

# SPRING VALLEY METROPOLITAN DISTRICT NO. 1

## RULES AND REGULATIONS

### WITH DESIGN STANDARDS

The Board of Directors of the Spring Valley Metropolitan District No. 1 hereby declares that the following Rules and Regulations have been prepared and adopted to provide for the construction, administration and operation of the water, storm and sanitary sewage systems of the District and its Service Area. Rates and fees contained in the Rules and Regulations shall be effective as of the date of adoption.

The Board of Directors hereby expressly reserves the right to make any lawful addition and/or revisions in these Rules and Regulations when and as they may become advisable to properly manage the District and to promote the peace, health, safety and welfare of the people residing in the District or its Service Area. These Rules and Regulations are supplementary to, and are not to be construed as, any abridgement of any lawful rights of the Board as outlined in the Colorado Revised Statutes governing Special Districts, including the right to disconnect or to refuse permission to connect any water, sewer or storm service for violation of these Rules and Regulations or the applicable jurisdiction's plumbing code.

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## SECTION 1. GENERAL EXPLANATORY MATERIAL

**1.1 AUTHORITY.** The District is a governmental subdivision of the State of Colorado and a body corporate with those powers of a public or quasi-municipal corporation, that are specifically granted for carrying out the objectives and purposes of the District under Article 1 of Title 32 of the Colorado Revised Statutes.

**1.2 SCOPE.** These Rules and Regulations have been adopted and promulgated pursuant to § 32-1-1001(1)(m), C.R.S., and shall be treated and considered as new and comprehensive regulations, governing the operations and functions of the Spring Valley Metropolitan District No. 1 as of the effective date stated herein.

**1.3 POLICY.** It is hereby declared that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to insure and protect the health, safety, prosperity, security, and general welfare of the service users of the Spring Valley Metropolitan District No. 1.

**1.4 PURPOSE.** The purpose of these Rules and Regulations is to provide for the orderly financing, control, construction, management, and operation of the water supply and distribution systems, the sanitary sewer collection, transmission and treatment systems and storm drainage systems of the Spring Valley Metropolitan District No. 1, including additions, extensions and connections thereto within the District's Service Area.

**1.5 INTENT OF CONSTRUCTION.** It is intended that these Rules and Regulations shall be liberally construed to effectuate the general purposes set forth herein, and that each and every part thereof is separate and distinct from all other parts. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver, or deviation from any grant of power, duty or responsibility, limitation or restriction, imposed or conferred upon the Board of Directors by virtue of statutes now existing or subsequently amended or adopted under any contract or agreement existing between the District and any other governmental entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District.

**1.6 AMENDMENT.** It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations as it deems appropriate and such amendments shall be entered in the Minutes of the District and periodically incorporated in printed copies of these Rules and Regulations. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this Section.

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

Actual Cost shall mean all direct costs applicable to the construction of a given facility, including surveys, preliminary and design engineering, construction, inspection, administrative, regulatory agency fees, bond fees, all required easements and/or rights-of-

way, plan approval fees, “as-built” drawings, attorneys' fees, and other costs necessary for completion.

Board or Board of Directors shall mean the governing body of the Spring Valley Metropolitan District No. 1.

B.O.D. (Denoting 5-Day, 20 degrees centigrade Biochemical Oxygen Demand) shall mean the amount of oxygen which is utilized in the aerobic decomposition of sewage under laboratory procedures in accordance with the current “Standard Methods for the Examination of Water and Wastewater.”

Connection Fee shall mean the cost of inspection of physical connection to District water or sewer systems.

Connector’s Agreement or Service Agreement shall mean that certain recorded agreement between the District and a developer, homeowner or other entity or person desiring water and/or sewer service from the District which sets forth the terms and conditions of service and which runs with the land.

Customer shall mean any person, company, partnership, corporation or governmental entity or agency authorized to use the District’s water, sewer or storm systems under an issued Tap Certificate or otherwise authorized by the Board of Directors or the District Manager.

Developer shall mean any person(s), firm, joint venture, partnership or corporation who owns land for re-sale and/or is subdividing land for re-sale and which seeks to have the land served by the District.

District shall mean the Spring Valley Metropolitan District No. 1.

District Manager shall mean the person or entity retained by the Board to administer and supervise the affairs of the District or District authorized facilities operator, or in the District Manager’s absence, the District Manager’s duly authorized representative.

Engineer shall mean the engineering firm, or duly authorized representative (engineer), designated by the District to act on its behalf in all engineering and related matters. This item includes an Inspector employed by the Engineer.

ERU or Equivalent Residential Unit shall mean a use which is an average amount of water necessary to serve, or wastewater generated from, a single family detached residential dwelling unit or equivalent with a 3/4” water tap for such length of time as required by the jurisdiction exercising land use control.

Feasibility Study shall mean a study prepared at the expense of an applicant desiring water and/or wastewater service from the District that evaluates the financial and technical feasibility for a particular land development to connect to the centralized water and/or sanitary sewer system.

Industrial Waste shall mean the liquid wastes from industrial processes as distinct from sanitary sewage.

Inspector shall mean the District Manager, Engineer, agent, officers, employees of the District or other person so designated by the District Manager or Engineer to perform inspections pursuant to these Rules and Regulations.

Local Facilities shall mean those water and/or sanitary or storm sewer facilities constructed by a Developer and dedicated to the District generally designed to serve individual subdivisions or plats and which connect with a Water Main or Sewer Main in accordance with **Appendix B** hereto. Examples are: water distribution systems collector sewer lines and internal retention/detention ponds.

Owner shall mean the owner of real property record title holder or lessee with planning authority.

Oversize Costs are part of the costs of Local Facilities to be installed within, or for, a subdivision; but which the District has also assigned a transmission or collection function which results in the need for a larger pipeline. Oversize costs are the difference between the actual costs of the size line required by the District and the size required by the developer; however, for purposes of determining oversize, the minimum size shall be assumed to be 8-inch diameter for water and 12-inch for sanitary sewer or otherwise determined by the District Engineer. Engineering and inspection costs are assumed to be proportional to estimated or experienced construction costs. Incremental costs will be allowed for line fittings, valves, manholes and other appurtenances (if a size increase is required).

Person shall mean any individual, firm, company, partnership; limited liability company, governmental entity, association, society, corporation or other entity of any nature, whether public or private.

Regional Facilities shall mean those facilities generally serving all or a substantial portion of the District's Service Area. Examples are: water sources, water treatment plants and tanks, water transmission and collection lines, trunk sewers, sewage treatment plants, lift stations and outlet works, storm drainage channels, ponds and related drainage facilities.

Septic System shall mean a septic tank and leach field not connected to a public sewer.

Service Area shall mean the service area of the District as generally depicted on the map attached to the Service Plan, as now or hereafter amended.

Service Charges shall mean each of the charges and fees, excluding Sewer and Water Tap Fees, identified in **Appendix A**, that the District adopts to inspect, maintain and operate the Regional Facilities and supply water, sewer and storm service to Customers. The Service Charges may change from time to time in the District's discretion.

Service Line shall mean the privately-owned sewer and/or water line connecting the Local Facilities to a building, unit or customer and shall include the building drain,

corporation cock, curb valve and meter. The minimum sized service line for water shall be ¾” and the minimum sized service line for sanitary sewer shall be 4”.

Service Plan shall mean the Service Plan of the Spring Valley Metropolitan District No. 1, as approved by the Elbert County Board of County Commissioners, and as amended from time-to-time in accordance with Colorado law.

Sewer or Sewer Main shall mean a District owned sewer pipeline, carrying sanitary sewage or approved industrial wastes only, and shall be installed in a public street or easement.

Sewage shall mean any liquid waste containing animal, human or vegetable matter in suspension or solution from residences, commercial buildings, institutions and industrial establishments.

Shall is mandatory; may is permissive.

Suspended Solids shall mean the weight of filterable solids in milligrams present in one liter of Sewage.

Tap Certificate shall mean written permission of the District, if the County so requires it, or proof that the applicant has paid applicable fees or charges before the County issues a building permit to applicant, which permission or proof of payment authorizes connection to a water or sewer main of the District and grants applicant a license to use the water and sewer system or to receive water or sewer service from the system owned, operated or served by the District as the same is defined in the Rules and Regulations of the District and after payment of the Tap Fee and all other fees.

Tap Fee shall mean the total Water and Sewer Tap Fees (together with the Water Acquisition Fee and the Water Re-Use Fee) as set forth in **Appendix A** attached hereto, as may be amended from time-to-time. This fee is a one-time contribution required of new Customers (or existing Customers having change of use requiring additional services or line capacities) to be used for capital investment in regional facilities and District operations.

Water Main shall mean a District-owned water pipeline, carrying potable water only and shall be installed in a public street or easement.

Water Acquisition Fee shall mean the fee to be imposed on property within the District and/or included in the District in the future for development of the District’s water resources. This fee is imposed if the water rights conveyed to the District by the property owner or developer are not adequate to serve the intended uses of the property in question. This charge is a one-time contribution required of new Customers (or existing Customers having change of use requiring additional water usage) to be used for investment in water supplies for the District.

Water Re-Use Fee shall mean a one-time fee to be imposed on every individual lot within the District service area to pay the costs of infrastructure needed to utilize post-treatment sewer water for water rights augmentation purposes.

## **SECTION 2. OWNERSHIP AND OPERATION OF FACILITIES**

**2.1 OWNERSHIP OF WATER AND RETURN FLOWS.** The District shall have sole dominion, control, right and use of all water supplied through the water system, subject to reasonable, one-time use thereof by its Customers in compliance with applicable Tap Certificates, inclusion agreements and/or these Rules and Regulations. Such dominion and control shall continue without interruption as to all wastewater, return flows, runoff, sewage or tailwater attributable to or originating in water supplied through the water system. The District shall have the exclusive right to recapture such return flows or claim credit therefrom for exchange, replacement, augmentation, substitute supply or any other lawful purpose, and the District's dominion and control over water shall continue to attach to all such return flows even after they return to the ground. All return flows from water supplied through the water system remain the property of the District. The District retains the sole authority to determine the yield of all water, water rights and augmentation plans which are offered to the District for any purpose.

**2.2 RESPONSIBILITIES OF DISTRICT.** It is the District's responsibility to plan, finance, design, and construct all designated Regional Facilities. The District will only construct such facilities or portions thereof when the Board has determined that such construction is economically feasible and appropriate to serve property within the Service Area. Such determination may require Owner/Developers to prepay or guarantee future payment of Tap Fees or provide such other guarantees as the Board may determine necessary.

### **2.3 RESPONSIBILITIES OF OWNER/DEVELOPER AND CUSTOMER FOR CONSTRUCTION OF FACILITIES.**

It is the Owner/Developer's responsibility to finance, design, and construct all Local Facilities as defined herein. Such facilities shall be constructed in accordance with plans and specifications approved by the District's Engineer, and the appropriate County or other entity having jurisdiction, and in accordance with minimum standards adopted by these entities. The Owner/Developer shall pay the Actual Cost of all such facilities.

It is the responsibility of the Customer or his builder to pay the actual cost and construct all Service Lines and related appurtenances. Such Service Lines shall be constructed in accordance with standards approved by the District and the appropriate jurisdiction and shall be inspected by the District prior to use.

**2.4 RESPONSIBILITIES FOR MAINTENANCE OF FACILITIES.** After construction and upon acceptance by the District of the Local Facilities, the District will be responsible for the maintenance, operation, repair and replacement of all Regional and Local Facilities (except as provided during the warranty period). The individual Customers shall be responsible for the maintenance and replacement of all Service Lines.

Each Customer shall be responsible, at its expense, for constructing, maintaining, repairing and replacing the Service Lines. Leaks or breaks in the Service Lines shall be repaired by the property owner within seventy-two (72) hours of obtaining knowledge of a leak, or from the time of notification of such condition by the District. If satisfactory progress toward

repairing said leak has not been completed within the same time period, the District Manager, or other authorized representative of the District, shall shut off the service until the leaks or breaks have been repaired; in addition, the District shall have the right to effect the repair, bill the customer and the cost therefor shall constitute a lien on and against the property of such Customer(s), securing payment of such cost, as provided for by Section 32-1-1001 *et seq.*, C.R.S.

Each Customer is responsible for complying with the District's Cross-Connection and Backflow Control Regulation as set forth in **Appendix B**. Each Customer having boilers and/or other appliances on its premises, depending upon pressure or water in pipes, or on a continual supply of water shall provide, at its own expense, suitable safety devices to protect such Customer and such Customer's property against a stoppage of water supply or loss of pressure. The District expressly disclaims any liability or responsibility for any damage resulting from a Customer's failure to so equip the Customer's property.

The District shall, at Customer's expense, have the right to set, test, remove, repair or replace any and all water meters. Such right includes entry into Customer's house or building, upon presentation of credentials as an employee or agent of the District. It shall be the duty of each Customer to notify the District Manager if the water meter for such Customer's property is operating defectively. If any meter shall fail to register in any period, the Customer shall be charged the average period consumption, as shown by the meter, during the preceding two (2) years or such amount as will most closely approximate actual usages, as determined by the District.

**2.5 OWNERSHIP OF FACILITIES.** All existing and future Regional and Local Facilities connected with and forming an integral part of the District's system and accepted for operation and maintenance pursuant to these Rules and Regulations shall become and are the property of the District, unless any contract with an Owner or Customer expressly provides otherwise.

That portion of all existing or future Service Lines extending from the Local Facilities to each unit or building for each Customer that is connected with and forms an integral part of the District's water or sewer system is the property of the Owner/Customer, regardless of whether the District might construct, finance, pay for, repair, maintain or otherwise affect the Customer's Service Line. The construction of and connection of any Service Line shall be done in compliance with these Rules and Regulations, including the mandate that all Service Lines be inspected, for a fee paid by the Customer, by the District or its contractors prior to commencement of service or upon any change, repair or modification of the Service Line. The Owner/Customer's ownership of the Service Line shall not entitle the Customer to make unauthorized uses of the District's systems or in any way interfere with the proper operation of the water meter once the Service Line has been connected. All uses of the Local Facilities, Service Lines or any appurtenances thereto at any time after the initial connection to the District system shall be subject to these Rules and Regulations.

**2.6 LIMITATION OF LIABILITY OF DISTRICT.** Nothing contained in these Rules and Regulations shall be deemed to be an assumption of any duty by the District or a waiver of sovereign immunity of the District. No claim for damage shall be made against the District, its agents, representatives or contractors by reason of the following: Blockage in the

system causing the backup of sewage; damage caused by “smoking” of lines to determine drainage connections to District lines; breakage of Water or Sewer Main lines by District personnel or others; interruption of water or sewer service and damage resulting therefrom; breaking of any collection or distribution line, pipe, valve, meter or retention/detention or drainage facility by any employee, agent, representative or contractor of the District; failure of the water supply; shutting off or turning on water; making of connections or extensions; damage caused by water running or escaping from open or defective faucets; burst Service Lines, leaking meters and other facilities not owned by the District; damage to water heaters, boilers or other appliances resulting from shutting water off, or for turning it on, or from inadequate, excessive or sporadic pressures, or for doing anything to the systems of the District deemed necessary by the Board of Directors or its agents, employees, representatives or contractors. The District shall have no responsibility for notification to Customers of any of the foregoing conditions. The District reserves the right to temporarily discontinue service to any property at any time for any reason deemed necessary or appropriate by the Board of Directors or its designated representatives. The District shall have the right to revoke service to any property for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations.

**2.7 RIGHT OF ENTRY.** The District Manager, Inspector, agent, officers, employees or representatives of the District, or other Person so designated by the District Manager, bearing proper credentials and identification, shall be permitted to enter upon all properties served by the District for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of these Rules and Regulations. The granting of the right to enter and inspect by the Owner and any occupant of any property within the Service Area is a condition to the provision of public water and sewer service. Failure to allow entry and/or inspection shall result in immediate termination of service to the property. Customer shall restrain animals and provide ready access to District personnel upon request.

**2.8 MODIFICATION, WAIVER AND SUSPENSION OF RULES.** The Board or the District Manager acting on instructions of the Board shall have the sole authority to waive, suspend or modify these Rules and Regulations, and any such waiver, suspension or modification must be in writing, signed by the Board or the District Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver will be deemed a continuing waiver.

**2.9 WATER RIGHTS.** All Owners within the boundaries of the District are deemed to have given their consent to the District for the withdrawal and use of any and all groundwater underlying property receiving water service from the District.

## SECTION 3. CONDITIONS OF USE OF UTILITY SYSTEMS

**3.1 WHO MAY USE.** The District will use its best efforts to provide water in sufficient quantity and of acceptable quality for its Customers as the need arises. The District cannot and does not guarantee a quantity of water to be available to meet the demand that may arise, nor does it guarantee water pressures sufficiently high to operate sprinkler systems, automatic household appliances or other equipment dependent upon water pressure for their operation. Accordingly, it can be anticipated that from time to time certain limitations and conditions may be imposed by the District with respect to the use of the water system and the ability to make new connections when requested. Potable water and sanitary sewer services will be furnished subject to the District's Rules and Regulations and only to property included within the Service Area and subject to fees and charges described in these Rules and Regulations. It shall be incumbent upon the applicant to furnish satisfactory evidence that the property served is within the boundaries of the District's Service Area whenever such evidence is requested by the District. Satisfactory evidence shall consist of a tax receipt or certification from the County. An exception to this rule requires a special service contract approved by the Board.

**3.2 COMMITMENT TO SERVE.** A request submitted to the District by an Owner/Developer for a commitment to serve a property with water and/or sewer services will be granted by the District only upon compliance with all Rules and Regulations and payment of all applicable fees and charges, as determined by the District.

**3.3 INCLUSIONS.** Real property included within the boundaries of the Service Area of Spring Valley Metropolitan District No. 1, shall be subject to all the Rules and Regulations and policies of the District, as exist at the time of inclusion and as thereafter adopted or amended. Except as set forth in Section 3.4, service will be furnished only to property included within the Service Area. A Person owning land outside the Service Area boundaries, who desires service must include all the land owned by such Person or affiliates thereof for which service is requested, within the boundaries of one of the metropolitan districts served by the District. A condition of service is that the property owner dedicate all water rights appurtenant to the land to be included and in the event such water is not sufficient to provide service to the property then the Person must make a cash payment in lieu of such dedication ("**Water Acquisition Fee**"), the Water Acquisition Fee shall be paid according to the schedule of rates and fees attached hereto as Appendix A. A formal request for inclusion within an applicable district in accordance with Section 32-1-401, et seq., C.R.S., shall be made to the appropriate district in writing, on forms prescribed by the applicable district, accompanied by a non-refundable payment in an amount as set forth in the applicable districts' fee schedule for legal fees and the estimated costs of publication. The Board of such district may require that an Inclusion Agreement be executed detailing the terms and conditions of inclusion of property in the district. Any additional costs or fee which may be incurred by the districts shall be assessed and paid by the Person requesting inclusion prior to consideration of the inclusion of the property.

**3.4 SERVICE OUTSIDE THE SERVICE AREA.** No service shall ever be provided to property outside of the Service Area except pursuant to the terms of a written agreement with the District approved by the Board of Directors. Charges for furnishing service outside of the Service Area shall be at the discretion of the Board of Directors, but no service

shall be furnished to property outside of the Service Area unless the charge therefor equals at least the sum of the cost of service for which such property would be responsible if it were within the Service Area and included in an affiliated metropolitan district. Any service provided to property shall be subject to these Rules and Regulations and any other agreements and charges which the Board believes necessary and in the best interest of the District. In every case where the District furnishes service to property outside the Service Area, the District reserves the right to discontinue the service when, in the judgment of the Board of Directors, it is in the best interest of the District to do so. An exception to this rule requires specific reference in a service contract approved by the Board of Directors.

**3.5 APPLICATION FOR SERVICE.** Application for service must be filed with the District on forms provided by the District and accompanied by appropriate fees prior to any action to connect to the system. Only upon authorized approval of the application and receipt of a Tap Certificate may a connection to the system be made. The location of the water meter and the remote reading device shall be indicated on all applications for service. Water meters must be purchased from the District and inspected by the District Manager, or other authorized representative, prior to water service being provided to any property.

If a fire protection water sprinkler system is to be used, a plan of the system is to accompany the application and is subject to the approval of the District. All fire sprinkler systems shall meet National Fire Protection Association requirements and additionally shall meet the requirements of all applicable fire protection districts, County and State building and fire protection codes.

No taps will be permitted or made during non-business hours without specific, written approval of the District Manager.

All plan sets which provide for construction shall have the following disclaimer note placed on the cover sheet immediately adjacent to the District approval block: "The Spring Valley Metropolitan District No. 1 does not take any liability nor maintenance responsibility for foundation." All plans sets for construction within the District shall also have a review acknowledgment signature block for the Spring Valley Metropolitan District No. 1.

All information requested on the tap application form must be completed, and a diagram of the meter and/or tap location included. Should any information disclosed on the application prove at any time to be false, or should the applicant omit any information, the District shall have the right to reassess the Tap Fees originally charged at the rate current to the discovery by the District of the false or omitted information, and/or disconnect the service in question, and/or back-charge the property in question for service fees that may be due and owing, and/or charge any other or additional fee or penalty specified in these Rules and Regulations, as amended. Any reassessment shall be due and payable, together with any penalties or other additional fees charged, and together with late fees, penalties and interest at the maximum legal rate on the entire balance, upon and from the date of the original application.

**3.6 FAILURE TO CONNECT.** The Customer's right to connect to the District systems shall terminate and any Tap Fees paid shall be forfeited if the tap is not connected to the District's facilities within 12 months of the payment of the Tap Fee unless (1) the property owner

begins to pay and continues to pay the minimum service charge imposed for that tap for each and every month, commencing with the first billing cycle after the 12-month period has passed, or (2) the property owner and District have entered into an agreement providing for a connection time longer than 12 months.

**3.7 DENIAL OF APPLICATION.** The District reserves the exclusive right to deny application for service when, in the opinion of the Board, the service applied for would create an excessive seasonal, or other, demand on the facilities. Denial may also be based upon an unresolved obligation between the District and the applicant, inadequate documentation of easements for main lines or other facilities that service the property, failure to comply with the requirements of these Rules and Regulations or any other reason the Board of Directors feels is in the best interests of the District.

**3.8 CANCELLATION OF APPLICATION.** The District reserves the right to revoke any prior approval of an application before service has been provided, and thereafter for any violation of these Rules and Regulations or violation of any contractual obligation to the District by the Customer.

**3.9 MOVED OR DESTROYED BUILDINGS.** When buildings are moved or destroyed, the original tap connection authorization shall terminate. However, the original Tap Certificate shall remain in good standing, providing uninterrupted payment of the District's minimum service charge (as the same may be amended from time to time) is made. If payment of the minimum service charge ceases for any reason, said tap shall be in violation of these Rules and Regulations and the tap shall be revoked. Non-payment for over thirty (30) days of the billing shall be considered cessation of payment of the minimum service charge resulting in revocation of the tap.

**3.10 CHANGE IN CUSTOMER'S EQUIPMENT, SERVICE OR USE OF PROPERTY.** No change in the Customer's equipment, service or use of property served shall be made without the prior notification of and approval by the District. Any such change which, in the opinion of the District, will increase the burden placed on the District's systems by the Customer shall require a redetermination of the Tap Fees, Water Acquisition Fee and/or monthly service charge, and a payment by the Customer of any additional Tap Fees, Water Acquisition Fee and/or monthly service charge resulting from the redetermination. Tap Fees and/or Water Acquisition Fees previously paid with respect to the property in question shall be credited against the redetermined Tap Fees and/or Water Acquisition Fees so that only the unpaid portion of any redetermined fees and charges shall be due; provided, however, that redeterminations resulting in a conclusion that the Tap Fees, Water Acquisition Fees and/or monthly service charges, if assessed currently, would be in an amount less than that originally paid shall not result in a refund or credit of any kind to the Customer. The District may also require physical changes in the facilities through which the services connect to the property as a result of the Customer's proposed changes.

Any violation of these requirements shall result in the assessment of an unauthorized connection fee, as provided in Appendix A and possible revocation of services under Sections 3.12 and 3.13 of these Rules and Regulations, and the District shall take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fees.

Any Customer believed to have changed the equipment, service, or use of their property in violation of this Section shall be notified of such belief by the District, and shall be notified of the District's intent to assess any additional Tap Fees, service or unauthorized connection fees, and shall be afforded ten (10) days in which to respond to the District's notice. Failure to respond as required herein within the ten (10) day period shall be deemed a conclusive admission of the nature and extent of the change, and such additional Tap Fees, service and unauthorized connection fees as are deemed appropriate by the District shall be assessed against the property in question and shall be collected as provided under these Rules and Regulations and Colorado law. To defer the collection of said fees, and as a prerequisite to the right to hearing as provided for and described in Section 7 of these Rules and Regulations, any response by the Customer must, in addition to being provided within ten (10) days, include permission to make such inspection of the property in question as the District Manager or its representatives deem necessary to clearly establish the nature of equipment, service and use of the property in question.

**3.11 UNAUTHORIZED CONNECTIONS AND FEES.** No person shall be allowed to connect onto the sewer or water systems or to enlarge or otherwise change equipment, service or use of property without prior payment of Tap Fees, approval of application for service, and adequate supervision and inspection of the taps by District representatives. Any such connection, enlargement, or change shall be deemed an unauthorized connection. Upon the discovery of any unauthorized connections, the then-current Tap Fees shall become immediately due and payable, and the property shall automatically be assessed an unauthorized connection fee.

The unauthorized connection fee is an amount equal to twice the then-current Tap Fees that would be due for such property. The District shall send written notice to the Owner(s) of the property benefited by such connections stating that an unauthorized connection has been made between the Owner(s)' property and the District facilities. The Owner(s) shall then have ten (10) days from the date of the notice to pay the then-current Tap Fees. If that fee is paid within the ten (10) day period, the unauthorized connection fee shall be waived by the District. In the event the then-current Tap Fees are not paid within the ten (10) day period, a notice of revocation of service shall be sent and service shall be disconnected pursuant to Sections 3.12 and 3.13 of these Rules and Regulations.

Once discontinued, service may be returned to the property only upon receipt by the District of both the unauthorized connection fee and the then-current Tap Fees, and any turn-on/turn-off fees, service charges or any other charges that may be due. The District also reserves such rights of foreclosure as may be provided by law for the collection of unpaid fees and charges of the District. To defer the collection of said fees, and as a prerequisite to the right to hearing as provided for and described in Section 7 of these Rules and Regulations, any response by the Customer must, in addition to being provided in ten (10) days, include permission to make such inspection of the property in question as the Board deems necessary to conclusively establish clearly the nature of equipment, service, and use of the property in question. The District may exercise any and all rights provided by law, including foreclosure rights, for the collection of unpaid fees and charges of the District.

**3.12 REVOCATION OF SERVICE.** The District shall have the right to shut-off or discontinue service upon non-payment of any valid fees or charges owing to the District or upon any violation of these Rules and Regulations. In the event of a proposed revocation of service, the Customer shall be given not less than ten (10) days advance notice in writing of the revocation, which notice shall set forth:

- (a) The reason for the revocation;
- (b) That the Customer has the right to contact the District and the manner in which the District may be contacted for the purpose of resolving the obligations; and
- (c) That there exists an opportunity for a hearing in accordance with Section 7 of these Rules and Regulations.

If the obligations are not resolved or a request for a hearing, accompanied by a deposit equal to the amount of any fees and charges specified in the notice, is not received by the District within ten (10) days, the District shall disconnect the service and the Customer shall be assessed the cost of the disconnection. The customer's deposit for service, if any, shall be applied against the outstanding obligation. Notwithstanding the above, the District shall have the right to shut-off or disconnect service at any time for emergencies as determined in the sole discretion of the District.

**3.13 REVOCATION OF TAP RIGHTS FOR NON-PAYMENT.** The right to connect to the District's system and receive services shall be revocable by the District upon non-payment of any District fees owing to the District and remaining unpaid for a period of ninety (90) days, whether or not the Customer owning the right to connect has actually connected to the District's system. Such revocations shall be conducted in accordance with Section 3.12 above. If the right to connect to the District's systems is revoked, the Customer may reacquire such tap rights only by reapplying for service in accordance with Section 3.5 above and after paying all fees due and owing the District and the then-current Tap Fees charged by the District under these Rules and Regulations.

**3.14 TURN-OFFS/TURN-ONS OF SERVICE.** All turn-offs and turn-ons of water or sewer service through a curb valve on a Service Line that has been connected to the District's water or sewer system pursuant to a written Tap Certificate issued by the District shall be performed only by District personnel regardless of the ownership of the curb valve or Service Line and regardless of the circumstances respecting the turn-off or turn-on. The District shall assess a single turn-off/turn-on charge in an amount as set forth in its fee schedule as provided in Appendix A for any such turn-off and turn-on performed except when the service is performed for Customers requiring maintenance to their Service Line, in which case there shall be no charge. Except for those turn-offs/turn-ons specifically provided for by these Rules and Regulations, the District will provide this service only for (1) a tap for new construction, one time prior to the occupancy of the building served, and (2) for Customers requiring service to be turned off for maintenance of a Service Line. All other requests for a turn-off or turn-on of District service may be granted or denied by the District Manager in his/her sole discretion. Violation of this Section and/or failure to pay the fee shall result in the assessment against the property served of a penalty as set forth in the District's fee schedule, in addition to the turn-

off/turn-on fee, and in addition to the penalties provided for unauthorized tampering with the District's system in Section 4.1 of these Rules and Regulations.

**3.15 JOINT SERVICE.** Except with respect to services existing on the date of the adoption of these Rules and Regulations, water and sewer service shall be furnished jointly, unless separate service is specifically authorized by the Board.

## **SECTION 4. WATER AND SEWER SYSTEMS**

### **4.1 UNAUTHORIZED TAMPERING WITH SYSTEMS.**

(a) No unauthorized Person shall uncover, use, alter, disturb, or make any connection with or opening onto, use, alter, or disturb the potable water, storm drainage or sewer system without first obtaining a written Tap Certificate from the District. Unauthorized uses of the District's systems include, but are not limited to, an unauthorized turn-on or turn-off of potable water or a tampering with or in any way modifying any meter, even though the same may be performed on a privately owned and maintained Service Line. No Person shall maliciously, willfully or negligently, break, damage, destroy, uncover, deface or tamper with any portion of the District's system.

(b) Any Person violating any of the provisions of these Rules and Regulations shall become liable to the District for any expense, loss or damage occasioned by reason of such violation, and upon non-payment thereof at the demand of the District Manager, shall be assessed a penalty in an amount set forth in the District's fee schedule which penalty shall be a lien upon the violator's property, as allowed by Section 32-1-1001, C.R.S., as amended, or a lien upon the property concerning which the violator was providing services at the time of the violation in question, whichever the District Board deems appropriate.

**4.2 WATER SYSTEMS.** The District's potable water system has been planned and constructed to provide potable water service for residential, limited commercial, light industrial and fire protection uses. Persons wanting to use the water systems for an industrial or high-demand commercial water supply, which could be expected to require large quantities of potable water or unusual demand rates, shall be required to submit demand data as to water use before a Tap Certificate will be issued; said Tap Certificate may contain use limitations as determined necessary by the Board. No taps will be permitted or made during non-business hours without specific, written approval of the District Manager.

(a) Cross-Connection/Dual Supply. Water from the District's potable system and any other source shall be distributed through systems entirely independent of each other, and a cross-connection between such supplies is prohibited. A cross-connection is defined as any physical arrangement whereby the District's water supply is connected, directly or indirectly, with any other nonpotable or unapproved water supply system, sewer drain, well, conduit, pool, reservoir, plumbing fixture or other device which contains or may contain any contaminated water, liquid or other waste of unknown, nonpotable or unsafe quality that could impart a contaminant to the District's water supply as a result of backflow. Where a potential of backflow is present, a protective device or system acceptable to the District shall be installed to prevent its occurrence. All such facilities shall be maintained in accordance with District standards and the

Colorado Primary Drinking Water Regulations promulgated by Colorado Department of Public Health and Environment. For commercial users the plans for the cross-connection system are to be approved by the District Manager and the Customer shall submit an annual report in form approved by the District Manager, verifying the operating condition of the system to the District.

(b) Lawn Sprinkler Systems. All automatic lawn sprinkler systems shall be equipped with an approved vacuum breaker installation and are subject to an annual inspection by the District. Irrigation by either spray or by drip systems shall be limited to a total of 5000 square feet of irrigated lawn or landscaped areas. Violators of this limitation shall be subject to revocation of service and/or imposition of penalties by the District.

(c) Cross-Connection. All plumbing installations shall be designed and installed in conformity with the latest edition of the "Manual, Cross-Connection Control," published by the Colorado Department of Health. All backflow preventer installations shall be as approved by the District. The Customer shall install, operate, test and maintain the backflow preventer as required by the District.

(d) Fire Protection Systems. Dedicated fire protection system taps shall be subject to payment of Tap Fees as stated in the schedule of fees in Appendix A. A plan of the system shall accompany the application and shall be subject to the approval of the District. All fire sprinkler systems shall meet NFPA requirements and additionally shall meet the requirements of all applicable fire protection district, City, County and State building and fire protection codes. Fire protection systems shall conform to the requirements of Section 3.5 and 5.6 of these Rules and Regulations.

**4.3 SEWER SYSTEM.** All proposed connectors to the District's sewer system shall complete a Feasibility Study and upon completion and review by the District's engineer, sewer facilities and service arrangements for those portions of the Service Area may be provided by the District after execution of a Connector's Agreement and payment of the requisite Tap Fees and Service Charges. The sewer facilities will be constructed to coincide with development needs.

Septic systems (ISDS) may not be utilized within the District except by special permit and agreement with the District. District Customers maintaining individual septic systems shall comply with certain maintenance requirements with respect to the individual septic systems so that the system does not adversely impact the District's water supply. The District will have the right to inspect the individual septic systems during construction as well as during operation to ensure compliance. No septic systems will be allowed without written approval of the health department having jurisdiction over the property in question.

(a) The sanitary sewer system is for the disposal of water contaminated by biodegradable wastes. No person shall make connection of roof downspouts, exterior foundation drains, areaway drains, surface drains or other sources of surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to the District's sanitary sewer system. The prohibition against unauthorized discharge of wastes as described in this Section includes the dumping or pumping of wastes directly into the District's manholes without the prior written consent of the District Manager, or other authorized representative.

All plan sets which provide for subdrain construction shall have the following disclaimer note placed on the cover sheet immediately adjacent to the District approval block: "Spring Valley Metropolitan District No. 1 does not take any discharge from or maintenance responsibility for foundation subdrains." In order to protect the District's sewage system from damage, destruction, deterioration, misuse or malfunction and to guard against health hazards and the creation of public nuisance the following regulations shall apply relative to the discharge of sewage containing deleterious wastes.

(b) Specially Regulated Wastes

(i) Industrial Wastes. No Person or Persons shall discharge or cause to be discharged any industrial waste of any type into the District's sanitary sewer system unless written permission is received from the District and applicable fees are paid.

(ii) Inflow/Infiltration. No Person or Persons shall discharge or cause to be discharged into the sanitary sewer of the District, storm water drainage from ground surface, roof ladders, catch basins, or any other source, or sub-surface drainage or ground water.

(iii) Other Wastes. Industrial cooling water, unpolluted process waters, bakery/restaurant wastes, car washing wastes, swimming pool drainage and floor drainage from enclosed and covered areas may be connected to the sanitary sewer system only by a special Tap Certificate from the District and payment of all applicable fees.

(1) A Tap Certificate for such purpose will be considered by the District based upon an application containing the following general information:

- a) Name and address of owner.
- b) Location of property for which the request is made.
- c) Description of the facility or operation requested for connection.
- d) Estimated quantities and qualities of the waste to be discharged including maximum rates.
- e) Plans and specifications of related waste generating processes and any pretreatment processes.

(2) The District may issue Tap Certificates for the connections conditioned upon the following but not limited to:

- a) The construction of flow measuring and/or sampling devices.

b) The construction of valves or gates to stop flows on an emergency basis.

c) The construction of grease, oil and sand traps, or other pretreatment facilities.

d) Submittal of appropriate cleaning/removal schedules and approval of same by the District.

(iv) Prohibited Wastes. Toxic or non-biodegradable waste or any wastes which make the effluent not within State of Colorado standards after providing conventional treatment shall not be discharged into the sewer systems. No drain accepting discharge from vehicle wash racks, filling stations, restaurants or other building sewers as specified by the District shall be connected to any Sewer Service Line unless the discharge first passes through an acceptable grease, sand or oil interceptor. Except as provided herein, no Person shall discharge or cause to be discharged any of the following described waters or wastes to any public sewer:

(1) Any liquid or vapor which causes the overall effluent discharged to the wastewater treatment system to have temperatures higher than 104 degrees Fahrenheit.

(2) Any water or waste which may contain more than 100 parts per million (“ppm”) by weight of animal or vegetable fat, oil or grease.

(3) Any gasoline, benzene, naphtha, fuel oil, other flammable or explosive liquid, solid, gas, oil or grease.

(4) Any garbage that has not been properly shredded to less than 1/2-inch in the largest dimension.

(5) Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, paunch manure, or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper and normal operation of the sewage or treatment works or otherwise violate the treatment plant discharge permit requirements.

(6) Any waters or wastes having pH lower than 6.0, or higher than 9.0, or having any other corrosive or toxic property capable of causing damage or hazard to structures, equipment or personnel of the sewage works.

(7) Any water or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans, animals or fish, or create any hazard in the receiving waters of the sewage treatment plant effluent.

(8) Any waters or wastes containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the sewage treatment plant.

(9) Any noxious substances or malodorous waste, waters, gases or substance capable of creating a public nuisance, either in the public sewer or at the sewage treatment plant.

(10) A 5-day B.O.D. concentration greater than 300 ppm.

(11) A concentration of more than 300 ppm of Suspended Solids.

(12) Concentrated wastes from septic tanks and portable sanitary devices.

(13) A peak flow rate greater than 4 times the average flow rate.

(14) Any chemicals having a 24-hour proportionate composite sample concentration at the point of discharge in excess of the following:

Cadmium	0.1	mg/l
Chromium	5.0	mg/l
Copper	3.0	mg/l
Cyanides	2.0	mg/l
Iron	15.0	mg/l
Phenol	10.0	mg/l
H <sub>2</sub> S (Hydrogen Sulfide)	1.0	mg/l
Zinc	2.0	mg/l

(15) Any hazardous chemicals.

(v) Pretreatment. Where necessary, and the District determinations shall be final, the Customer shall provide, at its expense, such preliminary treatment as may be necessary. Where preliminary treatment facilities are provided for any waste or water, they shall meet with the approval of the Board and the State of Colorado Water Quality Control Division for adequacy of design, and once built, shall be maintained continuously in satisfactory and effective operation by the Customer. When required by the Board, the Owner/Customer of any property served by a Service Line or main carrying industrial wastes shall install a suitable control manhole or monitoring point in the building sewer to facilitate observation, sampling, and measurement of the wastes. Such manhole or monitoring point shall be accessible and safely located and constructed in accordance with plans and specifications approved by the District. The manhole or monitoring point shall be installed and maintained by the Owner/Customer at its expense.

In addition to the foregoing requirements for District purposes, the Customer shall also comply with those Regulations attached hereto as **Appendix B**.

(vi) **Sump Pumps and Surface Water Drainage**. No plumbing fixture, device, facility, construction or plumbing system shall be installed within any building or improvement which will provide a connection between the sanitary sewer system of the District, directly or indirectly which will allow draining ground or surface waters into the sanitary sewer system of the District. No physical connections shall be permitted whereby a Sewer Service Line is connected to a sump pump or other facility in such a manner that through the manipulation of valves or because of lack of back pressure valves, or because of any other arrangement, it is possible to drain flood, overflow, drain, storm or groundwater, directly or indirectly, into the sewer system of the District. Any Person having connected, or having permitted to be connected such a forbidden system to a Service Line or the main sewer line of the District, may be summarily ordered to disconnect such forbidden device or pumping system at his cost, and upon failure to do so, the District may forthwith disconnect any sewer line from the property containing such a forbidden device or pumping system at the mainline sewer of the District reconnection of which shall be subject to the same requirements of Section 3 of these Rules and Regulations and positive proof that such improper and illegal connection or device has been removed and will not thereafter be reconnected to the sanitary sewer system of the District.

(vii) **Construction and Cleaning of Grease, Oil and Sand Traps**. Grease, oil and sand interceptors shall be provided at the sole cost and expense of the Customer when, in the opinion of the District Manager, they are necessary for the proper handling of liquid wastes containing greases, oil, etc., in excessive amounts, or any flammable wastes, sand or other harmful ingredient. All interceptors shall be located as to be readily available and accessible for cleaning and inspection. Grease and oil interceptors shall be in an accessible location for maintenance and inspection and shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be watertight, and, if necessary, as determined by the District, gastight and vented and otherwise comply with the District's policy attached hereto in **Appendix B**. Where installed, all grease and oil and sand interceptors shall be maintained by the Customer at its expense, in continually efficient operation at all times. The District requires monthly, or otherwise regularly scheduled, cleaning and pumping of any grease traps as approved by the District. Periodic inspections shall be made of sand and grease traps and interceptors, and in the event the Customer is in violation of these Rules and Regulations, the Customer shall be liable for payment of a penalty in an amount as set forth in the District's fee schedule, **Appendix A**.

(viii) **Swimming Pools**. No public or private swimming pool shall be connected to the sewer system without first obtaining a special Tap Certificate from the District. Such Tap Certificate shall define and specify the hours during

which water may be discharged from such pools into the sewer system and prescribe the fees and charges thereof.

#### **4.4 RESPONSIBILITIES OF THE CUSTOMER**

(a) Water Service Line Maintenance. Each Customer shall be responsible for maintaining the entire length of their Water Service Line. Damage or breaks in the Water Service Line shall be repaired by the Customer within 72 hours from the time of notification of such condition by the District. If satisfactory progress toward repairing the leak has not been made by the time specified, the District shall have the authority to repair, or have repaired, the lines and shall charge the Customer all resulting costs thereof. The District shall have a lien against the property of such Customer or Owner securing payment of such costs.

The water meter shall, after installation, inspection and approval, become the property of the District, and shall be maintained by the District. The Customer shall promptly notify the District if they believe there is any inaccuracy in meter readings. Ownership of the meter by the District does not in any way relieve the Customer of responsibility for repair of leaks or otherwise maintaining the Water Service Line. The District shall not be liable for any damage resulting from leaks or other malfunction of the water meter.

The water meter shall be installed in a meter pit located in the front yard of the building to be served and shall be installed in accordance with the specifications set forth in Appendix C hereto. The District shall have immediate and ready access to the meter and the Customer shall not place any landscaping, plantings or other items in the vicinity of the meter to impede such access.

(b) Sewer Service Line Maintenance. Each Customer shall be responsible for maintaining the entire length of the Sewer Service Line. Excess infiltration leaks or breaks in the Sewer Service Line shall be repaired by the Customer within 72 hours from the time of notification of such condition by the District. If satisfactory progress toward repairing the leak has not been made by the time specified, the District shall have the authority to repair, or have repaired, the lines and shall charge the Customer all resulting costs thereof. The District shall have a lien against the property of such Customer or Owner securing payment of such costs.

#### **4.5 ENFORCEMENT.**

(a) The responsibility of cleaning and maintaining all grease interceptors, sand and oil traps shall be the Customer's and/or Owner's responsibility. Grease interceptors and sand and oil traps shall be inspected periodically by the District's maintenance contractor and if not properly maintained, the District will initiate procedures to obtain compliance with these Rules and Regulations.

(b) The charge for these inspections to the Customer and/or Owner shall be a direct pass-on of the expense to the District and shall be billed directly by the District for all costs incurred by the District in inspecting the property.

(c) Discharge of Sewage in any manner in violation of the Rules and Regulations is hereby declared a public nuisance and may be corrected or abated as directed by the District.

(d) Whenever a discharge of Sewage or the operation of a grease interceptor or sand or oil trap is in violation of the provisions of these Rules and Regulations or otherwise causes or threatens to cause a condition of contamination, pollution or nuisance, the District will issue a 72 hours' written notice to the Owner/Customer to correct the practice. If the practice is not corrected within such time, the District may notify the State Health Department and turn off water service or effect disconnection of the Sewer Service Line from the District's system, until such time as the District has received adequate assurances that any and all violations of the District's Rules and Regulations will cease and will not occur in the future. If the violation is not corrected after notice, reconnection shall be subject to Section 3 of these Rules and Regulations.

(e) When a discharge of wastes causes an obstruction, damage or any other impairment to the District facilities, the District may assess charges against the Customer and/or Owner for the work required to clean or repair the facility and add such charge to the Customer and/or Owner's sewer service charge, and the District shall have such remedies for the collection of such costs as it has for the collection of sewer service charges until paid shall constitute a perpetual lien against the property.

(f) Any person who intentionally or negligently violates any provisions of these Rules and Regulations or conditions set forth in Tap Certificates duly issued shall be liable civilly to the District. The District may petition the District Court to impose, assess and recover such sums.

(g) In order to enforce its powers, the District may enter upon private property for the purpose of inspection and maintenance of water, sanitary and waste disposal facilities and may terminate service to property in which a violation of any of these Rules and Regulations is found to exist. Prior to termination of service the District shall notify, in writing, the property Owner and, if applicable, tenant, of such property that service is intended to be so terminated. Such notice shall be mailed to the address of record and a copy shall be delivered to the Owner and tenant or posted conspicuously on the property pursuant to Section 3.12 of these Rules and Regulations. The notice shall state the date of proposed termination of service and the reasons therefor. In the event of an emergency, the District may terminate service without prior notice, provided, however, subsequent notice of the termination shall be delivered as set forth herein.

## **SECTION 5. SERVICE EXTENSION POLICIES**

**5.1 GENERAL POLICY.** New service will be furnished only after the following conditions are satisfied:

- The proposed new service area/Customer is included within the boundaries of one of the Districts or the Service Area, or the Board has approved a written agreement for Customers that are outside one of the Districts or the Service Area; and

- Regional Facilities needed to serve the area/Customer have been provided by the District after payment of any applicable costs by the Developer/Owner/Customer; and
- All Local Facilities needed to serve the area Developer/Owner/Customer are in place and have had design and construction approval by the District's Engineer and all governmental entities having jurisdiction; and
- The applicable Tap Certificates have been applied for and approved and all required fees and charges paid; and
- The Customers' Service Lines have been installed in accordance with District Standards and construction approved by the District Manager; and
- A water meter has been purchased from the District, installed by licensed plumbing contractor and inspected by the District Manager or other authorized representative of the District prior to water being turned on.

No privately-owned wells or other water supply systems, septic tanks or other individual sewage disposal system, or on-site facilities shall be planned or constructed within the boundaries of the District without the express written consent of the District and written approval of the appropriate State and County entities having jurisdiction. Violation of the provisions of this paragraph shall result in revocation of all Tap Certificates applicable to the property in question and imposition of a fine in the amount of \$5,000. Privately owned wells existing as of January 1, 2000 shall be permitted to continue in operation until such time as a replacement well bore is required after which the well shall be capped and abandoned pursuant to the requirements of the Colorado State Engineer's office.

**5.2 REGIONAL FACILITIES** If the District determines that it can construct the Regional Facilities necessary to serve a land development, the Developer shall provide the District with adequate lead time to permit the reasonable construction of any needed Regional Facilities. The District may require financial commitments from Developers in order to incur the expense of planning and constructing required Regional Facilities. Upon a determination of economic feasibility by the Board, and a determination by the Board that the best interests of the District will be served, the District may enter into a Connector's Agreement with a Developer or Owner and may construct or acquire, on such terms and conditions it deems appropriate, the Regional Facilities.

### **5.3 LOCAL FACILITIES**

(a) Ownership. All Local Facilities may, at the discretion of the District and only after expiration of the warranty period, final inspection and acceptance, be owned by the District.

If, pursuant to the Connector's Agreement and any amendments thereto, the Local Facilities are to be transferred to the District, the Developers/Owners who have completed construction of water and sewer lines shall, before these lines are approved by the District for

preliminary acceptance: 1) prepare a bill of sale or deed conveying the Local Facilities and appurtenances to the District, free and clear of all liens and encumbrances; 2) furnish a bond, letter of credit or other surety in a form and amount approved by the District to cover all maintenance for two years from the date of acceptance of the Local Facilities by the District; 3) provide any and all easements and rights-of-way reasonably requested by the District, without cost; and, 4) attach a summary of the actual original cost of all deeded facilities, complete with verified invoices. At the end of the two-year maintenance period, the District, upon application of the Developer or Owner, shall conduct a final inspection of the improvements. When all punch list items are completed to the satisfaction of the District Manager, the District may accept the lines for ownership, operation and maintenance responsibilities.

(b) Pipeline Sizing. Water distribution pipelines and collection sewer pipelines shall be sized adequately to serve the development tract for which they are designed. Where the distribution or collection lines also have a transmission or collection function serving areas outside of the subject tract, as determined by the District, the District may require that the lines be oversized. In such case, the District may contribute to the Actual Cost an amount equal to the extra cost of over sizing, as provided in Section 6.13. In no case shall Water Mains of 8-inch diameter or less or Sewer Mains of less than 12", be considered as having a transmission function subject to variance by the District Engineer based on site specific circumstances.

(c) Preliminary Design Procedures. Water distribution and collection system planning may be accomplished by the District or by an Engineer registered in Colorado, at the Developer's option and expense. All preliminary plans and final designs must be prepared by or reviewed by the District's Engineer and approved by the Board. In any case, the District Engineer or Inspector shall perform prescribed inspection services at the Developer's expense.

Any Developer desiring to have water and/or sewer service extended shall provide a main extension feasibility study to the District. After preliminary review and approval, the Developer may proceed with final design of the main extension. Normally, during the preliminary review phase the pipeline sizing will be reviewed and oversize requirements, if any, established. It is noted that water and sewer system planning may also require approval by other governmental agencies, including the local fire departments. The Developer is responsible for obtaining any necessary governmental approvals or paying the costs thereof as well as resolving any differences in design requirements imposed by the District.

(d) Easements/Rights-of-Way. All Water and Sewer Mains must be installed in trenches containing no other conduits except that the Developer may install subsurface drain lines in conjunction with the sanitary sewer lines when approved by the District. The line and depth of such installations shall be as determined by the District's Engineer. The topography and alignment of such rights-of-way shall be suitable for main installation as determined by the District's Engineer.

Preliminary and final planning shall be such that adequate space and easement reservations shall be made available permanently to the District without charge, as approved by the District Engineer.

(e) Final Design. The extension application and final design documents will be furnished to the District Engineer for review.

The submittal shall include construction drawings, specifications and other contract documents. These documents shall be prepared by the District's Engineer or a registered engineer acceptable to the District. In all cases, the contract documents must be reviewed and approved by the District. Plan and profile drawings shall be on a horizontal scale 1" = 50' (other scales may be accepted, as determined by the District Engineer). All elevations must be USGS datum as coordinated with the District's engineer. Elevations of existing District facilities shall be field verified in the final design at the Developer's expense. Designs and specifications must include the provisions included as Appendix B with other detailed provisions as required by good engineering practice, all subject to the Board's approval.

Designs for potable water and sanitary sewer extensions shall be submitted for review at least forty (40) days before approval is expected. Plans, specifications and easements submitted for Board approval must be complete and meet with the approval of the District Engineer. Design approvals are valid for 12 months from the date of Board approval unless otherwise specifically noted in the approval. If construction is not substantially complete by that time, resubmittal of the plans may be required, and new construction may not be initiated without the District Manager's specific approval.

(f) Construction Phase. After all approvals have been granted, the Developer must have the extensions constructed in strict accordance with the approved design and inspected by the District's Engineer or Inspector.

The District Engineer or Inspector will inspect the extensions, at the Developer's expense, to assure good quality construction, installation materials and practices, in general conformity with the approved plans and specifications. The District Engineer or Inspector will not handle or be responsible for other construction phase inspection-related services (e.g., staking easement and/or line locations, measuring quantities, preparing pay estimates, and administrative or management-type relations with the contractor), unless the District's Engineer is used for design or unless a specific contract for services is executed with the District.

The Developer shall schedule a pre-construction conference on the job site with the District Engineer/Inspector prior to construction. The Developer shall notify the District seven (7) working days prior to beginning construction and thereafter keep the Engineer or Inspector informed of the construction schedule. No work may be covered, hidden or completed without the presence and approval of the Engineer/Inspector. Any Engineer/ Inspector time or expense caused by the Contractor failing to work according to the proposed schedule shall be charged to the project as part of the Actual Cost.

Construction staking shall be completed prior to the installation of the potable water or sewer lines. All staking shall be maintained throughout the installation of the water or sewer lines. Staking shall include easement or right-of-way stakes and cut/offset stakes (50-foot max. spacing unless otherwise approved).

(g) As-Built Drawings. Accurate “as-built” drawings (sealed by the Design Engineer) showing adequate ties to physical facilities must be provided at the completion of work by the Owner/Developer's Engineer. The District or its Engineer shall be provided with a reproducible set of “as-built” drawings on mylar. These may be the original tracings or photographic reproductions. An electronic format copy as specified by the District Engineer, of all drawings must be submitted with the “as-builts.”

As-built drawings shall furnish information in a manner similar to the approved standard drawing “Typical As-Built Information” in **Appendix B** attached hereto.

(h) Maintenance. The District operates and maintains all potable water and sewer mains within the District which have been completed, accepted, and deeded to the District, except that the Developer shall provide for a two-year warranty period, beginning at the time of preliminary acceptance by the District.

**5.4 TAP CERTIFICATE REQUIRED.** The right to take and use water distributed and the right to discharge sanitary sewage through the facilities of the District shall exist only under a validly issued Tap Certificate, and no physical connection may be made or modified to any such facilities or to any privately or publicly owned extension thereof for any purpose unless a Tap Certificate shall have first been obtained authorizing the use for which such a connection is to be made.

Notwithstanding the issuance of a Tap Certificate, the District reserves the full power and authority to determine all matters in connection with the control and use of water from the water system.

(a) Separate Tap Certificates. No water user in or upon any premises to which water is supplied under a Tap Certificate for such premises, shall supply or allow water to be supplied for use on any other premises unless a Tap Certificate for use on such other premises has been procured, or the applicant has paid the Tap Fee as evidenced by the District's records. Nor shall any sewer user similarly allow discharge of wastes generated from an offsite property to a sewer connection located on his property.

A separate Tap Certificate, or other proof of payment of the Tap Fee, is required for each and every building using water, and/or discharging sewage.

The Water and Sewer Service Lines to any structure served by the District must be independent of the Service Line to any other structure, except where the structures involved comprise an undivided unit with no potential for separate ownership. Individual water service and meters will be required for each individual Owner, unless a specific exemption has been granted by the Board.

(b) Increased Services for Existing Customers. Any water Customer/Owner expanding a building(s) or otherwise increasing water demand, must apply for a modified Tap Certificate if an increase in service size is determined to be required.

Any sewer Customer/Owner expanding a building or otherwise increasing Sewage flows so that the number of equivalent units will be increased, must apply for a modified Tap Certificate, whether or not the actual Service Line size is increased.

In these cases, the Owner shall pay incremental Tap Fees at the rate in effect at the time the modified Tap Certificate is issued.

(c) Transfer of Tap Certificates. Tap Certificates attach to the designated premises only. They are not affected by changes in the ownership of the licensed premises and are usable only in accordance with the terms of the Tap Certificate.

Neither Tap Certificates nor the associated Tap Fees are transferable to other properties, except as provided in Section 6.14 of these Rules and Regulations.

**5.5 TAP CERTIFICATE ISSUANCE.** A Tap Certificate to take and use water from the District's system and/or a Tap Certificate to discharge sanitary sewage to the District's systems may only be issued under the following conditions:

(a) Application. The applicant or its agent shall submit a signed, written application for service on a form supplied by the District and presented to the Board of Directors or their authorized agent and shall contain the following information.

(i) A description of the premises to be served under the Tap Certificate by reference to land survey, or by designation of Lot and Block, or other legal description adequate to define the area to be served by convenient references.

(ii) A description of the building, or buildings, to be constructed and their purpose. If the buildings are to be used for commercial or industrial purposes (any use other than residential) then the applicant shall furnish an estimate of expected peak and average flow loads, with calculations and information as required by the District Engineer.

(iii) An acknowledgement and agreement by the applicant that use under the Tap Certificate must be as limited and defined by applicable law and Rules and Regulations of the District.

(iv) If a use is proposed which could result in high rate service demands, then the District Manager may require that the applicant submit additional information regarding demands or load rates.

(v) A copy of the Tap Fee Agreement applicable to the property to be served and evidence that no uncured deficiencies are outstanding pursuant to the terms of such Tap Fee Agreement.

(b) Payment of Capital/Connection Fees. Prior payment of:

(i) Standard District connection/inspection fees.

(ii) Standard District Water Tap Fees and Sewer Tap Fees for the appropriate number of equivalent units. Normally, simultaneous payment for all applicable District fees, including water and sanitary sewage, will be required.

(iii) Water Acquisition Fee for real property to be served.

(iv) Water and sewer connection fees which are administratively set to cover the cost of Service Line and connection inspection by the District, and for any Service Line materials furnished by the District.

(c) Connector's Agreements. To assure the receipt of Water Tap Fees and Sewer Tap Fees on a predetermined schedule which is necessary for the District to secure funding for the construction of its facilities, the District may require that any Owner and/or holder of an interest in more than three acres of real property within the District Service Area shall enter into a Tap Fee Purchase Agreement in form approved by the District with the District prior to the issuance of any Tap Certificates to connect to the District's facilities. As specified in Section 3.2 herein, the District will not issue confirmation of a commitment to serve property with water or sewer services unless a Tap Fee Purchase Agreement or other satisfactory agreement is signed pursuant to this Section.

(d) Prepurchase of Tap Fees. A Developer/Owner may prepurchase Tap Fees pursuant to agreement with the District. The rights derived by payment of such fees shall be as set forth in the agreement and as stated on the Certificate.

**5.6 FIRE PROTECTION SERVICE.** A Tap Certificate to take and use water from the water system for private fire protection service is granted only upon the following conditions:

(a) The applicant shall have secured a Tap Certificate for water service from the District.

(b) The applicant shall have specified with particularity, the fire protection facilities for which water service is desired.

(c) The applicant shall have executed an agreement adequate to control the use of the fire protection facilities to assure that they will not be used for any purpose other than extinguishing hostile or unfriendly fires, unless specifically exempted by the District Board. Each direct fire protection service line shall be equipped with an approved flow detection device. These facilities are subject to inspection at the District's discretion. The applicant shall have obtained all approvals, written or otherwise, as required by the appropriate County,

(d) If the water is to be supplied for fire protection through the service line through which water is supplied for other purposes, the fire protection facilities shall be so installed as to prevent the use of water through such facilities for any purpose other than fighting hostile or unfriendly fires.

(e) The District assumes no obligation for adequacy of fire protection service.

The only use for which water may be taken from fire protection facilities under Tap Certificate is to extinguish hostile or unfriendly fires. Any other use of water from such facilities shall be deemed as unauthorized use of water for which a Tap Certificate for fire protection service may be suspended or revoked. The District may require that a fire protection system be separately metered.

## **5.7 SERVICE LINES AND CONNECTIONS.**

(a) Design - Construction. Services shall not be used until inspected and approved by the District Manager. Cost for this inspection service is included in the Tap Fees as set forth in **Appendix A.**

(b) Pressure Regulating and Relief Valves. All Water Service Lines shall be equipped with a line-pressure regulating valve - except in areas specifically exempted by the District's Engineer. Pressure regulating valves shall be installed upstream of all uses. The pressure regulating valve shall be set for a downstream pressure not exceeding 80 psi. A water pressure relief valve shall be installed on the Service Line of every Customer. The valve shall be provided with a discharge line to a drain in any areas where discharge could cause damage.

(c) Service Lines. Each individual commercial structure hereinafter connected shall pay for an individual potable water and/or sewer tap and install separate service lines for each commercial structure. Each individual residential structure hereinafter connected shall pay for an individual potable water and/or sewer tap and install separate service lines for each residential structure. Any variance from this requirement must be authorized by obtaining written approval of the Board of Directors of the District.

## **SECTION 6. RATES AND CHARGES**

**6.1 GENERAL.** The District is authorized to assess and collect fees, rates, tolls, assessments and user charges for water and sewer services within and outside the boundaries of the District as set forth in **Appendix A** hereto and as may be amended from time to time by the Board. Changes to fees and charges of the District shall become effective upon adoption by the Board. The District may enter into intergovernmental agreements with other governmental entities to provide for the provision of water and sanitary sewer service and the payment of Fees and Charges.

**6.2 CONNECTION FEES.** Water and sewer Connection Fees are set to cover the actual cost of inspection and records processing for connecting the taps and installing Service Lines. Connection Fees are set administratively by the District Manager, based on actual cost experience. If multiple inspections are required because of poor installation or poor scheduling on the part of the contractor, the District Manager may increase a specific Connection Fee to cover the actual cost increase.

**6.3 INSPECTION FEES.** Water and Sewer Inspection Fees are set to cover the actual cost of inspection and records processing for connecting the taps and installing Service Lines. Inspection Fees are set administratively by the District Manager, based on actual cost experience. If multiple inspections are required because of poor installation or poor scheduling on the part of the contractor, the District Manager may increase a specific Inspection Fee to

cover the actual cost increase. The District may elect to furnish water meters (for standardization and convenience purposes) to service line installers or Customers. In this case the Inspection Fees will be set to also cover the actual costs of the furnished meters.

**6.4 AVAILABILITY OF SERVICE FEE.** A monthly availability of service fee (“AOS Fee”) may be assessed to each platted lot within the District Service Area at such time as service is available within one hundred feet (100') of the property line, but no connection to such line or lines has been made. AOS Fees shall only be imposed pursuant to Section 32-1-1006(1)(h) C.R.S. Such fee shall be discontinued upon connection to the system, at which time service charges will commence.

**6.5 EQUIVALENT RESIDENTIAL UNIT (ERU) SCHEDULES.** For the setting of certain fees, the District has found it convenient to establish Equivalent Residential Unit Schedules. The base for this schedule is an average detached single-family residence, or its equivalent. The schedules are given in the tables included in Appendix A. Each Customer of the system will be charged a minimum of 1 ERU for purposes of defraying fixed costs.

**6.6 WATER TAP FEES.** These are one-time fees designed to provide recovery of capital investment attributable to Regional Facilities of the District's water systems.

Water Tap Fees shall be assessed based on Service Line and meter size, except that a minimum fee has been established, regardless of actual service size. The current fee schedule is included in Appendix A. Water Tap Fees are not applicable to fire protection Service Lines for water Customers. Where Service Lines also serve a fire protection function, the District Engineer will estimate the size line required for potable use only.

**6.7 WATER ACQUISITION FEE.** This is a charge designed to provide funding for acquisition of water resources for use in providing water service to the District.

**6.8 SEWER TAP FEES.** These are fees designed to provide recovery of capital investment attributable to Regional Facilities of the District's sewer system.

Sewer Tap Fees shall be assessed based on ERU value of the proposed Customer, using the equivalent unit schedule and unit rate contained herein as provided in Appendix A.

**6.9 SERVICE CHARGES.** The Schedule of Fees and Charges attached hereto as Appendix A sets forth the current fees and charges applicable to services currently provided by the District. Such fees and charges shall remain in effect until modified by the Board in accordance with these Rules and Regulations and applicable laws. Nothing contained herein shall limit the Board from modifying fees and charges from time to time per separate agreement if deemed by the Board of Directors to be in the best interests of the District. Revised fees adopted by the District will become a part of these Rules and Regulations.

#### **6.10 PAYMENT OF FEES AND SERVICE CHARGES.**

(a) Billing. It is the policy of the District to bill all monthly service charges in arrears. The District shall have the right to issue only one (1) bill for a multi-unit structure or development off the Service Line which is not separately metered. When a condominium or

homeowners' association exists for a number of units receiving service from the District, said association shall receive an invoice for all units included in the association. Any other structure with more than one (1) residential or commercial unit off the Service Line which is not separately metered shall establish one (1) responsible party for billing.

(b) Due Date. The Customer shall pay to the District the full amount invoiced within fifteen (15) days of the date shown on the statement. Where the Customer believes said statement is in error, the Customer must file within fifteen (15) days after the statement date, in writing, a notice to the District of the presumed error and request a clarification from the District Manager. Upon review by the District Manager and re-submittal and/or revision of the statement, payment shall be due no later than fifteen (15) days from the date of the resubmitted statement.

(c) Penalty for Late Payments. Any time the Customer is fifteen (15) days late in payment of any fees or charges due the District, the District shall have the right to assess a late fee as adopted by the Board of Directors of the District. The District shall further have the right, in its sole discretion, to terminate service to any Customer who becomes thirty (30) days late or more in payment for amounts due the District, following the opportunity for a hearing as set forth in Section 3.12. The District also has the right to assess to any Customer who is tardy in payment of its account all legal, court, disconnection, and other costs necessary to or incidental to the collection of said account.

(d) Collection of Delinquent Amounts. In addition to any other means of collecting delinquent fees, rates, tolls, penalties, charges or assessments made or levied solely for water and sewer service, including charges for availability of such service, the District may certify the delinquent amounts to the Elbert County Treasurer for collection in the same manner as property taxes. The District shall charge a fee in the amount stated in Schedule A for the administrative costs of this collection method, which fee shall be added to all delinquent amounts, including other penalties and interest charges, before certification.

**6.11 SEWER SERVICE CHARGES.** District sewer system operating revenues are primarily derived from sewer service charges. Service charges shall be based on a flat rate schedule, using the appropriate ERU value.

(a) High Strength Sewage. The service charge rate given in **Appendix A** are based on Sewage strength similar to normal domestic wastes. For any commercial or process water use where high strength wastes may be expected (above 230 mg/l BOD, and 230 mg/l SS) the District reserves the right to require installation of a sampling point, as approved by the District Engineer, and to charge a premium fee. Such premium shall be determined by the District Manager based on current treatment costs plus the administrative costs of sampling, testing, and billing.

**6.12 ADJUSTMENT OF SERVICE CHARGES.** In those situations where, in the Board's sole discretion, the fees and charges shown on **Appendix A** do not represent a fair, reasonable, and equitable charge for the intended use, the Board, in its sole discretion, may adjust said fees and charges.

**6.13 CONNECTING LINES, OVERSIZING AND REBATES.** Where a proposed development is not contiguous to existing development, the District may require the Developer to construct any intervening connecting water or sewer lines. In this case, the District will set an amount for maximum rebate, being the approved actual cost of the connecting line. This rebate amount will be assigned to Owners of the intervening property if, in the opinion of the District, the intervening Owners can make reasonable use of the line in the future. Future Developers or Customers in the intervening area shall be required to rebate the actual cost, or a prorata portion thereof, before connecting other mains or services to the subject line.

(a) Oversize. Where the District requires that a line be oversized for future users, the District may pay for oversize directly. However, if the Board determines it infeasible to participate immediately in such oversize, then the actual cost of the oversize will be considered a rebatable amount. The District will pay such rebate from the income obtained from future Customers located in an area determined by the District to have benefited from the oversize pursuant to an oversizing agreement approved by the District Board of Directors.

(b) Rebate Amounts. Where the Developer did not have the facilities installed after advertised bids, the actual cost shall be as estimated by the District's Engineer and approved by the Board. In case of disputed eligibility of costs, the Board's decision will be final. In case of disputed method of rebate, a rational proposal shall be prepared by the District Engineer and approved by the Board; the Board's decision shall be final. No interest shall be allowed when determining rebate amounts. A rebate agreement will be made for a maximum period of ten (10) years from the date of facilities acceptance.

#### **6.14 TRANSFER OF TAP FEES.**

(a) Transfer Requirements. No Tap Fee paid on behalf of one property, or any portion thereof, may be transferred to any other property unless there is a separate written authorization from the District for the transfer and the following conditions are met:

(i) The owner requesting the transfer is the common owner of the property for which the Tap Fee has been paid and the property to which the transfer of the Tap Fee or portion thereof is being requested;

(ii) The property to which the Tap Fee is to be transferred must be located within the Service Area of the District; and

(iii) The owner requesting the transfer has no outstanding unpaid accounts with the District and has previously maintained a good credit record with the District;

(iv) The property to which the Tap Fee initially applied has never been connected to the District's system; and

(v) The owner requesting the transfer has filed an application for service for the property to which the Tap Fee is to be transferred.

Any approval of a request for transfer of a Tap Fee shall be in the sole discretion of the District. Upon payment of all applicable fees and approval of a request for transfer of a Tap Fee, the Tap Certificate issued for the property to which the Tap Fee initially applied shall be canceled, and a new Tap Certificate shall be issued with respect to the property to which the Tap Fee is transferred.

(b) Transfer Fee. Unless a separate written agreement provides otherwise, the owner requesting the transfer shall pay to the District the difference between the Tap Fee which would otherwise be charged on the date the transfer is requested for the property to which transfer is being sought, and the Tap Fee previously paid, but in no event shall the District make a credit or refund. In the event an owner transfers only a portion of the total sum previously paid as a Tap Fee, the owner shall retain a credit for any non-transferred portion of the previously paid fee.

**6.15 CONSTRUCTION WATER CHARGE.** Any person who desires to have water service available at a property for individual building sites for construction purposes prior to the time a meter may be properly set and protected from damage, shall pay the Tap Fee and all other applicable charges and a flat construction water fee as defined in Appendix A. Occupancy of the premises shall not occur until a permanent meter is installed and such installation is inspected by the District. For other requests for large volume construction water, the District at its discretion may provide a fire hydrant meter or other water source and permit connection on a designated hydrant or source after receipt of a written request for temporary construction water service and a cash deposit in an amount to be set by the District Manager. The cash deposit shall cover the value of the meter and prepayment of two months anticipated water use. Such service may be curtailed by the District at any time; and no Tap Fee is required for this service. The District shall read the meter, normally monthly (or at more frequent intervals at the District's option) and bill for water used. Payment shall be made within 10 days of receipt of the bill. Water gallonage charges shall be in accordance with the regular commercial schedule with a base fee of not less than the 1-inch size commercial meter to cover billing costs. At the cessation of service, the District will refund the deposit less any damages to the meter, hydrant and any outstanding charges. Any shortage shall be promptly paid by the user.

If the user elects to take construction water from the non-potable systems, procedures are to be similar to that for potable water above; except that a different meter/connection will be required.

For all construction water accounts, a non-refundable start-up charge will also be assessed, as given in Appendix A.

**6.16 FEES FOR FORECLOSURE PROCEEDINGS.** At any time it becomes necessary for the District, following efforts to collect overdue payments of any fee or charge assessed by the District under these Rules and Regulations and/or Colorado law, to initiate foreclosure proceedings as allowed by Section 32-1-1001(1)(j), C.R.S., as amended, the District shall in each such case assess a foreclosure fee against the subject property in an amount as set forth in the District's fee schedule which fee shall be payable in full upon assessment and shall be included in the amount then being foreclosed. Payment of said foreclosure fee and any and all

other fees outstanding against the subject property shall be a precondition to the resumption of service to that property.

## **SECTION 7. HEARING AND APPEAL PROCEDURES**

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

- (a) Complaints arising out of the interpretation of the terms of District contracts;
- (b) Complaints which arise with regard to personnel matters, and
- (c) Any other complaint which does not concern the interpretation, application, or enforcement of the Rules and Regulations of the District.

**7.2 INITIAL COMPLAINT – RESOLUTION.** Complaints must be presented in writing to the District Manager or such representative as may be designated by the District concerning the interpretation, application or enforcement of Rules and Regulations of the District. Upon receipt of a complaint, the District Manager or the designated representative, after a full and complete review of the allegations contained in the complaint, shall take such action and/or shall make such determination as may be warranted and shall notify the complainant of the action or determination by mail within fifteen (15) days after receipt of the complaint. Decisions of the District Manager which impact the District financially shall not be binding upon the District unless approved by the Board at a special or regular meeting.

**7.3 HEARINGS BEFORE THE BOARD.** In the event the complainant disagrees with the determination of the District Manager or the designated representative, the complainant may, within fifteen (15) days from the date of the mailing of the determination, file with the District a written request for a hearing before the Board. The request for a hearing shall set forth with specificity the facts or exhibits presented at the formal hearing upon which the complainant intends to rely and shall contain a brief statement of the complainant's reasons for the complaint. The District Manager or the designated representative shall compile a written record consisting of all exhibits or other physical evidence reviewed in making his or her determination, and a copy of the written determination. The Board shall hold a formal hearing on the complaint at the next regularly scheduled meeting held no earlier than ten (10) days after the filing of the complainant's request for a hearing. At the hearing, the District Manager or the designated representative and the complainant shall be entitled to present all evidence that is, in the Board's view, relevant and material to the dispute, and to examine and cross-examine witnesses. The Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained.

**7.4 BOARD'S FINDINGS.** Based on the record established, the Board shall issue a written decision concerning the disposition of the dispute presented to it and shall cause notice of the decision to be hand delivered or sent by certified mail to the complainant within thirty (30)

days after the hearing. Such decision shall be final and binding upon the District and the complainant and shall constitute the final administrative action of the District.

**7.5 NOTICE.** A complainant shall be given notice of any hearing before the Board by hand delivery or certified mail at least seven (7) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time. When a complainant is represented by an attorney, notice of any action, finding, determination, decision or order affecting the complainant shall also be served upon the attorney.

**7.6 FINAL DETERMINATION.** The Board's determination shall be final and binding on the Board and no appeal shall lie from the decision of the Board. In the event of any litigation undertaken contrary to this Section, the Board shall be entitled to recover its costs and attorney fees.

## **SECTION 8. MISCELLANEOUS**

**8.1 SIGNS.** No billboard, sign, notice or advertisement, whether of a permanent or temporary nature, shall be constructed or posted within any easement, right of way, roadway or other property belonging to the District.

### **8.2 CONSTRUCTION WITHIN EASEMENTS.**

(a) Prohibition. No structure or facility of any type shall be constructed within, under or over, or which encroach any easement, right-of-way or dedication granted in favor of the District, or public easements, rights-of-way or dedications which benefit the District (collectively referred to in this Section 8.2 as "**District Easements**"), without the express written consent of the Board.

(b) Variances. Upon written application to the Board, the Board may, after consultation with the District Engineer and in the Board's sole discretion, grant written variances to allow construction within, under or over, or which encroaches District Easements. All variances must be signed by the property owner to be benefited and shall specify that the property owner will indemnify and hold the District harmless from any damage to the landowner's structure or facilities, or any landscaping, located within District Easements which may occur as a result of the District's exercise of its easement rights, including the excavation of such easement. Such variance shall be recorded with the Clerk and Recorder of Elbert County and will constitute covenants which run with the land.

(c) Removal of Unauthorized Structures. The District, in its sole discretion, may remove any unauthorized structure or facilities and all landscaping located within, under or over, or which encroach any District Easement, which are inconsistent with the District's use of such easement, at the sole cost of the property owner. Such cost shall include reasonable attorney's fees and damages incurred by the District. The District shall not be responsible for repair or replacement of unauthorized structures or facilities, or any landscaping, if such is required as a result of the District's exercise of its easement.

(d) Private Use of Easements. Except where the language of a District Easement so provides, private use of District Easements incompatible with the District's rights is prohibited.

**8.3 SEVERABILITY.** If any provision of these Rules and Regulations, or its application to any person or circumstances is held invalid, the application of such provision to other persons or circumstances, and the remainder of these Rules and Regulations shall not be affected thereby.

**8.4 MODIFICATION, WAIVER AND SUSPENSION OF RULES.** The Board of Directors or the District Manager, acting on instructions of the Board, shall have the sole authority to waive, suspend or modify the application of these Rules and Regulations, and any such waiver, suspension or modification must be in writing, signed by the Board or the District Manager and shall not be deemed an amendment of the Rules and Regulations. No waiver, suspension or modification of any one occasion shall constitute a waiver, suspension or modification on any subsequent or other occasion.

**APPENDIX A**

**SPRING VALLEY METROPOLITAN DISTRICT NO. 1  
SCHEDULE OF UTILITY RATES AND FEES**

a. **CONNECTION FEE.** This fee is intended to cover the cost of the District's inspection of the physical tap and of the Customer's Service Line, entering the tap location on the District's as-built drawing set, and other ancillary services needed in connection with a new tap.

The actual cost of the meter will be added to the water Connection Fee. If repeat inspection services are required due to unacceptable installation or improper scheduling, then the District will charge additional fees based on hourly rates and expenses incurred.

**CONNECTION FEE SCHEDULE**

<u>Water Line/Meter Size</u>	<u>Fee</u>
3/4"	\$70.00
1"	\$100.00
1 1/2"	\$110.00
2"	\$125.00
3" & larger	\$150.00
<u>Sewer Service Line</u>	
4"	\$75.00
6" & larger	\$100.00

The meter fee shall be the actual cost of the meter which shall be purchased from the District prior to water service being provided. Call Ramey Environmental Compliance, Inc. at 303-921-0129 for information on meter purchases.

b. **TAP FEE.** This fee is a one-time contribution required of new Customers (or existing Customers having change of use) to be used for capital investment in Regional Facilities and District operations. This fee shall be due at the time of application for service.

**[CONTINUED ON FOLLOWING PAGE]**

**COMBINED WATER and SEWER TAP FEE SCHEDULE  
(Including Water Re-Use Fee)**

	<b>In-District</b>	<b>Out-of District</b>
Single Family detached residence or equivalent with 3/4" service line**	\$	\$
<u>Fees for the following tap sizes will be calculated at the stated ERU values multiplied by the amount stated above.</u>		
3/4" Size	1 ERU	
1" Size	2 ERUs	
1 1/2" Size	4 ERUs	
2" Size	8 ERUs	
3" Size	18 ERUs	
4" Size	36 ERUs	
Larger than 4" as determined by District		
** Note: In low pressure areas (having a static pressure less than 40 psi) designated by the District Engineer, the District Manager may permit the use of a 1" tap at the same fee		

	<b>In-District</b>	<b>Out-of District</b>
<p><b>WATER ACQUISITION FEE</b> (required if water rights conveyed to the District by property owner are not adequate.)</p> <p>This fee is to be paid upon inclusion within the Service Area of the District or by separate agreement with the District and shall equal the actual cost of acquisition of sufficient water rights to serve the property, attorneys fees, engineering fees, court costs and all related expenses.</p>	\$	\$

	<b>In-District</b>	<b>Out-of-District</b>
<p><b>FACILITIES FEE</b></p> <p>This is a one-time charge to be paid on a per-lot basis within the Service Area as a fee for the construction, operation, and maintenance of public improvements serving residents within the Service Area. The Facilities Fee is imposed by the individual districts in which the property is located.</p>	\$	

c. SERVICE CHARGES. To be billed monthly to all customers.

<b>Water Charges</b>	<b>In-District</b>	<b>Out-of District</b>
Base Rate	\$	\$
Usage Rates		
0 to 6,000 Gallons	\$	\$
6,001 to 12,000 Gallons	\$	\$
12,001 to 18,000 Gallons	\$	\$
18,001 to 24,000 Gallons	\$	\$
24,001 and up	\$	\$
<b>Sewer Service Charge</b>	\$	\$

**APPENDIX B**  
**SPRING VALLEY METROPOLITAN DISTRICT NO. 1**  
**FACILITY STANDARDS**

**APPENDIX C**

**SPRING VALLEY METROPOLITAN DISTRICT NO. 1  
METER PIT SPECIFICATIONS**

**EXHIBIT B**

**DESIGN STANDARDS OF SPRING VALLEY METROPOLITAN DISTRICT NO. 1**

