

**RULES AND REGULATIONS
FOR
WATER AND WASTEWATER SERVICE**

HOLLAND CREEK METROPOLITAN DISTRICT

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ARTICLE I GENERAL

1.1 Purpose

The purpose of these Rules and Regulations is to ensure an orderly and uniform administration of water and wastewater operations in Holland Creek Metropolitan District of Eagle County, Colorado. These administrative responsibilities are performed by a single organization of management, administrative and operations personnel who implement the policy and guidance of the District.

1.2 Authority

The District is a governmental subdivision of the State of Colorado and a corporate body with the powers of a quasi-municipal corporation. These powers are specifically granted for carrying out the objectives and purposes of the District as stated in the Amended and Consolidated Service Plan.

For the purposes of these Rules and Regulations, the term “District” includes Holland Creek Metropolitan District and Red Sky Ranch Metropolitan District.

1.3 Policy

The Board of Directors of each District hereby declares that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the District.

All customers/users of the District are bound by these Rules and Regulations as a matter of contract for which there is good and valuable consideration.

1.4 Scope

These Rules and Regulations shall be effective for each District when approved by the Board of Directors of that District, are the comprehensive regulations which govern the operations and functions of the approving Districts, and supersede all prior publications of the Rules and Regulations of the Districts.

1.5 Intent of Rules And Regulations

These Rules and Regulations shall be liberally construed to effect the general purpose set forth herein, and each and every part is separate and distinct from all other parts. No omission or additional material in these Rules and Regulations shall be construed as an alteration; waiver; deviation; limitation, or restriction from any grant of power, duty, or

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responsibility imposed or conferred upon the Board of Directors by virtue of statutes now existing. Nothing contained herein shall be construed as 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.

1.6 Amendment

The District through the Board of Directors shall retain the power to amend these Rules and Regulations, with respect to the District, to reflect those changes determined to be necessary by the Board of Directors of the District. Prior public notice of these amendments shall not be required by the District when exercising its amendment powers pursuant to this Section.

1.7 Waiver, Suspension, or Modification of Rules

The Board of Directors or the Administrator acting on instructions of the Board, shall have the sole authority to waive, suspend, or modify these Rules and Regulations. Any such waiver, suspension, or modification must be in writing authorizing the specific action. Such waiver, suspension or modification is an exception to the Rules and Regulations for the specific instance and shall not be construed as continuing for future instances. Waivers, suspensions, or modifications are not deemed an amendment of the Rules and Regulations.

1.8 Inclusion in Contract

These Rules and Regulations are automatically incorporated into every contract, written or oral, for service with the District whether expressly referenced or not, to the extent they are not inconsistent with the contract for service.

1.9 Rights and Authority

The District reserves the right to temporarily discontinue service to any property, at any time, for any reason deemed necessary or appropriate. The District shall have the right to revoke service to any property for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations.

1.10 Authority to Inspect

Authorized representatives of the District, upon presentation of a work order and identification, shall be permitted to enter upon all properties at all reasonable times for the purpose of inspection, observation, measurement, sampling, testing, and inspection of records of the water or wastewater system, in accordance with the provisions of these Rules and Regulations. Failure to permit such inspections, observations, measurements, samplings, testing, and/or inspection of records upon the request, in writing, of the Board of Directors may result in a finding that permission is being denied to avoid discovery of

a violation. Such finding may result in the disconnection of service to the property occupied by the party failing to permit the desired access, subject to the hearing and appeal procedures set forth in Article VIII, *Hearing and Appeal Procedures*.

1.11 Violators Fined

Any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of a penalty of up to \$1,000 and \$500 per SFE plus any expense, loss, or damage including attorney fees for enforcement action, occasioned by reason of such violation. If any person causes damage to the District system by misuse, negligence, or other action on his/her part, the District shall hold that person liable for the cost of repair including any study, investigation, or consultant fees incurred. Such costs shall constitute a perpetual lien upon the violator's property as allowed by Section 32-1-1001, C.R.S., as amended, or a perpetual lien upon the property to which the District was providing services at the time of the violation, whichever the Board of Directors deems appropriate.

**ARTICLE II
DEFINITIONS**

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

2.1 Accommodation Unit

"Accommodation Unit" is one or more habitable rooms intended primarily for sleeping purposes and without cooking facilities. Examples of an accommodation unit are a hotel room, hotel suite, hostel room, bed and breakfast room, or a lock-off without cooking facilities.

2.2 Applicant

"Applicant" is any person who applies to the District for a service connection, service disconnection, main line extension, or other such service agreement, or who attempts to have real property included within, or excluded from the District, as the case may be.

2.3 Basement

The lowest area within a structure, either partially or entirely below finish grade with a finished floor, and intended for continuous habitation.

2.4 Board

"Board" and "Board of Directors" are the elected or appointed Board of Directors of the District who have responsibility for policy and management oversight of the water and/or wastewater systems.

2.5 Commercial and/or Industrial Unit

"Commercial and/or Industrial Unit" is any structure or facility that is used to engage in a business, commerce, manufacturing, marketing, and/or sale of products and services of any kind.

2.6 Common Space

"Common Space," as it applies to multi-unit facilities, includes areas which have insignificant water consumption and are accessible and available to all residents and guests of the accommodation units or dwelling units; including but not limited to: hallways, lobbies, atriums, stairways, dining areas, lounge areas, and recreation rooms. Areas which would be otherwise common space except they contain an ongoing use of

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water shall not be classified as common space for the purpose of these Rules and Regulations, e.g., lobby containing a bar, recreation room with a bar, etc. These excepted common areas shall be accommodated by an adjustment to the total SFE of the facility.

2.7 Connection

2.7.1 Water

A water connection is defined as a pipe that allows a continuous flow out of a District main, into a structure, and through the meter assembly.

Connection for a water service line has not occurred if an “air gap” exists within the service line between the District’s main and the structure or between the meter assembly, and the internal plumbing of the structure.

2.8 Contractor

"Contractor" is any person, firm, or corporation licensed or permitted to perform work and to furnish materials within the District. The Contractor will need to obtain a permit required by the county or District for work conducted in a public way or District easement.

2.9 Cooking Facility

"Cooking Facility" is an arrangement within a dwelling unit which provides, but is not limited to, the following features: refrigeration capability; hot plate, electrical frying pan, toaster oven, crock pot, counter top burners, stove or microwave; and facilities for washing and cleaning.

2.10 Crawl Space

"Crawl Space" is any area contained and covered by a structure that has a dirt or gravel floor and is not intended for continuous habitation.

2.11 Customer

"Customer" is any person or entity authorized to connect to and use the District's water systems under a permit issued by the District. The word “Customer” effectively encompasses owner, renter, contractor, subcontractor, developer, etc.

2.12 District

"District" is the:

- Holland Creek Metropolitan District;
- Red Sky Ranch Metropolitan District;

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2.13 **District Engineer**

"District Engineer" is the person or firm that has been authorized by the District to perform engineering services for the District.

2.14 **Efficiency or Studio Unit**

"Efficiency" or "Studio Unit" is a Residential Unit having one room with integral cooking facilities and one bathroom.

2.15 **Equivalent Residential Unit**

"Equivalent Residential Unit" or "Single Family Equivalent" (SFE) is a generic Residential Unit, the use of which is estimated to have an impact upon the water systems equal to that of the average single family (2.3 persons).

2.16 **Board of Directors**

"Board of Directors" as used in these Rules and Regulations are the persons duly elected by the electors to administer and supervise the water affairs of the District.

2.17 **Inspector**

"Inspector" is a person or persons who, under the direction of the District, shall inspect all water connections, main lines and appurtenances, service line joints and bedding, installations of and repairs to meters, and construction of and repairs to the water system and facilities of the District to ensure compliance with the Rules and Regulations and construction standards.

2.18 **Kitchen Facility**

A "Kitchen Facility" is a cooking area that includes a cooktop having more than two burners and a conventional oven or range.

2.19 **Permission to Connect**

Permission to Connect is the written permission to connect to or to enlarge the connection to the water systems of the District pursuant to the Rules and Regulations. Permission may be granted by the Board of Directors, Administrator or authorized District representative.

2.20 **Pollutant Discharge Regulations**

"Pollutant Discharge Regulations" are additional regulations adopted as part of these Rules and Regulations pertaining specifically to limits on direct and indirect contributions of toxic or hazardous substances to the wastewater collection and treatment

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systems of the District. Compliance by customers is mandatory in accordance with applicable State and Federal laws.

2.21 **Private Main**

"Private Main" is any water distribution line or main line that is connected to the District system but not owned or maintained by the District; Private Mains have not been accepted by the District. Generally, lines are designated as private if they do not conform to the specifications as enumerated in the Rules and Regulations or construction standards. Lines may be considered private if it is not in the best interest of the District to accept the mains because of special and/or mitigating circumstances; *or* if the title of the mains cannot be transferred free and clear to the District.

2.22 **Administrator**

"Administrator" as used in these Rules and Regulations is the individual(s) who, under the direction of the Board of Directors, is responsible to administrate and ensure compliance of these regulations.

2.23 **Residential Floor Area**

"Residential Floor Area" is defined as the gross square-foot measurement of Residential Unit measured to include the outside walls, excluding garages and attics but including basements.

2.24 **Residential Unit**

"Residential Unit" is one or more contiguous, habitable rooms designed, arranged, occupied, or intended to be occupied by one or more individuals living together as a household or one family. A Residential Unit has facilities for living, cooking, sleeping, or bathing, and is generally configured to provide an independent access. If areas within a building or house are designed or arranged with the capability for occupancy, which is independent of the rest of the household, that area is classified as a separate Residential Unit. Other features that also may indicate Residential Unit include private telephone line, separate cable TV, lease contract, and unrelated third-party occupancy. Examples of a Residential Unit are: single family homes, condominiums, townhouses, duplexes, multiplexes, apartments, efficiencies, studio units, lock-offs, mobile homes, etc.

2.25 **Rules and Regulations**

"Rules and Regulations" are the formal rules and regulations of the District which state the policy and procedures by which the water systems are operated. Rules and Regulations also include all amendments and policies as set forth in the District minutes and resolutions.

2.26 Service Line

"Service Line" is any pipe, line, or conduit used or to be used to provide water service from a water main or stub out to a building; whether the pipe, line, or conduit is connected or not. A water service line is owned and maintained by the District from the tap on the District water main to the property line, edge of easement, or curb stop valve, whichever is closer to the water main. A water service line tapped onto a private main shall remain property of the owner. The water service line from the curb stop valve into the building is owned and maintained by the property owner. Water lines constructed by the owner shall be in accordance with these Rules and Regulations.

2.27 Shall or May

Whenever "shall" is used herein, it shall be construed as a mandatory direction.

Whenever "may" is used herein, it shall be construed as a permissible, but not mandatory direction.

2.28 Stub Out

"Stub out" is a connection device or line which is connected to the water main line and which is intended to facilitate the connection of a service line to the water system, either directly to the main line or indirectly through a private main. A stub out extends only from the main to the property line.

2.29 Tap

"Tap" is the connection of the privately owned service line to the water system, either directly to a stub out or at the curb stop valve or the main line, or indirectly through a private main line.

2.30 Tap Fee

"Tap Fee" is the payment to the District of a fee for the privilege of connecting to the water system. The amount of tap fees is based on the particular use of the facility being connected. See Appendix A, *Schedule of Fees and Charges*.

2.31 Variance

A "variance" is the written authorization from the District or District staff to act in a manner not in strict compliance with District Rules and Regulations, specifications, or policies. A variance may be granted at the sole discretion of the District on the basis of undue hardship, or otherwise, not self-imposed.

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2.32 **Water Main**

"Water Main" is any distribution line or transmission line used as a conduit for water in the District's water system and is owned and maintained by the District. A water main shall be sized in accordance with Appendix C, *Standard Specifications for Water Line Construction*, unless otherwise approved by the Board of Directors.

2.33 **Water Meter**

"Water Meter" is defined as all components between the amended or flanged ends of the meter body. Gaskets and fittings are not considered part of a water meter.

2.34 **Water System**

"Water System" is any network of water main lines, water treatment facilities, appurtenances, accessories, or portion thereof owned and maintained by the District.

2.35 **Any Other Term**

Any other term not herein defined shall be as defined by the American Water Works Association (AWWA) and Wastewater Pollution Control Federation (WPCF). The use of singular may also refer to plural. The use of the masculine gender includes the feminine or neuter gender.

**ARTICLE III
LIABILITY AND OWNERSHIP**

3.1 Liability of District

The District shall not be liable or responsible for inadequate treatment or interruption of service brought about by circumstances beyond its control.

3.2 Condition Not Actionable

No claim for damage shall be allowed against the District by reason of the following conditions: blockage in the system causing the backup of effluent; damage caused by smoking of lines to determine connections to District lines; breakage of main lines; interruption of water service and the conditions resulting therefrom; damage from the breaking of any service or collection line, pipe, cock, or meter; failure of the water supply; shutting off or turning on water; installation of connections or extensions; damage caused by water running or escaping from open or defective faucets; burst service lines or breakage of other facilities not owned by the District; damage to water heaters, boilers, or other appliances resulting from shutting water off, or from turning it on, or from inadequate, excessive, or sporadic pressures; or from doing anything to the systems of the District deemed necessary by the Board of Directors or its agents.

3.3 Responsibility for Notification

The District has no responsibility to notify customers of any occurrence of the foregoing conditions.

3.4 Compliance with Industrial Pretreatment

The District has the authority to require all users (in District and out of District) to comply with the Pollutant Discharge Regulations (PDR) and the Industrial Pretreatment Program (IPP), to require compliance with pretreatment standards, to require and enforce compliance schedules and to suspend service to any property in violation of the PDR or IPP.

3.5 Ownership of Facilities

All existing main lines and treatment works connected with and forming an integral part of the water system are the property of the District, unless a contract with owner or customer provides otherwise. Ownership will remain valid whether the main lines and treatment works were constructed, financed, paid for, or otherwise acquired, by the District or by private parties. Transfer of ownership of main lines shall be in accordance with Section 6.3, *Main Line Project Procedures for Developers*. The developer is

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responsible for correction of construction deficiencies within the two-year warranty period. Exceptions to District ownership are private mains which specifically are not accepted by the District due to non-conformance to these Rules and Regulations, the Standard Specifications for Water Line Construction, and other approved standards of construction. Private mains are designated when ownership title cannot be provided free and clear.

3.5.1 Ownership of Water Facilities

For water, the District owns and is responsible for the maintenance of the water service line up to and including the curb stop valve or the customer's property line or edge of easement, whichever is closer to the water main. The customer is responsible for the maintenance of the remaining portion of the service line serving his property. This principle of ownership shall not be changed by the fact that the District may construct, finance, pay for, repair, maintain, or otherwise affect the customer's service line.

3.5.2 Ownership of Water Meter

Each water meter shall become and is the property of the District. Ownership shall remain valid whether the meter is installed, financed, paid for, repaired, or maintained by another person or whether the meter is located on a privately owned and maintained service line. The meter is defined as the meter body and components contained therein. Gaskets and fittings are not considered part of the meter.

3.5.3 Ownership of Lift Stations

A lift station associated with customer service lines shall be the property of the owner(s) served by such lift station. Maintenance of such lift station is the sole responsibility of the owner(s) and shall not be the responsibility of the District.

3.5.4 Existence of Easements

An easement, whether recorded or not, and whether the main line is actually within a recorded easement, is deemed to exist if a Customer is receiving and accepting service from a service line connected to a main line. The District shall have access over said easement to effect repairs, maintenance and replacement.

3.6 Conditions of Ownership

The customer's ownership of the service line shall not entitle the customer to make unauthorized uses of the District's systems or to make alterations to the service line and the system once the service line has been connected to a District main line. All uses or changes in use of the service line, any appurtenances thereto, or changes in use of the property served at any time after the initial connection to the District system shall be subject to these Rules and Regulations.

**ARTICLE IV
OPERATION AND MAINTENANCE OF WATER SYSTEMS**

4.1 Responsibilities of District

Except as otherwise provided by these Rules and Regulations, the District is responsible for the operation and maintenance of the water systems in accordance with these Rules and Regulations.

4.2 Design of Systems

Water systems must have adequate gravity fed finished water storage.

4.3 Use Of Systems

Taps and service connections are approved for specific uses as stated on the water tap application. The Administrator or authorized District representative may request an inspection in accordance with Section 1.10, *Authority to Inspect*, to identify any unauthorized use for which the customer is subject to a fine in accordance with Section 1.11, *Violators Fined*.

4.3.1 Notice of Changes

The customer shall notify the District prior to any expansion or addition to the service or any change in the use of the property served by the District and upon any change of ownership of said property. Any such change in use which, in the opinion of the District, will increase the burden placed on the District's system by the customer shall require a redetermination of the tap fee and monthly service charge, and a payment by the customer of any additional tap fee and monthly service charge resulting from the redetermination. When an expansion or change in use occurs that results in additional fees due, a credit for the existing use shall be given. Tap fees based on the current rate for the specific use as stated in the original permit shall be credited against the redetermined tap fee so that only the unpaid portion of any redetermined tap fee shall be due. However, if the redetermination results in a conclusion that the tap fee, if assessed currently, would be in an amount less than the tap fee originally paid, the redetermined fee shall not result in a refund to the customer. For example, if a structure changes from two units to three units without expanding the square footage of the structure, the additional tap fees shall be calculated giving full credit to the two units and the square footage for which tap fees were previously paid or payable.

4.3.2 Inspection Required

Any customer believed to have changed equipment, service, or use of his property, in violation of this section, shall be notified of such belief by the

District, and shall be afforded twenty (20) days from the date upon which the notice is mailed in which to respond to the District's notice. Any response by the customer must include permission to make an inspection of the property as the District may deem necessary to establish clearly the nature of equipment, service and use of the property. Failure to respond may result in the District discontinuing service to the property.

4.3.3 Unauthorized Connection and Fees

No person shall be allowed to connect onto the water systems or to enlarge or otherwise change equipment, service, or use of property without prior payment of tap fees, approval of a permit for service, and adequate supervision and inspection of the tap by District employees. Any such connection, enlargement, or change without payment, approval, supervision, and inspection shall be deemed an unauthorized connection.

Any violation of this section shall result in the assessment of an unauthorized connection fee. The District shall take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fees.

Upon the discovery of any unauthorized connection, the then-current tap fee and accrued service charge, if any, shall become immediately due and payable, and the property shall automatically be assessed an additional unauthorized connection fee equal to the then-current tap fee per equivalent dwelling unit, as liquidated damages toward the District's costs associated with such unauthorized connections. The District shall send written notice to the owner of the property benefited by such connection stating that an unauthorized connection has been made between the owner's property and the District facilities. The owner shall have twenty (20) days from the date the notice is mailed to pay the then-current tap fee and accrued service charges, if any. If not paid within this period, the District shall proceed in accordance with the provisions of Section 4.3.5, *Revocation of Service*.

4.3.4 Redetermination of Tap Fees

Following inspection, the District shall make a determination as to the change in the customer's equipment, service or use of the property in question, and shall redetermine any additional tap fees and service charges due. In the event the decision of the District is deemed unsatisfactory to the customer, the customer may present a complaint in accordance with Article VIII, *Hearing and Appeal Procedures*, of these Rules and Regulations.

4.3.5 Revocation of Service

Service shall be revocable by the District upon non-payment of any valid fees or charges owed to the District. In the event of non-payment, the customer shall be given not less than twenty (20) days advance notice in writing of the revocation. The notice shall set forth:

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1. The reason for the revocation;
2. That the customer has the right to contact the District, and the manner in which the District may be contacted for the purpose of resolving the obligations; and
3. That there exists an opportunity for a hearing in accordance with Article VIII, *Hearing and Appeal Procedures*, of these Rules and Regulations.

4.3.6 **Suspended Service**

When a building is moved or destroyed and/or the water and wastewater services are suspended, the original tap authorization shall remain, provided that a written request is made to, and approved by the Administrator prior to cessation of payment of service charges.

When a service line is abandoned permanently, the property owner shall valve the water supply off at the main line (corporation stop valve). If the property owner is not responsive within a reasonable time period as determined by the Administrator, the District will valve off the water supply. The cost shall be charged to the owner and a lien filed on the property. Variances to this requirement will be considered on a case-by-case basis.

4.4 **Tampering with Systems**

4.4.1 **Unauthorized Use**

No person shall uncover, alter, disturb, make any connection with, make an opening into, or backfill prior to inspection the water system without a written authorization from the District. Unauthorized uses of or tampering with the District's systems include, but are not limited to, change in customer's equipment, service or use of property, as defined in Section 4.3, *Use of Systems*; an unauthorized turn-on or turn-off of water service or a water main; burying valve boxes; and modifying any water meter even though the same may be performed on a privately owned and maintained service line.

4.4.2 **Malicious Damage to System**

No person shall maliciously, willfully, or negligently, break, damage, destroy, cover, uncover, deface, or tamper with any portion of the District's system.

4.4.3 **Violators Prosecuted**

Any person who shall violate the provisions of this Section 4.4, *Tampering with Systems*, shall be assessed a \$1,000.00 fine for each violation, and shall be prosecuted to the full extent of Colorado law for tampering or malicious damage to District property.

4.5 Use of Water System

4.5.1 Owner Responsibility

Each owner shall be responsible for all costs associated with the maintenance of the service line from the building to the curb stop, edge of easement or property line, whichever is closer to the main.

4.5.2 Turn-On/Turn-Off of Service

All routine turn-on and turn-off of water service at a curbstop shall be performed only by District personnel. During emergencies, a customer/owner may turn-off the water service at the curb stop valve. The District shall be notified of the turn-off and the circumstances at the earliest time. Only District personnel shall turn-on the water service.

When initial service is provided and when the turn-off/turn-on service is performed for a customer requiring maintenance to his service line, a service fee will not be charged. In other circumstances the District shall assess a single turn-off/turn-on charge in the amount of \$50 for each turn-off and turn-on performed. In each case where turn-off of water service is caused by non-payment or late payment of service charges and fees, the turn-on service fee will be \$100. The service fee will be increased in increments of \$25 per instance of turn-on over a consecutive 12-month period. Payment of all charges and fees are required in full prior to turn-on of the water service. All other requests for a turn-off or turn-on of water service may be granted or denied by the District at the District's sole discretion.

The District will provide turn-on service for a tap for new construction only one time prior to the occupancy of the building served. At the time the water meter is set, service charges begin unless the District is requested to perform the turn-off. In this event the customer will be charged \$50 when service is turned on.

4.5.3 Water Meters

All connections to the District's water system shall include a water meter. All water meters shall have devices for remote reading as well as a Meter Transceiver Unit (MXU) for automated radiometer reading. The type of water meter and location of the meter shall be subject to the approval of the District and accessible for maintenance (see Appendix B, *Water and Wastewater Service Line Construction Specifications*). The owner shall install the initial meter and the District shall have the right to test, remove, repair, or replace any and all water meters. Any meter not installed in accordance with District specifications shall be immediately replaced upon notification by the District. The owner shall be subject to a fine for illegal tampering of the water system. Each owner is responsible for notifying the District if his water meter is operating defectively. If any meter is suspected to be defective, the District shall diligently pursue repair or replacement of said meter at the District's expense unless the defect is a result of

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negligence or tampering by the owner. In this case the cost for repair or replacement shall be added to the service charge bill.

During the interim period prior to repair, the following procedure shall be enforced. The owner shall be given notice, by first-class mail, that the District suspects that the water meter is defective. The owner shall be given thirty (30) days in which to respond, which response shall include scheduling with the District an appointment for a meter inspection and replacement. If the owner fails to respond, the owner will be placed on the unmetered rate, effective with the following billing cycle. (See respective District Appendix A for unmetered rate.)

The owner shall be given a second notice, by first-class mail, that the District suspects that the water meter is defective. The owner shall be given thirty (30) days in which to respond to the second notice, which response shall include scheduling an appointment for a meter inspection and replacement. If the owner fails to respond to the second notice, the District may disconnect the water service and charge the owner the base water rate and septic user fee while the service is disconnected. Service will be restored only upon payment of all fees and repair of the water meter. (See applicable District Appendix A for base rate.)

4.5.4 **Pressure Reducing Valve**

A pressure-reducing valve (PRV) shall be installed in all service lines upstream of every water meter, ensuring that the water meter and the building plumbing system, including any fire sprinkler system, are protected from fluctuating water main pressures. The pressure setting of the PRV shall not exceed 100 psi without written permission from the District.

4.5.5 **Stop and Waste Type Valve**

No stop and waste type valve is permitted in conjunction with a customer's service line. When closed, this type valve permits groundwater contamination of the service line. The customer is responsible for burying the service line with sufficient cover to prevent freezing.

4.5.6 **Repair of Service Line**

Leaks, breaks and general maintenance of the water service line shall be the responsibility of the property owner. The owner shall be given notice by first-class mail, that the water service line is defective and in need of repair. Owner shall institute repair or maintenance immediately. If satisfactory progress toward repairing the service line has not been completed in a timely manner or the District determines that environmental or property damage is being caused, the District shall shut off the water service until the service line has been repaired. In addition, the District shall have the right to effect the repair, and the costs therefore shall constitute a lien on the property as provided for by C.R.S., 32-1-1001.

4.5.7 Safety Devices

Each owner having boilers and/or other appliances which depend on pressure or water in pipes, or on a continual supply of water, shall provide, at his own expense, suitable safety device to protect himself and his property against a stoppage of water supply or loss of pressure. The District expressly disclaims any liability or responsibility for any damage resulting from a customer's failure to provide such appropriate protection.

4.5.8 Fire Hydrants

It is unlawful for any person to operate District valves or fire hydrants without prior written authorization by the District. Law enforcement officers, personnel of the District, or personnel of a fire department are authorized to confiscate any hydrant wrench or valve shut-off key found to be used without written District authorization. Any violation shall be considered "Unauthorized Use" and will be subject to all fines and fees therein.

4.5.9 Clearances Around Hydrants

No landscaping, retaining walls, or buildings may obstruct the access to fire hydrants. Minimum clearances must be maintained around fire hydrants to facilitate their use. Property owners are responsible to maintain a seven-foot (7') clearance on either side (where 2½" connectors are located), four-foot (4') clearance (including landscaping, retaining walls) on back, ten-foot (10') clearance in front (where steamer connection is located), and twenty-five-foot (25') clearance above all fire hydrants. The breakaway collar must be six inches (6") above the finished grade.

4.5.10 Fire Hydrant Meter

Fire hydrant meters are allowed to be used by special permit. Only District personnel are allowed to install and remove fire hydrant meters unless a written variance is issued. The customer will be subject to a penalty if he attempts to install or remove a fire hydrant meter. The customer is responsible for any damage, including vandalism or freezing, to fire hydrants or fire hydrant meters. The customer is responsible to provide adequate protection when freezing may occur. (See Appendix A for deposit, installation, relocation, and user fees.)

Fire hydrant water shall not be used for drinking purposes at any time without permission of the District. If the water is to be used for lawn irrigation, the customer shall provide a backflow device.

4.6 Water Use Restrictions

The District is responsible for protecting an adequate supply of water to its consumers. The District recognizes that certain conditions may exist when water supply is temporarily limited. At the sole discretion of the Board, this Section 4.6, *Water Use Restrictions*, will go into effect for limited periods of time.

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4.6.1 Waste

Water shall be used only for beneficial purposes and shall not be wasted. Any instance of flagrant runoff or waste will be considered a violation of these *Water Use Restrictions* and subject to the penalties provided for in Section 4.6.5. Water for irrigation of lawns and other outside uses shall be used pursuant to regulations of the District.

4.6.2 Restrictions of Use

If conditions of supply so limit the water supply of the District's water system that unrestricted water use may endanger the adequacy of that supply, the Board of Directors, exercising its discretion in the protection of the public health, safety, and welfare, may by resolution adopt the following emergency water use restrictions and such additional regulations and restrictions as are reasonably calculated under all conditions to conserve and protect that supply and to insure a regular flow of water through that system. Emergency water use regulations and restrictions shall remain in force and effect until the Board determines that the conditions requiring their imposition no longer exist.

Commencing May 1, and continuing through September 30, no water shall be used for lawn irrigation or other purposes outside the residence, apartment building, commercial building, or other structure (hereinafter referred to as the "Building") except as follows:

1. Premises with even-numbered addresses may use irrigation water on said premises outside said buildings on Sundays, Wednesdays, and Fridays.
2. Premises with odd-numbered addresses may use irrigation water on said premises outside said building on Tuesdays, Thursdays, and Saturdays.
3. No irrigation is permitted between the hours of 9 am and 5 pm.
4. No irrigation is permitted on Mondays
5. Swimming pools will be limited to one filling unless draining for repairs is necessary.
6. No irrigation shall be permitted at any time by use of free running hose without nozzle or sprinkler.
7. Nothing herein shall prevent the imposition of a total ban on outside water use in the event of an extreme emergency, or to further create an exception to meet a specific water supply condition.

4.6.3 Remedies for Unauthorized Use

Any unauthorized use of water shall be paid for at the same rate as if that use had been authorized together with the costs incurred by the District in discovering and

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collecting for the unauthorized use. Such payments shall not in any way affect the right of the District to disconnect or suspend water service to any customer for unauthorized use, or to charge additional penalties or pursue such other remedies as may be authorized by law or approved by the Board of Directors of the District; nor shall it affect any criminal liability which may have attached by reason of such authorized use.

4.6.4 **Seals and Detection Devices**

The District may require that seals be attached to any water using system in or about a customer's premises in order to detect any unauthorized use of water from that system. If necessary, the District may also require that mechanical devices be attached to any water using system in or upon a customer's premises in order to detect any unauthorized use of water from such system. Such mechanical devices may be inspected on behalf of the District at any reasonable time.

4.6.5 **Violations**

The violation of any water use regulation or restriction or waste of water shall be considered grounds for the disconnection or suspension of water service to any customer, premises, building or water facility. The customer using the premises, building, or facility shall be responsible for complying with the regulations and/or restrictions and violators of said regulations and/or restrictions will be subject to the following actions and penalties:

1. In the event of a first violation, the customer will be advised in writing of said violation and informed that a monetary charge will be added to the water bill for subsequent violations.
2. In the event of a second violation at the same location, the customer will be advised in writing of said violations and a \$50 charge will be added to the water bill for said location.
3. In the event of a third or any subsequent violation at the same location, the customer will be advised in writing of said violations and a \$100 charge will be added to the water bill for said location.
4. Continuing waste of water or willful violation of any regulation and/or restriction is cause for disconnection or suspension of water service.

4.6.6 **Special Permits**

The District may issue special permits as follows:

1. To encourage the re-establishment of vegetation after new construction while maintaining a degree of conservation over uncontrolled usage a Special Permit for new construction irrigation may be issued. These Special Permits will be issued for a total of five months from May 1 through September 30 and may apply for the equivalent 5 month time

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period over two growing seasons depending upon the installation date of the new landscaping. The Special Permit request must be made in writing to the District.

2. For watering newly-sodded lawns and newly planted trees and gardens each day for a period not to exceed 14 consecutive days, and at a rate not to exceed one inch (1") per week or for watering newly seeded lawns each day for a period not to exceed 30 consecutive days and at a rate not to exceed one inch (1") per week. During these initial 14 or 30 day periods, the user is exempted from the normal odd/even watering restriction and the 9 am to 5 pm watering restriction. A functioning rain sensor **MUST** be installed as part of the automatic irrigation system to be eligible for the Special Permit. After the initial 14 or 30 day exemption period, all normal daily watering restrictions shall apply.
3. For neighborhood gardens, and if water for such gardens is obtained from a nearby residence, additional watering days may be allocated to that particular residence for the watering of such garden.
4. For daily watering of outside stock at nurseries, greenhouses, and stores.
5. There shall be no charge for the permit.
6. Violation of the terms of a permit will be cause for immediate revocation of the permit and billing for full tiered water usage rates.
7. The District shall have authority to interpret, apply, and enforce the Board's Rules and Regulations for water use restrictions to prevent undue commercial or business hardship and may issue special use permits in furtherance of this authority.

4.6.7 **Water Use Efficiency Plan**

The Board of Directors or its designated representative requests users adhere to a water use efficiency plan to include the following issues:

1. Water efficient fixtures and appliances including toilets, urinals, showerheads, and faucets;
2. Low water use landscapes, irrigation system rain sensors and efficient irrigation;
3. Water reuse systems, both potable and nonpotable;
4. Distribution system leak repair;
5. Water rate structures designed to encourage water use efficiency in a fiscally responsible matter;

4.7 Line Locations

Upon request of a customer, the District will attempt to locate and mark all water lines to the best of its ability by using available information. Basic line locations will be made free of charge, but the District will not accept financial liability to any party for any costs incurred as a result of an inaccurate location.

**ARTICLE V
APPLICATION FOR SERVICE**

5.1 Service Areas

5.1.1 Service Within District Boundary

Water system service will be furnished in accordance with the District's Rules and Regulations to property included within and subject to the Rules and Regulations of and taxation by the District.

5.1.2 Inclusions

A person who desires service and who owns land both within and outside the boundaries of the District, must include all of his land outside the District which is serviceable by the system and is contiguous to the parcel on which service is desired. A formal request for inclusion within the District shall be made to the District, in writing, by the applicant, accompanied by a non-refundable payment of \$1,000 for legal fees and the estimated cost of processing the application for inclusion. All actual costs or legal fees that may occur shall be assessed and paid prior to approval of inclusion by the Board. Until paid, such additional costs and fees shall be a lien upon the property.

5.1.3 Service Outside District Boundary

No water system service shall be provided to property exclusively outside of the District, except upon the express written consent of the Board. Charges for furnishing service outside of the District shall be at the discretion of the Board. The charge for service furnished shall equal at least the cost of service, plus the estimated property tax and tap fees for which such property would be responsible if it were a part of the District or by other special agreement approved by the District.

5.2 Application for Service

5.2.1 Forms and Fees

Application for water service must be furnished to the District and accompanied by appropriate fees. Tap Fees are due in full no later than one year after the issuance of the building permit or at the time of issuance of the certificate of occupancy, whichever occurs first. A connection to the system shall be made only by District personnel upon authorized approval of the permit and a receipt indicating payment of all fees.

5.2.2 Tap Information Required

All information requested on the tap permit form must be completed. A site plan or improvement plan showing the location of the building relative to property

lines, utility lines, curb stop valve box location, and all easements shall be provided for the tap permit. A copy of the building permit and a copy of the building floor plan shall be provided for the tap permit. The building floor plan shall indicate the location of the water meter, the remote reading device, and the telephone jack location.

5.2.3 Reassessment of Tap Fees

Should any information disclosed on the application prove at any time to be false, or should the applicant omit any information, the District shall have the right to: reassess the tap fee originally charged to the rate current at the time of discovery by the District of the false or omitted information, and/or disconnect the service in question, and/or back-charge the property in question for tap fees and service fees that may be due and owed, and/or charge any other additional fee or penalty specified in these Rules and Regulations. Any reassessment, penalties, or other additional fees charged, with interest at the maximum legal rate on the entire balance upon and from the date of the original application, shall be due and payable immediately.

Should the metered consumption or approved usage exceed the conditions upon which the original tap fees were paid, the District reserves the right to reassess the tap fees originally charged to the rate current at the time of discovery by the District.

5.2.4 Winter Taps

During the winter months (October 15 to April 15), taps may be made by appointment, at the District's sole discretion, provided that the tap location is heated or protected from freezing.

5.3 Special Conditions

5.3.1 Fire Sprinkler System

If a fire protection water sprinkler system is to be used, a plan of the system which has been approved by the appropriate District Fire Authority is to accompany the application. All fire sprinkler systems shall meet National Fire Protection Association (NFPA) requirements and additionally shall meet the requirements of all applicable city, county, and state building and fire protection codes. All fire sprinkler systems shall be protected from fluctuating water main pressures by means of a pressure-reducing valve. Waivers may be granted by the District with a written request from the applicant. As dictated by the State of Colorado, all fire sprinkler systems shall be equipped with a backflow prevention device appropriate to the degree of hazard contained therein.

5.3.2 Lawn Irrigation System

A lawn sprinkler or irrigation system must be metered. If a lawn sprinkler or irrigation system is to be installed as part of the property development, this system may be independent of any commercial, domestic, or industrial uses and may be

separately metered. The connection of the lawn sprinkler or irrigation system shall be inspected by the District prior to use. As dictated by the State of Colorado, all lawn irrigation systems must have a reduced pressure principle backflow prevention device installed on the system. All lawn irrigation systems MUST include a functioning rain sensor.

5.4 Conditional Permit

The District reserves the right to issue a conditional permit with a notice filed against the property title. The notice will indicate the existence of a condition(s), which is not in compliance with District Rules and Regulations, but still allow water service to the property. The notice will provide that as a condition of receiving service the property owner agrees to indemnify and hold the District harmless for any damage resulting from existence of the condition. Examples are connection to private mains not owned or maintained by the District, lack of easements for access and maintenance, and construction not in accordance with District specifications.

5.5 Denial of Permit

The District reserves the exclusive right to deny application for service when, in the opinion of the District, the service applied for would create an excessive seasonal or other demand on the facilities. Denial may also be based upon an unresolved obligation between the District and the applicant, inadequate documentation of easements for main lines serving the property, or any other reason as determined by the District.

5.6 Cancellation of Permit

The District reserves the right to revoke any prior approval of a permit before service has been provided, and the right to revoke service after it has commenced for any violation of these Rules and Regulations.

5.6.1 Revocation of Tap Rights

The right to connect to the District's system and to receive services under Section 4.3, *Use of Systems*, shall be revocable by the District upon non-payment of any fees owed to the District and remaining unpaid for a period of thirty (30) days, whether or not the customer owning the right to connect has actually connected to the District's system. Such revocations shall be conducted in accordance with the procedures outlined in Section 4.3.5, *Revocation of Service*. If the right to connect to the District's system is revoked, the customer may reacquire such tap rights by reapplying for service in accordance with Section 5.2, *Application for Service*. The reapplication will be considered only after payment of all fees due and owed the District and the current tap fees charged by the District under these Rules and Regulations.

**ARTICLE VI
MAIN LINE EXTENSIONS**

6.1 Main Line Extension by the District

The District may construct any main line if the Board deems it in the best interest of the District to do so. All main line extensions, which are so authorized, shall be bid competitively, when required by state law, and contract awarded under the authority of the Board. The contractor installing the main lines shall be responsible to the Board. The District, through its engineer, shall supervise construction activity and coordinate all matters pertaining to the completion of the subject project, including permits, easements, material approvals, site inspection, acceptance, payments to the contractor, and field verify the as-built drawings. As-built data shall be provided in a digital format as per District specifications.

6.1.1 Performance Payment and Warranty Bonds

Pursuant to C.R.S., Section 38-26-105 and -106, as amended, performance, payment and warranty bonds equal to the contract price at a minimum shall be furnished to the District by the contractor on all contracts with the District. All main lines, constructed in compliance with the contract specifications and District acceptance procedures, shall be accepted by the District upon completion of construction, subject to a two-year warranty period. Any defective work identified during the warranty period shall be promptly corrected by the contractor, without cost to the District. All daily inspection fees for warranty work required by any governmental authority, including the District, shall be paid by the contractor.

6.1.2 Acceptance Procedures

Before the main lines are accepted by the District, the following procedures shall be completed by the contractor or applicant. The contractor or applicant shall certify the main lines and all appurtenances are free and clear of all liens and encumbrances; furnish to the District a warranty bond to cover all maintenance for two (2) years from the date of construction acceptance of the main lines by the District; provide the District digital field verified as-built drawings of all facilities constructed, including but not limited to easements, water valve locations, fire hydrant locations, water stub out locations, data on storage tanks, data on pumps, coordinates of manholes, rim and invert elevations; provide inspection and test results; provide digital copy of all computer information available as per District specifications; and provide maintenance, operating, and parts manuals. District personnel shall be present for all pressure tests on water main lines plus any other tests as deemed necessary.

6.2 Main Line Extensions by Developers

The District has no obligation to extend any main line. At the discretion of the District, the District may permit an applicant to construct, at the sole expense of the applicant, water main lines. The applicant shall request an intent to provide service letter from the District and subsequently enter into a written main line extension agreement with the District prior to proceeding with any service connections.

6.2.1 Locations of Main Line Extensions

Main lines shall be installed in road or street rights-of-way, as well as in easements granted to the District. Where required main lines must cross land not being subdivided or where such land is under the applicant's control for the granting of public rights-of-way, each applicant who desires service will, in consultation with and with the approval of the District, plat and grant to the District appropriate rights-of-way and easements in which main lines will be constructed.

6.3 Main Line Project Procedures for Developers

6.3.1 Letter of Intent

During the concept design of a development which requires the construction of water main lines, the developer shall request the District to provide a letter expressing the intent to provide service. The developer's request shall include data on the number and type of dwellings, commercial or individual facilities, any irrigation systems, and other activities that would have an impact on water use. The request letter shall contain a description of water rights owned by the developer and a plan indicating the proposed development of the site. The District will analyze its ability to provide water service to the site. This analysis will determine the adequacy of existing treatment, distribution and/or collection system capability and the need to increase the capacity of any existing lines, equipment, or facilities. The analysis will also determine the need to oversize lines in the development site for anticipated future service needs. The District will provide a formal intent to serve the development site and include any conditions deemed appropriate. This letter of intent to serve should be available to the County Community Development Department and/or the County Planning Commission.

6.3.2 Oversizing Main Lines

Based on District estimates of future growth and use of a main line, the applicant shall construct oversized main line extensions as required by the District, at the District's expense for the incremental cost of the oversized line. The District shall recover the cost of oversizing, including reasonable interest, by connection of future service users or future main line extensions.

6.3.3 Application for Approval

All applicants desiring to construct a main line within the District shall submit a formal application to the District. This application shall contain a legal description of the property to be served by the main line, the estimated number of service taps to be served, the type of structures, the use of the property, the easements to be conveyed, the detailed construction plans and specifications for that extension, and any other information reasonably required by the District. Within a reasonable time, the District staff and consultants shall review the easements, plans, and specifications for conformance to District, county, and state specifications; submit the recommended plans, with appropriate documentation to the District Board of Directors for overall review, and recommend construction plan approval. If cost recovery is applicable, a Cost Recovery Agreement must be concluded in accordance with Section 6.4, *Cost Recovery*. Two sets of documents marked "Approved" by the District shall be returned to the applicant. The cost of such review for compliance shall be borne by the applicant.

6.3.4 Deposits with the District

Prior to the main line extension approval by the District, the applicant shall deposit with the District an amount sufficient to compensate the District for engineering fees, legal fees, and other costs anticipated to be incurred by the District as a result of the application and the construction of the main line. All reasonable inspection costs conducted by any governmental agency, including the District, shall be paid by applicant.

6.3.5 Acceptance of Main Lines

When construction of the main line is completed, the applicant shall notify the District and provide one set of District approved documents which has been marked to reflect field verified as-built conditions. The District will then inspect the main line, equipment, special structures, and easements for conformance to the approved requirements. Applicants who have completed construction and District inspection of main lines shall, before the main lines are accepted by the District, deed the main lines and appurtenances to the District free and clear of all liens and encumbrances, and furnish to the District a warranty bond for a two-year (2) period from the date of acceptance of the main lines by the District. Prior to the acceptance of the main lines by the District, the applicant shall provide the District with:

1. Legally recorded documents of all easements accompanying the main lines;
2. One set of four mil Mylar, field-verified as-built drawings;
3. One disk of spatial data in digital format as specified by District specifications;

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4. Three (3) sets of all operation, maintenance, and part manuals for all electrical and mechanical equipment provided by the contract; and
5. A certified statement of the costs of the main lines.

No taps may be made onto the main line until construction acceptance has been granted by the District in writing, or by special written permission with the District.

**ARTICLE VII
CROSS-CONNECTION CONTROL**

7.1 Cross-Connection Control Authority

The authority to implement and maintain this backflow and cross-connection control program is contained in the following legislative actions:

- 7.1.1 Colorado Revised Statutes (CRS), Section 25-1-114 and 25-1-114.1.
- 7.1.2 Colorado Primary Drinking Water Regulations (CPDWR), Article 12, Control of Hazardous Cross-Connections.
- 7.1.3 Cross-Connection Control Manual, Colorado Department of Public Health and Environment, latest edition. The District's program is based on this manual and shall be utilized to determine compliance, for repairs, installations, and testing of backflow prevention devices.
- 7.1.4 Occupational Safety and Health Administration (OSHA).
- 7.1.5 Holland Creek Metropolitan District Rules and Regulations.
- 7.1.6 Colorado Plumbing Code.
- 7.1.7 Uniform Plumbing Code of the International Plumbing and Mechanical Officials / International Plumbing Code.
- 7.1.8 Uniform Swimming Pool and Mineral Bath Regulations.
- 7.1.9 Uniform Solar Code.

7.2 Reference Manuals Adopted for Guidelines on Cross-Connection Control

- 7.2.1 Cross-Connection Control Manual, Colorado Department of Public Health and Environment, latest edition.
- 7.2.2 Definitions of terms used in this regulation are contained in the Cross-Connection Control Manual, Colorado Department of Public Health and Environment, latest edition.

7.3 General Requirements

All building plans must be submitted to the local plumbing official and approved prior to issuance of water service. Building plans must show:

- 7.3.1 Approved backflow prevention assemblies shall be installed on all commercial, industrial, mixed usage, and fire sprinkler systems to protect the domestic water system from potential cross connection contamination.
- 7.3.2 Approved backflow prevention assemblies shall be installed on any service connection that serves three or more residential units.
- 7.3.3 Approved backflow prevention assemblies that provide containment shall be installed on all new service connections, and shall be located downstream from the meter, prior to any other connection.
- 7.3.4 The District requires that all building plans for new construction or remodels that involve plumbing be submitted to the District for review and approval prior to construction.
- 7.3.5 All backflow devices as described in numbers 1 and 2 shall be tested at the time of installation and annually thereafter. Test results must be submitted to the District and all information on the form must be completed and legible. Testing of devices must be performed by a Certified Cross Connection Control Technician, with a current and valid certification.
- 7.3.6 All assemblies used within the District must conform to the latest edition of the Colorado Cross Connection Control Manual.
- 7.3.7 Backflow devices installed on fire sprinkler systems must meet the requirements of the local Fire Department and shall be Reduced Pressure Assemblies when the system contains glycol. The reduction of pressure through these devices must be incorporated into the design of the fire sprinkler system.
- 7.3.8 Backflow prevention assemblies shall only be installed by a Master Plumber or by a licensed plumber or Cross Connection Control Technician working directly under the supervision and authority of a Licensed Master Plumber. Double check type backflow prevention assemblies shall not be permitted on systems containing glycol.
- 7.3.9 Single Check Valves are not considered backflow prevention devices and shall not be permitted within the service area of the District.
- 7.3.10 The District reserves the right to require the installation, replacement, or modification of any backflow assembly that the District's Cross Connection Technician deems to present a potential hazard to the domestic water system.

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- 7.3.11 Backflow prevention valves are not to be used as the inlet or outlet valve of the water meter. Test cocks are not to be used as supply connections.
- 7.3.12 All costs for the design, installation, maintenance, repair, and testing of backflow prevention devices shall be borne by the customer.
- 7.3.13 The District shall have the right of entry to inspect any and all buildings and premises for cross connections relative to possible hazards, or to verify proper installation, testing, or repair of backflow device assemblies.
- 7.3.14 No grandfather clause exists. All Rules, Regulations, and Laws apply regardless of the age of the facility or the service connection.
- 7.3.15 The District may discontinue service of water, if an unprotected cross connection exists on the premises that pose a significant risk to the domestic water system. Failure of a customer to cooperate after proper notice in writing by the District, pertaining to the installation, maintenance, testing, repair, relocation, or inspection of a backflow prevention assembly may result in the discontinuance of water service. A service connection may be left in service if the customer installs an approved air gap separation from the public water system. If a service is disconnected, it shall not be restored until such time as the District inspects and approves the backflow prevention devices. If discontinuance of a water service poses a significant risk to public safety (meaning a physical cross connection has been verified between a non-potable source or hazardous source and the potable water system) the District has the authority to fine commercial customers an amount not to exceed \$500 per day for each day the connection is out of compliance (meaning from the time the customer was notified of being out of compliance, and once the time frame requiring the repair has expired) posing a significant risk to the public water system.

ARTICLE VIII RATES AND CHARGES

8.1 General

The information contained in this Article is pertinent to all charges of whatever nature to be levied for the provision of water services. The rates and charges as established in Appendix A are in effect at this time, and shall remain in effect until modified by the District Board of Directors under the provisions of these Rules and Regulations, and under the applicable statutes of the State of Colorado. Nothing contained herein shall limit the District from modifying rates and charges, or from modifying any classification.

8.2 Application of this Article

The rates, charges, and other information apply to customers inside the District, and shall not obligate the District with respect to services provided outside the District boundaries.

8.3 Standards of Consumption

For the purpose of levying fair, reasonable, uniform, and equitable charges, the classifications and related definitions are as defined in Article II, *Definitions*. The following additional conditions are used in rate and service charge applications.

8.4 Classification of Customers

For the purpose of levying fair, reasonable, uniform, and equitable charges, the classifications and related definitions are as defined in Article II, *Definitions*. The following additional conditions are used in rate and service charge applications.

8.4.1 Prepaid Tap Fees

Tap fees may be paid and tap fee applications issued anytime in advance of connection, in which case the commencement of service charges shall be governed by Section 4.5.2, *Turn-On/Turn-Off of Service*. No refund of tap fees will be paid.

8.4.2 Factors and Usage

The fees and charges reflected in Appendix A for the District, are based upon recovery of cost requirements, factors of usage and physical conditions of plant and line structure.

8.4.3 Disputed Tap Application

If a dispute arises between the District and the applicant regarding the calculation of tap fees or the nature and use of the structure as it applies to Appendix A, the

dispute will be settled in accordance with Article VIII, *Hearing and Appeal Procedures*.

8.5 Transfer of Tap Fees

Any approval of a request for a transfer of a tap or fees shall be in the sole discretion of the District. No tap fee paid on behalf of one property, or any portion thereof, may be transferred to any other property except under the following conditions:

1. The owner requesting the transfer is the common owner of the property for which the tap fee has been paid and the property to which the transfer of the tap fee, or portion thereof, is being requested. Both properties must be within the District.
2. The owner requesting the transfer has no outstanding unpaid accounts with the District and has previously maintained good credit with the District.
3. The property to which the tap fee initially applied has never been connected to the District's system.
4. The owner requesting the transfer shall pay to the District the difference between the tap fee which would be charged on the date the transfer is requested for the property to which transfer is being sought, and the tap fee previously paid. In no event shall the District make a credit or refund. In the event an owner transfers only a portion of the total sum previously paid as a tap fee, the owner shall retain a credit for any non-transferred portion of the previously paid fee.

8.6 Service Charge

Service charges shall be as reflected in the Schedule of Fees and Charges, Appendix A. Service charges will begin when water service is turned on to the building.

Monthly service charges shall be suspended during any month(s) in which service through a newly constructed tap to a building prior to its occupancy has been turned off in accordance with Section 4.5.2, *Turn-On/Turn-Off of Service*.

8.7 Amended Tap Fees

In those situations where a prospective user applies for a permit for service to a structure or use not defined in Section 7.4, *Classification of Customers*; or where, in the District's opinion, the structure represents a classification not contemplated in the establishment of the previously defined tap fee, the District shall establish a fair, reasonable, and equitable tap fee for the property.

8.8 Amended Service Charges

In those situations where, in the District's sole discretion, the service charges shown in Appendix A do not represent a fair, reasonable, and equitable charge for the intended use, the Board of Directors may adjust the rates.

8.9 Payment of Service Charges

The policy of the District is to bill water service charges on a monthly basis.

When a condominium or homeowners' association exists for a number of units receiving service from the District, the association shall receive one invoice per meter. The District will not bill individual owners within a multi-unit project without separate meters, curb stops, shut-off valves, and services lines. The District shall have the right to issue only one bill for a multi-unit structure or development. Any structure serviced by a single service line with more than one Residential Unit which are not separately metered, shall establish one responsible party for water and wastewater bills.

The customer shall pay to the District within thirty (30) days after the billing date the full amount of that statement. If the customer believes the billing statement is in error, the customer must file, in writing, a notice to the District of the presumed error, and request a clarification from the District. Upon review by the District and resubmittal and/or revision of the statement, payment shall be due no later than thirty (30) days from the billing date of the resubmitted statement.

8.10 Penalty for Late Payment

Any time a customer is thirty (30) days delinquent in payment of any charges due the District, the District shall assess an interest charge at the maximum rate allowed by statute on the unpaid balance. The District shall further have the right, in its sole discretion, to terminate service to any customer who becomes ninety (90) days or more delinquent in payment for scheduled services; termination of service will follow the opportunity for a hearing as outlined in Article VIII, *Hearing and Appeal Procedures*.

The District shall assess to any customer who is late in payment of his account, all legal, court, disconnection, and other costs necessary to or incidental to the collection of the account.

Until paid, all such fees, rates, penalties, or charges shall constitute a perpetual lien on the property served. Any such lien may be foreclosed in the same manner as provided by the laws of Colorado for the foreclosure of mechanics' liens.

8.11 Foreclosure Proceedings/Attorney's Fees

After other efforts (letters, posted notices) to collect delinquent payments of any fee or charge imposed by the District under these Rules and Regulations and/or Colorado law

are exhausted, the District may initiate foreclosure proceedings as provided for by C.R.S., Section 32-1-1001(l)(j), as amended. In the event the District shall commence a foreclosure proceeding to collect any payments due and payable to the District, the party being foreclosed shall be charged all costs incurred in connection with the foreclosure proceedings including, but not limited to, reasonable attorney's fees which the court shall tax as a part of the costs of the proceedings. In the event payment is made by the customer prior to the foreclosure sale, the attorney's fees and all other fees outstanding against the account and relating to the subject property, must be paid as a precondition to the resumption of service to the property.

8.12 Certification of Amounts to County Treasurer

In addition to any other means of collecting delinquent fees, rates, tolls, penalties, charges, or assessments made or levied solely for water or water services (including charges for availability of such service), the District may certify the delinquent amounts to the County Treasurer for collection in the same manner as property taxes, in accordance with the provisions of statute C.R.S., 32-1-1101(e), as amended. The District and County Treasurer shall charge a fee for the administrative costs of this collection method. This fee shall be added to all delinquent amounts, including other penalties and interest charges, before certification.

**ARTICLE IX
HEARING AND APPEAL PROCEDURES**

9.1 Application

The hearing and appeal procedures established by this Article shall apply to all complaints concerning the interpretation, application, or enforcement of the Rules and Regulations of the District, and contracts related thereto, as they now exist or may hereafter be amended. The hearing and appeal procedures established by this Article shall not apply to the following complaints:

1. Complaints, which arise with, regard to personnel matters. These complaints shall be governed exclusively by the District's personnel rules.
2. Any other complaint which does not concern the interpretation, application, or enforcement of the Rules and Regulations of the District, or contracts related thereto.

9.2 Initial Complaint Resolution

Complaints concerning the interpretation, application, or enforcement of Rules and Regulations of the District must be presented to the Administrator, or his designated representative. Upon receipt of a complaint, the Administrator or his representative shall make a full and complete review of the allegations contained in the complaint, and shall take such action and/or make such determination as may be warranted. The complainant shall be notified of the action or determination by mail within twenty (20) days after receipt of the complaint.

9.3 Hearing

In the event the decision of the Administrator or his representative is deemed unsatisfactory by the complainant, a written request for hearing may be submitted to the Board of Directors within twenty (20) days from the date written notice of the decision was mailed.

If receipt of the request is timely and if all other prerequisites prescribed by these Rules and Regulations have been met, an appointed hearing officer shall conduct a hearing at the District's convenience. Every effort will be made to conduct the hearing within twenty (20) days after the receipt of the request. The hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations.

9.4 Conduct of Hearing

At the hearing, the appointed 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, including legal counsel.

The complainant or his representatives and the District representatives shall have the right to present evidence and arguments; the right to cross-examine any person; and the right to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter complained. The 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 hearing officer may ask questions of any representative in order to clarify further an issue relevant to the complaint.

The 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.

9.5 Findings

Subsequent to the hearing, the hearing officer shall make written findings and an order disposing of the matter and shall mail the findings and order to the complainant not later than ten (10) days after the date of the hearing.

9.6 Appeals to the Board of Directors

In the event the complainant disagrees with the findings and order of the hearing officer, the complainant may, within twenty (20) days from the date of mailing of the findings and order, file with the District a written request for an appeal to the Board. The request for an appeal shall set forth, with specificity, the facts or exhibits presented at the hearing upon which the complainant relies and shall contain a brief statement of the complainant's reasons for the appeal. In response, the hearing officer shall compile a written record of the hearing consisting of:

1. Minutes of the hearing;
2. All exhibits or other physical evidence offered and reviewed at the hearing; and
3. A copy of the written findings and order.

The hearing officer may submit additional written comments that further clarify the hearing findings and order in response to the request for appeal.

Article IX-Hearing and Appeal Procedures

The Board shall consider the complainant's written request for appeal and the written record of the hearing 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 of the hearing, any written clarifying comments by the hearing officer, and the complainant's written request for appeal. No further evidence shall be presented by any party to the appeal and there shall not be the right to a hearing de novo before the Board of Directors.

9.7 Board's Findings

The Board shall make written findings and issue an Order concerning the disposition of the appeal. A notice of the decision shall be sent by mail to the complainant within ten (10) days after the appeal hearing. The Board of Directors' findings shall be final.

9.8 Notice

A complainant shall be given notice of any hearing before the Administrator, the hearing officer, or the Board, by mail at least ten (10) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time, or to a waiver of formal notice. Notice is deemed given when placed in regular, postage prepaid U.S. mail.

**APPENDIX A
RED SKY RANCH/HOLLAND CREEK METROPOLITAN DISTRICTS
SCHEDULE OF FEES AND CHARGES
EFFECTIVE: May 2012**

Please refer to the District website: www.redskyranchmetro.com for the most recent Appendix A

**APPENDIX B
WATER AND WASTEWATER SERVICE LINE
CONSTRUCTION SPECIFICATIONS**

GENERAL REQUIREMENTS:

1. Rules & Regulations

The applicant, contractor, and property owner are responsible for knowledge and compliance with these provisions of the Rules & Regulations.

These provisions were developed to insure that the service line extension to the water distribution system is constructed in a manner not to adversely impact the total system.

2. Scope

Service lines are constructed to provide the water link between the District main line distribution or collection system and the privately owned facility. The service line construction is paid for by the developer/property owner. Responsibility for maintenance and repair of water service lines is shared by the owner and the District.

3. Criteria

A separate and independent water service line shall be provided for every separately metered unit within a building. A curbstop shall be located at the property line or edge of easement on all water service lines. At least one water meter shall be installed for each separate building served. Multi-unit buildings may have individual unit curbstops, meters, and shut-off valves or may be serviced by a single curbstop and a master meter. Accessible valves for emergency water shut-off shall be provided for each unit. The District may authorize an exemption from the above requirements for buildings that are part of a condominium or homeowners' association. In such a case, the District shall bill the association for service charges assessed by the District for water usage in the association. In all cases where individual units are not separately metered, billing shall be to one entity for water service to all units serviced through the same meter or service line, and payment for less than all units shall be considered non-payment, allowing the District to terminate service.

4. Authorization and Permits

Prior to service line construction, the contractor shall familiarize themselves with the District standards and specifications. The owner or contractor shall obtain approval for the location of the service line and submit a copy of the building permit with information on the number and size of living units in the facility, appropriate sets of site and mechanical plans, and inform the District's personnel of intended schedule for construction. The District, in its sole discretion, has the authority to grant a variance

Appendix B – Water and Wastewater Service Line Construction Specifications

from strict compliance with District specifications in the event of undue hardship, not self-imposed.

5. Taps and Tap Fees

Only District personnel or an authorized representative shall make taps onto the District's water mains.

Tap fees must be paid prior to connection of any tap.

6. Unauthorized Taps

Any change in use, conversion, or creation of additional units or connection of new structure made without payment of a tap fee will be considered an “unauthorized tap.”

The occurrence of an unauthorized tap is subject to a penalty charge of \$1,000, as well as payment of the appropriate tap fee.

7. Service Charges

Service charges begin as of the date of turn-on. The property owner shall be responsible for payment of all fees and charges due the District.

8. Water Saving Devices

Water saving devices are required, consisting of shower restrictors and maximum 1.5-gallon flush toilets.

9. Inspections

The applicant for the water line service permit shall notify the District when the service is ready for inspection and connection to the main. Appointments for inspection and connection must be scheduled at least twenty-four (24) hours in advance.

All water service lines are to be tested under normal operating pressure.

An open ditch inspection of all service lines shall be conducted by the District's representative. No service lines shall be covered without the District representative's approval. Anyone making any installation without such approval shall be required to remove all soil or any other covering over the service line to allow its inspection.

WATER SERVICE LINES:

1. Responsibility

The District is responsible for the maintenance of the water service line, up to and including the curbstop valve or the owner's property line or edge of easement, whichever is closer to the main. The customer is responsible for the maintenance of the remaining portion of the service line serving the property. The water meter is property of the District and the responsibility of the District to maintain.

2. Service Line Separation

A ten-foot (10') separation must be maintained between parallel water and wastewater service lines.

3. Alignment

Alignment of the water service line shall be located so as to take the shortest, most direct route, preferably perpendicular from the main to the building. No water service line shall be laid within ten feet (10') parallel to any weight-bearing wall that might be thereby weakened. The water service shall be laid at a uniform grade in a straight alignment.

4. Curbstop

The water service line shall have a curbstop control valve located at the property line or edge of easement, or as otherwise approved by the District with easy access to the District. Curbstops shall be in good operating condition at all times. Curbstop valve box tops must be Mueller Buffalo Pattern, accessible at ground surface. Dry ice shall be used when making repairs to a curbstop valve.

5. Stubout

When water service lines are stubbed out from the water main to property lines, the stubout shall be valved off and plugged, with a valve box the top of which is installed at the ground surface. A water service line stubout shall be marked by triangulation on individual lot plans. A copy of the lot plan shall be provided to the District for verification within a 48-hour period prior to covering the water service line stubout.

6. Specifications

Water service lines shall be constructed with type K copper up to two inches (2"); service lines larger than two inches (2") shall be constructed with ductile iron pipe (DIP). Water service lines shall be buried at least seven feet (7') with two-inch (2") uniform graded bedding and six-inch (6") uniform graded compacted cover. Polybutyl pipe for an owner's service line will be allowed after a meter pit that is located at the property line. No District line or line prior to a meter will be installed with polybutyl pipe.

The service line shall be one continuous line with no joints. No splices shall be installed between the curbstop and the main. No lead-soldered fittings shall be allowed. All copper connections must be compression joints, or silver-soldered joints.

All service lines shall include a 10 gauge copper tracing wire from the curb stop to the meter for use in field location of the line. It is recommended the tracing wire go beyond the meter to the residence if a meter pit is used.

7. Taps and Inspection

District personnel will make all taps up to two inches (2"). All taps larger than two inches (2") will be made by an approved contractor and inspected by District personnel. The District will record the actual location and depth of water service lines.

Under supervision of the District representative, the water service line is to be pressure tested at normal operating pressure from the water main to the building before backfill begins.

8. Pressure Reducing Valves

An individual pressure-reducing valve (PRV) is required on each water service line and shall be located between the main line and every water meter. The preferred location is adjacent to the required water meter.

9. Shutoff Valves

The contractor will install shutoff valves prior to the PRV and after the spool/water meter to facilitate future repairs.

10. Backflow Prevention Device

Backflow prevention devices are required on all facilities where specified by the local plumbing official or the Colorado Department of Health. All devices will be inspected and certified as working properly every year by a certified tester.

11. Water Meter and Remotes

The water meter shall be inspected by the District. The cost of the meter shall be borne by the customer.

The contractor or owner will be provided with wire for installation of a touch-read pad. Prior to meter installation and water turn-on, the owner shall install the wire from the meter location to an appropriate site. Touch-read pad will be located on the front of a building, five feet (5') off ground, in an area where snow is normally removed and with

Appendix B – Water and Wastewater Service Line Construction Specifications

minimal vegetation. The maximum remote distance from the meter shall be five hundred feet (500').

All meters must be supplied by or approved in writing by the District. A Meter Transceiver Unit and MXU Mounting Bracket compatible with District meter reading equipment must be attached to the meter to provide for automated meter reading capability. When a meter, transceiver unit and mounting bracket are purchased from the District, the contractor or owner will perform an installation in a horizontal position. All meter installations must be in a freeze-proof, convenient, and easily accessible area. If the meter is located in a crawl space, the meter shall be located within three (3') feet of the access entry. Variances will be considered on a case-by-case basis from the District prior to the installation of the meter.

The contractor is responsible to protect the meter from freezing or other physical damage during construction. After completion of the construction and acceptance by the owner, the owner is responsible to protect the meter from freezing, from damage due to high water pressure (i.e., PRV), and other physical damage.

Water will remain turned off at the curbstop until the water meter is installed, inspected and approved, and all tap fees are paid in full. All water is to be metered, including construction water.

12. Water Turn-On

Water service is turned on and billing begins when the meter is installed.

Water turn-on will be made by District personnel only. Any water service turned on by other than authorized personnel shall be considered illegal system tampering and subject to fees and penalties.

**APPENDIX C
STANDARD SPECIFICATIONS FOR WATER LINE CONSTRUCTION**

(A copy may be obtained from the District office upon request.)