

FOXHILL METROPOLITAN DISTRICT

Nos. 1 & 2

WATER RULES AND REGULATIONS

Updated: April 26, 2019

ARTICLE I
GENERAL

1.1 Authority

The Foxhill Metropolitan District No. 1 acting by and through the Foxhill Water Enterprise (collectively the “District”) is the Service District while the Foxhill Metropolitan District No. 2 is the Taxing District. The District is a governmental subdivision of the State of Colorado and a body corporate with those powers of a quasi-municipal corporation, which are specifically granted for carrying out the objectives and purposes of the District.

1.2 Purpose

The purpose of this consolidated body of Rules and Regulations is to ensure an orderly and uniform administration of potable water operations in Douglas County, Colorado. These Rules and Regulations apply *only* to the Potable Water System (as defined herein), not to the non-potable water system, as that will be managed and controlled by the District Water Service Contractor and/or the manager for District No. 1 or another public entity providing non-potable water service to the Districts.

1.3 Policy

The Foxhill Metropolitan District No. 1 is a political subdivision and quasi-municipal corporation of the State of Colorado possessing all of the powers of a special district under Colorado law, whether specifically granted, reasonably implied, or necessary or incidental to those powers specifically granted for carrying out the objectives and purposes of the District. The authority of the District to adopt by-laws, rates, rules and regulation is expressly conferred by Colorado statute. The Board of Directors of the District expressly finds and determines that the adoption of the following rates, rules, and regulations is necessary for the health, safety, prosperity, security, and general welfare of the inhabitants of the District and those within the District’s service area and will insure an orderly and uniform administration of the District affairs. The District owns, operates and maintains the potable water system by and through its Foxhill Water Enterprise.

The Board of Directors of the District hereby declares that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the District.

1.4 Scope

These Rules and Regulations shall be treated and considered as comprehensive regulations governing the operations and functions of the District acting by and through its Water Enterprise with regard to the Potable Water System.

1.5 Intent of Rules and Regulations

It is intended that these Rules and Regulations shall be liberally construed to affect the general purposes set forth herein, and that each and every part 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, or limitation or restriction, imposed or conferred upon the Board of Directors by virtue of statutes now existing or subsequently amended, or 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. Any ambiguity, conflict, omission or question of interpretation of these rules and regulations shall be determined in the sole discretion of the District's Board of Directors.

1.6 Amendment

It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations, with respect to the District, to reflect those changes determined to be necessary by the Board of Directors of the District. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this Section. These rules and regulations may be altered, amended or added to from time to time and such alterations, additions or amendments shall be binding and of full force and effect as of the date of their adoption by the District's Board of Directors.

1.7 Miscellaneous.

1.7.1 Usage and Titles. All words and phrases shall be construed and understood according to the common and approved usage of the language, but technical words and phrases and such others as may have acquired a particular and appropriate meaning in the law shall be construed and understood according to such particular and appropriate meaning. The title of any heading in these rules and regulations shall not be deemed in any way to restrict, qualify, or limit the effect of the provisions set forth in the section or subsection set forth under each heading.

1.7.2 Severability. Should any section, subsection, sentence, clause or phrase of these rules and regulations be judicially determined invalid or unenforceable, such judgment shall not effect, impair, or invalidate the remaining provisions of these Rules and Regulations, the intention being that the various sections and provisions hereof are severable.

1.7.3 Prior Offenses. Nothing in these Rules and Regulations shall affect any offense or act committed or done, or any obligation, penalty or forfeiture incurred by any person or under any contract or right established or occurring before the effective date of these Rules and Regulations.

1.7.4 No Damage for Failure to Enforce. Nothing herein contained shall create any right to damages against the District, its directors, officers, agents or employees for the District's failure to enforce any or all of these rules and regulations.

1.7.5 Availability of Service. Water service shall be available only in accordance with these Rules and Regulations and on the basis of the charges established therefore and subject to all penalties and charges for violation thereof, or any statutes applicable and subject to the availability of facilities and capacity.

1.7.6 Control and Operation of Facilities. All water facilities and property of the District shall be under the management of the District Manager and the control of the Board of Directors. No other person shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the District's facilities without the District's prior written consent.

1.7.7 Inspections. All inspections, observations, testing and reviews performed by the District whether of private premises to insure compliance with these Rules and Regulations or of the District's property and facilities, are performed for the sole and exclusive benefit of the District. No liability shall attach to the District by reason of any such inspections, observations, testing or reviews or by reason of any denial or issuance of any approval or permit for any work subject to the authority or jurisdiction of the District.

1.7.8 Ownership of Facilities. The District exercises all rights and responsibilities attendant to the water facilities owned by the District and, in the future, shall accept ownership responsibilities only for additional facilities which have been validly conveyed to and accepted by the District.

ARTICLE II DEFINITIONS

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

- 2.1 **"Applicant"** means any person who applies to the District (as defined herein) for a service connection or service disconnection, main line extension or other such service agreement, or who attempts to have real property included within, or excluded from the District, as the case may be.
- 2.2 **"Board"** and **"Board of Directors"** mean the Board of Directors of Foxhill Metropolitan District No. 1.

- 2.3 “**Constructor**” means the landowner, developer, subdivider, agency, or their affiliates actually paying for the construction of the lines.
- 2.4 “**Contractor**” means any person, firm or corporation authorized by the District to perform work and to furnish materials within the District.
- 2.5 “**Customer**” means any entity authorized to connect to and use the District’s Potable Water System under a permit issued by the District.
- 2.6 “**District**” means Foxhill Metropolitan District No. 1, which District shall be responsible for the installation, operation, and maintenance of the Potable Water System in Foxhill Metropolitan District Nos. 1 & 2.
- 2.7 “**Districts**” means Foxhill Metropolitan District Nos. 1 & 2.
- 2.8 “**District Engineer**” means that person or firm that has been authorized by the District to perform engineering services for the District.
- 2.9 “**Dwelling Unit**” means one or more habitable rooms arranged, occupied, or intended or designed to be occupied by not more than one family with facilities for living, cooking, sleeping and eating.
- 2.10 “**Equivalent Dwelling Unit**” or “**Single Family Equivalent Dwelling Unit**” means a use which is estimated to have an impact upon the Potable Water System equal to that of the average usage of a Dwelling Unit.
- 2.11 “**Foxhill Water Enterprise**” means the Water Activity Enterprise created by the District pursuant to Colorado Revised Statutes § 37-45.1-101, *et seq.*, to operate and maintain the Potable Water System for the purpose of providing potable water service, potable water, and commitments to serve customers within the service area of the District.
- 2.12 “**Inspector**” means that person who, under the direction of the Manager, shall inspect all water connections, excavations, installations of and repairs to the Potable Water System and facilities of the District to ensure compliance with the Rules and Regulations.
- 2.13 “**Potable Water System**” means any water main line, appurtenances, accessories or portion thereof owned, leased, or maintained by or for the District in connection with the District’s management, administration, control and/or provision of potable water service within the boundaries of Foxhill Metropolitan District Nos. 1 & 2.
- 2.14 “**Manager**” of the District means the person or entity retained by the Board of Directors to administer and supervise the affairs of the District and their employees.

- 2.15 **“Potable Water”** is all potable water administered, managed, controlled or provided by the District for the Potable Water System.
- 2.16 **“Permit”** means the written permission to connect to or enlarge the use for the Potable Water System of the District pursuant to the Rules and Regulations of the District.
- 2.17 **“Person”** means any entity of any nature, whether public or private.
- 2.18 **“Plant Investment Fee”** means a one fee assessed and paid to the District for access and connection to the District’s Potable Water System.
- 2.19 **“Rules and Regulations”** means the Rules and Regulations of the District, including all amendments and policies as set forth in the District minutes and resolutions.
- 2.20 **“Service Line”** means any privately owned and maintained pipe, line or conduit used or to be used to provide water service from water main, whether the pipe, line or conduit is connected or not.
- 2.21 **“Shall” or “May”** Whenever “shall” is used herein, it shall be construed as a mandatory direction. Whenever “may” is used herein, it shall be construed as a permissible, but not mandatory direction.
- 2.22 **“Singular and Plural”** as pertains to these Rules and Regulations, the singular includes the plural and the plural the singular where ever applicable.
- 2.23 **“Stub-out”** shall mean any connection to a main line which extends from the main line and which is intended to facilitate service line connection to the Potable Water System, either directly to the main line or indirectly through a private main. A stub-out may extend to, but not through, the foundation, or exterior walls, or floor of any structure intended to be served. Any extension through the foundation or exterior wall shall be considered a tap, whether connected or not.
- 2.24 **“Tap” or “Connection”** means the connecting of the service line to the Potable Water System, either directly to a main line, or stub-out from the main line, or indirectly through a private main line, which service line extends beyond the easement line or property line into the structure intended to be served, whether or not actually connected to the structure’s Potable Water System.
- 2.25 **“Tap Fee”** means the payment to the District of a fee for the privilege of connecting a particular use to the Potable Water System.
- 2.26 **“Water Main and/or Main Line”** means any pipe, piping, or system of piping used as a conduit for water in the Potable Water System and owned, operated, maintained, leased or controlled by the District.

- 2.27 **"Curb Stop"** means a water shutoff valve located in the public street, sidewalk, right-of-way or easement and which shall have a valve box extending to the ground surface.
- 2.28 Any Other Term not herein defined shall be defined as presented in the "Glossary - Water and Sewage Control Engineering", A.P.H.A., A.W.W.A., A.S.C.E. and F.W.S.A., latest editions.

ARTICLE III
OWNERSHIP AND OPERATION OF FACILITIES

3.1 Responsibilities of the District

Except as otherwise provided by these Rules and Regulations, the District is responsible for the operation and maintenance of the Potable Water System, which operation and maintenance shall be carried out in a sound and economical manner in accordance with these Rules and Regulations. It shall not be liable or responsible for inadequate service or interruption of service brought about by circumstances beyond its control.

3.2 Limitation of Liability of District

Except as provided by the Colorado Governmental Immunity Act, 24-10-101 *et seq.*, C.R.S., it is expressly stipulated that no claim for damage shall be made against the District by reason of the following: breakage of any water main line by District personnel; interruption of water service and the conditions resulting therefrom; breaking of any main line, service line, valve, pipe, or meter; 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 or other facilities not owned by the District; damage to appliances or apparatuses resulting from shutting water off or for turning it on, or from inadequate, excessive or sporadic pressures; or for doing anything to the system of the District the Board of Directors or their agents deemed necessary.

3.3 Rights and Authority

Except if required and as provided by the Colorado Governmental Immunity Act, The District shall have no responsibility for notification to customers of any of the foregoing conditions. All potable water users within the District shall be obligated to connect to the District's Potable Water System unless otherwise agreed to by the District and the potable water service provider.

The District reserves the right to terminate the service to any user of the Potable Water System at any time, for any reason deemed necessary or appropriate, including for violations of these Rules and Regulations. Unless otherwise provided herein, the District shall give written notice to such user of the District's intention to terminate service.

Under no circumstances shall any user be entitled to or obtain, claim or assert any perpetual right to potable water service from the District or in any District easements, mains or connections, whether under contract or otherwise, and such user shall be bound by all rules and regulations of the District as altered or amended from time to time governing the administration and use of, and charges for potable water service from, the District's Potable Water System.

Service limitations, prohibitions and limitations under any law or which may be contained within any contractual agreement of the District with any other governmental body shall also constitute prohibitions and limitations upon any user of the facilities of the District, except as may be provided by special permit.

3.4 Ownership of Facilities

All existing and future main lines and treatment works connected with and forming an integral part of the Potable Water System shall become and are the property of the District, or leased by the District, unless any contract provides otherwise. Said ownership will remain valid whether the main lines and treatment works are constructed, financed, paid for, or otherwise acquired by the District, or by other persons.

3.4.1 Ownership of Potable Water Facilities. The District shall own and the District is responsible for the maintenance of the water service line, up to and including the curb stop valve or the customer's property line, whichever is closer to the water main. The customer is responsible for the maintenance of the remaining portion of the service line serving his property.

3.4.2. Ownership of Water Meters. Notwithstanding the above, all water meters and shut-off valves shall become and are the property of the District. Said ownership shall remain valid whether the meters and/or shut-off valves are installed, financed, paid for, repaired or maintained by another person or whether the meters and/or shut-off valves are located on a privately owned and maintained service line.

3.5 Right of Entry, Inspection and Maintenance Powers and Authority of District Agents

Authorized employees of the District, the District Manager, or other personnel authorized by the District Manager, bearing proper credentials and identification, shall be permitted by the customer/owner to enter upon all properties at all reasonable times for the purpose of installation, replacement, repair, maintenance, inspection, observation, measurement, sampling, and testing of any water meter, meter pit if one exists, curb stop valve and/or box, radio frequency device if one exists, sump pump, water service lines and District easements in accordance with the provisions of these Rules and Regulations. The granting of Right of Entry by the customer/owner is a condition precedent and a condition subsequent to the provision of water service by the District. Refusal to permit such access to District personnel in the performance of their duties may result in immediate termination, and/or cause additional charges to the customer at the discretion

of the District Manager, of water service to the premises. Failure to permit such inspections, observations, measurements, samplings and/or testings upon the request, in writing, of the Manager may result in a finding that permission is being denied to avoid discovery of a violation that may result in the disconnection of service to the property of the party failing to permit such activity.

3.6 Modification, Waiver and Suspension of Rules

The Board or the 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 Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver will be deemed a continuing waiver.

ARTICLE IV USE OF POTABLE WATER SYSTEMS

Potable Water services will be furnished to property included within the District subject to the District's Rules and Regulations and subject to fees, rates, charges and tolls as provided herein and as imposed by the District. It is currently contemplated that potable water under this Article IV is being provided by the District within the service area of the District by use of an approved tap and meter.

4.1 Unauthorized Tampering with Systems

4.1.1 Unauthorized Use. No unauthorized person shall uncover, use, alter, disturb, or make any connection with, or opening onto, use, alter, or disturb the Potable Water System without first obtaining a written permit from the District. Unauthorized uses of or tampering with the District's Potable Water System include, but are not limited to, change in customer's equipment, service or use of property, as defined in Section 5.7, an unauthorized turn-on or turn-off of water service, burying valve boxes, and modifying any water meter.

4.1.2 Malicious Damage to System. No person shall maliciously, willfully, or negligently, break, damage, destroy, cover, uncover, deface or tamper with any portion of the District's Potable Water System.

4.1.3 Violators Prosecuted. Any person who shall violate the provisions of this Section 4.1 shall be prosecuted to the full extent of Colorado law.

4.1.4 Violators Fined. Any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of a \$1,000.00 fine, plus any

expense, loss or damage occasioned by reason of such violation. Such costs shall constitute a perpetual lien upon the violator's property, as allowed by Section 32-1-1001, C.R.S., *as amended*, or a perpetual lien upon the property concerning which the violator was receiving services at the time of the violation in question, whichever the Manager deems appropriate.

4.2 Use of Potable Water System

4.2.1 Notice of Changes and Repairs of Leaks. The customer shall notify the District in writing prior to any expansion or addition to the service or use of the property served by the District's Potable Water System upon any change of ownership of said property. Each customer shall be responsible for all costs associated with the construction and maintenance of the length of the service line to the curb stop or property line, whichever is closer to the main. Service lines shall be constructed in accordance with these Rules and Regulations.

Leaks or breaks in the service line shall be repaired by the customer 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 Manager 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, and the costs therefore shall constitute a lien on and against the property of such customer, security payment of such cost, as provided for by Section 32-1-1001, C.R.S.

4.2.2 Cross Connection Control. It is not intended that the District system will be connected to a non-potable water system. Connections of the potable water system to the non-potable water system shall be expressly prohibited.

4.2.3 Stop and Waste Type Valve. No stop and waste type valve is permitted in conjunction with a customer's service line. It is the responsibility of the customer to bury the service line with sufficient cover to prevent it from freezing.

4.2.4 Water Meters Required. No connection shall be made to the District's Potable Water System without a water meter having been installed to serve the subject unit. All water meters shall have devices for remote reading. The type of water meter and location of the meter shall be subject to the approval of the District. The District shall be empowered to install the initial meter and shall have the right to test, remove, repair or replace any and all water meters. It shall be the duty of each customer to notify the District if their water meter is operating defectively. If any meter is suspected to be defective, the District shall diligently pursue repair or replacement of said meter at the District's expense unless the defect is a result of frost or faulty installation by the owner. In this case, the cost for repair or replacement shall be added to the service charge bill. The water meters referred to in this Section and throughout these Rules and Regulations

are separate from the water meters measuring the use of potable water from the Town/City/County or other public entity providing potable water service to the Districts.

During the interim period prior to repair, the following policy shall be enforced: The customer shall be given notice, by first-class mail, that the District suspects that the water meter is defective. The customer shall be given thirty (30) days in which to respond, which response shall include scheduling with the District an appointment for a meter inspection and replacement. If the customer fails to respond, the customer will be placed on the rates determined by the District, effective with the following billing cycle.

The customer shall be given a second notice, by first-class mail, that the District suspects that the water meter is defective. The customer shall be given thirty (30) days in which to respond, to the second notice, which response shall include scheduling an appointment for a meter inspection and replacement. If the customer fails to respond to the second notice, the District may disconnect the water service and charge the customer the base water rate while the service is disconnected.

4.2.5 Sumps and Water Wells Prohibited. After the effective date of these Rules and Regulations, the construction of any water well or sump within the Districts is prohibited, unless accepted in writing by the District.

4.2.6 Pressure Reducing Valve (“PRV”). A PRV may be installed in service lines immediately before the water meter, ensuring that the water meter is protected from fluctuating water main delivery pressures. The pressure setting of the PRV shall not exceed 150 PSI without written permission from the District.

4.3 Inactive Service.

4.3.1. Definition. Inactive Service means that the water service line for the Licensed Premises is connected to a Water Main but the water service meter is not set and the water service line is not used to deliver water to the Licensed Premises. Inactive Service occurs where the service line is constructed initially only to the valve at the property line for the purpose of installing the service line prior to the paving of the street or where a regular residential or commercial tap is converted to inactive status commencing twelve (12) months after the date the application for such status is approved by the District.

4.3.2 Availability. Available to Applicants within the boundaries of the District or any contracting District.

4.3.3 Inactive Charges. The monthly charge for Inactive Water Service shall be at a rate determined by the District and shall commence twelve (12) months after the date the application for Inactive Service is granted and shall continue until such time as water service is activated or the inactive water tap is invalidated.

4.4 Work on Potable Water System

4.4.1. Permit Required. Before performing any work, including a connection or disconnection or an extension of the Potable Water System, the Applicant shall obtain a permit from the District, shall pay the prescribed fee as established from time to time by the Board, and shall arrange for proper inspection by the District.

4.4.2. Application for Permit. Application for such permit shall be made to the District, with at least two weeks advanced notice, on the form or forms furnished for such purpose by the District, which shall provide a description of the work to be performed; the owner, legal description, and address of the property to be served; the meter size; the proposed usage; estimated hourly and daily water consumption (as an average and maximum) for any nonresidential usage; and such other information as may be required by the District. Upon approval of the application, payment of all applicable fees and after full compliance with all other relevant rules and regulations of the District, the District Manager shall issue the permit requested under the application.

4.4.3. Payment of Fees. Before the issuance of any permit under this Section 4.4, all fees, costs and charges required by the District shall first be paid. The Board may, in its discretion, from time to time increase or decrease such fees and charges as it deems in the best interests of the District; provided that such fees and charges shall be uniform for all properties within the same classification. The Board may establish different fees and charges for properties classified by type, use, or quantity of water to be withdrawn from the Potable Water System.

4.4.4. Payment of Construction and Connection Costs. In addition to the payment of fees for the permit, the Applicant is solely responsible for the costs to construct extension lines and services lines and to the costs associated with connection to the District's Potable Water System.

4.4.5. Denial of Application. Applications to work on or connect to the Potable Water System shall be granted by action of the Board or District Manager. The Board reserves the right to deny applications to work on or connect to the Potable Water System, if, in its discretion, it deems such denial is in the best interests of the District, it is not practical to serve Applicant with potable water, and/or approval may have a materially adverse effect on the District's Potable Water System or constituents.

4.4.6. Appeal Process. If an application has been denied by the Manager, the Applicant may appeal such decision to the Board, and the Board shall hear such appeal at its next regular meeting. The action of the Board at such hearing shall be final. Only the Board shall prescribe the fees, conditions and requirements necessary for obtaining a permit.

ARTICLE V
APPLICATION FOR SERVICE

5.1 Inclusion

Service will be furnished subject to the District's Rules and Regulations and only to property included within and subject to the Rules and Regulations of and taxation by the applicable Foxhill Metropolitan District. It shall be incumbent upon the Applicant to furnish satisfactory evidence of inclusion whenever such evidence is requested by the District. Satisfactory evidence shall consist of tax receipt, or certification in lieu thereof, received from and signed by the County Treasurer. A person owning land within the service area of the Districts and/or who desires service must first dedicate and convey the water required to service all of his land serviceable by the Potable Water System for the parcel on which service is desired to the Districts. A formal request for inclusion within the applicable Foxhill Metropolitan District shall be made to the Districts, on its standard form, by the Applicant, accompanied by a non-refundable payment (to be determined at the time of application) for legal fees and the estimated costs of publication. Any additional costs or legal fees which may occur shall be assessed and paid prior to approval of inclusion by the Board. Until paid, such costs and fees shall be a lien upon the property in question.

5.1.1 Inclusion - Procedures. The procedure for inclusion is specified under Colorado statute. That procedure is summarized here in order that the person petitioning for inclusion may be advised of the general requirements.

- a. The Applicant desiring to include lands situate outside the Districts' boundaries shall first contact the District Manager in order to determine whether or not the District's facilities are physically capable of serving such property.
- b. Once it is decided that the District's facilities may serve such property, the Applicant (known as the petitioner) shall furnish a complete and accurate legal description of such property to the Districts on petition forms provided by the Districts. The petition shall be submitted by the fee owner or owners of such property and acknowledged in the same manner as required for the conveyance of land. The petition shall be accomplished with the aforementioned non-refundable payment of One Thousand Dollars (\$1,000.00) payment.
- c. The Districts' attorney will then review the petition to be certain it meets all legal requirements. The petition will be presented to the Board at a regular meeting; the Applicant may attend such a meeting to formally present the petition. Once presented to the Board, the Board will cause the petition to be publicized in a newspaper of local circulation in the Districts, setting forth the time and place for a formal hearing on the petition. The newspaper publication requires approximately thirty (30) days to complete. No person signing such

petition shall be permitted to withdraw the petition after submission to the Districts without the Board's consent.

- d. Upon completion of publication and payment of the prescribed fees, the Board will, at the public hearing, approve or deny the petition. The Board's decision shall be final and conclusive. If approved, the Board will direct the Districts' attorney to obtain a court decree ordering the inclusion of the petitioned property into the applicable Foxhill Metropolitan District. The Board may attach any terms and conditions considered necessary by the Board, in its absolute discretion, to the inclusion of any property into the applicable Foxhill Metropolitan District. If such terms and conditions are imposed by the Board, then the inclusion of such property shall be subject to any such terms and conditions. A certified copy of the court order will then be recorded in the County Clerk and Recorder's office, at which time the property becomes included within the applicable Foxhill Metropolitan District's boundaries; the County Assessor may also be provided with a copy of such order. The entire process ordinarily takes from forty (40) to sixty (60) days after the petition has been initially submitted to the Board.

5.2 Exclusion of Property

Real property located within the Districts may be excluded from the Districts upon proper petition being filed by the fee owner or owners of the property sought to be excluded and payment of the prescribed fees. A public hearing shall be held upon the petition for exclusion after publication of notice. Petition forms will be furnished by the Districts. Exclusion of property from the applicable Foxhill Metropolitan District shall not excuse the liability of such property from the charge or lien of any bonds existing at the time of filing the exclusion petition. All unpaid fees, charges, taxes and liens shall be fully paid by the Applicant at the time of filing the petition. It shall be the policy of the Board to grant exclusions only, (a) if the District is unable to serve the property; (b) if in serving the property, the District would be duplicating existing services; or (c) the original inclusion of the property was improper. The decision of the Board shall be made at the public hearing, and the Board's decision shall be final and conclusive. The Board may attach any terms and conditions considered necessary by the Board, in its absolute discretion, to the exclusion of any property from the applicable Foxhill Metropolitan District. If such terms and conditions are imposed by the Board, then the exclusion of such property shall be subject to any such terms and conditions.

5.3 Service Outside the District

No service shall ever be provided to property outside of the Districts, except upon the express written consent of the District. Charges for furnishing service outside of the Districts shall be at the discretion of the Board of Directors, but no service shall be furnished to property outside of the Districts unless the charge therefore equals at least the cost of service, plus the estimated mill levy and tap fees for which such property

would be responsible if it were a part of the Districts. In every case where the District furnishes service to property outside the Districts, 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.

5.4 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 Potable Water System. Only upon authorized approval of the application and a receipt therefore may a connection to the Potable Water System be made. The location of the water meter and the remote reading device shall be indicated on all applications for service.

5.4.1 Winter Taps. Taps may be made by appointment, during the winter months, at the District's sole discretion, provided that the tap location is heated.

5.4.2 Additional Tap Information Required. All information the District requested on the tap application form must be completed. In addition, the water meter location and arrangement, and a diagram of the curb stop valve box location must be included.

5.4.3 Reassessment of Tap Fees. 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 fee 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. Any reassessment shall be due and payable, together with any penalties or other additional fees charged, and together with interest at the maximum legal rate on the entire balance, upon and from the date of the original application.

5.5 Denial of Application

The District reserves the exclusive right to deny application for service when, in the opinion of the District 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 any of the Districts and the Applicant, inadequate documentation of easements for main lines serving the property, or any other reason as determined by the Board or Manager.

5.6 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.

5.7 Moved or Destroyed Buildings

When a building is moved or destroyed, the original tap authorization shall remain, provided that a written request is made to, and approved by, the Board of Directors or Manager prior to cessation of payment of service charges.

5.7.1 Abandoned Service Line. When a service line is abandoned permanently, the property owner or customer notify the District in writing of the abandonment and shall valve the water supply off at the main line (corporation stop valve).

5.8 Change in Customer's Equipment, Service or Use of Property

No expansion of or addition to the customer's service or use of property served shall be made without the prior written 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 Potable Water System by the customer shall require a redetermination of the tap fee and monthly service charge, and a payment by the customer of any additional tap fee and monthly service charge resulting from the redetermination. Subject to Section 5.6, above, tap fees previously paid with respect to the property in question shall be credited against the redetermined tap fee so that only the unpaid portion of any redetermined tap fee shall be due; provided, however, that redeterminations resulting in a conclusion that the tap fee, if assessed currently, would be in an amount less than that originally paid shall not result in a refund to the customer; and provided further that when an expansion or change in use occurs which results in additional fees due, a credit for the existing use right shall be given.

5.8.1 Unauthorized Connection Fee. Any violation of this Section 5.8 shall result in the assessment of an unauthorized connection fee, as provided by this Section 5.8, and the District shall take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fees.

5.8.2 Inspection Required. Any customer believed to have changed equipment, service, or use of his property, in violation of this Section, shall be notified of such belief by the District, and shall be afforded twenty (20) days from the date upon which the notice is mailed in which to respond to the District's notice. Any response by the customer must include permission of the District to make such inspection of the property in question as the Board of Directors or District Manager or representatives deem necessary to establish clearly the nature of equipment, service and use of the property in question. Failure to respond may result in the District discontinuing service to the property.

5.8.3 Redetermination of Tap Fees. Inspection shall be made of the property in question. Following inspection, the Manager shall make a determination as to the change in the customer's equipment, service or use of the property in question, and shall redetermine any additional tap fees and service charges due. In the event the decision of

the Board of Directors or Manager is deemed unsatisfactory to the customer, the customer may present a complaint in accordance with the Hearing and Appeal Procedures, Article IX, of these Rules and Regulations.

5.9 Unauthorized Connections and Fees

No person shall be allowed to connect onto the Potable Water System 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 tap by the District. Any such connection, enlargement, or change without payment, approval, supervision and inspection shall be deemed an unauthorized connection. Upon the discovery of any unauthorized connection, the then-current tap fee shall become immediately due and payable, and the property shall automatically be assessed an additional unauthorized connection fee equal to the then current tap fee per equivalent dwelling unit, as liquidated damages toward the District's costs associated with such unauthorized connection.

The District shall send written notice to the owner of the property benefited by such connections stating that an unauthorized connection has been made between the subject property and the District's facilities. The owner shall then have twenty (20) days from the date the notice is mailed to pay the then-current tap fee or proceed in accordance with the provisions of Section 5.7.2 of these Rules and Regulations.

5.10 Revocation of Service

Service shall be revocable by the District upon non-payment of any valid fees or charges owing to the District. In the event of non-payment, the customer shall be given not less than twenty (20) days advance notice in writing of the revocation, which notice shall set forth:

1. The reason for the revocation;
2. 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
3. That there exists an opportunity for a hearing in accordance with Article IX of these Rules and Regulations.

If payment of the outstanding obligation or a request for a hearing is not received by the District within twenty (20) days of the date of mailing of the revocation notice, the District Manager shall disconnect the service and the customer shall be assessed the cost of the disconnection. While the service is disconnected, the customer shall continue to be assessed the base service charges for potable water.

5.11 Revocation of Tap Rights

The right to connect the District's Potable Water System and receive services under Section 5.3, above, shall be revocable by the District upon non-payment of any District's fees owing to the District and remaining unpaid for a period of thirty (30) days, and whether or not the customer owning the right to connect has actually connected to the District's Potable Water System. Such revocations shall be conducted in accordance with Section 5.9, above. If the right to connect to the District's Potable Water System is revoked, the customer may reacquire such tap rights only by reapplying for service in accordance with Section 5.3, 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.

5.12 Turn-ons/Turn-offs of Service

All turn-ons and turn-offs of water service through a shut-off valve on a service line that has been connected to the District's Potable Water System pursuant to a written permit issued by the District shall be performed only by District personnel regardless of the ownership of the shut-off valve or service line and regardless of the circumstances respecting the turn-on or turn-off. The District shall assess a single turn-off/turn-on charge in the amount of \$150.00 for any such turn-off and turn-on performed except when initial service is provided and when the service is performed for customers requiring maintenance to their service lines, in which case there shall be no charge. The District will provide this service only for a tap for new construction, one time prior to the occupancy of the building located on the property served.

All other requests for a turn-off or turn-on of the District's service may be granted or denied by the Board of Directors or Manager in the Board's or Manager's sole discretion. In new construction, at the time the water meter is set, service charges begin unless the District is requested to perform the turn-off. In this event the customer will be charged \$150.00 when service is turned on.

ARTICLE VI CONSTRUCTION OF SERVICE LINES

6.1 Compliance with Rules and Regulations

The requirements of these Rules and Regulations, and the Appendices attached hereto, are applicable to the construction of all service lines.

6.2 Inspection and Tapping Charges

All taps shall be made by the District or its authorized representative and all service lines shall be inspected by a representative of the District. All water service lines are to be tested under normal operating pressure. Constructors of service lines shall call the District to schedule an inspection of all service lines. If said inspection is not made

within twenty-four (24) hours of the call, excluding weekends and holidays, construction may proceed. There shall be a charge for all inspections as determined from time to time by the Board. Further information regarding inspections and the charges for inspections may be obtained from the Board or at the Manager's office.

6.3 Separate Service Lines Required for Residential Property

A separate and independent service line shall be provided for every lot, and shall be installed at the expense of the property owner. There shall be one water meter installed for each separate lot served. A curb stop shall be located at the property line on all service lines. Each portion of a multi-unit property shall have a curb stop at the property line and shall have a separate water meter and service line.

6.4 Construction and Connection

The contractor shall notify the District when the service line is ready for inspection and connection to the District's main. One working day notice is required. The connection shall be made to the main by District personnel. All contractors, plumbers, and others doing work on any main, service lines, or structures in the District shall comply with County, State, or local regulations on excavation, backfill, compaction, and restoration of surface. All permits, fees, and licenses shall be paid for by the contractor, plumber, or others doing work in the District, prior to the start of construction.

All excavations for service installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public or private property disturbed in the course of the work shall be restored in a manner satisfactory to the District. All daily inspection fees on construction required by any governmental agency, including the District, shall be paid by the plumber, contractor, or others doing work for the District.

ARTICLE VII
MAIN LINE EXTENSIONS

7.1 Compliance with Rules and Regulations

Main line extensions shall comply with the requirements of these Rules and Regulations and District standard specifications for service line construction.

7.2 Main Line Extensions by the District

The District has the right to construct all main lines within the District. Developers who desire to construct such main lines prior to the date planned by the District for their construction may do so as provided in Section 7.4 herein.

7.3 Procedure for Main Line Extension by the District

The District may construct any main line if the Board deems it in the best interest of the District to do so. All main line extensions which are so authorized shall be bid, as provided by State law, and contracted for by the District Board, with the constructor installing the main lines being responsible to the District Board. The District, through its engineer, shall supervise construction activity and coordinate all matters pertaining to the completion of the subject project, including periodic and final payments to the constructor, inspection, and as-built drawings.

7.3.1 Performance Bonds and Two Year Warranty. Pursuant to Section 38-26-105 and 38-26-106, C.R.S., performance and payment bonds equal to the contract price at a minimum shall be furnished to the District by the constructor on all construction contracted by the District. The District shall accept all main lines adequately constructed in the District's opinion upon completion of construction, subject to a two (2) year warranty period during which the constructor shall promptly, without cost to the District, correct any defective work. All daily inspection fees required by any governmental authority, including the District, shall be paid by the constructor.

Constructors who have completed construction of main line extensions shall, before the main lines are accepted by the District, deed the main lines and all appurtenances to the District free and clear of all liens and encumbrances, and furnish to the District a surety bond or other acceptable collateral which shall cover all maintenance for two (2) years from the date of acceptance of the main lines by the District. Prior to the acceptance of the main lines by the District, the Constructor shall provide to the District reproducible as-built drawings including stub-out locations, coordinates of manholes, rim and invert elevations, and easements.

7.4 Procedure for Main Line Extension by Developers

The District has no obligation to extend any main line. In the discretion of the Board of Directors or District Manager, the District may permit an Applicant to construct, at the sole expense of the Applicant, main lines prior to their construction by the District. The Applicant shall enter into a written main line extension agreement with the District prior to proceeding with any extension.

7.4.1 Application for Approval. All Applicants desiring to construct a main line within the District shall first make formal application to the Board of Directors or District Manager for approval. This application shall be in writing, and shall contain a legal description of the property to be served by the main line and plans for such extension, and any other information the District requires in its discretion. The staff shall then submit the recommended plans, with appropriate documentation, to the Board of Directors or District Manager for final approval. Said plans shall be reviewed for compliance with the District's specifications, and with other specifications and

requirements appropriate to the situation. The cost of such study for compliance shall be borne by the Applicant.

7.4.2 Deposits with the District. Prior to the execution of the main line extension agreement with the District, Applicant shall deposit with the District an amount sufficient to compensate the District for engineering fees, legal fees, and other costs, except direct construction costs, anticipated to be incurred by the District as a result of the application and the construction of the main line.

7.4.3 Performance and Payment Bonds. All contracts entered into by Applicant for construction of any part of a main line shall be assignable to the District. All such contracts that an Applicant proposes to assign to the District shall include performance and payment bonds to be issued by the contractor to the District pursuant to Sections 38-26-105 and 38-26-106, C.R.S. Said bonds shall be at a minimum equal to the contract price for the construction contracted for by the Applicant. All main lines shall be constructed according to applicable District, Town, County, and State specifications. All main line extensions within the District shall be made under the supervision of the District staff at the Applicant's expense. Similarly, all daily inspection fees on mains required by any governmental agency, including the District, shall be paid by Applicant. Such costs may be subject to cost recovery if so designated in the cost recovery contract.

7.4.4 Special Structures Designed by District Engineer. Special structures such as pumping stations, pressure reducing valves, meter vaults, etc., required to ensure proper operation of the extensions, shall be constructed from designs of the District engineer or such other engineers as may be approved by the District Board.

7.4.5 Oversizing of Main Lines. The Applicant shall be responsible for oversizing main line extensions as required by the District, at the District's expense, subject to future cost recovery by the District from future extenders. Specifically, a future extender may be required to reimburse the District the cost of oversizing, including reasonable interest, upon connecting a further extension.

7.4.6 Documentation Required. Applicants who have completed construction of main lines shall, before the main lines are accepted by the District, deed the main lines and appurtenances to the District, free and clear of all liens and encumbrances, and furnish to the District bonds which shall cover all maintenance for one (1) year from the date of acceptance of the main lines by the District. Prior to the acceptance of the main lines by the District, the Applicant shall provide the District with:

1. All easements necessary accompanying the main lines;
2. Four (4) Mylar as-built drawings; and
3. A statement of the certified costs of the main lines.

7.4.7 Contract Required. No reimbursement or recovery of costs shall be permitted for main line extensions, except as provided by fully executed contracts with the District.

The District shall, in its sole discretion, determine when reimbursement may be made for main line extensions.

7.5 Main Line Sizes

The District shall determine the size of the main line required to serve any area served by the District's Potable Water System.

7.6 Locations of Main Line Extensions

Main lines shall be installed in roads or street rights-of-way, as well as in easements granted to the District. Where required, facilities must cross land not being subdivided, or where such land is under the Applicant's control for the granting of public rights-of-way, each Applicant who desires service will, in consultation with, and with the approval of the District, plat and grant to the District appropriate rights-of-way and easements in which will be constructed such facilities.

The District shall maintain sole discretion over the location of any main line extensions, including control over any parallel lines.

If a public right-of-way or street is not sufficiently wide to permit the installation of a water main, the District may require that an additional easement be provided.

ARTICLE VIII
RATES AND CHARGES

8.1 General

The information contained in this Article is pertinent to all charges of whatever nature to be levied for the provision of potable water service. Said rates and charges as herein established are in existence and effect at this time, and shall remain in effect until modified by the Board under the provisions of these Rules and Regulations, and under the applicable statutes of the State of Colorado. Nothing contained herein shall limit the Board from modifying rates and charges, or from modifying any classification.

8.2 Application of this Article

The rates, charges, and other information shown herein shall apply only to customers inside the District, and shall in no way obligate the District with respect to services provided outside the boundaries of the District.

8.3 Classification of Customers

For the purpose of levying fair, reasonable, uniform, and equitable charges, the following classifications and related definitions are provided:

8.3.1 Single-Family Residential Unit. Includes single-family unit; a patio home is included under the definition of single-family residential unit.

8.3.2 Multi-Family Unit. Includes duplex and clustered units, such as multi-family apartments, condominiums and town homes.

8.3.3 Hotel, Lodge, Motel, Accommodation Unit. Includes accommodation rooms or suites of rooms or apartments designed for short-term commercial rental. All other auxiliary uses, i.e., restaurants, bars, athletic facilities, public restrooms, are included under Section 8.3.4.

8.3.4 Commercial, Industrial Service. All non-residential uses which are not included under Sections 8.3.1, 8.3.2 or 8.3.3.

8.4 Tap Fees and Plant Investment Fees

A tap fee shall be charged to all potable water service customers of the District. Such fee is the Applicant's proportionate share of the Potable Water System cost in relation to the Applicant's use. This one-time tap fee shall be assessed by and paid for the connection of a service line or user to the District Potable Water System. The District will review the cost associated with the tap annually and adjust fees accordingly to the actual cost of materials and type of user, including industrial and commercial users. It shall be assessed and paid before the permit for service is issued. Tap fees shall be assessed as provided for in the schedule of fees and charges attached hereto as Appendix B & B-1; provided, however, that:

8.4.1 Prepaid Tap Fees. Tap fees may be prepaid, and tap permits issued, anytime in advance of connection, in which case the commencement of service charges shall be governed by Section 8.6 of these Rules and Regulations. No refund of tap fees will be paid.

8.4.2 Factors and Usage. The fees and charges reflected in Appendix B & B-1 are based upon factors of usage and physical structure and upon the application by the Manager of the District of those factors to the facts and circumstances surrounding the application.

8.4.3 Disputed Tap Application. If a dispute arises between the District and the Applicant regarding the calculation of tap fees or the nature and use of the structure as it applies to Appendix B & B-1, the dispute will be settled in accordance with Article IX of these Rules and Regulations.

8.4.4. Plant Investment Fee. A one plant investment fee shall be assessed and paid to the District for access and connection to the District's Potable Water System. The District will review the calculation of plant investment and update and provide a schedule

of fees within Appendix B-1 for the costs associated with the capital improvements necessary to provide potable water service.

8.5 Transfer of Tap Fees

No tap fee paid on behalf of one property, or any portion thereof, may be transferred to any other property unless:

8.5.1 Common Owner of Property. 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. Both properties are in the same District.

8.5.2 Good Credit. The owner requesting the transfer has no outstanding unpaid accounts with the District and has previously maintained a good credit with the District.

8.5.3 No Previous Connection to System. The property to which the tap fee initially applied has never been connected to the District's Potable Water System.

8.5.4 Payment of Difference. 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, subject to the provisions of Section 5.10, for any non-transferred portion of the previously paid fee.

8.5.5 Approval in the Discretion of District. Any approval of a request for a transfer of a tap or fees shall be in the sole discretion of the District.

8.6 Service Charge

Service charges shall be as reflected in the Schedule of Fees and Charges, attached hereto as Appendix B & B-1. Service charges will begin when potable water service is turned on to the property on which the building is located.

Monthly service charges shall be suspended during any month(s) in which service through a newly constructed tap to a property on which a building is located prior to the building's occupancy has been turned-off in accordance with Section 5.11 of these Rules and Regulations.

8.7 Amended Tap Fees

In those situations where a prospective user applies for a permit for service to a property or use not defined in the preceding Article; or where, in the District Manager's opinion,

said property represents a classification not contemplated in the establishment of the previously defined tap fee, the Board of Directors or District Manager shall, in its/his sole discretion, establish a fair, reasonable, and equitable tap fee for said property.

8.8 Amended Service Charges

In those situations where, in the Board of Directors' or Manager's sole discretion, the service charges shown in the previous Articles do not represent a fair, reasonable, and equitable charge for the intended use, the Board of Directors or Manager, in their/his sole discretion, may adjust said rates.

8.9 Payment of Service Charges

It is the policy of the District to bill all monthly service charges in arrears.

The customer shall pay to the District within ten (10) days after the billing date the full amount of that statement. Where the customer believes said statement is in error, the customer must file, in writing, a notice to the District of the presumed error and request a clarification from the Manager. Upon review by the Manager, and resubmittal and/or revision of the statement, payment shall be due no later than ten (10) days from the billing date of the resubmitted statement.

8.10 Penalty for Late Payment

At any time the customer is fifteen (15) days tardy in payment of any charges due the District, the District shall assess an interest charge at the rate of one percent (1%) per month on the unpaid balance. The District shall further have the right, in its sole discretion, to terminate service to any customer who becomes thirty (30) days or more tardy in payment for scheduled services, following the opportunity for a hearing as outlined herein.

The District shall assess to any customer who is tardy in payment of his account, all legal, court, disconnection, and other costs necessary to or incidental to the collection of said account.

Until paid, all such fees, rates, penalties, or charges shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of this state for the foreclosure of mechanics' liens.

8.11 Foreclosure Proceedings/Attorney's Fees

At any time it becomes necessary after other efforts (letters, posted notices) to collect delinquent payments of any fee or charge imposed by the District under these Rules and Regulations and/or Colorado law, the District may then initiate foreclosure proceedings as provided for by Section 32-1-1001(1)(j), C.R.S. All of the provisions of these Rules

and Regulations to the contrary notwithstanding, all customers/users of the District's Potable Water System hereby agree to be bound by these Rules and Regulations as a matter of contract and for which there is good and valuable consideration. Further, in the event the District shall commence a foreclosure action or proceedings to collect any payments of whatsoever nature due and payable to the District, then in said event, the party being foreclosed upon agrees hereby to the payment of any and all costs incurred in connection with said foreclosure proceedings including, but not limited to, reasonable attorney's fees which the court shall tax as a part of the costs of such foreclosure proceedings. In the event payment is made by the customer prior to the foreclosure sale, said attorney's fees and any and all other fees outstanding against the subject account and relating to the subject real property, must also be paid as a pre-condition to the resumption of service to the subject property.

8.12 Certificate of Amounts of County Treasurer

In addition to any other means of collecting delinquent fees, rates, tolls, penalties, charges or assessments made or levied solely for water services (including charges for availability of such service), the District may certify the delinquent amounts to the county treasurer for collection in the same manner as property taxes, in accordance with the provisions of statute, as amended. The District shall charge a fee 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.

8.13 Required Equipment – Radio Frequency Units

All potable water service lines shall be metered with the following equipment in addition to the local code requirements. The meter body shall be a 5/8 X 3/4" PMM ECR/WP Water Meter, with a Sensus 505 MXU Frequency register and radio Unit. Once installed, the service will be inspected and tested for compatibility with the District's Potable Water System. Upon approval, service will then be activated by the District.

ARTICLE IX
HEARING AND APPEAL PROCEDURES

9.1 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, and contracts related thereto, 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:

1. Complaints which arise with regard to personnel matters, which complaints shall be governed exclusively by the District's personnel rules as the same may be amended from time to time.

2. Any other complaint which does not concern the interpretation, application, or enforcement of the Rules and Regulations of the District, or contracts related thereto.

9.2 Initial Complaint - Resolution

Complaints concerning the interpretation, application, or enforcement of Rules and Regulations of the District must be presented to the Board of Directors or Manager, or such representative as it/he may designate. Upon receipt of a complaint, the Board of Directors or Manager or its/his representative, after a full and complete review of the allegations contained in the complaint, shall take such action and/or make such determination as may be warranted and shall notify the complainant of the action or determination by mail within twenty (20) days after receipt of the complaint.

9.3 Hearing

In the event the decision of the Manager or his representative is deemed unsatisfactory to the complainant, a written request for hearing may be submitted to the Manager or such hearing officer as the Manager may appoint, within twenty (20) days from the date of written notice of the decision was mailed.

Upon receipt of the request, if it be timely and if any and all other prerequisites prescribed by these Rules and Regulations have been met, the Manager or hearing officer shall conduct a hearing at the District's convenience, but attempt to do so within twenty (20) days after the receipt of the request for hearing. The hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations. If the Manager renders a final decision against the customer, the out-of-pocket costs of the hearing shall be assessed against the customer.

9.4 Conduct of Hearing

At the hearing, the Manager or hearing officer shall preside. The complainant and representatives of the District shall be permitted to appear in person, and the complainant may be represented by any person of his choice or by legal counsel.

The complainant or his representatives and the District representatives shall have the right to present evidence and arguments; the right to confront and cross-examine any person; and the right to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter of which complained. The Manager or hearing officer may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs.

The Manager or hearing officer shall determine whether clear and convincing grounds exist to alter, amend, defer, or cancel the interpretation, application, and/or enforcement

of the Rules and Regulations that are the subject of the complaint. The decision shall be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer, or cancel the action shall be upon the complainant.

9.5 Findings

Subsequent to the hearing, the Manager or hearing officer shall make written Findings and an Order disposing of the matter and shall mail a copy thereof to the complainant not later than ten (10) days after the date of the hearing.

9.6 Appeals to the Board

In the event the complainant disagrees with the Findings and Order of the Manager or hearing officer, the complainant may, within twenty (20) days from the date of mailing of the Findings and Order, file with the District a written request for an appeal thereof to the Board of Directors. The request for an appeal shall set forth, with specificity, the facts or exhibits presented at the hearing upon which the complainant relies and shall contain a brief statement of the complainant's reasons for the appeal. In response, the Manager or hearing officer shall compile a written record of the appeal consisting of:

1. Minutes of the hearing;
2. All exhibits or other physical evidence offered and reviewed at the hearing;
3. A copy of the written Findings and Order; and
4. Additional written comments which the Manager of the District may wish to submit in response to the written request for appeal.

ARTICLE X.
MISCELLANEOUS PROVISIONS

10.1 Claims Against the District.

In the event any person claims to have suffered an injury of any kind by the District or by a director or employee thereof, such person shall, within 180 days after the discovery of such injury, advise the secretary of the District by written notice of intent to make a claim. In the notice, such person shall accurately describe the date, time, location and circumstance of the event complained of; the name and address of the person or persons entitled to relief; the name of any public employees involved; a statement of the nature and extent of the injury claimed to have been suffered; and the amount of monetary damages suffered and the relief requested. Unless expressly asserted as herein provided within the maximum 180-day period, no claim for any injury shall be recognized by the District, and any claim, unless timely made, shall be deemed waived by such person otherwise entitled to assert the same and shall thereafter be barred. The provisions of the Colorado Governmental Immunity Act shall control any proceeding hereunder.

10.2. Construction of Rules and Regulations.

10.2.1 Interpretation. Any dispute over interpretation of the rules and regulations, or concerning their application in any particular case, shall be submitted to the Board, and their decision shall be final and conclusive.

10.2.2 Headings. The headings which appear in the rules and regulations are for the purpose of identification and do not constitute any part of the rules and regulations.

10.2.3 Severability. If any provisions of the rules and regulations are held invalid for any reason by a court of competent jurisdiction as part of a judgment, judicial decree, court order or otherwise, such adjudication shall not affect in any manner or particular any of the provisions contained in the rules and regulations, and the remaining rules and regulations shall remain in full force and effect.

10.2.4 Change of Rules and Regulations. The Board shall have the right and authority to change the rules and regulations at any time in the manner now or hereafter provided by law.

10.2.5 Limitation. The rules and regulations are an implementation on the part of the Board of certain powers conferred by statute. The rules and regulations are not to be construed as a limitation upon any general or specific power of the Board, or as an expression by the Board of only certain limited powers which it intends to use.

APPENDIX A
SERVICE LINE CONSTRUCTION

A.1 Rules and Regulations

The Applicant, contractor, and property owner are responsible for knowledge of all provisions of the Rules and Regulations. The items below are restated for emphasis:

Tap Fees Tap fees must be paid prior to the scheduling of any inspections by the District.

Service Charges Service Charges begin as of the date of turn on.

Unauthorized Tap ANY CHANGE IN USE, CONVERSION OF ADDITIONAL UNITS OR CONNECTION OF NEW STRUCTURE MADE WITHOUT PAYMENT OF A TAP FEE WILL BE CONSIDERED AN “UNAUTHORIZED TAP.”

The occurrence of an unauthorized tap is subject to a penalty charge, as well as payment of the appropriate tap fee.

Property Owner The property owner shall be held responsible in the event of nonpayment of all fees and charges due the District.

A.2 Standards for Service Lines

Prior to service line construction, the constructor shall familiarize himself with the District standards and specifications. The owner or constructor shall obtain approval for the location of the service line and submit appropriate sets construction documents and inform the District’s personnel of intended schedule for construction.

Constructors shall apply for all permits. All permits, fees and licenses shall be paid for by the constructor plumber, or other doing the work in the District prior to the start of construction.

A.3 Excavation

All excavation required for the installation of service lines shall be open trench work unless otherwise approved by the Manager.

Pipe laying and backfill shall be performed in accordance with the City, County or State requirements. No excavation shall remain open for more than forty-eight (48) hours and all District mains are required to be covered overnight.

Where a street cut is required, the contractor shall rebuild the road base in accordance with applicable City, County, or State regulations on excavation, backfill, compaction and restoration of service. All excavation for all service lines shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways and other public and private property disturbed in the course of the work shall be restored in a manner satisfactory to the District.

All backfill shall be maintained in a satisfactory condition and all places showing signs of settlement shall be filled and maintained during construction for a period of one year following completion of construction. When the District notifies an Applicant that a backfill is hazardous, the Applicant shall correct such hazardous conditions at once.

A.4 Tapping the Main

The District's representative is authorized to make taps onto the District's water mains. The Applicant of the potable water service permit shall notify the District when the service is ready for inspection and connection to the main. Appointments for inspection and connection should be scheduled twenty-four (24) hours in advance. The contractor shall provide two (2) workers to assist the District in making the taps on to the main.

A.5 Inspections

The Applicant for the water service line permit shall notify the District when the service is ready for inspection. Appointments for inspection and connection should be scheduled twenty-four (24) hours in advance. The connection shall be made by qualified personnel. All service lines shall be inspected by the District's representative, who shall have the authority to halt construction when, in his opinion, the District's Rules and Regulations for proper construction practices are being violated. Whenever any such violations occur, the District's representative shall, in writing, order further construction to cease until all deficiencies are corrected. No service lines shall be covered without the District representative's approval. Anyone making any installation without such approval shall be required to remove all soil or any other covering over the service line to allow its inspection.

A.6 Water Service Lines

Water Service Lines

Alignment of the water service line shall be located so as to take the shortest, most direct route, preferably perpendicular from the main to the building. No water service line shall be laid parallel to any bearing wall which might be thereby weakened. The water service shall be laid at a uniform grade in a straight alignment.

Pressure Test

Required

Under supervision of the District representative, the water service line is to be water pressure tested at 150% of normal operating pressure from the water main to the building before backfill begins.

Curb Stop

The service line shall have two curb stop control valves located at the property line, or as otherwise approved by the District with easy access to the District. Curb stop must be Ford (size dependent – see attached chart) and accessible from surface and located at property line. The curb stop curb boxes shall be installed per the standard drawings herein and must be installed prior to the meter and after the meter.

The service line shall be continuous line with no joints if at all possible. Splices are allowed if distance exceeds the length of one hundred (100) feet. There shall be no splices between the curb stop and the main.

Stub-Out

When water service lines are stubbed-out to property lines, the stub-out shall be valved off and plugged, with a valve box installed to the ground surface. If no water stub-out exists, District personnel will make all taps up to two (2) inches.

Owner's

Responsibility

The District is responsible for the maintenance of the water service line, up to and including the curb stop valve or the owner's property line, whichever is closer to the main. The customer is responsible for the maintenance of the remaining portion of the service line serving the property.

Water Service

Line Specifi-
cation

Service lines shall be constructed with type K copper up to two (2) inches (see attached chart for sizing and corresponding materials); larger than two (2) inches shall be constructed with D.I.P. Service lines shall be buried at least 54" to 72" with two (2) inch bedding and six (6) inch compacted cover. No lead soldered fittings shall be allowed. All copper connections must be compression joints, or silver soldered joints. Dry ice shall be used when making repairs to curb stop. All taps larger than two (2) inches will be made by an approved contractor and inspected by District personnel. Inspection of water service line is required. Inspection will be made with the service line under pressure. The District will record the actual location and depth of water service lines.

Service Line

Separation

A ten (10) foot separation must be maintained between water service lines.

Water
Meters and
Remotes

All water service lines shall have a water meter before water is turned on. Water meters shall be provided and installed by the District. The cost of the meter shall be borne by the customer.

All meters must be in accordance with the current specification requirements of the District (see attached chart). Contractor or owner will be supplied a “spool” to be installed horizontally in the location of the water meter. The contractor will remove the spool and install the water meter and a remote read unit upon installation.

It shall be the builder’s/contractor’s responsibility to protect the meter from freezing or other physical damage during construction. After completion of the construction and acceptance by the owner, it shall be the owner’s responsibility to protect the meter from freezing, from damage due to high water pressure (i.e. PRV), and other physical damage.

Contractor or owner will be supplied with wire for installation of a touch-read pad at the time that tap fees are paid. The owner shall install the wire from meter location to remote site prior to meter installation and water turn on. A telephone jack must be installed within five (5) feet of the meter to provide for future automated meter reading capability.

All meter installations must be in freeze-proof, convenient and easily accessible areas. If a water meter is located in a crawl space, an access hatch is to be provided within ten (10) feet of the water meter.

Touch-read pad will be located in front of building, 5 feet off ground, in an area where snow is normally removed and with minimal vegetation. The maximum remote distance from the meter shall be five hundred (500) feet.

Potable water will remain turned off at curb stop until water meter is installed. All potable water is to be metered, including that used during construction.

Pressure
Reducing
Valves

Individual pressure reducing valves are required on all water service lines and shall be located upstream from (ahead of) the water meter.

Shut off
Valves

Contractor will install shut off valves ahead of PRV and after the spool to facilitate future repairs.

Backflow
Prevention

Backflow prevention devices are required on all facilities where required by the Colorado Department of Health. All devices will be inspected and certified as working properly every year by a certified inspector.

Construction

CONSTRUCTION SHALL BE IN ACCORDANCE WITH ALL APPLICABLE UNIFORM BUILDING CODES AND LOCAL BUILDING CODES.

Potable
Water
Turn On

Potable water turn-on will be made by District personnel only. Any service turned on by other than authorized personnel shall be considered illegal system tampering and subject to fees and penalties.

All potable water shall be metered.

All meters will be installed by the District.

Potable water service is turned on and billing begins when the meter is installed.

APPENDIX B

POTABLE WATER SERVICE RATES AND CHARGES SCHEDULE
WATER RULES, REGULATIONS

Effective March 16, 2023
(Subject to change on a periodic basis)

Tap & Plant Investment Fee Schedule

Water System Tap Fee – For 2023 the Tap Fee is \$30,000 to be increased to \$38,500 for new applications in 2023. Lot 79 is entitled to the 2022 tap fee as negotiations for the sale of the lot occurred prior to the Board adoption of the updated tap and usage fee schedule below.

Water Rates, Fees, Tolls and Service Charges

1. Water Service Fee: Base rate of \$31.50 per month + Tiered Usage; billed monthly (*See below and updated rate schedule – Payable to District*)
2. Meter Fee - \$1,200 (Payable to District)
3. Owner Transfer Fee - \$100 (Payable to District)
4. Water Service Fee - \$150 (to turn on/off, and any service fee - Payable to the District)
5. A one-time residential Connection Fee for residential dwelling units to be constructed within the boundaries of the Districts. All single-family attached or detached residences shall be considered "dwelling units". The Connection Fee for a residential dwelling unit is currently estimated at \$2,750.00 per dwelling unit. (Payable to District)

Refer to Water Rules and Regulations for additional information and descriptions.

Residential Use (per month)

Water Service Fee		\$ 31.50
Tier 1	Per 1,000 gallons for first 5,000 gallons	\$ 4.97
Tier 2	Per each additional 1,000 gallons over 5,000 gallons up to and including 20,000 gallons	\$ 6.43
Tier 3	Per each additional 1,000 gallons over 20,000 gallons up to and including 40,000 gallons	\$ 9.18
Tier 4	Per each additional 1,000 gallons over 40,000 gallons	\$ 17.44

Miscellaneous Fees - Effective March 16, 2023

District Service Fee

District Service Fee: Includes basic trash and recycle service. (billed quarterly)	\$ 1,800
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Plan Review Applications

Preliminary Design Meeting	No Fee
Architecture and Site Plan A-5	\$ 3,500
Landscape Plan Review Application	\$ 2,500
Accessory Building	\$ 1,000
Fencing Plan	\$ 500
Other Submittals and / or Plan Revisions	\$250 - \$ 500

Water Connection Permit/Availability of Service Certificate

First Inspection (part of Permit cost)	\$ 0.00
Each Additional Inspection	\$ 150.00
Emergency Inspection	\$ 200.00

Suspension Fee

Suspension Fee	\$ 100.00
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Returned Check Fee

Returned Check Fee	\$ 31.00
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Penalty for Unauthorized Water Use

1 st Incident - plus per gallon charge	\$ 500.00
2 nd Incident – plus per gallon charge	\$ 1,000.00
3 rd Incident – plus per gallon charge	\$ 2,000.00
Each Incident Thereafter – plus per gallon charge	\$ 3,500.00
Per Gallon	\$ 17.44

Rules and Regulations

The applicant, contractor, and property owner are responsible for knowledge of all provisions of the Rules and Regulations. The items below are restated for emphasis:

Water Service Lines

Owner's Responsibility

The Service District is responsible for the maintenance of the water service line, up to and including the curb stop valve or the owner's property line, whichever is closer to the main. The customer is responsible for the maintenance of the remaining portion of the service line serving the property.

Water Meters And Remotes

All water service lines shall have a water meter before water is turned on. The cost of the meter shall be borne by the customer.

All meters must be supplied by the District and in accordance with District standards including a remote read unit.

It shall be the builder's/contractor's responsibility to protect the meter from freezing or other physical damage during construction. After completion of the construction and acceptance by the District, it shall be the owner's responsibility to protect the meter from freezing, from damage due to high water pressure (i.e., PRV), and other physical damage.

All meter installations must be in freeze-proof, convenient and easily accessible areas.

Water will remain turned off at curb stop/point of connection until water meter is installed. All water is to be metered, including that used during construction.

Watering Schedule, Non-Potable Water System – Restrictions of Use

The watering regulations will match the Douglas County watering regulations. (There will be no watering between the hours of 9 a.m. and 6 p.m. unless the owner is seeding and/or has obtained a waiver from the DRC). The intent of the Districts is to promote water conservation and prohibit excessive irrigation.

During periods of drought when a sufficient supply of water is not available, the Districts may limit the delivery of water for irrigation purposes, as necessary, limit the supply available to the remaining residential lots. The DRC and/or Executive Board of the District, exercising its discretion in the protection of the health, safety, and welfare of residents, may adopt emergency water use restrictions and such additional regulations and restrictions as are reasonably calculated under all conditions to conserve and protect that supply and to ensure a regular flow of water through the system. Emergency water use regulations and restrictions shall remain in force and effect until the Board determines that the conditions requiring their imposition no longer exist. A day constitutes a 24-hour day from 12:00 am to 11:59 pm.

General Use Restrictions. Irrigation sprinklers are only to be operated between the hours of 6 pm and 9 am. Drip irrigation systems may be operated between the hours of 6 pm and 11 am.

APPENDIX B-1

FEE SCHEDULE - TAP COSTS **FOR POTABLE WATER SYSTEM**

Tap Fee

A one-time Water System Tap Fee shall be assessed and paid to the District for the privilege of connecting a particular use to the District's Potable Water System. The initial Water System Tap Fee per residential dwelling unit is set at \$38,500. The District will review the cost associated with the tap annually and adjust fees accordingly to the actual cost of materials and type of user, including industrial and commercial users.

Plant Investment Fee

A one-time plant investment fee may be assessed and shall be paid to the District for access and connection to the District's Potable Water System. The District will review the calculation of plant investment and update and provide a schedule of fees within Appendix B-1 for the costs associated with the capital improvements necessary to provide potable water service.

Landscape Plan Review Application

\$1,000.00 per tap as needed; multiple taps or system expansion review costs will be negotiated at time of plan review application. If more than two construction plan reviews are necessary, or if the plans have details, complicated issues and materials or extraordinary expenses related to the review and approval, the Applicant will be charged for any additional costs as determined by the District.

Water Connection Permit/Availability of Service Certificate

One inspection is part of the Permit cost. A charge of \$150.00 will be assessed for each additional inspection if required. A charge of \$200.00 is assessed for an emergency inspection.

THE FEE SCHEDULE CONTAINED HEREIN IS SUBJECT TO AMENDMENT BY THE DISTRICT.

Rules and Regulations

The applicant, contractor, and property owner are responsible for knowledge of all provisions of the Rules and Regulations. The items below are restated for emphasis:

Water Service Lines

Owner's Responsibility

The Service District is responsible for the maintenance of the water service line, up to and including the curb stop valve or the owner's property line, whichever is closer to the main. The customer is responsible for the maintenance of the remaining portion of the service line serving the property.

Water Meters And Remotes

All water service lines shall have a water meter before water is turned on. The cost of the meter shall be borne by the customer.

All meters must be in accordance with District standards and the water meter with remote read unit.

It shall be the builder's/contractor's responsibility to protect the meter from freezing or other physical damage during construction. After completion of the construction and acceptance by the owner, it shall be the owner's responsibility to protect the meter from freezing, from damage due to high water pressure (i.e. PRV), and other physical damage.

All meter installations must be in freeze-proof, convenient and easily accessible areas.

Water will remain turned off at curb stop/point of connection until water meter is installed. All water is to be metered, including that used during construction.

Watering Schedule, Non-Potable Water System – Restrictions of Use

Generally the watering regulations will match the Douglas County watering regulations. (Generally, there will be no watering between the hours of 9 a.m. and 6 p.m. unless the owner is seeding and/or has obtained a waiver from the DRC). The intent of the Districts is to promote water conservation and prohibit excessive irrigation

During periods of drought when a sufficient supply of water is not available, the Districts may limit the delivery of water for irrigation purposes, as necessary, limit the supply available to the remaining residential lots. The DRC and/or Executive Board of the District, exercising its discretion in the protection of the health, safety, and welfare of residents, may adopt emergency water use restrictions and such additional regulations

and restrictions as are reasonably calculated under all conditions to conserve and protect that supply and to ensure a regular flow of water through the system. Emergency water use regulations and restrictions shall remain in force and effect until the Board determines that the conditions requiring their imposition no longer exist. A day constitutes a 24 hour day from 12:00 am to 11:59 pm.

General Use Restrictions. Irrigation sprinklers should only be operated between the hours of 6 pm and 9 am. Drip irrigation systems may be operated between the hours of 6 pm and 11 am.