EAST LARIMER COUNTY WATER DISTRICT RULES AND REGULATIONS

ARTICLE 1 - GENERAL

1.1 PURPOSE

These Rules and Regulations provide an outline of the policies, practices and procedures of the District. They are not intended to address every issue of importance but they do cover the most commonly asked questions or concerns of the District's Customers.

1.2 CONTRACTUAL RIGHTS

The Rules and Regulations of the District do not establish contractual rights, nor are they intended to do so. These Rules and Regulations shall not be construed as creating obligations for the District beyond those required by law.

1.3 MODIFICATION

These Rules and Regulations are subject to amendment and modification by the Board of Directors of the District without prior notice or approval by the public except where notice is specifically required by law.

1.4 CONTROL AND REPLACEMENT

These Rules and Regulations shall be deemed controlling with respect to the issues addressed by these Rules and Regulations and shall replace all prior statements of policy on the same issues.

1.5 VALIDITY

If any clause, sentence, paragraph, section, or portion of these Rules and Regulations shall be adjudged invalid by a court of competent jurisdiction for any reason, such judgment shall not affect, impair, or invalidate the remainder of these Rules and Regulations.

1.6 AUTHORITY OF EMPLOYEES AND AGENTS

No employee or agent of the District shall have the right or authority to bind the District by any promise, agreement, or representation in conflict with these Rules and Regulations.

ARTICLE 2 – DEFINITIONS

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

- "Board of Directors" or "Board" shall mean and refer to the Board of Directors of the District.
- "Connection Charges" shall mean and refer to the applicable charges and dedication requirements, service connection charges, inspection fees, raw water requirements, Plant Investment Fees, and water meter installation charges.
- "Construction Standards" shall mean and refer to the most current version of the District's Standard Construction Specifications for Water Mains.
- "Cross Connection Control Manual" shall mean and refer to the District's most current version of the document that defines the basic requirements for the installation, maintenance, testing and inspection of backflow prevention assemblies and cross connections.
- "Customer" shall mean and refer to the Person who is responsible for the payment of monthly service charges, including charges for Water Taps that are inactivated, and may include tenants, Owners, or property owners' associations.
- "Customer's Service Line" shall mean and refer to the pipe, valve, fittings, and appurtenances located between the Meter Assembly, curb stop or control valve, as applicable, and the Premises served.
- "Developer" shall mean and refer to the Person who is responsible for extending the District's System to provide Water Service to such Person's property.
- "Distribution System" shall mean and refer to the network of conduits, reservoirs, pump stations, and other appurtenances necessary for the delivery of water from the Source to the User's System.
- "District" shall mean and refer to East Larimer County Water District, a quasimunicipal corporation and political subdivision of the State of Colorado.
- "District's Service Line" or "District's Service Connection" shall mean and refer to the pipes, valves, stops, and fittings from the Water Main through the water meter, meter pit, or curb stop, and appurtenances owned by the District and terminating at the Customer's Service Line.
- "District's System" shall mean and refer to the Source facilities and the Distribution System, and shall include all those facilities of the water system owned and operated by the District, including all water meters and all of the District's

Service Lines connected thereto.

- "Fee Schedule" shall mean and refer to the fees, rates, tolls, charges, and penalties established by the Board from time to time to be paid by Customers of the District, including those fees set forth in the Water Rate Schedule, Tap Fee Schedule, Miscellaneous Charges Schedule, and Development Fee Schedule.
- "Fire Service Line" shall mean and refer to the water line dedicated exclusively for fire protection and shall start at the control valve connected to the District's Water Main.
- "General Manager" shall mean and refer to the General Manager of the District appointed by the Board of Directors or the General Manager's designee.
- "Meter Assembly" shall mean and refer to the water meter, meter pit and/or vault, valves, tailpiece, by-pass, yoke, meter setter and other appurtenances to which the Customer's Service Line is connected.
- "Owner" shall mean and refer to any Person who is the deeded owner or contract purchaser of the Premises served by a Water Tap.
- "Parcel" shall mean and refer to a separate legal lot identified as a separate parcel of real property in the records of the County Assessor's Office.
- "Person" shall mean and refer to an individual, partnership, firm, limited liability company, corporation, trust, association, political subdivision, public body (state or federal), or other legal or governmental entity.
- "Plant Investment Fee" shall mean and refer to the fee levied by the District for the purpose of expanding the District's System as development increases demand for District services.
- "Premises" shall mean and refer to each Parcel which receives Water Service from the District.
- "Service Area" shall mean and refer to that area included within the boundaries of the District, and such other geographic areas in which the District, in the discretion of its Board of Directors, shall provide Water Service.
- "Source" shall mean and refer to all components of the facilities utilized in the production, treatment, storage, and delivery of water to the Distribution System.
- "User" shall mean and refer to a Person utilizing water from a Water Tap on the Premises and may include the Owner, a tenant, or property owners' association.
- "User's System" shall mean and refer to those parts of the facilities beyond the

termination of the District's Distribution System which are utilized in conveying potable water to the point of use. (Domestic and irrigation systems start immediately on the User's side of the water meter and the Fire Service Line system shall start at the control valve connected to the District's Water Main).

"Water Main" shall mean and refer to any pipe located in the street, alley, right-of-way, or within an easement granted to the District or to the public, which pipe is owned or maintained by the District for the purpose of distributing water to Users and supplying water to fire hydrants.

"Water Service" shall mean and refer to the delivery of water to a User.

"Water Tap" shall mean and refer to the physical connection of the District's Distribution System, including all rights for Water Service granted upon payment and satisfaction of all applicable Connection Charges.

ARTICLE 3 – AUTHORITY

The District is a quasi-municipal corporation and political subdivision of the State of Colorado operating under the authority of the Special District Act, C.R.S. 32-1-101, et. seq. The powers of the District are enumerated in the Special District Act and include, but are not limited to, the following:

- 1. To enter into contracts and agreements affecting the affairs of the District.
- 2. To borrow money and incur indebtedness and evidence the same by certificates, notes, or debentures; to issue bonds (including revenue bonds); and to invest any moneys of the District.
- 3. To acquire, dispose of, and encumber real and personal property including, without limitation, rights and interests in property, leases, and easements necessary to the functions or the operation of the District; except that the Board shall not pay more than fair market value and reasonable settlement costs for any interest in real property.
- 4. To have the management, control, and supervision of all the business and affairs of the District and all construction, installation, operation, and maintenance of District improvements.
- 5. To appoint, hire, and retain agents, employees, engineers, and attorneys.
- 6. To fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District. Until paid, all such fees, rates, tolls, penalties, or charges shall constitute a perpetual lien on and against the Premises served, and any such lien may be foreclosed in the same manner as provided by the laws of the

State of Colorado for the foreclosure of mechanics' liens.

- 7. To furnish services and facilities without the boundaries of the District and to establish fees, rates, tolls, penalties, or charges for such services and facilities.
- 8. To accept, on behalf of the District, real or personal property for the use of the District and to accept gifts and conveyances made to the District upon such terms or conditions as the Board may approve.
- 9. To adopt, amend, and enforce bylaws and rules and regulations not in conflict with the constitution and laws of the State of Colorado for carrying on the business, objects, and affairs of the Board and of the District.
- 10. To have and exercise the power of eminent domain and dominant eminent domain in the manner provided by law.
- 11. To have and exercise all rights and powers necessary or incidental to or implied from the specific powers granted to special districts.

ARTICLE 4 – COMPLIANCE

4.1 GRANT OF ACCESS

By requesting and receiving Water Service from the District, every Customer shall be deemed to have granted a license to the District, its agents, employees, and representatives, at all reasonable times to enter upon the Premises of the Customer receiving Water Service to determine compliance with these Rules and Regulations.

4.2 OBSTRUCTION OF EASEMENTS OR RIGHTS-OF-WAY

No Person shall obstruct easements or rights-of-way containing any part of the District's System in any manner that may prevent unrestricted access to and use of the easements or rights-of-way by duly authorized employees, agents, or representatives of the District unless such obstructions are specifically permitted, as applicable, by the public authority having jurisdiction of public rights-of-way or under the terms of the agreement granting the easement to the District.

4.3 TERMINATION OF WATER SERVICE FOR NON-COMPLIANCE

Except as otherwise provided by these Rules and Regulations, the District may refuse to supply water or may terminate Water Service to any Premises or structure located therein where the User or Customer fails, after reasonable notice, to comply with the Rules and Regulations of the District within the time period specified in the written notice.

ARTICLE 5 – USE OF WATER

5.1 ALLOWED USES

The District will furnish water for ordinary domestic, household, business, industrial, and community use and for fire protection purposes as the District's System may reasonably supply and as may be approved by the Board.

5.2 DELIVERY PRESSURE

The District will normally deliver water at a pressure of between twenty-five (25) and one hundred forty-five (145) pounds per square inch (p.s.i.). In the event the District cannot maintain a delivery pressure of twenty-five (25) pounds per square inch (p.s.i.) or more, the Customer will be responsible for the installation of a booster pump or pressure tank and an approved double check valve for backflow prevention.

5.3 USE ALLOWED ONLY WITHIN SERVICE AREA

The District shall not provide water for use outside the boundaries of the District without the approval of the Board.

5.4 USE RESTRICTED TO PREMISES

Except with the prior written authorization of the District, no Customer or User shall use, or permit the use of, any water furnished by the District on any Premises other than that specified in the User's application for service, nor shall any User resell or distribute any water furnished by the District for resale to any Person.

5.5 WASTE PROHIBITED

No User shall knowingly permit leaks or waste of water. In the event water is wastefully or negligently used on the Premises by a User, the District may terminate Water Service within five (5) days following written notification.

ARTICLE 6 – WATER USE RESTRICTIONS

6.1 DROUGHT CONDITIONS

Drought conditions are not uncommon in the Service Area of the District. The Board, in its sole discretion, may make a determination that drought conditions exist.

6.2 LIMITATIONS IMPOSED DURING DROUGHT

In the event the Board shall determine that drought conditions exist, the District may take such action as it deems necessary or advisable to insure the efficient use and conservation of limited water supplies. The District may adopt supplemental regulations relative to water rationing, time of use schedules, limitation of use, and such other measures as it deems necessary or appropriate for the conservation of limited water supplies, insuring continued water availability, and appropriate utilization of limited water resources.

6.3 RESPONSIBILITIES OF USERS DURING DROUGHT

It shall be the responsibility of all Users to carefully observe all rules, regulations, and prohibitions established by the District in the event the Board shall determine that drought conditions exist. The unavailability of water or limitation of water use at certain times shall not relieve the Customer from the payment of all fees and charges established by the District pursuant to the Fee Schedule.

ARTICLE 7 – WATER TAPS

7.1 TRANSFER

Water Taps shall not be transferred for use on any real property other than the Premises to which the Water Taps were originally assigned without the prior written authorization of the District, which approval shall be within the sole and absolute discretion of the Board.

7.2 COMMENCEMENT OF CHARGES

Fees and charges payable to the District shall commence as of the date of payment of the Plant Investment Fee to the District, with the first billing being rendered on or about the first day of the next billing period following the payment of the Plant Investment Fee by the Customer.

7.3 CHARGES PENDING INSTALLATION

If the transfer of a Water Tap from the Premises to another Parcel is permitted by the Board, the Water Taps shall, pending installation on the new Parcel, be subject to minimum monthly charges even though no Water Service is then being provided to the new Parcel.

7.4 INSTALLATION

Water Taps shall be installed within six (6) months following the date of payment of the Plant Investment Fee by the Customer. Failure to install a Water Tap within the six (6) month time period shall give to the District the option to refund the Plant Investment Fee to the Customer, less administrative costs incurred by the District as determined by the Board. Upon the issuance of such refund, the Customer shall no longer have any right, title, or interest in and to the Water Tap and the District shall thereafter have no obligation to provide Water Service to the Customer.

7.5 SEPARATE WATER TAPS REQUIRED

A property owners' association which is responsible for the payment of Water Service for

condominium units or townhome units shall be permitted to have one (1) or more master Water Tap(s) serving multiple condominium units or multiple townhome units. addition, a property owners' association which is responsible for the irrigation of common landscaping may be permitted to have one (1) or more master Water Tap(s) serving common areas requiring landscape irrigation but such Water Tap(s) may not be used to provide Water Service to any multi-family or single-family residential dwellings. Such property owners' association shall satisfy the requirements of the District which are adopted by the Board of Directors from time to time to ensure the ability of the property owners' association to collect and pay for Water Service used by individual condominium units, individual townhome units and/or for the irrigation of common landscaping. Such requirements shall include, but not be limited to, evidence of the existence of covenants, conditions, and restrictions affecting such Parcels which require the collection by the property owners' association of sufficient funds to pay all fees and charges to the District for the Water Service and the establishment of lien rights for the benefit of the property owners' association in the event of the failure by owners of residential dwellings benefited by such master Water Tap(s) to pay fees and assessments owing to the property owners' association. All other Parcels receiving Water Service from the District shall be required to obtain a separate Water Tap serving only that Parcel. In the case of a commercial or industrial Parcel with multiple Users, additional Water Taps may be provided upon approval by the District after payment of the appropriate Connection Charges.

7.6 APPURTENANT TO PROPERTY

In the event that the Premises served by a Water Tap are conveyed or transferred to a new Owner, such Water Tap shall be deemed transferred with said Premises whether such conveyance or transfer is the result of a voluntary or involuntary transfer, including judicial order or decree, public trustee's sale, sheriff's sale, treasurer's sale, or otherwise. Subject to compliance with these Rules and Regulations, the District may recognize such transferee as the Owner of said Water Tap without having first obtained an assignment of such Water Tap executed by the previous Owner of the Premises.

7.7 CONTINUATION OF WATER SERVICE PENDING DISPUTE RESOLUTION

If a dispute arises as to the legal ownership of a Water Tap, the District may, upon written request, continue to provide Water Service to the Premises for such period of time deemed appropriate by the District pending an agreement between the disputing parties or a court determination relative to the ownership of the Water Tap. In the event the District shall determine, in its discretion, that the parties are not proceeding in good faith to achieve a resolution as to the ownership of the Water Tap serving said Premises, the District may terminate Water Service to said Premises.

ARTICLE 8 – EXTENSION OF DISTRICT'S SYSTEM

8.1 EXTENSION ACROSS FRONTAGE

In general, all extensions of Water Mains shall extend the entire distance between opposite boundaries of the real property to be served and shall be located within public rights-of-way unless the District determines it is necessary to construct Water Mains within easements granted to the District and located on private property. Developers seeking an extension of Water Mains shall, in consultation with the District, secure or grant all easements required by the District in which to construct the Water Mains. The form of the easement agreement shall be as determined by the District.

8.2 OVERSIZING

The District may elect to install a larger Water Main than needed for a Developer's service requirements. If the District requires that the Developer oversize the Water Main, the District will bear the additional cost of the pipes, fittings, valves, and other materials and equipment for such oversizing. The service requirements of each Developer shall be independently considered, and the requirements for each development shall be specific to such development.

8.3 CONSTRUCTION BY APPROVED CONTRACTOR

Construction of improvements to the District's System shall be performed by the District, the District's contractor, or a Developer's contractor approved by the District. Developers requiring construction of improvements to the District's System shall select a reputable engineer and contractor of their choice for the design and construction of water system improvements, provided that such engineer and contractor meet the District's requirements. In all cases, the Developer shall be required to make advance payment of the estimated costs of plan review, administrative expenses, and other applicable fees and costs estimated to be incurred by the District related to the construction of said water system improvements.

8.4 APPORTIONMENT OF COSTS

The District may extend the District's Distribution System when, in the opinion of the District, the public convenience and welfare are best served by such construction. At its sole discretion and where it appears equitable for the cost of such construction to be apportioned to more than one (1) Parcel, the District may apportion all, or any part, of the cost of the construction of such improvements among such Parcels as may at any subsequent time apply for a Water Tap from said extension. The amount of the costs to be apportioned to each Parcel shall be at such rate and under such terms and conditions as the District shall establish in its discretion.

8.5 COMPLIANCE WITH CONSTRUCTION STANDARDS

All extensions to the District's Distribution System shall be constructed only by the District or by a reputable waterworks contractor approved by the District and in accordance with the latest Construction Standards adopted by the Board. No construction shall be undertaken until the District shall first approve all construction plans for such extensions. The pipes, fittings, valves, hydrants, and other materials for the construction of said extensions shall be of the size, quality, and at such location as the District shall specify in its Construction Standards. Fire hydrants will be installed at the locations designated by the District so as to afford maximum fire protection coverage.

8.6 OWNERSHIP OF IMPROVEMENTS AND WARRANTY PERIOD

Upon completion of an extension of the District's Distribution System by a Developer, the District shall cause such extension to be examined for compliance with the District's Construction Standards. Upon preliminary acceptance of the extension of the District's Distribution System, the Developer shall be deemed to have transferred all of its rights, title, and interest in such extension to the District and the District shall thereafter be the owner of such improvements and shall accept the maintenance responsibility for such improvements, subject to the Developer's warranty. If the extension of the District's Distribution System is made by a private contractor retained by the Developer, the Developer shall be responsible for a period of two (2) years following preliminary acceptance for any failure in materials or workmanship.

8.7 REIMBURSEMENT AGREEMENTS

In the event that a Developer shall, at its own cost and expense, extend a Water Main adjacent to a Parcel other than the Developer's Parcel, so that Water Service becomes available to other Parcels without further extension of the Water Main, then, in such event, the Developer may obtain partial reimbursement for the cost of the extension of the Water Main and related improvements subject to the following:

- A. The Water Main must be designed and constructed according to the Construction Standards of the District and shall be inspected and accepted by the District as part of the District's System.
- B. The request for partial reimbursement shall be made in a form acceptable to the District not less than sixty (60) days prior to the anticipated date of preliminary acceptance by the District of the Water Main and related improvements.
- C. Upon receipt of the Developer's request, the General Manager shall determine which, if any, improvements are eligible for reimbursement, the costs eligible for reimbursement, and the identification of the Parcels that will be subject to the reimbursement obligation. The General Manager shall determine the amount of

reimbursement for each benefited Parcel that may potentially connect to the extension of the Water Main and related improvements and shall notify the Developer of the eligible amount.

D. If the General Manager determines that the reimbursement eligibility requirements are met by the Developer, the General Manager shall cause an agreement to be prepared setting forth the determination as to reimbursement eligibility. The Board will make a final decision with respect to eligibility and the terms of the reimbursement agreement.

ARTICLE 9 – RAW WATER REQUIREMENTS

9.1 WATER RIGHTS REQUIRED FOR TWO (2) OR MORE LOTS, TRACTS OR PARCELS

Any Owner or Developer of real property requiring two (2) or more new Water Taps on separate lots, tracts, or Parcels shall furnish the District with water rights or the equivalent of water rights in accordance with the raw water requirements adopted by the District from time to time.

9.2 WATER RIGHTS ACCEPTABLE TO DISTRICT

Only those water rights determined to be acceptable by the District shall be eligible for use in satisfying the District's raw water requirements. Conversion factors for such water rights and the determination of the amount of water available for allocation from such water rights shall be within the sole discretion of the Board.

9.3 TRANSFER OF WATER RIGHTS

Water rights dedicated to the District and assigned to a subdivision or other real property shall not thereafter be transferred to another subdivision or other real property without the prior written authorization of the District, which approval shall be within the sole and absolute discretion of the Board.

ARTICLE 10 – TEMPORARY SERVICE

10.1 USE OF HYDRANTS

Water may be used from fire hydrants to temporarily supply construction, commercial, or other needs, or for any other proper purpose, only upon prior application and approval of such request by the District and subject to the following requirements:

A. The temporary Water Service shall be metered and billed monthly in accordance with the District's then current Fee Schedule. A reduced pressure backflow prevention assembly (RP) must be installed downstream of the water meter during such usage.

B. All backflow prevention assemblies must comply with the requirements set forth in the Cross Connection Control Manual and shall be tested annually or immediately if such assembly is repaired or moved to a different location.

10.2 ESTABLISHMENT OF NATIVE LANDSCAPING

Temporary Water Service for the purpose of establishing native landscaping may be permitted under the following conditions:

- A. The temporary Water Service shall be used only for the purpose of establishing native landscaping. "Native landscaping" shall mean and refer to landscaping which, after it is established, requires no additional supplemental irrigation.
- B. A professional landscape plan must be approved by the District.
- C. The temporary Water Service shall be metered and billed monthly in accordance with the District's Fee Schedule.
- D. The temporary Water Service shall be removed and terminated no later than five (5) years following the initial installation.

10.3 CHARGES FOR TEMPORARY SERVICE

Users granted temporary Water Service shall pay for water usage in accordance with the Fee Schedule established by the District from time to time for temporary Water Service.

ARTICLE 11 – CUSTOMER'S SERVICE LINES

11.1 INSTALLATION

The Customer shall be solely responsible for the payment of the costs of the installation of the Customer's Service Line from the water meter, curb stop, or control valve, as applicable, to the Premises served.

11.2 COMPLIANCE WITH CODES

Customer's Service Lines shall be installed in accordance with the plumbing codes and other specialty codes, as applicable, of the State of Colorado and any local governmental authority having jurisdiction.

11.3 SHUTOFF VALVE

The Customer shall install, maintain, and use a shutoff valve to turn water on and off for its convenience. The shutoff valve shall be located downstream of the water meter or curb stop. The District's control valve or curb stop may not be used by the Customer or the User or any of their agents or representatives without the express written approval of the District.

Unauthorized use of a curb stop shall constitute illegal tampering of the District's System.

11.4 MAINTENANCE

The Customer shall be responsible for all maintenance and repair of the Customer's Service Line.

11.5 LOCATION

The District shall not be responsible for determining the location and/or depth of any Customer's Service Line.

11.6 ELECTRICAL GROUNDING

No electric circuit shall be grounded to the Customer's Service Line or to the District's Distribution System. Any Person who makes, or permits, such a connection shall be subject to termination of Water Service and shall be liable for damage to the District's Distribution System and for personal injury resulting from such connection.

ARTICLE 12 – RATES AND CHARGES

12.1 ESTABLISHED BY RESOLUTION

The District shall establish by resolution, from time to time, all fees, rates, tolls, charges, and penalties for the use and/or misuse of Water Service and the District's System. A copy of the District's Fee Schedules shall be on file in the District offices for examination by the public during regular business hours.

12.2 CONTRACT RATES

The District may establish special rates and enter into contracts with any Person for the wholesale or retail sale of water or for the rendering of any unusual or extraordinary Water Service; provided, however, that the rates, fees, and charges to be paid thereunder shall not be less than amounts which, in the discretion of the Board, are fair and equitable taking into account the cost to the District of providing such Water Service, the period of such contracts, and the provisions of any agreement under which bond or loan proceeds were secured for the purpose of paying the cost of any part of the District's System.

12.3 PROHIBITION AGAINST FREE WATER SERVICE

There shall be no free Water Service rendered by the District and, if any local, state or federal government, or any department, agency or instrumentality thereof, or any other public body shall desire Water Service from the District, it shall apply for and receive such Water Service pursuant to the Rules and Regulations herein contained and shall pay for the same in accordance with the Fee Schedule established by the Board.

12.4 PLANT INVESTMENT FEES

The District shall hold all Plant Investment Fees collected pursuant to these Rules and Regulations and make expenditures thereof only for the purpose of making water utility capital improvements and expanding the District's System as required to satisfy the increase in demand caused by the Customers required to pay a Plant Investment Fee.

ARTICLE 13 – WATER METER READING

13.1 FREQUENCY

Water meters will be read, as practical, on a monthly basis. Additional readings will be made on commencement and termination of Water Service and as required by special circumstances. The fact that a water meter is not read shall not preclude the computation of a billing to a Customer. The District may change the frequency of water meter reading as it may determine advisable from time to time.

13.2 ACCESS

The Meter Assembly and shutoff valve will remain clear and accessible at all times. Whenever it is necessary to enter a building to read or work on the water meter, a safe passageway must be maintained by the occupant of the Premises, free and clear of obstructions from the building entrance to the water meter. Structures, shrubs and landscaping shall not obstruct the reading or maintenance of the water meter. By connection to the District's System, the Customer and User consent to the right of the employees, agents, and representatives of the District to remove structures, shrubs and landscaping as necessary to maintain access to the water meter.

13.3 ESTIMATED READINGS

If it is determined by the District that a water meter fails to register accurately, or the District is unable to read a water meter, the billing to the Customer shall be calculated in accordance with the following:

- A. When the User has occupied the same Premises for a twelve (12) month period or more, the billing shall be based upon the water consumption during the same period of the preceding year multiplied times the current rate, plus the current monthly minimum charges, unless the General Manager determines that the water consumption during the preceding year is not representative of the estimated water charges during the current period.
- B. When the User has not occupied the same Premises for a minimum of twelve (12) months, the District shall utilize the average water consumption for District Water Services of an equivalent water meter size for comparable property as determined by the General Manager multiplied times the current rate, plus the current monthly minimum charges.

C. A corrected bill reflecting current charges and fees will be produced during the next billing cycle during which an accurate water meter reading can be obtained.

ARTICLE 14 – BILLING

14.1 SCHEDULE

Bills for use of water, services and property of the District shall be due, payable and delinquent in accordance with the Fee Schedule adopted by the District from time to time.

14.2 TERMINATION FOR NON-PAYMENT

The District may terminate Water Service to any Premises for which payment is delinquent. The Water Service may not be restored until all delinquent bills are paid in full, including all applicable charges set forth in the Fee Schedule adopted by the Board for shutoff and restoration of Water Service.

14.3 RECOVERY OF COSTS

In the event of delinquency in the payment of any fees or charges, including installation charges, the District reserves the right to assess interest on delinquencies from the due date, reasonable attorneys' fees, reasonable penalties, and other costs of collection. The Board may amend, modify, or revise all such fees, charges, and/or penalties from time to time by modifying the applicable Fee Schedule.

14.4 CHARGE FOR INSUFFICIENT FUNDS

The Board may establish a charge to be paid by a Customer for each payment made to the District that is dishonored by the Customer's bank.

14.5 OWNER RESPONSIBILITY

All fees and charges for Water Service shall be initially billed to the Person who is the Owner of the Premises making application for Water Service. Upon request from the occupant of the Premises, charges for Water Service shall be billed to such occupant, provided, however, that in the event of delinquency, such charges shall thereafter be billed to the Owner of the Premises and shall remain a lien against the Premises until paid in full in accordance with applicable law. In the event the charges shall remain delinquent, the District may record written notice of the lien on the Premises with the County Clerk and Recorder and may take any other action authorized by law to enforce payment of such lien.

14.6 NOTIFICATION OF CHANGES

The Customer shall be responsible to keep the District advised of the address to which all bills are to be mailed. The failure to receive a bill from the District shall not relieve a

Customer of any payment obligation to the District.

14.7 DISPUTED BILLS

Any request for investigation of a disputed bill must be made in writing to the General Manager who shall investigate such matter as he or she shall deem appropriate. The General Manager shall respond to the Customer within fourteen (14) days following receipt of such written request. Said response may contain any information obtained by the investigation and shall contain the decision of the General Manager.

ARTICLE 15 – TERMINATION OF WATER SERVICE

15.1 TERMINATION OF WATER SERVICE AT REQUEST OF CUSTOMER

When a Customer notifies the District that it wishes for Water Service to be discontinued, the District will read the water meter and terminate Water Service. The Customer shall continue to be subject to monthly minimum charges.

15.2 TERMINATION OF WATER SERVICE BY DISTRICT

Water Service shall be subject to termination by the District upon the occurrence of:

- A. Non-payment of fees and charges established by the District in its Fee Schedule.
- B. Non-compliance with the District's Rules and Regulations relating to matters other than the payment of fees and charges.

15.3 NOTICE OF TERMINATION BY DISTRICT

Notice of termination by the District shall be sufficient if given by any one (1) of the following:

- A Regular first-class United States mail, postage prepaid, sent to the Customer's address as shown in the District's records; or
- B. Certified mail, return receipt requested, sent to the Customer's address as shown in the District's records; or
- C. By hand delivery of notice to the Customer's Premises.

The notice shall be deemed complete upon (i) deposit in the United States mail, if the notice is sent by mail; or (ii) delivery to a responsible adult residing at the Premises or, if none, upon posting the notice at the main entrance of the Premises, if the notice is personally delivered. The period for compliance shall be as set forth in the notice.

ARTICLE 16 – WATER METERS

16.1 SIZING

Water meter sizing shall be determined by (i) "fixture unit count" utilizing "fixture unit values" as set forth in the Uniform Plumbing Code as adopted by the governmental entity having jurisdiction thereof; (ii) additional Customer requirements requested at the time of application for Water Service; and (iii) any other factors which, in the opinion of the District, may affect the demand for water and the size of the water meter.

16.2 CHANGE IN WATER METER SIZE

A Customer may request a change in water meter size based on changed conditions at the Premises or when historical usage indicates a change is warranted. The cost for a change in water meter size, including installation costs and additional Connection Charges, shall be the responsibility of the Customer requesting the change. In the case where the size of the water meter is reduced, no additional cost for the water meter shall be incurred by the Customer and no credit shall be issued unless specifically authorized by the Board.

16.3 CHANGE REQUIRED BY DISTRICT

The District may require a change in water meter size when the historical usage indicates that a change is warranted. The Customer shall be given written notice in advance of the change and shall be subject to all costs for the change in water meter size, including installation costs and additional Connection Charges.

16.4 OPERATIONAL STANDARDS

The District's water meters shall be operated within the tolerances and standards established by the American Water Works Association in Section C700 or, in the absence of such standards, within any other standards established by any other organization recognized by the District as an authority with respect to the operational standards of water meters.

16.5 TESTING

A Customer may request that its water meter be tested by making an application for such testing to the District. If the test shows that the water meter registers outside the tolerance standards established by the American Water Works Association, the water meter shall be repaired or replaced at no cost to the Customer for a new water meter, parts, or labor.

An adjustment of the commodity (water unit) charge may be made if the water meter registers above or below the tolerance standards established by the American Water Works Association. Adjustments to billings shall be made retroactive for a period not to exceed one (1) year based upon water usage during the previous year, unless the General Manager shall determine that such water usage is not representative of current water usage.

Should the test show that the water meter registers within or below the tolerance standards established by the American Water Works Association, the Customer shall pay the District to perform the test according to the Fee Schedule established by the Board.

ARTICLE 17 – BACKFLOW AND CROSS CONNECTION

17.1 BACKFLOW PREVENTION DEVICES REQUIRED

The District shall require all Customers designated as industrial, commercial, retail or multi-family Customers to install and maintain containment assemblies, also known as backflow prevention assemblies, on service connections identified as potential health hazards by the District in order to protect the safety of the District's System.

Such requirements for cross connection control shall relate only to the infrastructure connected to the District's System.

17.2 CROSS CONNECTION CONTROL MANUAL

The Cross Connection Control Manual is a guidance document setting forth the requirements of the District with respect to backflow and cross connections. Failure to comply with the Cross Connection Control Manual shall constitute a violation of these Rules and Regulations and shall entitle the District to all of the remedies set forth herein as well as all other remedies available to the District at law or in equity.

17.3 BACKFLOW PREVENTION ASSEMBLIES REQUIRED

- A. The District shall give notice in writing to all Customers who are required to install approved backflow prevention assemblies. An approved backflow prevention assembly shall consist of a reduced pressure backflow prevention assembly approved by the District unless otherwise allowed and approved by the District.
- B. All fire sprinkler systems designated as industrial, commercial, retail or multi-family fire sprinkler systems connected to the District's System shall include a District-approved backflow prevention assembly. Fire systems that utilize anti-freeze or firefighting chemicals or an auxiliary water supply shall incorporate a District-approved reduced pressure backflow prevention assembly to protect against contamination of potable water in the District's System. Fire systems that do not utilize anti-freeze or firefighting chemicals or an auxiliary water supply may install a District-approved double check valve backflow prevention assembly in lieu of a reduced pressure backflow prevention assembly.
- C. All dedicated irrigation systems designated for use by single family residential dwellings shall be protected with a District-approved reduced pressure backflow prevention assembly.
- D. All fire sprinkler systems connected to the District's System and designated as single-family residential systems which utilize anti-freeze or firefighting chemicals or an

- auxiliary water supply shall include a District-approved reduced pressure backflow prevention assembly.
- E. The District shall not be responsible for any loss or damage directly or indirectly resulting from or caused by the proper, improper, or negligent installation, operation, use, repair, or maintenance of, or interfering with, any protective assemblies by any Customer, User or any other Person.

17.4 INSTALLATION AND MAINTENANCE

It shall be the responsibility of each Customer to furnish, install, and keep in good working order and safe condition, any and all backflow prevention assemblies. Within 60 days following receipt by a Customer of notification of the need to install a backflow prevention assembly, the Customer shall install such District-approved backflow prevention assembly at the Customer's own expense at a location approved by the District. Failure, refusal, or inability on the part of the Customer to install, test, and maintain said backflow prevention assemblies shall constitute grounds for discontinuing Water Service to the Premises until such requirements have been met to the satisfaction of the District.

Customers that require backflow prevention assemblies shall purchase District-approved backflow prevention assemblies and pay all costs associated with the installation of the appropriate size and type of backflow prevention assemblies. New installations shall be installed under private contract at the Customer's expense. Existing facilities determined to need backflow prevention will be retrofitted with the appropriate backflow prevention assemblies under private contract at the Customer's expense. All new installations shall be completed and tested prior to Water Service being provided by the District and the results of such tests shall be furnished to the District.

17.5 TESTING AND RECORDS

The District requires that each backflow prevention assembly be tested by a certified backflow prevention contractor on an annual basis within 30 days of annual notice to test in order to assure proper operation. The results of each such annual test shall be provided to the District and, where indicated, appropriate repairs shall be made by the Customer. The results of the test shall be submitted to the District within 5 working days following completion thereof. If the assembly fails and repairs are not made immediately, the District must be notified within 24 hours of such failure and written notification of such failure must be provided to the District within 3 working days. The assembly must be replaced or repaired within 60 days following submission of a failing test report. If a Customer fails to submit a test report within 30 days following the date the District gives notice to test, a notice of water termination will be sent to the Customer. If a test report is not received within 30 days following the giving of such 30-day notice by the District to terminate Water Service, the Customer's Water Service will be terminated at the discretion of the District. Restoration of Water Service will occur by the Customer scheduling an appointment with the District and a certified backflow assembly tester at

the service connection location. In instances where the District determines that a potential hazard is great, the District may, in its discretion, require testing at more frequent intervals. The Customer shall bear all costs of testing. The cost of any maintenance or repairs required as a result of inspections or testing shall be the responsibility of the Customer. Maintenance and repair work shall be performed by the Customer. Records of inspections, testing, and repairs shall be provided to the District by the Customer and thereafter maintained by the District. Copies of such results may be made available by the District to the Colorado Department of Public Health and Environment.

17.6 INSPECTION

The User's System will be available for inspection at all times to authorized representatives of the District to determine whether cross connections or other structural hazards exist which may threaten public health and/or the environment.

ARTICLE 18 – PRIVATE FIRE PROTECTION

18.1 PROVISION FOR CONNECTION

Connections for private fire hydrants, Fire Service Lines and fire suppression systems shall be installed in accordance with applicable governmental regulations and only if adequate provisions are made to prevent the use of water from such Fire Service Lines for purposes other than fire extinguishing or testing of fire protection systems.

18.2 RESPONSIBILITY FOR INSTALLATION, MAINTENANCE, AND REPAIR

Fire Service Lines shall be owned by the Owner of the Premises and the installation, maintenance, repair, and replacement of said facilities shall be at the Owner's sole expense. Fire Service Lines shall not be interconnected with domestic service lines and the Fire Service Lines shall have a separate connection to the Water Main in the street or easement abutting and fronting the Premises unless otherwise approved by the District. Each Fire Service Line shall have an independent shutoff valve which shall be located at or near the Water Main and at a point designated by the District. The District's ownership and responsibility for maintenance and locating ends at the shutoff valve on a Fire Service Line.

18.3 CHARGES

Fees and charges for Water Service provided for a Fire Service Line shall be according to the Fee Schedule established by the Board from time to time.

18.4 EXTENSION

Customers requesting Water Service through a Fire Service Line shall be required to pay the cost of any Water Main extensions needed to supply the required waterflows.

18.5 FLOW AND PRESSURE NOT GUARANTEED

The District will provide Water Service for fire hydrants, Fire Service Lines and other facilities used exclusively for fire suppression at such pressure, and at such rates of flow, as may be available from time to time as a result of the operation of the District's System. The District does not warrant or guarantee, and does hereby expressly disclaim any warranty or guarantee of, any pressure or range of pressures, or rate of flow. The District shall not be liable for any damage in any manner arising out of the non-availability of water, or water pressure, at any hydrant or facility used for fire suppression.

18.6 CHARGES FOR UNAUTHORIZED USE

If water supplied by the District is used from a Fire Service Line or private hydrant in violation of these Rules and Regulations, the Customer shall pay for the use of such water based on an estimated quantity used as determined by the District, at the regular rates, including the minimum charge based on the size of the service connection. In addition, the District may impose penalties, terminate Water Service and require a deposit as a precondition for future Water Service.

ARTICLE 19 – USE OF HYDRANTS

19.1 AUTHORIZATION

Only those authorized by the District shall operate, or attempt to operate, any fire hydrant. Any unauthorized operation or attempted operation of a fire hydrant shall constitute illegal tampering of the District's System.

19.2 TEMPORARY USE

The District may, in its discretion, authorize use of a fire hydrant for a temporary water supply. The User thereof shall pay the fees and charges established pursuant to the Fee Schedule adopted by the Board from time to time subject to the following requirements:

- A. A reduced pressure backflow prevention assembly (RP) must be installed downstream of the water meter during all usage. Such meter/backflow prevention assembly must be properly supported to prevent damage to the hydrant connection threads or properly mounted to a structure above grade.
- B. Such backflow prevention assemblies must be tested annually or immediately if such assembly is repaired or moved to a different location.

19.3 FLOW TEST

Users requesting flow testing of fire hydrants shall pay the fees and charges established pursuant to the Fee Schedule adopted by the Board from time to time.

19.4 RELOCATION

Only the District or its designee may change or relocate a fire hydrant. If a Customer requests fire hydrant relocation and the District approves such relocation with the consent of the applicable fire authority, the Customer shall pay all costs associated with such relocation.

19.5 ACCESS

Posts, fences, vehicles, vegetation, trash and other materials or obstacles shall not be placed or kept near fire hydrants, fire department inlet connections, or fire protection system control valves in a manner that would prevent such equipment or fire hydrants from being immediately visible and accessible. The District or fire authority shall not be deterred or hindered from gaining immediate access to fire protection equipment or hydrants.

A five (5) foot clear space shall be maintained around fire hydrants. Access from the street to the hydrant shall be kept clear if the travel distance is greater than five (5) feet. Customers or Users shall be responsible for pruning or removing landscaping or other obstructions that restrict access to a fire hydrant. Upon notice to the Customer from the District, the Customer or User shall within fourteen (14) days remove such obstruction or correct non-compliance. If the obstruction is not removed or compliance is not achieved within the time required, the District may take corrective action and may bill the Customer accordingly.

19.6 COLOR OF HYDRANTS

The District shall designate the color of all fire hydrants. No change in the color of fire hydrants shall be allowed unless specifically authorized in writing by the District.

ARTICLE 20 – RESPONSIBILITY AND LIABILITY

20.1 AUTHORIZATION

The Customer and User shall be responsible for all damage or injury resulting from the failure of the Customer or User to properly construct, maintain, repair, or correct conditions in the User's System.

20.2 PRESSURE AND SUPPLY

The District does not guarantee, and does hereby expressly disclaim any guarantee of, a uniform pressure, or an uninterrupted supply of water, and Users are cautioned to provide appropriate devices to satisfy specific pressure requirements and sufficient storage of water where an absolutely uninterrupted supply must be assured.

20.3 PRESSURE REDUCING VALVES

When the District's System pressure is over eighty (80) pounds per square inch (p.s.i.) at the District's Service Connection, it shall be the responsibility of the Customer to install and maintain a suitable pressure reducing valve on the Customer's Service Line. The pressure reducing valve shall be set to maintain a pressure equal to or lower than eighty (80) pounds per square inch (p.s.i.) within the structure.

20.4 LIABILITY OF DISTRICT

The District will not be liable for any damage to the Premises, injury to the User, the Customer, or others on the Premises caused by interruption of Water Service, reduction of water supply, reduced or excessive water pressure, or quality of water delivered to the Premises but will, whenever reasonable, give Users advance notice when it is known that Water Service is to be interrupted.

20.5 LIABILITY OF USER

The User shall be liable for any damage to the District's System which is caused by an act of the User, its tenants, agents, employees, contractors, licensees, or permittees. Damage to the District's System shall include, but not be limited to, breaking of seals and locks, tampering with water meters or meter vaults, damage to water meters or meter vaults (including, but not limited to, damage by heat, hot water, or steam), and damaged curb stops, water meter stops, and other Water Service appurtenances. The User responsible for the damage or tampering shall be subject to fines and penalties as established by the Board and/or shall have Water Service terminated by the District.

20.6 RESTORATION OF WATER SERVICE

If a Customer requests that the District restore Water Service after discontinuation, the District shall have no liability for damages to the Premises if a leak occurs inside the structure, if a faucet or fixture is open or a leak occurs at any place in the Customer's Service Line.

20.7 ALTERATIONS PROHIBITED

No modifications or alterations to the Meter Assembly shall be made. The Customer shall be responsible for any damage to water meters or meter boxes due to the unlawful modification or alteration of the District's installation. Any such modifications or alterations without the consent of the District shall constitute illegal tampering of the District's System.

ARTICLE 21 – VIOLATION

In the event of the violation of the District's Rules and Regulations and in addition to any other legal or equitable remedies available to the District, the District may impose fines and penalties, require deposits, terminate Water Service, and/or obtain injunctive or equitable relief to abate such violation.

ARTICLE 22 – REMEDIES

22.1 GRIEVANCES

Any Person aggrieved by a ruling or interpretation of the provisions of the District's Rules and Regulations may submit a written appeal to the General Manager. The appeal shall set forth the events and circumstances leading to the appeal, the nature of the ruling or interpretation from which relief is sought, and the nature of the impact of the ruling on the appellant, together with any other reasons for the appeal.

The General Manager shall take the matter under consideration, hear testimony if deemed necessary, and issue a written decision to the appellant affirming, denying, or modifying the interpretation or ruling.

22.2 APPEAL TO BOARD

If the appellant considers that its grievance has not been handled in a satisfactory manner, the appellant may apply to the Board for review of the matter within thirty (30) days from the date of the written decision of the General Manager. The Board may make an independent review of the case, obtain additional evidence, and hear additional testimony on the matter as it deems necessary or the Board may restrict its consideration to the record. Within sixty (60) days following receipt of the appeal to the Board, the Board will prepare a written decision on the matter which shall be sent to the appellant. In lieu of a hearing by the Board, the Board may appoint a hearing officer to review the appeal of a decision by the General Manager.

ARTICLE 23 – EFFECTIVE DATE

These Rules and Regulations shall be effective as of the 18th day of October, 2016.