

RULES AND REGULATIONS OF THE
SHANNON WATER AND SANITATION DISTRICT

ADOPTED AUGUST 18, 2011

ARTICLE I

PURPOSES AND GENERAL REGULATIONS

1.1 AUTHORITY. These Rules and Regulations are adopted in accordance with the authority conferred in Title 32, Article 1 of the Colorado Revised Statutes by the Shannon Water and Sanitation District (the “District”), a political subdivision of the State of Colorado and quasi-municipal corporation with powers which are specifically granted to the District, or are necessary to, incidental to or implied from powers specifically granted by statute, constitution or other law, for carrying out the objectives and purposes of the District.

1.2 DECLARATION OF POLICY. The District was organized for purposes including the provision of water service to residents and property owners of the District and other customers of the District, if applicable (collectively, the “Users”). The District has adopted these Rules and Regulations (the “Rules”) to serve a public use and to promote the health, safety, convenience, and general welfare of the residents of and owners of property within the District. These Rules apply to all Users. These Rules shall be subject to the limitations and provisions of any superior law, rule or regulation.

These Rules shall govern the operations and functions of the District as of the date of adoption and shall supersede previous Rules and Regulations of the District. Nothing contained herein shall be construed so as to prejudice, limit or affect the right of the District to secure the full benefit and protection of any laws which now or hereafter may be enacted by the Colorado Legislature pertaining to Special Districts, common law or case law.

1.3 PURPOSE OF THE WATER SYSTEM. It is hereby declared that the Water System of the District is primarily for the purpose of obtaining and distributing water for domestic use, commercial use and, if approved by the District, industrial use, except as otherwise specified within these Rules.

1.4 INCLUSIONS. Water service is available only to persons whose real estate is located within the boundaries of the District, except as may be otherwise provided by Board action. A person owning a parcel of real estate outside or divided by the District boundary and desiring service must petition for inclusion of the entire parcel of real estate into the District pursuant to Section 32-1-401, *et seq.*, C.R.S. The District may require the landowner to enter into an inclusion order and pay the District’s costs associated with processing the inclusion.

1.5 SANITATION & WELLS

There are no long range plans for the District to provide sanitation services. If the District determines to provide sanitation services in the future, the Board shall draft necessary Resolutions governing the sanitary sewer system. Each resident of the District is responsible for its own sanitation and any costs related thereto.

The District has and assumes no responsibility for privately owned wells located within the boundaries of the District.

1.6 DEFINITIONS. Unless the context specifically states otherwise, the meaning of terms and definitions used herein shall be as follows:

- a) Board – the Board of Directors of the Shannon Water and Sanitation District.
- b) Connection – a physical connection of a Water Service Line to the District’s Water Main for purposes of receiving temporary or permanent water service.
- c) District – the Shannon Water and Sanitation District.
- d) Inspector – the person or persons duly authorized by the Board to inspect and approve the installation of water facilities and connections to the District’s Water System.
- e) May – Whenever the word “may” is used it shall be considered as permissive.
- f) Owner – shall mean the owner of any real property being served or proposed to be served by the District and/or located within the boundaries of the District.
- g) Person – shall refer to either the singular or plural and shall include any individual, firm, company, association, society, partnership, corporation, or group.
- h) Rules – These Rules and Regulations, as they may be amended from time to time by the Board.
- i) Shall – Whenever the word “shall” is used it must be considered as mandatory.
- j) User Fees – Monthly fees for water service, as set forth on Exhibit A
- k) Water Main – shall mean a pipe, conduit or channel used to transmit either raw or treated water for the eventual use of domestic, commercial and/or purposes but shall not include the Water Service Line.
- l) Water Plant – a water treatment plant which is owned and operated by the District to treat water before delivery to the District’s customers.

- m) Water Service Line – shall mean the water pipe or conduit transmitting water from the public Water Main to the structure or property to be served, beginning at the meter riser on the private property side and continuing to the structure or property served. The Water Service Line shall be regarded as the property of the Owner of the real property or structure served.
- n) Water System – shall mean all water and water rights, water facilities and appurtenances thereto, machinery, equipment, and supplies used by the District for collecting, transmitting, treating, storing, and distributing water, including without limitation the Water Main and the Water Plant, not including that the Water Service Line.

1.7 DISTRICT INFORMATION. Information regarding the District is generally available on the District’s website <http://shannonwater.org> or by contacting the Board of Directors.

1.8 SEVERABILITY. If any provisions of these Rules are held invalid, for whatever reason, by a Court of competent jurisdiction, such adjudication shall not affect in any manner any of the other provisions contained in these Rules which shall remain in full force and effect.

1.9 INTERPRETATION & WAIVER. Any dispute as to the interpretation of these Rules, or as to their application in any given case, shall be submitted to the Board; its decision thereon shall be final and conclusive. The District reserves the right to waive these regulations, in whole or in part, by written waiver in appropriate circumstances.

1.10 AMENDMENT OF RULES. The Board reserves the right and authority to change and Amend these Rules at any time and from time to time by vote of the Board at a public meeting.

1.11 LIMITATION ON LIABILITY. No claim for damage shall be made against the District, and the District and its officials and employees shall not be liable by reason of damage resulting from any of the following, which list is not exhaustive: breaking of any Water Service Line, Water Main, or other portion of the Water System, or water meter by any employee or agent of the District; failure or interruption of the water supply; inadequacy of the water supply as it relates to flows and pressures whether permanent or temporary in nature; shutting off or turning on water in the Water Mains; the making of connections or extensions; damage caused by water running or escaping from open or defective faucets; burst Water Service Lines or other facilities not owned by the District; damage to water heaters, boilers, or other appliances resulting from shutting off or turning on water, or from inadequate, sporadic, and excessive pressures; failure of water facilities to be located where District’s map indicates they should be; errors of omission or commission made by the District’s licensees or independent contractors; actions by third parties; or for taking certain actions with respect to the Water System deemed necessary by the Board of Directors or its agents. This paragraph shall not relieve the District from liability for negligence of its employees, if such liability would otherwise have existed.

These Rules shall not be construed to hold the District in any manner responsible for any damages to persons or property resulting from any inspections as herein authorized or resulting from the issuance or denial of any permit as herein provided, or resulting from the institution of court action as allowed by law, or the forbearance by the District to so proceed.

1.12. GOVERNMENTAL IMMUNITY. Nothing herein shall constitute nor be construed as a waiver by the District of sovereign immunity or any provisions of the Colorado Governmental Immunity Act, sections 24-10-101, *et seq.*, C.R.S. or any other defenses available to the District, its officials or employees, or a waiver of its insurance coverage.

ARTICLE II

FEES, RATES, CHARGES

2.1 FEES, RATES AND CHARGES. The Board may set and from time to time increase or decrease such fees, rates and charges as the Board determines for water service provided to residents and users. Current fee schedules are attached as Exhibit A. User Fees will be billed to each Owner on a monthly basis based on water usage, in addition to any other fees, rates and charges owed. User Fees will be billed for each month in which the property is connected, regardless of whether the property is occupied or water is used, unless the property owner requests shut-off in accordance with Section 5.3 or the water service is shut-off by the District. A readiness-to-serve fee shall be charged for all properties which have had service installed, but for which service is shut off, whether such shut off is voluntary or involuntary.

2.2 OWNER RESPONSIBLE. The Owner of any building that is connected to the District's Water System shall be responsible for the water fees, rates and charges. The District assumes no responsibility for any agreements between Owners and tenants, regardless of how made, or whether the District was notified of such agreements. The District will hold the Owner liable for all charges for water service at the location where the service is provided.

2.3 DUPLICATE BILLS, METER READINGS. Monthly invoices are sent to the Owner of the property being served at the address listed with the County Assessor. The Owner has the responsibility to notify the District if there is a change in address, and the District will not be liable for misdirected invoices.

2.4 PERPETUAL LIEN. Until paid, all billed fees, rates, penalties and charges shall constitute a first and perpetual lien on and against the property served. Any such lien may be foreclosed in the manner as provided by the laws of the State of Colorado for the foreclosure of mechanics' liens. See C.R.S. § 32-1-1001(1)(j)(I). The District may wish to document its lien by recording a *Notice of Lien* document with the Clerk and Recorder Office of Boulder County, but recordation is not required for the lien to be effective.

2.5 BILLING AND PAYMENT; LATE FEES.

A. The District generally sends invoices to Owners by the tenth day of each month for water service provided in the previous month. Invoices are due on the last day of the month in which they are mailed. There is a five day grace period, and any unpaid balance after the sixth day of the month is considered delinquent (the "Delinquent Amount") and will be subject to Late Fees for each month of delinquency, in the amount set by the Board of Directors of the District. Any payments received will be applied first to any Late Fees or other administrative fees or penalties and then to the balance of unpaid User Fees in the order incurred.

B. The Late Fee will be automatically waived if the unpaid balance is less than or equal to five dollars. In addition, Users can request that the District waive one late fee per year per address receiving water service from the District.

C. Invoices may be paid by check or money order mailed or delivered to the address of the District, 1400 Wicklow Street, Boulder, CO 80303 or by cash hand-delivered to a Board member or an employee of the District for which a receipt is issued.

D. If any check or other negotiable instrument tendered to the District for payment is returned to the District and dishonored for any reason, the District will charge the Owner a Return Check Fee plus any bank fees incurred by the District, which shall be added to the balance on the Owner's account.

E. The District may send Notice of Intent to Discontinue Water Service (the "Notice") for each property which has a delinquent account balance of \$5 or more for two or more consecutive months, by certified or registered mail, and also by U.S. first class mail to the address being served and, if different, the last known address of the Owner of the property. Each property incurring Notices will be assessed a Notice of Intent to Discontinue Water Service Processing Fee at the time of mailing of the Notice. The Notice will set forth the Delinquent Amount and inform the Owner that the District intends to disconnect or shut off water service unless full payment is received by a date certain. The Notice shall advise the Owner of its right to request a hearing before the Board of Directors on the question of disconnection/shut off.

2.6 CERTIFICATION TO THE COUNTY TREASURER. In addition to or as an alternative to the other remedies provided in these Rules or by law, in the event that any of the District's tolls, rates, charges or fees are not paid when due, the Board may authorize the District's Treasurer to certify such delinquent amounts to the Treasurer of Boulder County for collection in accordance with C.R.S. § 32-1-1101(1)(e). Upon certification, the Treasurer of Boulder County shall collect and remit such delinquent amounts to the District in the manner provided by law for the collection of general property taxes. The Treasurer of Boulder County may impose a fee and add to the amount of the Delinquent Amount to defray the costs of collection.

ARTICLE III

REGULATIONS PERTAINING TO THE CONNECTIONS AND CONSTRUCTION OF SERVICE LINES

3.1 PERMIT

- a) It shall be unlawful for any person to install a Water Main or Water Service Line within the boundaries of the District or make any connection, without the prior written approval of plans and issuance of a permit by the District. Approval may be obtained following the submittal of an application by the Owner, accompanied by plans and a permit fee, as set by the Board, and in compliance with all other requirements set forth in these Rules.

- b) Before issuance of any permit, all fees and charges as prescribed by the Board thereto relating shall first be paid.
- c) Not more than one connection to the Water Main shall be allowed under each permit, and permits may not be transferred or assigned to new property without the consent of the District.
- d) Any permit shall expire after two years and may be subject to revocation at any time by the Board if the installation or use is changed or not made in accordance with these the permit and these Rules.
- e) No permit shall be regarded as a permit to make any cut in a road or street. Permits for such street cuts shall be obtained from any and all regulatory bodies having jurisdiction over the street.

3.2 LICENSES & TESTING. No person other than a contractor licensed by Boulder County shall construct or repair a Water Service Line or Water Main or make a connection with the Water System. Testing of all new public Water Mains and Water Service Lines shall be performed by the Inspector in accordance with the technical specifications of the District and shall be made at the expense of the Owner, unless otherwise approved by the District.

3.3 PUBLIC WATER SYSTEM.

- a) General – Any person desiring water service to a property not previously served by the District will be required to construct and dedicate to the District such Water Main extensions or such other public water facilities as determined by the District to be necessary to provide water service, in accordance with plans to be approved by the District. Extension of public Water Main shall be made at the expense of the Owner of the property to be served unless otherwise approved by the Board.
- b) Application for Extension of Public Water Main – When extension of a Water Main is desired, the Owner of the property to be served shall make application to the District for said extension and submit Site Plans for the planned development of the property. The application may be approved, denied or conditionally approved in the discretion of the District. All construction of Water Main extensions shall be done in accordance with plans approved by the District for said extension. The applicant shall provide the District with any additional maps and/or drawings as may be requested by the District. All applications, maps and other materials submitted to the District shall become the property of the District.
- c) Extension of New Public Water Mains – The size of the extension of any Water Main to serve any part of the District shall be subject to the approval of the Board. No Water Main less than 6-inches in diameter shall be installed. When applicable, the Water Mains shall be extended to such points and locations as will

permit the formation of adequate loops and so that the systems may be perpetuated.

- d) Easements - The Owner will also dedicate land or easements to the District for the public facilities, including access and construction easements if necessary, in a form acceptable to the District.
- e) Construction. All Water Main extensions within the District shall be made by the District or other parties acceptable to and under the supervision of the District. Plans for such extensions shall comply with the District's "Master Plan" (if any), and any all design, construction and/or review costs incurred by the District shall be at the Owner's expense and paid by to the District within thirty (30) days of receipt of an invoice. Upon completion of construction, the Owner or contractor will allow for inspection by the District prior to covering the improvements.
- f) Dedication to the District. All Water Main extensions or other additions/expansions to the Water System will be dedicated to the District by Bill of Sale or other form acceptable to the District, free and clear of liens and encumbrances, along with any easements or other right of access acceptable to the District, following inspection, testing and acceptance by the District. Unless constructed by the District, a two year warranty will be provided on the work. The District may also require payment and performance bonds.

3.4 WATER SERVICE LINES AND CONNECTIONS

- a) All Water Service Lines shall be brought to the meter riser (on the private property side) at the expense of the Owner and shall meet all requirements of the District and other regulatory agencies.
- b) All costs and expenses of the installation and construction of the Water Service Line shall be borne by the Owner. The Owner shall indemnify the District from any loss or damage that may directly or indirectly be occasioned by the installation of the Water Service Line.
- c) Each Owner shall be responsible for maintaining, repairing and replacing his/her Water Service Line at the Owner's expense.
- d) Each individual residential or commercial structure constructed shall have an individual Water Service Line and meter and a separate connection to the Water Main.
- e) Each Water Service Line shall have independent connections to the Water Main and shall not be interconnected with any other water supply system.

- f) The District's responsibility for water quality ends at the Water Main Line or influent side of the User's tap. Any use of the water beyond this point that impacts the water quality is the responsibility of the User.

3.5 UNAUTHORIZED CONNECTIONS/ACTIVATION. Unauthorized connections to the Water System or turn-on may be summarily disconnected or shut-off by the District at the cost of the Owner of the property served. The costs of any inspection and repair plus any actual damages incurred by the District shall be billed and paid by the Owner of the property or person which made the connection or turn-on along with an Unauthorized Activation Fee.

3.6 UNAUTHORIZED DISCONNECTIONS. No Water Service Line connected to the Water System shall be disconnected therefrom without the prior approval of the District, which approval shall specify how the disconnection shall be properly sealed. The District shall inspect and repair any unauthorized disconnection from the District Water System, and the costs of such inspection and repair plus any actual damages incurred by the District shall be billed and paid by the Owner of the property which was disconnected along with the Shut Off Fee. Payment of a connection fee, in an amount reasonable determined by the Board, will be required to reconnect the property.

ARTICLE IV

GENERAL REQUIREMENTS

4.1 PERMITTED USES. The District's Water System has been planned and constructed to provide potable water for conventional, domestic, commercial uses, and fire protection. Persons wanting to use the Water System for an industrial or commercial water supply, which could be expected to require more water than a typical single family residential unit, shall be required to submit demand data as to water use before permission will be issued. Said permission may be denied or issued with such conditions as determined necessary by the Board.

4.2 DAMAGE TO WATER SYSTEM. No person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface or tamper with any structure, appurtenance or equipment which is the property of the District including without limitation the Water System.

4.3 ACCESS/RIGHT OF ENTRY. The District's officers, employees, contractors and other duly authorized representatives shall be permitted to enter upon all properties served or proposed to be served by the District for the purpose of inspection, observation, measurement, sampling and testing, in accordance with the provisions of these Rules. The provision of public water service is conditioned upon the granting of Right of Entry by the Owner and occupant.

4.4 METERS

- a) Meters shall be required at all properties receiving water service from the District. All meters shall be of a size and design approved by the Board and shall be installed in a readily accessible location for the meter reader. Owners shall keep the meters free from obstruction. Each meter shall be installed by the District and shall be properly adjusted to conform to the existing contour of the property.

- b) In residential areas, the water meter shall be installed in a frostproof meter pit at the location specified by the District. The meter shall be installed on an approved riser with a lock wing meter stop on the main side of the meter. In other areas, the meters shall be installed at locations approved by the District and its access thereto shall not be restricted in any manner at any time.
- c) No taps on the Water Service Line between the Water Main and the meter shall be permitted.
- d) Upon the request of an Owner, the Board will make a test of the accuracy of any service meter free of charge, provided the same has not been tested within 12 months prior to such request and provided the consumer agrees to accept the results of such test as the basis for an adjustment of any difference which may have been claimed. No adjustment on any charges resulting from a defective water meter will be made for periods prior to the most recent monthly billing period. Meters may be inspected at any time by the District.
- e) It shall be unlawful for any Owner or for any other person to tamper or interfere with any meter or meter seal or to so arrange the Water Service Line or other piping so that the use of water will not actuate the meter. The District shall discontinue water service immediately to any Owner who violates the provisions of this section until satisfactory payment has been made for all water used and all repairs made to the meter and appurtenances.

4.5 CROSS CONNECTIONS

- a) The District's duly authorized Inspector shall have the right of inspection from the water service tap to the free-flowing outlet of the consumer. The Inspector shall have the right to inspect all plumbing connections and the right to inspect all plumbing cross connections.
- b) It shall be unlawful to make, install, maintain, or permit any cross connection between any water system supplying drinking water to the public and any pipe, plumbing fixture or water system which contains water of a quality below the minimum general sanitary standards (Colorado Department of Public Health) as to the quality of drinking water supplied to the public; or to fail to remove such connection within 24 hours after being so ordered, in writing, by the District to remove same. All cross connections are prohibited.
- c) For the purpose of this section 4.5, the term "cross connection" shall mean any connection which would allow water to flow from any pipe, plumbing fixture or water system into a water system supplying drinking water to the public.

4.6 CONSTRUCTION WATER The District may make water available to a contractor or Owner for construction purposes, provided the contractor makes arrangements through the Board for the placement of a meter at the proposed outlet. Any contractor or its employee or agent who

takes water from any hydrant, faucet or other means of drawing water from a District Water Main without first having obtained permission from the Board, shall be subject to prosecution and held responsible for payment for water taken.

4.7 FIRE HYDRANTS. The District maintains fire hydrants within Water System and consults with the Louisville Fire Department as needed. Except for the Louisville Fire Department or other authorized responder to a fire emergency, no person shall take any water from the hydrants without having obtained written permission from the Board.

4.8 WATER SYSTEM. The Water System will be repaired or reconstructed by the District at the cost of the District unless the situation necessitating such repair or reconstruction is the result of abnormal use or damage to such District facilities, in which case such repair or reconstruction will be done at the expense of the person responsible for such abnormal use or damage.

ARTICLE V

DISCONNECTION / SHUT OFF / VIOLATIONS

5.1 DISCONNECTION / SHUT OFF OF WATER SERVICE.

The District may shut off or disconnect water service to the property for any of the following reasons:

- (a) Failure to pay fees, rates, charges and penalties when due.
- (b) Unauthorized use of water (for example, use for industrial purposes).
- (c) Failure to comply with any state or federal law, any provision of these Rules or any Order of the Board.
- (d) Maintaining unauthorized cross-connections.
- (e) Upon the request of the property Owner.
- (f) When the public health, safety and welfare or the Water System is threatened.

Except in an emergency, the District shall provide written notice to the Owner of the reason for disconnection or shut off and of the opportunity for the Owner to request, in writing within 15 days from the date of the notice, a hearing before the Board on the proposed disconnection or shut off of service.

If an Owner requests, in writing, a hearing on disconnection or shut off of water service, it will be scheduled for the succeeding Board meeting and the Owner will have the opportunity to present testimony and/or evidence regarding why the water service should not be disconnected or shut off. The Board may consider any relevant evidence at the hearing, without conformance to the Rules of Evidence.

The Board shall make a final determination on whether to shut off or disconnect water service at its Board meetings. The decision of the Board shall be final. If water service is shut

off or disconnected, an Owner will be required to pay the full amount due to the District including fees, rates and charges, late fees and any other administrative fees, along with a Shut Off and Reactivation Fee, in order to resume water service. Water service which has been shut off can be reactivated by application of the property owner, payment of all outstanding amounts owed to the District, correction of the underlying problem, and payment of a Reactivation Fee.

5.2 EMERGENCY SHUT OFF / DISCONNECTION. The District may disconnect or shut off water service without prior notice and the opportunity to request a hearing when, in the opinion of the Plant Operator, District President or other appropriate District official, such action is necessary because of an imminent hazard to the health, safety or welfare, the environment or property. In case of an involuntary termination in response to an emergency situation, the Owner may request a hearing before the Board which shall be held at the first subsequent opportunity.

5.3 VOLUNTARY SHUT-OFF. If an Owner requests a shut-off while his/her house is being sold or is vacant, the District will do so upon payment of the Shut-off Fee. The District will continue to charge the monthly Readiness-to-Serve Fee. The District will require payment of the Reactivation Fee before water service is resumed.

5.4 PAYMENT OF COSTS. In case of any violation of these Rules, the District may require the responsible person to pay of all applicable fees and charges provided by these Rules and all costs associated with the violation, including any expense, loss, damage or attorneys' fees occasioned by such violation prior to the District providing any service to any property or facilities owned, leased or occupied by the responsible party, whether or not such property or facilities are directly involved in the violation of this Section. This Section shall not be construed to limit the rights of the District to pursue other fees, charges, penalties, remedies or forms of relief provided in these Rules and by other applicable law.

5.5 CRIMINAL REMEDIES. Any person who shall maliciously, willfully, or negligently, break, damage, destroy, uncover, deface or tamper with any portion of the District's Water System, or take water from the District's Water System, including fire hydrants, without written authorization, may be charged with a misdemeanor or other appropriate offense, and upon conviction thereof, shall be fined in an amount as established by the court for each violation, along with whatever additional penalties as may be appropriate.

EXHIBIT A

FEE SCHEDULE

User Fees (per month).....Base Rate + Use Rate * (Gallons of Water Used/1000)

Base Rate=\$20/month

<u>Use rate *</u>	<u>\$/1000gals</u>
0-8000 gals	\$2.75
8000-16000 gals	\$4.50
over 16,000 gals	\$7.00

Readiness-to-Serve Fee	\$20.00/month
Return Check Fee	\$20.00 + bank charges
Late Fee	\$5.00/month
Notice of Intent to Discontinue Process Fee	\$30.00/notice
Shut Off Notice Posting Fee	\$20.00
Shut Off Fee (voluntary or involuntary)	\$30.00
Reactivation Fee	\$30.00
Unauthorized Activation Fee	\$100 first time (\$500 each time thereafter) +User Fees
Meter Reading Fee	\$0
Meter Locate Fee	\$0

*******All fees and usage are the responsibility of the property owner.*******
*******All bills are mailed to the property owner of record.*******
*******Theft of water is a prosecutable offense.*******