

SUPERIOR METROPOLITAN DISTRICT NO. 1

RULES AND REGULATIONS

SECTION 1 - GENERAL/EXPLANATORY MATERIAL

1.1 AUTHORITY. The District is a quasi-municipal corporation and a political subdivision of the State of Colorado. The District is a metropolitan district organized under and existing pursuant to article 1 of title 32, C.R.S.

1.2 SCOPE. These Rules and Regulations have been adopted and promulgated pursuant to section 32-1-1001(1)(m), C.R.S., and shall be treated and considered as the comprehensive regulations governing the operations and functions of the District.

1.3 POLICY. It is hereby declared that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to ensure and protect the health, safety, prosperity, security and general welfare of the Customers of the District.

1.4 PURPOSE. The purpose of these Rules and Regulations is to provide for the orderly financing, control, construction, management and operation of the Water Distribution System, the Irrigation System, the Sewer Collection System and the Storm Water System of the District, including any additions, extensions and connections thereto.

1.5 INTENT OF CONSTRUCTION. It is intended that these Rules and Regulations shall be liberally construed to affect the general purposes set forth herein, and that each and every part thereof is separate and distinct from all other parts. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or limitation or restriction, imposed or conferred upon the Board of Directors by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other governmental entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District.

When used in these Rules and Regulations, the term "shall" denotes that the action referred to is mandatory, and the term "may" denotes that the action referred to is permissive.

1.6 AMENDMENT. It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations as it deems appropriate and that such amendments shall be entered in the minutes of the District's meetings, and further evidenced by a written resolution of the District, and periodically incorporated in printed copies of these Rules and Regulations. Prior notice of these amendments shall not be required to be provided by the District when exercising its amendment powers pursuant to this Section.

1.7 VIOLATION OF RULES AND REGULATIONS. Any Person violating any of the provisions of these Rules and Regulations shall become liable to the District for any expense, loss or damage occasioned by reason of such violation, and upon non-payment thereof at the demand of the Manager, shall be assessed a penalty in an amount set forth in the Town's Rates and Fees, which penalty

may be a lien upon the violator's property, if appropriate, as allowed by section 32-1-1001, C.R.S., as amended, or a lien upon the property concerning which the violator was providing services at the time of the violation in question, whichever the Manager deems appropriate.

The District may also file an action in civil court against any person who intentionally or negligently violates any provision of these Rules and Regulations or conditions set forth in any Permit duly issued by the District for damages incurred as a result of such negligence or intentional violation of these Rules and Regulations.

1.8 **DEFINITIONS.** Unless the context specifically indicates otherwise, the meaning of terms used herein shall be as follows:

Actual Cost shall mean all direct costs applicable to the construction of a given facility, including surveys, preliminary and design engineering, construction, inspection by the Inspector/Engineer, administrative, regulatory agency fees, bond fees, all required easements and/or rights-of-way, plan approval fees, "as-built" drawings, attorneys' fees, any other Inspector/Engineer expense caused by a contractor's failure to work according to schedule and other costs necessary for the completion of a given facility.

Board and Board of Directors shall mean the governing body of the District.

B.O.D. (Denoting 5-Day, 20 degrees centigrade Biochemical Oxygen Demand) shall mean the amount of oxygen which is utilized in the aerobic decomposition of Sewage under laboratory procedures in accordance with the current "Standard Methods for the Examination of Water and Wastewater" published by the American Public Health Association, the American Water Works Association and the Water Environment Federation.

Cross-Connection means any physical arrangement whereby a public water supply is connected, directly or indirectly, with any other water supply system, sewer, drain, conduit, pool, storage reservoir, plumbing fixture or other device which contains, or may contain, contaminated water, sewage or other waste or liquid of unknown or unsafe quality which may be capable of imparting contamination to the public water supply as a result of backflow. Bypass arrangements, jumper connections, removable sections, swivel or changeover devices, and other temporary or permanent devices through or because of which backflow could occur are considered to be cross connections.

Cross Connection Controls means a connection between a potable water system and a nonpotable water system with an approved backflow prevention device that has been properly installed and that will continuously afford protection of the potable water system commensurate with the degree of hazard.

C.R.S. shall mean the Colorado Revised Statutes.

Customer shall mean any Person authorized to use the Systems under a Permit issued or otherwise authorized by the Board of Directors or the Manager. For billing purposes, including ultimate payment responsibilities, the property owner is the Customer.

Developer shall mean the Person(s) which is the Owner or operator of land and which seeks to have the land served by the District.

DIP shall mean ductile iron pipe.

District shall mean the Superior Metropolitan District No. 1 or the Board of Directors of the District.

District Water Service Line shall mean the District-owned water line, designated to carry Potable Water only, extending from the Water Main to the outlet of the meter pit, including the tap on the Water Main, corporation stop, meter and meter pit.

Engineer shall mean the engineering firm(s), or duly authorized representative(s) (engineer(s)), designated by the District to act on its behalf in all engineering and related matters, including any Inspector(s) employed by the Engineer.

Equivalent Residential Unit or EQR shall mean the demand placed on a System attributable to an average single-family detached residence or the equivalent.

Industrial Wastes shall mean the liquid wastes from industrial processes, excluding Sewage.

Inspector shall mean the Manager, Engineer, agent, officer or employee of the District or other Person so designated by the Manager to perform inspections pursuant to these Rules and Regulations.

Irrigation Main shall mean a District-owned irrigation pipeline, carrying only Irrigation Water that is installed in a public street or easement.

Irrigation Service Line shall mean the privately-owned irrigation line extending from the Irrigation Main to the Customer's irrigation facilities and shall include the tap on the Irrigation Main.

Irrigation System shall mean the system of Irrigation Mains for the distribution of Irrigation Water, owned, maintained and operated by the District.

Irrigation System Development Fee shall mean a one-time fee designed to provide recovery of capital investments attributable to Regional Facilities of the Irrigation System in the amount set forth in the Town's Rates and Fees.

Irrigation Water shall mean Reuse Water that may or may not be mixed with Raw Water for use in the Irrigation System.

Line(s) shall mean Service Line(s) and Main(s).

Local Facilities shall mean those facilities designed primarily to serve individual developments and includes all facilities necessary to serve the infrastructure of the development. Local Facilities do not include Service Lines.

Main(s) shall mean Water Main(s), Sewer Main(s), Irrigation Main(s) and Storm Water Main(s).

Manager shall mean the Manager of the District, or in his absence, his duly authorized agent.

Owner shall mean the fee title holder of record of a property, or the lessee of a piece of property, if the lessee has obtained the right from the fee title holder of record to develop the property.

Oversize Costs shall mean a part of the costs of a Main, to be installed within, or for, a development project and for which the District has assigned a transmission function that results in the need for a larger Main than is necessary to serve just the development project. Oversize Costs are the difference between the Actual Costs of the size Main required by the District and the size Main required by the Developer; provided however, it shall be assumed that the Developer requires at least the minimum size Main required under these Rules and Regulations as set forth in Section 5.3.2. Engineering and inspection costs are assumed to be proportional to the estimated or experienced construction costs. Incremental costs will be allowed for Line fittings, valves, manholes and other appurtenances, if a size increase is required.

Permit shall mean the written permission of the District that authorizes the applicant to connect to or utilize a Water Main, Sewer Main, Irrigation Main or Storm Water Main of the District by granting the applicant for the Permit a license to use the System(s).

Person shall mean any individual, firm, company, association, society, corporation, joint venture, partnership, group or governmental authority or agency.

Potable Water shall mean Raw Water that has been treated and is suitable for human consumption.

Process Water shall mean water containing levels of contaminants which could be harmful to the Systems.

PRV shall mean pressure reducing valve.

PVC shall mean poly vinyl chloride.

Raw Water shall mean water that has not been treated.

Regional Facilities shall mean those facilities generally serving the Service Area as a whole.

Reuse Water shall mean tertiary treated wastewater effluent.

Service Area shall mean all property within the boundaries of the Town, as changed from time to time through annexation.

Service Lines shall mean any and all Water Service Lines, District Water Service Lines, Sewer Service Lines, Irrigation Service Lines, Storm Water Service Lines, privately-owned lines used for fire protection, and regional Cross Connection Controls.

Service Plan shall mean the Service Plan of the District, as approved by the Town, and as amended from time to time in accordance with Colorado law.

Sewer Main shall mean a District-owned sewer pipeline, designated to carry Sewage or approved Industrial Wastes only, that is installed in a public street or easement.

Sewer Service Line shall mean the privately-owned sewer line extending from the building drain to the Sewer Main, and shall include the tap onto the Sewer Main.

Sewage shall mean any liquid waste which contains animal or vegetable matter in suspension or solution, but which does not contain Industrial Wastes.

Sewer Collection System shall mean the system for the collection and conveyance of Sewage to local treatment facilities, owned, maintained and operated by the District.

Sewer Collection System Development Fee shall mean a one-time fee designed to provide recovery of capital investments attributable to Regional Facilities of the Sewer Collection System in the amount set forth in the Town's Rates and Fees attached hereto.

Standby Fee shall mean a monthly fee billed to each Customer having purchased a water or sewer tap and having not connected such tap to the Systems for twenty-four (24) months from the date of purchase of such tap. (Note: this fee does not apply to pre-purchased taps where no specific commitment to serve is made by the District.)

Storm Water Main shall mean a District-owned drainage pipeline carrying storm water run-off, that is installed in a public street or easement.

Storm Water Service Line shall mean a privately-owned drainage pipeline carrying storm water runoff.

Storm Water System shall mean the system for the collection, detention, retention and release of storm water, owned, maintained and operated by the District.

Storm Water System Development Fee shall mean a one-time fee designed to provide recovery of capital investments attributable to Regional Facilities of the Storm Water System and shall be in the amount set forth in the Town's Rates & Fees attached hereto.

Superior Districts shall mean the District, the Superior Metropolitan District No. 2 and the Superior Metropolitan District No. 3.

Suspended Solids shall mean the weight of filterable solids in milligrams present in one liter of Sewage.

Systems shall mean the Water Distribution System, the Irrigation System, the Sewer Collection System and the Storm Water System.

System Development Fees shall mean the total of the Water System Development Fee, the Sewer Collection System Development Fee, the Irrigation System Development Fee and the Storm Water System Development Fee as individually defined in the definitions in the Town's Rates & Fees attached hereto.

Town shall mean the Town of Superior.

Trunk Sewer shall mean a Sewer Main fifteen inches (15") in diameter or larger.

Unauthorized Connection Fee shall mean a fee that would be due for a piece of property that has an unauthorized connection, as the same is described in Section 3.10.

Water System shall mean the system of Raw Water and Water Mains for the distribution of Potable Water, owned, maintained and operated by the District.

Water Main shall mean a District-owned water pipeline, carrying Potable Water only, that is installed in a public street or easement.

Water Service Line shall mean a privately-owned water line, designated to carry Potable Water only, extending from the outlet of the meter pit to the Customer's building.

Water System Development Fee shall mean a one-time fee designed to provide for acquisition of water resources and recovery of capital investments attributable to Regional Facilities of the Water System and shall be in the amount set forth in the Town's Rates & Fees attached hereto.

SECTION 2 - OWNERSHIP AND OPERATION OF FACILITIES

2.1 RESPONSIBILITIES.

2.1.1 Responsibilities of the District. It is the District's responsibility to plan, finance, design and construct all designated Regional Facilities. The District will only construct Regional Facilities or portions thereof when the Board has made a determination that such construction is economically feasible. Such determination may require Owners/Developers to prepay or guarantee future payment of System Development Fees or other special arrangements as the Board may determine necessary. After construction, the District will be responsible for the maintenance, operation and replacement of all Regional Facilities and Local Facilities (except as provided during the warranty period).

The District shall also be responsible for the provision and installation of all water meters and shall be responsible for their subsequent maintenance.

2.1.2 Responsibilities of the Owner/Developer. It is the Owner's/Developer's responsibility to finance, design and construct all Local Facilities. Such Local Facilities shall be constructed in accordance with plans and specifications approved by the Engineer and the Town, and in accordance with minimum standards adopted by the District and the Town. The Owner/Developer shall pay the Actual Cost of all Local Facilities.

2.1.3 Responsibilities of the Customer. It is the responsibility of the Customer to: (1) pay the Actual Cost of and to construct all Customer Service Lines (including any required Cross Connection Controls) and (2) pay the Actual Cost of and for the installation of the water meter. The Service Lines shall be constructed in accordance with standards approved by the District and the Town, and shall be inspected and approved by the District prior to use. Customers shall be responsible for the maintenance and replacement of all Service Lines to their property, except the District Water Service Line.

2.2 LIMITATION OF LIABILITY OF DISTRICT. The District hereby reserves any and all rights contained within and not expressly waived by the Governmental Immunity Act, sections 24-101-101, *et seq.*, C.R.S. The District reserves the right to temporarily discontinue service to any Customer, at any time, for any reason deemed necessary or appropriate by the Board of Directors to operate or maintain the Systems or to secure the health, safety and welfare of Customers, Owners and residents within the Town. The District shall not be liable or responsible for inadequate water delivery, sewer treatment or interruption of any services brought about by circumstances beyond its control.

2.3 OWNERSHIP OF FACILITIES. All existing and future Regional Facilities and Local Facilities connected with and forming an integral part of the Systems and accepted for operation and maintenance pursuant to these Rules and Regulations shall become and are the property of the District, unless a contract between the District and an Owner or Customer provides otherwise. Said ownership will remain valid whether such facilities are constructed, financed, paid for or otherwise acquired by the District, or by other Persons.

That portion of all existing or future Services Lines extending from a Main to each unit or building for each Customer that is connected with and forms an integral part of the Systems, shall become and is the property of the Owner/Customer, except the District Water Service Line. This principal shall not be changed by the fact that the District might construct, finance, pay for, repair, maintain or otherwise affect the Customer's Service Line. The construction of and connection of any Service Line shall be done

in compliance with these Rules and Regulations. The Owner's/Customer's ownership of the Service Line shall not entitle the Customer to make unauthorized uses of the Systems once the Service Line has been connected to a Main. All uses of the Service Line or any appurtenances thereto at any time after the initial connection to any of the Systems shall be subject to these Rules and Regulations.

All water meters and curb stops shall become and are the property of the District after acceptance of such meters and curb stops and shall be maintained by the District. Said ownership shall remain valid whether the meters and/or curb stops are installed, financed or paid for by another Person or whether the meters and/or curb stops are located on privately-owned and maintained Service Lines.

2.4 RIGHT OF ENTRY. The Manager, Inspector, officers and employees of the District, or other Person so designated by the Manager, bearing proper credentials and identification, shall be permitted to enter upon all properties, that are receiving service from the District or have applied for the same, for the purpose of inspection, observation, measurement, sampling and testing, in accordance with the provisions of these Rules and Regulations. The granting of right of entry by the Owner and occupant is a condition precedent and a condition subsequent to the provision of water distribution, irrigation, storm water and sewer collection service.

2.5 MODIFICATION, WAIVER AND SUSPENSION OF RULES. The Board or the Manager, acting on instructions of the Board, shall have the sole authority to waive, suspend or modify these Rules and Regulations. Such waiver, suspension or modification may be made upon any condition deemed necessary or appropriate by the Board or the Manager. Such waiver, suspension or modification must be in writing and signed by the Board or the Manager. Any such waiver shall not be deemed an amendment of these Rules and Regulations. Further, no waiver of any one Section shall be deemed a continuing waiver of any other Section.

SECTION 3 - CONDITIONS OF USE OF SYSTEMS

3.1 WHO MAY USE. Water distribution, irrigation, sewer collection and storm water services will be furnished subject to the District's Rules and Regulations and only to properties within the Service Area. An exception to this rule requires a special service contract approved by the Board.

3.2 COMMITMENT TO SERVE. A request submitted to the District by any Owner or Developer of real property within the Service Area for a confirmation of a commitment to serve the property with water distribution, irrigation, storm water and/or sewer collection services will be granted by the District only after such Owner has signed an agreement, if any, as required by Section 5.5.4 herein.

3.3 PLAN REVIEW AND APPROVAL. The following plans shall be submitted for review and approval by the District:

- a. All building plans for structures or improvements requiring water or wastewater services;
- b. All plans for additions or alterations to existing Service Lines; and
- c. All plans for the installation of irrigation systems.

3.4 SERVICE OUTSIDE THE DISTRICT. No service shall ever be provided to property outside of the Service Area, except pursuant to the terms and conditions of a written agreement with the District approved by the Board. Charges for furnishing service outside of the Service Area shall be at the discretion of the Board, but no service shall be furnished to property outside of the Service Area unless the charge therefor equals at least the capital and ongoing cost of service, plus the Water Resource Fee, and System Development Fees for which such property would be responsible if it were within the Service Area.

3.5 APPLICATION FOR SERVICE. Any Person desiring service from the District shall apply to the District for the same. Such application for service must be filed with the District and accompanied by the appropriate fees prior to any action to connect to the Systems. Only upon authorized approval of the application and a receipt therefor may a connection to the Systems be made. A duplicate copy of the receipt or approved application must be filed with the Town. All applications shall contain the following information:

- a. Water service type, size and location.
- b. Location of the water meter and the remote reading devices.
- c. Backflow prevention assembly and Cross Connection Controls and their sizes, types and locations.
- d. If a fire protection water sprinkler system is to be used, a plan for the size and type of backflow prevention assembly and Cross Connection Controls, which shall be subject to the approval of the District. All fire sprinkler systems shall meet National Fire Protection Authority requirements and additionally shall meet the requirements of the applicable fire protection district, city, county and state building and fire protection codes.

- e. If a water sprinkler system for lawn irrigation is to be used, a plan for backflow prevention and Cross Connection Controls must be shown and the service must be metered.
- f. All plan sets which provide for subdrain construction shall address backflow prevention and Cross Connection Controls, including sizes, types and locations, and shall have the following disclaimer note placed on the cover sheet immediately adjacent to the District approval block: “The Superior Metropolitan District No. 1 does not assume any ownership, liability or maintenance responsibility for the foundation subdrains.”
- g. A diagram of the meter and/or tap location shall be included in any application for service.

No taps will be permitted or made during non-business hours without the specific, written approval of the Manager.

Should any information disclosed by the Person making the application prove at any time to be false, or should such Person omit any information, the District shall have the right to: (1) reassess the System Development Fees originally charged at the rate current at the time discovery is made by the District of the false or omitted information, (2) disconnect the Person/Customer from the Systems, (3) back-charge the property for service fees that may be due and owing, and/or (4) charge any additional fee or penalty specified in these Rules and Regulations, as the same may be amended from time to time. Any reassessment shall be due and payable, together with any penalties or additional fees charged, and together with interest at the maximum legal rate on the entire balance, upon and from the date of the original application.

3.6 DENIAL OF APPLICATION. The District reserves the right to deny an application for service when, in the opinion of the Board, the service applied for would create an excessive seasonal, or other excessive demand on the Systems. Denial may also be based upon an unresolved obligation between the District and the applicant, inadequate documentation of easements for Mains that serve the property, or a review of the specific circumstances of the application by the Manager or the Board.

3.7 CANCELLATION OF APPLICATION. For any violation of these Rules and Regulations, the District reserves the right to revoke any prior approval of an application before service has been provided, and thereafter.

3.8 MOVED OR DESTROYED BUILDINGS. When buildings are moved or destroyed, the original tap authorization shall terminate and no credit shall be given for System Development Fees paid previously with respect to said building. However, the original tap shall remain in good standing, provided that uninterrupted payment of the District's minimum service charge (as the same may be amended from time to time) is made. If payment of the minimum service charge ceases for any reason, said tap shall be in violation of these Rules and Regulations and the tap shall be revoked. Non-payment within thirty (30) days of the billing shall be considered cessation of payment of the minimum service charge. If the original tap for the building remains in good standing, additional System Development Fees shall not be required, unless a change in equipment, service or use occurs which requires additional System Development Fees under Section 3.9.

3.9 CHANGE IN CUSTOMER'S EQUIPMENT, SERVICE OR USE OF PROPERTY.

No change in the Customer's equipment, service or use of property served shall be made without the prior notification and written approval of the District. Any such change which, in the opinion of the District, will increase the burden placed on the Systems by the Customer shall require a redetermination of the System Development Fees and monthly base service charge, and a payment by the Customer of any additional System Development Fees and monthly base service charge resulting from the change in use. Subject to Section 3.8 above, System Development Fees previously paid with respect to the property in question shall be credited against the redetermined System Development Fees so that only the unpaid portion of any redetermined System Development Fees shall be due; provided, however, that redeterminations resulting in a conclusion that the System Development Fees, if assessed currently, would be in an amount less than that originally paid, shall not result in a refund or credit of any kind to the Customer.

3.9.1 Any violation of Section 3.9 shall result in the assessment of an Unauthorized Connection Fee, as provided by Section 3.10 of these Rules and Regulations, and the District shall take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fee.

3.9.2 Any Customer believed to have changed the equipment, service or use of property connected to the System(s) in violation of this Section shall be notified of the District's intent to assess any additional System Development Fees, service or Unauthorized Connection Fee, and shall be afforded ten (10) business days in which to respond to the District's notice. Failure to respond as required herein within the ten (10) business day period shall be deemed to establish such change of use, and such additional System Development Fees, service and Unauthorized Connection Fee as are deemed appropriate by the District shall be assessed against the property in question and shall be collected as provided under these Rules and Regulations and Colorado law. To defer the collection of said fees, and as a prerequisite to the right to a hearing as provided for and described in Section 8 of these Rules and Regulations, any response by the Customer, in addition to being provided within ten (10) business days, must include permission by the Customer to make such inspection of the property in question as the Manager or his representative deems necessary to clearly establish the nature of the equipment, service and use of the property.

3.10 UNAUTHORIZED CONNECTIONS AND FEES. No Person within the Service Area shall be allowed to connect to the Systems, or to enlarge or to otherwise change equipment, service or use of property without the prior payment of System Development Fees, approval of application for service, and adequate supervision and inspection of the taps by District employees. Any such connection, enlargement or change shall be deemed an unauthorized connection. Upon the discovery of an unauthorized connection, the then-current System Development Fees shall become immediately due and payable, and the property shall automatically be assessed an Unauthorized Connection Fee. The District shall send written notice to the Owner(s) of the property benefited by such unauthorized connections stating that an unauthorized connection has been made between the Owner's property and the Systems. The Owner(s) shall then have ten (10) business days from the date of the notice to pay the then-current System Development Fees. If that fee is paid within the ten (10) business day period, the Unauthorized Connection Fee shall be waived by the District. In the event the then-current System Development Fees are not paid within the ten (10) business day period, a notice of revocation of service to the property shall be sent and service shall be disconnected pursuant to Section 7.2 of these Rules and Regulations. Once discontinued, service may be returned to the property only upon receipt by the District of both the Unauthorized Connection Fee and the then-current System Development Fees, and any re-connection fee, service charges or any other charges that may be due.

3.11 REVOCATION OF TAP RIGHTS. The right to connect to the Systems and receive services shall be revocable by the District upon non-payment of any District fees owing to the District and remaining unpaid for a period of ninety (90) days, whether or not the Customer owning the right to connect has actually connected to the Systems. Such revocations shall be conducted in accordance with Section 7.2. If the right to connect to the Systems is revoked, the Customer may reacquire such tap rights only by reapplying for service in accordance with Section 3.5 above and after paying all fees due and owing the District and the then-current System Development Fees charged by the District under these Rules and Regulations.

3.12 DISCONNECTION/RE-CONNECTION OF SERVICE. All disconnection and re-connection to the Systems through a curb stop on a Service Line that has been connected to the Systems pursuant to a Permit issued by the District shall be performed only by District personnel, regardless of the ownership of the curb stop or Service Line and regardless of the circumstances regarding the disconnection or re-connection. The District shall assess a single re-connection fee in an amount as set forth in the Town's Rates & Fees for any such disconnection and re-connection performed, except there shall be no charge when the service is performed for Customers requiring maintenance to their Service Line. Except for those disconnections/re-connections specifically provided for by these Rules and Regulations, the District will provide this service only for: (1) a tap for new construction, one time prior to the occupancy of the building served, and (2) for Customers requiring service to be disconnected for maintenance of a Service Line. All other requests for a disconnection or re-connection of District service may be granted or denied by the Manager after a review of the specific circumstances of the situation. Violation of this Section and/or failure to pay the re-connection fee shall result in an assessment against the property served of a penalty as set forth in the Town's Rates & Fees, in addition to the re-connection fee, and in addition to the penalties provided for unauthorized tampering with the Systems in Section 4.1 of these Rules and Regulations.

3.13 FAILURE TO CONNECT. The Customer's right to connect to the Systems shall terminate and any System Development Fees paid shall be forfeited if the tap is not connected to the Systems within twenty-four (24) months of the payment of the System Development Fees unless: (1) the Owner begins to pay and continues to pay the standby fee imposed for that tap for each and every month, commencing with the first billing cycle after the twenty-four (24) month period has passed, and (2) the Owner pays the re-connection fee provided by and pursuant to Section 3.12 of these Rules and Regulations, if applicable.

3.14 JOINT SERVICE. Unless individual service is specifically authorized by the Board, water distribution, sewer collection and storm drainage service shall be furnished jointly. The additional requirement to use the Irrigation System in conjunction with the receipt of water distribution, sewer collection and storm drainage service will be imposed in areas and for uses as designated by the District.

SECTION 4 - WATER SYSTEM, SEWER COLLECTION SYSTEM, STORM WATER SYSTEM AND IRRIGATION SYSTEM

4.1 UNAUTHORIZED TAMPERING WITH SYSTEMS.

4.1.1 No unauthorized Person shall uncover, use, alter, disturb or make any connection with, or opening onto the Systems without first obtaining a Permit from the District. Unauthorized uses of the Systems include, but are not limited to, an unauthorized disconnection or re-connection of water distribution, irrigation, storm water or sewer collection service, or a tampering or in any way modifying any meter, even though the same may be performed on a privately-owned and maintained Service Line.

4.1.2 No Person shall maliciously, willfully or negligently, break, damage, destroy, uncover, deface or tamper with any portion of the Systems.

4.1.3 Any Person who shall violate the provisions of this Section 4.1 shall be prosecuted to the full extent of Colorado law and the Owner of the property where such violation occurred shall be assessed an unauthorized tampering/use fee as the same is set forth in the Town's Rates & Fees.

4.2 WATER SYSTEM. The Water System has been planned and constructed to provide Potable Water for conventional domestic and commercial uses and fire protection and irrigation for single-family residential uses. Any applicant for use of the Water System for an industrial or high-demand commercial water supply, which use could be expected to require large quantities of water or unusual demand rates, shall be required to submit demand data as to water use before a Permit will be issued and said Permit may contain use limitations as determined to be necessary by the Board.

4.2.1 Cross Connection Prevention. Water from the Water System and water from any other source shall be distributed through systems entirely independent of each other and cross connection between such supplies and other sources is prohibited. Where any potential of backflow is present, a protective device or system, acceptable to the District, shall be installed to prevent its occurrence.

4.2.2 Installation of Cross Connection Controls. An approved backflow prevention device will be installed at or near the property line, before the first branch line leading off the Service Line, whenever any of the following conditions exist:

- a. In the case of any property having an auxiliary water supply which is considered unsafe by the District, the public water system will be protected against backflow from such property by installing a backflow prevention device in the service line appropriate to the degree of hazard.
- b. In the case of any property on which any industrial fluids or any other objectionable substance is handled in a manner that creates an actual or potential hazard to the public water system, including the handling of process waters and waters originating from the public water system which have been subject to deterioration in quality, the public water system shall be protected against backflow from such property by installing a backflow prevention device in the service line appropriate to the degree of hazard.

- c. In the case of any property having internal Cross Connections that cannot be permanently corrected and controlled, or having intricate plumbing and piping arrangements, or where the property is not easily accessible for inspection in order to ascertain whether Cross Connections exist, the public water system shall be protected against backflow from the property by installing a backflow prevention device in the Service Line.

4.2.3 Backflow prevention device installation.

- a. Backflow prevention devices are to be installed in a location that is readily accessible so as to facilitate inspection, testing and maintenance. Adequate drainage area for the device must be provided for in the event that water is released.
- b. All backflow prevention devices shall be installed downstream of the water meter.
- c. Before the installation of a backflow prevention device, pipelines shall be thoroughly flushed in order to remove foreign material.
- d. Backflow prevention valves shall not be used as the inlet or outlet valve of the water meter. Test cocks shall not be used as supply connections.

4.2.4 Standards for Backflow Prevention Devices.

- a. Any backflow prevention device required herein shall be of a model and size approved by the District, and shall be a device that has been manufactured in full conformance with the standards sets forth in Section 4.2.5, as the same may be amended from time to time.
- b. Backflow prevention devices in place as of January 1, 2005 which are not subsequently approved by the District shall be replaced with properly installed approved backflow prevention devices not later than April 11, 2006, unless the unapproved device fails an annual operation test, in which case the unapproved device must be replaced within ten (10) days of such failure with an approved device.
- c. Approved backflow prevention devices used on fire lines shall have O.S. and Y. valves listed by Underwriter Laboratories (UL), Factory Manual (FM) and the National Fire Protection Association.
- d. A District representative should be consulted to determine which testing laboratories are currently qualified by the District to test and certify backflow prevention devices.

4.2.5 Inspection, testing, maintenance, repair and replacement requirements for commercial and multi-family attached residential connections.

- a. It is the responsibility of the Owner to have inspections made as are necessary to identify the existence of any potentially uncontrolled hazardous Service Line Cross Connection. These inspections shall be made at the expense of the property owner and will be performed by a certified Cross Connection Control technician approved by the District. If such a Cross Connection exists, then it shall be the responsibility of the Owner to bring such Cross Connection into compliance with these Rules and Regulations.
- b. After installation, it is the responsibility of the Owner to have annual inspections and operational tests made on the backflow prevention device. The District may require inspections and operational tests at more frequent intervals if the degree or hazard of potential backflow is deemed sufficient by the District. These inspections and tests shall be made at the expense of the Owner and performed by a certified Cross Connection Control technician that has been previously approved by the District. All backflow prevention devices shall be maintained, repaired or replaced as deemed necessary by the District and at the expense of the Owner whenever such device is found to be defective or to be other than an approved backflow prevention device.
- c. Records or copies of all such tests and inspections, and maintenance, repair or replacement reports or invoices shall be kept by the certified Cross Connection Control technician and by the Owner, and a copy or copies shall be sent to the District within ten (10) days of such test, inspection, maintenance, replacement or repair event.
- d. All testing gauges shall be tested and calibrated for accuracy annually, or more often as deemed necessary by the District in the event of questionable readings.
- e. The District retains the right to test or otherwise inspect the installation and operation of any backflow prevention device at any time.
- f. This section shall also apply to all irrigation installations to commercial and multi-family residential connections.
- g. After initial installation, testing and approval of an approved backflow prevention device, and upon certification by the Owner that said device has not been changed or modified since the initial installation, testing and approval, the District may waive, in its sole discretion, the requirement for annual inspections, testing and calibration.
- h. All Water Service Lines and Water Mains served directly or indirectly by the District will also be tested.

- i. In those specified instances where the District determines that a hazard to the Water System exists, the District will require a certified inspection to be completed within five (5) days of written notification. Annual inspections will continue, until the District deems in its sole discretion that a hazard no longer exists.
- j. This section shall not apply to single family detached residences.

4.2.6 Standards for Cross Connection Controls.

All automatic lawn sprinkler systems shall be equipped with a vacuum breaker approved by the District.

All plumbing shall be designed and installed in conformity with the latest edition of the manual, *Cross-Connection Control*, published by the Colorado Department of Health.

All Cross Connection Controls shall be installed in accordance with the following standards:

- a. Cross Connection Control Manual, 5th Edition, 2000, published by the Colorado Department of Health and the Environment.
- b. Manual of Cross Connection Control, 9th edition, 2002, published by the Foundation for Cross Connection Control and Hydraulic Research, University of Southern California.
- c. National Fire Protection Association standards: NFPA 13 – Standard for the Installation of Sprinkler Systems, 2002 edition, and NFPA 24 – Standard for the Installation of Private Fire Service Mains and their Appurtenances, 2002 edition, both published by the National Fire Protection Association.
- d. AWWA C510-89, Standard for Double Check Value Backflow-Prevention Assembly, and C511-89, Standard for Reduced Pressure Principle Backflow-Prevention Assembly.

The foregoing standards dictate a minimum standard for Cross Connection Control, and include all supplements to codes. Copies of the standards shall be maintained at District offices and shall be available for inspection during regular business hours.

4.2.7 Cross Connection Installation.

All backflow preventers and the installation of the same shall be approved by the District. The Customer shall install, operate, test and maintain the backflow preventer as required by the District.

- a. In order to ensure that backflow prevention devices operate satisfactorily, it will be necessary that they be tested at the time of installation by a certified Cross Connection Control technician approved by the District. Such testing shall be conducted in accordance with the Foundation for Cross-Connection Control and Hydraulic Research performance standards and field test procedures as directed by the Colorado

Department of Public Health and the Environment. The backflow assembly test results, plumbing permit and test permit number shall be supplied to the District within ten (10) days of the conduct of the test.

- b. All costs for design, installation, maintenance, repair and testing shall be borne by the property Owner.
- c. All fire sprinkler lines shall have a minimum protection of an approved double check valve assembly for containment of the system. All glycol (ethylene or propylene) or antifreeze systems shall have an approved reduced pressure principal assembly for containment. Dry fire systems shall have an approved double check valve installed upstream of the air pressure valve.
- d. The certified Cross Connection Control technician will report to the District Utilities Director and to the property Owner, on a form approved by the District, the results of all inspections, tests, maintenance, repair, or replacement of backflow prevention devices or the results of inspections made to identify the existence of any potentially uncontrolled hazardous service cross connection. This report will be submitted to the District within ten (10) days of the completion of the inspection, test or maintenance of the device. The certified Cross Connection Control technician shall also, on a form approved by the District, attach a card to the backflow prevention device following each inspection, test, or maintenance activity to document and date the activities performed. Records of all inspections, tests or maintenance activities, including materials used and parts replaced, shall be kept by the certified inspector, the property Owner, and the District for a period of not less than three (3) years.

4.3 SEWER COLLECTION SYSTEM. The Sewer Collection System is for the disposal of water contaminated by biodegradable wastes. No Person shall make connection of roof downspouts, exterior foundation drains, areaway drains, surface drains or other sources of surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to the Sewer Collection System. In order to protect the Sewer Collection System from damage, destruction, deterioration, misuse or malfunction and to guard against health hazards and the creation of public nuisance, the following regulations shall apply relative to the discharge of Sewage containing deleterious wastes.

A septic facility may not be utilized within the Service Area unless a waiver pursuant to Section 2.5 is obtained from the District.

4.3.1 Specially Regulated Wastes.

- a. Industrial Wastes. No Person or Persons shall discharge or cause to be discharged any Industrial Waste of any type into the Sewer Collection System unless written permission is received from the District.
- b. Inflow/Infiltration. No Person or Persons shall discharge or cause to be discharged into the Sewer Collection System, storm drainage from ground surface, roof ladders, catch basins or any other source, or sub-surface drainage or ground water.

- c. Other Wastes. Industrial cooling water, unpolluted process waters, bakery/restaurant wastes, car washing wastes, swimming pool drainage and floor drainage from enclosed and covered areas may be connected to the Sewer Collection System only by a special Permit from the District. The application for such a Permit, in addition to information normally required for a Permit application, shall include the following:
- Name and address of the Owner.
 - Location of the property for which the request is made.
 - Description of the facility or operation requested for connection.
 - Estimated quantities and qualities of the waste to be discharged including maximum rates.
 - Plans and specifications of related waste generating processes and any pretreatment processes.

Such Permits issued by the District may contain the following conditions:

- the construction of flow measuring and/or sampling devices;
- the construction of valves or gates to stop flows on an emergency basis;
- the construction of grease, oil or sand interceptors, or other pretreatment facilities;

or the District may place other restrictions on the Permit as reasonably required under the circumstances. Nothing in this Section 4.3.1(c) shall prohibit the District from denying an application for a Permit if the District determines that the demand on the System(s) impairs the District's existing operations or use.

4.3.2 Prohibited Wastes. Toxic or non-biodegradable waste or any other waste which results in effluent not being within state standards after providing conventional treatment shall not be discharged into the Sewer Collection System. No drain accepting discharge from vehicle wash racks, filling stations, restaurants or other building sewers as specified by the District shall be connected to any Sewer Service Line unless the discharge first passes through an acceptable grease, oil or sand interceptor.

Except as provided herein, no Person shall discharge or cause to be discharged any of the following described waters or wastes to the Sewer Collection System:

- a. Any liquid or vapor having temperatures higher than one hundred and four degrees Fahrenheit (104° F).
- b. Any water or waste which may contain more than one hundred parts per million (100 ppm) by weight of animal or vegetable fat, oil or grease.
- c. Any gasoline, benzene, naphtha, fuel oil or other flammable or explosive liquid, solid, gas, oil or grease.

- d. Any garbage that has not been properly shredded to less than one-half inch (1/2") in the largest dimension.
- e. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, paunch manure or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper and normal operation of the Sewer Collection System.
- f. Any waters or wastes having pH lower than 5.0 or higher than 9.0, or having any other corrosive or toxic property capable of causing damage or hazard to structures, equipment or personnel of the Sewer Collection System.
- g. Any water or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any Sewage treatment process, constitute a hazard to humans, animals or fish, or create any hazard in the receiving waters of the sewer treatment plant effluent.
- h. Any waters or wastes containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the sewer treatment plant.
- i. Any noxious substances or malodorous waste, waters, gases or substance capable of creating a public nuisance, either in the sewer or at the sewer treatment plant.
- j. A five (5) day B.O.D. concentration greater than three hundred parts per million (300 ppm).
- k. A concentration of more than three hundred parts per million (300 ppm) of suspended solids.
- l. Concentrated wastes from septic tanks and portable sanitary devices.
- m. A peak flow rate greater than five (5) times the average flow rate.
- n. Any chemicals having a twenty-four (24) hour proportionate composite sample concentration at the point of discharge in excess of the following:

Cadmium	0.10	mg/l
Chromium	5.0	mg/l
Copper	3.0	mg/l
Cyanides	2.0	mg/l
Iron	15.0	mg/l
Phenol	10.0	mg/l
H2s (Hydrogen Sulfide)	1.0	mg/l
Zinc	2.0	mg/l

4.3.3 Pretreatment. Where necessary, as determined by the District, whose determinations shall be final, the Customer shall provide, at its sole cost and expense, such preliminary treatment as may be deemed necessary. Where preliminary treatment facilities are provided for any waste

or water, they shall meet with the approval of the Board for adequacy of design, and once built, shall be maintained continuously in satisfactory and effective operation by the Customer. When required by the Board, the Customer of any property served by a Service Line carrying Industrial Wastes shall install a suitable control manhole or monitoring point in the building sewer to facilitate observation, sampling and measurement of the Industrial Wastes. Such manhole or monitoring point shall be accessible and safely located, and constructed in accordance with plans and specifications approved by the District. The manhole or monitoring point shall be installed and maintained by the Customer at its expense.

In addition to the foregoing requirements, the Customer shall also provide to the District, the information requested in the application per the Town's Standard Specifications and shall abide by any additional requirements imposed by the District due to the nature of the commercial or industrial use requested.

4.3.4 Sump Pumps and Illegal Devices. No plumbing fixture, device, construction or plumbing system shall be installed within any building or improvement which will provide a connection between the Sewer Collection System, directly or indirectly, or with a Sewer Service Line for the purpose of draining ground or surface waters into the Sewer Collection System, and no physical connections shall be permitted whereby a Sewer Service Line is connected in such a manner so that through either the manipulation of valves, the lack of back pressure valves, or as a result of any other arrangement or connection, it is possible to drain flood, overflow, storm or ground water directly or indirectly into the Sewer Collection System. A sump pump connected to the Sewer Collection System in accordance with Drawing 11, Sump Pump Reconnection Detail, is permitted; otherwise, the sump pump shall be considered illegal. Any Person having connected, or permitting to be connected, such a system to a Sewer Service Line or a Sewer Main in violation of this subsection 4.3.4, may be given notice to immediately disconnect such device or pumping system at that Person's cost, and upon failure to do so, the District may forthwith disconnect any Sewer Service Line from the property containing such a forbidden device or pumping system at the Sewer Main. The cost of such disconnection shall be a lien and charge against the property involved. No Sewer Service Line shall thereafter be connected to the Sewer Collection System without payment of the re-connection fee to the District, and all costs and expenses of the District relative thereto and positive proof that such improper and illegal connection or device has been removed and will not thereafter be re-connected to the Sewer Collection System.

4.3.5 Grease, Oil or Sand Interceptors.

- a. Installation and Location. Grease, oil or sand interceptors shall be provided and installed at the sole cost and expense of the Customer when, in the opinion of the Manager, they are necessary for the proper handling of liquid wastes containing greases, oil, etc., in excessive amounts, or any flammable wastes, sand or other harmful ingredient. All interceptors shall be located as to be readily available and accessible for cleaning and inspection. Grease, oil or sand interceptors shall be in an accessible location for maintenance and inspection and shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. Interceptors shall be watertight, and, if necessary, as determined by the District, gastight and vented.
- b. Maintenance and Inspection. Where installed, all grease, oil or sand interceptors shall be maintained by the Customer at its sole cost and expense, in continually efficient operation at all times. The District requires a monthly or periodic cleaning and pumping of any grease, oil

or sand interceptors as approved by the Manager. The District shall make, at least, quarterly inspections of grease, oil or sand interceptors and in the event the Customer/Owner is in violation of these requirements, the Customer/Owner shall be liable for payment of a penalty in an amount as set forth in the Town's Rates & Fees for the violation of these Rules and Regulations. The cost of the District's inspections shall be billed directly by the District to the Customer and/or Owner at the rate set forth in the Town's Rates & Fees and, in addition, shall include all other costs incurred by the District in inspecting the interceptor.

4.3.6 Swimming Pools. No public or private swimming pool shall be connected to the Sewer Collection System without first obtaining a special Permit from the District. Such Permit shall define and specify the hours during which water may be discharged from such pools into the Sewer Collection System and prescribe the fees and charges thereof.

4.4 STORM WATER SYSTEM. The Storm Water System is to be used for the transmission of natural surface water and uncontaminated ground waters only. No pollutants, trash or other deleterious substances shall be placed in the Storm Water System, or area tributary to the Storm Water System when entry into the Storm Water System is likely. No Person or Persons shall discharge or cause to be discharged any Industrial Waste or Process Waste of any type into the Storm Water System unless written permission is received from the District.

4.4.1 Original Town Area Drainage.

- a. The following policy shall apply to the area known as the "Original Town Area" generally described as follows: the area bounded by Maple Street on the north, on the east by McCaslin Boulevard north of Coal Creek and Second Street south of Coal Creek, the abandoned railroad easement on the south, and 5th Avenue on the west; the Steward property; Superior Self Storage property; and the Kupfner Subdivision. A map indicating the Original Town Area appears on the following page.
- b. Since the majority of the Original Town Area is not serviced by regional detention facilities or storm sewer pipelines, a reduced drainage service charge will be assessed to the Original Town Area.
- c. The Original Town Area receives some benefit from the maintenance of drainage ways and from Phase II Stormwater Discharge permitting.
- d. If additional regional detention facilities or storm sewer pipelines are provided to serve the Original Town Area in the future, the drainage service charge will be reassessed for properties to be served by the new regional facilities. A public hearing will be conducted to evaluate the reassessed drainage service charge.

4.5 IRRIGATION SYSTEM. All Customers receiving a Permit to use the Irrigation System shall abide by the *Reuse Irrigation System Operation and Design Standards* dated July 1996 drafted by McLaughlin Water Engineers, Ltd., a copy of which is on file in the District's offices.

4.6 RESPONSIBILITIES OF THE CUSTOMER

4.6.1 Water Service Lines and Irrigation Service Lines. Each Customer shall be responsible for maintaining the entire length of his Water Service Line and Irrigation Service Line regardless of whether the Service Line is located on the Customer's property or in public right-of-way. Damage or breaks in the Water Service Line and/or Irrigation Service Line shall be repaired by the Customer within seventy-two (72) hours from the time of notification of such condition by the District, or the Customer's discovery of such condition. If satisfactory progress toward repairing the leak has not been made by the time specified, the District shall have the authority to repair, or have repaired, the Service Lines and shall charge the Customer all resulting costs thereof. The District shall be entitled to place a lien against the property of such Customer or Owner securing the payment of such costs.

The Customer must maintain unrestricted access to the meter pit. This would include, but not be limited to:

- Removing sod or landscaping rock from the entire top and edges of the meter lid
- Clearing all plantings and tall grass within 1 foot of the meter lid
- Clearing overhanging shrubs and branches within 2 feet of the meter lid

If the District incurs any expenses in exposing or repairing the meter pit, due to the Customer's actions, those costs will be charged to the Customer, as set forth in the Town's Rates & Fees; and a lien for such charges will attach to the property if payment is not otherwise timely made after demand therefore is received.

4.6.2 Sewer Service Line. Each Customer shall be responsible for maintaining the entire length of his Sewer Service Lines regardless of whether the Service Line is located on the Customer's property or in public right-of-way. Excess infiltration leaks or breaks in the Sewer Service Lines shall be repaired by the Customer within seventy-two (72) hours from the time of notification of such condition by the District, or the Customer's discovery of such condition. If satisfactory progress toward repairing the leak has not been made by the time specified, the District shall have the authority to repair, or have repaired, the Service Lines and shall charge the Customer all resulting costs thereof. The District shall be entitled to place a lien against the property of such Customer or Owner securing the payment of such repair costs.

4.6.3 Backflow prevention devices.

- a. Customers shall cooperate in the installation, maintenance, testing or inspection of backflow prevention devices. Failure to cooperate shall be grounds for the discontinuance of water service to the Property, or the requirement for an approved separation from the District Water System.
- b. Services of water to any Property may be discontinued by the District if unprotected Cross Connections exist on the Property, or if any defect is found in an installed backflow prevention assembly, or if a backflow prevention device has been removed or bypassed. Service shall not be restored until such conditions or defects are corrected.

- c. Water service may be discontinued by the District without prior notice whenever, in the sole judgment of the District, such action is necessary to protect the integrity or safety of the District Water System.
- d. Violation of section 4.6.3 shall be addressed as follows:
 - (i) Any person who violates section 4.6.3 shall pay a fine of one thousand dollars (\$1,000.00).
 - (ii) A person shall be guilty of a separate offense for each and every day during any portion of which any violation is committed, continue or permitted by that person.
 - (iii) The District is authorized to seek recovery of all present and future damages, costs and other relief to which it is entitled and to obtain any available judicial remedies related to maintenance, repairs or remediation of its Water System and/or Sewer Collection System resulting from any actions which violate section 4.6.3.

4.7 ENFORCEMENT.

- a. The District will initiate procedures against the Customer/Owner responsible for the grease, sand or oil interceptor to obtain compliance with these Rules and Regulations, if the District discovers the grease, sand or oil interceptor is not properly maintained.
- b. Discharge of Sewage in any manner in violation of these Rules and Regulations shall be corrected or abated as directed by the District.
- c. Whenever a discharge of Sewage or the operation of a grease, sand or oil interceptor is in violation of the provisions of these Rules and Regulations or otherwise causes or threatens to cause a condition of contamination, pollution or nuisance, the District will issue written notice to correct the practice within seventy-two (72) hours of the notice. If the practice is not corrected within such time, the District may notify the State Health Department and turn off water service or effect disconnection of the Sewer Service Line from the Sewer Collection System, until such time as the District has received adequate assurances that any and all violations of the Rules and Regulations will cease and will not occur in the future. In addition, all of the costs of the aforementioned proceedings shall be charged against the property and, until paid shall constitute a perpetual lien against the property.
- d. When a discharge of wastes causes an obstruction, damage or any other impairment to the District's facilities, the District may assess a charge against the Customer and/or Owner for the work required to clean or repair the facility and add such charge to the Customer's and/or Owner's sewer service charge, and the District shall have such remedies for the collection of such costs as it has for the collection of sewer service charges, which until paid shall constitute a perpetual lien against the property.

- e. In order to effect its powers, the District may enter upon private property for the purpose of inspection and maintenance of sanitary and waste disposal facilities and may terminate service to property in which a violation of any of these Rules and Regulations is found to exist pursuant to the procedures set forth herein.
- f. The prohibitions against unauthorized discharge of wastes proscribed in this Section include the dumping or pumping of wastes directly into the District's manholes without the prior written consent of the Manager.

SECTION 5 - SERVICE EXTENSION POLICIES

5.1 GENERAL POLICY. New service will be furnished only after all of the following conditions are satisfied:

- The proposed area for which service is requested is included within the Service Area, or the Board has furnished a written specific exemption pursuant to the terms of a written agreement.
- Regional Facilities needed to serve the proposed area have been constructed or will be contemporaneously constructed.
- All Local Facilities needed to serve the proposed area are in place and have had design and construction approval by the Engineer.
- The applicable Permits have been applied for and approved and all required System Development Fees have been paid.
- The Service Lines for the proposed area have been installed in accordance with District standards and their construction inspected and approved by the Engineer.

No privately-owned wells or other water supply systems, septic tanks or other individual Sewage disposal system, or on-site drainage detention facilities shall be planned or constructed within the boundaries of the Service Area without the express written consent of the District.

5.2 REGIONAL FACILITIES. Developers desiring service to new areas within the Service Area shall keep the District informed and provide adequate lead time to permit the reasonable construction of any needed Regional Facilities. The District may require financial commitments from Developers in order to incur the expense of planning and constructing required Regional Facilities.

Subject to the availability of funds, a determination of economic feasibility by the Board, and a determination by the Board that the best interests of the District is thereby served, the District will construct, on such terms and conditions as it deems appropriate, the Regional Facilities.

5.3 LOCAL FACILITIES.

5.3.1 Ownership. Unless specifically exempted by the Board in writing, Mains located within the Service Area shall be owned by the District, including those to which there may be a right to a rebate.

Developers or Owners, as soon as practicable after installation of Mains are complete and before acceptance of any public improvement, shall comply with the requirements set forth in the Town's Standard Specifications. Compliance with these requirements shall be a condition of the continued validity of the permit authorizing such development. The Manager shall preliminarily accept public improvements upon compliance with the requirements set forth in the Town's Standard Specifications and the provision of security for the two year warranty period.

There shall be a two (2) year warranty period for such Local Facilities prior to their final acceptance by the District. The warranty shall be by cash or a letter of credit in a form acceptable to the District for fifty percent (50%) of the costs of construction of the public improvements. At the end of the

two (2) year warranty period, the District, upon application of the Developer or Owner, shall conduct a final inspection of the Mains and appurtenances thereto.

The District shall formally accept for ownership, operation and maintenance all Mains and appurtenances thereto upon Developers or Owners completion of all punchlist items to the satisfaction of the Manager; compliance with all of the requirements set forth in the Town's Standard Specifications; and expiration of the two year warranty.

Developers or Owners shall apply to the District and/or other applicable agencies for necessary permits after approval of the development permit or plat and before commencing any construction as described in Section 5.5.1. The applicant shall notify the District during business hours and at least twenty-four (24) hours in advance of the required in-progress inspections. The required in-progress inspection to be made by the District will be listed on the permits obtained. Quality control inspections and construction supervision are to be performed by an engineer selected by the District, with inspection costs paid by the applicant. Where inspections are required to be made by agencies other than the District, notification of required inspections shall be made to the Administrator and to the agency's representative during business hours at least forty-eight (48) hours in advance and in accordance with the agency's policies. Prior to the District's acceptance, utility companies will be required to inspect and approve installations which will become the utility companies responsibility.

Violation of any part of this Section shall be punishable per Section 7.

5.3.2 Responsibility for Construction and Costs. As set forth in Section 2.1.2, it is the Owner's/Developer's responsibility to finance, design and construct all Local Facilities. Such Local Facilities shall be constructed in accordance with plans and specifications approved by the Engineer and the Town, and in accordance with minimum standards adopted by the District and the Town. The Owner/Developer shall pay the Actual Cost of all Local Facilities.

5.3.3 Line Sizing. Local Facilities shall be sized adequately to serve the development tract for which they are designed. Where the Local Facilities also have a transmission function serving areas outside of the subject tract, as determined by the Engineer, then the District may require that the Local Facilities be oversized. In such case, the District will be responsible for the Oversize Costs, as provided in Section 6.2.(c). In no case shall Water Mains or Sewer Mains of eight inch (8") diameter or less, or Storm Water Mains of thirty inch (30") diameter or less, be considered as having a transmission function. Accordingly, for the purposes of determining Oversize Costs, the minimum size of a Main required by a Developer shall be assumed to be an eight inch (8") diameter for Water Mains and Sewer Mains and a thirty inch (30") diameter for Storm Water Mains, even if a lesser size is adequate to serve the development tract.

5.3.4 Preliminary Design Procedures. Systems planning may be accomplished by the District or by an engineer registered in Colorado, at the Developer's option. All preliminary plans and final designs must be prepared by, or reviewed by the Engineer and approved by the Board. In all cases, the Engineer or Inspector shall perform the prescribed inspection services. After preliminary review and approval of the Systems' design by the District, the Developer may proceed with final design. Normally, during the preliminary design phase, oversize requirements, if any, will be established. It is noted that Water Distribution System planning shall also require approval by the Town and Rocky Mountain Fire Department. The Developer is responsible for obtaining these approvals.

5.3.5 Pre-Application Meeting. Any Developer desiring to have water and/or sewer service extended to his property, shall meet with the District to discuss the same at a pre-application meeting prior to the submission of an application to the District for service. A Developer shall be entitled to one such meeting with the District at no cost to the Developer.

5.3.6 Application and Deposit. If the Developer determines to move forward with his development project after the pre-application meeting, the Developer shall submit an application for service to the District. The application shall be submitted to the District along with an initial deposit, to cover the costs incurred by the District in association with the review of the development project, which deposit shall be held by the District in a non-interest bearing escrow account. The amount of this initial deposit shall be five thousand dollars (\$5,000). The District shall have the right and authority to make disbursements from said escrow account at its sole discretion to cover the District's costs for planning and engineering review services, attorney and other consultant fees, and other costs and expenses incurred with regard to the application. Any balance remaining in the escrow account following approval, denial or withdrawal of the application, shall be returned to the Developer without interest. In the event that the initial deposit is exhausted before final disposition of the application, the Developer shall make a supplemental deposit to the escrow account in the amount of five thousand dollars (\$5,000) to cover future costs and expenses resulting from the application. Failure to make such necessary supplemental deposits shall cause the application review process to cease until the required deposits are made. The Manager, upon good cause shown to the Manager's satisfaction, may reduce the amount of the initial deposit; however, the Developer shall remain responsible for the Actual Costs incurred by the District associated with the application.

5.3.7 Easements/Rights-of-Way. All Mains shall be installed in trenches containing no other conduits. The alignment and depth of such installations shall be determined by the Engineer. The topography and alignment of such rights-of-way shall be suitable for the installation of Mains as determined by the Engineer.

Preliminary and final planning shall be such that adequate space and easement reservations shall be made permanently available to the District without charge, as approved by the Engineer.

5.3.8 Final Design. The application and final design documents will be furnished to the Engineer for review and thence to the Board of Directors for approval.

The submittal shall include construction drawings, specifications and other contract documents. These documents shall be prepared by the Engineer or another registered engineer acceptable to the District. In all cases, any contract documents must be reviewed and approved by the District. Plan and profile drawings shall be on a horizontal scale one inch equals fifty feet (1"=50') (other scales may be accepted, as determined by the Engineer). All elevations must be United States Geographical Survey datum. Where practical, elevations of existing District facilities shall be field verified in the final design. Designs and specifications must include the provisions included per the Town's Standard Specifications with other detailed provisions as required by good engineering practice, all subject to the Board's approval.

Designs for Main extensions shall be submitted to the District for review at least thirty (30) days before approval is required.

Plans, specifications and easements submitted for Board approval shall not be considered until they are complete and have been approved by the Engineer.

Design approvals are valid for twelve (12) months from the date of Board approval unless otherwise specifically noted in the approval. If construction is not substantially complete by that time, resubmittal of the plans may be required and new construction may not be initiated without the Board's specific approval.

5.3.9 Construction Phase. The Developer shall construct Main extensions in strict accordance with the approved design.

The Engineer or Inspector will inspect the Mains to assure good quality construction and installation materials and practices in general conformity with the approved plans and specifications. The Engineer or Inspector will not handle, nor be responsible for other construction phase inspection related services (e.g., staking the easement and/or Main locations, measuring quantities, preparing pay estimates, and administrative or management-type relations with the contractor), unless the Engineer is used for design, or unless a specific contract for such services is executed between the District and the Developer.

The Developer shall schedule a pre-construction conference on the job site with the Engineer/Inspector prior to construction. The Developer shall notify the District at least five (5) business days prior to beginning construction, and thereafter shall keep the Engineer or Inspector informed of the construction schedule. No work may be covered, hidden or completed without the Engineer's/Inspector's presence and approval. Any Engineer/Inspector time or expense caused by the contractor failing to work according to the proposed schedule shall be charged to the project as part of the Actual Cost.

Construction staking shall be completed prior to the installation of the Mains. All staking shall be maintained throughout the installation of Mains. Staking shall include easement or right-of-way stakes and cut/offset stakes (fifty feet (50') maximum spacing unless otherwise approved).

5.3.10 As-Built Drawings. Accurate "as-built" drawings (sealed by the design engineer) showing adequate ties to physical facilities must be provided at the completion of work by the Owner's/Developer's engineer. The District or the Engineer shall be provided with: (1) a reproducible set of "as-built" drawings on mylar which may be the original tracings or photographic reproductions and (2) a set of the "as-built" drawings in a digital format.

As-built drawings shall furnish information in a manner similar to the Town's Standard Specifications.

5.3.11 Maintenance. The District operates and maintains all Mains within the District which have been completed, finally accepted by and deeded or dedicated to the District, except that the Developer shall provide for a two (2) year warranty period, beginning at the time of preliminary acceptance by the District.

5.4 PERMITS REQUIRED. The right to take and use Potable Water or Irrigation Water distributed and the right to discharge Sewage or storm water through the facilities of the District shall exist only under a Permit, and no physical connection may be made or modified to any such facilities or to any privately-owned or publicly-owned extension thereof for any purpose unless a Permit shall have first been obtained authorizing the use for which such a connection is to be made.

Notwithstanding the issuance of a Permit, the District reserves the full power and authority to determine all matters in connection with: (1) the control and use of Potable Water from the Water Distribution System, (2) the control and use of Irrigation Water from the Irrigation System, (3) the discharge of wastes into the Sewer Collection System and (4) the discharge of water into the Storm Water System.

5.4.1 Separate Permits. No Customer in or upon any premises to which water is supplied under a Permit for such premises, shall supply or allow water to be supplied for use on any other premises unless a Permit for use on such other premises shall have been procured. Nor shall any Customer similarly allow discharge of wastes generated from offsite property to a sewer connection located on his property.

A separate Permit is required for each and every building using water and/or discharging Sewage.

The Water Service Lines, Sewer Service Lines and Irrigation Service Lines to any structure served by the District must be independent of the Water Service Lines, Sewer Service Lines and Irrigation Service Lines to any other structure, except where the structures involved comprise an undivided unit with no potential for separate ownership. Individual Water Service Lines and meters will be required for each individual Owner, unless a specific exemption has been granted in writing by the Board.

5.4.2 Increased Service for Existing Customers.

- a. Water Demand. A multi-family Owner expanding its building, changing the nature of its use, or otherwise increasing water demand must apply for a modified water Permit. Any other water Customer/Owner expanding its building(s) or otherwise increasing water demand, must apply for a modified Permit if in the determination of the District, an increase in the size of a Service Line is required, or, an increase in demand is expected.
- b. Sewer Demand. Any sewer Customer/Owner expanding his building or otherwise increasing Sewage flows so that the number of EQRs will be increased, must apply for a modified Permit, whether or not the actual Sewer Service Line size is increased.
- c. Increased System Development Fees. In those cases where the District determines that there will be an increase in demand, the Owner shall pay incremental System Development Fees at the rate in effect at the time the modified Permit is issued. Incremental System Development Fees shall be computed by assessing the current System Developments Fees for the new usage, minus the current System Development Fees applicable for the previous usage.

5.4.3 Transfer of Permits. Permits attach to the designated premises only. Permits are not affected by changes in the ownership of the permitted premises and are usable only in accordance with the terms of the Permit. Neither Permits nor the associated System Development Fees are transferable to other properties.

5.5 PERMIT ISSUANCE. A Permit may only be issued under the following conditions:

5.5.1 Application. The applicant or his agent shall submit a signed, written application for service to the District which shall contain the following information.

- a. A description of the premises to be served under the Permit by reference to land survey, or by designation of lot and block, or other legal description adequate to define the area to be served by convenient references.

- b. A description of the building, or buildings, to be constructed and their purpose. If the buildings are to be used for commercial or industrial purposes (any use other than residential) then the applicant shall furnish an estimate of expected peak and average flow loads, with calculations and information as required by the Engineer.
- c. An acknowledgment and agreement by the applicant that use under the Permit must be as limited and defined by applicable law and these Rules and Regulations.
- d. If a use is proposed which could result in high rate service demands, then the Manager may require that the applicant submit additional information regarding demands or load rates.

5.5.2 Payment of Capital Fees. Prior payment of:

- a. Standard District inspection fees.
- b. Standard System Development Fees for the appropriate number of EQRs. Normally, simultaneous payment of all applicable District fees, including for water distribution, irrigation, storm water and sewer collection, will be required.
- c. Water Resource Fee for real property to be served.

5.5.3 Payment of Tapping Fees. Prior payment of:

- a. Water, irrigation and sewer tapping fees which are administratively set to cover the cost of Service Line and tapping inspection by the District, and for any Service Line materials furnished by the District.

5.5.4 System Development Fees Agreements. To assure the receipt System Development Fees on a predetermined schedule, which is necessary for the District to secure funding for the construction of its Regional Facilities, the District may require that any Owner or Developer enter into an agreement with the District prior to the issuance of any Permits to connect to the Systems. As specified in Section 3.2 herein, the District will not issue confirmation of a commitment to serve property from the Systems unless, under these circumstances, such an agreement is signed.

5.5.5 Pre-purchase of System Development Fees. A Developer/Owner may prepurchase System Development Fees pursuant to an agreement with the District. The rights derived by payment of such fees shall be as set forth in the agreement and as stated on the certificate.

5.6 FIRE PROTECTION SERVICE. A Permit to take and use water from the Water Distribution System for private fire protection service shall be granted only upon the following conditions:

- a. The applicant shall have secured a Permit for water service from the District;
- b. The applicant shall have specified with particularity, the fire protection facilities for which water service is desired;

- c. The applicant shall have executed an agreement with the District, which contains terms adequate to control the use of the fire protection facilities in order to assure that they will not be used for any purpose other than extinguishing hostile or unfriendly fires. Unless specifically exempted by the Board, each direct fire protection Service Line shall be equipped with a flow detection device approved by the District. These facilities are subject to inspection at the District's discretion. The applicant shall also have obtained all approvals, written or otherwise, as required by the Town;
- d. If the water is to be supplied for fire protection through the same Service Line through which Potable Water is supplied for other purposes, the fire protection facilities shall be so installed as to prevent the use of water through such facilities for any purpose other than fighting hostile or unfriendly fires; and
- e. The District assumes no obligation for adequacy of private fire protection service.

The only use for which water may be taken from fire protection facilities under a Permit is to extinguish hostile or unfriendly fires. Any other use of water from such facilities shall be deemed as an unauthorized use of water for which a Permit for fire protection service may be suspended or revoked and for which an unauthorized use fee, as the same is set forth in the Town's Rates & Fees, may be imposed.

5.7 SERVICE LINES AND CONNECTIONS.

5.7.1 Cost-Responsibility. All cost and expense incident to the installation and connection of Service Lines, including the cost of any Cross Connection Controls, backflow prevention devices and meters and the cost of installing the same, shall be borne by the Customer. Residential water meters shall be installed by the District at the time of rough plumbing inspection.

Each Customer shall be responsible for the construction of the Customer's Service Lines. Each Customer shall own and be responsible for the maintenance and replacement of the Customer's Service Lines, except for the District Water Service Line. Ownership of the water meter, as well as installation, calibration and maintenance responsibilities and replacement costs of and for the water meter, shall be the responsibility of the District.

5.7.2 Design - Construction. All Service Lines shall be constructed in accordance with the minimum standards set forth per the Town's Standard Specifications. Service Lines shall not be used until inspected and approved by the Manager. The cost for this inspection service is included in the tapping fees set forth in the Town's Rates & Fees.

5.7.3 Pressure Regulating and Relief Valves. All Water Service Lines and Irrigation Service Lines shall be equipped with a pressure regulating valve, except in areas specifically exempted by the Engineer. Pressure regulating valves shall be upstream of all uses. Installation in the meter pit is acceptable to the District if the meter pit and piping are designed to permit convenient servicing of the meter. The pressure regulating valve shall be set for a downstream pressure not exceeding eighty (80) psi.

A water pressure relief valve shall be installed on the plumbing of every Customer, normally at the hot water tank. The valve shall be provided with a discharge line to a drain in any areas where discharge could cause damage.

5.7.4 Individual Service Lines. Each individual commercial structure hereinafter connected shall pay for an individual water and/or sewer tap and shall install separate Service Lines for each commercial structure.

Each individual residential structure hereinafter connected shall pay for an individual water and/or sewer tap and shall install separate Service Lines for each residential structure. Any variance from this requirement must be authorized by obtaining written approval of the Board. All commercial, industrial and multi-family residential Customers shall have Water Service Lines and Irrigation Service Lines and separate meters for each in a number determined by the District to be appropriate for the development. Exceptions to this rule may be made for small industrial/commercial Customers having insignificant anticipated irrigation use, and who will be charged for sewer collection service based on all water used. Exceptions must be authorized by the District in writing.

SECTION 6 - RATES AND CHARGES

6.1 GENERAL. The Board has established System Development Fees, a Water Resource Fee, tapping fees, service charges and other fee schedules. The current fee rates are set forth in the Town's Rates & Fees. These fees may be increased or decreased by the Board at any time after public hearing.

6.2 REBATE AGREEMENTS/FEES. In circumstances where a Developer is required to construct and invest in facilities which can partially benefit future development, the District may enter into a rebate agreement with that Developer, payable from fees collected from future Developers or Customers, in the circumstances described below:

- a. Adjacent Developments. A rebate agreement may be entered into when a Developer is required to install Mains in a street or easement bordering the Developer's tract which would allow future development on the other side of the street or easement to directly obtain service through the Main. Under such circumstances, the rebatable amount will be assigned to the Developer or Owner on the opposite side of the street or easement, on a unit front foot cost basis. Customers applying to tap such Main shall pay the applicable rebate costs prior to tapping.
- b. Connecting Lines. A rebate agreement may be entered into where a proposed development is not contiguous to existing development. Under such circumstances, the District may require the Developer to construct the necessary intervening water or sewer Lines to connect the proposed development to the Systems. In this case, the District will set an amount for maximum rebate, which shall be the Actual Cost of the connecting line, such cost being approved by the District prior to construction. This rebate amount will be assigned to Owners of the intervening property if, in the opinion of the District, the intervening Owners can make reasonable use of the line in the future. Future Developers or Customers in the intervening area shall be required to rebate the Actual Cost, or a pro rata portion thereof, before connecting other Mains or Service Lines to the subject Line. If, in the opinion of the District, the Owners of the intervening property cannot make reasonable use of the Line in the future, the Developer of the proposed development shall be responsible for the Actual Cost of the intervening Lines and shall not be eligible to enter into a rebate agreement with the District.
- c. Benefited Property. A rebate agreement may be entered into when a Developer is required to construct Mains which will benefit other property not otherwise described in (a) or (b) above. The District shall determine the maximum rebate to be obtained from the benefited property prior to construction. The rebate amount will be assigned to the Owners of the benefited property and the District shall require the Owners or future Developers of the benefited property to pay their pro rata share of the rebate before connecting to the Mains.
- d. Oversize. A rebate agreement may be entered into when the District requires that a Line be oversized for future users. The District may pay the Oversize Costs, or, if the Board determines it infeasible to participate immediately in such oversizing, then the Oversize Cost will be considered a rebatable amount. The

District will pay such rebate from the income obtained from future Customers located in an area determined by the District to have benefited from the oversize.

6.2.1 Rebate Amounts. Where the Developer did not have the facilities installed after advertised bids, the Actual Cost shall be as estimated by the Engineer and approved by the Board. In case of disputed eligibility of costs, the Board's decision will be final. In case of disputed method of rebate, a rational proposal shall be prepared by the Engineer and approved by the Board; the Board's decision shall be final. No interest shall be allowed when determining rebate amounts.

6.2.2 Rebate Periods. A rebate agreement will be made for a maximum period of ten (10) years from the date of the acceptance of the facilities by the District.

6.3 TAPPING FEES. Water and sewer tapping fees are set to cover the Actual Cost incurred by the District in the inspection of tap connections and Service Line installations and records processing for the same, as set forth in the Town's Rates & Fees. If multiple inspections are required because of poor installation or poor scheduling on the part of the contractor, the Manager may charge additional fees based on Actual Costs, hourly rates and expenses incurred. Tapping fees will also be set to cover the Actual Cost of the meter.

6.4 EQUIVALENT RESIDENTIAL UNIT (EQR) SCHEDULES. For the setting of certain fees, the District has found it convenient to establish Equivalent Residential Unit schedules. The base for this schedule is an average detached single-family residence, or its equivalent. The schedules are given in the following tables. Note that schedule 6.4.1 is applicable to the Water System (when a specific water meter size is not identified) and Sewer Collection System, while schedule 6.4.2 is applicable to the Storm Water System.

**TABLE 6.4.1
EQUIVALENT RESIDENTIAL UNIT (EQR) SCHEDULE -
WATER SYSTEM AND SEWER COLLECTION SYSTEM**

<u>Class of User</u>	<u>EQR</u>
A. RESIDENTIAL CLASSIFICATIONS	
1. Single-family Residential Units (per each)	1.0
Single-family homes, individually billed mobile homes, mobile homes on single lots, mobile homes established for permanent residences.	

Class of User

EQR

2. Multi-family Residential Units.

Apartments, condominiums, townhouses and similar facilities in the same complex; all units intended for long-term rental or ownership.

- Small sized unit. Shall not have more than 1 bedroom and 1 bathroom. 0.5
- Medium sized unit. Shall not have more than 2 bedrooms or 2 bathrooms. 0.75
- Large sized unit. Shall not have more than 3 bedrooms and 2-1/2 bathrooms. 0.90
- Any larger single unit. 1.0

Note: If the number of bedrooms and number of bathrooms are in different EQR categories, the larger number will prevail when determining EQR for the unit.

3. Transient Residential Units

Hotels, motels, mobile home parks, dormitories and similar facilities.

Note: Includes laundry facilities in mobile homes. Swimming pools and laundry facilities (except those in mobile homes) are separately assessed. Room counts shall include rooms furnished to employees. Each billing unit shall have a minimum of one manager's unit.

- a. Manager's unit (per each) 0.80
- b. Motels, hotels and rooming houses without kitchen facilities
 - with not more than 2 bed spaces per room (per each rental room) 0.20
 - with more than 2 bed spaces per room (per each room) 0.35
- c. Motels with kitchen facilities
 - with not more than 2 bed spaces per unit (per each rental unit) 0.3
 - with more than 2 bed spaces per unit (per each rental unit) 0.4
- d. Dormitories (per each rental bed space) 0.1
- e. Add for laundry facilities (or available hookup) 20%

in each building, % of total EQR served

f. Mobile homes in park-with laundry 0.80/space

Class of User

EQR

B. COMMERCIAL CLASSIFICATION

1. Restaurants and Bars

Restaurants, bars, lounges, banquet rooms and drive-ins

- | | | |
|----|--|-----|
| a. | Restaurants and bars (per 10 seats, including patio seating) | 1.0 |
| b. | Banquet Rooms (per 10 seats) | .4 |
| c. | Drive-ins (per car stall) | .3 |
| d. | Drive through take out service window | 0.5 |

2. Commercial Buildings

Office buildings, retail sales buildings, multiple use buildings, laundromats, service stations, shops, garages and similar facilities.

Note: No Process Water will be allowed to enter the Sewer Collection System

- | | | |
|----|--|------|
| a. | Offices and office buildings (per 1,000 s.f. of gross floor area) | 0.50 |
| b. | Retail sales area (per 1,000 s.f. of gross useable area, including sales, storage and support areas, but not including food service, which is separately assessed) | 0.30 |
| c. | Laundromats (per washing machine) | 1.20 |
| d. | Service stations (a set of pumps is defined as 2 pumps regardless of the number of hoses) | |
| - | first set of pumps | 1.2 |
| - | each additional set of pumps (per set) | 0.8 |
| - | add for each bay/rack where cars can be washed | 1.4 |

- e. Non-retail work areas such as garages, machine shops (per each 10 employees) 0.7
- f. Movie theaters (per each 50 seats) 1.0

Class of User EQR

C. CHURCH AND SCHOOL CLASSIFICATIONS

1. Churches (per 100 seats) 1.0

Note: Rectories and social areas with kitchen facilities are separately assessed.

2. Schools

Day care centers, public and private day schools.

Note: Includes teachers, librarians, custodians and administrative personnel associated with the school function; administrative centers, warehouses equipment (such as buses) repair and/or storage centers. Swimming pools and similar facilities are separately assessed.

- a. Without gym and without cafeteria (per 50 students) 1.40
- b. Without gym and with cafeteria or with gym and without cafeteria (per 50 students) 1.75
- c. With gym and cafeteria (per 50 students) 2.10

D. MISCELLANEOUS CLASSIFICATIONS

1. Swimming pools and wading pools

Note: A permanent sign must be placed prominently at all pool filter installations stating that pools are not to be drained without permission from the Manager, that pool draining rates will be subject to approval of the District, and that draining shall be limited to the hours between 11 p.m. and 6 a.m. on the date specified by the District

- a. Private pools associated with single-family residential units (per 40,000 gallons of pool volume) 0.40
- b. Pools associated with multi-family and transient residential units (per 40,000 gallons of pool volume) 0.80

<u>Class of User</u>	<u>EQR</u>
c. Commercial and public pools. Total EQR to be computed from pool volume and per capita capacity as follows:	
• first 40,000 gallons of pool volume	1.05
• each additional 40,000 gallon capacity	0.75
2. Recreational Vehicle Waste Disposal Stations	
<p>The operator of the disposal facility shall provide a means acceptable to the District of counting the number of times the disposal facilities are used.</p> <p>The District shall review and approve charges made to users of dumping facilities by facility owners; no System Development Fees will be assessed for camper dump facilities, and the District reserves the right to cease service to such facilities at any time.</p>	
3. Medical Hospital	
<p><u>Note:</u> Includes staff and administrative personnel associated with the hospital function.</p>	
• per bed	0.60
4. Assisted Living Facility	
• per unit	0.40
5. Public Restrooms (per toilet or urinal)	0.20
E. OTHER CLASSIFICATIONS	
<p>Equivalentents shall be established on an individual basis for all users other than those identified in Classifications A, B, C and D above. Industrial users will be subject to the requirements of the Environmental Protection Agency as those requirements pertain to assessment of users charges and cost recovery (refer to 40 C.F.R., Section 35 (1987)).</p>	

F. GENERAL NOTES

1. Each Customer of the System will be charged a minimum of 1 EQR for purposes of establishing fixed costs.

**TABLE 6.4.2
EQUIVALENT RESIDENTIAL USER (EQR) SCHEDULE – STORM WATER SYSTEM**

<u>Class of User</u>	<u>EQR</u>
1. Single-family Residential Detached, average density 3.5 DU/gross acre. Actual Density 1.0 to 6 DU/acre	1.0 EQR/unit
2. Multi-family Residential (Townhomes, Single-family Attached, Apartments and Condominiums)	
Gross Density <u>Dwelling Units/Acre*</u> Less than 4.0 DU/Acre	1.0 EQR/Unit
4.0 to 6.99 DU/Acre	0.8 EQR/Unit
7.0 to 9.99 DU/Acre	0.7 EQR/Unit
10.0 to 12.99 DU/Acre	0.6 EQR/Unit
13.0 or more DU/Acre	0.5 EQR/Unit
3. Commercial Area	7.0 EQR/acre
4. Schools, government-type buildings	3.5 EQR/acre
5. Open space	0.0 EQR/acre

*Includes platted area with all streets, but does not include dedicated open space.

6.5 WATER SYSTEM DEVELOPMENT FEE. This is one-time fee designed to provide for acquisition of water resources and recovery of capital investment attributable to Regional Facilities of the Water System. The Water System Development Fee shall typically be assessed based on service line and meter size. The District reserves the right to separately establish fees for Customers having unusual demands or peaking factor. The current fee schedule is set forth in the Town’s Rates & Fees. The Water System Development Fee is not applicable to Service Lines used for fire protection for water Customers. Where Service Lines also serve a fire protection function, the Engineer will estimate the size required for Potable Water use only.

6.6 SEWER COLLECTION SYSTEM DEVELOPMENT FEE. This is a one-time fee designed to provide recovery of capital investment attributable to Regional Facilities of the Sewer Collection System. The Sewer Collection System Development Fee shall be assessed based on EQR value of the proposed Customer, using the EQR schedule contained herein (Table 6.4.1) and the unit rate as provided in the Town’s Rates & Fees.

6.7 STORM WATER SYSTEM DEVELOPMENT FEE. This is a one-time fee designed to provide recovery of capital investment attributable to Regional Facilities of the Storm Water System. The Storm Water System Development Fee shall be assessed based on the drainage EQR value of the proposed Customer (Table 6.4.2), using the unit fee given in the Town's Rates & Fees.

6.8 WATER SERVICE CHARGES. Water Distribution System operating revenues are primarily derived from water service charges. All water delivered by the District shall be sold on a metered basis. A base fee is set to cover billing and a portion of fixed overhead costs. Service charges shall be billed at the rates set forth in the Town's Rates & Fees. Note that the Irrigation Water System will normally be inactivated during winter months (November, December, January, February and March). During inactive months, no base fees will be charged.

6.9 SEWER SERVICE CHARGES. Sewer Collection System operating revenues are primarily derived from sewer service charges. Single-family residential (or multi-family if a separate irrigation meter is not provided) service charges shall be based on a flat rate schedule, using the appropriate EQR value. Other sewer service charges shall incorporate a base charge to cover billing and a portion of fixed overhead costs. These service charges shall be based on the estimated amount of Sewage flows using the rates set forth in the Town's Rates & Fees. Estimated flows shall be made on the basis that Sewage flows are equal to the Potable Water meter consumed amounts.

6.9.1 High Strength Sewage. The service charges set forth in the Town's Rates & Fees are based on Sewage strength similar to normal domestic wastes. For any commercial water use where high strength wastes may be expected (above 230 mg/l BOD5 and 230 mg/l SS) the District reserves the right to require the installation of a sampling point, as approved by the Engineer, and to charge an additional fee. Such additional fee shall be determined by the Manager based on current treatment costs plus the administrative costs of sampling, testing and billing.

6.10 CUSTOMERS NOT USING THE SEWER COLLECTION SYSTEM. Extraterritorial Customers are not obligated to repay the bonded indebtedness used to finance the construction of the water, sewer and storm drainage improvements within the District's Service Area and do not contribute return flows for reuse by the District. For these reasons, extraterritorial Customers not using the sewer collection system shall be charged at 1.3 times the Water Distribution System Fee, as set forth in the Town's Rates & Fees-3, and 1.3 times the Potable Water Charges, as set forth in the Town's Rates & Fees-5.

6.11 STORM DRAINAGE SERVICE CHARGES. Storm Water System operating revenues are primarily derived from storm water service charges. The appropriate storm water service charge will be determined from the storm water EQR Schedule (Table 6.4.2) and the unit rate set forth in the Town's Rates & Fees.

6.12 CONSTRUCTION WATER CHARGE.

6.12.1 Individual Building Sites. A non-refundable construction water fee, in the amount set forth in the Town's Rates & Fees, shall be paid when the applicant for new water service desires to have water service available at the premises for construction use prior to the time a meter may be properly set and protected from damage. Payment of the construction water fee will enable the premises to receive unmetered water service for construction use only, until service is activated. Occupancy of the premises shall not occur until a meter has been installed. The non-refundable construction water fee shall be established by the District from time to time according to the size of the service and the applicable rate schedule. The construction water fee shall be uniform according to the foregoing criteria, and shall be sufficient to generate the revenues estimated to have been collected if a meter had been installed.

6.12.2 Other Requests For Construction Water. The District will provide a construction meter and permit connection on a designated fire hydrant after receipt of a written request for temporary construction water service and a cash deposit in the amount set forth in the Town's Rates & Fees. The cash deposit shall cover the value of the meter and prepayment of two (2) months anticipated water use. Such service may be curtailed by the District at any time and no System Development Fee is required for this service. The District shall read the meter, normally monthly (or at more frequent intervals at the District's option) and bill for water used. Payment shall be made within ten (10) calendar days of receipt of the bill. Water gallonage charges shall be in accordance with the regular commercial schedule with a base fee of not less than the one inch (1") size commercial meter to cover billing costs. At the cessation of service, the District will, prepare the final billing, and if appropriate, refund the deposit less any damages to the construction meter and any outstanding charges.

If the user elects to take construction water from the Irrigation Water System, procedures are the same as for Potable Water above except that a meter/connection appropriate for the Irrigation Water System will be required.

6.13 TRANSFER OF FEES. No System Development Fees paid on behalf of one property, or any portion thereof, may be transferred to any other property.

6.14 PENALTY FOR LATE PAYMENT. If at any time, a Customer's account becomes over three (3) calendar days past due, the District shall have the right to assess the Customer a past due charge, as set forth in the Town's Rates & Fees. Further, the District shall have the right, in its sole discretion, to terminate service to any Customer pursuant to Section 7.2 of these Rules and Regulations. If service is terminated, a re-connect fee, in the amount set forth in the Town's Rates & Fees, will be assessed to the Customer. Service to the property will not be re-connected until the Customer has paid the re-connect fee plus any outstanding past due charges. Further, the District has the right to assess to any Customer who is overdue in payment of his account, all legal, court and other costs necessary to or incidental to the collection of said account.

6.15 PENALTIES FOR FORECLOSURE PROCEEDINGS. At any time it becomes necessary for the District, following efforts to collect overdue payments of any fee or charge assessed by the District under these Rules and Regulations and/or Colorado law, to initiate foreclosure proceedings as allowed by section 32-1-1001(1)(j), C.R.S., as amended, the District shall in each such case assess a foreclosure fee against the subject property in an amount as set forth in the Town's Rates & Fees, which fee shall be payable in full upon assessment and shall be included in the amount then being foreclosed. Payment of said foreclosure fee and any and all other fees outstanding against the subject property shall be a precondition to the resumption of service to that property.

6.16 PRIORITY OF APPLICATION OF SERVICE CHARGE PAYMENTS RECEIVED BY THE DISTRICT. The Superior Districts have established an intergovernmental agreement that provides for consolidated billing of all ongoing and monthly fees imposed by the Superior Districts. The District incorporates the priority of payments schedule set forth in the intergovernmental agreement into these Rules and Regulations, as follows:

- a. First, towards the payment of all late charges, penalties and miscellaneous fees imposed with regard to any and all of the landscape maintenance, trash and recycling, storm drainage, water and sewer services and facilities, including, by way of example and not limitation, charges for insufficient funds, transfer fees, re-connection fees or unauthorized tampering/use fees; then

- b. Towards the payment of all past due landscape maintenance fees; then
- c. Toward the payment of all past due trash and recycling fees; then
- d. Towards the payment of all past due storm drainage fees; then
- e. Towards the payment of all past due sewer fees; then
- f. Towards the payment of all past due water fees; then
- g. Towards the payment of all current landscape maintenance fees; then
- h. Towards the payment of all current trash and recycling fees; then
- i. Towards the payment of all current storm drainage fees; then
- j. Towards the payment of all current sewer fees; and finally
- k. Towards the payment of all current water fees.

SECTION 7 - REVOCATION OF SERVICE

7.1 FOR VIOLATION OF RULES AND REGULATIONS. The District shall have the right to revoke service to any property for violation of these Rules and Regulations in accordance with the procedure set forth in Section 7.3.

7.2 FOR NON-PAYMENT OF FEES. Service shall be revocable by the District upon non-payment of any valid fees or charges owing to the District, as set forth in the Town's Rates & Fees. If at any time a Customer's account becomes over twenty (20) calendar days past due, the District shall prepare and mail to the Customer a notice stating:

- a. the reason for revocation;
- b. that the Customer has the right to contact the District regarding the revocation;
- c. the manner in which the District may be contacted for the purpose of resolving the Customer's outstanding obligations;
- d. that there exists an opportunity for a hearing in accordance with Section 8 of these Rules and Regulations;
- e. that the Customer has ten (10) calendar days from the date of the notice to pay the current amount past due; and
- f. that the Customer's service will be disconnected ten (10) calendar days from the date of the notice if the Customer fails to pay amounts past due within the time specified.

If the District has not received payment of the outstanding obligation from the Customer or if the Customer has not requested a hearing and made the appropriate deposit therefore with the District within ten (10) calendar days of the date of the notice, the District shall post, at the Customer's residence, a doorhanger stating that the Customer has two (2) additional business days in which to remit the outstanding fees to the District or the Customer's service will be disconnected.

If payment of the outstanding obligation or a request for a hearing with the accompanying deposit is not received by the District within two (2) business days from the date the doorhanger is posted, the Manager shall disconnect the appropriate Service Line providing service to the property. The District shall impose a re-connect fee and the Customer will be required to pay such fee, in addition to all other fees and charges owing, before service will be restored, as set forth in Section 6.14 of these Rules and Regulations, to disconnect and re-connect service.

7.3 PROCEDURE. Prior to the revocation of service by the District, for reasons other than non-payment of fees, the District shall prepare and mail to the Customer and the Owner a notice stating:

- a. the reason for revocation of service;
- b. that the Customer/Owner has the right to contact the District regarding the revocation;
- c. the manner in which the District may be contacted;
- d. that there exists the opportunity for a hearing in accordance with Section 8 of these Rules & Regulations; and
- e. that the Customer's/Owner's service will be disconnected ten (10) calendar days from the date of the notice unless the reason for revocation is resolved in a manner satisfactory to the District.

7.4 EMERGENCY. In the event of an emergency, the District may terminate or suspend service without prior notice; provided however, the District shall provide subsequent notice of the termination or suspension which states the reason for such action.

7.5 RE-CONNECTION FEE. If service is disconnected, a re-connect fee, in the amount set forth in the fee schedule in the Town's Rates & Fees, will be assessed to the Customer. Service to the property will not be re-connected until the Customer has paid the re-connect fee plus any outstanding past due charges.

SECTION 8 - HEARING AND APPEAL PROCEDURES

8.1 APPLICATION. The hearing and appeal procedures established by this Section shall apply to all complaints concerning the interpretation, application or enforcement of the Rules and Regulations of the District, as they now exist or may hereafter be amended. However, the hearing and appeal procedures established by this Section shall not apply to the complaints arising out of the interpretation of the terms of District contracts.

8.2 INITIAL COMPLAINT RESOLUTION. Complaints concerning the interpretation, application or enforcement of the Rules and Regulations of the District must be presented in writing to the Manager, or such representative as may be designated. Upon receipt of a complaint, the Manager or his representative, after a full and complete review of the allegations contained in the complaint, shall take such action and/or make such determination as may be warranted and shall notify the complainant of the action or determination by mail within fifteen (15) days after receipt of the complaint. Decisions of the Manager which impact the District financially will not be binding upon the District unless approved by the Board at a special or regular meeting of the Board.

8.3 FORMAL HEARING. In the event the decision of the Manager or his representative is deemed unsatisfactory to the complainant, a written request for formal hearing may be submitted to the Manager or such hearing officer as the Manager may appoint within fifteen (15) days from the date written notice of the decision was mailed. A deposit in an amount as set forth in the Town's Rates & Fees shall be made to the District along with the request for the hearing. This amount shall be retained by the District to cover the costs of the hearing until the final decision following such hearing. The amount shall be refunded to the Customer if the Board renders a final decision in favor of the Customer.

Upon receipt of the request, if it be timely, and if any and all other prerequisites prescribed by these Rules and Regulations have been met, the Board or hearing officer shall conduct a hearing at the District's convenience, but in any event not later than fifteen (15) days after the submission of the request for a formal hearing. The formal hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations.

8.4 CONDUCT OF HEARING. At the hearing, the Board or hearing officer shall preside. The complainant and representatives of the District shall be permitted to appear in person, and the complainant may be represented by any Person of his choice or by legal counsel.

The complainant or his representative and the District representatives shall have the right: (1) to present evidence and arguments, (2) to confront and cross-examine any Person and (3) to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter of the complaint. The Board or hearing officer may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent Persons in the conduct of their affairs.

The Board or hearing officer shall determine whether clear and convincing grounds exist to alter, amend, defer or cancel the interpretation, application and/or enforcement of the Rules and Regulations that are the subject of the complaint. The decision shall be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer or cancel the action shall be upon the complainant.

8.5 FINDINGS. Subsequent to the formal hearing, the Board or hearing officer shall make written findings and an order disposing of the matter and shall mail a copy thereto to the complainant not later than fifteen (15) days after the date of the formal hearing.

8.6 APPEALS TO THE BOARD. In the event the complainant disagrees with the findings and order of the Board at the formal hearing, the complainant may, within fifteen (15) days from the date of their mailing, file with the District, a written request for an appeal thereof to the Board. The request for an appeal shall set forth with specificity the facts or exhibits presented at the formal hearing upon which the complainant relies and shall contain a brief statement of the complainant's reasons for the appeal. The District shall, in response, compile a written record of the appeal consisting of: (1) a transcript of the recorded proceedings at the formal hearing, (2) all exhibits or other physical evidence offered and reviewed at the formal hearing, and (3) a copy of the written findings and order. The Board shall consider the complainant's written request and the written record on appeal at the next regularly scheduled meeting held not earlier than ten (10) days after the filing of the complainant's request for appeal. Such consideration shall be limited exclusively to a review of the record on appeal and the complainant's written request for appeal. No further evidence shall be presented by any party to the appeal and there shall be no right to a hearing de novo before the Board.

8.7 BOARD'S FINDINGS. The Board shall make written findings and an order concerning the disposition of the appeal presented to it and shall cause notice of the decision to be sent by certified mail to the complainant within thirty (30) days after the hearing. The Board will not reverse the decision unless it appears that such decision was contrary to the manifest weight of the evidence made available at the formal hearing.

8.8 NOTICE. A complainant shall be given notice of any hearing before the hearing officer or before the Board, by certified mail at least seven (7) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision or order affecting the complainant shall also be served upon the attorney.

SECTION 9 - WATER RESTRICTIONS

9.1 GENERAL. The District shall, at any time, have the power to impose water restrictions on its Customers. Such restrictions shall be implemented in a phased manner and subsequent to a public hearing.

9.2 MANNER OF RESTRICTION. The District reserves the right to restrict or prohibit the use of Raw Water for irrigation purposes. Subsequent to and in conjunction with the restriction or prohibition of the use of Raw Water for irrigation purposes, the District reserves the right to restrict or prohibit the use of Irrigation Water used in the Irrigation System. Subsequent to and in conjunction with the restriction or prohibition of the use of Irrigation Water used in the Irrigation System, the District reserves the right to restrict or prohibit the use of Potable Water for irrigation purposes at private residences. Subsequent to and in conjunction with the restriction or prohibition of the use of Potable Water for irrigation purposes, the District reserves the right to restrict or prohibit the use of Potable Water for any purpose and in any manner deemed necessary by the District to enable the District to meet water demands for emergency purposes, including, but not limited to fire flows, and to protect the District's water supply.

9.3 HEARING. Prior to the implementation of water restrictions, except those implemented pursuant to Section 2.2, on: (1) the use, for irrigation purposes, of Raw Water, Irrigation Water or Potable Water, or (2) the use of Potable Water for any purpose other than irrigation as deemed necessary by the District to enable the District to meet water demands for emergency purposes or protect the District's water supply, the District shall hold a public hearing. Notice of such hearing shall be published in a newspaper of general circulation within the Superior Districts, not less than twenty (20) calendar days prior to the hearing and shall state that the purpose of the hearing is to implement restrictions or prohibitions on the use of Raw Water, Irrigation Water and/or Potable Water.

9.4 PENALTIES. The District reserves the right to implement penalties for the violation of any water restrictions imposed pursuant to this Section.