

IRRIGATION WATER SYSTEM

RULES AND REGULATIONS

FOR

COTTON RANCH

METROPOLITAN DISTRICT

Further Amended November 9, 2010
Further Amended September 22, 2010
Further Amended May 11, 2010
Further Amended November 10, 2009
Amended August 11, 2009
Amended April 26, 2006
Amended May 5, 2005
Amended August 4, 2004
Amended June 6, 2002
Adopted January 1, 1998

TABLE OF CONTENTS

ARTICLE I - GENERAL.....	1
1.1 Authority	1
1.2 Purpose	1
1.3 Policy	1
1.4 Scope	1
1.5 Intent of Rules and Regulations	1
1.6 Amendment	2
ARTICLE II - DEFINITIONS	2
2.1 Accommodation Unit	2
2.2 Applicant	2
2.3 Board	2
2.4 Commercial and/or Industrial Unit	2
2.5 Common Space.....	2
2.6 Constructor	3
2.7 Contractor	3
2.8 Customer	3
2.9 District	3
2.10 District Engineer.....	3
2.11 Dwelling Unit.....	3
2.12 Efficiency or Studio Unit	4
2.13 Equivalent Dwelling Unit.....	4
2.14 Gender	4
2.15 Inspector	4
2.16 Irrigation Water System	4
2.17 Manager.....	4
2.18 Permit	4
2.19 Person	5
2.20 Rules and Regulations.....	5
2.21 Service Line.....	5
2.22 Shall or May	5
2.23 Singular and Plural	5
2.24 Stub-out	5
2.25 Tap or Connection.....	6
2.26 Tap Fee.....	6
2.27 Water Main and/or Main Line.....	6
2.28 Any Other Term	6

ARTICLE III - OWNERSHIP AND OPERATION OF FACILITIES	6
3.1 Responsibilities of District	6
3.2 Liability of District.....	7
3.3 Rights and Authority	7
3.4 Ownership of Facilities	7
3.4.1 Ownership of Irrigation Water Facilities	7
3.4.2 Ownership of Irrigation Water Meters.....	8
3.5 Inspection Powers and Authority of District Agents	8
3.6 Modification, Waiver and Suspension of Rules.....	8
ARTICLE IV - USE OF IRRIGATION WATER SYSTEMS	8
4.1 Unauthorized Tampering with Systems	8
4.1.1 Unauthorized Use.....	8
4.1.2 Malicious Damage to System.....	9
4.1.3 Violators Prosecuted	9
4.1.4 Violators Fined.....	9
4.2 Use of Irrigation Water System.....	9
4.2.1 Notice of Changes and Repairs of Leaks	9
4.2.2 Cross Connection Control.....	9
4.2.3 Stop and Waste Type Valve.....	10
4.2.4 Safety Devices.....	10
4.2.5 Irrigation Water Meters Required	10
4.2.6 Required Use of Irrigation Water System.....	10
4.2.7 Sumps and Water Wells Prohibited	10
4.2.8 A Pressure Reducing Valve	10
ARTICLE V - APPLICATION FOR SERVICE	11
5.1 Inclusions.....	11
5.2 Service Outside the District.....	11
5.3 Application for Service	11
5.3.1 Sprinkler System	12
5.3.2 Winter Taps	12
5.3.3 Additional Tap Information Required.....	12
5.3.4 Reassessment of Tap Fees.....	12
5.4 Denial of Application	13
5.5 Cancellation of Application	13
5.6 Moved or Destroyed Buildings	13
5.6.1 Abandoned Service Line.....	13
5.7 Change in Customers Equipment, Service or Use of Property	13
5.7.1 Unauthorized Connection Fee.....	14
5.7.2 Inspection Required	14

5.7.3	Redetermination of Tap Fees	14
5.8	Unauthorized Connections and Fees	14
5.9	Revocation of Service	15
5.10	Revocation of Tap Rights.....	15
5.11	Turn-ons/Turn-offs of Service	15
ARTICLE VI - CONSTRUCTION OF SERVICE LINES		16
6.1	Compliance with Rules and Regulations	16
6.2	Inspection and Tapping Charges	16
6.3	Separate Service Lines Required.....	16
6.4	Construction and Connection.....	17
ARTICLE VII - MAIN LINE EXTENSIONS.....		18
7.1	Compliance with Rules and Regulations	18
7.2	Main Line Extensions by the District.....	18
7.3	Procedure for Main Line Extension by the District	18
7.3.1	Performance Bonds and One Year Warranty.....	18
7.4	Procedure for Main Line Extension by Developers.....	19
7.4.1	Application for Approval	19
7.4.2	Deposits with the District.....	19
7.4.3	Performance and Payment Bonds	19
7.4.4	Special Structures Designed by District Engineer	20
7.4.5	Oversizing of Main Lines.....	20
7.4.6	Documentation Required	20
7.4.7	Contract Required	20
7.5	Main Line Sizes.....	20
7.6	Locations of Main Line Extensions	21
ARTICLE VIII - RATES AND CHARGES.....		21
8.1	General	21
8.2	Application of this Article.....	21
8.3	Classification of Customers	21
8.3.1	Single-Family Residential Unit.....	21
8.3.2	Multi-Family Unit	22
8.3.3	Hotel, Lodge, Motel, Accommodation Unit	22
8.3.4	Commercial, Industrial Service.....	22
8.4	Tap Fee.....	22
8.4.1	Prepaid Tap Fees	22
8.4.2	Factors and Usage	22
8.4.3	Disputed Tap Application	22
8.5	Transfer of Tap Fees.....	22

8.5.1	Common Owner of Property	22
8.5.2	Good Credit	23
8.5.3	No Previous Connection to System	23
8.5.4	Payment of Difference	23
8.5.5	Approval in the Discretion of District.....	23
8.6	Service Charge	23
8.7	Amended Tap Fees.....	23
8.8	Amended Service Charges	23
8.9	Payment of Service Charges	24
8.10	Penalty for Late Payment	24
8.11	Foreclosure Proceedings/Attorney's Fees	25
8.12	Certificate of Amounts of County Treasurer	25

ARTICLE IX - HEARING AND APPEAL PROCEDURES 26

9.1	Application	26
9.2	Initial Complaint - Resolution.....	26
9.3	Hearing	26
9.4	Conduct of Hearing	27
9.5	Findings	27
9.6	Appeals to the Board	27

APPENDIX A

	SERVICE LINE CONSTRUCTION	A-1
A.1	Rules Regulations.....	A-1
A.2	Standards for Service Lines.....	A-1
A.3	Excavation.....	A-2
A.4	Tapping the Main	A-2
A.5	Inspections.....	A-2
A.6	Water Service Lines	A-3

APPENDIX B

	IRRIGATION WATER TAP FEE SCHEDULE.....	B-1
B.1	Single-Family and Duplex Residential Unit	B-1
B.2	Multi-Family Unit	B-1
B.3	Commercial and Separate Irrigation	B-1
B.4	Irrigation Water Meters	B-Error! Bookmark not defined.
B.5	Service Charges (Effective 1/1/98 Billing).....	B-Error! Bookmark not defined.

ARTICLE I
GENERAL

1.1 Authority

The District is a governmental subdivision of the State of Colorado and a body corporate with those powers of a quasi-municipal corporation, that are specifically granted for carrying out the objectives and purposes of the District.

1.2 Purpose

The purpose of this consolidated body of Rules and Regulations is to ensure an orderly and uniform administration of irrigation water operations in the Cotton Ranch area of Eagle County, Colorado. These Rules and Regulations apply *only* to the Irrigation Water System (as defined herein); not to the potable water system, as that will be managed and controlled by the Town of Gypsum.

1.3 Policy

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

1.4 Scope

These Rules and Regulations shall be treated and considered as comprehensive regulations governing the operations and functions of the District.

1.5 Intent of Rules and Regulations

It is intended that these Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and that each and every part thereof is separate and distinct from all other parts. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or limitation or restriction, imposed or conferred upon the Board of Directors by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other governmental entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the

District to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District.

1.6 Amendment

It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations, with respect to the District, to reflect those changes determined to be necessary by the Board of Directors of the District. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this Section.

ARTICLE II
DEFINITIONS

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

2.1 Accommodation Unit

“Accommodation Unit” or “Hotel Room” is one habitable room and without cooking facilities.

2.2 Applicant

“Applicant” means any person who applies to the District for a service connection or service disconnection, main line extension or other such service agreement, or who attempts to have real property included within, or excluded from the District, as the case may be.

2.3 Board

“Board” and “Board of Directors” mean the Board of Directors of the District.

2.4 Commercial and/or Industrial Unit

“Commercial and/or Industrial Unit” is any structure that engages in commerce, manufacturing, marketing, and/or sale of services of any kind.

2.5 Common Space

“Common Space”, as it applies to multi-unit facilities, includes areas which are accessible and available to all residents and guests of the dwelling units, including but not limited to, hallways, lobbies, atriums, court yards, and other outdoor areas.

2.6 Constructor

“Constructor” means the landowner, developer, subdivider or agency actually paying for the construction of the lines.

2.7 Contractor

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

2.8 Customer

“Customer” means any entity authorized to connect to and use the District's Irrigation Water System under a permit issued by the District.

2.9 District

“District” means the Cotton Ranch Metropolitan District.

2.10 District Engineer

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

2.11 Dwelling Unit

“Dwelling Unit” means one or more habitable rooms arranged, occupied, or intended or designed to be occupied by not more than one family with facilities for living, cooking, sleeping and eating.

2.12 Efficiency or Studio Unit

“Efficiency” or “Studio Unit” is a dwelling unit having one room and one bathroom.

2.13 Equivalent Dwelling Unit

“Equivalent Dwelling Unit” or “Single Family Equivalent Dwelling Unit” means a use which is estimated to have an impact upon the Irrigation Water System equal to that of the average usage of a Dwelling Unit.

2.14 Gender

The use of any gender shall be applicable to all genders.

2.15 Inspector

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

2.16 Irrigation Water System

“Irrigation Water System” means any water main line, appurtenances, accessories or portion thereof owned and maintained by the District in connection with the management and control of irrigation water within the District boundaries.

2.17 Manager

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

2.18 Permit

“Permit” means the written permission to connect to or enlarge the use for the Irrigation Water System of the District pursuant to the Rules and Regulations of the District.

2.19 Person

“Person” means any entity of any nature, whether public or private.

2.20 Rules and Regulations

“Rules and Regulations” means the Rules and Regulations of the District, including all amendments and policies as set forth in the District minutes and resolutions.

2.21 Service Line

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

2.22 Shall or May

Whenever “shall” is used herein, it shall be construed as a mandatory direction.

Whenever “may” is used herein, it shall be construed as a permissible, but not mandatory direction.

2.23 Singular and Plural

As pertains to these Rules and Regulations, the singular includes the plural and the plural the singular where ever applicable.

2.24 Stub-out

“Stub-out” shall mean any connection to a main line which extends from the main line and which is intended to facilitate service line connection to the Irrigation Water System, either directly to the main line or indirectly through a private main. A stub-out may extend to, but not through, the foundation, or exterior walls, or floor of any structure intended to be served. Any extension through the foundation or exterior wall shall be considered a tap, whether connected or not.

2.25 Tap or Connection

"Tap" or "Connection" means the connecting of the service line to the Irrigation Water System, either directly to a main line, or stub-out from the main line, or indirectly through a private main line, which service line extends beyond the easement line or property line into the structure intended to be served, whether or not actually connected to the structure's Irrigation Water System.

2.26 Tap Fee

"Tap Fee" means the payment to the District of a fee for the privilege of connecting a particular use to the Irrigation Water System.

2.27 Water Main and/or Main Line

"Water Main and/or Main Line" means any pipe, piping, or system of piping used as a conduit for water in the District's Irrigation Water System and owned by the District. Unless otherwise provided by the Board, a water main shall be eight inches (8") or more in diameter.

2.28 Any Other Term

Any other term not herein defined shall be defined as presented in the "Glossary - Water and Sewage Control Engineering", A.P.H.A., A.W.W.A., A.S.C.E. and F.W.S.A., latest editions.

ARTICLE III
OWNERSHIP AND OPERATION OF FACILITIES

3.1 Responsibilities of District

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

3.2 Liability of District

It is expressly stipulated that no claim for damage shall be made against the District by reason of the following: Breakage of main lines; interruption of water service and the conditions resulting therefrom; breaking of any service line, pipe, cock, or meter; failure of the water supply; shutting off or turning on water; making of connections or extensions; damage caused by water running or escaping from open or defective faucets; burst service lines or other facilities not owned by the District; damage to sprinkler systems, appliances, or other apparatuses, devices or equipment used for irrigation of property, resulting from shutting water off, or for turning it on, or from inadequate, excessive or sporadic pressures; or for doing anything to the system of the District deemed necessary by the Board of Directors or its agents.

3.3 Rights and Authority

The District shall have no responsibility for notification to customers of any of the foregoing conditions. All irrigation water users within the District shall be obligated to connect to District's Irrigation Water System. The District reserves the right to discontinue, temporarily, service to any property, at any time, for any reason deemed necessary or appropriate.

The District shall have the right to revoke service to any property for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations.

3.4 Ownership of Facilities

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

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

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

3.5 Inspection Powers and Authority of District Agents

Authorized employees of the District, bearing proper credentials and identification, shall be permitted to enter upon all properties at all reasonable times for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of these Rules and Regulations. Failure to permit such inspections, observations, measurements, samplings and/or testings upon the request, in writing, of the Manager may result in a finding that permission is being denied to avoid discovery of a violation which may result in the disconnection of service to the property of the party failing to permit such activity.

3.6 Modification, Waiver and Suspension of Rules

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

ARTICLE IV
USE OF IRRIGATION WATER SYSTEMS

4.1 Unauthorized Tampering with Systems

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

- 4.1.2 Malicious Damage to System. No person shall maliciously, willfully, or negligently, break, damage, destroy, cover, uncover, deface or tamper with any portion of the District's Irrigation Water System.
- 4.1.3 Violators Prosecuted. Any person who shall violate the provisions of this Section 4.1 shall be prosecuted to the full extent of Colorado law.
- 4.1.4 Violators Fined. Any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of a \$1,000.00 fine plus any expense, loss or damage occasioned by reason of such violation. Such costs shall constitute a perpetual lien upon the violator's property, as allowed by Section 32-1-1001, C.R.S., as amended, or a perpetual lien upon the property concerning which the violator was providing services at the time of the violation in question, whichever the Manager deems appropriate. See Section 5.8 regarding unauthorized connections.

4.2 Use of Irrigation Water System

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

Leaks or breaks in the service line shall be repaired by the customer within seventy-two (72) hours of obtaining knowledge of a leak or from the time of notification of such condition by the District. If satisfactory progress toward repairing said leak has not been completed within the same time period, the Manager shall shut off the service until the leaks or breaks have been repaired; or the District can charge the maximum use fee per month as specified in Exhibit B until the system is operating properly if the leak occurs upstream from the meter; in addition, the District shall have the right to effect the repair, and the costs therefor shall constitute a lien on and against the property of such customer, security payment of such cost, as provided for by C.R.S., 32-1-1001.

- 4.2.2 Cross Connection Control. Each customer is responsible for complying with the Colorado Department of Health's Cross Connection Control Manual with the additional requirement that all fire protection systems must utilize a "reduced pressure principle" type back-flow preventor valve.

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

4.2.4 Safety Devices. Each person having sprinkler systems, appliances, apparatuses, and/or other devices on his premises for irrigation, depending on pressure or water in pipes, or on a continual supply of water, shall provide, at his own expense, suitable safety devices to protect himself and his property against a stoppage of water supply or loss of pressure. The District expressly disclaims any liability or responsibility for any damage resulting from a customer's failure to provide such appropriate protection.

4.2.5 Irrigation Water Meters Required. No connection shall be made to the District's Irrigation Water System without an irrigation water meter having been installed to serve the subject unit. If the District requires, all irrigation water meters shall have devices for remote reading. The type of irrigation water meter and location of the meter shall be subject to the approval of the District. It shall be the duty of each customer to notify the District office if his irrigation water meter is operating defectively. If any meter is suspected to be defective, the customer shall repair the meter in a timely manner (30 days). Alternatively, the District may repair or replace such meter at the customer's expense. In this case the cost for repair or replacement shall be billed by the District to the customer. The irrigation water meters referred to in this Section and throughout these Rules and Regulations are separate from the water meters measuring the use of potable water from the Town of Gypsum.

During the interim period prior to repair, the customer will be placed on the unmetered water use rate as specified in Exhibit B until such time that the meter is repaired.

4.2.6 Required Use of Irrigation Water System. It is unlawful to irrigate land other than with District irrigation water unless approved by District.

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

4.2.8 A Pressure Reducing Valve. ("PRV") may be installed in service lines immediately before the irrigation water meter, ensuring that the irrigation water meter and any sprinkler or other type of irrigation system are protected from

fluctuating water main delivery pressures. The pressure setting of the PRV shall not exceed 150 PSI without written permission from the District.

ARTICLE V APPLICATION FOR SERVICE

5.1 Inclusions

Service will be furnished subject to the District's Rules and Regulations and only to property included within and subject to the Rules and Regulations of and taxation by the District. It shall be incumbent upon the applicant to furnish satisfactory evidence of inclusion whenever such evidence is requested by the District. Satisfactory evidence shall consist of tax receipt, or certification in lieu thereof, received from and signed by the County Treasurer. A person owning land within or without the exterior boundaries of the District who desires service must include all of his land serviceable by the Irrigation Water System contiguous to the parcel on which service is desired into the District. A formal request for inclusion within the District shall be made to the District, on its standard form, by the applicant, accompanied by a non-refundable payment of One Thousand Dollars (\$1,000.00) for legal fees and the estimated costs of publication. Any additional costs or legal fees which may occur shall be assessed and paid prior to approval of inclusion by the Board. Until paid, such costs and fees shall be a lien upon the property in question.

5.2 Service Outside the District

No service shall ever be provided to property outside of the District, except upon the express written consent of the District. Charges for furnishing service outside of the District shall be at the discretion of the Board of Directors, but no service shall be furnished to property outside of the District unless the charge therefor equals at least the cost of service, plus the estimated mill levy and tap fees for which such property would be responsible if it were a part of the District. In every case where the District furnishes service to property outside the District, the District reserves the right to discontinue the service when, in the judgment of the Board of Directors, it is in the best interest of the District to do so.

5.3 Application for Service

Application for service must be filed with the District on forms provided by the District and accompanied by appropriate fees prior to any action to connect to the

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

- 5.3.1 Sprinkler System. If a water sprinkler system for lawn irrigation is to be used, it must be metered and meet the requirements of all applicable City, County and State codes.
- 5.3.2 Winter Taps. Taps may be made by appointment, during the winter months, at the District's sole discretion, provided that the tap location is heated.
- 5.3.3 Additional Tap Information Required. All information requested on the tap application form must be completed. In addition, the water meter location and arrangement, and a diagram of the curb stop valve box location must be included. A site plan or improvement plan shall accompany the tap permit application showing the location of the area to be irrigated relative to property lines.
- 5.3.4 Reassessment of Tap Fees. Should any information disclosed on the application prove at any time to be false, or should the applicant omit any information, the District shall have the right to reassess the tap fee originally charged at the rate current to the discovery by the District of the false or omitted information, and/or disconnect the service in question, and/or back-charge the property in question for service fees that may be due and owing, and/or charge any other or additional fee or penalty specified in these Rules and Regulations, as amended. Any reassessment shall be due and payable, together with any penalties or other additional fees charged, and together with interest at the maximum legal rate on the entire balance, upon and from the date of the original application.

5.4 Denial of Application

The District reserves the exclusive right to deny application for service when, in the opinion of the Board, the service applied for would create an excessive seasonal, or other, demand on the facilities. Denial may also be based upon an unresolved obligation between the District and the applicant, inadequate documentation of easements for main lines serving the property, or any other reason as determined by the Manager.

5.5 Cancellation of Application

The District reserves the right to revoke any prior approval of an application before service has been provided, and thereafter for any violation of these Rules and Regulations.

5.6 Moved or Destroyed Buildings

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

5.6.1 Abandoned Service Line. When a service line is abandoned permanently, the property owner or customer shall valve the water supply off at the main line (corporation stop valve).

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

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

5.7.1 Unauthorized Connection Fee. Any violation of this Section shall result in the assessment of an unauthorized connection fee, as provided by Section 5.8 of these Rules and Regulations, and the District shall take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fees. (Also, see Section 4.1 Unauthorized Tampering with Systems.)

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

5.7.3 Redetermination of Tap Fees. Inspection shall be made of the property in question. Following inspection, the Manager shall make a determination as to the change in the customer's equipment, service or use of the property in question, and shall redetermine any additional tap fees and service charges due. In the event the decision of the Manager is deemed unsatisfactory to the customer, the customer may present a complaint in accordance with the Hearing and Appeal Procedures, Article IX, of these Rules and Regulations.

5.8 Unauthorized Connections and Fees

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

The District shall send written notice to the owner of the property benefited by such connections stating that an unauthorized connection has been made between the owner property and the District facilities. The owner shall then have twenty

(20) days from the date the notice is mailed to pay the then-current tap fee or proceed in accordance with the provisions of Section 5.7.2 of these Rules and Regulations.

5.9 Revocation of Service

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

1. The reason for the revocation;
2. That the customer has the right to contact the District, and the manner in which the District may be contacted, for the purpose of resolving the obligations; and,

If payment of the outstanding obligation or a request for a hearing is not received by the District within twenty (20) days of the date of mailing of the revocation notice, the Manager shall disconnect the service and the customer shall be assessed the cost of the \$225 reconnection fee. While the service is disconnected, the customer shall continue to be assessed the base service charges for irrigation water.

5.10 Revocation of Tap Rights

The right to connect the District's Irrigation Water System and receive services under Section 5.3, above, shall be revocable by the District upon non-payment of any District fees owing to the District. Such revocations shall be conducted in accordance with Section 5.9, above. If the right to connect to the District's Irrigation Water System is revoked, the customer may reacquire such tap rights only by reapplying for service in accordance with Section 5.3, above, and after paying all fees due and owing the District and the then-current tap fees charged by the District under these Rules and Regulations.

5.11 Turn-ons/Turn-offs of Service

All turn-ons and turn-offs of irrigation water service through a shut-off valve on a service line that has been connected to the District's Irrigation Water System pursuant to a written permit issued by the District shall be performed only by District personnel regardless of the ownership of the shut-off valve or service line and regardless of the circumstances respecting the turn-on or turn-off. The

District shall assess a single turn-off/turn-on charge in the amount of \$50.00 for any such turn-off and turn-on performed except when initial service is provided and when the service is performed for customers requiring maintenance to their service lines, in which case there shall be no charge. The District will provide this service only for a tap for new construction, one time prior to the occupancy of the building located on the property served.

All other requests for a turn-off or turn-on of District service may be granted or denied by the Manager in the Manager's sole discretion. In new construction, at the time the irrigation water meter is set, service charges begin unless the District is requested to perform the turn-off. In this event the customer will be charged \$50.00 when service is turned on.

ARTICLE VI CONSTRUCTION OF SERVICE LINES

6.1 Compliance with Rules and Regulations

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

6.2 Inspection and Tapping Charges

All taps shall be made by the District or its authorized representative and all service lines shall be inspected by a representative of the District. All irrigation water service lines are to be tested under normal operating pressure. Constructors of service lines shall call the District to schedule an open ditch inspection of all service lines. If said inspection is not made within twenty-four (24) hours of the call, excluding weekends and holidays, construction may proceed. There shall be a charge for all inspections as determined from time to time by the Board. Further information regarding inspections and the charges for inspections may be obtained at the Manager's office.

6.3 Separate Service Lines Required

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

line. The Manager, in the exercise of his sole discretion, may provide an exemption from the above requirements for outdoor common space areas that are part of a condominium or other multi-family dwelling association. In such a case, the District shall bill the association for service charges assessed by the District for irrigation water usage in the association. In all cases where individual units are not separately metered, billing shall be to one entity for service to all units serviced through the same meter or service line, and payment for less than all units shall be considered non-payment, allowing the District to terminate service.

6.4 Construction and Connection

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

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

ARTICLE VII
MAIN LINE EXTENSIONS

7.1 Compliance with Rules and Regulations

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

7.2 Main Line Extensions by the District

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

7.3 Procedure for Main Line Extension by the District

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

7.3.1 Performance Bonds and Two Year Warranty. Pursuant to C.R.S., Section 38-26-105 and -106, *as amended*, performance and payment bonds equal to the contract price at a minimum shall be furnished to the District by the constructor on all construction contracted by the District. All main lines constructed shall be accepted by the District upon completion of construction, subject to a two-year warranty period during which the constructor shall promptly, without cost to the District, correct any defective work. All daily inspection fees required by any governmental authority, including the District, shall be paid by the constructor. Also an independent subcontractor must pressure test all added main lines and provide a written report to ensure no leaks are existing before lines are transferred to/accepted by the District

Constructors who have completed construction of main line extensions shall, before the main lines are accepted by the District, deed the main lines and all appurtenances to the District free and clear of all liens and encumbrances, and furnish to the District a surety bond or other acceptable collateral which shall cover all maintenance for two (2) years from the date of acceptance of the main

lines by the District. Prior to the acceptance of the main lines by the District, the Constructor shall provide to the District reproducible as-built drawings including stub-out locations, coordinates of manholes, rim and invert elevations, and easements. The Constructor shall also provide easements acceptable to the District for all main line extensions.

7.4 Procedure for Main Line Extension by Developers

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

- 7.4.1 Application for Approval. All applicants desiring to construct a main line within the District shall first make formal application to the Manager for approval. This application shall be in writing, and shall contain a legal description of the property to be served by the main line and plans for such extension, and any other information required by the District in its discretion. The staff shall then submit the recommended plans, with appropriate documentation, to the Manager for final approval. Said plans shall be reviewed for compliance with the District's specifications, and with other specifications and requirements appropriate to the situation. The cost of such study for compliance shall be borne by the applicant.
- 7.4.2 Deposits with the District. Prior to the execution of the main line extension agreement with the District, applicant shall deposit with the District an amount sufficient to compensate the District for engineering fees, legal fees, and other costs, except direct construction costs, anticipated to be incurred by the District as a result of the application and the construction of the main line.
- 7.4.3 Performance and Payment Bonds. All contracts entered into by applicant for construction of any part of a main line shall be assignable to the District. All such contracts that an applicant proposes to assign to the District shall include performance and payment bonds to be issued by the contractor to the District pursuant to C.R.S., Sections 38-26-105 and -106, *as amended*. Said bonds shall be at a minimum equal to the contract price for the construction contracted for by the applicant. All main lines shall be constructed according to applicable District, County, and State specifications. All main line extensions within the District shall be made under the supervision of the District staff at the applicant's expense. Similarly, all daily inspection fees on mains required by any governmental agency,

including the District, shall be paid by applicant. Such costs may be subject to cost recovery if so designated in the cost recovery contract.

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

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

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

1. All easements necessarily accompanying the main lines;
2. Four mil mylar as-built drawings and as-built drawings in an electronic format acceptable to the District; and
3. A statement of the certified costs of the main lines.

7.4.7 Contract Required. No reimbursement or recovery of costs shall be permitted for main line extensions, except as provided by fully executed contracts with the District. The District shall, in its sole discretion, determine when reimbursement may be made for main line extensions.

7.5 Main Line Sizes

The size of the main line required to serve any area served by the District shall be determined by the District.

7.6 Locations of Main Line Extensions

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

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

ARTICLE VIII RATES AND CHARGES

8.1 General

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

8.2 Application of this Article

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

8.3 Classification of Customers

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

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

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

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

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

8.4 Tap Fee

A tap fee shall be charged to all irrigation water service customers of the District. Such fee is the applicant's proportionate share of the Irrigation Water System cost in relation to the applicant's use. It shall be assessed and paid before the permit for service is issued. Tap fees shall be assessed as provided for in the schedule of fees and charges attached hereto as Appendix B; provided, however, that:

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

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

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

8.5 Transfer of Tap Fees

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

8.5.1 Common Owner of Property. The owner requesting the transfer is the common owner of the property for which the tap fee has been paid and the property to

which the transfer of the tap fee, or portion thereof, is being requested. Both properties are in the same District.

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

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

8.5.4 Payment of Difference. The owner requesting the transfer shall pay to the District the difference between the tap fee which would otherwise be charged on the date the transfer is requested for the property to which transfer is being sought, and the tap fee previously paid, but in no event shall the District make a credit or refund. In the event an owner transfers only a portion of the total sum previously paid as a tap fee, the owner shall retain a credit, subject to the provisions of Section 5.10, for any nontransferred portion of the previously paid fee.

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

8.6 Service Charge

Service charges shall be as reflected in the Schedule of Fees and Charges, attached hereto as Appendix B. Service charges will begin when irrigation water service is turned on to the property served.

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

8.7 Amended Tap Fees

In those situations where a prospective user applies for a permit for service to a property or use not defined in the preceding Article; or where, in the Manager's opinion, said property represents a classification not contemplated in the establishment of the previously defined tap fee, the Manager shall, in his sole discretion, establish a fair, reasonable, and equitable tap fee for said property.

8.8 Amended Service Charges

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

8.9 Payment of Service Charges

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

When a condominium or other multi-unit dwelling association exists for a number of units receiving service for irrigation of outdoor common space for such units which do not have individual irrigation water service from the District, said association shall receive an invoice for the outdoor common space serviced by the association.

In no instance shall the District bill individual owners within a multi-unit project without separate irrigation water meters, curb stop, shut-off valves, and service lines. The District shall have the right to issue only one bill for irrigation water supplied to a multi-unit structure or development. Any structure with more than one living unit off the service line, which is not separately metered, shall establish one responsible party for irrigation water bills.

All irrigation billing statements will be mailed to the customer on or around the 20th of the month. The customer shall pay the full amount of the statement to the District by the 10th of the following month. Where the customer believes said statement is in error, the customer must file, in writing, a notice to the District of the presumed error, and request a clarification from the Manager. Upon review by the Manager, and resubmittal and/or revision of the statement, payment shall be due no later than ten (10) days from the billing date of the resubmitted statement.

8.10 Penalty for Late Payment

A \$5 late fee charge will be assessed on the customer's unpaid balance if payments are not received by the 15th of the month. The District shall further have the right, in its sole discretion, to terminate service to any customer who becomes thirty (30) days or more tardy in payment for scheduled services, following the opportunity for a hearing as outlined herein.

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

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

8.11 Collection/Foreclosure/Dispute Resolution Proceedings/Attorney's Fees

At any time it becomes necessary after other efforts (letters, posted notices) to collect delinquent payments of any fee or charge imposed by the District under these Rules and Regulations and/or Colorado law, the District may then initiate collection or foreclosure proceedings as provided for by C.R.S., Section 32-1-1001 (1)(j), as amended. All of the provisions of these Rules and Regulations to the contrary notwithstanding, all customers/users of the District hereby agree to be bound by these Rules and Regulations as a matter of contract and for which there is good and valuable consideration. Further, in the event the District shall commence a collection or foreclosure action or proceedings to collect any payments of whatsoever nature due and payable to the District, or in the event a customer/user commences an action to dispute the District's fees and charges, or to dispute the application of any other provision of these Rules and Regulations, and the District prevails in any such action, then in said event the customer/user agrees hereby to the payment of any and all costs incurred in connection with said proceedings including, but not limited to, reasonable attorney's fees. In the event payment is made by the customer prior to a collection action or foreclosure sale, said attorney's fees and any and all other fees outstanding against the subject account and relating to the subject real property, must also be paid as a pre-condition to the resumption of service to the subject property. Until paid, such costs and attorneys fees shall constitute a perpetual lien upon the customer/user's property, as allowed by Section 32-1-1001, C.R.S. and shall be payable upon demand.

8.12 Certificate of Amounts of County Treasurer

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

fee for the administrative costs of this collection method, which fee shall be added to all delinquent amounts, including other penalties and interest charges, before certification.

ARTICLE IX HEARING AND APPEAL PROCEDURES

9.1 Application

The hearing and appeal procedures established by this Section shall apply to all complaints concerning the interpretation, application or enforcement of the Rules and Regulations of the District, and contracts related thereto, as they now exist or may hereafter be amended; provided that these procedures shall not apply to notices of nonpayment of any fees and charges of the District, or the requirement that they be paid as required hereby. The hearing and appeal procedures established by this Section shall not apply to the following complaints:

1. Complaints which arise with regard to personnel matters, which complaints shall be governed exclusively by the District's personnel rules as the same may be amended from time to time.
2. Any other complaint which does not concern the interpretation, application, or enforcement of the Rules and Regulations of the District, or contracts related thereto.

9.2 Initial Complaint - Resolution

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

9.3 Hearing

In the event the decision of the Manager or his representative is deemed unsatisfactory to the complainant, a written request for hearing may be submitted

to the Manager, or such hearing officer as the Manager may appoint, within twenty (20) days from the date of written notice of the decision was mailed.

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

9.4 Conduct of Hearing

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

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

The Manager or hearing officer shall determine whether clear and convincing grounds exist to alter, amend, defer, or cancel the interpretation, application, and/or enforcement of the Rules and Regulations that are the subject of the complaint. The decision shall be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer, or cancel the action shall be upon the complainant.

9.5 Findings

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

9.6 Appeals to the Board

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

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

A-1
APPENDIX A
SERVICE LINE CONSTRUCTION

A.1 Rules and Regulations

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

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

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

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

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

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

A.2 Standards for Service Lines

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

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

A.3 Excavation

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

Pipe laying and backfill shall be performed in accordance with the District's standards and specifications. No excavation shall remain open for more than forty-eight (48) hours and all District mains are required to be covered overnight.

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

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

A.4 Tapping the Main

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

A.5 Inspections

The applicant for the irrigation service line permit shall notify the District when the service is ready for inspection. Appointments for inspection and connection should be scheduled twenty-four (72) hours in advance. The connection shall be made by qualified personnel. All service lines shall be inspected by the District's representative, who shall have the authority to halt construction when, in his opinion, the District's Rules and Regulations for proper construction practices are

being violated. Whenever any such violations occur, the District's representative shall, in writing, order further construction to cease until all deficiencies are corrected. No service lines shall be covered without the District representative's approval. Anyone making any installation without such approval shall be required to remove all soil or any other covering over the service line to allow its inspection.

A.6 Water Service Lines

Water Service Lines

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

Pressure Test Required

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

Curb Stop

The service line shall have a curb stop control valve located at the property line, or as otherwise approved by the District with easy access to the District. Curb stop valve box tops must be Mueller Buffalo Pattern, at, and accessible from, surface and located at property line.

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

Stub-Out

When water service lines are stubbed-out to property lines, the stub-out shall be valved off and plugged, with a valve box installed to the ground surface.

Owner's

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

Irrigation Water

Meters And

Remotes

All water service lines shall have an irrigation water meter before irrigation water is turned on. The District shall approve the type of meter to be installed. The cost of the meter shall be borne by the customer.

It shall be the builder's/contractor's responsibility to protect the meter from freezing or other physical damage during construction.

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

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

Shut off

Valves

Contractor will install shut off valves ahead of the meter to facilitate future repairs.

Backflow

Prevention

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

Construction

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

Irrigation Water

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

All irrigation water shall be metered.

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

APPENDIX B
OF WATER RULES AND REGULATIONS
COTTON RANCH METROPOLITAN DISTRICT

IRRIGATION WATER SYSTEM
USER AND TAP FEE SCHEDULE

EFFECTIVE: 2026 Irrigation Season

IRRIGATION WATER USER FEES

B.1 Service Charges, per month for May through October (6 months)

Lower Valley Area

Maximum Sod: 5,000 square feet.
Base Fee: \$93.00 per month which covers usage up to 30,000 gallons per month.
Usage Rate: \$.0034 per gallon for usage over 30,000 gallons per month up to 40,000 gallons per month, and \$.0053 per gallon for usage over 40,000 gallons per month

Sky Legend

Based on classification of home on the Sky Legend plat as a Cottage, Traditional or Custom home and based on metered water usage per month:

	<u>Cottage</u>	<u>Traditional</u>	<u>Custom</u>
Maximum Square feet of Sod	900	1,200	1,500
Base Fee (Fee covers common areas irrigation too)	\$23.25	\$23.25	\$46.50
Base Fee Covers Base Gallons per month up to gallons	5,520	6,900	8,625
Tier 2 Fee per Gallon	\$.01	\$.01	\$.01
Tier 2 Fee for Gallons Over Tier 1 up to	7,360	9,200	11,500
Fee per Gallon for all usage over Tier 2	\$.03	\$.03	\$.03

Villas at Cotton Ranch

Base Fee: \$23.25 per month per unit which covers usage up to 7,500 gallons per month.

In addition to the above, during a temporary (not to exceed two years) grow-in period for disturbed native areas that are restored to native (i.e. areas that are not xeriscaped or hardscaped), the Tier 1 gallons shall be increased by 5 gallons and the Tier 2 gallons shall be increased by 1.67 gallons for each square foot of area under temporary irrigation.

B.2 For Accounts with Broken meters:

Accounts with broken meters shall be charged a flat fee of \$200 per month or an amount consistent with historic use, whichever the District deems most appropriate.

B.3 WATER TAP FEES

All tap fees and deposits must be paid by certified funds, wires, or ACH payments. Personal checks will not be accepted.

Single-Family Units: \$3,100 per unit

Duplexes and Multi-Family Units: \$1,550 per unit

Commercial and Separate Irrigation: Tap fees for commercial and separate irrigation uses shall be determined by the Board of Directors on a case-by-case basis.

B.4 Construction Deposit

All property owners are required to deposit \$2,500 with the District to cover the cost of any repairs to the raw water irrigation lines during construction. The District recommends using metal plates to cover the raw water irrigation lines during construction when equipment will be driven over them.