

**HAVANA WATER & SANITATION DISTRICT
RULES AND REGULATIONS**

Amended and Restated: September 12, 2013

**HAVANA WATER & SANITATION DISTRICT
RULES AND REGULATIONS**

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ARTICLE I
PURPOSE AND SCOPE OF RULES AND REGULATIONS

1.1 GENERAL PURPOSE AND AUTHORITY. The purpose of these Rules and Regulations is to provide for the orderly construction, management, operation and control of the public utility systems, facilities and improvements of the Havana Water and Sanitation District (the “District”), including additions, extensions and Connections thereto. The District is a governmental entity and political subdivision of the State of Colorado and a body corporate with all powers of a public or quasi-municipal corporation which are specifically granted or implied for carrying out the objectives and purposes of the District.

These Rules and Regulations are promulgated and adopted pursuant to the provisions of Section 32-1-1001(1)(m), Colorado Revised Statutes, as amended from time to time. The Board of Directors of the District (the “Board”) has determined to adopt these Rules and Regulations in order to assist the District, the public and the District’s Manager, Consultants and Contractors in implementing the decisions and policies of the Board. Any Person desiring to use the District’s facilities shall comply with these Rules and Regulations. The District’s Manager, Consultants and Contractors shall utilize these Rules and Regulations as a tool for assuring proper treatment of Persons within the District and fair responses to issues which confront the District. The District’s Manager or Consultants shall provide copies of these Rules and Regulations to any Person who requests them, at cost. No Person shall be entitled to any exemption from the applicability of these Rules and Regulations due to the failure of that Person to become familiar with policies and standards of the District contained herein, and in amendments or supplements hereto.

1.2 PUBLIC HEALTH, SAFETY AND WELFARE. It is hereby declared that the Rules and Regulations hereinafter set forth serve a public interest and are necessary for the protection of the health, safety, prosperity, security, and general welfare of the Customers of the District.

1.3 SCOPE OF RULES AND REGULATIONS. These Rules and Regulations shall be treated and considered as a new and comprehensive regulation, governing the operations and functions of the District and shall supersede all previous compilations of Rules and Regulations and informal practices and policies of the District, which may be in conflict with the provisions hereof.

1.4 RULES OF CONSTRUCTION. The Rules and Regulations of the District are promulgated pursuant to statute in the exercise of the Board’s discretion to provide a tool for management of the District and for the orderly provision of essential services. These Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and that each and every part hereof is separate and distinct from all other parts. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law now in effect or any law which may subsequently be enacted by the Colorado General Assembly pertaining to the affairs of the District. No omission or additional material set forth herein shall be construed to alter waive or deviate from any grant of power, duty, responsibility, or limitation or restriction imposed

or conferred upon the Board by statutes now existing or amended in the future or under any contract or agreement existing between the District and any other governmental entity. The Board reserves the right to construe any provision hereof in its sole discretion in order to effectuate lawful purposes of the District and to attempt to ensure orderly and non-discriminatory treatment of all Persons or entities subject to these Rules and Regulations now or in the future.

The Rules and Regulations constitute guidelines for the benefit of the District and its Consultants and Contractors and must be complied with by all Customers or Developers absent receipt of a proper written waiver. No Customer shall obtain, by virtue of the Rules and Regulations, any right or cause of action against the District or its management arising as a result of the enforcement or lack of enforcement of the Rules and Regulations by the District. Nothing herein shall be deemed to be a waiver of any immunity granted to the District under Colorado law.

- 1.5 CONFLICTS.** In case of any conflict between any provision of these Rules and Regulations, the District shall be entitled to resolve such conflict in its own favor at the District's sole discretion, it being the intention of the Board that these Rules and Regulations shall be construed or interpreted by the District in such manner so as to maximize the ability of the District to govern and manage the District and its facilities.

The District has attempted to articulate herein its rules, regulations and policies for the provision of public services and facilities, and for management and operation of the District. From time to time, the Board may adopt policies reflected in the minutes of meetings for the District or reflected in resolutions of the Board. To the extent any policy found in minutes of District meetings which pre-date and conflict with any resolution of the Board, the resolution shall be deemed to supersede the minutes, unless the Board determines otherwise after such conflict is brought to the attention of the Board. To the extent policies found in minutes of meetings post-date resolutions of the District and conflict with such resolutions, the policy stated in the minutes shall be binding unless the Board determines otherwise after such conflict is brought to the attention of the Board. The District shall have the right, at all times, to repeal and re-enact resolutions of the Board unless any resolution specifically states that it is not subject to repeal and such statement is found to be enforceable.

To the extent that any of the District's Rules and Regulations are inconsistent with any valid and applicable regulations promulgated by Metro, Denver Water or any local, state, or federal agency, including the Metro Rules and the Denver Rules, the regulations of Metro, Denver Water, or the local, state or federal agency shall govern.

- 1.6 AMENDMENT, MODIFICATION, WAIVER OR SUSPENSION.** These Rules and Regulations may be amended, modifies, waived or suspended, from time to time, by the Board, as it deems appropriate. Neither notice of such amendments, modifications, waivers or suspensions nor public hearing shall be required to be provided by the District prior to exercising its amendment, modification, waiver or suspension powers. The District has the power to revise its Rules and Regulations from time to time by either formal action of the

Board or by implication and has authority to waive the application of its Rules and Regulations to its own activities, or to the activities of others. Any formal action of the Board to revise, amend or modify these Rules and Regulations shall be deemed incorporated herein notwithstanding whether such revision, amendment or modification is codified herein. Supplemental policies of the District may be adopted from time to time in order to assist the Board and its Consultants and Contractors in managing the affairs of the District. When possible, copies of such policies and amendments shall be attached hereto as appendices. The Board, or the District Manager acting on instructions of the Board, shall have the sole authority to amend, waive, suspend or modify these Rules and Regulations. Any Person claiming the benefit of such a waiver, suspension or modification shall be required to obtain a written waiver signed by the District Manager. No refusal, failure or omission of the Board or its agents to apply or enforce these Rules and Regulations shall be construed as an alteration, waiver, or deviation from any grant of power, duty or responsibility, or any limitation or restriction upon the Board by virtue of statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other entity. Any express waiver shall not be deemed an amendment of these Rules and Regulations. However, an express waiver or variance from these Rules and Regulations by the Board shall supersede these Rules and Regulations regarding the subject matter of the express waiver. No waiver shall be deemed a continuing waiver.

1.7 RULES AND REGULATIONS OF OTHER GOVERNMENTAL ENTITIES. The District receives water from the Denver Municipal Water System pursuant to a Total Service Contract with Denver Water under which the District is obliged to abide by the Operating Rules of Denver Water as they may be amended from time to time (the “Denver Rules”). The Denver Rules are incorporated by reference herein and are binding upon the District and upon Customers thereof.

The District’s sewage collection system is connected to the Metropolitan Wastewater Reclamation District Number One’s (“Metro”) interceptor Sewer System, through which sewage is conveyed to the Metro sewage treatment facility. Sewage treatment is provided by Metro via contract with the District, under which the District is obliged to abide by all rules and regulations of Metro as they may from time to time be amended. The District agrees to abide Metro’s rules and regulation as they may be amended from time to time (the “Metro Rules”). The Metro Rules are incorporated by reference herein and are binding upon the District and upon Customers thereof.

Patrons of the District shall abide by all applicable valid state and federal laws and regulations.

ARTICLE II
DESCRIPTION OF THE DISTRICT AND POWERS

- 2.1 DESCRIPTION OF THE DISTRICT.** The District is a quasi-municipal corporation and political subdivision of the State of Colorado that was organized with the authority to provide certain services to Developers, Owners and Customers within Service Area of the District. The District derives its power from the Special District Act, Sections 32-1-101 *et seq.*, Colorado Revised Statutes, and the Service Plan, as the same may be amended from time to time.
- 2.2 RATES, FEES, TOLLS AND CHARGES.** The District has power to charge various rates, fees, tolls, charges and penalties, and impose taxes, for services and facilities provided by the District. Additional provisions regarding rates, fees and charges are contained in these Rules and Regulations.
- 2.3 PENALTIES AND PERPETUAL LIEN.** Reasonable penalties may be fixed for any delinquency including interest on delinquent fees and reasonable attorney's fees and costs of collection pursuant to state law. The District expressly imposes all penalties permitted under state law as appropriate. In most cases the failure of a Customer to pay fees imposed by the District creates a right in the District to claim a perpetual lien on the affected property and to foreclose on that lien. The District expressly imposes a perpetual lien pursuant to state law for failure to pay or for delinquent payment of any rate, fee, toll, charge, or penalty assessed by the district pursuant state law. The District exercises such powers for the overall benefit of the District and reserves the right to Exercise its discretion on a case-by-case basis in determining whether to claim a lien and foreclose it. Additional provisions regarding violations and enforcement are contained in these Rules and Regulations.

ARTICLE III DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of terms used herein shall be as follows. Additional meanings of terms as used within a specific Article hereof are defined therein.

- 3.1. ACTUAL COST.** All direct costs applicable to the construction of a given facility, Main or Sewer Service Line, including construction, engineering, inspection, plan approval fees, etc.
- 3.2 APPLICANT.** Shall mean any Person who applies to the District for services or for Connection or disconnection to or from the District's Facilities, or who applies for a main line extension or other such service or who attempts to have real property included within or excluded from the District.
- 3.3 BOARD.** Shall mean the duly elected and/or appointed Board of Directors of the District which acts as the governing body of the District.
- 3.4 CONTRACTOR.** Shall mean any Person who performs work or furnishes materials to property within the District or undertakes to construct, alter, move, demolish, repair, replace, excavate or add to any District Facilities or Sewer Service Lines.
- 3.5 CONSULTANT.** Shall mean any Person who provides advice within a field of specialized knowledge or training or performs professional, executive or managerial services for the District.
- 3.6 CUSTOMER.** Shall mean any Person who is connected to or physically using the District's Sewer System or authorized to connect to the District's Sewer System under a Tap Certificate issued by the Board.
- 3.7 DENVER RULES.** Shall mean the Operating Rules of the Board of Water Commissioners for the City and County of Denver as the same may be amended from time to time. The Denver Rules are incorporated by reference herein and are binding upon the District and upon Customers thereof.
- 3.8 DENVER WATER.** Shall mean Board of Water Commissioners for the City and County of Denver.
- 3.9 DEVELOPER.** Shall mean any Person who is engaged in the development, redevelopment or subdivision of real property within the District's Service Area.
- 3.10 DISTRICT.** Shall mean the Havana Water and Sanitation District, a quasi-municipal corporation and political subdivision of the State of Colorado.

- 3.11 DISTRICT ENGINEER OR ENGINEER.** Shall mean the Person who, or duly authorized representative thereof, that has contracted to do engineering work for the District.
- 3.12 DISTRICT FACILITIES.** Shall mean the District's Sewer System and all improvements and appurtenances thereto constructed by or for the District and which have been accepted by and are owned by District.
- 3.13 EMPLOYEE.** Shall have the same meaning as "public employee" in Section 24-10-104(4), C.R.S. as it may be amended from time to time.
- 3.14 INCLUSION FEE.** A fee for the privilege of being included within the boundaries and Service Area of the District.
- 3.15 INDUSTRIAL WASTES.** Shall mean the liquid by-products from industrial and manufacturing processes as distinct from normal or special wastewater.
- 3.16 INSPECTION FEE.** Fees imposed for the inspection of the District's Facilities.
- 3.17 MANAGER.** Shall mean the Person or duly authorized representative thereof, retained by the Board to administer and supervise the affairs of the District.
- 3.18 METRO.** Shall mean Metro Wastewater Reclamation District Number One.
- 3.19 METRO RULES.** Shall mean the Rules and Regulations of the Board of Directors of the Metro Wastewater Reclamation District Number One as the same may be amended from time to time. The Metro Rules are incorporated by reference herein and are binding upon the District and upon Customers thereof.
- 3.20 NORMAL SEWAGE.** Shall mean Sewage which can be treated without pre-treatment or use of an interceptor and within normal operating procedures, and which, when analyzed shows by weight a daily average of not more than 300 parts per million of suspended solids and not more than 250 parts per million Biochemical Oxygen Demand ("BOD").
- 3.21 OWNER.** Shall mean the Person owning the fee interest in property served by or seeking Service by the District.
- 3.22 PERMIT OR TAP PERMIT.** Shall mean the license and written permission of the Board authorizing a Connection to the Sewer System of the District. A Permit grants the Permit holder a license to use the Sewer System and to receive Sewer Service from the District as provided in the Rules and Regulations of the District and/or the Metro Rules. A Permit is revocable upon the change of use of property served by the District's Sewer System.

- 3.23 PERSON.** Shall mean any individual, firm, company, society, corporation, association, organization, partnership, group, government or subdivision thereof or other entity.
- 3.24 PROHIBITED SEWAGE.** Shall mean any Sewage which may reasonably be anticipated to have a deleterious effect upon the Sanitary Sewer System or any Persons or property.
- 3.25 RULES AND REGULATIONS.** Shall mean the Rules and Regulations adopted by the Board including all amendments, policies and resolutions.
- 3.26 SANITARY SEWER MAIN OR SEWER MAIN.** Shall mean a District owned sanitary sewer pipe, pipeline or system of pipelines for carrying sewage within the Sewer System and that is installed in a public right-of-way or easement.
- 3.27 SANITARY SEWER SERVICE OR SEWER SERVICE.** Shall mean the provision of Sewer Service by the District to a Developer, Customer and/or Owner.
- 3.28 SANITARY SEWER SERVICE LINE OR SEWER SERVICE LINE.** Shall mean any pipe, line, conduit, system of piping and appurtenances used to provide Service to a building from a Sewer Main. The Customer and/or Owner shall be responsible for the maintenance and replacement of the Sewer Service Line and related appurtenances from the Sewer Main to the structure to which the Sewer Service Line serves.
- 3.29 SANITARY SEWER SYSTEM OR SEWER SYSTEM.** Shall mean all Sanitary Sewer Mains, manholes, cleanouts and/or lift stations and related appurtenances used for collecting, pumping, treating, and disposition of Sewage owned and operated by the District.
- 3.30 SERVICE AREA.** Shall mean the legal boundary within which the District provides Sewer Service as approved in the District's Service Plan and as may be amended from time to time pursuant to state law.
- 3.31 SERVICE CHARGE.** Fee for Sewer Service, which is based on the cost of serving the Customer and is as set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, which is available upon request from the District.
- 3.32 SEWAGE.** Shall mean an organic or inorganic material in suspension or solution originating from within residential, commercial, or industrial buildings.
- 3.33 SEWAGE TREATMENT CHARGES.** Shall mean charges imposed by Metro for the cost of treating Sewage emanating from within the District.
- 3.34 SFE (Single Family Equivalent).** A term used to describe the basic unit of measurement for sewer Tap Fee determination. A single family residence shall constitute one single family unit. Commercial, multi-family residential and other buildings of a similar nature shall be classified in accordance with the SCHEDULE OF FEES AND

CHARGES, as the same may be amended from time to time, which is available upon request from the District.

- 3.35 SHALL** is mandatory; **MAY** is permissive.
- 3.36 SPECIAL SEWAGE.** Special Sewage shall mean any Sewage which does not conform to the definition for Normal Sewage, but which can be treated after pre-treatment by the Customer or by utilization of special operating procedures. Pre-treatment shall include use of interceptors as described in these Rules and Regulations.
- 3.37 STUB-IN/STUB-OUT.** Shall mean an extension of a sewer main to beyond the edge of street or parking lot pavement of a property, for the purpose of connecting the property to the Sewer System. This is done for the convenience of the Developer/builder in order to avoid trenching across paving at the time of Connection. Any stub-in, whether constructed by the District or any Person, and whether located on private property or in a public right-of-way, shall be considered a part of the Sewer Service Line and shall be the Customer's responsibility.
- 3.38 SYSTEM.** Shall mean the District Facilities, Sewer Service Lines and all other facilities and appurtenances related to the District's Sewer System whether owned by the District or any other Person.
- 3.39 TAP OR CONNECTION.** Shall mean the physical Connection to, or the act of connecting a Sewer Service Live to a Sewer Main or a Stub-in or Stub-out, or from a Sewer Main, or indirectly through a private main line which extends beyond the easement line or property line into a structure intended to be served, whether or not actually connected to the structure's sewer system. All Persons shall Tap to facilities by means of Sewer Service Lines of sufficient dimension to serve the Customer as determined by the District.
- 3.40 TAP FEE.** Shall mean a fee imposed by the District and/or Metro for the privilege of connecting to the Sewer System, payable to the District prior to the time of Connection to the Sewer System.
- 3.41 WATER SYSTEM.** Shall mean all water services lines, water mains, and related facilities and appurtenances owned and operated by Denver Water and/or Owner or Customers for delivery of water to Customers.
- 3.42 ANY OTHER TERM** not herein defined shall be defined 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.

**ARTICLE IV
OWNERSHIP, CONSTRUCTION, OPERATION, MAINTENANCE AND INSPECTION
OF FACILITIES**

4.1 POLICY. The District is responsible for the operation and maintenance of the District Facilities in a sound and economical manner; it shall not be liable or responsible for inadequate treatment of Sewage or interruption of service brought about by circumstances beyond its control.

4.2 OWNERSHIP OF FACILITIES.

4.2.1 Relationship with Denver Water and Metro. Water service is provided within the District pursuant to a Total Service Contract with Denver Water (the “Total Service Contract”). Pursuant to the Total Service Contract, all requests for service, repair, maintenance, operations of the Water System are properly addressed to the Denver Water.

The District treats sewage pursuant to a Special Connectors Agreement with Metro (the “Special Connectors Agreement”).

Subject to the Total Service Contract, the Water System which has been constructed within the District is the property of Denver Water, unless an agreement with the Person or entity which constructed them expressly provides otherwise. Subject to the Total Service Contract, the Sewer System which has been constructed by the District or accepted for operation and maintenance pursuant to these Rules and Regulations is the property of Metro or of the District as provided by contract, unless an agreement with the Person or entity which constructed them expressly provides otherwise. These rules shall control ownership whether the components of the Water System and/or Sewer System are constructed or financed by the District, Metro, Denver Water or by any other Person.

4.2.2 District Ownership. The District shall own the District Facilities, unless otherwise provided in the Total Service Contract or Special Connectors Agreement, provided that the District Facilities not constructed by the District have been finally accepted by the District as further described in these Rules and Regulations. The District shall only accept ownership (including maintenance) responsibilities for existing and new Sewer Mains, which have been formally conveyed to and accepted by the District in compliance with these Rules and Regulations. Said ownership will remain valid whether the Sewer Mains are constructed, financed, paid for, or otherwise acquired by the District, or by other Persons.

4.2.3 Sewer Service Lines. Any Sewer Service Line shall be the property of the Owner, Customer, or Developer. This rule shall not be changed by the fact that the District may construct, finance, pay for, repair, maintain or otherwise affect

the Owner's, Customer's, or Developer's Sewer Service Line. The Owner's, Customer's, or Developer's ownership of the Sewer Service Line shall not entitle the Owner, Customer, or Developer to make unauthorized uses of the District's Sewer System. All uses of the Sewer Service Line or its appurtenances at any time after the initial Connection to the Sewer System shall be subject to these Rules and Regulations. The Owner, Customer, or Developer is responsible for maintenance of Sewer Service Line. The District is not responsible for the inspection of Sewer Service Line construction, and such inspections shall be performed by appropriate county and city authorities.

4.3 DIVISION OF RIGHTS AND RESPONSIBILITIES.

4.3.1 Construction. Except as otherwise provided by these Rules and Regulations, the District has sole authority to plan, finance, design and construct or acquire all District Facilities. The District will only construct facilities or portions thereof when the Board has made a determination that such construction is economically feasible and will not compromise Sewer Service to its existing Customers.

The Developer and/or Owner may be required to plan, finance, design and construct certain facilities as a condition of Sewer Service to their property. Such facilities shall be constructed pursuant to an Agreement with the District and in accordance with plans and specifications approved by the District's Engineer. The Owner or Developer shall pay the Actual Cost of all such facilities.

4.3.2 Inspection, Approval and Acceptance of District Facilities. Upon completion of construction of facilities constructed by the Developer and/or Owner pursuant these Rules and Regulations, the Developer or Owner may apply to the District for initial acceptance and inspection of such facilities. The Owner or Developer shall warrant the constructed such facilities for a period of one year from the date of initial acceptance by the District. After expiration of the one-year warranty period the Owner or Developer shall apply to the District for final acceptance of such facilities. After the District grants final acceptance of the facilities ownership of such facilities shall be transferred to the District. Owner or Developer shall provide as-built drawings, specifications of the facilities and appropriate lien waivers for all work performed.

4.3.3 Operation and Maintenance. The District shall be responsible for the maintenance, operation, repair and replacement of the District Facilities constructed by or for the District, provided that the District Facilities not constructed by the District have been granted final acceptance by the District as further described in these Rules and Regulations. Until such time as final acceptance has been granted for facilities, the Developer and/or Owner shall be responsible for the maintenance, operation, repair and replacement of the facilities. All repair or replacement work that is covered under the warranty shall be performed by the Developer and/or Owner with District oversight and inspection.

4.3.4 Special Maintenance. When the District identifies portions of the District Facilities which require preventive maintenance more than once every three years, and when the District's Customers who are creating the need for extra maintenance can be identified, the District shall, to the extent practicable, require those Customers to pay a surcharge which pro rates the added cost of preventive maintenance to the benefit received by the individual Customer.

4.3.5 Sewer Service Lines.

4.3.5.1 Ownership. The Customer, Owner and/or Developer shall own and be responsible for the construction, installation, Connection, maintenance, repair and/or replacement of the Sewer Service Line and related appurtenances from the Main to the structure to which the Sewer Service Line is connected in conformity with these Rules and Regulations. All costs and expenses incident to the construction, installation, Connection, maintenance, repair and/or replacement of Sewer Service Lines shall be borne by the Customer, Owner and/or Developer.

4.3.5.2 Indemnification. The Customer, Owner and/or Developer shall indemnify the District for any loss or damage that may directly, or indirectly, be occasioned by the construction, installation, Connection, maintenance, repair and/or replacement of a Sewer Service Line both during construction and perpetually thereafter.

4.3.5.3 Construction. A separate and independent Sewer Service Line shall be provided for every building, including each unit of a duplex or townhouse and, except as otherwise provided herein or as otherwise agreed to in writing by the District, shall be installed at the expense of the Developer or Owner.

Each commercial structure hereafter constructed shall have an individual Sewer Service Line for each.

Sewer Service Lines shall be constructed and installed in accordance with accordance with plans and specifications approved by the District's Engineer. The Owner or Developer shall pay the Actual Cost of all Sewer Service Lines. The District may, at its sole discretion, oversee installation of Sewer Service Lines prior to the commencement of Sewer Service.

4.3.5.4 Operation and Maintenance. The Owner shall be responsible for maintaining the Sewer Service Line, including the Sewer Main Tap, and related appurtenances from the Main to the structure to which the Sewer Service Line is attached in conformity with these Rules and Regulations. Leaks, stoppage, or breaks in such Sewer Service Line will be repaired by

the Owner within reasonable period of the time after notification of such condition by the District or discovery of such condition by the Owner.

If the District, in its sole discretion, believes that an emergency exists related to a Sewer Service Line or that satisfactory progress toward repairing a leak, stoppage, or break in a Sewer Service Line has not been completed within a reasonable time period, the District shall have the express right to enter onto the Owner's property and effect any necessary repairs or remediation and collect costs including legal, engineering and administrative fees from the Customer, Owner and/or Developer and shall be entitled to place a lien against the property, to secure payment of such costs. Permission to enter onto the property and effect repairs and remediation and agreement to reimburse the District for costs is expressly given in partial consideration for the provision of Sewer Service by the District.

4.3.6 Compliance Inspections. The District reserves the right to enter upon all properties, including the right to reasonably access all District Facilities within the Developer, Owner, or Customer's structure upon notice provided by the District, at any reasonable time to inspect any facility related to the provision of Sewer Service by the District for compliance with these Rules and Regulations or other applicable laws and charge the Developer, Owner, or Customer an Inspection Fee.

4.4 LIMITATION OF LIABILITY OF DISTRICT. Service from the District is a privilege. As partial consideration for said privilege, the Developer, Owner and/or Customer agrees that except as provided by the Colorado Governmental Immunity Act, 24-10-101 *et seq.*, C.R.S., as the same may be amended from time to time ("Colorado Governmental Immunity Act"), no claim for damage shall be made against the District for any reason including, but not limited to the following: blockage in the Sewer System causing the backup of effluent; damage caused by testing of lines; breakage of any Main; interruption of Sewer Service and the conditions resulting from; breaking of any Main, Sewer Service Line, valve, or meter; failure of the water supply; shutting off or turning on of water; making of connections or extensions; damage caused by water running or escaping from open or defective faucets and appliances; burst Sewer Service Lines and 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 or sporadic pressures; or from inadequate water delivery, wastewater treatment or interruption of any services brought about by circumstances beyond its control; or for doing anything to the District Facilities deemed necessary by the Board or its agents. Except if required and as provided by the Colorado Governmental Immunity Act, the District shall have no responsibility for notification to Developer, Owner and/or Customer of any of the foregoing conditions. The District reserves the right to temporarily discontinue service to any property at any time for any reason deemed necessary or appropriate by the Board. The District shall have the right to revoke service to any property for violations of these Rules and Regulations as provided in these Rules and Regulations. Nothing in these Rules and Regulations may be deemed a waiver by the

District of any rights under Colorado Law, including but not limited to, the Colorado Governmental Immunity Act. No act or inaction by the District shall be construed as a waiver in whole or in part of the protections provided by the Colorado Governmental Immunity Act unless expressly and formerly resolved by the Board.

4.5 HOMEOWNER’S INSURANCE. Developers, Owner and Customers of the District shall at all times maintain in full force and effect insurance coverage, whether by rider or otherwise, that is adequate to provide coverage for damage incurred to their personal and real property from any back-up, leak, or spill of sewage and which cover, to the extent available, their responsibilities and obligations under these Rules and Regulations.

4.6 RIGHT OF ENTRY. Duly authorized representatives of the District, including, but not limited to the Engineer, Consultants, Employees and other personnel authorized by the District or the District’s Consultants or Engineer, bearing proper credentials and identification, shall be permitted to enter upon all properties for the purpose of inspection, observation, measurement, sampling and testing, or any other reasonable purpose in accordance with the provisions of these Rules and Regulations. As partial consideration for the provision of Sewer Service the Customer or Developer grants the aforementioned duly authorized representatives of the District the express right to enter upon private property for the purposes stated herein.

4.7 CONFINED SPACE PROGRAM. Any District Contractor or other entity that contracts with the District or otherwise wishes to access the District’s confined spaces, shall, as a condition to entry into any of the confined spaces, and to providing services to the District, meet the following requirements:

- a. Acknowledge that the subject facilities are a confined space; and
- b. Agree to abide by the Occupational Safety and Health Administration (OSHA) regulations for “permit-required confined space” and “non-permit confined space”, including the establishment of an OSHA required “permit-required confined space program” (the “Permit Space Program”); and
- c. Release and indemnify the District in connection with the confined space access.

The District also requires that such Contractor provide the District with a copy of the Contractor’s written Permit Space Program that complies with the OSHA regulations.

In addition, as part of the District's confined space requirements, such Contractor shall consult with the District’s Engineer regarding any hazards confronted or created in “permit-required confined spaces.”

4.8 CONTRACTOR QUALIFICATIONS AND REQUIREMENTS. All Contractors performing work on or furnishing materials for, or in any way related to, District Facilities shall purchase and maintain, for the full period of any project, comprehensive general liability/auto liability and other insurance sufficient to protect the District from all claims

arising out of the Contractor's performance or work on the project, or the performance or work of any subcontractor or anyone else for whose acts the Contractor may be liable.

Insurance shall provide coverage for injury, sickness or disease and death arising directly or indirectly out of or in connection with the performance of work on the project, in such amounts as the District requires or if the District has not so specified, in a commercially reasonable amount. Coverage for property shall be set at the limit provided by the District, for all damages arising out of injury to or destruction of property of others, arising directly or indirectly out of or in connection with performance of work on the project.

Each Contractor's insurance coverage shall be sufficiently broad to enable the Contractor to fully indemnify the District and its directors, Employees, agents, Consultants and Engineer (including their officers, directors, employees and agents) against any and all claims arising out of the work performed by the Contractor. The indemnification obligations of Contractors shall not be limited by the limits of any required policy of insurance.

ARTICLE V
GENERAL USE OF SYSTEM AND APPLICATION FOR SERVICE

- 5.1 WHO MAY USE.** Services will be furnished to property included in the District's Service Area subject to the District's Rules and Regulations, the availability of facilities and capacity and subject to fees, rates and charges imposed by the District, Metro and/or Denver Water. If requested by the District, any applicant for Sewer Service shall furnish satisfactory evidence regarding the status of title to the property to be served. A tax receipt or certification received and signed by the County Treasurer shall be satisfactory evidence.
- 5.2 AUTHORITY TO UNCOVER, USE OR ALTER SYSTEM.** No Person who is not authorized by the District shall uncover, make any Connection with, or opening into, use, alter or disturb any of the District Facilities without first obtaining a written permit from the District. Authorized persons include the District's maintenance Contractor, Engineer and licensed Contractors with written permits.
- 5.3 INCLUSIONS.** If a Customer or Developer desires service for property lying outside the District's Service Area, he or she must include all of the land for which service is requested within the boundaries of the District. Petition for inclusion shall be made pursuant to Colorado law in a form acceptable to the District, and shall be accompanied by payment of a deposit, in an amount to be determined by the District from, time to time and which shall be used to cover all administrative, engineering and legal fees and costs associated with the proposed inclusions. Petitioner may also be subject to an Inclusion Fee for inclusion of property into the District's Service Area.
- 5.4 SERVICE OUTSIDE THE DISTRICT.** The District shall have no obligation to provide service outside its boundaries. Service within the District is governed by the Total Service Agreement between the District and Denver Water and by the Special Connectors Agreement between the District and Metro, which define the service area as the boundaries of the District. Boundary changes are subject to approval by Denver Water and/or Metro. No service shall be provided to property outside of the District except by a written agreement of the Board and then only to the extent permitted by contract with Denver Water and/or Metro; establishing charges for furnishing service, which charges shall be not less than Service Charges for in-district property and may be more. Any service extensions necessary to service property outside of the District shall comply with the provisions of these Rules and Regulations.
- 5.5 APPLICATION FOR SERVICE.** In addition to any other requirements for Sewer Service set forth in these Rules and Regulations or the Metro Rules, the requirements set forth in this Section shall be met prior to a receiving Sewer Service from the District. Acceptance of Sewer Service by any Developer, Owner or Customer shall constitute such Developer, Owner or Customer's agreement to be bound by the terms of these Rules and Regulations. Application for water service and any conditions of such service are governed by the Denver Rules.

5.5.1 Filing of Application for Sewer Service. Upon verification that a property is within the Service Area of the District, the Customer, Owner, and/or Developer of the property seeking Sewer Service shall:

- a. File an application for Sewer Service with the District on forms provided by the District. The application must be accompanied by all required fees.
- b. All Tap Fees must be paid upon submittal of the application for Sewer Service, the amount of the Tap Fees is determined in accordance with the then current fee schedule imposed by the District and/or Metro.

Only after (1) approval of the application by the District and (2) satisfaction of any applicable condition as described in these Rules and Regulations may a Tap or Connection to the Sewer System be made by the Applicant.

5.5.2 Application Information. Should any information disclosed on the application prove at any time to be false, or should the Applicant omit any information, the District and/or Metro shall have the right to reassess the fees originally charged and to back-charge the property in question for all fees that may be due and owing, and/or to charge any other or additional fees or penalties specified in these Rules and Regulations and/or Metro Rules, as any or all of the foregoing may be amended from time to time. Any reassessment shall be due and payable, together with any penalties or other additional fees charged, with simple interest at 1% per month on the entire balance, upon and from the date of the original application. In addition, the District may exercise all remedies permitted by law or these Rules and Regulations.

5.6 CONDITIONS OF SEWER SERVICE. The following conditions of Sewer Service may be required by the District in order for a Customer, Owner, and/or Developer of property to receive Sewer Service.

5.6.1 Extension and Oversizing of Facility/Line. As a condition of receiving Sewer Service, the Developer, Owner or Customer may be required, in the District's sole discretion, to construct Sewer lines or facilities beyond the capacity required to serve a particular property or properties or extend such lines or facilities beyond the location required to serve a particular property or properties in order to effectively provide Sewer Service to additional properties within the District's Service Area at a later date.

5.6.2 Cost Recovery. The part of the costs of a facility or line to be installed within, or for, a particular property or properties; but which the District has also assigned a transmission function which results in the need for oversizing or extension as described in these Rules and Regulation, which are eligible for a credit or reimbursement to the Developer, Owner or Customer shall be determined on a case-by-case basis in the sole discretion of the District and shall be described in an Agreement with the District.

5.6.3 Conveyance of Property Rights. As a condition of receiving Sewer Service, the Developer, Owner or Customer may be required, in the District's sole discretion, to convey right-of-way, parcels, easements or other property interests to the District and/or Metro or other governmental entities in order to ensure that the District can provide Sewer Service.

5.6.4 Reimbursement For Condemnation. The District and/or Metro may require a Customer or Developer to reimburse the District and/or Metro for costs of condemnation if in the District's and/or Metro's sole discretion it needs to condemn an easement over the property applying for Sewer Service.

5.6.5 Tap Purchase Agreement/Development Agreement. As a condition of receiving Sewer Service, the Developer, Owner or Customer may be required, in the District's sole discretion, to enter into a tap purchase agreement, development agreement or other agreement with the District.

5.7 DENIAL OR REVOCATION OF APPLICATION. The District and/or Metro reserve the right to deny an application for Service when, in the opinion of District and/or Metro:

- a. The Sewer Service applied for would create an excessive seasonal, or other, demand on the Sewer System;
- b. Sewer Service limitations are imposed by Metro;
- c. There has been misrepresentation in the application as to the property and fixtures contained on the property;
- d. Sewer Service would not be in the best interests of the taxpayers and inhabitants of the District;
- e. The Applicant has not paid the fees due;
- f. There is inadequate capacity of existing Sewer System or no Sewer Main to which to connect;
- g. The Sewer Service is otherwise not in the best interests of the District; or
- h. The District's Engineer finds the application deficient in any manner.

Denial may also be based upon an unresolved obligation between the District and the Applicant, inadequate documentation of right-of-ways, parcels and easements for facilities that serve the property, or any other reason as determined by District and/or Metro. The District and/or Metro reserve the right to revoke Sewer Service for any violation of these Rules and Regulations. Additionally, the District and/or Metro reserve the right to revoke any prior approval of an application before Sewer Service has been provided.

5.8 MOVED OR DESTROYED BUILDINGS. When buildings are moved or destroyed or Taps are otherwise abandoned, the Customer, Owner or Developer must physically disconnect its Sewer Service Line from the District's, Metro's and/or Denver Water's Mains and lines pursuant to these Rules and Regulations, the Denver Rules and/or the Metro Rules. Reconnection shall be pursuant to these Rules and Regulations, the

Denver Rules and/or the Metro Rules. If the number of SFE's of a Sewer Tap are the same upon reconnection to the District's Mains as they were on the date the building was moved or destroyed, no additional Tap Fee will be required; however, all applicable fees, including inspection fees, under the Schedule of Fees shall be required. If the number of SFE's of a Sewer Tap increases upon reconnection, the Customer, Owner or Developer shall be required to pay the difference between the then current Tap Fee for the number of SFE's which were disconnected and the number of SFE's for the lines that are reconnected. A Customer, Owner or Developer can reconnect to the District's Main pending submittal of a new Application for Sewer Service within a period of five years from the date a building is moved or destroyed. After five years, the Customer, Owner or Developer must submit a new application for Sewer Service and pay the applicable fees as described in these Rules and Regulations.

5.9 CHANGE IN CUSTOMER'S EQUIPMENT OR SERVICE.

5.9.1 A Customer or Developer shall file an amended application for Sewer Service with the District and/or Metro prior to making a change in Sewer Service. No change in the Customer's, Owner's, or Developer's equipment, Sewer Service, or use of property served, shall be made without prior notice to and approval by the District and/or Metro. If any such change will, in the opinion of District and/or Metro, increase the burden placed on the District's and/or Metro's respective systems by the Customer, Owner, or Developer, the District and/or Metro shall determine the monthly Service Charge and/or whether an increased Main is required and require a payment by the Customer, Owner, or Developer of any additional monthly Service Charge or other costs resulting from the determination. No such determination shall result in a refund or credit of any kind to the Customer, Owner or Developer.

5.9.2 Any Person who causes new or increased water service shall be required to take such action as required by the Denver Rules. If Denver Water believes that any Customer, Owner, or Developer has caused increased water service it may take such action as is specified in the Denver Rules.

5.9.3 Any Person who enlarges buildings or otherwise increases sewage flows so that the number of SFE Units will be increased, must apply for a modified tap permit, whether or not the size of the Sewer Service Line is increased.

Should a Customer, Owner or Developer expand an existing building, said Customer or Developer shall be required to pay a sewer Tap Fee for the building expansion based on the added number of SFE's. Sewer Service shall continue at the old equivalency until the date of inspection and acceptance of the expansion. The fee will be charged for the proposed use at the current Tap Fee rates.

For a change in building use, to a higher use; i.e. from warehouse to office, which results in a greater number of SFE's, a sewer Tap Fee shall be paid for the proposed higher use at the current Tap Fee rates with a credit being given for the previously

paid SFE's adjusted to current rates. For a change in use to lower use; i.e. office to warehouse, no adjustment will be made.

- 5.9.4** If the District believes any Customer, Owner or Developer has changed its equipment, Sewer Service, or use of its property in violation of these Rules and Regulations, it shall so notify the Customer or Developer, including a statement of the District's intent to assess any fees, any additional fees, or penalties. The Customer, Owner or Developer shall be afforded twenty (20) days in which to respond to the District's notice. Failure to respond as required herein within the twenty (20) day period shall be deemed to establish the fact of the violation. Fees and penalties deemed appropriate by the District shall be assessed against the Customer or Developer and/or the property in question and shall be collected as provided under these Rules and Regulations and Colorado law.

If the Customer or Developer responds to the District within twenty (20) days, payment of such fees may be deferred by, and pending a consultation with, the District as specified in these Rules and Regulations. Such response by the Customer or Developer must include permission to make such inspection of the property in question as the District or its representatives deem necessary to establish the nature of equipment, Sewer Service and use of the property in question. The Customer or Developer must thereafter take all steps prescribed by the District and pay all required fees within the time period established by the District.

5.10 PROHIBITED ACTS.

- 5.10.1 Unauthorized Persons.** No unauthorized Person or entity shall uncover, use, alter, disturb, or make any Connection with, disconnect from, make any opening onto, use, uncover, alter, disturb or open the District's Facilities without first obtaining a written permit from the District. Unauthorized activities with respect to the District's Facilities include, but are not limited to, unauthorized Connections to the Sewer System, even though such acts may be performed on a privately owned or maintained Sewer Service Line.

- 5.10.2 Unauthorized Connection to System.** No unauthorized Person shall be allowed to connect onto or disconnect from the Sewer System or to enlarge or otherwise add to or change equipment, Sewer Service or use of property without prior written approval of the District. All requests for a Connection/reconnection of Sewer Service may be granted or denied by the District at its sole discretion. All Connections/reconnections of Sewer Service from the District shall be inspected and approved only by District personnel, regardless of the circumstances concerning the Connection/reconnection. A Connection and/or a reconnection is each a separate, distinct function and shall require additional inspections by District personnel. The District may assess applicable fees, rates and charges as specified these Rules and Regulations. No Person shall be allowed to connect to the Water System or increase water service therefrom except as permitted by the Denver Rules and with such approvals as are required by Denver Water. Upon the

discovery of any unauthorized Connections, including but not limited to bypass of a meter during construction, the Developer, Customer or Owner may be subject to the violation provisions of these Rules and Regulations.

5.10.3 Prohibited Use of System. Prohibited uses of the System includes, but is not limited to, an unauthorized to draw from or discharge in to the System, an unauthorized Connection or disconnection of Sewer Service Lines, or tampering with or in any way modifying any part of the District Facilities or modifying Sewer Service Lines in any way that violates these Rules or Regulations.

5.10.4 Illegal Acts. No person shall maliciously, willfully, or negligently, break, damage, destroy, cover, uncover, deface, tamper, or refuse “right of entry” as specified in these Rules and Regulations, to any portion of the System even though all or portions of the same may be privately owned and maintained by the Developer, Customer or Owner. No Person shall install or use any type of Septic System or drill or install any water well facility or system within the District’s Service Area, unless otherwise authorized by the District or these Rules and Regulations. No Person shall violate any provisions of these Rules and Regulations. The District may pursue to the limits of local, state, and/or federal laws any Person(s) that cause damage to the System.

5.11 FORFEITURES.

5.11.1 Revocation of Service. Sewer Service shall be revocable by the District for upon non-payment of any valid fees or charges owing to the District or violation of any provision of these Rules and Regulations or the conditions or obligations set forth in any tap permit or agreement as provided in these Rules and Regulations. Water service may be revoked by Denver Water pursuant to the Denver Rules.

5.11.2 Failure to Connect. A Developer, Customer or Owner’s right to connect to the System shall terminate and any Tap Fee paid shall be forfeited if the Tap is not connected to the District’s Facilities within twelve (12) months of the payment of the Tap Fees unless otherwise provided in tap purchase agreement, development agreement or other agreement entered into with the District. Upon such termination, the District fees will not be refunded. Abandoned, cancelled or unused water taps shall also be governed by the Denver Rules.

5.11.3 Revocation of Tap Rights. The right to connect to the District’s Sewer System and to receive Sewer Service shall be revocable pursuant to the Rules and Regulations for violation of any provision of these Rules and Regulations or the conditions or obligations set forth in any agreement and the Denver Rules. The right to connect to the District’s Sewer System and receive Sewer Service shall be revocable by the District upon non-payment of any District fees owing to the District and remaining unpaid for a period of ninety (90) days, whether or not the Customer, Owner or Developer with the right to connect has actually connected to the Sewer Systems or for violation of any provision of these Rules and Regulations or the conditions or

obligations set forth in any agreement. If the right to connect to the Sewer System is revoked, the Customer, Owner or Developer may reacquire such Tap rights only by reapplying for a Tap and after paying all fees due and owing the District, according to the then-current fee schedule.

- 5.12 OTHER REQUIRED PERMITS.** A sewer service permit is required for any work involving the installation of Sewer Service Lines to a structure.
- 5.13 ON-TRANSFERABILITY OF TAPS AND PERMITS.** Permits or paid Taps attach to the property identified in the permit only. They are not affected by changes in the ownership of the property and are usable only in accordance with the terms of the permit. Permits or paid Taps are not transferable to other properties nor may fees be transferred from one property to any other property without the written consent of the Board and/or Denver Water.
- 5.14 LIMITATION ON ASSIGNMENT.** No Taps purchased from the District may be sold or assigned without the express written consent of the District and/or Denver Water and subject to such terms and conditions as the District and/or Denver Water may impose.
- 5.15 PENALTIES.** Any Person that violating any of the provisions of these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement may be subject to the enforcement provisions and penalties set forth in Article 9 of these Rules and Regulations.
- 5.16 REIMBURSEMENT OF DISTRICT COSTS.** Any Person that violating any of the provisions of these Rules and Regulations or the conditions or obligations set forth in any permit or agreement shall become liable for reimbursement of any District costs associated therewith as set forth in these Rules and Regulations.

**ARTICLE VI
USE OF THE SEWER SYSTEM**

- 6.1 AUTHORITY TO UNCOVER, USE, OR ALTER SEWER SYSTEM.** No Person who is not authorized by the District, shall uncover, make any Connection with, or opening into, use, alter or disturb any Sewer Main or appurtenance without first obtaining a written permit from the District. Authorized persons include the District's maintenance Contractor, Engineer and licensed Contractors with written permits.
- 6.2 RESPONSIBILITIES OF THE CUSTOMER.** Each Owner shall be responsible for maintaining the entire length of the Sewer Service Line serving his property from the structure to the District's manhole or Sewer Main including the Sewer Main Tap. Leaks, stoppage, or breaks in the Sewer Service Line will be repaired by the Owner within a reasonable period of time after notification of such condition by the District or upon discovery of the condition. If satisfactory progress toward repairing said leak, stoppage, or break has not been completed within such time period, the District shall have the express right to enter onto the Owner's property and affect the repair and collect costs including legal, engineering and accounting fees from the Customer and shall be entitled to place a lien against the property of such Owner, to secure payment of such costs. Permission to enter onto the property and affect repairs and agreement to reimburse the District for costs is expressly given in partial consideration for the provision of Sewer Service by the District.
- 6.3 PROHIBITED ACTS.** No Person shall discharge, or cause to be discharged, any storm water, surface water, ground water, roof runoff, sub-surface drainage, cooling water, sump pumps, or untreated industrial process waters to any sanitary sewer. No public or private swimming pool shall be connected with the sanitary sewer without first obtaining a special permit therefor from the District, which permit shall define and specify the hour or hours during which water may be discharged from such pools into the Sanitary Sewer System and prescribe the fees and charges therefor including legal, engineering and accounting fees, if any.

Except as hereinafter provided, no person shall discharge, or cause to be discharged, to any Sewer Main, any special or Prohibited Sewage or any harmful waters or wastes, whether liquid, solid, or gas, capable of causing obstruction to the flow in sewers, damage or hazard to structures, maintenance personnel or other interference with the proper operation of the Sewer System. In particular, no Person shall discharge grease in to the Sewer System which may cause an obstruction or other interference to the flow in the sewer. The use of grease traps may be required as provided in these Rules and Regulations.

No Person shall maliciously, willfully, or negligently break, damage, destroy, uncover, deface or tamper with any portion of the Sewer System.

- 6.3.1 Surface Water Runoff and Groundwater.** No roof downspout, exterior foundation drains, areaway drains, sump pumps, or other sources of surface runoff

or groundwater shall be connected to or allowed to discharge into the Sewer System. Examination for the possibility of infiltration of ground water through a floor drain shall be made by the District's maintenance Contractor and/or Engineer, either or both of whom shall have the right to enter upon any premises at any reasonable time for the purpose of making such an inspection. If it shall be found that such infiltration is occurring, the District shall give written notice to the Customer requiring the disconnection of such drain from the sewer line within five (5) days, otherwise the disconnection will be made by the District and the expense thereof paid for by the Customer or Owner as provided by law.

6.3.2 Cesspools and Septic Tanks. No Connection to the Sewer System will be permitted when the Sewer Service Line extends through or from a cesspool or septic tank.

6.3.3 Industrial Waste. There shall be no Industrial Waste discharged into the Sewer System or any individual sewer system, septic tank or leach field without compliance with all applicable laws or rules and regulations governing discharge of Industrial Waste. No manufacturing, processing or industrial plant shall discharge its wastes or any pollutant into the Sewer System without first receiving a permit from the District to do so.

6.3.4 Swimming Pools. No public or private swimming pool shall be connected with the Sewer System without first obtaining a special permit therefor from the District, which permit shall define and specify the hour or hours during which water may be discharged from such pools into the Sewer System and prescribe the fees and charges therefor including legal, engineering and accounting fees, if any.

6.4 CLASSIFICATION OF WASTES. It shall be the policy of the District to classify wastes into three main categories termed Normal Sewage, Special Sewage, or Prohibited Sewage, as defined in Article III of these Rules and Regulations. The classification of wastes shall be the responsibility of the District Engineer and shall follow the recommended procedures of the Colorado Department of Public Health and Environment, including, but not limited to, 5 CCR 1002-63, Metro, including, but not limited to, the Metro Rules, and federal regulations, including, but not limited to the Federal Water Pollution Control Act as amended by the Clean Water Act of 1972 and specifically Part 403 of the Federal Register and, subject to concurrence by the Board, shall be final and binding. Testing and analysis shall be accomplished by Metro for the purpose of establishing sewage treatment charges as set forth in the Metro Rules.

6.5 DISCHARGE OF SPECIAL SEWAGE.

6.5.1 Approval Required. The admission into the public sewers of any Special Sewage, shall be subject to the review and approval of the Board, which may prescribe limits on the strength and character of such Sewage. Where necessary, in the opinion of the Board, the Customer shall provide, at his expense, such pretreatment facilities as may be necessary to treat such Special Sewage prior to

discharge to the Sewer Main. Moreover, such Special Sewage may be subject to regulations regarding required pretreatment for certain industrial Customers. Plans, specifications, and any other pertinent information relating to proposed pretreatment facilities shall be submitted for the approval of the District, the Colorado Department of Public Health and Environment and Metro; no construction of such facilities shall be commenced until such approval is obtained in writing. Where pretreatment facilities are provided for any Special Sewage they shall be maintained continuously in satisfactory and effective operation, at the sole discretion of the District, by the Customer, at his own expense.

6.5.2 Manhole Requirement. When required by the District, any Customer served by a Sewer Service Line carrying Special Sewage shall install and maintain, at his expense, a suitable control manhole in the Sewer Service Line to facilitate observation, sampling and measurement of the wastes. The manhole shall be installed and maintained by the Customer at his own expense. All measurements, tests and analysis of the characteristics of waters and wastes shall be determined in accordance with “Standard Methods for the Examination of Water and Wastewater”, latest edition, a joint publication of the American Public Health Association, the American Water Works Association and the Water Pollution Control Federation, and shall be determined at the control manhole, or upon suitable samples taken at said control manhole. Compliance shall be made with any and all applicable requirements contained in the most recent OSHA "Confined Space Regulations", including any necessary and applicable permits to enter the 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 Sewer Main to the point at which the Sewer Service Line is connected.

6.6 PRETREATMENT AND INTERCEPTOR REQUIREMENTS.

6.6.1 Pretreatment: General Requirements. Where deemed necessary by the District, whose determinations shall be final, the Customer shall provide, at his own expense, such preliminary treatment (hereafter, “pre-treatment”) as may be necessary. Where pre-treatment facilities are provided for any waste or waters, they shall meet any applicable District, Metro, state, and/or federal regulations, and, once built, shall be maintained continuously in satisfactory and effective operation by the Customer.

6.6.2 Requirement for Grease, Oil and Sand Interceptors. Interceptors (including, but not limited to, grease, oil and sand interceptors) shall be provided for the proper handling of liquid wastes containing grease or oil in excessive amounts, any flammable wastes, sand, solids, acid or alkaline substances or other constituents harmful to the District’s Sewer System or which detrimentally affect the sewage treatment process. In addition to the circumstances set forth herein, interceptors shall be provided when, in the opinion of the District, they are necessary. All costs associated with interceptors are the sole cost and expense of the Customer or Developer.

6.6.3 Grease Interceptors: Specific Requirements.

6.6.3.1 Grease interceptors are required on the discharge lines of every fixed receptacle or plumbing fixture designed, intended or used for the purpose of washing dishes or cooking utensils on all premises, other than residential properties, where food is prepared or processed or where necessary to prevent the discharge of amounts of grease or grease-containing liquids into the District's Sewer System, or when an industrial process produces organic waste.

6.6.3.2 Without limiting the generality of the foregoing provision, all drains from the kitchen, food preparation, and dishwashing areas shall be connected to the grease interceptor. The discharge from garbage grinders shall not be connected to the grease interceptor. Garbage grinders shall not be used for disposal of grease.

6.6.4 Interceptors: Design Standards.

6.6.4.1 Notwithstanding anything herein to the contract, interceptors shall have two compartments and have a minimum capacity of 750 gallons unless the District approves a deviation from this requirement. Interceptors shall be concrete with the wall and floors being a monolithic concrete pour.

6.6.4.2 Interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes in temperature. They shall be watertight, and, if necessary as determined by the District Engineer, gastight and vented.

6.6.4.3 Interceptors shall be of a design and size conforming to the International Plumbing Code (edition utilized by the local building permitting agency), Metro Rules and any applicable regulations of the Colorado Department of Public Health and Environment. Location of all building interceptors shall be shown on the approved building plan.

6.6.4.4 All interceptors shall be located outside the building on private property, unless otherwise approved by the District Engineer. They shall be so installed and connected that they shall be at all times easily and readily available and accessible for cleaning, maintenance, and inspection. All interceptors shall be maintained by the Customer or Developer at his expense, in continually efficient operation at all times. When necessary, the Customer shall, at his expense, provide all equipment and facilities needed to transport all sewage to a Sewer Main.

6.6.4.5 Each interceptor cover shall be readily accessible for inspecting, servicing and maintaining the interceptor in working and operating condition. If it is

necessary to use a ladder or to remove bulky equipment in order to service interceptors, this shall constitute a violation of this accessibility requirement.

6.6.5 District Approval. Interceptor plans shall be submitted to the District Engineer, who must approve them prior to installation. The cost of reviewing and approving such plans, and inspection and approval of the installation shall be charged to the applicant.

6.6.6 Responsibility for Cleaning and Maintenance.

6.6.6.1 The responsibility of cleaning and maintaining all interceptors shall be the Customer's or Developer's responsibility. Installed equipment or facilities shall be maintained by the Customer or Developer, at his expense, in continuously efficient operation at all times.

6.6.6.2 Grease interceptors shall be pumped and cleaned of their accumulated matter at least once every three (3) months, or more often if necessary, as determined by the District Engineer to ensure maximum efficiency. The District shall give notice to the Customer or Developer if maintenance required by this Section is required more often than once every three (3) months.

6.6.6.3 Sand and oil interceptors shall be pumped at least once every three (3) months or more often if necessary, as determined by the District Engineer to ensure maximum efficiency. The District shall give notice to the Customer or Developer if maintenance required by this Section is required more often than once every three (3) months.

6.6.6.4 Access to an interceptor shall remain unobstructed at all times. The necessity to remove large objects such as boxes, crates, or cans or to use a ladder to inspect an interceptor shall constitute a violation of this unobstruction requirement.

6.6.6.5 The Customer or Developer must maintain interceptor(s) in efficient working condition and in compliance with the cleaning and pumping standards set forth above at all times.

6.6.6.6 No unauthorized alteration(s) or damage(s) to any interceptor shall be allowed without the prior approval of the District.

6.6.6.7 Periodic maintenance reviews may be performed by the District to ensure compliance with these Rules and Regulations. In order to implement any maintenance and inspection, the Customer and/or Developer, in partial consideration of Sewer Service, expressly grants to the District access to enter upon private property for the purpose of inspection and maintenance of sanitary and waste disposal facilities and all interceptors.

6.6.7 Prohibited Cleaning Agents. Customers or Developers are prohibited from cleaning or maintaining their grease interceptors with microbial grease digestants, or similar enzyme based grease trap additives which allow grease and other wastes to move through the grease interceptors in liquid form into the Sewer System. In addition to other penalties and fines set forth in these Rules and Regulations, Customers or Developers who use microbial grease digestants or any similar enzyme based grease trap additives in violation of this Section shall be jointly and severally liable for all costs and expenses associated with cleaning and unclogging the Sewer System as a result of the discharge of grease in liquid form into the Sewer Mains.

6.6.8 Inspection and Enforcement of Sewage Discharge Regulations.

6.6.8.1 Periodic maintenance reviews or inspections may be performed by the District to ensure compliance with these Rules and Regulations. The charge for scheduled inspections shall be from time to time determined by the Board and shall be available upon request from the District Manager. The charge for any inspections shall be billed directly to the Customer or Developer by the District. The charge for any inspections that are required beyond periodic scheduled inspections shall include all costs incurred by the District for such inspection.

6.6.8.2 Authorization to Enter Upon Private Property. As partial consideration for the provision of Sewer Service the Customer or Developer grants the District the express right to enter upon private property for the purposes of such inspection and for any necessary maintenance of sanitary and waste disposal Facilities, including interceptors.

6.6.8.3 Unauthorized Discharge of Sewage. Discharge of sewage in any manner in not permitted by these Rules and Regulations is hereby declared a public nuisance and may be corrected or abated as directed by the District at the cost of the violator.

6.7 COMPLIANCE WITH OTHER APPLICABLE REGULATIONS. Developers, Owners, and Customers shall comply with any applicable rules or regulations established by any local, state, or federal agency, in particular, by Metro. No Developers, Owners, and Customers shall discharge any pollutant in violation of any applicable regulation, including maximum pollutant levels, established by any local, state or federal agency, including but not limited to Metro, the Colorado Department of Public Health and Environment, the Water Quality Control Commission, and the Environmental Protection Agency. Each Developer, Owner, and Customer shall comply with any prohibitions imposed on the District with regard to discharge of pollutants. If, as a result of any such violation, the District is subject to any civil or criminal liability, any fines, fees, or penalties or other costs assessed against the District, and any costs incurred by the

District to defend against such liability, shall be charged against the violator by the District.

**ARTICLE VII
USE OF THE WATER SYSTEM**

- 7.1 PROVISION OF SERVICE.** Water service is provided within the District pursuant to the Total Service Contract with Denver Water. Pursuant to the Total Service Contract, all requests for service, repair, maintenance, operations of the Water System are properly addressed to the Denver Water.
- 7.2 COMPLIANCE WITH OTHER APPLICABLE REGULATIONS.** Developers, Owners, and Customers shall comply with any applicable rules or regulations established by any local, state, or federal agency, in particular, by Denver Water. If, as a result of any violation of such rules and regulations, the District is subject to any civil or criminal liability, any fines, fees, or penalties or other costs assessed against the District, and any costs incurred by the District to defend against such liability, shall be charged against the violator by the District.

**ARTICLE VIII
FEES, RATES AND CHARGES**

- 8.1 GENERAL.** The Board is empowered to fix and from time to time to increase or decrease fees, rates, tolls, penalties or charges for services, programs, or facilities furnished by the District pursuant to Section 32-1-1001(1)(j)(I), Colorado Revised Statutes, as amended from time to time. The District imposes and collects such fees, rates and charges in amounts to ensure they are sufficient to operate, maintain and provide the Sewer Services and the District Facilities. The District imposes and utilizes its fees, rates and charges in accordance with applicable law for protection of the health and welfare of residents and property owners of the District.
- 8.2 APPLICATION OF THIS ARTICLE.** The fees, rates, tolls, penalties and charges as herein established and the other information set forth herein shall apply only to Developers, Customers and Owners of property within the Service Area of the District and shall in no way obligate the District with respect to the provision of Sewer Service outside of the Service Area of the District.
- 8.3 SCHEDULE OF FEES, RATES AND CHARGES.** The fees, rates, tolls, penalties and charges in existence and in effect are set forth in the as set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, which is available upon request from the District. Such fees, rates, tolls, penalties and charges shall remain in effect until modified by the Board in accordance with these Rules and Regulations and applicable laws. Nothing contained herein shall limit the Board from modifying fees, rates, tolls, penalties and charges or from modifying any classification. Revised fees, rates, tolls, penalties and charges adopted by the District will become a part of these Rules and Regulations.
- 8.4 ADJUSTMENT OF FEES, RATES AND CHARGES.** In those situations where, in the District's sole discretion, the fees, rates, tolls, penalties and/or charges shown on the as set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, which is available upon request from the District, do not represent a fair, reasonable and equitable charge for the intended use, the District, in its sole discretion, may adjust said fees, rates, tolls, penalties and/or charges.
- 8.5 PAYMENT OF FEES, RATES AND CHARGES.**
- 8.5.1 Billing.** It is the policy of the District to bill all Service Charges semiannually in advance. The District shall have the right to issue only one (1) billing statement for a multi-unit structure or development which is served by a single Sewer Service Line. The Owner of such property shall be responsible for all charges to the property. If the units are owned by separate parties, the parties shall designate a responsible party, association or other representative party to receive billing statements and notices from the District.

8.5.2 Due Date. The Owner or Customer shall pay to the District within thirty-one (31) days after the date shown on the statement the full amount of that statement. Where the Owner or Customer believes said statement is in error, the Owner or Customer must file within fifteen (15) days after the statement date, a written notice to the District of the presumed error and request a clarification from the District. Upon review by the District and re-submittal and/or revision of the statement, payment shall be due no later than fifteen (15) days from the date of the resubmitted statement. Any appeal of resubmitted statement must be made in accordance with these Rules and Regulations.

8.6 RESPONSIBILITY FOR COSTS. Any Person who seeks to do business with the District, obtain agreements with the District, obtain approval of plans from the District, or otherwise undertake activities which cause the District to incur costs or fees, shall be responsible for paying the District for all such costs. Any activities by Persons that may require additional costs to the District, such as but not limited to additional administrative, engineering or legal costs, shall pay the District for all such additional costs. Such payment shall be due at such time as the Person receives an invoice from the District or as the Board directs, but in no case later than the date when agreements are executed, approvals are delivered, or such Person receives benefit from the District for such activities.

8.7 PERPETUAL LIEN/FORECLOSURE. In accordance with 32-1-1001(1)(j)(I), Colorado Revised Statutes, as may be amended from time to time, and as more particularly discussed in Section 9.2.2.4 of these Rules and Regulations, until paid all rates, tolls, charges, fines, fees, assessments, penalties and costs shall constitute a perpetual lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of this state for the foreclosure of mechanics' liens.

8.8 PENALTIES FOR LATE PAYMENT OR NON-PAYMENT. Late payment or non-payment of any rates, tolls, charges, fines, fees and/or assessments owed to the District may result in the District taking one or more actions, which may include, but is not limited to charging a late fee, charging interest or revoking service, in accordance with these Rules and Regulations.

**ARTICLE IX
ENFORCEMENT, VIOLATIONS AND PENALTIES**

9.1 VIOLATIONS. Any intentional or negligent action taken by a Person in contravention of these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement shall be considered a violation and is subject to the provisions of this Article.

9.2 ENFORCEMENT REMEDIES.

9.2.1 Notification of Violation. Whenever the District finds that any Person has violated or is violating these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement, the District may issue a written notice to resolve the obligation, correct the problem or the practice at issue. If, in the sole discretion of the District, an emergency exists, the District may take immediate action as provided in these Rules and Regulations, and shall provide written notice as soon thereafter as possible. In the event of late payment or non-payment of any rates, tolls, charges, fines, fees and/or assessments, the District is not required to send any notification beyond the billing statement, unless otherwise required by law. Should the violation still exist after the time limit on the notice has elapsed, the District may revoke Sewer Service, revoke a Tap Certificate or assess charges, fines and/or penalties as provided in these Rules and Regulations.

9.2.2 Penalties for Violations.

9.2.2.1 Penalty. Any Person in violation of these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement may be assessed penalties in an amount to be determined by the Board or as set forth in the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, which is available upon request from the District. Each violation is subject to a penalty and each day of a violation shall be considered a separate violation. Penalties may be added to the Developer, Customer or Owner's next bill.

9.2.2.2 Late Fee. At any time a Developer, Customer or Owner is fifteen (15) days late in payment of any rates, tolls, charges, fines, fees and/or assessments due the District, the District shall have the right to assess a penalty on the unpaid balance in the amount shown on the SCHEDULE OF FEES AND CHARGES, as the same may be amended from time to time, which is available upon request from the District.

9.2.2.3 Interest. Unpaid rates, tolls, charges, fines, fees, assessments and/or penalties may, after thirty (30) calendar days, be assessed interest, which shall accrue thereafter at a rate as shown on the SCHEDULE OF FEES

AND CHARGES, as the same may be amended from time to time, which is available upon request from the District.

9.2.2.4 Perpetual Lien/Foreclosure. In accordance with 32-1-1001(1)(j)(I), Colorado Revised Statutes, as may be amended from time to time, until paid all rates, tolls, charges, fines, fees, assessments, penalties and costs (including legal, engineering, accounting and administrative) shall constitute a first and perpetual lien on or against the entire property served, including all units served by a common service and on or against any property benefited by a Sewer Service Line or main line extension. Any such lien may be foreclosed in the manner provided by law.

9.2.2.5 Certification of Amount to County Treasurer. In addition to any other means provided by law, the Board may elect to have certain delinquent rates, tolls, charges, fines, fees, penalties and/or assessments made or levied solely for Sewer Service certified to the treasurer of the county to be collected and paid over by the treasurer of the county in the same manner as taxes in accordance with Section 32-1-1101(1)(e), Colorado Revised Statutes, as may be amended from time to time.

9.2.2.6 Revocation of Service. Should a Developer, Owner or Customer remain in violation of these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement after the time limit stated on a violation notice issued pursuant to of these Rules and Regulations has elapsed, the District may revoke Sewer Service. In the event of a proposed revocation of Sewer Service, the Developer, Customer or Owner shall be given not less than ten (10) days advance notice in writing of the revocation, which notice shall set forth the following:

- a. The reason for the revocation and the date Sewer Service shall be terminated;
- b. That the Developer, Customer or Owner has the right to contact the District and the manner in which the District may be contacted for the purpose of resolving the obligations; and
- c. That there exists an opportunity for a hearing in accordance with these Rules and Regulations.

If the obligations are not resolved or a request for a hearing, accompanied by a deposit equal to the amount of any fees, rates and/or charges specified in the notice, is not received by the District within ten (10) days, the District may terminate the Sewer Service and the Developer, Customer or Owner may be assessed the cost of the disconnection. The Developer, Customer or Owner's deposit for Sewer Service, if any, shall be applied against the outstanding obligation.

9.2.2.7 Revocation of Tap Permit. In addition to the other rights and remedies set forth in these Rules and Regulations, any Developer, Customer or Owner who violates these Rules and Regulations, any conditions of the Tap permit or agreement, or violates any applicable local, state and federal regulations, is subject to having their Tap Certificate revoked after receipt of notice of such proposed revocation in substantially the same manner as provided in these Rules and Regulations. If the Tap permit is revoked, the Developer, Customer or Owner may reacquire such Tap permit only by reapplying for Sewer Service in accordance with the Rules and Regulations, and after paying all fees due and owing the District and the then-current Tap Fees charged by the District under these Rules and Regulations for the use in question and complying with all other applicable requirements of the District.

9.2.2.8 Civil Liability. Any Person who intentionally or negligently violates any provision of these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement may be subject to civil liability to the District.

9.2.2.9 Criminal Liability. Any Person who violates these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement and in doing so commits a misdemeanor or felony may be charged with a misdemeanor or felony, and upon conviction thereof, shall be subject to such penalties as provided by law.

9.2.2.10 Other Remedies Provided at Law. In addition to the other rights and remedies set forth in these Rules and Regulations the District may exercise any other rights or remedies it may be entitled to under law or in equity to enforce these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement.

9.2.2.11 Reimbursement of District Costs. Any Person that violates any of the provisions of these Rules and Regulations or the conditions or obligations set forth in any Tap Certificate or Agreement shall become liable to the District for any expense, loss or damage occasioned by reason of such violation, including, but not limited to, administrative, attorneys', engineering, collection, court and accounting fees and costs.

9.3 HEARING AND APPEAL PROCEDURES.

9.3.1 General. If an Owner, Customer or Developer wishes to dispute any rates, tolls, charges, fines, fees, assessments and/or penalties imposed by or determination made by the District, the Owner, Customer or Developer may appeal such rates, tolls, charges, fines, fees, assessments and/or penalties or determination by following the procedure set forth below (an Owner, Customer or Developer filing an appeal is referred to in the remainder of this section as the "Appellant").

Notwithstanding the filing of an appeal the Appellant is required to pay any rates, tolls, charges, fines, fees, assessments and/or penalties assessed by the District and such rates, tolls, charges, fines, fees, assessments and/or penalties shall be held by the District until such time as the appeal is final. The hearing and appeal procedures established below shall apply to all disputes concerning the interpretation, application or enforcement of the rates, tolls, charges, fines, fees, assessments and/or penalties of the District and application and enforcement of these Rules and Regulations, as they now exist or may hereafter be amended. In the event a proper and timely request for an appeal is not made as provided herein, the right to an appeal shall be deemed forever waived.

9.3.2 Appeal to District Management. The Appellant must first file a written request with the District within ten (10) days of being notified of a proposed revocation of Sewer Service or other determination of the District or of the due date specified for a fee, rate or charge of the District. Within thirty (30) days of receiving the request from the Appellant, the District, after a full and complete review of the record, shall issue a written determination regarding the application or enforcement of the rates, tolls, charges, fines, fees, assessments and/or penalties of the Districts and/or application and enforcement of these Rules and Regulations, as may be applicable.

9.3.3 Hearing Before Board of Directors. If the Appellant wishes to appeal the written determination of the District under Section 9.3.2 of these Rules and Regulations, the Appellant must file a written request with the District for a hearing within written determination of the District under Section 9.3.2 of these Rules and Regulations was mailed. The request for a hearing shall set forth with specificity the facts upon which the Appellant is relying and shall contain a brief statement of the Appellant's reasons for the complaint. The Board shall hold a formal hearing on the appeal at the next regularly scheduled meeting that is held no earlier than ten (10) days after the filing of the Appellant's request for a hearing.

9.3.3.1 Notice. A notice shall be served on the Appellant, specifying the time and place of the hearing to be held by the Board regarding the appeal and directing the Appellant to present evidence of why the determination regarding the application or enforcement of the fee, rate or charge of the District and/or application and enforcement of these Rules and Regulations, as may be applicable, is not correct. The notice of the hearing shall be served personally or be certified mail return receipt requested or by any mail delivery service that is the equivalent to or superior to certified mail return receipt requested, at least ten (10) days before the hearing. Service may be made on any agent or officer of a corporation. When an Appellant is represented by an attorney, notice of any action, finding, determination, decision or order affecting the Appellant shall also be served upon the attorney.

9.3.3.2 Conduct of Hearing. At the hearing, the District's management and the Appellant shall be entitled to present all evidence that is relevant and material to the dispute, and to examine and cross-examine witnesses. The Board may establish rules and procedures governing the hearing. A record of the hearing shall be maintained.

9.3.3.3 Written Determination. Based on the record established, the Board shall issue a written decision concerning the disposition of the dispute presented to it and shall cause notice of the decision to be hand delivered or sent by certified mail to the Appellant within fifteen (15) days after the hearing.

9.3.3.4 Board of Directors Determination Final. The decision issued by the Board shall be final and binding upon the District and the Appellant and shall constitute the final administrative action of the District. Any party to the hearing aggrieved or adversely affected by an order of the Board may appeal such order to the District Court in and for the County of Adams, pursuant to Rule 106(a)(4) of the Colorado Rules of Civil Procedure.

9.4 EMERGENCIES. If an emergency is deemed to exist, the District may take any reasonable actions to remediate the emergency, including, but not limited to immediately notifying the Colorado Department of Public Health and Environment or any other appropriate department or agency and disconnecting any Sewer Service Line from the District Facilities or take any other action deemed necessary or prudent to protect the District, the District Facilities and/or the Developers, Customers or Owners, until such time as the District has received adequate assurance that any and all violations of these Rules and Regulations will cease and will not occur in the future. The District will, as soon as possible, provide written notice as described in Section 9.2.1 of these Rules and Regulations.