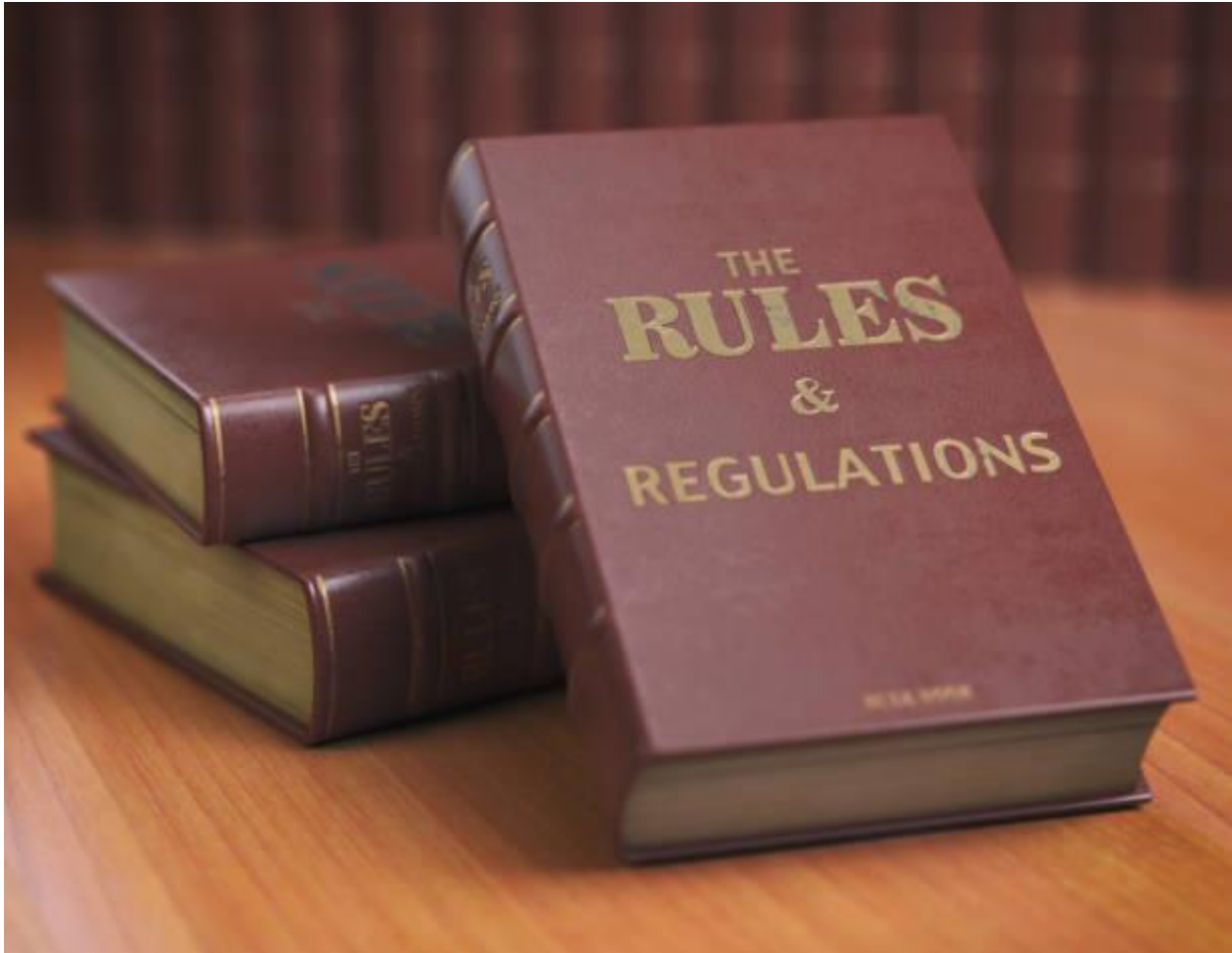


2020 Rules & Regulations



*COLORADO CENTRE METROPOLITAN DISTRICT
2020 RULES & REGULATIONS
APPROVED DECEMBER 6, 2019
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ARTICLE I

GENERAL

1.1 AUTHORITY

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

1.2 PURPOSE

The purpose of these Rules and Regulations is to ensure orderly and uniform District administration and operations of certain services in the Colorado Centre area of El Paso County, Colorado as further described in these Rules.

1.3 POLICY

The Board of Directors of the District hereby declares that these Rules and Regulations will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the District residents and other District customers.

1.4 SCOPE

These Rules and Regulations shall be treated and considered as new and comprehensive regulations governing the operations and functions of the District, and upon adoption by the Board shall supersede all prior rules and regulations of the District.

1.5 INTENT OF RULES AND REGULATIONS

1.5.1 INTENT

It is intended that these Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and that each and every part thereof is separate and distinct from all other parts. In general, all words and phrases shall be construed and understood according to their common usage. Technical words and phrases and such others as may have acquired a particular and appropriate meaning in the law shall be construed and understood according to such particular and appropriate meaning. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or as a limitation or restriction, imposed or conferred upon the Board of Directors by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other Person.

1.5.2 INTERPRETATION

The title of any heading in these Rules and Regulations is for convenience only and shall not be relied upon to interpret any rule or regulation herein. Nothing contained in these Rules and Regulations shall be construed to prejudice or affect the District's rights under any law existing or later enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District. Any dispute as to the interpretation, application, administration or enforcement of these Rules and Regulations shall be decided in the first instance by the Manager and, in the event of further dispute, by the Board of Directors.

1.6 AMENDMENT

It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations to reflect those changes determined to be necessary by the Board of Directors of the District. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this section. Additions and amendments to, and repeals and reenactments of, any of the provisions of these Rules and Regulations shall be made by Board Resolution taking such action by specific reference to the Article, Section or subsection hereof. Upon

the effective date of any such resolution, the District shall prepare new or reprinted pages incorporating herein the changes so enacted, and such new or reprinted pages shall be prima facie evidence of such action until such time as these Rules and Regulations, as subsequently amended, are readopted as a new set of Rules and Regulations.

1.7 PRIOR ACTS

Nothing in these Rules and Regulations shall release any Person from liability for any offense or act committed or done, or from any obligation, penalty or forfeiture incurred by any Person, or any contract or right established or accruing before the effective date of these Rules and Regulations.

1.8 PROPERTY OWNERS

For purposes of these Rules and Regulation, a “property owner” is a Person who owns real property located within the District’s service area. Except as expressly provided in these Rules and Regulations, a property owner: (a) is responsible for, and shall ensure, compliance with all requirements contained in the District’s Rules as applicable; and (b) is liable for any unpaid fees, charges or penalties relating to services provided by the District, including such unpaid amounts incurred by a Person who leases or rents property from a property owner, and until paid such amounts shall constitute a perpetual lien upon such property.

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ARTICLE II

DEFINITIONS

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

2.1 APPLICANT

“Applicant” means any Person who applies for any service the District is legally authorized to offer as described in the District’s service plan.

2.2 BOARD

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

2.3 COMMERCIAL AND/OR INDUSTRIAL UNIT

“Commercial and/or Industrial Unit” means any structure used for or in commerce or other industrial activity, including but not limited to manufacturing, marketing, and/or offering or the sale of services or goods of any kind.

2.4 COMMON SPACE

“Common Space”, as it applies to commercial and/or multi-unit facilities, includes areas which have insignificant water consumption and are accessible and available to all residents and guests of the facilities, including but not limited to hallways, lobbies, atriums, parking areas and associated walking paths, and non-irrigated or lightly irrigated park facilities.

2.5 CONSTRUCTOR

“Constructor” means the landowner, developer, sub-divider or agency actually paying for the construction of Service Lines or other facilities.

2.6 CONTRACTOR

“Contractor” means any Person authorized by the District or hired by a property owner and/or customer to perform work and to furnish materials within the District, including subcontractors to a contractor.

2.7 CUSTOMER

“Customer” means any Person authorized to connect to and use the District’s Water or Sewer System under a written authorization issued by the District.

2.8 DISTRICT

“District” means the Colorado Centre Metropolitan District.

2.9 DISTRICT ENGINEER

“District Engineer” means the Person authorized by the Board of Directors of the District to perform on-going engineering services for the District.

2.10 DWELLING UNIT

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

2.11 EFFICIENCY OR STUDIO UNIT

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

2.12 INDUSTRIAL PRETREATMENT PROGRAM

The “Industrial Pretreatment Program” (“IPP”) means the industrial waste management program adopted by the Board of Directors and approved by the Environmental Protection Agency (“EPA”), as the program to ensure the proper pretreatment and handling of industrial sewage.

2.13 INSPECTOR

“Inspector” means that Person who, under the direction of the District Manager, shall inspect all water and sewer connections, excavations, installations of and repairs to the Water or Sewer System and other facilities of the District to ensure such is properly completed and otherwise in compliance with the Rules and Regulations.

2.14 MANAGER OR DISTRICT MANAGER

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

2.15 N.F.P.A.

"N.F.P.A." is an acronym for "National Fire Protection Association".

2.16 N.P.D.E.S.

"N.P.D.E.S." is an acronym for "National Pollution Discharge Elimination System".

2.17 PERSON

“Person” means any agency, individual, corporation, entity or organization of any kind, whether public or private, including any agents, employees or representatives thereof.

2.18 POLLUTANT DISCHARGE REGULATIONS

“Pollutant Discharge Regulations” (“PDR”) means additional regulations which are adopted as part of these Rules and Regulations pertaining specifically to limitations on direct and indirect contributions to the District’s wastewater collection system and any treatment works which the District uses or to which it is connected to enable the District to comply with all applicable State and Federal laws.

2.197 PRETREATMENT FACILITIES

"Pretreatment Facilities" means structures, devices or equipment for the purpose of treating or removing from the Sewer System any wastes which would be harmful to the District’s wastewater collection system or the wastewater treatment works which the District uses or to which it is connected.

2.20 RULES/RULES AND REGULATIONS

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

2.21 SERVICE LINE

“Service Line” means any privately owned and maintained pipe, line or conduit used or to be used to provide water service from a Water Main or to provide sewer service from a Sewer Main to a building, whether temporary or permanent, and whether the pipe, line or conduit is connected or not to a structure or facility.

2.22 SEWER MAIN

“Sewer Main” means any sewer collection line or sewer interceptor used as a conduit for sewage in the District’s Sewer Systems and owned by the District.

2.23 SEWER SYSTEM

“Sewer System” means any Sewer Main, appurtenances, accessories or portion thereof owned and maintained by the District.

2.24 SINGLE FAMILY EQUIVALENT

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

2.25 SHALL OR MAY

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

2.26 STUB-OUT

“Stub-out” shall mean any connection point to the District's Water Main or Sewer Main which extends from the main line and which is intended to facilitate the continuation of a Service Line to the Water or Sewer System, either directly to the main line or indirectly through a private main. A stub-out may extend to, but not through, the foundation exterior walls, or floor of any structure intended to be serviced. Stub outs shall be considered a tap, whether connected or not connected to a structure or facility.

2.27 TAP OR CONNECTION

“Tap” or “Connection” means the connecting of the Service Line to the Water or Sewer System, either directly to a main line, or stub-out from the main line, or indirectly through a private main line, which Service Line extends beyond the easement line or property line into the structure or facility intended to be served, whether or not actually connected to the structure’s Water or Sewer System.

2.28 TAP FEES AND SYSTEM IMPROVEMENT FEES

“Tap Fees” and “System Improvement Fees” mean the payment to the District of a fee for the privilege of connecting to the Water or Sewer System. Tap Fees are used to pay off bond indebtedness of the District for facilities constructed before 1992. System Improvement Fees are used to fund new and replacement infrastructure of the District.

2.29 WATER MAIN

“Water Main” means any pipe, piping, or system of piping used as a conduit for water in the District’s Water System and owned by the District.

2.30 WATER SYSTEM

“Water System” means any Water Main, appurtenances, accessories, fire hydrants or portion thereof owned and maintained by the District.

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ARTICLE III

WATER AND SEWER SERVICES

In general, the Water and Sewer Systems and related services of the District shall be administered, maintained, constructed or reconstructed and operated by the District's Water and Wastewater Enterprises. The Board of Directors of the District shall also serve as the Board of Directors of the Water and Wastewater Enterprises. Furthermore, meetings of the Enterprises shall be held simultaneously with regular and special District Board meetings to avoid duplication of efforts.

The District hereby adopts by reference the most current water and sewer technical specifications promulgated by Colorado Springs Utilities (Exhibit C), except as these may be modified by specific requirements in these Rules and Regulations. These specifications shall govern all planning, design, construction and warranties of any water and sewer facilities in the District.

3.1 OWNERSHIP AND OPERATION OF THE WATER AND SEWER FACILITIES

3.1.1 RESPONSIBILITIES OF DISTRICT

Except as otherwise provided by these Rules and Regulations, the District is responsible for the operation and maintenance of the Sewer and Water Systems, as well as all the appurtenant facilities and equipment, it has constructed or which have been dedicated to and accepted by the District. Such operation and maintenance shall be carried out in a sound and economical manner in accordance with these Rules and Regulations. The District shall not be liable or responsible for inadequate treatment or interruption of service due to circumstances beyond its reasonable control.

3.1.2 LIABILITY OF DISTRICT

It is expressly stipulated that no claim for damage shall be made against the District by reason of the following: blockage in the Sewer System causing the backup of effluent; damage caused by smoking of lines to determine drainage connections to District lines; breakage of main lines; interruption of water or sewer service and the conditions resulting therefrom; breaking of any service or collection line, pipe, cock, or meter; failure of the water supply; shutting off or turning on water; making of connections or extensions; damage caused by water running or escaping from open or defective faucets; burst Service Lines or other facilities not owned by the District; damage to water heaters, boilers, or other appliances resulting from shutting water off, or for turning it on, or from inadequate, excessive or sporadic pressures; or for doing anything to the systems of the District deemed necessary by the Board of Directors or its agents. The preceding is not intended to be an exhaustive list of circumstances for which the District would not be liable, and the exemption from liability generally applies to all conditions and circumstances beyond the District's reasonable control. Except as otherwise expressly stated, nothing within these Rules and Regulations shall be construed to be a waiver of the District's rights, privileges and exemptions from liability under the Colorado Governmental Immunity Act.

3.1.3 RIGHTS AND AUTHORITY

The District shall have the sole and exclusive right and authority to provide water and wastewater service within the District's designated service area not annexed to the city of Colorado Springs. Except as otherwise permitted by the District, no Person shall furnish or supply treated water from any system within the District except from the District's Water System, and then only upon prior written permission of the District. Additionally, no Person shall take, use or consume any treated water owned by the District for any purpose from any system other than the District's Water System. The District shall have no responsibility to notify any Person of any conditions described in the "Liability of District" Section of these Rules and Regulations. The District reserves the right to temporarily discontinue service to any property, at any time, for any reason the District deems necessary or appropriate. The District shall have the right to revoke service to any property for violations of these Rules and Regulations in accordance with the procedures set forth within these Rules.

3.1.4 COMPLIANCE WITH INDUSTRIAL PRETREATMENT PROGRAM

The District has the authority to require compliance by all users of the District's Sewer System, whether located within or outside of the District, with the "Pollutant Discharge Regulations" ("PDR") and the "Industrial Pretreatment Program" ("IPP") promulgated by the United States Environmental Protection Agency ("EPA") and the State of Colorado, and require compliance with pretreatment standards, require compliance schedules and suspend service to any property in violation of the PDR or IPP. The PDR and IPP are incorporated and adopted herein as APPENDIX "A" to these Rules and Regulations.

3.1.5 OWNERSHIP OF FACILITIES

3.1.5.1 DISTRICT OWNERSHIP OF FACILITIES

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

3.1.5.2 OWNERSHIP OF WATER SERVICE LINES AND APPURTENANCES

The entire Service Line is owned by the property owner and/or customer served, who is also responsible for its maintenance. These ownership principles apply even though the District might construct, finance, pay for, repair, maintain or otherwise affect the property owner and/or customer's Service Line. The construction of any Service Line shall be done in compliance with Article VI of these Rules and Regulations. The property owner and/or customer's ownership of the Service Line shall not entitle the property owner and/or customer to make unauthorized uses of the District's systems once the Service Line has been connected to a District main line. All uses of the Service Line or any appurtenances thereto at any time after the initial connection to the Water System shall be subject to these Rules and Regulations. All repair and replacement costs required on a water Service Line, curb-stop, shut off valve and/or any other appurtenances on the Service Line shall be the responsibility of the property owner and/or customer.

3.1.5.3 OWNERSHIP OF WATER METER

Notwithstanding the above, all water meters, remote readouts and curb stop valves are the property of the property owner and/or customer. Said ownership shall remain valid whether the meters and/or shut-off valves are installed, financed, paid for, repaired or maintained by another Person or whether the meters and/or shut-off valves are located on a privately owned and maintained Service Line. All repair and replacement costs required on a water meter or remote readout shall be the responsibility of the property owner and/or customer. The District shall not be liable for any failure to properly repair or replace, or for any tampering with, a meter or remote readout.

3.1.5.4 OWNERSHIP OF SEWER SERVICE LINE AND APPURTENANCES

The entire Service Line is the property of the property owner and/or customer who is also responsible for its maintenance. These ownership principles shall not be changed by the fact that the District might construct, finance, pay for, repair, maintain or otherwise affect the customer's Service Line. The construction of any Service Line shall be done in compliance with Article VI of these Rules and Regulations. The customer's ownership of the Service Line shall not entitle the customer to make unauthorized uses of the District's systems once the Service Line has been connected to a District main line. All uses of the Service Line or any appurtenances thereto at any time after the initial connection to the Sewer System shall be subject to these Rules and Regulations.

3.1.6 INSPECTION POWERS AND AUTHORITY OF DISTRICT AGENTS

Authorized employees and contractors of the District, bearing proper credentials and identification, shall be permitted to enter upon all properties at all reasonable times for the purpose of conducting inspections, observations, measurements, samples, and tests, in accordance with the provisions of these Rules and Regulations. Failure of a property owner and/or customer to allow the District such access to conduct inspections, observations, measurements, samplings and/or testing upon the request, in writing, of the Manager may result in a finding that permission is being denied to avoid discovery of a violation which may result in the disconnection of service to the property.

3.1.7 MODIFICATION, WAIVER AND SUSPENSION OF RULES

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

3.1.8 DUTY TO REPORT

Any Person who: (1) destroys, damages or alters any District facility or private Service Line; (2) causes or permits any foreign materials to enter the District Water and/or Sewer system(s); (3) causes any obstruction in the flow of water or wastewater in any District facility; (4) causes or permits any water to escape from the Water System such that water is wasted or lost to beneficial use; (5) discharges pollutants into the Sewer System; and/or (6) discovers, observes or has reasonable cause to believe that any of the foregoing has occurred, shall immediately report the same to the District.

3.2 USE OF DISTRICT SYSTEMS AND RELATED FACILITIES

3.2.1 TAMPERING WITH SYSTEMS

3.2.1.1 UNAUTHORIZED USE

No Person shall uncover, open onto, use, alter, disturb or make any connection to the District's system without first obtaining a written permit from the District. Unauthorized uses of or tampering with the District's systems, even though the same may be performed on a privately owned and maintained Service Line and appurtenances, include but are not limited to, change in property owners and/or customer's equipment, service or use of property, an unauthorized turn-on or turn-off of water or sewer service, burying valve boxes, modifying any water meter, and discharging prohibited sewage.

3.2.1.2 DAMAGE TO DISTRICT'S SYSTEMS OR FACILITIES

No Person shall break, damage, destroy, cover, uncover, deface or tamper with any portion of the District's system or facilities.

3.2.1.3 VIOLATIONS

A property owner and/or customer shall be liable to the District for all costs, expenses, loss and damages incurred by the District due to a violation of the provisions of this Section and prosecuted to the full extent allowed by Colorado law. Except as set forth in the schedule attached in Appendix "B", in the event of any violation of any of the provisions these Rules and Regulations a property owner and/or customer shall also be liable to the District in such amount as determined pursuant to the schedule of fines the Board approves annually as part of the budget process. Pursuant to C.R.S. Section 32-1-1001, until paid in full such amounts shall constitute a perpetual lien upon the property connected with the violation.

3.2.3 USE OF SEWER SYSTEM

3.2.3.1 NOTICE OF CHANGES AND REPAIRS

The property owner and/or customer shall notify the District prior to any expansion or change to the service or use of the property served by the District and upon any change of ownership of the property. Each property owner and/or customer shall be responsible for the total cost of constructing and maintaining the entire length of the Service Line serving his property and/or any related service facilities, including but not limited to lift stations, pipes and fittings. Service Lines shall be constructed in accordance with these Rules and Regulations. Leaks or breaks in the Service Line shall be repaired by the property owner and/or customer within seventy-two (72) hours after obtaining knowledge of the leak or break or from the time the District provides notification of such condition. The Manager shall have the authority to shut off the service until the leak or break has been repaired if satisfactory progress towards repairing the leak or break has not been made within the 72-hour time period, or if the District finds that environmental or property damage is being caused. In addition, the District shall have the right to make the repair,

and pursuant to C.R.S. 32-1-1001 the cost of said repair shall constitute a lien on and against the property securing payment of said cost.

3.2.3.2 PROHIBITED DISCHARGES

No Person shall discharge, or cause to be discharged, any storm water, surface water, ground water, roof runoff, subsurface drainage, metal sludge, regulated contaminants or chemicals, or unprocessed industrial wastes into the Sewer System. See also "Pollution Discharge Regulations" (PDR) and the "Industrial Pretreatment Program" (IPP), APPENDIX "A".

3.2.3.3 CLASSIFICATION OF WASTES

This subsection of the Rules and Regulations shall provide the basic policies of the District for classification of wastes and for control of the discharge of wastes into the Sewer System.

1. It shall be the policy of the District to classify wastes into three main categories, termed "Normal Sewage", "Special Sewage" and "Prohibited Sewage", which are generally defined herein. The District Manager shall be responsible for the classification of wastes and shall follow the recommended procedures of the Colorado Department of Public Health and Environment, and such classification shall be final and binding.

2. "Normal Sewage" shall mean sewage which can be treated at the sewage treatment works which the District uses, or to which it is connected, without pretreatment 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 (SS) and not more than 250 parts per million five (5) day Biochemical Oxygen Demand (BOD).

3. "Special Sewage" shall mean any sewage which does not conform to the definition for Normal Sewage, but which can be treated to meet EPA and/or State regulations after pretreatment by the user or by implementing special operating procedures at the sewage treatment works. The "Industrial Pretreatment Program" (IPP), adopted by the District, identifies various types of special sewage and treatment criteria required prior to discharge or continuation of discharge into the District's collection system.

4. "Prohibited Sewage" shall mean any sewage which may reasonably be anticipated to have a deleterious effect upon the Sewer System, the environment, or any Persons or property, which in the opinion of the District cannot be serviced by the District. A list of various types of Prohibited Sewage is included in the "Pollutant Discharge Regulations" (PDR) and the "Industrial Pretreatment Program" (IPP), APPENDIX "A".

5. The Manager shall be responsible for overseeing all sampling, testing, and analyses of sewage. Testing and analyses shall be determined in accordance with "Standard Methods for the Examination of Water and Wastewater" (SMEWW), latest edition, or by methods approved by the EPA for "National Pollution Discharge Elimination System" (NPDES) permit reporting and the Colorado Department of Public Health and Environment. Results of tests shall be made available to the property owner and/or customer at the District's office.

3.2.3.4 DISCHARGE OF SPECIAL OR PROHIBITED SEWAGE

No Person shall discharge, or cause to be discharged, to the Sewer System, any Special or Prohibited Sewage or any harmful waters, wastes, liquids, solids, or gases capable of causing obstruction to the flow in sewers, potential damage or hazard to Sewer System facilities or District personnel, or other interference with the proper operation of the Sewer System.

3.2.3.5 POLLUTANT DISCHARGE REGULATIONS AND INDUSTRIAL PRETREATMENT PROGRAM

The District has an agreement with the Lower Fountain Metropolitan Sewage Disposal District concerning wastewater treatment and discharge requirements. In accordance with said agreement, the District has adopted the "Pollutant Discharge Regulations" (PDR) and "Industrial Pretreatment Program" (IPP) of said entity. The PDR and IPP satisfy Federal regulations contained in 40 CFR, parts 403.8 and 403.9, and have been approved by the EPA.

3.2.3.6 COMPLIANCE REQUIRED

All District property owners and/or customers are required to comply with the pretreatment requirements pursuant to the PDR and IPP. In the enforcement of the PDR and the IPP, the District shall have the right to require from its property owners and/or customers baseline monitoring reports, self-monitoring reports, slug load and compliance schedule progress reports, the right to inspect and copy property owner and/or customer records, and the right to disconnect service, seek injunctive relief, or take any other action to immediately halt a hazardous discharge into the Sewer System.

3.2.3.7 NO MODIFICATION OF CATEGORICAL TREATMENT STANDARDS ALLOWED

Notwithstanding the provisions of the section titled "Modification, Waiver and Suspension of Rules", there shall be no modification, waiver or suspension of these Rules and Regulations, or the PDR and IPP as they apply to Categorical Treatment Standards, approved local limits for toxic pollutants, and Federally required general prohibitions.

3.2.3.8 PRETREATMENT FACILITIES

Where necessary, in accordance with the PDR and IPP, the property owner and/or customer shall provide, at owner's expense, such pretreatment facilities as may be necessary to treat such Special Sewage prior to discharge to the Sewer Main. Such facilities shall be maintained continuously in satisfactory and effective operation at the property owner's expense. The property owner and/or customer shall submit for District and Colorado Department of Public Health and Environment approval all plans, specifications, and any other pertinent information relating to the proposed pretreatment facilities, and no construction of such facilities shall commence until such approvals are obtained in writing.

3.2.3.9 CONTROL MANHOLE REQUIRED

When required by the District, the owner of any property served by a Service Line carrying Special Sewage shall install and maintain, at owner's expense, a suitable control manhole in the Service Line to facilitate observation, sampling and measurement of the wastes. The manhole shall be installed by the property owner and/or customer at a location approved by the District and maintained at owner's expense. All measurements, tests, and analyses of the characteristics of waters and wastes shall be determined in accordance with the PDR and IPP, "Standard Methods for the Examination of Water and Sewage", latest edition, or by methods approved by the EPA or NPDES ("National Pollution Discharge Elimination System") permit and the Colorado Department of Public Health and Environment and shall be determined at the control manhole, or upon suitable samples taken at said control manhole. In the event that no special manhole has been required, the control manhole shall be considered to be the nearest downstream manhole in the sewer interceptor to the point at which the Service Line is connected.

3.2.3.10 GREASE TRAPS

An adequately sized and professionally designed grease trap will be required for all commercial and industrial users, including, but not limited to, restaurants, bakeries, factories, and garages where their sewage has or will have an adverse grease impact on the Sewer System. The grease trap shall be sized in accordance with the most recent Uniform Plumbing Code and installed by the property owner and/or customer. If the District determines that the sewage still has excessive grease in it, the property owner and/or customer will be required to install a larger grease trap within 90 days of being notified by the District. A manhole on the sewer service for monitoring sewage will be required for all users requiring grease traps. Pursuant to this section, grease traps shall be maintained by the property owner and/or customer on a regularly scheduled basis to ensure proper operation. The District has the authority to inspect grease traps and review and copy operating records periodically to ensure that proper maintenance is being performed. No chemicals will be allowed to be used for dissolving grease. Failure to comply with the provisions of this section may result in disconnection of service.

3.2.4 USE OF WATER SYSTEM

3.2.4.1 NOTICE OF CHANGES AND REPAIRS

The property owner and/or customer shall provide written notice to the District prior to any expansion, addition or change to the service or use of the property served by the District and upon any change of ownership of said property. The property owner and/or customer shall also

complete any forms required by the District prior to such expansion, addition or change. Each property owner and/or customer shall be responsible for all costs associated with the construction and maintenance of the Service Line from the corporation connection at the main to the water meter, in addition to all internal house plumbing. Service Lines shall be constructed in accordance with these Rules and Regulations.

Leaks or breaks in the Service Line shall be repaired by the property owner and/or customer within seventy-two (72) hours after obtaining knowledge of the leak or break or from the time the District provides notification of such condition. The property owner and/or customer is responsible for the cost of the repairs and the water lost and, in the event the water enters the Sewer System, the cost of treating the excess sewage. The District Manager shall have the authority to shut off the service until the leak or break has been repaired if satisfactory progress towards repairing the leak or break has not been made within the 72-hour time period, or the District finds that environmental or property damage is being caused. In addition, the District shall have the right to make the repair, and pursuant to C.R.S. 32-1-1001 the cost of said repair shall constitute a lien on and against the property securing payment of said cost.

3.2.4.2 CROSS CONNECTION CONTROL

Each property owner and/or customer is responsible for complying with the Cross Connection Control Manual issued by the Colorado Department of Public Health and Environment, with the additional requirement that all fire protection systems must utilize a “reduced pressure principle”, back-flow type valve.

3.2.4.3 NO STOP AND WASTE TYPE VALVE PERMITTED

No stop and waste type valve is permitted to be used in conjunction with a property owner’s and/or customer’s Service Line. When closed, this type of valve permits groundwater contamination of the Service Line. It is the property owner’s and/or customer’s responsibility to bury the Service Line with sufficient cover to prevent it from freezing.

3.2.4.4 SAFETY DEVICES

Each property owner and/or customer having boilers and/or other appliances on the premises, depending on pressure or water in pipes, or on a continual supply of water, shall provide, at owner’s or customer’s expense, suitable safety devices to protect all Persons and property against a stoppage of water supply or loss of pressure. The District expressly disclaims any liability or responsibility for any damage resulting from a property owner’s and/or customer’s failure to provide such protection.

3.2.4.5 WATER METERS REQUIRED

No connection shall be made to the Water System without a water meter having been installed to serve the subject unit. All water meters shall have devices for remote reading. The type of water meter and placement of the meter on the property receiving water service shall be subject to the approval of the District. Water meters must be purchased from the District. The District shall have the right to test, remove, repair or replace any and all water meters at the expense of the property owner. It shall be the duty of each property owner and/or customer to notify the District office if a water meter is operating defectively. If any meter is suspected to be defective, the property owner and/or customer shall diligently pursue repair or replacement of said meter at the owner’s and/or customer’s expense. The property owner and/or customer shall repair or replace the defective meter within five (5) days after obtaining knowledge of the defect or after the District provides notification of such defect.

In the event the District has reason to believe a water meter may be defective, the following policy shall be enforced: The District shall send written notice to the property owner and/or customer by first-class mail that the District believes that the water meter may be defective. The property owner and/or customer shall be given five (5) days in which to respond, which response shall include scheduling an appointment for a meter inspection. If the property owner and/or customer fails to either respond to the notice or to repair the meter within the five-day period, the District may disconnect the water service and charge the property owner and/or customer the base water rate and unmetered sewer rate while the service is disconnected (See APPENDIX “B” for base rate), or repair the meter and bill the property owner and/or customer for the cost of said repairs.

3.2.4.6 PRESSURE REDUCING VALVE

A pressure reducing valve (“PRV”) shall be installed in all Service Lines immediately before the water meter, ensuring that the water meter and the building plumbing system are protected from fluctuating water main delivery pressures. The pressure setting of the PRV shall not exceed 100 PSI without written permission from the District.

3.2.4.7 FIRE HYDRANTS

It shall be unlawful for any Person to operate District valves or fire hydrants without prior authorization by the District. Any law enforcement officer, personnel of the District or of a fire department is hereby authorized to confiscate any hydrant wrench or valve shut-off key found to be used without District authorization. All lots within the District shall be laid out such that they have one (1) fire hydrant within 200 feet of any portion of the lot area and two (2) fire hydrants within 300 feet of any portion of the lot area.

3.2.4.8 CLEARANCES AROUND HYDRANTS AND CURB STOP BOXES

Minimum clearances must be maintained around fire hydrants and curb stop boxes to facilitate their use and access by District personnel. The property owner shall be responsible to maintain a seven-foot (7') clearance on either side, four foot (4') clearance on back, and a ten foot (10') clearance in front of fire hydrants. The property owner shall also maintain and keep an open, accessible area around the curb stop box, free and clear of any landscaping excepting for turf grass, mulch or rock-only xeriscaping. Minimum clearances around a curb stop box shall be maintained at no less than four (4') feet on each side of the box. To the extent possible District personnel will reuse any turf, mulch or rock it moves to access the curb stop box to restore the ground surface, otherwise the District shall not restore any landscaping it must remove to access a curb stop box.

3.2.4.9 FIRE EMERGENCIES

During any fire event, no property owner and/or customer may use water for outside purposes without the District’s permission.

3.2.4.10 WATER CONSERVATION

The District may implement water use restrictions during periods of shortage, hot weather or whenever the District deems it to be necessary. Such restrictions include, but are not limited to, watering of lawns, plants, trees and shrubs or washing of vehicles. Failure to abide by the restrictions on water use may result, after appropriate written notice to the property owner and/or user, in the District shutting off water service to the property until the water restrictions have ended and/or imposing monetary penalties approved by the Board.

3.3 APPLICATION FOR SERVICE

3.3.1 INCLUSIONS

Excepting for service outside the District, service will be furnished subject to the District’s Rules and Regulations and only to property included within the District. It shall be incumbent upon the Applicant to furnish satisfactory evidence of inclusion whenever such evidence is requested by the District. Except as otherwise provided, a Person owning land outside the District’s boundaries who desires service must include within the District all of his land serviceable by the District’s system contiguous to the parcel for which service is desired. A formal request for inclusion shall be made on the District’s standard form accompanied by a non-refundable payment of \$10,000 for processing and review costs. Any additional costs the District incurs shall be assessed and paid prior to Board approval of the inclusion request. Until paid, such costs shall be a lien against the property for which inclusion is requested.

3.3.1.1 WATER SERVICE

When an inclusion request is made, any property to be brought into the District’s service area must come with water rights sufficient to serve the property, depending on the proposed or existing development. As a condition of inclusion request approval, such water rights shall be transferred to the District along with any water appurtenant

to or used in connection with the property, whether originating on the surface or underground, and whether or not that water has any legally recognized or court-approved use. In addition, the Person requesting inclusion must pay for all improvements or upgrades to the District's system necessary to serve the property. Such improvements or upgrades may include, but are not limited to, line extensions, line enlargements and acquisition of easements.

3.3.1.2 WASTEWATER SERVICE

When an inclusion request is made, any property to be brought into the District's service area must comply with all applicable land development code requirements and any applicable District standards. In addition, the Person requesting inclusion must be approved for water service and then shall pay for all improvements or upgrades to the District's system necessary to serve the property. Such improvements or upgrades may include, but are not limited to, line extensions, line enlargements and acquisition of easements. If the inclusion request is approved, the District shall manage such wastewater and shall own all treated return flow water.

3.3.2 SERVICE OUTSIDE THE DISTRICT

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

3.3.3 APPLICATION FOR WATER AND WASTEWATER SERVICE

Prior to connecting to the District's systems for water and wastewater service, the property owner must file an application with the District on forms provided by the District and pay the applicable fees. Within five (5) days of any sale or transfer of property the new property owner must apply for service and make a service account deposit in such amount as established by the District's annual budget, and any failure by the new property owner to do so shall entitle the District to disconnect the property from the District's systems. The District will not process an application for service until all fees are paid in full. Only upon Board approval and compliance with all conditions imposed by the Board pursuant to its approval may the property connect to the District's systems.

3.3.3.1 FIRE AND LAWN SPRINKLER SYSTEMS

If a fire protection water sprinkler system is to be used, a plan of the system is to accompany the application and is subject to the approval of the District. All fire sprinkler systems shall meet NFPA (National Fire Protection Association) requirements and shall also meet the requirements of all applicable City, County and State building and fire protection codes.

3.3.3.2 TAP INFORMATION REQUIRED

All information requested on the tap application form must be completed. In addition, the following information must be included: (a) water meter location and arrangement; (b) a diagram of the curb stop valve box location; and (c) a site plan or improvement plan and floor plan showing the location of the building relative to property lines.

3.3.3.3 REASSESSMENT OF TAP AND SYSTEM IMPROVEMENT FEES

Should any information disclosed on the application prove at any time to be false, or should the Applicant omit any information, the District shall have the right to: (a) reassess the tap fee and system improvement fees at the current rate charged at the time the District discovers the false or omitted information; (b) disconnect the service in question; (c) back-charge the property in question for service fees that may be due

and owing; and/or (d) charge any other or additional fee or penalty specified in these Rules and Regulations, as amended. Any reassessment shall be immediately due and payable, together with any penalties or other additional fees charged, including interest at the maximum legal rate on the reassessed and back-charged fees commencing from the date of the original application.

3.3.3.4 LAWN SPRINKLER SYSTEMS

In all commercial applications, if sprinkler irrigation is to be used, it must be metered.

3.3.4 DENIAL OF APPLICATION

The District Board may deny any application for service when, in the Board's opinion, approving the service request would not be in the best interest of the District. Denial may also be based upon an unresolved obligation owed to the District by the Applicant, inadequate documentation of easements for main lines serving the property, or any other reason as determined by the Manager or the Board.

3.3.5 CANCELLATION OF APPLICATION

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

3.3.6 MOVED OR DESTROYED BUILDINGS

When a building is moved, the original tap authorization shall remain with the original land parcel on which the building was located. When a building is destroyed, the original tap authorization shall remain upon written request to and approval by the Manager. Minimum monthly service charges continue to apply to properties thus affected. As long as the minimum monthly service charges continue to be paid on taps that have been purchased, the tap authorization will remain valid for the originally intended use.

3.3.7 ABANDONED SERVICE LINE

When a Service Line is abandoned permanently, the property owner, at owner's expense, shall close the water supply valve at the main line (corporation stop valve) and plug the sewer service connection at the main line.

3.3.8 CHANGE IN PROPERTY OWNER AND/OR CUSTOMER'S EQUIPMENT, SERVICE OR USE OF PROPERTY

No expansion of or addition to the property owner's and/or customer's service or use of property served shall be made without the prior notification of and approval by the District. Any such change which, in the opinion of the District, will increase the burden placed on the District's systems by the property owner and/or customer shall require a re-determination pursuant to Section 3.3.8.3 below of the tap fee, the system improvement fee and monthly service charges, and a payment by the property owner and/or customer of any additional fee, and/or charges resulting from the re-determination. Any tap fee and system improvement fee previously paid with respect to the property in question shall be credited against the re-determined tap fee and system improvement fee so that only the unpaid portion of any re-determined tap fee and system improvement fee shall be due; provided, however, that a re-determination resulting in a conclusion that the tap fee and system improvement fee, if assessed currently, would be in an amount less than that originally paid shall not result in a refund to the property owner and/or customer.

3.3.8.1 UNAUTHORIZED CONNECTION FEE

Any violation of this section shall result in the assessment of an unauthorized connection fee, as provided herein, and the District shall pursue collection of said fee consistent with Colorado law.

3.3.8.2 INSPECTION REQUIRED

The District shall notify in writing any property owner and/or customer it believes has changed equipment, service or use of the property in violation of this section. The District's notice shall inform the property owner and/or customer that the District shall conduct such inspection of the property in question pursuant to Section 3.1.6 as the District Manager or his representatives deem necessary to establish clearly the nature of equipment, service and use of the property. .

3.3.8.3 REDETERMINATION OF TAP AND SYSTEM IMPROVEMENT FEES

Following inspection per Sections 3.1.6 and 3.3.8.2, the Manager shall make a determination as to the change in the property owner's and/or customer's equipment, service or use of the property , and if warranted shall also determine whether any additional tap fees, system improvement fees and/or service charges are due. In the event the property and/or customer disagrees with the decision of the Manager, the property owner and/or customer may present a complaint in accordance with Article X of these Rules and Regulations.

3.3.9 UNAUTHORIZED CONNECTIONS

No Person shall be allowed to connect onto the Sewer or Water Systems or to enlarge or otherwise change equipment, service or use of property without prior payment of tap fees and system improvement fees, approval of application for service and issuance of a permit per Section 3.2.1.1, and adequate supervision and inspection of the tap installation by District employees. Any such connection, enlargement, or change without payment, approval, supervision and inspection shall be deemed an unauthorized connection. Upon the discovery of any unauthorized connections, immediate disconnection will be required and the District shall impose against the property owner all penalties and all other associated costs or charges authorized by these Rules that are incurred by the District.

3.3.10 DISCONTINUANCE OF SERVICE

If a property owner or customer intends to discontinue service at any time, the property owner or customer shall complete and submit a request to terminate service on a form provided by the District at least seven (7) days prior to the requested discontinuance date. If a completed request form is not received at least seven (7) days prior to the requested discontinuance date, the property owner and/or customer shall be responsible for all service charges through the end of the current billing cycle.

Except for monthly service charges as identified in Section 8.15, the District may discontinue service to any property upon non-payment of any other fees or charges owing to the District. In the event of non-payment, the property owner and/or customer shall be given not less than ten (10) days advance written notice that service will be discontinued, which notice shall set forth:

1. The reason service is being discontinued;
2. That the customer must pay the full amount owing in order to avoid disconnection of the service;
3. That the property owner and/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,
4. That there exists an opportunity for a hearing in accordance with the Article titled "Hearing and Appeal Procedures" of these Rules and Regulations if the full amount is paid.

If the District does not receive payment of the full amount within ten (10) days of the date the notice was mailed, the District shall disconnect the service, and the property owner shall be assessed the cost of the disconnection and, if applicable, reconnection of service and a late fee penalty per Section 8.15. While the service is disconnected, the property owner shall continue to be assessed the minimum service charges for water, sewer and street lights services. Any voluntary services, such as refuse disposal, will be suspended, until the account is brought current.

3.3.11 REVOCATION OF TAP AND CONNECTION RIGHTS

The right to connect the District's system and receive services shall be revocable by the District upon non-payment of any fees owing to the District and remaining unpaid for a period of thirty (30) days, and whether or not the property owner owning the right to connect has actually connected to the District's system. Such revocations shall be conducted in accordance with this Article. If the right to connect to the District's system is revoked, the property owner may reacquire such tap rights only by reapplying for service in accordance with the provisions of this Article, and after paying all fees previously due and owing the District and the then-current tap fees and system improvement fees charged by the District under these Rules and Regulations.

3.3.12 SERVICE TURN-ON / TURN-OFF

District personnel only may turn on or turn off water service to a Service Line, regardless of the circumstances or ownership of the shut-off valve. The District shall assess a single turn-off/turn-on charge as approved by the Board annually for any such turn-off and turn-on performed except when initial service is provided, when service is terminated (i.e. property owner sells or vacates the premises) and when the service is performed for property owner and/or customers requiring maintenance to their Service Lines. All other requests for a turn-on or turn-off of District service may be granted or denied by the District Manager at the Manager's sole discretion.

The District shall make reasonable efforts to requests to turn on service the same day the request is received; however, the District shall be obligated to fill the request only during normal business hours and shall respond to such requests in the order in which the requests are received.

3.3.13 TAP AND/OR CONNECTION TRANSFERS

Each tap or permit issued applies only to the property identified in the application approved by the District. Any tap or permits issued to a property shall be deemed to follow any transfer or sale of the fee ownership of the property. Otherwise, no Person may transfer, sell or bargain a tap or permit to any other Person and/or property without a resolution from the District Board of Directors authorizing the transfer.

3.3.14 EXPIRATION OF TAPS OR CONNECTIONS

Any tap or permit issued by the District shall expire two (2) years from the date of issuance unless the property for which the tap or permit was issued has in fact connected to the District's system. If a property is issued multiple taps or permits, any taps or permits that are not physically connected within two (2) years from the date of issuance shall expire. All expired taps or permits shall revert back to the District.

3.3.15 SERVICE ACCOUNT IN PROPERTY OWNER'S NAME; NOTICE OF RENT TERMINATION OR PROPERTY TRANSFER

Effective May 1, 2020 all service accounts shall be held in the property owner's name. The District encourages property owners who rent their properties to coordinate with current renters and the District on transferring the service accounts into the property owner's name prior to May 1, 2020, otherwise the service accounts shall transfer automatically into the property owner's name on that date. Commencing May 1, 2020 all property owners shall be responsible for payment of all charges billed by the District for services provided to their property.

Before May 1, 2020, not less than seven (7) days prior to the termination of a current rental agreement the property owner shall notify the District in writing and indicate the effective date of the rental termination to ensure the service accounts are transferred into the property owner's name upon such effective date.

Upon the sale, conveyance or transfer of any property, the current property owner shall notify the District in writing not less than seven (7) days prior to the effective date of such sale, conveyance or transfer, identify the new property owner and comply with the discontinuance of service requirements set forth in Section 3.3.10. New property owners shall apply for service from the District as provided in Section 3.3.3.

3.4 CONSTRUCTION OF WATER AND SEWER SERVICE LINES

3.4.1 COMPLIANCE WITH RULES AND REGULATIONS

The requirements of these Rules and Regulations, and Appendix "C", attached hereto, are applicable to the construction of all Service Lines. No water or sewer taps or connections may be made unless a completed application is submitted to the District and all costs of connections are paid in advance. A Water or Sewer Main shall be eight inches (8") or more in diameter.

3.4.2 INSPECTIONS

The installation of all water and sewer Service Lines shall be inspected by a representative of the District. All water Service Lines are to be installed and tested under normal operating pressure. The Contractor shall notify the District when the Service Line is ready for inspection and connection to the District's main. Two working days prior notice is required. The connection shall be made to the main when District personnel are available at the site for inspection. Constructors of Service Lines shall call the District to schedule an open ditch inspection of all Service Lines. If said inspection is not made within forty-eight (48) hours of the call, excluding weekends and holidays, construction may proceed. There shall be a charge for all inspections as determined from time to time by the Board annually in its schedule of Taxes, Fees, Rates, Charges and Penalties. Further information regarding inspections and the charges for inspections may be obtained at the Manager's office.

3.4.3 SEPARATE SERVICE LINES REQUIRED

A separate and independent Service Line shall be provided for every structure and/or facility, and shall be installed at the expense of the property owner and/or customer. There shall be one water meter installed for each separate building served. For commercial users, a separate irrigation meter with remote readout will be required for irrigated areas and it must be connected to the Service Line servicing the premises. A curb stop shall be located at the property line on all Service Lines. Each half of a duplex shall have a curb stop at the property line and shall have a separate water meter and Service Line. In the District Manager's sole discretion, an exemption from the above requirements may be granted for buildings that are part of a condominium or homeowners association. In such a case, the District shall bill the association for service charges assessed by the District for water and sewer usage in the association. In all cases where individual units are not separately metered, billing shall be to one entity for service to all units serviced through the same meter or Service Line, and payment for less than all units shall be considered non-payment, allowing the District to disconnect or terminate service.

3.4.4 CONSTRUCTION AND CONNECTION

All contractors, plumbers, and others doing work on any main, Service Lines, or structures in the District shall comply with El Paso County and/or City of Colorado Springs requirements on excavation, backfill, compaction, and restoration of disturbed surface areas. All permits, fees, and licenses shall be paid for by the contractor, plumber, or others doing work in the District, prior to the start of construction. All excavations for service installation shall be adequately guarded with barricades and lights so as to protect the public. Streets, sidewalks, parkways, and other public or private property disturbed in the course of the work shall be restored in a manner satisfactory to the District. All daily inspection fees on sewer construction required by any governmental agency, including the District, shall be paid by the plumber, contractor, or others doing work for the District.

3.4.5 TWO - YEAR WARRANTY

All constructed Service Lines that have been inspected by a District representative shall be accepted by the District upon completion of construction and conveyance of ownership to the District, subject to a two (2) year warranty period during which the Constructor shall promptly, without cost to the District, correct any defective work. Before the Service Lines are accepted by the District, the Constructor who installed the Service Lines shall deed the Service Lines and all appurtenances to the District free and clear of all liens and encumbrances, and furnish to the District a surety bond or other acceptable collateral which shall cover all maintenance for two (2) years from the date of acceptance of the Service Lines by the District. In conjunction with

conveying the Service Lines, the constructor shall also provide to the District reproducible as-built drawings including water and sewer stub-out coordinates and easements.

3.5 MAIN LINE EXTENSIONS

3.5.1 COMPLIANCE WITH RULES AND REGULATIONS

The requirements of these Rules and Regulations, and Appendix "C", attached hereto, are applicable to the construction of all Service Lines.

3.5.2 MAIN LINE EXTENSIONS BY THE DISTRICT

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

3.5.3 PROCEDURE FOR MAIN LINE EXTENSION BY THE DISTRICT

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

3.5.3.1 PERFORMANCE BONDS AND TWO (2) YEAR WARRANTY.

Pursuant to C.R.S., Section 38-26-105 and -106, as amended, performance and payment bonds equal to the contract price at a minimum shall be furnished to the District by the Constructor on all construction contracted by the District. All main lines constructed shall be accepted by the District upon completion of construction and being deeded to the District, subject to a two (2) year warranty period during which the Constructor shall promptly, without cost to the District, correct any defective work. Constructors shall pay all daily inspection fees required by any governmental authority, including the District. Main line extensions and all appurtenances shall be deeded to the District free and clear of all liens and encumbrances, and a surety bond or other acceptable collateral provided to the District which shall cover all maintenance for two (2) years from the date of acceptance of the main lines by the District. Prior to the acceptance of the main lines by the District, the Constructor shall provide to the District reproducible as-built drawings including water and sewer stub-out locations, coordinates of manholes, rim and invert elevations and easements.

3.5.4 PROCEDURE FOR MAIN LINE EXTENSION BY DEVELOPERS

The District has no obligation to extend any main line. In the Manager's discretion, the District may permit an Applicant to construct, at the Applicant's sole expense, main lines prior to their construction by the District. The Applicant shall enter into the District's standard form agreement prior to proceeding with any extension.

3.5.4.1 APPLICATION FOR APPROVAL

All Applicants desiring to construct a main line within the District shall first make formal application to the Manager for approval. This application shall be in writing and shall contain a legal description of the property to be served by the main line, the plans for such extension, and any other information required by the District in its discretion. District staff shall then submit the recommended plans, with appropriate documentation, to the Manager and District Engineer for review and approval. Said plans shall also be reviewed for compliance with the District's specifications and with other specifications and requirements appropriate to the situation. The cost of such plan and compliance review shall be borne by the Applicant.

3.5.4.2 DEPOSITS WITH THE DISTRICT

Prior to the execution of an agreement for the main line extension, Applicant shall deposit with the District an amount sufficient to reimburse the District for engineering fees, legal fees, and other related costs anticipated to be incurred by the District as a result of the application review process and the construction of the main line.

3.5.4.3 PERFORMANCE AND PAYMENT BONDS

All contracts, including easements agreements, entered into by Applicant for construction of any part of a main line shall be assignable to the District. All such contracts that an Applicant proposes to assign to the District shall include performance and payment bonds to be issued by the contractor to the District pursuant to C.R.S., Sections 38-26-105 and -106, as amended. Said bonds shall be at a minimum equal to the contract price for the construction contracted for by the Applicant. All main lines shall be constructed according to applicable District, El Paso County, City of Colorado Springs, and State specifications. All main line extensions within the District shall be made under the supervision of the District staff at the Applicant's expense. Similarly, all daily inspection fees on mains required by any governmental agency, including the District, shall be paid by Applicant. Such costs may be subject to cost recovery if approved by the District under a cost recovery contract pursuant to Section 3.6 below.

3.5.4.4 SPECIAL STRUCTURES DESIGNED BY DISTRICT ENGINEER

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

3.5.4.5 OVERSIZING OF MAIN LINES

The Applicant shall be responsible for oversizing main line extensions as required by the District, subject to future cost recovery by the District from any Person wishing to extend the mainline in the future. Such cost recovery may include reimbursing the District for the cost of oversizing, including reasonable interest, upon connecting a further extension. Recovery agreements shall be limited to a ten (10) year term.

3.5.4.6 DOCUMENTATION REQUIRED

Applicants who have completed construction of main lines shall, before the main lines are accepted by the District, deed the main lines and appurtenances to the District, free and clear of all liens and encumbrances. Prior to the acceptance of the main lines by the District, the Applicant shall provide the District with:

1. All easements necessary for the main lines;
2. One original, signed set of plans and a signed digital file of as-built drawings;
3. Copies of all soil compaction/testing results from a certified engineer; and,
4. A statement of the certified costs of the main lines.

3.5.4.7 CONTRACT REQUIRED

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

3.6. RECOVERY OF COSTS

In the District's sole discretion, for Applicants who desire to construct a Sewer Main or Sewer Main extension may receive reimbursements or cost recovery payments, as provided by contracts, at such times and in such amounts as the District may determine.

3.6.1 COST RECOVERY AGREEMENT

Applicants seeking cost recovery payments shall, prior to constructing the main line(s) for which recovery is sought, execute a cost recovery agreement with the District which, subject to these Rules and Regulations, shall establish the terms and conditions under which such cost recovery payments are made.

3.6.2 LIMITATION ON PAYMENTS - DIRECT CONSTRUCTION COST

The amount of cost recovery payments shall in no case exceed 100% of the approved direct construction cost. In addition to those costs deemed ineligible as described in the "Ineligible Costs" section herein, recoverable costs shall not include planning, legal, bonding, insurance, management, interest or overhead.

3.6.3 PAYMENTS MADE AT DISCRETION OF DISTRICT

All cost recovery payments shall be made at such times and in such amounts as the District, in its sole discretion, shall determine. No taps may be made onto such main line until said main has been accepted by the District, except by special written arrangement with the District.

3.6.4 PHASED CONSTRUCTION

All cost recovery agreements and subsequent payments shall relate only to those facilities which are described in the cost recovery agreement. If Applicant desires to construct a phased development consisting of several periods of construction, separate cost recovery agreements must be executed for each phase. If the former phase contract is still in force and effect, it shall be incorporated by addendum into the new phase's contract.

3.6.5 EXECUTED AGREEMENT REQUIRED

Before any cost recovery payments commence, Applicant and District must each have signed a cost recovery agreement; the fully executed agreement, along with all exhibits and appendices thereto, must have been returned to the District's possession; and Applicant shall be in compliance with all terms and conditions contained in the cost recovery agreement.

3.6.6 ELIGIBLE COSTS

In addition to the recoverable construction costs described in the "Limitations on Payments - Direct Construction Costs" section, reasonable inspection and design costs, as approved by the District in its sole discretion, may be deemed eligible for recovery if specifically provided for in the cost recovery agreement. Tap Fees and System Improvement Fees paid in advance of the District's acceptance of the main line extension shall not be included in the cost recovery calculation, unless otherwise provided in the cost recovery agreement.

3.6.7 INELIGIBLE COSTS

In addition to those costs not recoverable under the "Limitations on Payments - Direct Construction Costs" section, the following costs shall not be eligible for cost recovery:

1. Cost of sewer service stub-outs;
2. Structures able to be served by a main line currently in place are not subject to cost recovery, unless approved prior to construction, at the sole discretion of the Board. The purpose and intent of this provision is to prevent abuse of the cost recovery system.
3. Costs of repairing Sewer Mains. This section does not include costs of duly authorized change orders.

3.7 MAIN LINE SIZES

The size of the main line shall be determined by the District. Additionally, the District in its sole discretion may enlarge existing main lines whenever the District deems it necessary or prudent to do so.

3.8 LOCATIONS OF MAIN LINE EXTENSIONS

Main lines shall be installed in roads or street rights-of-way, as well as in easements granted to the District. Where required, facilities must cross land not being subdivided. When such land is under the Applicant's control for the granting of public rights-of-way, each Applicant who desires service will, in consultation with and with the approval of the District, grant to the District appropriate rights-of-way and easements in which such facilities will be constructed. The District shall maintain sole discretion over the location of any main line extensions, including control over any parallel lines.

3.9 LIMITATIONS APPLICABLE TO COST RECOVERY

Connections made within ten (10) years after the date of the recovery contract, or the date the line extension was placed in service, whichever is earlier, unless otherwise provided in the cost recovery agreement, shall be subject to cost recovery.

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ARTICLE IV

PARKS, OPEN SPACES, RECREATION FACILITIES AND LEASED PROPERTIES

4.1 USE OF PARKS AND OTHER LANDS – GENERAL

All park, open space, recreation facilities owned by the District, and other land facilities leased to the District for other purposes, are unique community assets paid for by District residents. These facilities thus have unique value to District residents, and the District has limited financial resources to pay for replacement, repair and/or restoration of damage to any park or land facility caused by vandalism or misuse. The District encourages all of its residents to ensure that they and their guests enjoy those District facilities which are open to the public in a safe and responsible manner. The District also encourages its residents to report any acts of vandalism or misuse they observe to the District and/or to the El Paso County Sheriff's office as soon as possible.

4.2 HOURS

Unless modified or a written exception is granted by the District, park hours are as follows: Sunrise to Sunset.

4.3 PICNIC FACILITIES USE AND MAINTENANCE

Picnic facilities owned by the District, such as picnic benches or pavilions, are intended for the primary use of District residents. Any District resident may reserve picnic facilities upon prior written request, and the District staff shall provide a posted notice to the requesting user reserving the facilities. To ensure all District residents and their guests enjoy the picnic facilities in a safe and sanitary manner, all users of these facilities shall assist in maintaining these facilities by cleaning up and/or removing, as appropriate, any equipment or materials they bring in prior to vacating the facilities, and to properly dispose of any trash associated with such use. The District in its discretion may assess fines against any Person who leaves the facilities in a trashed, unsafe or unsanitary condition after their use, and in such instances the District in its discretion may rely upon the enforcement schedule set forth in the "Enforcement" section of this Article.

4.4 PLAYGROUND EQUIPMENT AND SPORT FACILITIES

Adults are expected to supervise children's use of all playground equipment or sport facilities (e.g., baseball diamonds, basketball courts, soccer/all-purpose fields, and all associated amenities) as appropriate so as to prevent injury to any child or other persons and also prevent damage to the equipment, the facility and any other property. Any damage to, disrepair or noticeable defect in the equipment or facility shall be reported to the District as soon as possible. The District shall not be liable for any injury or damage associated with any use of playground equipment or sport facilities.

4.5 DOG PARK; DOG WASTE

4.5.1 DOG PARK USE

The following rules shall apply to use of the District's dog park:

1. All dogs must be on a leash when entering and leaving the dog park enclosure
2. Owners must monitor and maintain control over their dogs at all times
3. Owners are responsible and liable for the actions and behavior of their dogs
4. All park visitors assume the risk when visiting the park and shall hold the District harmless from any associated claims for damage or injury
5. All visitors must be courteous and respectful of all other park visitors and their pets
6. Owners must pick up their dogs' waste and dispose of it in the waste bin and otherwise help keep the park in a clean and safe condition

4.5.2 DOG WASTE

All dog owners shall immediately clean up the waste from their dogs within park and open space areas and shall properly dispose of the wastes.

4.6 PROHIBITIONS

No Person shall break, damage, destroy, remove, alter, deface or tamper with any portion of the District's park or open space areas or any recreation facilities.

Possession or consumption of alcoholic beverages on District property is prohibited in the absence of prior written authorization from the District.

Use of amplifying equipment within a park or land facility in association with a picnic or other private gathering, including but not limited to a wedding reception or family reunion, and any music or other noise exceeding seventy (70) decibels, is prohibited unless prior written authorization is obtained from the District.

Littering, improper disposal of garbage or wastes (including dog wastes), or dumping of yard waste is prohibited.

Except for clean up after a picnic or other private or publicly-sponsored event, and except as otherwise provided in this paragraph, use of trash containers located within any park or land facility for disposing of private trash greater than two (2) cubic feet in total volume and/or two (2) pounds in weight is prohibited. Public users of a District park area or open space shall properly dispose of trash in containers located within the park or land facility if available. The public is encouraged to bring and use appropriately-sized trash bags to contain any trash they or their pets might generate during their use. Any attempt to dispose of trash by "overstuffing" a container that is already full shall constitute improper disposal of garbage, and the public is encouraged to immediately report to the District the presence of any full or overflowing trash container within a park or land facility.

Except for park or open space areas for which public access is expressly authorized, any unauthorized entry onto any property owned or leased by the District is prohibited. Violation of this provision is considered a trespass.

All vehicles must use designated parking areas. Excepting for parking areas, motorized vehicles may not use service roads or driveways unless prior written authorization is obtained from the District. Except for District service vehicles or emergency response vehicles, no mechanized vehicles are permitted on or across open space areas, park areas, walking trails or service roads.

4.7 ENFORCEMENT

Any Person found to be in violation of any provision of this Article shall be subject to fines imposed by the District in its discretion, including potential referral of the violation to law enforcement authorities for prosecution including restitution for any damage caused to District property.

Illegal dumping and/or improper disposal of wastes on District property places additional burdens on limited District staff resources. Therefore, unless expressly waived by the District Board the following enforcement schedule and fines shall apply to any person who illegally dumps or improperly disposes of wastes within any consecutive 12-month period:

- First offense: A warning issued to the responsible party with a request to clean up the wastes within 72 hours of notification, including payment of a \$100 fine if the wastes are not properly cleaned up within 72 hours of notice.
- Second offense: Same as first offense except a mandatory \$100 fine shall apply, and the responsible party shall also pay all direct or incidental District costs or expenses for the time and expense of staff, administration, management and/or legal counsel associated with the waste cleanup and proper waste disposal.
- Third offense: Same as second offense above except a mandatory \$250 fine shall apply.

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ARTICLE V

FIRE PROTECTION AND EMERGENCY FIRST RESPONDER SERVICES

The District provides fire protection and emergency first responder services within its service boundaries. These services are provided by 1) contracting for Primary Fire Protection services with the City of Colorado Springs Fire Department and 2) operating the emergency first responder services out of the fire station at 4770 Horizonview Drive. The Primary Fire Protection services are funded primarily from the twenty (20) mills that the General Fund of the District has collected historically. The emergency first responder services are supported from the voter-approved three (3) mills and a first responder fee.

5.1 DISTRICT FIRE CODE

Except as provided herein, the District hereby adopts the National Fire Code as amended by the City of Colorado Springs (Fire Code) for use in support of the District's services. In its discretion, the Board of Directors may further amend the Fire Code to address particular circumstances and needs within the District's service area.

5.2 OPEN FIRES POLICY

5.2.1 GENERAL

This policy clarifies when "open" fires within the District's service area are permissible. The policy shall apply only during those times when the State or County is not under a fire restriction. Open fire policy is set by State regulations and by the Chief of the local Fire Districts when fire restrictions are in effect.

5.2.2 PERMISSIBLE OPEN FIRES

Except during times when fire restrictions are in effect, the fires listed below are permissible within the District. Any fire not listed below will require permits from the State of Colorado and/or the authorized local agency, and separate written approval from the Fire Chief or an authorized designee prior to burning.

- Fires used for cooking of food using normal gas or charcoal grills
- Fires used for fire protection instructional or training purposes (remove protection)
- Fires for recreational purposes. (eg: pits and fire rings)

Unless one of the above conditions is met, you must obtain a burn permit from the Colorado Division of Fire Safety and/or the authorized local agency.

5.2.3 FUEL TYPES

The only fuels for any open fires permissible under this policy are paper, cardboard and untreated wood. "Wood" is considered logs of wood and does not include tree branches, shrubs, leaves or similar yard waste. Burning of wiring, plastics, rubber or any other materials is expressly prohibited.

5.2.4 CONTAINMENT

Fires do not have to be contained within a store-purchased fire pit; however, they must be safely maintained and monitored and used as otherwise clarified in this policy.

5.2.5 OTHER CONDITIONS

The following conditions are mandatory, the violation of which may subject the property owner or Person responsible for creating the fire to fines, penalties and restitution under the Rules and Regulations:

- All fires must be attended at all times.
- A water source must be within 25 feet of the fire
- Fire shall be kept clear from all possible exposures to prevent potential spreading in an uncontrolled manner. A minimum 15-foot clearance must be maintained in all

directions from trees, homes, or any potential fuel source that could be ignited by fire.

- Fire area must have a continuous noncombustible ring material used around the fire such as brick, rock, concrete, or otherwise the fire must be contained in a store-purchased fire pit.
- Open fires will not be used in any form of pit on a deck or patio built of wood or any other combustible material.
- All fires will have a screen or grate to catch sparks or embers from the fire. Screen should be of reasonable size no larger than 3/8" openings to stop the majority of sparks or embers that usually fly when logs pop or move during the normal course of burning.

This Policy is not intended to regulate the use of normal gas or charcoal grills used for cooking food.

5.3 FIREWORKS

Pursuant to C.R.S. §24-33.5-2001, *et seq.*, unless defined as "permissible" fireworks in C.R.S. § 24-33.5-2001(11) the use, sale or possession of fireworks is strictly prohibited. In general, prohibited fireworks includes, but are not limited to, any fireworks which fly through the air, explode, or shoot flaming balls. The District hereby adopts County ordinance 19-001 as to the restrictions on the use and sale of fireworks during Stage 1 and Stage 2 fire restrictions and as to any day the National Weather Service issues a Fire Weather Warning for the County.

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ARTICLE VI

OTHER DISTRICT SERVICES

The District provides additional services to its customers and property owners as follows: Street Lights, Refuse Disposal, and Major Drainage and Flood Control.

6.1 STREET LIGHTS

This service is provided through various contracts with Mountain View Electric Association (MVEA) whereby the District contracts for the ownership, operations and maintenance of the street lights with MVEA and MVEA charges a monthly fee to the District for electricity and maintenance services. In turn, the District invoices its customers a monthly fee that helps cover the MVEA costs plus the administrative costs of the District. The street light fees are adjusted annually through the schedule of taxes, rates, charges, fees and penalties adopted by the District during the budget process.

6.2 REFUSE DISPOSAL

Refuse disposal is an optional service offered by the District to its residential customers only. The District contracts with a refuse disposal provider, then charges a monthly fee to the customers that select the service. The refuse disposal fees are adjusted annually through the schedule of taxes, rates, charges, fees and penalties adopted by the District during the budget process.

6.3 MAJOR DRAINAGE AND FLOOD CONTROL

The District owns and maintains several facilities used to drain local storm drains and control flooding within the District. The main source of revenue for the operation of these facilities is through the use of a portion of the general mill levy assessment of the District. The District does not own and is not responsible for local storm sewers located within subdivisions or under roads, regardless of size.

The flood control facilities and major drainage channels owned and maintained by the District are described in Appendix "D" of these Rules and Regulations.

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ARTICLE VII

OTHER DISTRICT POLICIES

This Article includes various District policies adopted either by Board resolution or upon a duly approved motion at a regular or special Board meeting on various issues that are presented to the Board that previously were not included in the Rules and Regulations. As District policies are enforceable against all property owners and/or customers of the District, they are being formally included as part of the Rules and Regulations to provide property owners and/or customers notice of the District's position, rationale and requirements regarding these issues. Nothing herein shall be deemed to limit or waive the District's authority pursuant to statute or other applicable law to address these and other important policy issues in a manner that is different from what is contained in each of the policies set forth below to ensure the best interests of the District and its residents are advanced. The following sections either incorporate by reference or verbatim the policies and related requirements contained in the Board resolutions and/or include additional detail to provide adequate notice to property owners, customers and residents and to carry out the goals and purpose of the resolutions adopted. The District intends to perform a regular review of its policies to ensure they are consistent with current Colorado and Federal law and also consistent with the remainder of the Rules and Regulations. To the extent a court with jurisdiction determines these policies are inconsistent or contrary to federal, state or county laws, rules or ordinances, the latter will control in such instances.

7.1 CITIZEN INITIATIVES

The Board adopted Resolution 2009-08-27.3 regarding citizen initiatives that are part of a regular or special election held within the District. The document entitled "Policy Regarding Citizen Initiatives" dated August 27, 2009 is incorporated herein by reference. A full copy of the policy is attached to these Rules and Regulations as Appendix "E" and also posted on the District's website. This policy is self-executing and deemed to be amended whenever Colorado law changes regarding citizen initiatives, with such amendments being incorporated by reference.

7.2 PERSONNEL

The Manager is responsible for hiring, managing and terminating District employees to ensure the efficient and proper administration and operation of the District and its facilities. The District has adopted Resolutions 2006-10-26.1, 2006-12-08.3 and 2006-12-08.5 regarding employee benefits and retirement age for each District employee. To the extent not previously rescinded by the Board, the establishment of a mandatory retirement age is hereby vacated and the references to "retirement age criteria" in these resolutions apply only to employee benefits paid by the District. These Resolutions are considered a part of the District's Rules and incorporated by reference, and may be superseded by future Resolutions adopted by the Board or subsequent changes in Federal or Colorado law. The District currently has a personnel manual that is used solely for guidance purposes. At the Manager's discretion, the Manager may reference the District's personnel manual to address various personnel issues to the extent the Manager deems it appropriate. As the personnel manual is merely a guidance document, it is not and shall not be construed as a contract between the District and its employees, it is not enforceable against the District and it does not create any legal rights or obligations of any kind as concerning the District, District employees or third parties.

7.3 INTERIM SERVICES

Whenever a property owner located within the District requests service on a temporary or interim basis and the owner's property is located within a municipality, county or another district (hereinafter "service provider") that can provide the same service requested by the owner, the District may provide such requested service only with the service provider's written consent and upon such terms as the service provider may require pursuant to an approved intergovernmental agreement (IGA) between the service provider and the District. In such instance, the property owner shall be subject to these Rules and Regulations as the same may apply, including all charges imposed by the District for providing the requested interim service and other applicable charges pursuant to these Rules and the IGA between the service provider and the District.

7.4 VANDALISM / RESTITUTION

The District considers any damage or destruction of its facilities or other property caused by vandalism a very serious matter. Such vandalism causes unnecessary expense to District residences and creates

additional burdens on District staff. Whenever such damage occurs, the District intends to coordinate with the local District Attorney's office to seek full prosecution of each offender involved, including full restitution for the damaged or destroyed property, and to obtain all other relief available to the District pursuant to law. The District hereby advises all District residents with minor children that the District may seek to hold them legally liable for their child's vandalism and all associated costs incurred by the District. In addition, the District reserves the right to impose and collect a fine against any District resident whose minor child is involved in vandalism causing damage or destruction of District property, which may include filing a lien against the resident's property and collection of the fine pursuant to these Rules.

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ARTICLE VIII

TAXES, RATES, CHARGES, FEES AND PENALTIES

8.1 GENERAL

The taxes, rates, charges, fees and penalties as herein established shall remain in effect until modified by the Board under the provisions of these Rules and Regulations the District's annual budget process and/or under the applicable state statutes. Nothing contained herein shall limit the Board from modifying taxes, rates, charges, fees and penalties or from modifying any classification consistent with the authority granted to the District by state law.

8.2 APPLICATION OF THIS ARTICLE

This Article applies to property owners and/or customers inside the District, and shall in no way obligate the District with respect to services provided outside the District boundaries. The District may, in its discretion and consistent with any standards established by statute, set whatever rates, charges and fees for service outside the District's boundaries that the District deems reasonable.

8.3 CLASSIFICATION OF PROPERTY OWNER AND/OR CUSTOMERS

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

8.3.1 RESIDENTIAL UNIT

This includes single-family, duplex, and clustered units such as multi-family apartments, condominiums and townhomes.

8.3.2 HOTEL, LODGE, MOTEL, ACCOMMODATION UNIT

This includes accommodation rooms or suites of rooms or apartments designed for short-term rental. All other auxiliary uses, e.g., restaurants, bars, athletic facilities, public restrooms, are considered included under the "commercial, office and industrial service" subsection.

8.3.3 COMMERCIAL, OFFICE AND INDUSTRIAL SERVICE

This includes all other building or structure uses which are not included under the "residential unit" or "hotel, lodge, motel, accommodation unit" subsections.

8.4 TAP FEE AND SYSTEM IMPROVEMENT FEE

A Tap Fee and System Improvement Fee shall be charged to all property owners and /or customers of the District. Except as otherwise approved by the Manager, the Tap Fee and System Improvement Fee shall be assessed and paid at the time of final plat approval. Unless an exception is granted by the District, any application for service shall not be processed until the Tap Fee and System Improvement Fee are paid in full. Tap Fees and System Improvement Fees shall be assessed as provided for in the schedule of fees and charges approved annually by the Board; provided, however, that:

8.4.1 PREPAID TAP FEES AND SYSTEM IMPROVEMENT FEES

Tap Fees and System Improvement Fees may be prepaid, and tap permits issued, anytime in advance of connection, in which case the commencement of service charges shall be governed by the "Service Charges" section of these Rules and Regulations. No refund shall be given for any prepaid Tap Fees and System Improvement Fees.

8.4.2 FACTORS AND USAGE

The fees and charges approved by the Board annually are based upon factors of usage and physical structure, and upon the application by the Manager of those factors to the facts and circumstances surrounding the application.

8.4.3 DISPUTED TAP APPLICATION

If a dispute arises between the District and the Applicant regarding the calculation of Tap Fees and System Improvement Fees or the nature and use of the structure as it applies to Appendix "B", the dispute will be settled in accordance with Article X of these Rules and Regulations.

8.5 TRANSFER OF TAP FEES AND SYSTEM IMPROVEMENT FEES

No Tap Fees and System Improvement Fees paid on behalf of one property, or any portion thereof, may be transferred to any other property without the prior written approval of the District. All requests for transferring tap fees must be in writing and explain why the transfer is requested. Subject to the provisions of Article IX, the Manager shall determine whether or not the request should be granted. The Manager may also refer the request to the Board, which in turn may approve or deny the request in its sole discretion. Any transfer of Tap Fees and System Improvement Fees without the District's prior approval shall be void and unenforceable against the District.

8.6 SERVICE CHARGES

Service Charges shall be as reflected in the Schedule of Taxes, Rates, Charges, Fees and Penalties approved by the Board annually. Any unpaid Service Charges shall constitute a lien against the property pursuant to C.R.S. Section 32-1-1001(j).

8.6.1. ADMINISTRATIVE SERVICE CHARGES

These charges will apply to each water and wastewater account to cover the cost of administration of the systems regardless of usage by the customer. As such, these charges are a component of the minimum monthly charge per account. These charges will begin when the taps are sold.

8.6.2. CAPITAL IMPROVEMENT CHARGES

These charges shall apply to each water and wastewater account to cover the cost, including financing, of future capital improvement and/or replacement of infrastructure facilities. These fees cannot be used for administration, operations or maintenance costs and are also a component of the minimum monthly charge per account regardless of utilities usage. These charges will begin when the taps are sold.

8.6.3 STREET LIGHTS CHARGE

This charge is used to pay Mountain View Electric Association for the street lights within the District and for the administration of said service. It is also a component of the minimum monthly service charge of the District.

8.6.4. WATER AND WASTEWATER USER CHARGES

These charges shall apply to each water and wastewater account to cover the costs of operating and maintaining the Water and Sewer Systems of the District. In the case of water, the charge is based on metered monthly usage. For residential wastewater usage, it is based on the average of the December and following January metered water usage which is then used to establish the baseline wastewater charge for the ensuing twelve-month period; except that the District Manager or the Board may adjust the monthly baseline charge amount, up to but not to exceed \$100 per month, if the December and following January metered water usage is significantly higher than usual for a property owner and/or customer and is caused by circumstances beyond the property owner's and/or customer's reasonable control. Commercial users are required to have an irrigation meter to identify the water that becomes sewage. In the event that said irrigation meter is not installed, all water used by the commercial user shall be deemed to become sewage for purposes of establishing the baseline wastewater charge.

8.6.5. REFUSE DISPOSAL CHARGE

This charge is for a voluntary trash collection service offered by the District. However, if the service is activated and not cancelled properly by the property owner, it becomes a part of the minimum monthly services payable to the District. As such, it will be subject to all the powers of the District in case of non-payment.

8.6.6. EMERGENCY FIRST RESPONDER FEE

This fee is dedicated to fund all aspects of emergency first responder services within the District. The fee is charged monthly and the amount of the fee is evaluated and established annually as part of the District's budget process.

8.7 AMENDED TAP FEES AND SYSTEM IMPROVEMENT FEES

When a property owner applies for a permit for service to a structure or use not defined in the preceding Article; or when, in the Manager's opinion, said structure represents a classification not contemplated in the establishment of the previously defined Tap Fees and System improvement Fees, the Manager shall, in the Manager's sole discretion, establish fair, reasonable, and equitable Tap Fees and System Improvement Fees for said structure.

8.8 AMENDED SERVICE CHARGES

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

8.9 PAYMENT OF SERVICE CHARGES

It is the policy of the District to bill all service charges on a monthly basis. When a condominium or homeowners' association exists for a number of units receiving service from the District, said association shall receive an invoice for all units serviced by the association if the association is the property owner. In no instance shall the District bill individual owners within a multi-unit project without separate meters, curb stop, shut-off valves, and Service Lines. The District shall have the right to issue one bill to a property owner for a multi-unit structure or development. The property owner is responsible for paying all service charges for any structure with more than one living unit off the Service Line which is not separately metered. The property owner shall pay to the District within ten (10) days after the billing date the full amount of that statement. When the property owner believes said statement is in error, the property owner must file, in writing, a notice to the District of the alleged error within 30 days of the billing date, and request a clarification from the Manager. Upon review by the Manager, and re-submittals and/or revision of the statement, payment shall be due no later than ten (10) days from the billing date of the resubmitted statement.

8.10 PLAN REVIEW FEE

This fee is charged whenever: (a) an application for service is submitted; (b) any construction, development or improvement is proposed for or upon real property located within the District's service area; or (c) any other provision of these Rules and Regulations requires a review of plans and/or designs by the District. The Applicant or property owner shall pay the District a review fee charged on an hourly basis or as prescribed in the schedule of Fees, Rates, Charges and Penalties. Any plans or a portion thereof requiring revision and resubmission shall be subject to the hourly review fee. Prior to any review by the District, the Applicant or property owner shall deposit with the District an amount determined necessary by the Manager, and such deposit shall be replenished as necessary upon the Manager's request.

8.11 LANDSCAPING FEE

This is a one-time fee to be paid for each residential lot and commercial acre to help the District with its capital improvement work on landscaping and park projects. The fee shall be paid at the time an application for review or service is made. The fee is established annually by the Board during its budget process.

8.12 INSPECTION FEE

This fee is paid per each residential lot or commercial acre at the time an application for a tap or connection is submitted. The fee is used to help cover the inspection costs of all infrastructure that eventually will be dedicated to the District. This fee is established annually by the Board during its budget process.

8.13 AVAILABILITY OF SERVICE CHARGE

An Availability of Service Charge shall be assessed against all lots for which Service Lines are installed and ready for connection within 100 feet of the property line of such lot and the lot is not receiving service for water, wastewater, or both. In the event both water and wastewater lines are installed and ready for connection within 100 feet of the property line of a lot and the lot is connected for only water or wastewater service, but not both, an Availability of Service Charge shall be imposed for the service not currently connected. If any lot for which the Availability of Service Charge applies is consolidated into another lot receiving water or wastewater service, or both, the charge will continue if that lot continues to meet the above conditions after being consolidated. Additionally, any subdivided lot may be assessed an Availability of Service Charge if any subdivided lot meets the above conditions.

8.14 OTHER CHARGES

Whenever the District incurs any cost or expense to cure any defect, deficiency, nonconformity or violation as provided in these Rules and Regulations, any property owner who is responsible for such condition, or whose act or omission resulted in the District taking curative action, shall be liable to reimburse the District the actual cost of curing the same. Additionally, any property owner who, by act or omission, causes the District to incur fines or penalties imposed by a government authority having jurisdiction, including any related expenses of the District in responding to the same, shall be liable to the District for the total amount of such fine and related expenses. Any unpaid amounts relating to the above shall constitute a lien against the property and bear interest at the maximum rate allowed by statute.

8.15 LATE PAYMENT CHARGES

The District sends invoices to the property owner each month for services provided the prior month. At any time the property owner does not submit payment of any regular service charges due the District by the 25th day of the month, the District may assess a \$15 late fee on the unpaid balance. The District shall further have the right, in its sole discretion, to disconnect service to any property if any amount remains unpaid on the last day of the month. The District shall assess to any property owner who is delinquent all legal, court, disconnection, and other costs necessary to or incidental to the collection of the delinquency, including service charges on all returned checks. Until paid, all such fees, rates, penalties, or charges shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of this state.

8.16 HABITUAL ACCOUNT DELINQUENCY

Whenever any late payment on an account occurs twice within any 12-month period, that account is considered habitually delinquent and the property served shall be subject to immediate discontinuance of service without further notice beyond that described in these Rules and Regulations. The property owner may have the service reconnected upon payment of all outstanding amounts owed to the District, plus the disconnection and reconnection fees, all of which shall be paid only in cash or by certified check or credit card (web site only – www.coloradocentre.org). The property owner may request reconnection only after paying all such amounts owed, and the District shall make every reasonable effort to restore the connection the same day the request is received; however, the District shall be obligated to make the reconnection only during normal business hours and shall make the service reconnections in the order in which the requests are received. Additionally, the service connection deposit for habitually delinquent accounts shall be increased by \$100 and shall be payable in cash or by certified check at the time a reconnection request is made. The District shall have no obligation to reconnect service until payment of the additional service connection deposit is received.

8.17 FORECLOSURE PROCEEDINGS / ATTORNEY'S FEES

The District may initiate foreclosure proceedings pursuant to C.R.S. Section 32-1-1001 (1)(j), as amended, if at any time it becomes necessary after reasonable efforts including but not limited to letters and posted notices, to collect delinquent accounts for any unpaid fee or charge imposed by the District under these Rules and Regulations and/or Colorado law. Notwithstanding any provision of these Rules and Regulations to the contrary, all property owners and/or customers/users of the District hereby agree to be bound by these Rules and Regulations as a matter of contract and for which there is good and valuable consideration. Therefore in the event the District commences a foreclosure action or other proceedings to collect any payments of any nature due and owing to the District, the party being foreclosed upon hereby agrees to the payment of any and all costs incurred by the District in connection with said proceedings including, but not limited to reasonable attorney's fees as part of the costs of said

proceeding. In the event payment is made by the property owner and/or customer prior to a foreclosure sale, said attorney's fees and any and all other fees outstanding against the subject account and relating to the subject real property, must also be paid as a pre-condition to the resumption of service to the subject property.

8.18 WITHHOLDING APPROVALS AND PERMITS

Notwithstanding any provision of these Rules and Regulations to the contrary, the District may, in its sole discretion, withhold any permit, approval or other authorization from any Person until all sums then due to the District from such Person are paid in full.

8.19 CERTIFICATION OF AMOUNTS TO COUNTY TREASURER

In addition to any other means of collecting any delinquent fees, rates, tolls, penalties, charges or assessments (including charges for availability of services), the District may certify the delinquent amounts due for water or wastewater services to the county treasurer for collection in the same manner as property taxes, in accordance with the provisions of statute, as amended. The District shall charge a fee for the administrative costs of this collection method, which fee shall be added to all delinquent amounts, including assessed penalties and interest charges, before certification.

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ARTICLE IX

PROHIBITIONS, ENFORCEMENT AND ADMINISTRATION

9.1 PROHIBITIONS

Except as authorized by these Rules or as otherwise authorized by the District separately in writing, no Person shall engage in any of the following activities as concerning use of the District's Water or Sewer Systems:

1. Fail or refuse to comply with, or knowingly violate, any applicable Rule or Regulation herein or any other applicable legal requirement of any kind including District resolutions.
2. Make any connection to the District's Water or Sewer System.
3. Use any water owned or claimed by the District not specifically supplied to a property owner and/or customer, including reclaimed, recycled, reuse, treated wastewater return flow or other return flow water.
4. Transport or cause the transport of the District's water into another water supply system.
5. Allow or cause water to escape from the District's system so as to waste or lose the beneficial use of the water or cause a prohibited discharge of wastewater.
6. Open or enter the District's property upon which water supply, water storage, or wastewater facilities are located.
7. Allow foreign material or any legally regulated, restricted or prohibited materials of any kind from entering into the District's systems.
8. Construct, install or place landscaping or any structure or improvement of any kind, whether located subsurface or aboveground, within the District's right-of-ways or easements.
9. Interfere with or prevent the District's agents, contractors or employees from performing duties assigned or services contracted for by the District.
10. Bypass, break, damage, destroy, remove, uncover, alter, deface or tamper with any portion of the District's systems or facilities.
11. Obstruct or attempt to obstruct the flow of the District's water or wastewater in the District's systems or facilities.
12. Make or cause the filing of any statement, application or report with the District or any third party which the Person knows or reasonably should know to be false or substantially inaccurate, including the omission of any fact so as to make the statement, application or report false or substantially inaccurate.

A separate and distinct violation shall be deemed to occur for each day or portion thereof that any such violation occurs or continues.

9.2 ENFORCEMENT AND ADMINISTRATION

Any employee or designated agent of the District shall have full authority to act for and on behalf of the District in any matter affecting enforcement or administration of these Rules and Regulations. This includes the right of entry onto the premises of any property owner by duly authorized District representatives bearing proper credentials and identification to enforce or administer the Rules and Regulations, including but not limited to the following:

1. Inspect, observe, measure, sample, or conduct tests.
2. Deliver, serve or execute any District order.
3. Disconnect water or wastewater service.

4. Respond to an actual or apparent emergency concerning the District's systems.
5. Correct or cure, or assist in correcting or curing, any violation by any Person of these Rules and Regulations.

Except in emergencies or when the District deems it reasonably necessary in given circumstances, the above right of entry onto any premises shall be performed during normal business hours and, whenever possible, while the property owner is present. Any District expenses incurred in correcting or curing, or attempting to correct or cure, any violation shall be at the sole expense of the property owner in addition to any additional penalty the District may impose.

9.3 PENALTIES

In addition to any other remedy available, the Board of Directors in its discretion may impose penalties upon any property owner who violates these Rules and Regulations pursuant to the schedule set forth in Appendix "B". Otherwise, the penalty provision of the subsection titled "Use of District Systems and Related Facilities - Tampering With Systems - Violations" shall apply. The Board of Directors may adjust the type and amount of any penalty at any regular or special meeting upon motion or formal resolution, whether at the Manager's recommendation or upon its own initiative.

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ARTICLE X

HEARING AND APPEAL PROCEDURES

10.1 APPLICATION; GUIDELINES

The hearing and appeal procedures established by this section shall apply to all complaints concerning the interpretation, application, administration, or enforcement of the Rules and Regulations of the District as they now exist or may hereafter be amended and including contracts. The hearing and appeal procedures established by this section shall not apply to the following complaints:

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

If a complaint that falls within the above-described circumstances is submitted, District staff shall provide to the complainant a copy of the District's general procedures for resolving complaints that includes estimated timeframes for a final resolution. The procedures document shall alert the complainant of the right to bypass the procedures described and to request a special meeting of the Board to hear the complaint. If a complainant requests a special meeting to hear the complaint, the complainant shall pay all District costs associated with the special meeting, including the District's reasonable attorney's fees, regardless of the Board's decision on the complaint.

10.2 INITIAL COMPLAINT RESOLUTION

Complaints concerning the interpretation, application, or enforcement of the Rules and Regulations must be presented in writing, along with any supporting documentation, to District staff for initial review and determination. District staff may refer the matter to the Manager or such representative as he may designate for resolution. Upon receipt of a complaint, District staff and/or the Manager, after a full and complete review of the allegations contained in the complaint, shall take such action and/or make such determination as may be warranted and shall notify the complainant of the action or determination by regular mail or electronic mail within ten (10) business days after receipt of the complaint.

10.3 HEARING

In the event the decision of District staff and/or the Manager is deemed unsatisfactory to the complainant, a written request for hearing may be submitted by regular mail or electronic mail to the Manager, or such hearing officer as the Manager may appoint, within ten (10) days from the date of the decision. If the hearing request involves a complaint related to shut-off of service to property due to non-payment of District service charges, the account must be brought current before a hearing will be scheduled. Upon receipt of a timely request for a hearing that meets the prerequisites prescribed by these Rules and Regulations, the Board or the hearing officer shall conduct a hearing at the District's convenience. The hearing officer will make reasonable efforts to hold the hearing within ten (10) days of receiving the request, and unless a request for a special meeting is made the Board shall hear the complaint at the next regular Board meeting. The hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations. If the Board or hearing officer renders a final decision against the property owner and/or customer, the District's actual out-of-pocket costs of the hearing, including costs for time spent by District staff, the Manager, the hearing officer (if applicable), and the District's reasonable attorney's fees shall be assessed against the property .

10.4 CONDUCT OF HEARING

At the hearing, the Board or hearing officer shall preside. The complainant and representatives of the District shall be permitted to appear in person, and the complainant may be represented by any person of his choice or by legal counsel. The complainant or his representatives and the District representatives shall have the right to present evidence and arguments; the right to confront and cross-examine any Person; and the right to object to and/or rebut any testimony or statement that may be relied upon in support of or in opposition to the matter at issue. The Board or hearing officer may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent Persons in the conduct of their affairs. The Board or hearing officer shall determine whether clear and

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

10.5 FINDINGS

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

10.6 APPEALS TO THE BOARD

In the event the complainant disagrees with the findings and order of an appointed hearing officer, the complainant may, within ten (10) days from the date of mailing of the findings and order, file with the District a written request for an appeal thereof to the Board of Directors. The request for an appeal shall set forth, with specificity, the facts or exhibits presented at the hearing upon which the complainant relies and shall contain a brief statement of the complainant's reasons for the appeal. In response, the hearing officer shall compile a written record of the appeal consisting of:

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

The Board shall consider the complainant's written request and the written record on appeal at the next regularly scheduled meeting held not earlier than ten (10) days after the filing of the complainant's request for appeal. Such consideration shall be limited exclusively to a review of the record on appeal, the complainant's written request for appeal and an oral presentation by the complainant, the length of which presentation shall be limited by the Board. No further evidence shall be presented by any party to the appeal and there shall be no right to a hearing de novo before the Board of Directors.

10.7 BOARD'S FINDINGS ON APPEAL

The Board of Directors shall make written findings and an order concerning the disposition of the appeal presented to it and shall cause notice of the decision to be sent by certified mail to the complainant within ten (10) days after the hearing. The Board of Directors shall not reverse the decision of the hearing officer unless it appears that such decision was clearly contrary to the evidence made available at the hearing.

10.8 NOTICE

A complainant shall be given notice of any hearing before the Board or the hearing officer, by certified mail, at least seven (7) calendar days prior to the date of the hearing, unless the complainant requests or agrees to a hearing in less time, or to a waiver of formal notice.

APPENDIX "A"

"POLLUTANT DISCHARGE REGULATIONS" AND "INDUSTRIAL PRE-TREATMENT PROGRAM"

THE "POLLUTANT DISCHARGE REGULATIONS" (PDR) AND "INDUSTRIAL PRE-TREATMENT PROGRAM" (IPP) INCLUDED HEREIN ARE THOSE OF THE LOWER FOUNTAIN METROPOLITAN SEWAGE DISPOSAL DISTRICT WHO PROVIDES SEWER TREATMENT SERVICE TO THE DISTRICT ON A BULK BASIS. EVEN THOUGH IT IS THE INTENT OF THE COLORADO CENTRE METROPOLITAN DISTRICT TO KEEP THESE REGULATIONS CURRENT AT ALL TIMES, ALL USERS OF THE DISTRICT ARE RESPONSIBLE FOR OBTAINING THE MOST CURRENT SET OF STANDARDS AVAILABLE FROM THE LOWER FOUNTAIN DISTRICT. WHENEVER THE TERM DISTRICT OR MANAGER OR ANY SIMILAR TERM IS USED IN THE LOWER FOUNTAIN DISTRICT REGULATIONS INCLUDED HEREIN, THE MEANING SHALL BE AS IF IT MEANT COLORADO CENTRE METROPOLITAN DISTRICT, ITS OFFICERS, DISTRICT MANAGER AND FACILITIES. COLORADO CENTRE METROPOLITAN DISTRICT WILL TREAT ALL OF THE LOWER FOUNTAIN DISTRICT'S REGULATIONS AS IF THESE WERE ITS OWN FOR THE PURPOSE OF APPLYING THESE REGULATIONS HEREIN.

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APPENDIX "B"

SCHEDULE OF

"TAXES, RATES, CHARGES, FEES AND PENALTIES"

(REFER TO CURRENT YEAR RESOLUTION)

APPENDIX "C"

Please refer to:

**"STANDARD SPECIFICATIONS FOR WATER AND SEWER INSTALLATIONS
PROMULGATED BY COLORADO SPRINGS UTILITIES, CURRENT VERSION"**

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APPENDIX "D"

Flood control facilities and major drainage channels owned and maintained by the District

Flood control:

MRK-1 detention pond

The existing Jimmy Camp Creek west bank improvements

Major drainage facilities:

Channel "G" which starts at the outlet of the street culvert under Foreign Trade Zone Boulevard at Import Court, then heads west towards and crosses under Aerospace Boulevard, then heads south and then southeast to the inlet point of a box culvert under Bradley Road

A channel that starts just south of Cuchares Ranch and runs south to and under Horizonview Drive, then runs south along an easement on the west side of Horizonview Drive to and under Horizonview Drive and east along the south side of Flagstone to and under Anvil Drive, then east to an outlet on the west bank of Jimmy Camp Creek

A channel located between Colorado Centre Residential 1, 2 & 3 and the east right-of-way of Marksheffel Road to a box culvert under Marksheffel Road

A 24" RCP pipe located just north of the Fire Station and heading south to and under Bradley Road, then south to an outlet point on the west bank of Jimmy Camp Creek.

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APPENDIX "E"

Policy entitled "Policy Regarding Citizen Initiatives"

Adopted by Resolution No. 2009-08-27.3

(Attach current copy of policy)