

**SECOND AMENDED AND RESTATED
CASTLEWOOD WATER & SANITATION DISTRICT
RULES AND REGULATIONS**

ADOPTED: *MAY 10, 2024*

**CASTLEWOOD WATER & SANITATION DISTRICT
RULES AND REGULATIONS**

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ARTICLE I
PURPOSE AND SCOPE OF RULES AND REGULATIONS

1.1 GENERAL PURPOSE AND AUTHORITY. The purpose of these Rules and Regulations is to provide for the orderly construction, management, operation, and control of the public utility systems, facilities, and improvements of the Castlewood Water and Sanitation District (the “District”), including additions, extensions, and Connections thereto. The District is a governmental entity and political subdivision of the State of Colorado and a body corporate with all powers of a public or quasi-municipal corporation which are specifically granted or implied for carrying out the objectives and purposes of the District.

These Rules and Regulations are promulgated and adopted pursuant to the provisions of Section 32-1-1001(1)(m), Colorado Revised Statutes, as amended from time to time. The Board of Directors of the District (the “Board”) has determined to adopt these Rules and Regulations in order to assist the District, the public, the District’s Manager, Consultants, and Contractors in implementing the decisions and policies of the Board. Any Person desiring to use the District’s Facilities shall comply with these Rules and Regulations. The District’s Manager, Consultants, and Contractors shall utilize these Rules and Regulations as a tool for assuring proper treatment of Persons within the District and fair responses to issues which confront the District. The District’s Manager or Consultants shall provide copies of these Rules and Regulations to any Person who requests them, at cost. No Person shall be entitled to any exemption from the applicability of these Rules and Regulations due to the failure of that Person to become familiar with policies and standards of the District contained herein, and in amendments or supplements hereto.

1.2 PUBLIC HEALTH, SAFETY, AND WELFARE. It is hereby declared that the Rules and Regulations hereinafter set forth serve a public interest and are necessary for the protection of the health, safety, prosperity, security, and general welfare of the Customers of the District.

1.3 SCOPE OF RULES AND REGULATIONS. 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 previously adopted of District rules and regulations and informal practices and policies of the District, which prior rules and regulations and practices and policies may be in conflict with the provisions hereof. These Rules and Regulation include and incorporate all attached appendices and District Engineering Standards and Specifications, as same may be amended from time to time.

1.4 RULES OF CONSTRUCTION. The Rules and Regulations of the District are promulgated pursuant to applicable statutes in the exercise of the Board’s discretion to provide a tool for management of the District and for the orderly provision of essential services. These Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and each and every part hereof is separate and distinct from all other parts. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law now in effect or any law which may subsequently be enacted by the Colorado General Assembly pertaining to the affairs of the District. No omission or additional material set forth herein shall be construed to alter, waive, or deviate

from any grant of power, duty, responsibility, or limitation or restriction imposed or conferred upon the Board by statutes now existing or amended in the future or under any contract or agreement existing between the District and any other governmental entity. The Board reserves the right to construe any provision hereof in its sole discretion in order to effectuate lawful purposes of the District and to attempt to ensure orderly and non-discriminatory treatment of all Persons or entities subject to these Rules and Regulations now or in the future.

The Rules and Regulations constitute guidelines for the benefit of the District and its Consultants and Contractors and must be complied with by all Developers, Owners, or Customers absent receipt of a proper written waiver. No Developer, Owner, or Customer shall obtain, by virtue of the Rules and Regulations, any right or cause of action against the District or its management arising as a result of the enforcement or lack of enforcement of the Rules and Regulations by the District. Nothing herein shall be deemed to be a waiver of any immunity granted to the District under Colorado law.

- 1.5 CONFLICTS.** In case of any conflict between any provision of these Rules and Regulations, the District shall be entitled to resolve such conflict in its own favor at the District's sole discretion, it being the intention of the Board that these Rules and Regulations shall be construed or interpreted by the District in such manner so as to maximize the ability of the District to govern and manage the District and its facilities.

The District has attempted to articulate herein its rules, regulations, and policies for the provision of public services and facilities, and for management and operation of the District. From time to time, the Board may adopt policies reflected in the minutes of meetings for the District or reflected in resolutions of the Board. To the extent any policy found in minutes of District meetings which pre-date and conflict with any resolution of the Board, the resolution shall be deemed to supersede the minutes, unless the Board determines otherwise after such conflict is brought to the attention of the Board. To the extent policies found in minutes of meetings post-date resolutions of the District and conflict with such resolutions, the policy stated in the minutes shall be binding unless the Board determines otherwise after such conflict is brought to the attention of the Board. The District shall have the right, at all times, to repeal and re-enact resolutions of the Board unless any resolution specifically states that it is not subject to repeal and such statement is found to be enforceable.

To the extent that any of the District's Rules and Regulations are less restrictive than any valid and applicable regulations promulgated by Metro Water Recovery, Denver Water, or any local, state, or federal agency, including Metro Rules and the Denver Rules, the regulations of Metro Water Recovery, Denver Water, or the local, state, or federal agency shall govern.

- 1.6 AMENDMENT, MODIFICATION, WAIVER, OR SUSPENSION.** These Rules and Regulations may be amended, modified, waived, or suspended, from time to time, by the Board, as it deems appropriate. Neither notice of such amendments, modifications, waivers, or suspensions nor public hearing shall be required to be provided by the District prior to exercising its amendment, modification, waiver, or suspension powers. The District has the

power to revise its Rules and Regulations from time to time by either formal action of the Board or by implication and has authority to waive the application of its Rules and Regulations to its own activities, or to the activities of others. Any formal action of the Board to revise, amend, or modify these Rules and Regulations shall be deemed incorporated herein notwithstanding whether such revision, amendment, or modification is codified herein. Supplemental policies of the District may be adopted from time to time in order to assist the Board and its Consultants and Contractors in managing the affairs of the District. The Board shall have the sole authority to amend, waive, suspend, or modify these Rules and Regulations. Any Person claiming the benefit of such a waiver, suspension, or modification shall be required to obtain a written waiver signed by the District Manager. No refusal, failure, or omission of the Board or its agents to apply or enforce these Rules and Regulations shall be construed as an alteration, waiver, or deviation from any grant of power, duty, or responsibility, or any limitation or restriction upon the Board by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other entity. Any express waiver shall not be deemed an amendment of these Rules and Regulations. However, an express waiver or variance from these Rules and Regulations by the Board shall supersede these Rules and Regulations regarding the subject matter of the express waiver. No waiver shall be deemed a continuing waiver.

- 1.7 RULES AND REGULATIONS OF OTHER GOVERNMENTAL ENTITIES.** No Person or entity shall discharge any pollutant in violation of any applicable regulation, including maximum pollutant levels, established by any local, state, or federal agency, including but not limited to the Colorado Department of Health and Environment, the Water Quality Control Commission, and the Environmental Protection Agency, as the same may be amended from time to time. If, as a result of any such violation, the District is subject to any civil or criminal liability, any fines, fees, penalties, or other costs assessed against the District and any costs incurred by the District to defend against such liability, including but not limited to legal, engineering, and administrative fees, shall be owed and paid to the District by such violator.

The District receives water from the Denver Municipal Water System pursuant to a Total Service Improvement Agreement with Denver Water under which the District is obliged to abide by the Denver Rules and Denver Engineering Standards as they may be amended from time to time. The Denver Rules and Denver Engineering Standards are incorporated by reference herein and are binding upon the District and upon Customers thereof.

The District's sewage collection system is connected to a Metro Water Recovery trunk line, through which sewage is conveyed to the Metro Water Recovery sewage treatment facility. Sewage treatment is provided by Metro Water Recovery via contract with the District, under which the District is obliged to abide by all rules and regulation of Metro Water Recovery as they may from time to time be amended. The District agrees to abide by Metro Rules as they may be amended from time to time. The Metro Rules are incorporated by reference herein and are binding upon the District and upon Customers thereof.

Patrons of the District shall abide by all applicable valid local, state, and federal laws and regulations or permits.

- 1.8 SEVERABILITY.** The invalidity or unenforceability of any portion or previous version of these Rules and Regulations shall not affect the validity or enforceability of any other portion or provision. Any invalid or unenforceable portion or provision shall be deemed severed from these Rules and Regulations, and the balance of these Rules and Regulations shall be construed and enforced as if these Rules and Regulations did not contain such invalid or unenforceable portion or provisions.

ARTICLE II
DESCRIPTION OF THE DISTRICT AND POWERS

- 2.1 DESCRIPTION OF THE DISTRICT.** The District is a quasi-municipal corporation and political subdivision of the State of Colorado that was organized with the authority to provide certain services to Developers, Owners, and Customers within the Service Area of the District. The District derives its power from the Special District Act, Sections 32-1-101 *et seq.*, Colorado Revised Statutes, and the Service Plan, as the same may be amended from time to time.
- 2.2 RATES, FEES, TOLLS, AND CHARGES.** The District has power to charge various rates, fees, tolls, charges, and penalties, and impose taxes, for services and facilities provided by the District. Additional provisions regarding rates, fees, and charges are contained in these Rules and Regulations.
- 2.3 PENALTIES AND PERPETUAL LIEN.** Reasonable penalties may be fixed for any delinquency including interest on delinquent fees and reasonable attorney's fees and costs of collection pursuant to state law. The District expressly reserves the right to impose all penalties permitted under state law as appropriate. Pursuant the Special District Act, Sections 32-1-101 *et seq.* C.R.S. all District fees, rates, tolls, penalties or charges shall constitute a perpetual lien on and against the property served. Accordingly, failure of a Customer to pay fees, rates, tolls, penalties or charges imposed by the District triggers this perpetual lien for the affected property and the right for the District to foreclose on that perpetual lien. The District exercises such powers for the overall benefit of the District and reserves the right to exercise its discretion on a case-by-case basis in determining whether to file a statement of such lien and foreclose it. Additional provisions regarding violations and enforcement are contained in these Rules and Regulations.

ARTICLE III DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of terms used herein shall be as follows. Additional meanings of terms as used within a specific Article hereof are defined therein.

- 3.1. ACTUAL COST.** Shall mean all direct costs applicable to the construction of a given facility, including, but not limited to, surveys, construction, preliminary and design engineering, inspection, administrative and legal costs, regulatory agency fees, a one- (1) year's maintenance bond, all required easements for land, plan approval fees, "as-built" drawings, and other costs necessary for completion.
- 3.2 ADU.** Shall mean accessory dwelling unit located on the same lot as a principal dwelling unit that includes independent living facilities with provisions for water and sanitation. This includes both attached/interior accessory dwelling units and detached accessory dwelling units.
- 3.3 APPLICANT.** Shall mean any Person who applies to the District for services or for Connection or disconnection to or from the District's Facilities, or who applies for a main line extension or other such service or who attempts to have real property included within or excluded from the District.
- 3.4 BOARD.** Shall mean the duly elected and/or appointed Board of Directors of the District which acts as the governing body of the District.
- 3.5 CONNECTION.** See TAP OR CONNECTION in Section 3.46.
- 3.6 CONSULTANT.** Shall mean any Person who provides advice within a field of specialized knowledge or training or performs professional, executive, or managerial services for the District.
- 3.7 CONTRACTOR.** Shall mean any Person who performs work or furnishes materials to property within the District or undertakes to construct, alter, move, demolish, repair, replace, excavate, or add to any District Facilities or Sewer Service Lines.
- 3.8 CUSTOMER.** Shall mean any Person who is connected to or physically using the District's Water System or Sewer System or authorized to connect to the District's Water System or Sewer System under a Tap Permit issued by the Board.
- 3.9 DENVER ENGINEERING STANDARDS.** Shall mean the most current version of the Denver Engineering Standards adopted by Denver Water as the same may be amended from time to time. The Denver Engineering Standards are incorporated by reference herein and are binding upon the District and upon Customers thereof.

- 3.10 DENVER RULES.** Shall mean the Operating Rules of the Board of Water Commissioners for the City and County of Denver as the same may be amended from time to time. The Denver Rules are incorporated by reference herein and are binding upon the District and upon Customers thereof.
- 3.11 DENVER WATER.** Shall mean Board of Water Commissioners for the City and County of Denver.
- 3.12 DEVELOPER.** Shall mean any Person who is engaged in the development, redevelopment, or subdivision of real property within the District’s Service Area.
- 3.13 DISTRICT.** Shall mean the Castlewood Water and Sanitation District, a quasi-municipal corporation and political subdivision of the State of Colorado.
- 3.14 DISTRICT ENGINEER OR ENGINEER.** Shall mean the Person who, or duly authorized representative thereof, that has contracted to do engineering work for the District.
- 3.15 DISTRICT ENGINEERING STANDARDS AND SPECIFICATIONS.** Shall mean the Castlewood Water and Sanitation District Sewer System Standards as Specifications, as the same may be amended from time to time. The District Engineering Standards and Specifications are incorporated by reference herein and are binding upon the District and upon Customers thereof. A copy of the District Engineering Standards and Specifications may be obtained from the District Engineer.
- 3.16 DISTRICT FACILITIES OR FACILITIES.** Shall mean the District’s Sewer System and all improvements and appurtenances thereto constructed by or for the District and which have been accepted by and are owned by District. District Facilities include Local Facilities after final acceptance thereof by the District.
- 3.17 EMERGENCY RESPONSE PLAN.** Shall mean the Emergency Response Plan of the District and is as set forth in a Resolution Adopting an Emergency Response Plan for the District, adopted by the Board on April 10, 2015, as the same may be amended from time to time, which is attached hereto as Appendix B and incorporated herein.
- 3.18 EMPLOYEE.** Shall have the same meaning as “public employee” in Section 24-10-103(4), Colorado Revised Statutes, as may be amended from time to time.
- 3.19 INCLUSION AGREEMENT.** Shall mean an agreement imposing term and conditions, including but not limited to requiring a feasibility study, on the privilege of being included within the boundaries and Service Area of the District.
- 3.20 INCLUSION FEE.** Shall mean a fee for the privilege of being included within the boundaries and Service Area of the District.

- 3.21 INDUSTRIAL WASTE.** Shall mean the liquid or solid wastes from the industrial manufacturing processes, trade, or business as distinct from sanitary wastewater.
- 3.22 INSPECTION FEE.** Shall mean fees that may be imposed for the inspection of the any facilities related to the provision of water service or Sewer Service.
- 3.23 LOCAL FACILITIES.** Shall mean those sewer facilities designed primarily to serve the District’s Service Area, or parts thereof, or individual developments and includes all facilities necessary to serve the infrastructure of the development. Local Facilities do not include Sewer Service Lines.
- 3.24 MANAGER.** Shall mean the Person, or duly authorized representative thereof, retained by the Board to administer and supervise the affairs of the District.
- 3.25 METRO WATER RECOVERY.** Shall mean the Board of Directors of Metro Water Recover (f/k/a/ Metro Wastewater Reclamation District).
- 3.26 METRO RULES.** Shall mean the Metro Water Recovery Rules and Regulations Governing the Operation, Use, and Services of the System as the same may be amended from time to time. The Metro Rules are incorporated by reference herein and are binding upon the District and upon Customers thereof.
- 3.27 NORMAL SEWAGE.** Shall mean Sewage which can be treated without pre-treatment or use of a grease interceptor and within normal operating procedures, and which, when analyzed, shows by weight a daily average of not more than 300 parts per million of suspended solids and not more than 300 mg/l Biochemical Oxygen Demand (“BOD”) or as otherwise may be required under the District Engineering Standards and Specifications.
- 3.28 OWNER.** Shall mean the Person owning the fee interest in property served by or seeking service by the District.
- 3.29 PERMIT OR TAP PERMIT.** Shall mean the license and written permission of the Board authorizing a Connection to the Water System or Sewer System of the District. A Permit grants the Permit holder a license to use the Water System or Sewer System, as applicable, and to receive service from the District as provided in the Rules and Regulations of the District, the Denver Rules, or Metro Rules, as applicable. A Permit is revocable upon the change of use of property served by the District’s Sewer System or Water System.
- 3.30 PERSON.** Shall mean any individual, firm, company, society, corporation, association, organization, partnership, group, government, or subdivision thereof or other entity.
- 3.31 PROHIBITED SEWAGE.** Shall mean any Sewage which may reasonably be anticipated to have a deleterious effect upon the Sanitary Sewer System or any Persons or property.
- 3.32 RULES AND REGULATIONS.** Shall mean the Rules and Regulations adopted by the Board including all amendments, policies, and resolutions.

- 3.33 SANITARY SEWER MAIN OR SEWER MAIN.** Shall mean a District-owned sanitary sewer pipe, pipeline, or system of pipelines for carrying Sewage within the Sewer System and that is installed in a public right-of-way or easement.
- 3.34 SANITARY SEWER SERVICE OR SEWER SERVICE.** Shall mean the provision of sewer service by the District to a Developer, Owner, and/or Customer.
- 3.35 SANITARY SEWER SERVICE LINE OR SEWER SERVICE LINE.** Shall mean any pipe, line, conduit, system of piping, and appurtenances used to provide service to a building from a Sewer Main. The Developer, Owner, and/or Customer shall be responsible for the maintenance and replacement of the Sewer Service Line and related appurtenances from the Sewer Main to the structure to which the Sewer Service Line serves.
- 3.36 SANITARY SEWER SYSTEM OR SEWER SYSTEM.** Shall mean all Sanitary Sewer Mains, accepted extensions to the Sanitary Sewer Mains, manholes, cleanouts, and/or lift stations and related appurtenances owned and operated by the District and used for collecting, pumping, treating, and disposing of Sewage.
- 3.37 SERVICE AREA.** Shall mean the legal boundary within which the District provides service as approved in the District's Service Plan and as may be amended from time to time pursuant to state law.
- 3.38 SERVICE CHARGE.** Shall mean a fee for Sewer Service, which is based on the cost of serving the Customer and is as set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, which is attached hereto as Appendix A and incorporated herein.
- 3.39 SEWAGE.** Shall mean an organic or inorganic material in suspension or solution originating from within residential, commercial, or industrial buildings.
- 3.40 SEWAGE TREATMENT CHARGES.** Shall mean charges imposed by Metro Water Recovery for the cost of treating Sewage emanating from within the District.
- 3.41 SFE (Single Family Equivalent).** Shall be a term used to describe the basic unit of measurement for sewer Tap Fee determination. A single family residence shall constitute one single family unit. Commercial, multi-family residential, and other buildings of a similar nature shall be classified in accordance with the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time.
- 3.42 SHALL** is mandatory; **MAY** is permissive.
- 3.43 SPECIAL CONNECTORS AGREEMENT.** Shall mean the Special Connectors Agreement entered into between Metro Water Recovery and the District, dated November 15, 1983, as the same may be amended from time to time.

- 3.44 SPECIAL SEWAGE.** Shall mean any Sewage which does not conform to the definition for Normal Sewage, but which can be treated after pre-treatment by the Customer or by utilization of special operating procedures. Pre-treatment shall include use of grease interceptors as described in these Rules and Regulations or as otherwise may be required under the District Engineering Standards and Specifications..
- 3.45 STUB-IN/STUB-OUT.** Shall mean an extension of a water main or Sewer Main to beyond the edge of street or parking lot pavement of a property for the purpose of connecting the property to the Water System or Sewer System respectively. This is done for the convenience of the Developer/builder in order to avoid trenching across paving at the time of Connection. Any Stub-in, whether constructed by the District or any Person, and whether located on private property or in a public right-of-way, shall be considered a part of the water service line or Sewer Service Line and shall be the Customer's responsibility.
- 3.46 SYSTEM.** Shall mean the District Facilities, Sewer Service Lines, and all other facilities and appurtenances related to the District's Sewer System whether owned by the District or any other Person.
- 3.47 TAP OR CONNECTION.** Shall mean the physical connection to or the act of (1) connecting a Sewer Service Line to a Sewer Main or a Stub-in or Stub-out, or from a Sewer Main, or indirectly through a private main line which extends beyond the easement line or property line into a structure intended to be served, whether or not actually connected to the structure's sewer system; or (2) connecting a water service line to a water main or a Stub-in or Stub-out, or from a water main, or indirectly through a private main line which extends beyond the easement line or property line into a structure intended to be served, whether or not actually connected to the structure's water system. All Persons shall Tap to facilities by means of Sewer Service Lines or water service lines of sufficient dimension to serve the Customer as determined by the District, Metro Water Recovery, and Denver Water as necessary.
- 3.48 TAP FEE.** Shall mean a fee imposed by the District, Denver Water, and/or Metro Water Recovery for the privilege of connecting to the Water System or Sewer System, payable prior to the time of Connection.
- 3.49 TAP PERMIT.** See PERMIT OR TAP PERMIT in Section 3.28.
- 3.50 TOTAL SERVICE IMPROVEMENT AGREEMENT.** Shall mean the contract between Denver Water and the District, dated May 1, 2002, pursuant to which water service is provided within the District.
- 3.51 WATER SYSTEM.** Shall mean all water service lines, water mains, and related facilities and appurtenances owned and operated by Denver Water and/or Owner or Customers for delivery of water to Customers.

- 3.52 WASTEWATER RESOLUTION.** Shall mean the Wastewater Resolution of the District, adopted by the Board on February 14, 1985, as the same may be amended from time to time, which is attached hereto as Appendix C and incorporated herein.
- 3.53 ANY OTHER TERM** not herein defined shall be defined as presented in the “Glossary – Water and Sewage Control Engineering,” A.P.H.A., A.W.W.A., A.S.C.E., and F.W.S.A., latest editions.

**ARTICLE IV
OWNERSHIP, CONSTRUCTION, OPERATION, MAINTENANCE, AND INSPECTION
OF FACILITIES**

4.1 POLICY. The District is responsible for the operation and maintenance of the District Facilities in a sound and economical manner; it shall not be liable or responsible for inadequate treatment of Sewage, water, or interruption of service brought about by circumstances beyond its control.

4.2 DISTRICT FACILITIES.

4.2.1 Relationship with Denver Water and Metro Water Recovery. Water service is provided within the District pursuant to the Total Service Improvement Agreement. Pursuant to the Total Service Improvement Agreement, all requests for service, repair, maintenance, and operation of the Water System shall be properly addressed to the District and Denver Water.

Metro Water Recovery treats the District's Sewage pursuant to the Special Connectors Agreement.

Subject to the Total Service Improvement Agreement, the Water System which has been constructed within the District is the property of Denver Water, unless an agreement with the Person or entity which constructed them expressly provides otherwise. Subject to the Special Connectors Agreement, the Sewer System which has been constructed by the District or accepted for operation and maintenance pursuant to these Rules and Regulations is the property of the District unless an agreement with the Person or entity which constructed them expressly provides otherwise. These rules shall control ownership whether the components of the Water System and/or Sewer System are constructed or financed by the District, Metro Water Recovery, Denver Water, or by any other Person.

4.2.2 Ownership of District Facilities. The District shall own the District Facilities, but not Sewer Service Lines or the Water System, unless otherwise provided in the Total Service Improvement Agreement or Special Connectors Agreement, provided that the District Facilities not constructed by the District have been finally accepted by the District as further described in these Rules and Regulations. The District may only accept ownership (including maintenance) responsibilities for existing and new Local Facilities (including Sewer Mains), which have been formally conveyed to and finally accepted by the District in compliance with these Rules and Regulations and the District Engineering Standards and Specifications. Said ownership will remain valid whether the Local Facilities (including Sewer Mains) are constructed, financed, paid for, or otherwise acquired by the District, or by other Persons. The Developer shall dedicate to the District, without charge, all necessary easements for such Local Facilities.

4.2.3 Construction of District Facilities by the District. Except as otherwise provided by these Rules and Regulations, the Total Service Improvement Agreement, or the Special Connectors Agreement, the District has sole authority to plan, finance, design, and construct or acquire all District Facilities. The District will only construct facilities or portions thereof when the Board has made a determination that such construction is economically feasible and will not compromise Sewer Service to its existing Customers.

4.2.4 Construction of District Facilities by Developer, Owner, and/or Customer. The Developer, Owner, and/or Customer may be required to plan, finance, design, and construct certain facilities, including extensions to the Sewer Main and Local Facilities, as a condition of receiving Sewer Service to their property. Such facilities shall be constructed pursuant to an agreement with the District and shall be constructed in accordance with these Rules and Regulations, the District Engineering Standards and Specifications. All studies, construction drawings, plans, right-of-way, and easements for the construction of facilities shall be submitted to the District Engineer for review and approval prior to construction, and to Metro Water Recovery as necessary. The Developer, Owner, or Customer shall pay the Actual Cost of all such facilities. Local Facilities may, after completion and subject to any applicable warranty requirements, be accepted for ownership, operation, and maintenance by the District in accordance with these Rules and Regulations.

Upon completion of construction, an extension to the Sewer Main or repairs to the Sewer Main shall undergo initial inspection in accordance with procedures set forth in the District Engineering Standards and Specifications. All costs and expenses incident to such testing shall be borne by the Developer, Owner, and/or Customer.

4.2.5 Warranty Period, Inspection, Approval, and Acceptance of District Facilities.

4.2.5.1 Initial Acceptance. Upon completion of construction of facilities constructed by the Developer and/or Owner pursuant these Rules and Regulations and the District Engineering Standards and Specifications, the Developer, Owner, and/or Customer may apply to the District for initial acceptance and inspection of such facilities. The Owner or Developer shall provide to the District as-built drawings, specifications of the facilities, easements, and appropriate lien waivers for all work performed within thirty (30) days after initial acceptance of the facilities.

4.2.5.2 Warranty Period. The Owner, Developer, and/or Customer shall warrant the constructed facilities for a period of two (2) years from the date of initial acceptance by the District. After expiration of the two (2) year warranty period, the Owner, Developer, and/or Customer shall apply to the District for final

acceptance of such facilities. The warranty period may be extended in accordance with Section 4.2.4.3. A malfunction or defect during the warranty period shall be remedied by the Owner, Developer, and/or Customer to the satisfaction of the District within twenty (20) days of written notification of such malfunction or defect from the District. If the Developer, Owner, and/or Customer fails to correct such malfunction or defect within twenty (20) days of notification from the District, the District may correct such malfunction or defect. All costs and expenses incident to remedying the malfunction or defect, whether remedied by the District or the Developer, Owner, and/or Customer, shall be borne by the Developer, Owner, and/or Customer. The Developer, Owner, and/or Customer shall pay all costs and expenses incurred by the District to remedy any malfunctions or defect, including all costs of collection such as reasonable attorneys fee and interest, within fifteen (15) days after receipt of the District's invoice. No construction or work performed by the District on the facilities, whether under emergency circumstances or by reason of the Developer, Owner, and/or Customer's delay, shall void, impair, or diminish the Warranty.

4.2.5.3 Inspection. All facilities must be inspected in accordance with the District Engineering Standards and Specifications prior to District granting initial acceptance. Not later than thirty (30) days prior to the end of the warranty period, all facilities must be inspected in accordance with the District Engineering Standards and Specifications prior to District. If any facilities do not meet the District Engineering Standards or Specifications, the warranty period shall automatically be extended until (1) such malfunctions or defects are remedied by the Developer, Owner, and/or Customer's and undergo an additional inspection; or (2) the Developer, Owner, and/or Customer's has paid the District's invoice for all costs and expenses incident to remedying the malfunction or defects, including all costs of collection such as reasonable attorneys fee and interest. An extension to the Sewer Main shall additionally require televising of the Sewer Main prior to the District granting initial and final acceptance.

4.2.5.4 Approval and Acceptance. After the District grants final acceptance of the facilities, ownership of such facilities shall automatically pass to and be conveyed to the District without the necessity of transfer proceedings or documents of conveyance.

4.2.6 Operation and Maintenance of District Facilities. The District shall be responsible for the maintenance, operation, repair, and replacement of the District Facilities constructed by or for the District, provided that the District Facilities not constructed by the District have been granted final acceptance by the District as further described in Section 4.2.4. Until such time as final acceptance has been granted for facilities, the Developer and/or Owner shall be responsible for the maintenance, operation, repair, and replacement of the facilities. All repair or replacement work that is covered under the warranty shall be performed by the Developer and/or Owner with District oversight and inspection. All other costs incurred by the District due to the actions of any Developer, Owner, Customer, or other third party, including but not limited to legal, engineering, and administrative fees, will be paid to the District by such Developer, Owner, Customer, or other third party.

4.2.7 Special Maintenance of District Facilities. When the District identifies portions of the District Facilities which require preventive maintenance more than once every three (3) years, and when the District's Customers who are creating the need for extra maintenance can be identified, the District may, to the extent practicable, require those Customers to pay a surcharge which pro rates the added cost of preventive maintenance to the benefit received by the individual Customer.

4.3 SEWER SERVICE LINES.

4.3.1 Ownership of Sewer Service Lines. The Developer, Owner, and/or Customer shall own and be responsible for the construction, installation, Connection, maintenance, repair, and/or replacement of the Sewer Service Line and related appurtenances from the Sewer Main to the structure to which the Sewer Service Line is connected in conformity with these Rules and Regulations. All costs and expenses incident to the construction, installation, Connection, maintenance, repair, and/or replacement of Sewer Service Lines shall be borne by the Developer, Owner, and/or Customer.

Any Sewer Service Line shall be the property of the Developer, Owner, or Customer. This rule shall not be changed by the fact that the District may construct, finance, pay for, repair, maintain, or otherwise affect the Developer's, Owner's, or Customer's Sewer Service Line. The Developer's, Owner's, or Customer's ownership of the Sewer Service Line shall not entitle the Developer, Owner, or Customer to make unauthorized uses of the District's Facilities. All uses of the Sewer Service Line or its appurtenances at any time after the initial Connection to the District's Sewer System shall be subject to these Rules and Regulations

4.3.2 Indemnification. The Developer, Owner, and/or Customer shall indemnify the District for any loss or damage that may directly, or indirectly, be occasioned by the construction, installation, Connection, maintenance, repair, and/or replacement of a Sewer Service Line both during construction and perpetually thereafter.

4.3.3 Construction of Sewer Service Lines. A separate and independent Sewer Service Line shall be provided for every building, premise, structure, ADU and/or each individually owned residential or commercial units in accordance with the District Engineering Standards and Specifications and, except as otherwise provided herein or as otherwise agreed to in writing by the District, shall be installed at the expense of the Developer or Owner.

Sewer Service Lines shall be constructed and installed in accordance with plans and specifications meeting or exceeding the District Engineering Standards and Specifications. All studies, construction drawings, plans, right-of-way, and easements for the construction of Sewer Service Lines shall be submitted to the District Engineer for review and approval prior to construction. The Owner or Developer shall pay the Actual Cost of all Sewer Service Lines. The District may, at its sole discretion, oversee installation of Sewer Service Lines prior to the commencement of Sewer Service.

Upon completion of construction, Sewer Service Lines shall be tested for in accordance with procedures set forth in the District Engineering Standards and Specifications. All costs and expenses incident to such testing shall be borne by the Developer, Owner, and/or Customer.

4.3.3.1 Existing Sewer Service Lines. Existing Sewer Service Lines may be used in connection with buildings that are being renovated, remodeled, or rebuilt only when found on examination by the District to meet all the requirements of these Rules and Regulations and the District Engineering Standards and Specifications and payment of any additional fees has been received by the District, if required.

4.3.4 Inspection, Approval, and Acceptance of District Facilities of construction of facilities constructed by the Developer and/or Owner. Pursuant these Rules and Regulations and the District Engineering Standards and Specifications, the Developer or Owner may apply to the District for initial acceptance and inspection of such facilities. The Owner or Developer shall warrant the constructed facilities for a period of two (2) year from the date of initial acceptance by the District. After expiration of the two (2) year warranty period, the Owner or Developer shall apply to the District for final acceptance of such facilities. After the District grants final acceptance of the facilities, ownership of such facilities shall be transferred to the District. The Owner or Developer shall provide to the District as-built drawings, specifications of the facilities, easements, and appropriate lien waivers for all work performed.

4.3.5 Operation and Maintenance of Sewer Service Lines. The Owner shall be responsible for maintaining the Sewer Service Line, including the Sewer Main Tap, and related appurtenances from the Sewer Main to the structure to which the Sewer Service Line is attached in conformity with these Rules and Regulations and the

District Engineering Standards and Specifications. Leaks, stoppage, or breaks in such Sewer Service Line will be repaired by the Owner within a reasonable period of the time after notification of such condition by the District or discovery of such condition by the Owner.

If the District, in its sole discretion, believes that an emergency exists related to a Sewer Service Line or that satisfactory progress toward repairing a leak, stoppage, or break in a Sewer Service Line has not been completed within a reasonable time period, the District shall have the express right to enter onto the Owner's property and effect any necessary repairs or remediation and collect costs including legal, engineering, and administrative fees from the Developer, Owner, and/or Customer and shall be entitled to place a lien against the property to secure payment of such costs. Permission to enter onto the property and effect repairs and remediation and agreement to reimburse the District for costs is expressly given in partial consideration for the provision of Sewer Service by the District.

4.4 STUB-INS.

4.4.1 Water. The District may permit the installation of water Stub-Ins prior to street paving and prior to actual building construction. Upon payment of required fees, the District will provide the Developer or Owner with a "Stub-In" application for processing by Denver Water. It shall be the Applicant's responsibility to comply with the Denver Rules. Stub-ins shall be identified with an engraved "W" for water. No connection of a water service line to a Stub-In shall occur until a water Tap Permit has been approved and issued by the District and Denver Water.

4.4.2 Sewer. The District may approve a request for the installation of sewer Stub-Ins to be installed in accordance with approved sewer main construction plans and specifications and upon payment of the fee set forth in the SCHEDULE OF FEES AND CHARGES. District approval shall not be granted for any request where the Stub-In is more than ten (10) feet into the property line. No connection of a Sewer Service Line to a Stub-In shall occur until a Sewer Tap Permit has been issued by the District and Metro Water Recovery.

4.5 RELATIONSHIP WITH OTHER GOVERNMENTAL ENTITIES. The District has entered into agreements with other governmental entities which relate to its provisions of service and may from time to time enter into additional agreements of this nature. The District's Developers, Owners, and Customers are hereby put on the notice of the existence of such agreements and advised that pursuant to such agreements additional fees, rates, tolls, charges, and penalties may be assessed to the District's Developers, Owners, and Customers by the governmental entities that are a party to those agreements.

4.6 LIMITATION OF LIABILITY OF DISTRICT. Service from the District is a privilege. As partial consideration for said privilege, the Developer, Owner, and/or Customer agrees that except as provided by the Colorado Governmental Immunity Act, Sections 24-10-101 *et seq.*, Colorado Revised Statutes, as the same may be amended from time to time

(“Colorado Governmental Immunity Act”), no claim for damage shall be made against the District for any reason including, but not limited to the following: blockage in the Sewer System causing the backup of effluent; damage caused by testing of lines; breakage of any Sewer Main; interruption of Sewer Service and the conditions resulting therefrom; breaking of any Sewer Main, Sewer Service Line, valve, or meter; failure of the water supply; shutting off or turning on of water; making of connections or extensions; damage caused by water running or escaping from open or defective faucets and appliances; burst Sewer Service Lines and other facilities not owned by the District; damage to water heaters, boilers, or other appliances resulting from shutting water off, or from turning it on, or from inadequate or sporadic pressures; or from inadequate water delivery, wastewater treatment, or interruption of any services brought about by circumstances beyond its control; or for doing anything to the District Facilities deemed necessary by the Board or its agents. Except if required and as provided by the Colorado Governmental Immunity Act, the District shall have no responsibility for notification to Developer, Owner, and/or Customer of any of the foregoing conditions. The District reserves the right to temporarily discontinue service to any property at any time for any reason deemed necessary or appropriate by the Board. The District shall have the right to revoke service to any property for violations of these Rules and Regulations as provided in these Rules and Regulations. Nothing in these Rules and Regulations may be deemed a waiver by the District of any rights under Colorado law, including but not limited to, the Colorado Governmental Immunity Act. No act or inaction by the District shall be construed as a waiver in whole or in part of the protections provided by the Colorado Governmental Immunity Act unless expressly and formerly resolved by the Board.

- 4.7 HOMEOWNER’S INSURANCE.** Developers, Owners, and Customers of the District shall at all times maintain in full force and effect insurance coverage, whether by rider or otherwise, that is in their opinion adequate to provide coverage for damage incurred to their personal and real property from any back-up, leak, or spill of Sewage and which cover, to the extent available, their responsibilities and obligations under these Rules and Regulations.
- 4.8 RIGHT OF ENTRY.** Duly authorized representatives of the District, including but not limited to the Engineer, Consultants, Employees, and other personnel authorized by Metro Water Recovery, the District, or the District’s Consultants or Engineer, bearing proper credentials and identification shall be permitted and are hereby expressly granted the right to enter upon all properties for the purpose of inspection, observation, measurement, sampling and testing, repairs, or any other reasonable purpose in accordance with the provisions of these Rules and Regulations. As partial consideration for the provision of Sewer Service the Developer, Owner, or Customer, as applicable, grants the aforementioned duly authorized representatives of the District the express right to enter upon private property for the purposes stated herein. Access to all District Facilities shall be maintained, and the District shall have the right to access all District Facilities at reasonable times. The District’s authorized representative may inspect any facility related to the provision of Sewer Service by the District for compliance with these Rules and Regulations or other applicable laws and charge the Developer, Owner, or Customer an Inspection Fee for such compliance inspections.

4.9 CONFINED SPACE PROGRAM. Any District Contractor or other entity that contracts with the District or otherwise wishes to access the District’s confined spaces shall, as a condition to entry into any of the confined spaces, and to providing services to the District, meet the following requirements:

- a. Acknowledge that the subject facilities are a confined space; and
- b. Agree to abide by the Occupational Safety and Health Administration (OSHA) regulations for “permit-required confined space” and “non-permit confined space,” including the establishment of an OSHA required “permit-required confined space program” (the “Permit Space Program”); and
- c. Release and indemnify the District in connection with the confined space access.

The District also requires that such Contractor provide the District with a copy of the Contractor’s written Permit Space Program that complies with the OSHA regulations.

In addition, as part of the District’s confined space requirements, such Contractor shall consult with the District’s Engineer regarding any hazards confronted or created in “permit-required confined spaces.”

4.10 CONTRACTOR QUALIFICATIONS AND REQUIREMENTS.

4.10.1 Insurance Requirements. All Contractors performing work on or furnishing materials for, or in any way related to, District Facilities shall purchase and maintain, for the full period of any project, comprehensive general liability/auto liability, worker’s compensation, and other insurance sufficient to protect the District from all claims arising out of the Contractor’s performance or work on the project, or the performance or work of any subcontractor or anyone else for whose acts the Contractor may be liable. The Contractor’s insurance coverage shall waive any right of subrogation against the District and its directors, Employees, agents, Consultants, and Engineer (including their officers, directors, Employees, and agents). The Contractor shall supply the District proof of insurance.

Insurance shall provide coverage for injury, sickness, or disease and death arising directly or indirectly out of or in connection with the performance of work on the project, in such amounts as the District requires or if the District has not so specified, in a commercially reasonable amount. Coverage for property shall be set at the limit provided by the District, for all damages arising out of injury to or destruction of property of others, arising directly or indirectly out of or in connection with performance of work on the project.

Each Contractor’s insurance coverage shall be sufficiently broad to enable the Contractor to fully indemnify the District and its directors, Employees, agents, Consultants, and Engineer (including their officers, directors, Employees, and agents) against any and all claims arising out of the work performed by the Contractor. The

indemnification obligations of Contractors shall not be limited by the limits of any required policy of insurance.

4.10.2 Contract and Bond Requirements. All Contractors shall comply with requirements of Sections 24-94-101 *et seq.*, C.R.S. as well as any bonding or other surety requirements as provided by law, including but not limited to the requirements of Section 38-26-106, C.R.S. The District may require that a Contractor provide a bond or other acceptable surety for any work within the Service Area. The construction or repair of any portion of a Sewer Service Line, the Water System, District Facilities, or Local Facilities shall be conducted pursuant to these Rules and Regulations, the District Engineering Standards and Specifications, the Denver Rules, the Metro Rules, and all federal, state, and local laws, statutes, ordinances, codes, guidelines, court ruling and orders of all governmental authorities applicable to services performed by the Contractor.

4.10.3 Contractor Qualifications. No Person or Contractor shall construct or repair any portion of a Sewer Service Line, the Water System, District Facilities, or Local Facilities without being licensed as a master plumber in the State of Colorado or performing under the direct supervision of a plumber licensed as a master plumber in the State of Colorado.

ARTICLE V
GENERAL USE OF SYSTEM AND APPLICATION FOR SERVICE

- 5.1 WHO MAY USE.** Services will be furnished to property included in the District's Service Area subject to the District's Rules and Regulations, the availability of facilities and capacity, and fees, rates, and charges imposed by the District, Metro Water Recovery, and/or Denver Water. If requested by the District, any Applicant for Sewer Service shall furnish satisfactory evidence regarding the status of title to the property to be served. A tax receipt or certification received and signed by the County Treasurer shall be satisfactory evidence.
- 5.2 AUTHORITY TO UNCOVER, USE, OR ALTER SYSTEM.** No Person who is not authorized by the District shall uncover, make any Connection with or opening into, use, alter, or disturb any of the District Facilities without first obtaining written authorization from the District. Authorized persons include the District's maintenance Contractor, Engineer, and licensed Contractors with written authorization.
- 5.3 INCLUSIONS OF PROPERTY INTO DISTRICT BOUNDARIES.** Service within the District is governed by the Total Service Improvement Agreement and by the Special Connectors Agreement, which define the Service Area as the boundaries of the District. If a Developer, Owner, or Customer desires service for property lying outside the District's Service Area, he or she may petition for the inclusion of all of the land for which service is requested within the boundaries of the District. Petitions for inclusion shall be made pursuant to Colorado law in a form acceptable to the District, and shall be accompanied by payment of a deposit, in an amount to be determined by the District from time to time and which shall be used to cover all administrative, engineering, and legal fees and costs associated with the proposed inclusions. In the sole discretion of the District, a petitioner may also be subject to an Inclusion Agreement and Inclusion Fee for inclusion of property into the District's Service Area. Boundary changes are subject to approval by Denver Water and/or Metro Water Recovery.
- 5.4 EXTRATERRITORIAL SERVICE.** The District shall have no obligation to provide service outside its boundaries. No service shall be provided to property outside of the District except for service provided by express written agreement between the District and the party seeking extraterritorial service, and then only to the extent permitted by contract with Denver Water and/or Metro Water Recovery. Any such written agreement with the District will establish charges for furnishing service, which charges shall be not less than Service Charges for in-District property, and which charges may be greater than the Service Charges for in-District property. Any service extensions necessary to service property outside of the District shall comply with the provisions of these Rules and Regulations.
- 5.5 APPLICATION FOR SERVICE.** In addition to any other requirements for Sewer Service set forth in these Rules and Regulations or the Metro Rules, the requirements set forth in this Section shall be met prior to a receiving Sewer Service from the District. Acceptance of Sewer Service by any Developer, Owner, or Customer shall constitute such Developer's, Owner's, or Customer's agreement to be bound by the terms of these Rules

and Regulations. Application for water service and any conditions of such service are governed by the Denver Rules.

5.5.1 Filing of Application for Sewer Service. Upon verification that a property is within the Service Area of the District, the Developer, Owner, and/or Customer of the property seeking Sewer Service shall:

- a. File an application for Sewer Service with the District on forms provided by the District. The application must be accompanied by all required fees.
- b. All Tap Fees must be paid upon submittal of the application for Sewer Service; the amount of the Tap Fees is determined in accordance with the then-current fee schedule imposed by the District and Metro Water Recovery as applicable.

Only after (1) approval of the application by the District and/or Metro Water Recovery, and (2) satisfaction of any applicable condition as described in these Rules and Regulations may a Tap or Connection to the Sewer System be made by the Applicant.

5.5.2 Application Information. Should any information disclosed on the application prove at any time to be false, or should the Applicant omit any information, the District and/or Metro Water Recovery shall have the right to reassess the fees originally charged and to back-charge the property in question for all fees that may be due and owing, and/or to charge any other or additional fees or penalties specified in these Rules and Regulations and/or Metro Rules, as any or all of the foregoing may be amended from time to time. Any reassessment shall be due and payable, together with any penalties or other additional fees charged, with interest as permitted by law, upon and from the date of the original application. In addition, the District may exercise all remedies permitted by law or these Rules and Regulations.

5.6 CONDITIONS OF SEWER SERVICE. The following conditions of Sewer Service may be required by the District in order for a Developer, Owner, and/or Customer to receive Sewer Service.

5.6.1 Extension and Oversizing of Facility/Line. As a condition of receiving Sewer Service, the Developer, Owner, or Customer may be required, in the District's sole discretion, to construct, extend, or enlarge Local Facilities (including Sewer Mains and Sewer Service Lines) or other facilities beyond the capacity required to serve a particular property or properties or extend such lines or facilities beyond the location required to serve a particular property or properties in order to effectively provide Sewer Service to additional properties within the District's Service Area at a later date.

5.6.2 Cost Recovery. The part of the costs of a facility or line to be installed within, or for, a particular property or properties, but which the District has also assigned a

transmission function which results in the need for oversizing or extension as described in these Rules and Regulation, which are eligible for a credit or reimbursement to the Developer, Owner, or Customer, shall be determined on a case-by-case basis in the sole discretion of the District and shall be described in an agreement with the District.

5.6.3 Conveyance of Property Rights. As a condition of receiving Sewer Service, the Developer, Owner, or Customer may be required, in the District's sole discretion, to convey at no charge rights-of-way, parcels, easements, or other property interests to the District or other governmental entities in order to ensure that the District can provide Sewer Service.

5.6.4 Reimbursement For Condemnation. The District may require a Developer, Owner, or Customer to reimburse the District for costs of condemnation if in the District's sole discretion it needs to condemn an easement over the property applying for Sewer Service.

5.6.5 Tap Purchase Agreement/Development Agreement. As a condition of receiving Sewer Service, the Developer, Owner, or Customer may be required, in the District's sole discretion, to enter into a tap purchase agreement, development agreement, or other agreement with the District.

5.7 DENIAL OR REVOCATION OF APPLICATION. The District and/or Metro Water Recovery reserve the right to deny an application for Sewer Service when, in the opinion of District and/or Metro Water Recovery:

- a. The Sewer Service applied for would create an excessive seasonal, or other, demand on the Sewer System;
- b. Sewer Service limitations are imposed by Metro Water Recovery;
- c. There has been misrepresentation in the application as to the property or fixtures contained on the property;
- d. Sewer Service would not be in the best interests of the taxpayers and inhabitants of the District;
- e. The Applicant has not paid the fees due;
- f. There is inadequate capacity of the existing Sewer System or no Sewer Main to which to connect;
- g. The Sewer Service is otherwise not in the best interests of the District; or
- h. The District's Engineer finds the application deficient in any manner.

Denial may also be based upon an unresolved obligation between the District and the Applicant; inadequate documentation of right-of-ways, parcels, and easements for facilities that serve the property; or any other reason as determined by District and/or Metro Water Recovery. The District and/or Metro Water Recovery reserve the right to revoke Sewer Service for any violation of these Rules and Regulations and/or Metro Rules. Additionally, the District and/or Metro Water Recovery reserve the right to revoke any prior approval of an application before Sewer Service has been provided.

5.8 CHANGE TO PROPERTY, BUILDINGS, USE OF PROPERTY, EQUIPMENT, OR SERVICE

5.8.1 Moved or Destroyed Buildings. When buildings are moved or destroyed or Taps are otherwise abandoned, the Developer, Owner, or Customer must physically disconnect its water service line or Sewer Service Line from the District's, Metro Water Recovery's, and/or Denver Water's mains pursuant to these Rules and Regulations, the Denver Rules, and/or the Metro Rules. Reconnection shall be pursuant to these Rules and Regulations, the Denver Rules, and/or the Metro Rules.

5.8.1.1 Sewer Service. If the number of SFE's of a sewer Tap are the same upon reconnection to the District's Sewer Mains as they were on the date the building was moved or destroyed, no additional sewer Tap Fee will be required; however, all applicable fees, including Inspection Fees under the SCHEDULE OF FEES AND CHARGES, shall still be due. If the number of SFE's of a sewer Tap increases upon reconnection, the Developer, Owner, or Customer shall be required to pay the difference between the then-current sewer Tap Fee for the number of SFE's that were disconnected and the number of SFE's for the lines that are reconnected. A Developer, Owner, or Customer can reconnect to the District's Sewer Main pending submittal of a new application for Sewer Service within a period of five (5) years from the date a building is moved or destroyed. After five (5) years, the Developer, Owner, or Customer must submit a new application for Sewer Service and pay the applicable fees as described in these Rules and Regulations.

5.8.1.2 Water Service. If the size of a water Tap is the same upon reconnection to the water mains as they were on the date the building was moved or destroyed, no additional water Tap Fee will be required; however, all applicable fees, including Inspection Fees under the SCHEDULE OF FEES AND CHARGES, shall still be due. If the size of the water Tap increases upon reconnection, the Developer, Owner, or Customer shall be required to pay the difference between the then-current water Tap Fee for the size of the water tap that was disconnected and the size of the water tap for the lines that are reconnected. Application for water service and any conditions of such service are governed by the Denver Rules.

5.8.2 Change in Customer's Equipment or Service.

5.8.2.1 A Developer, Owner, or Customer shall file an amended application for Sewer Service with the District and/or Metro Water Recovery prior to making a change in Sewer Service. No change in the Developer's, Owner's, or Customer's equipment, Sewer Service, or use of property served shall be made without prior notice to and approval by the District and/or Metro Water Recovery. If any such change will, in the opinion of District and/or Metro

Water Recovery, increase the burden placed on the District's and/or Metro Water Recovery's respective systems by the Developer, Owner, or Customer, the District and/or Metro Water Recovery shall determine the monthly Service Charge and Sewage Treatment Charge and whether an increased Sewer Main is required. At the time of the determination, the Developer, Owner, or Customer shall be required to pay any additional monthly Service Charge, Sewage Treatment Charge, or other costs resulting from the determination. No such determination shall result in a refund or credit of any kind to the Developer, Owner, or Customer. New buildings, premises, structures, ADUs and/or each individually owned residential or commercial units require a separate and independent Sewer Service Line and Tap Fee as set forth in in Section 4.3.3.

5.8.2.2 Any Person who causes new or increased water service shall be required to take such action as required by the Denver Rules. If Denver Water believes that any Developer, Owner, or Customer has caused increased water service, it may take such action as is specified in the Denver Rules. New buildings, premises, structures, ADUs and/or each individually owned residential or commercial units require payment of a separate and independent Tap Fee.

5.8.2.3 Any Person who enlarges buildings or otherwise increases Sewage flows so that the number of SFE units will be increased must apply for a modified Tap Permit, whether or not the size of the Sewer Service Line is increased.

Should a Developer, Owner, or Customer expand an existing building, said Developer, Owner, or Customer shall be required to pay a sewer Tap Fee for the building expansion based on the added number of SFE's. Sewer Service shall continue at the old equivalency until the date of inspection and acceptance of the expansion. The fee will be charged for the proposed use at the then-current sewer Tap Fee rates.

For a change in building use, to a higher use; i.e. from warehouse to office, which results in a greater number of SFE's, a sewer Tap Fee shall be paid for the proposed higher use at the then-current sewer Tap Fee rates with a credit being given for the previously paid SFE's adjusted to current rates. For a change in use to lower use; i.e. office to warehouse, no adjustment will be made.

5.8.2.4 If the District believes any Developer, Owner, or Customer has changed its equipment, Sewer Service, or use of its property in violation of these Rules and Regulations, it shall so notify the Developer, Owner, or Customer, including a statement of the District's intent to assess any fees or penalties. The Developer, Owner, or Customer shall be afforded twenty (20) days in which to respond to the District's notice. Failure to respond as required herein within the twenty (20) day period shall be deemed to establish the fact of the violation. Fees and penalties deemed appropriate by the District shall be

assessed against the Developer, Owner, or Customer and/or the property in question and shall be collected as provided under these Rules and Regulations and Colorado law.

If the Developer, Owner, or Customer responds to the District within twenty (20) days, payment of such fees may be deferred by, and pending a consultation with, the District as specified in these Rules and Regulations. Such response by the Developer, Owner, or Customer must include permission to make such inspection of the property in question as the District or its representatives deem necessary to establish the nature of equipment, Sewer Service, and use of the property in question. The Developer, Owner, or Customer must thereafter take all steps prescribed by the District and pay all required fees within the time period established by the District.

- 5.8.3** Any violation of the provisions in this Section 5.8 may result in the assessment of additional fees, rates, tolls, charges, and penalties or revocation of Service as provided in Articles 8 and 9 of these Rules and Regulations.

5.9 PROHIBITED ACTS.

- 5.9.1 Unauthorized Persons.** No unauthorized Person or entity shall uncover, use, alter, disturb, or make any Connection with, disconnect from, make any opening onto, use, uncover, alter, disturb, or open the District's Facilities without first obtaining written authorization from the District. Unauthorized activities with respect to the District's Facilities include, but are not limited to, unauthorized Connections to the Sewer System, even though such acts may be performed on a privately owned or maintained Sewer Service Line.

- 5.9.2 Unauthorized Connection to System.** No unauthorized Person shall be allowed to connect onto or disconnect from the Sewer System or to enlarge or otherwise add to or change equipment, Sewer Service, or use of property without prior written approval of the District and Metro Water Recovery. All requests for a Connection/reconnection of Sewer Service may be granted or denied by the District at its sole discretion. All Connections/reconnections of Sewer Service from the District shall be inspected and approved only by District personnel, regardless of the circumstances concerning the Connection/reconnection. Each Connection or reconnection is a separate, distinct function and shall require additional inspections by District personnel. The District may assess applicable rates, fees, tolls, charges, and penalties as specified these Rules and Regulations. No Person shall be allowed to connect to the Water System or increase water service therefrom except as permitted by the Denver Rules and with such approvals as are required by Denver Water. Upon the discovery of any unauthorized Connections, including but not limited to bypass of a meter during construction, the Developer, Owner, or Customer may be subject to the violation provisions of these Rules and Regulations.

5.9.3 Prohibited Use of System. Prohibited use of the Sewer System includes, but is not limited to, an unauthorized discharge into the System, an unauthorized Connection or disconnection of Sewer Service Lines, or tampering with or in any way modifying any part of the District Facilities or modifying Sewer Service Lines in any way that violates these Rules or Regulations.

5.9.4 Illegal Acts. No Person shall maliciously, willfully, or negligently break, damage, destroy, cover, uncover, deface, tamper, or refuse “right of entry,” as specified in these Rules and Regulations, to any portion of the Sewer System even though all or portions of the same may be privately owned and maintained by the Developer, Owner, or Customer. No Person shall install or use any type of septic system or drill or install any water well facility or system within the District’s Service Area, unless otherwise authorized by the District in writing or by these Rules and Regulations. No Person shall violate any provisions of these Rules and Regulations. The District may pursue to the limits of local, state, and/or federal laws any Person(s) that cause damage to the Sewer System.

5.10 FORFEITURES.

5.10.1 Revocation of Service. Sewer Service shall be revocable by the District for non-payment of any valid fees or charges owing to the District or violation of any provision of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement as provided in these Rules and Regulations. Water service may be revoked by Denver Water pursuant to the Denver Rules.

5.10.2 Failure to Connect. A Developer’s, Owner’s, or Customer’s right to connect to the Sewer System shall terminate and any Tap Fee paid shall be forfeited if the Tap is not connected to the District’s Facilities within twelve (12) months of the payment of the Tap Fees unless otherwise provided in a tap purchase agreement, development agreement, or other agreement entered into with the District. Upon such termination, the District fees will not be refunded. Abandoned, cancelled, or unused water taps shall also be governed by the Denver Rules.

5.10.3 Revocation of Tap Rights. The right to connect to the Water System or Sewer System and to receive water service and/or Sewer Service shall be revocable pursuant to these Rules and Regulations for violation of any provision of these Rules and Regulations or the conditions or obligations set forth in any sewer Tap Permit, agreement, Metro Rules, or Denver Rules. The right to connect to the District’s Sewer System and receive Sewer Service shall be revocable by the District upon non-payment of any District fees owing to the District and remaining unpaid for a period of ninety (90) days, whether or not the Developer, Owner, or Customer with the right to connect has actually connected to the Sewer Systems or for violation of any provision of these Rules and Regulations or the conditions or obligations set forth in any sewer Tap Permit or agreement. The District shall not be obligated to grant a credit for any fees paid prior to a revocation of tap rights. If the right to connect to the Sewer System is revoked, the Developer, Owner, or Customer may reacquire such

sewer Tap rights only by reapplying for a sewer Tap and after paying all fees due and owing the District, according to the then-current fee schedule.

- 5.11 NON-TRANSFERABILITY OF TAPS AND PERMITS.** Permits or paid Taps attach to the property identified in the Tap Permit only. They are not affected by changes in the ownership of the property and are usable only in accordance with the terms of the Tap Permit and these Rules and Regulations. Permits or paid Taps are not transferable to other properties nor may fees be transferred from one property to any other property without the written consent of the Board, Metro Water Recovery, and/or Denver Water.
- 5.12 LIMITATION ON ASSIGNMENT.** No Taps purchased from the District may be sold or assigned without the express written consent of the District, Metro Water Recovery, and/or Denver Water, as applicable, and subject to such terms and conditions as the District, Metro Water Recovery, and/or Denver Water may impose.
- 5.13 PENALTIES.** Any Person violating any of the provisions of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement may be subject to the enforcement provisions and penalties set forth in Article 9 of these Rules and Regulations.
- 5.14 REIMBURSEMENT OF DISTRICT COSTS.** Any Person violating any of the provisions of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement shall become liable for reimbursement of any District costs associated therewith, including but not limited to legal, engineering, and administrative fees.

**ARTICLE VI
USE OF THE SEWER SYSTEM**

- 6.1 AUTHORITY TO UNCOVER, USE, OR ALTER SEWER SYSTEM.** No Person who is not authorized by the District shall uncover, make any Connection with or opening into, use, alter, or disturb any Sewer Main or appurtenance without first obtaining written authorization from the District. Authorized persons include the District's maintenance Contractor, Engineer, and licensed Contractors with written authorization.
- 6.2 RESPONSIBILITIES OF THE OWNER.** Each Owner shall be responsible for maintaining the entire length of the Sewer Service Line, including appurtenances, serving the property from the structure to the District's manhole or Sewer Main including the Sewer Main Tap. Leaks, stoppage, or breaks in the Sewer Service Line must be repaired by the Owner within a reasonable period of time after notification of such condition by the District or upon discovery of the condition. If satisfactory progress toward repairing said leak, stoppage, or break has not been completed within such time period, the District shall have the express right to enter onto the Owner's property and effect the repair and collect costs including legal, engineering, administrative, and accounting fees from the Owner and shall be entitled to place a lien against the property of such Owner to secure payment of such costs. Permission to enter onto the property and effect repairs and agreement to reimburse the District for costs is expressly given in partial consideration for the provision of Sewer Service by the District.
- 6.3 PROHIBITED ACTS.** No Person shall discharge, or cause to be discharged, any storm water, surface water, ground water, roof runoff, sub-surface drainage, cooling water, sump pumps, or untreated industrial process waters to the Sanitary Sewer System. No public or private swimming pool shall be connected to the Sanitary Sewer System without complying with the provisions of Section 6.3.4.

Except as hereinafter provided, no Person shall discharge, or cause to be discharged, to any Sewer Main, any Special Sewage, Prohibited Sewage, or any harmful waters or wastes, whether liquid, solid, or gas, capable of causing obstruction to the flow in sewers, damage or hazard to structures or maintenance personnel, or other interference with the proper operation of the Sewer System. In particular, no Person shall discharge grease into the Sewer System which may cause an obstruction or other interference to the flow in the sewer. The use of grease traps may be required as provided in these Rules and Regulations.

No Person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any portion of the Sewer System.

- 6.3.1 Surface Water Runoff and Groundwater.** No roof downspout, exterior foundation drains, perimeter drains, area drains, sump pumps, or other sources of surface runoff or groundwater shall be connected to or allowed to discharge into the Sewer System, directly or indirectly, or with a Sewer Service Line for the purpose of draining ground or surface waters into the Sewer System. No physical Connections shall be permitted whereby a Sewer Service Line is connected to a

sump pump or other facility in such a manner that through the manipulation of valves or because of lack of back pressure valves, or because of any other arrangement, it is possible to drain flood, overflow, drain, storm or groundwater directly or indirectly into the Sewer System of the District. Examination for the possibility of infiltration of ground water through a floor drain shall be made by the District's maintenance Contractor and/or Engineer, either or both of whom shall have the right to enter upon any premises at any reasonable time for the purpose of making such an inspection. If it is found that such infiltration is occurring, the District shall give written notice to the Developer, Owner, or Customer requiring the disconnection of such drain from the Sewer Service Line within five (5) days, otherwise the disconnection will be made by the District and the expense thereof paid for by the Developer, Owner, or Customer as provided by law.

6.3.2 Cesspools and Septic Tanks. No Connection to the Sewer System will be permitted when the Sewer Service Line extends through or from a cesspool or septic tank.

6.3.3 Industrial Waste. There shall be no Industrial Waste discharged into the Sewer System or any individual sewer system, septic tank, or leach field without compliance with all applicable laws or rules and regulations governing discharge of Industrial Waste, including but not limited to the Metro Rules. No manufacturing, processing, or industrial plant shall discharge its wastes or any pollutant into the Sewer System without first receiving a permit from the District and Metro Water Recovery to do so. Metro Water Recovery may carry out all inspection, surveillance, and monitoring necessary to ensure compliance with these Rules and Regulations and the applicable Metro Rules, including rights of entry to premises of any Customer discharging Industrial Waste.

6.3.4 Swimming Pools. No public or private swimming pool shall be connected with the Sewer System without first obtaining a special permit therefor from the District, which permit shall define and specify the hour or hours during which water may be discharged from such pools into the Sewer System and prescribe the fees and charges therefor including legal, engineering, administrative, and accounting fees, if any.

6.4 CLASSIFICATION OF WASTES. It shall be the policy of the District to classify wastes into three main categories termed Normal Sewage, Special Sewage, or Prohibited Sewage, as defined in Article III of these Rules and Regulations. The classification of wastes shall be the responsibility of the District Engineer and shall follow the recommended procedures of the Colorado Department of Public Health and Environment, including, but not limited to, 5 CCR 1002-63, Metro Water Recovery, including, but not limited to, the Metro Rules, and federal regulations, including, but not limited to the Federal Water Pollution Control Act as amended by the Clean Water Act of 1972 and specifically Part 403 of the Code of Federal Regulations and, subject to concurrence by the Board, shall be final and binding. Testing and analysis shall be accomplished by Metro Water Recovery for the purpose of establishing Sewage Treatment Charges as set forth in the Metro Rules.

6.5 DISCHARGE OF SPECIAL SEWAGE.

- 6.5.1 Approval Required.** The admission into the public sewers of any Special Sewage shall be subject to the review and approval of the Board, which may prescribe limits on the strength and character of such Sewage. Where necessary, in the opinion of the Board, the Customer shall provide, at his expense, such pretreatment facilities as may be necessary to treat such Special Sewage prior to discharge to the Sewer Main. Moreover, such Special Sewage may be subject to regulations regarding required pretreatment for certain industrial Customers. Plans, specifications, and any other pertinent information relating to proposed pretreatment facilities shall be submitted for the approval of the District, the Colorado Department of Public Health and Environment, and Metro Water Recovery; no construction of such facilities shall be commenced until such approval is obtained in writing. Where pretreatment facilities are provided for any Special Sewage, they shall be maintained continuously in satisfactory and effective operation, at the sole discretion of the District and/or Metro Water Recovery, by the Customer, at his own expense.
- 6.5.2 Surcharge.** The District may charge Customers a surcharge for Special Sewage exceeding permissible concentrations.
- 6.5.3 Manhole Requirement.** When required by the District, any Customer served by a Sewer Service Line carrying Special Sewage shall install and maintain, at his expense, a suitable control manhole in the Sewer Service Line to facilitate observation, sampling, and measurement of the wastes. The manhole shall be installed and maintained by the Customer at his own expense. All measurements, tests, and analysis of the characteristics of waters and wastes shall be determined in accordance with “Standard Methods for the Examination of Water and Wastewater,” latest edition, a joint publication of the American Public Health Association, the American Water Works Association, and the Water Environment Federation, and shall be determined at the control manhole, or upon suitable samples taken at said control manhole. Compliance shall be made with any and all applicable requirements contained in the most recent OSHA “Confined Space Regulations,” including any necessary and applicable permits to enter the manhole. In the event that no special manhole has been required, the control manhole shall be considered to be the nearest down-stream manhole in the Sewer Main to the point at which the Sewer Service Line is connected.
- 6.5.4 Sampling Port Requirements.** Each Customer with a Sewer Service Line admitting Special Sewage into the public sewers shall install and maintain, at his expenses, a suitable control sampling port in the Sewer Service Line to facilitate observation, sampling, and measurement of the admission of Special Sewage. A suitable control sampling port shall be installed in accordance with these Rules and Regulations and the District Engineering Standards and Specifications. All measurements, tests, and analysis of the characteristics of waters and wastes shall

be determined in accordance with these Rules and Regulations and the Metro Rules. The District may perform measurements, tests, and analysis at its discretion.

6.6 PRETREATMENT AND INTERCEPTOR REQUIREMENTS.

6.6.1 Pretreatment—Fats, Oils, and Grease. Each Customer shall provide, at its own cost and expense, such preliminary treatment facilities as required by the District Engineering Standards and Specifications and the Metro Rules (“District FOG Policy”) as amended from time to time, and incorporated herein by reference. Each Customer shall comply with the District FOG Policy at all times.

6.6.2 Pretreatment—Petroleum Oil, Grease, and Sand. Each Customer shall provide, at its own cost and expense, such preliminary treatment facilities as required by the Engineering Standards and Specifications and the Metro Rules (“District POG Policy”) as amended from time to time, and incorporated herein by reference. Each Customer shall comply with the District POGS Policy at all times.

6.6.3 Inspection and Enforcement Costs and Damages.

6.6.3.1 Approval Costs. As set out in the District’s FOG Policy and POGS Policy, all interceptor plans shall be submitted to the District for review and approval prior to installation. The cost of reviewing and approving such plans and any inspection and approval of the installation shall be charged to the Customer.

6.6.3.2 Periodic Inspections and Fees. Periodic maintenance reviews, inspections, or samplings may be performed by the District and/or Metro Water Recovery to ensure compliance with these Rules and Regulations and Metro Rules. The charge for scheduled inspections or samplings shall be from time to time determined by the Board and/or Metro Water Recovery and shall be available upon request from the District Manager or Metro Water Recovery. The charge for any inspections or samples shall be billed directly to the Developer, Owner, or Customer by the District or Metro Water Recovery. The charge for any inspections that are required beyond periodic scheduled inspections or samplings shall include all costs incurred by the District or Metro Water Recovery for such inspection.

6.6.3.3 Responsibility for Damages. In addition to other penalties and fines set forth in these Rules and Regulations, Developers, Owners, or Customers who use microbial grease digestants or any similar enzyme-based grease trap additives in violation of the District FOG Policy or POGS Policy shall be jointly and severally liable for all costs and expenses associated with cleaning and unclogging the Sewer System as a result of the discharge of grease in liquid form into the Sewer Mains.

6.6.3.4 Authorization to Enter Upon Private Property. As partial consideration for the provision of Sewer Service the Developer, Owner, or Customer, as

applicable, grants the District the express right to enter upon private property for the purposes of such inspection and for any necessary maintenance of sanitary and waste disposal facilities, including interceptors.

6.6.3.5 Unauthorized Discharge of Sewage. Discharge of Sewage in any manner not permitted by these Rules and Regulations and the Metro Rules is hereby declared a public nuisance and may be corrected or abated as directed by the District at the cost of the violator.

6.7 GRAYWATER SYSTEM. The District has determined that graywater is expected to carry human pathogens with various risk levels and pathways that have the potential to be dangerous to public health, and thereby the District has determined it is necessary to protect public health and water quality from this high hazard. Graywater usage must be in compliance with all other applicable federal, state, and local requirements. Each Owner, Developer, and/or Customer operating a graywater system, shall, at the Owner, Developer and/or Customer's sole expense and as outlined in the District Engineering Standards and Specifications, Denver Rules, Metro Rules, and related policies, install and maintain any necessary equipment to isolate potential backflows. The failure to properly install and maintain such equipment may result in the assessment of additional fees, rates, tolls, charges, and penalties or revocation of Service as provided in Articles 8 and 9 of these Rules and Regulations. Unauthorized graywater use and discharges are prohibited.

6.8 COMPLIANCE WITH OTHER APPLICABLE REGULATIONS. Developers, Owners, and Customers shall comply with any applicable rules or regulations established by any local, state, or federal agency, in particular, by Metro Water Recovery. No Developers, Owners, or Customers shall discharge any pollutant in violation of any applicable regulation, including maximum pollutant levels, established by any local, state, or federal agency, including but not limited to Metro Water Recovery, the Colorado Department of Public Health and Environment, the Water Quality Control Commission, and the Environmental Protection Agency. Each Developer, Owner, and Customer shall comply with any prohibitions imposed on the District with regard to the discharge of pollutants. If, as a result of any such violation, the District is subject to any civil or criminal liability, any fines, fees, penalties, or other costs assessed against the District, and any costs incurred by the District to defend against such liability, including but not limited to legal, engineering, and administrative costs and fees, shall be charged against the violator by the District.

**ARTICLE VII
USE OF THE WATER SYSTEM**

- 7.1 AUTHORITY TO UNCOVER, USE, OR ALTER WATER SYSTEM.** No Person who is not authorized by the District shall uncover, make any Connection with or opening into, use, alter, or disturb the Water System and/or any water main or appurtenance without first obtaining written authorization from the District and Denver Water and pay Tap Fees, as necessary. New buildings, premises, structures, ADUs and/or each individually owned residential or commercial units require a separate and independent Tap Fee. Authorized persons include the District's maintenance Contractor, Engineer, and licensed Contractors with written authorization.
- 7.2 PROVISION OF SERVICE.** Water service is provided within the District pursuant to the Total Service Improvement Agreement with Denver Water. Pursuant to the Total Service Improvement Agreement, all requests for service, repair, maintenance, and operation of the Water System are properly addressed to the District and Denver Water.
- 7.3 COMPLIANCE WITH OTHER APPLICABLE REGULATIONS.** Developers, Owners, and Customers shall comply with any applicable rules or regulations established by any local, state, or federal agency, and in particular, by Denver Water. If, as a result of any violation of such rules and regulations, the District is subject to any civil or criminal liability, any fines, fees, penalties, or other costs assessed against the District, and any costs incurred by the District to defend against such liability, including but not limited to legal, engineering, and administrative costs and fees, shall be charged against the violator by the District.

**ARTICLE VIII
FEES, RATES, AND CHARGES**

- 8.1 GENERAL.** The Board is empowered to fix and from time to time to increase or decrease fees, rates, tolls, penalties, or charges for services, programs, or facilities furnished by the District pursuant to Section 32-1-1001(1)(j)(I), Colorado Revised Statutes, as amended from time to time. The District imposes and collects such rates, fees, tolls, and charges in amounts to ensure they are sufficient to provide the Sewer Service and operate, maintain, repair, and replace District Facilities. The District imposes and utilizes its rates, fees, tolls, and charges in accordance with applicable law for protection of the health and welfare of residents and property owners of the District.
- 8.2 APPLICATION OF THIS ARTICLE.** The fees, rates, tolls, penalties, and charges as herein established and the other information set forth herein shall apply all to Developers, Owners, and Customers unless otherwise provided by contract in accordance with Section 5.4.
- 8.3 SCHEDULE OF FEES, RATES, AND CHARGES.** The fees, rates, tolls, penalties, and charges in existence and in effect are set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time. Such fees, rates, tolls, penalties, and charges shall remain in effect until modified by the Board in accordance with these Rules and Regulations and applicable laws. Nothing contained herein shall limit the Board from modifying fees, rates, tolls, penalties, and charges or from modifying any classification. Revised fees, rates, tolls, penalties, and charges adopted by the District will become a part of these Rules and Regulations and will be attached hereto as Appendix A after any such adoption.
- 8.4 ADJUSTMENT OF FEES, RATES, AND CHARGES.** In those situations where, in the District's sole discretion, the fees, rates, tolls, penalties, and/or charges as set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, do not represent a fair, reasonable, and equitable charge for the intended use, the District, in its sole discretion, may adjust said fees, rates, tolls, penalties, and/or charges.
- 8.5 PAYMENT OF FEES, RATES, AND CHARGES.** Billing and the payment of fees, rates, tolls, penalties, and/or charges for Sewer Service shall be in accordance with the applicable Metro Water Recovery's billing and payment policies. Billing and the payment of fees, rates, tolls, penalties, and/or charges for Water Service shall be in accordance with Denver Water's billing and payment policies. Where the Developer, Owner, or Customer believes said statement is in error, the Developer, Owner, or Customer must file a written notice with Metro Water Recovery or Denver Water of the presumed error and proceed in accordance with Metro Rules or Denver Rules. Any appeal to the District of statements resubmitted to the Developer, Owner, or Customer from either Denver Water or Metro Water Recovery must be made in accordance with Article 9 of these Rules and Regulations.
- 8.5.1 Billing and Payment for Separately Owned Structures or Units within a Structure.** Where independent structures or separate units within a

structure on a premises are supplied through a common service pipe with a single meter, only one bill will be generated, even if the structures have different ownership. The District will provide multiple copies of the bill, if requested. If a charge against the premises becomes delinquent, the delinquency shall be attributed to all Developers, Owners, or Customers at the premises served through the common service pipe.

8.5.2 Failure to comply with this Section and failure to make timely payment of bills for service supplied through a common services pipe, may result in the assessment of additional fees, rates, tolls, charges, and penalties and may also result in the revocation of Service to the owners of all relevant independent structures or separate units within a structure as provided in Articles 8 and 9 of these Rules and Regulations.

8.6 RESPONSIBILITY FOR COSTS. Any Person who seeks to do business with the District, obtain agreements with the District, obtain approval of plans from the District, or otherwise undertake activities which cause the District to incur costs or fees shall be responsible for paying the District for all such costs. Any activities by Persons that may require additional costs to the District, such as but not limited to additional administrative, engineering, or legal costs, shall pay the District for all such additional costs. Such payment shall be due at such time as the Person receives an invoice from the District or as the Board directs, but in no case later than the date when agreements are executed, approvals are delivered, or such Person receives benefit from the District for such activities.

8.7 RESPONSIBILITY FOR CONTACT AND BILLING CHANGES. The Developer, Owner, and/or Customer are solely responsible for ensuring that the District has current contact and billing information for each property. The District is not responsible for changes in management companies or other changes the effect of which is that bills do not reach the current Developer, Owner and/or Customer. Failure to ensure the District has correct billing information and the consequences of the same shall not be borne by the District.

8.8 PERPETUAL LIEN/FORECLOSURE. In accordance with 32-1-1001(1)(j)(I), Colorado Revised Statutes, as may be amended from time to time, and as more particularly discussed in Section 9.2.2.4 of these Rules and Regulations, until paid, all rates, tolls, charges, fines, fees, assessments, penalties, and costs 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. If at any time it becomes necessary for the District, following efforts to collect overdue payments of any fee or charge assessed by the District under these Rules and Regulations or Colorado law, to initiate foreclosure proceedings as allowed by Section 32-1-1001(1)(j), Colorado Revised Statutes, as amended, all costs so incurred by the District shall be due and payable by the Developer, Owner, or Customer. Payment of all costs and fees outstanding against the subject property shall be a precondition to the resumption of Service to that property.

8.9 PENALTIES FOR LATE PAYMENT OR NON-PAYMENT. Late payment or non-payment of any rates, tolls, charges, fines, fees, and/or assessments owed to the District may result in the District taking one or more actions, which may include, but are not limited to charging a late fee, charging interest, or revoking service, in accordance with these Rules and Regulations. Further, the District has the right to assess to any Developer, Owner, or Customer who is overdue in payment of his or her account, all legal, court, and other costs necessary to or incidental to the collection of said account.

**ARTICLE IX
ENFORCEMENT, VIOLATIONS, AND PENALTIES**

9.1 VIOLATIONS. Any intentional or negligent action taken by a Person in contravention of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement shall be considered a violation and is subject to the provisions of this Article.

9.2 ENFORCEMENT REMEDIES.

9.2.1 Notification of Violation. Whenever the District finds that any Person has violated or is violating these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement, the District may issue a written notice to resolve the obligation and correct the problem or the practice at issue. If, in the sole discretion of the District, an emergency exists, the District may take immediate action as provided in these Rules and Regulations, and shall provide written notice as soon thereafter as possible. In the event of late payment or non-payment of any rates, tolls, charges, fines, fees, and/or assessments, the District is not required to send any notification beyond the billing statement, unless otherwise required by law. Should the violation still exist after the time limit on the notice has elapsed, the District may revoke Sewer Service, revoke a Tap Permit, or assess charges, fines, and/or penalties as provided in these Rules and Regulations.

9.2.2 Penalties for Violations.

9.2.2.1 Penalty. Any Person in violation of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement may be assessed penalties in an amount to be determined by the Board or as set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, which is available upon request from the District. Each violation is subject to a penalty and each day of a violation shall be considered a separate violation. Penalties may be added to the Developer's, Owner's, or Customer's next bill.

9.2.2.2 Late Fee. At any time a Developer, Owner, or Customer is fifteen (15) days late in payment of any rates, tolls, charges, fines, fees, and/or assessments due the District, the District shall have the right to assess a penalty on the unpaid balance in the amount shown on the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time.

9.2.2.3 Interest. Unpaid rates, tolls, charges, fines, fees, assessments, and/or penalties may be assessed interest as permitted by law.

9.2.2.4 Perpetual Lien/Foreclosure. In accordance with 32-1-1001(1)(j)(I), Colorado Revised Statutes, as may be amended from time to time, until paid all rates, tolls, charges, fines, fees, assessments, penalties, and costs

(including legal, engineering, accounting, and administrative) shall constitute a first and perpetual lien on or against the entire property served, including all units served by a common service and on or against any property benefited by a Sewer Service Line or Sewer Main line extension. Any such lien may be foreclosed in the manner provided by law.

9.2.2.5 Certification of Amount to County Treasurer. In addition to any other means provided by law, the Board may elect to have certain delinquent rates, tolls, charges, fines, fees, penalties, and/or assessments made or levied certified to the treasurer of the county to be collected and paid over by the treasurer of the county in the same manner as taxes in accordance with Section 32-1-1101(1)(e), Colorado Revised Statutes, as may be amended from time to time.

9.2.2.6 Revocation of Service. Should a Developer, Owner, or Customer remain in violation of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement after the time limit stated on a violation notice issued pursuant to of these Rules and Regulations has elapsed, the District may revoke water service and/or Sewer Service. In the event of a proposed revocation of water service and/or Sewer Service, the Developer, Owner, or Customer shall be given not less than ten (10) days' advance notice in writing of the revocation, which notice shall set forth the following:

- a. The reason for the revocation and the date water service and/or Sewer Service shall be terminated;
- b. That the Developer, Owner, or 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 these Rules and Regulations.

If the obligations are not resolved or a request for a hearing, accompanied by a deposit equal to the amount of any fees, rates, and/or charges specified in the notice, is not received by the District within ten (10) days, the District may revoke the Sewer Service, and the Developer, Owner, or Customer may be assessed the cost of the disconnection. The Developer's, Owner's, or Customer's deposit for Sewer Service, if any, shall be applied against the outstanding obligation.

9.2.2.7 Separate Service Required. If a dispute arises between a Developer, Owner, or Customer of individual units within an independent structure, or between a Developer, Owner, or Customer of independent structures billed through a single meter, regarding compliance with these Rules and Regulations or failure to pay charges due, the District may require each individual unit or independent structure receive separate service. If the

District requires separate service in order to provide separate bills for each individual unit or individual structure, it shall notify the Developer, Owner or Customer of each individual unit or independent structure by means of written or posted notice. Such notice shall provide that the Developer, Owner, or Customer must arrange for the installation of separate meters for each unit or structure within thirty (30) days of such notice. If the Developer, Owner, or Customer of the individual units or individual structures fails to comply within the specified time, the District may, in its sole discretion, install facilities such that (i) each individual structure or individual unit is physically able to receive separate services and (ii) separate bills can be issued to each Developer, Owner, or Customer such that they each pay an appropriate share of the costs of such installation. If any Developer, Owner, or Customer fails to pay the apportioned share of the costs of installation by the due date on the bill, the District may suspend service for non-payment pursuant to Section 9.2.2.7, exercise its perpetual lien rights against the property, or take any other action permitted by these Rules and Regulations.

9.2.2.8 Revocation of Tap Permit. In addition to the other rights and remedies set forth in these Rules and Regulations, any Developer, Owner, or Customer who violates these Rules and Regulations, any conditions of the Tap Permit or agreement, or any applicable local, state, or federal regulations is subject to having their Tap Permit revoked after receipt of notice of such proposed revocation in substantially the same manner as provided in these Rules and Regulations. If the Tap Permit is revoked, the Developer, Owner, or Customer may reacquire such Tap Permit only by reapplying for Sewer Service in accordance with the Rules and Regulations, paying all fees due and owing the District and the then-current Tap Fees charged by the District under these Rules and Regulations for the use in question, and complying with all other applicable requirements of the District.

9.2.2.9 Civil Liability. Any Person who intentionally or negligently violates any provision of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement may be subject to civil liability to the District.

9.2.2.10 Criminal Liability. Any Person who violates these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement and in doing so commits a misdemeanor or felony may be charged with a misdemeanor or felony, and upon conviction thereof, shall be subject to such penalties as provided by law.

9.2.2.11 Other Remedies Provided at Law. In addition to the other rights and remedies set forth in these Rules and Regulations the District may exercise any other rights or remedies it may be entitled to under law or in

equity to enforce these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement.

9.2.2.12 Reimbursement of District Costs. Any Person that violates any of the provisions of these Rules and Regulations or the conditions or obligations set forth in any Tap Permit or agreement shall become liable to the District for any expense, loss, or damage occasioned by reason of such violation, including, but not limited to, administrative, attorneys', engineering, collection, court, and accounting fees and costs.

9.3 HEARING AND APPEAL PROCEDURES.

9.3.1 General. If a Developer, Owner, or Customer wishes to dispute any rates, tolls, charges, fines, fees, assessments, and/or penalties imposed by or determination made by the District, the Developer, Owner, or Customer may appeal such rates, tolls, charges, fines, fees, assessments, and/or penalties or determination by following the procedure set forth below (a Developer, Owner, or Customer filing an appeal is referred to in the remainder of this Section as the "Appellant"). Notwithstanding the filing of an appeal, the Appellant is required to pay any rates, tolls, charges, fines, fees, assessments, and/or penalties assessed by the District and such rates, tolls, charges, fines, fees, assessments, and/or penalties shall be held by the District until such time as the appeal is final. The hearing and appeal procedures established below shall apply to all disputes concerning the interpretation, application, or enforcement of the rates, tolls, charges, fines, fees, assessments, and/or penalties of the District and application and enforcement of these Rules and Regulations, as they now exist or may hereafter be amended. In the event a proper and timely request for an appeal is not made as provided herein, the right to an appeal shall be deemed forever waived.

9.3.2 Written Appeal to District. The Appellant must first file a written request with the District within ten (10) days of being notified of a proposed revocation of Sewer Service or other determination of the District or of the due date specified for a rate, toll, charge, fine, fee, assessment, and/or penalty of the District. Within thirty (30) days of receiving the request from the Appellant, the District, after a full and complete review of the record, shall issue a written determination regarding the application or enforcement of the rates, tolls, charges, fines, fees, assessments, and/or penalties of the Districts and/or application and enforcement of these Rules and Regulations, as may be applicable.

9.3.3 Hearing Before Board of Directors. If the Appellant wishes to appeal the written determination of the District under Section 9.3.2 of these Rules and Regulations, the Appellant must file a written request with the District for a hearing within ten (10) days of the date the written determination of the District under Section 9.3.2 of these Rules and Regulations was mailed. The request for a hearing shall set forth with specificity the facts upon which the Appellant is relying and shall contain a brief statement of the Appellant's reasons for the complaint. The Board shall hold

a formal hearing on the appeal at the next regularly scheduled meeting that is held no earlier than ten (10) days after the filing of the Appellant's request for a hearing.

9.3.3.1 Notice. A notice shall be served on the Appellant, specifying the time and place of the hearing to be held by the Board regarding the appeal and directing the Appellant to present evidence of why the determination regarding the application or enforcement of the rates, tolls, charges, fines, fees, assessments, and/or penalties of the District and/or application and enforcement of these Rules and Regulations, as may be applicable, is not correct. The notice of the hearing shall be served personally or by certified mail return receipt requested or by any mail delivery service that is the equivalent to or superior to certified mail return receipt requested, at least ten (10) days before the hearing. Service may be made on any agent or officer of a corporation. When an Appellant is represented by an attorney, notice of any action, finding, determination, decision, or order affecting the Appellant shall also be served upon the attorney.

9.3.3.2 Conduct of Hearing. At the hearing, the District's consultants and the Appellant shall be entitled to present all evidence that is relevant and material to the dispute, and to examine and cross-examine witnesses. The Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained.

9.3.3.3 Written Determination. Based on the record established, the Board shall issue a written decision concerning the disposition of the dispute presented to it and shall cause notice of the decision to be hand delivered or sent by certified mail to the Appellant within fifteen (15) days after the hearing.

9.3.3.4 Board of Directors Determination Final. The decision issued by the Board shall be final and binding upon the District and the Appellant and shall constitute the final administrative action of the District. Any party to the hearing aggrieved or adversely affected by an order of the Board may appeal such order to the District Court in and for the County of Arapahoe, pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

9.4 EMERGENCIES. If an emergency is deemed to exist, the District, or Metro Water Recovery in the case of an emergency involving Industrial Waste, may take any reasonable actions to remediate the emergency, including, but not limited to acting in accordance with the Emergency Response Plan, immediately notifying Metro Water Recovery, Colorado Department of Public Health and Environment, or any other appropriate department or agency and disconnecting any Sewer Service Line from the District Facilities, or take any other action deemed necessary or prudent to protect the District, the District Facilities, and/or Developers, Owners, and Customers, until such time as the District has received adequate assurance that any and all violations of these Rules and Regulations will cease and will not occur in the future. The District will, as soon as possible, provide written notice as described in Section 9.2.1 of these Rules and Regulations.

APPENDIX A

SCHEDULE OF FEES AND CHARGES

APPENDIX B

EMERGENCY RESPONSE PLAN

APPENDIX C

WASTEWATER RESOLUTION

APPENDIX D

HAZARDOUS SUBSTANCE REMEDIATION RESOLUTION