HIGHLAND LAKES WATER DISTRICT RULES AND REGULATIONS

RECORD OF REVISIONS

DATE	REVISION	CHANGES
March 3, 1997	0.0	Initial Document
December 2, 1997	01	Update headings for automatic TOC - Devoy
January 21, 1998	02	Update Paragraphs 8.5.1,8.5.2,8.5.3 for customer
_ ,		meter reading procedures - Devoy
June 15, 1999	03	Update paragraph 6.3.4 add performance bond
·		requirement - Devoy
August 17, 1999	04	Update/Add Paragraphs 2.3, 3.9.4, 5.9.1, 6.3.1,
		6.3.2, 6.3.5 Add detail on normal business
		hours, damage repair, scheduling taps & service
		line excavations Devoy
January 18, 2000	05	Add Paragraphs 2.7, 2.8 Insert new Article IX,
		old Article IX is now Article X. Add
		Paragraphs 9.1, 9.2, 9.3, 9.4, 9.5. Add
		requirements for ISDS Standards Devoy
June 20, 2000	06	Modify Paragraph 9.2. Remove requirement for
		professional engineer statement that proposed
		ISDS will not harm the District's groundwater.
		- Devoy
February 19, 2002	07	Modify Paragraphs 9.1 and 9.3. Clarify which
		systems District ISDS requirements apply to.
		Amend procedure for bringing failing systems
		into compliance with District standards
		Devoy
October 21, 2004	08	Modify Paragraph 9.3. Eliminate District
		requirement for annual effluent testing as of
		01/01/05 K. Swan
July 15, 2008	09	Added paragraph 8.8.1 and 8.8.2 Attorney Fee and
		Cost Recovery Resolution effective May 20, 2008
		- J. Brown
August 20, 2009	10	Amended Paragraphs 5.9.1 and 6.3.1 to clarify
		duties, responsibilities for initiation of
		service and service line construction.
		- J. Brown
July 27, 2010	11	Amended paragraphs 8.5.1 and 8.5.2 to reflect
		changes in meter reading collection and billing
		following installation of AMR system - J. Brown
August 18, 2015	12	Amended paragraphs 5.9.1 and 6.3.5 to clarify
,		normal business hours. Amended paragraph 8.7.4
		to clarify change in required response time
		S. Morford
December 15, 2015	13	Amended paragraph 8.5.1 to clarify changes in
		billing policies. S. Morford
August 16, 2016	14	Amended Paragraph 3.5 to clarify changes in
		locate policies. S. Morford
April 18, 2017	15	Amended paragraphs 9.1, 9.2 and 9.3 to reflect
		revisions to required higher level treatment
		standards. S. Morford
October 18, 2022	16	Update paragraph 6.3.4 to remove performance
		bond requirement- Withrow
		•

February 20, 2024	17	Update paragraph 4.2.2 regarding water leak/
		loss rate, to align with Fee Schedule- Morford

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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.

It is necessary for the health safety and welfare of the residents and owners of property located within the HIGHLAND LAKES WATER DISTRICT to regulate the distribution of water. The purpose of this consolidated body of Rules and Regulations is to ensure an orderly and uniform administration of water operations in the HIGHLAND LAKES WATER DISTRICT.

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. The promotion of water conservation shall be a legitimate objective and policy for the Board's consideration in the enactment and enforcement of these Rules and Regulations and any future amendments.

1.4 SCOPE.

These Rules and Regulations shall be treated and considered as new and comprehensive regulations governing the operations and functions of the District, and shall supersede all prior rules and regulations of the District. In the event any of the terms or provisions hereof shall conflict with the provisions of the Colorado Special District Act, Title 32, the terms of said statutes shall govern.

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 hereof is separate and distinct from all other parts. Nothing contained herein shall be construed to prejudice or affect the rights of the District pursuant to any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District.

1.6 AMENDMENT.

The District shall retain the power to amend these Rules and Regulations, by resolution of the Board, upon the consent of the majority of the Board at any regular or special meeting of the Board. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this Section.

1.7 USAGE AND TITLES.

All words and phrases shall be construed and understood according to their common and approved usage. The title of any heading in these Rules and Regulations

shall not be deemed in any way to restrict, qualify, or limit the effect of the provisions set forth in the section or subsection set forth under such heading.

1.8 CONTRACTUAL AGREEMENT/ATTORNEY'S FEES.

Notwithstanding any provisions of these Rules and Regulations to the contrary, all property owners serviced by the District are responsible for knowledge of all provisions of these Rules and Regulations and hereby agree to be bound by these Rules and Regulations as a matter of contract and for which there is good and valuable consideration. In the event the District shall commence proceedings to collect any payments of whatever nature due and payable to the District, or to otherwise enforce these Rules and Regulations, the delinquent or defaulting party shall be responsible and hereby agrees to the payment of any and all costs and expenses incurred in connection with said proceedings, including, but not limited to, reasonable attorney's fees.

ARTICLE II

DEFINITIONS

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

2.1 APPLICANT.

"Applicant" shall mean 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 or excluded from the District, as the case may be.

2.2 BOARD.

"Board" and "Board of Directors" shall mean the duly elected or appointed Board of Directors of the HIGHLAND LAKES WATER DISTRICT.

2.3 BUSINESS HOURS.

District normal business hours shall mean 8:00 AM to 5:00 PM Monday through Friday excluding National Holidays.

2.4 COLORADO SPECIAL DISTRICT ACT.

"Special District Act" shall mean C.R.S. §32-1-101 et seq.

2.5 DISTRICT.

"District" shall mean the HIGHLAND LAKES WATER DISTRICT.

2.6 DISTRICT ENGINEER.

"District Engineer" shall mean that person or firm which has been authorized by the District to perform engineering services for the District.

2.7 EFFLUENT.

"Effluent" shall mean that liquid portion of sewage which after treatment and settling in a septic tank or other treatment system emanates and is transported to a leach area for absorption.

2.8 INDIVIDUAL SEWAGE DISPOSAL SYSTEM.

"Individual Sewage Disposal System" (ISDS) shall mean any system or facility for collecting, treating, neutralizing, stabilizing, or disposing of sewage, which is not a part of or connected to a sewage treatment works.

2.9 INSPECTOR.

"Inspector" shall mean that person who shall inspect all water connections, excavations, and installations and repairs to the water systems and facilities of the District to ensure compliance with the Rules and Regulations.

2.10 OPERATOR.

"Operator" shall mean any duly certified, licensed person engaged by the District to operate and maintain the water system.

2.11 PERMIT.

"Permit" shall mean the written permission to connect to the water systems of the District pursuant to the Rules and Regulations of the District.

2.12 PERSON.

"Person" shall mean any entity of any nature, whether public or private.

2.13 PROPERTY OWNER.

"Property Owner" shall mean the owner of the real property as recorded in TellerCounty.

2.14 PROPERTY SHUT-OFF VALVE.

"Property Shut-Off Valve" shall mean the entirety of the curb valve, curb box, and stand pipe located on the service line used to control the flow of water from the main line into a service line for a customer's property.

2.15 RULES AND REGULATIONS.

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

2.16 SERVICE LINE.

"Service Line" shall mean any privately owned and maintained pipe, line, or conduit used, or to be used, to provide water service from a water main to a residential unit, whether the pipe, line, or conduit is connected or not.

2.17 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.

2.18 TAP OR CONNECTION.

"Tap" or "Connection" shall mean the connecting of the service line to the water system, either directly to a main line or stub out from the main line, which service line extends beyond the easement line or property line into the residence

intended to be served, whether or not actually connected to the structure's water or sewer system.

2.19 TAP FEE.

"Tap Fee" shall mean the payment to the District of a fee for the privilege of connecting a customer to the water system.

2.20 WATER MAIN.

"Water Main" shall mean any pipe, piping, or system of piping used as a conduit for water in the District's water system and owned by the District.

2.21 WATER SYSTEM.

"Water System" shall mean any water main line, appurtenances, accessories, or portion thereof owned and maintained by the District. It shall not include the service line upon a customer's property or any facilities off a customer's service line.

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, maintenance, and repair of the water system, which operation, maintenance, and repair shall be carried out in a sound manner.

3.2 LIABILITY OF DISTRICT.

In no event shall the District be liable or responsible for inadequate treatment, interruption and resumption of service, or loss of pressure brought about by circumstances beyond its reasonable control. Likewise, the District shall have no liability for interruption and resumption of water service or loss of pressure, and any injury or damage resulting therefrom as a result of repairs and maintenance by the District or performance of its other obligations and responsibilities hereunder, or as a result of acts or omissions by other parties. The District shall have no liability or responsibility for any aspects of the service lines or other facilities not owned by the District or for any damage caused by running or escaping of water from open or defective faucets or lines of the customer. In addition, the District shall have no responsibility for notification to customers of any of the foregoing conditions.

3.3 RIGHTS, OBLIGATIONS AND AUTHORITY.

3.3.1 GENERAL AUTHORITY.

The District shall have all rights and authority granted to a Water District under the Colorado Special District Act to carry out its responsibilities and obligations hereunder.

3.3.2 INTERRUPTION OF SERVICE.

The District shall have the right to temporarily discontinue service to any property, at any time, when deemed necessary or appropriate by the District to perform maintenance or repairs or to perform its other obligations and

responsibilities. When possible, customers affected by a water outage will be notified in advance so they can fill receptacles to sustain the outage.

3.3.3 REVOCATION OF SERVICE.

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 herein.

3.4 OWNERSHIP OF WATER SYSTEM.

All existing and future main lines and treatment works connected with and forming a part of the water system shall be and are the property of the District. Main lines extended by parties other than the District, as set forth in these Rules and Regulations, shall not become the property of the District until accepted by the District in writing.

3.5 SERVICE LINES.

The customers own and are responsible for the proper construction, maintenance, repair, and replacement of the entire water service line serving their property from the main and shall also be responsible for all related service facilities on or within their property. Service lines shall be constructed by the customer, at the customer's expense, in accordance with District specifications. The District's water operator will, at no charge to the customer and by using owner provided drawings or the best information available to him, handle service line locates that may be needed by the customer for other property construction or the maintenance, repair or replacement of the water service line.

3.6 OWNERSHIP OF WATER METERS.

Notwithstanding the above, all water meters and Property Shut-Off Valves shall be and are the property of the District.

3.7 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, testing, and other matters necessary or appropriate for the District to perform its obligations and responsibilities. Failure to permit such inspections, observations, measurements, sampling, and/or testing upon request may result in a finding of violation of these Rules and Regulations and disconnection of service to the property of the party failing to permit such activity.

3.8 VARIANCES FROM RULES.

The Board shall have the authority to grant variances from these Rules and Regulations in its sole discretion, upon an adequate showing of undue hardship not experienced by others and not caused by the applicant. Any such variance shall be in writing, signed by the Board, and shall not be deemed a waiver or an amendment of the Rules and Regulations.

3.9 DAMAGE TO SYSTEM.

3.9.1 DAMAGE TO SYSTEM.

No person shall maliciously, willfully, or negligently break, damage, destroy, cover, uncover, deface, or tamper with any District property.

3.9.2 DUTY TO REPORT.

Any person who (1) destroys, damages, or alters any District facility; (2) causes or permits any foreign materials to enter the District system; (3) causes any obstruction in the flow of water in any District facility; (4) causes or permits any water to escape from the District system in such a way that water is wasted or lost to beneficial use; or (5) discovers, observes, or has reasonable cause to believe that any of the foregoing has occurred, shall immediately report the same to the District.

3.9.3 LIABILITY FOR DAMAGE.

Any person who in any manner damages, injures, or impairs any of the water system or any other work, structure, improvement, equipment, or property owned by the District shall be liable to the District for any costs, damages, and expenses incurred by the District as a result thereof, which shall include, without limitation, repair or replacement of property damaged and reasonable attorney's fees in enforcement of payment.

3.9.4 RESPONSIBILTY FOR REPAIR/REPLACEMENT.

District employees and/or contractors selected by the District shall make all repairs/replacements of damaged property.

ARTICLE IV

USE OF WATER SYSTEMS

4.1 UNAUTHORIZED TAMPERING WITH SYSTEMS.

4.1.1 UNAUTHORIZED USE.

No person shall uncover, use, alter, disturb, make any connection with or opening onto the water system without written permission from the District. Unauthorized use of or tampering with the water system includes, but is not limited to, unauthorized turn-on or turn-off of water service, burying valve boxes, modifying any water meter, wasting water, and resale or distribution of water from the District to any other premises.

4.1.2 VIOLATIONS.

In the event of unauthorized tampering the Board may, in its discretion, order the user disconnected from the water system until such time as, in the sole discretion of the Board, such user is in substantial compliance with the scope and intent of these Rules and Regulations, and may take any such additional action as is authorized by these Rules and Regulations and Colorado law. Any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of fines up to \$1,000 per occurrence, plus any expense, loss, or damage incurred by the District by reason of such violation. Such amounts due shall constitute a perpetual lien upon the violator's property.

4.2 USE OF WATER SYSTEM.

4.2.1 COMPLIANCE.

All property owners shall comply with all County ordinances and State of Colorado laws regarding the use of water and the installation, maintenance, and repair of their service line and related service facilities upon their residences. In addition, all property owners shall comply with all terms and conditions of the well permits, water rights, decrees, and augmentation plans obtained by the District and related to the supply of water to the customers, including, without limitation, use of water for in-house purposes only at their residences.

4.2.2 REPAIRS OF LEAKS.

It is the responsibility of the property owner to bury the service line with sufficient cover to prevent it from freezing. Leaks or breaks in the service line shall be repaired by the property owner within twenty-four (24) 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, or if the District determines that environmental or property damage is being caused, the District may shut off the service until the leaks or breaks have been repaired to the satisfaction of the District. The District shall have the right to effect the repair, and the costs therefor shall constitute a perpetual lien on and against the property. The property owner shall be responsible for paying for any water lost due to leaks or breaks in the service line and associated costs related to finding said leak. See fee schedule for charges of operator time and water leak/ loss rate. Such water shall be paid for at the rate set forth in the current rate schedule.

4.2.3 WATER METERS REQUIRED.

All property owners shall have a water meter installed in their service line. No connection shall be made to the District's system without a water meter and remote reader supplied by the District having been properly installed to serve the subject unit. The installation and location of the meter and remote reader shall be subject to the approval and inspection of the District before water is turned on. The property owner shall be required to pre-wire and maintain with 18-gauge wire for a remote reader in a location designated by the District outside the residence. The internal meter shall be installed in a location where it has adequate protection from frost. The property owner shall at all times continue to maintain the remote reader in an easily accessible condition acceptable to the District, or the property owner, at his or her expense, shall be required to relocate the remote reader to a location acceptable to the District. In the event that access to the remote reader is blocked or interfered with, the monthly rate for the property owner shall be determined by using twice the highest of that property owner's previous monthly bill until the property owner complies with this section.

4.2.4 DEFECTIVE METERS.

It shall be the duty of each property owner to notify the District office if his water meter is or may be operating defectively. In addition, the District may inspect any meter which it suspects may be defective. In addition, any water meter shall be removed and tested upon complaint of the property owner, with payment to the District of its current fee pursuant to its schedule of rates and charges. If the meter is found to be accurate within 3 percent, the

meter shall be reinstalled and the fee retained by the District. If the meter is found not to be accurate within 3 percent, then the meter shall be repaired and reinstalled and the fee returned to the property owner. As the property owner has this remedy to correct any defective meter, there shall be no refund of previous water charges.

4.2.5 PRESSURE REDUCING VALVE.

A pressure reducing valve may be installed by the customer, at his discretion, in all service lines to protect the residence's plumbing system from any fluctuating water main delivery pressures.

4.2.6 AVAILABILITY OF SERVICE OR FACILITIES CHARGES.

The District may assess availability of services or facilities charges subject to compliance with the requirements of the Colorado Special Districts Act.

ARTICLE V

SERVICE

5.1 CONNECTION REQUIRED.

All improvements requiring water service shall use the water system for their sole source of water. The drilling or use of any private water wells within the District is specifically prohibited.

5.2 PROVISION OF SERVICE.

Service will be furnished, subject to these Rules and Regulations and subject to charges and taxation by the District, to all property included within the District. The District shall have no duty to provide any service outside its legal boundaries.

5.3 APPLICATION FOR SERVICE.

Prior to any action to connect to the system, written application for service must be filed with the District thirty (30) days previous to the desired hookup date, on forms provided by the District. A connection to the system may be made only following authorized written approval of the application, and the payment of appropriate fees, and shall be subject to the connection procedures set forth herein. The applicant shall furnish accurate and truthful information in response to the application. Tap fees shall be as set forth in the District's current rate schedule.

5.4 ADDITIONAL TAP INFORMATION REQUIRED.

All information requested on the tap application form must be completed. In addition, 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, a site plan or improvement plan, and a floor plan shall accompany the tap permit application. A building permit shall accompany the tap permit application for new construction.

5.5 DENIAL OF APPLICATION.

The District reserves the right to deny application for service when, in the sole opinion of the Board, (1) the service applied for would create an excessive

demand on the water facilities, (2) unresolved obligations exist between the District and the applicant, (3) the applicant has violated these Rules and Regulations, or (4) for any other reason as reasonably determined by the Board.

5.6 CONNECTIONS AND FEES.

5.6.1 UNAUTHORIZED CONNECTIONS.

No person shall be allowed to connect to the water system without payment of tap fees, approval of application for service, and compliance with these Rules and Regulations. Any such use shall be deemed an unauthorized connection.

5.6.2 FEES AND PENALTIES.

Upon the discovery of any unauthorized connection, the District may elect to discontinue service and assess liquidated damages set forth hereunder, or the District may approve service subject to these Rules and Regulations. In the event the District elects to approve service, it shall send written notice to the owner of the property benefited by such connection, stating that an unauthorized connection has been made between the owner property and the District facilities, and that the 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 connection. The owner shall then have twenty (20) days from the date the notice is mailed to pay the then-current tap fee and liquidated damages. The amount due shall become a perpetual lien on the property until paid in full, and the District may take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fees.

5.6.3 PAID TAP FEES.

The Highland Lakes Water District Board of Directors shall honor all previously paid tap fees at the rate and under the rule prevailing at the time the tap fee was paid, provided that the Highland Lakes Water District declares that such agreement is personal only to the owner and/or person who applied for, paid and received said tap fee, and shall not be applicable to any successor owners or any such person who has heretofore paid their tap fee.

5.7 TERMINATION OF SERVICE.

In the event of termination of service for nonpayment of any valid fees or charges owed to the District, or for any other violation of these Rules and Regulations, the property owner shall be assessed an availability of service charge or minimum monthly fee. No service disconnected for nonpayment shall be reinstated until all delinquent assessments have been paid in full, including, but not limited to, interest, late fees, attorney's fees, and miscellaneous fees directly associated with termination of service.

5.8 REVOCATION OF TAP RIGHTS.

Prior to actual connection to the water system, the right to connect the District's system and receive services hereunder shall be revocable by the District upon nonpayment of any District fees owing to the District, or for any other violation of these Rules and Regulations. If the right to connect to the District's system is revoked, the property owner may reacquire such tap rights

only by reapplying for service in accordance herewith, and after paying all fees due and owing the District and the existing tap fees charged by the District under these Rules and Regulations.

5.9 INITIATION AND CONTROL OF SERVICE.

5.9.1 INITIATION OF SERVICE.

The property owner shall schedule a mutually agreeable time for tapping of the main, inspection of the water service line installation, and water turn on with the Operator providing at least three business days prior notice. All such service initiations shall be scheduled between the hours of 8:00 AM and 5:00 PM on normal District business days. The Operator shall drill a hole in the water main (after attaching District components to the main) as part of the tap fee paid by the customer but the connections to those District components shall be performed by the property owner's contractor, using District provided components, under the supervision (as to the compliance of the installation with the District's standards) of the Operator and at the sole expense of the applicant. In no event shall service be provided prior to the inspection and approval of the connection by the Operator. The curb valve and curb box shall be provided by the District as a part of the tap fee and installed by the property owner's contractor to District specifications at the owner's expense. No connection shall be covered until inspected and approved by the Operator. The applicant/owner shall be solely responsible to adequately prepare for any initiation of service. If a contractor and/or owner fails to excavate and execute the tap at the scheduled time and date, or fails to properly initiate the service, they shall pay to the District an hourly charge per the District rate and charge schedule for the additional trips made and time spent by the Operator. The District shall bear no responsibility for any damage or injuries resulting from such initiation of service.

5.9.2 CONTROL OF SHUT-OFF VALVE.

Once connected to the District's water system, all "turn-ons" and "turn-offs" of water service through a Property Shut-Off Valve on a service line shall be performed only by District personnel. The District may assess "turn-on"/"turn-off" charges per the District's rate and charge schedule, except when initial service is provided.

ARTICLE VI

CONSTRUCTION OF SERVICE LINES

6.1 COMPLIANCE WITH RULES AND REGULATIONS.

The requirements of these Rules and Regulations and the TellerCounty plumbing code are applicable to the construction of all service lines and shall be complied with by all owners.

6.2 SEPARATE SERVICE LINES REQUIRED.

Every residence shall have no fewer than one separate and independent service line installed at the expense of the property owner.

6.3 CONSTRUCTION AND CONNECTION.

6.3.1 CONSTRUCTION.

Service lines shall be constructed by property owners in accordance with these Rules and Regulations. Except as otherwise determined by the Operator, service lines not exceeding a length of 300 feet shall be a minimum size of threefourths inch (3/4") ID pipe, type K soft copper or C-901 HDPE copper tube size with locator wire, and if the service line is over 300 feet, the entire service line will be one inch (1") ID pipe, type K soft copper or C-901 HDPE copper tube size with locator wire; in all cases to be installed at a minimum depth of seven feet (7') below ground level. Property shut off valve shall be used as supplied by the District as part of the tap fee. The curb valve shall be installed immediately inside the owner's property line in an easily accessible location protected from frost. The stand pipe shall be installed at (flush) or above ground level. All contractors, plumbers, and others doing work on or related to any main, service line, or structure in the District shall be licensed and comply with applicable County and State codes, regulations, and statutes. 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.

6.3.2 EXCAVATIONS.

The contractor shall be required to contact the District office prior to beginning any excavation work in order to (1) determine the approximate location of the main line, and (2) obtain the written permission of the District to excavate the water main (on forms supplied by the District). All excavations for service installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Water service lines shall be separated from other utility lines by a minimum of ten feet. Multiple utility lines shall not be installed in water service line ditches. Streets, sidewalks, parkways, and other public or private property disturbed in the course of the work shall be excavated, back-filled, compacted, and otherwise restored by the excavator, at the expense of the owner or excavator, in a manner satisfactory to the District and in compliance with regulations of the Teller County Road and Bridge Department. All inspection fees required by any governmental agency, including the District, shall be paid by the plumber, contractor, or others doing work in the District.

6.3.3 PROPERTY OWNER'S LIABILITY FOR CONTRACTORS.

Property owner shall be fully responsible for any and all damages caused by their contractors and all subcontractors, or other noncompliance with these Rules and Regulations.

6.3.4 INSURANCE

All contractors performing work on or related to the water system shall be licensed by Teller County in their field. Contractors shall provide proof of insurance to the District, prior to the performance of any work.

6.3.5 SERVICE LINE INSPECTION.

All service lines shall be inspected and approved by the Operator prior to back-filling the ditch. The property owner or his contractor shall contact the District to schedule an open ditch inspection of all service lines not less than three business days prior to the date the inspection is required. All such inspections shall be made between the hours of 8:00 AM and 5:00 PM on normal District business days. Following satisfactory inspection, the

connection shall be made to the main line. If any service line is backfilled without the Operator's inspection and approval of the line, the Operator may require the customer to re-excavate the line so that the appropriate inspection and approval may be made. In such event, the property owner shall pay to the District an hourly charge per the District's rate and charge schedule for the additional trips made and time spent by the Operator.

ARTICLE VII

MAIN LINE EXTENSIONS

7.1 COMPLIANCE WITH RULES AND REGULATIONS.

Main line extensions shall comply with these Rules and Regulations and the District's specifications for water 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 shall have no obligation to extend any main line at any time. 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. The District, through its Operator and Engineer, shall supervise construction activity and coordinate all matters pertaining to the completion of the subject project, including but not limited to design, payment, and inspection. All contractors and constructors involved in any such project shall be directly responsible to the District in all aspects of the construction process.

7.3.1 PERFORMANCE BONDS.

Performance and payment bonds in an amount not less than the contract price shall be furnished to the District by the contractor on all construction contracted for by the District.

7.3.2 ACCEPTANCE OF COMPLETED LINES.

(A) ONE YEAR WARRANTY. The contractor extending a water main shall provide the District a one year warranty during which the contractor shall promptly, without cost to the District, correct any defective work. All main lines constructed shall be accepted by the District upon 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 paid for by the contractor.

(B) <u>DOCUMENTATION REQUIRED</u>. Prior to the acceptance of the main lines by the District, the contractor shall provide to the District reproducible and complete as-built drawings. In addition, the contractor shall 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 (1) year warranty.

7.4 PROCEDURE FOR MAIN LINE EXTENSION BY DEVELOPERS.

In the event an owner or developer wishes to construct or extend a main line prior to any planned construction thereof by the District, the District may permit an applicant to construct main lines within the District, to District specifications and requirements, at the sole expense of the applicant. Such permission shall be granted and upon such conditions as the Board may determine in its sole discretion. Professional Engineered plans shall be provided to the District. Following receipt of permission, if granted, the applicant shall enter into a written main line extension agreement with the District prior to proceeding with any work.

7.4.1 APPLICATION FOR APPROVAL.

All applicants desiring to construct a main line within the District shall make formal application to the Board for approval. This application shall be in writing and shall contain a legal description of the property to be served by the main line, plans and locations for such extension, and any other information reasonably required by the District in its discretion. Said plans shall be reviewed for compliance with the District's specifications and with other specification and requirements appropriate to the situation. The cost of such study for compliance shall be borne by the applicant.

7.4.2 COSTS.

- (A) <u>DEPOSITS WITH THE DISTRICT</u>. Prior to the execution of the main line extension agreement with the District, 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 main line. All such fees and costs shall be the responsibility of the applicant, whether or not covered by the amount of the deposit. The District may also require a deposit, bond, or letter of credit from the applicant to assure the District that the proposed main line extension will be completed and paid for.
- (B) <u>SUPERVISORY FEES</u>. All main line extension and construction within the District shall be made under the supervision of the Operator, at the sole expense of the applicant. All inspection fees, supervision fees, or other fees of any nature or type 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.

7.4.3 CONSTRUCTION REQUIREMENTS.

(A) 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 proposed to be assigned to the District shall include performance and payment bonds to be issued by the contractor to the District. Such bonds shall be issued by companies, and in form and content, acceptable

to the District. Said bonds shall be at a minimum equal to the contract price for the construction contracted for by the applicant.

(B) $\underline{\text{CONSTRUCTION}}$. All main lines shall be constructed according to applicable District, County, and State specifications, and in accordance with the plans and specifications approved by the District.

7.4.4 SPECIAL STRUCTURES DESIGNED BY DISTRICT ENGINEER.

Any special structures required to ensure proper operation of the extensions, in the sole discretion of the District, shall be constructed, at applicant's expense, from designs by the District Engineer or approved by the District Engineer and District Board.

7.4.5 OVER-SIZING OF MAIN LINES.

The applicant shall be responsible for over-sizing main line extensions as required by the District. The size of the main line required to serve any area served by the District shall be determined by the District in its sole discretion.

7.4.6 ACCEPTANCE OF COMPLETED LINES.

- (A) ONE YEAR WARRANTY. Each applicant shall provide the District a one year warranty from acceptance of the line by the District, during which the contractor hired by the applicant shall promptly, without cost to the District, correct any defective work. All main lines 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 sole obligation of the contractor and paid for by the contractor.
- (B) <u>DOCUMENTATION REQUIRED</u>. Prior to the acceptance of the main lines by the District, the applicant shall provide to the District a statement of the certified costs of the main lines, reproducible and complete as-built drawings, and a warranty deed which conveys the main lines and all appurtenances, including but not limited to all easements necessarily accompanying the main lines to the District, free and clear of all liens and encumbrances. In addition, 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 main lines by the District.

7.4.7 CONTRACT REQUIRED.

No reimbursement or recovery of costs shall be permitted for main line extensions or over-sizing, except as provided by fully executed cost recovery contracts with the District. The District shall, in its sole discretion, determine when and upon what terms reimbursement may be made for main line extensions or over-sizing.

7.5 LOCATIONS OF MAIN LINE EXTENSIONS.

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

ARTICLE VIII

RATES AND CHARGES

8.1 GENERAL.

All charges of whatever nature to be levied for the provision of water service shall be governed by these Rules and Regulations. The Board shall periodically establish the rates, charges, and fees to be charged by the District which shall remain in effect until modified by the Board under the provisions of these Rules and Regulations, and under any applicable statutes of the State of Colorado. Nothing contained herein shall limit the Board from modifying rates, changes, and fees, or from modifying any classification used for establishing such rates and charges.

8.2 WATER CHARGE.

Water charges shall be as reflected in the schedule of fees and charges, copies of which are maintained by the District. Water charges shall begin with physical connection to the water main and will continue even if service is shut off.

8.3 TAP FEE.

A tap fee shall be charged to all property owners connecting to the water system. Such fee shall represent the property owner's proportionate share of the system cost. 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 maintained by the District. Tap fees may be prepaid, and tap permits issued, anytime after the owner obtains a building permit for the residence.

8.4 TRANSFER OF TAP FEES.

No tap fee paid on behalf of one property, or any portion thereof, may be transferred to any other person or property. Any approval of a request for a transfer of a tap shall be in the sole discretion of the Board.

8.5 PAYMENT OF SERVICE CHARGES.

8.5.1 BILLING.

All monthly water charges shall be billed in arrears, following the monthly reading of meters. Billings for water usage will be provided to each user by the District. In all events, the property owner shall be finally liable and personally responsible for payment of all bills. As of January 1, 2016, bills for water usage at a rental property will be mailed to the owner of the property.

8.5.2 METER READING.

The District shall obtain a reading, electronically if possible, from the water meter of each water user. If a customer's meter cannot be read electronically, and the District has not communicated other procedures, the District shall promptly so inform the customer and the customer shall, within five business days inform the District of the current meter reading to avoid a late meter reading fee. The District will use these readings to calculate

consumer billings. Should the District not receive a meter reading from any water user for sixty (60) days the District shall read the meter and the property owner will be charged for the time to read the meter.

8.5.3 PAYMENT.

Bills for water used shall be sent monthly at the beginning of the month with payment due by the 15th day of that month for the previous month's service. The property owner is personally responsible for paying all water bills and providing the District with his or her correct billing address. Payment by personal check is authorized. A returned check fee, as determined by the Board, shall be assessed against the account of any customer whose check is returned for insufficient funds. The District, in its discretion, may require payment by certified funds.

8.6 BILLING DISPUTES.

8.6.1 WRITTEN NOTICE.

If a property owner believes a billing statement is in error, the property owner must provide written notice to the District of the alleged error, and the matter shall be handled as an agenda item at the next public meeting of the District.

8.6.2 DETERMINATION.

The determination by the Board regarding the re-submittal or revision of the statement shall be final. Following review by the Board, the District will resubmit and/or revise the disputed statement. Payment shall be due no later than ten (10) days from the billing date of the resubmitted statement.

8.7 NONPAYMENT.

8.7.1 PENALTY.

If the property owner becomes delinquent in payment of any charges due the District, the District shall assess an interest charge of one percent (1%) per month on the unpaid balance, plus a late fee as determined by the Board in its schedule of rates, fees, and charges.

8.7.2 TERMINATION OF SERVICE.

The District shall have the right, in its sole discretion, to terminate service to any property owner who is more than thirty (30) days delinquent in payment for any services, and after ten (10) days' notice of discontinuance has been provided to the property owner by regular U.S. mail at his last known address, and a forty-eight (48) hour notice of termination for nonpayment has been posted at the property served. If the water is shut off from any property, and the owner-occupant turns the water back on or causes the water to be turned on without permission, the District may cause the service lines to such premises to be disconnected from the main line, and appropriate legal action may be instituted for such wrongful conduct in violation of the Rules and Regulations.

8.7.3 COSTS ASSESSED.

If a property owner becomes delinquent in his account, he shall be responsible for all costs and expenses incurred in the collection of said account, including costs of collection and reasonable attorney's fees.

8.7.4 RENEWAL OF SERVICE.

After termination of service for nonpayment, the property owner's service shall be renewed only upon payment in full of all charges, fees, interest, penalties, costs, and expenses due the District in certified funds or cash. The District shall have up to seventy-two (72) hours after payment is received by the District to re-institute service.

8.7.5 PERPETUAL LIEN.

All fees, rates, tolls, 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, or may be certified to the Teller County Treasurer for collection pursuant to the provisions of the Colorado Revised Statutes. These remedies are cumulative of one another.

8.8 FORECLOSURE AND ATTORNEY'S FEES.

The District may file a notice of lien to evidence its claim and may initiate proceedings to foreclose its perpetual lien for all fees, rates, tolls, penalties, and charges due the District. In such event, the party being foreclosed upon shall pay any and all costs and expenses incurred in connection with said foreclosure proceedings, including but not limited to reasonable attorney's fees and any expert witness fees. In no event shall payment made by the property owner prior to the foreclosure sale be required to be accepted without full payment of all attorney's fees and any and all other costs and expenses relating to the foreclosure.

8.8.1ATTORNEY FEE AND COST RECOVERY

In the event of any violation by any person of the District Rule's (as defined in 8.8.2 A below), the District shall be entitled to seek reimbursement from the offending party for all of the District's attorneys and court fees and costs incurred in seeking enforcement and compliance with its Rules, including all fees and costs incurred in collecting amounts due from the offending party. An itemization of the fees and costs incurred by the District will be billed to the offending party and are due and payable in full within 30 days of the date of the billing statement. Interest shall be assessed at 1% per month on all amounts not paid in full by the due date. In the event the offending party does not pay the fees and costs assessed by the District, then the District may discontinue water service in accordance with the procedures in its Rules. Full payment of the fees and costs billed to the offending party shall be a condition precedent to the offending party's receiving or continuing to receive water services from the District.

- **8.8.2 Definitions:** For purposes of this resolution, the following definitions shall apply:
 - A. The District's Rules shall be interpreted broadly to mean and include by way of illustration, but not limitation, the following: (1) all of the District's rules and regulations, policies, requirements, mandates or

orders (specifically including water use restrictions); (2) any state or federal statute, rule or regulation; (3) any vandalism or damage, whether intentionally, negligently or inadvertently caused, to any District owned property, including, but not limited to, the District's water facilities and improvements.

- B. The District's attorney fees and costs shall include all fees paid to outside counsel representing the District in the enforcement action, or a reasonable rate applied to services rendered by any District in-house counsel. Recoverable costs shall include all costs related to the compliance and enforcement actions, including costs for consultants and contractors hired by the District to protect District property, connect service to homes within the District, and repair and restore damages caused to the District's property. In the event work is completed by the District's in-house personnel and equipment, then the District shall be entitled to reimbursement for such costs at a commercially reasonable rate for the personnel and services rendered. Initiation of formal legal proceedings by the District in a court of law shall not be a condition precedent to seeking recovery of its costs and fees.
- C. Person shall be interpreted broadly to mean, without limitation, every landowner within the District, and their agents, assignees, lessees, licensees and invitees.

8.9 CERTIFICATION OF AMOUNTS TO COUNTY TREASURER.

In addition to any other means of collection, delinquent fees, rates, tolls, penalties, charges, or assessments made or levied solely for water or water services may be certified by the District to the Teller County Treasurer for collection in the same manner as property taxes. In such event, the District shall assess a penalty, also to be certified, in an amount sufficient to cover the administration costs of the collection plus any other collection costs and expenses, including reasonable attorney's fees.

ARTICLE IX

INDIVIDUAL SEWAGE DISPOSAL SYSTEM STANDARDS

9.1 GENERAL.

In order to minimize the impact of Individual Sewage Disposal Systems (ISDS) on the quality of the District's ground water supply, the Board has established standards for the installation and construction of ISDS within the District. The term ISDS shall include both septic tanks and leach fields, as well as any other method of treating raw sewage within the District. The District requirements apply to all ISDS permitted after April 2017 and are in addition to those spelled out in the most current edition of the Teller County Environmental Health ON-SITE WASTEWATER TREATMENT SYSTEMS REGULATIONS.

9.2 DESIGN.

Any and all ISDS to be installed within the District shall be engineered in such a way as to prevent any adverse impact to the ground water from which the District takes its water supply. Such engineering shall be evidenced by an ISDS design from a licensed professional engineer. The ISDS engineering submitted to the District must include a statement from the licensed professional engineer that the proposed ISDS will meet the current District effluent standards. ISDS systems installed within the District shall conform to treatment level 2N standards as established by the State of Colorado. The ISDS design shall include a method for sampling the effluent for test purposes. All ISDS shall be installed with a minimum of two feet of sand in the bottom and along the sides of the leach field.

9.3 TESTING.

Homeowners are encouraged to test ISDS effluent on an annual basis. As of January 1, 2005 annual testing and reporting of test results to the District is no longer a District requirement. Any costs related to testing shall be borne by the homeowner. Development of higher level treatment systems, including 2N, requires permitting and oversight be established with Teller County Environmental Health conforming to the requirements of Teller County ON-SITE WASTEWATER TREATMENT SYSTEMS REGULATIONS Section 43.11 and Section 43.14.

9.4 APPROVAL.

All proposed ISDS shall be submitted to the District for approval. The ISDS approval application shall include; a copy of the Teller County ISDS Permit, the design and statement referenced in paragraph 9.2 above and manufacturers specifications for all components used. The application for ISDS approval along with the ISDS review and approval fee, as stated in the District's Fee Schedule, must be submitted before or in conjunction with the water tap application.

9.5 WATER TAP CONDITIONS.

Meeting these standards shall be a condition precedent to obtaining a tap onto the District's water supply. The District shall not issue any taps unless and until these standards are met. Further, the District may revoke a tap and discontinue service to any dwelling that fails to meet these standards.

ARTICLE X

DISPUTE RESOLUTION

10.1 DISPUTE RESOLUTION BY THE BOARD.

Any dispute regarding the interpretation, construction, application, or enforcement of these Rules or Regulations shall be heard by the Board upon request of the complaining party at a public meeting of the Board.

ADOPTION OF RULES AND REGULATIONS

These Rules and Regulations of Highland Lakes Water District were adopted by the Board of Directors by proper resolution of the Board on the 21st day of 0ctober, 2004.

Franklin E. Withrow, III <u>Franklin E. Withrow, III</u>

President, Board of Directors

October 18, 2022

Date of Most Recent Revision