

ROARING FORK WATER & SANITATION DISTRICT
RULES AND REGULATIONS

(Amended and Restated
Effective May 20, 2026)

Adopted by the Board of Directors
at its regular meeting held May 20, 2026

ROARING FORK WATER AND SANITATION DISTRICT

Rules and Regulations Amendments

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ARTICLE 1

1.00 - General

.01 - **SCOPE**: These Rules and Regulations shall govern the operations and functions of the Roaring Fork Water and Sanitation District.

.02 - **PURPOSE**: The purpose of these Rules and Regulations is to provide for the administration and operation of the Water and Sewer Systems of the Roaring Fork Water and Sanitation District.

.03 - **POLICY**: The Rules and Regulations hereinafter set forth will serve the public in securing the health, safety, prosperity, security, and general welfare of the inhabitants of the Roaring Fork Water and Sanitation District.

.04 - **PENALTY**: Unless otherwise specifically stated in these rules and regulations, the penalty for violation of any of these Rules and Regulations shall be a fine of two hundred and fifty dollars (\$250.00) for each day the violation continues. In addition, the violator shall be liable for reimbursement to the District of any and all actual costs and/or damages the District may incur as a result of the violation, including without limitation, legal and engineering fees.

.05 - **DISTRICT ACTION AT CUSTOMER EXPENSE**: The Rules and Regulations of the District require District Customers to take certain actions at their own expense. In the event that a Customer fails or refuses to take such action, unless it is necessary for the District to act immediately to protect the health, safety, and welfare of the general public, the District shall mail a written notice to the Customer or the owner of the property on which District service is or will be received. The notice shall request that the required action be taken within the time specified in the applicable Rule or Regulation or, if no time is specified in the Rules and Regulations, then within a reasonable time as set forth in the notice. If the Customer still has not taken the required action within the allotted time, then the Customer shall be in violation of this section and shall be subject to the penalty provisions of Section 1.04, above. The District may, but is not obligated to, take the required action and bill the expense to the Customer. The District shall be entitled to pursue all remedies granted to it by these Rules and Regulations and Colorado law for collection of the amounts due to it for taking such required actions on behalf of the Customer.

.06 - **WAIVER FOR CAUSE**: At its sole discretion, the Board of Directors may waive or modify any requirement, penalty, or liability for costs imposed by these Rules and Regulations. Such waiver or modification shall be only for good cause shown in a written application to the Board and must not cause the applicant or District to violate any federal, state, or local laws. Good cause shown shall include but not be limited to:

- (A) Evidence that strict enforcement of the requirement, penalty, or liability would result in severe hardship, financial or otherwise, which would outweigh the benefits to the District from such strict enforcement; or
- (B) Evidence that the applicant will provide or has provided a benefit or benefits to the District that will outweigh the positive impacts of strict enforcement.

.07- EFFECTIVE DATE: These Rules and Regulations as Amended and Restated effective April 16, 2019 shall be effective upon the stated date and shall govern and control the relationship between the District and its Customers from the date forward, subject to further amendments by the District. Reference herein to the Rules and Regulations shall mean these Rules and Regulations as Amended and Restated.

.08- AMENDMENT: These Rules and Regulations may be amended at any time and such amendment shall be effective as prescribed by the Board at the time of such Amendment, and if not prescribed at the time of Amendment, the Amendment shall be effective immediately upon adoption by the District Board.

.09- INSPECTION OR PURCHASE FEES: These Rules and Regulations shall be available to the public for inspection at the District's office, on the District's website (www.rfwsd.com), and at the offices of the Attorney for the District. A copy shall also be available for purchase at the District's cost of copy and assembly as determined from time to time by the District Board.

End Article 1

ARTICLE 2

2.00 - Definitions

Unless the context indicates otherwise, the meaning of terms used herein shall be as follows:

.01 - **ACTUAL COST**: All direct costs applicable to the construction of a given facility, including surveys, construction, construction observation, preliminary and design engineering, inspection, administrative and legal costs, plan approval fees, as-built drawings, and other costs necessary for completion.

.02 - **APPURTENANT**: Belonging to, accessory, or incident to, adjunct, appended or annexed to.

.03 - **AS-BUILT DRAWINGS**: Accurate drawings representing the final installed location of water and/or sewer lines which have been installed in accordance with an agreement or understanding with the District, and further described in 3.04 of the Technical Specifications and Procedures of the District in Appendix B.

.04 - **AUTHORIZED REPRESENTATIVE**: A person employed or designated by the District who is authorized by the Board of Directors to conduct activities and other duties on behalf of the District.

.05 - **BEDROOM**: Any room in a building or other structure that is used predominantly for sleeping accommodations.

.06 - **BOARD and BOARD OF DIRECTORS**: The duly elected Board of Directors of the District, which acts as the governing body of the District.

.07 - **BUILDING DRAIN**: That part of the lowest horizontal piping of a building drainage system from the stack or horizontal branch, exclusive of storm sewer, extending to a point not less than five feet (5') outside of the building wall.

.08 - **COLLECTOR SEWER LINE**: Any sewer line designed to collect the flow from two or more sewer service lines in a subdivision, planned unit development, or other defined residential, commercial, or industrial area, and to transport that collected flow to a sewer main.

.09 - **CONNECTION**: Any physical connection of a service line to a pre-approved stubout or a sewer main, regardless of whether water use actually commences at the time of connection, and regardless of whether the service line is connected to the structure to be served.

.10 - **CONTRACTOR**: Any person, firm or corporation authorized by the District to perform work and to furnish materials within the District.

.11 - **CONVEYANCE OF WATER RIGHTS**: The legal process by which legal title to water rights to be dedicated is transferred to the District by appropriate deed.

.12 - **CUSTOMER**: Any person, company, corporation or governmental authority or agency: (1) authorized to use water or connect to the District Sewer System under a permit issued by

the Board of Directors; (2) owning EQRs under the Free Tap Program; or (3) owning EQRs purchased pursuant to a Prepaid Tap Agreement.

.13 - **DEDICATION**: An appropriation of an interest in land or water to some public use, made by the owner, and accepted for such use by or on behalf of the public.

.14 - **DEPOSIT**: Cash, letters of credit, payment and/or performance bonds, or other security for performance, as required by these Rules and Regulations, or as approved by the Board in its sole discretion.

.15 - **DEVELOPER**: Any person who owns land and seeks to have the land served by the District, other than an individual Customer.

.16 - **DISTRICT**: The Roaring Fork Water and Sanitation District.

.17 - **DISTRICT ENGINEER**: Person or firm that has contracted to do engineering work for the District.

.18 - **DUPLEXES**: Residential structures composed of two Single-Family Residential Units.

.19 - **EQUIVALENT RESIDENTIAL UNIT (EQR)**: A standard of measurement used by the District in calculating fees and water dedication requirements, based on the amount of water used and/or consumed and sewage produced by a Single Family Residential Unit.

.20 - **EVAPO-TRANSPIRATIVE SEWER**: Any sewer system that processes or disposes of liquid or solid wastes by evaporation from the earth's surface to the atmosphere or by transpiration through plants.

.21 - **EXTENSIONS OF SERVICE**: Any extension of the District's water utility for which a fee is assessed.

.22 - **HISTORICAL USE AFFIDAVIT**: A document that sets forth the following information concerning a water right or rights proposed for dedication to the District:

- (A) The name(s) and address(es) of the owners of the water rights proposed for dedication;
- (B) A legal description of the land to be annexed or provided with the District's water service;
- (C) The total number of acres to be annexed or provided with the District's water service;
- (D) The total numbers of acres presently being irrigated and/or intended to remain in irrigation;
- (E) A copy of all decrees concerning all water rights appurtenant to the property and/or all water rights proposed for dedication;

- (F) A copy of any legal decree or judgment which affects the title of those water rights entered since the owner received title to the water rights appurtenant to the property and/or proposed for dedication;
- (G) A copy of the documents by which the owner receives title to the water rights appurtenant to the property and/or proposed for dedication;
- (H) A copy of all diversion records for the water rights proposed for dedication; and
- (I) The owner's statement as to the historical use of the water rights appurtenant to the property and/or proposed for dedication.

.23 - **INCLUSIONS**: The act of attaching, adding, joining, or uniting a parcel of land to the legal boundaries of the District.

.24 - **INTERCEPTOR or TRUNK LINE**: A sewer line larger than eight inches (8") in size.

.25 - **IRRIGATED GREEN SPACE**: Any lawn, garden, landscaped area, or open space irrigated by water from the District potable water system.

.26 - **KITCHEN**: Any room used to cook, heat, or prepare food, as may be evidenced by the use or existence of the following items: sinks, refrigerators, places for food storage, stoves, ovens, microwave ovens, or hot plates. The Board reserves the right, in its discretion, to designate a given room as a kitchen; provided, however, that the existence of a stove, oven, or microwave oven within a room also containing a sink and refrigerator shall conclusively establish said room as a kitchen.

.27 - **LICENSED PLUMBER or PIPE LAYER**: The person who has been bonded and provided a license to work by the State of Colorado.

.28 - **LINE CONNECTION AGREEMENT**: An agreement between the District and a Customer which identifies the terms and conditions by which a Developer or Customer is permitted to connect to the District Water and/or Sewer System and receive water and/or sewer service therefrom.

.29 - **LINE EXTENSION AGREEMENT**: An agreement between the District and a Customer which identifies the terms and conditions by which the parties agree to extend the District Water and/or Sewer System lines and permit the Customer to connect to the District Water and/or Sewer System and receive water and/or sewer service therefrom.

.30 - **LINE EXTENSION FEES**: Fees charged by the District pursuant to Article 9 of these Rules and Regulations and determined by the Board of Directors, based on the size in acres of the property to be served by the new connection, the zoning of the property, the existing and potential uses of the property, the potential EQR demand from the property, and any other similar, relevant factors which the Board of Directors believes should be considered in arriving at an equitable reimbursement to the Developer.

.31 - **MANAGER OR ADMINISTRATOR**: The person, if any, retained by the Board to administer and supervise the affairs of the District and its employees.

.32 - **MAY** is permissive.

.33 - **PERMIT**: Written permission of the Board of Directors to connect to a public sewer and/or water main of the District pursuant to the Rules and Regulations of the District.

.34 - **PERSON**: Shall mean any individual, firm, company, society, corporation, association, partnership, group, or Developer.

.35 - **PLAT**: A map or chart, prepared by a surveyor licensed by the State of Colorado, of a piece of land subdivided into lots with streets, alleys, roads, easements, and other such avenues of transportation delineated thereon and drawn to a scale.

.36 - **PREPAID TAP AGREEMENTS**: Either Tap Purchase Agreements or System Development Fee Purchase Agreements, whereby certain Customers of the District have agreed to purchase a specified number of EQRs of service from the District over specified periods of time at specified prices.

.37 - **PRE-TREATMENT FACILITIES**: Structures, devices, or equipment approved by the District and installed for the purpose of removing harmful or prohibited substances from wastes discharged into a District sewer main.

.38 - **RAW WATER**: Water that has not been treated and is not fit for human consumption and that is primarily intended for irrigation uses.

.39 - **REPLAT**: To make a change in an original plat.

.40- **SAMPLING**: The collection of sewage and/or water samples for analysis.

.41 - **SECONDARY RESIDENTIAL UNITS**: Guest houses, separate apartments attached to Single Family Residential Units, and other separate residential units associated with Single Family Residential Units and containing their own separate kitchens.

.42 - **SEWAGE**: Any liquid waste which may contain organic or inorganic material in suspension or solution originating from within residential, commercial, or industrial buildings, which is discharged into the District Sewer System.

.43 - **SEWAGE TREATMENT WORKS**: Those devices, facilities or locations to which the District sewage is conveyed by sewer mains for the purpose of reducing the pollution content and from which point the sewage effluent leaves the District's sewer facilities.

.44 - **SEWER MAIN**: A sewer line owned by the District and installed in a public street or special easement.

.45 - **SEWER SERVICE LINE**: The pipe or line connecting the Customer's structure to the District's Sewer System and which is owned by the Customer from the Customer's structure to the Sewer Main.

.46 - **SEWER SYSTEM**: All facilities owned by the District and used for collecting, pumping, treating, and disposing of sewage.

.47 - **SHALL** is mandatory.

.48 - **SINGLE FAMILY RESIDENTIAL UNIT**: All single-family homes, individually-billed mobile homes, mobile homes on single lots, and mobile homes established as permanent residences which have no more than one (1) kitchen.

.49 - **SUBDIVIDE**: To separate a tract of land into two or more lots, tracts, parcels, sites, separate interests in common, condominium interests or other divisions for the purpose, whether immediate or future, of transfer of ownership, building, or other development, or for street use by reference to such subdivision or recorded plat thereof.

.50 - **SUFFICIENT LEGAL PRIORITY**: Indicates that water rights proposed for dedication may reasonably be expected to provide a dependable water supply throughout the season of use in the amount for which they are decreed. In making this determination, factors to be considered shall include, but not be limited to, the adjudication date and appropriation date of the water rights, the decreed use or uses, the historic use of the water under the decree, the physical flow available, and the administration practices of the State Engineer.

.51 - **TAP**: The connection of a service line to a pre-approved stubout or a water and/or sewer main.

.52 - **TAP FEE**: The fee charged by the District for connecting to the District's lines, used to amortize the District's capital investment.

.53- **TESTING**: The analysis of samples of waste water and/or water.

.54 - **TRANSFER OF WATER RIGHTS**: The conveyance of legal title to water rights to the District, as well as all actions required under the laws of the State of Colorado to be brought in the Water Court to ensure that a dedication requirement is fulfilled. Such action may include, but is not limited to, a change in the type, place, or time of use, a change in the point of diversion, a change from a fixed point of diversion to alternate or supplemental points of diversion, a change from alternate or supplemental points of diversion to a fixed point of diversion, a change in the means of diversion, a change in the place of storage, a change from direct application to storage and subsequent application, a change from storage and subsequent application to direct application, a change from a fixed place of storage to alternate places of storage, or any combination such changes. The term includes transfer of conditional as well as absolute water rights.

.55 - **USER**: Any person to whom water and/or sewer service is served, whether renter, record owner, corporation, company, individual, etc.

.56 - **VIOLATION**: Any failure to follow, uphold, or comply with the requirements of these Rules and Regulations, intentionally or unintentionally, by act of commission or omission, whether or not the violator knew of the existence of the Rule or Regulation. Unless otherwise stated, each day that a Violation continues shall be considered a separate Violation, subject to the penalties which apply.

.57 - **WATER MAIN**: A water line owned by the District and installed in a public street or special easement, including all structures to and including the curb stop valve.

.58 - **WATER RIGHT**: A decreed right to use in accordance with its priority a certain portion of the waters of the State of Colorado by reason of appropriation.

.59 - WATER METER: A device owned by the Customer which measures the volume and flow of water from the District's Water System to the Customer's Structure and as more fully described in Article 4 of these Rules and Regulations.

.60 - WATER SERVICE LINE: The pipe or line connecting the Customer's structure to the District's Water System and owned by the Customer.

.61 - WATER SYSTEM: All facilities owned by the District and used for collecting, pumping, treating, and disposing of water.

.62 - WATER WORKS: All facilities owned by the District for transporting, distributing, storing, pumping, treating or measuring water.

.63 - XERISCAPING: A type of landscaping which emphasizes the conservation of water and the use of drought resistant native plants.

End Article 2

ARTICLE 3

3.00 - Ownership and Operation of Facilities

.01 - **POLICY**: The District is a Colorado Special District, formed and functioning under the authority of C.R.S. §§ 32-1-101 et. seq. The District was created for the distribution of water for domestic and other uses, for the collection and treatment of sewage from District Customers, and for the maintenance, repair and replacement of all mains, hydrants, valves, and necessary service facilities.

The District shall endeavor to plan for, capitalize and build adequate capital improvements as demand occurs, and shall operate and maintain the Districts' facilities in a sound and economical manner.

It is the District's basic policy that all water and sewer mains and trunk or interceptor lines shall be public sewers and that service lines and taps shall be installed, owned and maintained by the Customer; provided, however, the District shall reserve and always have a right of access to such service lines, curb stops and other facilities as necessary to carry out its functions. The installation and maintenance and repair of the service line is the responsibility of the Customer.

.02 - **LIABILITY**: No claim for damage shall be made against the District by reason of any of the following: breaking of any service or supply line, pipe, cock, or meter by any employee, contractor or subcontractor of the District; the unauthorized acts of any employee, contractor or subcontractor of the District; failure or interruption of water or sewer service or supply; shutting off or turning on water in the water mains; the making of connections or extensions; damage caused by water running or escaping from open or defective faucets; broken or frozen service pipes or other facilities not owned by the District; damage from an inoperative or failed fire hydrant; damage from fire protection systems including sprinklers installed in the Customer's structure(s) or damage to water heaters, boilers, or other appliances resulting from shutting water off, or from turning it on, or from inadequate, high, or fluctuating pressures; or for doing anything to the Water System of the District deemed necessary by the Board of Directors or its agents. Further, the District shall not be liable or responsible for the consequences of its failure or refusal to accept additional or new service which would exceed the capacity of the District's facilities. The District hereby reserves the right to cut off the water supply or disconnect the sewer service at any time, for any reason deemed appropriate including, but not limited to, any violation of these Rules and Regulations or Board policies as set forth in the District minutes. This paragraph shall not relieve the District from liability for negligence of its employees, contractors or subcontractors, if such liability would otherwise have existed.

No claim for damage shall be made against the District by reason of the following:

- (A) Blockage in the system causing the backup of waste water;
- (B) Damage caused by "smoking" of lines to determine drainage connections to District lines;
- (C) Breakage of water and/or sewer mains or service lines by District personnel or third parties; or
- (D) Interruption of water and/or sewer service and the conditions resulting therefrom where said interruption of service is brought about by request of

claimant, interruption of electrical service or by circumstances beyond the District's control.

.03 - **OWNERSHIP:** Upon acceptance, all existing and future water and/or sewer mains, connected with and forming an integral part of the District Water and Sewer Systems, shall become the property and responsibility of the District. Said ownership will remain valid whether the water and/or sewer mains are constructed, financed, paid for, or otherwise acquired by the District, or by other persons.

That portion of all existing and future water service lines extending from the water main to and including the curb stop valve which shall be located as prescribed in Appendix B shall be the property of the District. That portion of the service line from the building to the curb stop valve shall be the property of the Customer. The Customer's obligation to bear the expense of installing and maintaining said water service line shall remain valid whether the service lines are constructed, financed, paid for, or otherwise acquired by the District or any other person.

That portion of all existing and future sewer service lines extending from the main to each unit or building connected with and forming an integral part of the District Sewer System shall be and become the property of the Customer. The Customer's ownership of and responsibility to bear the expense of installing and maintaining said sewer service line shall exist whether the service lines are constructed, financed, paid for, or otherwise acquired by the District or by another person.

Any provision herein to the contrary notwithstanding, the District reserves and shall at all times have a right of access to all service lines and other facilities necessary for the District to carry out its lawful functions.

.04 - **POWERS AND AUTHORITY OF AGENTS:** The Manager/Administrator and other duly authorized representatives, agents or employees of the District, bearing proper credentials and identification, shall be permitted to enter upon all properties receiving water and/or sewer service from the District for the purpose of inspection, observations, measurement, sampling, and testing, or any other reasonable purpose in accordance with the provisions of these Rules and Regulations. The right of entry shall include the right by authorized District employees or agents to verify fixtures, bedrooms, irrigated areas, and install, read, or otherwise gather data from water meter(s) on a Customer's property in order to assist the District in analyzing individual sewage production by the Customer. In addition, upon request, a Customer shall provide the District with any applicable water meter records which document the Customer's water usage, and shall consent to the District obtaining the Customer's water meter records from applicable entities possessing such records.

Such entry upon the property of Customers shall only be made after reasonable notice and during reasonable business hours. Subject to the above provisions, all owners and tenants of property connected to District Water and/or Sewer Systems shall be deemed to have agreed to entry onto such property for the purposes set forth.

End Article 3

ARTICLE 4

4.00 - Use of District Water System

No person shall uncover, make any connection with or opening into, use, alter, or disturb any public water main or appurtenances without first obtaining a Tap Permit from the District. All installations for water service from the District shall be made in accordance with these Rules and Regulations, the specifications and procedures set forth in Appendix B, and all federal, state, county and local requirements. Every permanent connection to the District Water System must be inspected by a representative of the District before it is covered. The District shall receive at least forty-eight (48) hours' notice of such inspections and shall charge the fees set forth in Section 7.12 for such inspections. If a connection to the District Water System is covered before inspection, it must be excavated for inspection at the Customer's expense. The District will mail to the owner of the property on which the uninspected connection is located a written request that such connection be excavated for inspection. If the connection is not excavated for inspection within ten (10) days from the date the request is mailed, the District shall excavate and inspect the new connection at the owner's expense.

.01- RESPONSIBILITIES OF THE CUSTOMER: Each Customer shall be responsible for maintaining that portion of the water service line extending from the curb valve to each unit or building. Each Customer shall also be responsible for ensuring that curb boxes remain accessible for inspection by the District or its Authorized Representative or agent. Leaks or breaks in such service line must be repaired by the Customer within seventy-two (72) hours after notification of such condition by the District. If satisfactory progress toward repairing the said leak has not been accomplished within such time period, the District's authorized representative may shut off the water service until the leaks or breaks have been repaired. The authority of the District or other appropriate water service provider to shut off a Customer's water service for such purposes shall be deemed consented to by the Customer at the time water and/or wastewater treatment service is provided by the District. Any provision herein to the contrary notwithstanding, the District may, but is not required to, take immediate steps to repair any service line, leak or break which the District determines, in its sole discretion, to constitute an emergency. In such event the District shall recover the cost of such repair from the Customer owning such service line. If the Customer fails to pay any costs for which the Customer is responsible within thirty (30) days of the District mailing notice thereof to the Customer, the District may take such action as is necessary to collect such costs, including the imposition and foreclosure of a lien on the Customer's property, and the District shall be entitled to recover all costs of such collection, including reasonable attorneys' fees, late charges and interest.

All persons having boilers and/or other appliances on their premises depending on pressure or water or on a continual supply of water shall provide, at their own expense, suitable safety devices to protect themselves and their property against a stoppage of water supply or loss of pressure.

.02 - PROTECTION FROM DAMAGE; VIOLATIONS OF RULES AND REGULATIONS: No person shall break, damage, destroy, uncover, deface or tamper with any portion of the District Water System. Any person who shall violate the provisions of this section may be charged pursuant to applicable state statute or local regulation, and upon conviction thereof shall be fined in an amount as established by the court for each violation. In addition to other penalties expressly provided in these Rules and Regulations, any person violating this section of the Rules and Regulations shall also be subject to a fine of five hundred dollars (\$500.00) per occurrence.

Any person violating any of the provisions of these Rules and Regulations shall, in addition to any and all other remedies and penalties provided for herein or at law or equity, become liable to the Board for any expense, loss or damage occasioned by reason of such violation, including attorneys' and engineering fees and costs.

.03 - **WATER METERS:** A primary water meter as described herein shall be required for each dwelling unit receiving water from the District:

- (A) **Primary Water Meters:** Prior to the receipt of water service from the District, the Customer must install, at his or her expense, a primary volumetric water flow meter. The meter and installation shall meet the specifications and procedures set forth in Appendix B. Each Customer shall be responsible for the repair and maintenance of his or her meter and any defective or inoperable meter shall be repaired within fourteen (14) days following discovery of the need of such repair. If a meter cannot be read for any reason, the Customer will be charged the greater of either a flat rate of one hundred dollars (\$100.00) per month per EQR; or a standard rate based upon average monthly water use as determined by the District at its sole discretion for any month in which a meter is found defective or inoperable. The Customer can return to a meter rate once the meter is fixed and inspected and approved by the District. The District shall, in its sole discretion, elect which billing method to use. In the event a defective meter is not repaired or replaced by a Customer within the 14 day period as provided, the District may invoke the procedure set forth in Section 7.16 hereof to suspend or revoke service pending repair or replacement of the defective meter.
- (B) **Inspection:** All new water meters must be installed per specifications and inspected by an Authorized Representative of the District. The Customer must notify the District within fourteen (14) days of being issued a Certificate of Occupancy to schedule an inspection of the meter. Until such time as the meter is inspected, the Customer will be charged the greater of either a flat rate of one hundred dollars (\$100.00) per month per EQR from the date the Certificate of Occupancy is issued; or a standard rate based upon average monthly water use of customers with similar EQRs as determined by the District. The District shall, in its sole discretion, elect which billing method to use. In the event an inspection is not scheduled within 14 days, the District may invoke the procedure set forth in Section 7.16 hereof to suspend or revoke service pending inspection of the new meter.
- (C) **Sub-Meters:** Subject to the sub-meter requirement contained in subsection (F), below, Customers may install sub-meters for their own use. A sub-meter is any meter whose flow reading constitutes a portion of the flow reading of a primary water meter. Customers may install sub-meters for any lawful purpose at their own expense. Customers are fully responsible for any damage to the Water System or water leakage resulting from the installation of a sub-meter. No sub-meter shall be installed on the supply side of the primary water meter. The supply side shall mean in this context any point on the service line or the District line closer to the source of District water than the primary water meter. Customers desiring to install additional water meters on the supply side of their primary water meter to service a property or portion of a property to

which a meter reading already applies, or would apply, must apply for additional water taps, creating additional primary meters. Regardless, of the number of sub-meters or their respective readings, Customer water on the Water System as part of the installation of a sub-meter shall comply with the District Rules and Regulations, including without limitation Appendix B, except that, subject to the requirements of subsection (F), remote readout shall not be required on sub-meters.

- (D) Notification: In the event a Customer elects to install a sub-meter, the District shall be so informed in writing prior to the installation and the location of any proposed readout of the sub-meter shall be reviewed and approved by the District to avoid confusion with the primary meter. All sub-meters shall be clearly labeled as sub-meters.
- (E) Readings: The District shall be under no obligation to read or record sub-meter readings, but the District may in its own discretion do so. Normally sub-meters shall not be read by the District.
- (F) Car Washes: All car washes that are part of a larger service station or structure, or otherwise are not equipped with a separate, primary water flow meter, shall have installed a sub-meter, by which water flow to the car wash can be separately metered. A remote readout shall be installed with all car wash sub-meters. The installation of car wash sub-meters shall comply with the District Rules and Regulations, including, without limitation, the requirements of Appendix B. The Customer shall be responsible for the repair and maintenance of his or her car wash sub-meter and any defective or inoperable sub-meter shall be repaired or replaced within thirty (30) days following discovery or notice from the District of the need of such repair. In the event a defective car wash sub-meter is not repaired or replaced by a Customer within the 30-day period, as provided, such repair or replacement may be completed by the District and the cost thereof charged to the Customer.

All car washes included within the District after the effective date of these Rules and Regulations which are not in compliance with the requirements of this subsection (F), shall have until the first of the following events occurs: (1) the car wash is sold; or (2) the expiration of five years from the date of inclusion to comply with the requirements of this subsection (F) for separate water metering.

.04 - BACKFLOW PREVENTION DEVICES: All water service installations, shall include backflow/cross connection prevention devices. Such devices shall be installed in accordance with Chapter X of the District Specifications and Procedures set forth in Appendix B and in accordance with the most recently adopted building code of the applicable governing jurisdiction. The Customer shall notify the District within 14 days of being issued a Certificate of Occupancy to schedule an inspection of the device. As of January 7, 2004, new water service installations will be inspected by an Authorized Representative for compliance with the District's requirements for backflow prevention and shall be tested annually by a certified backflow technician contained on the District's list of certified technicians and shall be available upon request. All water service installations installed prior to February 20, 2007 without a backflow/cross connection prevention device, are required to install said device in accordance with this section within ninety (90) days of being provided written notice

from the District, which device shall be inspected by the District. In the event an inspection is not scheduled within 14 days, the District may invoke the procedure set forth in Section 7.16 hereof to suspend or revoke service pending inspection of the backflow/cross connection prevention device.

.05 - **PRESSURE REDUCING VALVES:** All Customers, if required by applicable law, code or regulation, shall install a pressure reducing valve at the water meter location in accordance with Appendix B and any applicable code or regulation. All Customers shall determine County Building Code requirements for such valves. The Board of Directors of the District may, at its discretion, waive the requirements under this section.

.06 - **RAIN SENSORS:** Effective January 2005, all new Customers who use the District's potable water for outdoor irrigation uses are required to install a Hunter Wireless Rain-Clik Rain Sensor, or other similar sensor as may be determined by the District, which will interrupt the cycle of an automatic irrigation system controller when a specific amount of rainfall has occurred. Such sensor shall be available for inspection by an Authorized Representative of the District.

.07 - **IRRIGATION OF COMMON AREAS, OPEN SPACE, PARKS, VACANT LAND:** Connections to the District potable Water System for the purposes of irrigating parks, open spaces, vacant land surrounding any structure connected to District lines, and common areas in subdivisions containing Single Family Residential Units or Duplexes, shall be subject to all Rules and Regulations of the District. Those Rules and Regulations include the requirements of applications for service, water rights dedications, and metering; penalties for unauthorized connections; and charges for Tap Fees, Line Extension Fees, inspection fees, and service charges. Tap Fees for such connections shall be calculated in accordance with Section (D)(1) of the EQR schedule at Appendix A. Service charges shall be calculated pursuant to Section 7.06 of these Rules and Regulations.

.08 - **USE OF WATER FROM DISTRICT HYDRANTS - FIRE FIGHTING AND TESTING:** Water from District hydrants may be used for fire fighting or testing, on the following conditions:

- (A) For purposes of testing of a District hydrant, the user must give prior notice to the District of the time, place, approximate amount of water to be used, and method to be used for measuring the water. The user shall measure the water used with a hydrant meter. A hydrant valve and meter, provided by the District, must be used so that the main hydrant valve is not repeatedly opened and closed.
- (B) When water from the District hydrants is used by the Carbondale and Rural Fire Protection District, any other fire protection entity, or any person for fire fighting purposes, the person or fire protection entity shall provide the District with an estimate of the total gallons of water used and the name and address of the property owner for whose benefit the water was used. The property owner may be required to reimburse the District for the cost of all water used for fire fighting purposes.

.09 - **USE OF WATER FROM DISTRICT HYDRANTS - OTHER USES:** Water from District hydrants may be used for other uses including construction uses and dust suppression, upon the following conditions:

- (A) Water for construction or other purposes may be taken only from one or

more fire hydrants designated by the District especially for such purposes, and only upon the terms and conditions specified by the District in connection with the designation of the hydrant(s). Any person wishing to take water from a fire hydrant must first contact to the District to determine which hydrant may be used for the intended purpose and set up an account with the District for such purposes. Any person who uses water from District hydrants without authorization, or who fails to comply with the rules set out in this section, shall be subject to the remedies of the District set out in Section 7.15 of these Rules and Regulations, including a fine of five hundred dollars (\$500.00) per unauthorized use.

- (B) The user must give prior notice to the District of the time, place, approximate amount of water to be used, and method to be used for measuring the water. The user shall measure the water used with a hydrant meter. A hydrant valve and meter, provided by the District, must be used so that the main hydrant valve is not repeatedly opened and closed.
- (C) Within five days after completion of the use of water from District hydrants, the user or Customer shall submit a complete accounting of the use, along with full payment, to the District either by filling out a form located at the hydrant or contacting the District Office. The price for water used from District hydrants shall be calculated pursuant to Section 7.06 of these Rules and Regulations.

.10 - WATER USE RESTRICTIONS:

- (A) The District shall have the authority to impose voluntary and/or mandatory water use restrictions. Notice of the implementation of any such water restrictions, and the terms thereof, shall be given to District Customers, by published notice in a newspaper of general circulation within the District or by first class mail, postage prepaid. Upon implementation of any water use restrictions, all commercial and residential Customers of the District shall comply with the adopted watering schedule for lawn and water irrigation from the District's system. Customers with newly installed landscaping may be exempted from the watering schedule upon the application for and approval of a special permit by the District, for a fee of fifteen dollars (\$100). The District Administrator is authorized to review and approve special permit applications. Special permits for newly sodded lawns, new trees and gardens will not exceed fourteen (14) consecutive days. Special permits for newly seeded lawns will not exceed twenty-five (25) consecutive days. Special permit holders are subject to the watering hour restrictions set forth herein.

- (B) Penalties. Any violation of any adopted water use restriction (watering on the wrong day or time) subjects the offender to the following penalties:

- (i) First Violation: Written warning.
- (ii) Second Violation: \$ 100 fine.
- (iii) Third Violation: \$ 200 fine.
- (iv) Fourth Violation: \$ 400 fine.
- (v) Fifth Violation: \$2,000 fine.

Successive violations are determined per irrigation season, and not from year to year. Upon discovery of a violation, the District shall provide the Customer with written notice of the violation and assessment of a penalty, if applicable, by certified mail, except notice of a first violation will be sent by regular mail. After a notice of a violation has been given, each day of continued violation is a separate offense. Penalties may be imposed by any of the District's employees or consultants, and payment of penalties is due within thirty (30) days of the date of mailing the notice thereof by the District, unless a written appeal is filed with the Board of Directors within said thirty days. The decision of the Board of Directors on appeals shall be final. Until paid, all penalties imposed hereunder constitute a perpetual lien against the subject property pursuant to Section 7.13 of the District's Rules and Regulations and C.R.S. § 32-1-1001(j), which lien may be foreclosed in the manner provided by law for foreclosure of mechanics liens.

- (C) Emergency Curtailment: In the event of an emergency, the Board shall have the authority to restrict any or all of the following (in any order deemed appropriate by the Board):
- (i) Any and all outside water use;
 - (ii) Car washes;
 - (iii) High volume water users;
 - (iv) All commercial water use;
 - (v) All residential water use, according to schedule set forth in A and B above;

In the event an emergency is declared and the provisions are implemented, the penalties and procedures set forth in subsection B apply; provided, however, the penalties will be doubled.

End Article 4

ARTICLE 5

5.00 - Use of District Sewer System

No unauthorized person or entity shall uncover, make any connection with or opening into, use, discharge into, alter, or disturb any sewer main or appurtenance without first obtaining a written permit from the District. All installations for sewer service from the District shall be made in accordance with these Rules and Regulations, the specifications and procedures set forth in Appendix B, and all federal, state, county and local requirements. All work upon or in connection with any portion of the District Sewer System or any service lines or facilities which connect to thereto shall be by a contractor of Public Health and Environment and these Rules and Regulations. Every permanent connection to the District Sewer System must be inspected by a representative of the District before it is covered. The District shall charge the fees set forth in Section 7.12 for such inspections, which shall be performed upon receipt of at least forty-eight (48) hours' notice to the District. If a permanent connection to the District Sewer System is covered before inspection, it must be excavated for inspection at the Customer's expense. The District will mail to the owner of the property on which the uninspected connection is located a written request that the connection be excavated for inspection. If the connection is not excavated for inspection within ten (10) days after such request is sent, the District will excavate and inspect the connection at the owner's expense.

.01 - **RESPONSIBILITIES OF THE CUSTOMER:** Each Customer shall be responsible for maintaining the entire length of the service line serving his or her property and ensuring that sewer cleanouts remain accessible for inspection by the District's Authorized Representative. Leaks, stoppage, or breaks in such service line must be repaired by the Customer within seventy-two (72) hours after notification of such condition by the District. If satisfactory progress toward repairing said leak, stoppage, or break has not been completed within such time period, the District's authorized representative may shut off the Customer's water service until the sewer leaks, stoppage, or breaks have been repaired. The authority of the District or other appropriate water service provider to shut off a Customer's water service for such purposes shall be deemed consented to by the Customer at the time water and/or wastewater treatment service is provided by the District. Any provision herein to the contrary notwithstanding, the District may, but is not required to, take immediate steps to repair any service line leak, stoppage or break which the District, may, but is not required to, take immediate steps to repair any service line leak, stoppage or break which the District, in its sole discretion, considers to constitute a health hazard or emergency. In such event, the District shall recover the cost of such repair from the Customer owning such service line. If the Customer fails to pay any costs for which the Customer is responsible within thirty (30) days of the District mailing notice thereof to the Customer, the District may take such action as is necessary to collect such costs, including the imposition and foreclosure of a lien on the Customer's property, and the District shall be entitled to recover all costs of such collection, including reasonable attorneys' fees and costs.

.02 - **DISCHARGE RESTRICTIONS - GENERAL:** Except as hereinafter provided, no person shall discharge, or cause to be discharged, to any sewer main, any waste prohibited by these Rules and Regulations, or any harmful waters or wastes, whether liquid, solid, or gas, capable of causing obstruction to the flow in sewer lines, damage or hazard to structures, equipment or personnel of the sewage works; inhibiting the biological activity in the waste water treatment facilities; otherwise interfering with the proper operation of the sewage works; constituting a hazard through exposure to the District sewer effluent; or causing the District to be in violation of federal, state or local laws.

.03 - **DISCHARGE RESTRICTIONS - PROHIBITED WASTES:** Any person or entity found to be discharging the wastes prohibited by this section shall be fined five hundred dollars

(\$500.00) for each day such prohibited discharge continues and for each subsection violated, along with all other remedies available at law or equity, including damages, attorneys' fees and costs. No person or entity shall discharge or cause to be discharged into the District Sewer System the following wastes:

- (A) Water from storm drains, roof drains, window well drains, drainage collection systems, foundation drains, sumps, surface runoff, sub-surface drainage, or cooling processes.
- (B) Any oil, grease, or other similar petroleum product which is not water soluble. Such prohibited wastes shall include diluted wastes of such nature, including but not limited to, water or wastes containing grease, oil, hydrocarbons, fatty acids, soaps, fats, or waxes which exceed 50 mg/l as determined by solvent (Freon) extraction.
- (C) Explosive materials, including but not limited to, gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, alcohols, ketones, aldehydes, peroxides, chlorates, perchlorates, bromates, carbides, hydrides and sulfides. Such limitation shall additionally include any waste capable of raising the Lower Explosive Limit (L.E.L.) of the ambient atmosphere in any sewer to five percent (5%) for any two (2) successive readings or to ten percent (10%) for any single reading on an explosion hazard meter.
- (D) Any solid or viscous substance in quantities or sizes capable of causing obstruction to the flow in the sewer lines or other interference with the proper operation of the District Sewer System, such as, but not limited to, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, unground garbage, whole blood, cattle manure, hair and fleshings, entrails, grit, brick, cement, onyx, carbide, and shredded or whole paper products other than tissue, toilet paper, and other products intended for toilet disposal.
- (E) Any waste having a temperature higher than one hundred fifty (150°) degrees Fahrenheit (66°C).
- (F) Any waste having a Ph value lower than 5.5 or greater than 9.0.
- (G) Any toxic substance, or substance requiring pretreatment, as those terms are defined in 40 Code of Federal Regulations § 403, as amended from time to time, unless otherwise covered under this section.
- (H) Any radioactive wastes or isotopes.
- (I) Any noxious or malodorous substance capable of creating a public nuisance.
- (J) Any wastes having a color concentration in excess of thirty (30) color units, based on the Platinum Cobalt Scale.
- (K) Any wastes having a flash point lower than one hundred eighty-seven degrees

Fahrenheit (187°F) (86°C) as determined by the Tagliabue (Tag.) closed-cup method.

- (L) Any waste having a five (5) day Biochemical Oxygen Demand which may contain more than 1,000 parts per million by weight as averaged during any twelve (12) hour period.
- (M) Any wastes containing phenolic compounds over 5 mg/l expressed as phenol.
- (N) Any cyanides or compounds capable of liberating hydrogen cyanide in excess of 1 mg/l expressed as hydrogen cyanide from any individual outlet.
- (O) Any wastes containing sulfides over 3 mg/l expressed as hydrogen sulfide.
- (P) Any wastes containing toxic or poisonous substances having a twenty-four (24) hour proportionate composite sample concentration, at point of discharge, in excess of the following:
 - 1. Total Chromium as Cr 7.5 mg/l
 - 2. Copper as Cu 4.5 mg/l
 - 3. Nickel as Ni 15.0 mg/l
 - 4. Cadmium as Cd 1.2 mg/l
 - 5. Zinc as Zn 12.0 mg/l
 - 6. Iron as Fe 15.0 mg/l
 - 7. Lead as Pb 15.0 mg/l
 - 8. Arsenic as As 0.25 mg/l
 - 9. Manganese as Mn 0.25 mg/l
 - 10. Selenium as Se 0.05 mg/l
 - 11. Silver as Ag 0.25 mg/l
 - 12. Mercury as Hg 0.10 mg/l
- (Q) Any waste that would cause a violation of the District's Discharge Permit.
- (R) Floor drains and garage drains shall not be discharged into sanitary sewers.

.04 - **DISCHARGES WHERE SPECIAL AUTHORIZATION IS REQUIRED:** The District Tap Permit allows discharge into the District Sewer System, through a specified sewer tap, of sewage not otherwise restricted or prohibited by these Rules and Regulations. Discharges of swimming pool water or hot tub water, must be specifically authorized by the District Administrator, Tap Permit or other written permit. The Tap Permit for swimming pools or hot tubs shall specify the hours when such pools may be drained into the District Sewer System, and may include limits on the amount of chlorine (expressed as mg/l) in such discharge.

.05 - **DISCHARGE RESTRICTIONS - SPECIAL REVIEW:** On written application from a Customer, the Board of Directors may, at its discretion, specially review a request to discharge into the District Sewer System any waste otherwise prohibited under this Article. Said written application shall include an analysis of the types, amounts, concentrations, and times of discharge of each prohibited waste, and an analysis of the impact of such discharge on the District Sewer System, including the District's sewer effluent. After consultation with the District Engineer, the Board may

allow discharge of the prohibited waste, provided such discharge does not violate, or cause the District to violate, federal, state, county or local laws.

If approved, the Board may prescribe the times, places, concentrations, total amounts, fees and charges, and any other conditions under which such prohibited waste may be discharged. When necessary in the opinion of the Board, the Customer shall provide, at his or her expense, such pretreatment facilities as may be necessary to treat such prohibited waste prior to discharge to the sewer main. Plans, specifications, and any other pertinent information relating to proposed pretreatment facilities shall be submitted for the approval of the District and of the State Board of Health, and no construction of such facilities shall be commenced until such approval is obtained in writing. Where pretreatment facilities are provided for any prohibited waste, they shall be maintained in continuously efficient operation by the Customer, at his or her own expense.

When required by the District, the Customer served by a service line carrying prohibited wastes shall install and maintain, at his or her expense, a suitable control access hole in the service line to facilitate observation, sampling and measurement of the wastes. The access hole shall be installed by the Customer and maintained at the Customer's expense. In the event that no special access hole has been required, the control access hole shall be considered to be the nearest down-stream access hole in the sewer main to the point at which the service line is connected.

Grease, oil and sand interceptors of a design set forth in Appendix B or the Uniform Building Code as adopted by the relevant local jurisdiction shall be provided when, in the opinion of the Board, or its designated representative, they are necessary for the proper handling of prohibited waste or liquid wastes containing grease in excessive amount, or any flammable wastes, sand and other harmful ingredients. However, such interceptors shall not be required for dwelling units, unless such waste is generated by said units. Where installed, they shall be maintained by the Customer, at his or her expense, in continuously efficient operation at all times.

All measurements, tests, and analysis of the characteristics of waters and wastes shall be determined in accordance with "Standard Methods for the Examination of Water and Waste Water," latest edition, and shall be determined at the control access hole, or upon suitable samples taken at said control access hole. Test results shall be available to the Customer at the District office.

.06 - **DISCHARGE RESTRICTIONS - PORTABLE TOILET WASTES:** No person or entity shall discharge portable toilet wastes, discharges from recreational vehicles, pumped septic wastes or other septage into the District Sewer System.

.07 - **GREASE TRAPS, OIL SEPARATORS REQUIRED:** Certain dischargers shall be required to install grease traps or oil separators as part of their connection to the District Sewer System, as detailed in the specifications and procedures set forth in Chapter XI of Appendix B.

.08 - **PROTECTION FROM DAMAGE; VIOLATIONS OF RULES AND REGULATIONS:** No person shall break, damage, destroy, uncover, deface or tamper with any portion of the District Sewer System. Any person who shall violate the provisions of this section may be charged pursuant to applicable state statute or local regulation, and upon conviction thereof, shall be fined in an amount as established by the court for each violation. Any person violating this section of the Rules and Regulations shall also be subject to a fine of five hundred dollars (\$500.00) per occurrence, in addition to other penalties expressly provided in these Rules and Regulations.

Any person violating this section of the Rules and Regulations shall, in addition to any and all

other remedies and penalties provided for herein or at law or equity, become liable to the Board for any expense, loss or damage occasioned by reasons of such violation, including attorneys' and engineering fees and costs.

End Article 5

ARTICLE 6

6.00 - Application for Service

.01 - **INCLUSION**: Except as hereafter provided, or in accordance with an Out-of-District Sewer Service Agreement included within the District Service Plan, and subject to these Rules and Regulations, service shall be provided only to persons whose property is included within the District. It shall be incumbent upon the applicant to furnish satisfactory evidence of inclusion whenever such evidence is requested by the District. Evidence shall consist of a tax receipt, or certificate in lieu thereof, received from and signed by the County Treasurer. The District shall determine in its discretion whether satisfactory evidence of inclusion has been presented.

An applicant owning land both within and outside the boundaries of the District who desires service must include into the District all of his or her land contiguous to the parcel upon which service is desired, unless the District determines, in its discretion, otherwise.

The District's standard form of inclusion petition will be furnished to the applicant upon request. The applicant shall be required to execute a Special Fee and Cost Reimbursement Agreement (in the form set forth in Appendix C) prior to the District's review of the petition. Inclusion of property shall be accomplished in accordance with the provisions of C.R.S. §§ 32-1-401, et seq., and all costs in connection therewith, including legal and engineering fees, publication and recording costs and all other actual costs incurred by the District, shall be borne by the applicant.

Any applicant for inclusion into the District may be required to enter into a pre-inclusion agreement with the District pursuant to C.R.S. § 32-1-402(1)(c) as a condition of the District's approval of the inclusion petition. Said pre-inclusion agreement shall set forth the respective rights and obligations of the applicant and the District with respect to fees, charges, the construction of water and/or sewer mains, and other terms and conditions under which the applicant's property may be included in the District. Any inclusion petition and/or pre-inclusion agreement provided to the applicant by the District shall be signed and returned to the District by the applicant within forty-five (45) days following receipt by the applicant. If the pre-inclusion agreement is not executed and returned to the District by the applicant within forty-five (45) days from receipt thereof, the District's prior approval of the agreement shall be null and void and of no further force and effect, and a new request for approval of the inclusion petition and/or pre-inclusion agreement shall be required; provided, however, that the District may extend said 45-day execution deadline prior to its expiration for an additional thirty (30) days upon good cause shown by the applicant.

.02 - **SERVICE OUTSIDE THE DISTRICT**: The District may, in its sole discretion, furnish service to properties located outside the District Boundaries, but, under no circumstances shall the District construct any water and/or sewer mains, at its own expense, to service such properties. No service shall ever be provided to properties located outside the District Boundaries, except upon the express written consent of the District. The District shall not be required to extend service outside of the District's Boundaries.

Charges for furnishing service and taps outside the District Boundaries shall be at the minimum rate of one and a half (1.5) times the current service charges for in-District service as provided for in the Fee Schedule in Appendix A, as the same may be amended from time to time, or as agreed upon by the District and Customer. These Rules and Regulations shall be applicable to all property owners outside the District who are furnished water and/or sewer service by the District. No

connection to the District Water and/or Sewer System shall be permitted until the property owner has agreed in writing to the District Rules and Regulations; provided, however, that the Board of Directors, in its discretion, may charge the higher fees provided for herein for properties not located within the District.

.03 - **APPLICATION FOR WATER AND/OR SEWER SERVICE**: Any owner of property who desires to have the privilege of water and/or sewer service from the District, whether such person intends to make use of EQRs purchased directly from the District or EQRs purchased under a Prepaid Tap Agreement shall submit an application for water and/or sewer service to the District along with any supporting documentation required thereby. The application shall be on the District's standard form and shall contain at a minimum the following:

- (A) Name, address, and phone number of applicant;
- (B) Name, address, and phone number of owner of the premises where said connection is to be made or drain or line is to be laid;
- (C) The Customer's consent to entry and water use record availability pursuant to § 3.05 and consent to water shut off pursuant to §§ 5.01 and 6.01 of these Rules and Regulations;
- (D) The Customer's consent to abide by and be bound by these Rules and Regulations, as amended from time to time;
- (E) Information about the structure(s) to be served to calculate the EQR of sewer service requested, including a plumbing or mechanical plan showing all fixtures with a statement of the proposed use of those fixtures, if so requested by the District.

The application shall be accompanied by any Tap Fee required by these Rules and Regulations. Upon approval, the District shall issue a Tap Permit to the applicant. No tap onto the District Water and/or Sewer System shall be allowed until: the required Tap Fee has been paid; a Tap Permit has been issued; and any and all other applicable fees have been paid. Tap Fees shall be non-refundable, unless expressly agreed to otherwise by the Board. Approved tap permits may be issued after a processing period of five business days.

As noted above, EQRs may be purchased from the District under a Prepaid Tap Agreement (which agreement may take the form of a Tap Purchase Agreement or a System Development Fee Purchase Agreement). In the event the District determines that a Prepaid Tap Agreement shall be entered into by and between the District and a property owner, and following approval of such agreement by the District, said agreement shall be executed and returned to the District by the subject property owner within forty-five (45) days from receipt of the agreement. If said Prepaid Tap Agreement is not executed and returned to the District by the property owner within forty-five (45) days from receipt thereof, the District's prior approval of the agreement shall be null and void and of no further force and effect, and a new request for approval of the Prepaid Tap Agreement shall be required; provided, however, that the District may extend said 45-day execution deadline prior to its expiration for an additional thirty (30) day period upon good cause shown by the property owner.

.04 - **DENIAL OF APPLICATION FOR SERVICE**: The District reserves the right to deny service for any or all of the following reasons:

- (A) The connection of the system to the applicant's existing plumbing would constitute a cross-connection to an unsafe water supply;
- (B) There has been misrepresentation in the application as to the property and fixtures contained in the property, or the use to be made of the water supply;
- (C) The service applied for would create an excessive demand or adverse impact on the District Water and/or Sewer System, unless the Customer proposes a means to eliminate such excessive demand or adverse impact to the satisfaction of the District;
- (D) The Customer has violated these Rules and Regulations;
- (E) The District does not have any remaining uncommitted capacity in its water and/or sewer system or any of its other water and/or sewer facilities to provide service to the Customer, as determined by the District.

.045 - **WATER AND SEWER SERVICE REQUIRED:** It is the policy of the District that all Customers connect to both the District's water and sewer services. The District reserves the right to deny service to any Customer that requests only water or sewer service. Water or sewer service shall only be provided separately if in accordance with an Out-of-District Sewer Service Agreement included within the District's Service Plan or under exceptional circumstances and upon the express written approval of the Board of Directors. Exceptional circumstances shall include but are not limited to the following:

- (A) Financial hardship; and
- (B) Pre-existing well or septic tank in good working condition and in full compliance with all local and state laws and regulations. Provided, however, that the District shall require that connection to the non-connected service (i.e. the pre-existing well and/or septic tank) occur by a date certain or upon failure of the well and/or septic tank, whichever occurs first.

Notwithstanding the foregoing, the District reserves its right under C.R.S. § 32-1-1006(1)(A)(I) to compel the owner of premises located within the District boundaries and within four hundred feet of a District Water or Sewer Line to connect to the District lines whenever necessary for the protection of public health.

.05 - **CHANGE IN CUSTOMER SERVICE:** A Customer shall file an amended Application for Water and/or Sewer Service with the District prior to making any increase in the size of a structure served by the District or in the type of service received. Examples of such changes are the construction of additions to houses or other buildings, changes in use of an existing structure, adding water using fixtures or appliances, or connecting or additional connections to the District's lines. The District shall collect any additional water rights dedications, tap fees and/or service charges due and owing retroactive to the date of any such change. Customers purchasing real property in the District are strongly encouraged to verify that the amount and type of service for which the District is currently charging is consistent with the type and amount of service which the seller purports to have paid for and wishes to convey. At any time the Board may review actual water and/or sewer usage to determine if such actual usage is greater than that implied by the number of EQR units assessed to the

user at the time his application for service was accepted. Winter water use records may be utilized for this purpose. If the Board finds greater actual water and/or sewer usage the user shall be assessed a greater number of EQR units to reflect his actual water and/or sewer usage and shall be charged an additional tap fee. In no event shall a refund, credit, or rebate of Tap Fees or Line Extension Fees previously paid be permitted in the event of a decrease in the type or amount of service.

.06 - TRANSFER OF EQR CREDITS: EQR credits obtained by direct purchase from the District are considered appurtenant to the structure and/or land for which they were obtained and may not be transferred.

.07 - TEMPORARY CONNECTIONS: At the discretion of the Board of Directors, temporary connections to the District Water and/or Sewer System may be permitted, pursuant to terms and conditions established by the Board. Any person wishing to make such a temporary connection must first make an application for service to the District, pay the fees required, have the application approved, and have a Tap Permit issued before making any connection. Each temporary connection shall be subject to inspection by a representative of the District. Unauthorized connections shall be subject to the penalties set forth at Section 7.15.

Temporary connections of construction trailers or non-permanent construction buildings to the District Water System and/or Sewer System may be made for periods not to exceed six months, pursuant to the terms of this Section 6.07. At the time of making the application for water and/or sewer service, the applicant shall pay the Tap Fee for 1.0 EQR of water and/or sewer service and demonstrate that a Tap Fee for at least 1.0 EQR of water and/or sewer service has been paid for the building under construction.

The construction trailer or non-permanent construction building shall thereafter be assigned an EQR value of 1.0 for purposes of calculating monthly water and/or sewer service charges, which charges shall be assessed at two (2) times the monthly rate then in effect. If the applicant pays directly the Tap Fee for 1.0 EQR of water and/or sewer service, that amount shall be credited against the full Tap Fees due and payable for the building under construction. The water service line for a temporary connection to the District Water System shall be no greater than three-quarters of an inch (3/4") in diameter.

End Article 6

ARTICLE 7

7.00 - Fees and Charges

The information contained in this section is pertinent to all charges of whatever nature to be levied for provision of water and/or sewer service inside the District. Said rates and charges shall be established by the Board and shall remain in effect until modified by the Board under the provisions of these Rules and Regulations and under the applicable statutes of the State of Colorado. Nothing contained herein shall limit the Board from modifying rates and charges or from modifying any classification.

.01 - APPLICATION OF THIS ARTICLE: The rates, charges and other information shown herein shall apply only to Customers inside the District and shall in no way obligate the District to provide service outside the District Boundaries under any of the conditions contained in this Article.

.02 - TYPE OF SERVICE: Water service shall be metered by the District. Unless otherwise stated, charges and fees for water and/or sewer service shall be based on the number of EQRs of service calculated in accordance with the EQR Schedule in Appendix A. The charge per EQR shall be at the rates in the District's fee schedule, as the same may be amended from time to time.

.03 - TAP FEE: Except as otherwise determined by the Board, or as set forth in a written agreement between the District and a Customer or Developer, a Tap Fee shall be charged to all Customers of the District. All Tap Fees shall be assessed as provided for in the EQR Schedule at Appendix A, as the same may be amended from time to time, or, to the extent Tap Fees or charges are set or determined in the Prepaid Tap Agreements, as provided therein. Customers shall provide full payment to the District for the Tap Fee based upon the anticipated EQRs and as identified by the EQR Schedule or Prepaid Tap Agreement prior to any physical connection to the District's Water and/or Sewer System. The Customer shall then remit any additional amount that may be required based upon the end construction, within 60 days after the County issues a Certificate of Occupancy.

When any person adds to an existing building, changes the use of a building, or enlarges or expands the use of water and wastewater service from the District such addition, enlargement or expansion shall be subject to the payment of an applicable supplemental Tap Fee to be computed based upon the change in the EQR Schedule at Appendix A. Any reduction in service from the District resulting in a decrease in the calculated EQR rate shall not be subject to any refund of Tap Fee. Upon receipt by the District of payment for Tap Fees, a Tap Permit shall be provided to the Customer. Except as otherwise provided in a specific written agreement, the standard District Tap Fees shall be as set forth in the Fee Schedule in Appendix A, as the same may be amended from time to time. No tap onto, or service from, the District's Water and/or Sewer System shall be allowed until any Tap Fee required by these Rules and Regulations has been paid and a Tap Permit has been issued. Tap Fees shall be non-refundable, unless otherwise expressly agreed by the Board.

.04 - SERVICE CHARGE: Full service charges, calculated under the District's Fee Schedule and EQR Schedule, attached hereto as Appendix A and as may be amended from time to time, shall commence and accrue from the date the Customer makes physical connection to the District Water and/or Sewer System. Service fees during construction and before a Certificate of Occupancy is issued by the County will be charged on a quarterly basis according to the rates identified in Appendix A as may be amended from time to time. Once a Certificate of Occupancy is issued for the building and a

copy of the Certificate is provided to the District, the Customer shall be entitled to a 50 percent refund of the service fees paid during the construction period.

Upon issuance of a Certificate of Occupancy and for any given month, service charges shall be based on the EQR value applicable during that month to the property being served, and any changes in EQR values shall also result in adjustments in monthly service charges. The Customer shall be liable to the District for payment of such service charges from the date of physical connection, regardless of whether the Customer actually receives or uses District water or sewer service by means of said connection. District sewer charges shall be as provided in the Fee Schedule in Appendix A.

District quarterly water service charges shall be based on an increasing block rate structure, the EQR value applicable to the property, and the quantity of water used during that quarter. The ascending rate structure is set forth in the Fee Schedule in Appendix A. In addition to the above water service rates, the Customer will be assessed a base rate as set forth in the Fee Schedule in Appendix A.

Service charges which accrue on or after the date the certificate of occupancy is issued shall be due and payable whether or not the premises are occupied. There shall be no right to refund, rebate, or credit for such charges, except as otherwise stated in this Article.

.05 - **PRESSURE ZONE OR OTHER SURCHARGES:** Where any defined part of the District depends for its potable water or sewer service on a pumping station or discrete facility owned and maintained by the District, the Board of Directors may establish and charge such Customers a monthly pressure zone surcharge. The zone surcharge shall be based on the pro-rata cost to each applicable Customer of the pumping station or other facility and its maintenance, or other service provided by the District.

.06 - **PER-GALLON SERVICE CHARGES:** Per-gallon service charges for irrigation water service and for water service from District hydrants shall be as set forth in the Fee Schedule in Appendix A.

.07 - **AMENDED TAP FEES:** In those situations where a prospective Customer applies for a connection permit for service to a structure not defined in Appendix A, or where, in the Board's opinion, said structure represents a classification not contemplated in the establishment of the previously defined Tap Fees, the Board shall, at its sole discretion, establish a fair, reasonable and equitable Tap Fee for said structure.

.08 - **AMENDED MONTHLY SERVICE CHARGES:** In those situations where, in the Board's sole discretion, the monthly service charges shown in the previous articles do not represent a fair, reasonable and equitable charge for the intended use, the Board, at its sole discretion, may adjust said rates.

.09 - **STANDBY FEES:** The District shall have the authority to adopt and charge standby fees upon amendment to these Rules and Regulations.

.10 - **PAYMENT OF SERVICE CHARGES:** All accounts shall be in the name of the owner of property. Statements for service charges are directed to the owner rather than the occupant unless the owner otherwise notifies the District.

When a Customer receives service for a number of units which are provided water service

through one water meter, the District shall send only one bill to the Customer for water and sewer service for such units. In no event shall the District bill the owners of individual units within a multiple-use area unless service to each unit is metered separately.

Statements for service charges shall be rendered to Customers at intervals to be established by the District, but not more frequently than monthly nor less frequently than quarterly. Charges for such things as late payments, turn-on, and turn-off shall be included in the statements. Statements shall be mailed before the specified billing period and shall be due and payable in full fifteen (15) days after the date of the statement. Payments will be deemed late thirty-one (31) days after the date of the statement and will be assessed a late charge of one and one-half percent (1.5%) for each month, or part thereof, in which such charge remains unpaid. If any charges remain unpaid for thirty-one (31) days or more, the District may give the Customer written notice that the Customer's water and/or sewer service may be suspended or revoked if the delinquent charges are not paid in full within fifteen (15) days after the postmark on such notice. Such notice shall also give notice of hearing in accordance with the provisions set out in section 7.16, below.

In addition to the District's right to suspend or revoke service as provided in this paragraph, the District may enforce the Customer's payment obligations by any and all other lawfully available means, including suits for collection and/or foreclosure of the District's lien on the Customer's property. In any event, the District shall be entitled to recover all costs incurred in the collection of delinquent payments, including reasonable attorney's fees, recording fees, filing fees and court costs. Any deposit received by the District for service to the Customer may be applied against delinquent payments.

.11 - **PAYMENT OF TAP FEES:** Tap Fees due under Prepaid Tap Agreements shall be subject to the due dates, penalties, and interest charges set forth in those agreements. In addition to the penalty provided for in Section 7.15, late payments of Tap Fees not arising under Prepaid Tap Agreements shall be subject to a late charge of one percent and one-half percent (1.5%) for each month, or part thereof, in which the fee remains unpaid. Statements, letters, notices, or other documents concerning unpaid Tap Fees shall be directed to the owner of the property for which the fee is due. Regardless of any rental agreement, lease agreement, or any other contractual agreement between an owner and occupant, the owner of a property for which a Tap Fee is due shall remain solely liable for payment of that fee.

.12 - **MISCELLANEOUS COSTS AND EXPENSES:** All costs and expenses incident to the installation and connection of water and/or sewer service lines shall be borne by the Customer. In addition, the Customer shall indemnify the Board for any loss or damage that may directly or indirectly be occasioned by the installation of the water and/or sewer service line. No work by District personnel shall be done on Saturdays, Sundays, or holidays unless written permission is granted by the Manager/Administrator. Miscellaneous fees and charges for District services are set forth in the Fee Schedule in Appendix A.

.13 - **LIABILITY FOR PAYMENT COLLECTION; PERPETUAL LIEN:** All fees, rates, tolls, penalties, or charges of the District shall be paid by the owner of the property served. The District shall not be bound by any agreement between an owner and occupant concerning payment of charges, regardless of whether the District has been notified of the agreement. Until paid, all fees, rates, tolls, penalties, and charges shall constitute a first and perpetual lien on or against the property served, and any such lien may be foreclosed in the manner provided by law.

The District shall have the right to collect from any Customer who is delinquent in payment of the Customer's account, all legal, court and other costs and expenses necessary to or incidental to the

collection of said account, including reasonable attorneys' fees, filing fees and other costs, and recording fees. A fee in the amount set forth in the Fee Schedule in Appendix A shall be imposed on any check tendered to the District which, upon presentment to the bank for payment, is returned unpaid due to insufficient funds, an overdrawn or closed account, or for whatever reason. Such fee shall accrue each time a check is returned unpaid.

.14 - **SELLER'S AND BUYER'S RESPONSIBILITIES:** The District assumes no responsibility for agreements between sellers and buyers of property within the District or District's Service Area. It shall be the responsibility of the buyer to ascertain whether appropriate fees and charges for the type and amount of service received from the District have been paid by the seller. Regardless of ownership, failure of the District to collect fees and charges at the time of the issuance of permits, or any other act or omission of the District, unpaid fees and charges shall constitute a first and perpetual lien on and against the property which lien may be foreclosed as provided by law and these Rules and Regulations.

.15 - **UNAUTHORIZED USE OR CONNECTIONS:** Any person who makes a connection to or otherwise uses the District's water, or discharges into the District Sewer System without first paying the appropriate fees and obtaining the appropriate permits shall be fined five hundred dollars (\$500.00) for each unauthorized use or connection. This fine shall be in addition to the District's right to charge for all services used, and to any and all other remedies which the District may have.

In addition, the District may require and/or carry out immediate disconnection of the service, in which event the District shall be entitled to collect any and all costs and damages incurred by the District as a result thereof, including the fees set forth in paragraphs F(1), (2), and (3) of the Fee Schedule in Appendix A; or the District may authorize connection on such terms and conditions as the District may approve. Should the District be required to pursue any legal proceeding or process with regard to unauthorized connection to the District's system or unauthorized use of District water, the person making the unauthorized use or connection shall be liable for all attorneys' fees, filing fees, recording costs, court costs or other legal expenses incurred by the District.

Any unauthorized reconnection, unblocking, or turning back on of District water or sewer service after it has been disconnected, blocked, or turned off pursuant to this section shall constitute an additional unauthorized use or connection, subject to an additional fine of five hundred dollars (\$500.00).

.16 - **SUSPENSION OR REVOCATION OF SERVICE; ASSESSMENT OF FINES OR PENALTIES:** The District shall have the authority to suspend or revoke water and/or sewer service upon non-payment of fees owing to the District, or upon any failure to comply with the Rules and Regulations of the District. The District shall also have the authority to assess fines and penalties as provided in these Rules and Regulations. In the event of said non-payment of obligations or other violation of these Rules and Regulations, the Customer shall be given written notice of a hearing to determine whether the Customer is in violation of his payment obligations to the District or in violation of these Rules and Regulations and to determine whether to suspend or revoke water and/or sewer service, or to assess a fine or penalty. The notice shall be sent by regular and certified mail to the Customer's billing address at least fifteen (15) days before the date of the hearing and shall specify the date, time, and place of the hearing, as well as the alleged violation and the reason or reasons for revocation of service and/or the possible fine or penalty to be assessed. The hearing shall be held by the District at a regular or special meeting of the Board of Directors at which time the Customer shall have an opportunity to present testimony and evidence to the Board. Within fifteen (15) days of the

conclusion of the hearing, the Board shall issue a written Memorandum of Decision, which decision shall be final. Thereafter, the District may revoke service to the property by turning off, disconnecting, or blocking the water and/or sewer lines serving the property. Such actions shall be subject to the fees set forth in in Appendix A and shall include fees for hearing notification and hearing and any other applicable fees. The fee for disconnection of sewer service shall be one hundred and fifty dollars (\$150.00) each plus the District's actual costs of disconnection, and, upon disconnection of sewer service, the District shall notify the local building authority.

Any Customer who after notification fails to appear at the public hearing on their past due account or other alleged violation of the Rules and Regulations and has not paid the account to the satisfaction of the Board or otherwise corrected the violation within the allotted time will be assessed a fine in the amount of one hundred and fifty dollars (\$150.00) for the cost of the public hearing. The Board may also suspend or revoke service if necessary.

Any unauthorized reconnection, unblocking, or turning back on of District water or sewer service after it has been disconnected, blocked, or turned off pursuant to this section shall constitute an unauthorized use or connection pursuant to Section 7.15 above, subject to the five hundred dollar (\$500.00) fine under that section.

.17 - TURN-OFF SERVICE: Customers desiring that their service be turned off, disconnected, or blocked for such purposes as vacancy of rental property, or construction shall pay the fees set forth in paragraph F(2) of the Fee Schedule in Appendix A. Any unauthorized reconnection, unblocking, or turning back on of District water or sewer service after it has been disconnected, blocked, or turned off pursuant to this section shall constitute an unauthorized use or connection pursuant to Section 7.14 above, subject to the five hundred dollar (\$500.00) fine under that section.

.18 - REIMBURSEMENT OF COSTS AND FEES TO DISTRICT: Any person requesting inclusion or exclusion of property from the District, constructing a line extension project, or undertaking any other activity requiring preparation of plats or plans, legal and engineering review and advice, inspections, filing or recording fees, or other out-of-pocket expenses by the District shall be required to reimburse the District for all such costs and fees. Such person shall be required, prior to commencement of the project or activity, to enter into a Special Fee and Cost Reimbursement Agreement substantially similar to that set forth in Appendix C. Pursuant to that agreement, the person shall make such deposit as the Board, in its sole discretion, deems appropriate.

End Article 7

ARTICLE 8

8.00 - Main Line Extensions

All line extensions shall be made under the observation of the District's engineer and constructed according to the District's specifications and procedures set forth in Appendix B, these Rules and Regulations, and all federal, state, county and local requirements

.01 - **MAIN SIZES**: The minimum size water main line shall be eight inches (8") in diameter and the minimum size sewer main line shall be eight inches (8") in diameter, except as specifically authorized by the Board.

.02 - **APPLICATION FOR LINE EXTENSION**: The fees and charges provisions of Article 7 of these Rules and Regulations are also applicable to this Article 8.

It shall be unlawful for any person to construct a line extension within the jurisdiction of the Board without first having made formal application to the Board for approval and having complied with these Rules and Regulations and any other requirements set forth by the Board.

.03 - **LINE EXTENSION AGREEMENTS**: All line extensions for District water and/or sewer service shall require the execution of a Line Extension Agreement or Line Connection Agreement, in a form approved by the attorney for the District and by the Board, and shall be made under the observation of the District's engineer. Such Agreement shall set forth the respective rights and obligations of the parties regarding the provision of District water and sewer service to the subject property.

Any Line Extension or Line Connection Agreement entered into by and between the District and a property owner following approval of the agreement by the District shall be executed and returned to the District by the property owner within forty-five (45) days from receipt of the agreement.

If the Line Extension Agreement is not executed and returned to the District by the property within forty-five (45) days from receipt thereof, the District's prior approval of the agreement shall be null and void and of no further force and effect, and a new request for approval of the agreement shall be required; provided however, that the District may extend said 45-day execution deadline prior to its expiration for an additional thirty (30) days upon good cause shown by the property owner.

.04 - **LOCATION OF LINE EXTENSIONS AND ADDITIONS**: Line extensions shall be installed in roads or streets which the County, State Highway Department or other public agency have accepted for maintenance as public rights-of-way, or in easements granted to the District. Prior to the acceptance of water and/or sewer mains by the District, all easements necessary for the installation and maintenance of such mains shall be platted or conveyed to the District by warranty deed duly recorded in the County real estate records.

.05 - **PROCEDURE FOR LINE EXTENSION CONSTRUCTION BY DEVELOPER**: Plans for line extensions shall be submitted to the Board along with an application for a line extension. All plans and specifications which must be approved by the Board must be submitted to the Board at least twenty-one (21) days prior to a regularly scheduled Board meeting. Said plans shall be reviewed and approved for compliance with the District's service plan and Rules and Regulations and the costs associated for the District's determination of compliance shall be reimbursed by the Customer to the District.

(A) SECURITY/IMPROVEMENTS GUARANTY:

Any Developer constructing a water and/or sewer line extension may be exempted from posting a sewer improvements guaranty, provided the District, in its sole discretion, determines such Developer satisfies the following requirements:

- (i) The Developer provides adequate assurances and documentation establishing that such Developer has posted adequate security with another public entity pursuant to a Subdivision Improvements Agreement (“SIA”) where such SIA provides for:
 - (a) a guarantee amount sufficient to cover the cost of all necessary water and/or sewer improvements;
 - (b) written approval by the District of water and/or sewer improvements prior to release of the portion of the guarantee covering the water and/or sewer improvements by the public entity; and
 - (c) a provision requiring the District to be a named beneficiary as to the value of all improvements to be dedicated to the District; or the Developer provides adequate assurances and documentation establishing that the property to be served with District water and/or sewer improvements is the Developer’s residence or business, and that the property is not held for speculative purposes.

and;

- (ii) The Developer requests and receives a written release of water and/or sewer improvements guaranty from the District. The District maintains the right to terminate the water and/or sewer improvements guaranty exemption in the event a surety bond provided another public entity is prematurely released and the District determines the necessary water and/or sewer improvements are not complete.

(B) CONSTRUCTION OBSERVATION: The Developer shall retain, at his sole expense, a licensed professional engineer for appropriate on-site observation to ensure that all sewer improvements are constructed to the satisfaction of the District. Construction observation fees incurred by the District on water and sewer improvements constructed by a Developer shall be paid by the Developer. Such fees shall include the costs of reasonable review of drawings and specifications, meetings, inspections, administration and any other time reasonably required of the District’s engineer, attorney, manager, or other authorized representative.

(C) AS-BUILT DRAWINGS, DEPOSIT, FORFEITURE: Developer shall submit, at the Developer’s cost, Reproducible As-Built Drawings, prepared and submitted according to the specifications and procedures set forth in

Section 3.05 of Chapter I of Appendix B, electronic images in a format accepted by the District, of the interiors of the extended sewer lines and written reports of lamp tests and vacuum tests (hereinafter collectively referred to as “Electronic Images ”) and a summary of actual costs incurred by the Developer for the line extension project. No line extension project shall be approved, and no extended water and/or sewer mains shall be accepted by the District until satisfactory As-Built Drawings/Electronic Images for the project are received by the District and approved by the District Engineer, which review shall be completed within thirty (30) days of submission by the Developer. The District may deny service through any sewer main or sewer line extension until the above requirements have been met and the main line extension has been accepted by the Board. Submitted Electronic Images of sewer lines shall become the property of the District upon acceptance of the extended sewer lines.

At the same time and in addition to the deposit required under Section 8.05 for the cost of a line extension project, the Developer shall deposit with the District an amount to be determined by the Board, but at least five thousand dollars (\$5,000) in cash, to ensure that satisfactory As-Built Drawings and Electronic Images for the project are submitted to and approved by the District. The amount to be deposited with the district shall increase based upon the estimated EQRs in the amount of one hundred dollars (\$100.00) per anticipated EQR for each EQR over fifty (50) according to the EQR schedule or in an amount determined by the Board. Said Deposit shall not be released back to the Developer until satisfactory As-Built Drawings and Electronic Images are submitted by the Developer and approved by the District Engineer.

In the event that satisfactory As-Built Drawings and Electronic Images are not received by the District within thirty (30) days of the completion of construction, as required by the above provisions, the District shall mail a written notice to the Developer. The notice shall specify the date, time, and place of a hearing in which the Board will consider forfeiture of the As-Built Drawings/Electronic Images Deposit, and the reasons why forfeiture may be required. The notice shall be mailed not less than ten (10) days before the hearing, to the last known address of the Developer. At the hearing, the Developer shall be allowed to present testimony and other evidence. If in the opinion of the Board the Developer's failure to submit acceptable As-Built Drawings/Electronic Images should not be excused, the As-Built Drawings/Electronic Images deposit shall be forfeited as liquidated damages. Such forfeiture of the As-Built Drawings/Electronic Images deposit shall be ordered by formal written resolution of the Board, and said Deposit shall be used to obtain acceptable As-Built Drawings/Electronic Images of the project; provided however, the Developer shall be responsible for the actual cost of the As-Built Drawings/ Electronic Images if such costs is greater than the deposit.

- (D) WARRANTY: Developer shall submit a warranty guaranteeing to the District that the facilities have been constructed in a good and workmanlike manner for a period of two (2) years from the date of acceptance of the facility by the District. The guarantee shall be in a format acceptable to the District and shall be secured, if required, by the District in the form of security acceptable to the

District.

- (E) ACCEPTANCE OF LINE EXTENSIONS: Upon the completion of construction, installation, and connection of a line extension, the Developer shall certify to the Board that these Rules and Regulations have been complied with and request the District to accept the facilities. The District Engineer shall confirm in writing to the Board that such facilities have been constructed and installed in accordance with these Rules and Regulations and in accordance with the applicable provisions of federal, state, county, and local laws. Upon satisfactory completion of the above requirements, the District shall formally accept the line extension by a motion entered in the minutes of the Board of Directors. Such acceptance, if given, shall constitute dedication by Developer of such facilities to the District. The parties agree that the District is under no obligation to provide water and/or sewer service to Developer until acceptance and dedication. The Developer shall, upon the District's acceptance, convey such lines and all appurtenances to the District, free and clear of all liens and encumbrances, by Bill of Sale.

.06 - SPECIAL STRUCTURES: Special structures required to insure proper operation of line extensions shall be constructed from designs of the District's engineer in consultation with the Developer and the cost of construction shall be the responsibility of the Developer.

.07 - OVERSIZING: The District may, when it determines that it is appropriate to accommodate future service needs, require the construction of water and/or sewer mains of a size larger than the minimum sizes otherwise required by the District for service to a Developer's property. Participation by District in the cost of installation of oversized mains shall be at the sole discretion of the District.

.08 - PRESERVATION OF GRAVITY SEWER SYSTEM: In those instances where pumping stations and force mains are required, the sewer system shall be so designed as to permit eventual connection into a gravity system with a minimum of expense. Where practicable, easements shall be provided and lines constructed to connect into the gravity system. The District may, in its discretion, require deposits to insure the eventual construction of gravity lines.

.09 - EXTENSION OF MAIN LINE TO DESIGNATED POINT REQUIRED: The Customer or Developer shall extend any water and/or sewer main line constructed pursuant to this article to a point on the property to be designated by the Board, so that the District Water and Sewer Systems may continue beyond such property. The Board shall determine the point to which each new main line shall be extended based on the advice of the District Engineer, in accordance with the District Service Plan and the logical extension of service to adjoining properties. The Board shall also take into consideration pre-existing easements and rights-of-way, and Developer-dedicated easements and rights-of-way in designating the point to which each main line shall be extended.

.10 - MAIN OR LINE EXTENSION CONSTRUCTION BY DISTRICT: Notwithstanding any provision of this Article, the District itself may, in its discretion, extend mains under such conditions as the Board deems appropriate. The Board shall oversee such line extension projects, and, in conjunction with the District engineer and attorney, carry out all necessary planning, evaluation of bids, selection of contractors, financing, right-of-way acquisition, inspections and preparation of As-Built Drawings. Where water and/or sewer mains cannot be installed in a street, private drive or common area, and must be installed in easements along adjacent pieces of property,

the mains will terminate at point on the line or corner of the property being served which requires the least amount of construction by the District.

.11 - EXTENSIONS OF WATER AND/OR SEWER MAINS TO SERVE UNPLATTED PROPERTY, INSIDE THE DISTRICT: Extension of water and/or sewer mains to serve property already in the District, but not part of a platted subdivision, shall be financed by the Developer or Customer who constructs the mains, subject to the right of reimbursement as hereinafter provided, as otherwise provided by future agreement, or as provided in Prepaid Tap Agreements.

.12 - EXTENSIONS OF WATER AND/OR SEWER MAINS OUTSIDE THE DISTRICT LIMITS: No water and/or sewer mains shall be extended outside the District limits, except with the purpose of servicing property that is within the District (across islands, or between peninsulas). Exceptions may be granted upon the express consent of the Board of Directors under the terms of a revocable permit.

.13 - CONNECTING WATER MAIN LOOPS: Connecting water main loops and cross-ties within a subdivision shall be constructed and paid for by the Developer. If the connecting loop is such that property outside the subdivision abuts such loops or ties, and connections are made to such lines, the reimbursement provision of Article 9 of these Rules and Regulations shall apply.

.14 - SOIL COMPACTION TESTS: Whenever a Developer or Customer seeking water or sewer service from the District is required to obtain a road cut permit from a governmental entity to install a water or sewer line in an existing public road, such person shall be required to provide the District engineer with soil compaction tests from a registered soils engineer. The soils engineer shall conduct a minimum of one test for each layer or lift for each two hundred and fifty (250) linear feet or less of trench during construction as determined by the District's engineer, to confirm that ninety-five percent (95%) of maximum density based upon ASTM D69 or AASHTO T99 has been achieved. The District engineer will refuse to accept or approve mains which have been installed in public roads if such compaction tests results are not submitted and approved by the District's engineer.

End Article 8

ARTICLE 9

9.00 - Line Extension Fees and Reimbursements

.01 - **LINE EXTENSION FEES:** In addition to the District's Tap Fee, the District may collect a Line Extension Fee from all Developers or Customers desiring to connect to the District Water and/ or Sewer System. The Line Extension Fee shall be based on the size in acres of the property to be served by the new connection, the zoning of the property, the existing and potential uses of the property, the potential EQR demand from the property, and any other factors which the Board of Directors believes should be considered in arriving at an equitable reimbursement; provided, however the District's collection of Line Extension Fees under this Article shall not be construed as an obligation to provide operations, maintenance, repair, or replacement of such line extensions.

The Line Extension Fee charged against the benefited property shall not exceed the actual cost, including engineering fees, of the extension. Interest will not be allowed. All Line Extension Fees charged pursuant to this section should be due and payable at the time a Tap Permit or Line Extension Agreement is issued. The District may charge an administrative fee for collection and reimbursement of Line Extension Fees, not to exceed one hundred dollars (\$100.00) per EQR. The District will use its best efforts to collect such fees; provided however, the District shall not be liable for the failure to collect such fees.

.02 - **REIMBURSEMENTS:** The District may pay to the constructor of a water or sewer main line, extension fees collected on such line for a period of five (5) years after execution by the Developer and District of the contract for extension of such line. Upon application prior to the termination of the initial five-year period, and upon District approval, such reimbursements shall continue for a maximum of five (5) additional years. The Developer's right to such reimbursement shall permanently cease at that time, regardless of the amount of reimbursement received. In no event shall the reimbursement exceed the constructor's total construction cost of the water and/or sewer main line.

.03 - **COST RECOVERY PROVISION IN LINE EXTENSION AGREEMENT:** A Line Extension Fee shall not be collected by the District or reimbursed to any Developer unless the District and Developer have previously entered into a written Line Extension Agreement containing provisions setting forth at least the following:

- (A) The amount of each Line Extension Fee to be charged.
- (B) The Developer's right to reimbursement by means of the Line Extension Fees.
- (C) The procedure by which the District shall collect the Line Extension Fees and forward them to the Developer, including time limitations.
- (D) The right of the District to retain an administrative fee not to exceed \$100 per EQR from each Line Extension Fee collected.
- (E) The District's obligation to use its best efforts to collect Line Extension Fees. In addition, however, an agreement that the Developer will not hold the District itself liable for non-payment of the Line Extension Fees, or for any failure to collect the Line Extension Fees.

All terms and conditions of the Line Extension Agreement shall comply with Articles 8 and 9 of these Rules and Regulations.

End Article 9

ARTICLE 10

10.00 - Water Right Dedication Requirements

.01 - **INTENT AND PURPOSE:** It is the intent and purpose of this Article to require the dedication of water rights prior to the extension of treated water service to new Customers; to ensure that the quantity of water so dedicated be equal to the quantity of water ultimately required to satisfy the uses of the new Customers; to thereby assure an adequate and stable supply of water to District service area; to prevent the abandonment of water rights to the detriment of the District; to ensure the financial stability of the District water utility; and to promote the general welfare of the public.

.02 - **BASIC DEDICATION REQUIREMENTS:**

- (A) A dedication or transfer of direct flow and/or storage water rights to the District shall be required prior to the approval of the inclusion of any land within the District or prior to all extensions of treated water service outside the District's boundaries.
- (B) The dedication requirement shall be calculated on forms provided by the District in accordance with the EQR Schedule in Appendix A and Section C below. Such forms shall be accompanied by an historical use affidavit. For those persons whose total EQR value, for purposes of compliance with subsection (C) or (D) of this section, is greater than 30 EQR, no historical use affidavit shall be required; however, an engineering analysis acceptable to the District of the historic use of the water rights proposed for dedication shall be required.
- (C) The basic dedication requirement for District water service with standard sewer shall be 0.2 acre-feet per year of historic consumptive use from a water right of sufficient legal priority for each EQR of water use calculated under the EQR Schedule in Appendix A.
- (D) Except as stated below, the basic dedication requirement for District water service with evapo-transpirative sewer shall be 1.0 acre-feet per year of historic consumptive use from a water right of sufficient legal priority, for each EQR of water use calculated under the EQR Schedule in Appendix A. With regard to any EQR value assigned by the EQR Schedule for irrigated green space, the basic dedication shall be 0.20 acre-feet per EQR.
- (E) The basic dedication requirement for raw water or other uses not listed under the EQR Schedule in Appendix A shall be the quantity of water that ultimately will be required to satisfy the use or uses contemplated by the user. If a party required to dedicate water pursuant to this Article can establish by a preponderance of the evidence that his or her actual use will be less than that calculated under the EQR Schedule, that party shall only be required to dedicate the lesser amount.
- (F) The person seeking approval of annexation, resubdivision, replatting, or the extension of treated water service outside the District, whether or not that person will be the ultimate user(s), shall satisfy the basic requirement.

- (G) Sufficient water rights shall be dedicated so as to enable the District to divert a quantity of water, at any point of diversion it may determine, adequate to allow total consumptive use by the District of the quantities of water calculated under subsection (B) hereof.

.03 - PROCEDURE:

- (A) In accordance with the basic requirements set forth in Section 10.02, the Board of Directors shall determine, after consultation with a person or persons skilled in the knowledge of water rights, whether the water rights proposed for dedication pursuant to the provisions of these Rules and Regulations will be of sufficient priority under the laws of the state to ensure the District's ability to meet the service demands of the new user. This determination will be aided by a historic use affidavit or engineering report which shall be provided by the new user.
- (B) The Board of Directors shall have the right, in its sole discretion, to accept or reject any water rights proposed for dedication, which it determines to be without sufficient legal priority. If the Board of Directors determines that the water rights proposed for dedication fail to satisfy the basic dedication requirement, or that additional water rights cannot at this time be put to beneficial use or for other good cause are not needed, the following alternatives, or combination thereof, may be used to otherwise satisfy the basic dedication requirement:
 - (i) The person required to comply with the basic dedication requirement may pay to the District a cash amount to be determined by the Board in its discretion.
 - (ii) The Board of Directors may, in its discretion, negotiate with the new user to establish other terms or conditions by contract, which shall constitute compliance with the basic dedication requirement of this Article.
- (C) The new user shall dedicate the appropriate water rights to the District by filing with the Board of Directors an offer thereof. It is the intent of this Article that no water service shall be extended to a new user until the appropriate water rights have been dedicated to the District. However, if there are matters pending resolution in the water court concerning the water rights to be dedicated, or if there is other delay beyond the control of the new user, the Board of Directors shall have the discretion to approve the extension of such water service prior to the dedication of water rights to the District.
- (D) The new user shall bear all costs and expenses attendant to the dedication of water rights to the District, including legal and engineering fees, filing and recording costs.

.04 - AGRICULTURAL AND OPEN SPACE PROPERTY: This subsection shall apply if the owner of property proposed to be annexed, resubdivided, replatted, or to be served with water

service outside the District's boundaries desires to retain the land, or any portion thereof, in agricultural production or as open space prior to development. Such owner shall be permitted to lease back on an annual basis, and for irrigation, stock water, aesthetic, recreational, or historic purposes only, the water rights transferred pursuant to this Article. The terms of the lease shall be negotiated with the Board of Directors.

.05 - EXCEPTIONS: This Article does not apply to the extension of new treated water service for which the basic dedication requirement has been previously been fulfilled.

End Article 10

ARTICLE 11

11.00 - Raw Water Irrigation

.01 - **RAW WATER IRRIGATION**: It is the policy of the Board of Directors that use of the District's potable Water System for irrigation of all existing parks and irrigated green space should be discouraged. Furthermore, the use of the District's potable Water System for irrigation of all new parks and irrigated green space associated with any new development is prohibited, except in compliance with the provisions of this Article. It is the intent of this prohibition to encourage the use of raw water irrigation, and any use of the District's potable water supply for irrigation purposes in violation of this Article shall be subject to the penalties provided for in Section 1.04 of these Rules and Regulations.

- (A) Any Developer applying for water service from the District and submitting for approval a proposed Water System, shall submit with its preliminary drawings and plans, as provided in Article 1 of Appendix B of these Rules and Regulations, a report on the feasibility of raw water irrigation on the land to be served by the District. Such report shall list any irrigation water rights owned by the Developer, and shall discuss the Developer's ability to deliver its irrigation water rights to the land to be served by the District. A map showing any irrigation ditches pipelines or other irrigation facilities, which may serve the land, shall accompany the report. The report shall also contain an analysis of various alternatives for raw water irrigation service to the land, including a discussion of the feasibility of using ditches, pipes, wells, and any combination thereof for raw water irrigation of parks and irrigated green space. This analysis shall estimate the costs of various alternatives for raw water irrigation. Finally, in the event the Developer does not own any irrigation water rights at the time of submittal of its preliminary drawings, plans and report, such report shall also discuss the feasibility of raw water irrigation of parks and irrigated green space through a lease of raw water irrigation rights from the District, the use of wells, or a combination thereof, and shall discuss the existing and/or potential infrastructure for delivering raw irrigation water to the land.
- (B) The Board of Directors may, in its discretion, require the dedication of irrigation water rights necessary to implement any raw water irrigation plan. Any such dedication shall be in addition to compliance with the provisions of Article 10 concerning dedication for connection to the District's potable Water System. Furthermore, the Board of Directors, in its discretion, may require the dedication of existing irrigation ditches, pipelines, and appurtenant facilities if it determines that raw water irrigation is feasible on the land proposed to be served by the District. In the event the District and the Developer determine and agree that the parks and irrigated green space within the land to be served shall be irrigated with raw water, and an infrastructure for this purpose does not exist, the District and the Developer shall enter an agreement upon the design, construction and payment of such infrastructure, including ditches and/or pipelines, flow meters, and appurtenant facilities through which lands will be served. In the construction of such an infrastructure, the Board of Directors in its discretion may require the Developer to oversize any ditches, pipelines or appurtenant facilities at the Developer's expense in order to allow the District to deliver raw irrigation water to other water users in the

District. If the Developer oversizes raw water irrigation facilities, it shall be entitled a

rebate for the costs of oversizing, to be paid by surcharges upon future users of the oversized facilities. The District may, but is not obligated to, participate financially in the planning and construction of any raw water irrigation system established under this Article. All raw water irrigation facilities shall be designed and constructed in a manner that allows each Customer to take its raw irrigation water without disturbing the flow of irrigation water to other Customers. Customers shall pay the rates for raw irrigation water as established from time to time by the Board of Directors.

- (C) If the District and the Developer determine and agree that the parks and irrigated green space within the land shall be served by raw water irrigation rights, and the Board of Directors approves such plan, then all parks and irrigated green space within the lands served shall be irrigated solely from the raw water source. This restriction, if imposed, shall be a covenant running with the land, and in the event the Developer subdivides the property, this restriction shall be a covenant running with each parcel thereby created, and shall be binding upon the owners of each parcel. In the event the Developer establishes an association for its development, the enforcement of this covenant shall be the responsibility of the association, which shall assess penalties for violations of the same which are at least as stringent as the penalties contained in Section 1.04 of these Rules and Regulations. The Developer and/or Association shall enforce any restriction on the use of raw irrigation water, including those contained in the covenants for the land and any agreement between the District and the Developer.
- (D) The District shall have the right to refuse potable water service to any Developer until compliance with the provisions of this section.
- (E) At its sole discretion, the Board of Directors may waive or modify the requirements of this section. Such waiver or modification shall be for good cause only, shown in writing to the Board, and shall include, but not be limited to, the following:
 - (i) Evidence that strict enforcement of any requirement in this section would result in severe hardship, financial or otherwise, which would outweigh the benefits to the District from such enforcement;
 - (ii) Evidence that the parks and irrigated green space within the lands sought to be served by the District cannot practically, feasibly or economically be irrigated with raw water; or
 - (iii) Evidence that the Developer will provide or has provided a benefit or benefits to the District that will outweigh the impacts of enforcement of this section.

End Article 11