

RULES & REGULATIONS

PAGOSA AREA WATER AND SANITATION DISTRICT
P.O. Box 4610
Pagosa Springs, Colorado 81157
(970) 731-2691

REVISED AND ADOPTED

May 17, 2018

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APPENDICES

- A. WATER METER SIZING WORKSHEETS**
- B. SCHEDULE OF FEES AND CHARGES**
- C. COMMERCIAL BACKFLOW SURVEY**

1. GENERAL INFORMATION

- 1.1 AUTHORITY:** These Rules and Regulations are adopted in accordance with the authority conferred in Title 32, Article 1 of the Colorado Revised Statutes, by the Pagosa Area Water and Sanitation District (“District”) Board of Directors (“Board”), a political subdivision of the State of Colorado and a quasi-municipal corporation with all the powers thereof which are specifically granted to the District, or are necessary or incidental to or implied from powers specifically granted by statute, constitution, or other law for carrying out the objectives and purposes of the District.
- 1.2 POLICY:** It is hereby declared that the following Rules and Regulations will serve a public purpose and will promote the health, safety, and welfare of the inhabitants of and visitors to the District.
- 1.3 PURPOSE:** The purpose of these Rules and Regulations is to provide for the control, management, and operation of the water and wastewater systems of the District, including additions, extensions, and connections thereto, and to provide for the administration and enforcement of such standards. All services by the District will be available in accordance with these Rules and Regulations and the charges established therefore, and subject to all penalties and charges for violation thereof, or any statutes applicable to the District, subject to availability and capacity of facilities.
- 1.4 SCOPE:** These Rules and Regulations shall be considered a comprehensive set of Rules and Regulations governing certain aspects of the control, management, and operation of the District, and are based on specific Board-approved policies and practices approved, implemented, and amended by the District over time. If a conflict in interpretation arises concerning past-approved policy documents and these Rules and Regulations, these Rules and Regulations shall govern unless otherwise authorized by the Board. It should be noted that not every conceivable aspect of the control, management, and operation of the District and its systems is covered in these Rules and Regulations, and the Board reserves the right to make rulings concerning matters not adequately covered herein as and when appropriate, in the Board’s discretion. In addition, these Rules and Regulations are not intended to supersede or contravene specific terms or conditions of any agreement, contract, or other document entered into between the District and a party.
- 1.5 REGULATIONS BY OTHER GOVERNMENTAL ENTITIES:** Any limitation, restriction, or prohibition validly placed upon the District by any governmental entity or by any agreement between the District and any

other governmental entity is hereby incorporated into these Rules and Regulations by this reference and shall constitute a limitation, restriction, or prohibition on each Customer of the District.

- 1.6 **EFFECTIVE DATE:** These Rules and Regulations shall be effective immediately upon adoption by a majority of the Board at a public meeting.
- 1.7 **CONSTRUCTION:** It is the intent of the Board that these Rules and Regulations shall be liberally construed to effect the general purposes and policies set forth herein. Nothing set forth herein shall be construed as an alteration, waiver, or deviation from any grant of power or any limitation or restriction thereof, conferred, or imposed upon the District by the statutes, constitutional provisions, or other laws of Colorado as they currently exist and as they may exist in the future.
- 1.8 **AMENDMENTS:** These Rules and Regulations may be amended from time to time by the Board in the same manner as the original Rules and Regulations were adopted as provided in Section 1.6 herein.
- 1.9 **SAVING PROVISION:** The enactment of these Rules and Regulations, any amendment thereof, or the repeal of any prior existing Rules and Regulations or Resolutions shall not deny or limit any right, action, cause of action, penalty, charge, or fee which arose under such provision.
- 1.10 **REPEAL OF CONFLICTING RESOLUTIONS:** All resolutions or parts of resolutions in conflict herewith are hereby repealed, except as may be as expressly provided herein.
- 1.11 **SEVERABILITY:** The invalidity of any section, clause, sentence, or provision of these Rules and Regulations shall not affect the validity of any other part of these Rules and Regulations which can be given effect without such invalid part or parts, and to this end the provisions of these Rules and Regulations are hereby declared to be severable.
- 1.12 **VARIANCES:** The District reserves the right to waive or modify the provisions of these Rules and Regulations at its sole discretion. Any person seeking a variance of a provision of the Rules and Regulations shall have the burden of proving that the operation of such a provision would cause undue hardship, or should not be applied to the person for another justifiable reason, and such variance shall not endanger the health, safety, and welfare of the inhabitants and visitors of the District. The Board's decision to grant or to deny the variance shall be final and conclusive.
- 1.13 **GENDER:** Words in the masculine gender include the feminine and the neuter, words in the feminine gender include the masculine and the

neuter, and when the sense so indicates words of the neuter gender shall refer to any gender.

SECTION TWO

2. **DEFINITIONS:** Unless the context requires otherwise, the meaning of terms used herein shall be as follows:

- 2.1 **APPROVED BACKFLOW PREVENTION DEVICE (“BPD”):** A mechanical assembly required to be installed in all service connections, including irrigation systems, deemed necessary by the District Manager or District Representative in order to protect potable water supplies from contamination introduced as a result of backflow conditions. The term “Approved” shall mean that the BPD device has been manufactured in full conformance with the standards established by the Colorado Department of Public Health and Environment Cross-Connection Control Manual (“CCCM”) as amended from time to time.
- 2.2 **BOARD OR BOARD OF DIRECTORS:** The duly elected Board of Directors of the Pagosa Area Water and Sanitation District, which acts as the governing body of the District.
- 2.3 **BUILDING:** Any structure used or intended for supporting or sheltering any use or occupancy.
- 2.4 **BUILDING DRAIN:** That part of the lowest horizontal piping of a building drainage system from the stack or horizontal branch, exclusive of storm sewer, extending to a point not less than five feet (5’) outside of the building wall.
- 2.5 **CAPITAL INVESTMENT FEES (“CIF”):** Fees assessed against new construction (i.e., construction of residential or commercial fixture units), new connections, or any increase in use of water or sewer through existing connections that cause an increase in meter size and/or equivalent units (EUs), as calculated by the Meter Sizing Worksheet (Appendix B), to pay for the incremental expansion of capital improvements necessary to serve such newly created water or sewer service demand. The CIF consists of water storage/treatment/distribution and sewer collection/treatment components.
- 2.6 **CAPITAL IMPROVEMENTS PLAN (“CIP”):** A plan developed by the Board and staff, and amended from time to time, of planned infrastructure upgrades to the District’s water and wastewater system that are necessary to ensure that all areas served by the District meet the current operating standards and current sewer system conditions. Portions of the District’s water system do not meet current operating standards due to economic or other considerations agreed to at the time of installation, and therefore upgrades to such portions of the water system areas may not be included on the CIP.

- 2.7 **COMBINED**: Refers to the District Process of combining two (2) or more properties to become one (1) with the intent of avoiding payment of Availability of Service Fees.
- 2.8 **COMMERCIAL EQUIVALENT UNIT**: To determine the equivalent units (EUs) for all commercial properties, the District utilizes the Commercial Water Meter Sizing Worksheet based on data provided by the Uniform Plumbing Code and the International Plumbing Code. This worksheet is located in Appendix B, attached hereto and incorporated herein by this reference.
- 2.9 **CONNECTION**: The connection of water or wastewater service lines to District lines for either a permanent or temporary purpose. Any reference to a “tap” shall be synonymous with “connection” to the District’s systems.
- 2.10 **CONNECTION SEASON**: The period of each year typically beginning April 1st and typically extending no later than November 30th as determined by the District as suitable, considering the factors of weather, mud, necessity, and Archuleta County road-cut policy, for excavation to effect the connection.
- 2.11 **CONSOLIDATED**: Refers to the Archuleta County process of consolidating two (2) lots to become one (1).
- 2.12 **CONTRACTOR**: Any person, corporation, or other entity acting as an independent contractor, authorized by the District to perform work or furnish materials within the District, and hired by either the District or other persons or entities.
- 2.13 **COST OR COSTS**: All costs associated with the new construction, reconstruction, enlargement, or dedication of any water or wastewater system, including but not limited to, all costs of associated planning, engineering, inspection, administration, acquisition of facilities, rights-of-way or water rights, attorney fees, and other fees that are necessary to provide new, different, or additional service within the District’s service area or proposed service area.
- 2.14 **CROSS-CONNECTION CONTROL**: The process of minimizing the possibility of an actual or potential connection between a potable water system and any water source or system containing a substance or water that is not or cannot be approved as safely potable; includes the installation of Backflow Prevention Devices.
- 2.15 **CUSTOMER**: Any person, company, corporation, public entity or authority, developer, property owner, lessee, tenant or occupant of such property owner, who is supplied with service by the District or authorized to use water or connect to the District’s water or wastewater

system under a permit issued by the District. Mere payment of taxes or Availability to Tap Fee does not create Customer status.

- 2.16 **DELETERIOUS WASTES**: Any wastes contained in special wastewater that would be harmful to the District’s wastewater mains or to the wastewater treatment works, or which, without pretreatment, would violate Federal, State, or local pretreatment standards.
- 2.17 **DEVELOPER**: Any person who owns land and is subdividing the land for resale and seeks to have the land served by the District.
- 2.18 **DISTRICT**: The Pagosa Area Water and Sanitation District.
- 2.19 **DISTRICT ATTORNEY**: Person appointed by the District to act on its behalf in legal proceedings and offer legal opinions.
- 2.20 **DISTRICT ENGINEER**: Person or firm that is appointed by the District and employed or contracted to do engineering work for the District.
- 2.21 **DISTRICT REPRESENTATIVE**: District Manager or other authorized person conducting District business.
- 2.22 **EQUITY BUY-IN**: The means by which one achieves parity with current District customers.
- 2.23 **EQUIVALENT UNIT (“EU”)**: Equivalent Unit and Residential/Commercial Equivalent Unit (“EU”) shall be relatively interchangeable terms defined to be the measure of the level of service necessary to serve a dwelling or business. For new accounts (properties) connecting to the water and/or wastewater system, the Meter Sizing Worksheet (Appendix B) of the District’s Rules and Regulations shall remain in effect as the calculation for determining EUs.
- 2.24 **FIRE FLOW**: The amount of water pressure in the underground piping and fire hydrant system required for firefighting purposes.
- 2.25 **FIXTURE UNIT**: Fixture Unit or Water Supply Fixture Unit shall be interchangeable terms to describe the load values on water service of various types of fixtures. Fixture Units are used to calculate the meter size required and the resultant EU allocation for a connection, as illustrated by the Meter Sizing Worksheet (Appendix B).
- 2.26 **FULL BUILDOUT MODEL RUN**: A hydraulic model analysis conducted and adopted by the Board for the District’s water system to show all existing and potential new EUs within current District boundaries, assuming one (1) EU for each undeveloped lot unless interpretation of the best planning documentation available to the District indicates

otherwise. Used as a basis for assessing the New Development Water Fee.

- 2.27 ILLEGAL DISCHARGE:** Any discharge into the District's wastewater system of (1) garbage or other objectionable waste; (2) wastewater other than sanitary sewage; (3) untreated deleterious wastes; (4) special wastewater, as defined by Section 9.2.2 herein, without review and approval of the Board; and (5) prohibited wastewater, as defined by Section 9.2.3 herein.
- 2.28 INDUSTRIAL WASTES:** The liquid wastes from industrial processes, trade, or business as distinct from sanitary wastewater.
- 2.29 MANAGER OR DISTRICT MANAGER:** The person retained by the Board, or in such person's absence, such person's duly authorized deputy, to administer and supervise the affairs of the District and its employees, including enforcement of the District's Rules and Regulations and who may, among other things, operate, inspect, and approve all connections, excavations, installations, systems, and facilities.
- 2.30 MAY:** Is permissive.
- 2.31 NEW DEVELOPMENT:** a) Proposed developments that would create a greater demand on the water and/or sewer system than District staff and consultants have reasonably anticipated from interpretation of the best available planning documentation prior to the time the development is proposed, or b) proposed developments that create water or sewer service demand by the inclusion of new territory into the District, or c) new out-of-district service obligations.
- 2.32 OPERATING STANDARDS:** The District's desired level of treated water service assuming peak-day demand and projected build-out of all lots within its service area is defined as providing a water supply at the property line of each property served, where a service connection occurs or would occur, at a pressure equaling or exceeding thirty (30) psi and meeting or exceeding the then current Colorado Primary Drinking Water Regulations as required by the Colorado Department of Public Health and Environment and any other agency with regulatory authority. If the fire protection agency with jurisdiction over the property served requires specific fire flows and residual pressures, the District will seek to meet such criteria for the properties affected if deemed physically and economically feasible by the District in its sole discretion. Certain areas included into the District's service area may not meet the District's current operating standards. New infrastructure construction within the District's water system shall be designed to achieve current operating standards, but may be granted an exemption from the operating standards in the District's sole discretion. Prior to accepting conveyance of

exempted infrastructure improvements to the District, notations of such exemptions must be noted and recorded on the plat map for the properties served.

- 2.33 PERMIT:** Written permission of the Board of Directors given pursuant to these Rules and Regulations, subject to the specific terms and conditions contained therein.
- 2.34 PERSON:** Shall refer either to the singular or plural and shall include an individual, firm, partnership, or corporation.
- 2.35 PRE-TREATMENT FACILITIES:** Structures, devices, equipment, or processes for the purpose of reducing or removing the deleterious wastes or altering the nature of the deleterious wastes in special wastewater prior to discharging such wastewater into the District’s wastewater system.
- 2.36 PROPOSED CUSTOMER:** Any person whose property is capable of being served by District facilities or who has applied for a connection permit, main line extension permit, or inclusion and who has not yet received the service that is the object of the permit application, regardless of whether such person or governmental authority or agency is already receiving other service from the District and regardless of whether they are a property owner, developer, sub-divider, or potential user.
- 2.37 PUD:** A Planned Unit Development (PUD) or comparable phrase, such as Limited or Conditional Use, as approved by Archuleta County or the Town of Pagosa Springs.
- 2.38 RAW WATER ACQUISITION FEE (“RWAFF”):** Fees assessed against new construction (i.e., construction of residential or commercial fixture units), new connections, or any increase in use of water through existing connections that cause an increase in meter size and/or EUs, as calculated by the Meter Sizing Worksheet (Appendix B), to pay for the incremental expansion of capital improvements necessary to develop the raw water supply necessary to serve such newly created water service demand. This fee satisfies the storage component of the CIF.
- 2.39 RESIDENTIAL:** Includes multi-family units.
- 2.40 RESIDENTIAL EQUIVALENT UNIT:** To determine the equivalent units for all residential properties, the District utilizes the Residential Water Meter Sizing Worksheet based on data provided by the Uniform Plumbing Code and the International Plumbing Code. This worksheet is located in Appendix B, attached hereto and incorporated herein by its reference.
- 2.41 REDUCED PRESSURE ZONE DEVICE:** An assembly of two (2) independently operating approved check valves with a hydraulic automatic operating differential relief valve between the two (2) check

valves. The assembly shall be located between two (2) tightly closing (resilient seated) shut-off valves and have four (4) properly located test cocks for the testing of the check and relief valves. The entire assembly shall be an approved backflow prevention device.

- 2.42 **SAMPLING:** The periodic collection of water or wastewater samples for testing.
- 2.43 **SANITARY SEWAGE:** Any liquid waste containing animal or vegetable matter in suspension or in solution with wastewater resulting from the discharge of water closets, laundry tubs, washing machines, sinks, dishwashers, or any other source of water-carried waste of human origin or containing putrescible material. This term specifically excludes industrial, hazardous, or toxic wastes and materials.
- 2.44 **SHALL:** Is mandatory.
- 2.45 **SMALL DIAMETER PRESSURE SEWER SYSTEM:** Sewer systems with a diameter of one inch (1") to four inches (4") which may be installed in certain unique circumstances at the sole discretion of District.
- 2.46 **STUB-OUT:** In the context of water service lines, the curb stop, or comparable facility; in the context of wastewater service lines, the point where the sanitary sewer system connection line is terminated at or about the Customer's lateral.
- 2.47 **TAP:** See Connection.
- 2.48 **TESTING:** In the context of water or wastewater, the analysis of samples for composition, and other characteristics; in the context of construction or connection of water or wastewater system facilities, the inspection and trial operation of the construction.
- 2.49 **UNIT:** A building or portion thereof used for a single family residence, an individual commercial use, or which is provided separate service.
- 2.50 **WASTEWATER:** A combination of liquid wastes originating from any residential, commercial, or industrial buildings or other establishments, which may include household wastes, human excreta, animal or vegetable matter, organic or inorganic material in suspension or solution, and other solids in suspension or solution. This term includes deleterious wastes such as industrial, hazardous, or toxic wastes and materials.
- 2.51 **WASTEWATER MAIN:** Any pipe, system of piping, and appurtenances used as a conduit for wastewater in the District's collection system and owned by the District. Unless otherwise designated by the Board, a main shall typically be any line eight inches (8") or more in diameter. The

District acknowledges that some older main lines are six inches (6”) or less in diameter.

- 2.52 **WASTEWATER SERVICE LINE:** Any pipe, system of piping, and appurtenances used as a conduit for wastewater from a Customer’s facility where wastewater service is provided to the wastewater main.
- 2.53 **WASTEWATER SYSTEM:** All structures, facilities equipment, and processes used for collecting, pumping, treating, and disposition of wastewater, including but not limited to, any pipe, conduit, or other wastewater collection facility owned, operated, and maintained by the District and which is designated by the District as one dedicated to the exclusive purpose of carrying normal or special wastewater (*See* Section 9.2 herein) to the exclusion of other water or matter.
- 2.54 **WASTEWATER TREATMENT WORKS:** Those devices, facilities, structures, or locations to which wastewater is conveyed by wastewater mains by the District for the purpose of treatment.
- 2.55 **WATER MAINS:** Any pipe, system of piping, and appurtenances used as a conduit for water in the District’s water system and owned by the District. Unless otherwise designated by the Board, a main shall typically be any line six inches (6”) or more in diameter.
- 2.56 **WATER SERVICE LINE:** Any pipe, line, or conduit used to provide water service from the main to the facility where the water service is provided to the Customer.
- 2.57 **WATER SYSTEM:** All facilities and processes for diverting, transporting, distributing, storing, pumping, treating, measuring, etc., the water of the District.
- 2.58 **ANY OTHER TERM:** Not herein defined shall be defined if and as presented in the “Glossary - Water and Sewage Control Engineering,” A.P.H.A., A.W.W.A., A.S.C.E., and F.W.S.A., latest editions.

3. OPERATING PRINCIPLES AND LIMITATIONS

3.1 POLICY: The District is responsible for providing water and wastewater services in an economical manner within the District boundaries, and providing for the operation, maintenance, repair and replacement of all mains, hydrants, valves, and facilities owned by the District, in accordance with these Rules and Regulations. The right to any use of the District's water or wastewater system is only by permission of the District. The District reserves full right to determine all matters related to the control and use of its water and wastewater system. The right to use of the District's water and wastewater systems shall be subject to suspension or revocation as set forth herein.

3.2 WATER AND WASTEWATER SYSTEM CONSTRUCTION COSTS: Notwithstanding any other provision of these Rules and Regulations to the contrary, all cost of new construction, reconstruction, or enlargement of any water or wastewater system facilities, including all associated planning, engineering, administration, and attorney's fees, which are necessary to provide new, different, or additional water or wastewater service within the District's service area, including but not limited to service lines, main lines, and water or wastewater treatment works, shall be paid by the owner(s), developer(s), or Customer(s) of the property or building to be serviced. The District shall not pay for any costs associated in any way with the provision of any new, different, or additional service after the effective date of these Rules and Regulations. The provisions of this Section shall apply regardless of whether the District or any other person contracts for, or initially pays for, such construction, reconstruction or enlargement, or such service is requested by the Customer, or compelled by the District. In situations where service lines have been installed from the main water or wastewater lines to the property line, the owner(s), developer(s), or Customer(s) who paid the costs associated with the construction and installation of such service line shall be eligible to recoup fifty percent (50%) of such costs, exclusive of costs of connection, from neighboring property owner(s) who connect to the service line. The owner(s), developer(s), or Customer(s) seeking reimbursement shall be responsible for providing all receipts and other proofs of cost. The District has the right, exercisable in its sole discretion, to deny service to a subsequent user of the subject service line, until the paying installer of the line is reimbursed. The Board may act other than as required in this Section when it determines, in its sole discretion, that such action is necessary to provide for the health, safety, and welfare of the inhabitants and visitors of the District.

3.3 LIABILITY:

3.3.1

DISTRICT NOT LIABLE: No claim for damage shall be made against the District, and the District and its officials and employees shall not be liable by reason of damage resulting from any of the following: breaking of any service or supply line, pipe, corp stop, curb stop, test valve or meter by any employee of the District; failure of the water supply; shutting off or turning on water in the water mains; the making of connections or extensions; damage caused by water running or escaping from open or defective faucets; burst service pipes or other facilities not owned by the District; damage to water heaters, boilers, or other appliances resulting from shutting water off, or for turning it on, or from inadequate, sporadic, and excessive pressures; blockage in the collection system causing the backup of sanitary sewer; damage caused by “smoking” of lines to determine drainage connections to District lines; breakage of main lines by District personnel; interruption of water or wastewater service and the conditions resulting therefrom where said interruption of service is brought about by request of claimant, or by circumstances beyond the District’s control; failure of any facilities to be located where the District’s map indicates they should be; the shutting off of a wastewater lift station and possible backflow resulting therefrom; failure to obtain access to isolation valve; or for doing anything to the water and wastewater system of the District deemed necessary by the Board or its agents. This paragraph shall not relieve the District from liability for negligence of its employees, if such liability would otherwise have existed; provided however, that the foregoing shall not constitute a waiver by the District of the defense of sovereign immunity or the Colorado Governmental Immunity Act, or any other defenses it may have to an action against the District, its officials or employees, nor a waiver of its insurance coverage.

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

3.3.2

OFFICIALS NOT LIABLE: Any District official or employee charged with the enforcement of these Rules and Regulations, acting in good faith and without malice on behalf of the District in the discharge of official duties, shall not thereby render such official or employee personally liable for any damages which may accrue to persons or property resulting

from any such act or omission committed in the discharge of such duties. In any suit or proceeding instituted against such official or employee, stemming from any act or omission performed in the enforcement or attempted enforcement of any provision of these Rules and Regulations, such official or employee shall be defended, indemnified and held harmless by the District until final termination of the proceedings. This Section shall be construed in such a manner as to be consistent with the District's resolution indemnifying such officials and employees.

3.3.3 **NO LIABILITY FOR WORK OF OTHERS:** The District does not assume any liability for any work performed by others. No claim shall be made against the District or any of its officers or employees on account of errors of omission or commission made by the District's licensees.

3.3.4 **INDEMNITY:** The owner(s), developer(s), or Customer(s) shall indemnify the District from any loss or damage that may directly or indirectly be occasioned by the installation of the service line.

3.3.5 **CONSTRUCTION:** This Section 3.3 shall be construed in such a manner as to be consistent with any District resolution then in effect indemnifying such officials and employees.

3.4 **DISTRICT OWNERSHIP AND MAINTENANCE:** Except as otherwise provided in these Rules and Regulations or by separate contract, all existing and future water, raw water, or wastewater system facilities connected with and forming an integral part of the District's water and wastewater system shall become and are the property of the District. The District shall be responsible for maintenance, repair and reconstruction of such property, including water or wastewater mains, at its cost, unless the situation necessitating such repair, or reconstruction is the result of a change or enlargement of use, abnormal use, or damage to such facilities, in which case such repair or reconstruction will be done at the expense of the person responsible for such enlargement, abnormal use, or damage. Said ownership will remain valid regardless of whether such property is constructed, financed, or paid for by other persons or otherwise acquired by the District. No other persons, except those authorized by the District, shall have any right to enter upon, inspect, operate, adjust, change, alter, move, or relocate any portion of the District's facilities.

When replacing or making repairs to District main lines and facilities, unless specifically provided otherwise in the District's Rules and Regulations, the District shall not be liable for repair or replacement of temporary, semi-permanent, or permanent land treatments such as, but not

limited to, asphalt, concrete, masonry, stone, or landscaping existing on any publicly-owned or District-owned water or wastewater rights of way or easements. The necessity of replacing or making repairs to the lines or facilities of the District shall be determined by the District in its sole discretion. It shall be the responsibility of the owner of the property to provide the District unobstructed access to such lines or facilities, and to execute disclaimers or other such legal instrument deemed acceptable to the District to hold the District harmless while conducting such replacements or repairs.

The District recognizes that certain water or wastewater service lines are in existence pursuant to a previously approved PUD, or comparable, and are a part of the District's system. Such service lines are not owned by the District, and the owners of such lines may maintain those lines on their own, so long as maintenance of the service lines does not present a safety concern to the public. If the District determines that a safety concern exists, it may perform any necessary maintenance and charge the cost of such maintenance to the owner of the line.

3.5 OWNERSHIP AND MAINTENANCE OF WATER AND WASTEWATER

SERVICE LINES: The meter pit is defined as the structure owned by the District that houses the meter, valve and/or curb stop and automatic meter reader electronics. For this section, the term "meter pit" includes the structure and materials within the structure. The term "meter" and "meter pit" may be used interchangeably in this section. The District's responsibility for maintenance of water service lines ends at the property line to each building or unit, regardless of the location of the water meter. The District's responsibility for maintenance of wastewater service lines ends where the Customer's lateral connects to the main line. Leaks, stoppages, or breaks in such portions of such service lines shall be repaired by the property owner within a reasonable period of time after discovery or notification of such condition by the District. If satisfactory progress toward repairing said leak, stoppage, or break has not been accomplished within such time period, the District Representative shall shut off the water service until the leak, stoppage, or break has been repaired. The District reserves the right to make the repair at the expense of the Customer when, in the opinion of the District Representative, such repair is necessary to protect the health, safety, and welfare of the inhabitants of and visitors to the District. Said ownership shall remain valid whether the service lines are constructed, financed, paid for, or otherwise acquired by the District or by other persons.

When the meter pit is not installed on the property line, only the meter pit is the property and responsibility of the District unless intentionally damaged; in which case, the property owner is responsible for repair or replacement costs. All water service line appurtenances other than the District's meter pit are the responsibility of the owner. Only District

representatives are authorized to enter or make connections inside the meter pit. No materials such as PRV's or valves that are to be owned by the property owner are allowed in the meter pit. The property owner shall place any water service line appurtenances owned by the property owner outside of the meter pit. Any person other than District staff that enters a PAWSD meter pit may be penalized up to five hundred dollars (\$500.00), plus any amounts necessary to repair any damage which may have occurred due to the entering of the meter pit.

In cases where a PUD exists, or in any instance where the District does not own the water and wastewater lines, said main lines are the property and maintenance responsibility of the Customer, regardless of water meter or sewer cleanout location. District ownership in these instances may be determined by dedicated utility easements, or by other agreement with developer. In instances where a meter or cleanout location has been adjusted to avoid certain circumstances such as a tree or sidewalk, good faith will be used to determine the point of change in ownership and responsibility.

In all instances, it is the Customer's responsibility to ensure that access to the water meter pit and sewer cleanout is maintained year-round. Such maintenance includes, but is not be limited to, keeping pertinent areas free from trees, shrubs and overgrowth, as well as free from snow and ice during the winter months, to facilitate inspection, repair, and reading of meter. Access fees may be imposed as provided in the Schedule of Fees and Charges, attached hereto as Appendix A and incorporated herein by this reference.

- 3.6** **DEFECTIVE METERS:** It shall be the duty of all Customers to notify the District office immediately if a meter is operating defectively. The District shall be responsible for the maintenance, repair or replacement of all meters, unless the meter is intentionally damaged.

If any water or raw water service meter fails to register in any period, the Customer shall be charged the average period consumption during the two (2) preceding periods as shown by the meter when in order.

- 3.7** **SERVICE OUTSIDE THE DISTRICT:** At the present time, service outside the District is available only by contract according to the discretion of the Board.

- 3.8** **WATER SERVICE POLICY:** All future Customers, and existing Customers if the applicable property is proposed to be subdivided, changed in a way that would increase water service demand or included into District boundaries subsequent to the commencement of service, desiring water service from the District will be required to pay the CIF, or alternatively or in combination therewith, may be required at the

option of the District, to convey and dedicate to the District all water rights and groundwater rights, underlying, used in connection with or associated with the applicable property as a condition of receiving such service. The monetary amount of the CIF shall be established, and revised from time to time, by the District in its sole discretion. The CIF shall be due and payable in accordance with Section 10.13 herein. Further, the following guidelines and procedures have been established for assuring the adequacy of the District's water rights and facilities to enable the requested increase in water service:

3.8.1 **DISTRICT'S OBLIGATION:** The District is obligated to assure that adequate water rights are available to the District for the provision of water for all increases in water service demand. Stated otherwise, even though a property may be within the boundaries of the District, if a CIF has not been paid or adequate water rights have not been dedicated as required herein for the proposed new use or increased use, then any District commitment to serve will not be issued until payment, dedication or grant, or combination thereof, has been made as provided herein.

The District may require the dedication of water rights that will reliably yield water equal to one hundred and ten percent (110%) of the water demand expected from any proposed development, subdivision of land, or increased use through existing connections.

3.8.2 **THE PLAN:** The developer, property owner, or proponent of the increased water use shall supply to the District if requested a comprehensive report (the "Plan") which at least includes:

- A.** The acreage, zoning, uses, and expected requirement of the new or increased use upon the water system; and
- B.** A water resource engineer's opinion of the water flow rates and volumes required and possible sources of water to fulfill the increase in use, plus ten percent (10%), including identification of any water rights owned by the property owner or proponent associated with the property; and
- C.** If specific water rights are proposed for dedication to the District, such proposal shall include a water resource engineer's evaluation and opinion, acceptable to the District, of the adequacy of such water rights, the drought-year yield of such water rights, the need for adjudication of changes to the water rights, any need for augmentation supplies, and the sources of augmentation supplies; and

- D. The water resource engineer's opinion and certification, acceptable to the District, that the proposed plan of supply is adequate to fulfill the increase in water requirement, plus ten percent (10%).

The Plan shall be reviewed by the District water engineer and water attorney – the cost of which review shall be paid through an advanced deposit from the developer.

- 3.8.3** **CONVEYANCE:** The agreed-upon water rights for dedication shall be conveyed by warranty deed to the District.

- 3.8.4** **EXECUTION OF AGREEMENT:** At the sole option of the District, in recognition of the procedural difficulties of zoning applications, a forfeitable deposit may be required toward the drafting of an agreement under which the proponent or developer shall articulate and agree with the District the complete understanding of the parties with respect to the terms and conditions of the conveyance of the water rights and the payment of the CIF as applicable. Such agreement shall include, but not be limited to, a description of the property to be served, a description of the water rights to be conveyed, and other such facts and conditions as the District may determine. Upon execution of the agreement by the parties, a commitment to serve may be issued by District staff.

Any controversy in the application of this policy shall be resolved through the appeal procedure of the District's Rules and Regulations. *See* Section 1.12.

- 3.9** **OWNERSHIP AND RIGHT TO THE USE OF WATER:** The District retains all property rights associated with any water provided to Customers and properties, including the rights to reuse, make successive uses, and use such water to the point of its complete or absolute consumption.

- 3.10** **LINE LOCATIONS:** Upon request of a Customer, the District will attempt to locate and mark water and sewer main lines to the best of its ability by using available information. Basic main line locations will be made free of charge, but if the Customer requires a more precise line location or on-site assistance, the District will make such location available for a fee sufficient to cover the District's expenses relating to such location. Waiver of this option shall serve as a release of the District of all potential claims for damages or liability resulting from the location of the service lines. The District will not accept financial liability to any party for any costs incurred as a result of an inaccurate location.

4. PUBLIC WATER AND WASTEWATER SYSTEMS MANDATES

- 4.1 UNLAWFUL TO DEPOSIT WASTE IN UNSANITARY MANNER:** It is unlawful for any person to place, deposit, or permit to be placed or deposited in any unsanitary manner on public or private property within the District, any human excrement, garbage, or other objectionable waste.
- 4.2 WASTEWATER MUST BE DISCHARGED INTO DISTRICT'S SYSTEM:** It is unlawful to discharge to the natural environment any sanitary sewage. All such discharges must be made to the District's wastewater system in accordance with these Rules and Regulations.
- 4.3 SUMPS AND WATER WELLS PROHIBITED:** After the effective date of these Rules and Regulations, the construction of any water well or sump within the District is prohibited, unless authorized in writing by the District. The District may permit the use of existing wells for irrigation purposes upon acceptable proof of no hazardous cross-connection. Upon connection of premises to the District's water and wastewater systems, the owner may be required to dedicate and convey any existing water rights and related structures appurtenant to the subject property to the District at no cost. Such dedication and conveyance shall be at the option of the District.
- 4.4 DISTRICT WATER AND WASTEWATER SYSTEMS MANDATES:** No system combining both water and wastewater service shall be constructed within the District, unless otherwise specifically authorized by the Board. The owner(s) of any parcel of land within the boundaries of the District, which is subdivided subsequent to the effective date hereof shall make application to the District for extension of its water and wastewater facilities to serve said subdivision. The District shall require said owner(s) to construct or pay for the construction of the extension or enlargement of all facilities necessary to serve said subdivision. If the District elects to extend such service, the District and the property owner(s) shall enter into a service agreement therefor.
- 4.5 DISTRICT'S POWER TO COMPEL CONNECTION:** Unless otherwise agreed to by the Board, the owner(s) of all buildings, businesses, or other premises situated within the District where a water supply shall be used or domestic or industrial wastes or wastewater are generated, stored, or treated shall be required at the owner(s) expense to install suitable water and wastewater facilities therein and to make application for and to connect such facilities directly with the District's water and wastewater system for the protection of the health, safety, and welfare of the inhabitants and visitors of the District in accordance with the provisions

of these Rules and Regulations, within twenty (20) days after written notice is sent by registered mail to do so, provided that the public water or wastewater main is within four hundred feet (400') of the owner's property line.

If such connection is not commenced within such period and completed with reasonable diligence by the owner, the District may thereupon make such connection, and the owner shall be liable for all expenses incurred by the District for the completion of the connection, including any unpaid connection fees, availability to tap fees or other fees as stated by District records. The District shall also have a first and prior lien on the premises for such costs and fees, and such lien shall be enforceable in accordance with the provisions of § 32-1-1006(1)(a), C.R.S.

If an owner's service line must cross another person's property in order to connect to the District's water or wastewater system at the point designated by the District, and the owner is unable to obtain the easement(s) required for such service line, the District may in its discretion initiate proceedings to acquire such easement(s). All costs incurred by the District in the prosecution of such proceedings, including without limitation, the amount determined to be payable as just compensation, attorney and legal fees, engineering and survey fees, appraisal fees and expert witness fees, shall be paid by the owner of the premises to be connected. The amount required to be deposited with the court in order for the District to obtain possession of the property included within the easement(s) shall be paid at that time by the owner of the premises to be connected. The District shall have a first and prior lien on the premises to be connected and the land on which they are located for all such costs, and such lien shall be enforceable in accordance with the provisions of § 32-1-1006(1)(a), C.R.S.

- 4.6 WATER CONSERVATION PLAN AND DROUGHT MANAGEMENT PLAN:**
The District's Water Conservation Plan and Drought Management Plan are accessible on the District's website. All Customers receiving water service from the District, including but not limited to drafting from non-potable water storage, shall be subject to the District's implementation and operation of the Water Conservation Plan and Drought Management Plan, as such Plans are amended or revised from time to time, unless exempted per contractual agreement.

5. APPLICATION FOR SERVICE

- 5.1 POLICY:** Service shall be furnished only to persons whose property is included within the District, and subject to these Rules and Regulations and applicable taxation, unless otherwise agreed to by the Board in its sole discretion. It shall be incumbent upon an applicant for service to furnish satisfactory evidence of inclusion whenever such evidence is requested by the District. For any property included within the District or to be provided service, all information concerning the service, facilities, and improvements required by such property must be provided to the District if requested. Payment for the expansion or extension of all existing facilities, installation of necessary improvements and facilities, and the ongoing use of the water and wastewater systems is required.
- 5.2 SUFFICIENT WATER RIGHTS AND FACILITIES REQUIRED:** No new property shall be included, nor shall new service or increases in service be provided to any property within the District, unless the owner or developer of said property or newly subdivided property complies with the Water Service Policy. *See* Section 3.8 herein. The owners of such property shall convey the water rights, water use rights or fees to the District free and clear of all liens and encumbrances prior to inclusion of the property into the District or the furnishing of service or increases in service to the proposed development property, whichever the case may be. The matter of sufficiency of fees or water rights required to serve the subject property shall be decided by the Board in its sole discretion. In no event shall the District be obligated to reimburse an applicant for funds expended by the applicant to acquire, analyze, or convey water rights and water facilities.
- 5.3 APPLICATION FOR CONNECTION PERMIT:** A Customer seeking service within the District shall, as provided in Section 10.3 herein, submit for the District's consideration an Application for Water and Wastewater Connection Permit, including a completed and signed applicable Meter Sizing Worksheet (Appendix B), accompanied by the appropriate connection fee and other fees from the Schedule of Fees and Charges (Appendix A). In addition, the Applicant shall pay all unpaid fees and charges as indicated by District records.
- 5.4 CONNECTION PERMIT:** No work on a proposed connection shall commence prior to payment of all fees and the issuance of a connection permit.
- 5.5 LIMITATIONS OF CONNECTION PERMITS:** The connection permit(s) issued to an applicant are applicable only to the real property and building(s) or portion thereof specified on the permit, and all rights under

the permit shall be deemed to be automatically conveyed with title to such property. The permit shall not be transferable for use on other property or for use on other buildings on this same property; except that transfer of the permit may be approved at the District's discretion upon written application and payment of a proper transfer fee and a determination that such transfer will not impair the health, safety, and welfare of the inhabitants and visitors of the District. Each connection permit shall allow only one (1) service line connection.

5.6 MAIN LINE EXTENSION PERMITS: A Proposed Customer seeking service requiring the construction or extension of a water or wastewater main line shall submit a separate application for a main line extension permit, accompanied by the appropriate fees, prior to any construction of the main line or any service lines to be connected thereto. Payment of a connection fee and issuance of a connection permit does not constitute a main line extension permit. No work on a proposed extension shall commence prior to payment of all fees and the issuance of a main line extension permit, pursuant to the following:

5.6.1 DISTRICT REPRESENTATIVE: The District shall designate a District Representative to handle all main line extension applications and permits.

5.6.2 COSTS: All costs of processing the main line extension applications and permits will be paid by the applicant in the form of an estimated deposit at the time of application, with reconciliation upon completion of the main line extension and the issuance of a Bill of Sale.

5.6.3 ENGINEERING: All main line extensions shall be designed by a Colorado Registered Engineer and meet all requirements of the Pagosa Area Water and Sanitation District Technical Specifications.

5.6.4 ON-SITE AVAILABILITY OF THE PERMIT: A current copy of the approved plans and final permit application shall be on-site or at an easily accessible location so it can be made available at the time of an on-site inspection or upon request by the District during installation of the water main extension.

5.6.5 INSPECTION REPORTS: The District's Representative shall establish and report to all applicants the procedure for processing main line extension applications, which procedure is expected to include a certificate process in which the engineer for the applicant issues daily inspection reports to District's Representative.

- 5.6.6** **CONNECTION REQUIREMENTS:** Connection to the existing District water system shall not occur until a leakage test and disinfection per applicable AWWA Standards has been completed and witnessed by a District Representative and BAC-T test per Standard Methods Part 9000 has been completed resulting in a negative BAC-T result.
- 5.6.7** **ACCEPTANCE:** As is currently the expectation of the District, acceptance of main line extensions shall occur only after all as-built drawings are complete, all inspection and testing reports are deemed satisfactory subject to Section 8.9.2, all bills of sale, easements or other conveyance instruments have been provided, a two (2)-year warranty is proven, and all costs of the District processing have been paid.
- 5.7** **ROAD CUTS:** Issuance of a connection permit or any other District permit does not authorize the holder thereof to make any cut in a public road or street or to do anything for which separate permission is required of another governmental entity.
- 5.8** **PERMITS SUBJECT TO RULES AND REGULATIONS:** Each connection permit and inclusion or other agreement issued or entered into by the District shall be subject to each of the provisions of these Rules and Regulations as amended from time to time, and shall be subject to each of the conditions and limitations set forth herein.
- 5.9** **DENIAL OF APPLICATION FOR SERVICE:** The Board retains, in its sole discretion and judgment at a public meeting, the right to deny an application for a connection permit, temporary, irrigation, or otherwise, when the granting of the application would not be in the best interests of the District or its residents and property owners. The factors that the Board may consider, not by way of limitation, include: whether sufficient water rights and water facilities are available and will be available in the future to serve the development or construction proposed for the property; the impact of the proposed service on the District's existing water and wastewater service treatment, transmission, and storage facilities; the economic effect that the approval of the application would have on the District, its residents and property owners; whether the granting of the application would adversely affect the public health, safety, and welfare of the District's residents, property owners, and visitors; and other factors related to the request to provide such service. There may be factors and aspects of an application which are unique to that application and are not recited above, and the District's Board retains the right to consider all factors related to an application and make a decision based thereon.

- 5.10 CANCELLATION OF PERMITS:** The District reserves the right, in its sole discretion, for cost-related, lack of capacity, or other reasons, to cancel any permit, including connection, or main line extension permits, at any time prior to connection to the District’s water or wastewater system.
- 5.11 INCLUSION:** A person or entity desiring service and owning or having an interest in land outside of the boundaries of the District shall include in a petition for inclusion all of the land in which applicant is the owner or has a beneficial interest that is contiguous to the parcel upon which service is desired within the District, unless the District allows otherwise; also referred herein as “included property” or “property included into the District.”

The District’s policy concerning inclusions into the District is that any property brought into the District shall be allocated at least one (1) EU and the developer or owner must provide to the District all finances, easements, facilities, and service required for such property, and must pay for the use of all existing and future improvements, facilities, and water and wastewater rights and systems. *See* Sections 3.8 and 5.2 herein. The property shall not be included unless there are sufficient water rights and water facilities which are, in the judgment of the District, adequate to serve the anticipated and allowed development of the property or the provision of funds adequate to purchase or compensate for such facilities and rights. All water and wastewater facilities to be constructed by the District in order to serve the property must be financed solely by the developer and owner of the property, and payment of connection fees and any other necessary charges shall be made for the use of existing District facilities and rights. The property owner must agree to dedicate a twenty-foot (20’) wide perimeter easement in order to enable the District to serve the included property and provide for future main line extensions. The District intends that its existing residents will not subsidize the development of any newly included property. Any property owner wishing to include property within the District may appear before the Board and request deviation from any of the aforementioned conditions or determinations. Granting or denying any requested variance or deviation shall be at the sole discretion of the Board.

5.11.1 INCLUSION PETITION: A copy of the inclusion petition shall be submitted, together with a petition fee in the amount of an initial deposit of eight-hundred dollars (\$800.00), or such other amount in accordance with the District’s Schedule of Fees and Charges (Appendix A) as amended from time to time, which shall be credited towards the costs of inclusion to be paid hereunder. *See* Section 10.15 herein. The inclusion petition shall contain the following information:

- A. A legal description of the property to be included.

- B. Provision for adequate easements and rights-of-way, either by conveyance or dedication, as required for service, including a twenty-foot (20') wide perimeter easement, unless determined unnecessary or impractical at the sole discretion of District.
- C. At the discretion of the District, the petitioner may be required to submit documentation on one or any of the following.
 - 1. Proof of title as required by the District.
 - 2. Total acreage.
 - 3. Surveyed map of the property.
 - 4. Total build out.
 - 5. Dedication of water rights.
 - 6. Description of proposed uses, including:
 - a. The proposed total population for the property.
 - b. The proposed maximum population density for each area of the property.
 - c. Detailed engineering plans on proposed water and wastewater service, including cost estimates.
 - 7. The proposed development schedule.
 - 8. Complete description of all water rights.
 - 9. Any other data decreed pertinent by the District.
- D. Agreement to annex to Town of Pagosa Springs if within the applicable Service Area.

5.11.2 PETITION EVALUATION REIMBURSEMENT: The petitioner for inclusion shall be responsible to the District for all costs, including engineering and attorney and legal fees and expenses, incurred on behalf of the District in evaluating the petition, together with one-hundred percent (100%) of any amounts paid by the District to any other governmental entity which is required to review the petition. The District may require additional deposits if the costs will exceed the original eight-hundred-dollar (\$800.00) deposit. These costs shall be

assessed regardless of whether a petition for inclusion of the property into the District is finally granted.

5.11.3 HEARING ON PETITION FOR INCLUSION: The Board shall conduct a hearing in accordance with Colorado statutes on whether the petition for inclusion should be granted or denied, in whole or in part. The Board shall decide, in its sole discretion and judgment, whether the granting of the petition is in the best interests of the District’s existing residents and property owners. The Board shall withhold entry of any final order approving inclusion until the developer or Proposed Customer has entered into an agreement which details the terms and conditions of inclusion and provides for payment of all fees and costs, and sufficient security therefor. The Board’s action granting or denying the petition for inclusion shall be final and conclusive.

5.11.4 EQUITY-BUY-IN FEES: For any inclusion granted by the District, the owner of the included property shall be responsible for the payment of all Equity-Buy-in fees as set forth in the Schedule of Fees and Charges (Appendix A) and described by Section 3.8 herein, as the same may be amended from time to time, including the Inclusion Fee in effect at the time the petition for inclusion is filed with the District. The Equity-Buy-in Fee is calculated based upon the Fixed Assets of each the Water and Wastewater Enterprise Funds, net of accumulated depreciation, divided by the total number of service equivalent units and availability accounts to produce a “per equivalent unit” factor to represent a buy-in to the existing infrastructure. This calculation is done annually based upon the previous year’s Statement of Net Assets per the audited financial statements.

5.12 AVAILABILITY TO TAP FEES: Availability to Tap Fees may continue to be utilized by the District in those subdivisions in which water and sewer mains have not been constructed, and which were a part of the original District service area.

5.12.1 NOTICE OF ASSESSMENT: When utilizing the Availability to Tap Fee, the District will estimate the cost of main line construction for a particular area. The District will set forth the Cost Estimate in a letter sent to each of the affected property owners. District staff will utilize a good faith effort to achieve delivery of the letter, but lack of receipt shall not affect the efficacy of the transaction. The letter shall notify the property owner of the intent to extend main lines, the total estimated

cost, the total pro rata cost applicable to the owner's property, and the method of assessment to be utilized by the District.

5.12.2 **ALLOCATION OF COSTS:** The District shall thereafter proceed with the construction of the main line extension and articulate the total cost of the project including engineering, design, construction, and inspections. This total cost shall then be allocated pro rata to the property owners and a billing for the entire amount sent to each property owner. The District may allow, in its discretion, monthly installments for payment of the Availability to Tap Fee. If such fee is not paid within sixty (60) days, the District shall consider the property to be delinquent in its charges and process collection of payment in accordance with District Regulations.

If assessment and payment of the Availability to Tap Fee has not been made as of the time application is made for a connection permit, the Availability to Tap fee shall be due and payable at that time at current rates. Availability to Tap Fee shall be assessed as provided for in the Schedule of Fees and Charges (Appendix A); provided, however, that if an application, in the opinion of the District Manager, does not properly reflect the nature and use of the structure to carry out the purposes of the Schedule of Fees and Charges (Appendix A), then:

- A.** The District Manager shall report said opinion and the facts supporting the same to the Board.
- B.** The Board of Directors shall, upon receipt of the District Manager's report, and upon a determination that said report is supported by sufficient facts to justify a hearing, provide notice to the applicant of a hearing to be held at the earliest convenience of the Board to determine the true facts and circumstances surrounding the application. The Board shall hold a hearing in accordance with the notice provided, and shall hear any person who may come before the Board to provide the Board with information concerning the facts and circumstances surrounding the application.
- C.** After hearing all who come before it at said hearing, the Board shall determine whether the application properly reflects the nature and use of the structure and fulfills the purposes of this Section and, if not, the Board shall assess the tap fee that is appropriate for the Applicant, which tap

fee shall be collected in accordance with these Rules and Regulations and the laws of the State of Colorado.

5.12.3 **NEW DEVELOPMENT**: New Development, which in the District's determination is not subject to the Availability to Connect Fee, shall be responsible for all costs associated with main line extensions, including District costs in reviewing plans and inspections.

6. SERVICE LINE CONSTRUCTION AND CONNECTION

- 6.1 REQUIRED PERMITS AND FEES:** No service line shall be constructed within the District nor connected to the District's water or wastewater system until a connection permit has been issued by the District.
- 6.2 SEPARATE SERVICE LINES:** At the discretion of the District, a separate and independent service line may be allowed for multiple buildings, except out-buildings, in instances where central master meter and billing responsibility are in place, and except as otherwise provided herein, and shall be installed at the expense of the property owner. The District encourages sub-metering, wherein each building is individually metered. Sub-metering and maintenance of sub-meters is the responsibility of the property owner.
- 6.3 INSPECTION:** The District shall inspect the connection of an applicant's water or wastewater service line to the public system at the time of such tap and, in certain circumstances, shall subsequently inspect the backfilling required for the connection. For all water service lines, the District's responsibility for inspection shall be from the District's water main line to the property line. In the event that the water meter must be installed on private property or within a structure, the District will only be responsible for the meter and remote reader, and that portion of the service line on private property will be the responsibility of the owner. Inspection from the water meter to the building facility shall be the responsibility of the owner or a representative of the owner. For all wastewater service lines, the District responsibility for inspection shall end where the Customer's lateral connects to the main line.
- 6.4 DESIGN AND CONSTRUCTION SPECIFICATIONS:** All contractors, licensed plumbers, and others doing service line construction and connection work within the District shall comply with all applicable District standards.
- 6.5 CONTRACTOR QUALIFICATIONS:** All contractors and subcontractors shall be approved by the District Representative prior to commencing work on any water or wastewater facilities or main lines within the District. The District assumes no responsibility for work performed by general contractors, or subcontractors, or their agents.

7. CROSS-CONNECTION CONTROL AND BACKFLOW PREVENTION

- 7.1 POLICY AND PROCEDURES:** The District’s Policy and Procedures for the Cross-Connection Control Program governs the cross-connection control and backflow prevention requirements of the District. If a conflict arises between the Policy and Procedures and these Rules and Regulations, the Rules and Regulations shall govern.

- 7.2 CROSS-CONNECTION CONTROL AUTHORITY :** The authority to implement and maintain this backflow and cross-connection control program is contained in the following legislative, regulatory, and standard-setting actions as amended over time:
 - 7.2.1** Sections 25-1-114 and 25-1-114.1, C.R.S. (Colorado Department of Public Health and Environment).
 - 7.2.2** Colorado Department of Public Health and Environment Cross-Connection Control Manual (“CCCM”).
 - 7.2.3** Pagosa Area Water and Sanitation District (“PAWSD”) Rules and Regulations.
 - 7.2.4** Colorado Primary Drinking Water Regulations (“CPDWR”), Article 12, Control of Hazardous Cross-Connections.
 - 7.2.5** Colorado Primary Drinking Water Regulations (“CPDWR”), Article 14, Control of Hazardous Cross-Connections.
 - 7.2.6** Occupational Safety and Health Administration Federal Register #202 part 2, page 22234, subparts J.
 - 7.2.7** Colorado Plumbing Code.
 - 7.2.8** Uniform Plumbing Code of the International Plumbing and Mechanical Officials / International Plumbing Code.
 - 7.2.9** Uniform Swimming Pool and Mineral Bath Regulations.
 - 7.2.10** Uniform Solar Code.

- 7.3 GENERAL REQUIREMENTS:** Approved Backflow Prevention Devices (“BPDs”) are required on all commercial, industrial, church, school and mixed usage properties, and on all fire sprinkler systems, to protect the domestic water system from potential cross-connection contamination. The District reserves the right to require BPD’s on any other applicable service connections, existing and future.

7.4 **STANDARDS FOR BPDs IN FIRE SUPPRESSION SPRINKLER SYSTEMS:**
All fire suppression sprinkler systems shall conform to the National Fire Protection Association ("NFPA") pamphlet numbers thirteen (13) and twenty-four (24) and as follows:

7.4.1 All fire sprinkling lines shall have a minimum protection of an approved double check valve for containment of the system.

7.4.2 Backflow devices used on fire lines shall have O.S.&Y. (outside stem and yoke) valves and be listed by the National Fire Protection Association.

7.4.3 All glycol (ethylene or propylene) or anti-freeze fire suppression systems shall have an approved reduced pressure zone device for containment.

7.4.4 Dry Fire systems shall have an approved double check valve installed upstream of the air pressure valve.

7.4.5 A single-family residence with a fire sprinkler system using either domestic water or a glycol mixture requires installation of a reduced pressure zone device that provides full containment and isolation, or a more restrictive device if required by the local fire protection agency with jurisdictional authority. The reduction of pressure through these devices must be incorporated into the design of the fire sprinkler system.

7.5 **STANDARDS GOVERNING INSTALLATION AND TESTING OF BPDs:**

7.5.1 Residential properties should have cross-connection control, and the District installs a dual check valve in every new meter pit for this purpose. If the residential property does not contain hazards to the public water supply, which hazards include, but are not limited to, home photo labs, solar heating or power systems, or auxiliary wells connected to the potable water system, the District does not require annual device inspection reports.

7.5.2 Regarding residential service connections, new or existing, the District reserves the right to identify possible hazards to the public water supply and to require installation of an appropriate BPD at any time such hazards are identified.

7.5.3 Single check valves are not considered BPDs and shall not be permitted within the service area of the District.

- 7.5.4** Dual check valves are not considered BPDs, but are allowed within the meter pit assemblies installed by the District at residential properties so long as the types of water use at such residential properties do not pose a hazard to the public water system as determined by the District. *See* CCCM Chapter 7 Section 7.4. A dual check valve that provides containment shall be installed by the District as a component of a complete meter pit assembly on all new service connections, and such dual check valves shall be located downstream from the meter and upstream from any bifurcation of the service line.
- 7.5.5** All service connections other than single family residential shall install a District approved RPZ Device as the appropriate BPD in order to protect the public water system from changes in the type and manner of water use made as successive businesses occupy such commercial properties over time.
- 7.5.6** All Approved BPDs shall be tested at the time of installation, and all Approved BPDs within the District's service area shall be tested each year following installation. Test results must be submitted to the District on a District approved form completely and legibly. Testing of devices must be performed by a Backflow Prevention Technician holding a current and valid certification acceptable to the District using test equipment with a current certification acceptable to the District.
- 7.5.7** BPDs shall only be installed by a Master Plumber or by a licensed plumber or Cross-Connection Control Technician working directly under the supervision and authority of a Licensed Master Plumber.
- 7.5.8** The District reserves the right to require the installation, replacement, or modification of any check valve assemblies or Approved BPDs that are deemed ineffective or would otherwise create a potential hazard to the domestic water system.
- 7.5.9** BPD valves shall not be used as the inlet or outlet valve of the water meter. Test cocks shall not be used as supply connections or gauge ports.
- 7.5.10** All costs for the design, installation, maintenance, repair, and testing of BPDs shall be borne by the Customer, including any specific fees charged by the District for review and inspection of such assemblies if applicable.

7.5.11 Any BPD installed within the District's service area shall meet or exceed all applicable plumbing codes, the CCCM guidelines, and these Rules and Regulations.

7.6 **ADMINISTRATION OF THE CROSS-CONNECTION CONTROL PROGRAM:**

7.6.1 Administration of the District's Cross-Connection Control Program shall be performed by the Cross-Connection Control Program Coordinator ("CCCPC") appointed by the District Manager or District Representative. The District shall ensure that the CCCPC is properly certified by the applicable agency(s) to legally perform the duties of the position.

7.6.2 Right of Inspection - The District shall have the right of reasonable entry to inspect any and all buildings and premises for cross-connections relative to possible hazards, or to verify proper installation, testing, or repair of BPDs.

7.6.3 Enforcement - The District may discontinue service of water to any property if an unprotected cross-connection exists on such property that poses a significant risk to the domestic water system. Failure of a property owner to comply after proper notice in writing by the District, pertaining to the installation, maintenance, testing, repair, relocation, or inspection of an Approved BPD may result in the disconnection of water service. If disconnection of water service is not feasible, the District has the authority to fine property owners an amount not to exceed five-hundred dollars (\$500.00) per day for any or all days the connection is out of compliance.

8. MAIN LINE EXTENSIONS

- 8.1 REQUIRED PERMITS AND FEES:** No main line shall be constructed within the District until a formal Main Line Extension Permit has been issued by the District, unless the District determines in its sole discretion and in writing that a Permit is not necessary. The provisions of Subsection 5.6 are incorporated herein.
- 8.2 DESIGN AND CONSTRUCTION SPECIFICATIONS:** All line extensions, including special structures required to insure proper operation of the line extension, shall be designed and constructed according to the District Engineer's specifications, and under District supervision. Said specifications shall comply with the District's construction specifications unless provided otherwise. Prior to the District's acceptance of the lines, reproducible as-built drawings shall be provided, or reasonable provision made therefor. Water and wastewater main lines shall not be closer than ten feet (10') to each other, shall not be closer than two feet (2') from any other utilities, and shall be in compliance with the utility installation separation requirements for all utilities located within the same easement or right-of-way.
- 8.3 LOCATION OF LINE EXTENSIONS AND ADDITIONS:** When possible, line extensions shall be installed in roads or streets which Archuleta County, Colorado Department of Transportation, or other applicable public agency has accepted as public right-of-way or in easements granted to the District. Where water and wastewater mains cannot be installed in a street, private drive, or common area and must be installed in easements between adjacent properties, the lines will terminate at the point determined by the District.
- 8.4 CONVEYANCE OF TITLE AND EASEMENTS:** Proposed Customers who have completed construction of main line extensions shall, before such lines are accepted by the District, convey the lines, associated easements, and all appurtenances to the District free and clear of all liens and encumbrances along with a two (2)-year warranty. In those cases where construction of the main line extension has not yet commenced, the Proposed Customer, shall, prior to the commencement of such construction, grant and convey or cause to be granted and conveyed to the District all easements and rights-of-way as the District determines are reasonably necessary for the convenient operation, maintenance, repair, or replacement of the main line extension or extensions. Such easements shall be of such width and shall contain such terms and conditions as the Board determines appropriate. All easements shall be recorded in the Archuleta County Clerk and Recorder's office at the Proposed

Customer's expense prior to construction. The District, without being obligated to do so, may accept main line extensions in such fully constructed phases as the District determines appropriate and in accordance with Section 5.6.4. Subject to the provisions of Section 8.9 below, and notwithstanding any other provision contained herein, all main line extensions or such fully constructed phases thereof as the District determines appropriate to accept, shall be initially conveyed to the District no later than ninety (90) days following substantial completion, but such initial conveyance shall be subject to a two (2)-year warranty period. Final acceptance by the District of any such constructed facilities shall occur only upon satisfactory proof provided to the District of operability and lack of defect at the end of the two (2)-year warranty period unless a different warranty period is specified by the applicable construction documents.

8.5 **LINE EXTENSION CONSTRUCTION BY THE DISTRICT:** All line extensions which are to be constructed by the District shall be completed pursuant to a contract between a contractor and the District. At the discretion of the Board, all associated construction costs shall be paid by the District out of funds derived from Availability to Tap Fees where appropriate or other funds available to the District. In the event the Availability to Tap Fee paid is insufficient, the Proposed Customer shall, upon notification, immediately deposit the balance due with the District to complete the work. Upon completion of the work, the final cost allocation shall be calculated by the District and any surplus refunded to or deficiency paid by the developer or Proposed Customer. All daily inspection fees on lines required by any governmental authority shall be paid by the licensed plumber, contractor, or others doing work within the District. Extensions may be effected pursuant to Subsections 5.12 and 10.14.

8.5.1 **UPSIZING:**

- A. Minimum pipe diameter for water/wastewater main lines shall be six inches (6"), unless otherwise specifically approved by the District. The District may require a larger pipe diameter for its exclusive need and not just for the applicant's water service. If the customer's service requirement is less than six inches (6") and the District requires main lines to be six inches (6") or larger for future growth or other needs, then the District may participate in the costs associated with the oversized line(s). Costs associated with the oversized line are strictly the difference between the actual minimum cost needed to serve the customer or development and the District's required pipe diameter, unless otherwise approved by the District's Board of Directors.

- B. The agreement will be contingent upon availability of funds and District's Board of Directors' approval. Participation levels shall be based on the contractual agreement in accordance with this policy.

8.6 **LINE EXTENSION CONSTRUCTION BY THE PROPOSED CUSTOMER:** All line extensions which are, by terms and conditions of a line extension permit, to be constructed by the Proposed Customer, shall be completed pursuant to a contract between the contractor and Proposed Customer. All associated extension costs not incurred by the District shall be paid directly by the Proposed Customer. Nothing in this Section shall be construed to negate the requirements that the Proposed Customer deposit construction and maintenance bonds with the District and that design and construction be under the District's supervision. In the event the original pre-permit deposit is insufficient to cover the associated line extension costs incurred by the District, the Proposed Customer shall, upon notification, immediately deposit the balance due with the District to complete the work. Upon completion of the work, the final cost to the District associated with the line extension shall be certified by the District's Manager or District Representative and any surplus refunded to or deficiency paid by the developer or Proposed Customer.

8.7 **INSPECTION:** During construction or extension of main lines, the District's Representative shall be notified, prior to backfilling, when the main line is ready for inspection and approval. Inspection of construction of main line extensions shall be governed by the provisions of Section 6.3 herein, and shall be done at the sole cost and expense of the owner/applicant in accordance with the District's inspection fee schedule set forth in Schedule of Fees and Charges (Appendix A).

8.8 **BOARD DISCRETION CONCERNING EXTENSIONS:** Notwithstanding any other provision of this Section, the District may, in its discretion, extend lines or approve extensions under such conditions as the Board deems appropriate.

8.9 **INSPECTION PRIOR TO CONVEYANCE, CORRECTION OF DEFECTS, WARRANTY TESTING AND INSPECTION:** As described in Section 8.4 above, construction of main line extensions by Proposed Customers shall be warranted for a two (2)-year period following conveyance to the District.

8.9.1 **INSPECTION AND CONVEYANCE:** No line extension shall be conveyed to the District until it has been inspected by the District and found to have been installed in complete conformity with all applicable District engineering standards, specifications, rules, and regulations. All deficiencies noted as a result of the inspection shall be corrected within ninety (90)

days of the District's issuance of a written statement setting forth the deficiencies that need to be corrected at no cost or expense to the District. Deficiencies, for the purposes of this Section, may include failure to complete the extension or to fulfill all requirements of dedication to the District. The District shall have the right, but not the obligation, after written notice to the owner of the property benefited by the main extension, to correct any and all deficiencies listed in the written notice which were not corrected by the owner within said ninety (90)-day period and to charge the costs thereof, including reasonable attorney's fees, to said owner. All amounts incurred by the District to correct the deficiencies shall be deemed a charge against the owner and, if not paid within thirty (30) days after the owner is invoiced by the District, said charges shall constitute a lien against the property benefited by the main extension and may, in addition, in the Board's discretion, be certified to the County Treasurer for collection pursuant to Section 10.17.3 of these Rules and Regulations.

8.9.2 **WARRANTY TESTING AND INSPECTION:** Within the ninety (90)-day period prior to the expiration of the warranty instrument, the following shall occur at the Proposed Customer's expense:

- A.** Water main transmission lines shall be pressure tested in the same manner as was required at the time of the issuance of the subject Bill of Sale or other conveyance instrument;
- B.** Appurtenant items such as, but not limited to, booster stations and SCADA shall be operated and verified in the same manner as was required at the time of the issuance of the Bill of Sale;
- C.** Sanitary sewer main collection lines and cleanouts shall be televised, and manholes shall be visually inspected and photographed;
- D.** Appurtenant items such as, but not limited to, lift stations, and air release/vacuum valves shall be physically inspected, confirmed fully operational, and photographed;
- E.** Force main and small diameter pressure sewer collection lines shall be pressure tested in the same manner as was required at the time of the issuance of the Bill of Sale; and

F. Documentation of the above-described test reports, photographs, and televised records shall be furnished to the District for acceptance, and District acceptance shall be a condition of the District's release of the warranty instrument.

8.10 DISTRICT OWNERSHIP OF MAINS: Except as otherwise provided in Section 8.11 below, all water and wastewater mains that connect to or constitute extensions of the District's water or wastewater system shall be owned, operated, and maintained by the District. The District's ownership of all such mains shall be a condition of connection of the main to the District's water or wastewater system. The District's ownership of such mains shall be evidenced by a Bill of Sale, Deed, or other appropriate instrument of conveyance contemplated by this Section 8. Except for privately owned mains, whenever for any reason there is no such Bill of Sale, Deed, or instrument of conveyance, the District's ownership shall be evidenced by the fact that the main has been connected to the District's water or wastewater system. The District's ownership of any main line pursuant to this Section 8.10 shall not in any way cancel, waive, or abridge any pre-existing warranty or other obligation that must be performed by the person or party who constructed the main in order to bring the main into compliance with these Rules and Regulations, as well as all other applicable District standards and specifications.

8.11 PRIVATELY OWNED MAINS: The District reserves the right to refuse ownership of any water, raw water, or wastewater main or mains that the District determines should not become a part of its water or wastewater system, including but not limited to, such mains as will become part of a private water or sewer system serving a specified area such as a PUD. All such privately owned, operated, and maintained mains shall be clearly identified as such in the records of the District and shall be clearly delineated by a District-owned manhole in the case of a privately-owned sewer main and a District-owned vault and master meter in the case of a privately-owned water main. Such District-owned manhole or meter vault shall constitute the point at which the privately-owned mains connect with the District's water or wastewater system, as the case may be.

8.12 DOMINION AND CONTROL OVER PRIVATE MAINS: Notwithstanding any other provision contained in these Rules and Regulations to the contrary, the District shall have the right, but not the obligation, to exercise such dominion and control over any privately owned mains as the District determines necessary or advisable to protect its public water and sewer systems and to promote the general safety and welfare of the District's inhabitants and visitors. By way of explanation and not limitation, the District shall have the right to connect to any privately-

owned water or sewer main for the purpose of serving other properties and other Customers of the District. The District shall also have the right in its discretion to prevent connections to any privately-owned water or sewer main. In addition to the foregoing, the District shall have the right as a condition to approving the installation of any privately-owned water or sewer mains within a PUD or other specified area to require dedication to the District of non-exclusive utility easements of such size, dimension, and location as the District determines necessary to permit the extension of the District's water and wastewater systems for the purpose of serving other areas not served by the privately-owned water and sewer mains.

8.13 PRIVATE FIRE LINES: The ownership of fire lines installed on private property feeding private hydrants or structure fire suppression systems will be retained by the property owner. A permit must be acquired from the District for the private fire line. The permit must be on-site during the installation. The fire connection must be designed by a Colorado licensed professional engineer and must include a compound meter. The fire service line will be a monthly bill to the property owner as a single EU separate from the potable water line. Water used in the fire main to fight a fire will not be billed to the owner. The volume of water lost in the fire line due to leaks or hydrant uses will be billed to the owner at typical water rates. Connection to the existing District water system shall not occur until a leakage test and disinfection per applicable AWWA Standards has been completed and witnessed by a District Representative and BAC-T test per Standard Methods Part 9000 has been completed resulting in a negative BAC-T result.

8.14 COST RECOVERY: The District policy regarding Cost Recovery is as follows:

A. General. Unless expressly waived by the terms of a Cost Recovery Agreement, the terms of these Cost Recovery Rules and Regulations are hereby incorporated in and applicable to all agreements and permits for Cost Recovery between the District and any Applicant. For purposes of these Cost Recovery Rules and Regulations, the term "Cost Recovery" means: reimbursement to an Applicant of a portion of its costs connected with an extension of a water line, but not including a fire hydrant line, sewer line or trunk-line from property owners who are not then currently receiving service from the District, with such reimbursement to occur when and if such other property owners connect to the District's system through the facilities funded by the Applicant as provided in the District's Rules and Regulations, a Main Line Extension

Permit, and any Cost Recovery Agreement. Cost Recovery for any facilities other than line extensions and appurtenances incidental thereto shall be allowed only upon a compelling showing and the District's determination that such recovery can be administered with a reasonable degree of accuracy and without increasing the District's difficulty of administering the fee. Cost Recovery for facilities other than extensions are disfavored. Cost recovery for out-of-District service is available on a case-by-case basis in the sole discretion of the District. Cost Recovery shall not be required at the end of a ten (10)-year period from the date of the adoption of any Cost Recovery Agreement. Cost Recovery is permitted, but only if it is acknowledged in a Main Line Extension Permit prior to commencement of the project.

B. Calculation. Applicant's recovery will be based on the number of E.U.s a connecting party uses times the dollar value of an E.U. Applicant's Engineer shall calculate the total amount of E.U.s capable of being served by the facilities. Applicant shall calculate the total amount of E.U.s expected to be used by its project. The dollar value of an E.U. shall be equal to the total E.U. capacity of a facility divided by the total cost of the improvements, including without limitation design, permitting, land, materials, and labor costs. For example, if Applicant's project will need one-hundred (100) E.U.s at full build-out and the facilities have capacity for one-hundred fifty (150) E.U.s with the cost of the improvements being \$2,000,000.00, then the value of each E.U. shall be equal to \$13,333.00 (i.e., \$2,000,000.00/150 E.U.s). Where the District and the Applicant agree that an alternative formula for calculating a Cost Recovery fee does not increase the District's difficulty of administering the fee and failure to use such alternative would be grossly unfair, the District and the Applicant may adopt such alternative means of calculating the Cost Recovery fee. In determining whether the formula is grossly unfair, the District Board shall consider in its sole discretion, in addition to any relevant facts placed before it, the burdens to the District of administering an alternative regime, the general impact to the District from departing from the standard formula with respect to other Applicants seeking Cost Recovery, and any other items deemed relevant to the District. In the event the parties cannot agree on an alternative formula, the formula contained within these Rules and Regulations shall govern.

- C. Limitation on Recovery.** Applicant shall recover no more than the difference between the total amount of E.U.s capable of being served by the facilities and the total amount of E.U.s expected to be used by its project.
- D. Cost Recovery Agreement.** No Cost Recovery shall be assessed or paid until the District and the Applicant enter into a Cost Recovery Agreement. Prior to executing such an Agreement, the Applicant shall deposit with the District sufficient funds to cover the District's costs in reviewing the Cost Recovery Agreement. Unless waived by the District, a Cost Recovery Agreement shall be entered into at or on the same day as a Bill of Sale conveying the facilities to the District. The Applicant shall provide proof of all payments made and copies of invoices related to the facilities prior to execution of the Cost Recovery Agreement. Applicant shall also provide a map of all parcels contiguous to extension or improvement and any other documentation required by the District. Any Cost Recovery Agreement shall not be in conflict with the District's New Development Water and/or Sewer Policy, or any other applicable policies in effect at such time as the Agreement is executed.
- E. Administration.** Third parties shall pay Cost Recovery reimbursements to the District, which shall then pay such fees over to the Applicant subject to the terms of the District's Rules and Regulations, the Main Line Extension Permit, and any Cost Recovery Agreement. Any fees or assessments collected from any party shall first be applied to District fees or assessments, with any proceeds to be allocated to Cost Recovery. The District may withhold or divert Cost Recovery reimbursements to pay for necessary repairs to the improvements caused by defective design, materials, or workmanship, regardless of whether any applicable warranty period has passed. The District Manager may withhold from any Cost Recovery payment of an administrative fee to offset any staff or consultant costs in administering a Cost Recovery Agreement at the then current rates. The District shall be indemnified and held harmless for any failure to properly execute the provisions of a Cost Recovery Agreement. The District's obligations shall be subject to annual appropriation of funds necessary for the performance thereof, which appropriation shall be made in the sole discretion of the District's Board of Directors. Cost Recovery fees shall constitute a perpetual lien on affected properties pursuant

to § 32-1-1006(1)(a), C.R.S. An approved Cost Recovery Agreement may not be further assigned or delegated without the written consent of both the Applicant and the District. An Applicant who has an approved Cost Recovery Agreement in place may appeal to the District Board of Directors for review of his/her Agreement if subsequent development contiguous to the extension line or other qualified improvements makes the initial recovery plan grossly unfair. The Board may, at its discretion, consider an alternative formula for calculating the recovery amount.

- 8.15 PRIVATE PRESSURE SEWER SERVICE LINES:** When a property cannot be provided sewer service except by a pressurized private sewer service line, the District will allow the connection of a privately-owned, operated, and maintained lift station for the purpose of lifting sewage through the private sewer line into the District's wastewater system as long as the lift station and private service line comply with the prohibited wastewater section of these Rules and Regulations (Section 9.2.3). In all such cases, BPDs shall be installed in accordance with Section 7 herein. All installations must comply with applicable provisions of the plumbing code in effect at the time. All such private lift stations shall be equipped with an alarm system to notify the owner of the residence or building when the pump has failed or otherwise malfunctioned. For purposes of protecting the public health, safety, and welfare of the District's inhabitants and visitors, the District reserves the right to revoke the use of any individual lift station or pump if the District determines that harmful gases are being discharged into the District's wastewater collection system as a result of said lift station or pump.
- 8.16 PRESSURE SEWER SYSTEM MAIN LINES:** When the District in its sole discretion determines that an entire area cannot be served by a gravity flow sewer main line collection system, the District may, but shall have no obligation to, allow the developer or developers of said area to construct a pressurized wastewater collection system for the purpose of receiving sewage discharged into said pressurized wastewater collection system from privately-owned, operated, and maintained sewer service lines and lift stations, if any, and pumping said sewage into the District's gravity flow wastewater collection system. Any such pressurized wastewater collection system and all appurtenances thereto shall be of a type, capacity, and design, as approved in writing, by the District's Manager or District Representative and shall be conveyed to and accepted by the District in accordance with the applicable provisions of these Rules and Regulations.
- 8.17 DISTRICT NOT RESPONSIBLE FOR PRIVATE FACILITIES:** All privately owned wastewater facilities, including but not limited to privately-owned

sewer mains and privately-owned sewage lift stations, are the sole responsibility of the owner or owners thereof, and the District shall have no responsibility or liability of whatsoever kind or nature for the design, construction, operation, maintenance, or replacement of any such private facilities. If the District reviews the plans and specifications for any privately-owned facilities especially privately-owned sewage lift stations, the District does so for the limited purpose of assuring compatibility with the District's water and wastewater systems. By conducting such a review, the District shall not be deemed to have assumed any duty or responsibility for the sufficiency or adequacy of the design, operation, maintenance, or replacement of any private water or sewer line or main, which shall at all times remain the responsibility of the owner or owners thereof.

9. PUBLIC WASTEWATER SYSTEM MANDATES

9.1 POLICY: Except as hereinafter provided, no person shall discharge, or cause to be discharged, to any wastewater main any special or prohibited wastewater, as hereinafter defined, or any harmful or deleterious waters or wastes, whether liquid, solid, or gas, capable of causing obstruction to the flow in wastewater, damage or hazard to structures, equipment, and personnel of the wastewater works, or other interference with the proper operation of the wastewater works.

9.2 CLASSIFICATION OF WASTEWATER: This Section of the Rules and Regulations shall provide the basic policies of the District for classification of wastewater and for control of discharge of wastewater into the sanitary wastewater system. It shall be the policy of the District to classify wastewater into three main categories termed “normal wastewater,” “special wastewater,” and “prohibited wastewater,” as hereafter defined. The classification of wastewater shall be the responsibility of the District Manager or District Representative and shall follow recommended procedures of the State Department of Health and, subject to approval of the Board, shall be final and binding.

9.2.1 NORMAL WASTEWATER: Normal wastewater shall mean sanitary sewage that can be treated at the District’s wastewater treatment works without pre-treatment and within normal operating procedures, and which, when analyzed, shows by weight a daily average of not more than three hundred (300) parts per million of suspended solids and not more than two hundred fifty (250) parts per million biological oxygen demand (“bod”).

9.2.2 SPECIAL WASTEWATER: Special wastewater shall mean any wastewater which does not conform to the definition for normal wastewater, but which can be treated by the District after pre-treatment by the Customer.

9.2.3 PROHIBITED WASTEWATER: Prohibited wastewater shall mean any wastewater which may be reasonably anticipated to have a deleterious effect upon the sanitary wastewater system or any persons or property, and therefore, in the opinion of the District, cannot be serviced by the District. No person(s) shall discharge or cause to be discharged any of the following described water or wastes to the District’s wastewater system:

- A.** Any gasoline, benzene, naphtha, fuel oil, or other flammable or explosive liquid, solid, or gas.

- B. Any waters containing toxic or poisonous solids, liquids, or gases in sufficient quantity, either singly or by interaction with other wastes, to contaminate the sludge of any municipal system, injure or interfere with any wastewater treatment process, constitute a hazard to humans or animals, create a public nuisance, or create any hazard in or have an adverse effect on the waters receiving any discharge from the treatment works.
- C. Any waters or wastes having a pH lower than 6.5 or higher than 9.0, or having any other corrosive property capable of causing damage or hazard to structures, equipment, and personnel of the wastewater treatment works.
- D. Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in wastewater or other deleterious effects on the wastewater system and interference with the proper operation of the wastewater facilities such as, but not limited to, un-ground garbage, ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, whole blood, paunch manure, hair and fleshing, entrails, paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
- E. Any water or wastewater including, but is not limited to, storm water, surface water, ground water, roof runoff, sub-surface drainage, discharge from sump pumps, cooling water, unpolluted industrial process waters or any other polluted industrial process waters, or any other unpolluted water may not be introduced to wastewater system. Said water is detrimental to the wastewater system because it interferes with the District's designed volume capacity and with the biological processes necessary for proper treatment of normal and special wastewater.

9.3 **SPECIAL WASTEWATER:** The admission into the public wastewater system of any special wastewater shall be subject to the review and approval of the Board, which may prescribe limits on the strength and character of such wastewater.

9.3.1 **PRE-TREATMENT:** Where necessary in the opinion of the Board, the property owner shall provide, at owner's expense, such pre-treatment facilities as may be necessary to treat such special wastewater prior to discharge to the wastewater main. Plans, specifications, and any other pertinent information relating to proposed pre-treatment facilities shall be submitted

for the approval of the District and the State Board of Health and no construction of such facilities shall be commenced until such approval is obtained in writing. Where pre-treatment facilities are provided for any special wastewater, they shall be maintained continuously in satisfactory and effective operation by the property owner, at such owner's expense.

9.3.2 **CONTROL MANHOLE:** When required by the District, the owner of any property served by a service line carrying special wastewater shall install and maintain, at such owner's expense, a suitable control manhole in the service line to facilitate observation, sampling, and measurement of the wastes. All measurements, tests, and analyses of the characteristics of waters and wastes shall be at the owner's expense and determined in accordance with "Standard Methods for the Examination of Water and Wastewater," and shall be determined at the control manhole, or upon suitable samples taken at said control manhole. In the event that no special manhole has been required, the control manhole shall be considered to be the nearest down-stream manhole in the wastewater main to the point at which the service line is connected.

9.4 **ANALYSIS OF WASTEWATER:** The District Manager or District Representative shall be responsible for all sampling, testing, analysis, and classifying of wastewater. Testing and analysis shall be determined in accordance with "Standard Methods for the Examination of Water and Waste Water" then current edition. Results of tests shall be made available to the Customer at the District's office.

9.5 **WASTEWATER LINE INTERCEPTORS:** All wastewater service lines from any commercial, industrial, or other facilities that produce grease, oil, sand, or any substance deemed harmful to the District's wastewater system shall contain interceptors of a design meeting the standards of the Colorado State Board of Health, Uniform Plumbing Code, and any other applicable code having jurisdiction, unless the District authorizes otherwise in writing. All wastewater lines containing interceptors shall be designed and specified by a licensed engineer or architect prior to installation unless the District determines otherwise. Interceptors shall not be required for common and ordinary private living quarters or dwelling units. Where installed, the District may inspect the interceptors on an ongoing basis, and such interceptors shall be maintained by the user or owner, at his expense, in a continuously efficient operation at all times. Users or owners of the interceptors shall send a copy of the applicable invoice to the District every time an interceptor is serviced if requested by the District. Additionally, such users or owners shall file with the District copies of any agreement with hauling companies for the

disposal of the intercepted grease, oil, sand, or other substance, if requested by the District.

10. PERMITS, FEES, AND CHARGES

10.1 POLICY: The rates, charges, and other information contained herein shall apply only to Customers inside the District and shall in no way control the rates, charges, and other requirements applied to service which the District may choose to provide outside the District. Rates and charges for temporary or intermittent volume-based water or wastewater services, for Customers within or without the District, shall be determined by the Board in its sole discretion on a case-by-case basis. Rates and charges as herein established, including but not limited to, those set forth in the Schedule of Fees and Charges (Appendix A), shall remain in effect until modified by the Board under the provisions of these Rules and Regulations and under the applicable statutes of the State of Colorado. Nothing contained herein shall limit the Board from partially modifying rates and charges or from modifying any classification. The District hereby expressly reserves the right, to the extent permitted by law, in particular § 32-1-1006(1)(b)(i), C.R.S., to divide the District into areas according to the water or sanitation services furnished or to be furnished therein. With regard to said different areas, the District shall have the power to fix different rates, fees, tolls, and charges, as well as impose different mill levies to reflect any significant disparities in the services or facilities furnished or to be furnished in said areas.

10.2 TYPE OF SERVICE RATES: Water service shall be metered and water and wastewater service shall be based upon number of EUs served as provided by these Rules and Regulations. The cost of all such metering equipment shall be paid by the applicant for the service.

10.3 CONNECTION PERMIT:

10.3.1 CONNECTION PERMIT APPLICATION: Any person requesting service or a change in service shall file a connection permit application with the District and pay the applicable connection permit fee. No connection permit will be issued until an application form and applicable Meter Sizing Worksheet (Appendix B), properly completed and signed, have been filed with the District by the owner(s) or its agent. Prior to issuance of the permit, the applicant shall, at District request, submit for approval by the District the engineering design and construction plans for the proposed service line and connection. At District's request, for all structures other than single family residences, building plans shall be submitted which must include the building requirements for potable water, fire protection, and wastewater. Upon completion of the connection permit by the District, a connection permit number

will be issued to the owner. In every case, no service shall be allowed until a connection fee has been paid.

10.3.2 **CONNECTION PERMIT FEE:** No connection permit shall be issued to a Proposed Customer until the appropriate fees and the necessary costs have been paid and funds estimated to cover the cost to the District associated with the connection have been deposited with the District. In the event that labor and material costs associated with effecting the connection increase between the time that the permit is issued and connection is actually made, Customer is obligated to pay for such increase prior to receiving service. All fees shall be assessed as provided for in the Schedule of Fees and Charges (Appendix A). Connection fees may be non-refundable. At the District's discretion, a developer shall pay all connection fees and appropriate surcharges subject only to separate written contractual agreements, if any. Upon termination of a Connection Season, new permits will not be issued until the following Connection Season unless the District determines that the specific connection can be made regardless of weather conditions. No new services shall be furnished to any Customer until all outstanding debts to the District and any District fees have been resolved.

10.3.3 **PAYMENT OF FEES:** Subject to the terms of individual agreements with the District, all fees due to the District shall be paid at the time of application; provided, however, that when developers or Proposed Customers pre-install service lines prior to road paving, no fee shall be required to be paid until such time as application is made as required above.

10.4 **CHANGE IN PERMITTED USE:** Any time a connection permit has been issued, and subsequent thereto the water demand under said permit as calculated by the procedures detailed in these Rules and Regulations has increased or is planned to increase, the Customer or property owner is required to complete a Meter Sizing Worksheet (Appendix B) to update the number and type of plumbing fixtures served at the property.

10.4.1 **METER SIZING WORKSHEET REQUIRED:** It is the responsibility of every commercial or residential property owner or Customer to notify the District and provide a completed and signed Meter Sizing Worksheet (Appendix B) and the building permit application, if one has been submitted to the Town of Pagosa Springs or Archuleta County, whenever a change in amount or type of water use is planned or has occurred at an existing water connection. The Meter Sizing Worksheet (Appendix B) is required so that the District may

update its records concerning water demands and proper fee assessments may be determined by the District.

10.4.2 **FAILURE TO SUBMIT WORKSHEET:** If the property owner or Customer fails to timely apply for such amended connection permit, the District reserves the right to make a written request for a properly completed Meter Sizing Worksheet (Appendix B) at any time the District discovers that a change has occurred. In the event such Worksheet is not provided within thirty (30) days after the District requests it, the District may recalculate the number of EUs for the Customer account based on (1) data obtained from the building department of the Town of Pagosa Springs or Archuleta County, if available, or (2) estimates made by the District. In either case, the Customer or property owner's account will be amended to reflect the change in fixture count.

10.4.3 **REASSESSMENT OF FEES:** If the District's recalculation of water demand based on the plumbing fixture count indicates that total water demand for the property has increased one-half (0.5) EUs or more, the installation of a larger water meter may be required along with payment of installation costs and all applicable fees. For example, an increase to one and a half (1.5) EUs from one (1.0) EU may necessitate installation of a larger water meter, assessment of then applicable connection and meter replacement fees as listed in the Schedule of Fees and Charges (Appendix A) hereto and assessment of CIF as described in Section 10.13. In addition, such an increase will result in increased monthly water and sewer service charges in accordance with rates associated with such larger meter (*See* Appendix B.). Any fees and charges assessed as a result of the changes in permitted use as described in this Section 10.4 shall be assessed at the rates in place at the time that the Customer or property owner's account is amended.

10.4.4 **REVOCAION OF SERVICE FOR FAILURE TO SUBMIT WORKSHEET:** In the event such Meter Sizing Worksheet (Appendix B) is not provided within ninety (90) days after the District requests it, the District may initiate involuntary termination of water service in accordance with procedures detailed in Section 13.5 herein.

10.5 **RAW WATER USE FEE:** Prior to installing a separate water connection for raw water, the owner shall apply for a raw water use permit and pay the required fee. The District Manager or District Representative shall then consider, in his/her sole discretion, whether to grant such raw water permit.

- 10.6 UNUSUAL CONSTRUCTION COSTS AND FEES:** In unusual or unique circumstances, all costs and fees of new construction, reconstruction, or enlargement of any water or wastewater system facilities, which are necessary to provide new, different, or additional water or wastewater service within the District's service area, including but not limited to service lines, main lines, and water or wastewater treatment works, shall be paid by the Customer(s) at the property or building receiving service. After approval of an application, but prior to the issuance of any necessary permits or commencement of any such work, the applicant shall deposit with the District sufficient funds to cover all of the District's estimated cost associated with such work. Upon completion and accounting of all costs, Customer(s) shall pay any balance due or, if applicable, credit will be given by the District.
- 10.7 UNAUTHORIZED CONNECTION FEES:** An unauthorized connection penalty shall be payable by persons connecting to a District line without prior payment of appropriate connection fees, approval of connection permit, and adequate inspection of lines. Should the District determine that disconnection or turning off of service is necessary because of an unauthorized connection, prior to reconnection or turning on service, all unauthorized connection penalties, any other outstanding fees or charges, a reconnection fee, and all costs associated with such disconnection and reconnection must be paid.
- 10.8 SERVICE CHARGES:** Upon the securing of a connection permit for service and upon payment of the connection fee, service charges shall commence at the time of meter installation and/or wastewater connection. Service charges will be billed to the owner of the property, who remains ultimately liable for such charges. When a condominium, townhome, or other association exists for a number of units receiving service from the District through one meter, said association shall be billed for all units serviced by the association. In the event that the District is unable to obtain a meter reading on an account for any billing cycle, the District may estimate water usage. *See* also Section 13.3.2.
- 10.8.1 CALCULATION OF SERVICE CHARGES:** Service charges shall be paid by all Customers as provided in the Schedule of Fees and Charges (Appendix A).
- 10.8.2 SURCHARGE FOR HIGH STRENGTH WASTES:** A surcharge fee shall be paid by all Customers who discharge high strength wastes as provided in the Schedule and Fees and Charges (Appendix A).
- 10.8.3 AMENDED SERVICE CHARGES:** In situations where, in the Board's sole discretion, the service charges shown in the Schedule of Fees and Charges (Appendix A) do not represent a

fair, reasonable, and equitable charge for the intended use, the Board may adjust said rates.

10.8.4 **PAYMENT OF SERVICE CHARGES:** Statements for service charges shall be provided to Customers on a monthly basis. Charges for late payments, turn-on, turn-off, etc., shall be added to the statements. All statements shall be payable upon receipt. Minimum Monthly Service Charges shall continue to be imposed after service is turned off, regardless of the reason for disconnection.

10.8.5 **LEAKAGE SERVICE CHARGE:** The Leakage Service Charge Rate is the lowest District treated water volume rate per billable usage volume in effect at the time a request to apply this rate is received by the District. If the request is approved by the District, the Leakage Service Charge Rate will be applied to the amount of water measured by the Customer's meter that exceeds the normal (i.e., average) usage volume for the same meter and the same billing cycle. The normal usage volume shall be calculated by the District using meter data available from the prior two (2) years for the same account. Application of the Leakage Service Charge Rate shall be limited for any single account (i.e., property) to no more than two (2) consecutive billing cycles and no more than twice in any two (2)-year period. In determining the Leakage Service Charge the following criteria apply:

- A. Water leakage volume must be at least double the normal usage for the same billing cycle based on the previous two (2) years' meter data.
- B. The cause of the excessive volume must be due to an unintentional use of water and not the result of negligence by the property owner.”
- C. A written request must be made to the District from the property owner, tenant, or property manager, which includes the location of the leak, the date of repair, and the billing cycle for which consideration is requested.
- D. Documentation of proof of repair must be provided.

10.9 **TEMPORARY SERVICE FEE:** The Board may allow, in its sole discretion, connection to provide temporary water and/or wastewater service if it determines that good cause for such connection has been shown. Persons seeking temporary service from the District for property within the District shall submit an application for temporary service. Upon

approval by the District, a service charge fee for a temporary connection will be calculated.

- 10.10 TURN-OFF-SERVICE FEE:** Whenever service is turned off for involuntary reasons, such as delinquency of payment or violation of the District Rules and Regulations, a turn-off-service fee shall be charged. If the turn-off is made voluntarily, requested during normal operating hours (i.e., 8:00 a.m. - 4:00 p.m., Monday - Friday), and not for a temporary, property service-related reason, no fee shall be charged. If voluntary turn-off is requested at any time other than normal operating hours or is for a temporary, personal service-related reason, a District labor fee in accordance with the District's Schedule of Fees and Charges (Appendix A) as amended from time to time, shall be charged. Exceptions may be made, at the sole discretion of the District, in the event of water line breaks or leaks.
- 10.11 TURN-ON-SERVICE FEE:** When service has previously been turned off by the District for involuntary or voluntary reasons as described in Section 10.10 and a fee charged, a turn-on-service fee shall also be charged prior to turning on of the service.
- 10.12 SERVICE AVAILABILITY FEES:** The District may assess Availability of Service Fees, upon providing notice of the Board meeting to consider such fees. Availability of Service Fees shall be assessed solely for the purpose of paying principal and interest on any outstanding indebtedness or bonds to mature and accrue during the annual period within which such fees are payable. Property shall be considered as having water and/or wastewater service available for purpose of assessing Availability of Service Fees when District water and/or wastewater mains are installed in a public right-of-way, easement, private drive, or common area within one-hundred feet (100 ') of a property line or corner. Should a property that is connected to the District by virtue of meter installation become uninhabitable due to fire, natural disaster, etc., but not the fault of the owner and/or resident, the property may revert to paying only the Availability of Service Fee until said property becomes inhabitable. The meter will be removed, at no cost to the Customer, for administrative purposes.

For the purposes of Availability of Service Fees, any owner of two (2) or more adjacent lots that consolidates such lots into one (1) lot in accordance with applicable Archuleta County requirements must notify the District of the consolidation in order to cease any Availability of Service Fees. Proof of compliance with the Archuleta County requirements associated with such consolidation shall be submitted to the District.

Any lot(s) that were previously allowed to be combined through the District process into one (1) lot for purposes of limiting payment of any District fees will be required to pay, at the current rate, all previously excused Availability of Service Fees if the owner(s) wishes to uncombine into separate lots.

10.13 CAPITAL INVESTMENT FEES : The Capital Investment Fee (CIF) is an assessment when any application for a water or wastewater system connection is made, or when water and wastewater use has expanded through an existing connection.

10.13.1 CAPITAL INVESTMENT FEES: The CIF is a fee designed to allocate the cost and benefit received by each new connection or increased use through existing connections to the District's systems.

A. Application. Application of the Water System CIF and the Wastewater System CIF shall be based on the number of EUs served by the new or increased use of a connection. Assessment of the CIF allows the District to plan capital improvements, including water rights and raw water facilities, necessary to serve new connections or an expansion of water or wastewater use. Payment of the CIF shall be due no later than at the time for application for a connection permit or when the District learns of an expanded use through an existing connection and will be based upon the estimated number of EUs to be served within the property.

10.13.2 APPLICABILITY OF CIF: In determining the applicable CIF, the following criteria shall apply:

A. The fees and charges reflected in the Schedule of Fees and Charges (Appendix A) are based upon the number of EUs served. The Board shall review the CIF annually, based upon new information regarding the costs of capital improvements and upon inflationary factors affecting the costs of such improvements and may annually increase or decrease such fees and charges in its discretion.

B. Construction of additional single-family units or construction to enlarge an existing single-family unit within an existing connection shall be subject to assessment of an additional CIF as described by Paragraph D below. It is the responsibility of the property owner to notify the District of any new construction. Construction of an addition as used in this context shall

include discovery of an addition to an existing dwelling unit or of an additional single-family unit not previously known by the District, or upon which no service charge is being assessed by the District. Such new construction or discovery of additional fixtures shall include, for example, conversion of a garage into an apartment or guest house that adds toilets, sinks, showers, or other water-using fixtures, as well as the construction of additional dwelling units. In these instances, the additional CIF will be assessed based upon the number of EUs associated with the additional fixtures in the remodel or newly discovered dwelling unit. Assessment will be made to the owner of the property at the time of discovery in accordance with Sections 10.4 and 10.17.

- C. Any increase in size of meter, water usage, EUs served, or wastewater generated within a commercial establishment may result in the assessment of additional CIF(s) as described by Paragraph D, below.
- D. Any construction or new development requiring a water and/or wastewater connection permit, or any expansion of water and/or wastewater use under an existing connection permit, shall be subject to assessment of an additional CIF. The additional CIF shall be based upon the number of EUs associated with the new construction or change of use as computed using the Meter Sizing Worksheet (Appendix B), with a credit given for the EUs allocated to the previously existing tap. CIF(s) will be assessed at the time of discovery of a change in amount or type of water use in accordance with Sections 10.4 and 10.17 herein, and at the rates in place at the time of the District's discovery.

10.14 AVAILABILITY TO TAP FEE: Availability to Tap Fees may be charged to Customers whose properties are in subdivisions in which water and sewer mains have not yet been constructed and which were part of the original District service area. *See* Section 5.12 herein. To determine the amount of the Tap Fee, the District will estimate the cost of main line construction for a particular area. The District will set forth the Cost Estimate in a letter sent to each of the affected property owners. District staff will utilize a good faith effort to achieve delivery of the letter, but lack of receipt shall not affect the efficacy of the transaction. The letter shall notify the property owner of the intent to extend main lines, the total estimated cost, the total pro rata cost applicable to the owner's property, and the method of assessment to be utilized by the District.

The District shall thereafter proceed with the construction of the main line extension and articulate the total cost of the project including engineering, design, construction, and inspections. This total cost shall then be allocated pro rata to the property owners and a billing for the entire amount sent to each property owner. The District may allow, in its discretion, monthly installments for payment of the Availability to Tap Fee. If such fee is not paid within thirty (30) days, the District shall consider the property to be delinquent in its charges and process collection of payment in accordance with District Rules and Regulations.

10.15 EQUITY-BUY-IN FEE: Any property included into the District will be subject to the Equity-Buy-in Fee in effect at the time the petition for inclusion is filed. The District's Equity-Buy-in Fee is subject to change and modification by the Board from time to time. *See* also Section 5.11 herein.

10.16 NEW DEVELOPMENT WATER AND WASTEWATER FEE: Residential, commercial, or other land development proposals that would increase water demands above planned District service levels shall pay a New Development Water and/or Wastewater Fee to cover the costs of extending or increasing the size of the water treatment and distribution infrastructure and/or the collection and treatment infrastructure necessary to serve such development. The District will assess the impact to the Operating Standards and sewer system for the existing Customers and what, if any, new facilities or upgrades are needed to maintain the Operating Standards and current sewer system conditions. Using the CIP as the base, the District will superimpose the water and/or wastewater needs of the New Development upon the base model conditions. This hydraulic model evaluation shall be conducted by the District, in-house or through consultants, with reimbursement from the New Development for the costs of such evaluation. The New Development Water and/or Wastewater Fee shall be based upon the model evaluation, the facilities necessary to serve the New Development, the cost estimate for such facilities, and whether construction shall be performed by the District or by the New Development using the District's standards.

10.16.1 EVALUATION OF A NEW DEVELOPMENT MAY RESULT IN THE FOLLOWING:

- A.** If the New Development can be served by the existing water and/or wastewater system, and all Customers meet the Operating Standards and current sewer system conditions, the project would not incur any additional cost above the CIF and other applicable fees.
- B.** If the New Development can be served by the existing water and/or wastewater system and existing Customers

meet the Operating Standards and/or would receive an acceptable level of service throughout the entire sewer collection system at full build out, but new facilities are required to extend the existing system to the New Development, then the New Development shall pay the entire cost for the new facilities.

- C.** If service to a New Development requires one or more of the facilities on the CIP and/or improved facilities, and the New Development desires to have such facilities constructed sooner than scheduled, the New Development may have the facility constructed sooner based on the following formula provided there are adequate funds in the CIF to pay for the construction. The payment shall be based on the interest the District could have accrued in the CIF account if the requested facility had been constructed as scheduled rather than the accelerated schedule requested by the New Development, plus two percent (2%). The interest rate shall be based on the ColoTrust, or comparable investment, interest rate the District is receiving at the time of the request by New Development. For example, if the interest rate was determined to be five percent (5%), then the developer would pay seven percent (7%) (i.e., 5% + 2%) of the construction cost for each year the facility constructed is accelerated (i.e., if a four-year acceleration, then 28%). If there are not sufficient funds in the CIF account to construct the new facilities, construction shall be delayed until there are sufficient funds, or, alternatively, the New Development can pay the entire cost with no reimbursement.
- D.** If service to a New Development requires new or improved facilities in order to maintain an acceptable level of service to existing Customers at build out, and the New Development desires to have such facilities constructed, the New Development may request construction of the facilities and participate in the cost as described herein if there are adequate funds in the CIF to pay the District's proportion of costs. A New Development's cost participation shall be based on the proportion of additional flow generated by the New Development, multiplied by the then current estimated costs to remedy the then current modeled deficiencies. If there are not sufficient funds in the CIF account to construct the District's portion of the required new facilities at the time of request, construction shall be delayed until there are sufficient funds or, alternatively, the New Development can pay a greater

proportion of the costs with no expectation of reimbursement. The condition of the sewer system at the time of request may have a significant impact on the level of cost participation experienced by a New Development.

- E.** If a New Development project is determined to cause existing Customers to no longer meet the Operating Standards and/or the need for improvements to capacities on any part of the sewer system not identified deficient by the then current sewer model, and the facilities to be upgraded are not on the CIP, then the New Development must bear the total cost of any improvements necessary for existing Customers to meet the Operating Standards and current sewer system conditions.
- F.** If the New Development causes existing Customers that presently do not meet the Operating Standards to have a further degradation in service and the facilities to be upgraded are not on the CIP, then the New Development must share the cost of the upgrade to meet the Operating Standards. The cost share shall be based on the proportion of EUs of the New Development compared to the total EUs that will have service upgraded. The District and the New Development shall cooperate to determine when funding for the facility can be incorporated into the budget of each entity.

10.16.2 **CALCULATION OF NEW DEVELOPMENT WATER AND/OR WASTEWATER FEE:** Based on the applicable option, the District shall document the payment due for the New Development based on: the model findings; the facilities necessary to serve the New Development, if any; a cost estimate for such facilities; upfront payment subject to an adjustment for actual construction costs; and whether construction shall be performed by the District or by the New Development using District standards.

10.17 BILLING PROCEDURE:

10.17.1 SERVICE CHARGES AND SERVICE AVAILABILITY FEES: Statements for service charges will be mailed monthly. Availability of Service Fees will be mailed quarterly and payable monthly, or in increments of greater than one (1) month in advance. Except as specifically provided by written agreement between the District and a Customer or property owner, all service charges are due upon receipt. Payments not

received at the office of the District by the twenty-fifth (25th) day after billing are considered delinquent.

10.17.2 **ALL OTHER CHARGES AND FEES:** Except as specifically provided by written agreement between the District and a Customer or property owner, connection permit fees, inspection fees, turn-off and turn-on service fees, fees for water meter installation and maintenance, performance bonds and guarantees, funds estimated to cover the cost to the District associated with any construction, and all other fees and charges are due when application for such permit or approval is made, amendment of a permit or account is made, or the task requiring the fee or charge is initiated, whichever occurs first. All such charges and fees not paid when due are delinquent.

10.17.3 **DELINQUENT CHARGES AND FEES:** Unless otherwise provided in these Rules and Regulations, all fees and charges imposed by the District, including but not limited to Availability of Service Fees, Availability to Tap Fees, CIF, service charges, inspection fees, contract fees, and all other fees and costs, including all costs incurred by the District to correct defective main line extensions that are billed to the owner/applicant pursuant to Section 8.9, that are delinquent five (5) days shall be assessed a late charge on the delinquent amount at the rate of one percent (1%) per month, plus all costs and attorney's fees associated with collection. All fees and charges billed by the District and not paid within twenty-five (25) days shall be considered delinquent. If any fees or charges are delinquent by more than thirty (30) days or one (1) billing period, whichever is sooner, the District may terminate service to the property after providing notice of a hearing, as provided in Section 13.5.1 herein, on the proposed termination of service. The account must be paid in full; partial payments will not be accepted as settlement of the account to avoid discontinuance of service. In addition, the District may certify the delinquency to the County Treasurer in accordance with § 32-1-1101(1)(e), C.R.S., as subsequently amended. Notice of the District's certification hearing shall be provided to affected Customers in the same manner as provided in Section 13.5.1 herein for service disconnection. If the District intends to certify the delinquency to the County Treasurer, a one-hundred-dollar (\$100.00) "Collection Fee" shall be automatically added to the delinquent amount to be collected. The District assumes no responsibility for agreements between owners and occupants and vendors and vendees. The District may impose a reconnection charge on any account for which service has been

stopped in accordance with this Section (*See* also Section 10.11).

10.17.4 **LIENS FOR UNPAID CHARGES AND FEES:** All charges and fees shall be charged against the Customer or owner of the property served and shall be a perpetual lien upon the property to which said service is provided, or has been requested, from the time such charges and fees become due, and such lien shall be enforceable in accordance with the provisions of § 32-1-1006(1)(a), C.R.S.

11. WATER CONSERVATION

- 11.1 WASTE:** Water supplied by the District shall be used only for beneficial uses typically associated with Customers of a municipal water supply system including domestic, irrigation, and commercial purposes, but specifically not including augmentation, substitution, replacement, or other water rights-related purposes. Waste of water shall not be permitted.
- 11.2 CONSERVATION ORDERS:** Upon a determination by the Board or a District Representative that the District is facing an immediate shortage in its supply of water which threatens the health, safety, and welfare of the inhabitants and visitors of the District and which requires immediate action, the Board or the District Representative is empowered to institute orders regulating or curtailing uses of water by those served by the District's water system. If necessary, the Board or the District Representative may order immediate complete curtailment of non-domestic use and limit in-house use of water from the District's facilities. Any conservation orders shall be uniformly applied to all similarly situated water Customers within the District's service area. Nothing herein shall be construed to prevent the District from regulating categories of water users differently. Any conservation orders may be modified as the conditions causing the water shortage change. The conservation orders shall be effective immediately upon being signed or as otherwise provided. The District's Water Conservation and Drought Management Plans are accessible from the District's website.
- 11.3 USE OF WATER CONSERVATION DEVICES ENCOURAGED:** The District encourages the use of water conservation devices for all properties served by the District's water supply.
- 11.4 ENFORCEMENT:** The person billed for water service to any given premises, whether owner or occupant, and any person using water supplied or delivered by the District's system, shall be responsible for compliance with any conservation orders and proscription against waste. Violations, as determined by the District Representative, will subject such persons to actions and penalties mandated by the Drought Management Plan and the Schedule of Fees and Charges (Appendix A), as amended from time to time, in addition to those actions authorized by Section 13 herein. Appeals of such penalties and charges may be made to the Board.

12. INSPECTIONS

12.1 POWERS AND AUTHORITY OF INSPECTORS: The District Manager or District Representative bearing proper credentials and identification shall be permitted to enter all private properties within the District for the purposes of reading meters and performing testing related to discharge to the public system, inspection, observation, measurement, sampling, repair, or maintenance of any portion of the water or wastewater facilities lying within said properties, and related matters.

12.2 CONSTRUCTION INSPECTION: The District Manager or District Representative shall have the right to inspect any and all work during construction to ensure installation in accordance with District standards. After completion of construction of water or wastewater lines, the District Manager or District Representative shall make a final inspection of construction as provided in Sections 6.3 and 8.7 herein.

13. ENFORCEMENT

13.1 PROHIBITIONS: No unauthorized person shall turn on service from, uncover, make any connection or reconnection with, open into, extend, use, alter, or disturb any public water or wastewater main facilities or appurtenances, or fail to comply with these Rules and Regulations, or construct a main line extension without first obtaining a written permit from the District, paying all applicable fees and charges, and complying with all applicable Rules and Regulation of the District.

13.2 VIOLATIONS: In case of violation of Section 13.1 herein or any other requirement of these Rules and Regulations, and in addition to the penalties set forth in Section 13.3 herein, the District may revoke, disconnect, or turn off service, require the responsible person to disconnect, or return or require the responsible person to return the District's system to its original condition, and shall require payment of all applicable fees and charges provided by these Rules and Regulations and all costs associated with the violation, including any expense, loss, damage, or attorney's fees occasioned by such violation prior to the District providing any service to any property or facilities owned, leased, or occupied by the responsible party, whether or not such property or facilities are directly involved in the violation of this Section. This Section shall not be construed to limit the rights of the District to pursue other fees, charges, penalties, remedies, or forms of relief provided in these Rules and Regulations and by other applicable law.

13.3 PENALTIES: In addition to any other method of enforcement provided by these Rules and Regulations, the District may impose the following penalties against any violator:

13.3.1 ILLEGAL DISCHARGE: Any person making an illegal discharge into the District's water or wastewater system shall be penalized a minimum of five-hundred dollars (\$500.00), plus any costs incurred by District as a result of such discharge.

13.3.2 UNAUTHORIZED CONNECTION OR WATER USE: Any person who has made an unauthorized use of District water or an unauthorized connection to the District's water or wastewater system, whether metered or not metered, may be penalized a minimum of five-hundred dollars (\$500.00), plus any costs incurred by the District as a result of such unauthorized connection or use of water. A ten (10)-day grace period will be given to cure an unauthorized connection. If a cure is not effected within the ten (10)-day grace period, an additional

penalty will be assessed in the amount of ten dollars (\$10.00) per day per EU.

13.3.3 TAMPERING WITH FIRE HYDRANTS OR BLOW OFFS: Any person who tampers with a District fire hydrant or blow off shall be penalized for the water loss resulting from such tampering at a rate determined in the discretion of the Board or as set out in the District's Schedule of Fees and Charges (Appendix A), as amended from time to time. Such person shall be further penalized five-hundred dollars (\$500.00), plus any additional amount necessary to repair damages to the fire hydrant, blow-off valve, or other components of the District's water distribution system.

13.3.4 TAMPERING WITH WATER METERS OR WASTEWATER SYSTEM: Any person who tampers with a District water meter or the District's wastewater system may be penalized up to five hundred dollars(\$500.0), plus any amounts necessary to repair any damage to such water meter or wastewater system.

13.4 CRIMINAL CHARGES: Any person who shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface, or tamper with any portion of the District's water or wastewater system, or takes water from the District's system, including fire hydrants, without written authorization, shall be criminally charged pursuant to § 18-4-101 *et seq.*, C.R.S. and upon conviction thereof, shall be fined for each violation in an amount as established by the court, along with additional penalties as may be appropriate.

13.5 REVOCATION OF SERVICE: Service shall be revocable by the District upon non-payment of valid fees, charges, or penalties owing to the District, upon failure to comply with the Rules and Regulations or when the District Manager or District Representative determines that an emergency exists and such revocation is necessary to protect the health, safety, and welfare of the inhabitants and visitors of the District.

13.5.1 NOTICE AND HEARING: In all cases except those involving an imminent hazard to the health, safety, or welfare of the inhabitants or visitors of the District or to the District's water or wastewater systems, the affected Customer and, if different than the Customer, the owner of the property served shall be given due notice of the opportunity to request a hearing prior to involuntary disconnection or termination of service. The District shall concurrently mail such notice to the Customer and to the property owner, if the property owner of record is known and neither resides nor conducts business at the property. If the District believes that such mailed notice would

not be effective, such notice should also be posted at the property served. Such notice shall be deemed to have been received by the Customer or owner three (3) days after the mailing of such notice to the Customer's billing address and last known owner's address. Any request for a hearing concerning the District's intent to disconnect service shall be provided in writing to the District Manager or District Representative within ten (10) days of receiving such notice. Said hearing shall be conducted by District Manager or District Representative, at which time the Customer and owner of the property served shall have an opportunity to present testimony and evidence supporting continued service. Following said hearing, the District Manager's decision concerning disconnection or the conditions of continued service shall be final. Disconnection of service to the property shall be effected by disconnecting or blocking either or both the water and wastewater lines serving the property as the District deems appropriate.

APPENDICES

- A. WATER METER SIZING WORKSHEETS
- B. SCHEDULE OF FEES AND CHARGES
- C. COMMERCIAL BACKFLOW SURVEY

APPENDIX A

SCHEDULE OF FEES AND CHARGES

Revised 01-18-2018

AVAILABILITY TO TAP FEE/MAIN LINE EXTENSION FEE

- A. Based on actual construction costs of main line extension.
- B. Availability to Tap Fee will be billed in one installment due upon receipt.
- C. \$20 Filing Lien will be assessed on delinquent accounts.

MONTHLY AVAILABILITY

- A. Where water & wastewater service is available: \$21.00 per month per lot or tract.
- B. Where water service is available: \$11.00 per month per lot or tract.
- C. In the event wastewater availability is the only portion requested: \$10.00 per month per lot or tract.

IN-DISTRICT SERVICE CHARGE

(Per month per E.U.)

- A. Water Service Charge: \$23.50
- B. Water Volume Charge:
 - 2001 – 8,000 gal: \$4.22 per thousand gallons.
 - 8,001 – 20,000 gal: \$8.43 per thousand gallons.
 - Over 20,000 gal: \$10.59 per thousand gallons.
- C. Wastewater Service Charge: \$32.00
- D. Drought Service Charge: In accordance with Water Conservation and Drought Management Plan.

WATER/WASTEWATER CONNECTION FEE ASSESSMENT:

- A. Standard ¾" meter: \$1,700.00 per connection.
- B. Standard 4" wastewater connection: \$400.00 per connection.
- C. Water Meter Backfill Assessment: \$500.00 per water connection request. Customer's account will be assessed \$500.00 if required backfilling not completed within 48 hours after job has commenced, or same day if possibility of meter freezing.
- D. Cancellation or No Show Fee for Water/Wastewater Connection: \$100.00 per scheduled connection. Customer's account will be assessed \$100.00.

SYSTEM CAPITAL INVESTMENT FEES:

(Meter Sizing Worksheet determines E.U. assessment.)

- A. Water System Capital Investment Fee: \$4,617.00 per E.U.
- B. Wastewater System Capital Investment Fee: \$1,017.00 per E.U.

EQUITY BUY-IN FEE

- A. Administrative Costs: Minimum of \$1,000.00 with Petition for Inclusion.
- B. Water Equity Buy-in Fee: \$5,434 per E.U.
- C. Wastewater Equity Buy-in Fee: \$4,154 per E.U.
- D. Such other charges as may be deemed appropriate and advisable.
- E. In addition to other fees and prior to inclusion, provisions must be made for dedication of sufficient water rights to the District. At District discretion, cash may be paid in lieu of water rights.

MODEL DATA USE FEES

- A. Water Model Data Use Fee: \$56.00 per E.U., maximum of \$3,000.00.
- B. Wastewater Model Data Use Fee: \$37.00 per E.U., maximum of \$3,700.00

SUBDIVISION FEES

- A. Subdivision Plan Review Fee:
 - 4 lots or more: \$300.00 and \$25.00 per lot for each review.
- B. Subdivision and Lot Consolidation Mapping Fee:
 - Town of Pagosa Springs or Archuleta County Subdivision: Actual Costs.
 - Town of Pagosa Springs or Archuleta County Minor Impact Subdivision: \$100.00.
 - Town of Pagosa Springs or Archuleta County Resolution for lot consolidation: \$100.00.

RAW WATER CHARGES

- A. Under circumstances acceptable to the District, the District may, in its sole discretion, permit the residential use of stored raw water to irrigate property adjacent to the water source at an annual rate of \$129.00 per E.U., or permit commercial use at a rate determined by the District.
- B. Tanker Charges: Under circumstances acceptable to the District, the District may, in its sole discretion, permit water tanker use of stored raw water for construction purposes at the rate of \$5.30 per 1,000 gallons.

CHARGES FOR COLLECTION OF DELINQUENT ACCOUNTS

- A. Late Fee: 1% per month of the delinquent charges.
- B. Notice of Disconnect Fee: \$10.00 when a service account is 61+ days overdue, or two billing periods, whichever is sooner, and District disconnect procedure has been initiated.
- C. Meter Turn-Off/Turn-On Fee: \$35.00 each when meter has been turned-off for non-payment of account During Hours (8:00 a.m. – 4:00 p.m.) and \$70.00 After Hours (4:00 p.m. – 8:00 a.m.).
- D. The District does utilize alternative collection procedures and any associated costs would be passed along to the customer.

OTHER CHARGES

- A. Returned Check/Auto-Draft Fee: \$20.00 per check or draft.
- B. Account Transfer Fee: \$15.00 for each availability and service account requiring a change of account information initiated by ownership change or tenant address request.
- C. Meter Read Fee: \$35.00 assessed to service accounts requiring a non-emergency physical meter read outside of District's normal read cycle; \$10.00 assessed when an electronic read is available outside of District's normal read cycle. No fee for emergency (i.e., leak/break) meter read.
- D. Water Meter Turn-On/Turn-Off Fee: - Scheduled Non-Emergency – After Hours (4:00 p.m. – 8:00 a.m.) \$75.00 per trip.
- E. Water Meter Turn-On/Turn-Off Fee: – Non-Emergency – During Hours Monday – Friday (8:00 a.m. – 4:00 p.m.) \$35.00, per trip for inspections, plumbing repairs or violations of District Rules and Regulations.
- F. Meter Access Fee: \$100.00 per hour for District backhoe service.
- G. Automated Meter Reading Equipment: Repair or Replacement - \$40.00 per hour and cost of materials.
- H. Potable Water Fill Station and Treated Water Tanker Charges: \$.91 per 100 gallons.
- I. Prohibitive Discharge Inspection Fee: \$50.00 per inspection.
- J. District Main Line Construction Inspection Fee: \$60.00 per hour (not including engineering inspection fees).

- K. Areas of New Development or Expansion: Water Rights, or cash in lieu of, must be dedicated at District discretion.
- L. Wastewater Hauler Charges: \$12.95 per 100 gallons.
- M. Tax Replication Fee: \$11.07.
- N. Meter Tampering Fee: \$500.00
- O. Such other charges as may be deemed appropriate and advisable.