

Rules & Regulations

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SECTION 1 -GENERAL EXPLANATORY MATERIAL

- 1.1 Scope These Rules and Regulations shall be govern the operations and functions of the Parker Water and Sanitation District, (hereafter the "District"), and shall supersede any previous Rules and Regulations of the District.
- 1.2 Policy and Purpose It is hereby declared that these Rules and Regulations serve a public use, and are necessary to insure and protect the health, safety, prosperity, security, and general welfare of the inhabitants of the District. These Rules and Regulations are also declared necessary to promote the financial security of the District.

These Rules and Regulations set forth uniform requirements for Customers of the Parker Water and Sanitation District and enable the District to comply with all applicable State and Federal Laws; including the Clean Water Act (33 United States Code Section 1251, et seq.) and the Safe Drinking Water Act (SDWA). The objectives of these Rules and Regulations are:

1. To prevent the introduction of pollutants into the sewer system that will interfere with its operation;
2. To prevent the introduction of pollutants into the sewer system that will pass through the sewer system, inadequately treated, into receiving waters, or otherwise be incompatible with the sewer system;
3. To protect both sewer system personnel who may be affected by wastewater and sludge in the course of their employment and the general public;
4. To promote reuse and recycling of wastewater and sludge from the sewer system;
5. To enable the District to comply with its National Pollutant Discharge Elimination System (NPDES) Permit conditions, sludge use and disposal requirements, and any other Federal or State laws to which the sewer system is subject;
6. To enable the District to control the right to any use of the District's sewage system by conditional grants of permission which are subject to future conditions, suspension, and revocation
7. To provide a safe water supply in accordance with State and Federal Regulations;
8. To protect the water supply, distribution, storage and pumping facilities from contamination or tampering;
9. To provide uninterrupted water service;
10. To manage current water supplies while making a commitment to obtain a renewable source of water for the future; and

11. To strongly encourage water conservation through public education by offering free classes, workshops, written material through the District's newsletter, and by requiring water saving irrigation technology.

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

"Actual cost" shall mean all direct costs applicable to the construction of a given infrastructure project including without limitation construction, engineering, inspection, and plan approval fees.

"Board" shall mean the elected Board of Directors which is the governing body of the District; provided, a quorum consisting of at least three (3) Directors shall be required to vote on District business at any regular or special meeting of the Board.

"Constructor" shall mean any person desiring to construct an extension of or connection to any of the District's water distribution or sewage collection systems or other District infrastructure.

"Customer" shall mean any person using water or connecting to the District's water distribution or sewage collection systems.

"District" shall mean the Parker Water and Sanitation District.

"Inclusion Fee" shall mean the fee paid by a property owner or developer upon inclusion of property into the boundaries of the District.

"Industrial Wastes" shall mean the liquid wastes from industrial and commercial processes as distinct from domestic sanitary sewage. Industrial and commercial processes shall mean a source of discharge which introduces into the sewer system from any non-domestic source, any pollutant that, by its chemical nature, strength or volume, may cause, in the judgment of the Manager, interference with the sewer system CDPS limitations, or in any way may cause harm or threat of harm to the sewer system, CDPS, its workers, the public or the environment.

"Industrial Waste Permit." A permit issued by the District authorizing the discharge of specific industrial wastes into the District's sewer system.

"Interference" shall mean a discharge which, alone or in conjunction with a discharge or discharges from other sources:

1. Inhibits or disrupts the sewer system, its treatment processes or operations, or its sludge processes, use or disposal; and
2. Therefore is a cause of a violation of any requirement of the District's NPDES Permit or CDPS Permit (including an increase in the magnitude or duration of a violation) or of the prevention of sewage sludge use or disposal in compliance with the

following statutory provisions and regulations or permits issued thereunder (or more stringent State or local regulations): Section 405 of the Clean Water Act, the Solid Waste Disposal Act (SWDA) (including Title II, more commonly referred to as the Resource Conservation and Recovery Act (RCRA), and including State regulations contained in any State Sludge Management Plan prepared pursuant to Subtitle D of the SWDA), the Clean Air Act, the Toxic Substances Control Act, and the Marine Protection, Research and Sanctuaries Act.

“Landscape Irrigation Worksheet” shall mean the worksheet used to determine the number of SFE’s required to irrigate a particular area of landscaping. A copy of the worksheet is attached as Exhibit F.

“Manager” shall mean the Manager of the District or his designee(s). The Manager shall be appointed by the Board, and shall be responsible for the daily operations of the District.

“Mass Emission Rate” shall mean the weight of material or pollutants discharged to the sewer system during a given time interval.

“Oversize” shall mean to construct lines in which the inside diameter of the line exceeds the need of an individual Customer and which is sized and installed with the contemplated purpose of serving more Customers than those contemplated by the constructor of the lines.

“Pass Through” shall mean a discharge which exits the sewer system into waters of the United States in quantities or concentrations which, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of the District’s NPDES or CDPS Permit (including an increase in the magnitude or duration of a violation).

“Person” shall mean any individual, firm, company, corporation, association, society, joint venture, partnership, entity, municipality, quasi-municipality or any governmental unit or any subdivision thereof.

“Service Line” shall mean the pipe, line or conduit from either the District’s water distribution or sewer main to the structure it is to serve. The service line for water service is the pipe, line or conduit that runs from the Customer’s side of the curb stop to the inlet of the water meter inside the house, or for Customers that have a meter pit, the service line is the portion of the line from the Customer’s side of the curb stop to the meter and from the outlet of the meter to the Customer’s structure. The service line for sewer service is the pipe from the Customer’s structure to the connection into the sewer main. The service line for fire service is the pipe from the Customer’s structure to the connection into the water main. Customers are solely responsible for their water, sewer, and fire service lines, regardless of whether they extend into the public rights-of-way.

“Sewage” shall mean any liquid waste containing animal or vegetable matter in suspension or solution from residences, business buildings, institutions and industrial establishments.

“Normal Sewage” shall mean sewage which can be treated at the District’s Sewage Treatment Works without pretreatment and within normal operating procedures, and

which, when analyzed, shows an average of no more than 300 milligrams per liter of TSS or no more than 300 parts per million of 5 day BOD or an average concentration of no more than 750 milligrams per liter of COD, or an average concentration of no more than 7.5 milligrams per liter of Total Phosphorus.

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

“Special Sewage” shall mean any sewage which does not conform to the definition for Normal Sewage, but which can be treated by the District after pretreatment by the Customer or by utilization of special operating procedures by the District at the Sewage Treatment Works.

“Sewer and/or Sewer Main” shall mean any pipe or conduit currently or proposed in the future to be owned by the District used for carrying sewage.

“Sewer System” shall mean the District’s sewer facilities, including sewer mains, treatment plants, interceptors, lift stations, outfalls, and other sewer facilities, owned and/or controlled by the District, none of which intentionally admit storm water, ground water, or surface water.

“Sewer System Development Fee” shall mean that fee established by the Board to be paid at the time of purchase of a Sewer Tap Permit, which fee shall be used to recover the costs of capacity of the sewer system necessary to serve the Customer’s development.

“Show Cause Hearing” is a hearing held by the Manager to determine appropriate enforcement action for violations of an Industrial Waste Discharge Permit by an Industrial Waste discharger.

“Single Family Equivalent” (SFE) shall mean an annual water demand or sewage treatment demand equal to that of a single family home served by a ¾” tap. In the case of a water tap to be utilized solely for outdoor irrigation and not to be used for interior domestic purposes, one SFE shall be required for each 6,000 square feet of turf being irrigated, or the equivalent thereof, as set forth in the District’s Landscape Irrigation Worksheet.

“Tap” or “Connection” shall mean the connection of the service line to the District’s water distribution and/or sewer collection main.

“Tap Permit” shall mean written authority to connect to the District’s water distribution or sewer mains.

“Transmission Main” shall mean a water distribution or sewer main which, once installed, will constitute an extension of a water distribution or sewer main either then owned or proposed in the future to be owned or served by the District.

“Water Resource Credit” shall mean the quantity of water, as calculated by the District and expressed in SFEs, to which a property owner or developer is entitled for use on specifically designated property within the District, based on: (1) the water rights conveyed to the District by such property owner or developer; and (2) the number of WRTs purchased from the District by the property owner or developer.

“Water System” shall mean the District infrastructure, facilities and water rights that provide water service, utilizing both renewable and non-renewable water supplies, including without limitation water treatment facilities, transmission lines, storage tanks, pumping stations, and production wells.

“Water System Development Fee” shall mean that fee established by the Board to be paid at the time of purchase of a Water Tap Permit, which fee shall be used to recover the costs of capacity of the non-renewable water system necessary to serve the Customer’s development.

“Water Resources System Development Fee” shall mean that fee established by the Board to be paid at the time of purchase of a Water Tap Permit, which fee shall be used to recover the costs of capacity of the renewable water system, necessary to serve the Customer’s development. .

“Water Resource Toll” or “WRT” shall mean the water rights or fee-in-lieu of water rights a property owner or developer must convey or pay, as applicable, to the District to receive water service from the District for specifically designated property within the District. The WRT shall be based upon the actual water demands of the uses on the property, as determined by the District. The WRT shall be no less than 0.7 annual acre feet of water per SFE, or Five Thousand Dollars (\$5,000.00) per SFE. WRTs may be made available for purchase by the owner/developer/constructor from the District in lieu of dedication of water or water rights only upon a determination by the District that the owner/developer/constructor does not possess, or is not able to purchase and convey to the District, adequate water or water rights necessary to serve the owner/developer/constructor’ property and that providing such water service is in the best interest of the District.

Any other term not herein defined shall be defined as present in the “Glossary – Water and Sewage Control Engineering”, A.P.H.A., A.S.C.E., and F.W.S.W., latest editions.

1.4 Water Policy

1.4.1 The District is pursuing the conjunctive use of groundwater.

1.4.2 No water service shall be provided to any property upon which there has not been dedicated sufficient suitable groundwater. Only in those cases where there is not sufficient suitable groundwater, shall a fee-in-lieu of a water dedication be allowed, at the District’s discretion.

1.4.3 Fees paid in lieu of a water dedication are not a portion of the District’s system development fee structure.

- 1.4.4 Water service shall not be provided to any property until the required water system development, water resources system development, and all other applicable fees have been paid.
- 1.4.5 Water system development fees are intended to pay for the capital costs of production, treatment, distribution, storage of non-renewable water, and ancillary non-renewable water facilities
- 1.4.6 Water resources system development fees are not a portion of the District's water system development structure. Water resources system development fees are intended to be utilized for the acquisition, development and delivery of renewable water resources.

1.5 Sewer Policy

- 1.5.1 Sewer system development fees are intended to pay for capital costs of primary wastewater treatment facilities.
- 1.5.2 Sewer system development fees are intended to pay for capital costs of treatment, collection and other facilities.
- 1.5.3 Sewer service shall not be provided to any property until the sewer system development fee has been fully paid.

1.6 Ownership and Transference of Water Resource Credits and Paid System Development Fees

All water, water rights, and return flows appurtenant to, or used upon real property currently within the boundaries of the District shall be the sole property of the District. Until connection (as set forth below) occurs, water resource credits and pre-paid system development fees (water, sewer, water resources) are personal property of the entity to which they were assigned by the District with limited rights of transferability as set forth herein. They may only be used on the specific real property for which they were allocated as designated by the District, and may not be conveyed except as a part of a sale of the real property for which they have been allocated by the District; except that they may be assigned to any other property within the District boundaries owned by the same entity, a wholly-owned subsidiary of such entity, or a parent owner of such entity owning one hundred percent of such entity. All assignments of water resource credits and system development fees must be approved by the District in writing. Any assignment without written approval of the District will not be recognized by the District. No assignment of water credits or pre-paid system development fees is permitted after connection to the District's water or sewer system occurs. Connection shall be deemed to have occurred upon the earlier of: (i) issuance of a building permit for the subject property; (ii) placement of a water meter; (iii) physical connection of the water service line or sewer line from the subject property to the District water or sewer system (physical connection of either the water line or sewer line shall be deemed to be connection of both water and sewer service for purposes of this Section 1.6). Upon connection, the water resource credits and water and sewer service shall be deemed appurtenant to the subject real property, and may not be transferred separately from the real property. Upon connection,

sale of the real property shall transfer water and sewer service. The purpose of this Section 1.6 is to prevent the creation of a secondary market in such assets and to establish the District's exclusive ownership of the water and sewer system within the District of which water resource credits and system development fees are an integral part.

1.7 Incorporation of Standards and Specifications Manual

The District's Standards and Specifications Manual is hereby incorporated into these Rules and Regulations by this reference, and the Standards and Specifications Manual shall be enforceable in the same manner as these Rules and Regulations. A violation of the Standards and Specifications Manual shall constitute a violation of these Rules and Regulations. The Manager or the Manager designees may modify, amend, or update the District's Standards and Specifications Manual without Board review or approval.

1.8 Incorporation of Industrial Wastewater Control Regulations

The District's Industrial Wastewater Control Regulations are hereby incorporated into these Rules and Regulations by this reference, and the Industrial Wastewater Control Regulations shall be enforceable in the same manner as these Rules and Regulations. A violation of the Industrial Wastewater Control Regulations shall constitute a violation of these Rules and Regulations. The Manager or the Manager designees may modify, amend, or update the District's Industrial Wastewater Control Regulations without Board review or approval.

1.9 Incorporation of Cross-Connection Control Program Manual

The District's Cross-Connection Control Program Manual is hereby incorporated into these Rules and Regulations by this reference shall be enforceable in the same manner as these Rules and Regulations. A violation of the Cross-Connection Control Program Manual shall constitute a violation of these Rules and Regulations. The Manager or the Manager designees may modify, amend, or update the District's Cross-Connection Control Program Manual without Board review or approval.

SECTION 2 - OWNERSHIP AND OPERATION OF FACILITIES

- 2.1 Policy. The District is responsible for the collection of Normal Sewage, and for distribution of water for domestic use to Customers within the District, and the maintenance, repair, and replacement of all mains, hydrants, valves, and service facilities owned by the District, but shall not be liable or responsible for inadequate pressure, interruption of service or breakage and/or blockage of pipes. The District is responsible for the operation and maintenance of the sewage collection system in a sound and economical manner, in accordance with these Rules and Regulations. It shall be the policy of the District to make water and sewer services available concurrently. All water supplied through District facilities is owned by and is the property of the District. All return flow from use of such water remains the property of the District and is subject to the District's dominion and control.
- 2.2 Liability. Nothing contained herein shall be deemed to constitute the assumption of any duty by the District not otherwise required of it by law. All liability actions concerning the District shall be maintained in conformance with, and subject to the provisions of C.R.S. § 24-10-101, *et seq.*, commonly referred to as the Colorado Governmental Immunity Act.
- 2.3 Powers and Authority of Manager. The Manager and or the Manager's designees shall, subject to applicable provisions of law and the provisions of these Rules and Regulations, be permitted to enter upon all properties within and served by the District, at reasonable times, for the purpose of observation, inspection, measurement, sampling, and testing of the facilities of the District, property owned by the District, and/or the quality of products produced by the District.
- 2.4 Service Lines. The Customer is responsible for the cost of maintaining and repairing defective service lines or meters. Only the District may actually repair meters. Customers are strictly prohibited from extending their service line to serve other properties.
- 2.5 Defective Meters. Meters will be checked upon request of Customers. If accuracy is found to be within three percent (3%), the Customer shall be charged a \$100.00 inspection fee. If the meter is outside said specification, it will be replaced or repaired by the District, and depending upon the reason for the inaccuracy, the cost may be borne by the Customer or the District. Meters may be tested by a third-party contractor. If the meter is found to be within three percent (3%) accuracy, all direct and any indirect testing costs shall be charged back to the Customer.
- 2.6 Meter Pit - Covers. Whenever used in the above Section 2.5, the word meter shall be deemed to include the meter pit in which the meter is located and the cover on the pit.
- 2.7 Curb Stop and Box. Every property within the District which is serviced by the District shall be equipped with a curb stop. Whenever a new connection is made to permit a property to receive water service, a curb stop shall be installed by the Constructor/Customer. It shall be the responsibility of any Customer to immediately report to the District any water standing or visible in the curb box. The District shall have no responsibility for any damage caused as a consequence of the absence of a curb stop.

2.8 Customer Responsibility.

- 2.8.1 Maintenance. Each Customer shall be responsible for maintaining the entire length of the Customer's water, sewer, and fire service lines. Leaks and/or breaks in the service lines shall be repaired by the Customer in a timely manner. In the event the District determines that the leak or break constitutes a threat or danger to the public health, safety, or welfare (including the possibility that waste of water will have a deleterious, or potentially deleterious, effect upon the District's ability to provide water service to other District Customers), and if satisfactory progress toward repairing either the leak or break has not been accomplished within forty-eight (48) hours after the District provides actual notice to the owner of the property of either the leak or break, the District shall have the authority to shut off the applicable service until either the leak or break has been repaired. The District shall additionally possess, and may exercise, the authority to enter upon the property to repair the leak or break at the Customer's expense.
- 2.8.2 Pressure Reducing Valves. All Customers having appliances or requirements depending on pressure of water in pipes, or on a continual supply of water, shall provide, at their own expense, suitable safety or storage appliances to protect themselves and their property against a stoppage of water supply or loss of pressure. Customers are responsible to maintain suitable pressure reducing valves, and the District assumes no liability for injury or damage to property or persons due to high pressure.
- 2.8.3 Unauthorized Discharges. No person shall discharge, or cause to be discharged the following pollutants into the Parker Water and Sanitation District sewer system:
1. STORM WATER DRAINAGE from ground, surface, roof headers, catch basins, unroofed area drains (e.g., commercial car washing facilities) or any other source.
 2. OTHER WATER, including but not limited to, underground drains, sump pump discharges, natural springs and seeps, water accumulated in excavations or any other water associated with construction.
 3. INERT SUSPENDED SOLIDS or other inert particulate matter such as but not limited to, fullers earth, lime slurries and paint residues, resulting in wastewater with settable solids concentration greater than twenty-five (25) milliliters per liter.
 4. UNUSUAL CONCENTRATIONS OF DISSOLVED SOLIDS, that may, alone or in conjunction with discharges from other Customers, cause the sewer system effluent to exceed water quality criteria for the pollutant in question.
 5. OIL AND GREASE of the following concentrations, sources or nature:

- A. PETROLEUM OIL, non-biodegradable cutting oil, or products of mineral oil origin in amounts that will cause interference or pass through. Wastewater containing more than twenty-five (25) mg/L of petroleum oil is prohibited.
 - B. WASTEWATER containing more than two hundred (200) mg/L of animal fat/vegetable oil and grease, as measured as hydrocarbons by Soxhlet extraction, or other approved method set out in Standard Methods for the Examination of Water and Wastewater. Evidence of oil or grease in wastewater shall be based upon instantaneous or "grab" samples.
 - C. ANY WATER or waste which contains grease or oil or any other substances that will solidify or become discernibly viscous at temperatures between 30° and 150° Fahrenheit.
 - D. THE USE OF HOT water, enzymes, bacteria, chemicals, emulsifiers, or other agents or devices used to cause oil and grease to be discharged from a grease trap is prohibited. Any product which is designed to change the nature of the contents of a grease trap is prohibited unless specifically approved by the District following test procedures specified by the District.
6. EXPLOSIVE MIXTURES consisting of liquids, solids, or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire or explosion or be injurious in any other way to the wastewater treatment system or to the operation of the system. At no time shall two (2) successive readings on an explosive hazard meter at the point of discharge into the wastewater system be more than five percent (5%) nor may any single reading be over ten percent (10%) of the lower explosive limit (L.E.L.) of the meter. Prohibited materials include, but are not limited to: gasoline, kerosene, naphtha, benzene, toluene, xylene, ethers, aldehydes, ketone, peroxides, chlorates, perchlorates, bromates, carbides, hydrides, and sulfides. Waste streams at the point of discharge are prohibited if they have a closed cup flashpoint of less than 60° centigrade (140° Fahrenheit) using test methods specified in 40 CFR Part 261.21.
7. NOXIOUS MATERIAL consisting of noxious or malodorous solids, liquids or gases, which, either singly or by interaction with other wastes, are capable of creating a public nuisance or hazard to life, or are or may be sufficient to prevent entry into any portion of the wastewater system for its maintenance and repair.
8. IMPROPERLY SHREDDED GARBAGE that has not been ground or comminuted to such a degree that all particles will be carried freely in suspension under flow conditions normally prevailing in the wastewater system to which the Customer is connected. At all times, no particle shall be greater than one-half inch (1/2") in any direction.

9. RADIOACTIVE WASTES OR ISOTOPES of such a half-life or concentration that they do not meet regulations set forth by the Colorado Department of Health, State of Colorado, in the latest edition of Rules and Regulations Pertaining to Radiological Control.
10. SOLID, VISCOUS, OR LIQUID WASTES which allow or may cause obstruction to the flow in a collection line or otherwise interfere with the proper operation of the wastewater treatment system. Prohibited materials include, but are not limited to: grease, uncomminuted garbage, animal guts or tissues, paunch manure, bones, hair, hides or fleshings, entrails, whole blood, feathers, ashes, cinders, sand, spent lime, stone or marble dust, metal, glass, straw, shavings, grass clippings, rags, spent grains, spent hops, waste paper, wood, plastic, tar, asphalt residues, residues from refining or processing fuel or lubrication oil and similar substances.
11. TOXIC SUBSTANCES in amounts exceeding standards promulgated by the Administrator of the United States Environmental Protection Agency pursuant to Section 307(a) of the Act, and chemical elements or compounds, taste- or odor-producing substances, or any other substances which are not susceptible to treatment or which may interfere with the biological processes or efficiency of the treatment system to receiving water.
12. SUBSTANCES WHICH ARE NOT AMENABLE TO TREATMENT of prescribed reduction by the treatment process employed by the District, or are amenable to such a limited degree of reduction that a discharge of such wastewater would result in an interference with the wastewater treatment works or pass through the treatment facilities such that the effluent discharge from the treatment works does not meet requirements of State, Federal and other agencies having jurisdiction over discharge or application to receiving waters and/or lands.
13. WASTE WITH COLOR not removable by the treatment process.
14. CORROSIVE WASTES which will cause corrosion, deterioration or interference with the District's sewer system.
15. ALL WASTEWATER DISCHARGED into the District's sewer system must have an instantaneous pH value in the range of (6.5) and (9.0) standard units.
16. SPENT PROCESS chemicals, solutions or materials, hazardous waste as defined by the Federal Resource Conservation and Recovery Act; and other materials normally used in industrial/commercial operations unless specifically authorized in writing by the Manager and after suitable treatment as approved by the Manager has been effected.

17. HOSPITAL WASTES: hospitals, clinics, offices of medical doctors, and convalescent homes shall not dispose of laboratory pathological wastes, surgical operating room wastes or delivery room wastes by discharge to the sewer system.
18. ANY POLLUTANT, including oxygen demanding pollutants (e.g., COD, BOD) released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the sewer system.
19. HEAT in amounts which will inhibit biological activity in the sewer system resulting in interference but in no case heat in such quantities that the temperature at the sewer system treatment plant exceeds 40° centigrade (105° Fahrenheit).
20. ANY trucked or hauled pollutants, except at discharge points designated by the District.
21. POLLUTANTS which result in the presence of toxic gases, vapors, or fumes within the sewer system in a quantity that may cause acute worker health and safety problems.
22. NO PERSONS shall increase the use of potable or process water or, in any way, attempt to dilute a discharge as a partial or complete substitute for adequate treatment to achieve compliance with the limitations contained in this permit.
23. NO PERSONS shall discharge the listed heavy metals, conventional pollutants, and organic compounds in concentrations exceeding the limits listed in, and unless specifically authorized as per outlined in the Industrial Wastewater Control Regulations.

SECTION 3 - WATER AND SEWER SERVICE

- 3.1 General. The District was organized for the purpose of providing both water and sanitation services to Customers within the boundaries of the District. All property within the District is entitled to such service from the facilities of the District as now or hereafter constituted, subject to the District's rules, regulations and policies established by the Board, and further subject to the availability of water, water system capacities and the capacity of sewer collection and treatment facilities.
- 3.2 Powers. In providing water and sewer service to Customers within the District, the District shall have all of the powers allowed under law, including those enumerated in C.R.S. §§ 32-1-1001 (1) and 32-1-1006 (1) as now constituted or hereafter amended.
- 3.3 Policy. It is the function of the District to collect and distribute water to its Customers. Water is provided by the District from water rights owned, controlled or leased by the District. The District will use its best efforts to economically provide water in sufficient quantity and of acceptable quality for its Customers as the need arises. The District cannot and does not guarantee a quantity of water to be available to meet the demand that may arise. Accordingly, it can be anticipated that certain limitations and conditions may be imposed by the District with respect to the use of facilities and the ability to make new connections when requested.
- 3.3.1 Availability of Service. It is the function of the District to provide water and wastewater services to those Customers who are connected to the facilities of the District under a duly authorized tap permit issued by the District. Service to existing Customers shall take precedence over service to potential future Customers until an adequate supply of water, or adequate sewage treatment facilities, has been acquired, developed, and made available in and through the facilities of the District.
- 3.3.2 Limitations on New Connections or Taps. The District shall maintain at all times a record of connections or taps made to the facilities of the District and the demand for water as a result of the connections made. The District reserves the right to refuse to issue a tap permit which may exceed the physical or legal capability of the District to provide water or sewer service.
- 3.3.3 Allocation of New Connections or Taps. Subject to these Rules and Regulations, new connections will be issued in the order of receipt of each application. All new connections shall be subject to strict compliance with these Rules and Regulations, including the time limitations for connection set forth in Section 3.12.
- 3.3.4 Return Flows and Augmentation Plans. The District shall have dominion and control of all water supplied through its system, subject to reasonable use thereof by its Customers in compliance with applicable water service permits, agreements, licenses, and the District's Rules and Regulations. Such dominion and control shall continue without interruption as to all wastewater, return flows, runoff, sewage or tailwater attributable to or originating in water supplied through District facilities. The District shall have the exclusive right to recapture such return flows or claim credit therefrom for exchange, replacement, augmentation, substitute supply or any other lawful

purpose, and the District's dominion and control over water shall continue to attach to all such return flows even after they return to the ground. All return flows from water supplied through District facilities remain the property of the District. The District retains the sole authority to determine the yield of all water, water rights, and augmentation plans which are offered to the District for any purpose.

- 3.3.5 Growth Pays for Growth. Except for wells, Customers shall be responsible for the design and construction and associated costs of all infrastructure required to serve their property, including without limitation, all water and sewer lines, pump stations, related facilities and required easements. If any infrastructure serving their property will serve other property, Customers may seek recovery of certain additional costs under Section 7 of these Rules and Regulations. The design and construction of all infrastructure shall be subject to approval of the District. The District shall have full and absolute authority, in the District's sole discretion, to mandate the design (including the location and route of infrastructure and whether infrastructure must be oversized and shared with third parties) of all infrastructure serving their property, provided any such requirements are consistent with the District's standards and specifications. All infrastructure to be conveyed to the District shall be located on property free and clear of all liens and encumbrances, and shall meet the standards approved by the District Manager.
- 3.4 Disturbance of District Facilities. Except for regular employees, agents or representatives of the District, no other person shall uncover, make any connection with, any opening into, use of, alteration to, or disturb any water distribution or sewer main or appurtenances owned or operated by the District, without first obtaining specific authorization from the District. It shall be unlawful for any person other than personnel authorized by the District to operate a hydrant or main water line valve. Any state, county, or local law enforcement officer or personnel of the District is hereby authorized by the District to operate a hydrant or main water line valve. Any state, county, or local law enforcement officer or personnel of the District is hereby authorized to file a sworn complaint with the Town of Parker Police Department or Douglas County Sheriff, requesting that a summons issue, and a warrant be requested for the arrest of persons unlawfully operating such valves. The penalty for said violation shall be as determined by law.
- 3.5 Service Taps. It is a condition precedent to granting a service tap that the applicant demonstrates to the satisfaction of the Board that sufficient Water Resource Credits exist (either via water dedication or payment of a fee-in-lieu as permitted by the District). No Water service shall be available to or provided to any structure unless and until the required Water Resource Toll and all other applicable fees have been satisfied. If any property is developed or redeveloped in such a manner or to such an extent that the water demand originally estimated at the time the Water Resource Toll was satisfied, is exceeded, an additional Water Resource Toll shall be required prior to the provision of any service in excess of the existing Water Resource Credit. Failure of the District to require an additional Water Resource Toll prior to the provision of any additional service shall not constitute a waiver of the District's right to subsequently require an additional Water Resource Toll by the property owner or developer or their successors, heirs, or assigns, to satisfy the deficiency.

3.5.1 Tap Permit. Each application for a tap permit must be accompanied by a sufficient Water Resource Credit and payment of all associated fees. Tap permits shall be obtained and paid for in full in accordance with these Rules and Regulations prior to issuance of a building permit for the related premises from the governmental authority having jurisdiction over the issuance thereof.

3.5.2 Contents of Application for Service. The District will provide the applicant with a form application for service which will require the applicant to provide sufficient data to enable the District to evaluate the potential water supply and sewage treatment demand in light of the requirements of the proposed development, unless such information has previously been provided to the District. At minimum, the required information will include:

1. Property Location Data. A legal description of land, including surface area and location, must be provided in the application.
2. Water Supply Data. In order to assure the sufficiency of the water rights to be dedicated to the District in exchange for service, the applicant must provide evidence of dedication of water in an amount of at least 0.7 acre feet per year per SFE or payment of the applicable fee in-lieu, and must include quantitative data on water rights sufficient to allow the District to evaluate adjudicated flow rate, physical maximum flow rate, and legal annual or long-term production.
3. Development Plan. The Applicant must include a development plan that sets forth how the entire property is to be developed, including estimates of water and sewer demands. Irrigation demands must be included in the estimates. The development plan shall specify the use of all land in the property.

3.5.3 Rejection of Water Right/Payment in Lieu Thereof. The Board shall have the exclusive right to determine whether the District can accept the water rights an applicant proposes to dedicate to the District. The District shall consider all information relevant to the water rights proposed to be dedicated to the District, including the lawful historical use, priority, source, type and/or legal status of any water right. The District may also consider whether acceptance will best serve the health, safety, welfare, and/or financial status of the District and its inhabitants. If the District rejects a water right, it may, in its sole discretion, accept a fee in lieu of a water dedication.

3.5.4 Denial of Application for Service. The District may deny an application for service in whole or in part, for any or all of the following reasons:

1. There has been misrepresentation in the application to the property and fixtures contained in the property, or the use to be made of the service;
2. The service applied for would create an excessive seasonal, or other demand on the facilities or water rights of the District;

3. The Applicant has failed to dedicate sufficient water or water rights or pay the applicable fee-in-lieu thereof to the District to support the requested service;
4. The connection of the system to Applicant's existing plumbing would constitute a cross-connection to an unsafe water supply;
5. The Applicant does not own property in the District;
6. When service would be infeasible;
7. The Applicant is either unable or unwilling to pay the fees then required by the District; or
8. Any other reason which the Board determines would adversely effect the health, safety, welfare or economic status of the District and/or its inhabitants.

3.5.5 Exception to Water Dedication Requirement. The requirement that 0.7 acre feet per acre per year be conveyed to the District shall only be varied in the event that a written inclusion agreement entered into and approved by the Board prior to 1989, or an agreement to provide service outside the District which is specifically approved by the Board, specifically provides for a different number.

3.5.6 Imposition of Surcharge on Payment of Fee in Lieu of Dedicating Water Rights. There is hereby instituted and assessed against the payment of fees in lieu of the dedication water rights, a surcharge in an amount determined from time-to-time by the Board and set forth in the District's fee schedule, which shall be no less than One Thousand Three Hundred Dollars (\$1,300) per SFE in excess of ten (10). No surcharge shall be applicable to the payment of a fee-in-lieu for the first ten (10) SFEs. Payment of the applicable fees-in-lieu and related surcharge shall be made at the time of, and as a condition of, inclusion into the District.

3.6 Inclusions of Property into the District. Real property included within the District under the provisions of C.R.S. § 32-1-401, *et seq.*, as amended, shall be subject to these Rules and Regulations and all policies of the District in existence at the time of inclusion, and as thereafter adopted or amended. Water and sewer service to included property shall be provided on the same basis as is provided to other properties within the boundaries and service areas of the District, except that conditions and requirements upon service may be imposed by the District under an Agreement for Inclusion, (See Exhibit B). Applicants for inclusion shall pay those costs which are set forth in Exhibit A in connection with the inclusion of Applicants' real property. Applicants for inclusion shall provide all the information required in Section 3.5 hereof and in the form of Inclusion Agreement (Exhibit B of these rules). Unless the Board finds circumstances requiring changes in the best interests of the District, the form used for all inclusion agreements shall be substantially as set forth in Exhibit B.

3.7 Evidence of Inclusion and Water Dedication. Applicants for water service must, upon request by the District, provide the District with adequate evidence that the property for which service is sought is included within the District (which will consist of tax receipts, or certificate in lieu

thereof, received from and signed by the County Treasurer), and that all water rights required have been conveyed to the District free and clear of any encumbrances, reservations or restrictions. Inclusion and conveyance of water is the responsibility of the Applicant.

- 3.8 Dedication of Water Rights, and Easements. All approvals of water service, or of inclusion in the District, are on the condition that there be an irrevocable dedication to the District of 0.7 acre feet per SFE per year and all of the groundwater appurtenant to, historically used on, and/or underlying the subject property to completely support the actual development of the property to be served. The water rights irrevocably dedicated to the District must be sufficient to supply the total projected demand of the development, both as to depletions or consumptive use and as to total demand for water delivery; provided that if the final water demands of the development on the subject property exceed the initial projections upon which a dedication or payment of fee-in-lieu was based, no service shall be provided to such excess demand until additional dedications are made or fees-in-lieu paid. All ground water associated with or underlying the parcel being included, or for which service is requested, and not previously conveyed to another water service entity shall be dedicated and conveyed to the District. Also, all rights to store water in the aquifer underlying the parcel being included or for which service is requested shall be dedicated and conveyed to the District. Dedication of water rights shall be by special warranty deeds and such consent forms as may be required by the State Engineer. Dedication of easements shall be on such form as the Manager shall approve. All dedications shall be free and clear of any encumbrances, reservations or restrictions. No claim or reservation shall be made by any owner of property to be included or by any applicant for water service for any reason for any portion of such water rights or return flow rights for/from any water rights or augmentation plans conveyed to the District. All rights to return flow from all water furnished by the District for use by its Customers shall belong to the District, and shall be deemed to be continuously owned by and subject to dominion and control by the District.
- 3.9 Limitations on Tap Issuance. The rights of persons to receive taps under inclusion agreements and water service agreements are limited to the amount of water dedicated to the District as stated in final Water Court Decrees and as further limited by specific aquifer conditions and other factors recited in such agreements, and shall in no event allow a reduction in the requirement to dedicate 0.7 AF per year per SFE. No taps which rely on water rights which require augmentation will be issued until the augmentation is approved by the Water Court in a form useable by the District.
- 3.10 Limitations on Use and Increase in Water Demand. All water furnished by the District is on a licensing basis, only for the uses on the property designated in the tap permit and in the development plan. If any use of the property is changed from that contemplated at the time of issuance of the tap permit, a new tap permit shall be applied for, and water will not be furnished for such new uses until such application is approved. The right to use water furnished by the District shall not include the right to use water outside the designated lands, nor to re-use or otherwise dispose of the water. The water must be applied to a beneficial use by the Customer within the District boundaries on the designated land. Notwithstanding use by the Customer, the water is at all times the property of and subject to the dominion and control of the District and all return flows remain the property of the District.

3.10.1 No person may assign or transfer rights to water service without formal approval of the District.

3.10.1 If a shortage or prospective shortage necessitates such action, the District may restrict or curtail the supply of water. All Customers similarly situated will be treated uniformly, but the District may treat different categories of Customers differently.

3.10.3 Increase of Water Demand. The District shall require additional water to be dedicated or additional fees-in-lieu of a dedication if the property is developed or redeveloped to such an extent that the original water demand which was estimated at the time of Inclusion is exceeded.

3.11 Expiration of Tap Permit. If a tap for water and/or sewer service has been issued and such tap does not become physically connected to a District transmission line and operable within twelve (12) months from the date of the issuance of the tap permit, then the tap permit shall automatically expire beginning in the thirteenth month unless:

1. The holder of the tap pays to the District one-half (1/2) of the standard base monthly Customer fee for each tap permit for which no operable service line is in existence; or
2. The District Manager, in the District Manager's sole discretion, approves an agreement with the holder of the tap permit providing for the deferral of payment of such fee to a date certain, or until the occurrence of a specific, identified event.

For purposes of this Section, an "operable service line" shall mean a service line as defined in these Rules and Regulations, which is connected to a property for which a certificate of occupancy has been issued by the appropriate governmental agency. Any person who fails to obtain a certificate of occupancy for the purpose of avoiding the burden of this section as to the payment of the base monthly Customer fee shall be deemed to have abandoned the tap permit.

No tap permit which has expired or which has been abandoned under the provisions of this Section shall be reissued except upon the payment of a new system development fee identified in Exhibit A to these Rules and Regulations.

3.12 Dedication of Facilities. The District may acquire existing wells and equipment or other facilities if the Board finds that all of the following conditions exist in regard to such facilities:

1. The facilities have been engineered, designed and constructed according to specifications approved by the District's engineers, and have been inspected and approved by the District's engineers.
2. The facilities are at locations suitable to the District's water and sewer system and, in the case of wells, comply with good well spacing practices in the aquifer.
3. The District's growth or needs reasonably require such facilities.

4. The acquisition is in the best interests of the District.

These provisions do not waive or limit the District's power to acquire facilities by eminent domain.

3.13 Dedication of Well Sites.

1. Property owners shall convey to the District one well site, of five acres minimum, for each 300 single family residences or equivalent thereto, provided that if the development will serve less than the equivalent of 300 single family residences, the District may, in its sole discretion, permit well sites of lesser acreage. The well sites to be conveyed shall be identified as a part of the final platting process of all, or any phase of the development of the property, and shall be subject to acceptance by the District or its engineers prior to, and as a condition of, final plat approval. Sites acceptable to the District must be easily accessible to and usable by drilling and repair equipment. Well sites must be generally flat and rectangular to accommodate drill rigs, pump rigs, and related operation and maintenance equipment. The District shall cooperate with property owners in the selection and approval of well sites so as not to unreasonably interfere with platting and development plans and concepts, provided that the District shall have the final right, in its sole discretion, to determine whether a proposed well sites are acceptable. The District Manager may reduce the number or size of well sites required to be dedicated if the District Manager determines that the District's ability to serve the subject property while maintaining adequate water service to other areas of the District can be met by smaller or fewer well sites.
2. The District may, in its sole discretion, accept a fee in lieu of dedication of well sites, which shall be calculated by determining the fair market value of the property that would otherwise need to be dedicated to the District, prorated as appropriate based on the number of SFEs to be served. The fee in lieu shall be paid prior to, and as a condition of, final plat approval for the phase of development of the property subject to the well site conveyance obligation set forth herein.

- 3.14 Water Court Proceedings. Either the District or the Applicant may complete any necessary adjudication or change of water right necessary or appropriate to prepare the water right for dedication to the District, but the Applicant shall be responsible for all costs, unless other arrangements satisfactory to the District have been made. In each case where the Applicant wishes to proceed in Water Court, the application filed with the Water Court shall be consistent with the District's well field and augmentation plans and the case shall be conducted according to the requests of the District. In the event such a proceeding is conducted by the Applicant, it shall not request inclusion into the District's well fields. Upon completion of such water court proceeding, if any, the District will determine the Water Resource Credit available for that inclusion parcel. Inclusion into the District's well field may be done by the District in the discretion of the District. The Applicant shall withdraw any objections to pending adjudication proceedings involving the District's efforts to obtain the adjudication and decreeing of water rights for service to Customers of the District. This condition shall also be applicable to any

proceedings commenced by or on behalf of the District to adjudicate and obtain a decree with respect to water rights conveyed by an Applicant.

- 3.15 Well Field and Augmentation Plan. It is unreasonably difficult and expensive to utilize water rights which may be dedicated to the District unless those water rights can be utilized in the District's well fields and augmentation plan. For this reason, no subdivision plats, zoning approvals, building permits or other governmental approvals, nor water tap permits, will be issued or granted by the District to any person who has failed to dedicate and convey to the District all water underlying lands previously platted or for which building or occupancy permits have been issued, at the rate of 0.7 acre feet per year SFE, provided, however, that tap permits shall be issued upon compliance with these Rules and Regulations.
- 3.16 Piece-Meal Dedication of Water Rights. Piece-meal dedication of water rights is inconsistent with the District's obligation to provide cost-effective service to its inhabitants. No subdivision plats, zoning approvals, building permits or other governmental action shall be recommended for approval by the District, nor water tap permits issued, nor water meters set, by the District to any person until that person has dedicated and conveyed (in a form acceptable to the District) to the District all of the water appurtenant to, or necessary for service to the full contemplated development of, the project for which approval is sought.
- 3.17 Intergovernmental Agreements. From time to time the District, in its sole discretion, may enter into agreements with other special districts for the provision of water and sanitation services to the property within such special district's service area. The terms, conditions, restrictions and/or limitations in any such intergovernmental agreement may include, but are not limited to:
1. Requiring the owners of property to be served to include within the boundaries of the District;
 2. Requiring the special district to provide facilities, including off-site facilities necessary to serve the included property;
 3. Requiring the special district to acquire and convey to include within the boundaries of the District water rights sufficient to satisfy the SFE standards of the District and to acquire and convey to the District all water and sanitation facilities and necessary easements and rights-of-way to satisfy the requirements of Section 3.8. All water rights shall be conveyed to the District by Special Warranty Deed free and clear of all liens and encumbrances;
 4. Requiring the special district to make payment of the inclusion fees for any property which is the subject of the intergovernmental agreement; and
 5. Such other terms and conditions as may be specifically applicable to the property to be served.

The provisions of these Rules and Regulations regarding the payment of inclusion fees and dedication of water and easements shall not be generally applicable to applicants for inclusion of property subject to an intergovernmental agreement entered into pursuant to this Section.

SECTION 4 - SERVICES AND CHARGES

- 4.1 Service Inside District. Subject to conformance by the Customer with the applicable provisions of these Rules and Regulations, water and sewer service will be furnished to persons whose property is within the District.
- 4.2 Service Outside District. The Board may, if it deems it in the best interest of the District, furnish other water or sewer service to properties located outside the boundaries of the District. Any service provided to property outside the District shall be subject to the Rules and Regulations of the District, and also to any other agreements the Board believes necessary for the best interests of the District.
- 4.3 Application for Service Outside District. In case a person shall seek water and/or sewer service for property outside the District's boundaries, a verified written application for service shall be filed with the District which shall state the following with respect to the property for which service is sought:
1. Legal description of the property;
 2. Names of all fee owners of the property;
 3. Reason(s) why the property cannot be included in the District's boundaries;
 4. Zoning classification of the property with ample description of development plans, if any, pertaining to said property in the two (2) years next following the date of the original application;
 5. Type of uses of the property on the date of original application; and
 6. Additional information as requested by the District.
- 4.4 Denial of Application. The District reserves the right to deny an application for service in whole or in part for any of the reasons specified in Section 3.5.4.
- 4.5 Change in Customer's Equipment or Service. Prior to making any change in the types of use on a property receiving water and sewer service, a Customer shall file written notification with the District describing the new types of use. Within ten (10) working days after receipt thereof, the District shall notify the Customer of adjusted and additional charges, system development fees and water service availability fee, if any, required to be paid to the District based on the new types of use. The District shall also describe any physical changes, if any required (in the facilities through which one or more of the services connect to the property) as a result of the new types of uses. Before the new uses shall be permitted to enjoy the benefit of the District's services, the Customer shall do all things required by the District inclusive of the payment of any sums of money for adjusted charges, system development fees and other related costs. Failure to so comply shall be conclusive evidence of the District's right to discontinue service to the property in the event the new uses are commenced.

- 4.6 Metering of Services. All water service shall be metered by the District. Removal, tampering, or bypassing a meter shall be grounds for immediate termination of water service. No service will be provided to any Customer except through a meter. Industrial or commercial sewer service entailing other than normal sewage shall be metered. Meters shall be purchased from the District and installed by the Customer.

The District shall have the right at any time during the course of a regular business day to enter upon the Customer's property for the purpose of reading an appropriate meter. Except when beyond the control of the Customer, if the District shall be prevented from reading a meter after making attempts to do so on three (3) consecutive, regular business days, the District shall deliver to the Customer a written demand that the District be permitted to complete the meter reading on the next regular business day. If the demand is unheeded or ignored by the Customer, the District shall forthwith disconnect service of all kinds then being furnished to the property.

The installation of all meters shall occur in or at a location on the property receiving the applicable service, which location has been previously approved in writing by the District. Once so installed at a location approved in writing by the District, the meter shall be deemed installed "in place".

4.7 Rates, Charges, Fees.

4.7.1 Regular Rates, Charges, Fees. The District may charge rates, charges and fees as determined by the Board pursuant to the provisions of C.R.S. § 32-1-1001 (j), or otherwise allowed by law, as set forth in Exhibit A. Any one or more of such rates, charges, fees and tolls may be amended or changed from time to time hereafter in accordance with law.

4.7.2 Extra Service Charge. The District charges the following extra service charges as set forth below:

1. Extra Cost Charge. An extra cost charge shall be charged to the responsible Customer for additional monitoring time and materials costs incurred by the District necessitated by a violation of applicable environmental standards or requirements of these Rules and Regulations. Such charges may include without limitation inspection time, sampling time, administrative review time, overhead charges, equipment or machine time, labor, sampling costs, lab fees, and any other charges deemed necessary by the Manager to ensure a Customer's compliance with these Rules and Regulations.
2. Enforcement Charge. An enforcement charge, as specifically set forth in these Rules and Regulations, including but not limited to administrative fines and extra costs charges.
3. Nonresidential Loading Surcharges. See the Industrial Wastewater Control Regulations

- 4.8 Billing. Statements for all sums owed to the District shall be distributed to all Customers, either via US Mail or electronically per the Customer's selection, no later than the fifteenth day of each month or the next regular business day following. Payment of the total current charges indicated on the statement shall be due upon receipt, and no later than the last day of the month in which the charges were billed. Any account with a balance due on the first day of the following month shall be considered delinquent and water service will be subject to suspension at the property being served without further notice if the total bill is not paid in full by 7:30 a.m. on the 17th of the month.
- 4.9 Liens for Unpaid Charges. In accordance with law and until paid in full, all rates, tolls, fees and charges shall constitute a first and perpetual lien on and against the property served, and any such lien may be foreclosed also in the manner provided by law.
- 4.10 Grantee's Responsibility. The District assumes no responsibility for agreements between grantors and grantees. It shall be the responsibility of the grantee to ascertain that all charges that could be owing to the District have been paid by the grantor. Regardless either of ownership, failure of the District to collect system development fees at the time of the issuance of permits, or any other act or omission of the District, all unpaid fees shall constitute a first and perpetual lien which may be foreclosed or collected as provided by law.
- 4.11 Old meters and Apparatus. The District shall have the right at any time to replace or relocate any meter. If a Customer refuses or prevents replacement from occurring, the District shall have the right to employ the same method for notice and disconnection as provided under Section 4.6 hereof in cases where a meter reading is intentionally barred by a Customer.
- 4.12 Unauthorized Connections. No water or sewer service will be provided to unauthorized connections until they have been brought into compliance with these Rules and Regulations. An appeal to the Manager's decision may be made to the Board.
- 4.13 Special Penalty for Unauthorized Use or Connection. In addition to any other penalty provided by law in case of theft of property, the unauthorized use of the District's water or connection to District water facilities shall result in the levy of a charge upon the person responsible for such unauthorized use or connection. The charge for unauthorized use of District water shall be an initial fine of five hundred dollars (\$500.00) plus \$10.00 for each gallon of water said person shall have found to have used without the District's prior authorization. Authorizations to use District water shall not be granted until such amounts are paid to the District or a deposit in a form and amount satisfactory to the Manager is deposited with the District. Further, the penalty for an unauthorized connection to the District's water system shall be an amount equal to double the then-current system development fee plus a fee of \$10.00 per thousand (1,000) gallons of water delivered through the unauthorized connection, plus immediate disconnection until all penalties provided in this Section are paid in full, or a deposit in a form and amount satisfactory to the Manager is deposited with the District and there is full compliance with these rules. Any person assessed a penalty pursuant to this Section may appeal the same to the Board as set forth in Section 10.
- 4.14 Prohibited and Special Sewage. In addition to any other penalty provided by law in case of the unauthorized use of the District's sewer system, the unauthorized use of the sewer system shall result in the levy of a charge upon the person responsible for such unauthorized use. The term "unauthorized use of the District's sewer system" shall include without limitation the

introduction into the sewer system of matter/refuse which is prohibited sewage; or special sewage and normal sewage without prior approval from the District to introduce one or more of same into the District's sewer system. The charge for unauthorized use as aforesaid shall be based on the cost to the District, if any, to repair, rebuild, clean or rehabilitate any property of the District or of third persons damaged directly or indirectly by such unauthorized use. In addition, a penalty shall be assessed at the rate of \$10.00 for each gallon of any type of sewage introduced without authority into such mains which the District ultimately treats or expunges from the sewer facilities. Any person assessed a penalty pursuant to this Section may appeal the same to the Board as set forth in Section 10.

4.15 Waste of Water Prohibited. Water is a valuable and precious commodity in the State of Colorado and within the boundaries of the District. Waste of water is hereby prohibited. Runoff of water from landscaped and irrigated properties, and overspray from irrigation systems, to impervious surfaces is prohibited. Customers are required to maintain any sprinkler system, irrigation system, or hoses in such a manner as to avoid runoff, overspray, leaks and/or waste. Any employee of the District who observes waste, as herein defined, occurring shall notify the owner or resident of the property upon which the waste, whether from runoff, overspray or leaking, is occurring of the existence of such waste. In the event the owner or resident (including tenants of either residential or commercial or industrial properties) fails to cease the activity resulting in waste, or in the event any employee of the District shall observe such waste at the same location for a second or subsequent time, the District may terminate water service for such address or structure until such waste ceases.

4.16 Evapo-Transpiration Based Controllers and Rain Sensors on Automatic Irrigation systems

4.16.1 Any new commercial, industrial or HOA common area irrigation system that will receive water from Parker Water & Sanitation District, installed on or after August 1, 2007, must be equipped with Real Time Evapo-Transpiration based irrigation controllers approved as to number and type by the District.

4.16.2 All ET based controllers shall be adjusted and set for proper operation per manufacturer's recommendations. All ET based controllers shall be installed according to manufacturer's instructions in a location that will assure accuracy of operation and shall be maintained in good working condition. No person shall, with the intent of circumventing the purpose of this requirement, adjust either the controller or irrigation system so that the controller is not able to function as intended.

4.16.3 Any new single family home that will receive water from Parker Water & Sanitation District, installed on or after August 1, 2007, must be equipped with rain sensing devices approved as to number and type by the District. Rain sensors can be either direct wired to the irrigation controller or wireless with the corresponding receiver wired into the controller.

4.16.4 All rain sensors shall be adjusted and set so that they automatically shut off the irrigation system after not more than ¼" (one-fourth of an inch) of rainfall has occurred. All rain sensors shall be installed according to manufacturer's instructions in a location that will provide full exposure to rainfall such that accuracy of operation

is assured and shall be maintained in good working condition. No person shall, with the intent of circumventing the purpose of this requirement, adjust either the rain sensor or irrigation system so that the rain sensor is not able to override and turn off the irrigation system after one-fourth inch of rain has fallen.

4.16.5 It is a violation of these Rules and Regulations for a person, on premises owned, leased or managed by him or her:

1. To install, or cause or permit the installation of, an irrigation system in violation of the above; or
2. To operate, or cause or permit the operation of, an irrigation system that does not comply with the above.

4.16.6 On plan submittals to the District, show the manufacturer and model of ET Controller that is to be used, as well as its location on the site. For submittals that include single family homes, show the manufacturer and model of rain sensor that is to be used, and note where on the house or property the rain sensor will be installed.

4.16.7 Compliance with the above guidelines will be checked by PWSD staff at time of meter set.

SECTION 5 - CONSTRUCTION OF SERVICE LINES

- 5.1 Number of Service Lines Required. A separate and independent water and sewer service line shall be installed for every building that is to receive service from the District. Each commercial or multi-family structure hereafter constructed shall have an individual service line and tap for each commercial or residential unit in the structure, or if not divided into units, then it shall have a water and sewer line and tap for each building lot or site.
- 5.2 Existing Lines. Existing service lines may be used in connection with new buildings only when found, on examination by the District, to comply with all the requirements of the District's Rules and Regulations.
- 5.3 Type-Water Service Line. The water service line shall be compliant with requirements specified in the most current version of the PWSD Standards and Specifications Manual.
- 5.4 Type-Sewer Service Line. The sewer service line shall be compliant with requirements specified in the most current version of the PWSD Standards and Specifications Manual.
- 5.5 Connection to Sanitary Sewer. Sanitary sewer connection shall be compliant with requirements specified in the most current version of the PWSD Standards and Specifications Manual.
- 5.6 Installation of Water Service Line Meter. The water service line shall be installed compliant with requirements specified in the most current version of the PWSD Standards and Specifications Manual.
- 5.7 Installation of Sewer Service Line. The sewer service line shall be installed compliant with requirements specified in the most current version of the PWSD Standards and Specifications Manual.
- 5.8 Back-fill and Compaction. Back-fill shall be compliant with requirements specified in the most current version of the PWSD Standards and Specifications Manual.
- 5.9 Taps. There shall be a water and/or sewer system development charge as set forth in Exhibit A for each tap made inclusive of the cost to the District for inspecting such tap. Any person seeking to make a tap shall notify the District at least 1 ½ regular working days prior to the time the tap is needed. The District shall, at the appointed time, arrange for District personnel to be available when the tap is made for purposes of inspection. In the event that the District's initial inspection reveals a failure to comply with the construction standards applicable in the District, and re-inspection is required, there shall be imposed a fee for one hour of inspection time per Exhibit A which shall be paid to the District prior to any subsequent inspection.
- 5.10 Contractors' and Plumbers' Requirements.
- 5.10.1 All Contractors, plumbers and others doing work on any water or sewer main, service lines, or structures in the District, shall comply with District, and applicable local, state

and federal regulations on excavation, backfill, compaction and restoration of surfacing.

- 5.10.2 All construction work and materials shall meet the standards and specifications of the District, Douglas County, the Town of Parker, Colorado, and other applicable local, state or federal jurisdictions.
- 5.10.3 All permits, fees and licenses shall be paid for by the contractor, plumber or others doing work in the District, prior to the start of construction.
- 5.10.4 All excavations for water and/or sewer service installations shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets, sidewalks, parkways, and other public or private property disturbed in the course of the work shall be restored in a manner satisfactory to the governmental agency having jurisdiction thereof.

SECTION 6 - WATER DISTRIBUTION AND SANITARY SEWER MAIN EXTENSIONS

- 6.1 Authority for Extensions. No person shall construct a water and/or sewer main within the jurisdiction of the District without first having made formal written application to the District and obtaining approval thereof. Any such application shall be accompanied by:
1. One complete sets of plans and specifications prepared by a Colorado registered professional engineer showing in detail the proposed design for the extension(s).
 2. A schedule showing in detail the time table for construction of the proposed extension(s).
- 6.2 Approval of Plans. Once the District is in receipt of the written application and other documentation described in 6.1, the District's Engineer shall have thirty (30) working days during which to either approve and/or reject the plans and specifications for such extensions(s). In case no action shall be taken by the District's Engineer in such period of time, the District shall be deemed to have rejected the plans. The District's Engineer shall notify the Manager and the Board of such failure to approve. Before approval is given by the District's Engineer, the plans and specifications shall take into account all of the District's requirements as then contained either in the District's Master plan for water and sewer facilities, or in the District's Water System, and in addition thereto shall take into account any other requirement made known by the District to the applicant before or during the course of the review of the plans and specifications.
- 6.3 Locations of Water Distribution and/or Sewer Main Extensions and Additions. Water distribution and sewer mains shall be installed in public rights-of-way or easements over which either the Town of Parker, the City of Lone Tree, the City of Castle Pines North, Douglas County, or the State Highway Department has jurisdiction. Any easement shall be in a form and of a duration acceptable to the District. The costs for preparing and acquiring any such easement shall be borne by the constructor or the Customer, unless otherwise agreed upon by the District.
- 6.4 Procedure for Water and Sewer Main Extension Construction. If the District has approved the plans for the proposed installations, the District and the Constructor/Customer shall enter into a line extension contract covering standard regulations on line extensions and rebates for transmission lines. Prior to commencement of construction of any such line or addition, the Constructor/Customer shall deposit with the District security in the form of cash or a Letter of Credit meeting the District's requirements for letters of credit as established by the Board, in the amount of 120% of the estimated cost of the proposed construction. The purpose of such security is to enable the District to undertake or complete such construction utilizing the District's own forces or contractors in the event Constructor/Customer fails to complete the construction. If cash is used as security, amounts shall be released by the District on the schedule agreed upon by the District and Constructor/Customer, pursuant to the District's Cash in Lieu of Letter of Credit Financial Guarantee Agreement, a copy of which is attached hereto as Exhibit G. If a Letter of Credit is provided as security, at the time of 100% completion of construction, and upon inspection and probationary acceptance of the construction by the District, presentation of evidence of full payment therefore by the Constructor/Customer

through canceled checks, lien waivers, or other evidence satisfactory to the Manager of the District, the District shall cause to be refunded to the Constructor/Customer 100% of the cost of actual construction, with the District retaining 20% until the expiration of the two-year warranty period applicable to such construction. At the completion of said two-year warranty period, the District shall return to the Contractor/Customer all amounts remaining in possession of the District which have not been required to be expended by the District in repair or maintenance of said construction. No permission to connect to the water or sewer systems of the District shall be granted unless and until the provisions of this Section have been complied with.

- 6.5 Other Facilities. Whenever used in these Rules and Regulations, the terms water distribution and sewer main shall be deemed to include any other facility related thereto including without limitation pumps, pumping stations, wells, lift stations, metering devices and any other special structure which once constructed and/or installed will become a part of the District's water and/or sewer system.
- 6.6 Acceptance by District. After a Constructor/Customer has completed installation of water distribution and/or sewer mains, such lines may be accepted by the District two (2) years after the date of completion of installation subject to the prior occurrence of the following:
1. Installation of the water/sewer mains has been approved in writing by the District's Engineer, and the District has received one full set of "reproducible as-builts"; drawings and associated electronic Auto CAD file and GIS shapefiles.
 2. The District has received a bill of sale conveying to it said water/sewer mains free and clear of all liens, restrictions, reservations, and encumbrances whatsoever; and,
 3. The District has received a written agreement granting it possession and control of such water/sewer mains during any period of time commencing with completion of construction and extending to the date of actual acceptance of such mains by the District. During any such period of time the Constructor/Customer shall deliver, pay the premiums on and keep with the District a maintenance bond acceptable in form and content to the Board to assure the maintenance/warranty as to repair or fitness of such mains. The costs for repairing/maintenance of said mains during the interim time before acceptance thereof by the District shall be the sole responsibility of the Constructor/Customer unless the reason for the repair can be established by such Constructor/Customer as emanating from an act or omission of the District.
- 6.7 Costs of Installation. Unless either otherwise agreed upon in writing by the District, or stated in these Rules and Regulations, all costs related to the installation of water distribution and sewer mains including without limitation engineering, legal and other related expenses shall be paid by the Constructor/Customer.

**SECTION 7 - REIMBURSEMENT FOR SANITARY SEWER OR WATER DISTRIBUTION MAIN
EXTENSION**

- 7.1 Policy of Reimbursement. The Board specifically reserves the right to require a Constructor/Customer to install transmission mains, including an oversized main, within an impact area as herein defined. The District may elect to reimburse, either directly or through agreements with subsequent Constructor/Customers, an initial Constructor/Customer for that portion of the cost of a transmission main in excess of the inside diameter of the main which exceeds the need of this Constructor/Customer, and/or for the construction of a transmission main in an area outside of property owned by the Constructor/Customer, but within an "Impact Area" as established by the District. Reimbursements by other owners within the Impact Area who are benefited by the oversizing, to the original Constructor/Customer, shall be prorated on the basis of percentage of benefit of the oversized facility as determined by the Board. An "impact area" shall mean an area of property which includes, or which is adjacent to, or which is near, Constructor/Customer's property and which is not presently served by a transmission main, but which shall require such service at the time of development, and which "Impact Area" may be economically served by a single transmission main. Any such reimbursements shall be made only when the Board determines the District would incur no financial impairment by the making of such reimbursements, or when the Board has entered into a contract with a Constructor/Customer to provide for said reimbursements.
- 7.2 Determination of "Impact Area". An "Impact Area" shall be established by resolution or motion of the Board, following a public hearing at which all affected property owners with an "impact area" under consideration shall have been notified and afforded an opportunity to appear and present evidence. In making its determination of the area to be included within an "impact area", the Board may consider:
1. The likely development of an area, including the present zoning or requested rezoning or pending plat approvals within the areas;
 2. The need, as perceived by the District, for future water and sewer services within the area;
 3. The financial impact upon an applicant being required to construct the transmission main in the entire impact area;
 4. The financial impact upon the District of providing immediate service to the impact area;
 5. The likelihood of prompt repayment to the initial Constructor/Customer; and
 6. Such other factors as may be deemed relevant by the Board after public hearing.
- 7.3 Authority to Enter Into Contract. Authority is expressly reserved to the Board, acting for and on behalf of the District, to enter into contracts with Constructor/Customers to accomplish the provisions of this Section 7. In addition, upon designation of an "impact area", authority

is expressly reserved to the Board to place of record with the Douglas County Clerk and Recorder against all property within such a designated "Impact Area" a certified copy of the resolution, or certified copy of the Board's Minutes containing the Motion, designating said "impact area". Thereafter, no person in the impact area shall be issued permission to purchase a tap, or physical connection, to the District's system unless and until the repayment pursuant to Section 7.5 hereof has been accomplished.

7.4 Method for Payment of Transmission Main. Transmission main reimbursements by the District, or subsequent Constructor/Customers, shall be reimbursable to the initial Constructor/Customer from impact fees collected from owners within the impact area. Authority is specifically reserved to the Board to enter into agreements in addition to those set forth herein, whereby alternate means of reimbursement may be accepted by the District and agreed to by the Constructor/Customer. Reimbursement shall be made within thirty (30) days prior to the end of the District's fiscal year in which such reimbursing payment is received by the District. No reimbursement shall be made until all of the acts required by Section 6 of these rules have been accomplished. In no event shall the Constructor/Customer be entitled to recover more than one hundred percent(100%) of the direct cost of the transmission main constructed on the Constructor/Customer's property attributable to that part in excess of the inside diameter of the main determined to be necessary to serve his property, and the entire direct cost of construction of the main or property not owned by Constructor/Customer. No interest shall be paid on any reimbursement to the Constructor/Customer. The "direct cost" shall only include amounts attributable to labor, materials, excavation, sales tax, if any, material delivery charges, inspection fees, engineering and legal expenses. Direct costs shall be justified to the Manager of the District, and shall be verified with paid invoices and such other proper documentation as is reasonably required by the Manager. Interest shall not be included as a part of direct costs. Regardless of anything in the foregoing to the contrary, reimbursement for a transmission main shall always be deemed an option solely determinable by the Board. If the Board elects in favor of reimbursement, the amount due as reimbursement to the Constructor/Customer shall always be subordinate in right of claim to the rights of the holders of any bonded indebtedness of the District regardless that such bonded indebtedness issued after the Board's agreement to grant reimbursement in a given case, but shall be prior and superior to any other lien or encumbrance. Unless there is no availability of present and/or projected funds with which to make a reimbursement, the District's policy shall be to encourage the prompt and economical construction of transmission mains within large areas to accommodate orderly development of the Districts water and sewer systems.

7.5 Limitations Applicable to Impact Area Contracts or Agreements. Any contracts or agreements entered into by the Board pursuant to the provisions of Section 7.4 shall be limited to a term of seven (7) years from the date of execution. At the end of said seven (7) year term, the Constructor/Customer, or his successor or assign, may petition the Board for an extension of up to seven (7) additional years, provided that the Board may grant the same in its discretion, upon good cause as determined by the Board being shown.

SECTION 8 - MISCELLANEOUS

- 8.1 Document Review/Signature. The Board reserves the right, in case of being presented with any document for its review and signature, to have no less than fourteen (14) calendar days following the date the document is presented during which to review such document. Any such document not executed by the Board by the close of business on the fourteenth day, and if such day is not a regular business day, then by the close of business on the next regular business day, shall be deemed rejected by the Board.
- 8.2 Charges for Copies. In case any person shall request a copy of a document which the Board is obligated by law to furnish to the party making such request, the copies thereof shall be charged to the requesting party at the rate of \$.25 per page, payable in advance before the copies are prepared.
- 8.3 Charges for Copies of Engineering Drawings. In case any person shall request a copy of any engineering drawing which the Board is obligated by law to furnish to the party making such request, the copies thereof shall be charged to the requesting party at the same rate as the District is required to pay for such copies plus \$15.00 for handling charge, payable in advance before the copies are ordered.
- 8.4 Irregular Inspections by District. In case any person shall request the District to inspect any item which entails an inspection not otherwise included in other provisions of these Rules and Regulations, the requesting party shall pay the rate per Exhibit A to the District for the inspection.
- 8.5 Mylars/Sepais. Any mylars/sepias which will ultimately be paid for by either the District or a Constructor/Customer who will ultimately deed the water distribution and/or sanitary mains shown thereon to the District shall be deemed to be owned solely by the District from the date of completion of such mylar/sepia.
- 8.6 Unless required otherwise by law, all elections of the District shall be conducted by mail ballot.

SECTION 9 - BOARD OF DIRECTORS BYLAWS

- 9.1 Controlling. These Bylaws shall govern the organization and operation of the Board of Directors of the Parker Water and Sanitation District.
- 9.2 Number of Directors. The Board be composed of five (5) Directors, each of whom shall have the powers and duties, and shall be subject to the responsibilities, as are provided in the Colorado Special District Act, C.R.S. § 32-1-101, *et seq.*, as now exists or as hereafter amended.
- 9.3 Organization of the Board. The Board shall elect, from among its members, a President, who shall be the President of the District and the Chairman of the District's Board, and who shall have and exercise the powers of the position of President; who shall preside at Board Meetings; who shall execute documents for and on behalf of the District, acting by and through its Board, all said documents to be executed in the capacity as President of the District; and who shall exercise any other powers specifically and lawfully granted to the President by the Board, when acting at a regular or special meeting. In addition, the Board shall elect from its members a Vice President, who shall act in the place and stead of the President in the absence of the President. The Board shall likewise elect from among its members a Secretary who shall have and exercise the powers of the Secretary of the Board as specified in the Special District Act, and who shall attest to all enactments of, and documents approved by, the Board. There shall likewise be a Treasurer elected from among the Board members, who shall keep strict and accurate accounts of all money received by and distributed for and on behalf of the District. The Treasurer shall faithfully fulfill the duties set forth in C.R.S. § 32-1-902(2). The remaining Director shall be designated Assistant Secretary and Assistant Treasurer and shall exercise the duties and responsibilities of the Secretary and/or the Treasurer upon the absence or inability of either the Secretary or the Treasurer to perform their designated functions.
- 9.4 Quorum. A quorum for the conduct of the official business of the District shall be three (3) Directors, who shall be present in person or by telephone at the time of any regular or special meeting.
- 9.5 Time and Date of Meetings. The Board shall hold its regular meetings, on dates and times established annually by Resolution of the Board at the offices of the District. Written notice of said meeting shall be provided in the manner as provided in C.R.S. § 32-1-903(2). All business transacted at said meetings shall be conducted in public; provided, however, that Executive Sessions may be held in strict compliance with the provisions of C.R.S. § 24-6-402. The Board may vote to alter a regular meeting date and time at the Board's discretion.

Authority is expressly reserved to the President to cause the cancellation of, or continuation of, regular meetings based upon the absence of Board members or the Manager of the District, which absences would impair or impede the ability of the District to meaningfully act at the regularly scheduled meeting time. Notice of such cancellation shall be provided to the remaining Directors, who shall have the right to request that the meeting be rescheduled, subject to notice.

- 9.5.1 Establishment and posting of Board agendas; distribution of written materials. Notice of all Board meetings shall be posted as required by C.R.S. § 32-1-903(2). Agendas for regular Board meetings shall be posted on the District's web site, in the lobby of the District's main office at 18100 E Woodman Road. Except as specifically provided below, agendas may be modified no later than 24 hours prior to a regularly scheduled Board meeting and all such modifications shall be posted on the District's website and on the front entrance to the District's main office no later than 24 hours prior to the scheduled Board meeting. Authority is specifically reserved to the Board to add items to the agenda of regular Board meetings without such prior notification and posting only upon a determination by a majority of the members of the Board present and voting at the meeting at which such item(s) is/or added that prior notification and posting of such agenda items could not be accomplished within the 48 hour time limit established above due to the emergency nature of the item or the fact that the need/request for action arose within such 24 hour period.
- 9.6 Special Meetings. A Special Meeting may be called by any director by informing the remaining directors of the date, time and place of such meeting, and the purpose for which it is called. Notice of all special meetings or work sessions of the Board and the purpose for which it is called shall be provided to each Director and to the public at least 72 hours in advance of such meeting. Posting and publication of such special meeting shall be in accordance with C.R.S. § 32-1-903(2) and the District's annually established practice of notice and publication. At the special meeting the only business which may be conducted is that for which the special meeting was specifically called.
- 9.7 Forms of Board Action. The Board may act by adoption of resolutions or adoption of motions. Resolutions shall be written, and shall be signed by the President or Vice President, and attested by the Secretary or Vice Secretary. Copies of all resolutions shall be maintained in the permanent records of the District, and shall be sequentially numbered. The Board reserves to itself the right to refuse to adopt any resolution which has not been provided to the Board for its study and review at the prior meeting of the Board. The Board, in its discretion, may waive this requirement in the interest of necessity and efficiency. All motions shall be noted in the official minutes of the Board, which minutes shall be kept and preserved as provided by law.
- In the event any person is aggrieved by any administrative or management decision of the Manager of the District, and wishes to appeal to the Board, or appear before the Board, regarding said matter, a written request to appear before the Board, together with written explanations outlining the basis for the appeal and further outlining the relief requested, shall be presented to the Board no later than the prior meeting of the Board, in order to allow the Board adequate time to study the factual and legal basis for the appeal or appearance.
- 9.8 Employee Supervision. Board members shall not supervise or manage District employees other than by requiring the Manager to carry out or delegate the performance of Board motions or resolutions. No Board member shall have the right to direct a specific action be taken or withheld by any employee of the District except as the same may be contained within a motion or resolution adopted by a majority of the Board during a Regular or special meeting

of the Board. Unless otherwise specifically provided by the Board through the adoption of Employee Rules and Regulations, the Manager of the District shall hire, retain, discipline and supervise all employees and the action and performance of all employees, of the District

9.9 Amendments of Rules and Regulations by Resolution. The Board shall have the sole and exclusive power to amend the Rules and Regulations of the District. Any such amendments shall be by resolution adopted at a regular or special meeting, and by no other means. Authority is specifically granted to the Board to adopt emergency rules if, in the opinion of the Board, such is necessary to preserve the health, safety, and welfare of the residents of the District.

9.10 Maintenance of District Records

9.10.1 The Manager is hereby designated as the Official Custodian of District Records. Authority is hereby delegated to said Official Custodian to designate one or more permanent full time employee(s) of the District to manage such records on a day to day basis.

9.10.2 It is the official policy of the District to cause contemporaneous audio recordings of regular and special meetings of the Board to be made. The Official Custodian of District Records shall retain the recordings of such regular or special meetings of the Board in a safe, secure location for a period of one year. At the conclusion of one year, said recordings may, at the discretion of the Official Custodian, be destroyed.

9.10.3 It is the official policy of the District to cause contemporaneous audio recordings of executive sessions of the Board to be made, except for executive sessions involving attorney-client privileged matters. The Official Custodian of District Records shall retain the recordings of such executive sessions in a safe, secure location for a period of 120 days. At the conclusion of such 120-day period from the date of the executive session so recorded, said recordings may, at the discretion of the Official Custodian, be destroyed.

9.10.4 Request for inspection and copying of any public records of the District shall be made to the office of the Official Custodian in writing and shall set forth the particular documents or record desired to be inspected or copied. If such document or record is available for inspection and copying, the Official Custodian or his designee will notify the applicant of the date, time and location where the material can be inspected or copied. If such public record is not available in the Official Custodian's office, the applicant shall be notified of this fact. Inspection of the District's public records shall be made, where permitted by law, during normal business hours of the District.

9.10.5 A research and retrieval fee of \$30.00 per hour shall be imposed upon and collected from any person requesting public records from the Official Custodian, provided however that no research and retrieval fee shall be imposed upon or collected from any person whose request for public records is fulfilled with one hour or less of District staff time being expended on such research and retrieval.

- 9.10.6 A fee of twenty-five cents (\$0.25) per page shall be charged to and collected from any person who requests copies of any District document. Collection of such fee shall occur simultaneously with and as a condition to delivery of any such District documents or records to the person making any request of District documents.
- 9.10.7 At all times, the District and the Official Custodian of District Records shall comply with the provisions of the Colorado Open Records Act, C.R.S. § 24-72-101 *et seq.* and the provisions for the Open Meetings Law, C.R.S. § 24-6-401 *et seq.*

SECTION 10 – PENALTIES AND ENFORCEMENT

10.1 Penalties and Remedies. In addition to any other penalties or remedies available to the District under these Rules and Regulations or any other applicable law, violations of these Rules and Regulations shall be subject to any or all of the following:

1. Payment of the cost to clean up, rehabilitate or repair District property caused by the violation;
2. Temporary or permanent termination of water and wastewater service. Termination of such service may be done by any means available to the District, including physical disconnection from the system. If services are suspended to a property, a Suspension Fee as set out in Exhibit A shall be charged to the Customer. Once a service is so discontinued, it shall not be restored until payment of the charge is received by the District together with any other rates, charges or amounts then owing to the District.
3. Administrative charges, which are monetary penalties assessed by the Manager for violations of these Rules and Regulations. Administrative charges are punitive in nature and are designed to deter future violations. The Manager may assess an administrative charge of up to Five Thousand Dollars (\$5,000.00) per violation. Each day a violation continues shall be considered a separate violation. Administrative charges may be assessed as part of an Administrative Order within thirty (30) days of the determination of the violation. The dollar amounts of administrative charges will be based on the relative significance of the violation, the number of violations, and the cooperation (or lack of cooperation) displayed by the violator. However, regardless of the amounts listed, the Manager reserves the right to consider all circumstances relating to a violation and may determine the amount of the administrative penalty on a case-by-case basis;
4. Issuance of compliance orders requiring the violator to take action to remedy the violation;
5. Suspension or revocation of a permit or any authorization issued by the District.
6. Issuance of a temporary or permanent injunction, as appropriate, which restrains or compels the specific performance by the violator to comply with any requirements of these Rules and Regulations, including without limitation an Industrial Wastewater Discharge Permit or order. The District may also seek such other action as is appropriate for legal and/or equitable relief, including a requirement for the industrial user to conduct environmental remediation;
7. Recovery of reasonable attorneys' fees, court costs, and other expenses associated with enforcement activities, including sampling and monitoring expenses, and the cost of any actual damages incurred by the District; and
8. If a user discharges pollutants that cause the District to violate any condition of its CDPS permit and the District is fined by the EPA or the State for such violation, then

such user shall be fully liable for the total amount of the fine assessed against the District by the EPA and/or the State.

7. The District may refer violations that may warrant criminal prosecution to the U.S. Attorney General's Office, State Attorney General, EPA Criminal Investigation Division or other appropriate agency.

All actions listed above shall be cumulative and may be pursued by the District concurrently or separately. None shall be a bar against, or a prerequisite for, taking any other action against a user.

10.2 Procedure.

- 10.2.1 Notice. Prior to levying any of the penalties set forth in Section 10.1, the Manager shall provide written notice of the violation. Such written notice shall describe the violation, the measures, if any, that must be taken to remedy the violation, the deadline for remedying the violation, the penalties assessed, and the process for obtaining a hearing before the Manager should the person desire a hearing. The notice shall be personally served on the violator, left at the property in a conspicuous location, or mailed via first class mail, return receipt requested, to the last known address of the violator in the District's records. Notice of serious violations shall be conveyed by the Manager to the Board.
- 10.2.2 Manager Hearing. Any person receiving a notice as set forth in Section 10.2.1 may, within ten (10) days of receipt of the notice, file a request with the Manager for an opportunity to be heard on the alleged violation and the penalties. The hearing shall be before the Manager and shall be administrative in nature. The person may be represented by legal counsel. No formal rules of evidence shall apply to such hearings. The Manager shall have the right to control the hearing and limit the presentation of testimony and evidence to matters relevant to the violation. A request for a hearing shall stay any penalty assessed or action required by the Manager pending the outcome of the Manager's hearing, except that such a request shall not stay the District from shutting off water or sewer service for non-payment; and provided that if the Manager determines the public health, safety and welfare or District property are in danger of imminent and serious harm, any action required of the alleged violator in the Manager's decision shall not be stayed.
- 10.2.3 Show Cause Hearing. A Show Cause Hearing may be required by the Manager for violations of these Rules and Regulations. The purpose of the Show Cause hearing is to allow the District to explain its position, request additional information from a person in possible violation of these Rules and Regulations, and to allow the person to provide information the person believes the District should consider regarding a violation. Any decision resulting from the Show Cause Hearing will be provided to the person in writing under the signature of the Manager. Show Cause Hearings shall be of the same nature as the hearing described in Section 10.2.2.
- 10.2.4 Appeals to Board. Any person found by the Manager to be in violation of these Rules and Regulations may, within ten (10) days of the date of the Manager's written

decision, request in writing a hearing to be held by the Board. When a hearing is requested, the action required by the Manager shall be stayed pending the outcome of the hearing before the Board; except that an appeal shall not stay the District from shutting off water or sewer service for non-payment; and provided that if the Manager determines the public health, safety and welfare or District property are in danger of imminent and serious harm, any action required of the alleged violator in the Manager's decision shall not be stayed. The hearing shall be administrative in nature. The person shall have the right to be represented by legal counsel, and to present testimony, witnesses, and such other evidence that is relevant to the alleged violation. The decision of the Board is final, subject only to appeal to the Douglas County District Court pursuant to the provisions of C.R.C.P. 106(a)(4).

- 10.3 Nothing set forth in this Section 10 shall be deemed to limit the authority of the Manager to take any measures necessary to protect the health, safety and welfare of the public or District property from damage.

SECTION 11
A RULE AND REGULATION CONCERNING WATER RIGHTS TO, AND USE OF WATER FROM THE DENVER, DAWSON, ARAPAHOE AND LARAMIE-FOX HILLS AQUIFERS, IMPOSING AN ADDITIONAL REQUIREMENT FOR WATER SERVICE, AND REGULATING THE DRILLING OF WELLS INTO SAID AQUIFERS.

WHEREAS, the District, for the health, safety, comfort, welfare, and benefit of its inhabitants deems it necessary, in the pursuance of its statutory obligations, to provide for a municipal water system to provide for the needs of its inhabitants, and

WHEREAS, water from underground aquifers known as the lower Dawson, Denver, Arapahoe and Laramie-Fox Hills (hereinafter the said aquifers), being distinct and recognized geologic formations, is necessary to provide a sufficient supply of water for the said purposes, as well as to allow future economic growth of the District and provide a sufficient supply of water for fire fighting purposes, and

WHEREAS, Colorado Revised Statute 37-90-137(4) places a limit upon the amount of water which may be pumped by the District from a well in the said aquifers in terms of the quantity of water underlying land owned either by the District or by persons who have consented to withdrawal of groundwater pursuant to said statute; and

WHEREAS, to avoid interference with the water supply to or water rights of well or wells which the District intends to construct in said aquifers, which interference would be detrimental to the health, safety, and welfare of the citizens of the District, the District deems it necessary to prohibit the drilling of wells into said aquifers within the boundaries of the District except as provided in this rule and regulation:

NOW, THEREFORE, be it ordained by the Board of Directors of the Parker Water and Sanitation District, that:

1. The District hereby claims, appropriates and incorporates into its municipal service plan, for the purpose of providing water service to its inhabitants and Customers of its water system, all right, title and interest in and to groundwater and water rights in the lower Dawson, Denver, Arapahoe and Laramie-Fox Hills aquifers (hereinafter also "the aquifers" or "said aquifers") underlying all lands within the boundaries of the District, as those boundaries existed on January 12, 1985.
2. This Rule and Regulation does not apply to the following lands or groundwater in the said aquifers:
 - (a) Lands outside the boundaries of the District as of January 1, 1985.
 - (b) Any lands or groundwater as to which the groundwater has been conveyed or reserved or consent to use such groundwater has been given or reserved to anyone other than the District, by a writing executed prior to January 1, 1985 and recorded in the records of Douglas County prior to August 31, 1985.

- (c) Any groundwater which has been decreed or permitted to anyone other than the District prior to the effective date hereof.
 - (d) Any lands not being served by the District as of the effective date hereof, and the groundwater underlying such land is the subject of an application for determination of a right to use groundwater filed in the Water Court prior to July 1, 1985.
3. As to any lands within the District's boundaries as of January 1, 1985, for which water service from the District is not reasonably available, the following plan is established to allow the owner thereof to obtain an alternative water supply:
- (a) The owner of such land shall have requested water service from the District, and complied with all Rules and Regulations of the District, but the District shall have reasonably determined that it is unable to provide water service to such lands;
 - (b) Upon making such determination, the District shall be deemed to have consented to withdrawal of groundwater in said aquifers by such landowners;
 - (c) All wells, pipes and other water facilities on such lands shall conform to the District's design standards and rules and regulations, and shall be subject to approval by the District's engineers, which approval shall not be unreasonably withheld;
 - (d) At such time as the District is reasonably able to provide water service to such lands, it may require connection of all water facilities on such lands to the District's water facilities;
 - (e) Upon such connection, the District shall acquire by purchase or condemnation all water facilities on such lands previously installed by the owner of such lands in conformity with paragraph 3© hereof.
4. Any person who applies for water service from the District's water system or for inclusion into the District shall, as part of the application and as part of the consideration thereof, tender to the District a properly executed deed conveying to the District the water and water rights in said aquifer, underlying the lands to which service is requested or subject to such inclusion petition, and warranting that such water, water rights nor the consent to use or withdraw groundwater underlying such lands have not been conveyed to other persons.
5. No person may construct a well in the said aquifers upon lands subject to this rule and Regulation, or withdraw groundwater subject to this Rule and Regulation, except in conformity with paragraph 3 hereof.
6. Upon final adoption hereof, the Manager shall file with the State Engineer a detailed map of the land area as to which consent is deemed to have been given hereunder.
7. If any section, subsection, sentence, clause or phrase of this Rule and Regulation is for any reason held to be unconstitutional or contrary to statute, this shall not affect the validity of the remainder of this Rule and Regulation.

8. Rule and Regulation No. 10, substantially in the form in which it is hereby amended, was published once each week for three successive weeks in the Parker News Press prior to approval hereof, pursuant to resolution of the Board of Directors on July 11, 1985.

INTRODUCED, READ AND PASSED on first reading at a regular meeting of the Board of Directors on August 8, 1985.

**Parker Water & Sanitation District - District Rate and Fee Schedule
Effective January 1, 2023**

Tap & Development Fee Schedule

Meter Size	Water SDF	Sewer SDF	Water Resources SDF	Water Resource Toll**
¾"	\$ 19,600	\$ 9,700	\$ 17,400	\$ 5,000
1"	\$ 39,200	\$ 19,400	\$ 34,800	\$ 10,000
1½"	\$ 78,400	\$ 38,800	\$ 69,600	\$ 20,000
2"	\$137,200	\$ 67,900	\$ 121,800	\$ 35,000
3"	\$ 313,600	\$ 155,200	\$ 278,400	\$ 80,000

**Only required if a Water Resource Credit has not been previously dedicated to the District.

Water Rates

Residential and Multi-Family Accounts - Per Single Family Equivalent (per month)

Water Service Fee		\$ 34.78
Tier 1	Per 1,000 gallons for first 6,000 gallons	\$ 2.61
Tier 2	Per each additional 1,000 gallons up to and including 20,000 gallons	\$ 5.09
Tier 3	Per each additional 1,000 gallons in excess of 20,000 gallons	\$ 10.50

Commercial Accounts - Per Single Family Equivalent (per month)

Water Service Fee		\$ 34.78
Per 1,000 gallons		\$ 4.45

Irrigation Accounts - Per Single Family Equivalent (per month)

Water Service Fee		\$ 34.78
Per 1,000 gallons		\$ 7.97

Hydrant Water Account

Water Service Fee (per month)		\$ 168.02
Per 1,000 gallons		\$ 8.60

Sewer Rates

Per Single Family Equivalent (per month)

Sewer Service Fee		\$ 13.22
*Per 1,000 gallons *Based on the average water consumption in the months of December, January, and February.		\$ 10.02

Sewer without winter average consumption (per Single Family Equivalent):

Flow rate of 4,400 gallons is \$44.09 plus \$13.22 sewer service fee per month – Total \$57.31

Note: The District Manager may adjust the method of calculating the average monthly sewer flow rate in exceptional circumstances. Sewer is billed at WQA or actual consumption, whichever is less.

Miscellaneous Fees - Effective January 1, 2023

Public Records Research

1st Hour	No charge
Each Additional Hour - per hour	\$ 30.00
Document Copies - per page	\$ 0.25

Suspension Fee

Suspension Fee	\$ 98.00
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Owner Transfer Fee

Owner Transfer Fee	\$ 15.00
Owner Transfer Fee (Final Read Not Ordered in Advance)	\$ 91.00

Returned Check Fee

Returned Check Fee	\$ 31.00
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Bulk Water Station Rate

Monthly	\$ 42.31
Per 1,000 Gallons	\$ 4.58

Penalty for Unauthorized Water Use

Per Incident - plus per gallon charge	\$ 500.00
Per Gallon	\$ 10.00

Engineering Plan Review & Inspection Fee - Water & Sewer Main Construction

Per Linear Foot	\$ 2.00
Minimum Charge (Note: For first 2 Reviews plus inspection)	\$ 2,500.00

Engineering Plan Review

Engineering Plan Review (more than 2 reviews) - per linear foot	\$ 1.50
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Engineering Tenant Finish Review

Engineering Tenant Finish Review	\$ 250.00
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Engineering Variance Request

Engineering Variance Request	\$ 500.00
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Irrigation Inspection

Plan Review Fee	\$ 500.00
Inspection Fee - per each 1,000 sq ft of landscape area	\$ 5.00

Hydrant Water (see Hydrant Water Accounts above for monthly rates)

2 1/2" Fire Hydrant Meter Deposit	\$ 2,184.00
Dolly Meter including Backflow and End Point Deposit	\$ 4,283.00
Dolly Meter including Backflow, End Point and GPS Deposit	\$ 4,608.00

Inclusion Fee (per Acre)

Inclusion Fee (per Acre)	\$ 5,000.00
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Water Surcharge (per SFE)

Water Surcharge (per SFE)	\$ 2,000.00
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Miscellaneous Fees (continued) - Effective January 1, 2023

Meter Set Fees

¾"	\$ 509.00
1"	\$ 584.00
1½"	\$ 1,959.00
2"	\$ 2,196.00
3"	\$ 2,671.00
4"	\$ 4,334.00
6"	\$ 7,185.00

Meter Re-Set Fee

Meter Re-Set Fee	\$ 69.00
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Unscheduled Customer Initiated Service Request

Unscheduled Customer Initiated Service Request	\$ 67.00
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Clear Water Test (individual well owner)

Clear Water Test (individual well owner)	\$ 45.00
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Clear Water Test

First 1,200 Linear Feet	\$ 150.00
Each Additional 1,200 Linear Feet	\$ 50.00

High Chlorine Test Fee

High Chlorine Test Fee	\$ 100.00
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Industrial Waste Permit

Industrial Waste Permit	\$ 250.00
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PARKER WATER AND SANITATION DISTRICT

REAL PROPERTY INCLUSION AGREEMENT

THIS AGREEMENT, is made and entered into and shall be effective this ___ day of _____, 20__, by and between the PARKER WATER AND SANITATION DISTRICT, with an address of 18100 E. Woodman Drive, Parker, Colorado 80134 (the "District") and _____, with an address of _____, ("Petitioner").

WHEREAS, Petitioner has filed a Petition for Inclusion of certain real property being known as _____ and more specifically described in **Exhibit A**, attached hereto (the "Property");

WHEREAS, Petitioner desires to proceed with the inclusion of the Property and requests the District to cause said Property to be included in the District pursuant to the Colorado Special District Act, the terms and conditions of the District's Rules and Regulations, and the terms and conditions of this Agreement;

WHEREAS, the District is willing to include the Property into the District on the terms and conditions contained in this Agreement;

WHEREAS, Petitioner, by ownership of the above-described Property, owns certain rights to nontributary, and/or not nontributary groundwater underlying said Property, and to the extent historically used on or associated with, tributary water, which rights Petitioner is obligated to and agrees to convey to the District in accordance with the terms and conditions of this Agreement and the Rules and Regulations of the District;

WHEREAS, the District imposes certain fees and charges, including, without limitation, an inclusion fee, water and sewer system development fees, a water resources system development fee, a water resource toll fee in lieu of water dedications (if required and permitted by the District), water and sewer standby fees, among other fees, all of which may be amended from time-to-time and all of which applicable fees and charges Petitioner agrees to pay or cause to be paid in accordance with the Rules and Regulations of the District in effect at the time such fees are due;

WHEREAS, Petitioner acknowledges that the District's policy is that development pays for development, which requires that the costs of all infrastructure and facilities needed to serve the Property shall be paid for by Petitioner except if a facility serves multiple unrelated developments, in which case Petitioner shall be responsible for the portion of the infrastructure and/or facilities serving the Property unless the District, in its sole discretion, determines in writing to assume some or all of the costs of the facility; and

WHEREAS, execution of this Agreement sets forth the terms and conditions of the District's inclusion of the Property if the District's Board of Directors, in the exercise of its sole discretion, approves the Petition for Inclusion, and this Agreement does not itself constitute approval of the Petitioner's Petition for Inclusion.

NOW THEREFORE, for good and valuable consideration, the sufficiency of which is acknowledged, it is agreed as follows:

I. PRECEDENCE OF RULES AND REGULATIONS. The Property shall be subject to the Rules and Regulations of the District as they may from time to time be amended. In the event of an inconsistency between the terms and conditions of this Inclusion Agreement and the Rules and Regulations, the provision of the Rules and Regulations shall control.

II. PETITIONER OBLIGATIONS. On or before approval of a resolution including the Property in the District by the District's Board of Directors, Petitioner shall comply with the following:

A. Payment and Document Delivery. Deliver to the District the following:

1. Inclusion Fee. Payment of an inclusion fee of _____ dollars (\$_____.00) representing a payment of _____ dollars (\$_____.00) per acre for the ___ acres that make up the Property.
2. Special Warranty Deed. An executed special warranty deed, free and clear of all liens and encumbrances, conveying to the District all not nontributary and nontributary water and water rights appurtenant to the Property, and all tributary water rights used on or associated with the Property, which water and water rights are identified in **Exhibit B**. The conveyance shall meet the standards set forth in **Exhibit C**.
3. Water Rights Fee-In-Lieu and Surcharge. Payment of a fee-in-lieu of water rights in the amount of xxxxxxxx dollars (\$xx.00) representing a payment of (___) Water Resource Credits (___ Water Resource Tolls x \$5000), and a water shortage surcharge of xxxxx dollars (\$xx.00) representing a payment of (___) Water Shortage Surcharge (___ water shortage minus the first ten at no charge) (___ Water Shortage Surcharge x \$2000). **Total Water Rights Fee-In-Lieu and Surcharge is xxxxxxx (\$XXX,000.00)**
4. Groundwater Consent Forms. Executed Colorado State Engineer GWS-3B Consent Forms for each aquifer associated with the water and water rights.
5. Title Commitment. A current title commitment for the Property from a title insurance company acceptable to the District, which shall be updated at the District's request any time until issuance of an order of district court approving the inclusion resolution by the District's Board of Directors.
6. Property Owner Releases. As the District may require, fully executed releases of the water and water rights to be conveyed, from each person, as defined at C.R.S. § 37-90-137(4)(b.5)(II), with a recorded interest in the Property overlying any groundwater to be conveyed.
7. Additional Documentation. Any additional documentation required by the District.

- B. Dismissal of Oppositions.** Petitioner shall dismiss with prejudice, or withdraw, any statements of opposition to any District water case or proceeding, whether said case or proceeding is pending before the Colorado Water Court, any appellate court, or any administrative body or agency.
- C. Well Conveyance and Abandonment.** There are certain existing wells on the Property identified by Permit Numbers _____ (“Existing Wells”). All Existing Wells, upon direction by PWSD, shall be abandoned in accordance with the State of Colorado Rules and Regulations for Water Well Construction, Pump Installation, Cistern Installation, and Monitoring and Observation Well/Hole Construction (Colorado Water Well Contractor Rules, 2 CCR 402-2, September 1, 2016), as they may be amended from time-to-time at the sole cost of Petitioner; provided that if Petitioner desires to continue to use one or more of the Existing Wells until the Property is connected to District water service, the District may, at the District’s sole discretion, permit Petitioner to delay abandoning one or more of the Existing Wells and use the water from such wells via a license agreement between the District and Petitioner. Upon inclusion, the permits for any Existing Wells not abandoned and all associated water rights shall be conveyed to the District via special warranty deed free and clear of all liens and encumbrances. Any other wells subsequently discovered on the property at any time shall be abandoned at Petitioner’s sole cost in the same manner as set forth herein for Existing Wells.
- D. Consent to Wellfield Inclusion.** Be deemed to have irrevocably granted permission to the District to include the Property into the District’s adjudicated well field.

III. WELL SITE CONVEYANCE.

- A. General Warranty Deed.** By general warranty deed and in fee, pursuant to the standards set forth in **Exhibit C**, Petitioner shall convey to the District one well site, of five acres minimum, for each 300 single family residences or equivalent thereto, provided that if the development will serve less than the equivalent of 300 single family residences, the District may, in its sole discretion, permit well sites of lesser acreage. The well sites to be conveyed shall be identified as a part of the final platting process of all, or any phase of the development of the Property, and shall be subject to acceptance by the District or its engineers prior to, and as a condition of, final plat approval. Sites acceptable to the District must be easily accessible to and usable by drilling and repair equipment. Well sites must be generally flat and rectangular to accommodate drill rigs, pump rigs, and related operation and maintenance equipment. The District shall cooperate with Petitioner in the selection and approval of well sites so as not to unreasonably interfere with Petitioner’s platting and development plans and concepts, provided that the District shall have the final right, in its sole discretion, to determine whether a proposed well site is acceptable.
- B. Fee in lieu.** The District may, in its sole discretion, accept a fee in lieu of dedication of well sites, which shall be calculated by determining the fair market value of the

property that would otherwise need to be dedicated to the District under Subsection A, above.

IV. AWARD OF WATER RESOURCE CREDITS. In return for Petitioner's compliance with all obligations set forth in this Agreement, the District shall issue to Petitioner ___ SFEs of Water Resource Credits, as that term is defined in the District's Rules and Regulations (the "Awarded Water Resource Credits"), for use on the Property in accordance with the District's Rules and Regulations, or on other property in the District to the extent, if at all, permitted by the District's Rules and Regulations, as they may be amended from time-to-time. Petitioner acknowledges that its rights to use the Awarded Water Resource Credits on property in the District other than the Property is subject to change at any time as the District's Rules and Regulations are amended, and that Petitioner has no vested right to use the Awarded Water Resource Credits on other property.

V. INFRASTRUCTURE. Except for wells (which the District will construct at its own expense), Petitioner shall be responsible for the design and construction and associated costs of all infrastructure required to serve the Property, including without limitation, all water and sewer lines, pump stations, related facilities and required easements (the "Infrastructure"). If any Infrastructure serving the Property will serve other property, Petitioner shall be responsible for the portion of the Infrastructure serving the Property, unless the District in its sole discretion determines to assume a portion or all such costs. Petitioner shall be responsible for any cost-sharing arrangements with third parties for shared Infrastructure; provided that the District may, in its sole discretion, participate in impact area cost-sharing agreements for oversized Infrastructure. The design and construction of the Infrastructure shall be subject to approval of the District. Petitioner acknowledges that the District shall have full and absolute authority, in the District's sole discretion, to mandate the design (including the location and route of infrastructure and whether Infrastructure must be oversized and shared with third parties) of all Infrastructure serving the Property, provided any such requirements are consistent with the District's then-applicable standards and specifications. All Infrastructure to be conveyed to the District shall be located on property free and clear of all liens and encumbrances, and shall meet the standards set forth in **Exhibit C.**

VI. CONNECTION TO WATER SYSTEM.

A. Adequacy of Awarded Water Resource Credits.

1. For the entire development, or if the Property is to be developed in phases, for each phase of development, or for any plat amendment, rezoning, or similar modification, Petitioner shall submit to the District such information as the District requires to determine the water demand of the development or the phase being developed (which may include without limitation, water demand studies prepared by a qualified professional engineer or fixture counts of proposed development). The District may require such information at any time the District, in its sole discretion, determines it is necessary to determine the water demands of the proposed development, which may be without limitation prior to final platting, replatting, or issuance of a building permit.

The District shall then determine the water demand, which Petitioner shall satisfy with the Awarded Water Resource Credits.

2. If insufficient Awarded Water Resource Credits exist to serve the Property as a whole, any phase thereof, or any modification to the development, Petitioner shall provide additional water supplies to the District, which at the District's sole discretion, may include surplus supplies from Petitioner's other properties within the District, or if the District determines that the District has water available for such purpose and that it is in the District's best interest, supplies acquired by payment to the District of a fee-in-lieu of a water dedication as specified in the Rules and Regulations of the District, in order to allow connection of that project or phase of development to the water supply system of the District. A surcharge in an amount determined from time to time by the Board of Directors, shall be assessed upon any payment by Petitioner of a fee-in-lieu in excess of ten (10) SFEs to satisfy the water requirements set forth herein. If neither the District nor Petitioner has sufficient water available, Petitioner shall revise its development plan for that project or phase so that its demand will not exceed the amount of water available.
3. If the water credits allocated to a particular phase of development are more than adequate to serve that phase, then Petitioner may apply such excess credits to subsequent phases of development, but the determination that there are excess credits in a particular phase of development shall be made solely by the District and shall be made at the time that development of such subsequent phase is approved. The requirement that Petitioner provide sufficient water to serve the demand on the Property shall be a continuing and perpetual obligation. If the need for additional water to serve the Property arises in the future due to changed development plans or water demands on the Property, Petitioner and its successors-in-interest shall be solely responsible for satisfying such deficiency as permitted herein.

B. Hold Harmless. Petitioner acknowledges that the Water Resource Toll required of Petitioner (either via conveyance of Petitioners' water rights or by payment of a fee-in-lieu, as permitted by the District) shall be based on the District's water demand criteria for the uses located on the Property, provided that any water demand in excess of the amount determined by the District shall require Petitioner to convey additional water rights or pay a fee-in-lieu as permitted by the District. The District assumes no responsibility for, and Petitioner holds the District harmless from, the eventuality that there may not be sufficient water to support the development of the entire Property.

VII. DISCLAIMER AND WAIVER OF CLAIMS. The District hereby expressly disclaims any liability for and Petitioner does hereby waive and forego any claims or demands against the District for any cause or circumstances whatsoever arising from or in relation to the District's inability to provide water and sewer service to the subject Property as contemplated by this Agreement.

VIII. REJECTION OF INCLUSION. Nothing set forth in this Agreement shall be deemed to require the District to approve Petitioner's Petition for Inclusion. If the Petition for Inclusion is not approved by the District, the District shall return uncashed instruments for any fees required to be paid to the District under this Agreement and shall refund Petitioner for any amounts already paid to the District under this Agreement; provided that Petitioner shall not be entitled to a refund of fees paid by Petitioner for the District's legal and consultant costs incurred in reviewing the Petition for Inclusion and advising the District. The District shall have no liability for any other expenses or costs incurred by Petitioner.

IX. MISCELLANEOUS.

A. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and any legal action concerning the provisions hereof shall be brought in Douglas County, Colorado.

B. No Waiver. Delays in enforcement or the waiver of any one or more defaults or breaches of this Agreement by the District shall not constitute a waiver of any of the other terms or obligation of this Agreement.

C. Integration. This Agreement and the following attached exhibits, which are incorporated into and made a part of this Agreement by this reference, constitute the entire Agreement between Consultant and the District, superseding all prior oral or written communications:

Exhibit A – Property Legal Description

Exhibit B – Water and Water Rights

Exhibit C – Real Property and Water Conveyance Standards

Exhibit D - Water Demand Study

Exhibit E - Addendum

Exhibit F - Well License Agreement

D. Third Parties. There are no intended third-party beneficiaries to this Agreement.

E. Notice. Any notice under this Agreement shall be in writing, and shall be deemed sufficient when directly presented or sent pre-paid, first class United States Mail to the party at the address set forth on the first page of this Agreement.

F. Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be unlawful or unenforceable for any reason, the remaining provisions hereof shall remain in full force and effect.

G. Modification. This Agreement may only be modified upon written agreement of the Parties.

- H. **Governmental Immunity.** The District and its officers, attorneys and employees are relying on, and do not waive or intend to waive by any provision of this Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq.*, as amended, or otherwise available to the District and its officers, attorneys or employees.

- I. **Runs with Land.** It is mutually agreed that all the covenants and agreements contained herein shall run with the Property and shall extend to and be binding upon the successors and assigns of the respective parties. Petitioner consents to this Agreement being recorded against the Property in the office of the Clerk and Recorder of Douglas County, Colorado.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first set forth above.

[Signatures on Following Page]

PETITIONER:

PARKER WATER & SANITATION DISTRICT

(Company Name)

18100 E. Woodman Drive
Parker, Colorado 80134

(Address)

(Signed)

Ron R. Redd, P.E., District Manager

(Printed Name, Printed Title)

Attest:_____

Attest:_____

STATE OF COLORADO)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, as _____ of _____.

Witness my hand and official seal.
My commission expires:_____

Notary Public

STATE OF COLORADO)
) SS.
COUNTY OF DOUGLAS)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by Ron R. Redd, as District Manager of the Parker Water and Sanitation District.

Witness my hand and official seal.
My commission expires:_____

Notary Public

EXHIBIT A

[Property Legal Description]

EXHIBIT B

[Water and Water Rights]

EXHIBIT C

[Real Property and Water Conveyance Standards]

The conveyance to the District of interests in real property, including without limitation well sites, water, and water rights, wells, and permits, shall satisfy, at a minimum, the following standards, which may be modified at the District's sole discretion:

1. The conveyance is via special warranty deed for water interests and general warranty deed for well sites and other real property, subject only to exceptions deemed acceptable to the District in its sole discretion.

2. Free and clear of all liens and encumbrances, provided that with respect to non-water related conveyances, the District may in its sole discretion accept releases and/or subordinations of interests that are intended to burden the subject property being conveyed, such as mortgages. With respect to water and water rights, the District may accept partial releases of water and water rights from lenders who are secured by deeds of trust or mortgages, and may accept deeds or releases from all other persons as defined in C.R.S. § 37-90-137(4)(b.5)(III) shown on the title commitment to have a recorded interest in the property overlying any groundwater to be conveyed.

3. Prior to any conveyance, a title commitment deemed acceptable to the District in its sole discretion shall be provided by Petitioner. An updated title commitment may be required by the District up to approval of the inclusion by the district court. The District may require Petitioner to provide a title insurance policy at the Petitioner's cost.

4. All conveyance deeds and related documents must be fully executed by Petitioner (and any third-parties, as applicable), notarized, and delivered to the District before District approval of the inclusion petition. The District shall have sole discretion to establish the date of execution of such documents.

5. The District shall execute and immediately record deeds and any other related recordable documentation upon approval of the inclusion by the District, or return such documentation should the District not approve the petition for inclusion. In the event the district court with jurisdiction over the Parker Water and Sanitation District (Douglas County District Court, Colorado in Case Number 1961CV3121) does not approve the inclusion or a court of competent jurisdiction voids the inclusion, the District shall re-convey the subject property to Petitioner via quit claim deed.

6. Petitioner shall not, without written authorization from the District, convey the Property to a third-party until the District has recorded all deeds and related documentation conveying water, water rights, and related water assets.

EXHIBIT D

[Insert any current Water Demand Study]

EXHIBIT E

[Insert any Addendum]

EXHIBIT F

[Insert any Well License Agreement]

EXHIBIT C

DISTRICT COURT, DOUGLAS COUNTY, COLORADO
CIVIL ACTION NO. _____

ORDER OF INCLUSION

IN RE: THE ORGANIZATION OF THE PARKER WATER AND SANITATION DISTRICT

THIS MATTER coming on to be heard in Open Court upon the written petition of the Parker Water & Sanitation District and it appearing that the lands hereinafter described are the subject of a Petition of Inclusion submitted by one hundred percent of the owners of all the real property described therein: and it further appearing that the Board of the Directors of the Parker Water and Sanitation District has , by resolution, accepted all of said property for inclusion within said District; it further appearing that the Petition of the Board of Directors and the Petition for Inclusion filed by said property owners are in compliance with the provisions of C.R.S. § 32-1-401, and therefore this Court has full and complete jurisdiction in this matter.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED, AND DECREED that the real property described in Exhibit A which is attached hereto and expressly incorporated herein, together with all personal property thereon located, being and the same is hereby declared to be included with the Parker Water and Sanitation District, and subject to all of the obligations, liens, and benefits of said District from and after ___ (DATE) _____. It is further ordered that the Clerk of this Court shall forthwith transmit to the Clerk and Recorder of Douglas County, Colorado, and to the office of the County Assessor of Douglas County, Colorado, a true and correct copy of this Order of Inclusion.

DONE AND DATED in Open Court this ___ day of _____, 20__, nunc pro tunc as of _____ (DATE ABOVE) _____.

BY THE COURT:

District Judge

**STATE OF COLORADO
OFFICE OF THE STATE ENGINEER
DIVISION OF WATER RESOURCES**

NON-TRIBUTARY GROUND WATER CONSENT LANDOWNERSHIP STATEMENT

_____ whose mailing address is
(Name/Company Name)

_____, claims and says that it is the
owner of the following described property consisting of _____ acres in the County of Douglas,
State of Colorado:

SEE **EXHIBIT "A"** (Legal Description)

and that it has granted written consent to PARKER WATER AND SANITATION DISTRICT, A Colorado
Special District, to withdraw ground water from the _____ aquifer* as evidenced by the
attached copy of a deed or other document recorded in the County or Counties in which the land is
located, and that said ground water has not been conveyed or reserved to another, nor has consent
been given to withdrawal by another except as indicated in the attached deed or other recorded
document.

Further, I _____, _____ of _____,
(Name/Company Officer) (Title) (Company Name)

claim and say that I have read the statements made herein; know the contents hereof; and that the
same are true to my own knowledge.

By: _____ Date: _____

STATE OF COLORADO)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by____
_____ (name) _____ of _____ (company) _____.

Witness my hand and official seal.

My Commission Expires: _____

Notary Public

***note:** A separate form must be provided for each of the following aquifers:
1. Arapahoe 2. Denver 3. Dawson 4. Laramie Fox Hills

SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that [ENTER NAME, TYPE OF ENTITY], of the County of [ENTER COUNTY WHERE THEY ARE LOCATED] and State of Colorado whose address is [ENTER ADDRESS], for the consideration of One Dollar and other good and valuable consideration in hand paid, hereby sell and convey to The PARKER WATER AND SANITATION DISTRICT, of the County of Douglas, and State of Colorado, whose address is 18100 E Woodman Drive, Parker, Colorado, 80134, the following property situate in the County of Douglas and State of Colorado, to-wit:

All water, and water rights, including nontributary and not nontributary groundwater, appurtenant to and underlying the parcel of land in the County of Douglas and State of Colorado that is described in **Exhibit A** hereto, including but not limited to the water rights adjudicated in the decree of the District Court for Water Division 1, State of Colorado in Case **[ENTER CASE NUMBER(S)],**

with all its appurtenances and warrant(s) the title against all persons claiming under us, and further warrant that said water rights are free and clear of all liens and encumbrances.

Signed and delivered this ____ day of _____, 20__.

[NAME AND TYPE OF ENTITY]

By: _____

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by
_____ [NAME AND TITLE OF PEROSN SIGNING.]

Witness my hand and official seal.

My Commission Expires: _____

_____ Notary Public

**CASH IN LIEU OF LETTER OF CREDIT
FINANCIAL GUARANTEE AGREEMENT**

THIS FINANCIAL GUARANTEE AGREEMENT (the "Agreement") is entered into this ____ day of _____, 20__, by and between the Parker Water & Sanitation District, a Colorado special district (hereafter referred to as the "**District**"), and _____ (the "Developer").

Recitals

WHEREAS, the District and the Developer have entered into that certain Improvement Agreement (the "Improvement Agreement") dated _____, 20__, concerning that certain real property known as _____, which is more particularly described in **Exhibit A**, which is attached to the Improvement Agreement (the "Property"); and

WHEREAS, pursuant to the Improvement Agreement, the Developer has agreed to install and complete at its expense certain water and/or sanitary sewer main improvements ("Public Improvements") on the Property and to provide the District with a financial guarantee, in an amount equal to one hundred twenty percent (120%) of the costs of the Public Improvements (Exhibit D of the Improvement Agreement) naming the District as the designated beneficiary, to secure the performance and completion of the Public Improvements.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the sufficiency of which is hereby acknowledged and confessed, the parties hereto covenant and agree as follows:

1. Purpose. The purpose of this Agreement is to provide for a financial guarantee to the District for the performance and completion of the Public Improvements described in the Improvement Agreement and, accordingly, to supplement the terms and conditions of the Improvement Agreement. Defined terms within the Improvement Agreement shall have the same meaning when used herein.

2. Financial guarantee. In order to secure the performance and completion of the Public Improvements, the Developer agrees to deposit with the District the sum of _____ Dollars (\$_____) (the "Financial Guarantee Funds"), which represents one hundred twenty percent (120%) of the District approved engineer's estimated costs (the "Estimated Costs") of the Public Improvements. All Financial Guarantee Funds shall be deposited in the District's General Fund. The District shall not be required to pay the Developer any interest on the Financial Guarantee Funds.

The Estimated Costs shall be a figure mutually agreed upon by the Developer and the District's Engineering Department. If, however, they are unable to agree, the District's Engineering Manager's estimate shall govern after giving consideration to information provided by the Developer including, but not limited to, construction contracts and engineering estimates. The purpose of the cost estimate is solely to determine the amount of the financial guarantee. No representations are made as to the accuracy of these estimates, and the Developer agrees to pay the actual costs of all such Public Improvements.

The estimated costs of the Public Improvements may increase in the future. Accordingly, the District reserves the right to review and adjust the cost estimate at any time. Adjusted cost estimates will be made according to changes in the Construction Costs Index as published by the *Engineering News Record* or based upon actual construction bids, as determined by the District in the exercise of its sole discretion. If the District adjusts the cost estimate for the Public Improvements, the District shall give written notice to the Developer. The Developer shall, within thirty (30) days after receipt of said written notice, provide the District with new funds in the amount of the adjusted cost estimates. If the Developer refuses or fails to so provide the District with additional Financial Guarantee Funds, the District may withhold the provision of water and/or sewer service to any and all properties being constructed by Developer which are contemplated to be served by the Public Improvements; provided, however, that prior to increasing the amount of additional Financial Guarantee Funds required, the District shall give credit to the Developer for all required Public Improvements which have actually been completed so that the amount of Financial Guarantee Funds required at any time shall relate to the cost of required Public Improvements not yet constructed.

3. Release of Financial Guarantee Funds.

a. The District's Engineering Inspector will be on-site periodically as he/she deems necessary for inspection of all Public Improvements. During the construction of the Public Improvements, the District will release and return the Financial Guarantee Funds in the following completion percentages, as determined complete by the District Engineering Inspector:

1st Release = 25% of completed construction will return an amount equal to 25% of the Estimated Costs.

2nd Release = 50% of completed construction will return an amount equal to 25% of the Estimated Costs.

3rd Release = 75% of completed construction will return an amount equal to 25% of the Estimated Costs.

4th Release = 100% of completed construction, upon obtaining Probationary Acceptance of the Public Improvements, will return an amount equal to 25% of the Estimated Costs.

5th Release = After two-year warranty period, two-year warranty period inspection, and upon obtaining Final Acceptance of the Public Improvements, the remaining Financial Guarantee Funds (which represent twenty percent (20%) of the Estimated Costs less any amounts the District was required to expend) will be returned.

b. Upon the District's Probationary Acceptance of the Public Improvements, the Developer may substitute a letter of credit for the remaining unreleased Financial Guarantee Funds the District is holding for the two-year warranty period, as described in the Improvement Agreement, in a form and from a financial institution acceptable to the District.

c. The District may draw on the Financial Guarantee Funds at any time, including during the warranty period, to correct any problems with the Public Improvements not corrected by the Developer, as provided by the Improvement Agreement.

4. Modifications. This Agreement shall not be amended, except by subsequent written agreement of the parties.

5. Release of Liability. It is expressly understood that the District cannot be legally bound by the representations of any of its officers or agents or their designees, except in accordance with the laws of the State of Colorado.

6. Captions. The captions to this Agreement are inserted only for the purpose of convenient reference and in no way define, limit, or prescribe the scope or intent of this Agreement or any part thereof.

7. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors, and assigns as the case may be.

8. Invalid Provision. If any provision of this Agreement shall be determined to be void by any court of competent jurisdiction, then such determination shall not affect any other provision hereof, all of the other provisions shall remain in full force and effect. It is the intention of the parties hereto that if any provision of this Agreement is capable of two (2) constructions, one of which would render the provision void, and the other which would render the provision valid, then the provisions shall have the meaning which renders it valid.

9. Governing law. The laws of the State of Colorado shall govern the validity, performance and enforcement of this Agreement. Should either party institute legal suit or action for enforcement of any obligation contained herein, it is agreed that venue of such suit or action shall be in Douglas County, Colorado.

10. Assignment or Assignments. There shall be no transfer or assignment of any of the rights or obligations of the Developer under this Agreement without the prior written approval of the District. The Developer agrees to provide the District with at least fourteen (14) days' advance written request for District approval of any transfer or assignment of any of the rights and obligations of the Developer under this Agreement.

11. Title and Authority. The Developer expressly warrants and represents to the District that it is the record owner of the Property and further represents and warrants, together with the undersigned individual(s) that the undersigned individual(s) has or have full power and authority to enter into this Financial Guarantee Agreement. The Developer and the undersigned individual(s) understand that the District is relying on such representations and warranties in entering into this Agreement.

12. Conflict with Improvement Agreement. In the event there is a conflict between the language contained within this Agreement and the language contained within the Improvement Agreement, the provision which imposes the greater restriction or the higher duty or standard of performance on Developer shall apply.

WHEREFORE, the parties hereto have executed this Agreement on the day and year first above written.

**PARKER WATER & SANITATION DISTRICT,
COLORADO**

By: _____
Parker Water & Sanitation District
Ron R. Redd, P.E., District Manager

Attest:

Parker Water & Sanitation District

DEVELOPER:

Name:
Title:

STATE OF COLORADO)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__, by
_____, as _____ of _____.

My commission expires: _____.

SEAL

Notary Public