



## **CHATFIELD SOUTH WATER DISTRICT**

### **RULES AND REGULATIONS**

Adopted: May 10, 2017

**Chatfield South Water District**

**Rules and Regulations**

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## ARTICLE I– GENERAL

### 1.1 Authority

The Chatfield South Water District (the “District”) is a quasi-municipal corporation and political subdivision of the State of Colorado with those powers of a quasi-municipal corporation that are specifically granted for carrying out the objectives and purposes of the District as set forth in the Special District Act, Sec. 32-1-101, *et seq*, C.R.S.

### 1.2 Purpose

The purpose of this body of Rules and Regulations is to ensure an orderly and uniform administration of water operations within the boundaries of the District. These administrative responsibilities are performed by a single organization of management, administration and operations personnel who implement the policy and guidance of the District.

### 1.3 Policy

The Board of Directors of the District (“Board”) 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. All customers/users of District facilities are bound by these Rules and Regulations and the Rules and Regulations of the Denver Water Department as a matter of contract for which there is good and valuable consideration.

### 1.4 Scope

The District possesses all of the powers of a water 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 rates and Rules and Regulations is expressly conferred by Secs. 32-1-1001 and 32-1-1006, C.R.S. The Board expressly finds and determines that the adoption of the following Rules and Regulations is necessary for the health, safety, prosperity, security, and general welfare of the inhabitants of the District, and will insure an orderly and uniform administration of the District affairs. These Rules and Regulations shall be effective when approved by the Board.

### 1.5 Intent of Rules and Regulations

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, limitation or restriction from any grant of power, duty or responsibility imposed or conferred upon the Board by virtue of statutes now existing. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District.

### 1.6 Amendment

The District, through the Board, 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. Prior public notice of these amendments shall not be required to be provided by the District when exercising its amendment powers pursuant to this Section.

### 1.7 Waiver, Suspension or Modification of Rules

The Board, or the District Manager acting on direction of the Board, shall have the sole authority to waive, suspend, or modify these Rules and Regulations. Any such waiver, suspension or modification must be in writing, signed by the Board. Such waiver, suspension or modification is an exception to the Rules and Regulations for the specific instance and shall not be construed as continuing for future instances. Waivers, suspensions or modifications are not deemed an amendment of the Rules and Regulations.

1.8 Inclusion in Contract

These Rules and Regulations are automatically incorporated into every contract, written or oral, for service with the District whether expressly referenced or not, to the extent they are not inconsistent with the contract for service.

1.9 Rights and Authority

The District reserves the right to discontinue, temporarily, service to any property, at any time, for any reason deemed necessary or appropriate by the District to protect the health, safety and welfare of the inhabitants of the District or to protect the Water System. The District shall have the right to revoke service to any property for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations.

1.10 Authority to Inspect

Authorized contractors or personnel of the District, upon presentation of a work order and identification, shall be permitted to enter upon all properties at all reasonable times for the purpose of inspection, observation, measurement, sampling, testing and inspection of records of the water system, in accordance with the provisions of these Rules and Regulations. Failure to permit such inspections, observations, measurements, samplings, testing and/or inspection of records upon the request, in writing, of the District Manager may result in a finding that permission is being denied to avoid discovery of a violation. Such finding may result in the disconnection of service to the property occupied by the party failing to permit the desired access, subject to the hearing and appeal procedures set forth in Article VIII.

1.11 Violators Fined

Except as otherwise provided in these Rules and Regulations, any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of a penalty as noted in the Chatfield South Water District Annual Schedule of Fees (“Schedule of Fees”) plus any expense, loss or damage including attorney fees for enforcement action, occasioned by reason of such violation. If a Customer causes damage to the District system by misuse, negligence or other action, the District shall hold the Customer or owner liable for the cost of repair including any study, investigation or consultant fees incurred. Such costs shall constitute a perpetual lien upon the property served as allowed by Section 32-1-1001, C.R.S., as amended.

## ARTICLE II- DEFINITIONS

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

### 2.1 American Water Works Association

The largest nonprofit, scientific and educational association dedicated to managing and treating water.

### 2.2 Applicant

“Applicant” means any person who applies to the District for a service connection, 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.

### 2.3 Board

“Board” and “Board of Directors” are the elected or appointed Board of Directors of the District who has responsibility for policy and management oversight of the water system.

### 2.4 Contractor

“Contractor” means any person, firm, association, agency or corporation authorized by the District to perform work and to furnish materials within the District.

### 2.5 Cross Connection

Any physical connection or arrangement of piping or fixtures between two otherwise separate piping systems, one of which contains potable water and the other non-potable water or water of questionable safety, or any well water, through which or because of which backflow or back-siphonage may occur which would or could contaminate the potable water system.

### 2.6 Customer

“Customer” means any person, firm, corporation, association or agency who is authorized, or who desires, to obtain service from the District.

### 2.7 Designated District Operator

The party assigned by the Board of Directors of the Chatfield South Water District to perform specific actions as outlined in the Rules and Regulations.

### 2.8 District

“District” means the Chatfield South Water District.

### 2.9 District Engineer

“District Engineer” means that person or firm that has been authorized by the District to perform engineering services for the District.

### 2.10 Domestic Service

Service to and for facilities for human comfort and convenience for normal, residential household use. May also include the watering of outside animals or irrigation. Service is not for commercial use.

### 2.11 Emergency Situation

“Emergency Situation” means any situation which reasonably appears to present or cause an imminent or substantial endangerment to the health or welfare of persons, or to the Water System. The District shall determine whether an Emergency Situation exists in its sole discretion.

### 2.12 Facility

Any building, equipment, pipe, valve, manhole or other appurtenance owned, operated or maintained by Chatfield South Water District to provide water service.

2.13 In District Property with a House

A property located inside the territorial boundaries of the District with a house existing on such property on the date of organization of the District.

2.14 In District Property without a House

A property located inside the territorial boundaries of the District that did not have a house existing on the property on the date of organization of the District.

2.15 Inspector

“Inspector” means that person who, under the direction of the District Manager, shall inspect all water connections, excavations, installations of and repairs to the Water System and facilities of the District to ensure compliance with the Rules and Regulations.

2.16 Manager

“District Manager” means the person or entity retained by the Board to administer and supervise the affairs of the District and their personnel.

2.17 Person

“Person” means any individual, firm, company, association, society, corporation, group, government, governmental agency or other legal entity.

2.18 Potable Water

That water furnished by Chatfield South Water District which is pure, wholesome, potable and does not endanger the lives or health of human beings and which conforms to requirements of the Safe Drinking Water Act or any other applicable standards.

2.19 Property Owner

Any person, firm, corporation, association or agency who holds title to any real property or building served by Chatfield South Water District.

2.20 Rules and Regulations

“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.

2.21 Safe Drinking Water Act

A federal law that protects public drinking water supplies throughout the nation.

2.22 Schedule of Fees

An annual resolution of the Board of Directors of the Chatfield South Water District to impose fees upon property within the District.

2.23 Security Deposit

Any moneys required to be deposited with the District for the purpose of guaranteeing payment of utility bills rendered for water service.

2.24 Service Area

“Service Area” means the geographic area within which the District provides service. The Service Area is further defined in the District Service Plan.

2.25 Service Line

“Service Line” means any privately owned and maintained pipe, line or conduit used or to be used to deliver water service from water main, whether the pipe line or conduit is connected or not.

2.26 Standard Specifications

The Water Standard Specifications for Chatfield South Water District, as adopted and amended.

2.27 Tap or Connection

“Tap” or “Connection” means the connecting of the service line to the 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 onto the lot intended to be served, whether or not actually connected to the structure’s Water System.

2.28 Tap Fee

“Tap Fee” means the payment to the District of a fee for the privilege of connecting a particular use to the Water System, whether or not such a connection is actually made.

2.29 Water Main and/or Main Line

“Water Main and/or Main Line” means any pipe, piping, or system of piping used as a conduit for water in the Water System and owned by the District.

2.30 Water Standard Specifications

Denver Water Department Operating Rules and Engineering Standards, as amended and adopted by the District.

2.31 Water System

“Water System” means any network of water main lines, appurtenances, accessories or portion thereof owned and/or maintained by the District.



### **ARTICLE III- OWNERSHIP OF FACILITIES**

#### **3.1 Limitation of Liability of District**

The liability of the District shall be determined pursuant to the Colorado Governmental Immunity Act, Sec. 24-10-101, *et seq.*, C.R.S. and other applicable law.

#### **3.2 Ownership of Facilities**

All existing main lines connected with and forming an integral part of the Water System are the property of the District, unless any contract with the Customer provides otherwise. Said ownership will remain valid whether such facilities are constructed, financed, paid for, or otherwise acquired by the District, or by other persons. All Water Facilities shall be under the management of the District Manager and the control of the Board. If the Board has not designated a District Manger, the President of the Board shall act as the District Manager. No other person shall have any right to enter upon, inspect, operate, adjust, change, alter, move or relocate any portion of the District facilities.

3.2.1. Ownership of Water Facilities. Notwithstanding the foregoing, the customer owns the water service line all the way from the meter to the point at which it connects into the property or structure that is being served. The District will provide water service to a Customer only following transfer to the District of the ownership of all facilities and any necessary easements. The Property Owner(s) or Customer has one year from the tap purchase date, as set by the District, to acquire the Certificate of Occupancy or the District can assess penalties or revoke the tap without refund.

3.2.2. Ownership of Water Meters. Each water meter shall become and is the property of the District. Ownership shall remain valid whether the meter is installed, financed, paid for, repaired or maintained by another person or whether the meter is located on a privately owned and maintained service line. Damage to any meter caused by any action of the Customer will be the responsibility of the Customer to reimburse the District for the cost of repairs.

#### **3.3 Conditions of Ownership**

The Customer's ownership of the service line shall not entitle the Customer to make unauthorized uses of the District's systems or to make alterations to the service line and the system once the service line has been connected to a District main line. All uses or changes in use of the service line, any appurtenances thereto or changes in use of the property served at any time after the initial connection to the District system shall be subject to these Rules and Regulations.

### **ARTICLE IV- USE OF WATER SYSTEM**

#### **4.1 Availability of Service**

Water service shall be available in accordance with these Rules and Regulations, as on the basis of charges established therefore, and is subject to all penalties and charges for violation thereof, or any statutes applicable, and subject to the availability of the facilities and capacity. Water service is available for Domestic Service only and not available for commercial use. Service within the District is subject to the terms and conditions of an agreement for delivery of treated water which the District has executed with the Denver Water Department, dated March 23, 1999 ("Water Agreement"). In the event the Water Agreement is amended, then service shall also be subject to the terms and conditions contained in the amendment.

4.1.1. The District may order restrictions and may levy additional charges for uses beyond expected demands. Any restrictions will be uniformly applied to all similarly situated Customers within the District Service Area. Except in Emergency Situations, the District shall deliver written notice at least five (5) days prior to imposing any restrictions upon the use of water. The notice shall include a statement as to said restrictions and the time period for which they shall be in effect.

4.1.2. The District shall have the right to schedule the irrigation of property in the District and each Customer will be required to irrigate only in accordance with such schedule. These restrictions

will not apply to well water. District members are encouraged to use their existing wells to irrigate their properties.

#### 4.2 Water Ownership

The District reserves the ownership of all water supplied but not consumed. No Customer of the District shall be allowed to sell or give the unused portion of water supplied by the District.

##### 4.2.1. Water Conservation

The District requires the conservation of water within its Service Area. Each tap will be allowed to use no more than 0.46 acre feet of water per year, but no more than 20,000 gallons in any two-month period.

#### 4.3 Unauthorized Tampering with System

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

4.3.2. 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 Water System.

4.3.3. Violators Prosecuted. Any person who shall violate the provisions of this Section 4.3 shall be prosecuted to the full extent of Colorado law.

4.3.4. Violators Fined. Any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment according to the Schedule of Fees, plus any expense, loss or damage occasioned by reason of such violation. Such costs shall constitute a perpetual lien upon the property served, as allowed by Section 32-1-1001, C.R.S., *as amended*.

4.3.5. Fire Hydrants. Fire hydrants are provided for the purpose of furnishing water for fire suppression. Other use of water from fire hydrants, except for the District maintenance and testing, is not permitted.

#### 4.4 Use of Water System

4.4.1. Notice of Changes and Repairs of Leaks. The Customer shall notify the District prior to any expansion or addition to the service or use of the property served by the Water System or 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 water meter. Service lines shall be constructed in accordance with Water Standard Specifications and these Rules and Regulations. Leaks or breaks in the service line shall be repaired by the Customer, at the Customer's expense.

4.4.2. Backflow Devices. All backflow devices shall be tested by a certified contractor of the District, at the expense of the Customer, at such times as directed by the District. Backflow preventers are required for outside watering systems, hot water heating systems, fire sprinkler systems and fire line connections.

Service of water to any premises shall be discontinued by the District if a backflow prevention device required by manufacturer's regulations is not installed, tested and maintained or if it is removed or by-passed, or if a cross connection exists on the premises. Service will not be restored until such conditions or defects are corrected and inspected at the expense of the Customer.

4.4.3. Cross Connection Control. In no instance will a Cross Connection be permitted.

4.4.4. Water Meters Required. No connection shall be made to the Water System without a water meter having been installed to serve the property. The District shall 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 the water meter is operating defectively. The cost for repair or replacement shall be added to the billing statement.

It is the Customer's responsibility to install equipment by a District approved contractor. A list of approved contractors may be obtained from the District. The tap installation on the main line will only be done by the District's contractor or Designated District Operator. Prior to starting service, the District's Designated District Operator shall perform a final inspection. All installation or work done on the Water System must be done in accordance with the Water Standard Specifications. All hardware and associated plumbing will be provided by the approved contractor. All meters will be inspected by the District prior to being turned on. Property Owner(s) or Customer will be billed for services supplied by the District.

The location and type of all meters shall be approved by the District. The meter pit or vault shall be so maintained that at all times it will be conveniently accessible and in good order to allow maintenance of the meters and to turn water on or off. Any required adjustments of the pit or vault to grade once the meter has been installed shall be the responsibility of the Property Owner(s). The meter is to be placed near the road easement and outside fences, for ease of maintenance and reading.

The District may require the testing, repair or replacement of a Customer's water meter to ensure that the meter is recording within the accuracy limits recognized by the American Water Works Association. If the District determines that the Customer's meter has failed to register accurately, appropriate adjustments to the Customer's bill will be made as follows:

1. If the meter has registered greater than 2% more water than actually passed through it, the current bill will be adjusted proportionately as a credit.
2. If the meter has registered less than the actual amount of water which passed through it, by greater than 2%, the District may elect to adjust the current bill proportionately as a debit.
3. Should the meter completely fail to register, the bill will be adjusted as determined by the District Manager on a fair and equitable basis.
4. No adjustment will be made to any prior bills.

Any Customer may have the meter through which water is being furnished examined and tested by the District, at the Customer's expense. Any faulty meters found will be replaced by the District at the Customer's expense.

In no circumstance shall anyone other than the District remove a water meter without the approval of the District.

## **ARTICLE V- SERVICE REQUIREMENTS**

### **5.1 Service Areas**

5.1.1. Service Within District Boundary. Water System service will be furnished in accordance with the District's Rules and Regulations to property included within and subject to the Rules and Regulations of and taxation by the District.

The District will provide, at the District's expense, water distribution facilities to the street in front or adjacent to all subdivision lots existing within the boundaries of the District at the initial organization of the District. If an original lot is further sub-divided, extension of water distribution facilities shall be the obligation of the Property Owner(s) and constructed at their sole

expense. No additional taps will be provided to subdivided lots. Each property is permitted only one tap.

The cost of water right purchase for properties buying a tap on or after June 15, 1998 shall be paid by the Property Owner(s) at the time of payment for the tap.

- 5.1.2. Inclusions. Only properties in the Service Area may petition for inclusion into the District. A Property Owner(s) with two or more adjacent properties in the Service Area must petition all of the adjacent properties into the District, or the Property Owner(s) will not be permitted to petition any of the properties into the District.

A formal request for inclusion within the District shall be made to the District, on its standard form, by the applicant, accompanied by a non-refundable payment to cover legal costs for the inclusion process. 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 additional costs and fees shall be a lien upon the property in question.

The District may require a Property Owner(s) petitioning for inclusion to enter into an agreement concerning the Property Owner's payment of all costs of the inclusion and service. Tap fees must be paid, in-full, at the time of petition. Notwithstanding the existence or absence of any such agreement, the Board may deny any petition for inclusion.

If the property is to be included in the District, the Property Owner(s) must pay all costs if a line extension is needed from existing District pipelines, as approved by the District, to the property. These costs will be estimated and furnished by the District to the Property Owner(s) prior to inclusion, at the Property Owner(s) expense.

- 5.1.3. Service Outside District Boundary. No Water System service shall be provided to property outside of the District.

## 5.2 Unauthorized Connections and Fees

No person shall be allowed to connect to 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 Designated District Operator. Any such connection, enlargement, or change without payment, approval, supervision and inspection shall be deemed an unauthorized connection. Upon the discovery of any unauthorized connections, 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 connections.

## 5.3 Turn-ons/Turn-offs of Service

All turn-ons and turn-offs of water service shall be performed only by the Designated District Operator 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 set forth in the Schedule of Fees for any such turn-off and turn-on performed except when initial service is provided.

District must be notified and approve all other requests for a turn-off or turn-on of the service.

The District may turn water on or off at any premises lawfully entitled to service between the hours of 8 a.m. and 7 p.m., Monday through Friday, exclusive of holidays. The District is not liable for any damages resulting in the turning on or turning off of the water by authorized personnel.

## 5.4 Maintenance Responsibilities

All water meters shall be paid for by the Property Owner(s) and shall be tested and maintained as the District deems necessary. Maintenance cost shall be paid by the Property Owner(s).

The Property Owner(s) is responsible for maintaining the service line from the Customer's side of the meter to the house.

Any pressure reducing valve required by the District shall be adjusted by the District at such time as water service is initiated.

## **ARTICLE VI- CONSTRUCTION OF SERVICE LINES**

### **6.1 Compliance with Rules and Regulations**

The requirements of these Rules and Regulations and the Water Standard Specifications are applicable to the construction of all service lines. Nothing herein provided shall be deemed to relive any person from compliance with the plumbing or building codes of Douglas County or any other State or local plumbing or building requirements.

### **6.2 Controls of Work**

If the District deems it necessary to delay or stop work on any water facilities to be connected to the District facilities, a stop order by the District Manager shall be issued and delivered to the Customer or their representative on the job. Work shall not be resumed until the District reasonably determines to issue a proceed order. A decision to delay, stop, or proceed with work shall not be the basis of any claim by the Customer for direct, indirect, consequential or other damage by reason of any such action, but such decision may be appealed to the Board.

### **6.3 Inspection and Tapping Charges**

All taps shall be installed by the Designated District Operator and all service lines shall be inspected by the Designated District Operator prior to the initiation of service. All service lines are to be tested under normal operating pressure. Constructors of service lines shall call the District to schedule an open ditch inspection of all service lines. There shall be a charge for all inspections as determined by the Board. Further information regarding inspections and the charges for inspections may be obtained from the District Manager.

Each property will be allowed one tap only. If a new tap is installed on a property which has an existing tap, the existing tap will be abandoned in conformance with the practice and standards of the Denver Water Department.

### **6.4 Construction and Connection**

The contractor shall notify the Designated District Operator when the service line is ready for inspection and connection to the District's main. All contractors, plumbers, and others doing work on any main, service lines, or structures in the District shall comply with the Water Standard Specifications and any 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 water distribution facilities shall conform to the Water Standard Specifications as adopted and amended by the District. Prior to any construction of any facility, the District shall review and approve the plans for the facility. The plans shall include a site plan which shows all sites and rights-of-way for the facilities. These plans must be prepared and stamped by an engineer registered in the State of Colorado. Unless otherwise approved by the District, in writing, all easements, sites and rights-of-way required by the District shall be conveyed free and clear of all liens and encumbrances to the District.

The Property Owner(s) has the right to contract the construction of the water service line from the meter to the house. All work must be performed by a plumbing contractor licensed by Douglas County and listed on the District approved contractor list. All work will be required to be inspected by the District at the Property Owner's expense.

All taps in the District will be ¾ inch and limited to Domestic Service. No person, other than a person authorized by the District, shall install or remove any Water Service Facilities.

## **ARTICLE VII- RATES AND CHARGES**

### **7.1 General**

The information contained in this Article is pertinent to all charges of whatever nature to be levied for the provision of water service. Said rates and charges as established by the Schedule of Fees Resolution of the Board

and shall remain in effect until modified by the Board. Nothing herein contained shall limit the Board from modifying rates and charges, or from modifying any classification.

#### 7.2 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.

#### 7.3 Fees

All fees can be found in the Schedule of Fees Resolution and can be adjusted as the Board deems necessary. This Schedule of Fees may be obtained from the District Manager's office. Fees included in the Schedule of Fees are water usage fees, excess water usage fees, service fees, late payment fees, shut-off fees, turn-on fees, tap fees and development fees, inspection fees, hydrant permit fees, disconnection and reinstatement fees, violation fees, returned check fees, transfer of ownership fees and document copy fees. This list is not intended to be all-inclusive and fees can be removed or added as the Board deems necessary.

##### 7.3.1. Special Situations

Wherever any service is required which is not covered by the Schedule of Fees the Board shall estimate the actual cost to the District (including administration costs) of the required service. The service shall be provided only after the District has received a deposit of one hundred percent (100%) of the estimate of the actual cost. In the event the actual cost is less than the deposit, the balance shall be refunded to the person paying the deposit upon completion of the service. In the event the actual cost exceeds the deposit; the Customer shall pay the additional cost.

Except as provided by the Board, the District will charge a Customer who contacts or calls District consultants for the cost of such consultants. Such costs will be billed to the Customer as a charge of the District at the rates charged to the District plus a ten percent (10%) administrative charge.

#### 7.4 Service Charge

Service charges shall be as reflected in the Schedule of Fees. This can be obtained from the District Manager's office. Service charges will begin when final payment occurs for the tap fee.

##### 7.4.1. Payment of Service Charges

It is the policy of the District to bill all bi-monthly service charges in arrears. Billing will take place on or before the 15<sup>th</sup> of the month following the meter reading.

The Customer shall pay to the District within twenty (20) days after the billing date the full amount of that statement. Payments not received by the due date shall be assessed a penalty as noted in the Schedule of Fees.

#### 7.5 Penalty for Late Payment

At any time the customer is twenty (20) days tardy in payment of any charges due the District, the District shall assess an interest charge 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 tardy in payment. A Shut-Off Notice will be delivered and will state the intention to suspend service, impose a fee and require a deposit of twice the unpaid balance for resumption of service. The Shut-Off Notice will also state that service remaining disconnected and unpaid for more than a year after notice of disconnect has been issued will be considered abandoned. Customers who receive a Shut-Off Notice may appeal as set forth in Article VIII. Upon receipt of a Shut-Off Notice, payment for service, penalties, charges, rates, and fees must be paid by the date stated in the Notice. If payment is not received, additional penalty for late payment will be charged.

The District shall assess to any Customer who is tardy in payment of his/her 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.

#### 7.6 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.

### **ARTICLE VIII- VIOLATIONS AND HEARING/APPEAL PROCEDURES**

#### 8.1 Notice of Violation

When the District believes that any person or Customer is not in compliance with these Rules and Regulations, that person or Customer shall be served a written notice stating the nature of the violation, the amount of any penalty assessed, that service may be suspended, the right of appeal and a time frame for correction of the violation. Written notice shall be served by delivery to the person or Customer reasonably believed to be the violator, by the method set forth in the Colorado Rules of Civil Procedures or by mailing to the service address as shown in the District's billing record, by first class mail. The violator shall, within the period of time stated in such notice, permanently cease all violations and pay all penalties assessed.

#### 8.2 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.

#### 8.3 Informal Resolution

Any Customer, upon receipt of a Notice of Violation or penalty may request a conference, in writing, with the District Manager to discuss the violation or penalty. After such a conference, the District Manager will notify the Board and shall render an opinion and notify the Customer by first-class mail. Any objection to a violation or decision must be made, in writing, within thirty (30) days of the date of notice.

#### 8.4 Suspension of Service

For violation of any portion of the District Rules and Regulations, the District may suspend or disconnect service. Prior to reinstatement of service, arrangements satisfactory to the District, including but not limited to the posting of a deposit, shall be made for the payments of all fees, rates, penalties or charges due or future fees and charges.

#### 8.5 Suspension Hearing

Except in an Emergency Situation, any Customer who has received Notice of Shut-Off may receive a formal hearing prior to Shut-Off by submitting a written request to the Board, prior to the shut-off date stated in the notice. The hearing shall be held at a time determined by the Board of Directors and the Customer will be notified of the date of the hearing.

#### 8.6 Conduct of Hearing

At the hearing, the Customer and any representative of the District shall be permitted to appear in person and shall have the right to present evidence and argument, and the right to confront and cross-examine any witness. The Customer may be represented by a Person of his choice or by legal counsel. Court rules of evidence shall not apply. The Board may receive and consider any evidence which has probative value and is commonly accepted by reasonable and prudent persons in the conduct of their affairs. The Board shall have the right to reasonably limit the time and manner of a presentation hereunder.

#### 8.7 Findings

Within fifteen (15) days after the hearing, the Board or District Manager shall enter a written ruling based thereon, a copy of which ruling shall be delivered to the Customer.