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27 October 2006

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**RULES AND REGULATIONS OF THE PARKVILLE WATER DISTRICT
27 OCTOBER 2006**

ARTICLE 1 – GENERAL PROVISIONS

1.1 – Purpose. The purpose of these rules and regulations is to provide for the control, management and operation of the water system of the Parkville Water District, including additions, extensions and connections thereto. These rules and regulations shall apply to and

bind all property owners and water users within the boundaries of the District and to all property owners and water users outside the District who are provided water service by the District.

1.2 – Policy. It is hereby declared that the following Rules and Regulations are in the public interest, and will serve a public use, and are necessary to promote the health, safety, security and general welfare of the persons served by the Parkville Water District.

1.3 – Definitions. Unless the context specifically indicates otherwise, the meaning of terms used in these rules and regulations shall be as follows:

Board means the Board of Directors of the Parkville Water District.

Connection charge means the payment to the District of a fee for the privilege of connecting to the water system.

Construction Water means water used on a temporary basis during construction of a new structure until a certificate of occupancy has been issued. It is not considered potable water. It does not include a remodel of a presently existing structure that is already tapped into the Water System. (4-2004)

Contiguous means in actual contact.

Cross Connection means any unprotected actual or potential connection or structural arrangement between a public or a consumer’s potable water system and any other source or system through which it is possible to introduce into any part of the potable system any used water, industrial fluid, gas, or substance not meeting drinking water requirements. By-pass arrangements, jumper connections, removable sections, swivel or changeover devices and other temporary or permanent devices through which or because of which “backflow” can or may occur are considered to be cross-connections.

Design Standards means the specifications as set forth by the District’s engineer as to the requirements for properly constructing a water distribution system.

Developer means any person responsible for installation of public water system distribution facilities.

Distribution Manager means the person hired by the District to oversee and direct all operations of the Water System excluding treatment plants and intake of water from streams, reservoirs, and wells, etc. He operates under the direction of the General Manager.

District means the Parkville Water District.

District service line means the line running from the water main to the property line of the user and includes the curb valve and water meter.

Engineer means a person currently registered by the State of Colorado to issue drawings and specifications for construction of water distribution facilities.

General Manager means the person hired by the District to oversee and direct all operations of the District.

Monthly means a calendar month or any part thereof.

Non-Potable Water means water that is not safe for human consumption or does not meet the requirements set forth in the State of Colorado Primary Drinking Water Regulations. It also includes water that is unsafe or unpalatable to drink because it contains pollutants, contaminants, minerals, or infective agents.

Owner means any person owning real property served by the District.

Plant Manager means the person hired by the District to oversee and direct all operations of water treatment plants and intake of water from streams, reservoirs, and wells, etc. He operates under the direction of the General Manager.

Person means individuals, partnerships, societies, firms, corporations, associations, trusts, organizations, company or other public, governmental or corporate entity, or instrumentality thereof.

Potable water means water free from impurities in amounts sufficient to cause disease or harmful physiological effects. The bacteriological, chemical, and radiological quality shall conform to the State of Colorado Primary Drinking Water Regulations. Potable Water is safe for drinking and cooking.

Private service line means the line from the curb valve at the property line to the user's structure. The decision as to the classification of a water line shall be at the sole and absolute discretion of the Board.

Shall means mandatory and "may" will be construed to be permissive.

Tap means the connecting, or the connection, of a private service line to a water main.

Tap Fee is also known as a connection charge.

User means any person using water from the Water System.

Water System means the water system owned and/or operated by the District.

Water main means a District owned pipeline, carrying potable water only, and installed in a public street or approved right-of-way to which service lines may be connected.

Water using property means any real estate within the District boundaries on which a water-using unit is located or intended to be located.

Water using unit means any space or any structure or building, movable, fixed, or otherwise, or any part or parcel of the same in which is installed a device, fixture, or method for using water.

ARTICLE 2 – PROHIBITIONS.

2.1 – Obtaining Water. No person shall obtain water from the Water System, nor shall any water be furnished to any person except by, through and under these Rules and Regulations.

2.2 - Other Systems. No person shall operate, own, manage, control or possess a commercial water system obtaining its water supply from any source for the purpose or with the effect of distributing water therefrom to any water using property or water using unit within the District.

2.3 – One Tap. No tap and service connection shall be connected to service more than one water using unit except where such water using unit is contiguous with another water using unit, is reasonably operated with such other water using unit, and must of necessity also have a common owner and further provided written permission is first obtained from the District.

2.4 – Connections between water using units. No water pipes shall be permitted to connect between one water using unit and another water using unit except pursuant to, and in accordance with these Rules and Regulations.

2.5 - Owner’s Land. No water pipes or water installations of any type whatsoever shall be laid, conducted or permitted to cross property not owned by the owner on whose property the tap and service connections from the water system originate.

2.6 – Supply to Others. No person or owner obtaining water from the water system shall supply water to any other water using unit for any water using unit not owned by him or where said water using unit or the owner thereof is not in complete compliance with the terms and provisions of these Rules and Regulations.

2.7 - Private Wells. Private lines, wells, mains and service connections existing and in use on the effective date of these Rules and Regulations, or the effective date of any previous Resolution

promulgating the Rules and Regulations of the District ("effective date"), shall not be enlarged nor shall the service connections be increased as to number or size in any private line, well, main or service connection, without written permission from the District. For the violation of this provision, the District shall shut off the water and discontinue service to the private line, main or service connection. After the "effective date" no further private wells shall be drilled within the corporate limits of the district without first getting written permission of the District.

2.8 – Duty to Update. In any situation where the water service and water using unit is not in full compliance with these Rules and Regulations, and such water service is interrupted, abandoned or discontinued for any reason, including that of obsolescence or repair, the water service and water using unit shall thereafter be repaired and/or reconstructed in full compliance with the applicable provisions of these Rules and Regulations.

2.9 – Damage No person shall willfully or negligently, break, damage, destroy, cover, uncover, deface or tamper with, or adjust, impair, obstruct, or trespass upon property of the District. Any person that does so shall be liable for all damages incurred by the District as a result of the perpetrator's actions including labor and materials used to repair any damage to the Water System and all attorney fees, court costs, expert witness fees and all out of pocket costs incurred by the District. All such damages shall be considered to be a water service charge as set forth in Article 9. The District shall be entitled to enforce its claims to damages as set forth in Article 9 and Article 16. (4-2004)

2.10 – Nondisturbance. No person shall uncover, alter, disturb, make any connection with, make an opening into, or backfill prior to inspection any water system without written authorization from the District. Unauthorized uses of or tampering with the Water System includes, but is not limited to, a change in customer's equipment, service or use of the property, an unauthorized turn-on or turn-off of water service or a water main, burying curb boxes, modifying any water meter, etc.

2.11 – Waste. Users shall prevent unnecessary waste of water and keep all water outlets closed when not in actual use. Hydrants, urinals, water closets, bathtubs and other fixtures must not be left running for any purpose other than the use for which they were intended. In addition to the penalty or penalties provided herein, the water supply may be turned off, with or without notice, where any such waste occurs. Any leak in any pipe or fixture on the premises of the user shall be immediately repaired. Service may be discontinued until such repair is made.

2.12 - Hydrants. It shall be unlawful for any person except members of the fire department or employees of the District to open any of the fire hydrants, or attempt to draw water from the same without prior written authorization from the District.

2.13 – Reservoirs, etc. It shall be unlawful for any person to pollute or interfere in any manner with the reservoirs, streams, trenches, pipes and drains used in and necessary for, the construction,

maintenance and operation of the water system of the District or any stream or source from which water is taken by the District.

2.14 - No Other Water. No person shall in any way at any time connect or introduce water from any source into the water system.

2.15 – Duty to Pay. It shall be unlawful for any person to obtain water from the system and/or water service from the District except in accordance with these Rules and Regulations and upon payment of the proper and applicable charges, fees and costs.

2.16 – Customer’s Premises. District employees will not work on customer’s premises without approval of the Board.

2.17 – Use of Water During Shortages. It shall be unlawful to use water for sprinkling or other uses if the Board determines that a shortage of water exists and by resolution limits such water use.

ARTICLE 3 – APPLICATION PROCEDURE AND REQUIREMENTS.

3.1 – Applications. Owners desiring water from the water system shall make application therefor in writing to the District at its main office, setting forth the name and post office address of the owner, the legal description of the water property for which water is desired, the nature, number, extent and type of water using units thereon, the purpose or purposes for which the water will be used, and such other fact or facts reasonably necessary to determine the purpose, extent, nature and location of water use, the water using property and the water using unit or units.

3.2 –Who May Apply. Applications shall be made only in the name, of, and for, owners only.

3.3 – Tap Fees. An appropriate tap fee shall accompany each application for connection to the water system.

3.4 – Grant of Application. Upon receipt of the application, together with the required accompanying data, material and fees, the general manager shall, upon finding the same in order and in accord with these Rules and Regulations, grant the application for water and cause the tap and service connection to be made into the water system.

3.5 – Winter Installations. No new water mains, district service lines or private service lines will be installed during winter conditions (when frost is in the ground) except in cases of emergency, and then only when written approval of the Board has been obtained. When installation is done during winter conditions, the customer shall pay all extra expenses over ordinary construction costs as well as other costs as herein provided.

ARTICLE 4 – SERVICE CONNECTIONS.

4.1 – Owner’s Expense. Installations of all private service lines and other facilities extending from the curb valve to the water using unit or units, including without limitations, all excavation and backfilling, and the continued maintenance thereof, shall be done, made and performed at owner's sole expense and done according to the District’s specifications.

4.2 – Materials. The District reserves the right to specify the type of material and requirements for private service line construction. The District further reserves the right to supervise all private service line construction (including the excavation in any street, highway or public way).

4.3 - Upkeep. The owner shall be solely responsible for all upkeep and maintenance on private service lines and all leaks, breaks and damages occasioned thereto. It is the owner's responsibility to protect from freezing the entire length of the service line from the main to the water using unit or place of use.

4.4 Other pipes prohibited. Private service lines shall not be placed in the same trench with gas pipes, electrical conduits, sewer pipes or similar installations except under conditions as may be approved in writing by the Board

4.5 Installation charges. The owner shall be responsible for the costs of excavating for and installing the service line from the water main to the curb valve. The District will charge owner for the time and materials used. The owner shall have the option of doing the excavation for and installation of the service line from the water main to the curb valve if such is performed to the specifications of the District and if the excavator and installer are approved by the District.

ARTICLE 5 - EXTENSION POLICIES WITHIN THE DISTRICT.

5.1 - Unlawful. It shall be unlawful for any person to make a tap onto the water system without having first received written approval from the District.

5.2 – Procedures. The procedures for connecting to the water system and receiving water service are as follows:

(a) The owner of the land desiring water service (applicant) shall request service in writing supplying the following information which shall include: (1) legal description of the area to be served; (2) description of proposed development; (3) proposed timing of the development; (4) probable flow requirements. The General Manager will then review the written application.

(b) If the General Manager indicates probable favorability to serve, then the applicant shall have prepared and pay for an engineering feasibility report. This report may be arranged for through the District and prepared by the District's engineer; or it may be prepared by an engineer selected by the applicant, in which case the applicant shall pay the costs of having the report reviewed by the District's engineer. If legal considerations must be investigated, then this work shall be accomplished through the District, by its attorneys at the applicant's expense. The applicant shall

deposit with the District a sum of money to cover anticipated legal and engineering expenses of the District. The General Manager shall set amount of the deposit. Report information shall include but not be limited to the following:

- (1) defined information included in the original letter of application;
- (2) Preliminary designs and costs estimates of water distribution system;
- (3) Preliminary designs of connection methods to the District's system;
- (4) hydraulic analyses of the combined systems which will show the effect of the added area on the District's existing facilities;
- (5) preliminary designs and cost estimates for any water treatment, transmission or storage, and treatment facilities required (as shown by (4) above) to be added to enable the District to service the applicant's area;
- (6) flow requirements, including number of taps, average daily usage, peak flow requirements and fire demand;
- (7) availability of water rights to meet the proposed demands; and
- (8) legal implications of the proposed annexation.

(c) The Board and applicant will review the report, and if the conditions for service are mutually agreeable, then the applicant shall have prepared, by the District's attorney, a contract for construction and for utility service. Such contract shall at least require:

- (1) Payment of the connection charges to the District in accordance with the rate schedule.
- (2) Provision for payment for additional dollar contributions if shown necessary by 5.2 (b)(5) preceding in order that the additional service does not adversely affect the District's financial position.
- (3) All extensions shall be built to District quality standards. Lines may be installed by the applicant. If the applicant chooses to install the lines, the District's engineer must approve the drawing and specifications. The District's inspector must inspect the work. Line sizes must be in accordance with the District's engineer's specifications. The applicant is to pay all project costs, including without limitation, preliminary engineering, legal costs, engineering, review, material, labor, construction, job inspection, as-built drawings, surveys, easements, etc.
- (4) For all extensions that are to be deeded to the District for ownership and maintenance the developer's warranty responsibility is as follows:

(I) The developer and the contractor shall warrant all workmanship and materials for a period of two years from the date that the Board issues a Provisional Acceptance Letter. Any repair or reconstruction performed during the warranty period shall be warranted for a period of two years from the date of acceptance by the Board of such repair or reconstruction.

(II) Nothing in the previous paragraph concerning the warranty period shall establish a period of limitation with respect to any other obligation, which the developer has under these Rules and Regulations. If the work is defective and does not meet the requirements of the Design Standards, the Board can initiate proceedings for the developer to repair the work even if the warranty period has expired. In summary, there is no time period regarding defective work. The establishment of time periods relates only to the specific obligations of developer to correct the work, and has no

relationship to the time within which his obligations under the Design Standards may be sought to be enforced.

(III) Repair work shall commence no later than 48 hours after the Board notifies the developer. If the developer or contractor does not respond in a timely manner, the Board may do the work or contract with others to do the work and bill the developer for actual costs.

(5) The applicant shall deed without consideration to the District the entire water system after it has been completed and in service for at least two (2) years. The extended water system shall be conveyed free and clear of any liens and encumbrances and shall include all necessary and appurtenant easements. District will not be responsible for the maintenance or repair of the system until the main distribution system is deeded over to it and the system is in full compliance with the rules and regulations of the District. District will not accept the system until at least 2 years have passed since the entire system is completed and put into full operation. Applicant shall certify the actual costs of the water system before it will be accepted by the District. (2-2006)

(6) The contractor/owner shall post performance, payment and warranty bonds in a dollar amount at least equal to the dollar amount of the construction.

(7) The District shall have the right to allow other customers of the District to tap into any water main, once potable water is flowing through it, even though such main is still under the warranty period set forth in Article 5.2. Parkville will be entitled to its normal tap fee, which shall not be shared with the contractor/owner.

ARTICLE 6 – EXTENSION POLICIES OUTSIDE THE DISTRICT.

6.1 – Written Consent. No water service shall be provided to property outside of the District without express written consent of the Board.

6.2 – Rate of Charges. Any person outside the District receiving water from the District shall pay service charges, connection charges and water charges equal to 1.5 times the current in-District rate until the property is annexed into the District.

6.3 - Agreement to Annexation. Any person desiring water outside the District must agree as a condition of receiving service that upon demand by the Board he will have the property annexed into the District. The person will be responsible for all costs of the annexation including without limitation, publication, legal, court, and survey expenses.

ARTICLE 7 – ANNEXATION PROCEDURES

7.1 – Application. Any person desiring to bring property into the district must make application to the Board as set forth in Colorado Revised Statute 32-1-401 et. seq. The applicant must also

comply with the requirements of Article 5 of these Rules and Regulations and must also supply the names and mailing addresses of all property owners in the area to be annexed.

7.2 – Fee. The application for annexation must also be accompanied with a fee to be determined by the general manager which will be used by the District to pay for legal expenses, surveys, court filing fees, costs of giving notice, etc.

ARTICLE 8 – WATER SERVICE CHARGES, FEES AND DEPOSITS

8.1 – Fees and Charges. Users of the water system must pay fees and charges as set forth by the Board by resolution or by these Rules and Regulations. The Board may revise fees and charges at any time.

8.2 – Owner. All accounts shall be in the name of and billed at the address of the Owner of the property to which water is supplied.

8.3 – Date for Payment. Charges for water usage shall be paid not later than the 10th of each month. Failure to pay by the 10th will entitle the District to shut off water service. Any supply of water, which is shut off for non-payment of charges, shall not be turned on until all delinquent service rates and charges, including without limitation, any turn-on charges or the fire protection charges established by the Board.

8.4 – Turn on Fee. Every customer shall pay to the District a Turn On Fee, to be established by the Board, payable at the time of turn on except in the case where a new tap is being installed, in which case there shall be no charge for turning the water on. When a curb stop turn on is not required each customer shall pay to the District a transfer fee in an amount, to be established by the Board, upon transferring service to his name.

8.5 – Temporary Shut-Off. No temporary shut-off of water to any Water Using Unit shall cease or curtail charges for water service to such unit and the Owner thereof shall be liable for all water charges as if said shut off had not occurred; subject to the conditions that upon approval of the temporary shut-off by the District, service charges for the Water Using Unit shall be reduced to 50% of the minimum flat rate fee or 50% of any minimum monthly charge. The reduction in service charges for said Unit shall go into effect on the first day of the next billing period applicable for said Unit and shall continue until the commencement of the next billing period after service is reinstated.

8.6 – Shut-Off of Tap. An Owner of a Water Using Unit can request in writing a water shut-off and abandonment of a water tap and in such event the District will comply and water charges shall terminate subject to charges for availability of service as provided in Section 8.7. Where a water tap has been abandoned in accordance with this subsection water service shall not thereafter be reinstated until the owner of the Water Using Unit has paid in full the connection charge then applicable for the water service requested.

8.7- Availability of Service Fee. The District reserves the right to assess a charge for availability of service or facilities in accordance with the provisions of 32-1-1006, C.R.S. 1973, as amended.

8.8 – Abandonment of Tap. When a Water Using Unit has not paid any water service charges for a period in excess of two (2) years, the tap, without further act of the District, shall be deemed abandoned and shall not be reinstated until payment in full of the connection charge then applicable for water services requested.

8.9 – Other Fees. In addition to the above charges and the provisions of Section, the District reserves the right to assess reasonable charges to customers for and on account of delinquent accounts, returned checks and/or other violations of these Rules and Regulations as determined by the District from time to time.

8.10- Deposit. The District may require at any time from any person using or intending to use the water system a cash deposit intended to guarantee payment of said party's water charges to the District.

8.11 – Late fees. A late fee will be charged any customer for any bill not paid by the 10th of the second month after the original billing. The Board will establish the amount of such fee by Resolution.

8.12 – Flat Rate Billing. At the Board 's sole discretion, metered customers may be allowed to go on a flat rate, to be fixed and determined by the Board, for all or a portion of each year. In such event, the flat rate shall bear some reasonable relationship to the metered use of water by the customer during the portion of the year that such customer is being charged by meter usage.

ARTICLE 9 – UNPAID WATER BILL – A LIEN.

All unpaid water service charges shall be all lien upon the water using property and/or the water using unit to or for which water was supplied and/or fire protection services were provided from the time when said charges become due and shall be a perpetual charge and lien against said water using property and/or water using unit until paid, and said charges shall be collected and such lien enforced by law.

ARTICLE 10 – ACCESS TO PREMISES

The Board or agents of the District shall have free access to all premises supplied with water, at all reasonable hours, to permit the inspection of plumbing and fixtures, to set, remove or read meters, to ascertain the amount of water used and manner of use and to enforce these Rules and Regulations.

ARTICLE 11 – NONLIABILITY OF DISTRICT

11.1 - Water Shutoff. If, by reason of shortage of supply or for the purpose of making repairs, extensions or connections or for any other reason beyond the control of the District, it becomes necessary to shut off water in the mains, the District will not be responsible for any damages occasioned by such shut off and no refunds of flat rates will be allowed unless the interruption is in effect for a continuous period in excess of ten days in which case a proportional refund of flat rates will be made. Notice of shut off will be given when practicable, but nothing in these Rules and Regulations shall be construed as requiring the giving of such notice.

11.2 – Dirty Water. The District will not be responsible for damage caused by dirty water, which may be occasioned by cleaning of pipes, reservoirs or standpipes, or the opening or closing of any gates or hydrants when the same is due to no lack of reasonable care on the part of the District.

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

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

11.5 – No Duty. The adoption of these Rules and Regulations shall not create any duty to any person with regard to the enforcement or nonenforcement of these Rules and Regulations. No person shall have any civil remedy against the District or its directors, officers, employees, or agents, for any damage arising out of or in any way connected with the adoption, enforcement or nonenforcement of these Rules and Regulations. Nothing in these Rules and Regulations shall be construed to create any liability, or to waive any of the immunities, limitations on liability or any other provisions of the Colorado Government Immunity Act, Section 24-10-101 *et. seq.* C.R.S., as amended, or to waive any immunities or limitations on liability otherwise available to the District, its directors, officers, employees, or agents.

ARTICLE 12 – MAINTENANCE OF PLUMBING/CROSS CONNECTIONS

12.1 – Maintenance. All customers shall maintain their plumbing and fixtures, including water meters and remote read devices, within their own premises in good repair and protected from freezing at their own expense. They shall make any repairs which may be necessary to prevent leaks and damage.

12.2 - Cross Connections. No cross connections between the water system and any other water supply will be allowed. No connections capable of causing backflow between the water system and any plumbing fixture device or appliance or between any other waste outlet or pipe having a direct connection to waste drains will be permitted. By authority of sections 25-1-107, 25-1-108, 25-1-109, and 25-1-114, C.R.S., 1973, as amended and article 12 of the Colorado Primary Drinking Water Regulations, in order to protect the public water system from contamination, the District shall:

- (a) Identify potential hazardous service connections.
- (b) Require system users to install and maintain containment devices, on health hazard service connections, provided the District has determined that the device is consistent with the degree of hazard posed by the connection.
- (c) Installation of the containment devices shall be approved by the District upon installation.
- (d) All containment devices shall be tested and maintained as necessary on installation and at least annually thereafter, by a trained, certified, cross-connection control technician.
- (e) If, in the judgment of the General Manager, an approved backflow device is required on a service connection to any customer's premises, the General Manager or his delegated agent, shall give notice in writing to said customer to install an approved backflow prevention device at each service connection to his premises. The customer shall, within 90 days or less depending on degree of hazard, install such approved device or devices at his own expense, and failure or refusal, or inability on the part of the customer to install said device or devices within the required time period, shall constitute grounds for discontinuing service to the premises until such device or devices have been properly installed.

12.3 – Meters. The District may, in its discretion, assess the owner for the repair and/or replacement cost of meters damaged, defective and/or inoperative not occasioned by ordinary wear and tear.

12.4 – Plumbing Code. All customer plumbing shall be installed in compliance with the Uniform Plumbing Code as adopted by Lake County.

ARTICLE 13 – CONNECTION TO THE SYSTEM.

13.1 – Connection Charge. Each water-using unit shall be charged a connection charge prior to being connected to the water system. If new taps or curb stops are needed for any change in water service the customer shall pay a connection charge. The Board shall establish connection charges by resolution.

13.2 – Transfer of Connection Charges. The right to connect to the water system by paying a connection charge may not be transferred or sold. However, the right to connect may be sold as part of the sale to the purchaser if the real estate to which the right to connect is sold.

ARTICLE 14 – CONSTRUCTION WATER. Construction water may be drawn from the building service line after connection charges have been paid. Only in exceptional cases, and with prior written approval of the District, will construction water be provided from a fire hydrant.

ARTICLE 15 – WATER METERS.

15.1 – Meter Required. All water using units must have a functional water meter and remote read device. Meters/remote read devices shall be installed by the District or the Owner in all pre-existing buildings and by the builder in all new construction. The customer is responsible for the costs of the meter, fittings and remote read device in all instances. The meter and remote read device must be obtained from the District.

15.2 – Location. The customer shall furnish a warm and accessible meter location and proper electrical grounding (bonding).

15.3 – Maintenance. The District will maintain the meter and remote read device. It is the duty of the customer to keep the meter/remote read device from freezing. Any damage to the meter/remote read device caused by freezing or due to intentional or negligent conduct of the customer shall be the responsibility of the owner.

15.4 - Remote Read Device. All water meters must have a remote read device as specified by the District to be installed at the owner's expense. Any damage to the remote read device shall be the responsibility of the owner. Failure to repair the remote read device within 15 days of receiving notice of the problem will entitle the District to shut-off the water service. The same rule applies if the owner fails to move the remote read device to a readily accessible location upon notification from the District.

ARTICLE 16 – REMEDIES

The District may exercise any one or more of the following remedies in order to enforce these Rules and Regulations. These remedies are not exclusive and the District may proceed under any one or more of them in its sole discretion.

16.1 Civil Actions. The District shall have the right to recover all sums due by the terms of these Rules and Regulations by judgment and execution thereon in a civil action in any court of competent jurisdiction. Such remedy shall be cumulative with all other remedies available to the District for the enforcement of these Rules and Regulations.

16.2 Violations. Failure to comply with the terms of these Rules and Regulations by failure to pay the required fees or charges or to otherwise comply with the terms of these Rules and Regulations shall constitute an offense and a violation thereof. Every person violating these Rules and Regulations shall be punished upon conviction, by a fine of not less than One Hundred Dollars (\$100.00) nor more than One Thousand Dollars (\$1,000.00) or by imprisonment for not more than

ten (10) days, or both, such fine and imprisonment for each offense. Delinquency for each calendar month shall constitute a separate offense. In addition, for any failure to comply with any of the terms and provisions of these Rules and Regulations or for any violation, the District shall have the right to shut off the water to any water using unit, with or without notice, and to keep said water shut off until the owner has fully complied with all of the terms and provisions of these Rules and Regulations.

16.3 Foreclosure Proceedings/Attorney's Fees. The District may initiate foreclosure proceedings as provided for by C.R.S. Section 31-1-1001 (1)(j)(I), as amended. In the event the District commences a foreclosure proceeding to collect any payments due and payable to the District, the party being foreclosed upon shall be charged all costs incurred in connection with the proceedings including, but not limited to, reasonable attorney fees, which the court shall tax as a part of the costs of the proceedings. In the event payment is made by the customer prior to the foreclosure sale, the attorney's fees and all other fees outstanding against the account and relating to the subject property, must be paid as a precondition to the resumption of service to the property.

16.4 Certification of Amounts to County Treasurer. In addition to any other means of collecting delinquent fees, rates, connection charges, tolls, penalties, service charges, assessments or any other amounts due under these Rules and Regulations, the District may certify the delinquent amounts to the Lake County Treasurer for collection in the same manner as property taxes, in accordance with the provisions of Section 32-1-1101(1) (e), C.R.S., as amended. The District and the Treasurer shall charge a fee for the administrative costs of this collection method. This fee shall be added to all delinquent amounts, including other penalties and interest charges, before certification.

ARTICLE 17 – DISCRETION/VARIANCE/AMENDMENT

17.1 – Due Diligence. It is recognized that no Rules and Regulations of the District can cover each and every case or system of service presented. Accordingly, any new applicant is encouraged to contact the General Manager at the earliest possible time in order to ascertain the District's ability to provide service and the conditions the District will impose in order to provide service.

17.2 – Amendments. These Rules and Regulations may be altered, amended, or repealed at any meeting of the Board. Additionally, they shall be deemed amended as State laws are passed which are inconsistent with them, or which grant the District greater authority or power, and that law shall be automatically deemed included in these Rules and Regulations. There is no requirement that public notice be given of any amendments to these Rules and Regulations.

17.3 - Variances. The Board retains the right to vary the terms of these Rules and Regulations or waive provisions when, in the Board's opinion, it is in the best interest of the District to do so. Any such variance or waiver shall be in writing and shall be considered as an exception to the Rules and

Regulations for the specific instance and shall not be construed as continuing for future instances. Any variance or waiver shall not be deemed an amendment of these Rules and Regulations.

ARTICLE 18 – HEARING AND APPEAL PROCEDURES

18.1 – General Matters. These hearing and appeal procedures shall apply to all complaints concerning the interpretation, application, or enforcement of the Rules and Regulations of the District, and contracts related thereto. These hearing and appeal procedures shall not apply to the following complaints:

- (a) Complaints which arise with regard to personnel matters.
- (b) Any other complaint which does not concern the interpretation, application, or enforcement of these Rules and Regulations or contracts related thereto.

18.2 - Initial Complaint . Complaints concerning the interpretation, application or enforcement of these Rules and Regulations or as to any contracts related thereto, must first be presented to the General Manager in writing. Upon receipt of a written complaint the General Manager shall make a full and complete review of the allegations contained in the complaint and shall take such action and/or make such determination as may be warranted. The complainant shall be notified of the action or determination by mail within 20 business days after receipt of the complaint.

18.3 – Appeal to Board. In the event the decision of the General Manager is deemed unsatisfactory by the complainant, a written request for a hearing must be submitted to the Board within 20 business days from the date the written decision was mailed. If the receipt of a hearing request is timely the Board shall conduct a hearing at the District’s convenience. Every effort will be made to conduct the hearing within 20 days after receipt of the hearing request.

18.4 – Conduct of Hearing. The hearing shall be held by the Board and presided over by the Chairman of the Board. The complainant and representatives of the District shall be permitted to appear in person and legal counsel may represent the complainant. The hearing shall be tape recorded by the Board. The complainant may also record the hearing by use of a stenographic reporter or audio recording device.

The complainant and the District representative shall have the right to present evidence and arguments. The Board may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs.

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

18.5 – Findings. After the hearing the Board shall make written findings and an order disposing of the matter and shall mail the findings and order to the complainant not later than 20 days after the date of the hearing. The Board’s findings and order shall be final.

18.6 – Notice. A complainant shall be given notice of any hearing by mail at least 10 calendar days prior to the hearing, unless the complainant requests or agrees to a hearing in less time, or to a waiver of formal notice. Notice is deemed given when mailed by first class mail, postage prepaid.