

RUEDI SHORES METROPOLITAN DISTRICT

RULES AND REGULATIONS FOR WATER SERVICE

Version 11-09-2010

Ruedi Shores Metropolitan District Service Area Includes:

Water service within the Ruedi Shores Metropolitan District

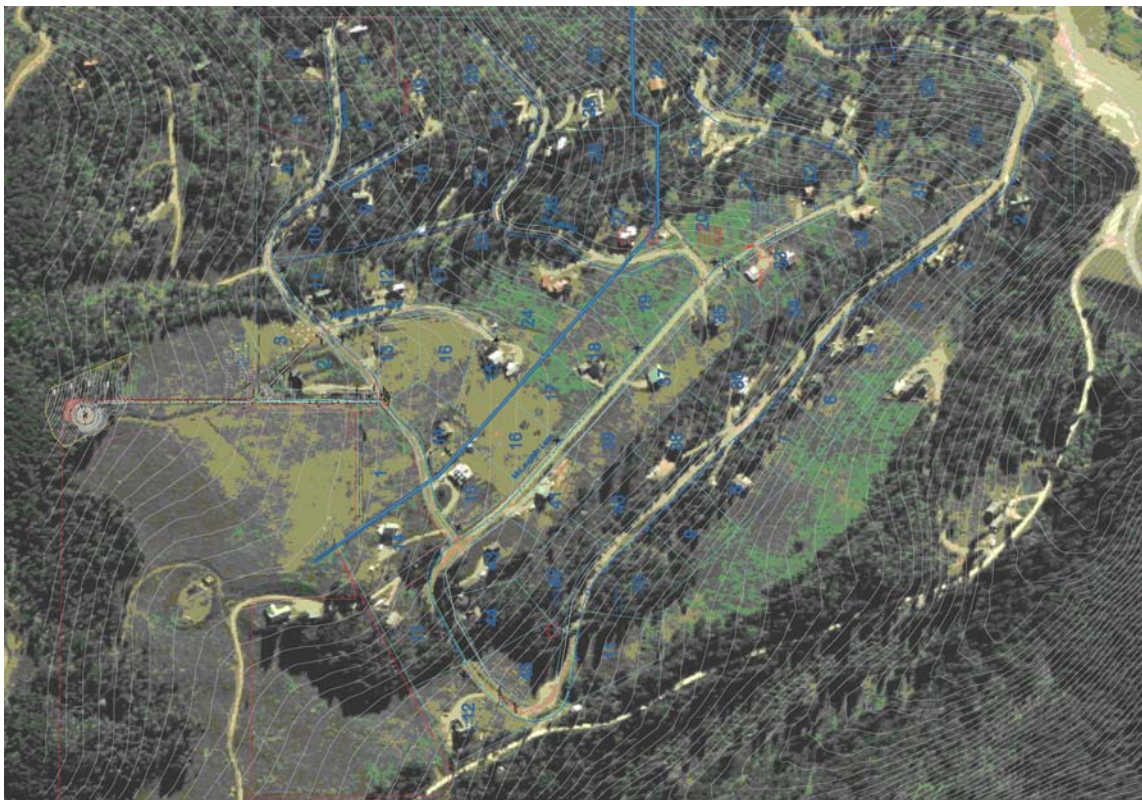


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ARTICLE I GENERAL

1.1 Purpose

The purpose of these consolidated Rules and Regulations is to ensure orderly and uniform administration of water operations within the service areas of the Ruedi Shores Metropolitan District located in Eagle County, Colorado. These administrative responsibilities are performed by a single organization of management, i.e., the Ruedi Shores Metropolitan District, with administrative and operations consultants who implement the policies and guidance of both entities.

1.2 Statutory Authority

The Ruedi Shores Metropolitan District is a quasi-municipal corporation and political subdivision of the State of Colorado. These Rules and Regulations are specifically promulgated pursuant to and for the purposes of carrying out the objectives and purposes stated in the Special District Act and the Service Authority Act of 1972, respectively.

1.3 Consolidated Rules and Regulations

These Rules and Regulations are intended to separately apply to the Ruedi Shores Metropolitan District.

The Ruedi Shores Metropolitan District serves Customers owning property located within its boundary and Customers owning property located within the boundaries through contract:

Parcel Number 2471-063-00-007

Parcel Number 2471-062-00-004

1.4 Policy

The Board of Directors of the 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 of the District are bound by these Rules and Regulations as a matter of contract for which there is good and valuable consideration.

1.5 Scope

These Rules and Regulations are the comprehensive regulations which govern the water operations and functions of all Customers served by the District, and supersede all prior publications of the Rules and Regulations of the District. These Rules and Regulations do not nullify any District policies existing on the date of adoption of these Rules and Regulations or adopted thereafter.

1.6 Intent of Rules and Regulations

These Rules and Regulations shall be liberally construed to affect the general purposes 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 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.

1.7 Amendment

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

1.8 Waiver, Suspension, or Modification of Rules

The Board of Directors, General Manager or the Regulations Administrator acting on instructions of the Board, shall have the 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.

1.9 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.

1.10 Revocation of Service

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.

1.11 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 system, in accordance with the provisions of these Rules and Regulations. Failure to permit such inspections, observations, measurements, samplings, testing, or inspection of records upon the request, in writing, of the General Manager may result in a finding that permission is being denied to avoid discovery of a violation of these Rules and Regulations. Such finding may result in the disconnection of service or other remedies as allowed under these regulations, subject to the hearing and appeal procedures set forth elsewhere in these Rules and Regulations.

1.12 Violators Fined

Unless otherwise specified, 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 per SFE plus any expense, loss, or damage including attorney fees for enforcement action, occasioned by reason of such violation. Any person causing damage to the District's Water System by misuse, negligence, or other action, shall be liable for the cost of repair including any study, investigation, or consultant fees incurred. If such violation or damage is in connection with service to a specific property, then such costs shall constitute a lien upon such property as allowed by Colorado law.

1.13 Severability

In the event any of the terms or provisions of these Rules and Regulations shall be held invalid as to any person, property, or circumstance by any court having competent jurisdiction, the remainder of these Rules and Regulations and the application and effect of their terms and provisions to such persons, property, or circumstances shall not be affected thereby.

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 habitable room intended primarily for sleeping purposes, without a cooking facility, but with private access to a central corridor or the outside. Examples of an accommodation unit include but are not limited to a hotel room, hotel suite, hostel room, bed and breakfast room, or a lock-off without a cooking facility. An Accommodation Unit is equal to 0.35 SFE.

2.2 Applicant

"Applicant" is any person, association, corporation, entity or governmental agency desiring water service for premises under its control.

2.3 Attic

"Attic" is an unheated, uninhabitable air space between the ceiling of a room and the roof of a structure.

2.4 Basement

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

2.5 Board

"Board" and "Board of Directors" is the Board of Directors of the Ruedi Shores Metropolitan District, whose members may be elected or appointed, having responsibility for policy and management oversight of the District's Water System.

2.6 Connection

See or "Water Service / Connection".

2.7 Contractor

"Contractor" is any person, firm, or corporation licensed or permitted to perform work and to furnish materials within the District.

2.8 Cooking Facility

"Cooking Facility" is an arrangement within a residential 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; or facilities for washing and cleaning.

2.9 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.

2.10 Customer

"Customer" is any person or entity owning property within the District and authorized to connect to and use the District's Water System. "Customer" also is any property owner who applies to the District for a service connection or other such service agreement, or who attempts to have real property included within or excluded from the District, as the case may be.

2.11 District

As applicable, "District" is the Ruedi Shores Metropolitan District

2.12 District Engineer

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

2.13 General Manager

"General Manager" as used in these Rules and Regulations is the person retained by the Board of Directors to manage, administer and supervise the affairs of the District.

2.14 Inspector

"Inspector" is any person authorized by the District to inspect the Water Systems to ensure compliance with these Rules and Regulations.

2.15 Landscape Sprinkler Account

A "Landscape Sprinkler Account" is a separately metered Customer account for a property associated with a structure(s) for which Tap Fees have been paid. Examples include common area irrigation systems serving condominiums and townhomes.

2.16 Permission to Connect

“Permission to Connect” is the written permission to connect to, or to enlarge the connection to, the Water System of the District pursuant to these Rules and Regulations. Permission may be granted by the General Manager, Regulations Administrator, or authorized District representative.

2.17 Plant Investment Fee

“Plant Investment Fee” is the payment to the Ruedi Shores Metropolitan District for recovery of capital investments associated with major components of the Water System. The assessment is based on the particular impact of the facility being connected. See Appendix A for associated rates and charges.

2.18 Private Main

"Private Main" is any water distribution main that is connected to the District system but not accepted for District ownership, operation, maintenance or repair. Generally, such an installation is designated as private because: (a) it does not conform to the specifications as enumerated in these Rules and Regulations and the District’s construction standards; (b) it is not in the best interest of the District to accept the main because of special and/or mitigating circumstances; (c) legal title to the main cannot be transferred free and clear to the District; or (d) the owner of the main does not wish to convey the main to the District.

2.19 Residential Unit

"Residential Unit" is one or more contiguous, habitable room(s) designed, arranged, occupied, or intended to be occupied by one or more individuals living together as a household or one family. A Residential Unit contains facilities for living, cooking, sleeping and bathing, and is generally configured to provide an independent access. If areas within a structure or house are designed or arranged with the capability for occupancy that is independent of the rest of the household, that area is classified as a separate Residential Unit. Other features that also may be indicative of a Residential Unit include, but are not limited to, a private telephone line, separate cable TV, lease contract, and unrelated third-party occupancy. Examples of a Residential Unit are: single family home. A Residential Unit up to 3,000 square feet in Floor Area is equal to 1.0 SFE. Larger units are considered to be equal to proportionately more SFEs. See Single Family Equivalent (SFE) definition.

2.20 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 System are operated. Rules and Regulations also include any amendments thereto, adopted by the Board of Directors.

2.21 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.

2.22 Single Family Equivalent

"Single Family Equivalent" (SFE) is a defined unit of Customer use impact to the Water. One SFE is approximately equal to the impact of 2.3 persons occupying a Residential Unit. Refer to Appendix A.

2.23 Stub Out

"Stub Out" is a pipeline which is connected to the Water System which is intended to facilitate the connection of service to the Water System.

2.24 Tap

A "Tap" is the point of connection of a water service to the Water System.

2.25 Tap Fee

"Tap Fee" is the payment to the District for recovery of capital investments associated with major components of the Water System. The Tap Fee assessment is based on the particular impact of the facility being connected. See Appendix A for associated rates and charges.

2.26 Tiered Rate

A "Tiered Rate" structure is a billing method for water service whereby the volume charged per thousand gallons of metered usage becomes progressively more expensive as more water is used.

2.27 Variance

A "Variance" is the written authorization from the District to act in a manner not in strict compliance with these Rules and Regulations, specifications, or policies. A Variance is granted at the discretion of the Board or Directors, General Manager or Regulations Administrator on the basis of unusual conditions or unique circumstances or undue hardship, not self-imposed.

2.28 Water Main

"Water Main" is any distribution or transmission pipeline used as a conduit for water in the District's Water System and is owned and maintained by the District.

2.29 Water Meter

"Water Meter" is a water use measuring device installed on a Water Service. The water meter includes the meter and all its appurtenances necessary to connect it to the Water Service.

2.30 Water Service / Connection

A "Water Service" or "Water Connection" is any pipe or conduit used to provide water service from a water main to a structure whether the pipe or conduit is connected to provide service or not. There shall be only one such Water Service for any Customer account. A Water Service 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. The Customer is responsible for the maintenance of the remaining portion of the Water Service serving the property. A Water Service tapped onto a Private Main shall remain the property of the Customer. "Connection" may also mean the physical act of connecting to the Water System for the purpose of obtaining water service.

2.31 Water Service Contractee

A "Water Service Contractee" is an entity, or individual obtaining water service from the District by contract.

2.32 Water System

"Water System" is any network of water distribution or transmission mains, storage tanks or reservoirs, water treatment facilities, appurtenances, accessories, or portion thereof owned and operated by the District.

2.33 Any Other Term

Any other term not herein defined shall be as defined as typically used in the water utility industry by the American Water Works Association (AWWA), the Water Environment Federation (WEF) or the U.S. Environmental Protection Agency (USEPA). The use of singular may also refer to plural. The use of the masculine gender includes the feminine and neuter genders.

ARTICLE III - LIABILITY AND OWNERSHIP

3.1 Liability of District

The District is subject to and avails itself of the provisions contained within the Colorado Governmental Immunity Act, which provisions cannot be waived in whole or in part without the express approval of the District's Board of Directors.

3.2 Ownership of Facilities

All existing mains and treatment works connected with and forming an integral part of the Water System are the property of the District, unless a specific legal contract with Customer provides otherwise or the District declined to accept, or has not yet accepted, the main or treatment works for ownership. Ownership will remain valid whether the mains and treatment works were constructed, financed, paid for, or otherwise acquired by the District or by private parties. Transfer of ownership of mains shall be in accordance with the requirements set forth in these Rules and Regulations. Private Mains are exempt from these District ownership requirements.

3.2.1 Ownership of Water Services

The District owns and is responsible for the maintenance of the Water Service up to and including the curb stop valve, 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 Water Service serving the 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 Water Service. There shall be only one Water Service for any single Customer account.

3.2.2 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.

3.2.3 Existence of Rights-of-Way and Easements

- (a) The District claims an easement for location of and access to all portions of the Water System, now or hereafter existing, on, over and in the lands on which the facilities are actually located, whether or not the facilities are located within a recorded easement or other right-of-way.

- (b) As a condition of service, each Customer and any other person otherwise receiving and accepting service from a Water Service to a main is deemed to have granted to the District a perpetual easement over the portion of the Customer's property on which any portion of the Water System is located, regardless of whether such facility is located within a recorded easement or other right-of-way.
- (c) As a condition of service, all Customers or any other person otherwise receiving and accepting service from a Water Service is deemed to have irrevocably consented to the location of any water facilities located on such person's property and shall be deemed to have waived any and all claims against the District, including without limitation any claim for trespass, nuisance, or eviction, and any remedies at law or in equity.
- (d) The rights provided hereunder shall include the right of the District to reasonably access water for any District purpose, including without limitation for the purpose of inspecting, monitoring, testing, constructing, installing, excavating, renovating, expanding, repairing, re-purposing, or replacing such facilities.
- (e) Any party contesting the District's rights hereunder shall not be granted any prospective right to encroach on District easements or other property.

3.3 Conditions of Ownership

The Customer's ownership of a Water Service shall not entitle the Customer to make unauthorized uses of the District's Water Systems or to make alterations to the Water Services or the Water Systems once connected to a District main. All uses or changes in use of the Water Service, any appurtenances thereto, or changes in use of the property served at any time after the initial Connection to the District's Water Systems shall be subject to these Rules and Regulations.

ARTICLE IV – AUTHORIZATION TO CONNECT TO WATER SYSTEM

4.1 Service Areas

4.1.1 Service Within District Boundary

Water System service will be furnished in accordance with these Rules and Regulations to property included within and subject to the Rules and Regulations of and taxation by the District. Notwithstanding, approval also is subject to consideration of impacts to existing customers, cost, system operations, etc.

4.1.2 Service Outside District Boundary

Properties located outside of the District boundary may be served by contract with the approval of the Board of Directors.

4.1.3 Including Property into the District

Properties to be provided water service by the District must be included into the District boundaries for water service. Customers who desire service and whose property is both within and outside the District boundaries must include all of the property which is serviceable by the District's system. A formal petition for inclusion into the District shall be made to the District, on its standard form, by the Customer, accompanied by a nonrefundable inclusion fee for legal and consultant fees and the estimated cost of processing the petition for inclusion. Any additional costs or legal and consultant fees incurred by the District in excess of the inclusion fee as provided for herein shall be assessed and paid by the Customer prior to approval of inclusion by the Board of Directors. See Appendix A for District contact information and the inclusion fee.

After a property is included into the District boundary, an Inclusion Letter will be provided to the Customer. An Inclusion Letter states only that the property is located within the District boundary but does not commit the District to serve the property.

4.2 Water Dedication Requirements

Customers proposing new development, re-development or change of use of existing development may be required to dedicate water rights sufficient to serve the proposed uses. All District policies regarding water rights dedication must be followed.

The Customer shall be responsible for any and all related costs for staff time, legal consultants, engineering consultants, or other expenses that may be incurred by the District to analyze water rights and the physical water facility needs of the proposed development, redevelopment or change in use, and to evaluate or adjudicate any augmentation plan or other water court application. These costs are separate and distinct from any other fees and charges that may be applicable. Prior to any review or analysis,

the applicant shall deposit with the District an amount sufficient to reimburse the District for such costs (see Appendix A). Additional funds may be required for some reviews. Deposited amounts in excess of the costs incurred for the analysis will be refunded.

The District maintains and frequently updates various water planning documents; however, unless expressly noted in any such document, no water planning documents shall be deemed to constitute a "water supply plan" as described under Section 29-20-304(3), C.R.S.

4.2.1 Property Located within the Service Area of the Ruedi Shores Metropolitan District

Any request for water service for a new or expanded use for a property located within the service area of the Ruedi Shores Metropolitan District that is not included in a plan for water augmentation currently available to the Ruedi Shores Metropolitan District shall be subject to its water dedication policies.

4.2.2 Property Located Within the Ruedi Shores Metropolitan District Water Service Boundary

Any request for water service for properties newly included into the District's boundary or expanded water uses on properties within the District's boundary shall be subject to the District's water dedication requirements.

4.3 Ability to Serve Letter

A Customer may be required to obtain an Ability to Serve Letter from the District as a condition of its application for a proposed development or a change in zoning with a land use authority or other entity. The District will only issue an Ability to Serve Letter upon proof of inclusion of the Customer's property within the water service boundaries of the District, resolution of all water rights dedication issues to the satisfaction of the District and identification of all impacts of the proposed development on the Water Systems of the District.

The finding of compliance with the necessary criteria and ultimate issuance of the Ability to Serve Letter shall be at the sole discretion of the District. An Ability to Serve Letter may contain conditions and shall indicate an expiration date.

4.4 Infrastructure Acceptance Process

Extensions, modifications or abandonments of, or Connections to the System must be approved through the District's Infrastructure Acceptance Process. The Infrastructure Acceptance Process consists of:

- (a) Construction Plan Approval,
- (b) Construction Acceptance, and

(c) Final Acceptance,

4.5 Treated Water Storage Requirement

The District requires any Customers owning property upon which new development or re-development is proposed, which is located within the District's service area, and which will result in an increase in water use or new water use greater than the water use of the existing development to provide treated water storage adequate to meet the needs of the Customer's proposed development, or, at the discretion of the District, to pay cash in lieu of providing new treated water storage.

4.6 Tap Fees

4.6.1 Tap Application--Information Required

Application for water service, or a change in such service, must be furnished to the District and accompanied by appropriate fees. All information requested on the appropriate District tap application form must be completed.

4.6.2 Tap Application--Disputes

If a dispute arises between the District and a Customer regarding the calculation of Tap Fees or the nature and use of a development as they apply to Appendix A, the dispute will be settled in accordance with Article VIII.

4.6.3 Prepaid Tap Fees

Tap applications may be made and Tap Fees paid at any time in advance of connection, in which case the initiation of monthly service and volume charges shall be governed by Article 7.3. If a pre-paid tap application is withdrawn, no refund of the related Tap Fee will be made.

4.6.4 Reassessment of Tap Fees

Should any information disclosed on a tap fee application prove at any time to be inaccurate, or should the Customer omit any information, the District shall have the right to:

- (a) Reassess the Tap Fee originally charged to the rate current at the time of discovery by the District of the inaccurate or omitted information;
- (b) Disconnect the service to the property in question;
- (c) Back-charge the Customer for Tap Fees and service fees that may be due; and/or

- (d) Charge other fees or penalties as provided for in these Rules and Regulations.

Any reassessment of tap fees, penalties or other fees charged shall be paid along with interest at a rate of up to the maximum rate allowed by law on such amounts from the date of original date of application until the date paid.

Should the metered water usage, 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.

4.6.5 Transfer of Tap Fees

Any approval of a request for a transfer of Tap Fees shall be at 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 unless the following conditions are met:

- (a) The request to transfer a Tap Fee shall be made in writing.
- (b) The Customer requesting the transfer is the common Customer 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 in the same District.
- (c) The Customer requesting the transfer has no outstanding unpaid accounts with the District.
- (d) The property to which the Tap Fee initially applied has never been connected to the District's system.
- (e) The Customer 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 under the then effective Tap Fee schedule. In no event shall the District make a refund. In the event a Customer transfers only a portion of the total sum previously paid as a Tap Fee, the Customer shall retain a credit for any non-transferred portion of the previously paid Tap Fee.

4.7 Connection

4.7.1 District Approval Required

Connection shall be made only with District approval. District approval shall not be granted until the following requirements have been met:

- (a) Construction Acceptance for the Main Extension to which connection is proposed has been granted;
- (b) A building permit for the use related to the proposed connection has been granted by the appropriate agency;
- (c) All applicable fees and charges, as determined by the District, have been paid in full; and
- (d) All required District inspections and field approvals have been obtained.

District approval is evidenced by completion of the Inspection and Tap Fee Package signed by an authorized District Customer Service Representative.

Connection to the Water System for construction water requires complete compliance with this subsection.

4.7.2 Unauthorized Connection and Fees

No person shall connect to the Water System or enlarge or otherwise change equipment, service, or use of property without District approval. Any such Connection, enlargement, or change without payment of fees and charges, District approval, and inspection shall be deemed an unauthorized Connection.

Upon the discovery of any unauthorized Connection, the Tap Fee and any accrued service charges shall be deemed due and payable, and the property shall automatically be additionally assessed an unauthorized Connection fee equal to the applicable Tap Fee. The District shall provide written notice (email) to the Customer of any such unauthorized Connection stating that an unauthorized Connection has been identified. The Customer shall have twenty (20) business days from the date of the notice to pay the applicable Tap Fee, any accrued service charges and the unauthorized connection fee. If full payment is not received by the District within twenty (20) business days, the District shall proceed in accordance with the provisions of Article 5.3.3.

4.8 Special Conditions

4.8.1 Fire Suppression Systems

If a fire suppression system is to be used, a plan of the system approved by the appropriate fire authority is to be submitted to the District along with the application. The fire suppression system and domestic water shall utilize a common service line for the structure. All fire suppression systems shall meet National Fire Protection Association (NFPA) requirements and additionally shall meet the requirements of all applicable municipal, county, and state building and fire protection codes. All fire suppression systems shall be protected from

fluctuating water main pressures by means of a pressure-reducing valve. Waivers may be granted by District with a written request from the applicant. As dictated by the State of Colorado, all fire suppression systems shall be equipped with a backflow prevention device appropriate to the degree of hazard contained therein. See Article VII.

4.8.2 Irrigation Systems

If a lawn sprinkler or irrigation system is to be installed as part of the property development, this system may be independent of domestic use and may be metered separately. The connection of the lawn sprinkler or irrigation system shall be inspected by the District prior to use. As required by state statute, all lawn irrigation systems must have a reduced pressure principle backflow prevention device installed on the system.

For a **Landscape Sprinkler Account** (i.e., a separate meter but associated with a structure(s)), the District will authorize a Water Service tap without payment of a separate Tap Fee for the Landscape Sprinkler Account. All other fees and charges for the associated structure(s), however, must be paid prior to authorization of the tap for the Landscape Sprinkler Account. [Note: For Landscape Sprinkler Accounts, the Tap Fee is paid as part of fees paid for the related structures.]

For an **Irrigation Account** (i.e., a separate metered “stand alone” account not associated with a structure(s)), the District will authorize a Water Service tap without payment of a separate Tap Fee for the Irrigation Account. Metered water usage for the Irrigation Account is subject to a water rate differential, however.

4.8.3 Winter Taps

During the winter months (October 15 to April 15), taps will be made at the District's sole discretion. The tap location shall be heated or protected from freezing.

4.8.4 Service Line to Residence

Service Lines must be continuous from the curb stop to the meter in the house. No splices, diversions, or yard hydrants are permitted before the meter placed in the house.

4.8.5 Supplemental Pressure Pumps

No supplemental pressure pumps shall be allowed before the service water meter. All supplemental pressure pumps and assemblies shall be placed within the residence they serve.

4.9 Conditional Service

The District reserves the right to record a notice of conditional service against the property title where a condition(s) exists which is not in compliance with District Rules and Regulations, but water service to the property may continue. The notice may provide that as a condition of receiving service, these Rules and Regulations require the Customer 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.

4.10 Denial of Service

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.

4.11 Cancellation of Approval to Connect

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

4.11.1 Revocation of Tap Rights

The right to connect to the District's system and to receive services under these Rules and Regulations shall be revoked by the District due to non-payment of any fees owed to the District that remain unpaid for a period exceeding 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 Article 5.3.3. If the right to connect to the District's system is revoked, the Customer may reacquire such tap rights by reapplying for service. The reapplication will be considered only after payment of all fees due and owed, and complete compliance with the requirements of these Rules and Regulations.

ARTICLE V – USE OF THE WATER SYSTEM

5.1 Use of Systems—General District Responsibilities

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

5.2 Use of Systems—General Customer Responsibilities

Taps and service connections are approved for specific uses as stated on the water tap application. The General Manager may request an inspection, in accordance with this section, to identify any unauthorized use for which the Customer may be subject to a fine in accordance with Article 5.3.

5.2.1 No Unauthorized Use

No person shall uncover, alter, disturb, make any connection to, make an opening into, or backfill prior to inspection the Water System without 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 per Article 5.2.2; an unauthorized turn-on or turn-off of Water Service or a Water Main; burying valve boxes and/or manholes; unmetered water use; modifying any Water Meter; or discharging prohibited wastewater even though the same may be performed through a privately-owned and maintained service line, or into a Private Main.

5.2.2 Expansion or Change in Use—Duty to Notify

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, upon any change of ownership of said property, or upon any significant change in water use characteristics. Also see Article 5.3.4, Redetermination of Tap Fees.

5.2.3 Authorization to Inspect

Any Customer believed to have changed equipment, service, or use of the property in violation of this section, shall be notified of same by the District, and shall be afforded twenty (20) business days from the date of the notice in which to respond to the District. Any response by the Customer shall permit the District to inspect 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.

5.2.4 Suspension and/or Abandonment of Service

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

When a service is abandoned permanently, the Customer shall valve off the Water Service at the main (corporation stop valve). Any and all associated credits for previously paid Tap Fees also shall be considered abandoned. If the Customer is not responsive within a reasonable time period as determined by the General Manager, the District will valve off the Water Service. Any related costs incurred by the District shall be charged to the Customer and, if not paid within twenty (20) business days of notice, a lien filed on the property.

5.3 Use of Systems—Customer Penalties

5.3.1 Unauthorized Use—Recovery of Fees and Charges

Any unauthorized use of the Water System shall be paid for at the same rate as if that use had been authorized together with any costs incurred by the District in discovering and collecting for the unauthorized use. Such payments shall not in any way affect the right of the District to disconnect, suspend or revoke water services to any Customer for unauthorized use, 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.

5.3.2 Unauthorized Use--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.

5.3.3 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 twenty (20) business days from the date of the notice of the revocation. The notice shall set forth:

- (a) The reason for the revocation;

- (b) 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
- (c) That there exists an opportunity for a hearing in accordance with Article VIII of these Rules and Regulations.

5.3.4 Redetermination of Tap Fees

Following any District inspection, whether requested by the Customer or initiated by the District, the District shall make a determination as to any change in the Customer's equipment, service or use of the property. Any such change in use which, in the opinion of the District, will increase the burden placed on the District's Water System by the Customer shall require a redetermination of the associated Tap Fee and monthly service charge, and payment of such redetermined fees and charges by the Customer.

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 adopted schedule 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. Any such Tap Fee due shall be paid within thirty (30) days of the issuance of a building permit by the applicable local governmental agency. However, if the redetermination results in a conclusion that the Tap Fee, if assessed currently, would be in an amount less than the original Tap Fee paid, the redetermined fee shall not result in a refund to the Customer.

If the District's decision is deemed unsatisfactory by the Customer, the Customer may present a complaint in accordance with Article VIII, of these Rules and Regulations.

5.4 Tampering with Systems

5.4.1 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 Water System.

5.4.2 Violators Prosecuted

Any person in violation of the provisions of Article 5.4.1 shall be assessed fines and penalties as approved by the Board of Directors, and may be prosecuted to the full extent of Colorado law for tampering or malicious damage to District property.

5.5 Use of Water System

5.5.1 Water Service--Customer Responsibility

Each Customer shall be responsible for all costs associated with the maintenance of the water service from the structure to the curb stop, edge of easement or property line, whichever is closer to the main. The Customer is responsible for burying the service line with sufficient cover to prevent freezing.

5.5.2 All Water Use Metered

All water use must be metered. Any unmetered use is considered to be unauthorized use, unless approved by the District

5.5.3 Water Meter--General

All connections to the District's Water System shall include a water meter, and each water meter shall have a separate and independent service from the water main. Meter size, type and manufacturer for all applications shall be determined by the District. The District 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, and the Customer shall be subject to a fine for illegally tampering with the Water System.

5.5.4 Inaccurate or Broken Water Meter--Replacement

The Customer shall notify the District if Customer's water meter appears to be operating inaccurately. The District also may examine metered usage data and conduct tests to determine possible meter inaccuracy. If any meter inaccuracy is suspected to be due to a broken meter or a defect in the meter, the District shall diligently pursue repair or replacement of said meter at District expense. If the need to repair or replace the meter is the result of negligence or tampering by the Customer, the cost for meter repair or replacement shall be the responsibility of the Customer and will be added to the Customer's service charge bill.

During the period prior to repair, the following procedure shall be enforced. The Customer shall be given notice, by first-class mail and email, that the District suspects that the water meter is inaccurate. The Customer shall be given twenty (20) business days in which to respond, which response shall include scheduling with the District an appointment for a meter inspection and replacement. If the Customer fails to respond, the Customer shall be billed for usage based on an estimated usage as compared to similar properties during the same period.

The Customer shall be given a second notice, by first-class mail, that the District suspects that the water meter is inaccurate. The Customer shall be given twenty

(20) business days in which to respond to the second notice, which response shall include scheduling an appointment for a meter inspection and replacement. If the Customer fails to respond to the second notice, the District may disconnect the Water Service and charge the Customer the Monthly Water Service Charge while the service is disconnected. Service will be restored only upon payment of all fees and repair or replacement of the water meter. (See Appendix A.)

5.5.5 Turn-On/Turn-Off of Water Service

All routine turn-on and turn-off of Water Service at a curbside shall be performed only by District personnel. During emergencies, a Customer may turn-off the Water Service at the curb stop valve. The District shall be notified of the turn-off and the related circumstances within 24 hours. Only District personnel shall turn-on the Water Service.

5.5.6 Pressure Reducing Valve

A pressure-reducing valve (PRV) shall be installed in all Water Services between the water main and each water meter, ensuring that the water meter, the structure plumbing system and any fire suppression system are protected from fluctuating water main pressures. Unless authorized in writing by the District, the pressure setting of the PRV shall not exceed 100 psi for domestic service and 200 psi for fire suppression systems.

5.5.7 Stop-and-Waste Valves

Stop-and-waste valves are not permitted.

5.5.8 Repair of Service Line

Leaks, breaks and general maintenance of the Water Service shall be the responsibility of the Customer. If the District becomes aware of any related problem, the Customer shall be given notice, by first-class mail, that the Water Service is in need of repair. The Customer shall institute repair or maintenance immediately. If satisfactory progress toward repairing the service has not been made 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 repaired. In addition, if necessary, 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 Colorado law.

5.5.9 Safety Devices

Any Customer having boilers and/or other appliances which depend on pressure or water in pipes, or on a continual supply of water, shall provide, at Customer's expense, suitable safety device(s) to protect the Customer and its 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.

5.5.10 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.

5.5.11 Clearances Around and Over Fire Hydrants

No landscaping, retaining walls, or structures may obstruct the access to fire hydrants. Minimum clearances must be maintained around fire hydrants to facilitate their use. Customers are responsible to maintain a seven-foot (7') clearance on either side (where 2½-inch connectors are located), a four-foot (4') clearance behind (including landscaping, retaining walls), clear in front (i.e., where the steamer connection is located) to the edge of the road asphalt, and twenty-five-foot (25') clearance above all fire hydrants. The breakaway collar must be six inches (6") above the finished grade.

5.5.12 Construction Water / Hydrant Meter

(a) Construction Water

Construction water for use on private property shall be taken only through an authorized Water Service connection and shall be metered. Such Water Service shall comply with these Rules and Regulations including payment of the required Tap Fee prior to connection to the Water System.

(b) Hydrant Meter

When expressly authorized in writing by the District, hydrant meters are permitted in support of District-authorized construction in a public right-of-way or dedicated easement. Hydrant meter use is allowed between April 15 and October 15, provided freezing at night is not occurring. The applicant and/or Contractor is responsible for providing adequate protection when freezing may occur. The applicant is responsible for any damage, including vandalism and freezing, to fire hydrants and/or hydrant meters as well as usage charges consistent with other residential properties. Only District personnel are permitted to install, move, relocate or disconnect hydrant meters. Applicant and/or Contractors will be subject to penalty if they attempt

to install, move, relocate or alter a fire hydrant meter. See Appendix A for associated deposit, rates and charges

5.6 Water Use Regulations

All Customers of the District shall adhere to these Water Use Regulations. Other water users within the District's service area using privately-held water rights are encouraged to follow these regulations in order to make best use of limited water resources and assure an adequate water supply to protect public health, safety and welfare.

5.6.1 No Wasteful Use

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 Rules and Regulations and subject to the penalties provided for in Article 1.11.

5.6.2 Irrigation and Outdoor Use Regulations--General

Water for irrigation of lawns and landscaping, and other outdoor uses (e.g., car washing, outdoor washdowns, etc) shall be used pursuant to these Rules and Regulations. Nothing herein shall prevent the imposition of a total ban on outdoor water use in the event of an emergency, nor to further create an exception to meet specific Water System or water supply conditions.

- (a) Irrigation or other outdoor use between the hours of 10:00 a.m. and 4:00 p.m is strongly discouraged
- (b) No irrigation or other outdoor use shall be permitted at any time through a free-running hose without a nozzle or sprinkler connection.

5.6.3 Use Restrictions—Emergencies

If conditions of the Water System or its supply so limit the availability of water that unrestricted water use may endanger the adequacy of that supply, the General Manager may implement emergency water use restrictions and such additional regulations and restrictions that are reasonably necessary to conserve and protect that supply and to insure a regular flow of water through the system. Such emergency water use regulations and restrictions shall remain in force and effect until the General Manager determines that the conditions requiring their imposition no longer exist.

Emergency conditions include but are not limited to: low river flows; impairment of water supply quantity and/or quality; water main break; loss of electrical power or pump outages; and loss of system pressure. The District will notify the public of such emergency conditions and the necessary water use restrictions through

radio broadcasts, local emergency notification systems, news articles, signage or water bill inserts, as appropriate.

5.6.4 Violations

The Customer owning or using the premises, structure or facility shall be responsible for complying with the regulations and/or restrictions. Violators of said regulations and/or restrictions will be subject to fines imposed by the District and possible disconnection or suspension of water service.

ARTICLE VI – CROSS-CONNECTION CONTROL

6.1 Cross-Connection Control Authority

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

- Colorado Revised Statutes (CRS), Section 25-1-114 and 25-1-114.1.
- Colorado Primary Drinking Water Regulations (CPDWR), Article 12, Control of Hazardous Cross-Connections.
- Eagle River Water & Sanitation District (ERW&SD) Rules and Regulations.
- Colorado Plumbing Code.
- Uniform Plumbing Code of the International Plumbing and Mechanical Officials / International Plumbing Code.
- Uniform Swimming Pool and Mineral Bath Regulations.
- Uniform Solar Code

6.2 Reference Manuals Adopted for Guidelines on Cross-Connection Control

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

6.3 General Requirements

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

- Approved in-line, testable backflow prevention assemblies shall be installed on all properties, and fire sprinkler systems to protect the domestic water system from potential cross-connection contamination.
- By law, residential properties are required to have backflow prevention assemblies. If the residential property does not contain potential hazards to the public water supply, which potential hazards include but are not limited to,

home photo labs, hot water snow melt systems, solar power systems connected to the potable water system, or auxiliary wells, the District does not require Device Inspection Reports. If, however, a residential property does contain such potential hazards to the public water supply, Device Inspection Reports shall be submitted by the property owner every three (3) years.

- 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.
- 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.
- All backflow prevention assemblies shall be tested at the time of installation and annually thereafter. Test results must be submitted to the District on the District's form and all information on the form must be completed and legible. Testing of devices must be performed by a Backflow Prevention Tester with a current and valid State of Colorado certification, and recognized by the District.
- Backflow prevention assemblies installed on fire sprinkler systems must meet the requirements of the local Fire Department and shall be Reduced Pressure Assemblies that provide full containment or isolation when the systems contain glycol. The reduction of pressure through these devices must be incorporated into the design of the fire sprinkler system.
- 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.
- Single Check Valves are not considered backflow prevention assemblies and shall not be permitted within the service area of the District.
- The District reserves the right to require the replacement or modification of any backflow prevention assembly that the District's Cross-Connection Technician deems to present a potential hazard to the domestic water system.
- Backflow prevention assembly 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.
- All costs for the design, installation, maintenance, repair, and testing of backflow prevention assemblies shall be borne by the Customer.

- The District shall have the right of entry to inspect any and all structures and premises for cross-connections relative to possible hazards, or to verify proper installation, testing, or repair of backflow prevention assemblies.
- No grandfather clause exists. All Rules, Regulations, and Laws apply regardless of the age of the property or the service connection.
- The District may, after proper written notice or (email), discontinue water service to any property if an unprotected cross-connection posing a significant risk to the Water System exists on such property. The Customer shall bear the burden of proof that any such unprotected cross-connection does not pose significant risk to the Water System. Failure of a property owner to comply with the installation, maintenance, testing, repair, relocation, or inspection of a backflow prevention assembly may result in the disconnection of the Water Service. Water service to a property may not be disconnected if the Customer installs an approved air gap to separate any hazardous condition from the public water system.
- Violation of the requirements of this Article VII may result in fines as permitted elsewhere in these Rules and Regulations.

ARTICLE VII – CHARGES FOR WATER

7.1 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 set forth in Appendix A are in effect at this time, and shall remain in effect until modified by the individual entity 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 individual entity from modifying rates and charges, or from modifying any classification.

7.2 Application of this Article

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

7.3 Monthly Service and Volume Charges

7.3.1 General

Monthly billing for water services is comprised of a monthly **Service Charge** and a **Volume Charge**. The Service Charge is based on the number of SFEs associated with the Customer account. The Service Charge is billed separately for water service regardless of related metered usage.

The Volume Charge is billed based on usage. For water service, the District employs a Tiered Rate structure whereby the Water Volume Charge per thousand gallons of metered usage increases as more water is used.

Service and Volume Charges are initiated when the water meter is set and water service is turned on to the property and/or structure by District personnel. When an expansion or change of use occurs, Service and Volume Charges are initiated thirty (30) days after issuance of a building permit by the applicable local government agency. Also see Article 5.2.2, Expansion or Change—Duty to Notify.

7.3.2 Turn-Off and Turn-On of Service

Monthly Service Charges do not cease even if water turn-off has occurred. Payment of all charges and fees is required in full prior to turn-on of water service. Where turn-off of water service is the result of non-payment or late payment of service charges and fees, the turn-off / turn-on service fee is as set forth in Appendix A.

A turn-off / turn-on service fee will not be charged when initial service is provided, when the turn-off / turn-on service is performed for a Customer requiring maintenance to the water service, or for a seasonal service. In other circumstances, the District shall assess turn-off / turn-on charges for each turn-off and turn-on performed.

Monthly Service Charges may be suspended during any month(s) in which service through a newly-constructed tap to a structure has been turned off prior to its occupancy.

7.4 Amended Service Charges

In those situations where, in the General Manager's sole opinion, the service charges shown in Appendix A do not represent a fair, reasonable, and equitable charge for the intended use, the General Manager may adjust the rates.

7.5 Payment of Quarterly Service and Volume Charges

The District bills for water service on a quarterly basis, in arrears from meter reading date to meter reading date. The Customer shall pay to the District within fifteen (15) 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. However, such notice by the Customer shall not constitute sufficient reason for withholding payment of the bill. Upon review by the District and re-submittal and/or revision of the bill, payment shall be due no later than fifteen (15) days from the billing date of the resubmitted statement.

7.6 Late Payment—Penalties and Discontinuing Service

When a Customer is twenty-five (25) 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.

After thirty (30) days, any unpaid account is declared delinquent and a Delinquent Notice is mailed or emailed. Ten (10) days after a Delinquent Notices is mailed or emailed, the District shall further have the right, in its sole discretion, to discontinue service. Once service is discontinued, the cost of disconnection and reconnection is added to the amount due. Discontinuing service will follow the opportunity for a hearing as outlined in these Rules and Regulations.

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.

7.7 Foreclosure Proceedings/Attorney's Fees

After other efforts (letters, posted notices, emails) 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 Colorado law. 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.

7.8 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 (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 Colorado law. 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 VIII - HEARING AND APPEAL PROCEDURES

8.1 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:

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

8.2 Initial Complaint Resolution

Complaints concerning the interpretation, application, or enforcement of these Rules and Regulations of the District must be presented to the General Manager, or his designated representative. Upon receipt of a complaint, the General Manager 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 or email within twenty (20) days after receipt of the complaint.

8.3 Hearing

In the event the decision of the General Manager is deemed unsatisfactory by the complainant, a written request for hearing may be submitted to the General Manager within twenty (20) business days from the date written notice of the decision was mailed or emailed.

If receipt of the request is timely and if all other prerequisites prescribed by these Rules and Regulations have been met, the General Manager or 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) business 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.

8.4 Conduct of Hearing

At the hearing, the General Manager or 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 General Manager 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 General Manager or hearing officer may ask questions of any representative in order to clarify further an issue relevant to the complaint.

The General Manager or hearing officer shall determine whether clear and convincing grounds exist to alter, amend, defer, waive 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 hearing, the General Manager or hearing officer shall make written findings and an order disposing of the matter and shall mail the findings and order to the complainant no later than twenty (20) business days after the date of the hearing. Should the General Manager fail to issue an order to the contrary within the required time limit, the District's interpretation, application, or enforcement of the subject rule and/or regulation is affirmed and the complaint is deemed denied.

8.6 Appeals to the Board of Directors

In the event the complainant disagrees with the findings and order of the General Manager or hearing officer, the complainant may, within twenty (20) business 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 General Manager or hearing officer shall compile a written record of the hearing consisting of:

- (a) Minutes of the hearing;
- (b) All exhibits or other physical evidence offered and reviewed at the hearing;
and

(c) A copy of the written findings and order.

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

The Board shall consider the complainant's written request for appeal and the written record of the hearing at its next regularly scheduled meeting, but not earlier than ten (10) business 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 General Manager or 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 before the Board of Directors. The Board of Directors shall overturn the General Manager's decision where the complainant establishes that there is no competent evidence in the record to support the decision such that the decision was arbitrary or capricious.

8.7 Board's Findings

The Board shall make written findings and issue an Order concerning the disposition of the appeal, which order may include a directive to the General Manager to rehear the matter consistent with the Board's findings and conclusions, if any. A notice of the decision shall be sent by mail or email to the complainant within twenty (20) business days after the appeal hearing. Unless otherwise indicated, the Board of Directors' findings shall be final.

8.8 Notice

A complainant shall be given notice of any hearing before the General Manager, the hearing officer, or before the Board, by mail at least ten (10) business 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 or via email.

**Appendix A - Schedule of Fees and Charges (As of November 4, 2010)
To Rules and Regulations for Water Service**

Water Fees and Charges

1. Residential Water Tap Fee Calculation

Residential Water Tap Fee - \$5,000 Per Residential Unit

2. Quarterly Water Service and Volume Charges

Water service charges are billed quarterly, in arrears.

Availability of Service Fee (Charged on
Vacant Lots)

\$75 / quarter

Quarterly Water Usage fees:	0-25,000 gal	25,000-45,000 gal	45,000 +
	\$150 flat fee	\$15 per 1000 gal	\$50 per 1000 gal

OTHER FEES AND CHARGES

Service/Inspection Calls		
Unauthorized Connection Fees	Applicable Tap Fee plus accrued service charges	
Turn-Off / Turn-On-Service Fee	\$100.00	Not charged for initial service, water service repair, seasonal service
Service Disconnect for Remodel and/or Construction	\$65.00	
Existing Utility Stub Abandonment Fee	See Service/Inspection Calls Fee	
Unauthorized Water Use Charges	\$2,000.00 for each violation	
Unauthorized Hydrant Use	\$2,000.00 for each violation	
Water System and/or Meter Tampering	\$2,000.00 for each violation	
Liens For Unpaid Charges And Fees	\$250.00	
Returned Check Fee	\$25.00	
Treated Water Storage (cash-in-lieu)	\$1.75 per gallon of required treated water storage	Current treated water storage requirement is 700 gals per SFE; fee is \$1,225 per SFE
Deposit for Water Rights Dedication Review	\$2,000.00	Minimum initial deposit
Fire Hydrant Temporary Connection/Disconnect Fee	\$50.00	Charged for both connection and disconnection
Damage Deposit For Temporary Connections to System or Fire Hydrants	\$1,000.00	

District Contacts

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