

**HiLand Acres Water
And
Sanitation District**

**Rules and Regulations
Revised September 5, 2013**

HILAND ACRES RULES & REGULATIONS

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CHAPTER I
AUTHORITY, POLICY, AND PURPOSE

1.1 Authority. These Rules and Regulations are authorized by and are in compliance with Colorado's Special District Act, C.R.S. §§ 32-1-101 et seq.

1.2 Declaration of Policy. These Rules and Regulations are hereby adopted by the Board of Directors of the Hi-Land Acres Water and Sanitation District ("District"), for and on behalf of the District. These Rules and Regulations are deemed necessary for the health, safety, and general welfare of the residents of the District, and for convenience in the management, control and supervision of the business and affairs of the District. It is intended that these Rules and Regulations shall be liberally construed to affect the general purposes set forth herein, and that each and every part hereof is separate, distinct and severable from all other parts. Omission from, and additional materials set forth in, these Rules and Regulations shall not be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or a limitation or restriction imposed or conferred upon, the District or the Board of Directors of the District by virtue of the statutes as now existing or as may hereafter be amended. Nothing contained herein shall be so construed as to prejudice, limit or affect the right of the District to secure the full benefit and protection of any laws which are now or hereafter may be enacted by the Colorado General Assembly pertaining to water and sanitation districts.

1.3 Purpose. These Rules and Regulations shall govern the operations and functions of the District and shall supersede previous rules and regulations of the District. The purpose of these Rules and Regulations is to provide for the control, management and operation of the District's water and sewer systems including, without limitation, additions, extensions and connections thereto.

1.4 Headings and Interpretation of Rules and Regulations. Titles of sections, when and wherever the same may appear throughout these Rules and Regulations, are used for convenience only and shall have no relevancy or effect on the terms, provisions, and conditions hereof or on the construction or interpretation of same. Any dispute as to the interpretation of these Rules and Regulations, or as to the application in any given case, shall be submitted to the Board of Directors and its decision thereon shall be final.

1.5 Revisions. The Board of Directors may from time to time enlarge upon, delete, change or amend these Rules and Regulations by proposing the deletion, change or amendment at any regular or special meeting of the Board, publishing the proposed deletion, change or amendment in the minutes of the Board meeting and then acting on the proposed deletion, change or

amendment at any regular or special meeting of the Board held a minimum of fourteen (14) days after the Board meeting in which the subject deletion, change or amendment was proposed.

CHAPTER II DEFINITIONS

As used in these Rules and Regulations, terms that are defined by the Special District Act shall be given the meaning prescribed in said Act; and, unless the context requires otherwise:

- 2.1 "**Basic Unit**" means the standard of measurement used by the District for the purpose of evaluating the quantity of water used and sewer wastes generated by any property served by the District. For the purpose of these Rules and Regulations, single family residences are classified as one (1) Basic Unit, and all non-single family residence Buildings and uses shall be converted to the number of Basic Units associated therewith using the following criteria:
- (a) For water service, the number of Basic Units will be the actual annual average monthly water usage divided by 10,000 gallons.
 - (b) For sewer service, a Basic Unit will be considered to be the sewer discharge equivalent of one single family dwelling.
- 2.2 "**Board**" means the Board of Directors of the Hi-Land Acres Water and Sanitation District.
- 2.3 "**Building**" means any residential structure with Plumbing Facilities of any nature.
- 2.4 "**Court**" means the district court in Adams County in the 17th Judicial District or the district court to which the file pertaining to the Hi-Land Acres Water and Sanitation District is transferred pursuant to C.R.S. § 32-1-303(1)(b).
- 2.5 "**Director**" means a member of the Board.
- 2.6 "**District**" means the Hi-Land Acres Water and Sanitation District.
- 2.7 "**District Specifications**" means the specifications as adopted by the District for the design, installation, and construction of water and sewer pipe and appurtenances, as the same may be amended from time to time.
- 2.8 "**Division**" means the division of local government in the department of local affairs, state of Colorado.

- 2.9 "**Facilities**" means the District's water and sewer lines, treatment works and all easements and appurtenances thereto. The term does not include Water Service Lines or Sewer Service Lines.
- 2.10 "**Owner**" means the record owner of any property receiving; required to receive; or that will, upon some action (*e.g.*, connection to the District's Facilities), receive water and/or sewer service from the District. Although others may act on the Owner's behalf (*e.g.*, apply for connection approval, use Owner's property), the Owner is the Person that is ultimately responsible for compliance with the District's Rules and Regulations, including payment of all fees and charges.
- 2.11 "**Person**" means any individual, firm, company, association, society, corporation, group, or governmental authority or agency.
- 2.12 "**Plumbing Facility**" means any device directly or indirectly connected to the District's Facilities including, but not limited to, toilets, showers, sinks, dishwashers, clothes washers, grease traps, and disposals.
- 2.13 "**Quorum**" means more than one-half of the number of Directors serving on the Board of the District.
- 2.14 "**Rules and Regulations**" means the provisions of these Rules and Regulations as the same may be amended from time to time. The phrase "as provided herein," used throughout these Rules and Regulations, means the provisions of these Rules and Regulations as the same may be amended from time to time.
- 2.15 "**Sewer Main**" means any pipe or conduit owned and operated by the District for carrying waste water as so designated by the District to which the District may allow the connection of Sewer Service Lines. For the purpose of these Rules and Regulations, any sewer pipeline, and its appurtenances, that were not constructed solely by the District will not be considered a Sewer Main unless the same were: (a) expressly accepted by the District at the time of District formation; or (b) deeded to and accepted in writing by the District subsequent to District formation.
- 2.16 "**Sewer Service Line**" means the sewer line from the Building being served by the District to the Sewer Main.
- 2.17 "**Sewer System**" means the system of sewer pipes, treatment facilities, and appurtenances owned and operated by the District for the purpose of collecting and treating human and domestic wastes from any User of the District's sewer services.
- 2.18 "**User**" means any Person to whom any water and/or sewer service is furnished by the District.

- 2.19** "**Water Main**" means any pipe or conduit owned and operated by the District for delivering water as so designated by the District to which the District may allow the connection of Water Service Lines. For the purpose of these Rules and Regulations, any water pipeline, and its appurtenances, that were not constructed solely by the District will not be considered a Water Main unless they were: (a) expressly accepted by the District at the time of District formation; or (b) deeded to and accepted in writing by the District subsequent to District formation.
- 2.20** "**Water Service Line**" means the water line from the Building being served by the District to the Water Main, exclusive of the water meter, meter pit, and the portion of the line from the Water Main to the water meter. Ownership of the Water Service Line is defined in section 5.2.1
- 2.21** "**Water System**" means the system of water pipes, treatment facilities, and appurtenances owned and operated by the District for the purpose of distributing water to any User of the District's water service.

CHAPTER III DISTRICT ORGANIZATION

3.1 Corporate Seal. The seal of the District shall be a circle containing the name of the District and shall be used in all places and in such manner as public and private corporations generally use seals. The Secretary shall have custody of the seal and shall be responsible for its safekeeping and care. (C.R.S. § 32-1-902(1)).

3.2 Office. The principal office of the District shall be at the South Well House and Waste Water Treatment Plant at 15670 Elmira Street, Brighton, Colorado 80602, but the Board may designate and locate and relocate the District's principal office as in its judgment is needed to conduct the business of the District. (C.R.S. § 32-1-904).

3.3 Meetings.

3.3.1 Regular Meetings. Regular meetings of the Board shall be held on the first Thursday of each month at 7:00 p.m. at such place designated by the Board. (C.R.S. § 32-1-903(1)).

3.3.2 Notice. Notice of the time and place designated for all regular meetings shall be posted in at least three public places within the limits of the District, and, in addition, one such notice shall be posted in the office of the clerk and recorder of Adams County. Such notices shall remain posted and shall be changed in the event that the time or place of such regular meetings is changed. (C.R.S. § 32-1-903(2)).

3.3.3 Special Meetings. Special meetings of the Board may be held as often as the needs of the District require. Special meetings may be called by any Director by informing the other Directors of the date, time, and place of such special meeting, and the purpose for which it is called, and by posting notice as provided herein at least seventy-two (72) hours prior to said meeting. (C.R.S. § 32-1-903).

3.4 Conduct of Business.

3.4.1 Board of Directors.

A. Authority. The business and affairs of the District shall be managed by the Board in accordance with the Special District Act. All powers, privileges and duties vested in or imposed upon the District by law shall be exercised and performed by and through the Board, whether set forth specifically or implied in these Rules and Regulations. The Board may delegate to officers and employees of the District any or all executive, administrative, and managerial powers.

B. Number. There shall be five (5) members of the Board.

C. Qualifications and Oath of Office. The members of the Board shall be Eligible Electors of the District. (C.R.S. § 1-4-501(1)). Each Board member, within thirty (30) days after his election except for good cause shown and before assuming the responsibilities of his office, shall take and subscribe an oath of office. The oath may be administered by the clerk and recorder of Adams County, by the clerk of the Court, by any individual authorized to administer oaths in Colorado, or by the chairman of the Board and shall be filed with the clerk of the Court and with the Division. (C.R.S. § 32-1-901(1)).

D. Faithful Performance Bond. At the time of filing said oath, there shall also be filed for each Board member an individual, schedule, or blanket surety bond at the expense of the District, in an amount determined by the Board of not less than \$1,000 each, conditioned upon the faithful performance of each Board member's duties as a Director. (C.R.S. § 32-1-901(2)).

E. Compensation. Each member of the Board may receive as compensation for his service a sum not to exceed that allowed by the Special District Act and as determined by the Board. No member of the Board shall receive any compensation as an employee of the District or otherwise, other than that

provided in this section. Reimbursement of actual expenses for Directors shall not be considered compensation. (C.R.S. § 32-1-902(3)).

F. Term. Except for vacancies as described herein, the term of office for Directors shall be four (4) years. (C.R.S. § 32-1-305.5(3)).

G. Vacancies.

(1) The Board of Directors may deem a director's office to be vacant upon the occurrence of any one of the following events prior to the expiration of the term of office:

(a) If for any reason a properly qualified individual is not elected to a Director's office by the Eligible Electors as required at a Regular Election;

(b) If the individual who was duly elected or appointed fails, neglects, or refuses to subscribe to an oath of office.

(c) If the individual who was duly elected or appointed submits a written resignation to the Board;

(d) If the individual who was duly elected or appointed ceases to be qualified for the office to which he/she was elected;

(e) If the individual who was duly elected or appointed is convicted of a felony;

(f) If a court of competent jurisdiction voids the election or appointment or removes the individual duly elected or appointed for any cause whatsoever, but only after his/her right to appeal has been waived or otherwise exhausted;

(g) If the individual who was duly elected or appointed fails to attend three consecutive regular meetings of the Board without the Board having entered upon its minutes an approval for an additional absence or absences; except that such additional absence or absences shall be excused for temporary mental or physical disability or illness; or

(h) If the individual who was duly elected or appointed dies during his/her term of office. (C.R.S. § 32-1-905(1)).

(2) Any vacancy on the Board shall be filled within sixty (60) days by appointment by the remaining Director or Directors, the appointee to serve until the next Regular Election at which time the vacancy shall be filled by election for any remaining un-expired portion of the term. (C.R.S. § 32-1-905(2)).

(3) All vacancy appointments shall be evidenced by an appropriate entry in the minutes of the meeting, and the Board shall cause a notice of appointment to be delivered to the individual(s) so appointed. A duplicate of each notice of appointment, together with the mailing address of the individual(s) so appointed, shall be forwarded to the Division. (C.R.S. § 32-1-905(3)).

3.4.2 Notifications. On or before January 15 of each year, the District shall notify the Division, as well as the board of county commissioners, the county assessor, the county treasurer, and the county clerk and recorder of Adams County, of the name of the chairman of the Board, the names of the other Board members, the contact person, the telephone number, and the business address of the District. (C.R.S. § 32-1-104(2)).

3.4.3 District Business. All official business of the Board shall be conducted only during a regular or a special meeting at which a Quorum is present. This "presence" can be in person, or remotely by speaker telephone or other loud speaker electronic device. A person may participate in the meeting from a remote location, if they give the chair prior notification of their intended absence. Only one board member per meeting shall be able to participate from a remote location. All meetings shall be open to the public. (C.R.S. § 32-1-903(2)).

3.4.4 Vote Requirements. Unless otherwise provided in these Rules and Regulations, any action of the Board shall require the affirmative vote of the majority of the Directors present and voting when a Quorum is present. A Quorum is considered to be 3 or more Directors.

3.4.5 Order of Business. Unless otherwise agreed by the Board, the business of all regular meetings of the Board shall be transacted as far as practicable in the following order:

- A. Roll Call
- B. Consideration and Approval of the Minutes of the Previous Meeting
- C. Public Hearings
- D. Public Comment

- E. Consideration and Approval of Bills
- F. Financial Report
- G. Monthly Reports
- H. Old Business
- I. New Business
- J. Correspondence
- K. Other Business
- L. Adjourn

The Board Chair shall prepare an agenda for each Board meeting and all Persons desiring to appear before the Board for any purpose at a regular meeting shall make known such desire to the Chair in writing at least ten (10) days prior to such regular meeting.

3.4.6 Minute Book. All resolutions, motions and minutes of each Board meeting shall, within a reasonable time after their passage, be recorded in a book kept for that purpose and shall be signed by the President and Secretary of the Board. (C.R.S. § 32-1-902(1)).

3.4.7 Executive Sessions.

A. An executive session may be held only at a regular or special meeting after the Board has publicly announced the topic(s) that will be discussed in the executive session and has obtained the affirmative vote of two-thirds of the Quorum present on a motion to enter into executive session. In announcing the topic for discussion, the Board must include the specific citation to the statute authorizing the Board to meet in an executive session, and must identify the particular matter to be discussed in as much detail as possible without compromising the purpose for which the executive session is authorized. If the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. (C.R.S. § 24-6-402(4)).

B. An executive session may be held only for the purpose of considering any of the following topics:

(1) Purchase, acquisition, lease, transfer, or sale of any real, personal, or other property interest; provided, however, that an executive session may not be held for the purpose of concealing the fact that a member of the Board has a personal interest in a particular property transaction. (C.R.S. § 24-6-402(4)(a)).

(2) Conferences with an attorney for the District for the purposes of receiving legal advice on specific legal questions. (C.R.S. § 24-6-402(4)(b)).

(3) Matters required to be kept confidential by a specific federal or state law, rule or regulation to which the Board specifically refers on the record. (C.R.S. § 24-6-402(4)(c)).

(4) Specialized details of security arrangements or investigations. (C.R.S. § 24-6-402(4)(d)).

(5) Developing strategy for negotiations, instructing negotiators, and determining positions relative to matters that may be subject to negotiations. (C.R.S. § 24-6-402(4)(e)).

(6) Personnel matters; provided, however, that an executive session may not be called:

(a) If the employee who is the subject of the executive session has requested an open meeting; or if the personnel matter involves more than one employee, and all the employees have requested an open meeting; or

(b) For the purpose of discussing members of the Board, any elected official, or the appointment of a person to fill the office of either a member of the Board or an elected official, or general personnel policies. (C.R.S. § 24-6-402(4)(f)).

(c) Consideration of any documents protected by the mandatory nondisclosure provisions of the Colorado Open Records Act pursuant to part 2 of article 72 of title 24, C.R.S. (C.R.S. § 24-6-402(4)(g)).

(d) No adoption of any proposed policy, position, resolution, rule, regulation, or formal action shall occur at any executive session that is not open to the public. (C.R.S. § 24-6-402(4)).

C. Recording the Executive Session

(1) Discussions that occur in the executive sessions will be recorded electronically. (C.R.S. § 24-6-402(2)(d.5)(II)(A)).

(2) The record of the executive session must include a statement identifying the specific topic(s) to be discussed in the executive session and the specific citation to the statute authorizing the Board to meet in an executive session on those topic(s). (C.R.S. § 24-6-402(2)(d.5)(II)(A)).

(3) The Board need not record any portion of a discussion that

constitutes a privileged attorney-client communication pursuant to the opinion of the District's attorney who is in attendance at the executive session. The record must state that no further record of the discussion was kept based on the opinion of the District's attorney that the discussion constitutes a privileged attorney-client communication. (C.R.S. § 24-6-402(2)(d.5)(II)(B)).

(4) The Board shall retain the record of an executive session for a minimum of ninety (90) days after the date of such executive session. (C.R.S. § 24-6-402(2)(d.5)(II)(E)).

3.5 Officers.

3.5.1 Election of Officers. The Board shall elect from its membership a President (who shall also serve as Chair of the Board), a Secretary and a Treasurer who shall be the officers of the Board and of the District. The Secretary and Treasurer may be one individual. The election of officers shall be held biennially at the first regular meeting of the Board after a Regular Election. Each officer so elected shall serve for his specified term of office until such term shall expire upon the election of his successor. See 3.4.4.

3.5.2 President or Chair. The President or Chair shall preside at all meetings, and shall be the chief executive officer of the District. Without limiting the forgoing and except as otherwise authorized, the President shall: (a) sign all contracts, deeds, notes and debentures on behalf of the District; (b) act as the representative and spokesperson for the District when dealing with all government and private enterprises; (c) exercise all duties and perform all supervisory and management activities as authorized by law, as designated by the Board, and/or as designated by these Rules and Regulations; and (d) perform all duties incident to the office of President or Chair.

3.5.3 Secretary. The Secretary shall keep the records of the District; shall act as Secretary at the meetings of the Board and record all votes and compose a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to the office of Secretary. The Secretary shall be custodian of the corporate seal of the District and shall have the power to affix such seal to all contracts and instruments authorized to be executed by the District. (C.R.S. § 32-1-902(1)).

3.5.4 Treasurer. The Treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records. The Treasurer shall file with the clerk of the Court, at the expense of the District, a corporate fidelity bond in an amount determined by the Board of not less than \$5,000, conditioned

on the faithful performance of the duties of his office. (C.R.S. § 32-1-902(2)). The Treasurer shall be the officer next in authority after the President. The Treasurer shall perform such duties and exercise such powers as are appropriate and as are prescribed by the Board or the President. Without limiting the foregoing and except as otherwise authorized, the Treasurer shall: (a) report on the state of the accounts at Board meetings; (b) manage all fees, licenses and other financial items associated with District operations; and (c) perform all duties incident to the office of Treasurer. Upon the death, absence or disability of the President, the Treasurer shall perform the duties and exercise the powers of the President.

3.5.5 Additional Duties. The officers of the Board shall perform such other duties and functions as may be required from time to time by the Board, by these Rules and Regulations, or by special exigencies, which shall later be ratified by the Board.

3.5.6 Vacancies. Any vacancy occurring in any office shall be filled for the unexpired term by appointment through action of the Board.

3.6 Other Personnel. The Board may retain such other agents, employees, engineers, attorneys and consultants, as the Board deems necessary. The selection of such agents, employees, engineers, attorneys, and consultants by the Board shall be based upon their relative qualifications and capabilities, and shall not be based on political services, affiliations or associations with the District. Agents and employees shall hold their offices at the pleasure of the Board. Contracts for professional services of engineers, attorneys, and consultants may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

3.7 Indemnification. Any individual who at any time shall serve, or shall have served, as Director, officer, or employee of the District, and the heirs, executors, and administrators of such individual, shall be indemnified by the District against all costs and expenses (including but not limited to attorney fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding, whether civil, criminal, administrative or other, in which he or they may be involved by virtue of such individual's being or having been such Director, officer, or employee; provided, however, that such indemnity shall only apply to such individual's acts occurring during the performance and within the scope of his/her duties as a Director, officer, or employee, and such indemnity shall not be operative with respect to: (a) any matter as to which such individual shall have been finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his/her duties as such Director, officer, or employee; or (b) any matter settled or compromised, unless, in the opinion of the Directors, there is no reasonable ground for such individual being adjudged liable for negligence or misconduct in the performance of his/her

duties as Director, officer, or employee; or (c) any amount paid or payable to the District by other enterprises. The foregoing indemnification shall be deemed exclusive of any other rights to which those indemnified may be entitled under any law, agreement or otherwise.

3.8 Conflict of Interest. Any Director shall disqualify himself/herself from voting on any issue in which he/she has a potential conflicting interest unless such Director has given seventy-two (72) hours' actual advance written notice to the secretary of state and to the Board of the existence of a known potential conflicting interest of said Director in the transaction with reference to which he/she is about to act as a Director. For the purposes of this section, a "potential conflicting interest" exists when said Director is a director, president, general manager, or similar executive officer or owns or controls directly or indirectly a substantial interest in any non-governmental entity participating in the transaction. Such disqualified Director shall not be counted for purposes of constituting a Quorum or for purposes of the vote. (C.R.S. §§ 18-8-308, 32-1-902(3)). Directors shall also comply with the applicable provisions of the State's Code of Ethics at C.R.S. §§ 24-18-101 et seq.

CHAPTER IV GENERAL DISTRICT OPERATIONS

4.1 District Budgeting. The fiscal year of the District shall commence on January 1 of each year and end on December 31. Budgeting for the District shall comply with the Local Government Budget Law of Colorado, C.R.S. §§ 29-1-101 et seq.), the Special District Act, C.R.S. §§ 32-1-101 et seq., and other applicable laws. Annual auditing of the District's financial statements shall be performed in accordance with the Colorado Local Government Audit Law, C.R.S. §§ 29-1-601 et seq. (as amended).

4.2 Elections. Elections of the District will be held in accordance with applicable state election laws.

4.3 Communications with Residents

4.3.1 Flag System. Flag poles are located at the north entrance to the Hi-Land Acres Subdivision on Lomand Circle, and at the south entrance to the Hi-Land Acres Subdivision on Elmira Street, on which flags of several colors may be displayed. When no flag is displayed, the District does not have any information to pass on to the residents of the District. When flags are displayed on these poles, they signify the following communication to the residents of the District:

A. Yellow Flag -- Outside watering is authorized per the schedule published annually in the District's Spring Newsletter. Residents who do not comply with

these watering restrictions while the yellow flag is displayed are subject to penalties as defined by the Board.

B. Red Flag -- Outside watering is NOT authorized. Residents who perform outside watering while the red flag is displayed are subject to penalties as defined by the Board.

C. Blue Flag – Go to the district’s web site for communication from the District. A blue flag may be displayed alone or in combination with other colored flags.

Non conformance fees will be assessed for violations of this policy. See Section 11.6

4.3.2 Newsletters. The District will publish the Transparency Notice per the DOLA web site January of each calendar year to conform to the state law. The District will also publish an annual Spring Newsletter in May or June for the purpose of providing information on outdoor watering and other relevant issues that need to come to the attention of the District.

CHAPTER V RULES OF GENERAL APPLICABILITY

5.1 Limitation on District Liability. Without in any way restricting the limitations on liability under Colorado law, the District shall not be liable or responsible for inadequate pressure at any point within the Water System, or for interruptions in water or sewer service; and shall not be liable for damages of any kind caused in whole or in part by reason of the following:

- (a) Failure of the water supply.
- (b) Shutting off or turning on water in the Water Mains, or inadequate or fluctuating water pressures in the Water Mains.
- (c) Shutting off any Water Service Line or Sewer Service Line as part of an enforcement action against the Owner of the property served by said line.
- (d) Making any connection or extension to the Water System or Sewer System.
- (d) Water running or escaping from open or defective faucets, burst house pipes, Water Service Lines, Sewer Service Lines, or any other facilities not owned or operated by the District.

- (f) Any activity which is deemed necessary by the Board in order to protect, operate, maintain, repair, and/or replace the Water System or Sewer System, or in order to protect the health, safety and welfare of the residents of the District.

5.2 Service Lines.

5.2.1 Owner's Responsibility. Water Service Lines and Sewer Service Lines are not, and shall not become, the property or responsibility of the District. The Owner of the property served by these lines is solely responsible for the operation, maintenance, repair, and replacement of these lines and is solely liable for any damage associated with, or related to, whether in whole or in part, these lines. The District is not, and shall not, be liable in any way for any damage caused by, associated with, or related to, whether in whole or in part, any Water Service Line or Sewer Service Line including, without limitation, the inadequacy or malfunction of any of these lines.

5.2.2 Connection during Construction of District Facilities. During the construction of new water and sewer facilities for the Water System and Sewer System, circumstances may arise in which it is expedient and/or necessary to connect certain existing Water Service Lines to the Water System, or Sewer Service Lines to the Sewer System. When such circumstances are found to exist, the Board may authorize the connection of such Service Lines to the Water System or Sewer System for the purpose of maintaining existing services or avoiding the necessity of maintaining duplicate lines. By authorizing such connections: (a) the District has not, and does not, accept those lines as part of the Water System or Sewer System; (b) the District is not, and shall not, be deemed responsible for the operation, maintenance, repair, or replacement of those lines; and (c) the District is not, and shall not, become liable for those lines.

5.3 Connection Approval.

5.3.1 Application Required. Any Person desiring to obtain water or sewer services from the District shall make written application for connection approval to the Water System and/or Sewer System upon the application form provided by the District.

5.3.2 Application Contents. Application shall be made to the District by the Owner, or his authorized representative, and shall include, without limitation: (a) the full description of the premises to be served; (b) the type of fixtures to be used, if known; (c) the name of the contractor or other individual who will be performing the work, if known; and (d) the Owner's agreement to comply with the District's Rules and Regulations. A map (drawing) on 24 x 36 paper at a scale large enough to properly convey all information required by the District including, at a minimum, the actual or proposed size and footprint for the building; the actual or proposed location for service connections to the building; and the actual or proposed number and type of fixtures shall also be submitted.

5.3.3 Application Fees. Each such application submitted to the District shall be accompanied by a nonrefundable fee of \$100.00 for water service request for a single

basic unit and \$100.00 for a sewer service request for a single basic unit. Any costs associated with the review of this application by an engineer or other outside contractor shall be the responsibility of the applicant.

5.3.4 Application Review. In its review of any application for connection approval, the District reserves the right to deny or limit water and/or sewer service and to condition its connection approval if such denial/limitation/condition is in the best interests of the District. Factors that the District may consider when making this determination include, but are not limited to, the following:

- (a) The proposed connection to the Water System would constitute a cross-connection to an unsafe water supply.
- (b) The service applied for would create an excessive seasonal or other demand upon the Water System; and/or an excessive load upon the Sewer System.
- (c) The proposed connection would result in water and/or sewer uses prohibited by these Rules and Regulations.
- (d) The proposed connection would not conform to the District's design requirements and/or District Specifications.
- (e) The proposed connection would create a hazard to the health, safety or welfare of the residents of the District.
- (f) The proposed connection would serve property which is not included within the boundaries of the District.
- (g) Any uncertainties in the application for connection approval

5.3.5 Revocation of Connection Approval. Any connection approval by the District shall not be effective until the applicable Water and/or Sewer Tap Fees and System Development Fees are paid in full. The District reserves the right to revoke any connection approval at any time before all applicable fees are paid. The District also reserves the right to revoke any connection approval at any time (including after the connection has been made) if it is determined that the proposed or actual connection and/or the use associated with that connection is materially different from: (a) the application for connection approval or the plans furnished the District; (b) the representations made to the District; and/or (c) the inspections made by the District upon which such connection approval was made.

5.3.6. Expiration of Connection Approval. Once all applicable Tap Fees and System Development Fees are paid, the connection approval will be valid for a limited time. Except for good cause shown, if construction of the Building is not complete and the respective certificate of occupancy not issued within twelve (12) months for single family

homes or duplexes and eighteen (18) months for all other structures, the connection approval will be revoked and the applicable Tap Fees and System Development Fees, less a 25% service charge, will be refunded with no interest. If the connection approval is revoked, the District will notify the building permit issuing authority that the District has revoked the connection approval and that the District no longer approves the building permit for the Building. The Owner may, at a later time, apply for and pay for a new connection for the Building at the then current cost, but there is no guarantee that approval of that connection will be approved.

5.3.7 Connection Approvals Not Transferable. Each connection approval shall be valid only for the connection and the property described in the application and shall not be transferable to any other property. A connection approval may be sold, transferred, conveyed or assigned to a new Owner of the property to which the connection approval applies so long as the District receives written notice of such sale, transfer, conveyance, or assignment which is signed by the original Owner and the new Owner of the property to which the connection approval applies.

5.4 Inspections. The District shall have the right to enter upon any premises being served, either directly or indirectly, by the Water System and/or Sewer System at any reasonable hour, and at any time during an emergency, for the purpose of making inspections of any facilities connected, either directly or indirectly, to these systems; and, when necessary, for the purpose of repairing any such facilities to protect the Water System and/or Sewer System.

5.5 Inclusions and Exclusions. The boundaries of the District may be altered by the inclusion or exclusion of real property as provided in the Special District Act at C.R.S. §§ 32-1-401 et seq. and 501 et seq., respectively. Each petition for inclusion or exclusion shall be accompanied by a nonrefundable fee of \$500.00 for legal, administrative and publication costs. Additional costs which may be incurred by the District for the requested inclusion/exclusion (e.g., election costs) shall be paid by the petitioner prior to Board action on the petition. Any Person seeking to include property within the District or exclude property from the District is encouraged to meet with the Board prior to filing any petition for such inclusion or exclusion to review the procedures and requirements, and the determinations the District must make before approving the proposed inclusion or exclusion.

5.6 Extension of Water Main or Sewer Main.

5.6.1 Extension Approval Required. No extension of a Water Main or Sewer Main shall be constructed without the approval of the Board. Once Board approved, all extensions of a Water Main or Sewer Main shall be governed by a separate line extension agreement between the District and the Person constructing the extension.

5.6.2 Cost of Extensions. The Person requesting water and/or sewer service from the District that requires an extension of a Water Main and/or Sewer Main may be required by the Board to pay the full cost of that extension including, without limitation the cost

of: any studies and analyses necessitated by the request, plan review, administration, legal review, construction, and inspection.

5.6.3 Plan Review. Construction plans and specifications for all extensions of a Water Main or Sewer Main shall be submitted to the Board for review, together with a nonrefundable design review fee established by the Board to cover its costs of review which may include any technical review by a third party consultant. Construction plans and specifications shall be prepared by a Colorado-Registered Professional Engineer and shall include all necessary drawings, calculations, and specifications to enable review by the District and to confirm that the extension will comply with the minimum specifications set forth in these Rules and Regulations and the District Specifications. All extensions of a Water Main or Sewer Main shall be in dedicated and recorded easements or rights of way.

5.6.4 Construction. Prior to commencing construction on any extension to a Water Main or Sewer Main: (a) the construction plans and specifications must be approved by the District and by all other reviewing agencies; (b) all applicable fees assessed by the District must be fully paid; and (c) all required federal, county, town, and state permits must have been obtained and fees paid or waived.

5.6.5 Acceptance by the District. Before any extension of a Water Main or Sewer Main is accepted by the District for service, the extension must be inspected and approved by the District, and the Person who installed the extension must: (a) deed such extension, together with all appurtenances and all necessary easements and rights-of-way, to the District free and clear of all liens and encumbrances; (b) provide to the District a certified as-built survey that properly describes the extension; and (c) provide a warranty bond satisfactory to the District to cover all maintenance for two (2) years from the date of the acceptance of the extension by the District.

CHAPTER VI RULES PERTAINING TO SEWER SYSTEM

6.1 Purpose. The Sewer System has been installed for the purpose of conveying human and domestic wastes. Except as specifically authorized, the Sewer System is not to be used for conveying industrial wastes, lowering the water table, or carrying away drainage waters.

6.2 Independent Connection. The plumbing system in each Building connected to the Sewer System shall be separate and independent from that in every other Building, and each Building shall have an independent, separate, and distinct connection with the Sewer System through that Building's own Sewer Service Line.

6.3 Repair and Maintenance of Sewer Service Lines. Each Owner shall be responsible for maintaining the entire length of his/her Sewer Service Line. Leaks or breaks in the Sewer

Service Line shall be repaired by the Owner within seventy-two (72) hours of notification of such conditions by the District. If satisfactory progress for repairing said leak/break has not been accomplished within that time period, or if the District determines in its sole discretion that an immediate repair is required, the District may, at the Owner's expense, cause satisfactory repairs to be made.

6.4 Prohibitions.

6.4.1 Storm, Industrial Process, and Other Waters. No Person shall cause to be discharged into the Sewer System any storm water, surface water, ground water, roof run-off, subsurface drainage, cooling water, or industrial process waters (as defined by the Colorado Department of Public Health and Environment and/or the United States Environmental Protection Agency).

6.4.2 Damaging Substances. No Person shall cause to be discharged into the Sewer System any wastes or materials capable of: (a) causing damage to any component of the Sewer System; (b) obstructing the flow within any component of the Sewer System; or (c) posing a hazard to personnel operating, maintaining, and/or repairing the Sewer System. Without limiting the foregoing, such prohibited wastes/materials may include, but are not limited to, such items as kitchen grease, automotive or mechanical greases and oils, and/or other substances that may harm the bacterial and chemical treatment of the wastes within the Sewer System.

6.4.3 Automotive Washing Facilities. No service station wash rack or other automotive/vehicle washing and/or cleaning facility shall be connected to the Sewer System unless a special permit therefore is obtained from the Board after public hearing and determination that such connection will not be detrimental to the best interests of the District. Each such permit, if approved and issued, shall specify and define the terms and conditions under which waters from these facilities may be discharged into the Sewer System.

6.4.4 Physical Damage. No Person shall willfully, intentionally, recklessly or negligently break, damage, destroy, uncover, deface or tamper with, any structure, appurtenance or equipment which is a part of the Sewer System.

6.4.5 Swimming Pools. No public or private swimming pool shall be connected to the Sewer System unless a special permit therefore is obtained from the Board after public hearing and determination that such connection will not be detrimental to the best interests of the District. Each such permit, if approved and issued, shall specify and define the terms and conditions under which waters from these facilities may be discharged into the Sewer System including, without limitation, the hours during which waters from these facilities may be discharged.

6.4.6 Cess Pool and Septic Tanks. No connection to the Sewer System shall be permitted when the Sewer Service Line for such connection extends through, or from, a

cess pool or septic tank. Dumping of septic wastes or loads of waste from septic waste disposal trucks or companies into the Sewer System is prohibited.

6.4.7 Industrial Wastes. No manufacturing, processing or industrial facility shall discharge any waste into the Sewer System unless a special industrial discharge permit is first obtained from the Board after public hearing and determination that such connection will not be detrimental to the best interests of the District. Such industrial permit, if approved and issued, shall state the nature of the waste which said facility may discharge into the Sewer System and the fees to be charged for said discharge. The Board shall consider each application for such special industrial waste discharge permit separately and shall establish the fees therefore and the conditions thereof on an individual basis.

6.5 Construction Specifications - Extensions of Sewer Mains.

6.5.1 Minimum Specifications. No extension of a Sewer Main shall be connected to the Sewer System unless the following minimum specifications are complied with:

- (a) The Standard Specifications for Street, Alley, Sewer and Bridge Construction of Adams County.
- (b) The following supplementary specifications for extensions of Sewer Mains shall also be complied with:
 - (1) All sewer pipes shall be PVC-SDR 35.
 - (2) All joints shall be a-Ring, Plasticol, or gasket type joints.
 - (3) Cement mortar joints shall not be permitted.
 - (4) All extensions of Sewer Mains shall terminate in manholes.
 - (5) All extensions of Sewer Mains shall be installed in sufficient length to enable the farthest upstream connection to be made at 90° to the Sewer Main and not directly into a manhole.
 - (6) All extensions of Sewer Mains shall be a minimum of eight inches (8") inside diameter.
 - (7) No extension of a Sewer Main, or portion thereof, shall be constructed at a gradient of less than 0.4%.

6.5.2 Inspection. Unless otherwise approved by the District, no trench for an extension of a Sewer Main shall be backfilled until that extension, the appurtenances to that

extension, and the connection of that extension to the Sewer Main, has been inspected by the District and an authorized District representative has indicated that the provisions of these Rules and Regulations appear to have been fully complied with by signing on the inspection line of the line extension agreement authorizing the extension.

6.6 Construction Specifications - Sewer Service Lines.

6.6.1 Minimum Specifications. No Sewer Service Line shall be connected to the District's Sewer System unless the following minimum specifications are complied with:

- (a) All Sewer Service Lines shall be of not less than four inch (4") inside diameter pipe throughout their entire length.
- (b) All Sewer Service Lines shall be laid without pockets or low spots.
- (c) Clean-out apertures shall be provided on all Sewer Service Lines at intervals not exceeding 100 feet and at all bends in the pipe.
- (d) Minimum grade for Sewer Service Lines shall be as follows:

<u>Pipe Size</u>	<u>Gradient</u>
4" pipe	1/8th inch per ft
6" pipe	0.64%
8" pipe	0.40%

6.6.2 Inspection. No trench for a Sewer Service Line shall be backfilled until that Line, and the connection of that Line to the Sewer Main, has been inspected by the District and an authorized District representative has indicated that the provisions of these Rules and Regulations appear to have been fully complied with by signing on the inspection line of the connection approval authorizing the connection.

**CHAPTER VII
RULES PERTAINING TO WATER SYSTEM**

7.1 Independent Connection. The water lines in each Building connected to the Water System shall be separate and independent from the water lines of every other Building, and each Building shall have an independent, separate and distinct connection with the Water System through that Building's own Water Service Line.

7.2 Repair and Maintenance of Water Service Lines. Each Owner shall be responsible for maintaining the entire length of his/her Water Service Line. Leaks or breaks in Water Service Lines shall be repaired by the Owner within seventy-two (72) hours of notification of such conditions by the District. If satisfactory progress for repairing said leak/break has not been accomplished within that time period, or if the District determines in its sole discretion that an

immediate repair is required, the District may, at the Owner's expense, cause satisfactory repairs to be made. The District shall be responsible for maintenance of water meters and the meter pits.

7.3 Prohibitions.

7.3.1 Hydrant Wrench or Valve Shut-Off Key. It shall be unlawful for any Person other than authorized personnel to use a hydrant wrench or valve shut off key on the Water System.

7.3.2 Physical Damage. No Person shall willfully, intentionally, recklessly, or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is a part of the Water System.

7.3.3 Water Service through Fire Hydrants. No Person shall obtain water from a fire hydrant connected to the Water System unless a special permit therefore is obtained from the Board after public hearing and determination that such use will not be detrimental to the best interests of the District. Each such permit, if approved and issued, shall specify and define the terms and conditions under which the water may be obtained from the fire hydrant.

7.4 Construction Specifications - Extension of Water Mains.

7.4.1 Minimum Specifications. No extension of a Water Main shall be connected to the Water System unless the following minimum specifications are complied with:

- (a) The minimum specifications of the Denver Water Board shall be the minimum required specifications for extensions of Water Mains.
- (b) The following supplementary specifications for extensions of Water Mains shall also be complied with:
 - (1) The size of the Water Main shall be determined by the District but, in no event, shall an extension of a Water Main have an inside diameter of less than six inches (6”).
 - (2) All extensions of Water Mains shall be installed to the midpoint of the farthest property to be served by the extension.
 - (3) Where necessary, pumping stations and pressure regulators will be installed to ensure adequate water pressures and to protect against excessive water pressures throughout the Water System.
 - (4) The pipe used for Water Main extensions shall be PVC C-900, DR-14, and pressure class 200.

7.4.2 Inspections. Unless otherwise approved by the District, no trench for an extension of a Water Main shall be backfilled until that extension, the appurtenances to that extension, and the connection of that extension to the Water Main, have been inspected by the District and an authorized District representative has indicated that the provisions of these Rules and Regulations appear to have been fully complied with by signing on the inspection line of the line extension agreement authorizing the extension.

7.5 Construction Specifications - Water Service Lines.

7.5.1 Minimum Specifications. No Water Service Line shall be connected to the Water System unless the following minimum specifications are complied with:

- (a) All taps to the Water Main shall be made by a licensed and bonded plumber approved by the District, or a District representative or contractor hired by the District.
- (b) Double strap brass tapping saddles or a manufactured tapped coupling with brass insert shall be used on all pipe, and on any Water Main.
- (c) All Water Service Lines shall be installed at right angles to the Water Main.
- (d) All Water Service Lines and all accessories thereto, including corp stops, curb stop, box, meter pit, and meter shall be installed by a licensed and bonded plumber approved by the District, and in accordance with the Technical Plumbing Code of the State of Colorado, the Uniform Plumbing Code, and the applicable local building code.
- (e) All Water Service Lines shall be of Type K soft copper tubing and all fittings thereon shall be of brass or copper alloy. All connections shall be made by compression couplings
- (f) All Water Service Line sizes, taps and meter sizes shall be as specified by the District. In no event shall any Water Service Line of less than 3/4 inch inside diameter be connected to the Water System.
- (h) All meters installed upon Water Service Lines connected to the Water System shall be purchased by the District and installed in frost-proof meter pits. All meters shall be located immediately outside of the Owner's property line within a right-of-way or an easement dedicated to the District. All meters shall be set to the official grade established for the abutting street at the time the meter is installed. If the abutting street is not to official grade at the time of the installation of said meter, it shall be the responsibility of the Owner to raise or lower the meter pit as required when the official grade of the street is achieved.

(i) All Water Service Lines shall be placed at least five feet (5') below the established grade of the abutting street and, in any event, at least five feet (5') below the surface of the ground at all points.

(j) All water meters shall be the same size as the tap on the Water Main.

7.5.2 Inspection. No trench for a Water Service Line shall be backfilled until that Line, the appurtenances to that Line (including, without limitation, the water meter, meter pit, and curb stop), and the connection of that Line to the Water Main, have been inspected by the District and an authorized District representative has indicated that the provisions of these Rules and Regulations appear to have been fully complied with by signing on the inspection line of the connection approval authorizing the connection.

CHAPTER VIII FEES, CHARGES, AND BILLING

8.1 Water Fee Schedule.

8.1.1 Water Tap Fee. Before any Person may make any connection to the Water System, that Person shall pay to the District a Water Tap Fee in accordance with the following schedule, which is subject to change by the Board from time to time without notice at a duly convened regular or special meeting of the Board:

- (a) \$12,500 per Basic Unit for in-District properties.
- (b) \$15,000 per Basic Unit for out-of-District properties.

These Water Tap Fees are in addition to all of the purchase, installation, and construction costs of the Water Service Line and its appurtenances (including, without limitation, the water meter, meter pit, and curb stop) and the connection of that Water Service Line to the Water System, which costs must be paid separately by the Owner.

8.1.2 Monthly Water Service Fee.

- (b) Except as provided herein, and except as provided in any contractual arrangement between the District and the Owner/User of any Building, the Owner of any Building that is connected to the Water System shall be responsible for a Monthly Water Service Fee which is intended to cover said Owner's equitable share of the costs to operate, maintain, repair, replace, and upgrade the Water System and the costs to manage the District. The Monthly Water Service Fee will be computed by multiplying the Unit Water Rate (as established by the Board and as may be changed by the Board without notice at a duly convened regular or special meeting) by the number of Basic Units associated with the

Building. The Unit Water Rate for an out-of-District User shall be 1.5 times the rate for an in-District User.

The Unit Water Rate is a tiered rate structure dependent on total monthly water usage. The rate categories are as follows:

- 0 – 10,000 gallons
- 10,001 – 20,000 gallons
- 20,001 – 30,000 gallons
- 30,001 – 40,000 gallons
- 40,001 – 50,000 gallons
- 50,000 + gallons

B. The Monthly Water Service Fee will be assessed regardless of whether the Building is occupied. However, a temporary waiver of the Monthly Water Service Fee for a Building may be available from the District if the Building is catastrophically destroyed (*e.g.*, by fire, flood or other disaster) and, as a result of such destruction, the Building cannot be occupied. The decision to grant such a temporary waiver and the terms and conditions of such waiver shall be established by the Board in its sole discretion.

C. A Monthly Water Service Fee will be assessed against a Building to which the District has discontinued service for any reason.

8.1.3 Charges for Excess Water Usage. Excess water usage shall mean water use greater than 25,000 gallons per month per Basic Unit, and such excess usage shall be assessed at the following surcharges:

- | | | |
|-----|--------------------------|----------|
| (a) | 25,000 GPM to 34,999 GPM | \$300.00 |
| (b) | 35,000 GPM or more | \$600.00 |

The monthly excess water usage surcharge shall be in addition to all other fees, rates, penalties and charges assessed by the District and, except as expressly provided herein, will be assessed regardless of whether the Building is occupied. Where there are extenuating circumstances, the Board will consider a petition, made in person at a Board meeting, to modify the surcharge.

8.1.4 Reconnect Fee. If water services are discontinued at the request of the Owner or due to a payment delinquency or to an enforcement action by the District for non-compliance with these Rules and Regulations, a Reconnect Fee of \$225.00 will be charged to reinstate the discontinued service.

8.2 Sewer Fee Schedule.

8.2.1 Sewer Tap Fee. Before any Person may make any connection to the Sewer System, that Person shall pay to the District a Sewer Tap Fee in accordance with the following schedule, which is subject to change by the Board from time to time without notice at a duly convened regular or special meeting of the Board:

- (a) \$10,000 per Basic Unit for in-District properties.
- (b) \$15, 00 per Basic Unit for out-of-District properties.

These Sewer Tap Fees are in addition to all of the purchase, installation, and construction costs of the Sewer Service Line and its appurtenances and the connection of that Sewer Service Line to the Sewer System, which costs must be paid separately by the Owner.

8.2.2 Sewer System Development Fee. Any Person desiring to make any connection to the Sewer System shall pay to the District a separate Sewer System Development Fee for each tap to be issued. The amount of the fee is to be established by the Board as determined from time to time based upon periodic review of current needs. The Sewer System Development Fee for an out-of-District User shall be 1.5 times the fee for an in-District User.

8.2.3 Monthly Sewer Service Fee.

A. Except as provided herein, and except as provided in any contractual arrangement between the District and the Owner/User of any Building, the Owner of any Building that is connected to the Sewer System shall be responsible for a Monthly Sewer Service Fee which is intended to cover said Owner's equitable share of the costs to operate, maintain, repair, replace, and upgrade the Sewer System and the costs to manage the District. The Monthly Sewer Service Fee will be computed by multiplying the Unit Sewer Rate (as established by the Board and as may be changed by the Board without notice at a duly convened regular or special meeting) by the number of Basic Units associated with the Building. The Unit Sewer Rate for an out-of-District User shall be 1.5 times the rate for an in-District User.

B. The Monthly Sewer Service Fee will be assessed regardless of whether the Building is occupied. However, a temporary waiver of the Monthly Sewer Service Fee for a Building may be available from the District if the Building is catastrophically destroyed (*e.g.*, by fire, flood or other disaster) and, as a result of such destruction, the Building cannot be occupied. The decision to grant such a temporary waiver and the terms and conditions of such waiver shall be established by the Board in its sole discretion.

8.2.4 Failure to Pay Monthly Sewer Service Fee. Such failure will result in a lien being placed against the property. See 8.3.2.

8.3 Billing and Collection.

8.3.1 Billing. Statements for all fees, rates, penalties and charges will be sent monthly to the Owner unless such Owner requests that such statements be sent to some other party. Notwithstanding the Owner's request to send statements to another party, the Owner shall ultimately be responsible for any and all fees, rates, penalties and charges against his Building. Statements shall be due upon issuance by the District and shall become "past due" on the 20th day after issuance.

8.3.2 Perpetual Lien. Until paid, all billed fees, rates, penalties and charges shall constitute a first and perpetual lien on and against the property charged, and any such lien may be foreclosed in the manner provided by law. The District may, in addition to collecting such fees, rates, penalties and charges through lien foreclosure, discontinue service if same remains unpaid.

8.3.3 Collection of Past Due Accounts.

A. The account is considered to be past due if not paid by the 20th day of the current billing month. A monthly late fee of \$5.00 will be added to all past due account

B. As soon as the account is sixty (90) days past due, the District or District Representative (Billing Company) will notify the Owner and/or User by certified mail to his last mailing address that: (a) the account is ninety (90) days past due; (b) the Owner and/or user is now obligated to pay off the entire past due balance within 90 days; (c) the amount due in three monthly installments is 1/3 of the original past due amount, including late fees and other charges; (d) failure to make any of the three monthly payments will result in the discontinuation of water service to that address; (e) in the event of discontinuance, the entire past due balance plus the \$225 re-connect fee must be paid by a personal check (that that has cleared the bank) or cashier's check before water service will be allowed to resume.

The Board maintains the right to file a lien against the property in cases involving non-resolution of billing/collection issues.

The Board has the prerogative of relaxing the ninety day policy in cases where a proposal is presented in person at a Board meeting.

C. In addition to the interest, delinquency, and administrative charges, the Owner shall be responsible for all costs of collecting unpaid fees, rates, penalties and charges, including lien filing and foreclosing costs, lien release fees, costs of discontinuing and reinstating sewer and/or water service, and attorneys' fees.

D. The provisions in these Rules and Regulations on collection of past due accounts are included herein as guidance for the efficient collection of past due accounts. Compliance with the procedures outlined herein shall not be interpreted as a condition precedent to the collection of past due accounts or as a waiver of the District's right and intent to collect past due accounts through penalty, service discontinuance, foreclosure, and/or any other lawfully authorized mechanisms.

8.3.4 Release of Lien. The District has the option will file a lien release only when the delinquent account is made current by the payment (in cash or certified funds) of all current and past due fees, rates, penalties and charges.

8.3.5 Joint and Several Liability. The Owner and the User of the Building are jointly and severally liable for fees, rates, penalties and charges of the District. The District assumes no responsibility for any agreements between Owners and Users, regardless of how made, or whether the District was notified of such agreements. The District will hold the Owner and the User jointly and severally liable for all charges appurtenant to water and/or sewer service at the location where the service is provided.

CHAPTER IX OUT-OF-DISTRICT USERS

9.1 General. The Board may, if it appears advantageous to, and in the best interests of, the District, furnish water and/or sewer service to properties located outside the boundaries of the District, but under no circumstances shall the District construct any facilities at the District's expense to service properties located outside the District boundaries. The District may also consider furnishing water and/or sewer service to those out-of-District areas deemed by the state and/or county health departments to pose an actual or potential health threat.

9.2 Agreement Required. No connections to the Water System or Sewer System shall be permitted until the Owner of the out-of-District property desiring service and the District have

entered into a written agreement setting forth the terms and conditions of service. Such agreement shall provide, among other things, that the District's Rules and Regulations shall be applicable to said Owner, his successors and assigns; and may provide a requirement that the Owner of the out-of-District property file a petition for inclusion within the District.

9.3 Charges. Prior to connection to the Water System and/or Sewer System, the Owner of the out-of-District property desiring service shall comply with the connection approval requirements of these Rules and Regulations and such other connection requirements as the Board may deem appropriate. Fees and charges for water and/or sewer service shall be assessed as provided in these Rules and Regulations or as set forth in the written agreement authorizing the service, and all fees, rates, penalties and charges shall be billed and collected as provided in these Rules and Regulations.

9.4 Revocable License. In every case where the District furnishes water and/or sewer service to properties outside of the District, the District reserves the right to discontinue such service when, in the judgment of the Board, it is in the best interests of the District to do so, and such service shall constitute a revocable license.

CHAPTER X WATER RATIONING

10.1 Determination of Water Shortage.

10.1.1 A Board member shall have authority to declare at any time that a shortage or potential shortage of water supply exists in the District and that rationing of the water supply to water Users is necessary for the public health, safety, and welfare of the residents of the District.

10.1.2 Water in storage shall be deemed to be in short supply when the stored water volume drops to 172,000 gallons, which is 25% of the total storage volume of 686,000 gallons.

10.2 Adoption of Water Ration Plan and Notice. Upon determining that water rationing in the District is required, the Board shall adopt a plan for water rationing and give notice thereof to all water Users by whatever means the Board determines to be the most expedient. Failure of any Person to receive such notice shall not affect the validity, applicability, and/or enforceability of the plan.

CHAPTER XI PENALTIES

11.1 Notice. Except as otherwise provided herein, any Person found to be violating any of the provisions of these Rules and Regulations, or any formally adopted policy of the Board, will be served with written notice stating the nature of the violation and providing a reasonable time limit for satisfactory correction thereof.

11.2 Liability. Any Person violating any of the provisions of these Rules and Regulations, or any formally adopted policy of the Board, shall be liable to the District for any and all expense, loss, or damage occasioned by reason of such violation including attorneys' fees. The District may bring an action in any court of competent jurisdiction to enjoin, abate or seek damages for violations of these Rules and Regulations, or any formally adopted policy of the Board. In addition to any and all other rights and remedies the District may have, the District may impose a \$100 penalty assessment for each day of such violation. Any Person failing to pay any penalty assessed by the District shall be subject to any enforcement action authorized by these Rules and Regulations and/or Colorado law.

11.3 Service Discontinuance. The District may (in the case of water service) discontinue service for delinquencies in the payment of any fees, rates, penalties or charges after giving notice to the Owner and/or User of the property serviced by certified mail to the Owner's and/or User's last billing address and by notice affixed to the using property. Discontinuance of service may also be made by the District after giving notice as provided herein for any of the following reasons:

- (a) Misrepresentations made in the application for service including, without limitation, misrepresentations as to the Plumbing Facilities to be installed, or the use to be made of the Building.
- (b) Willful waste of water through improper or imperfect pipes, fixtures or otherwise, whether because of leaks, breaks or any other reason irrespective of fault or responsibility.
- (c) Failure to protect the Water and/or Sewer Service Lines and the connection of those Service Lines to the Water System and/or Sewer System, or to maintain fixtures and Plumbing Facilities in good order.
- (d) Abusing or damaging the District's Facilities.
- (e) Violation of any of the provisions of these Rules and Regulations, or any formally adopted policy of the Board.

11.4 Unauthorized Connections. Unauthorized connections to the Water System and/or Sewer System may be summarily disconnected by the District at the cost of the Owner of the property served by such unauthorized connection. Additionally, the Owner of the property served by such unauthorized connection shall be subject to a penalty assessment of \$100 for each

day (beginning at the day of discovery) that the unauthorized connection existed. The disconnection costs and the penalty assessment shall be charges that are billed and collected as provided in these Rules and Regulations.

11.5 Unauthorized Disconnections. No Water Service Line connected to the Water System and no Sewer Service Line connected to the Sewer System shall be disconnected therefrom without the prior approval of the District which shall specify as to how the disconnection shall be properly made. The District shall inspect and repair any unauthorized disconnection from the Water System and/or Sewer System and the costs of such inspection and repair shall be a charge that is billed and collected as provided in these Rules and Regulations.

11.6 Water Ration Plan Violations. Any Person violating any water rationing plan adopted by the Board shall be assessed the following penalties:

- (a) First violation - \$100.00;
- (b) Second violation in one rationing period - \$ 200.00
- (c) Third violation in one rationing period - \$ 300.00
- (d) Fourth violation in one rationing period - \$300.00 and a restrictor shall be installed in the violator's water line.

These penalties and the cost of installing any flow restrictors shall be charges that are billed and collected as provided in these Rules and Regulations.

11.7 Unauthorized Water Use. In those situations where the District determines that there has been unauthorized water use or use of water that has not been properly accounted for, the Person using that water shall, in addition to being subject to all other remedies provided herein, be liable for the cost of the water so used at the rate of five (5) times the highest applicable monthly water service rate fee, and the cost of obtaining any special authorization for such use. In implementing this provision, the Board may assume that no less than 5,000 gallons of water was unlawfully used if the amount of water so used has not been measured.

11.8 Other Remedies. The District shall, in addition to all other remedies provided for herein, have the right to all other civil, statutory, and/or criminal remedies available to the District under Colorado law including, without limitation, court actions for injunction and for demands for non-payment of fees, rates, charges, and penalties. Further and without limiting the foregoing, the Person who is the subject of such remedial actions shall be liable for all costs of such actions including, without limitation, court costs and reasonable attorneys' fees.