

MAIN EXTENSION AGREEMENT

NAME OF APPLICANT: Mary T, Inc.			WATER SYSTEM: Pinal Valley	
ADDRESS: 1555 118th Lane NW			CONTRACT NO.:	
CITY: Coon Rapids	STATE: MN	ZIP CODE: 55448	P.E. NO.: 1503	W.A. NO.:
DESCRIPTION OR SERVICE ADDRESS OF THE PROPERTY TO BE SERVED (the "PROPERTY") Construct a of 100 LF of 12-inch DIP with related fittings, one 2-inch meter and one 3-inch meter and two 12-inch private fire services to provide water service for the Villas by Mary T on Peart Road in Casa Grande, located in the SW 1/4 Sec. 15 T. 6 S. R. 6 E.				
ATTACHMENT A MAP SHOWING THE PROPERTY AND ALL WATER FACILITIES TO BE CONSTRUCTED Attached				
ATTACHMENT B WATER FACILITIES TO BE CONSTRUCTED BY THE COMPANY AND ESTIMATED COST OF CONSTRUCTION				
ATTACHMENT C WATER FACILITIES TO BE CONSTRUCTED BY THE APPLICANT AND ESTIMATED COST OF CONSTRUCTION				
ESTIMATED CONSTRUCTION START DATE: 7/24/16			ESTIMATED CONSTRUCTION COMPLETION DATE: 10/1/16	
TOTAL ADVANCE FOR CONSTRUCTION (FROM ATTACHMENTS B AND C)			\$ 61,525	
TOTAL NON-REFUNDABLE CONTRIBUTION IN AID OF CONSTRUCTION (FROM ATTACHMENTS B AND C)			\$ 41,150	
TOTAL ESTIMATED COST OF CONSTRUCTION			\$ 102,675	

See Attachment F for revisions to the above

1. This Main Extension Agreement is entered into by Arizona Water Company, an Arizona corporation (the "Company"), and the Applicant named above. This Main Extension Agreement and all rights and obligations hereunder are subject to and governed by the Company's tariff schedule TC-243, Terms and Conditions for the Provision of Water Service, and the Arizona Corporation Commission's rules on main extension agreements codified in Arizona Administrative Code Section R14-2-406, copies of which were previously furnished or are Attachment D, hereto. This Main Extension Agreement will become effective when filed with and approved by the Utilities Division of the Arizona Corporation Commission.

2. The Company will construct, or arrange for construction of, the water facilities specified in Attachment B. The Applicant will construct, or arrange for construction of, the water facilities specified in Attachment C, in accordance with the terms and conditions of Attachment E, hereto.

3. The size, design, type, and quality of materials of all water facilities and their location and manner of construction will be specified by the Company and will comply with the Company's Construction Specifications and Standard Specification Drawings (the "Company's Specifications"), and with the applicable requirements of the Arizona Corporation Commission and other public agencies.

4. All water facilities constructed under this Main Extension Agreement will be the sole property of the Company, and the Applicant will have no right, title, or interest in or to such water facilities.

5. The Applicant will provide the Company with acceptable real property parcels, easements and rights-of-way, and all required surveying, necessary to provide water service to each parcel or lot within the Property. The cost or value of such real property parcels, easements, and rights-of-way shall not be subject to refund. All real property parcels, easements, and rights-of-way will be kept free of obstacles which may interfere with construction of the water facilities to be constructed by the Company. If development of the Property involves road construction, all roads and drainage-ways will be brought to grade by the Applicant before work begins on the water facilities to be constructed by the Company. No pavement or curbs will be constructed prior to completion of the water facilities to be constructed by the Company.

6. At least nine (9) months before the Applicant wishes the Company to proceed with construction of the water facilities to be constructed by the Company, the Applicant will: (i), request the Company to prepare detailed plans, specifications and cost estimates for construction of such water facilities; and (ii), deposit with the Company the estimated cost of such preparation as set forth on line (6) in Attachment B (the "Initial Deposit").

Within 45 calendar days of receipt of the Initial Deposit, the Company will: (i), prepare such detailed plans, specifications and cost estimates; (ii), make conforming revisions to Attachment B of this Main Extension Agreement; (iii), provide the Applicant with copies of such detailed plans and specifications, and a Revised Attachment B and an Attachment F to this Main Extension Agreement; and (iv), submit such detailed plans and specifications to the City of Casa Grande for its required Approval to Construct the water facilities. If the Company is authorized by the Applicant to construct such water facilities, the Initial Deposit will be credited to the Applicant's total required deposit. If the Company is not authorized by the Applicant to construct such water facilities within 18 months of payment of the Initial Deposit, the Initial Deposit will be non-refundable.

7. Following receipt of Approval to Construct the water facilities from the City of Casa Grande, the Company will file the Main Extension Agreement, including all attachments, with the Arizona Corporation Commission for its required approval. Following receipt of approval from the Arizona Corporation Commission, the Company will prepare bid proposals for the construction of the water facilities and send the bid proposals to qualified contractors.

8. Following receipt of the contractors' bids, the Company will select the contractor with the lowest qualified bid to construct the water facilities, will request authorization from the Applicant to proceed with construction of the water facilities, and will request payment by the Applicant of the Balance Due shown in Revised Attachment B.

9. The bid of the selected contractor will be valid for 30 calendar days from the date the Company requests authorization to proceed with construction. If the Applicant does not authorize the Company to proceed with construction and deposit the Balance Due within such 30-day period the selected contractor's bid may become void. Following the Applicant's timely

authorization and deposit of the Balance Due, the Company will issue its construction commencement notice to the selected contractor who will commence construction of the water facilities within 15 calendar days of receipt of all material and all necessary permits and approvals.

10. The Applicant will pay the Company within 10 calendar days after receipt of an invoice from the Company all costs incurred by the Company resulting from: (i), design changes made or caused by the Applicant or its employees, agents, servants, contractors or subcontractors; (ii), changes required to existing Company facilities or the water facilities to be constructed by the Company due to any work associated with development of the Property which affects the cover or location of such facilities; (iii), changes caused by construction activities within the Property which affect the Company's construction; or (iv), the Applicant causing the selected contractor's bid to become void. Payments of such costs will be non-refundable.

11. Within 10 calendar days of request by the Company, the Applicant will deposit with the Company any increase in the cost estimate shown in Revised Attachment B resulting from: (i), changes in the scope of work made or caused by the Applicant; (ii), changes required by the City of Casa Grande, the Arizona Corporation Commission, any County health department or other public agency having jurisdiction over the subject construction; or (iii), changes which are beyond the Company's control or could not have been reasonably foreseen at the time the Company prepared Revised Attachment B.

12. After completion of construction of all water facilities by the Company and by the Applicant, and within 60 calendar days after the Company receives all invoices and charges related to the construction of all water facilities, the Company will determine and provide to the Applicant an accounting of the actual cost of construction of all water facilities (the "Final Accounting"). If the Final Accounting shows the actual cost of construction of the water facilities constructed by the Company: (i), is less than the total amount deposited for construction of such water facilities, the Company will refund the difference to the Applicant; or (ii), is more than the total amount deposited for construction of such water facilities, the Applicant will pay the difference to the Company within 10 calendar days of receipt of an invoice from the Company. The Final Accounting will also state the actual amounts of the Total Advance for Construction, Total Contribution in Aid of Construction, and Total Cost of Construction, and will be attached hereto as Attachment G.

13. Unless otherwise provided herein, the Company will make annual refunds of the Advance for Construction to the Applicant as provided in Section V of the Company's tariff schedule TC-243, starting in the calendar year following completion of construction. The Company shall have the right to offset against any refund payable hereunder the amount of any indebtedness due or owing by the Applicant to the Company. Aggregate refunds will in no event exceed the total Advance for Construction stated in the Final Accounting.

14. This Main Extension Agreement cannot be assigned or transferred by the Applicant before the Company provides the Final Accounting referred to in Section 12, above, and the Applicant has paid all invoices the Company has presented for payment. No assignment or

transfer will be binding upon the Company, or create any right in the assignee or successor in interest, until such assignment or transfer is approved and accepted in writing by the Company.

15. For reference purposes, this Main Extension Agreement is dated as of the date the Company signs this Main Extension Agreement.

16. Written notices to either party concerning this Main Extension Agreement may be sent by certified mail, by courier (such as Federal Express), by hand-delivery, or by first class mail addressed as follows:

To the Company: Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, Arizona 85015
Attention: Vice President - Engineering

To the Applicant: Mary T, Inc.
1555 118th Lane NW
Coon Rapids, MN 55448
Attention: Mary Tjosvold

or to such other address or addresses as either party may designate by written notice to the other party. Notices shall be deemed given, received and effective on the date of delivery if hand-delivered or delivered by courier or by certified mail, or two business days after deposit in the US Mail, postage prepaid.

ARIZONA WATER COMPANY
Company *for*

By: _____

Title: Vice President - Engineering

Date: _____

MARY T, INC.
Applicant

By: *Mary Tjosvold*

Title: *CEO/partner*

Date: *3/21/16*

transfer will be binding upon the Company, or create any right in the assignee or successor in interest, until such assignment or transfer is approved and accepted in writing by the Company.

15. For reference purposes, this Main Extension Agreement is dated as of the date the Company signs this Main Extension Agreement.

16. Written notices to either party concerning this Main Extension Agreement may be sent by certified mail, by courier (such as Federal Express), by hand-delivery, or by first class mail addressed as follows:

To the Company: Arizona Water Company
3805 N. Black Canyon Highway
Phoenix, Arizona 85015
Attention: Vice President - Engineering

To the Applicant: Mary T, Inc.
1555 118th Lane NW
Coon Rapids, MN 55448
Attention: Mary Tjosvold

or to such other address or addresses as either party may designate by written notice to the other party. Notices shall be deemed given, received and effective on the date of delivery if hand-delivered or delivered by courier or by certified mail, or two business days after deposit in the US Mail, postage prepaid.

ARIZONA WATER COMPANY
Company *fr*

By: _____

Title: Vice President - Engineering

Date: _____

MARY T, INC.
Applicant

By: *Mary Tjosvold*

Title: *CEO / Partner*

Date: *March 31, 2016*

**ATTACHMENT B - Water Facilities to be constructed by the Company
and Estimated Cost of Construction**

ARIZONA WATER COMPANY				DATE PREPARED:	
PRELIMINARY COST ESTIMATE					
PREPARED BY:		APPROVED BY:		SYSTEM:	
				DIVISION:	
NAME OF APPLICANT:				PE #	
				WA #	
PROPERTY DESCRIPTION:					
MATERIALS AND LABOR				ESTIMATED PROJECT COST	
ACCOUNT	QUANTITY	DESCRIPTION		ADVANCE FOR CONSTRUCTION	NON-REFUNDABLE CONTRIBUTION
(1) SUBTOTAL - MATERIALS AND LABOR				\$	-
(2) PERFORMANCE BOND @ _____% OF LINE (1)				-	-
(3) SURVEY, R.O.W. PERMITTING, TESTING AND FIELD INSPECTION					
(4) SUBTOTAL - LINES (1), (2) AND (3)				\$	-
(5) OVERHEAD - _____% OF LINE (4)				-	-
(6) PREPARATION OF DETAILED PLANS, SPECIFICATIONS, AND COST ESTIMATES					
SUBTOTAL - LINES (4), (5) AND (6)				\$	-
ESTIMATED COST OF CONSTRUCTION				\$	-

AFH

**ATTACHMENT C - Water Facilities to be constructed by the Applicant
and Estimated Cost of Construction**

ARIZONA WATER COMPANY PRELIMINARY COST ESTIMATE				DATE PREPARED: 11/9/15	
PREPARED BY: JJW		APPROVED BY:		SYSTEM: PV	
NAME OF APPLICANT: Villas Plus by Mary T		PE # 1503		DIVISION: CG	
PROPERTY DESCRIPTION: Construct a total of 100LF of 12-inch DIP with related fittings, one 2-inch meter and one 3-inch meter and two 12-inch private fire services to provide water service for the Villas by Mary T on Peart Road in Casa Grande, located in the SW 1/4 Sec. 15 T. 6 S. R. 6 E.					
MATERIALS AND LABOR				ESTIMATED PROJECT COST	
ACCOUNT	QUANTITY	DESCRIPTION	ADVANCE FOR CONSTRUCTION	NON-REFUNDABLE CONTRIBUTION	
343	50	Construct 12-inch DIP for domestic use	\$ 10,000		
343	1	Cut-in 24-inch x 12-inch tee with couplings both sides of tee	8,000		
343	1	12-inch gate valve on domestic water main	5,000		
343	1	Trenching, backfill and pavement replacement	8,000		
344	50	Construct 12-inch fire service		10,000	
344	1	12-inch gate valve on fire service		5,000	
344	1	Cut-in 24-inch x 12-inch tee on fire service		8,000	
344	1	Trenching, backfill and pavement replacement on fire service		8,000	
345	1	2-inch service	2,500		
345	1	3-inch service	10,000		
(1) SUBTOTAL - MATERIALS AND LABOR			\$ 43,500	\$ 31,000	
(2) PERFORMANCE BOND @ 3% OF LINE (1)			1,400	1,000	
(3) APPLICANT'S COST OF PREPARING DETAILED PLANS, SPECIFICATIONS AND COST ESTIMATES			3,300	2,500	
(4) COMPANY'S OVERHEAD, INSPECTION AND METER-RELATED COSTS			\$ 11,325	\$ 6,150	
(5) COMPANY'S COST OF REVIEWING THE DETAILED PLANS, SPECIFICATIONS AND COST ESTIMATES			2,000	500	
SUBTOTAL - LINES (1), (2), (3), (4) AND (5)			\$ 61,525	\$ 41,150	
ESTIMATED COST OF CONSTRUCTION			\$	102,675	

AFH

ATTACHMENT D

**Arizona Water Company's Terms and Conditions for the Provision of Water Service and
The Arizona Corporation Commission's Rules on Main Extension Agreements.**

V. MAIN EXTENSION AGREEMENTS

A. CONDITIONS GOVERNING MAIN EXTENSIONS.

1. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance for construction, before construction is commenced, the estimated reasonable cost of all mains, service lines, valves, fittings and meters.
2. In the event that additional facilities are required to provide pressure, storage, or water supply, exclusively for the new water service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future customers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances for construction.
3. The cost of fire hydrants, fire services and fire mains, and the cost of oversizing mains, service lines or reservoirs for fire service purposes shall be paid by the applicant as a contribution in aid of construction before construction is commenced. Except as provided for in paragraph 6, below, such cost shall not be subject to refund.
4. Upon request by a potential applicant for a main extension, the Company will prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the Company to prepare detailed plans, specifications, or cost estimates will be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company will, upon request, make available within forty-five (45) days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts Company construction of the extension, the deposit will be credited to the cost of construction; otherwise, the deposit will be non-refundable. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details will be set forth in the plans, specifications and cost estimates.
5. Where the Company requires an applicant to advance funds for a main extension, the Company will furnish the applicant a copy of Section V of these Terms and Conditions and the Commission's rules and regulations governing main extension agreements prior to the applicant's acceptance of the Company's extension agreement.
6. The Company will determine and inform the applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the total amount paid, the Company will refund the difference (including applicable state and federal income taxes) to the applicant; conversely, if the Company's actual cost of construction is more than the total amount paid, the applicant shall pay the difference (including applicable state and federal income taxes) to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the applicant will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
7. The provisions of this section apply only to those applicants who, in the Company's judgment, will be permanent customers of the Company. Applications for temporary service shall be governed by these Terms and Conditions and other Company tariffs concerning temporary service.

B. REFUNDS. Refunds of advances for construction made pursuant to this section will be made in accord with the following method:

1. The Company will each year pay to the party making an advance for construction under a main extension agreement, or that party's assignees or other successors in interest where the Company has received written notice and evidence of such assignment or succession, an amount equal to ten (10) percent of the total gross annual revenue from water sales plus applicable state and federal income taxes to each bona fide customer whose service line is connected to distribution mains covered by the main extension agreement, for a period of ten (10) years.
2. Refunds will be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period.
3. A balance remaining at the end of the ten- (10) year period set out shall become non-refundable, in which case the

balance not refunded will be entered as a contribution in aid of construction in the accounts of the Company.

4. The aggregate refunds under this section shall in no event exceed the total of the advances for construction plus applicable state and federal income taxes.
5. No interest will be paid by the Company on any amounts advanced for construction.
6. The Company will make no refunds from any revenue received from any other service lines connected to distribution mains leading up to or taking off from the particular main extension covered by the agreement.
7. Amounts advanced for construction of main extensions will be refunded in accord with the Company's tariffs in force and effect on the date the agreement therefor was executed.

C. ALL AGREEMENTS ARE TO BE IN WRITING. All main extension agreements entered into under this section will be evidenced by a written statement, and signed by the Company and by the parties advancing or contributing the funds under this section, or by the duly authorized agents of each.

D. SYSTEM TO BE AS SPECIFIED BY THE COMPANY.

1. The size, design, type and quality of materials of the system installed under this section, the location in the ground, and the manner of installation will be specified by the Company, and will be in accord with the requirements of the Commission and/or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission and/or other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions shall be a minimum of six (6) inches standard diameter with a working pressure rating of one hundred fifty (150) psig.
2. Single residential customer advances for construction shall not exceed the reasonable cost of construction of a six- (6) inch diameter main extension. For customer advances for other than a single residential customer, the main sizes will conform to the following specifications:
 - a. For mains installed along section lines or their equivalent, a minimum diameter of twelve (12) inches will be required.
 - b. For mains installed along mid-section lines or their equivalent, a minimum diameter of eight (8) inches will be required.
 - c. For all other locations, a minimum diameter of six (6) inches will be required.

E. COMPANY OWNS ALL FACILITIES. All pipelines, valves, fittings, wells, tanks, meters, service lines or other facilities installed under this section shall be the sole property of the Company, and parties making advances for and/or contributions in aid of construction under this section shall have no right, title or interest in any such facilities.

F. MAIN EXTENSIONS WILL BE SCHEDULED PROMPTLY. The Company will schedule all new requests for main extension agreements, and for water service under main extension agreements, promptly and in the order received.

G. APPLICANT MAY REQUEST SPECIFIC CONTRACTOR(S) BE ALLOWED TO BID. An applicant for water service seeking to enter into a main extension agreement may request that the Company include on a list of contractors from whom bids will be solicited, the name(s) of any qualified and bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the Company. If a lower bid is thus obtained or if a bid is obtained at an equal price with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company will meet the terms and conditions of the bid proffered, or enter into a construction contract with the contractor proffering such bid. A performance bond in the total amount of the contract may be required by the Company from the contractor prior to construction.

H. FILING OF AGREEMENTS. All agreements under this section will be filed with and approved by the Utilities Division of the Commission along with a Certificate of Approval to Construct, as issued by the Arizona Department of Environmental Quality or its delegated agent.

1. For main extension agreements with individual residential customers, the approval of the Arizona Department of Environmental Quality or its delegated agent will be obtained by the Company and submitted to the Commission.
2. For main extension agreements with other than individual residential customers, approval of the Arizona Department of Environmental Quality or its delegated agent must be obtained by the applicant and submitted by the applicant to the Company which, in turn, will submit such approval to the Commission with the agreement.

R14-2-406. Main extension agreements

- A. Each utility entering into a main extension agreement shall comply with the provisions of this rule which specifically defines the conditions governing main extensions.
- B. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, including all valves and fittings.
1. In the event that additional facilities are required to provide pressure, storage or water supply, exclusively for the new service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future consumers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.
 2. Upon request by a potential applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.
 3. Where the utility requires an applicant to advance funds for a main extension, the utility shall furnish the applicant with a copy of the Commission rules on main extension agreements prior to the applicant's acceptance of the utility's extension agreement.
 4. In the event the utility's actual cost of construction is less than the amount advanced by the customer, the utility shall make a refund to the applicant within 30 days after the completion of the construction or utility's receipt of invoices related to that construction.
 5. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.
- C. Minimum written agreement requirements
1. Each main extension agreement shall include the following information:
 - a. Name and address of applicant(s)
 - b. Proposed service address
 - c. Description of requested service
 - d. Description and map of the requested line extension
 - e. Itemized cost estimate to include materials, labor, and other costs as necessary
 - f. Payment terms
 - g. A clear and concise explanation of any refunding provisions, if applicable
 - h. Utility's estimated start date and completion date for construction of the main extension
 2. Each applicant shall be provided with a copy of the written main extension agreement.
- D. Refunds of advances made pursuant to this rule shall be made in accord with the following method: the Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment or succession, a minimum amount equal to 10% of the total gross annual revenue from water sales to each bona fide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of not less than ten years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company, however, agreements under this general order may provide that any balance of the amount advanced thereunder remaining at the end of the ten year period set out, shall thereafter remain payable in whole or in part and in such manner as set forth in the agreement.
1. The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by the agreement.
- E. Amounts advanced in aid of construction of main extensions shall be refunded in accord with the rules of this Commission in force and effect on the date the agreement therefor was executed. All costs under main extension agreements entered into after the adoption of this rule shall be refunded as provided herein.
- F. The Commission will not approve the transfer of any Certificate of Public Convenience and Necessity where the transferor has entered into a main extension agreement, unless it is demonstrated to the Commission that the transferor has agreed to satisfy the refund agreement, or that the transferee has assumed and has agreed to pay the transferor's obligations under such agreement.
- G. All agreements entered into under this rule shall be evidenced by a written statement, and signed by the Company and the parties advancing the funds for advances in aid under this rule or the duly authorized agents of each.
- H. The size, design, type and quality of materials of the system, installed under this rule location in the ground and the manner of installation, shall be specified by the Company, and shall be in accord with the requirements of the Commission or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions, shall comply with and conform to the following minimum specifications:
 1. 150 p.s.i. working pressure rating and
 2. 6" standard diameter.However, single residential customer advances in aid of construction shall not exceed the reasonable cost of construction of the six-inch diameter main extension.
- I. All pipelines, valves, fittings, wells, tanks or other facilities installed under this rule shall be the sole property of the Company, and parties making advances in aid of construction under this rule shall have no right, title or interest in any such facilities.
- J. The Company shall schedule all new requests for main extension agreements, and for service under main extension agreements, promptly and in the order received.
- K. An applicant for service seeking to enter into a main extension agreement may request that the utility include on a list of contractors from whom bids will be solicited, the name(s) of any bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the utility. If a lower bid is thus obtained or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid.
1. Performance bond in the total amount of the contract may be required by the utility from the contractor prior to construction.
- L. Any discounts obtained by the utility from contracts terminated under this rule shall be accounted for by credits to the appropriate account dominated as Contributions in Aid of Construction.
- M. All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission. No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. Where agreements for main extensions are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.

Historical Note

Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (D) and (K) effective September 28, 1982 (Supp. 82-5).

ATTACHMENT E

TERMS AND CONDITIONS FOR THE CONSTRUCTION OF WATER FACILITIES

BY APPLICANT

This Attachment E states the terms and conditions under which the Applicant will construct or arrange for construction of the water facilities specified in Attachment C to the Main Extension Agreement (the "Applicant Constructed Water Facilities").

The specific design of the Applicant Constructed Water Facilities will be determined by the Company. If requested by the Company, the Applicant will "oversize" the Applicant Constructed Water Facilities as specified by the Company. The Company will reimburse the Applicant for the difference between the labor and material prices of the oversized water facilities and the water facilities that would otherwise be required. The Applicant will have a licensed professional engineer, registered in the state of Arizona, prepare detailed plans, specifications and cost estimates for the Applicant Constructed Water Facilities which comply with the Company's Specifications, a copy of which is Attachment E-1, hereto. Following their preparation, the Applicant will submit such detailed plans, specifications and cost estimates to the Company for its review and written approval along with an initial deposit of the estimated cost of such review as set forth on line (5) in Attachment C (the "Initial Deposit").

As part of the Company's approval of such detailed plans, specifications and cost estimates, the Company will make conforming revisions to Attachment C; and the Estimated Start Date, Estimated Completion Date, Total Advance for Construction, Total Contribution in Aid of Construction, and Total Estimated Cost of Construction will be revised, and such revisions set forth in an Attachment F. Along with the Company's written approval, the Company will provide the Applicant with copies of Revised Attachment C and Attachment F.

If the Applicant proceeds with construction of the Applicant Constructed Water Facilities as set forth herein, the Initial Deposit will be subject to refund. If the Applicant does not proceed with construction of the Applicant Constructed Water Facilities within 18 months of payment of the Initial Deposit, the Initial Deposit will be non-refundable.

The Applicant will submit the approved detailed plans and specifications to the City of Casa Grande for its required Approval to Construct the Applicant Constructed Water Facilities, and will apply to all other agencies having jurisdiction, for required permits and approvals. The Applicant and the Company will cooperate with each other in obtaining all permits, licenses, franchises, and other governmental approvals and authorizations which may be required for the construction, operation, and use of the Applicant Constructed Water Facilities.

Following receipt of the Approval to Construct, the Company will file the Main Extension Agreement, including all attachments, with the Arizona Corporation Commission for its required approval. Prior to commencement of construction of the Applicant Constructed Water Facilities, the Applicant will deposit with the Company the estimated overhead, inspection

and meter-related costs as set forth on line (4) in Revised Attachment C, and provide the Company with a detailed construction schedule, in either Gantt or CPM form, identifying all tasks to be performed through completion and acceptance by the Company of the Applicant Constructed Water Facilities, including testing and any required training of Company personnel. The Applicant will provide the Company with a copy of such construction schedule documenting the progress of work on the Applicant Constructed Water Facilities at least monthly.

The Applicant will construct or arrange for construction of the Applicant Constructed Water Facilities in accordance with the approved detailed plans, specifications and cost estimates; the Company's General Conditions of Contract, a copy of which is Attachment E-2, hereto; the Company's Specifications; and the applicable requirements of the Arizona Corporation Commission and other public agencies. For the purposes of the General Conditions of Contract, the Applicant will be the Contractor.

All of the Applicant's subcontractors will be qualified contractors, licensed in the State of Arizona for the work contemplated herein. The Company, in its sole discretion, may reject any subcontractor the Company deems to be unqualified. The Applicant will not allow any rejected subcontractor to perform work related to the Applicant Constructed Water Facilities. The Applicant and all subcontractors must attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Applicant Constructed Water Facilities.

Upon satisfactory completion of construction and as conditions of the Company's acceptance of all or any part of the Applicant Constructed Water Facilities: (1), the Applicant will convey such water facilities to the Company by a Bill of Sale in the form set forth in Attachment E-3, hereto, free and clear of liens, encumbrances, claims, assessments and any other condition not acceptable to the Company, together with any and all rights owned or claimed by the Applicant which are necessary or required in connection with the Company's use of the Applicant Constructed Water Facilities; and (2), the Applicant will grant or cause to be granted to the Company all real property parcels, easements and rights-of-way required for the Applicant Constructed Water Facilities.

The Applicant will, within 60 days of the Company's written notice of satisfactory completion of the Applicant Constructed Water Facilities, provide the Company with: (1), copies of all bills, invoices and other statements for all costs and expenses incurred for materials, equipment, supplies and construction of the Applicant Constructed Water Facilities; (2), lien waivers and releases from subcontractors and vendors for all labor, materials, equipment, supplies and construction work related to the Applicant Constructed Water Facilities; (3), receipts, specifying exact amount of payments in full by the Applicant to all subcontractors and vendors for all labor, materials, equipment, supplies, and other costs of construction of the Applicant Constructed Water Facilities; and (4), "as-built" drawings in digital (tiff) format, certified as to correctness by an engineer registered in the State of Arizona, showing the locations, materials, sizes and pertinent construction details for the Applicant Constructed Water Facilities.

The Company will not establish water service to any portion of the Property which requires use of the Applicant Constructed Water Facilities until all of the Applicant Constructed Water Facilities are satisfactorily completed and accepted by the Company.

The amount of the cost of construction of the Applicant Constructed Water Facilities subject to refund will be the lesser of the Applicant's actual cost of construction of such water facilities or the Advance for Construction amount shown in Revised Attachment C of the Main Extension Agreement.

The provisions of this Attachment E do not amend or alter any condition or requirement of any other agreement concerning water service to the property, including, but not limited to, any Master Water System Facilities Agreement.