



**ARABIAN ACRES METROPOLITAN DISTRICT
TELLER COUNTY, COLORADO**

**RULES AND REGULATIONS
WITH
DESIGN STANDARDS**

**NOVEMBER 21, 2013
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SECTION 1 – GENERAL/EXPLANATORY MATERIAL

1.1 AUTHORITY. The District is a quasi-municipal corporation and political subdivision of the State of Colorado, with those powers granted for carrying out the objectives and purposes of the District under Article 1 of Title 32 of the Colorado Revised Statutes.

1.2 SCOPE. These Rules and Regulations (“Rules”) have been promulgated pursuant to Section 32-1-1001(1)(m), C.R.S. These Rules shall be considered a comprehensive set of Rules and Regulations governing certain aspects of the control, management and operation of the District. However, these Rules do not cover every conceivable aspect of the control, management and operation of the District and the Board reserves the right to make rulings and to adopt resolutions concerning matters not covered herein as and when appropriate, at its discretion. In addition, these Rules are not intended to supersede or contravene specific terms or conditions of any agreement, contract, or other document entered into by the District and a party, unless such agreement or contract is made subject to these Rules.

1.3 POLICY. These Rules serve a public purpose and are necessary to insure and protect the health, safety, prosperity, security and general welfare of the service users within the District’s boundaries.

1.4 PURPOSE. The purpose of these Rules is to provide for the orderly financing, control, construction, management and operation of the water supply and distribution system including additions, extensions and connections. All services provided by the District will be available in accordance with these Rules and the charges established therefore, and subject to all penalties and charges for violation thereof, or any statutes applicable to the District, subject to availability and capacity of facilities.

1.4.1 Regulations by Other Governmental Entities Any limitation, restriction or prohibition validly placed upon the District by any governmental entity or by any agreement between the District and any governmental entity is hereby incorporated into these Rules by this reference and shall constitute a limitation, restriction or prohibition on each Customer of the District.

1.4.2 Effective Date These Rules shall be effective immediately upon adoption by a majority of the Board at a public meeting and shall supersede any prior version of the Rules.

1.4.3 Saving Provision The enactment of these Rules, any amendment thereof, or the repeal of any prior Rules or resolutions shall not deny or limit any right, action, cause of action, penalty or fee that arose under a prior version of these Rules.

1.4.4 Repeal of Conflicting Resolutions All resolutions or parts of resolutions in conflict herewith are hereby repealed, except as may be expressly provided herein.

1.4.5 Severability The invalidity of any section, clause, sentence, or provision of these Rules shall not affect the validity of any other part of these Rules which can be given effect without such invalid part or parts, and to this end the provisions of these Rules are hereby declared to be severable.

1.4.6 Variances The Board reserves the right to waive or modify the provisions of these Rules at its sole discretion. Any person seeking a variance of a provision of the Rules shall have the burden of proving that the operation of such a provision would cause undue hardship, or should not be applied to the person for another justifiable reason, and that such variance shall not endanger the health, safety and welfare of the residents and inhabitants of the District. Any request for a variance shall be made in writing to the District Manager setting forth a detailed explanation of the variance request and the reasons

for the request. The Board will consider all written variance requests within sixty (60) days and the Board's decision to grant or to deny the variance shall be final and conclusive.

1.4.7 Delegation to District Management or Staff The Board may delegate decision-making authority under these Rules to District management or staff.

1.5 CONSTRUCTION OF RULES AND REGULATIONS. It is the intent of the Board that these Rules shall be liberally construed to affect the general purposes and policies set forth herein. Nothing set forth herein shall be construed as an alteration, waiver or deviation from any grant of power, or any limitation or restriction thereof, conferred or imposed upon the District by the statutes, constitutional provisions, or other laws of Colorado as they currently exist and as they may exist in the future. In the event of any ambiguity, inconsistency, or conflict between provisions within the Rules or between these Rules and the rules of any other governmental entity or another document adopted by the District, the provision that is most protective of the health, safety, the environment and the District's facilities will control. The District Manager is authorized to interpret these Rules in the event of any ambiguity or inconsistency and make a final determination as to the applicable requirements.

1.6 AMENDMENT. The District Board may amend these Rules and Regulations as it deems appropriate and such amendments shall be entered in the Minutes of the District and periodically incorporated in printed copies of these Rules and Regulations. Prior notice of the proposed amendments shall not be required to be provided by the District.

1.7 DEFINITIONS. Unless indicated otherwise, the meaning of terms used herein shall be as follows:

(a) Actual Cost shall mean all direct costs applicable to the construction of a given facility, including surveys, preliminary and design engineering, construction, inspection, administrative, fees, bond fees, easements and/or rights-of-way and other costs necessary for completion or use.

(b) American Water Works Association shall mean the organization that establishes criteria, specifications and materials used in the District and hereinafter referred to as "A.W.W.A."

(c) Applicant shall mean any person who applies to the District for a service connection, disconnection, Water Main extension or other service.

(d) As Built is a final construction record that reflects changes made during construction, recording differences between the original design and completed structure.

(e) Back Flow is commonly construed to mean the reversal of the normal flow of water. It can happen as a result of water pressure differences or sudden changes in pressure and can allow contaminants to get siphoned back into buildings' plumbing systems, and potentially, the public water supply. There are two types of backflow - back pressure backflow and back siphonage backflow.

(f) Back Flow Prevention Device The District reserves the right to require both inside and outside the home Backflow Prevention devices.

(g) Board and Board of Directors shall mean the governing body of the Arabian Acres Metropolitan District.

(h) Commercial Equivalent Unit shall determine the equivalent units for all commercial properties, District utilizes the Commercial Water Meter Sizing Worksheet based on data provided by the Uniform Plumbing Code and the International Plumbing Code.

(i) Connection shall mean the connection of water service lines to District lines for permanent or temporary purposes. Any reference to a “tap” shall be synonymous with “connection” to the District’s system.

(j) Connection Fee(s) shall mean the sum of the fees and charges associated with obtaining water connection from the District to enable a customer to receive service.

(k) Customer shall mean any person or entity authorized to connect to or currently receiving service from the District whether through a temporary connection, permanent connection or hydrant.

(l) Design Standards shall mean the Design and Construction Standards and Specifications for Water Facilities as adopted by the District, amended from time to time, which establish the minimum standards for the design and construction of water distribution collection facilities within the District.

(m) Developer shall mean the person(s), firm, joint venture, partnership or corporation which is the owner or operator of land that seeks to have the land served by the District.

(n) Disconnection of Service shall mean that the water service has been turned-off, whether or not the meter has been removed.

(o) District shall mean the Arabian Acres Metropolitan District or the Board of Directors of the District.

(p) District Engineer shall mean the engineering firm, or its authorized representative, designated by the District to act on its behalf in all engineering and related matters.

(q) District Manager shall mean the Manager of the District, or his duly authorized agent, appointed by the Board to administer the affairs of the District.

(r) EQR shall mean “Equivalent Residential Unit” which is the system demand of an average single-family detached residence or the equivalent; also see item 1.7 (kk) “SFE”

(s) Fire Flow shall mean the District is not required to provide pursuant to the terms of its service plan.

(t) Hydrant Water Usage Policy shall mean those portions of these Rules governing use of hydrants.

(u) Inspection shall mean any site visit required by the District, or requested by the customer, in connection with the installation, repair or replacement of any Tap or facilities. Two inspections are included with the purchase of any Tap, during the pre-occupancy construction period.

(v) Inspector shall mean the person authorized by the District Manager or District Engineer designated to perform inspections pursuant to these Rules

(w) Local Facilities shall mean those facilities designed primarily to provide service within individual platted subdivisions, areas or neighborhoods to which more than one Service Line may be attached. Local Facilities are owned by the District.

(x) Meter Charge shall mean the cost of the meter and meter installation only.

(y) Operator shall mean the person responsible for operating and monitoring all phases of the plant. This position will regulate plant flows to meet demands of the District. Operator will be accountable for adjusting and maintaining chemical feed rates; maintenance operation; housekeeping of treatment processes; and operation, maintenance and housekeeping of pumping and storage facilities, as well as all other District facilities. Basic laboratory skills are required to maintain and confirm proper treatment objectives, including on-line process analyzers.

(z) ORC Operator in Responsible Charge shall mean the person designated by the owner of the water facility and has supervisory responsibility for the operation of the facility and for the operational activities and functions of other facility operators. The ORC of a water facility must hold a valid certificate equal to or greater than the classification of the water facility he or she operates.

(aa) Owner shall mean the record title holder of a parcel of land, platted lot or building.

(bb) Oversize Costs shall mean the difference between the actual costs of a line sized as required by the developer of property and the actual cost of a line required by the District to be enlarged or otherwise upgraded as a condition of service or inclusion.

(cc) Permit shall mean written authorization by the District, signed by an authorized representative, allowing uses of, work on or around, the System which may be subject to various conditions and restrictions.

(dd) Person shall mean any individual, firm, company, association, society, corporation or group.

(ee) Rates, Fees and Charges shall mean the costs of receiving services from the District as periodically established by the Board.

(ff) Regional Facilities shall mean those facilities owned by the District generally serving the District's Service Areas to which one or more Local Facilities may be connected. Regional Facilities include raw water reservoirs, water sources, water wells, treatment facilities, tanks and Water Mains.

(gg) Revocation of Service shall mean that the provision of water service has been eliminated in accordance with Section 3.10 herein, whether or not the meter has been removed.

(hh) Rules and Regulations shall mean these Rules and Regulations of the District, including all amendments and policies as set forth in the District minutes and resolutions.

(ii) Sampling shall mean the periodic collection of water samples for testing.

(jj) Service Area shall mean the service area of the District as generally depicted on the map attached to the Service Plan as Exhibit C, as amended.

(kk) Service Line shall mean the line from the Connection/Tap at the District's Main to the structure including the Curb Stop

(1) That portion of the Service Line from the Connection/Tap at the District's Main to the Curb Stop Valve shall be owned by and the responsibility of the District.

(2) That portion of the Service Line from the structure to the Curb Stop Valve shall be owned by and the responsibility of the property owner.

(3) The Curb Stop Valve shall be owned by the District; and responsibility for the Curb Stop Valve shall be shared on a 50-50 basis between the District and property owner.

(ll) Service Plan shall mean the Service Plan of the District, as approved by the Teller County Board of County Commissioners.

(mm) Turn – Off shall mean the turning off of a property's water service by closing the water valve, by District personnel; however does not necessarily include the removal of the meter.

(nn) "Single Family Equivalent" or "SFE" is a term used to describe the basic unit of measurement which equates the demand of metered connections larger than $\frac{5}{8}$ inches to that of a single family $\frac{5}{8}$ inch metered connection. The following table relates the number of SFE's to the sizes of commonly used water Service Line sizes to the number of SFE basic Units:

Service Line Size	Single Family Equivalent
$\frac{5}{8}$ "	1
$\frac{3}{4}$ "	1
1"	2.5
1 $\frac{1}{2}$ "	5
2"	8
3"	16
4"	25
6"	50
8"	80

(oo) Shall is mandatory; "may" is permissive.

(pp) Tap shall mean the connecting of a Service Line to the Water System.

(qq) Tap Fee shall mean a fee imposed by the District as a condition of connection to the District system. This fee is based upon the total availability of service provided by the District and the District's capital and operational needs. It is not limited to or a reflection of costs incurred in simply making the connection to the Water System. It is based on a ratio of the actual size of the line relative to its SFE as noted in Section 1.7 (nn), herein.

(rr) Tap Permit shall mean written permission of the District authorizing connection to the water system.

(ss) Unauthorized Connection shall mean a connection of the District's Facilities to a private property, for which no tap or connection permit was issued by the District. Unauthorized Connections shall also mean the modification of any portion of a property's plumbing system in a manner not in compliance with these Rules and Regulations, applicable plumbing codes and local regulations. Any tampering with District Facilities, including operation of corporation stops, corporation cocks, valves, removal of locks, etc. shall also be considered an Unauthorized Connection. All unauthorized connections shall be subject to fines, fees and penalties imposed by the District and subject to prosecution to the fullest extent of the law. .

(tt) Water Main shall mean a Regional Facility or Local Facility water pipeline owned by the District carrying potable water only, and which is installed in a public street or easement.

(uu) Water System shall mean all facilities owned by the District for obtaining, transporting, distributing, storing, pumping, treating and measuring water.

SECTION 2 – OWNERSHIP AND OPERATIONS OF FACILITIES

2.1 OWNERSHIP OF WATER. The District shall have sole ownership, dominion and control of all water supplied through the Water System even after its delivery to an Owner. The District retains the sole authority to determine the yield of all water, water rights and augmentation plans, which are offered to the District for any purpose.

2.2 RESPONSIBILITIES OF DISTRICT. The District retains sole responsibility to plan, finance, design and construct or acquire Facilities, water and water rights for use in the Water System. The District will only construct facilities or portions thereof when construction is economically feasible. As a condition of extending or constructing facilities or of providing service, the District may require Owner or Developer to prepay or guarantee future payment of Tap Fees or pay the costs associated with providing the service.

2.3 RESPONSIBILITY OF OWNER FOR CONSTRUCTION OF SERVICE LINES. It is the Owner's responsibility to finance, design and construct all Service Lines. An Owner may be required to finance and construct Local Facilities necessary for service, pursuant to an agreement negotiated with the District. Service Lines and/or Local Facilities shall be constructed in accordance with plans and specifications approved by the District's Engineer, in accordance with construction standards adopted by the District.

2.4 RESPONSIBILITIES FOR MAINTENANCE OF FACILITIES. The District will be responsible for the maintenance, operation and replacement of all Regional and Local Facilities constructed and/or accepted by the District including meters owned by the District. Owner shall be responsible for the maintenance, repair, and replacement of all Service Lines.

Leaks or breaks in the Service Line shall be repaired by the Owner within a reasonable amount of time after discovery, but in no event more than seventy-two (72) hours after the discovery. If satisfactory progress toward repairing a leak has not been made within the time allowed, the Manager, or his designee, shall shut off the service until the leaks or breaks have been repaired. In an emergency, the District shall have the right to affect any repair without notice to the Customer and to charge the Customer for said repairs if, in the District's sole judgment, the health, safety or welfare of the District's Customers is in jeopardy.

The District shall have the right to test, remove, repair or replace water meters. It shall be the duty of each Customer to notify the Manager if a water meter is believed to be defective. Customer requested meter testing shall be billed to the customer as noted in the District's Water Rates & Fees Schedule, as amended from time to time.

In all instances, it is the Customer's responsibility to ensure that access to the Curb Stop Box, corporation cock, and water meter pit is maintained year-round. Such maintenance includes, but is not limited to, keeping pertinent areas free from trees, shrubs and overgrowth, as well as free from snow and ice during the winter months, to facilitate inspection, repair, and reading of meter. Access fees may be imposed by the District.

2.4.1 Encroachment of the District's Easements: No person shall construct any permanent building or similar structure, or place any fill material on one of the District's easements, although such persons may install temporary or removable and replaceable objects, such as yard lights, mail boxes, signs, fences, shrubs, flowers or plants within the easement, if permitted by the District easement. If in the process of exercising one or more of the rights to the use of an easement, the District finds it necessary to remove any of the permitted items placed or planted within the easement, the District shall not be responsible for replacing those items after it has exercised its rights. If an owner or other person seeks to construct a permanent building or other structure on one of the District's easements, the owner or other person shall apply to the District for approval of construction of the encroaching structure. The District's approval, if granted, shall be in the form of an encroachment agreement.

2.4.2 Use of District's Easements: An owner, developer or contractor may request permission from the District to share or use the District's easement for the installation of drains, pipelines, or other facilities. The District's determination to allow an owner, developer or contractor to share or use one of the District's easements shall be made in the sole discretion of the District. Any such approval shall be in the form of a written agreement, setting forth the terms of the agreement specifically including, but not limited to, the terms set forth below:

(a) Any person wishing to install or construct a utility, railroad or other improvement that will cross a District easement or District water line may be required to enter into a Crossing Agreement and pay a Crossing Permit Fee;

(b) The owner, developer, or contractor shall, at all times, have the obligation, enforceable at the demand of the District, to operate, maintain, repair and replace the non-District owned drains, pipelines or other facilities as may be desirable from time to time;

(c) If maintenance or replacement of non-District owned drains, pipelines, or other facilities results in damage to the District's water or facilities, the owner, developer, or contractor shall immediately notify the District of the damage and shall be liable for such damages, and will compensate the District for all repair costs;

(d) The District shall not own or have any obligation to operate, manage, or control the drains, pipelines or other facilities installed by an owner, developer or contractor within the District's easements, except for facilities explicitly accepted by the District for ownership. However, if the physical condition or operation of the District's water facilities is interfered with or endangered, or if there is a risk to the health and safety of the public as a result of the owner's, developer's, or contractor's drain, pipeline or other facilities, the District shall have the right, at the property owner's, developer's, or contractor's expense, to do whatever is reasonable and necessary under the circumstances so that the District's water facilities are no longer endangered, or interfered with, and it may mitigate any risk to the health and safety of the public;

(e) As-built construction drawings for the drains, pipelines, or other facilities installed within the District's easements by an owner, developer, or contractor shall be furnished to the District as required by the District's Design Standards; and

(f) The owner, developer, or contractor shall indemnify and save the District, its officers, directors, agents, attorneys and employees harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense of whatsoever kind or nature, including, but not limited to, interest, court costs and attorney fees that the District, its officers, directors, agents, attorneys, or employees may pay or incur as a result of, or in any way arising out of, the sharing or using of the District's easements. Said indemnification shall extend to claims, demands and liability for injury to persons and property, and for financial losses that occur off the job site as well as on, and for injury and damage to person and property, as well as financial losses occurring after construction and installation of the drains, pipelines, or other facilities within the District's easements by the owner, contractor, or developer.

2.5 LIMITATION OF LIABILITY OF DISTRICT. No claim for damage shall be made against the District by reason of the following: Inadequate treatment, blockage in the system causing loss of service or pressure, breakage of a line by District personnel; interruption of water service and damage resulting therefrom; breaking of any Service Line, pipe, valve or meter by the District; 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, pipes, wells, tanks or other facilities; burst Service Lines and other facilities whether or not owned by the District; damage to water heaters, boilers or other appliances resulting from water shutoff or scaling, turning water on, or from inadequate or sporadic pressures; or for doing anything to the Water System deemed necessary by the District. The District shall have no responsibility for notification to Customers of any of the foregoing conditions; however, the District will make all reasonable attempts to notify any affected Customers in advance of any planned disruptions of service. The District reserves the right to temporarily discontinue service to any customer at any time for any reason deemed necessary by the District.

2.6 RIGHT OF ENTRY. The District Manager (or other Person so designated by the District Manager, 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. The granting of Right of Entry by the Owner and occupant is a condition to the provision of public water service.

2.7 MODIFICATION, WAIVER AND SUSPENSION OF RULES. The Board shall have the authority to waive, suspend or modify these Rules and Regulations at any time, with or without notice. Any waiver, suspension or modification must be in writing, signed by the Board or the District Manager. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver will be deemed a continuing waiver.

SECTION 3 – CONDITIONS OF USE OF UTILITY SYSTEMS

3.1 WHO MAY USE. Potable water services will be furnished subject to the District’s Rules and Regulations and only to property included within the boundaries of the District as defined in Exhibit C to the Service Plan. The District will use its best efforts to provide water in sufficient quantity and of quality for its Customers. The District does not guarantee water quality, quantity or pressure. Limitations and conditions may be imposed by the District with respect to the use of the Water System, new Connections and the use of water when necessary for the health, safety and welfare of the District’s citizens.

After a completed application has been submitted to the District for a commitment to serve a property with water service, the District will grant a “will serve” letter upon a finding of compliance with the District’s Rules and Regulations, the Service Plan and payment of all applicable fees and charges in accordance with the then current Fee Schedule.

3.2 CONNECTION REQUIRED. All improvements requiring water service shall use the Water System as the sole source of water, except for those properties on private wells exempted by the District in Arabian Acres, Trout Haven, and other unplatted tract properties, pursuant to the Service Plan and/or as allowed by the State of Colorado, Water Resources Department.

3.3 APPLICATION FOR SERVICE. An application for service must be filed with the District thirty (30) days prior to the requested connection date on forms provided by the District pursuant to these Rules and Regulations. No Tap Permit or authorization shall be valid for more than 365 days from the date of issuance unless the Owner pays the minimum service charge per month. In a format acceptable to the District, a diagram of the water meter location and arrangement, the location of the remote reading device, a diagram of the Property Shut-Off Valve location and a site plan or improvement plan shall accompany the application.

3.4 INCLUSIONS OF PROPERTY INTO THE DISTRICT’S SERVICE AREA. The Service Plan contains provisions concerning the inclusion of property into the District, service to new customers and extraterritorial service by contract.

Real property included within the boundaries of the District shall be subject to all the Rules and Regulations and policies of the District as they exist at the time of inclusion and as thereafter or amended.

Service will be furnished only to property included within the District’s boundaries as determined by its decreed service area. Requests for inclusion shall be made pursuant to § 32-1-401, et seq., C.R.S. The Petition shall be accompanied by payment of estimated engineering costs, legal fees and costs associated with the inclusion and amending the Service Plan. All costs incurred by the District for the inclusion and/or Service Plan amendment process are the responsibility of the Applicant, whether or not successfully included. The Board reserves the right to impose additional terms and conditions it deems reasonable and in the best interests of the District. An Owner who desires inclusion must include all of its land serviceable by the Water System contiguous to the parcel on which service is desired into the District in one request.

3.5 SERVICE OUTSIDE THE DISTRICT. Service outside of the District’s boundaries is not contemplated due to the service area decreed by the Water Court and Service Plan limitations. However, any service provided to property outside of the District boundaries shall be subject to these Rules and Regulations and any other agreements and conditions the Board believes necessary for the best interest of

the District. Charges for furnishing service shall be the responsibility of the Owner at the discretion of the Board of Directors.

3.6 DENIAL OF APPLICATIONS. The District reserves the right to deny an application or service at the Board's discretion.

3.7 MOVED OR DESTROYED BUILDINGS. When buildings are moved or destroyed, the original tap authorization shall terminate and no credit shall be authorized for Tap Fees paid. The Service Line shall be capped immediately upon or prior to disconnection for the structure and the meter removed. This section shall not apply to residences destroyed by fire and re-built within three years of the date of the fire.

3.8 CHANGE IN CUSTOMER'S EQUIPMENT, SERVICE OR USE OF PROPERTY. No change in the Customer's equipment, service or use of property served shall be made without the prior notification of and approval of the District. Any change that, in the opinion of the District, will increase the burden placed on the Water System requires a re-evaluation of the Tap Fee. A Tap Fee previously paid with respect to the property in question shall be credited against the re-determined Tap Fee. The District may also require physical changes in the facilities through which service connects to the property as a result of the Customer's proposed change of use. Any violation of these requirements shall be deemed an unauthorized connection.

3.9 UNAUTHORIZED CONNECTIONS AND FEES. Any unapproved taps, unapproved use of the Water System or District Water, enlargement, or change in use shall be deemed an unauthorized connection. Upon the discovery of any unauthorized connection, or if the District believes a Customer has changed the equipment, service or use of the property, the District shall send written notice to the Customer stating that an unauthorized connection has been made to District facilities and the District's intent to assess additional fees, unauthorized connection fees or other charges or discontinue service. The Customer shall have ten (10) days from the date of the notice to pay the Tap Fee specified in the notice or to otherwise respond. To defer the collection of fees, and as a prerequisite to the right to hearing described in Section 7 of these Rules and Regulations, the response must include permission to inspect the property as the Board deems necessary to establish the nature of equipment, service and use of the property. Failure to respond as required shall be deemed an admission to the unauthorized connection and an unauthorized connection fee, in accordance with the District's Schedule of Fees and Charges, as may be amended from time to time, or other charges shall be assessed against the property.

3.10 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:

- (a) The reason for the revocation;
- (b) 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
- (c) That there exists an opportunity for a hearing in accordance with Section 7 of 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.

3.11 REVOCATION OF TAP RIGHTS. The right to connect to the District's Water System and receive services may be revoked by the District for non-payment of any District fees that remain unpaid for a period of ninety (90) days, whether or not the Customer has actually connected to the District's system; such revocation shall include the removal of the meter. Revocation shall be conducted in accordance with these Rules and Regulations. If the right to connect to the Water System is revoked, the Customer may re-acquire Tap rights only by reapplying for service after paying all fees due and owing the District and the then-current Tap Fee charged by the District under these Rules and Regulations.

3.12 TURN-ON/TURN-OFFS OF SERVICE. No Owner may operate the District valve to turn on or off their water service. The District shall assess a charge as provided in the District's currently adopted Fee Schedule for each turn-on and turn-off performed. The District will provide this service without charge for a Tap for new construction, up to two times prior to the occupancy of the building served. All requests for a turn-on or turn-off of District service shall be made a minimum of twenty-four (24) hours in advance, during regular business hours. Violation of this section and/or failure to pay the fee shall result in the assessment against the property served of a penalty in addition to the Turn-On/Turn-Off Fee, and in addition to the penalties provided for unauthorized tampering with the District's system.

3.13 FAILURE TO CONNECT. The Customer's right to connect to the Water System evidenced by a Tap Permit shall terminate and any Tap Fee paid shall be forfeited if the Tap is not connected to the District's facilities within one year of acceptance of the Tap Application and payment of the Tap Fee unless (1) the property owner begins to pay and continues to pay all applicable monthly fees and charges as set forth in the AAMD Schedule of Fees & Charges imposed for that Tap for each and every month, commencing with the payment of the Tap Fee, and (2) the property owner pays the Turn-On/Turn-Off Fee.

3.14 UNAUTHORIZED TAMPERING WITH SYSTEMS.

3.14.1 No unauthorized Person shall uncover, use, alter, disturb or make any connection with or opening into, use, alter or disturb the Water System without first obtaining a written permit from the District. Unauthorized uses of the Water System include, but are not limited to, an unauthorized turn-on or turn-off of potable water or tampering with or in any way modifying any meter, even though the same may be performed on a privately owned and maintained Service Line. No Person shall maliciously, willfully, or negligently, break, damage, destroy, uncover, deface or tamper with any portion of the Water System.

3.14.2 Any Person violating any of the provisions of these Rules and Regulations shall become liable to the District for any expense, loss or damage occasioned by reason of such violation, and upon non-payment thereof at the demand of the Manager, shall be assessed a penalty in an amount set forth in the District's fee schedule, which penalty shall be a lien upon the violator's property, as allowed by Section 32-1-1001, C.R.S.

3.15 WATER SYSTEM AUTHORIZED USES. The District's Water System has been planned and constructed to provide potable water for conventional domestic and commercial uses. The water rights owned by the District have specific limitations regarding beneficial use pursuant to Water Court Decrees.

(a) Irrigation and/or outdoor use of District water is strictly prohibited. All customers must abide by the constraints of the Water Court Decrees in Case Nos. 94CW281 and 94CW238. Livestock and pet watering is allowed on a limited basis. Each Customer must confer with the District prior to commencing any outdoor livestock or pet watering.

(b) Persons wanting to use the Water System for high-demand commercial water supply, which could require large quantities of water or unusual demand patterns, shall submit demand projections before a Permit will be issued. Any Permit may contain use limitations.

(c) No Taps will be permitted or made during non-business hours without specific, written approval of the District Manager.

(d) Cisterns:

(1) Properties authorized to use private wells within the District's boundaries and not connected to the District's water system may utilize private cisterns.

(2) Properties connected to the District's water system may use portable tanks/cisterns filled with water from the District's water system or from another source. The cistern cannot be connected to the building's plumbing in any way.

(3) Properties connected to the District's water system must receive prior approval of the District before connecting a cistern to the building's plumbing. Prior to the District granting approval of any cistern installation and use, the District must receive a letter from a licensed plumber in the State of Colorado, certifying the installation does not create a Cross-Connection or Backflow situation. Failure to obtain District approval prior to installation of a cistern shall be considered an Unauthorized Connection subject to applicable fees, fines and penalties imposed by the District and may be grounds for the District to turn off service, remove the meter, and terminate the Tap, for the health, safety and welfare of the District's Customers. If a cistern is approved for connection to the building's plumbing, the Owner shall submit a Backflow Prevention Device test report to the District manager on or before December 31st of each year thereafter. The BFP test shall be performed by an individual licensed to perform such testing in the State of Colorado.

3.15.1 Cross-Connection/Dual Supply. Cross-connections are prohibited. A cross-connection is defined as any physical arrangement whereby the District's water supply is connected, directly or indirectly, with any potable, non-potable or unapproved water supply system, sewer drain, well, conduit, pool, reservoir, plumbing fixture, drain or other device.

3.15.2 Fire Protection Sprinkler systems. If a fire protection water sprinkler system is to be used, a plan of the system shall accompany the application and shall be subject to the approval of the District. The District reserves the right to have the plan reviewed by a state Registered Professional Engineer to assess possible impacts to the District's ability to maintain service at acceptable levels. The Customer shall be responsible for the review costs as noted in the District's currently adopted Fee Schedule. All fire sprinkler systems shall meet NFPA requirements and additionally shall meet the requirements of all the applicable fire protection district, county building and fire protection codes.

3.15.3 BACK FLOW PREVENTION. All outside the home water connections, including but not necessarily limited to, devices such as a garden hose faucets / hose-bibs, etc. shall be of a design

which includes a vacuum breaker; and is compliant with all applicable Teller County and State of Colorado Plumbing Codes and also consistent with the standards set forth by the American Backflow Prevention Association and the American Water Works Association. The District reserves the right to require both inside and outside the home Backflow Prevention devices for all new service requests.

3.16 ENFORCEMENT. Any person who intentionally or negligently violates any provisions of these Rules and Regulations or conditions set forth in 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.

SECTION 4 – CONSTRUCTION OF FACILITIES

4.1 GENERAL POLICY. New service will be furnished only after the following conditions are satisfied:

(a) Regional Facilities needed to serve the area/Customer have been provided by the Board, as outlined below;

(b) All Local Facilities needed to serve the area/Customer are in place pursuant to a design and construction approved by the District's Engineer;

(c) All Permits have been approved and all required Tap Fees paid; and

(d) The Service Lines have been installed in accordance with District standards and have been approved by the Manager.

4.2 REGIONAL FACILITIES. Subject to the availability of funds, a determination of economic feasibility by the Board, and a determination by the Board that the best interest of the District are thereby served, the District will construct, on such terms and conditions it deems appropriate, the facilities as contemplated in the District's Service Plan. All Regional Facilities within the District shall be owned by the District, including those to which there may be a right to refund or reimbursement.

4.3 LOCAL FACILITIES

4.3.1 Ownership. Developers or Owners who have completed construction of Local Facilities shall, before these facilities are approved by the District for preliminary acceptance, deed lines and appurtenances to the District, free and clear of all liens and encumbrances, furnish a bond, in a form and amount previously approved by the District, to cover all maintenance for one year from the date of acceptance, and a summary of the actual original cost of all facilities, complete with verified invoices. At the end of the one-year maintenance period, the District, upon application of the Developer or Owner, shall conduct a final inspection and when all warranty items are completed to the satisfaction of the District Manager, the District shall accept the lines for ownership, operation and maintenance.

4.3.2 Pipeline Sizing. Water distribution pipelines shall be sized adequately to serve the development tract for which they are designed as determined by the District. Where the distribution lines also have a transmission function serving areas outside of the lot or tract, as determined by the District's Engineer, or when the lines require upgrading pursuant to the provisions of the Service Plan for fire flows or other purposes, the District may require that the lines be oversized or upgraded. In such case, the District will enter into an agreement to collect reimbursements for the extra cost of oversizing or upgrading from Applicants who will benefit from the existence of the oversized line.

4.3.3 Preliminary Design Procedures. Water distribution may be accomplished by the District or by an Engineer registered in Colorado, at the Developer's option and expense. All preliminary plans and final designs must be prepared by or reviewed by the District's Engineer and approved by the Board. In any case, the District Engineer or Inspector shall perform prescribed inspection services.

Any Developer desiring to have water service extended shall fill out a Water Main extension application available in the District's office. After preliminary review, the Developer may proceed with final design. Normally, during the preliminary review phase the pipeline sizing will be reviewed and oversize/upgrade requirements will be established.

4.3.4 Easements/Rights-of-Way. All Regional and Local Facilities must be installed in trenches containing no other conduits and in easements and rights-of-way conveyed to the District. The location and depth of such installations shall be as determined by the District's Engineer. The topography and alignment of such rights-of-way shall be suitable for the installation as determined by the District's Engineer.

4.3.5 Final Design. The extension application and final design documents will be furnished to the District Engineer for review.

The submittal shall include construction drawings, specifications and other contract documents. The documents shall be prepared by a registered engineer. In all cases, the contract documents must be reviewed and approved by the District. Plan and profile drawings shall be on a horizontal scale 1" = 50' (other scales may be accepted, as determined by the District Engineer). All elevations must be USGS datum. Where practical, elevations of existing District facilities shall be field verified in the final design. Designs and specifications must include the provisions included as Appendix B with other detailed provisions as required by good engineering practice, all subject to the Board's approval.

Designs shall be submitted for review at least thirty (30) days before approval is expected. Plans, specifications and easements submitted for Board approval must be complete and meet with the approval of the District Engineer. Design approvals are valid for 12 months from the date of Board approval unless otherwise specifically noted in the approval. If construction is not substantially complete by that

time, resubmittal of the plans may be required and new construction may not be initiated without the District Manager's written approval.

4.3.6 Construction Phase. After all approvals have been granted, the Developer must have the extensions constructed in strict accordance with the approved design and inspected by the District's Engineer or Inspector.

4.3.7 As-Built Drawings. Accurate "as-built" drawings (sealed by the design engineer) showing adequate ties to physical facilities must be provided at the completion of work. The District and its Engineer shall be provided with a reproducible set of "as-built" drawings. As-built drawings shall conform to the "Typical As-Built Information" in Appendix B.

4.3.8 Maintenance. The District operates and maintains all potable Water Mains within the District which have been completed; have final acceptance and are dedicated to the District.

4.4 PERMITS REQUIRED. The right to take and use water distributed through the facilities of the District or from District ponds shall exist only under Permit. No physical connection may be made or modified for any purpose unless a Permit has been obtained authorizing the use for which such a connection is to be made. Notwithstanding the issuance of such a Permit, the District reserves the full power and authority to determine all matters in connection with the control and use of water from the Water System.

4.4.1 Transfer of Permits. Permits are granted for property and cannot be transferred or conveyed for use on another property. They are not affected by changes in the ownership of the premises and are usable only in accordance with the terms of the Permit.

4.5 PERMIT ISSUANCE. A Permit to take and use water from the Water System may only be issued under the following conditions:

4.5.1 Application. The Applicant or his agent shall submit to the District Manager a completed, signed application for service on a form supplied by the District similar to the form attached hereto as Appendix C.

4.5.2 Payment of Fees. Payment of all District fees as set forth in the District's currently adopted Fee Schedule shall be made before a Permit is given.

4.6 FIRE PROTECTION SERVICE. The District accepts no responsibility and makes no representations concerning the adequacy of its water supply, service or facilities for the purposes of fighting fires or for use of automatic fire suppression systems

4.7 INITIATION AND CONTROL OF SERVICE

4.7.1 Initiation of Service. The property owner shall schedule a mutually agreeable time for tapping of the Water Main, inspection of the Service Line installation, and water turn on with the District Manager, providing at least two business days prior notice. The actual connection to the Water Main shall be performed exclusively by or under the supervision of the District Manager as part of the Tap Fee paid by the Customer. In no event shall service be provided prior to the final inspection and approval of the connection or without a temporary approved meter being installed by the Owner and inspected by the District Manager. No connection shall be covered until inspected and approved. The Owner shall be solely responsible to adequately prepare for any initiation of service. If the Owner fails to excavate and

execute the Tap at the scheduled time and date, or fails to properly initiate the service, the Owner shall pay to the District an hourly charge per the District Fee Schedule for time spent by the District Manager. The District shall bear no responsibility for any damage or injuries resulting from initiation of service.

4.8 SERVICE LINES AND CONNECTIONS.

4.8.1 Design-Construction. Services shall not be used until inspected and approved by the District Manager. Cost for this inspection service is included in the Fee Schedule.

4.8.2 Pressure Regulating Valves. All Service Lines shall be equipped with a line-pressure regulating valve, except in areas specifically exempted by the District. Pressure regulating valves shall be upstream of all uses. The pressure regulating valve shall be set for a downstream pressure not exceeding 60 psi. A water pressure relief valve shall be installed on the plumbing of every Customer.

4.8.3 Service Lines. Each commercial structure shall pay for a commercial water tap and shall be connected to a separate Service Line. Each residential structure shall pay for a residential Tap and shall be connected to a separate Service Line. Any variance from this requirement must be authorized in writing by the Board of Directors of the District.

SECTION 5 – WATER MAIN EXTENSIONS

5.1 COMPLIANCE WITH RULES AND REGULATIONS. Water Main extensions shall comply with these Rules and Regulations and the District’s specifications for water line construction.

5.2 WATER MAIN EXTENSIONS BY THE DISTRICT. The District has the right to construct all Water Mains within the District. Developers who desire to construct such Water Main prior to the date planned by the District may do so as provided in Section 5.4.

5.3 PROCEDURE FOR WATER MAIN EXTENSION BY THE DISTRICT. The District shall have no obligation to extend any Water Main at any time. The District may construct any Water Main if the Board deems it in the best interest of the District to do so.

5.4 PROCEDURE FOR WATER MAIN EXTENSION BY DEVELOPERS. In the event an owner or developer wishes to construct or extend a Water Main prior to any planned construction by the District, the District may permit an applicant to construct Water Main within the District, to District specifications and requirements, at the sole expense of the Applicant. Permission shall be granted upon such conditions as the Board may determine in its sole discretion.

5.4.1 Application for Approval. Any Applicant desiring to construct a Water Main within the District shall make formal application to the Board for approval. The application shall be in writing and contain a legal description of the property to be served by the Water Main, plans and locations for such extension, and any other information required by the District in its discretion.

5.4.2 Costs.

(a) Deposits with the District. Prior to the execution of the Water Main extension agreement, the Applicant shall deposit with the District an amount determined by the District as sufficient to compensate the District for engineering fees, legal fees, and other costs anticipated to be incurred by the District as a result of the application for and construction of the Water Main. The District may also

require a deposit, bond, or letter of credit from the Applicant to assure the District that the proposed Water Main extension will be completed.

(b) Supervisory Fees. All Water Main extension and construction within the District shall be made under the supervision of the District Manager, at the sole expense of the Applicant.

5.4.3 Over-Sizing of Water Mains. The Applicant shall be responsible for over-sizing Water Main extensions as required by the District. The size of the Water Main required to serve any area served by the District shall be determined by the District.

5.4.4 Acceptance of Completed Lines.

(a) One Year Warranty. Each Applicant shall provide the District with a one year warranty from acceptance of the line by the District, during which the contractor hired by the Applicant shall promptly, and without cost to the District, correct any defective work. All Water Mains constructed shall be accepted by the District upon proper completion of construction, subject to the one year warranty period. All inspection fees required by any governmental authority, including the District, incurred during the warranty period shall be the obligation of the Applicant.

(b) Documentation Required. Prior to the acceptance of the Water Mains by the District, the Applicant shall provide to the District a statement of the certified costs of reproducible and complete as-built drawings, a bill of sale conveying the Water Mains and all appurtenances, free and clear of all liens and encumbrances to the District. The contractor may be required to furnish to the District a surety bond or other acceptable guarantee, insurance policy, or other collateral which shall guarantee performance of the contractor's one year warranty from the date of acceptance of the Water Mains by the District.

5.4.5 Cost Recovery. In the event the Owner/Developer is required by the District to extend Water Mains or construct Regional or Local Facilities as a condition of service, the District will enter into a cost recovery agreement under which the Owner/Developer may obtain reimbursement from other Properties that receive a benefit. The terms and conditions of cost recovery will be determined by the District. The costs recovered may be less than the costs incurred.

5.5 LOCATIONS OF WATER MAIN EXTENSIONS. The District shall maintain sole discretion and control over the location of any Water Main extensions. Water Mains shall be installed in road or street rights-of-way, as well as in easements granted to or acquired by the District. Each Applicant who desires service shall acquire and grant to the District appropriate and necessary rights-of-way and easements in which will be construction of such facilities.

5.6 WATER SYSTEM – ACCEPTANCE AND RELEASE FOR TAPS. A Water Main shall be preliminarily accepted by the District and released for tapping when the following conditions have been met.

(a) The Water Main and all appurtenances have been installed to the satisfaction of the District Engineer;

(b) All as-built notes and measurements have been made and supplied to the District in an acceptable Auto Cad format and are approved by the District;

- (c) The Water Main has been properly chlorinated prior to hydrostatic pressure testing;
- (d) The Water Main has been successfully pressure tested to the requirements of the District. Hydrostatic pressure testing is mandatory;
- (e) The local health authority has supplied the District satisfactory bacteriological test results;
- (f) All compaction test results required by the District have been submitted and approved;
- (g) All easements have been granted and approved by the Board;
- (h) The Owner/Developer has submitted a letter to the District Engineer documenting the installation costs for the project;
- (i) For Water Mains constructed outside of the public right-of-way, drawings shall be submitted indicating the “as constructed” location of water Mains within the boundaries of recorded easements. These drawings must be certified by a registered land surveyor; and
- (j) The District’s Conveyance and Acceptance Form for preliminary acceptance have been dated and signed by the District.

Until these matters are accomplished, no rebates or participation or approval for other projects will be granted.

SECTION 6 – RATES AND CHARGES

6.1 GENERAL. The District is authorized by Section 32-1-1001 of the Colorado Revised Statutes to assess fees, rates, tolls and charges for the facilities and services that it provides.

6.2 SERVICE CHARGES. The District’s currently adopted Fee Schedule sets forth the current rates, fees, charges, and penalties for services provided by the District. The Fee Schedule may be modified and any of the fees, rates, charges, or penalties imposed by the District may be increased or decreased at any time by action of the District’s Board of Directors in accordance with the notice and hearing requirements contained in Section 32-1-1001(2)(a) of the Colorado Revised Statutes.

6.3 TAP FEES. Tap Fees shall be charged to all Customers of the District for a permit to connect to the System. Such fees are privilege-of-service fees, which shall be assessed and paid before the Permit for service is issued. Except as described below, specific to Transfers of Tap Fees, all other Tap Fees shall be assessed as provided for in the District’s currently adopted Fee Schedule. Payment of a Tap Fee, regardless of tap size, based upon an EQR is not a guarantee of the availability of any particular quantity of water.

6.4 TRANSFER OF TAP FEES.

6.4.1 Transfer Requirements. No Tap Fee paid on behalf of one property, or any portion thereof, may be transferred to any other property without written approval from the District’s Board of Directors.

6.4.2 Transfer Fee. In the event a transfer is approved by the Board of Directors, the Owner 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.

6.5 INSPECTION FEES. Inspection Fees are set administratively by the District Manager and may vary from time-to-time.

6.6 MULTIPLE INSPECTIONS. For new installations, if multiple inspections are required because of poor installation or poor scheduling on the part of the Owner, additional inspection fees may shall be required of the Owner for each such additional inspection. For inspections requested by existing customers, the customer shall pay for all such inspections; however the first one half-hour per calendar year shall be at no charge.

6.7 ADJUSTMENT OF SERVICE CHARGES. In those situations where the fees and charges shown in the District's currently adopted Fee Schedule do not represent a fair, reasonable and equitable charge for the intended use, the Board, in its sole discretion, may adjust the fees and charges for the special circumstances. However, the District Manager is duly authorized to adjust bills due to meter inconsistencies, and to also waive late fees for special circumstances.

6.8 PAYMENT OF FEES AND SERVICE CHARGES.

6.8.1 Billing. It is the policy of the District to bill all monthly service charges in arrears. The District shall have the right to issue only one (1) bill for a multi-unit structure served from a single approved Service Line that is not separately metered.

6.8.2 Due Date. The Customer shall pay to the District by the fifteenth (15th) day of each month 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 to the District of the presumed error and request a clarification from the Manager. Upon review by the Manager and re-submittal and/or revision of the statement, payment shall be due no later than fifteen (15) days from the date of the resubmitted statement.

6.8.3 Penalty for Late Payments. At any time the customer is five (5) days tardy in payment of any fees or charges due the District, the District shall assess late fees, penalties and interest at the maximum rate allowed by Colorado statute, as identified in the District's currently adopted Fee Schedule. 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.

6.8.4 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 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, as shown on the District's currently adopted Fee Schedule.

6.8.5 Fees For Foreclosure Proceedings/Real Property Liens. 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

Section 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, charges and assessments against the subject property shall be a precondition to either resumption of service or issuance of a Tap Permit.

6.9 DISCONNECTING SERVICE. Should the District determine that disconnection, or turning off of service, is necessary because of an unauthorized connection, or a failure to pay fees and charges, all unauthorized connection penalties, and any other outstanding fees or charges, a reconnection fee and all costs associated with such disconnection and reconnection must be paid prior to the District re-connecting service.

6.10 CONSTRUCTION WATER CHARGE. Any person who desires to have (on-site) water service available for construction use prior to meter installation shall pay the Construction Water Fee as well as the full Tap Fee. Further, they shall have a temporary meter installed, and inspected and approved by the District pursuant to these Rules and Regulations, prior to use of the water.

6.10.1 For all construction water accounts, a separate inspection and inspection fee will be required.

SECTION 7 – HEARING AND APPEAL PROCEDURES

7.1 APPLICATION. The hearing and appeal procedures established by this Section shall not apply to the following complaints:

- (a) Complaints arising out of the interpretation of the terms of District contracts;
- (b) Complaints that arise with regard to personnel matters; and
- (c) Any other complaint that does not concern the interpretation, application or enforcement of the Rules and Regulations.

7.2 INITIAL COMPLAINT – RESOLUTION. Complaints must be presented in writing to the 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 fifteen (15) days of receipt of the complaint.

7.3 HEARINGS BEFORE THE BOARD. In the event the Customer disagrees with the determination of the 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 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.

7.4 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 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.

7.5 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 successful.

SECTION 8 – MISCELLANEOUS

8.1 CONSTRUCTION WITHIN EASEMENTS.

8.1.1 Prohibition. No structure or facility of any type including trees, woody shrubs or landscaping features shall be constructed within, under or over, or which encroaches on any easement, right-of-way or dedication granted to the District, or public easements, rights-of-way or dedications that benefit the District, without the express written consent of the District. No billboard, sign, notice or advertisement, whether of a permanent or temporary nature, shall be constructed or posted within any easement, right-of-way, roadway or other property belonging to the District.

8.2 VARIANCES. Upon written application, the Board may in its sole discretion, grant written variances to allow construction within, under or over, or which encroach on District easements. All variances must be signed by the Owner to be benefited and shall specify that the Owner will indemnify and hold the District harmless from any damage to the Owner's structure or facilities, or any landscaping, located within District easements which may occur as a result of the District's exercise of its easement rights. The variance shall be recorded with the Clerk and Recorder of Teller County and will constitute covenants that run with the land.

8.2.1 Removal of Unauthorized Structures. The District may remove any unauthorized structure, facilities or landscaping located within any district easement, which is inconsistent with the District's use of such easement. The District shall not be responsible for repair or replacement of unauthorized structures, facilities, or landscaping required as a result of the District's exercise of its easement rights.

8.2.2 Private Use of Easements: Except where the language of an easement so provides, private use of District easement is prohibited.

8.3 SERVICE THROUGH HYDRANTS: This section applies to the hydrants owned by the District, and any future hydrants the District may choose to install or obtain for its own purposes. These hydrants shall be for the sole use and enjoyment of the District. Currently, the District's Water Court Decrees prohibit the sale of water outside of the District's boundaries.

SECTION 9 – GENERAL PROVISIONS

9.1 SEVERABILITY. If any provision of these Rules and Regulations, or its application to any person or circumstances is held invalid, the application of such provision to other persons or circumstances, and the remainder of these Rules and Regulations shall not be affected thereby.

9.2 MODIFICATION, WAIVER AND SUSPENSION OF RULES. The Board shall have the sole authority to waive, suspend or modify the application of these Rules and Regulations. Any such waiver, suspension or modification must be in writing, signed by the Board or the Manager and shall not be deemed an amendment of the Rules and Regulations.

APPENDIX A

ARABIAN ACRES METROPOLITAN DISTRICT SERVICE LINE STANDARDS

A-1 GENERAL: The sizing of service lines shall be the responsibility of the Applicant. When requested by the District, the Applicant shall, at his expense, furnish data, plans, calculations or other information as required for the evaluation of the service size.

A-1.1 Point of Connection: Service lines shall connect to the Water System in a dedicated easement or public right-of-way where the District has a right of access and which is suitable for the buried pipe.

A-1.2. The Customer, for a service connection, shall notify the District 48 business hours prior to when the Service Line is ready for connection to the District's Water Main. The connection to the Water Main shall not be made until after the District's inspection and approval. Authorized personnel of the District shall make the actual connection to the Water Main.

A-1.3. Where parallel or approximately parallel to a structural wall, the Service Line shall be a minimum of 5' from the wall. Penetrations through structures shall be at approximately right angles and shall provide flexibility such that the Service Line will not be damaged by settlement of the backfill or the structures.

A-1.4. All Service Lines shall be constructed in accordance with applicable Building and Plumbing Codes, and the standards contained in this Appendix. The Appendix details are provided for standardization purposes only, and represent minimum design standards that may require upgrading for specific applications at the discretion of the District

A-2 POTABLE WATER SERVICES

A-2.1 Sizing. Sizing for potable water services shall be made in general conformance with A.W.W.A. Manual M11, "Sizing Water Service Lines and Meters."

A-2.2 Location. The Facilities and Service Lines shall be laid at uniform grade and in straight alignment so as to have a minimum cover of 7 feet from final finish grade.

A-2.3 Meter. For buildings occupied prior to 1/1/2014, the meter shall be located at an easily accessible location inside a building, with freeze protection where necessary, on the premises to be served, provided that there will be no possibility for water to be taken from the service line without passing through the meter. A remote reading device shall be installed in an accessible and clear location on the front or driveway side of the structure, 30" above finished grade. All installations after 1/1/2014 shall require that the meter be installed at the property line in an below grade, freeze protected, box/pit, easily accessible and in a clear location on the front or driveway side of the structure, 30" above finished grade.

A-2.4 Cross Connections. Cross connections of any type that permit a backflow condition from any source other than the District's water Mains are prohibited. The District will not

provide service to any Customer unless the water supply is protected from potential or actual cross connections as required by State and district regulations.

A-2.5 Pressure Regulation. All Service Lines shall be equipped with a pressure-reducing valve (PRV), except where specifically exempted by the District. See Section A-2.9 below. The PRV shall be upstream of all uses. The PRV shall be set for a downstream pressure not to exceed 80 psig.

A-2.6 Water Service Line Materials.

Water Service Pipeline: The water service pipeline shall be Type K, soft copper. Fittings shall be brass or copper alloy. Connections shall be with District supplied fittings and no soldered joints shall be permitted underground.

Curb Stops: The District shall supply curb stops.

Curb Stop Valve Boxes: The District shall supply curb stop valve boxes. Curb stop valve boxes shall be installed immediately inside the Owners property line in an easily accessible location at the required depth. The standpipe shall be installed at (flush) or slightly above finish grade. All curb stop valve boxes shall be marked with a District supplied 5' blue 'T' post beside the stop box.

Customer Operable Valve: A Customer operable valve must be installed inside the building foundation somewhere between the service line entrance to the structure and the PRV and Meter of the structure serviced.

Service Saddles: Service saddles shall be furnished by the District or approved by the District.

A-2.7 Meters. Shall be provided by the District. The District will maintain or replace the water meter and remote reader at its sole discretion.

Meters: All meters shall be of a type supplied by the District.

A-2.8 Excavation, Bedding and Backfill. All excavations for water service installations shall be adequately guarded with barricades and lights to protect the public from hazard in conformance with Teller County Department of Transportation Regulations. Roadways, sidewalks and other public or private property disturbed in the course of work shall be restored as close as practicable to its original condition in a manner satisfactory to the property owner affected by such excavations.

The pipelines shall be bedded and backfilled in accordance with all applicable codes, rules, and regulations.

All excavations required for the installation of water service shall be open-trench work unless otherwise approved by the District. All excavations shall be made in accordance with all applicable OSHA standards and Teller County Department of Transportation Regulations.

A-2.9 Pressure-Boosting Applications. All properties in the vicinity of the Water Storage Tank will need a pressure-boosting system. The purchase, installation, and maintenance of the pressure-boosting system will be the responsibility of the Owner. Pressure-boosting systems must have a low-pressure safety cut off switch on the incoming line. The general areas for pressure-boosting systems are upper Donzi Trail and all of Sildonna Trail in Arabian Acres. Upper Pawutsy Road and upper Kutsu

Ridge Road in Trout Haven are also areas for pressure-boosting systems. The Owner must contact the District for precise locations that will require a pressure-boosting system. The pressure-boosting system design is subject to approval by the District, prior to installation.

APPENDIX B

ARABIAN ACRES METROPOLITAN DISTRICT LOCAL DISTRIBUTION/COLLECTION SYSTEM STANDARDS

B-1 GENERAL. Local Facilities are considered to be engineered improvements designed for specific applications. All designs, drawings, and specifications submitted to the District must be certified by a registered engineer prepared by, or under the direction of an engineer registered in Colorado (the “Engineer of Record”), who’s seal must be on a record set of documents.

The standard details and specifications contained herein are minimum design standards of the District. The Engineer of Record must also design in accordance with the minimum standards of other regulatory agencies. Review and approval of Local Facilities designs by the District shall not relieve the Engineer of Record from responsibility for adequate design.

B-2 DRAWINGS. All design drawings shall be in an acceptable format and to scale approved by the District.

Prior to the construction or installation of any Local Facilities or Service Lines, the Developer/Owner shall submit design documents to the District for review and approval. Each construction drawing set shall have an “approval block” affixed thereto which provides for the signatures of the District’s Engineer and the Fire Protection District, if applicable.

The Developer/Owner shall also provide a complete set of record drawings for the Facilities and the record drawings shall show adequate dimensioned ties to surface features for all buried facilities to allow for future locating.

B-3 REQUIRED EASEMENTS. The Developer/Owner shall be responsible for obtaining any easements required for the construction, maintenance, and operation of the facilities located outside of existing easements or public rights-of-way. A Registered land Surveyor in the State of Colorado shall prepare the legal description for the easements. The District’s standard easement form shall be used. Easements shall be shown on the construction drawings. The District will not approve construction plans and authorize commencement of construction until all required easements have been conveyed to the District and accepted by the District.

In general, easements shall be exclusive with a minimum width of 24 feet. Temporary construction easements shall have a minimum width of 30 feet (beyond the width of the permanent easement). Wider easements may be required for deep sections of pipeline, multiple lines, or where otherwise required by the District.

B-4 POTABLE WATER DISTRIBUTION SYSTEMS

B-4.1 Design/Sizing. Water Mains shall be designed to meet maximum hourly demand with pressures not less than 40 psi at any point in the distribution system.

The normal minimum size Water Main shall be eight inches (8”) or six inches (6”) for short looped lines in single-family residential areas. The district may approve smaller Water Mains, for dead-end Mains without fire hydrants or without the possibility of future tie-ins with other Mains.

Water Main sizing and connections shall be reviewed with the District Engineer prior to final detailing and drafting. The systems shall be designed to maximize interconnections and strengthening of the District's Water System. Where certain lines may also have a transmission function, the District may require that such Mains be oversized.

Water Mains and Service Lines shall have a minimum cover of seven feet. Water Mains and Service Lines shall not be placed deeper than ten feet without approval by the District.

A five-foot minimum horizontal separation is required between the District's facilities and any other utility lines. When located in public roadways, Water Mains shall be located approximately eleven feet north of, or east of, and parallel to, the roadway centerline. Whenever a crossing will occur within ten feet horizontally of a Water Main, and where the Water Main is not at least 18" vertically clear from the crossing utility line, special construction may be required pursuant to the District Engineer's specification.

B-4.2 Pipe. All Water Mains shall be C-900 PVC pipe. Pipe joints shall be push-on type or mechanical joints in accordance with ANSI A21.11.

Buried Valves: Valves 12" and smaller shall be non-rising stem, bronze mounted gate valves with mechanical joint ends conforming with AWWA C500. Valves shall have 2" square operating nuts and open left (counterclockwise rotation). Valves shall be Mueller, Clow, Waterous, or approved equal.

Valve Boxes: Each buried valve shall be provided with a cast iron valve box and round cover. The box shall have a minimum inside diameter of 5¼" and be adjustable in length and of the slip type. The word "WATER" shall be cast on the cover. Valve boxes shall be Tyler, Clow or approved equal. Valve boxes shall allow for at least 3" additional extension above the level required for final grade at the time of installation. Valve boxes shall be installed 6" below the surface in un-surfaced roads and all other areas.

B-4.3 Line Installation. Water Lines shall be installed in a thorough and workmanlike manner in accordance with the Design Documents that have been approved by the District. The minimum bedding and backfill requirements for lines and appurtenances shall be as shown on Drawing C.5, "Water Main and Service Bedding and Backfill Details."

All pipeline fittings (i.e. bends, tees, plugs and caps) shall be installed with concrete thrust blocks adequately designed for the specific application. Thrust blocks shall be cast-in-place from concrete having a minimum compressive strength of 3,000 psi. Alternate means of thrust restraint may be considered and approved for use where proven to provide similar restraint. Supplemental restraint may also be used where the Engineer believes the soil bearing pressures to be inadequate, or is concerned about subsequent movement.

B-4.4 Testing. All finished water lines, after reaction blocking is in place, shall be pressure and leakage tested at not less than 150 psi.

No pipeline installation will be acceptable until the leakage is less than the amount computed by the following formula:

$$L = \frac{SD(P)^{0.5}}{133,200}$$

- L = Allowable leakage in gallons (per hour)
- S = Tested length of pipe (feet)
- D = Nominal diameter of pipe, inches
- P = Average Test pressure during the test, psi

B-4.5 Disinfection. All Water Mains shall be disinfected in accordance with A.W.W.A. C601 after all construction work has been completed. Chlorine shall be added to the water at the necessary locations in the amount to form a 50 ppm free chlorine residual. As an alternate to the addition of chlorine, the Contractor may affix chlorine tablets to the top of the pipe using approved glue. After filling the line, the chlorine content must not be less than 50 ppm. The Chlorine solution shall be left in the pipelines for not less than 24 hours, during which time all valves and fire hydrants shall be operated in order to disinfect the appurtenances. After than length of time, the chlorine residual of the solution, at any place in the system, shall not be less than 10 ppm. The system must then be flushed at a rate not less than 2 fps, until chlorine residual has dropped to normal levels, ± 1.0 ppm. After achieving a normal chlorine level and at the end of 24 hours, a bacteriological test is to be performed by a certified laboratory or local health authority to insure adequate disinfection. All chlorination work must be done under the supervision of the ORC of Record, or District Engineer as required by the District Manager.

APPENDIX C

ARABIAN ACRES METROPOLITAN DISTRICT APPLICATION FOR WATER TAP PERMIT

1. The undersigned Applicant hereby requests authority from the Arabian Acres Metropolitan District (“the District”) to tap into the water lines of the District for a residential lot located within the boundaries of the District, being identified as (legal description) _____

with a street address of: _____

2. Applicant acknowledges that he/she has been provided with, has read and is familiar with the Rules and Regulations of the District.

3. All of the following items must be submitted to the District by the Applicant with this Application form:

- (a) Copies of Teller County building permit and any required road cut permits.
- (b) A diagram depicting the water meter, remote reading device, and property shut-off valve locations, along with a site or improvement plan.
- (c) Original certificate of current general liability insurance by licensed excavator.
- (d) Tap fee payment required by the District’s Rules and Regulations.

Applicant understands that this Application cannot and will not be considered without these documents.

4. Applicant shall not be allowed to connect to the District’s water system without written approval of this Application, payment of the tap fee, any other applicable fee and compliance with the Rules and Regulations of the District.

5. Applicant is bound by the Rules and Regulations of the District and that he/she shall comply with those Rules and Regulations at they may be amended from time to time.

6. Prior to beginning any excavation work within the District, Applicant shall contact the District to determine the approximate location of the water mains.

7. The water tap and fee paid may not be transferred to any other person or property except with the prior written permission of the District’s Board, which approval shall be in the sole discretion of the Board.

8. The water meter and remote reader supplied by the District are required to be installed, and that the installation and location of the meter and remote reader shall be subject to the approval of the District.

9. The District shall not in any event be responsible or liable for any costs, damages, or liabilities associated with the construction, installation, or operation of any private water lines.

10. In no event will water service be initiated prior to full compliance with the above requirements, together with written approval of this Application and issuance by the District of a Tap Permit.

11. This Application is specific to the documents submitted with this Application. Any expiration of those permits or approvals shall require the Applicant to re-apply for the Water Tap Permit. Any change to the attached documents while this Application is pending will require the Applicant to supplement or amend this Application.

Dated this ____ day of _____, 20__.

Applicant

APPROVED THIS ____ day of _____, 20__.

Applicant: _____

Legal Description: _____

Street Address: _____

WATER TAP FEE PAID: \$ _____

ARABIAN ACRES
METROPOLITAN DISTRICT

By: _____
District Manager

The use and any transfer of this Permit is governed, controlled and restricted by the Rules and Regulations of the Arabian Acres Metropolitan District.

This Permit is effective this ____ day of _____, 20__.