

MT. CRESTED BUTTE
WATER & SANITATION DISTRICT

RULES AND REGULATIONS
ADOPTED February 10, 2009

**MT. CRESTED BUTTE WATER & SANITATION DISTRICT
RULES & REGULATIONS**

SECTION 1. INTRODUCTION - EXPLANATORY MATERIAL

1.1 **SCOPE**. Thus regulation shall be treated and considered as a new and comprehensive regulation that governs the operations and functions of the Mt. Crested Butte Water and Sanitation District and shall supersede previous regulations of the District, which are in conflict with the provisions hereof.

1.2 **POLICY AND PURPOSE**. It is hereby declared that the Rules and Regulations hereinafter set forth will serve a public use and are necessary to insure and protect the health, safety, prosperity, security and general welfare of the inhabitants of the Mt. Crested Butte Water and Sanitation District.

1.3 **DEFINITIONS**. Unless the context physically indicates otherwise, the meaning of terms used herein shall be as follows:

1.3.1 "**Actual Cost**" shall mean all direct costs applicable to the construction of a given water or sewer line, including, but not limited to, construction, engineering, inspection, plan approval fees, etc., which have been paid by the line constructor.

1.3.2 "**Board**" and "**Board of Directors**" shall mean the governing body of the Mt. Crested Butte Water and Sanitation District.

1.3.3 "**Commercial**" shall mean a use of real property which is primarily restricted to business and professional endeavors including, but not limited to, retail shops, offices, short term rental of lodging accommodations, restaurants, bars and recreational businesses but excluding the conduct of municipal, quasi-municipal and other governmental entities.

1.3.4 "**Constructor**" shall mean any person, corporation, partnership, association, public entity or firm desiring to construct an extension of or to the District's water distribution or sewage system.

1.3.5 "**Contractor**" shall mean any person, firm or corporation approved by the District to perform work and to furnish materials therefor within the District, or licensed by the State of Colorado.

1.3.6 "**Customer**" shall mean any person, company, corporation, public entity, authority or agency authorized to use water or connect to and use the water and sewer systems of the District under a permit issued by the District.

1.3.7 "**Customer's Representative**" shall mean any person, firm or corporation authorized to act on behalf of the customer in matters pertaining to the repair and maintenance of the customer's water and / or sewer service line.

1.3.8 "**Deleterious wastes**" shall mean any wastes contained in special sewage that would be harmful to the District's sewer mains or to the sewage treatment works.

1.3.9 "**Developer**" shall mean any person who owns land and/or is subdividing land for resale and seeks to have the land served by the District.

1.3.10 "**District**" shall mean the Mt. Crested Butte Water & Sanitation District and the areas included within.

1.3.11 "**District Engineer**" shall mean that person or firm authorized to perform engineering services for the District.

1.3.12 "**Domestic Sewage**" shall mean any sewage which can be treated in the District's sanitary sewerage system without pretreatment and within normal operating procedures.

1.3.13 "**Grantee**" shall mean anyone leasing or renting from the grantor or otherwise using District services.

1.3.14 "**Grantor**" shall mean property owner or the representatives, thereof.

1.3.15 "**Industrial Sewage**" shall mean any sewage which does not conform to the definitions for Domestic Sewage but which can be treated at the District's sewage treatment works after sufficient pre-treatment.

1.3.16 "**Inspector**" shall mean the person or persons duly authorized by the District to enforce these Rules and Regulations.

1.3.17 "**Lateral Line**" shall mean a sewer main which connects to the existing District trunk system; used to deliver sewage to trunk or outfall lines.

1.3.18 "**Licensed Plumber or Pipe Layer**" shall mean a person who has been approved to work in the District or licensed by the State of Colorado.

1.3.19 "**Non-commercial**" shall mean a use of real property which is primarily restricted to full-time residential purposes by ownership or upon a long term rental basis and which is not a "Commercial" use as defined herein.

1.3.20 "**Oversized Transmission Lines**" are transmission lines which are greater than eight inches (8") in diameter and are sized and installed with the contemplated purpose of serving more users than those contemplated by the constructor of the lines. An example would be the use of the line to serve future users beyond the development of the constructor of the line. Such lines will be installed at the request of the District.

1.3.21 "**Permit**" shall mean written permission of the Board of Directors to connect to a water or sewer installation of the District pursuant to the Rules and Regulations of the District.

1.3.22 "**Person**" shall mean any individual, firm, company, association, society, corporation or group.

1.3.23 "**Pre-tap**" shall mean any connection to a main line which extends from the main line and which is intended to facilitate service line connection to the water or sewer system, either directly to the main line or indirectly through a private main. A pre-tap may extend to or beyond easements, right of ways, or property lines but remains terminated. Any extension from the terminated point shall be considered a tap, whether connected or not.

1.3.24 "**Pretreatment Facilities**" shall mean structures, devices or equipment for the purpose of removing any wastes which would be harmful or damaging to the District's sewer mains or treatment facilities.

1.3.25 "**Prohibited Sewage**" shall mean any sewage which would be harmful or damaging to the District's sanitary sewerage system, the District's staff or other persons and for any of these reasons cannot be serviced under any conditions by the District.

1.3.26 "**Public Entity**" shall be the state, county, city and county, incorporated city or town, school district, special improvement district, agency, instrumentality or political subdivision of the state organized pursuant to law.

1.3.27 "**Sampling**" shall mean the periodic collection of water or sewage samples for analysis.

1.3.28 "**Sanitary Sewer System**" shall mean all facilities owned by the District and used for collecting, pumping, treating and disposition of sewage.

1.3.29 "**Service Line**" when in reference to water service, shall mean the pipe, line or conduit and appurtenances, such as a corporation valve or the like, used to conduct water from the main to an individual house or other structure; when in reference to sewer service, "**service line**" shall mean the pipe, system of piping and appurtenances used as a conduit for sewage from a structure used for residential, commercial or industrial purposes to a connection with the sewer main.

1.3.30 "**Sewage**" shall mean any organic or inorganic material, in suspension or solution, originating from within residential, commercial or industrial buildings.

1.3.31 "**Sewage Treatment Works**" shall mean those devices, facilities or locations to which the District sewage is conveyed by sewer mains for the purpose of reducing the pollutional content and from which point it leaves the District's sewer facilities.

1.3.32 "**Sewer Main**" shall mean any pipe or sewer interceptor used as a conduit for sewage in the District's sewer systems and owned by the District. A sewer main shall be not less than eight inches in diameter.

1.3.33 "**SFD**" shall mean a Single Family Dwelling; a generic dwelling unit having the same estimated usage impact upon the water and / or sewer systems as an average single family (3.5 persons).

1.3.34 "**Special Structures**" shall mean installations and equipment such as pumping stations, diversion facilities and the like, which may require special engineering attention and extraordinary maintenance considerations.

1.3.35 "**Superintendent**" shall mean the superintendent of the District or, in his absence, his duly authorized deputy.

1.3.36 "**Tap or Connection**" shall mean the connection of the service line to the water or sewer system, either directly to a main line or indirectly through a private main line.

1.3.37 "**Tap Fee**" shall mean the payment to the District of a fee for the privilege of connecting to the water or sewer system.

1.3.38 "**Testing**" shall mean the analysis of samples of sewage or water.

1.3.39 "**Unit**" shall mean one parcel of real property used as a living unit in single or joint ownership.

1.3.40 "**User**" shall mean any person to whom water or sewer service is served, be it renter, record owner, corporation, company, individual, public entity, etc.

1.3.41 "**Water Main**" shall mean any water pipe, line or portion thereof, owned by the District.

1.3.42 **ANY OTHER TERM** not herein defined shall be defined as present in the "Glossary - Water and Sewage Control Engineering," A.P.H.A, A.W.W.A, A.S.C.E. and F.W.S.A. latest editions

SECTION 2. OWNERSHIP AND OPERATION OF FACILITIES

2.1 **POLICY.** Except as otherwise noted in these Rules & Regulations, thus District is responsible for the operation and maintenance of the water and sewer systems and treatment works in a sound and economical manner in accordance with these Rules and Regulations. It shall not be liable or responsible for inadequate treatment of said water or sewage or interruption of service brought about by circumstances beyond its control.

2.2 **LIABILITY.** It is expressly stipulated that no claim for damage that results from the intentional or negligent act of any person or entity other than the District, shall be made against the District by reason of the following: blockage in the system causing the backup of effluent; damage caused by smoking of lines to determine drainage connections to District lines; breakage of mains; interruption of water and sewer service and the conditions resulting therefrom, where said interruption of service is brought about by the request of claimant or by circumstances beyond the District's control. No claim shall be made against the District by reason of the breaking of any service or supply line, pipe, cock or meter by any employee of the District in the event an emergency cut off is required; failure of the water supply; shutting off or turning on water; making of connections or extensions; damage or additional User Fees caused by water running or escaping from open or defective faucets, or other appliances; burst service pipes 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 District hereby reserves the right to cut off the water supply at any time, for any reason deemed appropriate.

2.2.1 Notwithstanding the above liability provisions, all liability actions concerning the District shall be in conformance with C. R. S. 24-10-101, et. seq. commonly called the Colorado Governmental Immunity Act.

2.3 **OWNERSHIP.** All existing and future sewer and water mains and sewer and water treatment facilities, connected with and forming an integral part of the District's public water and sanitary sewage system, shall become and are the property of the District. Said ownership is and will remain valid whether said water and sewer facilities and installations are constructed, financed, paid for or otherwise acquired by the District or by other persons.

2.3.1 These principles shall not be changed by the fact that the District might constrict, finance, pay for, repair, maintain or otherwise affect the customer's service line. The construction or repair of any service line shall be done in compliance with District Standards and Specifications. 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 District system. shall be subject to these Rules & Regulations.

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

2.3.3 An Easement, whether recorded or not, and whether the main line is actually within a recorded easement, shall be deemed to exist if a customer is receiving and accepting service from a service line connected to a main line. The District shall have access over said easement to effect repairs, maintenance and replacement.

2.3.4 Any landscaping or any other improvement or structure shall be precluded from easements that are expressly designated and granted and which route is necessary to serve as the only access to District facilities. Examples of such improvements may include but are not limited to trees, berms, bushes, rock walls, fences, and any landscaping or improvements that would inhibit the District's access to and along the easement.

2.4 **POWERS AND AUTHORITY OF AGENTS.** The Manager and other duly authorized employees of the District, bearing proper credentials and identification, shall be permitted to enter upon all properties for the purpose of inspection observation, measurement, sampling and testing in accordance with the provisions of these Rules and Regulations.

2.5 **GENERAL OPERATIONS.** The District will adopt and update current personnel policies and procedures and a salary and benefit schedule for District personnel laying out, in sufficient detail, the rights and obligations of District personnel and providing for an organized system of personnel administration.

The District Board shall require from its personnel periodic formal reports expressing in sufficient detail the operational status of the District.

2.6 **RESPONSIBILITIES OF DISTRICT MANAGER.** The District Manager shall be responsible for the proper administration of the routine affairs of the District regarding the operation and

maintenance of the District's water and sewer facilities, the supervision of District employees and the administration and enforcement of these Rules and Regulations.

In furtherance of and pursuant to the duties and responsibilities specified hereunder, the District Superintendent shall:

2.6.1 Render monthly reports to the Board concerning the operational status of District facilities.

2.6.2 Make recommendations to the Board designed to increase the efficiency of District operations.

2.6.3 Make recommendations as to necessary hiring, transfer or termination of District employees.

2.6.4 Attend all Board meetings and render such advice to the Board, as is requested by the Board or reasonably necessary, to facilitate the proper functioning of the Board.

2.7 **RESPONSIBILITIES OF DISTRICT FINANCIAL MANAGER.** The District Financial Manager shall be responsible for keeping the District financial records, preparation of the monthly operations report, preparation of the annual budget, preparation and transmittal of the annual audit report, preparation and transmittal of District billings, presentation of invoices for approval for payment and such other matters as required by law or the Board of the District. The District Financial Manager shall also advise the District Superintendent and the Board of any delinquencies in payment of District obligations.

In furtherance of and pursuant to the duties and responsibilities specified hereunder, the District Financial Manager shall:

2.7.1 Attend all Board meetings and render such advice to the Board, as is requested or reasonably necessary, to facilitate the proper management of the District's financial affairs.

2.7.2 Make recommendations to the Board designed to improve or render more efficient the financial status of the District.

2.8 **SECURITY SENSITIVE INFORMATION.** Due to homeland security issues, the District is aware of the security-sensitive nature of the locational information contained in the District's map(s). As a result, the general public will have ready access only to the assessment summary, via the Colorado SWAP web site, and not the detailed appendices or maps. Only public water systems will have immediate access to the latter. Nevertheless, there likely will be periodic requests from the public for this information. The Colorado Open Records Act (CORA) does allow certain security-sensitive information (e.g., locational information on intakes) to be withheld from disclosure. For example, information could be characterized either as "details of security arrangements or investigations" under Section 27-72-204(3)(a)(XVII) C.R.S., or as information whose disclosure "would do substantial injury to the public interest" as referenced under Section 24-72-204(6)(a) C.R.S.

SECTION 3. APPLICATION FOR SERVICE

3.1 **APPLICATION FOR SERVICE.** A copy of the plans, as submitted to the Town of Mt. Crested Butte or Gunnison County, must be provided to the District. Application for service must be filed with the District on the District's standard form and be accompanied by appropriate fees

prior to any action to connect to the system. A duplicate copy of the approved application, or a copy of the receipt for tap fees and charges, must be filed with the Building Department of the Town of Mt. Crested Butte/Gunnison County.

3.2 **DENIAL OF APPLICATION.** The District reserves the right to deny an application for service on any of the following grounds:

3.2.1 That connection of the system to an applicant's existing plumbing would constitute a cross-connection to an unsafe water supply.

3.2.2 That the service applied for would create an excessive seasonal or other demand on the facilities as determined by the Availability of Service Priority System or other policies or studies.

3.2.3 For misrepresentations in the application, concerning the property and fixtures contained therein, or as to the use of District service.

3.2.4 An unresolved obligation between the District and the applicant

3.2.5 Inadequate easements for District facilities

3.2.6 Such other valid reasons as determined in the sole discretion of the District.

3.3 **CANCELLATION OF APPLICATION AND REFUND OF FEE.** The District reserves the right to revoke any application previously granted, before service has been provided. Application for service does not bind the applicant to use the service. Such applications shall be retained, along with fees paid, by the District for a period of twelve (12) months. If the applicant has not then requested service, the Board, at its discretion, may cancel the application and refund fees paid without interest.

3.4 **NO SERVICE OUTSIDE OF DISTRICT.** No water and sanitation services can be furnished to property outside of the District except upon the express written consent of the District, as determined by the Service Area Agreement, U.E.R. 201 Plan, March 13, 1996. Charges for furnishing service outside of the District shall be at the discretion of the Board of Directors, but no service shall be furnished to property outside of the District unless the charge therefor equals at least the cost of service, plus the estimated mill levy and tap fees for which such property would be responsible if it were a part of the District. In every case where the District furnishes service to property outside the District, the District reserves the right to discontinue the service when, in the judgment of the Board of Directors, it is in the best interest of the District to do so. Applications for inclusion are handled under Section 6, "Inclusion of Territory."

3.5 **CHANGE IN CUSTOMER'S EQUIPMENT OR SERVICE.** No change in the customer's equipment or service shall be made without the prior approval of the District being first obtained. Any change in a customer's equipment or service which, in the opinion of the District, increases the service provided by the District, shall require a redetermination of the tap fee, monthly service charge and payment of any additional tap fee and service charge so determined. The redetermined tap of any additional tap fee shall allow an SFD credit for previously paid or deferred tap fees, subject to paragraphs 3.5.1 and 3.5.2. Changes in a customer's equipment or service, which result in a decrease in the service provided by the District, shall not result in a reduction or refund of tap fees.

3.5.1 When a building is destroyed or demolished the existing tap authorization shall remain in effect for a period of twelve months from the date of initial demolition provided that user fees have been kept current subsequent to said destruction or demolition.

3.5.2 A tap fee paid on behalf of one property or any portion thereof, cannot be transferred to another property unless upon written request by the owner provided: (1) the tap authorization to be transferred is not currently being used, (2) both properties are located within the District and owned by the party making the transfer request or are served pursuant to a valid agreement between the District and the Owner and the Owner is not in default under said Agreement; and, (3) the property owner has no outstanding accounts with the District.

3.5.3 When a service line is abandoned permanently, the property owner or customer, shall shut off the water supply off at the main line (corporation stop valve), and plug the sewer service connection at the main, using appropriate means as determined by the District.

3.6 **PROTECTION FROM DAMAGE.** No unauthorized person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface or tamper with any structure, equipment or appurtenance which is part of the District's water or sanitary sewer system, including fire hydrants. Any person violating this section, may be subject to criminal prosecution pursuant to state law and upon conviction, shall be subject to fines and/or imprisonment as established by the court for each violation.

3.6.1 Any person violating any of the provisions of these Rules and Regulations shall become liable to the Board for any expense, loss or damage occasioned by reason of such violation. See Section 7.0 herein.

3.7 **DISCONTINUATION OF SERVICE.** The customer may have service discontinued by submitting a written request, accompanied by a \$50.00 "turn-off" fee, to the District. If service is discontinued due to delinquency a \$50.00 "turn-off" fee will be assessed against the delinquent party. Once service is discontinued, either voluntarily or due to delinquency, a "turn-on" fee rate will be assessed pursuant to Section 3.8.

3.8 **RESUMPTION OF SERVICE.** A customer may have service restored by submitting a request in writing to the District accompanied by a "turn-on" fee equal to one half (½) the current tap fee rate for said customer's service.

3.9 **UNAUTHORIZED TURN-ON.** It shall be unlawful for any unauthorized person to turn on water service and/or restore sewer service. In addition to criminal penalties, the District shall assess a penalty of \$500 against the person responsible for violation of this section and/or the owner of the property benefitted by such unauthorized activity.

3.10 **UNAUTHORIZED CONNECTION FEES.** An unauthorized connection fee, equal to twice the normal tap fee due, shall be payable by persons tapping onto the District's facilities without prior payment of connection fees, approval of application or adequate inspection of lines.

3.11 **REVOCAION OF SERVICE.** Water and sanitation services shall be revocable by the District for any violation of these Rules and Regulations or upon non-payment of valid fees and charges owing to the District. In the event of a violation of these Rules and Regulations (including non-payment of fees), the customer shall be given 10 days notice of a hearing to revoke service by registered or certified mail. Service of said notice shall be deemed complete

upon mailing to the last known address of the customers. Said hearing shall be held by the District at a regular or special meeting of the Board of Directors, at which time the customer shall have the opportunity to present testimony in evidence to the Board. Following said hearing, the Board's decision shall be final and service to the property shall be revoked by blocking or disconnecting the appropriate lines, either public or private, serving the property.

3.12 **LIABILITY FOR PAYMENT.** The property, the property owner and the occupant are hereby deemed equally liable for charges of the District. The District assumes no responsibility, hereby, for any agreements made between landlords and tenants, regardless of how made or of the District having been notified of such agreements.

The District will hold the water user, occupant and property owner jointly liable for all charges, appurtenant to water service, at the address where the bills are sent.

3.12.1 When a condominium association exists for a number of units receiving service from the District, said condominium association shall receive invoices for service to all units serviced by the association. Excepting condominiums with individual unit water meters, in no instance shall the District bill individual owners within a condominium association; provided, however, that the failure or refusal of the condominium association to pay District charges shall not relieve the owner of the responsibility to pay the District, notwithstanding the fact that he has paid the condominium association.

3.13 **GRANTOR AND GRANTEE RESPONSIBILITY.** The District assumes no responsibility for agreements between grantors and grantees. It shall be the responsibility of the grantee to ascertain whether tap charges have been paid by the grantor. Regardless of ownership, or of failure of the District to collect tap charges at the time of the issuance of permits or any other act or omission of the District, unpaid tap charges shall constitute a first and perpetual lien which may be foreclosed as is provided by law.

3.14 **REIMBURSEMENT POLICY.** It shall not be the policy of the District to reimburse constructors or developers for the cost of building service mains. The District will encourage, however, private arrangements for the reimbursement of costs of service main construction to the extent that the District may legally do so.

3.16 **RATES AND CHARGES.** Water and sanitation service schedule of rates and charges is attached, as Exhibit "A," to these Rules and Regulations.

District rates and charges for its services may be changed from time to time without notice and the responsibility for remaining informed is with the customer.

3.17 **BILLING PROCEDURES.** Statements for the water and sanitation service charges shall be rendered on a quarterly basis for non-commercial, non-metered users and on a monthly basis for commercial and metered non-commercial users. Charges for late payments, interest, turn-on, turn-off, penalties, etc., shall be added to the statement.

3.17.1 Bills shall be payable within fifteen (15) days from the date appearing on the statement. All bills not paid within forty-five (45) days from the statement date are delinquent and the District shall have the right to assess an interest charge of 1 & 1/2%, per month, on the unpaid balance from the statement date.

3.17.2 Water and sanitation service shall be revocable by the District upon nonpayment of valid fees owing the District. In the event that a customer should disagree with a District

billing statement, he must pay the District statement under protest and request a hearing at a regular or special meeting of the Board to dispute the amount billed. At the hearing the customer may present evidence to the Board. The Board shall issue a final decision within ten (10) days of the hearing. Failure to act within the ten (10) day period shall be treated as a finding in favor of the customer.

3.17.3 It shall be deemed adequate notice of delinquency that the customer was mailed his billing statement in a timely manner and that forty-five (45) days have elapsed, following the statement date, without receipt of payment by the District.

3.17.4 Until paid, all rates, fees and charges shall constitute a first and perpetual lien against the property served and any such lien may be foreclosed in a manner provided by law.

SECTION 4. USE OF WATER AND SANITATION SYSTEM

4.1 **AUTHORIZATION REQUIRED.** No unauthorized person shall uncover, make any connection with, any opening into, use of, alteration to, or disturb any District water or sewer main or appurtenances without (1) obtaining written permission to do so from the District or its duly authorized representative, (2) Requesting underground utilities locations through the Utility Notification Center of Colorado (UNCC), in accordance with C.R.S. 9-1.5-101, et.al. No permit shall issue to any person until the District has received payment of all applicable tap-on fees and charges. Failure to obtain written authority from the District is unlawful and is punishable according to law.

4.1.1 Upon receipt of the UNCC request, the District will attempt to locate all water and sewer lines to the best of its ability. The District assumes no financial responsibility for any costs incurred as a result of an inaccurate water or sewer locate.

4.2 **CUSTOMER RESPONSIBILITIES FOR WATER FACILITIES.** The customer is responsible for the total cost of constructing the entire length of the service line serving his/her property, from the water main or water service pre-tap, if present. This includes all appurtenances to said water service, either external or internal, of the structure served. If a pre-tap is present, the District shall be responsible for ensuring that water flows from the pre-tap. Once water flows from the main to the customer's service line, each customer is responsible for the maintenance of the entire length of service line serving their property, beginning at the water main tap, regardless of the presence or lack of presence of a pre-tap. Service lines shall be constructed in accordance with District Standards and Specifications. Booster pumps located within a structure or upon private property, and connected to the service line, will belong to the property owner, who is responsible for installation, repairs and maintenance of the booster pump. Water service billing begins upon successful test completion of the water main and pre-tap (where installed) construction. The property owner shall be responsible for all fees and charges due the District.

4.2.1 The customer shall notify the District prior to any expansion or addition to the service or use of the property being served by the District and upon any change of ownership of said property.

4.2.2 The Customer shall notify the District of any representative who may be contacted in the Customer's absence. The Customer shall provide to the District current contact information for the customer and/or the Customer's Representative, if any, including their address, phone number, fax number and email address.

4.2.3 Damage, leaks or breaks in the service line, when discovered by the owner or by the Customer's Representative, shall be reported to the District immediately. Upon any notice received by the District of any damage, leak or break in the service line, the District will notify the Customer or Customer's Representative as to the necessary procedures to follow. Any damage, leak or break shall be repaired by the Customer within seventy-two hours of obtaining knowledge of such damage, leak or break or from the time of notification of said condition by the District, whichever is earlier. Service line repair methods and materials used shall be in accordance with District Standards and Specifications. If satisfactory progress toward repairing said damage, leak or break has not been completed within such seventy-two hour period or the District Manager determines that environmental or property damage is possible, the District Manager may shut off the water service line until the repairs have been completed. In the event the water service line valve is inoperable or otherwise incapable of stopping the flow of water, the District may initiate repairs immediately and without prior notification to the Customer or Customer's Representative in order to preserve water service and quality to other customers. If the District initiates such repairs, the customer shall be responsible for the cost thereof. If such cost is not paid by the Customer, the cost shall constitute a lien on and against the property of such customer, securing payment of such cost, as provided for by C.R.S. 32-1-1001.

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

4.2.5 No water service shall be available from the District's system without a water meter having been installed to serve the subject structure. All water meters shall have devices for remote reading. The type of water meter and location of the meter and remote reading shall be determined by the District. The District shall have the right to test, remove, repair or replace any and all water meters. It shall be the duty of each customer to notify the District office if his water meter is operating defectively. If any meter is suspected to be defective, the District shall diligently pursue repair or replacement of said meter at the District's expense, unless the defect is a result of negligence by the customer. In this case, the cost for repair or replacement shall be added to the service charge bill.

During the interim period prior to repair, the following policy shall be enforced. The customer shall be given notice, by first-class mail, that the District suspects that the water meter is defective. The customer shall be given thirty (30) days in which to respond, which response shall include scheduling with the District an appointment for a meter inspection and replacement. If the customer fails to respond, the customer will be placed on the unmetered rate, effective with the following billing cycle. (See Fee Schedule for unmetered rate.)

The customer shall be given a second notice, by first-class mail, that the District suspects that the water meter is defective. The customer shall be given thirty (30) days in which to respond to the second notice, which response shall include scheduling an appointment for a meter inspection and replacement. If the customer fails to respond to the second notice the District may disconnect the water service and charge the customer the base water rate and unmetered sewer rate while the service is disconnected. (See Fee Schedule for base rate.)

4.2.6 CROSS CONNECTION CONTROL. All customers are responsible for the installation and maintenance of a backflow prevention device to prevent a cross connection from occurring between the customer and the public water supply. Requirements for Cross Connection Control are found in Colorado Revised Statutes 25-1-114, 25-1-114.1 and Colorado Primary Drinking Water Regulations Article 12.

4.2.6.1 Descriptions of approved devices for various structures and uses are found in the Cross Connection Control Manual, Colorado Department of Health and Environment, latest edition.

4.2.6.2 All building plans for new construction or remodeling that involve plumbing must be submitted to the local plumbing inspector and the District for review and approval prior to connection to water service. Plans must show the Backflow device location.

4.2.6.3 No Grandfather clause exists. All rules, regulations and laws apply, regardless of the property or service connection.

4.2.6.4 Approved backflow prevention devices shall be installed on all properties served by MCBWSD to protect the domestic water system from potential cross connection contamination. Installation will be verified by the MTCB Plumbing Inspector.

4.2.6.5 All fire sprinkler systems shall conform to the applicable Sections in the current edition of pamphlets Thirteen, Twenty-four and Twenty-five of the NFPA and CBFPD.

4.2.6.6 Single check valves are not considered backflow devices and shall not be permitted within the District.

4.2.6.7 Backflow prevention devices shall only be installed by a master plumber or by a licensed plumber or Cross Connection Control Technician working directly under the super vision and authority of a licensed Master Plumber.

4.2.6.8 All backflow prevention devices required in Paragraph 4.2.6 shall be tested at the time of installation and annually thereafter. Test results must be submitted to the District on the District's reporting form and all information must be completed and legible. Testing of devices must be performed by a Backflow Prevention Device Tester, having a current and valid certification recognized by the State of Colorado.

4.2.6.9 Backflow prevention devices shall be installed downstream from the meter and prior to any other connection. Backflow prevention devices shall not be used as the outlet valve of the water meter. Test cocks are not to be used as supply connections.

4.2.6.10 The District or it's representatives shall have the right to enter and inspect any and all buildings and premises for cross connections relative to possible hazards, or to verify proper installation and/or testing of backflow prevention devices.

4.2.6.11 The District reserves the right to require the replacement or modification of any backflow prevention device that a certified Backflow Prevention Device Tester deems a potential hazard to the domestic water system.

4.2.6.12 All costs for the design, installation, maintenance, repair and testing of the backflow prevention device shall be borne by the property owner.

4.2.6.13 The District may discontinue water service to any property if an unprotected cross connection exists on such property that poses a significant risk to the domestic water system.

4.2.6.14 If after the issuance of proper written notice by the District relating to the lack of, installation, maintenance, repair, testing, relocation or inspection of a backflow prevention device and the property owner fails to comply with said notice, the District may discontinue water service to the property. If disconnection of a water service is not feasible, the District has the authority to fine property owners in an amount not to exceed \$500.00 per day for each day the connection is out of compliance.

4.3 CUSTOMER RESPONSIBILITIES FOR SANITATION FACILITIES. The customer is responsible for the total cost of constructing the entire length of the service line serving his/her property, from the sewer main or sewer service a pre-tap, if present. This includes all appurtenances to said sewer service, either external or internal, of the structure served. Each customer is responsible for the maintenance of the entire length of service line serving their property, beginning at the sewer main tap, regardless of the presence or lack of presence of a pre-tap. Service lines shall be constructed in accordance with District Standards and Specifications. Sewage lift stations located within a structure or upon private property, and connected to the service line, will belong to the property owner, who is responsible for installation, repairs and maintenance of the sewage lift station. Sewer service billing begins upon successful test completion of the sewer main and pre-tap (where installed) construction. The property owner shall be responsible for all fees and charges due the District.

4.3.1 The customer shall notify the District prior to any expansion or addition to the service or use of the property being served by the District and upon any change of ownership of said property.

4.3.2 The Customer shall notify the District of any representative who may be contacted in the Customer's absence. The Customer shall provide to the District current contact information for the customer and/or the Customer's Representative, if any, including their address, phone number, fax number and email address.

4.3.3 Damage, leaks or breaks in the service line, when discovered by the owner or by the Customer's Representative, shall be reported to the District immediately. Upon any notice received by the District of any damage, leak or break in the service line, The District will notify the Customer or Customer's Representative as to the necessary procedures to follow. Any damage, leak or break shall be repaired by the Customer within seventy-two hours of obtaining knowledge of such damage, leak or break or from the time of notification of said condition by the District, whichever is earlier. Service line repair methods and materials used shall be in accordance with District Standards and Specifications. If satisfactory progress toward repairing said damage, leak or break has not been completed within such seventy-two hour period or the District Manager determines that environmental or property damage is possible, the District Manager may shut off the water service line until the repairs have

been completed. In the event the water service line valve is inoperable or otherwise incapable of stopping the flow of water, the District may initiate repairs immediately and without prior notification to the Customer or Customer's Representative in order to preserve the health and environmental quality of the community. If the District initiates such repairs, the customer shall be responsible for the cost thereof. If such cost is not paid by the Customer, the cost shall constitute a lien on and against the property of such customer, securing payment of such cost, as provided for by C.R.S. 32-1-1001.

4.3.4 No person shall discharge or cause to be discharged any storm water, surface water, ground water, roof runoff, sub-surface drainage, cooling water or unpolluted industrial process waters to any sanitary sewer. No public or private swimming pool shall be connected with the sanitary sewer system.

4.3.5 No person shall discharge or cause to be discharged to any sewer main any individual or prohibited sewage or any harmful waters or wastes, whether liquid, solid or gas, capable of causing obstruction to the flow in sewers, damage or hazard to structures, equipment and personnel of the sewage works or other interference with the proper operation of the sewage works.

4.3.6 The admission into the public sewers of any industrial sewage shall be subject to the review and approval of the Board, which may prescribe limits on the strength and character of such sewage. Where necessary, in the opinion of the Board, the owner shall provide, at his expense, such pretreatment facilities as may be necessary to treat such industrial sewage prior to discharge to the sewer main. Plans, specifications and any other pertinent information relating to proposed pretreatment facilities shall be submitted for the approval of the District and of the State Board of Health and no construction of such facilities shall be commenced until such approval is obtained in writing. Where pretreatment facilities are provided for any special sewage, they shall be maintained continuously in satisfactory and effective operation by the owner, at his expense.

4.3.7 When required by the District, the owner of any property served by a service line carrying industrial sewage shall install and maintain at his 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 customer and maintained at his expense. All measurements, test and analyses of the characteristics of water and wastes shall be determined in accordance with "Standard Methods for the Examination of Water and Sewage" and shall be determined at the control manhole or upon suitable samples taken at such 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 main to the point at which the service line is connected.

4.3.8 Grease traps and interceptors, oil separators and sand separators shall be required as per the International Plumbing Code in use by the Town of Mt. Crested Butte. Where installed, they shall be maintained at the owners expense, in continuously efficient operation at all times.

4.4 **CLASSIFICATION OF WASTES.** This section of the Rules and Regulations shall provide the basic policies of the District for classification of wastes and for control of discharge of wastes into the sanitary sewerage system. It shall be the policy of the District to classify wastes into three

main categories, termed "Domestic Sewage," "Industrial Sewage" and "Prohibited Sewage," which are generally defined in Section 1.3 and which will be more fully defined in this section. The classification of wastes shall be the responsibility of the Superintendent and shall follow recommended procedures of the State Board of Health and subject to approval of the District Board, shall be final and binding.

4.4.1 **Domestic Sewage.** Domestic sewage shall mean any sewage which can be treated at the District's sewer treatment plant 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 and not more than 250 parts per million B.O.D.

4.4.2 **Industrial Sewage.** Industrial sewage shall mean any sewage which does not conform to the definition for domestic sewage but which can be treated by the District after pretreatment by the user or by utilization of special operating procedures by the District at its treatment facility.

4.4.3 **Prohibited Sewage.** Prohibited sewage shall mean any sewage which may reasonably be anticipated to have a deleterious effect upon the sanitary sewer system or any persons or property and, therefore, in the opinion of the District, cannot be serviced by the District.

4.4.5 **Analysis of Sewage.** The Manager shall be responsible for all sampling, testing, analysis and classifying of sewage. Testing and analysis shall be determined in accordance with "Standard Methods for the Examination of Water and Waste Water" latest edition. Results of tests shall be made available to the user at the District's office.

4.5 **FIRE HYDRANT USAGE.** It is the express policy of the District that all fire hydrants are for emergency use only in the fighting and prevention of fires or other uses approved by the District. Except, only for qualified personnel of the District or the Crested Butte Fire Protection District, no person shall make any connection to or use water from any fire hydrant without first obtaining a permit and paying the applicable fees to the District. Only District personnel are allowed to install or remove flow meters, control valves and backflow prevention devices. Bulk water for tanker fills will be available for a fee at the East River Water Treatment Plant only.

4.5.1 Any customer of the District or any person, including any employee, agent or subcontractor of such customer or person, who makes any connection to a fire hydrant, uses any water from a fire hydrant or tampers or damages any fire hydrant meter or control valve, shall be subject to a fine and/or imprisonment, as per the Town of Mt. Crested Butte Ordinance Number 5, Series 1994 and Section 7.0 of these Rules and Regulations.

4.5.2 Minimum clearances must be maintained around fire hydrants to facilitate their use. It shall be the responsibility of property owners to maintain a seven foot (7') clearance on either side where 2 1/2" connectors are located; ten foot (10') clearance in front where the 4 1/2" connection is located; four foot (4') clearance in back, to include retaining walls and landscaping; 25 foot (25') clearance above all fire hydrants. The breakaway fitting must be 6 inches (6") above finish grade.

4.5.3 The fee for installation of meter, isolation valve and usage is listed in the District Fee Schedule.

4.5.4 Fire hydrant usage, under this section, is allowed only between April 15th and October 15th, during summer irrigation months non-emergency fire hydrant usage shall conform to a time period as established by the District's Lawn Irrigation Resolution.

SECTION 5. CONSTRUCTION OF FACILITIES

5.1 **AUTHORITY FOR CONSTRUCTION**. It will be unlawful for any person to construct, move, extend, modify or tap water or sewer main within the jurisdiction of the District without first making formal application to the District for approval, having complied with These Rules and Regulations and having obtained the District's authorization to proceed.

5.1.1 Construction of mains, laterals and appurtenances thereto, within the District, will be subject to the District's Standards and Specifications: Section 01020, General Requirements for the Water and Wastewater of Construction portion of these Rules and Regulations.

5.2 **AVAILABILITY OF SERVICE**. By acceptance of detailed plans and specifications, the District does not guarantee that the current facilities of the District are adequate to provide water service and sewer service to the Real Property. The development of the Real Property may require an enlargement of either or both the water and the sewer facilities. Further, although the District may be able to adequately serve the Real Property with water service and/or sewer service, as of the date of acceptance, no guarantee may be made of such availability of those services at the time individual lots, tracts, or parcels of land, within the Real Property, make actual request for connection. Any Real Property served by the District will be subject to the policies, rules and regulations of the District concerning the availability of water and sewer service and any priority criteria for such availability.

5.3 **PROCEDURE FOR MAIN LINE CONSTRUCTION**. Upon approval of the construction plan submitted to the District under this Section, the owner may proceed to contract for the construction of the proposed facilities. All construction and extension or modification of mains and laterals, within the District, must be made under the supervision of the District's engineer or other registered professional engineer. All engineering, construction, District engineer inspections and consultations, and other costs related to the project will be borne by the applicant.

5.3.1 Prior to the approval of the construction plan submitted to the District, an amount sufficient to compensate the District for engineering, fees, legal fees and ancillary costs, anticipated to be incurred by the District as a result of the application and the construction of the proposed facilities, as determined by the District Manager.

5.3.2 In the event that the expense deposit is not sufficient for the payment of all such costs, fees and expenses as set forth in paragraph 5.4.1 above, the petitioners shall be billed for any additional costs, fees and expenses by the District as they are incurred and the petitioner shall pay such amounts within 10 days of the date of billing.

5.3.3 No acceptance of construction shall be given until all fees, costs and expenses have been paid.

5.3.4 By submitting the Petition for Inclusion, petitioners shall be deemed to have granted to the District a lien upon the affected parcel as to any fees, costs and expenses unpaid by the petitioners.

5.3.5 If it is agreed by the District and the Developer, the Developer may deposit with the District the estimated cost of installing the approved extension, and the District may then proceed to make the installation with its own forces or by contract with a private contractor. In the event that the original deposit is insufficient, the Developer shall, upon notification immediately deposit the balance required with the District to complete the work.

5.4 **WATER LINE CONSTRUCTION.**

5.4.1 **Location and Alignment of Service.** Water service lines shall be located so as to take the most direct route (preferably perpendicular to the main) from the water main or pretap to the structure. Water service lines shall not be located under any driveway or service road. All water lines shall have a minimum 7 feet of cover wherever possible. No service lines shall be laid parallel to any bearing wall that might thereby be weakened. The water service line shall be laid at a uniform grade and in a straight alignment. Any variances to this policy shall be reviewed by the Director and decided on a case by case basis.

5.4.2 **Service Line Separation.** Ten feet (10') of separation must be maintained between parallel water and sewer service lines. At locations where water and sewer lines cross, sewer service line joints within a ten foot (10') distance of the water line must be encased in accordance with Colorado Department of Public Health and Environment standards.

5.4.3 **Pre-taps.** Where the water main has been pre-tapped (a service line has been extended to the lot property line and terminated with a curb valve and box), the service line from the building shall connect to the water line pre-tap. The owner or contractor must locate the pre-tap.

5.4.4 **Direct Tap to the Main.** Where water pre-taps are not present, service line construction will (1) require tapping a District main, which is permitted only between April 15 to October 15 annually. (2) include installation of a curb stop valve and valve box located at the property line, or as otherwise approved by the District, with easy access to the District. Curb box valve tops must be Mueller # H-10302 or equivalent. Permits for excavation within any Right Of Way of the Town of Mt. Crested Butte of Gunnison County are the sole responsibility of the contractor.

5.4.5 **Specifications.** Service lines up to 2 inches in diameter shall be constructed of Type-K copper. Service lines larger than 2 inches in diameter shall be constructed of Ductile Iron Pipe (D.I.P.). Copper service lines shall be one continuous line with no joints if possible. Splices are allowed where the distance exceeds 100 feet. There shall be no splices between the curb stop and the main.

5.4.6 **Inspections.** The applicant for water service or their representative shall notify the District when the service line/tap connection is ready for inspection. Appointments for inspection and connection should be scheduled twenty-four (24) hours in advance (not to include weekends). Under supervision of a District representative, the water service line will be inspected and pressure tested at normal operating pressure from the water main (or curb valve when pre-tapped) to the building prior to backfill.

5.4.7 **Water Meter Installation.** Water meters and meter setters will be provided by the District. All meters will be installed by the owner or contractor. All meter installations

must be in freeze proof, convenient and easily accessible areas. If located in a crawl space, the meter must be within 10 feet of an access hatch. There must be a clear area of at least one foot above, one foot below and three feet in front of the meter. All meters must be installed in the horizontal position with the flow directional arrow pointed towards the end use. Care should be taken when cutting, threading, or joining pipe that cuttings, pipe dope, solder, or other debris do not get into the Meter.

- 5.4.8 **Responsibility.** Water service billing begins upon successful test completion of the water main and pre-tap (where installed) construction. The property owner shall be responsible for all fees, and charges due the District. The entire water service line from the District main to the building belongs to the Property owner, who is responsible for installation, repairs, and maintenance of the service line. Booster pumps located within a structure or upon private property, and connected to the service line, will belong to the property owner, who is responsible for installation, repairs, and maintenance of the booster pump.

5.5 **SEWER SERVICE LINE CONSTRUCTION.**

- 5.5.1 **Location and Alignment of Service.** Sewer service lines shall be located so as to take the most direct route (preferably perpendicular to the main) from the sewer main or pre-tap to the structure. Sewer service lines shall not be located under any driveway or service road. All sewer lines shall have minimum 7 feet of cover wherever possible. No service lines shall be laid parallel to any bearing wall that might thereby be weakened. The sewer service line shall be laid at a uniform grade and in a straight alignment. Any variances to this policy shall be reviewed by the Director and decided on a case by case basis.
- 5.5.2 **Service Line Separation.** Ten feet (10') of separation must be maintained between parallel water and sewer service lines. At locations where water and sewer lines cross, sewer service line joints within a ten foot (10') distance of the water line must be encased in accordance with Colorado Department of Public Health and Environment standards.
- 5.5.3 **Pre-taps.** Where the sewer main has been pre-tapped (a service line has been extended to the lot property line and terminated with cap), the service line from the building shall connect to the sewer line pre-tap. The owner or contractor must locate the pre-tap.
- 5.5.4 **Direct Tap to the Main.** Where sewer pre-taps are not present, service line construction will require tapping a District main, which is permitted only between April 15 to October 15 annually. Permits for excavation within any Right Of Way of the Town of Mt. Crested Butte or Gunnison County are the sole responsibility of the contractor.
- 5.5.5 **Specifications.** Service lines up to six (6) inches in diameter shall be connected to the main by a saddle tap. The saddle tap will be located not less than ten feet (10') away from any manhole. Connections into manholes will not be allowed. Service lines 8 inches in diameter or larger, will make connection into an existing manhole or a new manhole constructed by the owner. Service lines shall be constructed of PVC pipe, SDR 35, unless as otherwise specified. Accessible clean-outs will be constructed every one hundred feet (100') ,or as otherwise approved by the District.

- 5.5.6 **Inspections.** The applicant for water service or their representative shall notify the District when the service line/tap connection is ready for inspection. Appointments for inspection and connection should be scheduled twenty-four (24) hours in advance (not to include weekends). Under supervision of a District representative, the sewer service line will be inspected and pressure tested at normal operating pressure from the water main (or curb valve when pre-tapped) to the building prior to backfill.
- 5.5.7 **Responsibility.** Sewer service billing begins upon successful test completion of the sewer main and pre-tap (where installed) construction. The property owner shall be responsible for all fees, and charges due the District. The entire sewer service line from the District main to the building belongs to the Property owner, who is responsible for installation, repairs, and maintenance of the service line. Sewage lift stations located within a structure or upon private property, and connected to the service line, will belong to the property owner, who is responsible for installation, repairs, and maintenance of the sewage lift station.

5.6 **ACCEPTANCE OF CONSTRUCTION.** Prior to acceptance of mains, laterals, special structures and appurtenances constructed, extended or modified under Section 5 et. al., the landowners, subdividers or developers of the property served or encumbered by such facilities shall:

5.6.1 Deed the lines and appurtenances to the District, free and clear of all liens and encumbrances. Convey to the District all water and sewer facilities constructed along with adequate and necessary easements and rights of way for the purpose of construction, maintenance and repair for the water facilities and sewer facilities.

5.6.2 Provide as-built drawings in the form of three (3) sets of "D" size; scale, 1" = 50' and disc(s) of spatial data in digital format as per District specifications, compatible with the District's CAD mapping system.

5.6.3 Provide a maintenance bond for eighteen (18) months, following the date of the completion of the project, in an amount prescribed by the District determined to be adequate to cover potential maintenance costs for the new facilities and paper/CAD formatted drawings as per 5.2.2.

5.6.4 Provide to the District or the District's attorney, all deeds, easements and other documents, as required, for recording with the Clerk and Recorder of Gunnison County, Colorado. The costs of recording will be borne by the landowners, subdividers or developers.

5.6.5 In no event will the District accept any construction, extension or modification until a minimum of eighteen (18) months has elapsed, following the completion of the facilities, without significant occurrence of maintenance or repair problems. If significant maintenance or repair problems occur, the acceptance period will be extended for successive periods of one (1) year, until a full year will have elapsed without such repair and maintenance problems.

SECTION 6. INCLUSION OF TERRITORY.

6.1 **Statutory Authority.** The procedure for the inclusion of territory shall be governed by Section 32-1-401, et seq., Colorado Revised Statutes, as now adopted and as may be hereafter amended.

6.2 **Policy.** This policy is in addition to the statutory authority and sets forth the mandatory procedure for inclusion of any new territory within the District.

6.3 **Position of District.** It is the position of the District to allow the inclusion of territory into the District subject to the following requirements:

6.3.1 The District finds that it can adequately serve the territory to be included.

6.3.2 The petitioner complies with this policy and the applicable policies, rules and regulations of the District.

6.3.3 The petitioner shall pay all costs, fees and expenses to extend and install water service and sewer service to and within the territory.

6.3.4 The Petitioner has complied with all requirements of the Town of Mt. Crested Butte, Colorado and has been or will be concurrently annexed to the Town of Mt. Crested Butte, Colorado. Provided, however, if the real property is not contiguous to or is not capable of being annexed to the Town of Mt. Crested Butte, Colorado, the District may waive the requirements of this Section 6.3.4.

6.3.5 The Petitioner owns and can convey to the District water rights adequate to provide for all water demands of the real property in which the Petitioner proposes to include within the District, subject to the provisions of paragraphs 6.6 , 6.7, and 6.8 hereof.

6.3.6 The District has both the physical plant capacity and effluent discharge rights to serve the property proposed for inclusion, in accordance with the provisions of paragraphs 6.9 and 6.10 hereof.

6.4 **PETITION FOR INCLUSION.** The owners of additional real property (the "Included Parcel") to be included within the boundaries of the District shall submit ten (10) copies of a Petition for Inclusion in writing requesting that such Included Parcel be included in the District. The Petition for Inclusion shall set forth the following information:

6.4.1 The full name, address and telephone number of the petitioner.

6.4.2 The full names, addresses and telephone numbers of the owners of 100% of the Included Parcel for inclusion in the District.

6.4.3 The written and acknowledged consent of the owners of 100% of the Included Parcel to be included in the District shall be attached to the Petition for Inclusion.

6.4.4 The full name, address and telephone number of the holder of any lien, mortgage, deed of trust or other encumbrance against the Included Parcel.

6.4.5 Legible copies of all documents or instruments verifying the current ownership of the Included Parcel.

6.4.6 A current Policy of Title Insurance, Commitment for Title Insurance or an opinion of an attorney at law licensed to practice in the State of Colorado confirming the ownership of the Included Parcel.

6.4.7 A full and complete list of all water and water rights, ditch and ditch rights, spring and spring rights, well and well rights and reservoir and reservoir rights appurtenant to the Included Parcel which shall include the name of the ditch or structure, the ditch or structure number, the amount of water adjudicated to the ditch or structure. including priority or court case number, the amount of water owned by the petitioner and the date or dates of adjudication of all water to the ditch or structure.

6.4.8 A current Policy of Title Insurance, Commitment for Title Insurance or an opinion of an attorney at law licensed to practice in the State of Colorado verifying and confirming the ownership of the above described water rights and that they are all of such water rights that have been appurtenant to the Included Parcel for the last five years.

6.4.9 A comprehensive description of all water and sewer facilities of any type or description currently situate upon the Included Parcel or being used to provide domestic water service and/or sewer service to the Included Parcel.

6.4.10 A contour map of the Included Parcel with contour intervals of not less than 5 feet with a scale of not less than 1 inch equals 200 feet, or such other scale as may be approved for submittal by the Manager of the District, and drawn on 11 inch by 17 inch sheets.

6.4.11 A full and legible copy of any annexation, subdivision or zoning proposals submitted to the Town of Mt. Crested Butte, Colorado pertaining to the Included Parcel.

6.4.12 A sketch plan setting forth the proposed subdivision and/or uses of the Included Parcel, location of proposed water and sewer mains and including a listing of the number and type of projected water taps and sewer taps that will be required to serve the Included Parcel. One disk of spatial data in digital format as per District specifications will also be required.

6.4.13 Such additional information, documents and exhibits as may be reasonably required by the District.

6.4.14 A cashier's check or other good funds for payment of the application fee.

6.4.15 A statement that the owners of the Included Parcel shall, upon demand, convey to the District all water and sewer facilities constructed upon the Included Parcel and adequate and necessary easements and rights of way for the purpose of construction, maintenance and repair for the water facilities and sewer facilities.

6.4.16 A statement by the petitioners that they agree to pay all costs, fees and expenses incurred by the District in reviewing the Petition for Inclusion, the adequacy of the water rights, the ability of the District to adequately serve the Included Parcel and the District's legal and administrative costs pertaining to the inclusion proceedings.

6.5 **PRELIMINARY PETITION.** Subject to prior approval by the Board of Directors of the District, a petitioner may submit a Preliminary Petition for Inclusion containing less than all of the required information and documentation set forth in paragraph 6.4 above, but including the non-refundable application fee.

6.5.1 The District shall take no action on a Preliminary Petition for Inclusion unless or until all of the required information and documentation has been submitted by the petitioner to comply in full with the requirements of paragraph 6.4 above.

6.5.2 If all of such information and documentation has not been received by the District within 30 days of the date of submission of the Preliminary Petition for Inclusion, such Preliminary Petition for Inclusion shall become automatically null and void and of no further force and effect and the District shall retain the application fee paid by the petitioner.

6.5.3 Notwithstanding the above, the Board of Directors of the District, for good cause, may grant an extension of the 30 day period for submission of all such information and documentation, but in no event shall such extension exceed 90 days.

6.6 **ADEQUACY OF WATER RIGHTS**. Subject to the provisions of paragraphs 6.7 and 6.8, upon receipt of a complete Petition for Inclusion, the District shall determine if the water rights to be conveyed to the District as required under paragraph 6.3.5 hereof are adequate for the District's requirements, based upon the following considerations:

6.6.1 Title to such water rights shall be fully marketable in the petitioner, free and clear of all liens and encumbrances.

6.6.2 Such water rights shall have a proven yield sufficient to serve not less than 100% of projected water demand within the Included Parcel, including peak day demand, peak hourly demand, or other peak requirements on a year-round 100% occupancy basis.

6.6.3 Such water rights shall be sufficiently senior in priority as to be free from administrative curtailment in the event of strict administration by priority.

6.6.4 Such water rights shall be physically located such that they may be diverted from their existing decreed point of diversion, or changed to such other point of diversion as the District may require, without change in priority or yield, and without in any manner impairing any other water rights of the District or other vested water right owners.

6.6.5 Such water rights shall be decreed, located, historically used, and of such nature that the same can be incorporated into the over-all water rights portfolio of the District, including augmentation strategies, without in any manner impairing any of the other water rights of the District or other vested water right owners.

6.6.6 Such water rights, in order to be utilized by the District, would not require any enlargement, expansion, modification, or advance planning or engineering for enlargement, expansion or modification of the District's water diversion, pumping, collection, storage, treatment, distribution, measurement, augmentation release, or other water system components, nor of the District sewage collection, treatment, discharge, and other sewage system components, unless such enlargement, expansion, modification or advance planning or engineering for enlargement, expansion or modification is fully paid for by the Petitioner.

6.6.7 Such water rights shall satisfy such other reasonable requirements as the District, its water engineers and attorneys deem appropriate in order to assure that by virtue of the inclusion of the Included Parcel and provision of water service thereto, the District will not in any manner impair its ability to fully serve the present and anticipated future water requirements of the existing District and the Included Parcel without additional expense to the District.

6.6.8 In order to make the foregoing determinations of adequacy, the District shall obtain the opinions of a qualified hydrologist, water engineer, environmental consultant, water attorney, or such other qualified experts as the District may deem necessary. All costs, fees,

and expenses of the District to fully evaluate such water rights, including all experts retained by the District, shall be paid by the Petitioner.

6.6.9 A condition of final inclusion of the Included Parcel into the District shall be the conveyance of such water rights to the District by special warranty deed, and the agreement of the Petitioner to pay or advance payment of all additional costs, fees and expenses of the District to obtain a final adjudication and decree of the Water Court for Water Division 4, State of Colorado, and any other filings, permits, or other actions which may be taken by the District in its sole discretion with respect to such water rights.

6.7 **CREDIT FOR WATER SUPPLY LIMITATION**. The District may, in its discretion, allow a credit for a contractual limitation on the amount of water to be supplied to any Included Parcel and any other parcels of land owned by the petitioner then within the District. Such supply limitation credit may be permitted upon the following terms and conditions:

6.7.1 The petitioner shall demonstrate the following to the District's satisfaction:

6.7.1.1 After netting the reduced water demand for any supply limited parcel against the increased water demands of the Included Parcel as limited, the District's existing water rights will be adequate both in terms of physical availability for diversion and legal reliability to serve both its then-present area and the Included Parcel; and

6.7.1.2 Adequate contractual assurances that neither the supply limited parcel nor the Included Parcel will in the future be developed in a manner that will allow an increased demand for water from the District.

6.7.2 In determining whether, or to the extent, such credit should be allowed, the District may consider the following:

6.7.2.1 The potential for water users within the District other than petitioner to increase or decrease the ultimate demand for water by actions including, but not limited to, re-zoning;

6.7.2.2 Whether the District is better served if other sources of water for year-round municipal use or augmentation are developed;

6.7.2.3 Whether the District is better served by contributions of cash or other property in lieu of water rights or supply limitation credits; and

6.7.2.4 Such other matters as may be determined by the District.

6.7.3 In allowing such credits:

6.7.3.1 The District shall require that the petitioner encumber both the Included Parcel and the other lands within the District with covenants that limit the water to be supplied to the District to those parcels in a manner that is satisfactory to the District. The District shall be a party to such covenants, and they may be amended only with the consent of District. Such covenants may, in the District's discretion, provide for an amendment of the Supply limitation covenant upon the petitioner's provision of water rights, other supply limitation credits, cash or other contributions to satisfy any increased supply to such lands.

6.7.3.2 The District shall allow credits only for those parcels for which the covenants referenced in paragraph 6.7.3.1 above are entered into as part of or in contemplation of the inclusion of the Included Parcel by the Petitioner;

6.7.3.3 In order to make the foregoing determinations, the District shall retain such qualified hydrologists, water engineers, environmental consultants, water attorneys, or other qualified experts as the District may deem necessary, the costs, fees, and expenses of which shall be paid by the Petitioner.

6.8 **CASH OR OTHER CONTRIBUTIONS IN LIEU OF WATER.** Notwithstanding the foregoing, the District, in its discretion, may accept in lieu of or in addition to the water rights or supply limitation credits set forth in paragraphs 6.6 or 6.7 above, cash or other contributions provided that the petitioner can demonstrate to the District's satisfaction that such cash or other contributions are sufficient to allow the District to expand or improve then-existing physical and legal water supply, augmentation plan and treatment and delivery systems to meet the increased water demands of the Included Parcel. In order to make the foregoing determination, the District shall retain such qualified hydrologists, water engineers, environmental consultants, water attorneys, or other qualified experts as the District may deem necessary, the costs, fees, and expenses of which shall be paid by the Petitioner.

6.9 **ADEQUACY OF CAPACITY.** Upon receipt of a complete Petition for Inclusion, the District shall determine whether it has the hydraulic and organic plant capacity to serve 100% of the projected wastewater treatment demands within the Included Parcel, considering the wastewater treatment services then provided by the District and the projected wastewater treatment demands for all property then within the District at full build out. The information required by this paragraph is for Board information only, and is not a condition precedent to annexation.

6.10 **EFFLUENT LIMITATIONS.** Upon receipt of a complete Petition for Inclusion, the District shall determine whether the effluent discharge resulting from 100% of the projected wastewater treatment demand within the Included Parcel, in addition to the wastewater treatment services then provided by the District and the projected wastewater treatment demands for all property then within the District at full build out, would exceed any State or Federal Standard applicable to the District. The information required by this paragraph is for Board information only, and is not a condition precedent to annexation.

6.11 **APPROVAL BY TOWN OF MT. CRESTED BUTTE COLORADO.** As a condition of final approval of the inclusion of the Included Parcel in the District, the petitioners shall provide to the District proof of the final approval or concurrent approval by the Town of Mt. Crested Butte, Colorado for annexation of the Included Parcel by the Town of Mt. Crested Butte, Colorado, unless the same is waived by the District as provided in Section 6.3.4 above.

6.12 **APPLICATION FEE AND PAYMENT OF EXPENSES.**

6.12.1 A non-refundable application fee of \$2,500.00 shall be submitted with any Petition for Inclusion of Included Parcel in the District.

6.12.2 The petitioners shall further deposit with the District with the Petition for Inclusion a deposit for the payment of costs, fees and expenses of the District in such amount as the Manager, subject to the ratification or change by the Board of Directors of the District, may determine. Such deposit shall be utilized by the District to pay its engineering, hydrology, legal and administrative expenses incurred in the inclusion proceedings. Any excess of the

deposit over and above the amount actually expended for such costs, fees and expenses shall be returned to the petitioner at the conclusion of the proceedings.

6.12.3 In the event that the expense deposit is not sufficient for the payment of all such costs, fees and expenses as set forth in paragraph 6.8.2 above, the petitioners shall be billed for any additional costs, fees and expenses by the District as they are incurred and the petitioner shall pay such amounts within 10 days of the date of billing.

6.12.4 No final approval for the inclusion of the Included Parcel in the District shall be given until all fees, costs and expenses have been paid.

6.12.5 As a condition of submitting the Petition for Inclusion petitioners covenant and agree with the District that the District shall have an absolute right to place a lien upon the Included Parcel as to any fees, costs and expenses unpaid by the petitioners.

6.13 **AVAILABILITY OF SERVICE**. By acceptance of a Petition for Inclusion, the District does not guarantee that the current facilities of the District are adequate to provide water service and sewer service to the Included Parcel. The inclusion of the Included Parcel in the District may require an enlargement of either or both the water facilities and the sewer facilities. Further, although the District may be able to adequately serve the Included Parcel with water service and/or sewer service as of the date of the Petition for Inclusion, no guarantee may be made of such availability of those services at the time individual lots, tracts or parcels of land within the Included Parcel make actual requests for connection. Any inclusion of property within the District shall be subject to the policies, rules and regulations of the District concerning the availability of water and sewer service and any priority criteria for such availability.

6.14 **PUBLIC MEETING ON PETITION**. Upon the District receiving a full and complete Petition for Inclusion of territory, it shall schedule a public meeting and hearing in accordance with Colorado statutes. Following such public meeting and hearing, the Board of Directors shall, within a reasonable time, grant or deny the Petition for Inclusion, in whole or in part, with or without conditions and the action of the Board of Directors of the District shall be final subject only to a right of appeal as provided by statute.

SECTION 7. VIOLATORS FINED.

Any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of a penalty of up to \$1,000.00 and \$500.00 per Single Family Equivalent that would be affected by loss of service due to damage, plus any expense, loss, or damage including attorney fees for enforcement action, occasioned by reason of such violation. If any person causes damage to the District system, or those systems still owned by a Developer but which affects can be felt on District water and sewer system or facilities, by misuse, negligence, or other action on his/her part, the District shall hold that person liable for the cost of repair including any study, investigation, or consultant fees incurred. Further, any fines imposed upon or assessed to the District resulting from a sanitary sewage overflow caused by the actions of any person or entity in violation of these rules and regulations, or any State or Local law or ordinance, shall be charged and assessed to said person or entity. Such costs shall constitute a perpetual lien upon the violator's property as allowed by Section 32-1-1001 C.R.S., as amended, or a perpetual lien upon the property to which the District was providing services at the time of the violation, whichever the District Manager deems appropriate.

SECTION 8. HEARING AND APPEAL PROCEDURES.

8.1 **APPLICATION** This section shall apply to all complaints, variance and time extension requests, etc., concerning the interpretation, application or enforcement of these rules and regulations, policies in present or amended form.

8.2 **INITIAL COMPLAINT RESOLUTION** Complaints or requests concerning the interpretation, application or enforcement of these rules and regulations must be presented to the Manager or such representative as may be designated. Upon receipt of a complaint, the Manager or the representative, after a full and complete review of 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 within twenty (20) days after receipt of the complaint.

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

8.3 **APPEALS TO THE BOARD** In the event the complainant disagrees with the findings and Order of the Manager or representative, the complainant may, within twenty (20) days, request for an appeal to the Board of Directors. The complainant shall provide a written statement of their complaint or request. The District Manager or Office Manager shall set a date by which said written statement must be received in order to insertion to the agenda of the next regularly scheduled meeting of the Board of Directors.

The Board shall consider the complainant's written request and any evidence presented at the next regularly scheduled meeting held after the filing of the complainant's request for appeal. The Board of Directors may limit the length of time in which presentations can be made and may continue the appeal to a future meeting.

8.4 **BOARD'S FINDINGS** The Board of Directors shall make written findings concerning the disposition of the appeal presented to it and shall cause notice of the decision to be sent by mail to the complainant within ten (10) days after the hearing.