

**CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT**  
**RULES AND REGULATIONS**

Adopted December 7, 2011

Amended  
May 13, 2015  
November 11, 2020

**CHEROKEE RIDGE ESTATES METROPOLITAN DISTRICT  
RULES AND REGULATIONS**

The Board of Directors of the Cherokee Ridge Estates Metropolitan District hereby adopts the following Rules and Regulations pursuant to § 32-1-1001(1)(m), C.R.S. to provide for the orderly and efficient conduct of the business and affairs of the Cherokee Ridge Estates Metropolitan District. These Rules and Regulations are supplementary to, and are not to be construed as any abridgement of, the lawful rights of the Board to manage the District as outlined in the Colorado Revised Statutes governing special districts. The Board of Directors expressly reserves the right to make revisions to these Rules and Regulations from time to time in order to properly manage the District and to promote the health, safety and welfare of the residents and property owners in the District.

Approved and adopted this 11th day of November, 2020.

**CHEROKEE RIDGE ESTATES METROPOLITAN  
DISTRICT**

By:

\_\_\_\_\_  
President

*John L. Cowan*  
JOHN L. COWAN

Attest:

By:

\_\_\_\_\_  
Secretary or Assistant Secretary

*Burt A. [Signature]*

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## I. SECTION 1: GENERAL

A. **Definitions.** Unless the context specifically indicates otherwise the meaning of terms used herein shall be as follows:

1. “Act” shall mean the Federal Water Pollution Control Act (e.g. Clean Water Act of 1977), as amended, 33 U.S.C. 1251 *et seq.* and subsequent adoption of similar standards by the State of Colorado in § 25-8-101 *et seq.*, C.R.S. (e.g. Colorado Water Quality Control Act).
2. “Board” and “Board of Directors” shall mean the governing body of the District.
3. “Cistern” shall mean one of two 30,000-gallon capacity cisterns located on Lots 23 and 44 which are owned and maintained by the District for fire protection purposes.
4. “Customer” shall mean any Person to whom water and sanitary sewer service is provided, be it renter, record owner, corporation, company, individual, etc.
5. “District” shall mean the Cherokee Ridge Estates Metropolitan District.
6. “District Engineer” shall mean the Person authorized by the District to act as its engineer.
7. “Employee” shall have the same meaning as “public employee” in Section 24-10-104 (4), C.R.S. as it may be amended from time to time.
8. “Improvements” means the water well, pump, appurtenant equipment and meter.
9. “Individual Sewage Disposal System” or “ISDS” shall mean an on-site septic system for each Lot, which is not connected to a common wastewater treatment system.
10. “Inspection Fees” shall mean fees imposed for the inspection of construction of wells or ISDS installed on each Lot.
11. “Inspector” shall mean the Person or Persons duly authorized by the District to enforce these Rules and Regulations.
12. “Lot” shall mean one of the 44 residential lots platted in Cherokee Ridge Estates Filing No. 1 Subdivision, Douglas County, Colorado.
13. “Minor Repair” shall mean a routine repair to an operating ISDS.
14. “Major Repair” shall mean any condition of an ISDS requiring services in addition to or beyond simply pumping the system.
15. “Manager” or “District Manager” shall mean the Manager of the Cherokee Ridge Estates Metropolitan District or a designated representative.

16. “Person” shall mean any individual, entity, firm, company, association, society, corporation or group.

17. “Rules and Regulations” shall mean the Rules and Regulations of the District.

18. “Sanitary Sewer Service” shall mean the annual inspection of and routine maintenance, periodic pumping, of the ISDS installed on each Lot and owned by the property owner.

19. “Service Area” shall mean the area to which the District is authorized to provide water and sanitary sewer services pursuant to its Service Plan.

20. “Service Line” shall mean the pipe, line, conduit and appurtenances which runs from the Well located on each Lot to the house/buildings.

21. “Service Plan” shall mean the enabling document, pursuant to which the District was organized, dated October 9, 2002.

22. “Subdivision” shall mean the Cherokee Ridge Estates Filing No. 1, Douglas County, Colorado.

23. “Water Rights” shall mean the water rights owned by the District and decreed in Water Court Case Nos. 99CW165 and 98CW402.

24. “Water System” shall mean the individual wells, pumps, appurtenant equipment, and meters installed on each Lot and subsequently conveyed by each property owner to the District by bill of sale for purpose of metering, monitoring, maintaining, operating, repairing, replacing, inspecting and testing the improvements.

25. “Well” shall mean one or more of the 44 Subdivision residential wells authorized for installation by the District’s Water Court Decrees and subject to regulation by the State Engineer’s Office.

26. “Well Permit” shall mean the well permit issued by the Colorado State Engineer’s Office authorizing the installation of a well in a specific location on each Lot.

B. **Policy and Purpose.** The District is a quasi-municipal corporation and political subdivision of the State of Colorado with all powers of a public or quasi-municipal corporation which are specifically granted or implied for carrying out the objectives and purposes of the District.

It is hereby declared that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to insure and protect the health, safety, security and general welfare of the Customers of the water and sanitary sewer facilities of the District. The purpose of these Rules and Regulations is to provide for the control, management and operation of the water distribution system consisting of individual wells and a sanitary sewer system, comprised of ISDS for each Lot.

These Rules and Regulations are promulgated and adopted pursuant to the provisions of §32-1-1001(1)(m), C.R.S., as amended from time to time. The Board of Directors of the District has promulgated these Rules and Regulations in the exercise of the Board's discretion to provide a tool for management of the District and for the orderly provision of essential services. It is intended that any Person desiring to transact business with the District as a Customer, resident or property owner of the Service Area, shall comply with these Rules and Regulations. It is further intended that the District's consultants shall utilize these Rules and Regulations as a tool for assuring proper treatment of Persons served by the District and fair responses to issues which confront the District. No Person shall be entitled to any exemption from the applicability of these Rules and Regulations due to the failure of that Person to become familiar with policies and standards of the District contained herein, and in supplements or revisions hereto. The Rules and Regulations may be inspected by any Person at the District offices during regular business hours. A copy of the Rules and Regulations shall be provided to each Lot owner upon request. Additional copies may be purchased from the District by any Person upon payment of the cost of reproduction.

C. **Rules of Construction.** It is intended that these Rules and Regulations shall be construed to affect the general purposes set forth herein, and that each and every part hereof is separate and distinct from all other parts. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law now in effect or any law which may subsequently be enacted by the Colorado General Assembly pertaining to the affairs of the District. 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 and their decision shall be final. The Board reserves the right to construe any provision hereof in its sole discretion in order to effectuate lawful purposes of the District and to attempt to ensure orderly and non-discriminatory treatment of all Persons or entities subject to these Rules and Regulations now or in the future.

D. **Amendment/Modification/Waivers.** The Board shall retain the power to amend these Rules and Regulations as it deems appropriate. Neither notice of such amendments nor public hearing shall be required to be provided by the District prior to exercising its amendment, modification or waiver powers. The District has the power to revise its Rules and Regulations from time to time by formal action of the Board and has authority to waive the application of its Rules and Regulations to its own activities. Supplemental policies of the District may be adopted from time to time in order to assist the Board and its consultants in managing the affairs of the District. The Board shall have the sole authority to waive, suspend or modify these Rules and Regulations. No refusal, failure or omission of the Board or its agents to apply or enforce these Rules and Regulations shall be construed as an alteration, waiver, or deviation herefrom or from any grant of power, duty or responsibility, or any limitation or restriction upon the Board of Directors or the District by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other Person or entity. Any express waiver shall not be deemed an amendment of the Rules and Regulations. No waiver shall be deemed a continuing waiver.

E. **Purpose of the District.** The Cherokee Ridge Estates Metropolitan District was organized pursuant to § 32-1-101 *et seq.*, C.R.S. with authority to provide certain water and sanitary sewer services and facilities to Persons within the Service Area of the District, including



undertaking the sale of potable water; owning, metering, monitoring, operating, maintaining, repairing, replacing and testing of certain Well improvements and appurtenances; and inspecting and maintaining certain ISDS improvements and appurtenances within the District. As a quasi-municipal corporation and political subdivision of the State of Colorado, the District exercises certain governmental powers for the benefit of its constituents.

The District derives its power from Colorado statutes and pursuant to its Service Plan. The Service Plan contains general information about the facilities, services, and powers of the District and may be amended from time to time to deal with the evolving needs of the District. The District has the authority to construct District improvements as it deems expedient in accordance with the authority granted to the District in its Service Plan and by law. The District's Service Plan is an "enabling document" granting to the District certain powers and authorities.

F. **District Board Meetings.** Meetings of the Board of Directors are open to the public. From time to time the Board meets in executive session to receive legal advice or to discuss ongoing contract negotiations, litigation matters, or other legally privileged matters. Minutes of meetings are prepared for each meeting and, after approval by the Board, are available for public inspection.

G. **Acceptance of Service.** Acceptance of service from the District shall constitute acceptance by the Customer of all of the terms and conditions of such service as set forth in these Rules and Regulations, as they may be amended from time to time in accordance with the law. It is the responsibility of any Person utilizing these Rules and Regulations to be aware of all revisions and amendments hereto and to consult with the District regarding the specific circumstances involved and the application of these Rules and Regulations to said circumstances.

H. **Service Conditions.** Water and Sanitary Sewer Service provided by the District is expressly conditioned upon the payment of all fees, rates, tolls, penalties and charges imposed by the District in accordance with law, and subject to the Rules and Regulations, policies and duly adopted resolutions and actions of the District.

I. **Establishment of Rates, Fees, Tolls and Charges.** Rates, fees, tolls, penalties and charges to be collected and the terms, provisions and conditions to be effective with respect to rates and charges for water and sanitary sewer service provided by the District to Customers of the District shall be as fixed and established by the Board from time to time. The Board reserves the right to change the schedule of rates and charges and other fees at any time. The fees and charges described in this section are in addition to and not by way of derogation of any other remedies or procedures available to the District pursuant to any applicable law or regulation or by any of the provisions of these Rules and Regulations.

1. **Perpetual Lien.** Until paid, all fees, rates, tolls, penalties, or charges due in accordance with these Rules and Regulations or otherwise allowed by law, and as set or imposed by the District from time to time, shall constitute a perpetual lien on and against the property served in favor of the District. Any such liens may be foreclosed as provided by law and shall take superior priority status as against all other liens which may have attached and have been perfected against any property.

2. Payment for Service/Delinquencies/Service Shut-Off. Bills for water service shall be payable upon receipt of each statement of charges due and shall be considered delinquent if not received on or before the due date noted on the statement. Failure to pay any statement of charges due issued by the District may be subject to assessment of late charges and interest. The Board shall adopt from time to time a schedule of late charges for non-payment of District rates and charges. In addition, interest may be assessed on all past-due amounts at the maximum rate allowed by law. In addition to enforcement by any other lawful means, the District shall be entitled to shut off service to any Customer who fails to pay current water charges and/or any other amount due as detailed in a statement of charges from the District.

3. Joint Liability. The District shall have the right to assess to any Customer and/or property owner who is delinquent in payment of his or her account all legal, court, administrative and other costs necessary to or incidental to the collection of said account, and said costs of collection shall be secured by the perpetual lien referenced above. The property owner, Customer, and occupant(s) of all properties receiving water or sanitary sewer service are hereby deemed joint and severally liable for charges and/or fees associated with the provision of service by the District. The District assumes no responsibility for any agreements between landlords and tenants, or any other types of agreements regardless of how made, or whether the District is or is not notified of such agreements. The Customer, occupant, and property owner jointly and severally will be held liable for all charges pertinent to water or sanitary sewer service at the address where the bills are sent and the District shall be free to pursue collection against any one or all Persons who may be liable for payment hereunder. Any check or other negotiable instrument tendered to the District for payment of rates, tolls, fees, charges or penalties which is returned to the District and dishonored for any reason whatsoever may be subject to a returned check fee and all applicable late charges and penalties as established by the District.

4. Surcharge for Re-establishment of Service. For any request to reestablish service subsequent to any suspension or shut-off there may be a surcharge for disconnection and reinstatement. In addition to any other remedies available, the District shall be authorized to shut off service to any property for which District charges remain unpaid and past due. The Board of Directors shall adopt procedures to be followed in such cases.

J. Liability. Except as provided by the Colorado Government Immunity Act, § 24-10-101, *et seq.*, C.R.S. (the "CGIA"), it is expressly stipulated that no claim for damage shall be made against the District by reason of any of the circumstances governed by the CGIA, including but not limited to the following: blockage in the system causing the backup of effluent; interruption of water service and the conditions resulting therefrom; breaking of pump, pipe, valve, or meter by any personnel of the District; failure of the water supply; shutting off or turning on of water; damage caused by water running or escaping from open or defective faucets; burst service lines and other facilities not owned by the District; damage to water heaters or other appliances resulting from shutting water off, or from turning it on, or from inadequate or sporadic pressures; or from inadequate water delivery, or interruption of any services brought about by circumstances beyond its control; the making of connections or extensions; or for doing anything to the system of the District deemed necessary by the Board or its agents. Except if required and as provided by the CGIA, the District shall have no responsibility for notification to any Customer or Owner of any of the foregoing conditions. The District reserves the right to

temporarily discontinue service to any property at any time for any reason deemed necessary or appropriate by the Board.

It is expressly stipulated that no claim for damage shall be made against the District by reason of the District or its agents or consultants performing or failing to perform any plan check, construction observation, administration and management, accounting and auditing or legal evaluation and representation nor shall the District be liable in any way by reason of performing such activities.

K. **Resolutions.** The Board of Directors may from time to time adopt resolutions embodying policies and directives with respect to the operation of the Water System and/or the sanitary sewer system whether or not such resolutions are made a permanent part of these Rules and Regulations.

L. **Severability.** If any term, condition or provision of these Rules and Regulations shall be declared invalid or unenforceable, the remainder of these Rules and Regulations shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

## II. SECTION 2: USE OF WATER SYSTEM

A. **Water Use.** The privilege to take and use water from any source supplied by the District is only by permission and the District reserves the full privilege to determine all matters in connection with the control and use of water. No water Customer in or upon any premises to which water is supplied by the District shall supply water to any other Person or premises within or outside the District without the approval of the District. Nothing herein shall operate to create any vested or proprietary privilege whatsoever, but shall give Persons the privilege to the water service for the purposes specified in these Rules and Regulations. The privilege to use water service shall be subject to suspension or revocation and shut-off. Any Person violating any provision of these Rules and Regulations shall be subject to the penalties set forth herein and under applicable law.

B. **Irrigation.** The District's Augmentation Plan (Case No. 99CW165) limits the use of Denver aquifer ground water for irrigation in the Subdivision to a total of 32.23 acre-feet per year, which includes 30.30 acre-feet per year for the 44 residential Lots and 1.93 acre-feet per year for the entryways and right-of-ways within the Subdivision. These irrigation demands are based on a unit irrigation demand of 2.50 acre-feet per year, per acre, which is equivalent to the irrigation water demand requirements specified in the Douglas County Water Supply Overlay District. Residential irrigation is limited to 12,000 square feet per home in the Decree and Service Plan. Common area irrigated landscaping within platted tracts and/or outside of Lots within the Subdivision shall not exceed a total area of 0.77 acres.

C. **Pools, Spas and Water Features.** Pools, Spas and Water Features may not be filled with water from the District's Wells.

D. **Cisterns.** The Wells located on Lots 23 and 44 shall be drilled and installed by the project developer at its expense and dedicated to the District upon completion. These Wells will meter residential use and fire cistern use separately. The District shall own and maintain the Service Lines from the Wells to the Cisterns.

E. **Water Rights.** The District owns the Water Rights decreed for the Subdivision in Water Court Case No. 99CW165 and in Case No. 98CW402. The District's main source of water is the Denver Aquifer, along with supplemental water rights to the Arapahoe and the Laramie-Fox Hills Aquifers. The District owns the rights to 82.3 acre-feet from the Denver Aquifer, 162 acre-feet from the Arapahoe Aquifer and 70.5 acre-feet from the Laramie-Fox Hills Aquifer. The District shall be responsible for the facilities and the ongoing operations, management, maintenance and control of the Water System and water usage pursuant to the provisions of the state approved Augmentation Plan.

F. **Augmentation Plan.** The District will ensure compliance with all conditions and requirements of the Water Court Decrees, including operation of the Wells within decreed limits, and will file all reports required by the Decrees with the Division Engineer for Water Division 1. The District retains the power to limit the operation of Wells within the decreed pumping limits, and shall have the power to fine, limit, or stop service to excessive water Customers. Notes pertaining to water use identified in the Subdivision Plat were recorded on July 11, 2002 at Reception Numbers 02067849, 02067864 and 02067865 and shall be binding on the District.

G. **Central Water Service.** The District may at any time connect to a central water service.

### III. SECTION 3: APPLICATION FOR WATER SERVICE

A. **Application for Service.** Each Property owner is responsible for drilling and installing the Improvements to the residence. Prior to the issuance of a certificate of occupancy, the Improvements must be inspected by the District and dedicated by the Property owner to the District by bill of sale and assignment of warranties. The Well Permit shall be transferred to the District. The Customer is responsible for all maintenance of the Service Line after it leaves the well, regardless of the location of the meter.

B. **Approval of Well Plans.** Prior to beginning any construction activity, the Property owner shall contact the District Manager and obtain drilling and installation specifications. The District shall approve all design and construction plans prior to the commencement of any activity. The Property owner shall also contact the District Manager concerning the transfer of the Well Permit.

C. **Well Permit Limited to Lot.** Well Permits shall be used only for the address specified in the Permit, and may not be transferred to another address or property.

D. **Change in Service.** An amended application for service shall be filed by the Customer, prior to making any change in service. Any additional Tap Fees, Inspection Fees and administrative fees which may be due as a result of the change in service, shall be paid by the Customer before the change in service shall be permitted.

E. **Discontinuation of Service.** Except as otherwise provided herein, once service is commenced to any Customer, such service may be discontinued subject to the payment of a disconnection fee as set forth in Section VII.H hereof. A disconnection fee shall not be due where service to a Customer is discontinued in connection with the sale or other disposition of the property at the Customer's service address to another Person who establishes new service at such service address, or where water service is permanently discontinued, and is no longer to be provided by any other entity or through any other means, including through Wells, to the property at the Customer's service address. Discontinuation of service for any reason shall be subject to inspection by the District Engineer, and the Customer will be assessed an Inspection Fee therefore. Any Customer desiring to have water service discontinued shall notify the District Engineer's office a minimum of 48 hours (excluding weekends) in advance of the desired date of discontinuance. Water service fees shall be assessed until inspection of the disconnection is approved by the District Engineer. Reactivation of service shall be treated as a new application for service under these Rules and Regulations.

F. **Temporary Water Service through Fire Cisterns.** Special written permission from the District is required for temporary water service supplied through the Cisterns.

G. **Penalty for "Unauthorized Turn-On".** No person other than employees or officials of the District shall have authority to turn on water service. The District may pursue legal action against violators of this section and all costs relating thereto shall be paid by the violator.

#### IV. SECTION 4: WELL, WATER METERS AND SERVICE LINES

A. **Well Installation:** Permits for drilling are acquired by the District upon request from a lot owner. No wells may be drilled prior to obtaining a permit. *All wells must be drilled to the bottom of the respective aquifer and shall include an airline for future water level monitoring.* The bottom of the airline shall be secured to the down pipe just above the pump.

1. Wells may be drilled into the Denver, Arapahoe, or Laramie Fox-Hills aquifers. Contact the District for additional information about obtaining permits for each aquifer.

B. **Responsibilities of the Customer.** Each Customer shall be responsible for drilling and installing a Well, pump, appurtenant equipment, meter and Service Line to the residence. Prior to the issuance of a certificate of occupancy, the Well, pump, appurtenant equipment and meter (the “Improvements”) must be inspected by the District and dedicated by the Property owner to the District by bill of sale and assignment of warranties. Customers are required to notify the District prior to repairing or replacing a well, pump or water meter; or within 24 hours of a required emergency repair.

C. **Water Meters.** Meters shall be installed for each Well.

1. **General.** All meters shall be approved by the District and furnished at the expense of the Customer. The Customer shall be responsible for providing the meter setter and associated plumbing. If a meter pit or vault is used it shall be maintained by the Customer such that at all times it will be conveniently accessible and in good order for maintaining meters and for turning water on and off. Any required adjustments of the pit or vault to grade once the meter has been installed shall be the responsibility of the Customer. Meters shall become the property of the District upon inspection and acceptance thereof by the District. Under no circumstances shall anyone other than District personnel remove, repair or alter a water meter without the prior approval of the District.

2. **Meter Testing.** The District may at any time test, repair or replace a Customer’s water meter to insure that the meter is recording within the accuracy limits recognized by the American Water Works Association (AWWA). If the District, in its sole discretion, determines that the Customer’s meter has failed to register accurately during a given billing cycle, appropriate adjustments to the Customer’s current bill will be made as follows:

a. If the meter has registered over 2% more water than actually passed through it, the current bill will be adjusted proportionately as a credit.

b. If the meter has registered less than the actual amount of water which passed through it (by greater than 2%), the District may elect to adjust the current bill proportionately as a debit.

c. Should the meter completely fail to register, the bill will be adjusted as determined by the District on a fair and equitable basis.

d. No adjustment will be made to any prior bills.

Any Customer may request that the meter through which water is being furnished be examined and tested by the District. The request shall be in writing and shall be accompanied by a deposit equal to the charge for testing such meter as determined by the District. Upon receipt of such request and deposit, the District will examine and test the meter. If the meter registers over 2% more water than actually passes through it, the meter shall be properly adjusted or replaced by the District, the deposit returned and the current water bill adjusted. If the meter shall be found to register not more than 2% over, the deposit shall be retained by the District as the expense of making the test.

Should a meter which has been tested at a Customer's request be found to register less water than actually passes through it, the District, at its discretion, may elect to replace or repair said meter. In such instances, the deposit will be retained by the District as the expense of making the test; however, the Customer will not be charged any additional amount as a result of the meter registering less than the actual amount of water passing through it.

D. **Service Lines.** The Service Line shall run from the Well located on each Lot to the residence and shall be owned and maintained by the Customer. The District does not assume any obligation nor acquire any liability for damage to the property or any portion thereof caused by or resulting from any such connection to the Well.

1. **Conformance to Rules and Regulations.** The size, slope, alignment and materials of construction of a Service Line, and the methods to be used in excavating, placing of the pipe, jointing, testing, backfilling and inspection of a trench shall all conform to the requirements of the Building and Plumbing Codes of Douglas County and other applicable Rules and Regulations of the District.

2. **Maintenance.** The Customer shall keep the Service Line and all pipes and fixtures on his or her premises in good repair. The Customer is responsible for all maintenance of the Service Line after it leaves the Well, regardless of the location of the meter. In case of an emergency or failure of the Customer to abide by the provisions of this Section, the District may repair the portion of the Service Line for which the Customer is responsible and bill the Customer for such costs of repair. Leaks occurring on a water Service Line between the Well and the residence shall be repaired as necessary to include backfilling and restoration of property at the Customer's expense. To preclude unnecessary waste of water, if repairs are not initiated within a 72-hour period of time, the District may, in its discretion, shut off water service until repairs have been affected. The Customer shall be responsible for all damages that may occur to other property, real or personal, including property of the District, that were a result of a failure to repair and maintain the Service Line, including, but not limited to, leaks occurring in a Service Line, bursting or other failure of the Service Line.

E. **District Responsibilities for Well, Pump & Water Meter Maintenance, Repair & Replacement.** The District is not responsible for testing or monitoring the quality of well water. The District is responsible for the maintenance and repair of the well, pump, and water meter so long as the maintenance and repair needed is not due to improper installation or other condition caused by the lot owner. The District does not assume any obligation nor acquire any liability for damage to the customer's property or any portion thereof caused by or resulting from these repairs. *(The lot owner is responsible for the maintenance and repair of the water and*



*electrical service lines and components after exiting the well casing. If in doubt as to who is responsible for the repair, submit the repair bill to the District for review.)* Customers are required to notify the District prior to repairing or replacing a well, pump or water meter; or within 24 hours of a required emergency repair. The District will refer the customer to its preferred well service provider.

1. Well Repair or Replacement. Approved repairs to a well are reimbursed by the District. Well replacement is limited to the current cost to provide a well that is similar in size and depth to that of the original well, providing water is reasonably available. If a replacement well is required to be drilled into a deeper aquifer, the additional cost to drill below the level of the original well is the responsibility of the customer. If the original well was not drilled to the bottom of the aquifer, and if the well's failure to produce water is due to being too shallow to make use of available water in the drilled aquifer, then such a well repair/modification is also the responsibility of the customer.

2. Pump Repair or Replacements. Required repairs to pumps, or the electrical service within the wells casing will be reimbursed for similar size and quality of pump.

3. Pump Control Box Repair or Replacement. If the repair or replacement is due to the installation of a new pump, or damage caused by faults within the well casing, that cost will be reimbursed; capped at the cost of a basic pump control system (i.e., non-digital, non-variable frequency).

4. Water Meter Repair or Replacements. Upon approval and acceptance by the District, all water meters, and if any remote registers and transmitters shall be owned and maintained by the District and shall be tested as the District deems necessary. The cost of repairs resulting from abuse or negligence by the Customer shall be paid by the Customer and added to and considered a part of the charge for water service.

a. The District will determine if a meter is to be repaired or replaced. Failed water meters may be replaced with a similar quality analog meter with full reimbursement, or with a District approved smart water meter with the reimbursement capped at \$750 (see Smart Water Meters below).

b. Anytime a water meter is replaced, photos taken at the time of the replacement of both the new and old meters readings must be submitted to the District Manager to be used in year-end water billing calculations.

F. Smart Water Meters. Smart water meters are capable of leak detection and prevention of significant water losses via automatic shutoff valve features. Smart water meters may only be used if they are pre-approved by the District to ensure tamper resistance (e.g., a constant totalizer function that can't be manipulated via software). Contact the District for information on these meters.

## V. SECTION 5: WATER CONSERVATION

A. **General.** The District requires the conservation of water within its Service Area. No Person shall use any water provided by the District other than for uses permitted by the District.

B. **Determination of Available Water Supply.** The District shall, from time to time, determine the amount of available potable water supply for use within the District and shall determine the expected demands for said water by all Customers of the District's Water System for any given period of time. In the event the Board shall determine at any given time that there are insufficient potable water supplies to meet all of the present and anticipated needs, the Board may order restrictions, curtailments or prohibitions upon the use of water.

1. Any restrictions, curtailments or prohibitions contemplated will be uniformly applied to all similarly situated water Customers within the District's Service Area.

2. Except in cases of emergency, the Board shall post notice within the District prior to imposing any curtailments, restrictions or prohibitions upon the use of water as herein provided. The notice shall include a statement as to said restrictions, curtailments or prohibitions, together with a statement of the penalties for violation thereof and the time period for which such restriction shall be in effect.

3. Any Person or Customer of the District violating any provision of this Section shall be subject to penalties as may be hereafter set by the Board.

C. **Water Leaks.** Water leaks are to be repaired in a timely manner. The District strongly encourages customers to winterize sprinkler systems in early October and to periodically monitor water usage to detect hidden leaks, especially during the summer irrigation period. Water leaks discovered and repaired in a timely manner may be reported to the District with a request for a water use adjustment (typically 67% of the estimated water loss). A second water leak adjustment request within 2 years of a previous adjustment will typically be denied.

## VI. SECTION 6: SANITARY SEWER SERVICE

A. **Service; Application for.** Each property owner is responsible for installing an Individual Sewage Disposal System (ISDS) on the Property, in accordance with Tri-County Health regulations and specifications.

B. **Responsibility of the District.** Once installed, the District will undertake annual inspections, including pumping as needed, of the ISDS installed on each Lot.

In the event of an emergency threatening the health and safety of the District residents, the District may order repairs of an ISDS and submit those charges to the property owner for the costs of the repair plus any associated administrative costs.

C. **Responsibility of the Lot Owner.** All repairs, maintenance and/or replacement costs other than those set forth in Section VI.B associated with an ISDS shall be the Property owner's responsibility. In the event such repairs or maintenance is not performed by the property owner, within 90 days of notice of the needed repairs, the District may order the repairs and submit those charges to the property owner for the costs of the repairs plus any correlated administrative costs. Any unpaid costs may be collected as set forth in the Rules and Regulations or as otherwise allowed by law.

D. **Central Sanitary Sewer Service.** The District may at any time connect to a central sanitary sewer line.

## VII. SECTION 7: FEES AND CHARGES FOR WATER SERVICE

A. **Fee Schedule.** All fees, rates, tolls, charges, and penalties provided for in these Rules and Regulations shall be in the amounts detailed in Exhibit B of these Rules and Regulations as amended from time to time.

B. **Monthly Service Charge.** The District may impose a minimum monthly service charge upon each Lot for the provision of water service. The service charge shall be imposed upon the issuance of a certificate of occupancy for each residence.

C. **Inspection Fees.** Inspections for approval of Well and Service Lines are performed by the District. The Customer shall be required to pay an Inspection Fee at the time such inspection is requested. Customer shall be responsible for costs of the District that exceed the Inspection Fee. There will be a supplemental fee for each additional inspection required due to failure of the Customer to have the facilities ready for the requested inspection.

D. **Security Deposit.** The District may require a deposit by a Customer in an amount not less than the estimated cost of water service for a two (2) month period or such other amount as determined by the District. Otherwise, the deposit will be returned upon termination of service and payment of the final utility bill and all other outstanding charges, penalties and interest.

E. **Metering.** Pursuant to the Decrees, all water uses will be metered.

F. **Meter Readers.** The District's employees or agents shall have the right to enter public and private property for the purpose of meter reading. All meters shall be accessible for meter reading.

G. **Unmetered Service Fee.** The District shall have the right to assess a fee for failure to install a water meter at the time of connection of a property. The water service shall be terminated until the meter is installed.

H. **Disconnection Fee.** The District shall have the right to assess a disconnection fee for discontinuation of service. The amount of the disconnection fee shall be set by the Board from time to time.

I. **Connection Fee.** The District shall have the right to assess a connection fee for physical connection to the Water System. This fee shall cover the expense of the District for administering and inspecting physical connections to the Water System. This fee shall also be paid when a discontinued or disconnected service is reinstated.

## VIII. SECTION 8: FEES AND CHARGES FOR WASTEWATER SERVICE

A. **Fee Schedule.** All fees, rates, tolls, charges, and penalties provided for in these Rules and Regulations shall be in the amounts detailed in Exhibit C of these Rules and Regulations as amended from time to time.

1. Property owners shall be responsible for the costs and construction of all ISDS and the appurtenances thereto installed on each Lot, upon approval of the plans and specifications by Tri-County Health.

B. **Service Charge.** The District may impose a service charge upon each Lot for the provision of sanitary sewer service. The service charge shall be imposed upon the issuance of a certificate of occupancy for each residence.

## IX. SECTION 9: PAYMENT OF FEES AND SERVICE CHARGES

A. **Due Date.** The Customer shall pay to the District by the date set forth in the statement the full amount of that statement. Where the Customer believes said statement is in error, the Customer must file, within fifteen (15) days after the statement date, in writing, a notice with the District of the presumed error and request a clarification from the District. Upon review by the District and resubmittal and/or revision of the statement, payment shall be due no later than fifteen (15) days from the date of the resubmitted statement.

B. **Penalty for Late Payments.** At any time, the Customer is five (5) days tardy in payment of any amounts due the District, the District may assess late fees, penalties and interest at the maximum rates allowed by Colorado statute. The District has the right to assess all legal, fees, disconnection and other costs necessary to or incidental to the collection of past due accounts.

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

D. **Fees for Foreclosure Proceedings.** At any time, it becomes necessary for the District, following efforts to collect any fee or charge assessed by the District under these Rules and Regulations and/or Colorado law, to initiate foreclosure proceedings as allowed by § 32-1-1001(l)(j), C.R.S., the District shall assess a foreclosure fee against the subject property for its costs of foreclosure, and shall be included in the amount then being foreclosed. Payment of all outstanding fees, rates, tolls, penalties, charges, and assessments against the subject property shall be a precondition to resumption of service.

**X. SECTION 10: HEARING AND APPEAL PROCEDURES**

A. **Application.** The hearing and appeal procedures established by this Section only apply to the interpretation, application or enforcement of the Rules and Regulations.

B. **Initial Complaint - Resolution.** Complaints must be presented in writing to the District Manager concerning the interpretation, application or enforcement of these Rules and Regulations. The Manager shall complete review of the allegations contained in the complaint and take such action and/or make such determination as may be warranted and shall notify the party of the action or determination by mail within thirty (30) days of receipt of the complaint.

C. **Hearings before the Board.** In the event the Customer disagrees with the determination of the District Manager, the Customer may, within fifteen (15) days from the date of the mailing of the determination, file a written request for a hearing before the Board. The request for a hearing shall set forth with specificity the facts and/or exhibits to be presented at the formal hearing by the Customer. The Board shall hold a hearing on the complaint at the next regularly scheduled meeting held no earlier than twenty (20) days after the filing of the request for a hearing. At the hearing, the District Manager and the Customer shall be entitled to present evidence. The Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained.

D. **Board's Findings.** The Board shall issue a written decision and shall cause notice of the decision to be hand delivered or sent by certified mail, return receipt requested, to the Customer within forty-five (45) days of the hearing. The decision shall be final and binding upon the District and the Customer and shall constitute the final administrative action of the District.

E. **Final Determination.** The Board's determination shall be final. In the event of any litigation concerning the Board's decision, the District shall be entitled to recover its costs and attorney fees if it is the prevailing party.

## **XI. SECTION 11: ENFORCEMENT**

A. **Notification of Violation.** Any Person who violates any provisions of these Rules and Regulations or conditions set forth in Well Permits shall be liable to the District. In order to affect its powers, the District may enter upon private property for the purpose of inspection and maintenance of facilities and may terminate service to property on which a violation of any of these Rules and Regulations is found to exist.

B. **Revocation of Service.** Service may be revoked at the discretion of the District Board upon non-payment of fees or charges or upon any violation of these Rules and Regulations. The Customer shall be given not less than ten (10) days advance notice in writing, delivered to the property, of revocation, which notice shall set forth:

1. The reason for the revocation; and
2. That the Customer has the right to contact the District and the manner in which the District may be contacted for the purpose of resolving the obligations; and
3. That there exists an opportunity for a hearing in accordance with these Rules and Regulations.

If the obligations are not satisfied or a request for a hearing, accompanied by a deposit equal to the amount of any fees and charges specified in the notice, is not received by the District within ten (10) days, the District shall post a forty-eight (48) hour notice of disconnection. At the end of the notice period, the District shall disconnect the service and the Customer shall be assessed the cost of the disconnection. The Customer's deposit for service, if any, shall be applied against the outstanding obligation. Service will not be restored to any property until all obligations are satisfied and all charges for turning off and restoring service are paid.



## **XII. SECTION 12: Vehicle Security Gates**

A. **Gate Access.** The entry gate may be opened via a visor remote, entering a pin number, or using the key pad resident directory function to call a resident (the resident then enters “9” on their phones key pad to open the gate). Vehicles equipped with a HomeLink or similar system can be trained via the visor remote to also open the gate. The exit gate is opened by driving over the loop sensor embedded in the asphalt just prior to the gate. Motorcycles exiting may need to drive over the corner of the ground loop to activate it. If that becomes an issue, special “exit” remotes are available; see below.

B. **Ice Melt.** Use caution during winter conditions as the downhill approach to the exit gate may become icy and slick. Please use the ice melt in the bin located near the exit gate to treat the slick areas when required.

C. **Gate Malfunctions.** Please report gate malfunctions or maintenance issues to the District Manager. During power failures both gates are programmed to automatically open. Never attempt to push a gate open or disassemble the gate arms. Extremely high wind events may play havoc with the gates requiring them to be programmed open until the winds subside.

D. **Security Gate Pin Numbers, Remotes and Requests.** Contact the District Manager for the following requests:

1. New key pad pin numbers
2. Change your keypad Directory phone number
3. New gate remotes. The initial 2 remotes are provided free to the original lot owner who builds a residence on the property. Replacement and extra remotes are then \$50 each
4. Exit gate remotes for motorcycles (free)
5. Residents hosting a social event may request to have the entry gate pre-programmed open during a specified time period to ease guest arrival issues (e.g., from 5 to 10pm this Saturday).
6. Temporary pin numbers for contractor or vendors
7. Gate malfunctions and maintenance issues

E. **Transferring Gate Remotes to a New Owner:** It’s the responsibility of buyers of existing homes to ensure the seller transfers a minimum of 2 gate remotes to them. If not received, the buyer will need to purchase any desired remotes.

## **EXHIBIT A**

### **Well Design Standards and Specifications**

All water wells shall conform with the Water Well Construction Rules set forth in 2 CCR 402-2, unless approval of a variance has been granted by the State Board of Examiners of Water Well Construction and Pump Installation Contractors, and such variance is approved by the Board.

## EXHIBIT B

### Water Fees, Rates, Charges and Penalties

#### WATER FEES

Water Use	Rate
0 up to and including 225,000 gallons	\$500
226,000 up to and including 326,000 gallons	\$6 per 1,000 gallons
Use in excess of 326,000 gallons is penalized	\$18 per 1,000 gallons

#### WATER PENALTIES

Homeowners exceeding the combined annual water budget of 326,000 gallons will be notified of their violation, required to provide the District with a written plan of adjustment to ensure future compliance and shall pay an excess water use penalty fine as set forth in the table above.

#### METER READING

I. Due Date – Each household shall provide a picture of the water meter to the District no later than October 31 of each year (the “**Meter Picture**”).

II. Penalty for Late Reading – \$5 per day late for failure to timely provide the Meter Picture. This penalty is in addition to any other costs for water use.

A. The meter reading provided after the due date shall be applied to the prior Water Year when calculating usage (for example, if the Meter Picture for Water Year 2015 is

not provided until December 2015, the reading shall apply to the calculation of water used in Water Year 2015).

## WATER BILLING

Bills for the prior year's water use will be submitted on an annual basis, with payment due as set forth in the bill (typically December 31<sup>st</sup>).

## LATE FEES, INTEREST AND RETURNED CHECK FEES

1. Following a 5-day grace period following the due date
  - a. Late Fee: \$15 per month
  - b. Interest Charge: 12%
  - c. Returned Check Fee: \$25 plus actual costs

## WATER ALLOCATION UPON HOME SALE

Given that the buyer will be responsible for the full amount of the water bill when the annual water billing occurs; the buyer and seller are responsible to negotiate and agree on an amount due from the seller for their portion of the annual water use. If requested, the District Manager will provide the buyer with the seller's previous years water bill amount so it may be used as a reference point. It's recommended to have these funds, if any, transferred to the buyer during the closing process. Failure of a buyer to negotiate with seller on an allocation of water costs does not excuse the owner of the property at the time of the water billing from responsibility for the total amount owed: all water charges are the responsibility of the property owner at the time of the annual water billing.

## DEFINITIONS

"Water Year" – a 12-month period from November 1<sup>st</sup> through the end of October of the following year (for example, November 1, 2014 to October 31, 2015).

## **EXHIBIT C**

### **Schedule of Sanitary Sewer Service Fees**

No Sanitary Sewer Service Fees are currently imposed.

The District may enact Sanitary Sewer Service Fees by resolution at a later date.