

RULES AND REGULATIONS

MOUNTAIN WATER AND SANITATION DISTRICT

October 3, 2017

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RULES AND REGULATIONS

MOUNTAIN WATER AND SANITATION DISTRICT

ARTICLE I

Policy, Purposes and Definitions

Section 1. Declaration of Policy:

The Mountain Water and Sanitation District is a governmental division of the State of Colorado with those powers specifically granted, reasonably employed and necessary or proper to carry out the objectives and purposes of the District. The authority of the District to adopt bylaws, rules and regulations is expressly conferred by the Colorado statutes. The Board of Directors of the Mountain Water and Sanitation District expressly finds and determines that the adoption of the following rules, regulations and bylaws is necessary for the health, welfare, security and public safety of the inhabitants of the District and to insure an orderly and uniform administration of the affairs of the District. It is intended that these rules, regulations and bylaws shall be liberally construed to affect the general purposes set forth therein, and that each and every part thereof is separate, distinct and severable from all other parts. No omission nor additional materials set forth in these rules, regulations and bylaws 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 the statutes as now existing or as may hereafter be amended. In all instances, these rules and regulations shall be subject to the provisions of the Special District Act and any other superior law, rule or regulation. Nothing contained herein shall be so construed as to prejudice, limit or affect the right of this District to secure the full benefit and protection of any laws which are now or hereafter may be enacted by the Colorado state legislature pertaining to local improvement and service districts.

Section 2. Purpose of the Water System:

It is hereby declared that the water system of the Mountain Water and Sanitation District primarily is for the purpose of supplying water for domestic uses. The use of water for irrigation, commercial, manufacturing or industrial purposes is secondary to domestic use, but all such uses are nonetheless considered beneficial uses. However, in order to provide proper amount of water for the health and welfare of all the families in the Mountain Water and Sanitation District, no water shall be drawn from the District sources through any garden hose or similar device attached to the inside or outside plumbing of a building and no garden hose or similar device shall be left attached to the District water supply furnished to any building. These restrictions are not to apply to any fire fighting devices. The water used by each user must be for health and sanitation purposes and not for irrigation, livestock watering, car washing, lawn or plant watering, recreation or non-essential use unless permitted specifically by the District. Uses other than domestic must be approved and/or negotiated by the Board of Directors.

Section 3. Definitions:

A. Board: The word “Board” and phrase “Board of Directors,” as used herein shall mean the Board of Directors of Mountain Water and Sanitation District.

B. District: The word “District,” or “Mountain,” as used herein shall mean Mountain Water and Sanitation District.

C. Engineer: The “engineer” of the District is that person who qualifies as an engineer under the statutes of the State of Colorado, and has been selected to act in such capacity by the Board of Directors. He shall have no authority to commit the District to any policy or course of action without express approval of the Board.

D. Licensed Contractor: A “licensed contractor” is that person licensed by the District to perform services within the District which physically affect the public facilities of the District and licensed by the county in which the work is to be performed.

E. Person: A “person” shall refer either to the singular or plural and shall include an individual, firm, partnership or corporation.

F. Superintendent: The “superintendent” of the District shall be the person as appointed by the Board of Directors, who shall manage the operating affairs of the District and shall be charged with the responsibility of the enforcement of these rules and regulations; but in no event shall he or she have the right or authority to make any decision involving policy or committing the District to any policy without the express authority of the Board.

G. Public Water and Sanitation System: The words “public water and sanitation system,” as used herein, shall mean any water line or sewer line, appurtenances, accessories or portion thereof owned by the Mountain Water and Sanitation District.

H. Right of Way: This phrase encompasses a street, alley, or easement in which the public water and sewer systems of the District may be laid, or in which they are intended to be laid.

I. Tap: “Tap” is any connection of a water or sewer service line to the public water or sewer system of the District.

J. Tap Fee: Charge for the right to “tap” the main lines of the District upon approval of a request, and an approved application for service.

K. Connection Fee: Charge for the physical “tap” to the District service lines.

L. Facilities: “Facilities” means the public water and sewer lines and all appurtenances and accessories.

M. Water Service Line: As used herein, “water service line” shall mean that part of any water line connecting to the public water line commencing at the inside building wall of any facility to which water is furnished and terminating at that point where it connects to the

public water line. A water service line is to be perpendicular to the main at the point where it exits the property.

N. Sewer Service Line: As used herein, “sewer service line” shall mean that part of any sewer line connecting to the public sewer line commencing at the inside building wall of any facility to which sewer service is furnished and terminating at that point where it connects to the public sewer line. A sewer service line is to be perpendicular to the main at the point where it exits the property.

O. Curb Stop: “Curb stop” means a water shut off valve located approximately at the point where the service line crosses the property line and which shall have a valve box extending at least four inches above the finished ground surface.

P. Shall: “Shall” means that the regulation in which the word is used is mandatory; “should” indicates the recommendation of the District; and “may” denotes it is permissible.

Q. Liaison: Member of the Board for the chief purpose of communicating with the superintendent and the Board.

R. Water Meter: Any District approved mechanical device used for measuring water usage occurring within or without any structure served by the District. The term includes the connection of the meter to the water service line, wires and cables attached to the water meter, a remote readout or visual display of the meter measurements external to the structure, and all other appurtenances thereto.

S. Biochemical Oxygen Demand: The words “biochemical oxygen demand” (BOD) shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five (5) days at 20 degrees Centigrade, expressed in milligrams per liter.

T. Building Drain: The words “building drain” shall mean that part of the lowest horizontal piping of a drainage system which receives the discharge from soil, waste, and other drainage pipes inside the walls of the building and conveys it to the building sewer service line.

U. Floatable Oil: The words “floatable oil” shall mean oil, fat, or grease in a physical state such that it will separate by gravity from wastewater by treatment in an approved pretreatment facility. Wastewater shall be considered free of floatable fat if it is properly pretreated and the wastewater does not interfere with the collection system.

V. Garbage: The word “garbage” shall mean the animal and vegetable waste resulting from the handling, preparation, cooking, and serving of foods.

W. Industrial Wastes: The words “industrial wastes” shall mean the wastewater from industrial processes, trade, or business as distinct from domestic or sanitary wastes.

X. Natural Outlet: The words “natural outlet” shall mean any outlet, including storm sewers and combined sewer overflows, into a watercourse, pond, ditch, lake, or other body of surface or groundwater.

Y. pH: The word “pH” shall mean the logarithm of the reciprocal of the hydrogen-ion concentration. The concentration is the weight of hydrogen-ions, in grams per liter of solution. Neutral water, for example, has a pH value of 7 and hydrogen-ion concentration of 100 million.

Z. Properly Shredded Garbage: The words “properly shredded garbage” shall mean the wastes from the preparation, cooking, and dispensing of food that have been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than ½ inch (1.27 centimeters) in any dimension.

AA. Sanitary Sewer: The words “sanitary sewer” shall mean a sewer that carries liquid and water carried wastes from the residences, commercial buildings, and institutions together with minor quantities of ground, storm, and surface waters that are not admitted intentionally.

BB. Slug: The word “slug” shall mean any discharge of water or wastewater which in concentration of any given constituent or in quantity of flow exceeds for any period of duration longer than fifteen (15) minutes more than five (5) times the average twenty-four (24) hour concentration or flows during normal operation and shall adversely affect the collection system and/or performance of the wastewater treatment works.

CC. Storm Drain: The words “storm drain” (sometimes termed “storm sewer”) shall mean a drain or sewer for conveying water, groundwater, subsurface water, or unpolluted water from any source.

DD. Suspended Solids: The words “suspended solids” shall mean total suspended matter that either floats on the surface of, or is suspension in water, wastewater, or other liquids, and that is removable by laboratory filtering as prescribed in “Standard Methods for the Examination of Water and Wastewater” and referred to as non-filterable residue.

EE. Unpolluted Water: The words “unpolluted water” is water of quality equal to or better than the effluent criteria in effect or water that would not cause violation of receiving water quality standards and would not be benefited by discharge to the sanitary sewers and wastewater treatment facilities.

FF. Wastewater: The word “wastewater” shall mean the spent water of the District. From the standpoint of source, it may be a combination of the liquid and water-carried wastes from residences, commercial buildings, and institutions, together with any groundwater, surface water, and storm water that may be present.

GG. Wastewater Facilities: The words “wastewater facilities” shall mean the structures, equipment, and processes required to collect, carry away, and treat domestic and industrial wastes and dispose of the effluent.

HH. Wastewater Treatment Works: The words “wastewater treatment works” shall mean an arrangement or devices and structures for treating wastewater, industrial wastes, and sludge. Sometimes used as synonymous with “waste treatment plant” or “wastewater treatment plant” or “water pollution control plant”.

II. Watercourse: The word “watercourse” shall mean a natural or artificial channel for the passage of water either continuously or intermittently.

ARTICLE II

BYLAWS

Section 4. Bylaws:

4.1 Board of Directors:

All powers, privileges and duties vested in or imposed upon this District by law shall be exercised and performed by and through the Board, whether set forth specifically or impliedly in these bylaws. The Board may delegate to officers and employees of the District any or all executive, administrative and managerial powers.

4.2 Office:

A. Business Office: The principal business office of the District shall be at 12365 Highway 285, Conifer, Colorado, unless otherwise designated.

B. Establishing Other Offices and Relocation: The Board, by resolution from time to time, may designate and locate and relocate its executive and business office and such other offices as in its judgment are needed to conduct the business of the District.

4.3 Meetings:

A. Regular Meetings: Regular meetings of the Board shall be held on the first and third Tuesday of each month at 7:00 P.M. at the District office.

B. Public Meeting: All meetings of the Board shall be open to the public, and all citizens wishing to be heard shall bring their concerns to the Board in writing at least three (3) days prior to the next regular meeting.

C. Notice of Meetings: Section 4.3(A) shall constitute formal notice of regular meetings and no other notice shall be required to be given to the Directors. Notice of any special meetings shall be in writing and shall be in the manner, form and within the time required by statute.

4.4 Conduct of Business:

A. Quorum: No business of the Board of Directors shall be transacted except at a regular or special meeting at which a quorum consisting of not less than three members of the Board of Directors shall be present.

B. Vote Requirements: Any action of the Board shall require the affirmative vote of the majority of the Directors present and voting, except that on questions involving inclusion or exclusion of territories; or the authorization of the expenditure of money in excess of \$1,000.00, such action shall require the approval of a majority of the entire membership of the Board.

C. Order of Business: The business of all regular meetings of the Board shall be transacted as far as practicable in the following suggested order:

- (1) Roll call of members.
- (2) Reading and approval of the minutes of the previous meeting.
- (3) Consideration and payment of bills.
- (4) Hearings.
- (5) Reports of the officers, committees, and professional consultants.
- (6) Unfinished business.
- (7) New business and special order.
- (8) Election matters and resolutions and election of Board officers.
- (9) Adjournment.

The president for the District shall prepare an agenda for each Board meeting and all persons desiring to appear before the Board for any purpose shall make known such desire to the District three (3) days prior to such Board meeting.

D. Resolutions and Orders: Each and every action by the Board, necessary or proper for the government and management of the affairs of the District, for the execution of the powers vested in the District and for carrying into effect the provisions of the Title 32, Vol. 13, C.R.S., (1974 and Supp. 1990), and as from time to time amended, shall be taken by the passage of resolution and orders.

E. Minute Book: All resolutions and motions, within a reasonable time after their passage, shall be recorded in a book kept for that purpose and shall be signed by the secretary of the Board.

4.5 Officers and Personnel:

A. Qualifications and Terms: The Board of Directors shall be qualified electors of the District. Each Board member shall sign an oath of office and be bonded at District expense in no less sum than stipulated by State statutes.

B. Election of Officers: The Board of Directors shall elect from its membership a president, a vice president, a secretary and a treasurer who shall be the officers of

the Board of Directors and the District. The officers shall be elected by ballot of the majority voting at said election. The election of officers shall be held annually at the first regular meeting of the Board each fiscal year. Each officer so elected shall serve for his specified term of office until such term shall expire upon the election of their successor, or until a majority of the Board shall determine to change officers.

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

D. President: The president shall preside at all meetings, and shall be the chief executive officer of the District. Except as otherwise authorized by resolution, the president shall sign all contracts, deeds, notes and debentures on behalf of the District.

E. Secretary: The secretary shall keep the records of the District; shall act as secretary at the meetings of the Board and record all votes; shall compose a record of the proceedings of the Board in a minute book kept for that purpose, which shall be an official record of the Board; and shall perform all duties incident to the office. Such person shall be custodian of the seal of the District and shall have the power to affix such seal to all contracts and instruments authorized to be executed by the District.

F. Treasurer: The treasurer shall be chairman of the Budget Committee and of the Auditing Committee. Such person shall countersign all checks, drafts, or other such documents as required by the Board and signed by the president or other designated official, and shall supervise the financial records of the District. In the event the treasurer is unavailable to countersign documents the board shall designate another member of the Board to perform such a function. The treasurer shall be bonded, at the expense of the District, before assuming the duties of such office, in such amounts as the Board from time to time may direct, but for no less than the amount required by statute.

G. Vice President: The vice president will preside at all meetings in the absence of the president.

H. Additional Duties: The officers of the Board shall perform such other duties and functions as may be required from time to time by the Board, by the bylaws or rules and regulations of the District or by special exigencies, which shall later be ratified by the Board.

I. Superintendent/District Manager: The Board may appoint a superintendent and manager who shall serve for such term and upon such conditions, including salary, as the Board may establish. The superintendent and/or manager shall have such powers and duties as may be specifically assigned to such person(s) from time to time by the Board.

J. Oath of Office: Each member of the Board, before assuming the responsibilities of his office, shall take and subscribe an oath of office in the following form, to wit:

OATH OF OFFICE

OF

DIRECTOR

STATE OF COLORADO)
) SS.
COUNTY OF _____)

I, _____, will faithfully support the Constitution of the United States and of Colorado, and the laws made pursuant thereto, and I will faithfully perform the duties of the office of Director of the Mountain Water and Sanitation District upon which I am about to enter.

Subscribed and sworn to before me this _____ day of _____, 20____.
My commission expires: _____.

Notary Public

4.6 Business Administration:

A. Fiscal Year: The fiscal year of the District shall commence on January 1st of each year and end on December 31st.

B. Budget Committee: There shall be a minimum three-person Budget Committee, which shall be responsible for the annual budget of the District and such other matters as may be assigned to it by the President of the Board of Directors by resolution.

C. Budget: In any year in which the District is to levy an ad valorem tax, the Budget Committee shall prepare and submit to the Board of Directors a proposed budget for the ensuing year on or before the deadline established by the Colorado legislature. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan, and by a general summary wherein shall be set forth the aggregate figures of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income or other means of financing the proposed budget for the last completed fiscal year and the current fiscal year. It may be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to receipts.

D. Notice of Budget: Upon receipt of such proposed budget, the Board of Directors shall cause to be published a notice showing that the proposed budget is open for inspection by the public at its business office, that the Board of Directors will consider the

adoption of the proposed budget on a certain date, and that any interested elector may inspect such proposed budget and file or register any objections thereto at any time prior to its final adoption. If the Board of Directors has submitted or intends to submit a request for increased property tax revenues to the Division of Local Government pursuant to Section 29-1-302(1), Vol. 12A, C.R.S., (1986 and Supp. 1990), the amount of the increased property tax revenues resulting from such request shall be stated in such notice or in a subsequent notice. Notice shall be published in substantial compliance with Section 29-1-108, Vol. 12A, C.R.S., (1986 and Supp. 1990), as now or hereafter amended.

E. Adoption of Budget: Under normal circumstances, the budget for the following year shall be considered by the Board of Directors in November. The Board of Directors shall review the proposed budget, revise, alter, increase or decrease the items as it shall deem necessary in view of the needs and probable income of the District. The Board of Directors shall then adopt the budget at the next regular meeting, setting forth the expenditures authorized to be made in the ensuing fiscal year.

The Board of Directors shall plan for sufficient income to finance the budget, with special consideration given to the mill levy for the ensuing fiscal year.

F. Levy and Collection of Taxes: In accordance with state statutes, the Board shall certify to the Board of County of Commissioners of each county where property within the District is located the necessary mill levy for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such commissioners shall levy such tax upon the assessed valuation of all taxable property within the District.

G. Filing of Budget: Upon the adoption of the budget, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government of the Department of Local Affairs.

H. Appropriating Resolution:

(1) At a regular or special meeting held before January 1st of the next fiscal year, the Board of Directors shall enact a resolution making appropriations for the fiscal year beginning January 1st next.

(2) The income of the District, as estimated in the budget and as provided for in the tax levy resolution and other revenue and borrowing resolutions, shall be allocated in the amounts and according to the funds specified in the budget for the purpose of meeting the expenditures authorized by the appropriate resolution.

I. Contingencies:

(1) In cases of emergency caused by a natural disaster, public enemy, or some contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board of Directors may authorize the expenditure of funds in excess of the budget by resolution duly adopted by a minimum three out of five vote of the entire membership of the Board of Directors. Such resolution shall set forth in full the facts concerning the emergency.

(2) In such case of emergency, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government of the Department of Local Affairs in compliance with the statutes of the State of Colorado.

J. Payment of Contingencies: To the extent that unspent or uncommitted funds are insufficient to meet the emergency appropriation, the Board of Directors may borrow money through (a) the issuance of tax anticipation warrants, to the extent that the mill levy authority of the District is available, or (b) the issuance of debentures payable from bond proceeds or operating revenue.

K. Annual Audit:

(a) The treasurer shall arrange for an annual audit to be made before June 1st of the following year of all financial affairs of the District through December 31st of the prior fiscal year. In all events, the audit report must be submitted to the District within six months of the prior fiscal year. Such audit shall be made by a certified public accountant, who is not otherwise employed by the District. The auditor shall prepare, and certify as to its accuracy, an audit report, including a financial statement based on such audit, pursuant to statutory requirements.

(b) A copy of the audit report shall be maintained in the District as a public record for public inspection at all reasonable times.

(c) The treasurer shall forward a copy of said audit report to the State Auditor, or other relevant state official, pursuant to statutory requirements and deadlines.

L. Personnel Selection and Tenure: The selection of agents, employees, engineers, accountants, special consultants and attorneys of the District by the Board shall be based upon the relative qualifications and capabilities of the applicants, and shall not be based on political services or affiliations. Agents and employees shall hold their offices during the pleasure of the Board. Contracts for professional services of engineers, accountants, and special consultants and attorneys may be entered into on such terms and conditions as may seem reasonable and proper to the Board.

4.7 Corporate Seal:

The seal of the District shall be a circle containing the name of the District and shall be used in all places and in such manner as seals generally are used by public and private corporations. The secretary shall have custody of the seal and shall be responsible for its safekeeping and care.

4.8 Conflict of Interest:

A. Refrain from Participation: Any member of the Board who is present at a meeting, at which is discussed any matter in which he has, directly or indirectly, a private pecuniary or property interest, shall disclose his interest; shall refrain from advocating for or

against the matter; and shall not vote in respect to such matter. Such interested Director shall not be counted for purposes of constituting a quorum.

B. Business with District. No member of the Board shall contract or conduct business with the District, unless such transaction is clearly in the best interests of the District, complies with all conditions of "Conflict of Interest" statutes, and is approved by a unanimous vote of the disinterested Directors.

4.9 Indemnification of Directors:

Any person who at any time shall serve, or shall have served, as director or officer of the District, and the heirs, executors, and administrators of such person, shall be indemnified by the district against all costs and expenses (including but not limited to counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit or proceeding whether civil, criminal, administrative or other, in which he or they may be involved by virtue of such person's being or having been such director or officer; provided, however, that such indemnity shall not be operative with respect to (a) any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties as such director or officer, or (b) any matter settled or compromised, unless, in the opinion of the Directors, there is not reasonable ground for such person's being adjudged liable for negligence or misconduct in the performance of his duties as director or officer, or (c) any amount paid or payable to the District by other enterprises. The foregoing indemnification shall be deemed exclusive of any other rights to which those indemnified may be entitled under any law, agreement or otherwise.

4.10 Powers of the Board of Directors:

Without prejudice to the general powers conferred by law and by Section 1 herein, it is hereby expressly declared that the Directors shall have the following powers and duties:

A. From time to time to make and change these Rules and Regulations not inconsistent with law, for the management of business and affairs of the District.

B. To confer by resolution upon any appointed officer of the District the power to choose, remove or suspend employees or agents, upon such terms and conditions as may seem fair and just and in the best interests of the District.

C. To determine and designate, except as otherwise provided by law or these bylaws, who shall be authorized to make purchases, negotiate leases for office space, sign receipts, endorsements, checks, releases and other documents.

D. To create standing or special committees and delegate such power and authority thereto as the Board deems necessary and proper to the performance of its functions and obligations.

E. To prepare a report covering each year's activities, including a financial statement. Said report, if requested, shall be submitted to the Board and made available to the public on or before April 1 of the following year.

F. To aid in financing regional studies and plans relating to water and sewer matters.

G. To enter into contract with taxpayers within the District which allow such taxpayers or the District to construct water and sewer lines within any sub-area or unserved area and to connect the same with water and sewer lines of the District, provided that the plans and specifications for such lines shall be prepared by the engineer or superintendent. Such contract should permit proceeds (other than service charges) derived from water and sewer fees or surcharges from such area to be applied on the payment of the cost of the construction, and may provide for escrow funds to be established to finance the future capital improvements for service in any such area.

H. To divide the District into areas in accordance with the water and sewer facilities furnished or to be furnished in such areas; and, in the event the board finds it infeasible, impractical or undesirable for the good of the entire District to extend water and/or sewer lines or to furnish water and/or sewer facilities to any part of the District, to designate such areas not to be served with water and/or sewer facilities by an appropriate resolution.

4.11 Modification of Bylaws:

These bylaws may be altered, amended or repealed at any regular meeting of the Board of Directors or at any special meeting of the Board called for that purpose.

ARTICLE III

Rules and Regulations

Section 5. General Provisions.

5.1 Requisites:

Before any connection is made to the public water or sewer system, a permit shall be obtained from the District, and the required fees, costs and charges therefore shall be paid as established by the Board. Application for such permit shall be made to the District on the form or forms furnished for such purposes by the District.

5.2 Independent Connections:

A. Each parcel of land in separate ownership shall have an independent connection to the facilities of the District, and shall not be interconnected with any other water or sewer system or water source unless specifically authorized by the Board.

B. Where a parcel of land has more than one separate building thereon, each separate building shall be independently served; except that, where one separate residential building stands in the rear of another separate residential building, a service line from the front separate residential building may be extended only upon such terms and conditions as shall be approved by the Board.

C. Where a parcel of land has more than one separate building thereon, under conditions of a unified development and under one ownership, application may be made to the Board of Directors for a single service line to be permitted and upon what conditions. The District may then enter into an agreement setting forth the specific conditions of approval. Such an agreement shall run with the land and shall be recorded in the office of the clerk and recorder of the county where the property is located.

5.3 Unauthorized Connections:

Any and all connections made to the District's water or sewer mains without first obtaining (a) a license, (b) a permit, and (c) the approval and consent of the superintendent or his designee, or if any person shall violate the rules relative to the connection and repair of the service lines, then in either of such events such connections to the public water or sewer system shall be summarily disconnected by the superintendent or his designee at the cost of the person making such unauthorized connection. All costs of disconnection, until paid, shall constitute a perpetual lien against such property. In the event that the licensed contractor shall also be guilty of making an unauthorized connection, he shall be fined and at the discretion of the Board, be prohibited from doing any work within the District.

5.4 Disconnection:

No service line connected to the public water or sewer system shall be disconnected therefrom without the prior approval of the District or its designee, by obtaining a permit which shall specify as to how the disconnection shall be properly sealed to prevent foreign matter from entering the public facilities. All disconnections must be made at that point where the service line actually physically connects to the public water or sewer system.

5.5 Unauthorized Disconnections:

Any and all disconnections made to the District's public water or sewer mains without first obtaining (a) a license, (b) a permit, and (c) the approval and consent of the superintendent or his or her designee, or any violation of these rules and regulations by any person, shall permit the District or any of its authorized personnel to make a proper disconnection. Such costs of disconnection, until paid, shall constitute a perpetual lien against such property. In the event that a licensed contractor shall also be guilty of making an unauthorized disconnection, he or she shall be fined and, in the discretion of the Board, be prohibited from doing any work within the District.

5.6 Service Line Maintenance:

It shall be the responsibility of the property owner to maintain the water and sewer service lines and appurtenances, in good repair, at all times and to preserve the proper connection

of the service lines to the water and sewer system of the District. The District shall assume no responsibility or liability for the operation or the maintenance of any service line. However, if the property owner fails to properly maintain his service lines and appurtenances, the District may maintain them. Upon discovery of a deficiency in a service line, including appurtenances, which is not deemed to be an emergency by the superintendent, the District shall provide the property owner with written notification of the specific nature of the deficiency. The property owner shall have 30 days to complete repairs. Failure to fully correct the deficiency within the allotted time shall allow the District to make the necessary repairs at its option. In the event a deficiency in a service line, including appurtenances, is determined to be an emergency by the superintendent, the District shall have the option of immediately completing the necessary repairs. All costs incurred by the District shall be billed to the property owner and shall be subject to collection pursuant to Section 9.14. The owner shall indemnify the District for any loss or damage caused by improper maintenance or installation of the service lines.

5.7 Inspection of Property:

The District or its designee shall have the right to enter any lands or structures being served by the District water or sewer system, at any reasonable time for good cause related to necessary District functions, including meter inspection and emergency service. Acceptance of new or continued water or sewer service or installation of water meters by the District, or application for service or for issuance of a permit of any kind, constitutes an irrevocable license, consent to and invitation for the District or its designee to enter upon property of an owner, customer, or user, for all valid purposes necessarily related to District functions. This license, consent, and invitation specifically empowers the District or its designee to make inspections of remote water meter readouts as often as necessary. Acceptance of new or continued water service also constitutes a waiver of any right to charge the District or its designee with civil or criminal trespass in connection with reasonably conducted meter inspections, requests to inspect, posting of notifications of inspection, repairs to service lines and appurtenances or entries for emergency purposes. The District or its designee shall also have the right to inspect for good cause that portion of a water meter enclosed within any structure served by the District. The purpose of the inspection shall be to verify the proper functioning and accuracy of the meter. This right of entry shall not be exercised until a request for entry is orally conveyed to the owner, customer, or user, or after written notice is posted upon the premises to be inspected for at least seventy-two hours. Except for emergencies, no entry inside a structure shall be effectuated in the absence of the owner, customer or user, nor shall entry be attempted if said person does not peaceably allow inspection. Emergencies shall include those situations wherein entry is essential to protect the District's water system.

As used herein, "good cause" includes, by way of example only, routine monthly outside meter reading, routine inspection of curb stop valves, routine annual checks of meter accuracy inside every structure served by the District, inspection of meter replacement or repair, and occasional meter inspections between annual checks in randomly selected structures. Good cause shall also exist whenever (1) the superintendent determines that a particular meter, remote readout, or component thereof may be malfunctioning; (2) water use appears to exceed metered use, according to observations documented or made by District personnel; (3) prohibited uses such as car washing or irrigation are observed or documented by District personnel; (4) evidence of tampering with the remote readout is observed by the meter reader or District personnel; and (5) the District has information or belief that a meter has been privately repaired or replaced

without any notification to the District as required in Section 12.6 of Article IV of the Rules and Regulations.

5.8 Denial of Application:

The District reserves the right to deny any application for service on either of the following grounds:

That connection of the system to applicant's existing plumbing would constitute a cross-connection to an unsafe water supply; or

That the service applied for would create an excessive seasonal, or other, demand upon the facilities, and/or financial position of the District.

5.9 Change in Customer's Equipment or Service:

Prior to making any change in water or sewer service, a customer shall file an amended application with the District. No change in the customer's equipment or service shall be made without the prior approval of the District being first obtained.

5.10 Restriction of Use:

All service to water users within the District shall be subject to pro ration and/or curtailment as necessitated by consumptive use within the District and by available water supply. In the discretion of the Board, in times of emergency or during water shortage, the Board may limit or curtail the use of water and prohibit the use of same in violation of such limitation and curtailment. All persons shall regularly observe the most reasonable conservation practices so that water is neither wasted nor consumed unproductively. It is recognized that water use priorities are primarily: (1) residential, and (2) commercial. Other uses of water are restricted to such conditions and regulations as the Board may from time to time impart.

5.11 Prohibition on Outside Water Use:

Outside use of water is prohibited. Upon report of a water use violation detailing the address, date, time and nature of use, the superintendent is directed to mail the offender a written notice which shall contain:

- (i) Details of the violation.
- (ii) Citation of relevant restriction contained in the rules and regulations.
- (iii) A request for future compliance.
- (iv) Notice of termination of service if future violations should occur.

The superintendent is further directed to keep records of all such warning notices. In the event a user persists in violation of the Rules and Regulations after having been provided with written notice as set forth above, the superintendent shall proceed to disconnect

service to the subject premises. Disconnected service shall be restored only after obtaining the consent of three Board members. The above described procedures shall not preclude the District from utilizing any other remedies which may be available for enforcement of its Rules and Regulations.

1. In order to facilitate the enforcement of the ban on outside water use, and subject to the exceptions noted below, any customer who has a garden hose or similar device connected to an outside faucet of a building served by the District's water system shall be subject to the following sanctions:
 - a. On the first violation, there will be an immediate surcharge of \$50.00 added to the customer's water/sewer bill.
 - b. A second violation will result in an immediate surcharge of \$250.00 added to a customer's water/sewer bill.
 - c. A third violation will result in an immediate surcharge of \$500.00 added to a customer's water/sewer bill AND the immediate shutoff of water to the residence. Water service shall be restored only after all charges are paid and an agreement is reached regarding future compliance.
2. The temporary connection and use of a garden hose to fill a water tank in a recreational vehicle which is owned by a customer shall be allowed; provided, however, that the customer first notifies the District staff of the customer's plans by calling the office at 303-838-1800.
3. The temporary connection and use of a garden hose or similar device to extinguish a fire that is an actual and immediate threat to the property of the customer shall also be allowed in accordance with Section 2, Article I of the Rules and Regulations. However, the hose must be disconnected as soon as practical once the fire is extinguished.
4. In order to protect the District's water system from losses due to pipe breaks, garden hoses must not be connected to an outside faucet under any circumstance during freezing weather conditions.
5. This Resolution 02-02 is intended to eliminate the indiscriminate outside use of the District's water supplies, to ensure the continued integrity of the water system and to protect the health, safety and welfare of all residents served by the District.

5.12 Prohibition and Control of Devices which Allow Unmetered Water to be Removed from Service Lines:

No person shall install any device which is capable of removing water from any service line at a point ahead of the water meter. Any yard hydrant, or other device capable of removing water from a service line ahead of the water meter, which is in existence within the District as of May 12, 1988, shall be equipped with a lock installed by the District superintendent so that the user cannot operate the device without the District's knowledge and consent. In the event a property owner or user either refuses to cooperate with the District superintendent regarding the installation of a lock or tampers with the lock after it is installed, the District shall have the option of disconnecting the device from the service line. All costs incurred by the District to complete such disconnection shall be billed to the property owner and shall be subject to collection pursuant to Section 9.14. In addition to these costs, a fine shall be levied against the property owner or user, pursuant to the District's fee schedule, if any prohibited plumbing or

device is found at a structure served by the District. If the Superintendent discovers any device which is capable of removing water from any service line at a point ahead of the water meter, or if the Superintendent determines that there has been any tampering with a water meter or its' appurtenances, the customer receiving such unmetered water, or responsible for the tampering, shall be subject to a fine to be levied by the Board of Directors in accordance with the District's fee schedule.

5.13 Prohibitions – Water Supply:

No person shall connect, directly or indirectly, any source of water to the public water system, or to any line through which any water of the District flows. No water from any source other than that of the District shall be introduced or permitted in the public water system. The District shall have the right summarily to disconnect from the public water system any connection or plumbing which is in violation of these rules and regulations, and the cost thereof until paid shall constitute a lien against the property. A fine shall be levied, pursuant to the District's fee schedule.

5.14 Termination of Service:

Mountain Water and Sanitation District reserves the right to cancel any contract entered into with any person upon giving written notice to such person of the District's intention so to do. No person shall ever obtain, claim or assert any perpetual easement in (a) any right to water or sewer services, or (b) mains or connections under any contract, and such person shall be bound by all rules and regulations adopted by the District, as altered or amended from time to time, governing the administration, use and charges for water and sewer services.

5.15 Service Limitations:

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

5.16 Easements:

Where any water main is not installed in a public right-of-way or deeded street, the property owner or petitioner requesting such extension or inclusion shall provide the District, by formal conveyance, with a thirty-foot exclusive easement, or a fifty-foot non-exclusive easement on the forms and in the manner prescribed by the District. Customers desiring to run their service lines through private property shall be responsible for obtaining a valid easement from the owner of the affected property. Prior to approving the service line, the District must be satisfied that the route will not interfere with the District's existing or proposed facilities.

5.17 Installation of Private Wells and Septic Systems:

This section eliminated by Board action at the October 3, 2017 Board Meeting.

5.18 New Subdivisions:

More than eleven years after the District filed its Application for Underground Water Rights, the District Court, Water Division No. 1 signed and entered a decree in September of 1983. That decree sets forth the maximum amount of water the District is allowed to produce. The amount is more than sufficient to permit the full development of the Kings Valley subdivision including the Elk Run commercial development. Excluding a major drought, there should also be ground water sufficient to service this development.

Several of the large tracts within the District have had homes constructed upon them, where the owners can enjoy the privacy and wildlife to be found there. Subdivision of these tracts, however, can present problems far greater than extending water and sewer service to the sites. If the housing density was to duplicate that in the existing Kings Valley subdivision, the District would be unable to provide the needed water because of the limitations set forth in the Court decree. In all probability, there would not be sufficient ground water to allow such a maximum development, and to even approach that point would put all the residents in the District at risk. Because of these limitations, the District strongly opposes rezoning that would permit smaller lot sizes. On those tracts where the existing zoning allows these smaller lot sizes, the District recommends to all concerned that proposed new subdivisions provide for no more than one house per acre. *(Approved 2-20-2001)*

5.19 Fire Hydrants:

All water mains, which shall be used to serve fire hydrants, shall be installed in public rights-of-way or proper easements, as specified in Section 5.16, supra, and all lines shall be installed in accordance with all applicable District regulations concerning line extensions. After installation, on the recommendation of the Engineer, all lines and hydrants shall then be accepted by the District for operation and maintenance. The District assumes no responsibility nor liability for the operation, maintenance and control of the same. Water from fire hydrants is restricted for use in the District.

5.20 Mandatory Connection to Public Water and Sewer Lines:

All premises within the Mountain Water and Sanitation District shall be connected to the public water and sewer system of the District in accordance with the provisions of the State Plumbing Code; provided that the public water and sewer lines are within 400 feet of the nearest corner of the premises. In the event that any property upon which there is constructed any improvement designed or used for any residential, commercial, educational or industrial purpose, and is so used or occupied, but is not connected to the public water system, the District or its authorized agent shall give written notice by certified mail to the owner of the real property affected, at the last address shown by the records of the Assessor of the County in which the property is located, that such owner shall connect the improvements on such property to the public water and sewer system within 20 days from receipt of such written notice. If the owner shall fail or refuse to connect such improvements within the 20 day period, the Board or its authorized agent shall cause such connection to be made. The owner shall pay for such connection, whether made by the owner or the District. If the owner fails to pay therefore within 10 days after the District completed the connection, a lien by the District shall be filed against

the property for the expense incurred in making such connection. If the owner fails to cooperate with the District in completing the connection, the District shall withhold all service to the property.

5.21 Limitation on Excavation:

In order to protect the District's utility facilities from detrimental effects due to frost and freezing temperatures, no excavating shall be allowed, during the period November 1 through March 31, inclusive, in public rights-of-way and utility easements where the District has constructed water and sewer lines.

5.22 Disconnection of Service:

Disconnection of water and sewer service may be made by the District upon notice to the user, as more particularly described herein, for any of the following reasons:

- (a) for misrepresentation, in application, as to property or fixtures to be supplied, or the use to be made of the water and sewer;
- (b) for the use of water for any other property or purpose than that described in the application;
- (c) for changing the use to be made of the water supply without prior notice to and consent of the District;
- (d) for failure to protect and maintain the connection, service lines, curb stop, meters, appurtenances and fixtures in good order;
- (e) for molesting any installation, service pipe, curb stop, or any other appliance of the District controlling or regulating the water or sewer services;
- (f) for denial or obstruction of physical access to remote meter readouts;
- (g) for denial or obstruction of physical access by the District or its designee to water meters located within or upon any structure, after demand for entry has been made by the District to the owner, customer, or user, which denial or obstruction prevents the District from inspecting the meter;
- (h) for any knowing alteration, obstruction, interference, or destruction of any water meter or component thereof, without the knowledge and consent of the District, which action causes the meter to malfunction or become substantially inaccurate;
- (i) for any violation of any rules or regulations of the District.

A minimum of 72 hours prior to disconnection, the District shall deliver a "Notice of Intent to Discontinue Water and Sewer Service," which notice shall apprise the user that the property is subject to service disconnection and the reason therefore. An attempt shall be made to personally serve the user at the service address. If the user cannot be personally served, the notice shall be posted on the property in a conspicuous location and a copy mailed by certified

mail, return receipt requested, to the user at his last known billing address. The superintendent shall proceed with service disconnection after expiration of the seventy-two (72) hours unless the user is no longer in violation of the provisions of this section.

In addition to the foregoing, the District superintendent is authorized to immediately disconnect service to any user who is found to be running water to prevent service line freezing, unless such action is specifically authorized by the Board of Directors. The District superintendent is also authorized to immediately disconnect service to any user who is found to be wasting water through the use of improper or imperfect pipes, fixtures or otherwise, whether because of leaks, breaks or any other reason, irrespective of fault or responsibility. Prior to disconnection, the District shall attempt to serve the user at the service address with a written notice of the intended action and the basis for same. If the user cannot be personally served, notice that service disconnection has occurred and the reason therefore shall be posted on the property in a conspicuous location and a copy mailed by certified mail, return receipt requested, to the user at his last known billing address.

5.23 Prohibition on Discharge of Unpolluted Water to Sewer System:

No person(s) shall discharge or cause to be discharged any unpolluted waters such as storm water, surface water, groundwater, roof runoff, subsurface drainage, or cooling water to any sewer; except that storm water runoff from limited areas, which storm water may be polluted at times, may be discharged to the sanitary sewer by permission of the superintendent.

5.24 Prohibition and Limitation on Discharge of Pollutants:

1. No person(s) shall discharge or cause to be discharged any of the following described water or wastes to the public sewers:

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

(b) Any waters containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to contaminate the sludge of any municipal system, to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in or have an adverse effect on the waters receiving any discharge from the treatment works.

(c) Any waters or wastes having a pH lower than 5.5 or greater than 10.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the wastewater works.

(d) Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers, or other interference with the proper operation of the wastewater facilities such as, but not limited to, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feather, tar, plastics, wood, underground garbage, whole blood, paunch manure, hair and fleshing, entrails and paper dishes, cups, milk containers, diapers, etc., either whole or ground by garbage grinders.

2. The following described substances, materials, waters, or waste shall be limited in discharges to concentrations or quantities which will not harm either the sewer lines, wastewater treatment process or equipment, will not have an adverse effect on the receiving stream, or will not otherwise endanger lives, limb, public property, or constitute a nuisance. The limitations or restrictions on materials or characteristics of waste or wastewaters discharged to the sanitary sewer are as follows:

(a) Wastewater having a temperature higher than 150 degrees Fahrenheit (65 degrees Celsius).

(b) Wastewater containing more than 25 milligrams per liter of petroleum oil, non-biodegradable cutting oils, or product of mineral oil origin.

(c) Wastewater from commercial or industrial facilities containing floatable oils, fat, or grease.

(d) Any garbage that has not been properly shredded. Garbage grinders may be connected to sanitary sewers from homes, institutions, restaurants, catering establishments, or similar places where garbage originates from the preparation of food in kitchens for the purpose of consumption on the premises or when served by caterers.

(e) Any waters or wastes containing iron, chromium, copper, zinc and similar objectionable or toxic substances to such degree that any such material received in the composite wastewater at the wastewater treatment works exceeds the treatment capacity of the plant.

(f) Any waters or wastes containing odor-producing substances exceeding limits which may be established by the superintendent.

(g) Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the District in compliance with applicable state or federal regulations.

(h) Quantities of flow, concentrations, or both which constitute a "slug" as defined herein.

(i) Waters or wastes containing substances which are not amenable to treatment or reduction by the wastewater treatment processes employed, or are amenable to treatment only to such degree that the wastewater treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

(j) Any water or wastes which, by interaction with other water or wastes in the public sewer system, release obnoxious gases, form suspended solids which interfere with the collection system, or create a condition deleterious to structures and treatment processes.

3. If any waters or wastes are discharged, or are proposed to be discharged to the public sewers, which waters contain the substances or possess the characteristics enumerated above, and which in the judgment of the superintendent, may have a deleterious effect upon the

wastewater facilities, processes, equipment, or receiving waters, or which otherwise create a hazard to life or constitute a public nuisance, the superintendent may:

- (a) Reject the wastes;
- (b) Require pretreatment to an acceptable condition for discharge to the public sewers;
- (c) Require control over the quantities and rates of discharge, and/or
- (d) Recommend to the Board of Directors that a payment be imposed on the discharger responsible to cover the added cost of handling and treating the wastes not covered by existing taxes or sewer charges.

When considering the above alternatives, the superintendent shall give consideration to the economic impact of each alternative on the discharger. If the superintendent permits the pretreatment or equalization of waste flow, the design and installation of the plants and equipment shall be subject to the review and approval of the District.

5.25 Use of Interceptors:

Grease, oil, and sand interceptors shall be provided when, in the opinion of the superintendent, they are necessary for the proper handling of liquid wastes containing floatable grease in excessive amounts as specified herein, or any flammable wastes, sand, or other harmful ingredients. All interceptors shall be of a type and capacity approved by the superintendent, and shall be located as to be readily and easily accessible for cleaning and inspection. In maintaining interceptors the owner(s) shall be responsible for the proper removal and disposal by appropriate means of the captivated material and shall maintain records of the dates and means of disposal which are subject to review by the superintendent. Any removal and hauling of the collected materials not performed by the owner(s) personnel must be performed by currently licensed waste disposal firms.

5.26 Enforcement:

It is hereby made the duty of the superintendent or his or her designee to enforce these rules and regulations, to investigate all reports of violations and to report the same promptly to the liaison or Board of Directors for remedial action. Penalties for violations can be found in the Fee Schedule or on the website under “Water and Sewer Rates.”

5.27 Conservation Provisions for Residential and Commercial Users:

1. Conservation in New Residential Construction. All plumbing fixtures in new residential construction shall meet the following requirements for water use:

- (a) All water closets shall be designed to use a maximum of 1.6 gallons per flush.
- (b) Shower heads for the purpose of bathing and washing shall have a maximum flow rate of 2.5 gallons per minute at 80 psig.

(c) Kitchen and service faucets shall have a maximum flow of 2.2 gallons per minute at 60 psig.

(d) Lavatory faucets shall have a maximum flow of 2.2 gallons per minute at 60 psig.

(e) The District may allow the use of a standard fixture when, in the opinion of the Board of Directors, conformance would cause a health hazard or unusual hardship, would not accomplish the intent of this Section, or would require a greater quantity of water to be used to properly operate the fixture.

2. Conservation in New Commercial, Industrial and Public Use Construction.
All plumbing fixtures in new commercial, industrial and public use construction shall meet the following requirements for water use:

(a) All water closets shall be designed to use a maximum of 1.6 gallons per flush.

(b) Shower heads for the purpose of bathing and washing shall have a maximum flow rate of 2.5 gallons per minute at 80 psig.

(c) All lavatories shall be equipped with faucets that either deliver a maximum flow of 0.5 gallons per minute at 60 psig; that are equipped with metering valves that close automatically after delivering a maximum of 0.25 gallon; or that are controlled by an infrared or other device so that they operate only upon demand with a maximum flow rate of 0.5 gallons per minute at 60 psig, except required handicapped facilities may be equipped with faucets designed for handicapped individuals.

(d) The District may allow the use of a standard fixture when, in its opinion, conformance would cause a health hazard or unusual hardship, would not accomplish the intent of this Section, or would require a greater quantity of water to be used to properly operate the fixture.

(e) The use of automatic flushing tanks which flush more than one urinal at a time shall be prohibited.

(f) All urinals shall be designed to use a maximum of one (1) gallon per flush. No urinal shall be installed which uses a timing device to flush periodically irrespective of demand.

3. Definitions.

(a) Commercial, industrial and public construction, as used in 2 above, means all restrooms and bathrooms in commercial, industrial and public establishments.

(b) Residential construction means all single-family residences and any accessory guest houses, multi-family dwellings, apartments, condominiums, and townhouses.

(c) New construction shall not include redecoration, renovations or additions to existing structures.

(d) Water closet means any fixture consisting of water-flushed bowl, with a seat, used for the disposal of human wastes.

(e) Urinal means any fixture consisting of a water-flushed bowl used for the disposal of human urine.

5.28 Cross Connection Control Regulations For New Construction Occurring Subsequent to March 18, 1993.

1. The Authority To Implement And Maintain This Program On Cross Connection Control Is Contained In The Following Legislative Actions:

(a) Colorado Department of Health Law C.R.S., 1973, Section 23-1-114.

(b) Colorado Primary Drinking Water Regulations, Article 14 (Hazardous Cross Connections).

(c) Cross Connection Control, Colorado Department of Health, 1983, or latest edition.

(d) Occupational Safety and Health Administration Federal Register #202 Part 2, Page 22234, Subpart J.

(e) Uniform Plumbing Code of the International Plumbing and Mechanical Officials, Chapter 10, Sections 1001, 1002, 1003.2.0

(f) Uniform Pool and Spa Code.

(g) Uniform Solar Code.

2. Reference Manuals Adopted For Guidelines On Cross Connection Control.

(a) “Manual of Cross Connection Control”, Foundation for Cross Connection Control and Hydraulic Research, University of Southern California.

(b) “Cross Connection Control Manual,” Colorado Department of Health.

(c) Cross Connection Control Committee, Pacific Northwest Section, “AWWA Manual of Accepted Procedures and Practices.”

(d) “Recommended Practice for Backflow Prevention and Cross Connection Control,” AWWA Manual M14.

(e) Definitions of terms used in this regulation are those contained in the Colorado Department of Health “Cross Connection Manual”, a copy of which is available for review at the District offices.

3. General Requirements.

(a) Building Plans for all new construction within the District which is initiated subsequent to March 18, 1993, must show:

(i) Water service size and location.

(ii) Meter size and location.

(iii) Backflow prevention device size, type and location.

(iv) Fire sprinkling system(s) service line, size and type of backflow prevention device.

(b) Backflow prevention devices are to be installed in an accessible location to facilitate maintenance, testing and repair.

(c) All backflow prevention devices shall be installed immediately downstream of the water meter.

(d) Before installing a backflow prevention device, water lines should be thoroughly flushed to remove foreign material.

(e) In no case will it be permissible to have connections or tees between the meter and service line backflow prevention device.

(f) In no case is it permissible to connect the relief valve discharge on the reduced pressure device into a sump, drainage ditch, etc.

(g) Backflow prevention valves are not to be used as the inlet or outlet valve of the water meter. Test cocks are not to be used as supply connections.

(h) In order to insure that backflow prevention devices continue to operate satisfactorily, it will be necessary that they be tested at the time of installation and as determined by the District pursuant to Section 6, herein. Such test will be conducted in accordance with the Foundation for Cross Connection Control and Hydraulic Research performance standards and field test procedures as directed by the Colorado Department of Health.

(i) Final inspections on new or retrofit installations will be performed only after the backflow device has been tested.

(j) All costs for design, installation, maintenance, repair, and testing are to be borne by the customer.

(k) All fire sprinkling lines shall have a minimum protection of an approved double check valve for containment of the system.

(i) All glycol (ethylene or propylene), or antifreeze systems shall have an approved Reduced Pressure zone device for containment.

(ii) Dry Fire systems shall have an approved Double Check Valve installed upstream of the air pressure valve.

(iii) Single family residences with a fire sprinkler system and domestic water combined shall have a double check valve when no chemicals are used.

4. Standards for Backflow Prevention Devices.

(a) Any backflow prevention device required herein shall be of a model and size approved by the District. The term “Approved Backflow Prevention Device” shall mean a device that has been manufactured in full conformance with the standards established by the Colorado Department of Health Cross Connection Manual and the District.

Final approval shall be evidence by a “Certificate of Approval” issued by an approved testing laboratory certifying full compliance with Colorado Department of Health standards and the Foundation for Cross Connection Control and Hydraulic Research specifications. The following testing laboratory is qualified to test and certify backflow prevention devices:

Foundation for Cross Connection Control and Hydraulic Research
University of Southern California
OHE 430-D University Park-MC 1453
Los Angeles, California 90089-1453

(b) Only approved backflow prevention devices shall be used.

(i) Exception: Residential containment may be accomplished with a device not approved by the Foundation for Cross Connection Control and Hydraulic Research, but approved by the American Society of Sanitary and Mechanical Engineers and designated by the District.

(c) Any backflow preventer currently installed which is not approved shall be replaced with an approved device at the time it fails an operational test.

(d) Backflow devices used on fire lines shall have O.S. & Y. valves and be listed by the National Fire Protection Association.

5. Installations.

(a) Backflow prevention devices installations shall be inspected and approved for use by the District.

(b) All backflow devices shall be installed in the horizontal position. Variance shall be by review only on retrofit fire systems.

(c) A pressure vacuum breaker shall be used where the device is never subjected to backpressure and installed a minimum of twelve (12) inches above the highest piping or outlet downstream of the device in a manner to preclude backpressure.

(d) An atmospheric vacuum breaker shall be used only where the device is.

(i) Never subjected to continuous pressure (more than 12 hours continuous).

(ii) Installed with the air inlet in a level position and a minimum of six (6) inches above the highest piping or outlet it is protecting.

(iii) No valves shall be permitted downstream of the device.

(e) A single check valve is not considered to be a backflow prevention device.

(f) Double check valve assemblies may be installed in below grade vaults.

(g) Reduced pressure backflow preventers will be installed above ground. The unit should be placed at least twelve (12) inches above the finish grade to allow clearance for the repair work. A concrete slab at finish grade is recommended. Proper drainage should be provided for the relief valve and may be piped away from the location, provided it is readily visible from above grade and the relief valve is separated from the drain line by a minimum of double the diameter of the supply line. A modified vault installation may be used if constructed with ample side clearances. Freezing is a major problem in this area. Precautions should be taken to protect above ground installations.

(h) Reduced pressure zone backflow preventer may be installed in a basement provided with an adequate drain with an effective opening of twice the diameter of the device.

6. Testing and Maintenance.

(a) In those specific instances where the District deems there to be a hazard, the Superintendent will require certified inspections of a backflow prevention device after initial installation. Such test shall be at the expense of the water customer/user and shall be performed by a certified technician approved by the Colorado Department of Health or the Water Distribution and Wastewater Collection Systems Certification Council. An inspection of the device may be performed by the District Superintendent at any time in accordance with the procedures set forth in Section 5.7 of Article III.

(b) As necessary, the device shall be repaired or replaced at the expense of the customer/user whenever the devices are found to be defective. Records or copies of same, of all such tests, repairs or replacement shall be kept with a copy sent to the District.

(c) All testing gauges shall be checked for accuracy yearly, or more often in the event of questionable readings.

(d) The District retains the right to test or otherwise check the installation and operation of any containment device.

(e) Service of water to any premises may be discontinued by the District after written notification if unprotected cross connections exist on the premises or if any defect is found in an installed backflow prevention device, or if a backflow prevention device has been removed or bypassed. Service shall not be restored until such conditions or defects are corrected.

(f) Discontinuance of service may be summary, immediate and without written notice whenever, in the judgment of the Superintendent, such action is necessary to protect the purity of the public potable water supply or the safety of the water system.

7. Violations.

(a) Failure of the customer to cooperate in the installation, maintenance, testing or inspection of backflow prevention devices required herein shall be grounds for the discontinuance of water service to the premises or the requirement for an air-gap separation from the public potable water system.

(b) As necessary, the device shall be repaired or replaced at the expense of the customer/user whenever the devices are found to be defective. Records or copies of same, of all such tests, repairs or replacement shall be kept with a copy sent to the District.

(c) All testing gauges shall be checked for accuracy yearly, or more often, in the event of questionable readings.

(d) The District retains the right to test or otherwise check the installation and operation of any containment device.

Section 6. MWSD Licenses.

6.1 License Required:

No person shall connect to, disconnect or repair any facility of the public water system without first obtaining a license to do so from the District.

6.2 Application for License:

Application for licenses under these rules and regulations shall be filed at the District office on forms provided by the District.

6.3 Requirements for Issuance of License:

No license for a licensed contractor shall be issued by the District to any person until such person has fully satisfied the Board or its representative as to the adequacy of the applicant's experience, construction equipment and financial ability. An applicant shall file with the District (a) corporate surety bond in the amount of not less than \$10,000.00 in favor of the

District, for the faithful performance and observance of these rules and regulations governing the installation and repair of water or sewer and/or the connection or disconnection of service lines; (b) certificate of insurance indicating the applicant has public liability and property damage insurance in an amount and kind satisfactory to the Board; and (c) a certificate of compliance with the Workmen's Compensation Act of Colorado. The applicant shall also pay such fee as shall be, from time to time, fixed or prescribed by the Board. A contractor's license is not transferable.

6.4 Issuance of License:

Licenses of the District shall be granted by the action of the Board or its authorized representative. Only the Board shall prescribe the fees, conditions and requirements necessary for obtaining the same, in addition to those prescribed above.

6.5 Licensed Contractor Not to Allow Others to Use Name:

No licensed contractor shall allow his name to be used, directly or indirectly by any person to obtain a permit to perform any work within the District. In the event of violation of this subsection, such licensed contractor may be prohibited from performing any work within the District for a period not to exceed one year.

6.6 Time Limit of License:

No license issued after the adoption of these rules and regulations for a licensed contractor shall be valid for a period to exceed one year; but a licensed contractor who has faithfully performed work within the District and has fully complied with these rules and regulations may renew such license for an additional period of one year, with payment of the prescribed renewal fee.

6.7 Revocation or Suspension of License:

The license of any contractor licensed by the District may be revoked or suspended for such time, not to exceed one year, as shall appear proper to the Board of Directors for violation of these rules and regulations. Whenever it appears a violation has been committed, written charges specifying such violation or violations shall be filed with the secretary of the Board by the superintendent, and the Board shall set a time for hearing thereon and shall give notice by registered mail, directed to the licensee at the address given on his application, or later furnished to the Board, in writing, at least five days prior to the time of said hearing. Such notice shall suspend the license and halt construction until the hearing. At such hearing the licensee shall be entitled to appear in person and/or by attorney, and a full hearing shall be held. The action of the Board of Directors shall be final.

Section 7. Permits and Applications.

7.1 Approval Required:

Before connection or disconnection to the District's existing water or sewer system, or an extension of the public water or sewer system, the contractor or owner shall obtain approval from

the District and pay the required fees as established from time to time by the Board of Directors of the District.

7.2 Application for Tap Fee Certificate:

Application for a tap fee certificate shall be made to the District on the form furnished by the District. The applicant shall specify the legal description of the property to which the tap fee is to apply. Tap Fee Certificates are not transferable from one lot to another.

7.3 Application for Certificate of Water and Sewer Service Availability:

Application for a certificate stating that water and sewer service is available from the District shall be made on a form furnished by the District. No such certificate shall be issued without the approval of the superintendent, and no such certificate shall be issued until the applicant has also submitted an "Application for Service" pursuant to Section 7.4. Each certificate which is issued shall be valid for a maximum of ninety (90) days from the date it is signed by the district.

7.4 Application for Service:

Application for service shall be made to the District on the form or forms furnished for such purposes by the District, which shall provide a full description of the work to be performed, the legal description of the property to be served, the name of the licensed contractor performing the work under the permit and such other information as may be required by the District. Each application for service that is approved shall be valid for a maximum of 90 days from the date it is signed by the District. The superintendent shall specify the conditions under which any service connection is authorized.

7.5 Payment of Fees:

Tap fees and capital improvement fees shall be paid no later than five days after a building permit is issued by Jefferson County for the structure described in the applications referenced in Sections 7.3 and 7.4. The fee to be paid shall be in accordance with the fee structure in effect at the time payment is made, not when the certificate of water and sewer service availability is issued. If applicable tap fee and capital improvement fees are not paid when due, a penalty in the amount of ten percent (10%) of the amount due shall immediately be imposed, and interest on the entire outstanding balance shall accrue at the rate of one percent (1%) per month and shall continue until payment in full is received by the District. All other fees, costs and charges shall be due at the times specified in these rules and regulations; provided however that under no circumstances shall service be provided until all such fees, costs and charges are fully paid. The District may, at its discretion, and from time to time, increase or decrease any fee, cost or charge described in these rules and regulations, as it deems necessary for the best interest of the District; provided that such fees, costs or charges shall be uniform for all properties within the same classification and that the Board may establish different fees for properties classified by type or use.

7.6 Separate Permits:

Not more than one service connection or disconnection to the public water system shall be allowed under each permit. A permit shall be limited to one connection or disconnection.

7.7 Revocation or Suspension of Permit:

Any permit shall be subject to revocation by the District, or the permit may be suspended by the District's representative, if the installation or use of the service line is not made in accordance with the permit, these rules and regulations or any governing rule of the district.

7.8 Tap Permits:

Prior to tapping into District facilities, an applicant must first secure a tap permit. This requirement is in addition to any other requirements imposed by these Rules and Regulations.

7.9 Stub-In Permit:

Such a permit allows the partial connection of a service line to the facilities of the District so as to accommodate the installation of the service line within a public street, road or designated right-of-way without disturbing the future surface of same, and where a separate building has not been, nor is in the process of being constructed on that parcel of land. The Board will issue such a permit, in its discretion, upon such terms and conditions as it deems necessary; additionally, the Board may require maps, surveys or other documents fixing the location of such stub-in to the public water or sewer system, as well as, but not limited to, requirements as provided in the case of special permits.

7.10 Special Permits:

A special permit must be obtained from the Board of Directors of the District or its appointed representative for any use not specifically allowed, defining the conditions, limitation and restrictions prescribed by the District therefore, and the amount, category and classification of fees and charges, if any, as determined by the Board to be for the best interest of the District and the inhabitants thereof.

7.11 Other Permits:

No permit issued by the District shall be considered as authority for making any cut in a road or street, nor in lieu of any permit required by any other regulatory body. Any permit or authorization required by law or by the rules or regulations of any other agency or governing body having jurisdiction over such property or persons shall be secured before any work is commenced.

Section 8. Technical Specifications for Construction and Repair of Service Lines.

8.1 General:

Service lines shall meet the most current specifications as set forth by the State Board of Health of the State of Colorado and all regulations imposed by any governmental authority relating to water or sewer line construction, and in addition such further and additional restrictions as may from time to time be imposed by the Board of Directors. The laying,

trenching, and standards of care relating to the installation of water and sewer lines shall be at least equal to those imposed from time to time by the State of Colorado Department of Health. No permit will be issued until all plans and specifications for such lines are approved by the Board; and no inspections will be approved or accepted unless approved by the superintendent acting for the Board, or his designee. Unless the Board of Directors determines that a District main will never be constructed to a point within one hundred (100) feet of a parcel of property within the District's service area, no private water or sewer service line connecting a District main to a structure built on such parcel shall be constructed within a public right-of-way for a distance greater than one hundred (100) feet.

8.2 Separate Trenches and Inspection:

No water service line shall be laid under any sewer service line or leaching fields. Water and sewer service lines shall be horizontally separated from each other by a minimum of ten feet and water lines shall be separated from septic systems or leaching fields by such minimum distance as may be prescribed by any regulatory authority in any given case.

8.3 Construction of Service Lines:

A. Construction of all services lines shall be done by contractors licensed by the District. For the purposes of these rules and regulations, contractors shall be deemed to include plumbers and drain layers, licensed by the District.

B. Specifications for the water service line between the property line and main line shall consist, among other things, of a corporation cock, curb stop, insulation and copper pipe. The water service line shall be soft type K copper and any joint or connection which will be covered over must be a flared connection. No soldered connections underground will be permitted within the District. The copper line must extend to the property line where a stop box must be located. Water service lines must be insulated over the entire length. Plumbing inside the structure must have a 50 pound pressure reducing valve and shut-off valve installed by a licensed plumber and plumbing must be designed so as to avoid freezing of pipes.

C. Specifications for the curb stop shall be provided by the superintendent. Maintenance of the curb stop is the responsibility of the property owner.

D. The water service shall be brought to the building at a minimum elevation of seven feet of cover. Sewer service shall be brought to the building at a minimum elevation of four feet of cover. No service shall be laid parallel to or within three feet of any bearing wall, which might thereby be weakened. The service shall be laid at uniform grade and in straight alignment.

E. All excavations required for the installation of service lines shall be open-trench work unless otherwise approved by the District. Pipe laying and backfill shall be performed in accordance with the following standard specifications as follows:

1. Any trench for any water service lines must be a minimum of seven feet deep from finished grade and extended from the building to the property line, where a stop box will be located.

2. Any trench for any sewer service line must be a minimum of four feet deep from finished grade and extend from the building to the property line.

3. Service lines must be installed, inspected and approved before tapping of the main is performed.

4. Galvanized pipe is prohibited underground in any section of the Mountain Water and Sanitation District.

5. No taps shall be permitted within three feet of any fitting or connection of the main lines.

6. All water lines must be tested and proven watertight under pressure not less than the working pressure under which it is to be used.

7. There will be no back filling or covering of any water or sewer lines until all work is approved by the District. The entire length of water or sewer service lines must be approved by the superintendent or his designee before the trench is filled. Any trench filled before such approval is obtained may be required to be reopened, at the expense of the contractor, for proper inspection.

8. The rules and regulations for back filling are as follows: (a) the first two feet of backfill must consist of a fine material with particles of not over one inch in size; (b) no back filling will be done until all work is approved and tested by the District; and (c) all main line trenches are to be tamped with a compaction machine including the line to the property stop box from the main line.

F. The minimum size for any water service line to a residential unit is three-quarters of an inch (3/4"). The minimum size for any water service line to a structure containing more than one residential unit shall be determined by the District Engineer in consultation with the superintendent, in accordance with Section 1009, "Size of Potable Water Piping," and Appendix A of the Uniform Plumbing Code, 2009 Edition. If the adopted sections of said Code are subsequently amended, said amendments shall be deemed to be incorporated by reference unless the Board expressly declines by resolution to continue this incorporation by reference within one year from said amendments.

G. The District shall designate any additional specifications which must be followed by denoting same in the approved application for service.

H. Any problems arising that are not covered by these specifications and the rules and regulations of the District will be settled by the District superintendent.

I. A separate and independent building sewer shall be provided for every building.

J. Old buildings' sewers may be used in connection with new buildings only when they are found, on examination and test by the superintendent, to meet all requirements of the District's Rules and Regulations.

K. The size, slope, alignment, materials of construction of all sanitary sewers and the methods to be used in placing the pipe, jointing and testing shall be in accordance with Section 8.1.

L. Whenever possible, the sewer service line shall be brought to the building at an elevation below the basement floor. In all buildings in which any building drain is too low to permit gravity flow to the public sewer, sanitary sewage carried by such building drain shall be lifted by an approved means and discharged to the building sewer.

M. No person(s) shall make connection of roof downspouts, foundation drains, areaway drains, or other sources of surface runoff or groundwater to a building sewer or building drain which in turn is connected directly or indirectly to the sanitary sewer unless such connection is approved by the District for purposes of disposal of polluted surface drainage.

N. The connection of the building sewer into the public sewer shall conform to the requirements of this Article. All such connections shall be made gas tight and water tight and verified by proper testing. Any deviation from the prescribed procedures and materials must be approved by the superintendent.

O. The applicant for building sewer permit shall notify the superintendent when the sewer service line is ready for inspection and connection to the public sanitation system. The connection and testing shall be made under the supervision of the superintendent.

P. All excavations for building service line installation shall be made adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public property disturbed in the course of the work shall be restored in a manner satisfactory to the District.

Q. Specifications for lift stations when required will be of the single tank type and will be adequately sealed to prevent leakage or infiltration of any degree. Grinder pumps will be required on any sewage pump stations.

R. As of November 15, 1994, sewer service lines shall be constructed of four inch (4") PVC Schedule 40 pipe. Cleanouts shall be required at intervals no greater than every one hundred (100) lineal feet. Ninety degree (90) bends in sewer service lines are prohibited.

8.4 Notification of Readiness:

The superintendent of the District shall be notified a minimum of 24 hours prior to a request to inspect the installation of service lines.

Section 9. Fees, Charges, Rates, Tolls and Penalties.

9.1 Fees and Service Charges for Water and Sewer:

From and after the adoption of these rules and regulations all fees, charges, rates and tolls to be established within the District may be hereafter established from time to time by formal

resolution of the Board at a regularly constituted meeting or meetings of the District. Such fees shall be compiled in a written schedule of rates and charges which shall be available to the public.

9.2 License Fee:

Each applicant for a contractor's license under Section 6, supra, to do business within the District as a licensed plumber or contractor shall pay the following fees:

1. A fee to process and administer the license and consider the applicant. This shall be a one time charge which shall apply to applicants who have not been licensed during the preceding calendar year. See schedule of rates and charges.
2. A fee for renewing a license in each continuous year after the original issuance. See schedule of rates and charges.
3. Prior to construction within the District, a contractor must supply and maintain a performance bond acceptable to the Board, which bond shall be in the penal sum as determined by the Board from time to time by resolution.

9.3 Tap Fee:

A tap fee shall be charged by the District for each connection to the public water or sewer system of the District for each residential dwelling unit. A tap fee shall be charged for each equivalent residential unit of each multi-family structure (townhouses, apartment houses, condominiums and similar structures) to be connected to the District system. A connection fee for hotels, motels, commercial buildings for industrial uses or any other structure shall be determined from time to time by the Board of Directors upon individual application for such tap, depending on the nature, size and use to be made by reason of such connection. Tap fees and permits are not transferable and may be used only on the property to which assigned. Tap fees paid for a lot combined with several contiguous lots, which combination is approved by the Board of county commissioners of the County where the property is located, will be applicable to said combined lot. Tap fees paid for more than one of the combined lots shall be deemed to be merged into one tap fee which will be honored for the combined lot. Tap fees paid after September 14, 1978, shall be valid for a period of twelve months from the date a tap fee certificate is issued, unless a longer deadline is established in an Agreement between the District and the owner of the property for which the tap fee certificate is issued. Refund of fees or extensions of the period of validity of fees shall be at the sole discretion of the Board.

9.3 (A) Capital Improvement Fee:

A Capital Improvement Fee shall be charged for each connection to the public water or sewer system of the District which is made after January 1, 1994. This fee shall apply to each equivalent residential unit of a multifamily structure (i.e. townhouses, condominiums, apartment houses and similar structures) which are connected to the District's public water or sewer system. The fee for all non-residential structures shall be determined by the Board of Directors on an ad hoc basis after review of each individual application and after consideration of the

nature, size and use of the connection. All Capital Improvement Fees collected shall be used exclusively to fund capital improvements within the District and shall be considered as capital contributions. The fee will only be waived if a building permit for the structure to be served has been issued by Jefferson County as of the date of the Resolution, the foundation of the structure described in the building permit is completed by December 31, 1993 to the satisfaction of the Board of Directors, and the entire structure is completed and a certificate of occupancy is issued by December 31, 1994. Capital Improvement Fees which are received by the District shall be assigned to a specific parcel of property. Capital Improvement Fees shall not be transferable from one parcel of property to another. If the development to be served is not connected to the District's utility system within twelve months from the date the Capital Improvement Fee is received, the payment shall expire and be of no further effect; provided, however, that the twelve month deadline may be extended by written Agreement between the District and the owner of the property for which the Capital Improvement Fee is paid. Refund of Capital Improvement Fee, or an extension of the period of validity, shall be at the sole discretion of the Board of Directors.

9.4 Tap Fee Surcharge:

A tap fee surcharge may be charged by the District for each connection to the public water or sewer system of the District occurring in a designated sub-area of the District. Imposition of a tap fee surcharge is in addition to a tap fee, and is not imposed in lieu of a system development fee. The amount of a tap fee surcharge shall be uniform throughout each sub-area, except that interest in the amount of 12% per annum may be added from the date that the surcharge is originally set. It is the policy of the District to allocate tap fee surcharges for sub-areas solely to payment of present or future costs of capital improvements provided within the sub-area. In the event that a tap fee surcharge is imposed in advance of constructing or upgrading facilities, or service in a sub-area, the surcharge shall be deposited into an escrow account created by the District for the purpose of ensuring payment of costs associated with the sub-area improvements for which the tap fee surcharge is imposed. The "tap fee surcharge" shall be added by the secretary as a line item to the Schedule of Rates and Charges of the District. No fixed amount is to be set as the amount of such surcharge because the amounts will vary according to the surcharge and the capital improvements therein.

9.5 Service Connection and Disconnection Fee:

For each and every connection to or disconnection from District facilities, there shall be paid unto the District, before issuance of a permit to connect or disconnect, a fee for each inspection of the service line construction and connection to District facilities. See schedule of rates and charges.

9.6 Turn On – Turn Off Fee:

For each call to any premises to turn service on or off, a fee shall be collected, except for those requests which are exempt pursuant to Section 12.6, Paragraph H. See schedule of rates and charges.

9.7 Reinstatement Fee:

If water or service is turned off by the District because of a violation of the District's Rules and Regulation, specifically including but not limited to non-payment pursuant to Section 9.14, a reinstatement fee shall be paid, in addition to all other fees and charges, before service is turned on. See schedule of rates and charges.

9.8 Inspection and Service Call Fee:

The District reserves the right to impose hourly charges for any inspection or service by the District at the premises. See schedule of rates and charges for hourly assessment. There shall be no inspection fee for routine reading or inspection of remote readouts or inside meters unless the District or its designee is wrongfully denied access thereto. If the superintendent or a member of the staff is unable to obtain access to read a water meter, the user or lot owner shall be given a warning, in writing that continued failure to provide unobstructed access will result in service disconnection. If access is denied thereafter, the user or lot owner will be assessed a \$50.00 charge each time a meter cannot be successfully read, along with the standard service turn on – turn off and reinstatement fees, if applicable.

9.9 Water Service Charges – Rate:

Each water customer of the District shall be charged for water on the basis of the amount delivered to the property. See schedule of rates and charges. Water meters shall be installed at a location designated by the superintendent, and shall be at or above ground level unless the superintendent consents in writing that the meter may be installed beneath the surface of the ground. Meters shall be of a make, style and model designated by the District. It shall be the obligation of the contractor or plumber to install meters at the direction of and under supervision by the superintendent, and the contractor or plumber shall guarantee and warrant proper operation of the meter for a period of one year after occupancy of the living unit to which the meter is attributable.

9.10 Sewer Service Charges – Rate:

The costs to operate the District's wastewater collection and treatment facilities shall be distributed to all users of the system in proportion to each user's contribution to the total loading of the treatment works. Factors such as strength of Biochemical Oxygen Demand and Total Suspended Solids (BOD and TSS), volume, and delivery flow rate characteristics shall be considered and included as the basis for the user's contribution to ensure a proportional distribution of operation and maintenance costs to each class of user.

(a) Determining the Total Annual Cost of Operation and Maintenance. The District shall determine the total annual costs of operation and maintenance of the wastewater system which are necessary to maintain the capacity and performance, during the service life of the treatment works, for which such works were designed and constructed. The total annual cost of operation and maintenance shall include, but need not be limited to, labor, repairs, equipment, replacement, maintenance, necessary modifications, power, sampling, laboratory, tests, and a reasonable contingency fund.

(b) Determining Each User's Wastewater Contribution Percentage. The District shall determine for each class of user the average daily volume of wastewater discharged to the wastewater system, which shall then be divided by the average daily volume of all

wastewater discharged to the wastewater system to determine such user's Volume Contribution Percentage. The amount used as the total average daily volume of wastewater shall exclude infiltration and inflow. The District shall determine for each class of user the average daily poundage of 5 day 20 degree Centigrade Biochemical Oxygen Demand (BOD) discharged to the wastewater system which shall then be divided by the average daily poundage of all 5-day BOD discharged to the wastewater system to determine such user's BOD Contribution Percentage.

(c) Determining a Surcharge System for Users with Excess BOD and TSS.

The District will assess a surcharge rate for all non-residential users discharging wastes with BOD and TSS strengths greater than the average residential user. Such users will be assessed a surcharge sufficient to cover the cost of treating their above-normal strength wastes. Normal strength wastes are considered to be 200 mg/l ppm BOD and 250 mg/l ppm TSS.

(d) Determining Each User's Wastewater Service Charge.

Each non-residential user's wastewater treatment cost contribution as determined above, shall be added together to determine such user's annual wastewater service charge. Residential users may be considered to be one class of user and an equitable service charge may be determined for each user based on an estimate of the total wastewater contribution of this class of user. The Board of Directors may classify industrial, commercial, and other non-residential establishments as a residential user, provided that the wastes from these establishments are equivalent to the wastes from the average residential user with respect to volume, total suspended solids, and BOD.

(e) Payment of the User's Wastewater Service Charge

The user's annual wastewater service charge shall be included with the monthly utility billing to customers of the District.

(f) Review of Each User's Wastewater Service Charge.

The District shall review the total annual cost of operation and maintenance as well as each user's Wastewater Contribution Percentage not less often than every two years and will revise the system as necessary to assure equity of the service charge system established herein and to assure that sufficient funds are obtained to adequately operate and maintain the wastewater treatment works. The District shall apply excess revenues collected from a class of users to the costs of operation and maintenance attributable to that class for the next year and adjust the rate accordingly. If a significant user, such as a commercial facility, has completed in-building modification which would change that user's Wastewater Contribution Percentage, the user can present, at a regularly scheduled meeting of the Board of Directors, such factual information, and the District shall then determine if the user's Wastewater Contribution Percentage is to be changed. The District shall notify the user of its findings as soon as possible.

(g) Notification.

Each user will be notified, at least annually, in conjunction with a regular bill, of the rate and that portion of the user charges which are attributable to wastewater treatment services.

9.11 Availability of Service Charge:

All property owners shall be charged an availability of service charge for each lot within 100 feet of the public water and sewer system within the District. Two or more adjoining lots which have been combined by a formal vacation of lot lines through an action approved by

Jefferson County become a single lot. Adjoining lots may also be consolidated through the exemption procedure described herein. See schedule of rates and charges.

A. Exemption. A consolidation request must be initiated by the property owner on a form authorized by the District, bear the notarized signatures of all persons or entities holding a record interest in the property, and be filed of record with the Jefferson County Clerk and Recorder. The intent of such action is for two or more adjoining lots to be considered as one building site, and that neither the owner(s) nor their successors in interest shall ever seek to construct more than one residence upon said site. No more than one water and sewer tap will be allowed at the consolidated site, and any additional tap fees that have been paid shall be forfeited. No reversal of such a consolidation is contemplated, and at a minimum this would require approval by the District, the payment of all waived availability charges plus interest at 10-percent per annum, and the payment of the current tap fees.

9.12 Inclusion and Exclusion Fee:

In cases of inclusion or exclusion of property the Board will determine the amount of the fee and the conditions for inclusion or exclusion to be imposed upon the lands sought to be included or excluded. The inclusion and exclusion fee is to be determined by the Board on a case by case basis.

9.13 Right to Lien:

Until paid, all rates, tolls, fees or charges shall constitute a first and perpetual lien on and against the property charged, and any such lien may be foreclosed in the manner provided by the Act under which the District was formed.

9.14 Bill Collections:

A. Billing.

1. Statements for all fees, charges, rates, tolls, and penalties shall be mailed to District users or lot owners on or about the first day of the month. Charges for late payments and all other items shall be added to the statement and all unpaid charges become a lien against the property until paid whether or not a statement of lien is filed. The billing period for such statement will be from about the 25th of the second preceding month to about the 25th of the first preceding month. The statement shall be due not later than the 25th day of the month during which the statement is mailed to the user or lot owner. All statements not so paid shall be considered past due.

2. Any past due account shall be assessed a ten percent (10%) late penalty charge at the time it becomes past due. If not paid within thirty (30) days thereafter, the then existing unpaid balance in the account shall be assessed an additional ten percent (10%) late penalty charge. If the new balance is not paid within thirty (30) days after the second ten percent (10%) penalty assessment, the then existing unpaid balance in the account shall be assessed another ten percent (10%) late penalty charge. Thereafter, the unpaid balance in the past due account shall be assessed a one percent (1%) per month simple interest charge, commencing from the date of the final penalty assessment and continuing until payment in full is received by the District.

Payment of all past due accounts may be restricted to cash or certified funds at the discretion of the Board. In addition to the above provisions, users or lot owners shall be responsible for all costs of collecting past due accounts, including court costs and reasonable attorney's fees.

3. All past due accounts may be subject to discontinuance and lien foreclosure as provided herein.

4. Once an account has become past due, the District shall notify the user or lot owner that this account is in arrears and that a 10% late penalty charge has been added to the account. The past due notification shall also explain that continued delinquency shall result in the assessment of a 1% per month simple interest charge on the unpaid balance, or monthly assessment of \$2.00, whichever is greater, and may result in service discontinuance and lien foreclosure as described herein.

B. Discontinuance.

1. The District shall serve the user or lot owner with a "Notice of Intent to Discontinue Water and Sewer Service" if the account is one month past due. Notice shall be by certified mail to the last billing address of the user or lot owner and by notice affixed to the using property. The Notice shall also set forth the amount past due and owing and shall state that the water and sewer service will be discontinued on a date not less than 10 days from the date the notice was served if the account is not paid by that time.

2. If the account is not fully paid within the time specified within the notice, the District shall discontinue service by whatever means is reasonable under the circumstances.

3. Before reinstating service to a user or lot owner whose service has been discontinued, the user or lot owner shall pay all outstanding fees, charges, rates, tolls, and penalties, and shall pay the service reinstatement and turn on fees, together with any and all costs, including reasonable attorney's fees, that the District has incurred to discontinue and to reinstate the service.

C. Lien Foreclosure.

1. The District may serve the user or lot owner with a "Notice of Intent to File a Lien" if the account is one month past due. The notice shall be by certified mail and shall set forth the amount past due and owing.

With regard to those users or lot owners who are assessed water service charges or water and sewer charges (as opposed to availability of service charges), the notice shall specify that a lien against the user's property shall be filed with the clerk and recorder of the county where the property served is located on a date not less than seven (7) days from the date water service is discontinued (as set forth above), or in the alternative fifteen days from the date of mailing of the "Notice of Intent to File a Lien", if the account is not fully paid by that time with

regard to those lot owners who are assessed readiness to serve charges (as opposed to water service charges or water and sewer service charges), notice shall specify that a lien against their property will be filed with the clerk and recorder of the county where the property capable of being served is located, on a date not less than fifteen (15) days from the date of mailing of the "Notice of Intent to File a Lien," if the account is not fully paid by that time.

2. If the account is not fully paid within the time specified within the notice, the District shall file the lien on the user or lot owner's property with the clerk and recorder of the county where the property served or capable of being served is located. The District shall also add a \$250.00 administration charge to the account.

3. If the user's or lot owner's account is not fully paid within six (6) months after filing of the lien with the clerk and recorder of the county where the property served or capable of being served is located, the District shall be free to initiate foreclosure proceedings in accordance with the applicable laws of the state.

4. A lien release will only be filed by the District when the account is made current by the payment (in cash or certified funds) of all outstanding fees, charges, rates, tills, and penalties.

D. Collection Through County Treasurer.

The District shall have the option of annually certifying delinquent charges to the Board of Commissioners of the County in which the property served or capable of being served is located, and requesting that the County Treasurer process the collection in the same manner as general taxes assessed against the property are collected.

E. Procedure Not Exclusive.

Failure of the District to collect its water and sewer bills in the manner as prescribed above shall not be deemed a waiver of the right to do so thereafter or a waiver of the District's right to assess fees, charges, rates, tolls, and penalties; to foreclose the lien arising out of any unpaid fees, charges, rates, tills, and penalties; to discontinue service as provided herein; or to collect its water and sewer bills in any other manner provided by law.

Section 10. Public Water or Sewer System Extensions.

10.1 Application for Water and Sewer System Extensions:

An application upon a form prescribed by the District for a system extension shall be submitted to the Board of Directors for their consideration at a regular meeting of the Board. Attached to the application shall be a check in the amount prescribed by the Board, as a preliminary deposit for engineering services related to the extension. The application shall contain a description of the property for which the service is requested. A copy of such application will be referred to the District Engineer, who will then prepare the necessary drawings and recommendations. All District engineering costs shall be paid by the applicant. Where necessary, a commitment of right-of-way or easements shall be provided to the District

without charge. Additional wells may be required at the discretion of the District. All system extensions become the property of the District.

10.2 Bids for Construction:

After approval of the requested extension has been granted by the Board and by any other relevant agencies and governmental authorities, the Engineer for the District will prepare all necessary plans, specifications, bidding forms and contracts for the construction of the proposed extension. At the option of the applicant, the Engineer will solicit bids for the work, or the applicant may negotiate his own contract for construction, subject to District supervision and approval of form.

10.3 Engineering and Supervision of Construction:

All water and sewer system extensions constructed within the District, connecting into the public water or sewer system shall be planned, designed and material and workmanship shall be specified by the District's Engineer. All construction shall be under the general supervision and inspection of the District's Engineer, who will also determine any location, width and extent of a required right-of-way not within the public streets or roads.

10.4 Contract:

Construction of the proposed extension shall be commenced only after the District has been provided with an authenticated copy of all guarantees required by the District, a corporate surety bond in the amount of not less than \$10,000.00, a certificate of public liability and property damage insurance, and a certificate showing compliance with the Workmen's Compensation Act of Colorado.

Section 11. Inclusion and Exclusion of Property Within the District.

11.1 Inclusion – Generally:

Where it is desirable and technically feasible to provide water or sewer service to property outside the District, it shall be necessary prior to providing such service to formally extend the boundaries of the District pursuant to statutory requirements, to include said property. The costs of the inclusion shall be paid by the person making application for such inclusion, as hereinafter provided, as well as an inclusion fee, as established from time to time by the District.

11.2 Inclusion – Procedure:

The procedure for inclusion is provided under Colorado Statue. That procedure is abstracted here in order that the person petitioning inclusion may be advised of the principal requirements:

A. Person desiring to include lands without District boundaries should first contact the Board 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 person making application for inclusion (known as the petitioner) shall furnish a complete and accurate legal description of such property to the District on such petition forms as are prescribed by the Board. The petition shall be submitted by the fee owner or owners and acknowledged in the same manner as required for the conveyance of land. The petition shall be accompanied with a minimum \$500.00 deposit.

C. The District's 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 meeting to formally request that the petition be published in a newspaper of local circulation in the District, setting forth the time and place for a formal hearing on the petition. The newspaper publication requires about 30 days to complete. No person signing such petition shall be permitted to withdraw the petition after consideration by the Board.

D. Upon completion of publication and payment of the requisite fees, the Board may formally approve the petition, such decision being final and conclusive, and, if approved, shall request the District's attorney to obtain a court decree ordering the inclusion of the petitioned property into the District. 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 District's boundaries. The county assessor may also be provided with a copy of such order.

E. **Exclusion:**

The procedure and criteria for the exclusion of property from the District shall be pursuant to the statute in effect at the time a request for exclusion is filed with the Board of Directors.

ARTICLE IV

Miscellaneous Provisions

Section 12. Provisions Relating to Claims and Responsibilities.

12.1 Claims Against District:

In the event that any person shall have a claim of any kind against the District, whatsoever, such person shall within 180 days after the event, which gave rise to such claim, advise the secretary of the District, by written notice of any intent to make a claim. In the notice such person shall accurately describe the date and location of the event, the name of the person or persons entitled to relief, a general statement of the nature of the claim, and the amount of damages suffered and relief requested. Unless expressly asserted as herein provided and within the maximum 180 day period, no claim will be recognized by the District, and any claim, unless so timely made, shall be deemed waived by such person entitled to assert the same and shall thereafter be barred.

12.2 Policy:

The District is responsible for the distribution of water and sewer services to residents within the District, as well as the maintenance, repair and replacement of all mains, hydrants, valves, and service facilities owned by the District. The District shall not be liable or responsible for inadequate pressure or interruption of service brought about by circumstances beyond its control, and no rebate or billing adjustments will be made.

12.3 Liability:

No claim for damage shall be made against the District by reason of the following: Breaking of any service or supply pipes or cocks by any employee of the District; failure of the water supply; shutting off or turning on water in the water mains; the making of connections or extensions; damage to personal property by reason of service being turned on or off in the service pipes, or by reason of inspection of water meters inside or outside of any structures by the District's employees; damage caused by water running or escaping from open or defective faucets; burst service pipes or other facilities not owned by the District; damage to water heaters, boilers or other appliances resulting from shutting water off or turning it on, or from inadequate or sporadic pressures; or for doing anything to the water system of the District deemed necessary by the Board of Directors or its agents. The District hereby reserves the right to cut off services at any time, for any reason deemed appropriate, including denial of access requested pursuant to Section 5.7 to meters for purposes of reading or inspection, whether located inside or outside any structure.

12.4 Title to Lines and Facilities:

All water and wastewater facilities of the District, whether laid in a public street, road, right-of-way, or easement, other than those lines commonly denoted as service lines, shall upon completion and acceptance by the District become and are the property of the District whether such lines were laid by private individuals, firms or corporations or by the District, shall only bestow a contractual right, title and interest in such lines. Any recovery back contract, if granted by the District, shall only bestow a contractual right in the contracting parties to receive money in accordance with the terms thereof, and never indirectly or by inference be deemed or interpreted by the parties to convey any right, title, or interest in said lines by any person other than the District. An individual sewage disposal system constitutes a sewer main.

12.5 Title to Water Meters:

All water meters or devices for measuring water usage, including remote readouts, shall upon completion of installation and inspection by the District become the property of the owner of the structure, whether or not the meter was previously owned by the District, subject to the District's lien for any charges associated with purchase and installation of the meter.

12.6 Responsibilities of the Customer:

A. Each customer shall be responsible for maintaining the entire length of his water and sewer service lines. Leaks or breaks in the service lines shall be repaired by a licensed

contractor employed by the property owner. The District shall shut off the service until the leak or break has been repaired.

B. It shall be the duty of all those connected with the water and sewer system to keep advised of the varying temperature, pressures, and conditions of service so as to properly protect their persons and property from injury by water furnished through the District's facilities. They shall also take note that there is no waste-way in the shut off at the curb stop or at the main and that any water standing in the pipes when water is turned off at the shut off or main will remain there unless drained out by the user by means of a stop and waste valve. Customers of the District are forbidden to manipulate the curb stop valve. It is expressly stipulated that the District will assume that every property is equipped with a curb stop and P. R. V. valve, and failure of any property owner to so equip his property will under no circumstances alter the liability of the District. All persons having boilers or other appliances on their premises depending on pressure or water in pipes or on a continual supply of water shall provide, at their own expense, suitable safety appliances to protect themselves and their property against a stoppage of water supply or loss of pressure.

C. Every curb stop shall be exposed and workable. Failure of the property owner or customer to install, make workable, and expose the curb stop shall constitute a right by the District to install, make workable and/or expose the curb stop at the cost and expense of the property owner as outlined in Section 5.6.

D. The property owner and occupant are severally liable for charges of the District. The District hereby assumes no responsibility for any agreements between landlords and tenants, regardless of how made, or of the District having been notified of such agreements. The District will hold the water user, occupant, and property owner jointly liable for all water and/or sewer service charges.

E. The District assumes no responsibility for agreements between vendors and vendees. It shall be the responsibility of the vendee to ascertain whether the tap charges have been paid by the vendor. Regardless of ownership or of the failure of the District to collect tap charges at the time of the issuance of permits or any other act or omission of the District, unpaid tap charges shall constitute a first and perpetual lien on and against the property, which lien may be foreclosed.

F. Each water meter owner, customer, or user is responsible for installation, maintenance, repair, and continuous operation of water meters and readouts under their control. All such devices or parts purchased and installed by the owner or customer shall be subject to approval by the District, based on technical specifications developed by the superintendent in conjunction with the District Engineer, and shall be installed in conformity with these rules and regulations. The customer, owner, or user has the duty to notify the District within forty-eight hours prior in the event of any malfunction in the meter. At least forty-eight hours prior to any planned repair, installation, or replacement of a meter, the customer, owner or user shall notify the District and shall allow the District superintendent or his designee to inspect the work performed in order to ensure proper operation of the meter. In the event of conflict this Section shall control over and supersede Section 5.9, "Change in Customer's Equipment or Service," with regard to water meters.

G. Each owner, customer, or user shall also allow the District or its designee access to water meters both inside or outside any structure, at any reasonable time for the purpose of reading or inspecting the meters, in conformity with Section 5.7.

H. Each customer or property owner shall be responsible for paying for all water which passes through the meter connecting the District's water distribution system to the customer's service unit, as well as for any water which may be lost from the customer's service line due to a leakage or line break prior to the water metering unit. If a service unit is anticipated to be left unoccupied on other than a temporary basis, it shall be the responsibility of the customer to request that the District disconnect water service at the curb stop. Under such circumstances, the customer shall be assessed the standard disconnect charge then in effect, and if a reconnection request is subsequently made, the standard reconnection fee then in effect shall likewise be assessed against the customer/property owner, unless such requests are made between October 15 and April 15. In the event that a customer/property owner does not so notify the District office and a leak or break in the service line or plumbing adversely affects the District's system, that customer/property owner shall pay the cost of all water loss and materials and labor required to restore the District's system to its condition prior to the break. These costs shall be charged in addition to all other fees and charges pursuant to Section 9.

I. Freezing Weather Precautions:

1. It shall be the responsibility of each customer connected with the District's water system to ensure that his or her plumbing is properly constructed, insulated and heated in such a manner as necessary to prevent freezing and breaking of such plumbing which might damage the District's system.

2. It shall be the duty of each customer to notify the District office in a timely manner if a leak or break in that customer's service line or plumbing occurs which would adversely affect the District's system and to shut off or cause to be shut off water service until such leak or break is repaired.

3. In the event that a customer does not so notify the District office and a leak or break in the customer's service line or plumbing results in freezing or other damage to the District's system, that customer shall pay the cost of all water loss and materials and labor required to restore the District's system to its condition prior to the break. These costs shall be charged in addition to all other fees and charges by the District.

Section 13. Formulation of Rules and Regulations.

13.1 Interpretation:

Any dispute as to the interpretation of these rules and regulations, or as to their application in any given case, shall be submitted to the Board of Directors. The Board's decision thereon shall be final and conclusive.

13.2 Headings:

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

13.3 Severability:

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

Section 14. Promulgation of Rules and Regulations.

14.1 Reservation of Right to Change Regulations:

The Board and the District reserve the right and authority to change these rules and regulations at any time in the manner now or hereafter provided by law.

14.2 Limitation:

These bylaws or rules and regulations are an implementation, on the part of the Board, of some of the powers conferred upon the Board by statute. These bylaws or rules and regulations are in no way to be construed as a limitation upon the powers of the Board, nor as an expression of the Board on only so much of its powers as it intends to use.

14.3 Availability:

A copy of these rules and regulations are available for review during regular business hours at the District office or on the district website at www.mtwaterandsan.com. Copies may be purchased upon payment of the current printing cost.