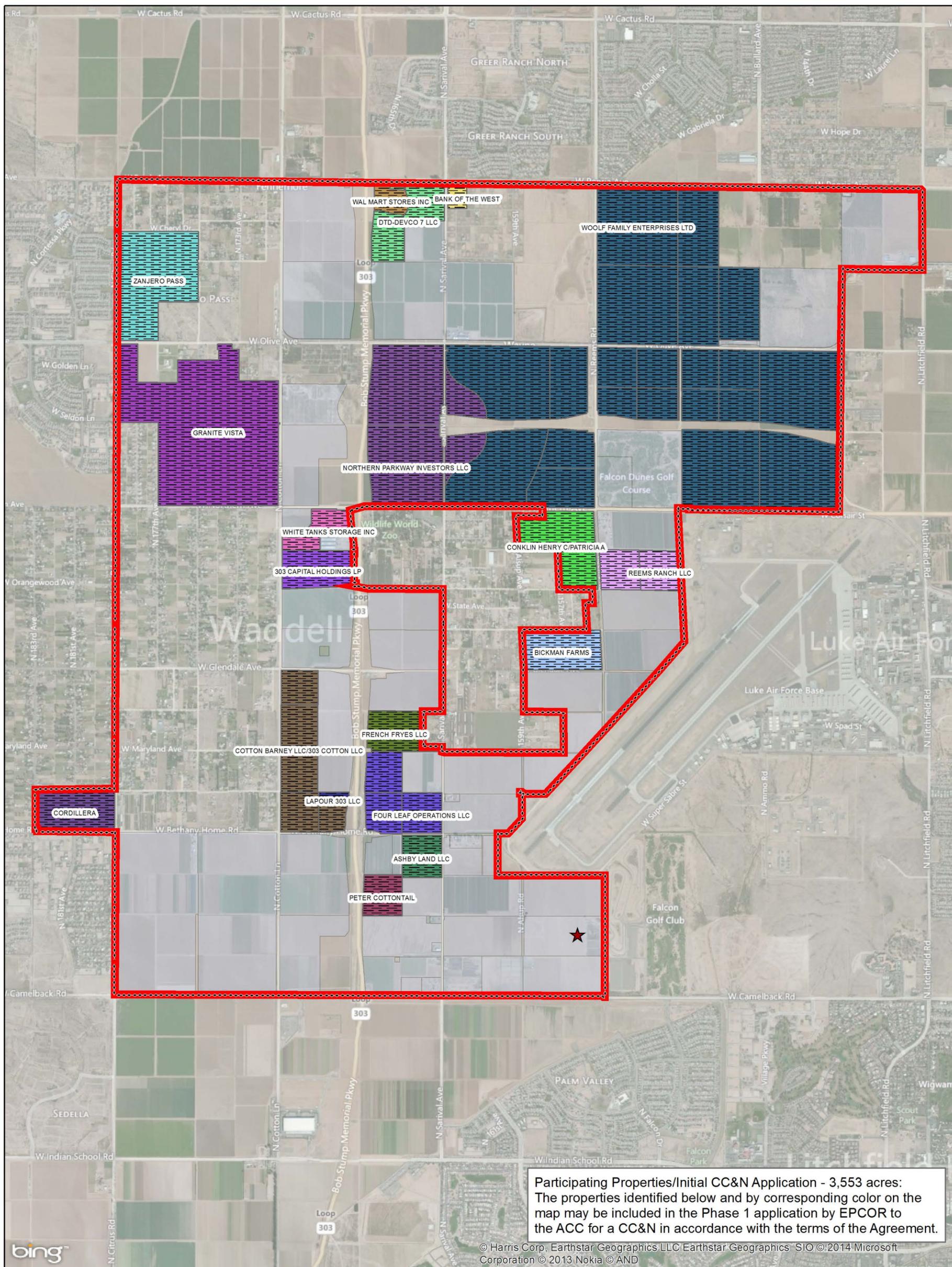


EPCOR Water Arizona



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Exhibit 3- Initial Wastewater CC&N Map



Participating Properties/Initial CC&N Application - 3,553 acres:
 The properties identified below and by corresponding color on the map may be included in the Phase 1 application by EPCOR to the ACC for a CC&N in accordance with the terms of the Agreement.

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0 0.5 1 Miles

Date: 5/27/2014

Exhibit 3: Phase 1 Wastewater CC&N Map Loop 303 Corridor 208 Water Quality Management Plan

| | | |
|--|--|---|
| <ul style="list-style-type: none"> ★ WRF Service Area (10,822 ac) Phase 1 CC&N Application (3,553 ac) Cordillera (77 ac) Granite Vista (437 ac) Phase 2 Properties | <p>Phase 1 Land Owners</p> <ul style="list-style-type: none"> 303 Capital Holdings, LP (66 ac) Ashby Land LLC (40.28 ac) Bank of the West (10.8 ac) Bickman Farms (75 ac) Conklin Henry C/Patricia A (103 ac) Cotton Barney LLC/303 Cotton LLC (143.55 ac) DTD-DEVCO 7 LLC (76.4 ac) Four Leaf Operations LLC (108.44 ac) | <ul style="list-style-type: none"> French Fries LLC (54.82 ac) Lapour 303 LLC (10 ac) Nothern Parkway Investors LLC (269.08 ac) Peter Cottontail (38.16 ac) Reems Ranch LLC (100 ac) Wal Mart Stores Inc (20.77 ac) White Tanks Storage Inc (36.64 ac) Woolf Family Enterprises LTD (1,717.35 ac) Zanjero Pass (168.59 ac) |
|--|--|---|

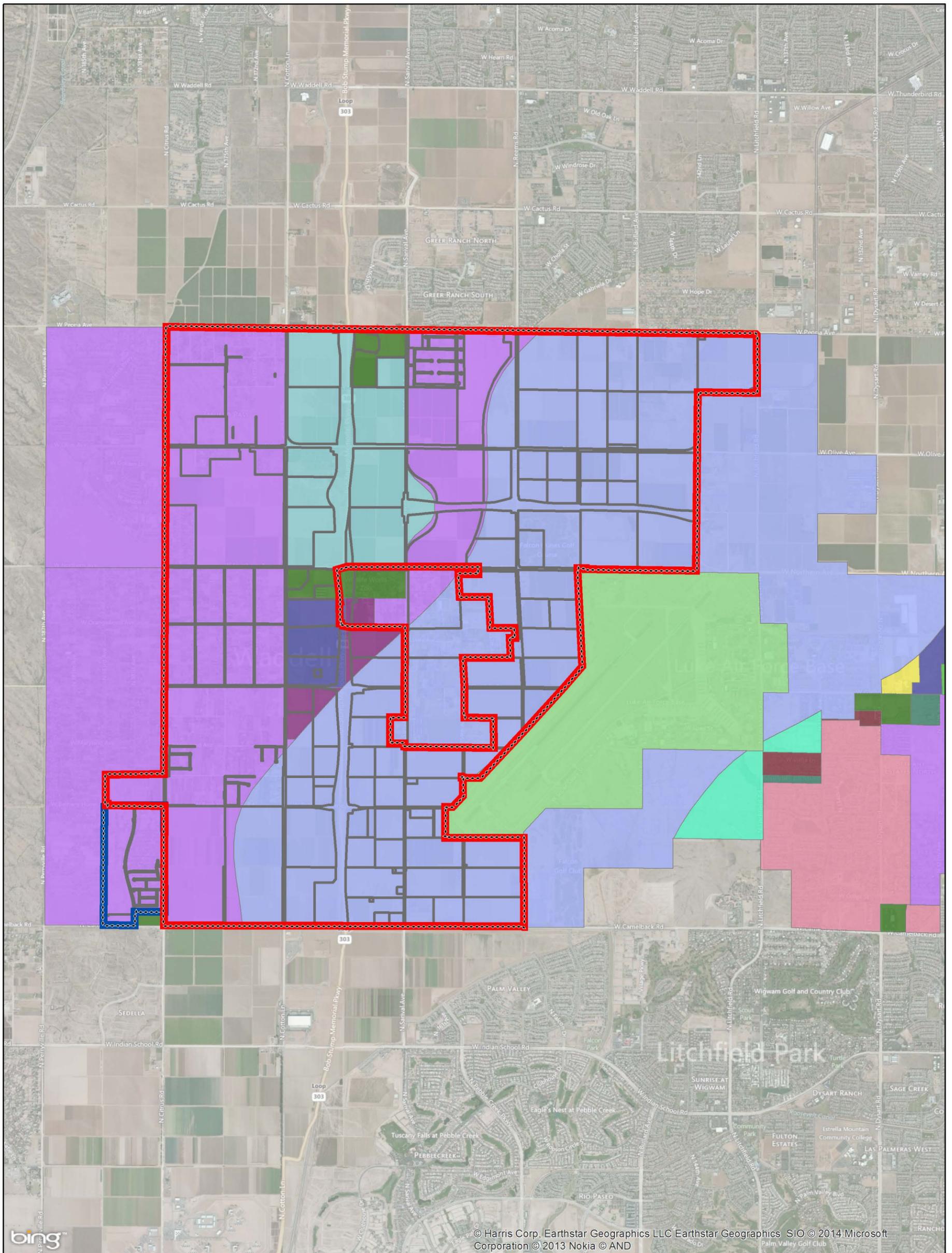


EPCOR Water Arizona



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Exhibit 4A- City of Glendale 2025 General Plan Projected Land Use



0 0.5 1 Miles

Date: 5/27/2014

Exhibit 4A: City of Glendale 2025 General Plan

| | |
|--------------------------------|---------------------------------|
| Service Area | Light Industrial |
| Russell Ranch WRF Service Area | Low Density Residential |
| Land Use Type | Luke Compatible Land Use Area |
| Business Park | Medium Density Residential |
| Corporate Commerce Center | Medium-High Density Residential |
| Entertainment Mixed Use | Office |
| Heavy Industrial | Planned Commercial |
| High Density Residential | Public Facility |

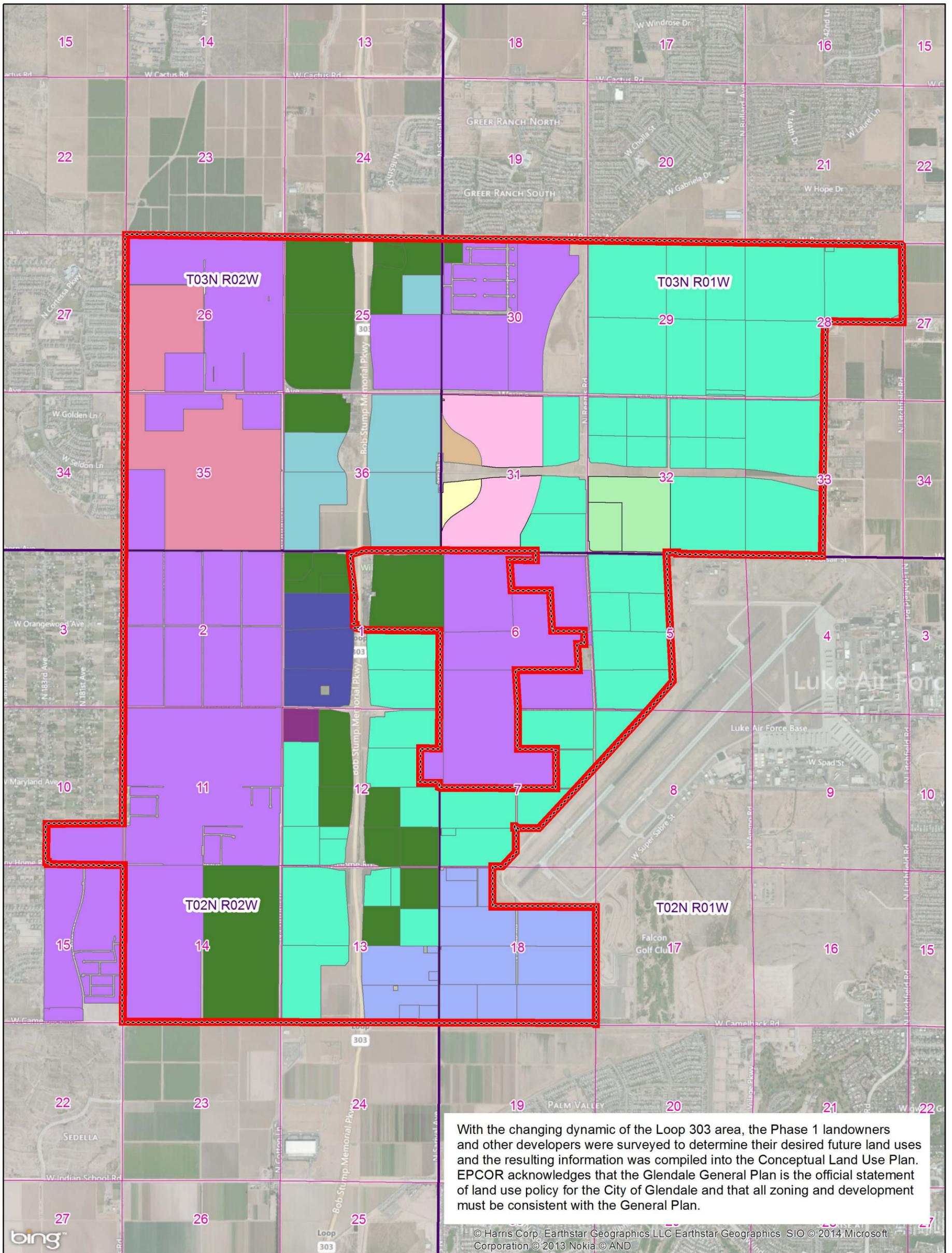


EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 4B- Conceptual Land Use Map



0 0.5 1 Miles

Date: 5/27/2014

Exhibit 4B: Conceptual Land Use Map Loop 303 Corridor 208 Water Quality Management Plan

| | | |
|-----------------|--|---|
| Land Use | <ul style="list-style-type: none"> BUSINESS PARK COMMERCIAL GOLF COURSE INDUSTRIAL LIMITED USE LOW DENSITY RESIDENTIAL | <ul style="list-style-type: none"> LOW/MEDIUM DENSITY RESIDENTIAL MEDIUM DENSITY RESIDENTIAL MIXED USE OFFICE PARK SCHOOL Service Area Township & Range Section |
|-----------------|--|---|

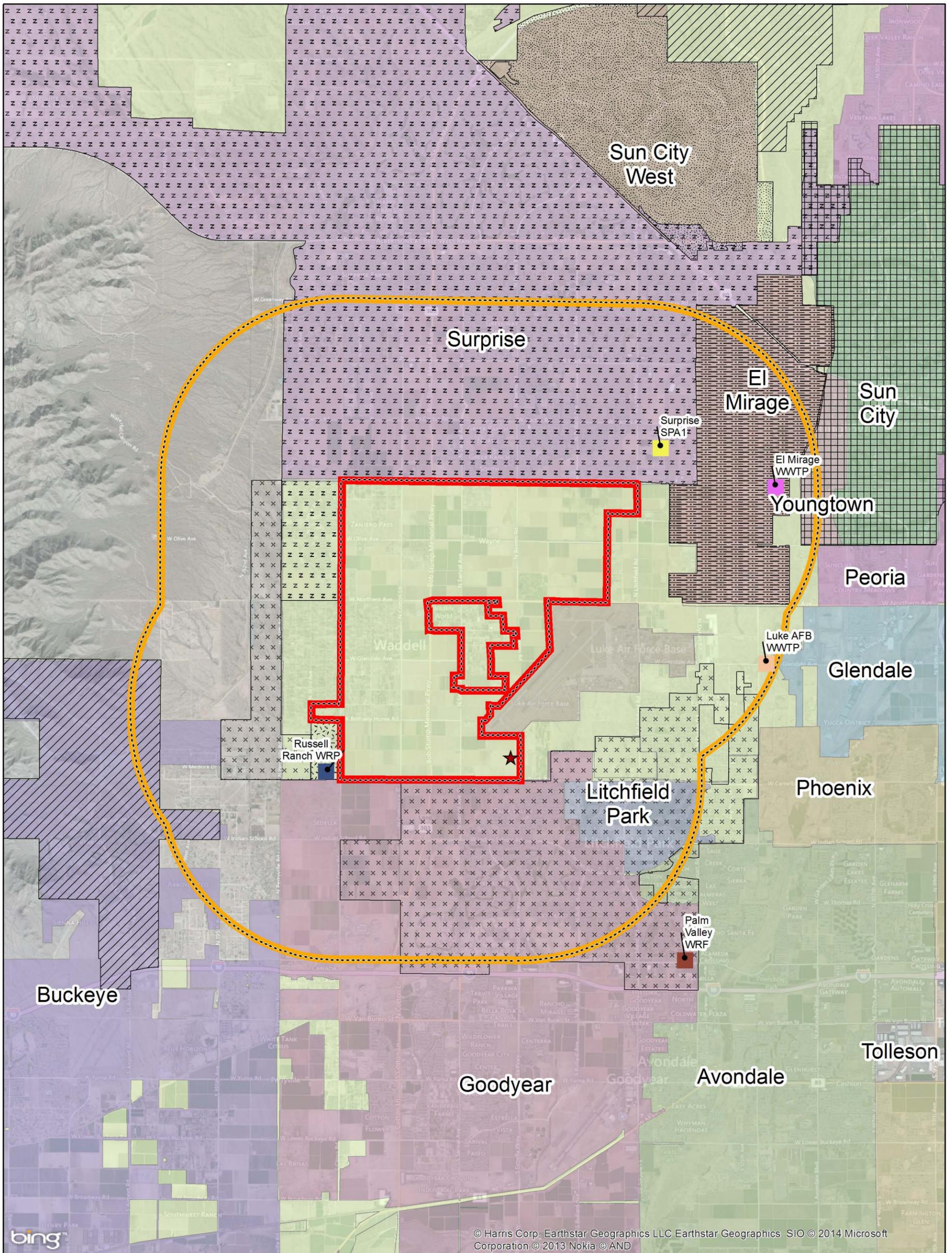


EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 5- 3-Mile Radius Service Area Map



© Harris Corp, Earthstar Geographics LLC Earthstar Geographics SIO © 2014 Microsoft Corporation © 2013 Nokia © AND

0 1 2 Miles

Date: 5/27/2014

Exhibit 5: 3 Mile Radius Area Map Loop 303 Corridor 208 Water Quality Management Plan

| | |
|-----------------|-------------------------|
| ★ Proposed WRF | Service Provider |
| ▭ Service Area | ▨ EPCOR - Agua Fria |
| ▭ 3 Mile Buffer | ▨ EPCOR - Russell Ranch |
| | ▨ EPCOR - Sun City |
| | ▨ EPCOR - Sun City West |
| | ▨ El Mirage |
| | ▨ Liberty Utilities |
| | ▨ Surprise |

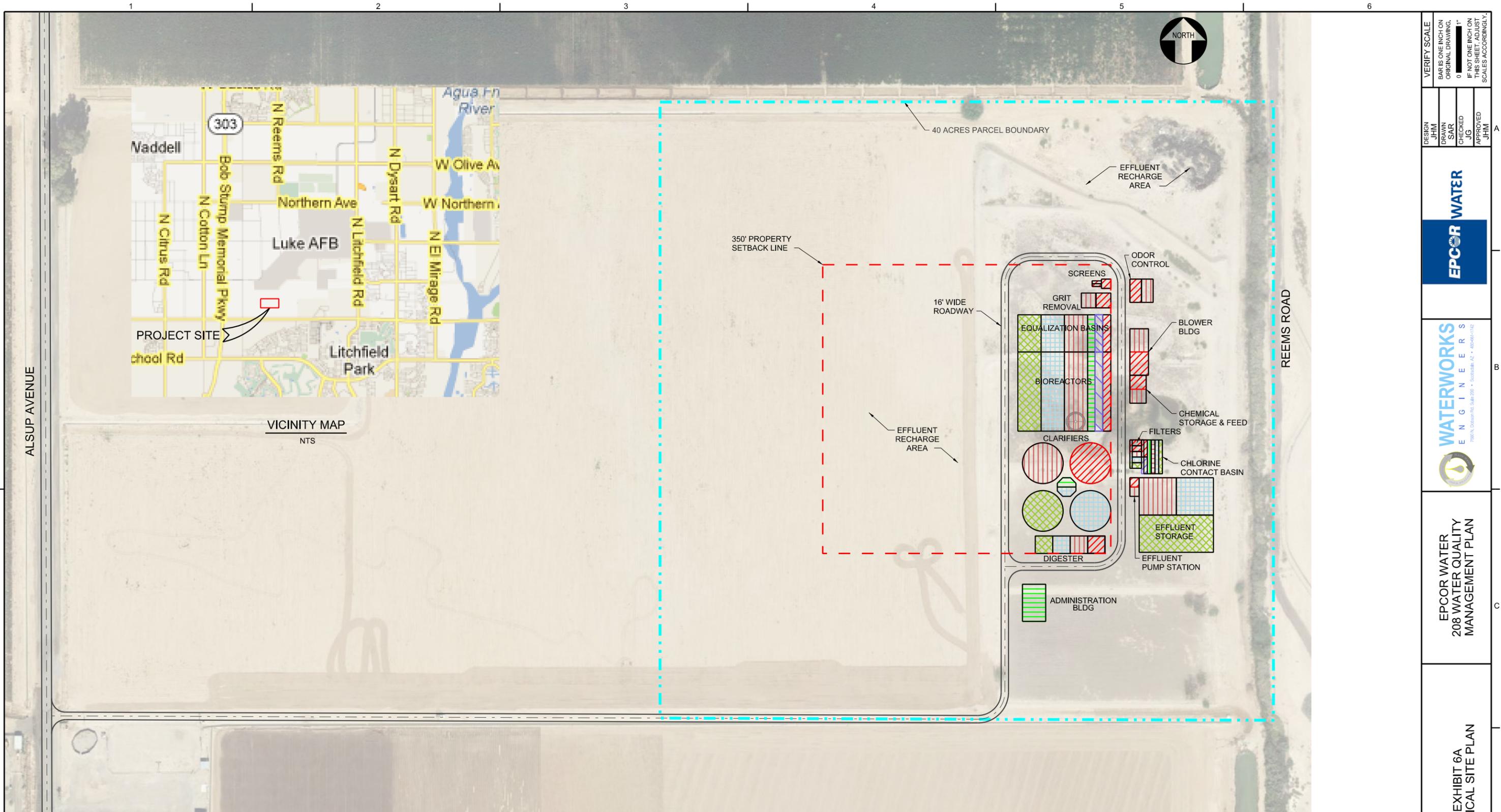


EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 6A- Conceptual Layout of the West Valley Regional Water Reclamation Facility



- PHASE 1
- PHASE 4
- PHASE 2
- PHASE 5
- PHASE 3
- PHASE 6

VERIFY SCALE
 BAR IS ONE INCH ON ORIGINAL DRAWING.
 0 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

| | |
|----------|-----|
| DESIGN | JHM |
| DRAWN | SAR |
| CHECKED | JG |
| APPROVED | JHM |



EPCOR WATER
 208 WATER QUALITY
 MANAGEMENT PLAN

EXHIBIT 6A
 TYPICAL SITE PLAN

| | |
|----------------|----------|
| DATE | APR 2014 |
| PROJECT NUMBER | 14-024 |
| DRAWING NUMBER | EX-6A |
| SHEET | - OF - |

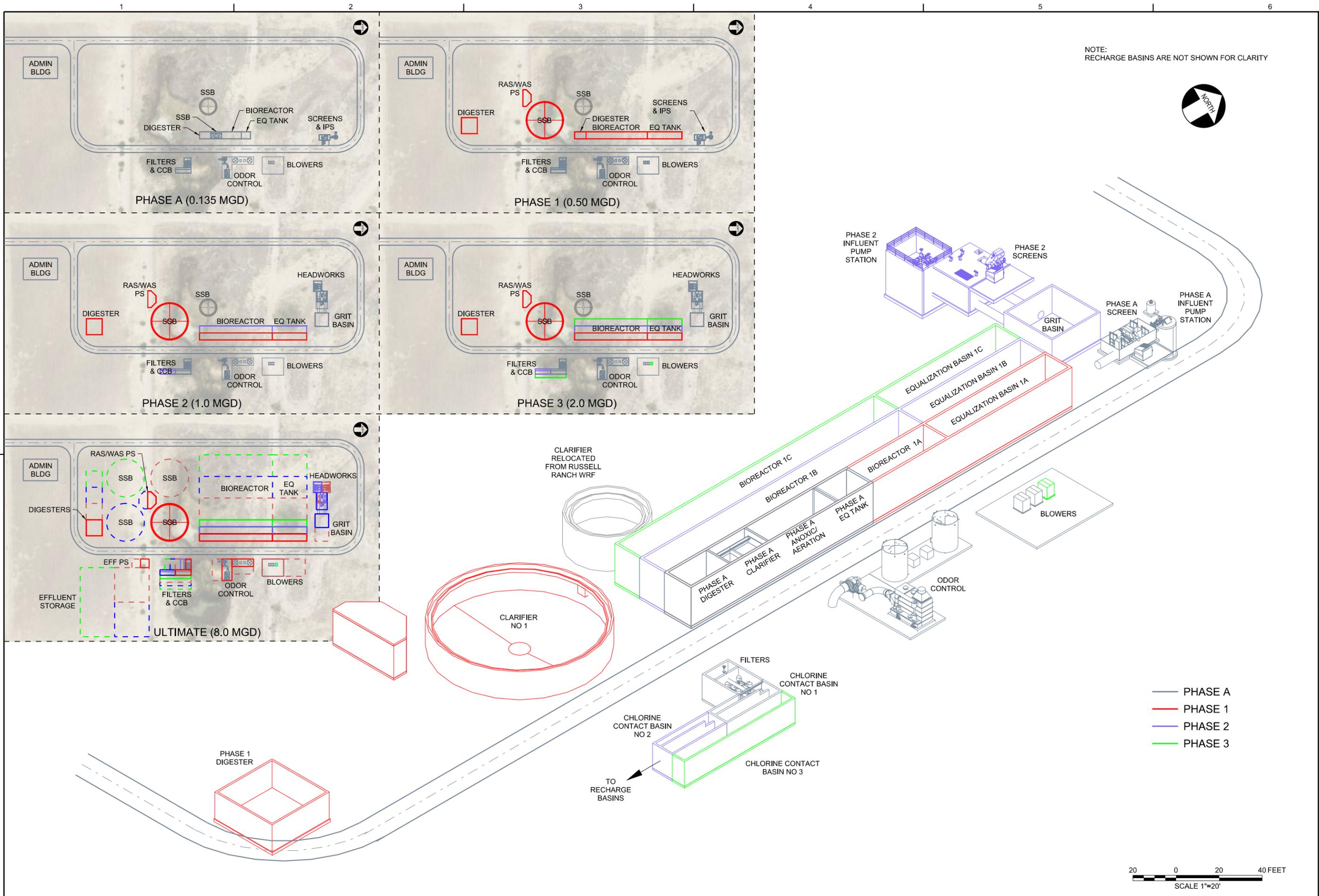


EPCOR Water Arizona

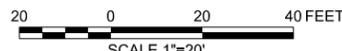


MAG 208 Water Quality Management Plan Amendment

Exhibit 6B- Preliminary Rendering of West Valley Regional Water Reclamation Facility



NOTE: RECHARGE BASINS ARE NOT SHOWN FOR CLARITY



VERIFY SCALE
BAR IS ONE INCH ON ORIGINAL DRAWING.
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

| | |
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| DESIGN | JHM |
| DRAWN | SAR |
| CHECKED | ROB |
| APPROVED | JHM |



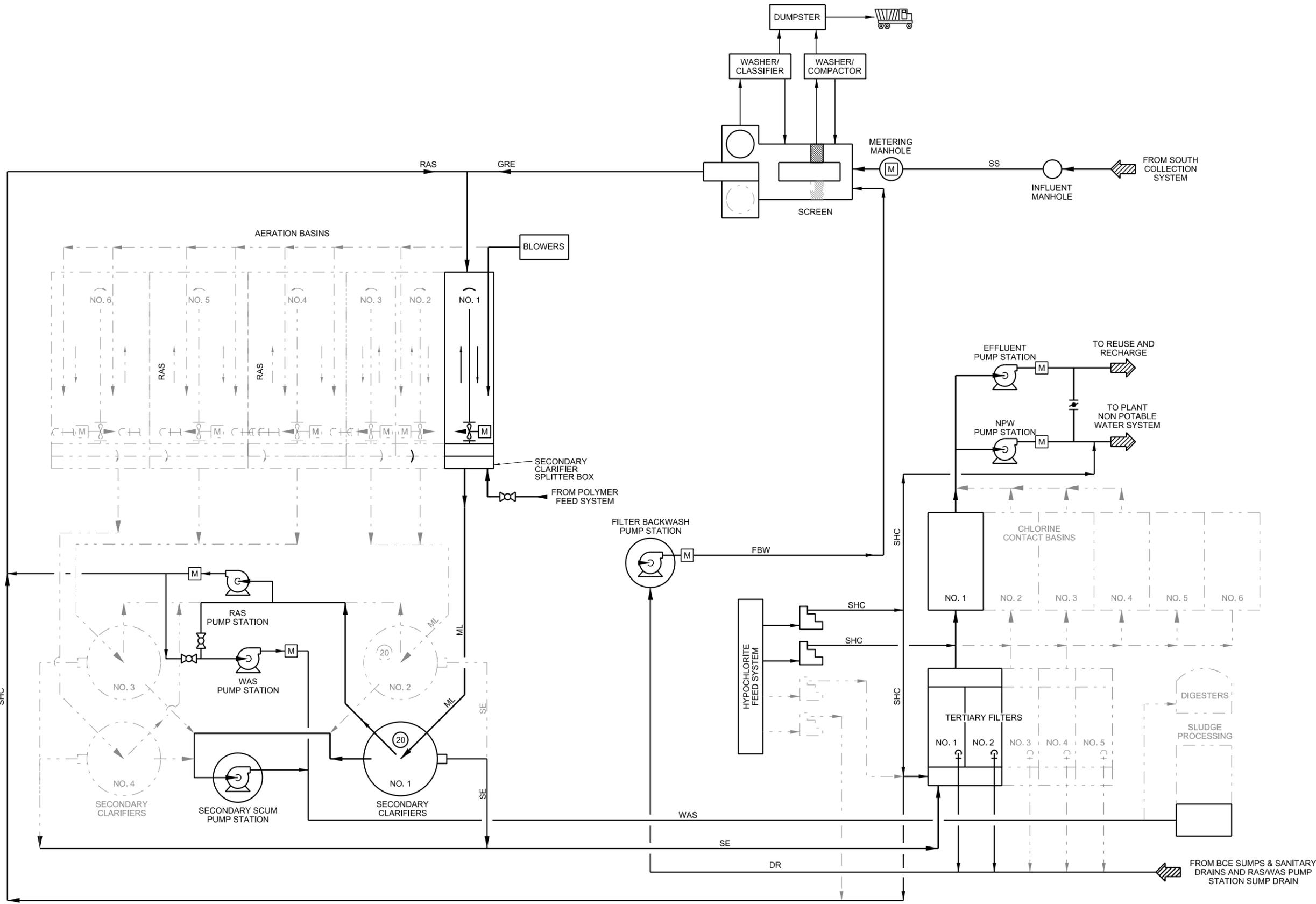
EPCOR WATER
208 WATER QUALITY
MANAGEMENT PLAN

EXHIBIT 6B
PRELIMINARY WRF RENDERING

| | |
|----------------|----------|
| DATE | APR 2014 |
| PROJECT NUMBER | 14-024 |
| DRAWING NUMBER | EX-6B |
| SHEET | - OF - |



Exhibit 7- Process Flow Diagram



LEGEND

———— PHASE 1

- - - - - FUTURE

VERIFY SCALE
 BAR IS ONE INCH ON ORIGINAL DRAWING.
 0 1"
 IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

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| DESIGN | JHM |
| DRAWN | SAR |
| CHECKED | JC |
| APPROVED | JHM |



**EPCOR WATER
 208 WATER QUALITY
 MANAGEMENT PLAN**

**EXHIBIT 7
 PROCESS FLOW DIAGRAM**

| | |
|----------------|----------|
| DATE | NOV 2013 |
| PROJECT NUMBER | 13-050 |
| DRAWING NUMBER | EX-7 |
| SHEET | - OF - |



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 8- 208 Amendment Checklist

208 AMENDMENT CHECKLIST

Section 208 Clean Water Act

40 CFR Part 130.6

| REQUIREMENT | PROVIDE BRIEF SUMMARY OF HOW REQUIREMENTS ARE ADDRESSED | ADDRESSED ON PAGE: |
|---|---|---|
| <p><u>AUTHORITY</u></p> <p>Proposed Designated Management Agency (DMA) shall self-certify that it has the authorities required by Section 208(c)(2) of the Clean Water Act to implement the plan for its proposed planning and service areas. Self-certification shall be in the form of a legal opinion by the DMA or entity attorney.</p> | <p>The City of Glendale is the Designated Management Agency for the area to be served by the facility. However, Glendale has agreed to allow EPCOR to provide sewer service to this area. See Exhibit 12, letter describing EPCORs ability and authority to perform the functions of a Designated Management Agency.</p> | <p style="text-align: center;">Exhibit 12</p> |
| <p><u>20-YEAR NEEDS</u></p> <p>Describe existing WWT facilities.</p> | <p>The only existing wastewater facility within the proposed 303 Service Area is the Russell Ranch WRF also owned and operated by EPCOR. RRWRF will be retired and those flows will be redirected to the West Valley Regional Water Reclamation Facility. Under the existing MAG amendment, the total projected flow to RRWRF cannot exceed 400,000 gpd. That flow volume and those source lands are already factored into the projected inflows to the new WVRWRF.</p> | <p style="text-align: center;">5</p> |
| <p>Show WWT certified and service areas for private utilities and sanitary district boundaries if appropriate.</p> | <p>There are no existing service areas for private utilities or sanitary districts within the proposed area.</p> | <p style="text-align: center;">5</p> |

| | | |
|--|--|------------------|
| <p>Provide POPTAC population estimates (or COG -approved estimates only where POPTAC not available) over 20-year period.</p> | <p>This plan estimates a residential population of 14,932 in the 303 Service Area in 2035 (Year 20). Because POPTAC population estimates are not specific to this area, the population projections for the 303 Service Area were derived using EPCOR Water design standards, the conceptual land use plan based on feedback from the landowners, the City of Glendale's Master Planning Amendment and Luke Air Force Base Compatible Land Use (LCLU) Plan. For comparison, the population estimate for the relevant Regional Analysis Zones (RAZ) 255 and 254 projects a population of 47,957 people in 2030 holding almost constant through 2040 (47,962 people). The Loop 303 Project area comprises most of RAZ 255 and the less intensively developed portion of RAZ 254, so the 2035 POPTAC population projection for Loop 303 would be 29,654 people, versus EPCOR's projection of 14,932 people. EPCOR has more confidence in the population estimates derived from the conceptual land use plan. In addition, there is also a 1 mgd margin of safety in the ultimate treatment capacity of WVRWRF and the projected flows from residential and industrial land uses are conservatively high based on observed flows in the area.</p> | <p>7-9</p> |
| <p>Provide wastewater flow estimates over the 20-year planning period.</p> | <p>The estimated wastewater flow in the 303 Service Area in 2035 is 4,307,319 gallons per day. The ultimate capacity of the facility is proposed as 8 million gallons per day with a margin of safety.</p> | <p>10-12</p> |
| <p>Illustrate the WWT planning and service areas.</p> | <p>Exhibit 2 depicts the 303 Service Area and various aspects of land ownership and relevant jurisdictions.</p> | <p>Exhibit 2</p> |

| | | |
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| <p>Describe the type and capacity of the recommended WWT Plant.</p> | <p>The EPCOR WWRWF will include preliminary treatment with screening and grit removal, secondary treatment including bioreactors for nutrient removal, secondary clarifiers, return activated sludge and waste activated sludge (RAS/WAS) pump station and aeration facilities. The facility will include tertiary filtration, disinfection using chlorination. Dechlorination will be provided in case discharge is needed. Aerobic digesters will be designed to produce Class B sludge suitable for land application or landfill disposal. Thickening may be provided to optimize the sizing of the digesters. Sludge dewatering facilities will consist of belt press or centrifuge. The facility will have noise, odor, and aesthetic controls and include a standby generator for 100 percent backup power. The setbacks for the facility will be 350 feet from property lines as required by the AAC pertaining to aquifer protection (AAC 18-9-B201-I). Odor control facilities will include chemical wet scrubbers or biofilters. The process and recharge basins will be designed to mitigate the potential for bird strikes using guidance provided by the Wildlife Services Division of the USDA.</p> | <p>13-15</p> |
| <p>Identify water quality problems, consider alternative control measures, and recommend solution for implementation.</p> | <p>By complying with ADEQ Title 18 Class A+ effluent standards, no foreseeable water quality problems are anticipated.</p> | <p>4, 20</p> |
| <p>If private WWT utilities with certificated areas are within the proposed regional service area, define who (municipal or private utility) serves what area and when. Identify whose sewer lines can be approved in what areas and when?</p> | <p>Not applicable.</p> | <p>NA</p> |

| | | |
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| Describe method of effluent disposal and reuse sites (if appropriate). | Effluent will be disposed of directly on-site via recharge basins as well as various potential reuse options such as common area irrigation in schools, subdivisions, parks and golf courses. EPCOR will also apply for an AZPDES permit for operational flexibility during extreme wet periods. The potential discharge points include a pipeline under Bullard Wash, two stormwater channels along Camelback Road and Northern Ave discharging to the Agua Fria, the RID Canal, and a >7000' deep injection well. | 18-19 |
| If Sanitary Districts are within a proposed planning or service area, describe who serves the Sanitary Districts and when. | Not applicable. | NA |
| Describe ownership of land proposed for plant sites and reuse areas. | EPCOR is negotiating with the Phase 1 landowner group to convey ownership of the 40 acre site. The site will be acquired in two phases with EPCOR maintaining an option for the second phase to be exercised when the land is needed for additional recharge basins. | 6 |
| Address time frames in the development of the treatment works. | The initial treatment capacity of at least 135,000 gpd at WVRWRF will be online late in 2015 or early 2016 and subsequent treatment works will be constructed as local growth and flows dictate. If economic conditions disrupt the construction schedule at WVRWRF, interim capacity may be added at RRWRF to service Russell Ranch and Phase 1 of Granite Vista. | 16, 25 |
| Address financial constraints in the development of the treatment works. | Initial construction of treatment works and the collection system will be funded primarily by landowner and developer Contributions in Aid of Construction (CIAC). Subsequent treatment works will be funded by a combination of CIAC, Advances in Aid of Construction (AIAC), as well as EPCOR capital. | 28 |

| | | |
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| <p>Describe how discharges will comply with EPA municipal and industrial stormwater discharge regulations (Section 405, CWA).</p> | <p>All stormwater generated within the project site will be detained on-site following completion of construction. During construction, flows will be discharged from the site under an AZPDES temporary construction discharge permit. A Stormwater Pollution Prevention Plan (SWPPP) will be implemented to accompany the discharge permit.</p> | <p>20-21</p> |
| <p>Describe how open areas & recreational opportunities will result from improved water quality and how those will be used.</p> | <p>Irrigation with reuse water provides opportunities for outdoor recreation facilities such as ball fields, golf courses, and aesthetically pleasing park lands for the local population.</p> | <p>24</p> |
| <p>Describe potential use of lands associated with treatment works and increased access to water-based recreation, if applicable.</p> | <p>Not Applicable</p> | <p>NA</p> |
| <p>REGULATIONS</p> <p>Describe types of permits needed, including NPDES, APP and reuse.</p> | <p>The EPCOR WVRWRF will require an Aquifer Protection Permit (APP), a MCESD non-title V air quality permit, MCESD annual operations permit, MCESD approval to construct and approval of construction, ADWR underground storage and recovery permits, an AZPDES permit, USACE Clean Water Act Section 404 permit if construction occurs within waters of the United States, a Use Compatibility Consistency Determination and a Military Compatibility Permit from Maricopa County.</p> | <p>18-23</p> |
| <p>Describe restrictions on NPDES permits, if needed, for discharge and sludge disposal.</p> | <p>If an AZPDES permit is sought for an alternative effluent discharge location, no unattainable restrictions on the permit are anticipated provided the facility is in compliance with ADEQ Title 18 A+ water quality standards. Expected water quality requirements include: Turbidity < 2 NTU (24 hour mean) and < 5 NTU (any time), Fecal Coliform = none detected (4 of 7 samples), Fecal Coliform < 23 CFU/100 ml (any time), Total Nitrogen < 10 mg/L (5 day mean). The discharge point will not cause a public nuisance for downstream communities, and EPCOR will work with those communities to develop a satisfactory discharge option.</p> | <p>20-21</p> |

| | | |
|---|---|------------|
| Provide documentation of communication with ADEQ Permitting Section 30 to 60 days prior to public hearing regarding the need for specific permits. | EPCOR and its contractors will obtain all necessary permits and coordinate with all relevant regulatory entities during the design, construction and operation phases. No meeting with ADEQ has been scheduled yet, but this will occur early in the design phase. | 19 |
| Describe pretreatment requirements and method of adherence to requirements (Section 208 (b)(2)(D), CWA). | EPCOR has an internal pretreatment requirement program (see Appendix A), and when industrial users are added to the service area, EPCOR will develop an industrial pretreatment program in compliance with EPA requirements. | Appendix A |
| Identify, if appropriate, specific pollutants that will be produced from excavations and procedures that will protect ground and surface water quality (Section 208(b)(2)(K) and Section 304, CWA). | Nutrient and metal pollutants bonded to sediment may be introduced by excavation activities during construction of the EPCOR WVRWRF. Best Management Practices associated with the Storm Water Pollution Prevention permit can address potential suspended solids issues encountered during construction. | 21 |

| | | |
|---|--|-------|
| Describe alternatives and recommendation in the disposition of sludge generated. (Section 405 CWA) | Sludge will be produced from aerobic digesters and will be dewatered on-site. Sludge will most likely be disposed of at an operating sanitary landfill, but will be of adequate quality suitable for farmland application if the opportunity arises. | 20-21 |
| Define any nonpoint issues related to the proposed facility and outline procedures to control them. | No non-point discharges are anticipated. | NA |
| Describe process to handle all mining runoff, orphan sites and underground pollutants, if applicable. | Not applicable | NA |
| If mining related, define where collection of pollutants has occurred, and what procedures are going to be initiated to contain contaminated areas. | Not Applicable | NA |
| If mining related, define what specialized procedures will be initiated for orphan sites, if applicable. | Not Applicable | NA |

| | | |
|---|--|--------------|
| <p>CONSTRUCTION</p> <p>Define construction priorities and time schedules for initiation and completion.</p> | <p>Construction of the first phase at the EPCOR WVRWRF is anticipated to begin in early 2015 with the treatment capacity on-line in late 2015 or early 2016. Potential initial low flow conditions at Granite Vista will be addressed via an approved on-site treatment solution. Following Phase 1 approval of Construction by MCESD the facility will accept wastewater flows once adequate loadings are available for low-flow processing. As average daily flows exceed 70% of existing capacity, design and construction of additional capacity will be undertaken. If economic conditions affect the construction schedule for WVRWRF, interim capacity will be added at RRWRF to service Granite Vista Phase 1 in 2015.</p> | <p>25-27</p> |
| <p>Identify agencies who will construct, operate and maintain the facilities and otherwise carry out the plan.</p> | <p>EPCOR Water Arizona Inc will construct, operate and maintain the facilities and carry out the plan.</p> | <p>25-28</p> |
| <p>Identify construction activity-related sources of pollution and set forth procedures and methods to control, to the extent feasible, such sources.</p> | <p>Construction of the water reclamation facility will not be a significant source of pollution. Potential pollution from construction activities may include fugitive dust, construction equipment exhaust emissions, and construction related solid waste. Erosion control measures will be implemented during construction to prevent potential storm water runoff. EPCOR and its contractors will comply with local and County regulatory requirements and provisions of construction permits issued.</p> | <p>21-23</p> |
| <p>FINANCING AND OTHER MEASURES NECESSARY TO CARRY OUT THE PLAN</p> <p>If plan proposes to take over certificated private utility, describe how, when and financing will be managed.</p> | <p>Not Applicable</p> | <p>NA</p> |

| | | |
|---|---|------------------|
| Describe any significant measure necessary to carry out the plan, e.g., institutional, financial, economic, etc. | Initial construction of treatment capacity and the collection system will be funded primarily by Contributions in Aid of Construction as specified in existing agreements between EPCOR and the Phase 1 landowners within the 303 Service Area. Additional capital will be provided by EPCOR if necessary. | 28 |
| Describe proposed method(s) of community financing. | Additional phased construction will be financed through contributions and advances in aid of construction as well as EPCOR funds. | 28 |
| Provide financial information to assure DMA has financial capability to operate and maintain wastewater system over its useful life. | Executed agreements between the Phase 1 landowners and EPCOR describe and quantify the funding that will be made available to construct the necessary infrastructure. Any additional capital required will be provided by EPCOR. | 28 Exhibit 14 |
| Provide a time line outlining period of time necessary for carrying out plan implementation. | Construction of treatment capacity will be phased in over the twenty year planning horizon as growth occurs and associated wastewater flows increase. | 25 |
| Provide financial information indicating the method and measures necessary to achieve project financing. (Section 201 CWA or Section 604 may apply.) | Executed agreements between the Phase 1 landowners and EPCOR describe and quantify the funding that will be made available to construct the necessary infrastructure. Any additional capital required will be provided by EPCOR. | 28 Exhibit 10 |
| <p>IMPLEMENTABILITY</p> <p>Describe impacts and implementability of Plan:</p> <p>Describe impacts on existing wastewater (WW) facilities, e.g., Sanitary district, infrastructure/facilities and certificated areas.</p> | The only existing WRF within the 303 Service Area is EPCOR's Russell Ranch WRF. This facility will be retired and its flows will be redirected to the EPCOR WVRWRF. RRWRF may be kept in minimal service or non-operating reserve status to provide operational flexibility in an emergency situation. Once the collection system connection has been established such that wastewater flows originally directed to RRWRF can reach WVRWRF, RRWRF will be placed in a non-operational reserve status. EPCOR will maintain the permits to allow RRWRF to operate on an emergency or short term basis if necessary, but it will not be reactivated to receive wastewater flows without prior coordination with MCESD. | 16-17 |

| | | |
|---|--|---------------------|
| <p>Describe how and when existing package plants will be connected to a regional system.</p> | <p>The Russell Ranch WRF is a package plant, and the plan is to redirect flows from RRWRF to WVRWRF once the WVRWRF is constructed. Once the collection system connection has been established such that wastewater flows originally directed to RRWRF can reach WVRWRF, RRWRF will be placed in a non-operational reserve status. EPCOR will maintain the permits to allow RRWRF to operate on an emergency or short term basis if necessary, but it will not be reactivated to receive wastewater flows without prior coordination with MCESD.</p> | <p>6, 15-17, 27</p> |
| <p>Describe the impact on communities and businesses affected by the plan.</p> | <p>There are no anticipated negative impacts on communities or businesses as a result of implementing this plan. EPCOR will work closely with Luke Air Force Base to ensure no negative impacts to their flight operations. Positive impacts will include reliable wastewater collection and treatment, aquifer recharge in an existing and projected area of overdraft, and beneficial reuse.</p> | <p>29</p> |
| <p>If a municipal wastewater (WWT) system is proposed, describe how WWT service will be provided until the municipal system is completed: i.e., will package plants and septic systems be allowed and under what circumstances. (Interim services).</p> | <p>There will be a period of time when the model homes and the first group of occupied homes in Phase 1 of the Granite Vista development will not generate the minimum volume of wastewater flows sufficient to reach the WVRWRF via approximately four miles of 18" to 36" gravity sewer lines. In light of this situation, EPCOR will work with relevant regulatory agencies, and will design, construct, and operate an interim on-site low flow wastewater treatment solution that complies with existing regulations and will not generate nuisance conditions for residents and neighbors. This temporary on-site low flow treatment solution for Granite Vista will accept no more than 24,000 gallons per day of flow.</p> | <p>16</p> |
| <p>PUBLIC PARTICIPATION</p> <p>Submit copy of mailing list used to notify the public of the public hearing on the 208 amendment. (40 CFR, Chapter 1, Part 25.5)</p> | <p>All public notifications will be satisfied through coordination with the Maricopa Association of Governments.</p> | <p>30</p> |
| <p>List location where documents are available for re view at least 30 days before public hearing.</p> | <p>All public notifications will be satisfied through coordination with the Maricopa Association of Governments.</p> | <p>30</p> |

| | | |
|---|--|-----------|
| <p>Submit copy of the public notice of the public hearing as well as an official affidavit of publication from the area newspaper. Clearly show the announcement appeared in the newspaper at least 45 days before the hearing.</p> | <p>All public notifications will be satisfied through coordination with the Maricopa Association of Governments.</p> | <p>30</p> |
| <p>Submit affidavit of publication for official newspaper publication.</p> | <p>All public notifications will be satisfied through coordination with the Maricopa Association of Governments.</p> | <p>30</p> |
| <p>Submit responsiveness summary for public hearing.</p> | <p>All public notifications will be satisfied through coordination with the Maricopa Association of Governments.</p> | <p>30</p> |



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 9- Pre-Annexation Development Agreement For Loop 303 Phase 1 Utility Group

Unofficial 20 Document

After recording, return to:
City Clerk
City of Glendale
5850 W. Glendale Ave., Suite 464
Glendale, AZ 85301

C8.
ho:

With a copy to:
Jeffrey Blilie
Beus Gilbert PLLC
4800 N. Scottsdale Road, Suite 6000
Scottsdale, AZ 85251

PRE-ANNEXATION DEVELOPMENT AGREEMENT FOR LOOP 303 PHASE 1 UTILITY GROUP

THIS PRE-ANNEXATION DEVELOPMENT AGREEMENT FOR LOOP 303 PHASE 1 UTILITY GROUP (“**Agreement**”) is entered into as of the 23rd day of October, 2012 by and between the CITY OF GLENDALE, an Arizona municipal corporation (the “**City**”), and HENRY C. CONKLIN AND PATRICIA A. CONKLIN, as husband and wife, REEMS RANCH, LLC, an Arizona limited liability company, NORTHERN PARKWAY INVESTORS, LLC, an Arizona limited liability company, HUA MEI LAND, LLC, an Arizona limited liability company, COTTON BARNEY, LLC, a Nevada limited liability company, COTTON BETHANY, LLC, a Nevada limited liability company, 303 COTTON, LLC, a Nevada limited liability company, WHITE TANKS STORAGE, INC., an Arizona corporation, MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NO. 1, a political subdivision of the State of Arizona, 303 CAPITAL HOLDINGS LP, an Arizona limited partnership, WOOLF FAMILY ENTERPRISES LIMITED PARTNERSHIP, an Arizona limited partnership, HURON, L.L.C., an Arizona limited liability company, HOME PLACE DEVELOPMENT, LLC, an Arizona limited liability company, BICKMAN FARMS, an Arizona general partnership, FRYE FAMILY LLLP, an Arizona limited liability limited partnership, SARIBETH, LLC, a Nevada limited liability company, PETER PETER COTTONTAIL, LLC, a Nevada limited liability company, FOUR LEAF OPERATIONS, L.L.C., a Delaware limited liability company, BANK OF THE WEST Inc., a California banking corporation and LAPOUR 303, LLC, an Arizona limited liability company (individually “**Owner**,” and collectively “**Owners**”). City and Owners shall collectively be referred to herein as the “**Parties**,” and individually as the “**Party**.”

RECITALS:

A. This Agreement pertains to the property legally described in Exhibit A (collectively the “**Owners’ Properties**,” individually an “**Owner’s Property**”).

B. Owners’ Properties are currently located in unincorporated Maricopa County and within the City’s municipal planning area.

C. Owners, the City and Global Water Resources, Inc., (“**Global**”) have been in discussions over the past several years to develop a wastewater and recycled water solution for the far western region of the City’s planning area, an area generally bounded by Peoria Avenue to the north, Cotton Lane to the west, Camelback Road to the south and 143rd Avenue to the east (the “**Region**”), as set forth in Exhibit B to this Agreement.

D. The City and Global entered into a memorandum of understanding on March 9, 2010, which addressed the City’s support of Global’s utility as the wastewater and recycled water provider for the Region, including the City’s support of the requisite MAG 208 amendment.

E. Owners have entered into the Wastewater Facilities Main Extension Agreement with Global Water 303 - Utilities Company, Inc. (a subsidiary of Global referred to herein as “**Global Water**”) regarding Global Water’s commitment to provide wastewater and recycled water service to the Owners’ Properties, and within such agreement Global Water has made the following commitments, (i) to comply with the requirements of the Arizona Department of Environmental Quality (ADEQ) and Maricopa County Environmental Services Department, Title 18 of the Arizona Administrative Code (AAC), and all governing standards issued by an authority having jurisdiction, and (ii) that it will not expand its CC&N or provide a “will serve” letter to any property owner or person developing property not within the Owners’ Properties, unless and until such property has been annexed into the City or is subject to a recorded pre-annexation development agreement with the City.

F. Global, Global Water, and the ^{Unofficial Document}City intend concurrently herewith to enter into the Agreement for Future Wastewater and Recycled Water Services (the “**Global Agreement**”), in a form substantially similar to the agreement attached hereto as Exhibit C, in which, among other things, the Parties provide for (i) phasing of MAG 208 amendments; (ii) limitations on Global’s expansion of its CC&N or provision of “will serve” letters to properties in the Region; and (iii) terms and conditions for a franchise election.

G. The Parties are entering into this Agreement pursuant to the provisions of A.R.S. § 9-500.05 in order to facilitate the annexation of the Owners’ Properties and the proper municipal zoning designations and development of the Owners’ Properties by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Owners’ Properties by the City; (ii) conditions, terms, restrictions and requirements for the construction and installation of public/private infrastructure improvements; and (ii) other matters related to the annexation and development of Owners’ Properties.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and mutual promises set forth in this Agreement, the Parties state, confirm and agree as follows:

1. **Annexation.** The Parties acknowledge and agree that the intent of the Parties is that the Owners’ Properties shall be annexed into and developed within the City consistent with City development standards. The Parties acknowledge and agree that annexation of the Owners’

Properties may take place in phases over time and is conditioned upon assurance and availability of water, wastewater and recycled water service from a source(s) other than the City. The Parties understand that annexation is a legislative process and nothing in this Agreement shall be construed as requiring the City's Council to approve an annexation petition. The Parties also understand that the City's expectation at the time an Owner's Property is annexed is that the annexation area shall include all adjacent arterial right-of-way to the section line or the existing Glendale city limits line.

2. **Maricopa County Zoning.** To the extent available in City zoning and entitlements, including the use of the closest comparable City zoning and entitlements, the City shall recognize Maricopa County zoning, special use permits, military compatibility permits, plans of development, and all other Maricopa County entitlements for Owners' Properties as are set forth in Exhibit D to this Agreement. To the extent such zoning and entitlements or the closest comparable City zoning and entitlements are available in the then-existing City zoning code, the City shall provide for such zoning and entitlements when applying City zoning to the Owners' Properties following annexation of the Owners' Properties, or portions thereof, into the City.

2.1 **New Re-zoning Applications.** Owners agree that following the date this Agreement is executed by the City no new re-zoning or other land use entitlement case shall be initiated in Maricopa County for any of the Owners' Properties. Notwithstanding the foregoing, in the event the City's Council denies a request to annex an Owner's Property, then such Owner shall be allowed to move forward in Maricopa County with any re-zoning or other entitlement application for such Owner's Property. Unofficial Document

2.2 **City Entitlements.** Upon execution of this Agreement by the Parties, the City agrees to accept and process any re-zoning application by an Owner for such Owner's Property and to submit such re-zoning application to the City Council for its consideration concurrent with the submission to the City Council of the ordinance annexing such Owner's property (unless such Owner's property has already been annexed into the City).

2.3 **Prohibited Land Uses.** Notwithstanding the foregoing, the following land uses shall be prohibited and not permitted within the Region.

- 1) Adult uses
- 2) Casino
- 3) Inert landfill
- 4) Landfill
- 5) Prison and/or correctional facility
- 6) Rendering plant
- 7) Solid waste transfer station
- 8) Slaughterhouse

3. **MAG 208 Amendment.** The City shall support and sponsor an initial amendment to the MAG 208 plan in accordance with the terms and provisions of the Global Agreement, for purposes of recognizing the wastewater treatment plant to be constructed by

Global to serve the Region, which is depicted in Exhibit B. All costs associated with processing the MAG 208 amendment shall be borne by Owners, and Owners shall handle all of the administrative amendment processes required by MAG. The City shall cooperate as needed in processing the amendment in accordance with the terms and provisions of the Global Agreement.

4. **Water.** The Parties acknowledge and agree that the City will not provide water service to the Owners' Properties and that the Owners are required to obtain water service from a private company(ies) for the Owners' Properties. The City shall not assess or collect any water development impact fees, hook up fees, line extension fees or other fees related to water infrastructure, water resources or water service that is provided by a private company(ies). . Notwithstanding the previous sentence, the City reserves the right to assess and collect such fees to the extent the City provides any such infrastructure or services. Owners shall be required to demonstrate and obtain an assured water supply from the Arizona Department of Water Resources prior to processing a preliminary plat or site plan in the City (provided the use requires an assured water supply demonstration), and in no event shall the City's assured water supply be used by any Owner

5. **Wastewater and Recycled Water.**

5.1 The Parties acknowledge and agree that the City will not provide wastewater and recycled water services to the Owners' Properties and that Owners are required to obtain wastewater and recycled water services from a private company(ies) for Owners' Properties. The City shall not assess or collect any development impact fees for wastewater and recycled water services that are provided ^{Unofficial Document} by a private company(ies). Notwithstanding the previous sentence, the City reserves the right to assess and collect such fees to the extent the City provides any such infrastructure or services.

5.2 **Vault and Haul.** The City shall allow an individual Owner's Property to vault and haul the wastewater generated by an individual project as an interim wastewater solution for such project subject to the following conditions: vault and haul shall only be allowed (i) once construction of the wastewater treatment plant serving such Owner's Property is under construction (physical construction underway); (ii) only during the construction period for the wastewater treatment plant; and (iii) only in compliance with all permits and other requirements of all the governmental entities regulating vault and haul activities. Details regarding vault and haul shall be developed during the site planning process of the individual project on an Owner's Property.

6. **Streets.** Each Owner shall be responsible for constructing its roadway improvements in accordance with City standards in effect at the time of construction, including but not limited to, design, site preparation, paving, curb and gutter, sidewalk, landscaping, drainage improvements, and traffic control devices. Each Owner shall also be responsible for maintaining any of its newly constructed roadway improvements until such time as the City has determined that the construction has been properly completed and the roadway improvements have been accepted by the City. The City shall be responsible for the maintenance of the existing roads within the Region following annexation of such roads by the City and of all roadway improvements following acceptance of such by the City. No Owner shall be obligated to make

improvements to existing roadways as a condition of annexation.

7. **Fire and Police.** Following annexation of the Owners' Properties, or any portion thereof, into the City, the City, or its contractor, shall be the fire, police and emergency medical services provider to the annexed Property. Owners agree to dedicate to the City two (2) fire/police station at such locations to be determined by the City after consultation with Owners. The fire/police station sites shall be a minimum of five (5) net acres in size, shall be located outside the 65 ldn noise contour lines and shall be located along either a planned arterial or collector street with one site north of Orangewood Avenue and one site south of Orangewood Avenue. Owners agree to dedicate the fire/police station sites to the City when requested, without charge to the City and without any credits or reimbursements against the City's fire or police development fees. One of the fire/police station sites shall be dedicated to the City prior to the City issuing any certificates of occupancy within the Owners' Properties. The dedication of the fire/police station sites shall satisfy all of Owners' obligations relative to the delivery of fire, police and emergency medical services, and the City shall not condition further approvals of the Owners' Properties on further obligations to dedicate additional sites or pay additional monies to the City for such services, other than the payment of adopted development fees applicable to such services.

8. **Municipal Services.** Following annexation of the Owners' Properties, or portion thereof, into the City, the City shall provide all municipal services, other than water, wastewater and recycled water, to such property in a manner consistent with those municipal services then-provided to property located within the municipal limits of the City. Notwithstanding the preceding sentence, the City shall not be ^{Unofficial Document} responsible for maintenance of any newly constructed roadway improvements provided by the Owners until the date such roadway improvements have been accepted by the City. The Parties acknowledge that this Agreement and the Global Agreement is intended to constitute a plan, policy or procedure to provide the annexed territory with appropriate levels of infrastructure and services to serve the anticipated new development within ten years after the date the annexation becomes final in compliance with ARS §9-471(O). At the time each Owner annexes its property into the City, such Owner shall be responsible confirming the viability of this Agreement and the Global Agreement as satisfying the requirements of ARS §9-471(O).

9. **General Provisions.**

9.1 **Term.** This Agreement shall become effective on the date it is recorded with the Maricopa County Recorder after execution by all Parties and shall automatically terminate on the twentieth (20th) anniversary of such date.

9.2 **Owners' Representative.** Owners agree to designate and appoint a representative to act as a liaison between Owners and the City. The initial representative shall be Michael Martindale ("**Owners' Representative**"). Owners' Representative may be replaced by a sixty percent (60%) majority in interest of all of Owners (based on their pro-rata shares of participation in the wastewater and recycled water system improvements).

9.3 Notices and Filings. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally, faxed, sent by overnight carrier or sent by certified United States Mail, postage pre-paid, return receipt requested if to:

City: City Manager's Office
 City of Glendale
 5850 W. Glendale Ave., Suite 431
 Glendale, AZ 85301
 Attn: Horatio Skeete
 Phone: 623-930-2870
 Facsimile: 623-847-1399
 Email: hskeete@glendaleaz.com

With a copy to: City Attorney
 City of Glendale
 5850 West Glendale Avenue, Suite 450
 Glendale, AZ 85301
 Attn: Craig Tindall
 Phone: 623-930-2930
 Facsimile: 623-915-2391
 Email: ctindall@glendaleaz.com

Owners: Unofficial Document [Addresses on each Owner's signature page]

Owners' Representative: CRA LLC
 8901 E. Pima Center Pkwy, Suite 230
 Scottsdale, AZ 85258
 Attn: Michael Martindale
 Phone: 480-889-9900 x106
 Facsimile: 480-889-9901
 Email: mmartindale@craltd.com

With a copy to: Beus Gilbert, PLLC
 4800 N. Scottsdale Rd., Suite 6000
 Scottsdale, AZ 85251
 Attn: Jeffrey M. Blilie
 Phone: 480-429-3030
 Facsimile: 480-429-3100
 Email: jblilie@beusgilbert.com

Global Water Resources, Inc.
 21410 N. 19th Ave., Ste. 201
 Phoenix, AZ 85027
 Attn: Ron Fleming
 Phone: 623-580-9600 x146

Facsimile: 623.580.9659
Email: ron.fleming@gwresources.com

Burch & Cracchiolo
702 E. Osborn Road, Ste. 200
Phoenix, AZ 85014
Attn: Andy Abraham
Phone: 602-234-9917
Facsimile: 602-343-7917
Email: aabraham@bcattorneys.com

or to such other address or addresses as may hereafter be specified by notice given by any of the above for itself to the others. Any notice or other communication shall become effective upon the earliest of the following: (a) actual receipt by that Party; or (b) two (2) business days after deposit with the United States Postal Service.

9.4 Default. Failure or unreasonable delay by any Party to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement by such Party. Any failure to pay money not cured within ten (10) business days after written notice is received by the non-paying Party (or to the Owners' Representative in the case of a non-paying Owner) shall constitute a default under this Agreement by the non-paying Party. Any other breach not cured within thirty (30) calendar days after written notice is received, shall constitute a default by the breaching Party under this Agreement; provided, however, that if the failure is such that more ^{Unofficial Document} than thirty (30) calendar days would reasonably be required to perform such action or comply with any term or provision hereof, then the breaching Party shall have such additional time as may be necessary to perform or comply so long as the breaching Party commences performance or compliance within said thirty (30) calendar day period and diligently proceeds to complete such performance or fulfill such obligation after written notice is received by the breaching Party (or the Owners' Representative in the case of a breaching Owner). Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. Each Party shall have all rights and remedies for any breach that is not cured within the applicable cure period, except that each Party waives any right to seek recovery of, or recover, any indirect, consequential (including lost profits), exemplary, punitive, or other monetary damages of any kind, other than actual damages.

9.5 Dispute Resolution. In the event that there is a dispute hereunder which the Parties cannot resolve between themselves, the Parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the Parties agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association or other rules mutually agreed upon. The matter in dispute shall be submitted to a mediator mutually selected by the Parties. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the City and Owner(s) shall request the presiding judge of the Superior Court in and for the County of Maricopa, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5)

years' experience in mediating or arbitrating disputes relating to land development. The cost of any such mediation shall be divided equally between the City and Owner(s). The results of the mediation shall be nonbinding on the Parties, and any Party shall be free to initiate litigation subsequent to the moratorium.

9.6 Choice of Law, Venue and Attorney's Fees. Any dispute, controversy, claim or cause of action arising out of or related to this Agreement shall be governed by Arizona law. The venue for any such dispute shall be Maricopa County, Arizona, and each Party waives the right to object to venue in Maricopa County for any reason. The prevailing Party shall be entitled to recover any of its attorneys' fees or other costs from the non-prevailing Party incurred in any such dispute, controversy, claim, or cause of action, whether the same is resolved through arbitration, litigation in a court, or otherwise.

9.7 Good Standing and Authority. The Parties represent and warrant that each is duly formed and validly existing under laws of Arizona and that the individuals executing this Agreement on behalf of their respective Party are authorized and empowered to bind the Party on whose behalf each such individual is signing.

9.8 Assignment. The provisions of this Agreement are binding upon and shall inure to the benefit of the Parties, and all of their successors in interest and assigns; provided; however, that an Owner's rights and obligations hereunder may be assigned, in whole or in part, only to a person or entity that has acquired title to the Owner's Property or a portion thereof and only by a written instrument recorded in the Official Records of Maricopa County, Arizona, expressly assigning such rights and obligations. ^{Unofficial Document} In the event of a complete or partial assignment by an Owner, all or a portion of Owner's rights and obligations hereunder shall terminate effective upon the assumption by Owner's assignee of such rights and obligations and the execution of an addendum that recognizes the assignment.

9.9 Third Parties. No term or provision of this Agreement is intended to, or shall be for the benefit of any person or entity not a party hereto, and no such other person or entity shall have any right or cause of action hereunder.

9.10 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof; and no waiver of any breach shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant, or condition of this Agreement.

9.11 Further Documentation. The Parties agree in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement. Such additional instruments and documents may require the approval of the City's Council.

9.12 Fair Interpretation. The Parties have been represented by counsel in the negotiation and drafting of this Agreement and this Agreement shall be construed according to the fair meaning of its language.

9.13 Headings. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.

9.14 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

9.15 Computation of Time. In computing any period of time under this Agreement, the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is a Saturday, Sunday or legal holiday of the City of Glendale, in which event the period shall run until the end of the next day that is not a Saturday, Sunday or legal holiday of the City of Glendale.

9.16 Entire Agreement. This Agreement, together with the following Exhibits attached hereto (which are incorporated herein by this reference) constitutes the entire agreement between the Parties.

- (a) Exhibit A: Legal Description of Owners' Properties
- (b) Exhibit B: Depiction of the Region and the Initial
MAG 208 Area
- (c) Exhibit C: Draft of the Global Agreement
- (d) Exhibit D: Zoning and Other Land Use Entitlements of
Unofficial Document
Owners' Properties

All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written are superseded by and merged in this Agreement.

9.17 Time. Time is of the essence of this Agreement and with respect to the performance required by each Party.

9.18 Covenants Running With Land. The Owners' Properties shall be held, transferred, sold, conveyed, leased, occupied and used subject to the terms, covenants and conditions of this Agreement, which shall run with the land and be binding upon, benefit and burden the Owners' Properties and all persons having or acquiring any right, title or interest in or to any portion of the Owners' Properties.

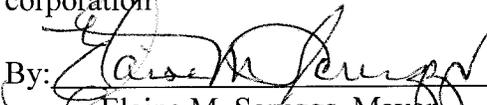
9.19 Incorporation of Recitals. The recitals set forth above are hereby incorporated by reference into this Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

CITY:

CITY OF GLENDALE, an Arizona municipal corporation

By: 
Elaine M. Scruggs, Mayor

Date: October 29, 2012

APPROVED AS TO FORM:

By: 
City Attorney

ATTESTED:

By: 
City Clerk

Unofficial Document

OWNER:

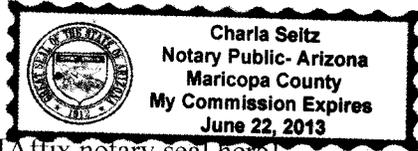
HENRY C. CONKLIN AND PATRICIA A. CONKLIN,
as husband and wife

By: [Signature]
Henry C. Conklin

By: [Signature]
Patricia A. Conklin

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 8 day of JUNE, 2012, before me personally appeared Henry C. Conklin, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



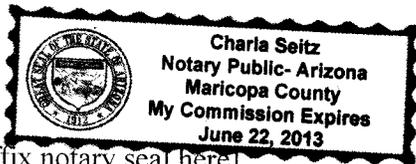
[Affix notary seal here]

Unofficial Document

[Signature]
Notary Public

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 8 day of JUNE, 2012, before me personally appeared Patricia A. Conklin, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



[Affix notary seal here]

[Signature]
Notary Public

Notice Address:

Henry Conklin

P.O. Box 3

LITCHFIELD PK, AZ 85340

Phone : 623-935-5667

Facsimile: 623-935-5671

Email: henry@conklinrose.com

OWNER:

REEMS RANCH, LLC, an Arizona limited liability company

By: *Michael Francis*
Name: Michael Francis
Title: *MBR*

Notice Address:

Michael Francis
10265 W. Camelback Road, #104
Phoenix, AZ 85037

Phone: 623-772-1555
Facsimile: 623-772-0145
E-Mail: mcharlesfrancis@gmail.com

STATE OF ARIZONA)
) ss.
County of Maricopa)

Unofficial Document

On this 5th day of June, 2012, before me personally appeared Michael Francis, the manager of Reems Ranch, LLC, an Arizona limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

Elena I. Rodriguez
Elena I. Rodriguez - Notary
Notary Public

[Affix notary seal here]

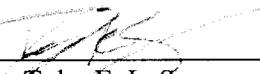


Conrad

OWNER:

NORTHERN PARKWAY INVESTORS, LLC, an
Arizona limited liability company

By: Northern Parkway 360, LLC, an Arizona
limited liability company, Manager

By: 
Name: Tyler E. LeSueur
Title: Manager

Notice Address:

Tyler E. LeSueur
LeSueur Investments
3850 E. Baseline Road, Suite 114
Mesa, AZ 85206

Phone: 480-424-3400
Facsimile: 480-424-3425
Email: ty@lesueurinvestments.com#

STATE OF ARIZONA)
) ss.
County of Maricopa)

Unofficial Document

On this 13 day of June, 2012, before me personally appeared Tyler LeSueur, the Manager of Northern Parkway 360, LLC, an Arizona limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.


Notary Public

[Affix notary seal here]



OWNER:

HUA MEI LAND, LLC, an Arizona limited liability company

By: *[Signature]*
Name: George Bradbury
Title: Member

By: *[Signature]*
Name: Rui Zhu
Title: Member

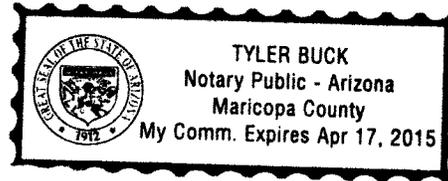
STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 16 day of October, 2012, before me personally appeared George Bradbury, the Member of Hua Mei Land, LLC, an Arizona limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

Unofficial Document

[Signature]
Notary Public

[Affix notary seal here]

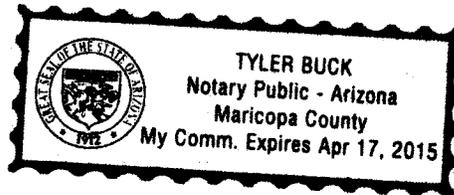


STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 17 day of October, 2012, before me personally appeared Rui Zhu, the Member of Hua Mei Land, LLC, an Arizona limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

[Signature]
Notary Public

[Affix notary seal here]



OWNER:

COTTON BARNEY, LLC, a Nevada limited liability company

By: [Signature]
Name: Barney Nemiroff
Title: Trustee/Manager

Notice Address:

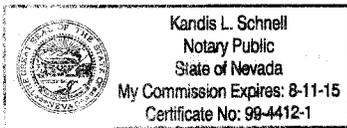
Barney Nemiroff
4616 W Sahara 328
Las Vegas, NV 89102

Phone: 702-582-8282
Facsimile: 702-944-7821
E-Mail: bjn9999@aol.com

Nevada
STATE OF ~~ARIZONA~~)
Clark) ss.
County of Maricopa)

Unofficial Document

On this 25 day of June, 2012, before me personally appeared Barney Nemiroff, the Trustee/Manager of Cotton Barney, LLC, a Nevada limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



[Signature]
Notary Public

[Affix notary seal here]

OWNER:

COTTON BETHANY, LLC, a Nevada limited liability company

By: [Signature]
Name: Barney Nemiroff
Title: Trustee/Manager

Notice Address:

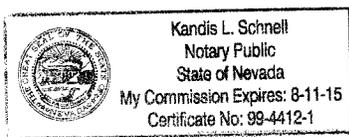
Barney Nemiroff
4616 W Sahara 328
Las Vegas, NV 89102

Phone: 702-582-8282
Facsimile: 702-944-7821
E-Mail: bjn9999@aol.com

Nevada
STATE OF ARIZONA)
Clark) SS.
County of Maricopa)

Unofficial Document

On this 25 day of June, 2012, before me personally appeared Barney Nemiroff, the Trustee/Manager of Cotton Bethany, LLC, a Nevada limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



[Affix notary seal here]

[Signature]
Notary Public

OWNER:

303 COTTON, LLC, a Nevada limited liability company

By: N. R. Yerramsetti
Name: N. Rao Yerramsetti
Title: MANAGER

Notice Address:

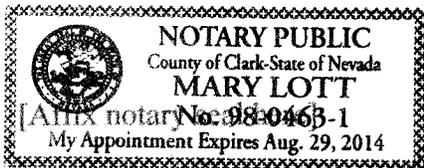
N. Rao Yerramsetti
2320 Paseo Del Prado 201
Las Vegas, NV 89102

Phone: 702-420-0289
Facsimile: 702-362-4445
E-Mail: n.2320@yahoo.com

Nevada
STATE OF ~~ARIZONA~~)
Clark) ss.
County of ~~Maricopa~~)

Unofficial Document

On this 5th day of April, 2012, before me personally appeared N. Rao Yerramsetti, the MANAGER of 303 Cotton, LLC, a Nevada limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



Mary Lott
Notary Public

OWNER:

WHITE TANKS STORAGE, INC., an Arizona corporation

By: *Peter A. Nelson*
Name: Peter A. Nelson
Title: President

By: *Bob Garland*
Name: Bob Garland
Title: Secretary

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 10th day of October, 2012, before me personally appeared Peter A. Nelson, the President of White Tanks Storage, Inc., an Arizona corporation, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



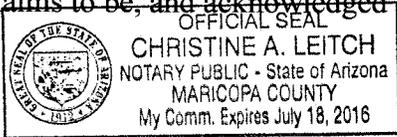
Christine A. Leitch
Notary Public

Unofficial Document

[Affix notary seal here]

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 10th day of October, 2012, before me personally appeared Bob Garland, the Secretary of White Tanks Storage, Inc., an Arizona corporation, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



Christine A. Leitch
Notary Public

[Affix notary seal here]

Notice Address:

Bob Garland
Insight Land & Investments
7400 E. McDonald Drive, Suite 121
Scottsdale, AZ 85250

Phone: 602-385-1515
Facsimile: 602-381-6264
E-Mail: bgarland@insightland.com

OWNER:

MARICOPA COUNTY MUNICIPAL WATER CONSERVATION DISTRICT NO. 1, a political subdivision of the State of Arizona

By: 
Name: Glen Vortherms
Title: General Manager

Notice Address:

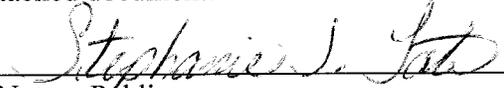
David Maguire
Land Solutions Inc
8108 W. Frier Drive
Glendale, AZ 85303

Phone:
Facsimile: 1-877-363-0751
E-Mail: dmaguire@landsolutionsinc.com

Unofficial Document

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 13th day of July, 2012, before me personally appeared Glen Vortherms, the General Manager of Maricopa County Municipal Water Conservation District No. 1, a political subdivision of the State of Arizona, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.


Notary Public

[Affix notary seal here]



STEPHANIE J. TATE
Notary Public - Arizona
Maricopa County
Expires on 04/30/2014

OWNER:

303 CAPITAL HOLDINGS LP, an Arizona limited partnership

By: 
Name: MORRIS ERGAS
Title: VP

Notice Address:

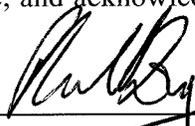
Suite 1520
1185 West Georgia Street
Vancouver, B.C.
Canada V6E 4E6

Phone: _____
Facsimile: _____
E-Mail: moergas@ergasgroup.com

Unofficial Document

Vancouver)
British Columbia) ss.

On this 1 day of June, 2012, before me personally appeared, MORRIS ERGAS, the General Partner of 303 Capital Holdings LP, an Arizona limited partnership, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.


Notary Public

[Affix notary seal here]

Philip J. Dougan
Barrister & Solicitor
1700-1185 West Georgia Street
Vancouver, BC V6E 4E6

OWNER:

WOOLF FAMILY ENTERPRISES LIMITED PARTNERSHIP, an Arizona limited partnership

By: L.S. Woolf Group, Inc., an Arizona corporation, General Partner

By: *Leyton Woolf*
Name: Leyton Woolf
Title: President

Notice Address:

Leyton Woolf
8805 N. Reems Road
Waddell, AZ 85355

Phone: 623-935-5887
Facsimile: _____
E-Mail: leytonwoolf@yahoo.com

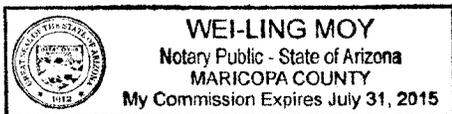
Unofficial Document

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 14th day of June, 2012, before me personally appeared Leyton Woolf, the President of L.S. Woolf Group, Inc., an Arizona corporation, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

Wei-Ling Moy
Notary Public

[Affix notary seal here]



Owner:

HURON, L.L.C., an Arizona limited liability company

By: *Leyton Woolf*
Name: Leyton Woolf
Title: Partner

Notice Address:

Leyton Woolf
8805 N. Reems Road
Waddell, AZ 85355

Phone: 623-935-5887
Facsimile: _____
E-Mail: leytonwoolf@yahoo.com

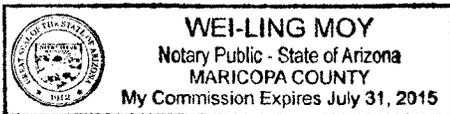
STATE OF ARIZONA)
) ss.
County of Maricopa)

Unofficial Document

On this 14th day of June, 2012, before me personally appeared Leyton Woolf, the Partner of Huron, L.L.C., an Arizona limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

Wei-Ling Moy
Notary Public

[Affix notary seal here]



HOME PLACE DEVELOPMENT, LLC, an Arizona limited liability company

By: [Signature]
Name: John L. Woolf III
Title: MANAGING PARTNER

Notice Address:

Leyton Woolf
8805 N. Reems Road
Waddell, AZ 85355

Phone: _____
Facsimile: _____
E-Mail: leytonwoolf@yahoo.com

California
STATE OF ARIZONA)
Fresno) ss.
County of ~~Maricopa~~)

On this 12 day of June, 2012, before me personally appeared John L. Woolf III, the Managing Partner Unofficial Document of Home Place Development, LLC, an Arizona limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

[Signature]
Notary Public

[Affix notary seal here]



OWNER:

Bickman Farms, an Arizona general partnership

By: JB's Farms L.L.C., an Arizona limited liability company, Partner

By: *Michael C. Etchart*
Name: Michael C. Etchart
Title: Manager

By: *Mathieu W. Etchart*
Name: Mathieu W. Etchart
Title: Manager

By: *Alicia M. Etchart Patterson*
Name: Alicia M. Etchart Patterson
Title: Manager

By: Etchart Roses L.L.C., an Arizona limited liability company, Partner

Unofficial Document

By: *Michael C. Etchart*
Name: Michael C. Etchart
Title: Manager

By: *Mathieu W. Etchart*
Name: Mathieu W. Etchart
Title: Manager

By: *Alicia M. Etchart Patterson*
Name: Alicia M. Etchart Patterson
Title: Manager

Notice Adress:
Bickman Farms
Attn: Mike Etchart
7603 North Alsup Avenue
Litchfield Park, AZ 85340

Phone: 623-935-2014
Facsimile: 623-935-6862
E-Mail: mike.ek@att.net

Acknowledging Signatures for the Pre-Annexation Development Agreement for Loop 303 Phase 1 Utility Group

STATE OF ARIZONA)

) ss.

County of Maricopa)

On this 12 day of October, 2012, before me personally appeared Mike Etchart, Manager of JB's Farms L.L.C., an Arizona limited liability company, and Manager of Etchart Roses L.L.C., an Arizona limited liability company, both of which are Partners of Bickman Farms, an Arizona general partnership, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

Adrienne Donnelly Notary Public

[Affix notary seal here]

Unofficial Document

STATE OF ARIZONA)

) ss.

County of Maricopa)

On this 12 day of October, 2012, before me personally appeared Mike Etchart, Manager of JB's Farms L.L.C., an Arizona limited liability company, and Manager of Etchart Roses L.L.C., an Arizona limited liability company, both of which are Partners of Bickman Farms, an Arizona general partnership, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

Adrienne Donnelly Notary Public

[Affix notary seal here]

OWNER:

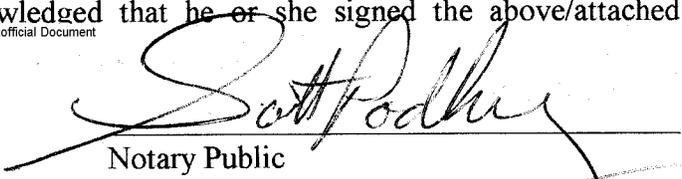
FRYE FAMILY LLLP, an Arizona limited liability limited partnership

By: _____
Name: Robert Frye
Title: Partner

By: _____
Name: Michael Frye
Title: Partner

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this 9th day of October, 2012, before me personally appeared Robert Frye, Partner of Frye Family LLLP, an Arizona limited liability limited partnership, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

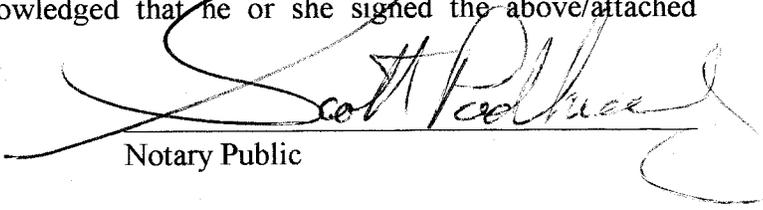

Notary Public

[Affix notary seal here]

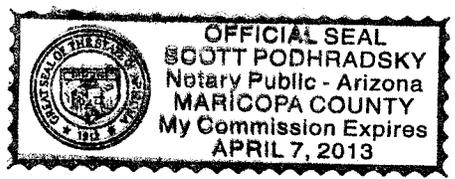
STATE OF ARIZONA)
) ss.
County of Maricopa)



On this 9th day of October, 2012, before me personally appeared Michael Frye, Partner of Frye Family LLLP, an Arizona limited liability limited partnership, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.


Notary Public

[Affix notary seal here]



OWNER:

SARIBETH, LLC; a Nevada limited liability company, et.al.

By: [Signature]

Name: Randy Black, Jr.

Title: Power of Attorney

Notice Address:

Randy Black, Jr.
Land Baron Investments, Inc.
10777 W. Twain, Suite 225
Las Vegas, NV 89135

Phone: 702-851-3999
Facsimile: 702-851-3998
E-Mail: rblack@landbaroninv.com

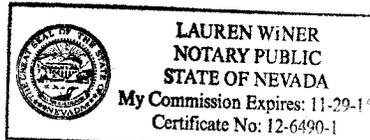
Nevada
STATE OF ARIZONA)
Clark) SS.
County of ~~Maricopa~~)

Unofficial Document

On this 18th day of May, 2012, before me personally appeared Randy Black, Jr., having power of attorney for Saribeth, LLC, a Nevada limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

[Signature]
Notary Public

[Affix notary seal here]



OWNER:

PETER PETER COTTONTAIL, LLC, a Nevada limited liability company, et.al.

By: [Signature]
Name: Randy Black, Jr.
Title: Power of Attorney

Notice Address:

Randy Black, Jr.
Land Baron Investments, Inc.
10777 W. Twain, Suite 225
Las Vegas, NV 89135

Phone: 702-851-3999
Facsimile: 702-851-3998
E-Mail: rblack@landbaroninv.com

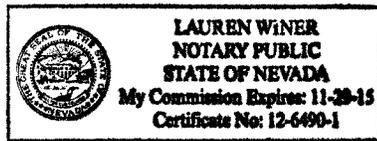
Nevada
STATE OF ARIZONA)
Clark) ss.
County of Maricopa)

Unofficial Document

On this 18th day of May, 2012, before me personally appeared Randy Black, Jr., having power of attorney for Peter Peter Cottontail, LLC, a Nevada limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

[Signature]
Notary Public

[Affix notary seal here]



OWNER:

FOUR LEAF OPERATIONS, L.L.C., a Texas limited liability company

By: Richard Tettamant
Name: Richard Tettamant
Title: Administrator

Notice Address:

Richard Tettamant
Dallas Police & Fire Pension System
4100 Harry Hines Boulevard
Dallas, TX 75219

Phone: (214) 638-3863
Facsimile: (214) 638-6403
E-Mail: Tettamant@dppfp.org

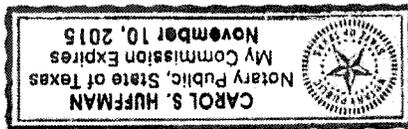
STATE OF ~~ARIZONA~~ ^{TEXAS})
County of ~~Maricopa~~ ^{DALLAS}) ss.
)

Unofficial Document

On this 16 day of March, 2012, before me personally appeared Richard Tettamant, the Administrator of Four Leaf Operations, L.L.C., a Texas limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

Carol S. Huffman
Notary Public

[Affix notary seal here]



OWNER:

LAPOUR 303, LLC, an Arizona limited liability company

By: _____
Name: Jeffrey S. LaPour
Title: Manager

Notice Address:

Lisa Chasteen
5525 S. Decatur Blvd., Suite 104
Las Vegas, NV 89118

Phone: 702-222-3022 X107
Facsimile: 702-222-0961 (email first)
E-Mail: lisa@lapour.com

With a copy to:

Jeffrey LaPour

Unofficial Document
Phone: 702-222-3022 X101
E-Mail: jlapour@lapour.com

Nevada
STATE OF ARIZONA)
Clark) ss.
County of ~~Maricopa~~)

On this 13th day of August, 2012, before me personally appeared Jeffrey S. LaPour, the Manager of LaPour 303, LLC, an Arizona limited liability company, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.



Kari Laurent
Notary Public

[Affix notary seal here]

OWNER:

BANK OF THE WEST Inc., a California banking corporation

By: 

Name: Paul Nakae

Title: Executive Vice-President

Notice Address:

J. Andrew Romano
7272 E. Indian School Rd., Suite 210
Scottsdale, AZ 85251

Phone: (480) 425-4402
Facsimile: (480) 425-4414
E-Mail: j.romano@bankofthewest.com

STATE OF ARIZONA)
) ss.
County of Maricopa)

Unofficial Document

On this _____ day of _____, 2012, before me personally appeared Paul Nakae, the Executive Vice-President of Bank of the West Inc., a California banking corporation, on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the above/attached document.

SEE ATTACHED

Notary Public

[Affix notary seal here]

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California

County of San Francisco }

On October 9, 2012 before me, Tamisha A. White Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Paul Nakae
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Unofficial Document

Signature: [Handwritten Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: The Association Development Agreement for Loop 305 Phase I Utility Group

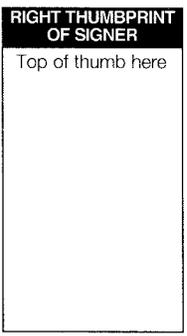
Document Date: _____ Number of Pages: 45

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

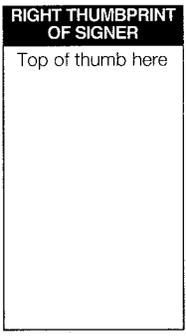
- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Individual
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

**Exhibit A is on file at the
Glendale City Clerk's Office,
5850 W. Glendale Ave,
Glendale, AZ 85301**



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 10- Agreements for Future Wastewater and Recycled Water Services between EPCOR Water and City of Glendale

**AGREEMENT FOR FUTURE WASTEWATER AND RECYCLED WATER SERVICES
BETWEEN
GLOBAL WATER RESOURCES, INC., GLOBAL WATER - 303 UTILITIES COMPANY, INC.,
AND CITY OF GLENDALE**

This Agreement for Future Wastewater and Recycled Water Services ("Agreement") is entered into as of this 23rd day of October, 2012 between Global Water Resources, Inc., a Delaware corporation authorized to do business in Arizona, ("Global"), Global Water-303 Utilities Company, Inc., an Arizona corporation and a wholly-owned subsidiary of Global ("Utility"), and the City of Glendale, an Arizona municipal corporation ("City"). City, Global, and Utility shall collectively be referred to herein as the "Parties," and individually as a "Party."

RECITALS

- A. The City is an Arizona municipal corporation authorized to provide municipal services to residents and businesses within and without its corporate boundary.
- B. The City intends to facilitate and manage future growth in accordance with its obligation under the Growing Smarter Legislation and Growing Smarter Plus Legislation enacted by the Arizona State Legislature.
- C. The Utility will be an Arizona public service corporation defined in Article 15, Section 2, of the Arizona Constitution and, as such, will be regulated by the Arizona Corporation Commission ("ACC").
- D. Ultimately, the Utility will, consistent with the terms of this Agreement, apply for a Certificate of Convenience and Necessity ("CC&N") from the ACC to provide wastewater services and recycled water infrastructure services (collectively "Utility Services") in the area generally bordered by Peoria Avenue to the North, Cotton Lane to the west, Camelback Road to the south and 143rd Avenue to the east ("Subject Territory"), as more fully set forth in Exhibit 1, attached to and incorporated into this Agreement.
- E. The initial CC&N application by the Utility will include the properties illustrated as "Participating Properties – Initial CC&N Application" on Exhibit 2, attached to and incorporated into this Agreement.
- F. The City has the potential of experiencing rapid growth, and in order to facilitate and manage this potential future growth, the City wishes to work with Global and Utility to establish Utility Services within the Subject Territory.
- G. On March 9, 2010, the City and Global entered into a Memorandum of Understanding that addressed the City's support of Utility as the wastewater and recycled water provider for the Subject Territory.
- H. The City, Global, and Utility wish to enter into this Agreement to further define the rights and obligations among the Parties.

AGREEMENT

In consideration of the Recitals, which are confirmed as true and correct and incorporated by this reference, the mutual promises and covenants contained in this Agreement, and other good and valuable consideration, the Parties agree as follows:

1. Franchise Agreement

- 1.1 Utility will present the desired franchise (“Franchise”) to the City’s governing body and file it with City Clerk after entry of a final order granting an Initial CC&N by the Arizona Corporation Commission granting Utility a CC&N to provide Utility Services in an area within the Subject Territory.
- 1.2 If the City’s governing body deems the granting of the Franchise beneficial to the City, it will pass a resolution and thereafter submit the Franchise to the qualified electors as to whether or not the Franchise should be granted at the next regular election held in the City or at a special election called for the purpose of approving the Franchise. The City will not call a special election for the purpose of approving the Franchise without the consent of Global. The Franchise election will be called and conducted in accordance with applicable law.
- 1.3 Global will be responsible for all costs incurred by the City as a result of holding an election for the purpose of approving the Franchise, which costs shall not be unreasonably incurred by the City. If other items or candidates are placed on the same ballot as the Franchise, the City will equitably apportion the election costs to Global.
- 1.4 The City will invoice the estimated cost of the Franchise election (“Estimated Cost”) within 60 days after the filing of the Franchise with the Glendale City Clerk. Global will promptly pay the City the estimated cost within 30 days after receiving the invoice. The City will reconcile the actual election cost attributable to the Franchise (“Actual Cost”) within 60 days after the Franchise election. Global will promptly pay the City the difference between the Estimated Cost and the Actual Cost if the Actual Cost exceeds the Estimated Cost. The City will promptly refund Global the difference between the Actual Cost and the Estimated Cost if the Actual Cost is less than the Estimated Cost.
- 1.5 The Franchise filed by Utility, at a minimum, must contain the following provisions:
 - 1.5.1 The Franchise will be for a term of 25 years.
 - 1.5.2 Utility will pay the city a fee (the “Franchise Fee”) of 3% of Gross Revenue on a quarterly basis. “Gross Revenues” shall include base fees, consumptive fees, wastewater, and recycled water sales collected but shall not include non-recurring fees collected by Utility as they arise from hookup fees, service connection fees, termination fees, reconnect or disconnect fees, late fees, NSF fees, or account handling fees.
 - 1.5.3 City will grant Utility a non-exclusive right and privilege to construct, maintain, and operate upon, over, along, across and under the present and future public rights-of-way (including but not limited to streets, alleys, rights of ways, highways and bridges) within the present and any future corporate limits of the City for the areas within the Subject Territory, Utility infrastructure, together with all necessary appurtenances, for the purpose of providing Utility Services within the Subject Territory.
- 1.6 Temporary License Agreement. The City and Utility will enter into a Temporary License Agreement. The Temporary License Agreement must contain, at a minimum, the following provisions:

- 1.6.1 The Temporary License Agreement will run from the time this Agreement takes effect until the earlier of (1) the time the Franchise described above takes effect; (2) two Franchise elections have been conducted; or (3) until January 1, 2017. Thereafter, in the event a successful Franchise election has not occurred, the Parties shall negotiate in good faith to revise the Franchise for submission to the voters and/or enter into a new agreement regarding the Utility's operation in the City.
- 1.6.2 Pursuant to the Temporary License Agreement, Utility will pay the City a fee (the "License Fee") of 3% of Gross Revenues on a quarterly basis. "Gross Revenues" shall include base fees, consumptive fees, wastewater, and recycled water sales collected but shall not include non-recurring fees collected by Utility as they arise from hookup fees, service connection fees, termination fees, reconnect or disconnect fees, late fees, NSF fees, or account handling fees. This License Fee shall terminate when the Franchise takes affect or when the Temporary License Agreement expires; and in no circumstance shall Utility be obligated to pay both the Franchise Fee and the License Fee nor shall the Utility operate without payment of either a Franchise or License Fee to the City.
- 1.6.3 City will grant Utility a non-exclusive right and privilege to construct, maintain, and operate upon, over, along, across and under the present and future public rights-of-way (including but not limited to streets, alleys, rights of ways, highways and bridges) within the present and any future corporate limits of the City for the areas within the Subject Territory, Utility infrastructure, together with all necessary appurtenances, for the purpose of providing Utility Services within the Subject Territory.

2. MAG 208 Amendment

- 2.1 The City will sponsor, with the support of Global and Utility, an amendment to the MAG 208 Plan for purposes of recognizing the wastewater treatment plant to be constructed by Utility to serve the area set forth in Exhibit 3, attached to and incorporated into this Agreement ("Initial 208 Amendment"). The City, Global, and Utility agree the Initial 208 Amendment must include an area not less than 3,200 acres, and may include the area located between the participating properties within the Subject, which are necessary to allow for a reasonable, contiguous and well-planned service area to be agreed upon by the City and Global. The Parties acknowledge and agree that the area to be included within the Initial 208 Amendment is in the City's sole discretion.
- 2.2 At a later time, the City will sponsor, with the support of Global and Utility, another amendment to the MAG 208 Plan for the purpose of recognizing the wastewater treatment plant to be constructed by Global to serve the portion of the Subject Territory not included in the Initial 208 Amendment ("Subsequent 208 Amendment"). The City's sponsorship of the Subsequent 208 Amendment, which will cover all the remaining properties within the original Subject Territory, is contingent on all of the following: (1) Utility having commenced providing Utility Service within the area covered by the Initial 208 Amendment; (2) Utility receiving requests for service from landowners owning an aggregate of at least 50% of the acreage located within the Subject Territory but not included within the area covered by the Initial 208 Amendment; and (3) Utility is not in violation of any rules, regulations or orders of the Arizona Corporation Commission, the Maricopa County Environmental Services Department, or the terms of this Agreement. The Parties may otherwise agree in writing to move forward with the Subsequent 208 Amendment prior to all such contingencies being

satisfied.

- 2.3 The Utility may also provide service to properties outside of the Initial 208 Amendment area, prior to approval of the Subsequent 208 Amendment, if such service is permitted by local, state and federal law and the property is either (1) within the corporate boundary of the City or (2) is subject to a recorded pre-annexation development agreement with the City.
- 2.4 All costs associated with processing the Initial 208 Amendment and Subsequent 208 Amendment will be borne by Global, Utility or a third party mutually agreed to by the Parties.

3. Arizona Corporation Commission: Certificate of Convenience and Necessity

- 3.1 Utility will not file an application to the ACC for the establishment or expansion of its CC&N within the Subject Territory except as provided in this Agreement.
- 3.2 The Parties agree that the Utility may apply to the ACC for the establishment or expansion of its CC&N for Utility Services within the Subject Territory if the property to be included in the CC&N application is either: (1) within the corporate boundary of the City or (2) is subject to a recorded pre-annexation development agreement with the City, which agreement sets forth the terms, conditions, restrictions, and requirements for the annexation of the property, for the construction and installation of public/private infrastructure improvements (including wastewater services and recycled water services), and other matters related to the annexation and development of the property.
- 3.3 The Parties agree that the Utility may also provide service to a parcel contiguous to its CC&N area if such parcel (1) is permitted to be served by the Utility in accordance with ACC rules and regulations and (2) could be included in Utility's CC&N application under paragraph 3.2. The Parties acknowledge and agree that the requirement to either be annexed or subject to a recorded pre-annexation development agreement is a limitation on the parcels that could be included in a CC&N application or served as a parcel contiguous to an existing CC&N.
- 3.4 Except as set forth in paragraphs 3.2 and 3.3, the Utility will not apply to the Arizona Corporation Commission to establish or expand its CC&N or extend Utility Services to a parcel outside of its CC&N area but contiguous to its CC&N service area without obtaining prior written consent from the City.

4. General Conditions

- 4.1 This Agreement, and all rights and obligations hereunder, shall be governed by and construed in accordance with the laws of the State of Arizona. Venue of any litigation hereunder shall be in a court of competent jurisdiction sitting in Maricopa County, Arizona. The Parties understand and acknowledge that utility rates and charges, and other terms and conditions applicable to the provision of Utility Services may be modified from time-to-time by order of the ACC.
- 4.2 This Agreement and the exhibits and attachments thereto contain all the agreements of the parties with regard to this Agreement and cannot be enlarged, modified or changed in any respect except by written agreement between the Parties.

- 4.3 The unenforceability, invalidity or illegality of any provisions of this Agreement shall not render the other provisions unenforceable, invalid or illegal, but the Parties shall negotiate as to the effect of said unenforceability, invalidity or illegality on the rights and obligations of the Parties.
- 4.4 The Parties will each use their best efforts to fully cooperate with one another to obtain any required permits or other approvals that may be necessary to perform under, or take advantage of, the terms and conditions of this Agreement. The Parties agree that each will use good faith efforts to resolve, through negotiation, disputes arising hereunder without resorting to mediation or litigation. Notwithstanding the previous sentence, the parties are not precluded from utilizing mediation or litigation to resolve disputes.
- 4.5 The captions, titles and headings in this Agreement are merely for the convenience of the Parties and shall neither limit nor amplify the provisions of the Agreement itself.
- 4.6 Notices relevant to this Agreement to be given by a Party to another shall be in writing. All Parties agree that any such notice shall be effective when personally delivered or deposited, postage paid, in the U.S. Mail addressed by certified mail, return receipt request, to the address stated below:

Global Water Resources, Inc.
Attn: Cindy Liles
21410 N. 19th Avenue, Suite 201
Phoenix, Arizona 85027

Global Water – 303 Utilities Company, Inc.
Attn: Cindy Liles
21410 N. 19th Avenue, Suite 201
Phoenix, Arizona 85027

City of Glendale
Attn: City Manager
5850 West Glendale Avenue
Glendale, Arizona 85301

With a copy to:
City of Glendale
Attn: City Attorney
5850 West Glendale Avenue
Glendale, Arizona 85301

Each Party shall advise all other Parties in writing of any change in the address to which notice is to be provided hereunder.

- 4.7 This Agreement is for the sole and exclusive benefit of the Parties hereto and shall not be construed to confer any rights upon any third party. Nothing herein shall be construed to confer standing upon any third party who did not otherwise have such standing.

- 4.8 Global guarantees it shall continue to have sufficient access to financial resources to perform its obligations and the obligations of the Utility under the terms of this Agreement and will perform such obligations in the event Utility is unable or unwilling to so perform. Neither Global nor Utility may assign this Agreement, in whole or in part, or any right or obligation hereunder, without the prior written consent of the City. Further, Global agrees that if all or substantially all of the assets of the Utility are sold or otherwise transferred to a new owner, the obligations of Global and the Utility under the terms of this Agreement shall also be transferred and assigned to the new owner.
- 4.9 The Parties are independent of each other and this Agreement creates no employee-employer relationship or a principal-agent relationship.
- 4.10 Global and Utility certify under A.R.S. §§ 35-391 *et seq.* and 35-393 *et seq.* that they do not have, and during the term of this Agreement will not have, “scrutinized” business operations, as defined in the preceding statutory sections, in the countries of Sudan or Iran.
- 4.11 Immigration Law Compliance
- A. Global and Utility, and on behalf of any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.
 - B. Any breach of warranty under subsection (A) above is considered a material breach of this Agreement and is subject to penalties up to and including termination of this Agreement.
 - C. City retains the legal right to inspect the papers of Global and Utility or subcontractor employee who performs work under this Agreement to ensure that Global and Utility or any subcontractor is compliant with the warranty under subsection (A) above.
 - D. City may conduct random inspections, and upon request of the City, Global and Utility shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection (A) above. Global and Utility agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section 4.11.
 - E. Global and Utility agrees to incorporate into any subcontracts under this Agreement the same obligations imposed upon itself and expressly accrue those obligations directly to the benefit of the City. Global and Utility also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Agreement the same obligations above and expressly accrue those obligations to the benefit of the City.
 - F. Global and Utility’s warranty and obligations under this Section 4.11 to the City is continuing throughout the term of this Agreement or until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.
 - G. The “E-Verify Program” above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

4.12. Conflicts. This Agreement is subject to cancellation for conflicts of interest under the provisions of A.R.S. § 38-511.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

GLOBAL WATER RESOURCES, INC., a
Delaware corporation authorized to do business in
Arizona

GLOBAL WATER - 303 UTILITIES
COMPANY, INC., an Arizona Corporation

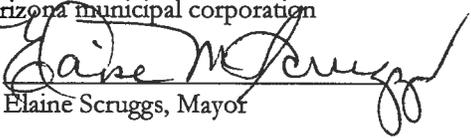
By: 
Ed Borromeo
Its: Vice President

By: 
Ed Borromeo
Its: Vice President

Date: _____

Date: _____

CITY OF GLENDALE,
an Arizona municipal corporation

BY: 
Elaine Scruggs, Mayor

Date: 10-30-12

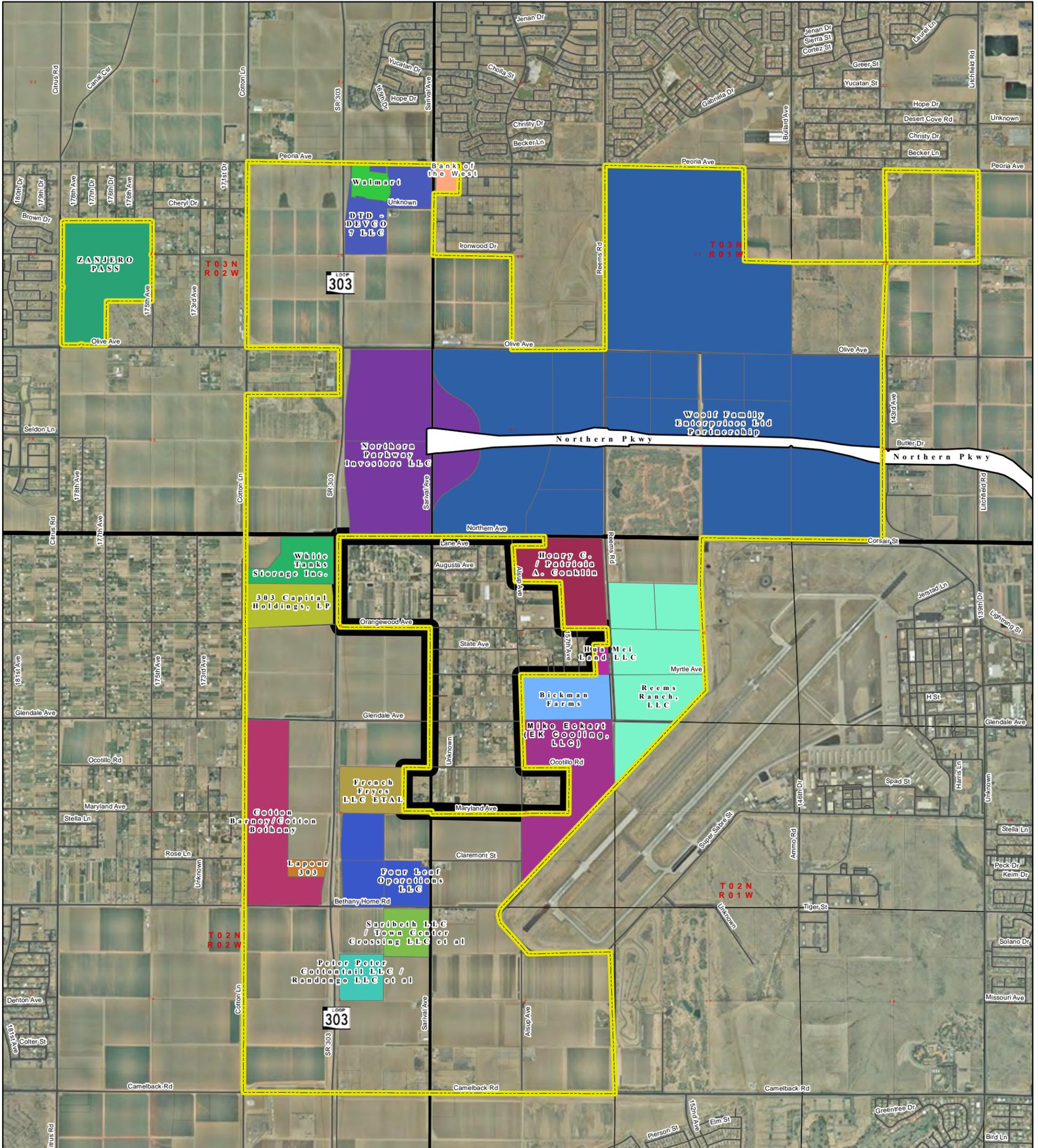
APPROVED AS TO FORM:


Craig D. Tindall, City Attorney

ATTEST:

By: 
Pamela Hanna, City Clerk

Exhibit 1 Map of Subject Territory



Subject Territory - 7,048 acres: The area in which the Utility may establish service for properties that meet the requirements of the Agreement.

Participating Properties/Initial CC&N Application – 3,569 Acres: The properties identified below and by corresponding color on the map may be included in the initial application by the Utility to the ACC for a CC&N in accordance with the terms of the Agreement

| | |
|---|---|
| 303 Capital Holdings, LP, (69 ac) | Mike Eckart (EK Cooling, LLC) (157 ac) |
| Bank of the West (11 ac) | Northern Parkway Investors LLC (361 ac) |
| Bickman Farms (71 ac) | Peter Peter Cottontail LLC / Randango LLC et al (39 ac) |
| Cotton Barney/Cotton Bethany, (160 ac) | Reems Ranch, LLC (249 ac) |
| DTD - DEVCO 7 LLC (83 ac) | Saribeth LLC / Town Center Crossing LLC et al (40 ac) |
| Four Leaf Operations LLC (109 ac) | Walmart (21 ac) |
| French Fryes LLC ETAL (57 ac) | White Tanks Storage Inc. (32 ac) |
| Henry C. / Patricia A. Conklin (104 ac) | Woolf Family Enterprises Ltd Partnership (1,818 ac) |
| Hua Mei Land LLC (8 ac) | ZANJERO PASS (168 ac) |
| Lapour 303, (12 ac) | |

***Parcel Size (in acres)**

DISCLAIMER

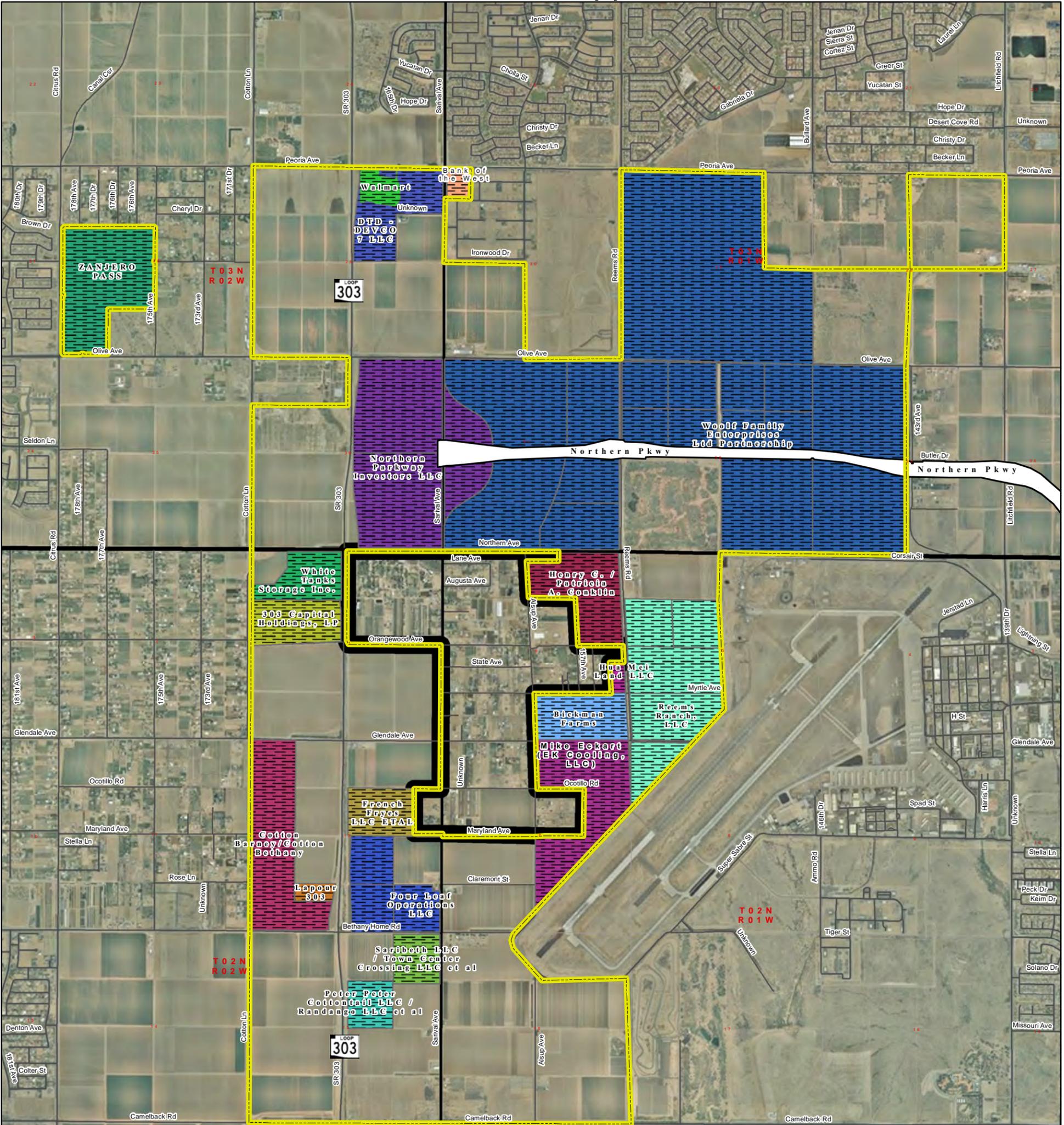
GLOBAL WATER
GEOGRAPHIC INFORMATION SYSTEM MAP AND DATA

THESE MAP PRODUCTS AND ALL UNDERLYING DATA WERE DEVELOPED FOR USE BY GLOBAL WATER ("GLOBAL") FOR ITS INTERNAL PURPOSES ONLY, AND WERE NOT DESIGNED OR INTENDED FOR GENERAL USE BY MEMBERS OF THE PUBLIC. GLOBAL MAKES NO REPRESENTATION OR WARRANTY AS TO ITS ACCURACY, TIMELINESS, OR COMPLETENESS, AND IN PARTICULAR, ITS ACCURACY IN LABELING OR DISPLAYING DIMENSIONS, CONTOURS, PROPERTY BOUNDARIES, OR PLACEMENT OR LOCATION OF ANY MAP FEATURES THEREON. GLOBAL MAKES NO WARRANTY OF MERCHANTABILITY OR WARRANTY FOR FITNESS OR USE FOR A PARTICULAR PURPOSE, EXPRESS OR IMPLIED, WITH RESPECT TO THESE MAP PRODUCTS OR THE UNDERLYING DATA. ANY USERS OF THESE MAP PRODUCTS, MAP APPLICATIONS, OR DATA, ACCEPTS SAME AS IS, WITH ALL FAULTS, AND ASSUMES ALL RESPONSIBILITY FOR THE USE THEREOF, AND FURTHER COVENANTS AND AGREES TO HOLD GLOBAL HARMLESS FROM AND AGAINST ALL DAMAGE, LOSS, OR LIABILITY ARISING FROM ANY USE OF THIS MAP PRODUCT, IN CONSIDERATION OF GLOBAL HAVING MADE THIS INFORMATION AVAILABLE.

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Source: Esri, i-cubed, USDA, USGS, AEX, GeoEye, Getmapping, Aerogrid, IGN, IGP, and the GIS User Community

Exhibit 2 Initial CC&N Application



 **Initial CC&N Application - 3,569 Acres**

 **Subject Territory - 7,048 acres: The area in which the Utility may establish service for properties that meet the requirements of the Agreement.**

Source: Esri, i-cubed, USDA, USGS, AEX, GeoEye, Getmapping, Aerogrid, IGN, IGP, and the GIS User Community

Participating Properties/Initial CC&N Application – 3,569 Acres: The properties identified below and by corresponding color on the map may be included in the initial application by the Utility to the ACC for a CC&N in accordance with the terms of the Agreement

| | |
|--|---|
|  303 Capital Holdings, LP, (69 ac) |  Mike Eckart (EK Cooling, LLC) (157 ac) |
|  Bank of the West (11 ac) |  Northern Parkway Investors LLC (361 ac) |
|  Bickman Farms (71 ac) |  Peter Peter Cottontail LLC / Randango LLC et al (39 ac) |
|  Cotton Barney/Cotton Bethany, (160 ac) |  Reems Ranch, LLC (249 ac) |
|  DTD - DEVCO 7 LLC (83ac) |  Saribeth LLC / Town Center Crossing LLC et al (40 ac) |
|  Four Leaf Operations LLC (109 ac) |  Walmart (21ac) |
|  French Fryes LLC ETAL (57 ac) |  White Tanks Storage Inc. (32 ac) |
|  Henry C. / Patricia A. Conklin (104 ac) |  Woolf Family Enterprises Ltd Partnership (1,818 ac) |
|  Hua Mei Land LLC (8 ac) |  ZANJERO PASS (168 ac) |
|  Lapour 303, (12 ac) | |

***Parcel Size (in acres)**

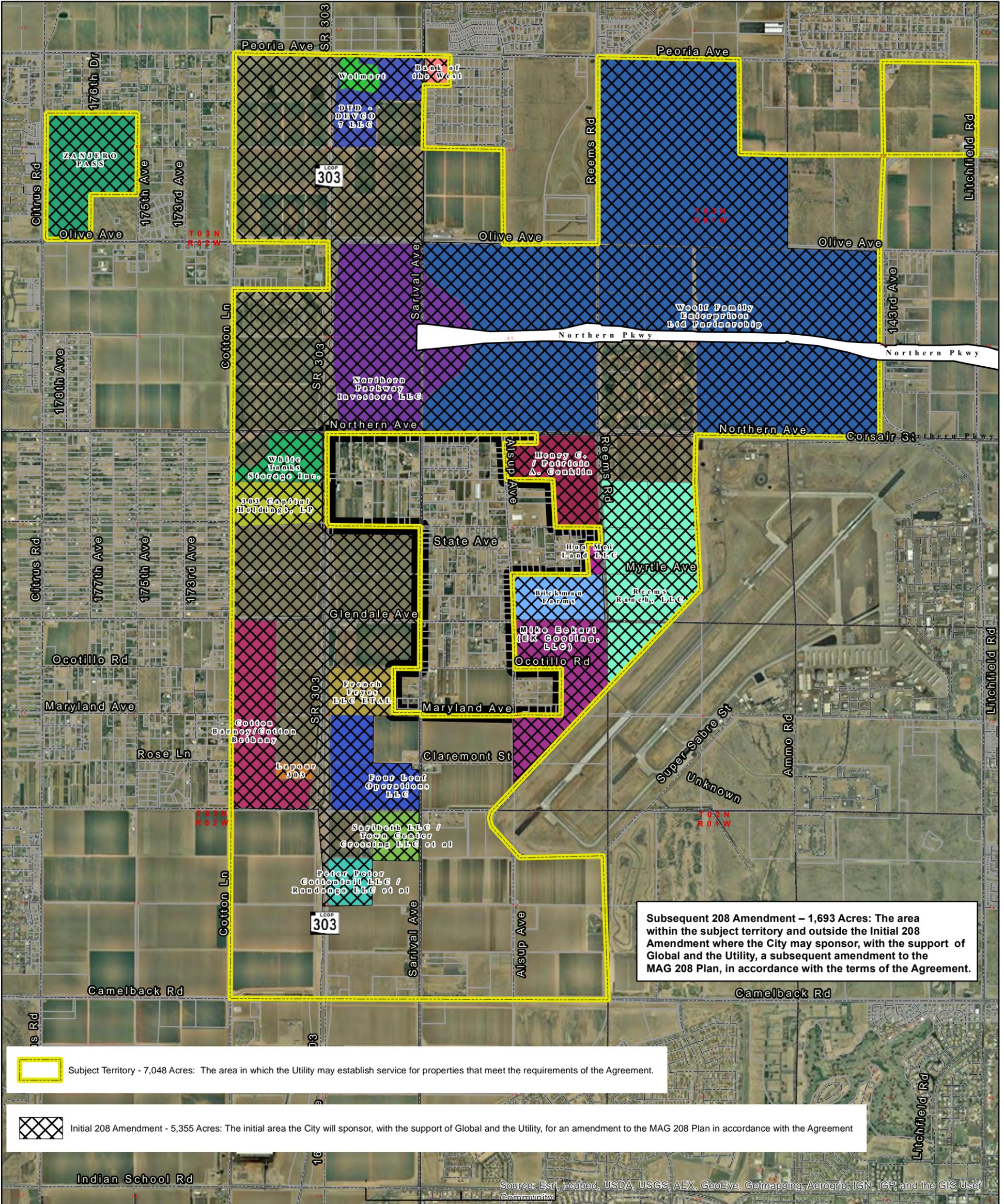
October 1 2012 Q:\Asset Management\GIS\Exhibits\Planning\Glendale-Loop 303\Loop 303\Phase 1 Property Owners Exhibit 2_Arc10.pdf

DISCLAIMER

GLOBAL WATER
GEOGRAPHIC INFORMATION SYSTEM MAP AND DATA

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Subsequent 208 Amendment – 1,693 Acres: The area within the subject territory and outside the Initial 208 Amendment where the City may sponsor, with the support of Global and the Utility, a subsequent amendment to the MAG 208 Plan, in accordance with the terms of the Agreement.

Subject Territory - 7,048 Acres: The area in which the Utility may establish service for properties that meet the requirements of the Agreement.

Initial 208 Amendment - 5,355 Acres: The initial area the City will sponsor, with the support of Global and the Utility, for an amendment to the MAG 208 Plan in accordance with the Agreement

Participating Properties/Initial CC&N Application – 3,569 Acres: The properties identified below and by corresponding color on the map may be included in the initial application by the Utility to the ACC for a CC&N in accordance with the terms of the Agreement

| | |
|---|---|
| 303 Capital Holdings, LP (69 ac) | Mike Eckart (EK Cooling, LLC) (157 ac) |
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| Lapour 303, (12 ac) | |

*Parcel Size (in acres)

October 12 2012 Q:\Asset Management\GIS\Exhibits\Planning\Glendale-Loop 303\Loop 303\Loop303 Phase I Property Owners Exhibit 3 City.pdf

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GEOGRAPHIC INFORMATION SYSTEM MAP AND DATA

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Source: Esri, DeLorme, USDA, USGS, AEX, GeoEye, Getmapping, Aerogrid, IGN, IGP, and the GIS User Community

When recorded, return to:

EPCOR Water Arizona Inc.
2355 W. Pinnacle Peak Road; Suite 300
Phoenix, AZ 85027
Attn: Kimberly Moreland, Real Estate Manager

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2013-0946737 10/29/13 01:28 PM
PAPER RECORDING

0950911-8-18-1
Hoyp

ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR FUTURE
WASTEWATER AND RECYCLED WATER SERVICES

ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR FUTURE WASTEWATER
AND RECYCLED WATER SERVICES

THIS ASSIGNMENT AND ASSUMPTION OF AGREEMENT FOR FUTURE WASTEWATER AND RECYCLED WATER SERVICES (this "Assignment") is made and entered into as of the 24th day of September, 2013 by and between GLOBAL WATER RESOURCES, INC., an Arizona corporation ("Global"), GLOBAL WATER - 303 UTILITIES COMPANY, INC., an Arizona corporation ("Utility"), the City of Glendale, an Arizona municipal corporation ("City") and EPCOR WATER ARIZONA INC., an Arizona corporation ("EWAZ").

Recitals

A. Global and Utility are parties to that certain Agreement for Future Wastewater and Recycled Water Services, Contract C-8209, with the City, dated as of October 23, 2012 and recorded in the Office of the Maricopa County Recorder at document 20130104447 (the "Glendale Agreement"). The terms and conditions of the Glendale Agreement are fully incorporated herein by this reference and a copy of the Glendale Agreement is attached as Exhibit A.

B. Global and Utility each desire to assign all of their respective rights, title and interest in and to, and delegate all of their respective obligations under, the Glendale Agreement to EWAZ, and EWAZ desires to assume such rights and obligations thereunder.

C. Pursuant to the terms of Section 4.8 of the Glendale Agreement, neither Global nor Utility may assign the Glendale Agreement, in whole or in part, or any right or obligation thereunder, without the prior written consent of City.

D. The City desires to consent to the assignment and assumption of the rights and obligations of the Agreement.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Global, Utility, City and EWAZ, intending to be legally bound hereby, agree as follows:

1. Recitals. The Recitals are incorporated herein as if fully set forth.
2. Assignment. Each of Global and Utility hereby transfers, conveys, assigns and sets over to EWAZ all of such their respective rights, title and interest in, to and under the Glendale Agreement.
3. Acceptance and Assumption. EWAZ hereby accepts the foregoing assignments by Global and Utility and assumes and agrees to be bound by the Glendale Agreement and to

timely keep, perform and fulfill each and all of the obligations required to be kept, performed and fulfilled by either Global or Utility under the Glendale Agreement accruing or arising on or after the date hereof.

4. City Consent. City consents and agrees to the assignment of the Glendale Agreement by Global and Utility to EWAZ, as stated herein.

5. No Modification. This Assignment shall not be construed in any way as modifying, waiving or affecting any of the terms, covenants, conditions or agreements contained in the Glendale Agreement except as expressly provided herein.

6. Amendment of Notice Provision. Section 4.6 of the Glendale Agreement is amended for purposes of providing notice to EWAZ:

EPDOR Water Arizona, Inc.
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85024
Attn: President

7. Further Assurances. Promptly upon request from time to time of the other party, each party shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged or delivered, to or at the direction of such party, all further acts, transfers, assignments, powers and other documents and instruments as may be so reasonably requested to give effect to the transactions contemplated by this Assignment.

8. Successors and Assigns. This Assignment shall bind the parties and their respective successors and assigns.

9. Governing Law. This Assignment shall be governed by, and construed and interpreted in accordance with, the laws of the State of Arizona, without giving effect to its choice of laws provisions.

10. Effectiveness. This Assignment shall not be effective, or of any force or effect, unless and until the City has consented to the assignment of the Glendale Agreement and evidenced that consent by executing this Assignment in the space provided below.

11. Immigration Law Compliance.

A. EWAZ, and on behalf any subcontractor, warrants, to the extent applicable under A.R.S. § 41-4401, compliance with all federal immigration laws and regulations that relate to their employees as well as compliance with A.R.S. § 23-214(A) which requires registration and participation with the E-Verify Program.

B. Any breach of warranty under subsection (A) above is considered a material breach of this Assignment and is subject to penalties up to and including termination of this Assignment.

C. City retains the legal right to inspect the papers of EWAZ or any subcontractor employee who performs work under this Assignment to ensure that EWAZ or any subcontractor is compliant with the warranty under subsection (A) above.

D. City may conduct random inspections, and upon request of the City, EWAZ shall provide copies of papers and records demonstrating continued compliance with the warranty under subsection (A) above. EWAZ agrees to keep papers and records available for inspection by the City during normal business hours and will cooperate with City in exercise of its statutory duties and not deny access to its business premises or applicable papers or records for the purposes of enforcement of this Section 11.

E. EWAZ agrees to incorporate into any subcontracts under this Assignment the same obligations imposed upon itself and expressly accrue those obligations directly to the benefit of the City. EWAZ also agrees to require any subcontractor to incorporate into each of its own subcontracts under this Assignment the same obligations above and expressly accrue those obligations to the benefit of the City.

F. EWAZ's warranty and obligations under this Section to the City is continuing throughout the term of this Assignment and its associated Agreement until such time as the City determines, in its sole discretion, that Arizona law has been modified in that compliance with this section is no longer a requirement.

G. The "E-Verify Program" above means the employment verification program administered by the United States Department of Homeland Security, the Social Security Administration, or any successor program.

12. Conflict of Interest. This Assignment is subject to cancellation for conflicts of interest under the provisions of A.R.S. § 38-511.

13. Counterparts. This Assignment may be executed in one or more counterparts, each of which will be considered an original, but all of which together will constitute the same Assignment.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date and year first set forth above.

(Signatures appear on the following pages.)

GLOBAL WATER RESOURCES, INC.

By: *Ron Fleming*
Ron Fleming

Title: President and Chief Operating Officer

Date: 8/29/13

STATE OF ARIZONA)
)
COUNTY OF MARICOPA)

On this 29th day of August, 2013, before me personally appeared Ron Fleming, the President and Chief Operating Officer of Global Water Resources, Inc., a Delaware corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who her or she claims to be, and acknowledged that he or she signed the above document.

Kris Fenex
Notary Public

[Affix notary seal here]



GLOBAL WATER - 303 UTILITIES COMPANY, INC.

By: *Ron Fleming*
Ron Fleming

Title: President

Date: 8/29/13

STATE OF ARIZONA)
)
COUNTY OF MARICOPA)

On this 29th day of August, 2013, before me personally appeared Ron Fleming, the President of Global Water 303 Utilities Company, Inc., an Arizona corporation, for and on behalf thereof, whose identity was proven to me on the basis of satisfactory evidence to be the person who her or she claims to be, and acknowledged that he or she signed the above document.

Kris Fenex
Notary Public

[Affix notary seal here]



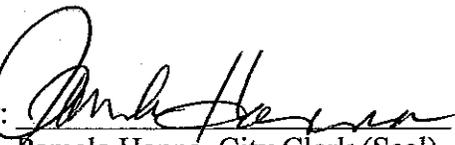
ACKNOWLEDGED, AGREED AND CONSENTED TO:

CITY OF GLENDALE, an Arizona municipal corporation

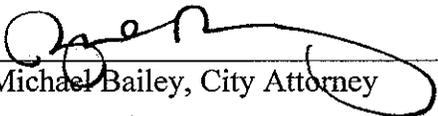
By: 
Brenda S. Fischer, City Manager

Date: 9/26/13

ATTEST:

By: 
Pamela Hanna, City Clerk (Seal)

APPROVED AS TO FORM:


Michael Bailey, City Attorney



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 11- EPCOR's Designated Management Agency Demonstration

2355 W. Pinnacle Peak Rd., Suite 300
Phoenix, AZ 85027

epcor.com

Exhibit 12

December 5, 2013

Re: Designated Management Agency (DMA) Functions for MAG's 208 Plan Amendment with EPCOR Water Arizona, Inc. (EPCOR), in support of the Water Quality Management Plan Amendment Application.

For the purpose of satisfying Section 208(c)(2)(A) through Section 208(c)(2)(I) of the Clean Water Act, the intent of this Exhibit is to demonstrate how EPCOR, a private utility and an Arizona public service corporation, can provide wastewater services and act similar to a DMA. Below are the required functions of a DMA, as well as the authority by which EPCOR can serve those functions.

FUNCTION (Section 208(c)(2)(A)) - Carry out appropriate portions of an area wide waste treatment management plan developed under Section 208(b) of the Clean Water Act.

AUTHORITY • EPCOR is an Arizona public service corporation formed for the purpose of providing water and wastewater utility services. EPCOR owns and operates facilities throughout Arizona. EPCOR last received approval of its area wide treatment management plan by the Maricopa Association of Governments Planning Agency, through the MAG Regional Council during the comprehensive revision to the Plan in October, 2002. EPCOR received approval by the Arizona Corporation Commission (ACC) for its Agua Fria Wastewater Service Area Certificate of Convenience and Necessity (CC&N) on April 17, 2002 at Docket # SW-03454A-01-0735, Decision #64746.

FUNCTION (Section 208(c) (2) (B)) -Manage effectively waste treatment works and related facilities serving an area in conformance with any plan required by Section 208(b) of the Clean Water Act.

AUTHORITY • EPCOR currently owns and operates six wastewater treatment facilities in Arizona that have been in operation since as early as 1978. EPCOR's proposed new West Valley Regional Water Reclamation Facility (WVRWRF) will be constructed in phases as wastewater flows develop and increase in the service area. EPCOR is requesting approval to provide service up to eight MGD in the MAG 208 amendment.

To effectively manage its wastewater treatment facilities, EPCOR employs certified operators that are appropriately trained in accordance with Arizona Department of Environmental Quality (ADEQ) and the Arizona Division of Occupational Safety and Health requirements.

EPCOR and its certified operators are required to adhere to the (i) EPCOR Employee Manual, (ii) EPCOR Health and Safety Procedures Manual, (iii) EPCOR Safety Loss Control Procedures Manual, (iv) EPCOR Standard Operating Procedures, (v) EPCOR's tariffs as approved from time to time by the ACC, and (vi) applicable federal, state and local laws, rules, regulations and regulatory orders. As an Arizona public service corporation, EPCOR's business activities are subject to the general oversight authority of the ACC.

FUNCTION (Section 208(c)(2)(C)) Directly or by contract, design and construct new works, and operate and maintain new and existing works as required by any plan developed pursuant to Section 208(b) of the Clean Water Act.

AUTHORITY - EPCOR has a 2013 Wastewater Master Plan for the proposed expansion of its service area to be served by the WVRWRF. The 2013 Wastewater Master Plan projects a build out flow of approximately eight MGD for the service area.

EPCOR has constructed and currently owns, operates and maintains six wastewater facilities. Currently, EPCOR is proceeding with planning and permitting to construct .135 MGD of capacity at the proposed new WVRWRF. The first phase is anticipated to come on-line by the summer of 2015. Construction of future phases of the facility will be based on projected demand requirements as build out in the area proceeds.

All operators, agents and employees of EPCOR, including all employees and agents of contractors and/or subcontractors operating or constructing the wastewater treatment facilities, will be certified and trained, as necessary, and will be required to perform in accordance with applicable ADEQ and the Arizona Division of Occupational Safety and Health requirements.

FUNCTION (Section 208(c) (2) (D)) Accept and utilize grants, or other funds from any source, for waste treatment management purposes.

AUTHORITY • The capital structure of EPCOR, as an Arizona public service corporation formed for the purpose of providing water and wastewater utility service, is subject to periodic review and approval by the ACC. In addition, as an Arizona public service corporation, EPCOR may accept and utilize grants, loans and/or other funds from any source for waste treatment management purposes, in all cases, subject to ACC approval. In addition, EPCOR may receive equity infusions from its parent company EPCOR Water (USA) Inc. which do not require approval from the ACC.

FUNCTION (Section 208(c) (2) (E)) -Raise revenues, including the assessment of waste treatment charges.

AUTHORITY - EPCOR's current tariff approved by the ACC on August 17, 2012 at Decision # 73227 establishes EPCOR's current wastewater rates that charged to its sewer customers within its Agua Fria Wastewater District. EPCOR anticipates the expansion of that district to include the area to be served by the WVRWRF. EPCOR's rates remain subject to periodic review and revision by the ACC. As a public service corporation, EPCOR has no authority to independently change or establish its sewer rates without ACC approval.

FUNCTION (Section 208(c) (2) (F)) -Incur short- and long-term indebtedness.

AUTHORITY • EPCOR is an Arizona public service corporation formed for the purpose of providing water and wastewater utility service. EPCOR can incur short- and long-term debt, but all debt must be approved by the ACC. EPCOR is a wholly owned subsidiary of EPCOR Water (USA) Inc. which, in turn, is an indirect, wholly owned subsidiary of EPCOR Utilities Inc. In the past, EPCOR Utilities Inc. has financed EPCOR Water (USA) Inc. and EPCOR Water (USA) Inc. utilized that funding in part to make loans to EPCOR. It is anticipated that a similar process will be used to enable EPCOR Water (USA) Inc. to provide additional loans to EPCOR as the need arises, in each case subject to ACC approval.

FUNCTION (Section 208(c) (2) (G)) - Assure in implementation of an area wide waste treatment management plan that each participating community pays its proportionate share of treatment costs.

AUTHORITY - As an Arizona public service corporation, EPCOR's rates for sewer service provided to its customers are and will be subject to ACC oversight and approval. EPCOR's current tariffed sewer rates for its Agua Fria Wastewater District were approved by the ACC on August 17, 2012 at Decision # 73227.

FUNCTION (Section 208(c)(2)(H)) - Refuse to receive any wastes from any municipality or subdivision thereof, which does not comply with any provisions of an approved plan under Section 208 of the Clean Water Act applicable to such area.

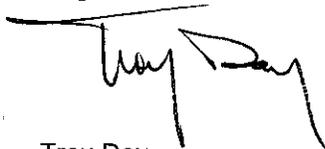
AUTHORITY - Pursuant to authority granted it pursuant to A.A.C. R14-2-603.C.2, EPCOR can refuse to establish service for a potential customer if "[a] condition exists which in the utility's judgment is unsafe or hazardous to the applicant, the general population, or the utility's personnel or facilities." Under A.C.C. R-14-2-609, EPCOR may terminate service under various circumstances, including "[t]he existence of an obvious hazard to the safety or health of the consumer or the general population." Those provisions enable EPCOR to refuse to receive wastes that do not comply with the provisions of an approved plan under Section 208 of the Clean Water Act applicable to EPCOR's related service area.

FUNCTION (Section 208(c) (2) (I)) -Accept for treatment Industrial wastes.

AUTHORITY - The Code of Federal Regulations (CFR) Part 403 Section 403.8 states "any Publicly Owned Treatment Works (POTW) with a total design flow of 5 million gallons per day and receiving from Industrial users pollutants which pass through or interfere with the operation of the POTW or are otherwise subject to pretreatment standards, will be required to establish a pretreatment program." At present, EPCOR does not receive any wastes necessitating a pretreatment program as defined by that provision of the CFR. However, EPCOR currently has a pretreatment program that is compliant with all regulatory requirements. This pretreatment program will be reviewed and updated periodically to ensure it meets the applicable requirements.

Based upon the information presented above, I certify, as an officer of the corporation, that EPCOR can fully perform the functions of a DMA for the service area shown in the proposed MAG 208 Amendment. I also certify that EPCOR, functioning as a DMA, has the legal, institutional, managerial and financial capability necessary to carry out its responsibilities under the applicable area wide waste treatment management plan.

Regards,



Troy Day
Vice President of Operations

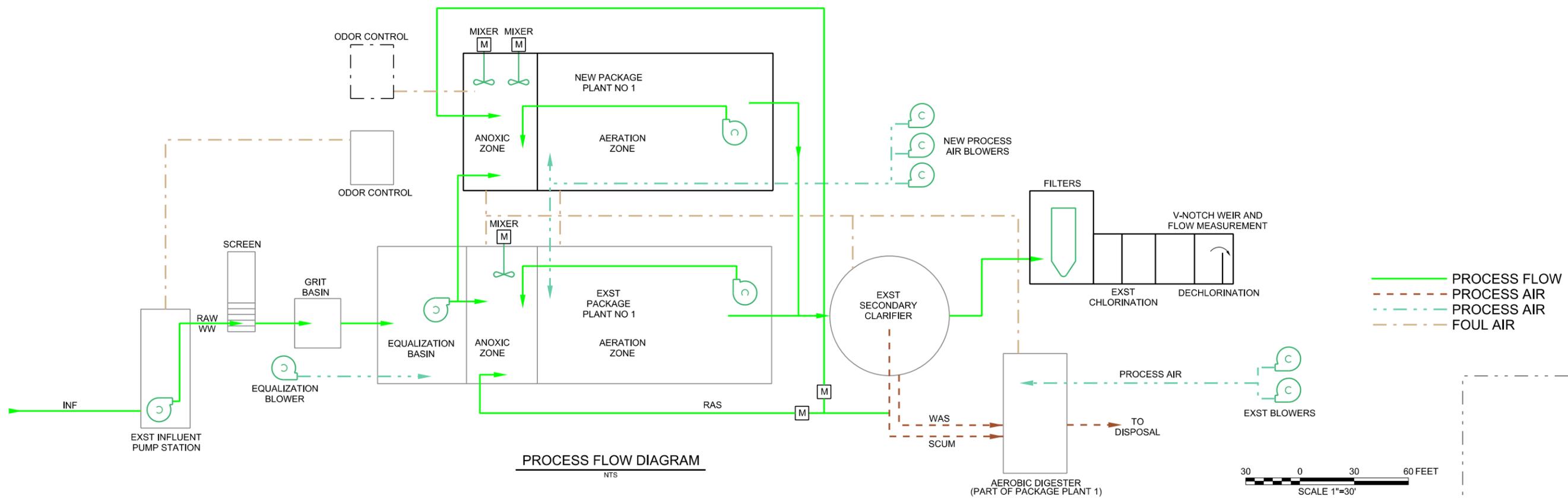


EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 12- Conceptual Site Plan for RRWRF Capacity Upgrade



VERIFY SCALE
BAR IS ONE INCH ON ORIGINAL DRAWING.
IF NOT ONE INCH ON THIS SHEET, ADJUST SCALES ACCORDINGLY.

DESIGN: JHM
DRAWN: SAR
CHECKED: JG
APPROVED: JHM



EPCOR WATER AZ
AGUA FRIA WASTEWATER DISTRICT - LOOP 303 WW SERVICE AREA
INFRASTRUCTURE

SITE PLAN AND PROCESS FLOW DIAGRAM
0.138 MGD ADDITION

DATE: NOV 2013
PROJECT NUMBER: 13-050
DRAWING NUMBER: EXHIBIT
SHEET: - OF -
SCALE: 1:60



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 13- EPCOR's Demonstration of Financial Condition – December, 2012

COMPANY NAME

Epcor Water Arizona, Inc.

BALANCE SHEET

| Acct. No. | LIABILITIES | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------------------------------|---|------------------------------|------------------------|
| CURRENT AND ACCRUED ASSETS | | | |
| 131 | Cash | \$ 149,435.05 | \$ 181,048.84 |
| 134 | Working Funds | \$ 17.54 | \$ 550.00 |
| 135 | Temporary Cash Investments | \$ - | \$ - |
| 141 | Customer Accounts Receivable | \$ 4,591,214.46 | \$ 6,977,551.56 |
| 146 | Notes/Receivables from Associated Companies | \$ 405,914.96 | \$ - |
| 151 | Plant Material and Supplies | \$ 317,091.96 | \$ 1,043,294.26 |
| 162 | Prepayments | \$ 515,234.53 | \$ 760,246.90 |
| 174 | Miscellaneous Current and Accrued Assets | \$ 62,997,897.10 | \$ 59,812,097.73 |
| | TOTAL CURRENT AND ACCRUED ASSETS | \$ 68,976,806 | \$ 68,774,789 |
| FIXED ASSETS | | | |
| 101 | Utility Plant in Service | \$ 850,899,824.72 | \$ 866,887,307.45 |
| 103 | Property Held for Future Use | \$ 443,048.57 | \$ 443,048.57 |
| 105 | Construction Work in Progress | \$ 7,557,201.27 | \$ 8,499,959.79 |
| 108 | Accumulated Depreciation - Utility Plant | \$ (217,267,592.51) | \$ (242,764,367.98) |
| 121 | Non-Utility Property | \$ - | \$ - |
| 122 | Accumulated Depreciation - Non Utility | \$ - | \$ - |
| | TOTAL FIXED ASSETS | \$ 641,632,482 | \$ 633,065,948 |
| | TOTAL ASSETS | \$ 710,609,288 | \$ 701,840,737 |

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page

COMPANY NAME Epcor Water Arizona, Inc.

Breakdown of Certain Balance Sheet Accounts

| | FIXED ASSETS | 2012 Total |
|-----|--|----------------------|
| 101 | Utility Plant in Service | \$866,887,307 |
| 103 | Property Held for Future Use | \$443,049 |
| 105 | Construction Work in Progress | \$8,499,960 |
| 108 | Accumulated Depreciation - Utility Plant | -\$242,764,368 |
| 121 | Non-Utility Property | \$0 |
| 122 | Accumulated Depreciation - Non Utility | \$0 |
| | TOTAL FIXED ASSETS | \$633,065,948 |

COMPANY NAME

Epcor Water Arizona, Inc.

BALANCE SHEET (CONTINUED)

| Acct. No. | LIABILITIES | BALANCE AT BEGINNING OF YEAR | BALANCE AT END OF YEAR |
|-----------|---|------------------------------|------------------------|
| | CURRENT LIABILITES | | |
| 231 | Accounts Payable | \$ 1,942,307.18 | \$ 2,884,511.95 |
| 232 | Notes Payable (Current Portion) | \$ 8,591,730.28 | \$ 8,593,003.21 |
| 234 | Notes/Accounts Payable to Associated Companies | \$ 49,090,022.66 | \$ (17,816,300.04) |
| 235 | Customer Deposits | \$ 19,699.39 | \$ 229,971.11 |
| 236 | Accrued Taxes | \$ 5,534,764.95 | \$ 1,810,763.75 |
| 237 | Accrued Interest | \$ 636,617.03 | \$ 9,058,685.51 |
| 241 | Miscellaneous Current and Accrued Liabilities | \$ 6,325,835.62 | \$ 13,438,206.38 |
| | TOTAL CURRENT LIABILITIES | \$ 72,140,977 | \$ 18,198,842 |
| | LONG-TERM DEBT (Over 12 Months) | | |
| 224 | Long-Term Notes and Bonds | \$ 186,862,488.77 | \$ 231,744,470.40 |
| | DEFERRED CREDITS | | |
| 251 | Unamortized Premium on Debt | \$ - | \$ - |
| 252 | Advances in Aid of Construction | \$ 199,328,867.79 | \$ 200,236,831.42 |
| 255 | Accumulated Deferred Investment Tax Credits | \$ 45,226.00 | \$ - |
| 271 | Contributions in Aid of Construction | \$ 114,356,729.62 | \$ 118,020,278.35 |
| 272 | Less: Amortization of Contributions | \$ (21,828,371.50) | \$ (26,190,403.63) |
| 281 | Accumulated Deferred Income Tax | \$ (1,000,934.01) | \$ 7,582,527.00 |
| | TOTAL DEFERRED CREDITS | \$ 290,901,518 | \$ 299,649,233 |
| | TOTAL LIABILITIES | \$ 549,904,984 | \$ 549,592,545 |
| | CAPITAL ACCOUNTS | | |
| 201 | Common Stock Issued | \$ 522,880.00 | \$ 522,880.00 |
| 211 | Paid in Capital in Excess of Par Value | \$ 184,926,690.58 | \$ 184,882,920.36 |
| 215 | Retained Earnings | \$ (24,745,266.71) | \$ (33,157,608.65) |
| 218 | Proprietary Capital (Sole Props and Partnerships) | \$ - | \$ - |
| | TOTAL CAPITAL | \$ 160,704,304 | \$ 152,248,192 |
| | TOTAL LIABILITIES AND CAPITAL | \$ 710,609,288 | \$ 701,840,737 |

WATER COMPARATIVE STATEMENT OF INCOME AND EXPENSE

| Acct. No. | OPERATING REVENUES | PRIOR YEAR | CURRENT YEAR |
|-----------|---|--------------------------|--------------------------|
| 461 | Metered Water Revenue | \$ 67,332,424.44 | \$ 74,210,748.38 |
| 460 | Unmetered Water Revenue | - | 0 |
| 474 | Other Water Revenues | 2,648,036.22 | 2,460,534.71 |
| | TOTAL REVENUES | \$ 69,980,460.66 | \$ 76,671,283.09 |
| | OPERATING EXPENSES | | |
| 601 | Salaries and Wages | \$ 10,226,340.34 | \$ 9,581,353.73 |
| 604 | Employee Pensions and Benefits | | \$ 2,209,243.24 |
| 610 | Purchased Water | 2,939,469.66 | 2,153,542.56 |
| 615 | Purchased Power | 6,683,416.69 | 6,655,428.90 |
| 618 | Chemicals | 617,566.14 | 652,700.02 |
| 620 | Repairs and Maintenance | 2,245,885.14 | 1,068,009.40 |
| 621 | Office Supplies and Expense | 34,395.06 | 6,437.26 |
| 630 | Outside Services | 10,262,446.14 | 7,563,239.72 |
| 635 | Water Testing | - | 0 |
| 641 | Rents | 338,475.27 | 279,613.69 |
| 650 | Transportation Expenses | 929,938.47 | 889,182.90 |
| 655 | Insurance | | 836,119.34 |
| 657 | Insurance - General Liability | 706,185.78 | - |
| 659 | Insurance - Health and Life | 2,696,253.48 | - |
| 666 | Regulatory Commission Expense - Rate Case | 455,379.95 | 688,658.53 |
| 675 | Miscellaneous Expense | 5,342,347.76 | 3,336,075.65 |
| 403 | Depreciation Expense | 14,763,332.69 | 15,885,339.97 |
| 408 | Taxes Other Than Income | 768,232.55 | 1,027,597.44 |
| 408.11 | Property Taxes | 2,055,022.26 | 2,455,030.28 |
| 409 | Income Tax | 2,093,453.68 | 5,125,349.27 |
| | TOTAL OPERATING EXPENSES | \$ 63,158,141.06 | \$ 60,412,921.91 |
| | OPERATING INCOME/(LOSS) | \$ 6,822,319.60 | \$ 16,258,361.18 |
| | OTHER INCOME/(EXPENSE) | | |
| 419 | Interest and Dividend Income | \$ 3,542.59 | \$ 353.40 |
| 421 | Non-Utility Income | 1,345,170.38 | 467,311.54 |
| 426 | Miscellaneous Non-Utility Expenses | (872,690.10) | (497,019.53) |
| 427 | Interest Expense | (3,297,550.47) | (6,231,129.58) |
| | TOTAL OTHER INCOME/(EXPENSE) | \$ (2,821,527.60) | \$ (6,260,484.16) |
| | NET INCOME/(LOSS) | \$ 4,000,792.00 | \$ 9,997,877.01 |

Note: All corporate amounts are included in the Water Comparative Statement of Income and Expense. We have allocated only the income taxes and interest expense to sewer. A corresponding adjustment was made to 2010 to be consistent with 2011.

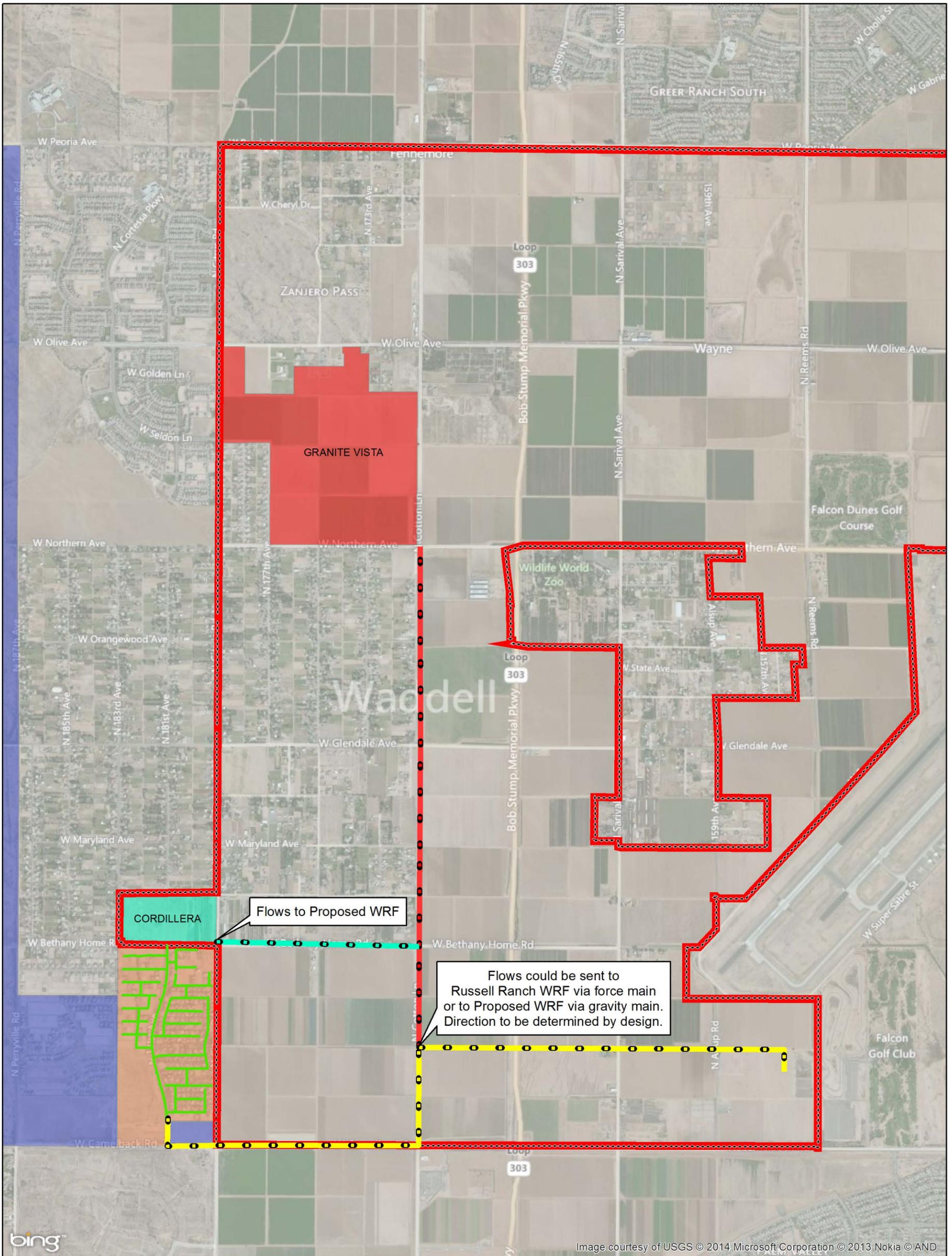


EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Exhibit 14- Russell Ranch Service Area and Adjacent Features



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Image courtesy of USGS © 2014 Microsoft Corporation © 2013 Nokia © AND

0 0.5 1 Miles

Date: 5/27/2014

Exhibit 14: WRF Services Map Loop 303 Corridor 208 Water Quality Management Plan

- | | |
|---|--|
| Existing Service Areas | Proposed Sewer Mains |
| EPCOR - Russell Ranch 208 Service Area | Serve Granite Vista |
| Liberty Utilities - Outfalls to Palm Valley WRF | Serve Cordillera |
| Proposed Service Area | From Russell Ranch WRF to Proposed WRF |
| | Existing Russell Ranch Sewer |



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Appendix A - Pretreatment- Wastewater System Design Standards and Code of Practice

Agua Fria Wastewater District
(Name of Service Area)

RULE NO. 10
USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

A. PURPOSE AND POLICY

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

B. DEFINITIONS

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

1. Approved Laboratory Procedures - The test procedures for the analysis of Pollutants as prescribed in 40 CFR Part 136, and amendments thereto that are performed by an environmental laboratory licensed by the state pursuant to A.R.S. Section 36-395. Alternative or additional validated analytical methods may be approved by the Company consistent with the requirements of applicable federal regulations.
2. BOD (biochemical oxygen demand) - The quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory conditions for five (5) days at a temperature of twenty (20) degrees centigrade, expressed in milligrams per liter.
3. Bypass - The intentional diversion of wastes from any portion of a treatment facility.
4. Categorical Standards - Those pretreatment standards specifying quantities or concentrations of Pollutants or Pollutant properties which may be discharged to a POTW by Industrial Users in specific industrial categories and which are published in 40 CFR Chapter 1, Subchapter N (parts 405-471).
5. CFR - Code of Federal Regulations.
6. COD (chemical oxygen demand) - The quantity of oxygen consumed from a chemical oxidation of inorganic and organic matter present in the water or wastewater, expressed in milligrams per liter.
7. Cooling Water - The wastewater discharged from any heat transfer system such as condensation, air conditioning, cooling or refrigeration.
8. Company - EPCOR Water Arizona, Inc.
9. Composite Sample - A combination of individual samples obtained at regular intervals over a specified time period no longer than twenty-four (24) hours. The volume of each individual sample shall be either proportional to the flow rate during the sample period (flow composite) or constant and collected at equal time intervals during the sample period (time composite) as set forth in the Industrial Discharge Service Agreement.

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

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

10. Composite Sample Quality - The concentration of some parameter tested in a composite sample.
11. Daily Average Effluent Limitation - The maximum allowable concentration of a Pollutant in the Discharge as measured in a Representative Sample during a sampling day.
12. Discharge - The addition of any Sewage, Pollutant(s), water or any liquid from any sewer user into the Sewage Collection System.
13. District - Agua Fria Wastewater District.
14. Domestic User - Any user who discharges only Domestic Wastewater.
15. Domestic Wastewater - Any water-borne wastes, derived from the ordinary living processes in a residential dwelling unit, of such character as to permit satisfactory disposal, without special treatment, by conventional POTW processes.
16. Facility - Any establishment or plant producing liquid waste, with or without suspended solids, required to be discharged into the Sewage Collection System.
17. Free Access - The ability of Company personnel to enter a User's Facility under safe and nonhazardous conditions with a minimum of delay to inspect any and all parts of the User's Facility.
18. Garbage - Solid wastes from the preparation, cooking, and dispensing of food and from the handling, storage, and sale of produce.
19. Grab Sample - An individual sample collected in less than fifteen (15) minutes without regard for flow or time of day.
20. Grab Sample Quality - The concentration of some parameter tested in a Grab Sample.
21. Industrial Discharge - Any introduction into the Sewage Collection System of a non-domestic Pollutant which:
 - a. Is produced by a source which would be subject to any Categorical Standards or Pretreatment Requirements if such source were to be discharged to the POTW, or
 - b. Contains any substance or Pollutant for which a discharge limitation or prohibition has been established by any Categorical Standard or Pretreatment Requirement.
22. Industrial Discharge Service Agreement - The separate agreement required by this Rule between the Company and an individual Industrial User specifying the terms and conditions under which the Industrial User may discharge Industrial Wastes into the Sewage Collection System.

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Agua Fria Wastewater District
(Name of Service Area)

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

23. Industrial User - This term includes:

- a. A source of Industrial Discharge;
- b. Any nonresidential user of the Sewage Collection System which discharges more than the equivalent strength of 25,000 gallons per day of domestic wastes.
- c. Any Significant Industrial User;
- d. A person who has control over the disposal of a waste as described in (a), (b) or (c) above; or
- e. A person who has the right of possession and control over any property which produces a waste as described in (a), (b), (c) or (d) above.

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

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

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

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

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

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Agua Fria Wastewater District
(Name of Service Area)

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

28. Non-contact Cooling Water - Cooling Water that does not come into direct contact with any raw material, intermediate product, waste product or finished product.
29. NPDES Permit - A national pollutant discharge elimination system permit, issued by the EPA or authorized delegate, which imposes federal standards governing the quality of the treated effluent discharged from the POTW.
30. Oil and Grease - The measure of oil and grease content of a sample as determined by EPA Method 413.1, or other equivalent test method approved by the Company.
31. Oil and Grease (TPH) - The measure of petroleum and mineral oil content of a sample as determined by EPA method 418.1, or other equivalent test method approved by the Company.
32. Pass Through - A Discharge which exits the POTW into waters of the United States in quantities or concentrations which, alone or in conjunction with a Discharge or Discharges from other sources, is a cause of a violation of any requirement of the POTW NPDES Permit (including an increase in the magnitude or duration of a violation) or which causes or contributes to a violation of an applicable numeric or narrative water quality standard.
33. Person - Any individual, partnership, co-partnership, firm, company, corporation, association, joint stock company, trust, state, municipality, Indian tribe, political subdivision of the state or federal governmental agency or any other legal entity, including their legal representatives, agents or assigns.
34. pH - The logarithm of the reciprocal of the concentration of hydrogen ions in grams per liter of solution.
35. Pollutant - Any dredged spoil, solid waste, incinerator residue, sewage sludge, munitions, chemical wastes, biological materials, radioactive materials, heat, wrecked or discharged equipment, rock, sand, cellar dirt, or industrial, municipal or agricultural wastes.
36. Pretreatment - The physical, chemical, biological or other treatment of any Industrial Wastes prior to Discharge to the POTW, for the purpose of:
 - a. Reducing the amount or concentration of any Pollutant;
 - b. Eliminating the Discharge of any Pollutant: or
 - c. Altering the nature of any Pollutant characteristic to a less harmful state.
37. Pretreatment Requirements - All of the duties or responsibilities imposed upon Industrial Users by this Rule.

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Agua Fria Wastewater District
(Name of Service Area)

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

38. POTW (Publicly Owned Treatment Works) - The treatment works, including connecting sewer collection system not owned and/or operated by the Company, which has agreed to provide the Company with Wastewater collection, treatment and disposal services. For purposes of this rule, POTW includes the City of Tolleson Wastewater Treatment Plant and the City of Glendale Wastewater Collection System.
39. Properly Shredded Garbage - Garbage that has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-fourth of an inch in any dimension.
40. Representative Sample - A Composite Sample obtained by flow-proportional sampling techniques where feasible. Where flow-proportional sampling is infeasible, the Company may allow or conduct composite sampling by time proportional techniques or by averaging one or more Grab Samples. "Representative Sample" does not include a composite sample comprised of both company and non-company samples.
41. Sewage - A combination of water-carried wastes from residences, business buildings, institutions, and industrial establishments, together with such ground, surface, and storm waters as may be incidentally present.
42. Sewage Collection System - All the pipes and conveyances owned and/or controlled by the Company that collects and/or transports sewage for disposal to the POTW or the Company's treatment works.
43. Sewage Works - All facilities for collecting, pumping, treating, and disposing of Sewage, including the Sewage Collection System and the POTW, as defined herein.
44. Significant Industrial User - This term includes:
- a. Users having Discharges subject to Categorical Standards; and
 - b. Any other User that:
 - i. discharges an average of twenty-five thousand (25,000) gallons per day or more of Industrial Waste to the Sewage Collection System;
 - ii. contributes Industrial Waste which makes up five percent (5%) or more of the average dry weather hydraulic or organic capacity of the POTW treatment plant(s); or
 - iii. regardless of customer classification, is designated by the Company on the basis that it has a reasonable potential for adversely affecting the POTW's operation or for violating any Pretreatment Requirement.
45. Significant Noncompliance - An Industrial User is in a state of Significant Noncompliance when violations meet one or more of the following criteria:

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Month Day Year

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2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

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

- a. Chronic violation of the discharge limits established by this Rule, defined here as those in which sixty-six percent or more of all of the measurements taken during a six-month period exceed (by any magnitude) the Daily Average Effluent Limitation set forth in this Rule for the same pollutant;
 - b. Technical review criteria (TRC) violations, defined here as those in which thirty-three percent or more of all of the measurements for each Pollutant taken during a six-month period equal or exceed the product of the Daily Average Effluent Limitation set forth in this Rule multiplied by the applicable TRC (TRC= 1.4 for BOD, TSS, fats, oil and grease, and 1.2 for all other pollutants except pH);
 - c. Any other violation of a Pretreatment Requirement that the Company determines has caused, alone or in combination with other Discharges, Interference, Pass Through, or endangerment to the health of Sewage Works personnel or general public;
 - d. Any Discharge of a Pollutant that has caused imminent endangerment to human health, welfare or to the environment or has resulted in the POTW's exercise of its emergency authority to halt or prevent such a Discharge;
 - e. Failure to meet, within ninety (90) days after the schedule date, a compliance schedule milestone contained in a permit or enforcement order for starting construction, completing construction, or attaining final compliance;
 - f. Failure to provide, within thirty (30) days after the due date, required reports such as baseline monitoring reports, ninety (90) day compliance reports, periodic self-monitoring reports, and reports on compliance with compliance schedules;
 - g. Failure to accurately report noncompliance; or
 - h. Any other violation or group of violations which the Company determines will adversely affect the operation or implementation of the local pretreatment program.
46. Slug Discharge - Any discharge of a non-routine, episodic nature, including but not limited to an accidental spill or a non-customary batch discharge.
47. Standard Industrial Classification (SIC) - A coded classification of industries based upon economic activity developed by the U.S. Department of Commerce as published in the Standard Industrial Classification Manual, 1972, Office of Management and Budget.
48. Standard Methods - The procedure as described in the most current edition of Standard Methods for the Examination of Water and Wastewater published by the American Health Association, or the most current edition of Manual of Methods for Chemical Analysis of Water and Wastes published by the U.S. Environmental Protection Agency.

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Agua Fria Wastewater District
(Name of Service Area)

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

49. Total Organic Carbon (TOC) - The total of all organic compounds expressed in milligrams per liter as determined by the combustion-infrared method prescribed by Approved Laboratory Procedures.
50. Total Suspended Solids (TSS) - Solids measured in milligrams per liter that either float on the surface of or are in suspension in water, Wastewater or other liquids and which are largely removable by a laboratory filtration device, as defined in the Standard Methods.
51. Upset - An exceptional incident in which there is unintentional and temporary noncompliance with Pretreatment Requirements because of factors beyond the reasonable control of the Industrial User, excluding noncompliance due to such factors as operational error, improperly designed or inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.
52. User - Any person, lot, parcel of land, building, premises, municipal corporation or other political subdivision that discharges, causes or permits the Discharge of Wastewater into the Sewage Collection System.
53. Wastewater - Any liquid or pollutant, including an Industrial Discharge, which is introduced into the Sewage Collection System from any source.
54. Zero Industrial Discharge User - A user that only discharges domestic wastewater or has no discharge, but has significant quantities of hazardous materials or high strength wastes which, if discharged, would be regulated by this rule. Such user may be regulated by requiring it to maintain zero discharge of industrial wastes, allowing only domestic wastewater to be discharged.

C. INDUSTRIAL WASTE DISCHARGE REQUIREMENTS

1. Except as provided herein, no Industrial User shall discharge or cause to be discharged any of the following described water or wastes to the Sewage Collection System:
 - a. Any storm water, surface water, ground water, roof run-off, subsurface drainage, Cooling Water or unacceptably treated Industrial Waste;
 - b. Any Discharge at a temperature greater than 150°F as measured at the point of entry into the Sewage Collection System or at a temperature which could inhibit biological activity, cause Interference of mechanical or biological treatment processes, or cause the temperature of the influent at the POTW to exceed 104°F;
 - c. Any gasoline, naphtha, fuel oil or other flammable or explosive liquid, solid, or gas;
 - d. Any Garbage other than Properly Shredded Garbage;

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

- e. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, grit, such as brick, cement, carbides, or any other solids or viscous substances capable of causing obstruction to the flow in the Sewage Collection System or other Interference with the proper operation of the Sewage Works;
- f. Any water or Wastewater which contains a toxic, poisonous, or corrosive substance in sufficient quantities to cause or have the potential to cause interference with any Sewage treatment process, constitutes hazard to humans or animals, or creates any hazard in the receiving waters of the POTW;
- g. Any water or Wastewater containing any Pollutant released at a flow rate and/or Pollutant concentration that will cause Interference at the POTW or the Company's treatment works;
- h. Any noxious or malodorous gas or substance capable of creating a public nuisance;
- i. Any waste which may contain more than one hundred (100) parts per million by weight of fats, oils, or grease in such quantities so as to require special handling;
- j. Any surface active chemical which would tend to lower the surface tension between liquids, such as between acid and water; any surface active agents used in detergents to cause lathering, the volume or concentration of which would cause excessive foaming in the Sewage Works;
- k. Any water or Wastewater that causes a Pass-Through resulting in the POTW violating any NPDES Permit requirement or that causes an obstruction to the flow in the sewage collection system or other interference with the proper operation of the sewage works. Such wastes include petroleum oil, non-biodegradable cutting oil products, or mineral oil origin in amounts that will cause Interference or Pass Through;
- l. Any waste having a pH less than 5.0 or greater than 10.5 or having any corrosive or detrimental characteristics that may cause injury or damage to Wastewater treatment or maintenance personnel, structures, equipment, or other physical facilities of the Sewage Works.
- m. For significant industrial users, any water or Wastewater with Pollutant concentrations in excess of the following Daily Average Effluent Limitations (expressed in the total form unless otherwise stated; µg/l micrograms per liter, mg/l = milligrams per liter):

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Agua Fria Wastewater District
(Name of Service Area)

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

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

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

- n. When necessary in the opinion of the Company, any Water or Wastewater with BOD or TSS concentrations in excess of the following limits:
 - a. 24-hour average 5-day BOD of 250 ml/l by weight; and
 - b. Instantaneous Maximum TSS content of 500 ml/l by weight.
- o. Any water or wastewater with pollutant concentrations in excess of the following instantaneous maximum effluent limitations (expressed in the total form unless otherwise stated; µG/L = Micrograms per Liter, mg/l = Milligrams per Liter):

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

- p. Any of the following prohibited substances:

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(Name of Service Area)

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

- i. BHC – Alpha
 - ii. BHC – Beta
 - iii. BHC - Gamma (Lindane)
 - iv. Chrysene
 - v. Heptachlor
 - vi. Heptachlor Epoxide
 - vii. Phenanthrene
 - viii. Polychlorinated Biphenyl Compounds
- q. Any water added for the purpose of diluting a Discharge as a partial or complete substitute for adequate treatment to achieve compliance with a Daily Average Effluent Limitation or other limit established by this Rule.
- r. Any waste requiring an excessive quantity of chlorine or other chemical compound used for disinfection purpose which would result in an excess of 0.05 mg/l residual at the headworks of the POTW or the Company's treatment works.
- s. Any waste or dye producing excessive discoloration of Wastewater or POTW's or the Company's treatment works effluent.
- t. Any quantities of radioactive material wastes.
- u. Any substance which creates a fire or explosive hazard in the POTW or the Company's treatment works, including but not limited to Discharges with a closed-cup flashpoint of less than 140°F or 60°C as determined by the Pensky-Martens Standard D-93-79 or D-93-80, or the Setafash Standard D3278-78, or an equivalent test method approved pursuant to 40 CFR §§ 260.20 and 260.21.
- v. Any hauled wastes, including Industrial Wastes.
2. Industrial users are required to meet all applicable local, state, and federal discharge limits for any regulated Pollutant. Upon the effective date of any federal categorical pretreatment standards, as published in 40 CFR Chapter 1, Subchapter N, for a particular industrial category or subcategory, the federal standards, if more stringent than the limitations imposed under this rule, shall immediately supersede those limitations.
3. In addition to all other requirements, each Industrial User who discharges an Industrial Discharge into the Sewer Collection System shall also:
- a. Provide all the Pretreatment necessary to comply with Categorical Standards and Pretreatment Requirements;
 - b. Maintain a continuous Discharge record which clearly identifies:

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

- i. the dates and times of all Industrial Discharges; and
 - ii. the chemical nature, concentration, and volume of all such Industrial Discharges;
 - c. Provide the Company with all the same self-monitoring reports and notices that the Industrial User would be required to submit if it discharged directly to the POTW in accordance with the provisions of 40 CFR 403.12. In particular, the Industrial User shall submit to the Company:
 - i. Baseline Monitoring Reports (40 CFR 403.12 (b));
 - ii. Compliance Schedule Progress Reports (40 CFR 403.12 (c));
 - iii. Reports on compliance with Categorical Pretreatment Standard Deadline (40 CFR 403.12 (d));
 - iv. Periodic reports on Continued Compliance (40 CFR 403.12 (e), (H));
 - v. Notice of potential problems, including Slug Discharges (40 CFR 403.12 (f));
 - vi. Notification of changed Discharge (40 CFR 403.12 (g)); and
 - vii. Notification of hazardous waste Discharge (40 CFR 403.12(p)).
 - d. Ensure that all reports and any other documents relating to Industrial Discharges are signed by an authorized representative of the Industrial User in accordance with 40 CFR 403.12 (1);
 - e. Retain for a minimum of three (3) years any records of monitoring activities and results; such records shall be available for inspection and copying by the Company;
 - f. Develop a Slug Discharge control plan which outlines discharge practices (including non-routine batch discharges), describes stored chemicals, and contains procedures both to notify the Company immediately of Slug Discharges and to prevent adverse impacts from any accidental spill; and
 - g. To the extent necessary, develop in conjunction with the Company a compliance schedule for installation of equipment.
4. An Industrial User shall, at its expense, install such Pretreatment devices or systems necessary to treat Industrial Wastes so as not to cause violation of any Daily Average Effluent Limitation or other limit set forth in this Rule prior to discharge to the Sewage Collection System. Such a Pretreatment system or device may serve to:
- a. Restrict or prevent the discharge of certain Pollutants;
 - b. Distribute over a longer period any peak discharge of Industrial Wastes; and/or
 - c. Reduce the concentration of a Pollutant regulated herein to a level equal to or less than the established discharge limitation.

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

5. All Pretreatment systems or devices shall be approved by the Company and, if required, the Arizona Department of Environmental Quality (ADEQ). All Pretreatment systems shall require an engineering design and have plans prepared and stamped by an engineer of suitable discipline licensed in the State of Arizona. Plans, specifications, and any other pertinent information relating to proposed preliminary treatment facilities shall be submitted to the Company and to all appropriate regulatory agencies with jurisdiction for review and approval. No construction of such facilities shall begin until such approvals are obtained in writing. Purchase and installation of any required Pretreatment system or device shall be at the expense of the Industrial User.
6. A grease, oil, and sand interceptor shall be provided when necessary, in the opinion of the Company, for the proper handling of liquid wastes containing grease, flammable wastes, sand, and other harmful ingredients in excessive amounts, except that such interceptor shall not be required for a building used for residential purposes. All interceptors shall be of a type and capacity approved by the Company, and shall be so located as to be readily and easily accessible for cleaning and inspection. The Industrial User shall maintain service records for the Company's review showing date of service and type of service performed for each grease, oil, and sand interceptor installed, Such records shall be retained for a minimum of three (3) years.
7. All grease, oil, and sand interceptors shall be purchased, installed, and maintained in continuously efficient operation at the Industrial User's expense.
8. The Company may also require the installation of a pH probe with a recorder at a point prior to any Industrial Discharge entering the Sewage Collection System. This device shall be properly installed and maintained by the Industrial User at its expense.

D. MAINTENANCE OF FACILITIES

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

E. MANHOLES

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

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F. TESTS AND ANALYSES

1. All tests and analyses of the characteristics of waters and wastes shall be determined in accordance with Approved Laboratory Procedures, and shall be determined at the control manhole provided for in the preceding section and upon Representative Samples taken at such control manhole. All sampling, analyses and flow measurements of Industrial Wastes shall be performed by an independent laboratory or by the laboratory of the Industrial User approved by the Company and licensed by the Arizona Department of Health Services. Prior to submittal to the Company of data developed in the contracted laboratory of an industrial User, the results shall be certified by a responsible administrative official of the Industrial User.
2. Those Industrial Users required to make periodic measurements of flow volumes and constituents shall do so at a frequency and in such a manner as determined by the Company. Measurements to certify the quantities of waste flows and waste constituents reported by Industrial Users will be conducted on a random basis by personnel of the Company.

G. INDUSTRIAL DISCHARGE SERVICE AGREEMENT

1. Each Industrial User who proposes to begin a new Industrial Discharge or modify an existing Industrial Discharge into the Sewer Collection System shall:
 - a. Submit to the Company a completed Industrial Discharge Questionnaire, the form and content of which will be provided by the Company to the customer.
 - b. Test the proposed Industrial Waste Discharge for the presence of Pollutants for which Daily Average Effluent Limitations are established by this Rule and provide the Company with such test results from an Arizona Department of Health Services licensed laboratory. The proposed Industrial Waste discharge also shall be tested for pH, BOD, and TSS concentration.
 - c. If the Industrial User is a Significant Industrial User, provide such additional information as necessary AND enter into an Industrial Discharge Service Agreement with the Company, substantially in the form attached as Exhibit A to this Rule;
2. Industrial Users in existence upon the effective date of this Rule shall complete and submit an Industrial Discharge Questionnaire for evaluation by the Company within forty-five (45) days after the effective date of this Rule. Significant Industrial Users in existence upon the effective date of this Rule must execute an Industrial Discharge Service Agreement within ninety (90) days of the effective date of this Rule.

H. PRETREATMENT PROGRAM ENFORCEMENT AND RESPONSE GUIDELINES

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

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2. Violation of this Rule or of any provision of an Industrial Discharge Service Agreement is cause for termination of service or other appropriate Enforcement Response, as defined below.
3. "Enforcement Response" shall include but is not limited to the following:
 - a. Inspection by the Company of an Industrial User's Facility;
 - b. Notice of violation;
 - c. Increased monitoring and testing;
 - d. Report of violations to City of Tolleson, City of Glendale, ADEQ, and/or EPA;
 - e. Termination of service with notice, pursuant to applicable Arizona Corporation Commission rules;
 - f. Termination of service without notice, pursuant to applicable Arizona Corporation Commission rules; and/or
 - g. Any and all remedies specifically provided in the Industrial Discharge Service Agreement.
4. In determining the appropriate Enforcement Response the Company shall consider the following factors:
 - a. Consideration of previous compliance history;
 - b. Length of violation;
 - c. Number of violations;
 - d. Seriousness of effects to the Sewage Works;
 - e. Potential effects to the public health; and
 - f. Any other relevant factors.
5. Violation of this rule could result in enforcement or other legal action against the Industrial User by the City of Tolleson, City of Glendale, City of Phoenix, the Arizona Department of Environmental Quality and/or the U.S. Environmental Protection Agency. These entities are authorized by law to impose monetary penalties of up to \$25,000 per day per violation.

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

I. PUBLICATION OF NONCOMPLIANCE LIST

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

J. LIABILITY OF USER

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

K. INSPECTION AND MONITORING

1. Industrial Users shall provide the Company with Free Access in order to monitor compliance with Pretreatment Requirements. The Company may, in furtherance of the stated purpose and policy of this Rule:
 - a. Enter the User's premises at reasonable times;
 - b. Inspect generally for compliance;
 - c. Take independent samples;
 - d. Require installation of monitoring equipment; and
 - e. Inspect and copy records.
2. Representatives of the City of Tolleson, the City of Glendale, or the City of Phoenix may accompany the Company in conducting any such inspection and monitoring.

L. ACCESS TO INFORMATION AND CONFIDENTIALITY

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

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USE OF SANITARY SEWERS BY INDUSTRIAL DISCHARGERS

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

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

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Decision No. 73227

Agua Fria Wastewater District
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RULE 10
EXHIBIT A

INDUSTRIAL DISCHARGE SERVICE AGREEMENT

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

WITNESSETH:

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

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

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

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

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

PART I - DEFINITIONS

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

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

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- b. Contaminated Cooling Water: Cooling Water which may become contaminated, either through the use of water treatment chemicals used for corrosion inhibitors or biocides, or by direct contact with process materials and/or Wastewater.
5. **Customer** - _____, a(n) _____.
6. **Daily Average Effluent Limitation** - The maximum allowable concentration of a Pollutant in the Discharge as measured in a Representative Sample during a sampling day.
7. **Environmental Laws** - All present and future laws and any amendments, permits, and other requirements of governmental authorities applicable to the Customer's Facility and relating to the environment, health or safety, environmental conditions. Environmental Laws includes but is not limited to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA"); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq. ("RCRA"); the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §§ 136 to 136y; the Federal Water Pollution Control Act, as amended by the Clean Water Act, 33 U. S. C. §§ 1251 et seq.; the Clean Air Act, 42 U. S. C. §§ 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601-2671; the Safe Drinking Water Act, 42 U.S.C. §§ 300f-300j-26; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. §§ 101 et seq.; Title 49 of the Arizona Revised Statutes; and any regulations promulgated pursuant to such listed federal and state statutes.
8. **Grab Sample** - An individual sample collected in less than fifteen (15) minutes, without regard for flow or time of day.
9. **Instantaneous Maximum Effluent Limitation** - The maximum concentration of a Pollutant in the Discharge at any time as measured in a Grab Sample.
10. **Pretreatment Requirements** - All of the duties or responsibilities imposed upon Industrial Users by Rule 10.
11. **Representative Sample** - A Composite Sample obtained by flow-proportional sampling techniques where feasible. Where flow-proportional sampling is infeasible, the Company may allow or conduct composite sampling by time-proportional techniques or by averaging one or more Grab Samples.
12. **TTO** - Total Toxic Organic Compounds as listed on Attachment 11.
13. **Upset** - An exceptional incident in which there is unintentional and temporary noncompliance with Pretreatment Requirements, because of factors beyond the reasonable control of the Customer, excluding noncompliance due to such factors as operational error, improperly designed or inadequate treatment facilities, lack of preventative maintenance or careless or improper operation.

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PART II - WASTEWATER DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

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

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

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

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

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

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

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

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PART III - REPORTING REQUIREMENTS

A. PERIODIC MONITORING REPORT

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

For the Company:

For the Customer:

EPCOR Water Arizona, Inc.
 2355 W Pinnacle Peak Road
 Suite 300
 Phoenix, Arizona 85027
 Attention: Pretreatment Officer

- 2. The Customer shall summarize and report monitoring results on an Industrial User Monitoring Report Form once per month. Completed Industrial User Monitoring Reports shall be submitted to the Company on the 28th day of each month, and shall include the results of monitoring for the prior calendar month. This monthly report must be postmarked, or delivered to the Company's above address, no later than the due date. In the absence of a legible postmark, the Company will consider any report received within five (5) calendar days of the due date as being received on time. The first report is due on 00/00/00, and shall contain the information required for any prior calendar month for which such information has not been previously submitted. Each report should indicate the nature and concentration of all Pollutants in the Discharge which are regulated by the limits set forth in Part 11.
- 3. If the Customer monitors any Pollutant more frequently than required by this Agreement, using Approved Laboratory Procedures, the results of such monitoring shall be included in the calculation and results shall be reported in the monthly report and submitted to the Company. Such increased monitoring frequency also shall be indicated on the monthly report.
- 4. Monitoring for Total Toxic Organics (TTO), when required by this Agreement, is to be performed for all toxic organics listed in Attachment 11 reasonably expected to be present. In lieu of monitoring for TTO, the Customer may, with the Company's approval, submit the following semi-annual certification:

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

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

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B. NOTIFICATION OF NONCOMPLIANCE

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

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

C. WRITTEN REPORT ON NONCOMPLIANCE

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

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

D. AUTOMATIC RESAMPLING

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

The Customer is not required to resample if the Company:

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

or

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

or

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

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

A. SETTLEMENT AGREEMENT

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

B. COMPLIANCE SCHEDULE

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

PART V - STANDARD CONDITIONS

A. GENERAL CONDITIONS AND DEFINITIONS

1. Term of the Agreement

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

2. Severability

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

3. Duty to Comply

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

4. Duty to Mitigate

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

5. Amendment of Agreement

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

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

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

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

- i. Discharge Industrial Wastes such that the Discharge poses a threat to the Company's collection or treatment systems, the POTW, wastewater treatment plant personnel, to the receiving waters, or will adversely impact the environment;
- ii. Knowingly making any false statement on any report or other document required by this Agreement or Rule 10, or knowingly rendering any monitoring device or method inaccurate;

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

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

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

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

7. Property Rights

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

8. Limitation on Transfer

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

9. Duty to Reapply

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

10. Automatic Extension of Permit

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

11. Dilution

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

12. Adverse Impact

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

13. General Prohibitive Standards

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

14. Indemnification

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

B. OPERATION AND MAINTENANCE OF POLLUTION CONTROLS

1. Proper Operation and Maintenance

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

2. Duty to Halt or Reduce Activity

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

3. Bypass of Treatment Facilities

- a. BYPASS IS PROHIBITED under this Agreement unless it is unavoidable to prevent loss of life, personal injury, or severe property damage or no feasible alternatives exist.
- b. Bypass not exceeding limitations: The Customer may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it is also for essential maintenance to assure efficient operation.
- c. Notification of Bypass:
 - i. Anticipated Bypass: If the Customer knows in advance of the need for a bypass, it shall submit prior written notice, at least 10 days before the date of the bypass, to the Company. All anticipated Bypasses must be monitored and metered.
 - ii. Unanticipated Bypass: The Customer shall immediately notify the Company of any unanticipated Bypass and submit a follow-up written report to the Company within five (5) days. This report shall specify:
 1. A description of the Bypass, and its cause, including its duration;
 2. Whether the Bypass has been corrected; and
 3. The steps being taken or to be taken to reduce, eliminate and prevent reoccurrence of the Bypass.

4. Removed Substances

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

C. MONITORING AND RECORDS

1. Representative Sampling

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

2. Flow Measurements

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

3. Inspection and Entry

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

- a. have safe access to any areas of the Facility that will be inspected by the authorized representative;
- b. enter at any time during normal hours of operation upon the Customer's premises where the Facility or activity is located or conducted, or where records must be kept under the provisions of this Agreement;
- c. have access to and copy, at reasonable times, any records that must be kept under the provisions of this Agreement;
- d. inspect, at reasonable times, any facilities, equipment (including monitoring and control equipment), practices, or operations subject to this Agreement;
- e. sample or monitor, for the purposes of assuring compliance with this Agreement, any substances or parameters at any location; and
- f. inspect any production, manufacturing, fabricating, or storage area where Pollutants could originate.

4. Retention of Records

- a. The Customer shall retain records of all monitoring information, including all calibration and maintenance records, and any original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this Agreement, and records of any data used to complete the Industrial Waste Questionnaire required by Rule 10, for a period of at least three (3) years from to date of the sample, measurement, report, or questionnaire. This period may be extended by request of the Company at any time.
- b. All records that pertain to matters that are the subject of special orders, or any other enforcement or litigation activities brought by the Company or other appropriate agency, shall be retained and preserved by the Customer until all such activities have concluded, and all periods of limitation with respect to any and all appeals have expired.

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

5. Record Contents

Records of sampling information shall include:

- a. The date, exact place, time, and methods of sampling or measurements, and sample preservation techniques or procedures;
- b. The names of persons who performed the sampling or measurements;
- c. The date(s) analyses were performed;
- d. The names of persons who performed the analyses;
- e. The analytical techniques or methods used; and
- f. The results of such analyses.

D. ADDITIONAL REPORTING REQUIREMENTS

1. 90-Day Compliance Report [if applicable]

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

2. Planned Changes

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

3. Anticipated Noncompliance

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

4. Duty to Provide Information

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

5. Signatory Requirements

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

- a. For a corporation: by a corporate officer or other persons performing a similar policy or decision making function for the corporation;
- b. For a partnership or sole proprietorship: by a general partner or the proprietor, respectively;
- c. For a government entity: by the administrator, chairman, director, or principal executive responsible for operations at the Facility;
- d. All applications, correspondence, reports, and self monitoring reports may be signed by a duly authorized representative of the person described above. A person is a duly authorized representative only if
 - i. The authorization is made in writing by a person described above; or
 - ii. The authorization specified either an individual or a position having responsibility for the overall operation of the regulated facility or activity, such as the position of plant manager, superintendent, or position of equivalent responsibility. A duly authorized representative may thus be either a named individual or any individual occupying a named position;
- e. Any person signing a document pursuant to this section shall make the following certification:

" I certify, under penalty of law, that this document and all attachments were prepared under my direction or supervision, in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations. "
- f. Written notice of any change in signatures or positions of the Customer shall be submitted to the Company in writing within thirty (30) days after the change.

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

EPCOR Water Arizona, Inc.
(Name of Company)

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

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

COMPANY: EPCOR Water Arizona, Inc., an Arizona Corporation

By: _____

Its: _____

CUSTOMER: _____
a(n) _____

By _____

Its _____

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A

ATTACHMENT I - SCHEMATIC
ATTACHMENT 11 - REGULATED TOXIC ORGANICS

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Agua Fria Wastewater District
(Name of Service Area)

RULE 10
EXHIBIT A (continued)

ATTACHMENT I - SCHEMATIC
ATTACHMENT 11 - REGULATED TOXIC ORGANICS

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

ISSUED: August 17, 2012
Month Day Year

EFFECTIVE: January 1, 2013
Month Day Year

ISSUED BY: Tom Broderick, Director, Rates
2355 W. Pinnacle Peak Road, Suite 300, Phoenix, AZ 85027

Decision No. 73227



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Appendix B - Letters of No Objection from Surrounding Municipalities



City of
Avondale

Water Resources Department

399 East Lower Buckeye Road, Suite 100
Avondale, Arizona 85323
Phone: (623) 333-4400
Fax: (623) 333-0440
TDD: (623) 333-0010
Website: www.avondale.org

January 28, 2014

Ms. Julie Hoffman
MAG 208 Program Manager
Maricopa Association of Governments
302 N. 1st Avenue, Suite 300
Phoenix, AZ 85003

Dear Ms. Hoffman:

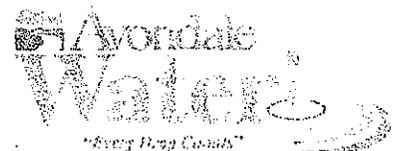
This letter is in response to EPCOR Water Arizona Inc.'s application to expand the Agua Fria Wastewater Service Area and amend the MAG 208 Plan accordingly. The expansion is outside the City of Avondale service area but within three miles of it as shown in the current 208 plan. The City of Avondale has reviewed the proposed amendment and has no objection.

We look forward to working with you and appreciate your assistance to facilitate the MAG approval process for this 208 Amendment. If you have questions or need additional information you may contact me at 623-333-4400.

Sincerely,

Wayne Janis, PE
Public Works Director

Cc: Frank Metzler, PMP





CITY OF BUCKEYE
WATER RESOURCES DEPARTMENT

January 31, 2014

Frank Metzler, Project Manager
EPCOR Water Arizona Incorporated
2355 W Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

Re: EPCOR Water Arizona's MAG 208 Amendment Application for the Loop 303 Wastewater Project

Dear Mr. Metzler:

The City of Buckeye has received and reviewed the Application to Amend the MAG 208 Water Quality Management Plan for the Loop 303 Wastewater Project. The City supports EPCOR's proposed amendment as this area falls outside the City's wastewater service area.

Please feel free to contact me if you have any questions or need additional assistance, I can be reached at 623-349-6103.

Regards,

Dave Nigh,
Water Resources Director
City of Buckeye

Cc: Julie Hoffman, MAG 208 Coordinator
Javier Setovich, City of Glendale
Dale Bodiya, Maricopa County



Development & Community Services

12145 NW Grand Avenue, El Mirage 85335
623-972-8116; Fax 623-933-8418; TDD 623-933-3258
www.cityofelmirage.org

January 22, 2014

EPCOR Water Arizona, Inc.
Troy Day, Vice President
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Re: EPCOR Water Arizona, Inc.'s Application to the Arizona Corporation Commission to
Extend the Agua Fria Wastewater Service Area

Dear Mr. Day,

We have reviewed the Application to the Arizona Corporation Commission to Expand the Agua Fria Wastewater Service Area and Amendment to Section 208 of the Maricopa Association of Governments. It is understood that if the proposed application is approved, EPCOR Water Arizona, Inc. will be the exclusive provider of sewer utility services within the area subject to the application.

The City of El Mirage does not have any objection to the application as the City is not anticipating expanding its sewer service area beyond City limits. If you have any questions, please feel free to contact me at jgastelum@cityofelmirage.org or 623-876-2976.

Sincerely,

Jorge Gastelum, P.E.

Director of Development and Community Services/City Engineer

Copy: Dr. Spencer A. Isom, City Manager
Larry Dobrosky, Deputy City Manager/Public Works Director



Bob Beckley
Deputy City Manager

January 28, 2014

EPCOR Water Arizona, Inc.
Troy Day, Vice President
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

**RE: EPCOR Water Arizona, Inc.'s Application to the Arizona Corporation
Commission to Extend the Agua Fria Wastewater Service Area**

Dear Mr. Day,

We have reviewed the Application to the Arizona Corporation Commission to Expand the Agua Fria Wastewater Service Area and Amendment to Section 208 of the Maricopa Association of Governments dated December 2013. It is understood that if the proposed application is approved, EPCOR Water Arizona Inc. will be the exclusive provider of sewer utility services within the area subject to the application.

The City of Goodyear does not have any objection to the EPCOR application; since the proposed expansion will not conflict with the current or planned sewer service area of the City of Goodyear.

If you have any questions, please feel free to contact me at bob.beckley@goodyearaz.gov or 623-882-7625.

Thank you for your assistance.

Sincerely,

Bob Beckley
Deputy City Manager

cc: Brian Dalke, City Manager
Sheri Wakefield-Saenz, Development Services Director
Mark Seamans, Environmental Services Manager
Mark Holmes, Water Resources Manager
David Ramirez, City Engineer

City Manager's Office
190 N. Litchfield Rd., Goodyear, AZ 85338
623-932-3910 Fax 623-882-7077 1-800-872-1749 TDD 623-932-6500 www.goodyearaz.gov





**DEPARTMENT OF THE AIR FORCE
AIR EDUCATION AND TRAINING COMMAND**

21 February 2014

Mr. James R. Mitchell
Director, Community Initiatives Team
56th Fighter Wing
14185 W. Falcon St.
Luke AFB AZ 85309-1629

Mr. Craig Johnson, P.E.
Executive Director, Water Services Department
7070 W. Northern Avenue
Glendale AZ 85303

Re: MAG 208 Amendment – EPCOR West Valley Regional Water Reclamation Facility
(WVRWRF)

Dear Mr. Johnson

Thank you for the opportunity to comment on the Amendment to the Maricopa Association of Governments (MAG) Clean Water Action Section 208 Area Wide Water Quality Management Plan for EPCOR water. EPCOR Water Arizona Inc. is in the planning phase to site, design, construct and operate a regional wastewater treatment plant for the "Loop 303 Project." The Loop 303 lands represent approximately 8,109 acres to the north, west and south of Luke Air Force Base from Peoria Avenue to the north, Citrus Road to the west, Camelback Road to the south and Litchfield Road to the east. The plan calls for the use of 40 acres of the easternmost section of parcel 501-61-014D located east of Alsup Ave and north of Camelback Rd. The property falls inside the 1988 JLUS 70-74 and 75-79 Ldns, and a triangle falls in within APZ one, "high noise or accident potential zone" as defined by A.R.S. § 28-8461 and is within the "territory in the vicinity of a military airport" also defined by A.R.S. § 28-8461.

The proposed amendment will update the plan for wastewater treatment facilities in the West Valley. The plans indicate the Loop 303 Regional Water Reclamation Facility will ultimately be a 6 to 8 million gallon per day treatment facility. The physical plant might occupy approximately 10 acres at full build-out and the recharge operations may ultimately take up a large portion of the remaining 40 acres depending on the recharge technique that is used; it is our understanding based on both description and past meetings, no buildings or structures will fall within APZ one.

Luke's initial concerns regarding compatibility of this project with our flying operations stemmed on the potential use of open air water pools as part of the recharge technique and the negative impact that could have. During a meeting between EPCOR and Luke AFB on 15 January 2014, Luke expressed safety concerns in the area of aviary abatement. During the meeting EPCOR agreed to abatement, such as netting or other means, if there are open air water

pools as part of the recharge technique, which alleviated Luke's concerns on the issue. Another concern was whether or not the physical plant or other structures would be built above ground in the APZ1. A.R.S. § 28-8461 provides that no aboveground buildings or structures can be built in APZ one. As we understand the planning phase to site, design, and construct the physical plant and any other structures will not be built in APZ one.

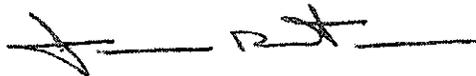
Based on the proposed activity as described in the EPCOR overview, at the location described above, along with assurances of aviary abatement if open air water pools are used, the wastewater treatment plant is compatible and consistent with the high noise or accident potential of a military airport or ancillary military facility, and will not negatively impact the flying operations at Luke AFB.

Since the water treatment facility will be located within the "territory in the vicinity of a military airport," it will be subjected to high noise from approximately 165 flights a day, with some as low as 300 feet above ground level. We recommend you review the sound attenuation requirements found in A.R.S. § 28-8482. In addition, a strong notification program on the part of the applicant will be essential in inform potential users of the property about Luke AFB Operations.

Please note that construction plans and oversized construction equipment for this property may be influenced by requirements from the FAA and may require submittal of an FAA Form 7460-1, Notice of Proposed Construction or Alteration.

If there are any questions, please contact my Community Planner, Mr. Barbara Plante, at (623) 856-9981.

Sincerely

A handwritten signature in black ink, appearing to read 'J. R. Mitchell', written over a horizontal line.

JAMES R. MITCHELL

cc:

Colonel Jeremy T. Sloane, Vice Commander, 56th Fighter Wing

Ms. Cindy L. Calderon, GS-13, General, and Environmental Law Attorney, 56th Fighter Wing



City Manager's Office
16000 N. Civic Center Plaza
Surprise, AZ 85374
Ph 623-222-1100
Fax 623-222-1021
TTY: 623-222-1002

December 31, 2013

Mr. Troy Day
Vice President of Operations
EPCOR WATER
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

RE: MAG 208 Amendment – EPCOR West Valley Regional Water Reclamation Facility

Dear Mr. Day:

The City of Surprise has received your request dated December 20, 2013. The City of Surprise supports EPCOR's proposed amendment as the area to be served is south of Peoria Avenue and thus outside the City of Surprise wastewater service area. Note that the City of Surprise serves the Cortessa development which is south of Peoria Avenue, but not in the area proposed for service by EPCOR.

Please feel free to contact Dick McKinley, Public Works Director at 623-222-6020 if you have any questions or need additional assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Hillman", written over a light blue horizontal line.

Chris Hillman
City Manager

C: Jeff Mihelich, Assistant City Manager
Dick McKinley, Public Works Director



THE CITY OF
Litchfield Park

Office of the City Manager

SENT VIA ELECTRONIC & USPS MAIL

January 22, 2014

Ms. Julie Hoffman
Environmental Planning Program Manager
Maricopa Association of Governments
302 North 1st Avenue | Suite 300
Phoenix, Arizona 85003

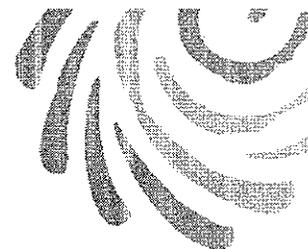
Re: EPCOR West Valley Regional Water Reclamation Facility
MAG 208 Water Quality Management Plan Amendment

Dear Ms. Hoffman:

As City Manager of the City of Litchfield Park, I was notified in writing by EPCOR Water, Inc. on December 20, 2013, of a pending application to expand EPCOR's Aqua Fria Wastewater Service Area. I was also provided with a copy of a report entitled *EPCOR Water Arizona, Loop 303 Wastewater, Maricopa Association of Governments 208 Water Quality Management Plan Amendment Application* (the Report) dated December 2013. City staff has reviewed these documents and offer the following comments and requests of MAG:

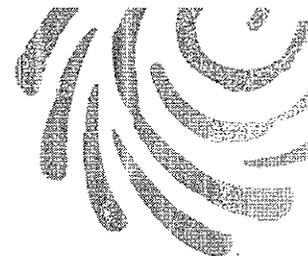
1. The Report indicates that the location of the proposed wastewater treatment plant is within approximately 4,500 feet of the Litchfield Park city limits and residences within the City. This proximity of the plant to residential development within our City is concerning from the standpoint of nuisance factors normally associated with wastewater treatment plants such as odors and noise. The report states that a buffer zone of 350 feet will be provided around the plant. It is our understanding of State requirements that, in order for a buffer this small to be allowed around a wastewater treatment plant, the plant components must be completely enclosed and provided with active noise and odor control facilities. In processing this amendment to the 208 Water Quality Management Plan, we ask MAG to require this treatment facility to meet all State requirements and install all other state-of-the-art equipment as necessary to completely eliminate noise, odor and other nuisance impacts on the residents of the City of Litchfield Park.
2. The Report also states that the first phase of the treatment facility will be a packaged plant. We ask MAG to likewise require that this first phase packaged plant also be completely enclosed and equipped with state-of-the-art noise, odor and nuisance control components.

1 of 3



3. The Report further states that even before the first phase packaged plant is placed into operation, the plan is to "vault and haul" the initial sewage flows entering the plant site. The vault and haul operation entails pumping of raw sewage from an underground chamber into tank trucks, which then haul the raw sewage to a nearby wastewater treatment plant for disposal. The Liberty Utilities wastewater treatment plant at 14222 West McDowell Road appears to be the nearest existing treatment facility to the proposed EPCOR plant. The most direct route from the EPCOR site to the Liberty Utilities plant is Camelback Road east to Litchfield Road, then south to McDowell Road. The City of Litchfield Park is concerned about hauling of raw sewage through our City on high-speed arterial streets. We ask MAG to prohibit the practice of vault and haul of raw sewage for the EPCOR plant. If MAG decides to allow raw sewage to be hauled to the Liberty Utilities plant or any other wastewater treatment plant, then we ask that MAG require EPCOR to use a route that prohibits numerous tank trucks full of raw sewage from using the streets within the City of Litchfield Park.
4. When the proposed EPCOR plant becomes operational, it will begin to create sludge from the treatment process. The Report states that this sludge will be hauled to a landfill or placed on agricultural fields for disposal. Our experience is that stabilized land-applied sewage sludge from treatment facilities such as the one proposed by EPCOR can still generate odors. We ask that MAG prohibit the land application of sewage sludge from this facility and, instead, require that all sludge be disposed of in a properly permitted landfill. Further, we ask MAG to prohibit the hauling of sludge from the EPCOR plant on any streets within the City of Litchfield Park.
5. The Report states that effluent from the plant will be treated to standards that allow it to be discharged into local washes or irrigation district facilities, but there are no details provided regarding the location of the discharge point or the wash that would accept the flow. Since the City of Litchfield Park is located downstream from the plant site, the City requests that MAG require EPCOR to prepare at this time a plan for the re-use of effluent from the proposed plant that specifically identifies the location of re-use. The City reserves the right to review and have input into the approval of that plan by applicable agencies. In reviewing the location of this plant, we do not believe that there are any washes in the vicinity that can receive a discharge of effluent from this plant.
6. Furthermore, since reclaimed wastewater is a valuable resource that should not be wasted, the City asks MAG to prohibit any discharge of effluent from the proposed EPCOR plant. On-site storage facilities can be provided to contain excess effluent that cannot be immediately re-use or recharged.

Ms. Julie Hoffman
Maricopa Association of Governments
EPCOR West Valley Regional Water Reclamation Facility
MAG 208 Water Quality Management Plan Amendment
January 22, 2014
3 of 3



7. Since the proposed EPCOR plant location is up-gradient from the City of Litchfield Park and the Phoenix-Goodyear Airport North Superfund plume of contaminated groundwater, the City asks MAG to require EPCOR to recharge effluent into the groundwater aquifer in a means designed to provide long-term resistance to the spread of the Plume.

Thank you for consideration of our requests. We are happy to meet and provide you with additional information at your convenience.

Sincerely,

Darryl H. Crossman
City Manager

cc: Mayor Thomas L. Schoaf
Members of Council
Woody Scoutten, City Engineer
Susan Goodwin, City Attorney
Dale Bodiya, Program Manager, Maricopa County Environmental Services Dept.
Javier Setovich, Deputy Director for Plant Operations, City of Glendale



Office of the City Manager

SENT VIA ELECTRONIC AND USPS

January 30, 2014

Mr. Troy Day
Vice President of Operations
EPCOR Water
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

Re: Comments and Concerns of The City of Litchfield Park Regarding the
EPCOR Water Arizona Inc. MAG 208 Amendment Application
for the West Valley Regional Water Reclamation Facility

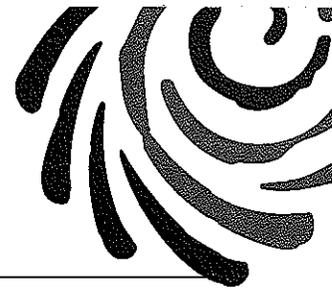
Dear Mr. Day:

Thank you for your emailed draft letter of January 24, 2014 (attached), in response to comments and concerns raised by the City of Litchfield Park in our letters of January 17 and 22, 2014, regarding your company's application for an amendment to the MAG 208 Water Quality Master Plan and extension of your wastewater service area.

With respect to the potential nuisance issues, we appreciate your commitment to completely enclosing plant components, installing scrubbers and noise abatement equipment, and controlling dust at the site to mitigate the potential for such nuisances. We expect that this commitment will begin with the first acceptance of wastewater at your proposed facility and continue unabated for the entire life of the facility. We will monitor the progress of this project to ensure that your commitment is fulfilled and that only the best available equipment and practices to mitigate potential nuisances from the plant will be included in your plans.

Regarding vault and haul operations, we appreciate your commitment to transport the wastewater to existing EPCOR facilities located to the west of your proposed plant, thus eliminating the need to transport raw wastewater through the City of Litchfield Park. Again, we will monitor the initial start-up of the proposed plant to ensure that this commitment is also fulfilled. Should your concepts change as the project progresses, we would appreciate being informed as to your revised plans for transporting raw wastewater.

Likewise regarding disposal of sludge from the proposed facility, we appreciate your commitment to dispose of the sludge at the Northwest Valley Landfill and to commit to a route for hauling the sludge that eliminates trucks from travelling through the City of Litchfield Park. If the sludge may be applied to land in the vicinity of the proposed plant in the future, we expect that EPCOR and its successors will notify the City. We continue to be concerned that, if the sludge is inadequately treated and applied to the land, an unacceptable nuisance could be created for our citizens not only due to odors, but also as a result of birds, animals and insects being attracted to the sludge. For that reason, we reserve the right to intervene in the permitting process for such land application of sludge and to insist that the operation be stopped if a nuisance develops.



Regarding disposal of effluent, we appreciate EPCOR's commitment to re-use and recharge effluent as much as possible. However, we continue to be concerned about the discharge of effluent to washes in the vicinity of the plant. The area around the proposed plant site—especially the area downstream and south of Camelback Road—has developed rapidly over the last few years and is continuing to develop today. The only wash in the area that could accept effluent from this proposed plant is Bullard Wash, which has been constructed as a grass-lined linear park and amenity for the surrounding community. Bullard Wash extends for several miles through residential areas and undeveloped property until it reaches the Gila River. We do not understand how this wash, which provides recreational opportunities for thousands of people every day, could be used for the disposal of effluent. There would be numerous puddles along the way in which children might play.

Furthermore, we are concerned that emergency disposal of effluent could include inadequately treated wastewater, which would add to the potential of health issues. We have seen recent incidents in the Phoenix Metro area where inadequately treated effluent discharged to lakes within a community has created odor problems for the nearby residents. We continue to request that the issue of surficial discharge of effluent be addressed at this early stage of planning for this facility.

Regarding recharge of effluent to help control the spread of the Phoenix-Goodyear Airport North Superfund plume, we will participate in the aquifer protection permitting process for the EPCOR plant and encourage, through that process and other activities, the beneficial use of effluent recharge for that purpose.

We appreciate your quick response to our concerns and look forward to an ongoing and mutually beneficial resolution to the issues we have raised.

Sincerely,

Darryl H. Crossman
City Manager

Attachment: 3 page emailed draft letter of 1/24/14 to D. Crossman from T. Day

cc: Chairman Bob Stump, Arizona Corporation Commission
Commissioner Bob Burns, Arizona Corporation Commission
Commissioner Brenda Burns, Arizona Corporation Commission
Commissioner Gary Pierce, Arizona Corporation Commission
Commissioner Susan Bitter Smith, Arizona Corporation Commission
Mayor Thomas L. Schoaf
Members of Council
Woody Scoutten, City Engineer
Susan Goodwin, City Attorney
Dale Bodiya, Program Manager, Maricopa County Environmental Services Dept.
Javier Setovich, Deputy Director for Plant Operations, City of Glendale
Julie Hoffman, Environmental Planning Program Manager, MAG
Shawn Bradford, Director, Central Division, EPCOR Water
Tom Suriano, Principal Hydrogeologist, Clear Creek Associates
Brian Dalke, City Manager, City of Goodyear

January 24, 2014

City of Litchfield Park
Darryl Crossman, City Manager
214 W. Wigwam Boulevard
Litchfield Park, AZ 85340

Re: Comments and Concerns of The City of Litchfield Park Regarding the EPCOR Water Arizona Inc. MAG 208 Amendment Application for the West Valley Regional Water Reclamation Facility

Dear Mr. Crossman:

On January 22nd EPCOR Water Arizona Inc. (EPCOR) was provided an electronic copy of your letter (attached) to the Maricopa Association of Governments expressing Litchfield Park's comments and concerns with respect to the MAG 208 Amendment Application for EPCOR's proposed West Valley Regional Water Reclamation Facility (WVRWRF). EPCOR has reviewed your letter and offers the following responses in hopes we can reach a mutually satisfactory and timely resolution of your concerns and obtain a letter of no objection for the amendment application. Our staff looks forward to meeting with you at your earliest convenience to discuss your concerns and explain how we intend to address them to your satisfaction.

Comments 1 and 2 address the possibility of odor, noise, and other potential nuisance conditions at the proposed WVRWRF and requests plant components at the facility be completely enclosed and that state-of-the-art technologies be used to control those conditions. EPCOR is fully committed to being a good neighbor and meeting or exceeding all relevant State requirements related to this issue, completely enclosing plant components, installing scrubbers and noise abatement equipment, and controlling dust at the site to mitigate the potential for such nuisance conditions. These efforts will commence with the construction phase and will be in place for the life of the facility.

Comments 3 and 4 address concerns related to interim "vault-and-haul" operations, the generation of sewage sludge and transport of same, and the potential application of sewage sludge to nearby agricultural lands. If vault-and-haul operations become necessary during the initial start-up of the WVRWRF, EPCOR will transport those materials westward to EPCOR's Russell Ranch Water Reclamation Facility near the intersection of Camelback Ave and Citrus Road, or to EPCOR's Verrado WRF farther west. EPCOR intends to deliver the sludge generated at the WVRWRF to the Northwest Valley Regional Landfill at 19401 West Deer Valley Road in Surprise, Arizona. Sludge would be transported west from the facility along Camelback Ave and then north along the Loop 303 to the landfill. All treatment and disposition of sewage sludge will be performed in compliance with ADEQ's Biosolids/Sewage Sludge Management Program. If, at some point in the future, EPCOR identifies a potential customer interested in the purchase and/or land application of biosolids from the WVRWRF, we

January 24, 2014

City of Litchfield Park
Darryl Crossman, Town Manager
214 W. Wigwam Boulevard
Litchfield Park, AZ 85340

will work with Litchfield Park to ensure the customer addresses the concerns of local stakeholders and that such activities do not create nuisance conditions.

Comment 5 expresses Litchfield Park's concerns about the ultimate disposition of treated effluent from the WVRWRF and requests a plan be developed now that specifically identifies the location of future reuse or discharge. In addition, Litchfield Park expresses concern that there are no suitable washes in the vicinity of the WVRWRF which could receive discharges from the facility. EPCOR is committed to developing beneficial reuse options that will maximize the efficient use of treated effluent and minimize the potential for negative impacts to our neighbors. EPCOR is currently in the initial planning phase of identifying the range of potential options for the reuse of the Class A+ treated wastewater that will be generated at the WVRWRF. Our highest priorities are providing beneficial reuse opportunities for our customers and conducting on-site recharge to the maximum extent practicable on the 40 acre site of the WVRWRF. While it is not possible to identify the specific reuse customers and volumes required within the proposed service area until the area begins to experience growth, we are exploring the opportunity to use the nearby Falcon Golf Club as an off-site point of reuse. In addition, EPCOR is also exploring the long-range possibility of off-site recharge opportunities with the Central Arizona Groundwater Replenishment District. We believe any water recharged in this area will be beneficial to declining water levels in the regional aquifer.

With respect to the potential for surficial discharges to a nearby wash, EPCOR plans to obtain an Arizona Pollutant Discharge Elimination Systems (AZPDES) permit now as a necessary tool to provide future operational flexibility in the event of an unforeseen emergency condition where on-site recharge, off-site recharge, and reuse capabilities become inadequate to handle all flows. EPCOR does not anticipate this emergency disposal option could be necessary until the facility reaches much higher flows, and any efforts by EPCOR to obtain a permit for surficial discharge will be conducted through the open public permitting process of the AZPDES program. EPCOR anticipates Litchfield Park will be actively involved in the AZPDES permitting process as we identify and evaluate the range of available effluent disposal options with full consideration for mitigating the potential for negative impacts on surrounding neighbors and communities. EPCOR would also like to engage Litchfield Park now to better understand your concerns about emergency surficial discharges and to identify a practical and mutually acceptable solution.

Comment 7 expresses Litchfield Park's concerns about the Phoenix-Goodyear Airport North Superfund plume of contaminated water and asks MAG to require EPCOR to conduct recharge operations in a manner that provides long-term resistance to the spread of the plume. EPCOR recognizes the importance to Litchfield Park of containment of the Phoenix-Goodyear Airport North Superfund contamination plume. During the Aquifer Protection Permit (APP) Process, Litchfield Park and the other interested parties will have the opportunity to express their respective concerns regarding the anticipated impact of EPCOR's recharge plans on the contamination plume. EPCOR will subsequently comply with all permitting requirements established in the APP for recharge operations associated with the WVRWRF.

January 24, 2014

City of Litchfield Park
Darryl Crossman, Town Manager
214 W. Wigwam Boulevard
Litchfield Park, AZ 85340

In closing, EPCOR hopes our responses and assurances provided here adequately address your concerns about the WVRWRF and the MAG 208 amendment application. We are committed to constructing and operating the WVRWRF to support the future wastewater demands of the region, and we are also committed to doing this as a responsible neighbor to nearby residents and communities.

Please feel free to call me if you have any questions or would like to discuss these issues further.

Regards,

Troy Day
Vice President of Operations

Enclosure

cc: Julie Hoffman, Maricopa Association of Governments
Dale Bodiya, Maricopa County
Javier Setovich, City of Glendale
Mayor Thomas L. Schoaf
Members of the Litchfield Park City Council
Woody Scoutten, City Engineer
Susan Goodwin, City Attorney

DRAFT



THE CITY OF
Litchfield Park

Office of the City Manager

SENT VIA ELECTRONIC AND USPS

February 28, 2014

Mr. Frank T. Metzler, PMP
Project Manager
EPCOR Water
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, Arizona 85027

Re: West Valley Regional Water Reclamation Facility
MAG 208 Water Quality Management Plan Amendment

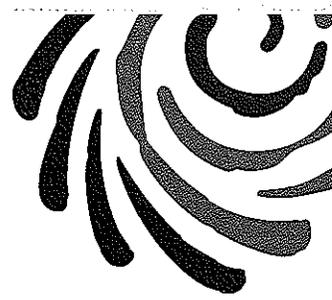
Dear Mr. Metzler:

As City Manager of the City of Litchfield Park, I received your December 20, 2013 letter providing notification of a pending application to expand EPCOR's Aqua Fria Wastewater Service Area. I was also provided with a copy of a report entitled *EPCOR Water Arizona, Loop 303 Wastewater, Maricopa Association of Governments 208 Water Quality Management Plan Amendment Application* dated December 2013. City Staff has completed a review of these documents.

As was indicated to EPCOR in my January 22, 2014 letter to Julie Hoffman of MAG and my January 30, 2014 letter to Troy Day of EPCOR, the City is concerned about the impact this wastewater treatment plant will have on the residents of Litchfield Park from the standpoint of nuisances and effluent management. Based on the written communications we have received from EPCOR and our February 13, 2014 meeting with EPCOR Staff, including representatives of the Cities of Goodyear and Glendale, we are satisfied that EPCOR will provide the best available technology to minimize any potential nuisance impacts the proposed plant may have on our citizens.

With regard to effluent management, we appreciate EPCOR's commitment to re-use and recharge effluent to the greatest extent possible. The area in which the plant will be located drains to Bullard Wash. But, Bullard Wash is a man-made, landscaped drainage way that serves as a passive recreation amenity for the surrounding neighborhoods. Since Bullard Wash is used on a daily basis by residents of the area, we believe discharge of excess effluent to Bullard

Mr. Frank T. Metzler, PMP
EPCOR Water
West Valley Regional Water Reclamation Facility
MAG 208 Water Quality Management Plan Amendment
February 28, 2014
2 | 2



Wash would be inappropriate. Thus, excess effluent generated by the EPCOR plant that cannot otherwise be re-used or recharged, should be stored on the plant site. Other options, such as discharge to the Camelback Channel or conveyance in an underground pipe, should also be explored.

With the understanding that EPCOR will not seek a permit to allow discharge of effluent to Bullard Wash from the proposed West Valley Regional Water Reclamation Facility, the City of Litchfield Park supports your proposed amendment to the MAG 208 Water Quality Management Plan.

Should you have any questions, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "Darryl H. Crossman".

Darryl H. Crossman
City Manager

cc: Chairman Bob Stump, Arizona Corporation Commission
Commissioner Bob Burns, Arizona Corporation Commission
Commissioner Brenda Burns, Arizona Corporation Commission
Commissioner Gary Pierce, Arizona Corporation Commission
Commissioner Susan Bitter Smith, Arizona Corporation Commission
Mayor Thomas L. Schoaf
Members of Council
Woody Scoutten, City Engineer
Susan Goodwin, City Attorney
Dale Bodiya, Program Manager, Maricopa County Environmental Services Dept.
Javier Setovich, Deputy Director for Plant Operations, City of Glendale
Julie Hoffman, Environmental Planning Program Manager, MAG
Shawn Bradford, Director, Central Division, EPCOR Water
Tom Suriano, Principal Hydrogeologist, Clear Creek Associates
Brian Dalke, City Manager, City of Goodyear
Robert Beckley, Deputy City Manager, City of Goodyear



**Town of Youngtown
12030 Clubhouse Square
Youngtown, Arizona 85363**

April 30, 2014

Mr. Frank T. Metzler, PMP
Project Manager
EPCOR Water
2355 W. Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

RE: West Valley Regional Water Reclamation Facility
MAG 208 Water Quality Management Plan Amendment

Dear Mr Metzler:

The Town of Youngtown received your letter dated December 20, 2013, which provides notification of a pending application to expand EPCOR's Agua Fria Wastewater Service Area.

Youngtown is aware of the concerns of the City of Litchfield Park and the City of Goodyear, with regards to effluent management and discharge of excess effluent to Bullard Wash.

The Town of Youngtown supports your proposed amendment to the MAG 208 Water Quality Management Plan, with the understanding that EPCOR will not seek a permit to allow discharge of effluent to Bullard Wash from the proposed West Valley Regional Water Reclamation Facility.

If you have any questions, please let me know.

Sincerely,


Jeanne Blackman
Town Manager

OFFICE OF THE TOWN MANAGER

Town Hall: 623/933-8286 Public Safety: 623/933-8286 Court: 623/972-8226 Fax: 623/933-5951 TDD: 623/974-3665



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Appendix C - Design Considerations to Mitigate Bird Strike Hazards



United States
Department of
Agriculture

February 14, 2014

Marketing and
Regulatory
Programs

Animal and
Plant Health
Inspection
Service

Wildlife
Services

8836 N 23rd Ave.,
Suite 2
Phoenix, AZ 85021
(602) 870-2081
Fax (602) 870-2951

Frank T. Metzler, PMP
Engineering Project Manager
EPCOR Water (USA) Inc.
2355 West Pinnacle Peak Road, Suite 300
Phoenix, AZ 85027

Re: EPCOR Proposed West Valley Regional Water Reclamation Facility

Dear Mr. Metzler:

Wildlife Services appreciates the opportunity to be involved in the planning process for this project due to its proximity to Luke Air Force Base. Wildlife Services would like to thank you for your concerns and efforts in trying to minimize the potential for wildlife hazards to aircraft operations.

Wildlife Services (WS) is a division of the U.S. Department of Agriculture, whose mission is to resolve conflicts between wildlife and people. One of the roles of WS is to assess wildlife conflicts at or around airports and improve safety by reducing hazards associated with wildlife. To accomplish this goal, WS has entered into a Memorandum of Understanding with the Department of Defense (DoD), which designate WS as the authority on wildlife hazard management at airports.

The issue at hand is whether or not the project would create a bird aircraft strike hazard. After a review of the proposed location and layout, WS believes that a potential bird strike hazard may be created. The creation of open water in a desert environment has the potential for attracting birds such as waterfowl and wading birds. These birds are especially hazardous to aircraft due to their size and flocking behavior. The new recharge basins would add to the areas habitat complex and provide additional habitat. The potential for more interaction with existing water bodies will subsequently increase the potential for wildlife hazards in the airspace.

Should the project move forward, then at a minimum the following recommendations need to be incorporated as part of the planning and active management of the recharge basins. The U.S. Air Force, Bird Aircraft Strike Hazard (BASH) team recommends a slope of 5:1 for new water basins to reduce bird use. The basins should either be covered with netting, a wire grid system or floating balls to remove the opportunity of birds to use the basin. Any vegetation in or around the basins would need to be removed. If unable to cover the water, then the facility should contract with a Wildlife Damage Management Biologist to patrol the basins and harass or lethally remove potential wildlife hazards. The Wildlife Damage Management Biologist should also be used to conduct an assessment and monitoring of the facility to track and mitigate potential wildlife hazards and use the assessment to develop a wildlife hazard management plan for the facility.

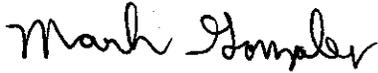


United States Department of Agriculture
Animal and Plant Health Inspection Service

Safeguarding American Agriculture

If you have any questions, then please do not hesitate to call me or District Supervisor Christopher Carrillo at (480) 606-8001 or (602) 870-2081, respectively.

Sincerely,



Mark Gonzales
Wildlife Biologist

Enclosures

Cc:

Christopher Carrillo, WS

David Bergman, WS

Lt Col Michael Cowan, Luke AFB

Lt Col Jason Hughes, Luke AFB

Rusty Mitchell, Luke AFB

Dan Sullivan, Air Force Safety Headquarters



EPCOR Water Arizona



MAG 208 Water Quality Management Plan Amendment

Appendix D - Letters of Co-Sponsorship



December 20, 2013

Julie Hoffman
Environmental Planner
Maricopa Association of Governments
302 N. 1st Avenue, Suite 300
Phoenix, Arizona 85003

RE: MAG 208 Amendment application – EPCOR’s Loop 303 West Valley Regional Water Reclamation Facility.

Dear Ms. Hoffman,

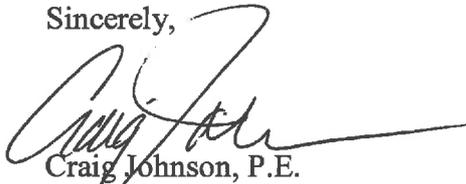
The City of Glendale has been requested by EPCOR Water Arizona Inc. (EPCOR) to support a MAG 208 amendment that would allow EPCOR to proceed with a plan for wastewater treatment facilities in the West Valley in the general vicinity of Luke Air Force Base, from Peoria Avenue to Camelback Avenue and from Litchfield Road to Citrus Road (the “303 Service Area”).

In accordance with the MAG 208 Water Quality Management Plan, the City of Glendale is officially requesting that you initiate the amendment process for the document entitled “EPCOR Water (USA) Inc. 208 Water Quality Management Plan Amendment Application Loop 303 Waste Water Master Plan” dated December 2013 and prepared by Water Works Engineers, LLC.

Glendale supports the proposed amendment that will allow EPCOR to provide sewer service to lands that fall within the municipal planning area of the City of Glendale as well as unincorporated portions of Maricopa County. Our understanding is that Maricopa County has expressed an intention to be co-sponsors of the proposed 208 amendment and it is currently reviewing EPCOR’s application before formalizing the sponsorship of the amendment as it impacts lands under their jurisdiction.

We look forward to working with MAG and appreciate your assistance to facilitate the review and approval process.

Sincerely,



Craig Johnson, P.E.
Executive director, Water Services Department
City of Glendale



Maricopa County

Environmental Services

Water and Waste Management Division

1001 N. Central Ave., Suite 150
Phoenix, AZ 85004
Phone: (602) 506-0371
Fax: (602) 506-6925
TDD: 602 506 6704
www.maricopa.gov/envsvc

May 2, 2014

Maricopa Association of Governments
302 North 1st Avenue, Suite 300
Phoenix, AZ 85003

Attention: Ms. Julie Hoffman, Environmental Planning Program Manager

Re: EPCOR Water Arizona Inc., West Valley Regional Water Reclamation
Facility and Service Area (West Loop 303 Service Area)
Clean Water Act, MAG 208 Amendment

Dear Ms. Hoffman:

EPCOR Water Arizona has submitted a proposed MAG 208 Amendment Application dated April 2014. The proposed Amendment is for an approximately 10,882 acre service area consisting of lands to the north and west of Luke Air Force Base (LAFB), bounded roughly by Peoria Avenue, Citrus Road, Camelback Road and 143rd Avenue. Wastewater treatment for the area would be provided by the new West Valley Regional Water Reclamation Facility (WVRWRF) to be located south of Luke Air Force Base and north of Camelback Road. This is termed the West Loop 303 WRF and Service Area.

EPCOR's Russell Ranch Water Reclamation Facility (RRWRF) will be used to provide wastewater treatment for initial development prior to construction of the WVRWRF. RRWRF treatment capacity will remain below the 0.40 MGD capacity approved in the MAG 208 Plan. Upon completion of the WVRWRF, the RRWRF service area and flows will be incorporated into the new West Loop 303 Service WRF and Service Area.

The City of Glendale provided a letter dated December 20, 2013 stating that it would support EPCOR's MAG 208 Amendment for The West Loop 303 Service Area. The project area wholly within the Glendale 208 Municipal Planning Area (MPA).

The document was submitted to the Department for review and co-sponsorship because the project is located within three miles of unincorporated areas of Maricopa County, and much of the service area is unincorporated Maricopa County land. The City of Avondale, City of El Mirage, City of Goodyear, City of Litchfield Park, Luke Air Force Base, City of Peoria, City of Phoenix, Town of Youngtown, are also located within three miles of the EPSCO West Loop 303 Service Area.

The proposed water reclamation facility and service area complies with the MAG 208 Review and Approval Process under the MAG 208 Areawide Water Quality Management

Plan. The project is not in conflict with Maricopa County plans for the area and it is acceptable.

The proposed service area does exclude approximately 1,200 acres of unincorporated Maricopa County land within the service area that creates an "island" within the Glendale MPA without a designated treatment facility. EPCOR plans to size the wastewater collection system and ultimate capacity of the WVRWRF to provide service to the Adaman Island area if requested in the future.

Please note that the Department has not reviewed, nor approved, the design of the facilities as part of the 208 review. Any technical issues that remain will need to be resolved during the design phase of the project. Approval to Construct (ATC) and Approval of Construction (AOC) must be obtained from this Department prior to start of construction and startup, respectively, of all treatment, discharge, recharge, and reuse facilities, including all conveyance facilities and final end user facilities.

Sincerely,

A handwritten signature in black ink that reads "Kevin S. Chadwick". The signature is written in a cursive, slightly slanted style.

Kevin S. Chadwick, P.E.
Division Manager

cc: Frank Metzler, PMP, Project Manager, EPCOR Water Arizona Inc., 2335 W. Pinnacle Peak Road, Suite 300, Phoenix, Arizona 85027
Javier Setovich, PE, Deputy Director of Water Services, City of Glendale, 7070 W. Northern Avenue, Glendale, AZ 85303
Utilities Division - Engineering Section, Arizona Corporation Commission,
1200 W. Washington, Phoenix, AZ 85007-2996
File

THE ARIZONA REPUBLIC

PUBLIC HEARING ON THE DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENT FOR THE WEST VALLEY REGIONAL WATER RECLAMATION FACILITY

Thursday, August 21, 2014 at 3:30 p.m. MAG Office, Suite 200 - Ironwood Room 302 N. 1st Ave., Phoenix, Arizona 85003

The Maricopa Association of Governments (MAG) will conduct a public hearing on the Draft MAG 208 Plan Amendment for the West Valley Regional Water Reclamation Facility. The purpose of the hearing is to receive public comment on the draft amendment. The proposed West Valley Regional Water Reclamation Facility would have an ultimate capacity of eight million gallons per day and be located in the southeast quarter of Section 18 of Township 2 North, Range 1 West. Reclaimed water would be disposed of through reuse, recharge, and a potential Arizona Pollutant Discharge Elimination System Permit discharge to Bullard Wash south of the City of Litchfield Park via a below-ground pipeline; Roosevelt Irrigation District Canal south of the City of Litchfield Park via a below-ground pipeline; and/or to the Agua Fria River via existing

concrete-lined stormwater channels. Once the West Valley Regional Water Reclamation Facility becomes operational, flows currently sent to the Russell Ranch Water Reclamation Facility would be redirected to the new facility. However, if there is an unforeseen delay in the construction of the West Valley Regional Facility, short-term treatment capacity improvements may be implemented at the Russell Ranch Facility as an interim treatment solution for initial development. The capacity of the Russell Ranch Water Reclamation Facility would not exceed the 400,000 gallons per day ultimate capacity currently identified in the MAG 208 Plan.

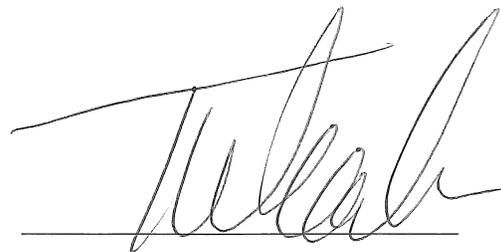
After comments are received and considered, the MAG Water Quality Advisory Committee may make a recommendation to the MAG Management Committee. On September 10, 2014, the Management Committee may make a recommendation to the MAG Regional Council. The Regional Council may take action on the draft plan amendment on September 24, 2014. The draft document is available for public review at the MAG Office from 8:00 a.m. to 5:00 p.m., Monday through Friday and on the MAG website at www.azmag.gov. Copies are also available for review at the Glendale Public Library, 5959 W. Brown St.; Mesa Public Library, 64 E. First St.; and Phoenix Central Public Library, 1221 N. Central Ave. Public comments are welcome at the hearing, or may be submitted in writing by 3:30 p.m. on August 21, 2014, to MAG staff at the address below. Contact Person: Julie Hoffman 302 N. 1st Ave., Suite 300 Phoenix, AZ 85003 Fax: (602) 254-6490 hoffman@azmag.gov Pub: Jul 3, 2014

STATE OF ARIZONA }
COUNTY OF MARICOPA } SS.

Tabitha Weaver, being first duly sworn, upon oath deposes and says: That she is a Sr. legal advertising representative of the Arizona Business Gazette, a newspaper of general circulation in the county of Maricopa, State of Arizona, published at Phoenix, Arizona, by Phoenix Newspapers Inc., which also publishes The Arizona Republic, and that the copy hereto attached is a true copy of the advertisement published in the said paper on the dates as indicated.

The Arizona Republic

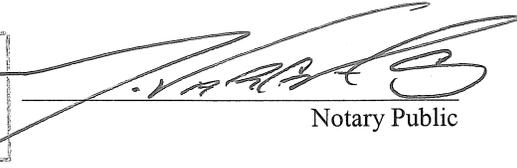
July 3, 2014



Sworn to before me this
15th day of
August A.D. 2014



MANUEL VARGAS
Notary Public - State of Arizona
MARICOPA COUNTY
My Commission Expires
November 30, 2015


Notary Public

July 17, 2014

TO: Interested Parties for Water Quality

FROM: Julie Hoffman, Environmental Planning Program Manager

SUBJECT: PUBLIC HEARING ON THE DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN
AMENDMENT FOR THE WEST VALLEY REGIONAL WATER RECLAMATION FACILITY

Public Hearing
August 21, 2014 at 3:30 p.m.
MAG Office, Ironwood Room
302 North 1st Avenue, Second Floor
Phoenix, Arizona 85003

The Maricopa Association of Governments (MAG) will conduct a public hearing on the Draft MAG 208 Water Quality Management Plan Amendment for the West Valley Regional Water Reclamation Facility. The purpose of the hearing is to receive public comment on the draft plan amendment.

The proposed West Valley Regional Water Reclamation Facility would have an ultimate capacity of eight million gallons per day and be located in the southeast quarter of Section 18 of Township 2 North, Range 1 West. The facility would be located in the Glendale Municipal Planning Area and serve a portion of the Glendale Municipal Planning Area that includes unincorporated areas of Maricopa County. Reclaimed water would be disposed of through reuse, recharge, and a potential Arizona Pollutant Discharge Elimination System Permit discharge to Bullard Wash south of the City of Litchfield Park via a below-ground pipeline; Roosevelt Irrigation District Canal south of the City of Litchfield Park via a below-ground pipeline; and/or to the Agua Fria River via existing concrete-lined stormwater channels.

Once the West Valley Regional Water Reclamation Facility becomes operational, flows currently sent to the Russell Ranch Water Reclamation Facility would be redirected to the new facility. However, if there is an unforeseen delay in the construction of the West Valley Regional Facility, short-term treatment capacity improvements may be implemented at the Russell Ranch Facility as an interim treatment solution for initial development. The capacity of the Russell Ranch Water Reclamation Facility would not exceed the 400,000 gallons per day ultimate capacity currently identified in the MAG 208 Plan.

For your information and convenience, a copy of the public hearing notice is enclosed. The draft document is available for public review at the MAG Offices from 8:00 a.m. to 5:00 p.m. Monday through Friday and on the MAG website at www.azmag.gov. Copies are also available for review at the Glendale Public Library, 5959 W. Brown Street; Mesa Public Library, 64 E. First Street; and Phoenix Central Public Library, 1221 N. Central Avenue. For further information or to submit written comments on the draft amendment prior to the hearing, please contact me at (602) 254-6300.

PUBLIC HEARING ON THE DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENT
FOR THE WEST VALLEY REGIONAL WATER RECLAMATION FACILITY

Thursday, August 21, 2014 at 3:30 p.m.
MAG Office, Suite 200 – Ironwood Room
302 N. 1st Ave., Phoenix, Arizona 85003

The Maricopa Association of Governments (MAG) will conduct a public hearing on the Draft MAG 208 Plan Amendment for the West Valley Regional Water Reclamation Facility. The purpose of the hearing is to receive public comment on the draft amendment.

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After comments are received and considered, the MAG Water Quality Advisory Committee may make a recommendation to the MAG Management Committee. On September 10, 2014, the Management Committee may make a recommendation to the MAG Regional Council. The Regional Council may take action on the draft plan amendment on September 24, 2014.

The draft document is available for public review at the MAG Office from 8:00 a.m. to 5:00 p.m., Monday through Friday and on the MAG website at www.azmag.gov. Copies are also available for review at the Glendale Public Library, 5959 W. Brown St.; Mesa Public Library, 64 E. First St.; and Phoenix Central Public Library, 1221 N. Central Ave. Public comments are welcome at the hearing, or may be submitted in writing by 3:30 p.m. on August 21, 2014, to MAG staff at the address below.

Contact Person: Julie Hoffman
302 N. 1st Ave., Suite 300
Phoenix, AZ 85003
Fax: (602) 254-6490
jhoffman@azmag.gov

July 17, 2014

Ms. Cynthia Zwick
Director
Arizona Community Action Association
2700 North 3rd Street, Suite 3040
Phoenix, AZ 85004-1122

Dear Ms. Zwick:

You are cordially invited to a public hearing on the Draft MAG 208 Water Quality Management Plan Amendment for the West Valley Regional Water Reclamation Facility. The hearing will be held on Thursday, August 21, 2014 at 3:30 p.m. in the Ironwood Room at the MAG Offices, 302 North 1st Avenue, Second Floor, Phoenix, Arizona 85003. The purpose of this hearing is to receive public comments. Written and verbal comments are welcomed at the public hearing. After considering public comments, the MAG Regional Council may take action on the amendment on September 24, 2014.

The proposed West Valley Regional Water Reclamation Facility would have an ultimate capacity of eight million gallons per day and be located in the southeast quarter of Section 18 of Township 2 North, Range 1 West. The facility would be located in the Glendale Municipal Planning Area and serve a portion of the Glendale Municipal Planning Area that includes unincorporated areas of Maricopa County. Reclaimed water would be disposed of through reuse, recharge, and a potential Arizona Pollutant Discharge Elimination System Permit discharge to Bullard Wash south of the City of Litchfield Park via a below-ground pipeline; Roosevelt Irrigation District Canal south of the City of Litchfield Park via a below-ground pipeline; and/or to the Agua Fria River via existing concrete-lined stormwater channels.

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The draft document is available for review at the MAG Offices, third floor, from 8:00 a.m. to 5:00 p.m. Monday through Friday and on the MAG website at www.azmag.gov. Copies are also available for review at the Glendale Public Library, 5959 W. Brown Street; Mesa Public Library, 64 E. First Street; and Phoenix Central Public Library, 1221 N. Central Avenue. We hope to see you or your representative at the hearing and to include your input in future planning efforts. For your convenience, a copy of the public hearing notice is attached. If you have any questions, please do not hesitate to contact me at (602) 254-6300.

Sincerely,



Julie Hoffman
Environmental Planning Program Manager

Attachment

PUBLIC HEARING ON THE DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENT
FOR THE WEST VALLEY REGIONAL WATER RECLAMATION FACILITY

Thursday, August 21, 2014 at 3:30 p.m.
MAG Office, Suite 200 – Ironwood Room
302 N. 1st Ave., Phoenix, Arizona 85003

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Contact Person: Julie Hoffman
302 N. 1st Ave., Suite 300
Phoenix, AZ 85003
Fax: (602) 254-6490
jhoffman@azmag.gov

MARICOPA ASSOCIATION OF GOVERNMENTS
DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENT
FOR THE WEST VALLEY REGIONAL WATER RECLAMATION FACILITY

(PUBLIC HEARING)

Phoenix, Arizona
August 21, 2014
3:35 p.m.

PREPARED FOR:

MARICOPA ASSOCIATION OF GOVERNMENTS

(ORIGINAL)

Reported by:
Sheryl L. Henke, RPR
Arizona CCR No. 50745



Ottmar & Associates, Inc.
3770 N. 7th Street, Suite 150
Phoenix, AZ 85014
T 602.485.1488
F 602.485.1605
Toll free 1.866.485.1444

1 MARICOPA ASSOCIATION OF GOVERNMENTS, Draft
2 MAG 208 Water Quality Management Plan Amendment for the
3 West Valley Regional Water Reclamation Facility, Public
4 Hearing, taken on August 21, 2014, commencing at 3:35
5 p.m., at Maricopa Association of Governments, 302 North
6 1st Avenue, Saguaro Room, Phoenix, Arizona, before
7 SHERYL L. HENKE, a Certified Reporter in the State of
8 Arizona.

9
10 MAG WATER QUALITY ADVISORY COMMITTEE MEMBERS ATTENDING:

11 Heather Finden for Randy Gottler, Phoenix, Chair
12 Barbara Chappell, Avondale, Vice Chair
13 Roger Klingler for Arnold Coronado, Buckeye
14 Larry Dobrosky, El Mirage
15 Javier Setovich, Glendale
16 Michael Weber, Peoria
17 Greg Homol, Queen Creek
18 Christine Nunez for Terry Lowe, Surprise
19 David McNeil, Tempe
20 Reyes Medrano for Mark Berrelez, Tolleson
21 Dale Bodiya for Kevin Chadwick, Maricopa County
22 Henry Day for Pinnacle West Capital/Arizona Public
23 Service
24 Sherrie Logg for Michael Byrd, Salt River Pima-Maricopa
25 Indian Community

20 MAG WATER QUALITY ADVISORY COMMITTEE MEMBERS ATTENDING
21 BY TELEPHONE CONFERENCE CALL:

21 Anupa Jain, Chandler
22 Jim Kudlinski, Salt River Project
23 Carole Coe Klopatek, Fort McDowell Yavapai Nation
24
25

1 OTHERS PRESENT:

2

Julie Hoffman, Maricopa Association of Governments

3 Kara Johnson, Maricopa Association of Governments

Lindy Bauer, Maricopa Association of Governments

4 Frank Metzler, EPCOR Water

Troy Day, EPCOR Water

5 Rebecca Stenholm, EPCOR Water

Andy Brown, EPCOR Water

6 Jared Carr, EPCOR Water

Mike Worlton, EPCOR Water

7 Martin Stanek, EPCOR Water

Frederick H. Tack, GHD Inc.

8 Bhaskar Kolluri, Liberty Utilities

Matthew Garlick, Liberty Utilities

9 Suzanne Ticknor, Central Arizona Project

Steve Carlson, Liberty Utilities

10 Mayor Adolfo Gamez, City of Tolleson

Chris Hagen, City of Tolleson

11 George Good, City of Tolleson

John Paul Lopez, City of Tolleson

12 Jeff Grant, Daily News-Sun

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1 (Commencement of public hearing at
2 3:35 p.m.)

3

4 MS. CHAPPELL: Okay, agenda item 4. I
5 now open the public hearing on the Draft MAG 208 Water
6 Quality Management Plan Amendment for the West Valley
7 Regional Water Reclamation Facility.

8 We begin with a briefing on the draft
9 amendment. Following the briefing, hearing
10 participants are invited to make comments for the
11 public record. The court reporter is present to
12 provide an official record of the hearing. Written
13 comments are also welcome. For those wishing to speak
14 on the draft amendment for the West Valley Regional
15 Water Reclamation Facility, please fill out a public
16 hearing card located on the tables in the meeting room
17 and hand it to MAG staff.

18 First, Frank Metzler of EPCOR will
19 provide a briefing on the Draft 208 Amendment.

20 MR. METZLER: Good afternoon. Can
21 everybody hear me? Good. Okay.

22 Well, first off, my name is Frank
23 Metzler. I'm an engineering project manager with EPCOR
24 Water Arizona. And I want to thank you for the
25 opportunity to talk about this proposed MAG 208

1 Amendment this afternoon.

2 I'm responsible for the planning,
3 engineering, design and construction of the West Valley
4 Regional Water Reclamation Facility. And I just have
5 about 15 slides that I would like to go over to give
6 you a little background of what we're up to and where
7 we're headed with this project.

8 So very briefly, I'm going to tell you a
9 little bit about where the proposed facility is located
10 and what the service area will look like. I will tell
11 you a little about the scope and the need for the
12 facility. I'll tell you a little bit about the design
13 of the facility itself.

14 I'll talk about some of the costs
15 associated with the construction of the facility and
16 the associated wastewater collection system. Then I'll
17 talk a little bit about the project schedule. And then
18 I'll touch briefly at the end of the presentation on
19 the Russell Ranch Water Reclamation Facility, which is
20 an existing package plant near the location of the West
21 Valley Facility.

22 A little bit about the overall site to
23 give you a perspective on where we're located here.
24 The West Valley Regional Water Reclamation Facility is
25 basically located north and west of Luke Air Force

1 Base, and the size of the service area is approximately
2 17 square miles. It's roughly a five mile by five mile
3 block. But a chunk of it is taken out in the southeast
4 corner. So we're just to the north and west of Luke
5 Air Force Base.

6 Peoria Avenue would be the northern
7 boundary of the proposed service area. Camelback Road
8 would be the southern boundary. Citrus Road would be
9 the western boundary. And Litchfield Road would be the
10 approximate eastern boundary for the proposed service
11 area.

12 Right now the land out there is composed
13 primarily of agricultural property with some low
14 density residential lands. These lands fall within the
15 Glendale Municipal Planning Area and unincorporated
16 Maricopa County. And this area is currently -- a lot
17 of this area is already currently served by the EPCOR
18 White Tanks Water Treatment Plant, which is located to
19 the northwest of this area.

20 Okay. Here's a slightly closer view of
21 the proposed wastewater service area. The red boundary
22 indicates the outer boundary of the proposed 208
23 Amendment that we're here to talk about today. The
24 colored-in parcels represent those landowners who have
25 already executed agreements with EPCOR requesting

1 wastewater service at some point in the future.

2 So those colored-in parcels there
3 represent about 3,600 acres, which is composed of a
4 mixture of residential lands, commercial lands and
5 industrial lands.

6 All right. Big picture overview of our
7 plan. The plan here is that EPCOR Water Arizona will
8 be the regulated water, wastewater and recycled water
9 service provider within the proposed service area. At
10 the same time as this MAG 208 Amendment is ongoing, we
11 also have a concurrent application to expand EPCOR's
12 Agua Fria wastewater CC&N, or to create a new
13 wastewater CC&N depending on how ongoing discussions
14 with the Arizona Corporation Commission unfold.

15 As I mentioned, we already have signed
16 agreements with 19 landowners for approximately 3,600
17 acres of land in the vicinity of Luke Air Force Base.
18 And the existing Russell Ranch Water Reclamation
19 Facility will be retired after the West Valley Regional
20 Water Reclamation Facility is constructed and is
21 operating. And a connection is established between
22 those two plants.

23 All right. Let's talk a little bit about
24 projected population flows and need for the facility.
25 Last fall EPCOR and Water Works Engineers prepared a

1 wastewater master plan that looked at the proposed and
2 projected land uses in the service area. And we
3 projected build-out of that service area over a 30-year
4 window.

5 So as any of you who are involved in
6 paying for and developing municipal infrastructure are
7 aware population projections and development
8 projections are not a science, it's more of an art
9 form.

10 The projections that we're sharing with
11 you today represent something on the higher end of the
12 continuum of aggressive versus slow. So just recognize
13 that these are all projections. And none of us really
14 has a crystal ball as to what the future holds in store
15 in the service area.

16 So the projections that we developed were
17 based on a conceptual land use plan that was prepared
18 by the Loop 303 Phase 1 landowners several years ago.
19 And that land use plan is very consistent with the long
20 range general plan for the City of Goodyear.

21 As you can see here looking out to 2045,
22 our projections right now are that there would be
23 approximately 23,000 residential, full-time residential
24 customers or residents out there. There would be
25 approximately 7,000 dwelling units, which includes both

1 new housing and existing housing that may or may not be
2 tied into the wastewater service system. And the
3 long-term projected build-out wastewater flow for the
4 service area would be approximately 7 million gallons.
5 And then we have a 1 million gallon per day margin of
6 safety on the design of our facility.

7 All right. In terms of land uses and
8 contribution of wastewater flow across different
9 sectors of land use, approximately 40 per cent of the
10 area that would produce wastewater flows would be
11 residential flows. Approximately 43 per cent would be
12 a mixture of industrial and commercial land uses. And
13 then you would have the remainder as a mixture of
14 schools and other land uses; recreational facilities
15 and that sort of thing.

16 All right. Let's talk a little bit about
17 the actual facility itself. The West Valley Regional
18 Water Reclamation Facility will be a conventional water
19 reclamation facility with tertiary treatment.

20 The initial capacity of the first phase
21 of the facility, which we're designing right now and
22 we're at 60 per cent design, would be 150,000 gallons
23 per day in ground concrete and steel plant. The
24 ultimate capacity of the facility, as I mentioned,
25 would be approximately 8 million gallons, but that

1 would take about 30 years.

2 The site that we're going to build the
3 facility on is approximately 40 acres in size. The
4 facility will produce class A+ effluent, which is
5 suitable for a wide range of uses, including
6 groundwater recharge and reclaim uses for irrigation,
7 common area irrigation and other non-potable uses.

8 Our primary focus for reuse of the water
9 is either on-site recharge, and that recharge will be
10 -- will help address the issues with the Luke Cone of
11 Depression. In addition, we will provide water for the
12 users in the vicinity of the service area for
13 non-potable uses, reducing the demand on our water
14 resources.

15 We will investigate the possibility of
16 teaming with the Central Arizona Groundwater
17 Replenishment District to create a long-term
18 groundwater saving facility or recharge facility that
19 can address other issues of water supply and
20 sustainability in the West Valley. And we'll also
21 consider groundwater savings facility.

22 Although we intend to completely achieve
23 on-site recharge of our effluent train, as well as
24 providing that product for local non-potable uses. We
25 will also explore the possibility of an AZPDES

1 discharge to give us flexibility in the event of an
2 extreme wet event where flows of the facility exceed
3 our ability to achieve recharge, and our customers
4 don't have a demand for the water at that time.

5 We'll coordinate those issues we already
6 have, and we'll continue to coordinate those issues
7 with the adjacent communities.

8 The biosolids will be dewatered and sent
9 to the landfill.

10 All right. In terms of the construction
11 of the facility itself, the facility will have full
12 odor and noise control using the best available
13 demonstrated control technologies. And it will consist
14 of all the usual suspects in a conventional wastewater
15 treatment plant.

16 Influent pump station, screen and grit
17 removal, bioreactors, clarification, tertiary
18 filtration, chlorination and de-chlorination, sludge
19 holding and dewatering, on-site recharge basins with
20 avian controls to address potential issues of bird
21 strikes associated with the Luke Air Force Base
22 operations.

23 We've been in close coordination with the
24 Air Force Base. And they have already provided us
25 guidance and requirements for the design of the

1 recharge basins, which we have already incorporated
2 into the design of the facility.

3 And once again there will be an enclosure
4 of all nuisance-causing components so that there are no
5 impacts to adjacent neighbors and residents.

6 All right. Here's a conceptual layout of
7 the facility and how it will be scaleable to address
8 gradual growth in the service area. The facility will
9 be -- the slopes out here run north to south, basically
10 northwest to southeast. So the facility is going to
11 run from a north to south orientation.

12 And the first phase of the facility,
13 which you can see right here, will be 150,000 gallon
14 treatment train. And when it's time to expand the
15 150,000 gallon treatment train into 500,000 gallons, we
16 won't have to tear any equipment out. We'll just add
17 on to that initial treatment train to achieve 500,000
18 gallons of treatment capacity.

19 So it's very important for us to not have
20 to build anything that we then have to take back out of
21 the ground afterwards.

22 As you can see, as flows in the area grow
23 and as we see growth coming and we need to provide more
24 wastewater treatment, we will expand the facility in a
25 scalable matter from east to west. And we have plenty

1 of real estate in order to expand.

2 All right. Here's just a quick snapshot,
3 it's a little dark, I apologize for that. But this is
4 3D rendering of what the facility is going to look
5 like. Our design firm is using this to help us
6 understand how all the components fit together to make
7 sure that we don't have any design issues. But as you
8 can see, it looks like a typical conventional
9 wastewater treatment plant.

10 The initial recharge basins will be
11 located in the southeast corner of the property.
12 Ultimately the recharge basins will completely surround
13 the facility. We'll also have fencing around the
14 treatment train, and then fencing around the recharge
15 basins.

16 Okay. Let's talk a little bit about
17 cost. According to the best available information that
18 we have at present, using the growth projections that
19 we used in the wastewater master plan, our plan is to
20 build a first phase of the treatment train at 150,000
21 gallons per day.

22 Our intent is to start construction on
23 that facility next year and complete that construction
24 in about a one-year window. And our best available
25 information right now is that that initial 150,000

1 gallon treatment train will cost about \$2.4 million.

2 As growth and the need for additional
3 capacity dictate in the area, we will add on to that
4 facility. The next phase will be turning that 150,000
5 gallon treatment train into a 500,000 gallon treatment
6 train that will cost approximately \$7.5 million for the
7 facility.

8 After that as we move forward, we can add
9 additional treatment capacity in 500,000 gallon, 1
10 million, any increment of 500,000 gallons, we can add
11 additional treatment out there as necessary to stay
12 ahead of the growth curve. There is obviously an
13 economy of scale as you move forward. And as you add
14 additional capacity, it will drive the cost down for
15 construction.

16 The other column on the far right
17 represents the investment in the collection system. A
18 wastewater treatment plant is no good if you don't have
19 sewer lines to get the flow to the plant. So those
20 costs represent the long range projected investment in
21 the wastewater sewer system to get those flows to the
22 plant.

23 All right. Where are we right now. We
24 have applied for and received from Maricopa County
25 Community Planning and Development Department the use

1 compatibility and consistency determination which
2 indicates that both the County and Luke Air Force Base
3 are in agreement and are comfortable with our proposed
4 plans for siting this facility at this location. We
5 obtained that last month. We are at 60 per cent design
6 for the water reclamation facility. I think I'm
7 getting the drawings tomorrow.

8 We're at approximately 30 per cent design
9 for the sewer lines, for the initial sewer lines that
10 will feed flows from Russell Ranch and from Granite
11 Vista developments to the West Valley Regional Water
12 Reclamation Facility.

13 I anticipate that the design for the
14 sewer system and the West Valley Facility will be
15 complete by this December. We intend to obtain our
16 military compatibility permit from the County in
17 January or February of 2015. We intend to obtain our
18 CC&N from the Corporation Commission in early 2015.
19 I'm shooting for an Approval to Construct in early 2015
20 with construction starting April 2015.

21 We need to be ready to build when the
22 developers and the residents of the area are ready for
23 a new plant. So we're pushing ourselves to make sure
24 we're ready in time. The start may be later than that
25 depending on the needs of the -- our partners,

1 developers and residents in that area.

2 All right. Here's a long laundry list of
3 the permits and approvals that are required to be
4 obtained in order to start construction on a facility.
5 And we're working on all of these. We're on various
6 stages of completion for all of these different permits
7 and approvals.

8 All right. Financing. We talked about
9 costs, let's talk about financing. The underlying
10 principal for the development of the Loop 303 West
11 Valley Regional Water Reclamation Facility and the
12 associated collection facilities is that growth pays
13 for growth.

14 The funds that will come to EPCOR in
15 order for us to construct the plant and the sewer
16 system will be a combination of Contributions in Aid of
17 Construction, Advances in Aid of Construction with
18 repayment windows that are specified in our agreements.

19 The funding, the cash flow from those
20 lands are tied to the development process. So as
21 people obtain their final plat approvals and their
22 building permits, there are specific milestones and
23 associated cash contributions flowing from those
24 developers to EPCOR to pay for the infrastructure.

25 The 40-acre site for the water

1 reclamation facility will be conveyed from the 303
2 landowners to EPCOR at no cost to EPCOR or to its
3 customers. And if necessary during the development of
4 the system, if there is a particular time where a cash
5 infusion is necessary to help with completion of the
6 infrastructure, EPCOR can infuse equity as necessary.

7 All right. The last slide I have for you
8 talks about the Russell Ranch Water Reclamation
9 Facility. The Russell Ranch Water Reclamation Facility
10 is a small package plant, which is located just outside
11 the outer boundary of this proposed 208 MAG Amendment.
12 There is a development referred to as Russell Ranch,
13 which at build-out I think will be approximately 450
14 houses. Right now I think that number is around 210
15 houses, 210 customers.

16 This facility is already in the MAG 208
17 Regional Water Quality Management Plan. And it was
18 permitted from a MAG perspective for 400,000 gallons
19 per day. We have an existing Aquifer Protection Permit
20 with ADEQ for 198,000 gallons per day. The current
21 permitted flow inflow into the facility is 60,000
22 gallons per day, and the current actually observed
23 inflow is approximately 35,000 gallons per day.

24 Right now EPCOR is in the process of
25 evaluating the costs and the options to add additional

1 treatment at the Russell Ranch package plant to keep it
2 operating as a functional wastewater solution for the
3 residents of Russell Ranch, and potentially for the
4 Granite Vista Phase 1 Development, which is a few miles
5 to the north. You can see it up here.

6 As it stands right now, the Granite Vista
7 Phase 1 Development, which represents about 380 houses,
8 would be the first development out of the chute that
9 would require additional wastewater treatment capacity
10 in this area.

11 So we are working -- at the same time
12 that we're working to design and construct the West
13 Valley Regional Water Reclamation Facility, we're also
14 designing and planning for the possibility of adding
15 capacity at Russell Ranch so that when Granite Vista
16 Phase 1 is ready to sell houses there will be a place
17 where those flows can go.

18 Our long-term plan, we've been very clear
19 about this, is that ultimately the Russell Ranch Water
20 Reclamation Facility, which is a package plant and is
21 not intended to be a permanent solution, ultimately
22 that facility will be retired. And the flows from
23 Russell Ranch will be connected to the West Valley
24 Regional Water Reclamation Facility.

25 And with that I've covered all 15 slides.

1 I don't know whether I should take questions or -- but
2 here's my number and my e-mail. If you have any
3 questions give me a ring, if you don't get your answer
4 today.

5 MS. CHAPPELL: Okay. Thank you.

6 MR. KLINGLER: Can we ask questions at
7 this point? Is that appropriate?

8 MS. CHAPPELL: No. At this time we need
9 to open for public comment. I have a couple cards
10 currently in front of me. I would like to open for
11 those comments first. Anything to talk about at this
12 point in time will be public record.

13 MR. KLINGLER: And then you will close
14 the public hearing and Mr. Metzler will be available
15 later. Okay.

16 MS. CHAPPELL: If you'd like to make a
17 public comment, you can do so as well.

18 Do we have any other comment cards?
19 Anybody else like to fill out a speaker card? Okay, we
20 have no others.

21 So the first one I have here is Matthew
22 Garlick of Liberty Utilities. Thank you.

23 MR. GARLICK: Thank you. We've got some
24 handouts we're just sending out.

25 My name is Matthew Garlick, director of

1 operations for Liberty Utilities. We are located just
2 south of the proposed WRF that is currently in front of
3 you today. The reason I'm here today is on
4 August 21st, the last meeting, there was some
5 statements made regarding our facility, that Liberty
6 Utilities and CAGR D were looking to build a facility in
7 a nearby area to conduct recharge.

8 I'm here today to inform you that we
9 think those statements are grossly misrepresented by
10 the applicant. Liberty is rapidly deploying and has
11 been working on the project for quite a long time.
12 Liberty and CAP, Central Arizona Project, sister
13 organization, CAGR D, have been working since 2010 on
14 completing the water recharge facility in the West
15 Valley within Liberty's certificated area.

16 Liberty and CAP have signed a 100-year
17 agreement as of February 2014 of this year in which we
18 perform -- we put together a partnership and a
19 relationship for recharging of LPSCO's effluent that
20 cannot be sold to its reuse customers.

21 Liberty and CAP have entered into a due
22 diligence and selected an optimum site for water
23 recharge. And that was accomplished through hydrologic
24 testing at multiple sites within our service territory.
25 And we've invested over \$300,000 in hydrologic

1 environmental feasibility tests. Liberty and CAP is --
2 the facility we're looking at is currently within
3 4,000 feet of this proposed wastewater facility that
4 you have in front of you today.

5 We are currently in escrow on the land
6 for this project that we're moving forward with.
7 Liberty and CAP and ADWR have already initiated a
8 permitting process for this recharge facility. Liberty
9 and CAP plan on recharging approximately 5 to
10 6,000 acre feet of effluent annually and subsequently
11 increase over the years.

12 Liberty currently has a 5.1 million
13 gallon facility located three miles to the south and is
14 permitted up to 8.2 MGD, with another MAG-approved
15 plant that we own land on further to the west on
16 McDowell Road, which is permitted also for another 8.2.
17 That infrastructure is currently in place today. And
18 it actually ties within 1,000 feet of that recharge
19 project.

20 In front of you, you will see the
21 locations of recharge projects currently in the West
22 Valley. You can see them kind of spattered all along.
23 If you notice, the close proximity to Liberty and the
24 EPCOR facility is quite concerning when it comes to
25 recharge.

1 Liberty and CAP, like I said, have owned
2 that facility, and our co-owners, CAP is co-owner of
3 the effluent distribution line. And what we're asking
4 today is that you understand what is actually going on
5 in the area. So that I'm not sure everybody's fully
6 aware of this.

7 And that's what we're here today to
8 communicate to you; that this is more than a proposed
9 facility. This facility is down the road. This
10 facility is in escrow. There is money down on the
11 land. This facility will be in the ground hopefully
12 within 20 months.

13 We're asking today to really consider
14 that when it comes to planning and how it may affect
15 Liberty and CAP over a long-term project. Thank you.

16 MS. CHAPPELL: Okay. Now, I have a
17 Suzanne Ticknor with Central Arizona Project.

18 MS. TICKNOR: Good afternoon, committee
19 members. My name is Suzanne Ticknor. I'm an attorney
20 with Central Arizona Project. And I'm here today on
21 behalf of one of CAP's authorities, which is the
22 responsibility for operating the Central Arizona
23 Groundwater Replenishment District, also known as the
24 CAGRD. The CAGRD, what it does is, it provides a
25 mechanism for new developments in the CAP service area

1 to demonstrate an assured water supply.

2 The CAGRDR really for subdivisions, water
3 providers, developers that do not have access to
4 renewable supplies, such as CAP water or SRP surface
5 supplies, they still are able under state law to
6 develop and get an assured water supply certificate and
7 get their plat approved, if they can demonstrate they
8 have access to groundwater, and if they join the CAGRDR
9 and promise to pay the GRD assessments.

10 The GRD then -- or the CAGRDR's
11 responsibility is to acquire a renewable supply of
12 water and recharge that water, replace it, replenish it
13 to keep the aquifer whole. It's a way of sustainable
14 development. It's a vitally important water management
15 tool, particularly for the West Valley. Many West
16 Valley providers and developers serve CAGRDR member
17 lands.

18 So I wanted to -- I was made aware of
19 today of this hearing. And I felt that it was
20 important for CAP to come and provide its perspective
21 and just to provide information for you all when you're
22 making planning decisions on the important partnership
23 that we have moved ahead with in Liberty; really
24 innovative, amazing, great partnership.

25 The partnership is a culmination of over

1 five years of work. In February of this year the CAWCD
2 board, the CAP board and Liberty's management executed
3 an agreement. The agreement provides, among other
4 things, for the lease by Liberty of effluent produced
5 by its Palm Valley Wastewater Reclamation Facility. A
6 100-year use of that effluent to the CAGR. To provide
7 the CAGR a water supply that it can use to replenish
8 groundwater pumped by its members.

9 That agreement also provided for the
10 joint development of an effluent recharge project, of
11 the infrastructure necessary for the CAGR to make use
12 of the effluent that it was leasing for 100 years.

13 To get to this point as Matthew,
14 Mr. Garlick, had previously testified, we undertook two
15 separate hydrologic feasibility studies to locate a
16 site for a viable, cost effective effluent recharge
17 project that was capable of storing a minimum of 5,000
18 acre feet of effluent a year.

19 CAWCD has moved forward. We executed our
20 agreement. We deposited close to \$5 million in escrow.
21 Liberty has committed over a million dollars of its
22 funds as well to advance this project.

23 We are -- we have selected a site,
24 studied the site. As Mr. Garlick testified, that site
25 is in escrow. We hope to close on escrow on that land

1 in November of this year. We have initiated the
2 permitting process for our recharge project and
3 underground storage facility, initiated that with
4 Arizona Department of Water Resources.

5 I just wanted to convey that CAWCD is
6 really excited about this partnership with Liberty.
7 It's an innovative, important partnership that we hope
8 to see more of in the future. It provides significant
9 benefit to CAWCD, its GRD members, to Liberty, and to
10 other municipal water providers in the area.

11 And it does so by first providing a
12 mechanism for GRD to offset groundwater pumping by its
13 members in the area of hydrologic impact. So our
14 members are located in the area of Liberty's service
15 area. And so that groundwater pumping is going to be
16 replenished in the same area. That's a beautiful thing
17 as far as we're concerned.

18 It also -- this partnership also provides
19 CAWCD and its members with a long-term lease of
20 effluent, a 100-year lease. Extremely valuable for the
21 CAGR and for CAP. Access to critical infrastructure.
22 Necessary for us to perform our replenishment
23 obligation.

24 And finally it provides hydrologic
25 benefits of groundwater recharge to -- to the entire

1 area. To other municipal providers that are located in
2 the area and may be reliant on groundwater for their
3 supply.

4 In closing, I wanted to make you aware of
5 the significant investment and planning that has gone
6 into this partnership. We would be concerned about the
7 location of another recharge facility 4,000 feet from
8 our planned site and facility. It would be
9 incompatible and inconsistent really with our ability
10 to move forward with our recharge facility.

11 And with that, I will conclude my
12 comments. Thank you very much.

13 MS. CHAPPELL: Thank you. I have one
14 more speaker.

15 MR. MCNEIL: I was wondering whether and
16 when it would be appropriate to ask clarifying
17 questions on the comments that are being made; if we
18 will have that opportunity or not.

19 MS. CHAPPELL: After the public hearing
20 unless, of course, you wanted to make a public comment,
21 that would be your course. Okay. So after we close
22 the public hearing, we will open to discussion by the
23 members.

24 MR. MCNEIL: Thank you.

25 MS. KLOPATEK: Madam Chairwoman.

1 MS. CHAPPELL: Yes.

2 MS. KLOPATEK: Is it possible to actually
3 ask the public a clarifying question?

4 MS. CHAPPELL: Sorry about that. I guess
5 if there was one point you wanted to make, we could
6 probably get clarification, but in the sake of time we
7 were hoping to get through the public comments, close
8 the public hearing and then open for discussion.

9 MS. KLOPATEK: But it's actually asking a
10 question of the last speaker to clarify something.

11 MS. CHAPPELL: Okay, yeah, we'll hear it.

12 MS. KLOPATEK: In regard to CAGR, what
13 would CAGR do if this facility were to be approved?
14 How would CAGR move on the facility with Liberty?

15 MS. TICKNOR: That's a very good
16 question. If this facility were approved and the
17 recharge component of the proposed wastewater facility
18 were constructed, it would render really impossible and
19 ineffective our ability to construct our planned
20 effluent recharge project. That would undermine the
21 critical element component of our deal.

22 Our deal marries a water supply with
23 effluent, which is effluent, with the necessary
24 infrastructure to replenish it, which is our
25 underground storage facility.

1 So we believe that it would -- I mean,
2 how can I say, render impossible the performance of our
3 agreement.

4 MS. KLOPATEK: May I ask a second
5 question, Madam Chairwoman?

6 MS. CHAPPELL: Sure.

7 MS. KLOPATEK: Is it possible to marry
8 the two facilities in which the effluent discharge
9 would actually go over to Liberty's facility, or are
10 those discussions just premature?

11 MS. TICKNOR: I am not in a position to
12 answer that question.

13 MS. KLOPATEK: All right. Thank you.

14 MR. MCNEIL: May I ask a brief question?
15 I just want to clarify, is the concern, is CAGR'D's
16 concern that if this facility is permitted from a
17 recharge standpoint, that there would not be adequate
18 capacity in the aquifer to accommodate the full
19 permitted flows of both facilities?

20 MS. TICKNOR: That's correct.

21 MR. MCNEIL: And the next question I have
22 is, you've got your recharge applications into ADWR.
23 Has the West Valley Facility also already submitted
24 recharge applications?

25 MS. TICKNOR: I don't -- I don't know. I

1 don't think so. I don't think there -- if Frank is
2 here. I can't -- I can't speak for that. And we have
3 not -- we have our permits. We haven't formally filed
4 them yet. We've met with ADWR on several occasions.
5 We had our pre-application meetings, but the permit --
6 our permit app itself has not yet been filed.

7 MR. MCNEIL: Thank you.

8 MS. CHAPPELL: Thank you. Okay. I would
9 like to call Troy Day of EPCOR.

10 MR. DAY: Well, thank you. I'm Troy Day
11 with EPCOR Water. Thank you for hearing my comments.
12 I wanted to address the recharge issue that was brought
13 up, and I wanted to congratulate and thank Liberty. We
14 agree this is an area of groundwater decline. It is an
15 area that needs recharge. As Glendale will point out,
16 they want to keep their water there for exactly that
17 reason.

18 This is a very straightforward permitting
19 issue by the Department of Water Resources. This is
20 not really a 208 issue. It is a Department of Water
21 Resource issue. And it's a very straightforward
22 permitting issue. We've had the discussions with DWR
23 as well.

24 To the previous caller's question, I
25 think it is possible to marry these two. They don't

1 have to be separate. And our discussions with DWR is
2 there is sufficient separation. And if there isn't,
3 our facility would be permitted for less. It's really
4 fairly straightforward.

5 And I would be happy to take any
6 questions.

7 MS. CHAPPELL: Thank you. Do we have any
8 other public comments for the record? I've gone
9 through the cards I have.

10 Okay. Seeing none, I would like to close
11 the public hearing at this time and request that the
12 court reporter end the transcript. Thank you.

13 (4:12 p.m.)

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1 STATE OF ARIZONA)
) SS.
 2 COUNTY OF MARICOPA)

3 BE IT KNOWN that the foregoing transcript was
 4 taken before me, SHERYL L. HENKE, a Certified Court
 5 Reporter in the State of Arizona; that the transcript
 6 of proceedings was taken down by me in shorthand and
 7 thereafter reduced to print under my direction; that
 8 the foregoing pages are a true and correct transcript
 9 of all proceedings, all done to the best of my skill
 10 and ability.

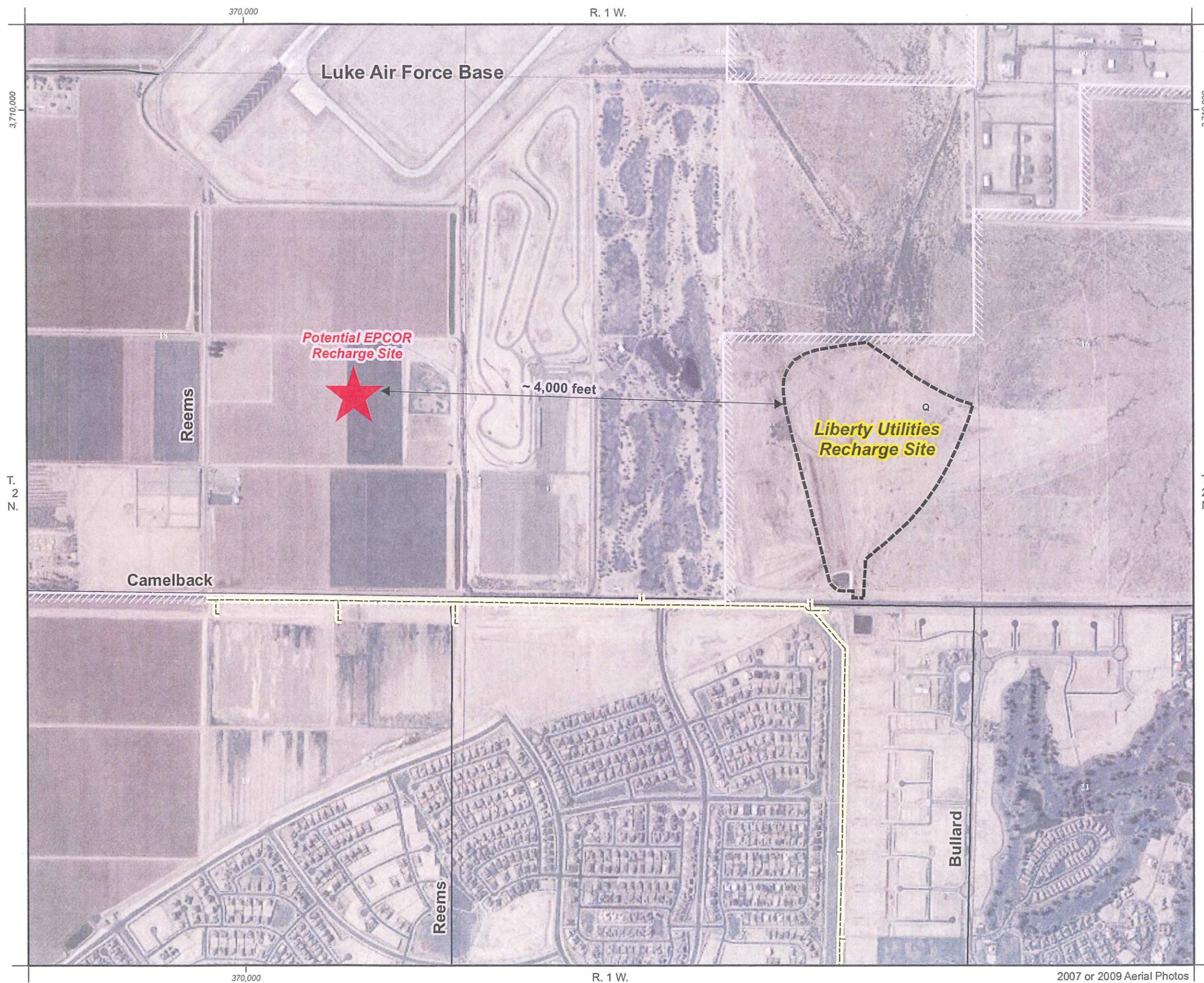
11 I further certify that I am in no way related to
 12 any of the parties hereto nor am I in any way
 13 interested in the outcome hereof.

14 Dated at Phoenix, Arizona, this 26th day of
 15 August, 2014.

Sheryl L. Henke

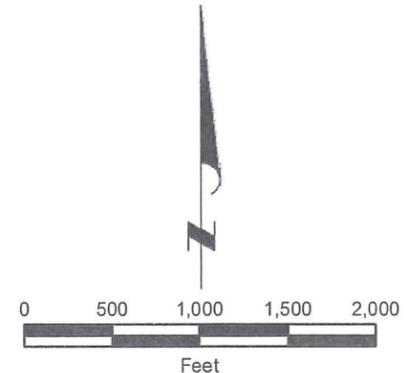
17 _____
 18 SHERYL L. HENKE - Digital Signature
 AZ Certified Court Reporter No. 50745

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EXPLANATION

- Liberty Utilities Service Area**
-  Water Service Area Boundary
-  Effluent Pipeline



**LOCATION MAP
FOR LIBERTY UTILITIES
RECHARGE PROJECT**



2007 or 2009 Aerial Photos

**RESPONSE TO PUBLIC COMMENTS ON THE
DRAFT MAG 208 WATER QUALITY MANAGEMENT PLAN AMENDMENT
FOR THE WEST VALLEY REGIONAL WATER RECLAMATION FACILITY**

AUGUST 21, 2014 PUBLIC HEARING

The Maricopa Association of Governments (MAG) appreciates the comments made during the public comment period for the Draft MAG 208 Water Quality Management Plan Amendment for the West Valley Regional Water Reclamation Facility. An advertised public hearing on the draft amendment was conducted by the MAG Water Quality Advisory Committee (WQAC) on August 21, 2014. At the public hearing, three testimonies were submitted. In addition, there were questions from Committee members on the testimony provided. These comments and the responses provided during the public hearing are noted in the response to comments.

The comments provided during the August 21, 2014 public hearing were forwarded to the City of Glendale and Maricopa County for response, since they are the jurisdictions that officially requested that MAG initiate the 208 amendment process for the Draft MAG 208 Plan Amendment for the West Valley Regional Water Reclamation Facility. The response to comments is provided below.

COMMENTS FROM LIBERTY UTILITIES (Testimony from Matthew Garlick, on August 21, 2014)

Comment: We've got some handouts we're just sending out. My name is Matthew Garlick, director of operations for Liberty Utilities. We are located just south of the proposed WRF that is currently in front of you today. The reason I'm here today is on August 21st, the last meeting, there was some statements made regarding our facility, that Liberty Utilities and the Central Arizona Groundwater Replenishment District (CAGRDR) were looking to build a facility in a nearby area to conduct recharge. I'm here today to inform you that we think those statements are grossly misrepresented by the applicant. Liberty is rapidly deploying and has been working on the project for quite a long time. Liberty and the Central Arizona Project (CAP), sister organization, CAGRDR, have been working since 2010 on completing the water recharge facility in the West Valley within Liberty's certificated area.

Response: During the MAG Water Quality Advisory Committee meeting held on May 21st, 2014, EPCOR explained that it intends to conduct long-term surficial recharge of Class A+ effluent at the proposed plant site, and that the area has been deemed suitable for recharge activities based on observed performance of recharge basins at the EPCOR Russell Ranch Water Reclamation Facility located three miles to the west, as well as infiltration data from the proposed WVRWRF site. EPCOR also mentioned it was our understanding that Liberty Utilities and the Central Arizona Groundwater Replenishment District were also planning to construct and operate a recharge facility somewhere in the vicinity of the proposed WVRWRF. EPCOR did not know the specific location of the proposed Liberty/CAGRDR recharge facility, the construction timetable, or

the proposed volumes of recharge envisioned by Liberty/CAGRDR when we made the presentation in May. On September 23, 2014, Liberty, CAGRDR, and EPCOR met to discuss the issue of the two proposed recharge facilities, and have jointly committed to work through any potential recharge permitting challenges with the Arizona Department of Water Resources. EPCOR and Liberty have signed a joint letter to this effect which will be provided to the MAG WQAC, and CAGRDR has signed a similar letter also addressed to the Chair of the WQAC.

Comment: Liberty and CAP have signed a 100-year agreement as of February 2014 of this year in which we put together a partnership and a relationship for recharging of LPSCO's effluent that cannot be sold to its reuse customers. Liberty and CAP have entered into a due diligence and selected an optimum site for water recharge. This was accomplished through hydrologic testing at multiple sites within our service territory. We've invested over \$300,000 in hydrologic environmental feasibility tests. The facility we're looking at is currently within 4,000 feet of this proposed wastewater facility that you have in front of you today.

Response: EPCOR only became aware of the proposed Liberty/CAGRDR joint recharge project in January of 2014 after we had completed a water reclamation facility siting analysis, paid for multiple real estate appraisals, coordinated with Luke Air Force Base, and initiated negotiations with the landowner for acquisition of the proposed site. The proposed site of the WVRWRF was chosen as the optimal site based on a variety of siting criteria. EPCOR was unaware of the general location of the proposed Liberty/CAGRDR facility until after concluding our siting analysis process. EPCOR looks forward to working through these issues with Liberty, CAGRDR and ADWR during the Underground Storage Facility permitting process.

Comment: We are currently in escrow on the land for this project that we're moving forward with. Liberty and CAP and the Arizona Department of Water Resources (ADWR) have already initiated a permitting process for this recharge facility. Liberty and CAP plan on recharging approximately 5 to 6,000 acre feet of effluent annually and subsequently increase over the years. Liberty currently has a 5.1 million gallon facility located three miles to the south and is permitted up to 8.2 million gallons per day (mgd), with another MAG-approved plant that we own land on further to the west on McDowell Road, which is permitted also for another 8.2. That infrastructure is currently in place today. It actually ties within 1,000 feet of that recharge project. In front of you, you will see the locations of recharge projects currently in the West Valley. You can see them kind of spattered all along. If you notice, the close proximity to Liberty and the EPCOR facility is quite concerning when it comes to recharge.

Response: EPCOR recognizes the concerns of Liberty Utilities and CAGRDR regarding the proximity of the proposed recharge projects, but we believe the two facilities as proposed will be hydrologically compatible and permittable by the Arizona Department of Water Resources (ADWR). EPCOR has requested the assistance of ADWR to facilitate a comprehensive and collaborative regional approach among all concerned parties to permit and implement groundwater recharge projects in the general vicinity of

the Luke Cone of Depression for the benefit of the West Valley. EPCOR looks forward to working through these issues with Liberty, CAGRDR and ADWR during the Underground Storage Facility permitting process.

Comment: Liberty and CAP, like I said, have owned that facility, and our co-owners, CAP is co-owner of the effluent distribution line. What we're asking today is that you understand what is actually going on in the area. I'm not sure everybody's fully aware of this. That's what we're here today to communicate to you; that this is more than a proposed facility. This facility is down the road. This facility is in escrow. There is money down on the land. This facility will be in the ground hopefully within 20 months. We're asking today to really consider that when it comes to planning and how it may affect Liberty and CAP over a long-term project.

Response: EPCOR has signed agreements with the City of Glendale and eighteen landowners to provide wastewater service for approximately 3,600 acres of land in the vicinity of Luke Air Force Base. These agreements were originally executed in October of 2012, based on negotiations which began in 2010. The site of the proposed WVRWRF facility, including the associated recharge basin, was determined in close coordination with those landowners. EPCOR has committed significant capital and staff resources to move this project forward just as Liberty and CAGRDR have done for their project. EPCOR anticipates having an operational water reclamation facility in early 2016 at which time we will commence recharge operations. EPCOR looks forward to working through these issues with Liberty, CAGRDR and ADWR during the Underground Storage Facility permitting process.

COMMENTS FROM CENTRAL ARIZONA PROJECT (Testimony from Suzanne Ticknor, on August 21, 2014)

Comment: I'm an attorney with Central Arizona Project. I'm here today on behalf of one of CAP's authorities, which is the responsibility for operating the Central Arizona Groundwater Replenishment District, also known as the CAGRDR. The CAGRDR, what it does is it provides a mechanism for new developments in the CAP service area to demonstrate an assured water supply. The CAGRDR really is for subdivisions, water providers, developers that do not have access to renewable supplies, such as CAP water or Salt River Project (SRP) surface supplies, they still are able under state law to develop and get an assured water supply certificate and get their plat approved, if they can demonstrate they have access to groundwater, and if they join the CAGRDR and promise to pay the GRD assessments. The CAGRDR's responsibility is to acquire a renewable supply of water and recharge that water, replace it, replenish it to keep the aquifer whole. It's a way of sustainable development. It's a vitally important water management tool, particularly for the West Valley. Many West Valley providers and developers serve CAGRDR member lands.

Response: EPCOR enthusiastically supports the mission and efforts of CAGRDR to provide an assured water supply within the District's area of responsibility. EPCOR also recognizes and embraces the critical importance of establishing a long term sustainable

water supply for areas that do not have a designation of assured water supply such as the proposed Loop 303 service area. Recharge of reclaimed effluent in areas experiencing declining water tables is recognized as direct action to address this problem, and this is one reason why EPCOR proposes to conduct recharge at this location. EPCOR looks forward to working through these issues with Liberty, CAGR D and ADWR during the Underground Storage Facility permitting process. In addition, EPCOR supports the development of a collaborative comprehensive regional effluent recharge strategy which evaluates the challenges and opportunities associated with groundwater recharge and establishes implementable strategies to optimize the use of this critically important water resource for the benefit of the region. We are committed to working with our fellow members of WESTCAPS and other relevant communities and agencies towards that end.

Comment: I was made aware of today of this hearing. I felt that it was important for CAP to come and provide its perspective and just to provide information for you all when you're making planning decisions on the important partnership that we have moved ahead with in Liberty; really innovative, amazing, great partnership. The partnership is a culmination of over five years of work. In February of this year the Central Arizona Water Conservation District (CAWCD) Board, the CAP Board, and Liberty's management executed an agreement. The agreement provides, among other things, for the lease by Liberty of effluent produced by its Palm Valley Wastewater Reclamation Facility, a 100-year use of that effluent to the CAGR D, to provide the CAGR D a water supply that it can use to replenish groundwater pumped by its members. That agreement also provided for the joint development of an effluent recharge project of the infrastructure necessary for the CAGR D to make use of the effluent that it was leasing for 100 years. To get to this point, as Mr. Garlick had previously testified, we undertook two separate hydrologic feasibility studies to locate a site for a viable, cost effective effluent recharge project that was capable of storing a minimum of 5,000 acre feet of effluent a year. CAWCD has moved forward. We executed our agreement. We deposited close to \$5 million in escrow. Liberty has committed over \$1 million of its funds as well to advance this project. We have selected a site, studied the site. As Mr. Garlick testified, that site is in escrow. We hope to close on escrow on that land in November of this year. We have initiated the permitting process for our recharge project and underground storage facility, initiated that with the Arizona Department of Water Resources.

Response: EPCOR has filed an application with ADWR for an underground storage facility permit at the proposed WVRWRF site for approximately 9,000 acre feet per day at build-out in 2045 (Application #71-223849.0000). We have committed significant funding and effort to see this project move forward, as has CAGR D and Liberty with their project. EPCOR looks forward to working through these issues with Liberty, CAGR D and ADWR during the Underground Storage Facility permitting process.

Comment: I just wanted to convey that CAWCD is really excited about this partnership with Liberty. It's an innovative, important partnership that we hope to see more of in the future. It provides significant benefit to CAWCD, its GRD members, to Liberty, and to other municipal water providers in the area. It does so by first providing a mechanism

for GRD to offset groundwater pumping by its members in the area of hydrologic impact. Our members are located in the area of Liberty's service area. That groundwater pumping is going to be replenished in the same area. That's a beautiful thing as far as we're concerned. This partnership also provides CAWCD and its members with a long-term lease of effluent, a 100-year lease, extremely valuable for the CAGR and for CAP. Access to critical infrastructure, necessary for us to perform our replenishment obligation. Finally, it provides hydrologic benefits of groundwater recharge to the entire area, to other municipal providers that are located in the area and may be reliant on groundwater for their supply.

Response: EPCOR agrees wholeheartedly that the recharge of Class A+ effluent in this area is a critically important step to help establish an assured water supply. We applaud the partnership of CAGR and Liberty to accomplish this, and we look forward to opportunities to also partner with CAGR on similar projects in the future.

Comment: In closing, I wanted to make you aware of the significant investment and planning that has gone into this partnership. We would be concerned about the location of another recharge facility 4,000 feet from our planned site and facility. It would be incompatible and inconsistent with our ability to move forward with our recharge facility.

Response: EPCOR believes the two facilities are compatible and permissible as proposed, and we look forward to working with CAGR, Liberty Utilities, and surrounding municipalities, with the assistance of ADWR, to develop a comprehensive strategy to coordinate and facilitate more groundwater recharge in this area.

COMMENTS FROM THE MAG WATER QUALITY ADVISORY COMMITTEE MEMBER FOR THE FORT MCDOWELL YAVAPAI NATION ON THE TESTIMONY PROVIDED BY SUZANNE TICKNOR, CENTRAL ARIZONA PROJECT (Comments by Carol Coe Klopatek, on August 21, 2014)

Comment: In regard to CAGR, what would CAGR do if this facility were to be approved? How would CAGR move on the facility with Liberty?

Response provided by Suzanne Ticknor, Central Arizona Project, at the public hearing: That's a very good question. If this facility was approved and the recharge component of the proposed wastewater facility was constructed, it would render really impossible and ineffective our ability to construct our planned effluent recharge project. That would undermine the critical element component of our deal. Our deal marries a water supply with effluent, which is effluent, with the necessary infrastructure to replenish it, which is our underground storage facility. So we believe that it would render impossible the performance of our agreement.

Response: EPCOR respectfully disagrees with CAGR's assertion. The technical information we have developed to date indicates the two facilities are not incompatible.

EPCOR looks forward to working through these issues with Liberty, CAGR D and ADWR during the Underground Storage Facility permitting process.

Comment: Is it possible to marry the two facilities in which the effluent discharge would actually go over to Liberty's facility, or are those discussions just premature?

Response provided by Suzanne Ticknor, Central Arizona Project, at the public hearing: I am not in a position to answer that question.

Response: Recharging the same total volume of water at one facility with a set surface area would be more challenging than recharging that same volume at two facilities with a larger total surface area which are separated horizontally by 4000'. EPCOR is willing to discuss a mutually beneficial partnership with CAGR D and Liberty to find a way to get all of this water in the ground, reduce investment in redundant infrastructure, and find ways to minimize costs. EPCOR looks forward to working through these issues with Liberty, CAGR D and ADWR during the Underground Storage Facility permitting process.

COMMENTS FROM THE MAG WATER QUALITY ADVISORY COMMITTEE MEMBER FOR THE CITY OF TEMPE ON THE TESTIMONY PROVIDED BY SUZANNE TICKNOR, CENTRAL ARIZONA PROJECT (Comments by David McNeil, on August 21, 2014)

Comment: I just want to clarify, is CAGR D's concern that if this facility is permitted from a recharge standpoint, that there would not be adequate capacity in the aquifer to accommodate the full permitted flows of both facilities?

Response provided by Suzanne Ticknor, Central Arizona Project, at the public hearing: That's correct.

Response: EPCOR respectfully disagrees with CAGR D's assertion. These facilities will be located over the Luke Cone of Depression, which is an area experiencing significant groundwater table declines and associated land subsidence, and is projected to see even greater water table declines in the coming years without direct action to rectify the situation. The aquifer in this area is an ideal location for groundwater recharge.

Comment: You've got your recharge applications into ADWR. Has the West Valley Facility also already submitted recharge applications?

Response provided by Suzanne Ticknor, Central Arizona Project, at the public hearing: I don't know. I don't think so. I can't speak for that. We have not -- we have our permits. We haven't formally filed them yet. We've met with ADWR on several occasions. We had our pre-application meetings, but our permit app itself has not yet been filed.

Response: In August 2014, EPCOR filed an application with ADWR for an underground storage facility permit at the proposed WVRWRF site for approximately 9,000 acre feet

per day at build-out in 2045 (Application #71-223849.0000). Liberty Utilities subsequently filed an application for a USF permit in late September or early October, 2014. EPCOR is committed to working with Liberty, CAGR D and ADWR to find a mutually beneficial solution to permit and operate these two facilities in a compatible manner.

COMMENTS FROM EPCOR WATER (Testimony from Troy Day, on August 21, 2014)

Comment: I wanted to address the recharge issue that was brought up, and I wanted to congratulate and thank Liberty. We agree this is an area of groundwater decline. It is an area that needs recharge. As Glendale will point out, they want to keep their water there for exactly that reason. This is a very straightforward permitting issue by the Department of Water Resources. This is not really a 208 issue. It is a Department of Water Resource issue. It's a very straightforward permitting issue. We've had the discussions with DWR as well. To the previous caller's question, I think it is possible to marry these two. They don't have to be separate. Our discussions with DWR is there is sufficient separation. If there isn't, our facility would be permitted for less. It's really fairly straightforward.

Response: On September 23, 2014, Liberty, CAGR D, and EPCOR met to discuss the issue of the two proposed recharge facilities, and have jointly committed to work through any potential recharge permitting challenges with the Arizona Department of Water Resources. EPCOR and Liberty have signed a joint letter to this effect which will be provided to the MAG WQAC, and CAGR D has signed a similar letter also addressed to the Chair of the WQAC.