

# HOLLAND HILLS METROPOLITAN DISTRICT

## RULES, REGULATIONS AND BYLAWS

### TABLE OF CONTENTS

<u>Section I. General Regulations.</u>		<u>PAGE</u>
1.1	Purpose . . . . .	5
1.2	Water System . . . . .	5
1.3	Roads, Streets and Safety Improvements . . . . .	5
1.4	Drainage and Storm Sewer System. . . . .	5
1.5	Parks and Recreation . . . . .	5
1.6	Solid Waste . . . . .	5
1.7	Sanitary Sewer . . . . .	5
1.8	Definitions . . . . .	6
1.9	Authority of Agents and Inspectors . . . . .	9
1.10	Tampering, By-Passing, or Unauthorized Use of District facilities . . . . .	10
1.11	Damage . . . . .	10
1.12	Compliance . . . . .	10
1.13	Regulation Changes . . . . .	11
1.14	Invalidity of Rules and Regulations . . . . .	11
1.15	Liability . . . . .	11
1.16	District Standards and Specifications . . . . .	11
1.17	District Service Plan	11
 <u>Section II. Service Policy</u>		
2.1	Eligibility of Service . . . . .	12
2.2	Inclusion of Property into the District . . . . .	12
2.3	Exclusion of Property from the District . . . . .	12
2.4	License/Tap Permit . . . . .	12
2.4.1	Accessing District Facilities . . . . .	13
2.5	Separate License/Tap Permit . . . . .	13
2.6	Other Permits . . . . .	13
2.7	Service Line . . . . .	14
2.8	Maintenance . . . . .	14
2.9	Pressure Reducing Valves . . . . .	14
2.10	Water System Connecting Loops . . . . .	14
2.11	Disconnections . . . . .	14
2.12	Special Equipment . . . . .	14

Section III. Drainage and Storm Sewer System

3.1	General Provisions and Use . . . . .	16
3.1.1	Operation . . . . .	16
3.1.2	Detrimental Effluents Prohibited . . . . .	16
3.1.3	Manufacturing, Commercial and Industrial Uses . . . . .	16
3.1.4	Swimming Pools . . . . .	17
3.1.5	Natural Outlets . . . . .	17

Section IV. Water Supply System

4.1	General Provision and Use . . . . .	18
4.1.1	Ownership and Operation of the Potable Water System . . . . .	18
4.1.2	Water Use and Restriction . . . . .	18
4.1.3	Metered Service . . . . .	18
4.1.4	Liability . . . . .	19
4.1.5	Tampering with Meter Prohibited . . . . .	19
4.1.6	Wasting of Water Prohibited . . . . .	19
4.1.7	Construction Water/Temporary Use Water . . . . .	19
4.1.8	Damage to District Facilities . . . . .	19
4.2	Charges, Fees and Billing . . . . .	19
4.2.1	Base Rate and Meter Rate Charge . . . . .	20
4.2.2	Cash Deposit . . . . .	20
4.2.3	Shut-off and Turn-on Service Charge . . . . .	20
4.2.4	System Development Charge . . . . .	21
4.2.5	Connection/Tapping Fees. . . . .	21
4.2.6	Review, Inspection, Testing & Other Fees . . . . .	21
4.2.7	Billing and Payment . . . . .	21
4.3	Compliance with Plan for Augmentation and Water Rights . . . . .	21
4.4	Water Use . . . . .	22
4.5	Enforcement . . . . .	22

Section V. Facility Extension Policy

5.1	General . . . . .	23
5.2	Procedure for Main Line Extension Construction . . . . .	23
5.3	Inspection Fees . . . . .	24
5.4	District Ownership . . . . .	24
5.5	Line Sizes . . . . .	24
5.6	Rights-of Way . . . . .	24
5.7	Utility Easements . . . . .	24

Section VI. Roads, Streets and Safety Protection

6.1	General .....	25
6.2	Procedure for Main Line Extension Construction .	25
6.3	Inspection Fees .....	26
6.4	District Ownership .....	26
6.5	Rights-of Way .....	26
6.6	Utility Easements .....	26
6.7	Damage to Roads.....	26
6.8	Review, Inspection and Testing.....	26
6.9	Road Impact Fee and Road Impact Deposit .....	27
6.10	Parking and Traffic Control .....	27
 Section VII. Raw Water Irrigation System		
7.1	General Provisions and Use .....	28
7.2	Water Use Restrictions .....	28
7.3	Connection to Raw Water System .....	28
7.4	Construction Water/Temporary Use Water .....	28
7.5	Damage to District Facilities .....	29
7.6	Wasting Water Prohibited .....	29
7.7	Compliance with Plan for Augmentation and Water Rights .....	29
 Section VIII. Sanitary Sewer System		
8.1	This Section Reserved for Future Use By District	30
 Section XI. Parks and Recreation		
9.1	This Section Reserved for Future Use By District	31
 Section X. Bylaws		
10.1	Directors and Meetings .....	32
10.1.1	Board of Directors .....	32
10.1.2	Recall .....	32
10.1.3	Meetings .....	32
10.1.4	Quorum .....	32
10.1.5	Rules of Order .....	32
10.1.6	Compensation .....	32
10.1.7	Vacancy .....	32
10.1.8	Election Day .....	32
10.2	Officers .....	33
10.2.1	Elective Officers .....	33
10.2.2	Election .....	33
10.2.3	Officer Absence .....	33
10.2.4	Salaries .....	33
10.3	Seal, Clerical, Finance and Powers .....	33
10.3.1	Seal .....	33
10.3.2	District Records .....	33
10.3.3	Banks .....	33

10.3.4	Accounting .....	33
10.3.5	Budget .....	34
10.3.6	Powers .....	34
10.3.7	Ad Valorem Tax .....	35
10.4	Mill Levy; Rate Changes; Prospective Connections	35
10.4.1	Mill Levy .....	35
10.4.2	Rate Changes .....	35
Appendix 1	System Development Charge Schedule	36

## SECTION I GENERAL REGULATIONS

- 1.1 Purpose. These Rules and Regulations together with the District's Standards and Specifications and approved service plan, which are incorporated herein, provide for the management, maintenance, operation and administration of all District facilities and infrastructure including additions thereto and will serve a public use and promote the health, safety and general welfare of the inhabitants of the District and are enacted pursuant to Colo. Rev. Stat. §32-1-101 et seq. (1973) as amended.

The Holland Hills Metropolitan District is a quasi municipal corporation (local government and special district organized under the laws of the State of Colorado) which owns the roadways, drainage and storm detention systems, traffic systems, a potable water system, a raw water irrigation system, and recreational facilities within the boundaries of the district. The District manages, administers, operates and maintains all facilities and services provided within Holland Hills and it's service area.

- 1.2 Water System. The District water system is to provide the inhabitants thereof with both potable and raw water for all domestic purposes and for irrigation of lawns and gardens and is to be conserved from waste. The potable water supply for the District is ground water based and comes from a series of wells within the subdivision which pump to a potable water storage tank placed on Bureau of Land Management property and raw water is diverted from the Roaring Fork River through the Arbaney Ditch and the Kester Ditch. The raw water system includes ownership of water rights, structure rights in these ditches and ownership of laterals within the subdivision. Only raw water shall be used for irrigation within the District.
- 1.3 Roads, Streets and Safety Improvements. The District road and street system, together with all safety improvements is owned, operated and maintained by the District and includes both primary and secondary access to residences within the District. All roads within the District are private and public use of District roads is limited to invitation by residents of the District.
- 1.4 Drainage & Storm Sewer System. The District drain and storm sewer system is storm waters, surface drainage, or discharge of water from above ground or underground sources. The drain and storm sewer system is owned and maintained by the District.
- 1.5 Public Parks and Recreation. The District parks and recreation system of trails is available for use by all constituents of the District.
- 1.6 Solid Waste Disposal. The District administers a solid waste collection and disposal program together with a recyclable materials program. These programs are provided by contract through local vendors.
- 1.7 Sanitary Sewer System. The District may also elect to provide sanitary sewer collection,

transmission and/or treatment services in the future. Presently, all waste water treatment is accomplished by individual sewage disposal systems.

1.8 Definitions as used herein are as follows.

Board shall mean the Board of Directors of the Holland Hills Metropolitan District.

Connection Charge (tapping fee) shall mean a fee for tapping into and connecting a private water service line, drainage or storm sewer service line, or ditch lateral, or private road or driveway to the District's facilities.

Cost means all direct and indirect costs attributable to any project or the construction of any new facility, including without limitation the costs of inspections, reviews, surveys, actual construction, preliminary and design engineering, inspection, construction observation, administration and legal service, "as built" drawing, easements and acquisition and all other costs necessary for review, evaluation or completion of such new project or facility.

Customer shall mean any person, partnership, corporation, governmental authority or their lessees and tenants authorized to use District facilities under a license or permit and who is supplied with water, drainage or storm sewer service by the District.

Developer shall mean the persons, firm, joint venture, partnership or corporation which is the owner or agent of the owner of land which is developing or subdividing the land for resale and which seeks to have the development or subdivided land served by the District.

District shall mean the Holland Hills Metropolitan District.

District Administrator shall be the person appointed by the Manager to oversee all administrative functions of the District. The District Administrator shall report directly to the Manager.

District Engineer shall mean the person appointed by the Board or manager to provide professional engineering services to or on behalf of the District.

District Facilities or Infrastructure shall mean all facilities of any kind owned, operated or otherwise managed by the District. This includes but is not limited to wells, pipelines, pumps, pump stations, storage tanks and vessels, irrigation systems, irrigation heads, lines and controls, water system controls, manholes, valves, blow-offs, hydrants, electrical systems, computer and telemetry, roads, streets, access ways, drainage ways, storm sewers, sanitary sewers, signs, signals, warning devices, traffic devices, treatment systems, telemetry, computers, offices, vehicles and equipment.

District Manager or Manager shall be the person or management entity appointed by the

Board to manage the District and inspect all water, drainage and storm sewer installation, repair, excavations, connections and charged with enforcement of these regulations and the District's standards and specifications.

Ditch Fee shall mean the fee charged by the District for water received from the raw water irrigation system. This fee is used to operate and maintain the Arbaney and Kester Ditches. A special assessment may be levied in the event that extraordinary costs for operation or maintenance are incurred by the district.

Inclusion shall mean the expansion of District boundaries of the Holland Hills Metropolitan District for inclusion of property into the District shall be granted only in accordance with these Rules and Regulations and the prior approval of the County.

Inspector shall mean District Manager or his authorized agent, employee or contractor.

Inspection fees shall mean a fee assessed the owner for the inspection of any service line or main to be connected to District facilities and is to ensure that all lines, mains, appurtenances or structures constructed comply fully with these rules and regulations and with the By-laws, standards and specifications of the District.

Irrigation Lateral Ditch shall mean a ditch which distributes water to the various service addresses therein for the specific purpose of irrigating lands within the District.

Irrigation Water Rates shall mean those rates and fees for which irrigation water shall be furnished within the district.

Landscaping shall mean any area planted with grass, trees, bushes, shrubs, flowers or other similar materials including naturally occurring vegetation which is owned, operated or maintained by the District.

License/Tap Permit shall mean written permission of the Board of Directors to connect to an irrigation ditch, water or sewer main of the District pursuant to the Rules and Regulations and standards and specification of the District.

Lot Fee shall mean the fee charged by the District for maintaining, repairing and making improvements to lateral ditches within the District. This fee is established by the District and may be changed at any time.

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

Private Water Service Line shall mean the water line from the curb valve, or tee, or corporation stop at the water main to the individual building being served. Multiple service lines to an individual building being served. Multiple service lines to an individual building

are prohibited without prior express written approval of the District.

Recyclable Materials shall mean only materials commonly accepted and collected for recycling. This shall include glass, plastic, aluminum, tin, steel, and newspapers. It may also include magazines, office paper, cardboard, or other materials at the sole discretion of the District and its service provider.

Public Storm Sewer shall mean a sewer which carries storm and/or wastewater. Contaminated water or any hazardous liquid or materials shall not be intentionally admitted to any District storm sewer.

Sand & Oil Separator shall mean a device designed and constructed to separate sand and oil from the waste water stream.

Storm Sewer shall mean any drainage or storm sewer line owned by the District and installed in a street or utility easement.

Storm Sewer Extension shall be any storm sewer main, pipeline or other facility required to connect a developer's drainage or storm sewer collection system to District service facilities.

Shall is to be construed as mandatory, may is discretionary.

Street Light shall mean any public safety or transportation lighting fixture owned, operated or maintained by the District.

Street Sign shall mean any public safety or transportation street sign owned, operated or maintained by the District.

System Development Charge (Tap Fee) shall mean a fee assessed the owner for the right to access the District water and storm sewer facilities. Tap fees are collected to repay the costs of previously constructed facilities and/or the future rehabilitation or replacement of existing facilities.

Tap Fee - See System Development Charge.

Tapping Fee - See Connection Charge.

Traffic Signal/Control Device shall mean any traffic signal/control device owned, operated or maintained by the District.

Waste Water shall mean sewage.

Water Main shall mean any water line 2 inches in diameter or greater which is owned by

the District.

Water Main Extension shall be any water main, pipeline or other facility required to connect a developer's irrigation water distribution system to District service facilities.

Water Meter shall mean the mechanical or electronic device used to measure the quantity of water delivered to a District customer or use.

Water Rates shall mean those rates and fees for which water shall be furnished within the district and/or its Service Area.

Water Service shall mean the provision of water to District Constituents or contract holders for a fee or rate established by the Board.

Water Service Line shall mean the potable water service from the District's main to the customers premises.

Water System shall mean the entire system complete with all facilities, infrastructure and appurtenances, rules and regulations, standards and specifications.

Water Tank shall mean the District's potable water storage tank.

- 1.9 Authority of Agents and Inspectors. Inspectors and other duly authorized employees or agents of the District with proper credentials shall be permitted to enter upon all properties within the District at reasonable times as necessary for the purpose of inspection, observation, measurement, sampling, testing, maintenance, repairing, and replacing any culverts, mains, service lines, valves, pumps, storage vessels, or other district facilities.

NOTE: Pursuant to Colo. Rev. Stat. §18-8-106, a person commits a Class 1 petty offense if, knowing that a public servant is legally authorized to inspect property (a) he refuses to produce or make available the property for inspection at a reasonable hour or, (b) if the property is available for inspection, he refuses to permit the inspection at a reasonable hour. Pursuant to C.R.S. §18-8-102 (1973), a person commits obstructing government operations (A class 3 misdemeanor) when he intentionally obstructs, impairs or hinders the performance of a governmental function by a public servant by using or threatening to use violence, force or physical interference or obstacle.

- 1.10 Tampering, By-Passing or Unauthorized Use of District Facilities. No person shall by-pass any meter or in any way tamper with or make any use of any of the facilities of the District or the water supplied by or other services provided by the District or make any connection to its drainage, roads or storm water systems or any other facility (except authorized fire fighting personnel) without advance written permission from the Board. Any tampering with or connection to any District facilities without written permission of the Board shall subject

the violator of this section to a minimum penalty of \$500.00 plus a supplemental fee or charge set by the Board, such supplemental fee or charge to be at least as great as the total costs of all water or other products or services taken and all damage or costs caused to the District or its customers by the unauthorized tampering or connection together with all costs and attorneys' fees reasonably incurred in collecting such penalty.

NOTE: Pursuant to C.R.S. §18-4-505, a person commits a Class 1 petty offense if he tampers with the property of a utility or institution with intent to cause interruption or impairment of a service rendered to the public by a utility or by an institution with intent to cause interruption or impairment of a service rendered to the public by a utility or by an institution providing health or safety protection.

Pursuant to C.R.S. §18-4-506, a person commits a Class 2 misdemeanor if he tampers with property of another with intent to cause injury, inconvenience or annoyance to that person or to another or if he knowingly makes an unauthorized connection with property of a utility.

Pursuant to C.R.S. 18-4-506.5, a person commits a class 2 misdemeanor if he connects any contrivance with any main supplying water without the District's permission or if he alters or obstructs or interferes with the operation of the water meter without the District's permission.

Pursuant to Colo. Rev. Stat. §40-7.5-102, 103, and 104, the District shall be entitled to recover as damages, three times the amount of the actual damages, plus all reasonable expenses and costs incurred on account of the by-passing, tampering, or unauthorized use of any district facility.

- 1.11 Damage. No person shall maliciously, willfully or negligently break, damage, destroy, uncover, deface, open or close any lines, valves, tanks, mains, pumps, structures, appurtenances or equipment of the District's potable or raw water supply systems, drainage and storm sewer collection systems, traffic, parks, trails or road system.
- 1.12 Compliance. If any customer violates any of these rules and regulations or fails to pay when due any of the rates, fees, tolls or charges and interest thereon at 1% per month, the District may terminate and/or sever such customer's water service lines from the District facilities upon 3 days notice and assess a disconnection charge to be at least as great as the costs and damages to the District or its customers associated with any violations and subsequent disconnection. A disconnection notice may be served upon the occupant or attached to the front door of the premises or mailed by certified mail return receipt requested. Such disconnection charge shall be assessed as an additional charge to the violating customer and, until paid, shall constitute a perpetual lien against the property formerly served to be foreclosed in the same manner as a mechanic's lien.
- 1.13 Regulation Changes. These rules and regulations may be altered, amended, repealed or reenacted at any regular meeting of the Board of Directors of said District or at any special meeting of the Board called for that purpose.
- 1.14 Invalidity of Rules and Regulations. If any section, subsection, paragraph, clause, or other provision of these rules and regulations shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph,

clause or other provision shall not affect any of the remaining provisions.

- 1.15 Liability. Any person violating any of the provisions of these rules and regulations shall be liable to the board for any expense, loss or damage to the District occasioned by such violation, including the District's reasonable costs and attorney's fees to require adherence to these rules and regulations or to collect the penalties, fees, tolls and charges due hereunder.
- 1.16 District Standards and Specifications. The Standards and Specifications of the Holland Hills Metropolitan District are incorporated herein as an integral part of these Rules and Regulations. In the event any rule, regulation, or standard, adopted by the District conflicts with another rule, regulation, or standard, the District in its sole discretion shall determine which rule, regulation, or standard shall control. The District has adopted the 2005 Standards and Specification of the American Water Works Association and all work completed within the District must meet these standards unless written permission is otherwise granted by the District.
- 1.17 District Service Plan. The District's approved service plan is incorporated herein as an integral part of these Rules and Regulations.

## SECTION II. SERVICE POLICY

- 2.1 Eligibility of Service. All properties situate inside the corporate boundaries of the District as of its date of incorporation shall be eligible to receive potable water and raw water service, trash, safety, parks and recreation, and roads and streets service from the District upon compliance with these rules and the payment of all required fees. Extra-territorial service shall only be provided upon execution of an Extra-territorial Service Agreement, the prior payment of all fees and charges owed, and agreement by the user to abide by all rules and regulations of the District and the payment of all fees and charges for services received.
- 2.2 Inclusion of Property into the District. Property not eligible for service by the District may petition the District Board for inclusion into the District, however, the final decision on whether to include any property lies solely within the discretion of the District's Elected Board of Directors. Landowners wishing to include property into the District must petition the District for inclusion of such property in strict compliance with Colorado Revised Statutes, Sections 32-1-401 and 32-1-402 *et seq*, and all administrative rules of the District as of the date of petition for inclusion, The Petitioner must pay all fees and costs associated with the inclusion and agree to be bound by all District Rules, Regulations, Standards and Specifications.
- 2.3 Exclusion of Property from the District. Fee owners of property within the District may petition the Board for exclusion of such property in accordance with Colorado Revised Statutes, Section 32-1-501.
- 2.4 License/Tap Permit. The right to take and use water distributed through or have collected by District facilities shall exist only under license and before any tap is made to the District's water or sewer mains, separate written permits therefore shall be obtained from the District and all required fees shall be paid.

Application for water tap permits shall be made to the District on forms furnished by the District which shall give a full description of the work to be done, the address of the unit seeking to connect, the name of the licensed & approved contractor to perform the work under the permit, and such other information as may be required. Any permit may be revoked if the installation or use of a water service line is not in accordance with requirements of these regulations or any prescribed standard and specification of the District or any governing rule of the Board.

The Licensee shall have the right to use water only on the licensed premises and for the purposes specified in the license, subject to the modification, suspension or revocation of such license as provided herein. The Licensee shall not deliver any wastewater to the storm sewer system from any premises or use including swimming pools, spas, Jacuzzi, et cetera.

Licenses attach to the licensed premises only. Licenses are not affected by changes in

ownership of the licensed premises. Licenses can not be transferred from one premises to another.

2.4.1 Accessing District Facilities. No District water main shall be tapped into without first having received a tap permit as described in Section II, paragraph 2.4, above, and second, having scheduled a tapping date and time with the District's Representative. All taps to District mains shall be made in accordance with the District's Standards & Specifications, particularly section 4.13. No tap made to any District main shall be buried prior to inspection by a District Representative. Taps to District mains shall only be made by District approved contractors or District Staff.

2.5 Separate License/Tap Permit. Not more than one connection to the potable water main shall be allowed under each permit. A permit shall be limited to one independent structure and licenses attach to the licensed premises only. No combination of permits shall be allowed and each permit is separate from any other permit.

2.6 Other Permits. No permit issued by the District shall be taken as authority for the making of any cut in a District road or street, nor in lieu of any permit required by any other regulatory body. Permits required by other agencies are the responsibility of the Contractor.

Hydrant Permit. No fire hydrant shall be used for any purpose without a valid hydrant permit, issued by the District. All fees and deposits associated with hydrant permits shall be due in advance. Charges for water used under such permit shall be calculated on actual or estimated gallons delivered and shall include special administrative costs as may be deemed necessary and appropriate.

Road Cut Permit. No cut to any road, street, trail or access way within the District shall be undertaken without first having obtained a permit from the District.

Road Use Permit. The District does not allow parking on any street including shoulders within the District without an appropriate permit. Contractor parking, special event parking or any temporary parking may be allowed by permit only and the payment of any fee required by the District.

Special Water Use Permit. The District may allow special use of water during periods of construction or water restrictions. Such uses may include special irrigation needs and special events.

Stub-Out Permit: No stub-out taps and service line shall be permitted to be attached to any District main without prior approval of construction plans and the issuance of one stub-out permit for each proposed stub-out. Stub-out permits shall be valid for one year from date of issue and renewable for one year by application to the District and payment of appropriate fees.

2.7 Service Line Installation. Private water service lines shall be installed by a licensed

contractor in accordance with these regulations and the standards and specifications of the District. No new buildings with water requirements of any nature shall be constructed within the District unless connected to the District's potable water system. The private water service line runs from the property being served to the curb box tee or corporation stop (tapping valve) installed by or under a valid Permit issued by the District. Any new building constructed within the District is required to tap into the District's water system.

Location, excavation, trench shaping, pipe bedding and backfilling for installation or any repairs shall be constructed in accordance with the District's Standards and Specifications and are subject to approval by the District, who shall inspect all mains, service lines and connections before they may be covered. All water service lines shall be installed with a minimum of six feet of cover.

1. Private Water Service Lines. These lines shall be constructed of the Type K soft copper tubing with flared joints or pure core with mechanical fittings and joints.
2. Connection to Irrigation Ditch System. Shall be made only upon the written approval of connection plans by the District and payment of a connection fee.

2.8 Maintenance. Each customer shall be responsible for maintaining the entire length of his private water and sewer service line. Leaks in the water service line shall be repaired by the owner within 72 hours of notification of such condition or the District shall have the authority to repair the leak and bill the owner for the resulting costs.

The District shall be responsible for maintaining all public raw water and potable water systems, roads, traffic, trash, street signs and drainage facilities within the boundaries of the District. The District is not responsible for maintaining the Arbaney or Kester Ditches.

2.9 Pressure Reducing Valves. When individual water service connections require a pressure reducing valve (see Section 2.12 of District Standards), the valve shall be furnished and installed by the developer or the customer and shall become the property of and shall be maintained by the customer.

2.10 Water System Connecting Loops. Connecting loops and cross ties specified by the District for water distribution service to a development, shall be installed by the developer.

2.11 Disconnections. No service line connected with District mains shall be disconnected therefrom without the prior authorization of the District. Upon receipt of approval for disconnection, service lines or mains shall be disconnected and abandoned in accordance with the District's Standards and Specifications.

2.12 Special Equipment/Participation Charges. Developers shall be required to contribute additional capital and service fees for the cost and associated costs and maintenance of all facilities or infrastructure which may be required to service areas not contemplated for

service in the District's Service Plan, or which require additional or special equipment or facilities to serve the proposed development. Such charges may also include participation in the costs of any facility expansions, enlargements or improvement determined necessary to maintain or improve the quality of the district's overall facilities and infrastructure and may include facility improvements outside District Boundaries.

## SECTION III. DRAINAGE & STORM SEWER SYSTEM

### 3.1 General Provisions and Use.

- 3.1.1 Operation. The drainage and storm sewer system shall be operated pursuant to these rules and regulations.
- 3.1.2 Detrimental Effluents Prohibited. Toxic or non-toxic biodegradable waste or any waste which State storm water standards shall not be discharged into the storm sewer system. Oils and greases for mechanical uses, gasoline and shall not be discharged into the storm sewer system. No foreign matter which could cause stoppage may be discharged into the storm sewer system. No drain by discharge from vehicle wash racks, filling stations, restaurants or other building sewers as specified by the District shall be connected to any storm sewer service line unless the discharge first passes through an acceptable grease, sand and oil interceptor, approved in writing by the District.
- 3.1.3 Manufacturing, Commercial and Industrial Uses. Manufacturers and industries are prohibited from using the District storm sewer system unless they obtain from the Board a special permit defining the conditions, limitations and restrictions and the fees and charges determined by the Board to be for the best interest of the District and its inhabitants.

Except as provided herein, no person shall discharge or cause to be discharged any of the following described waters or wastes into any district drainage or storm sewer system.

- a. Any liquid or vapor having temperatures higher than 150 degrees Fahrenheit.
- b. Any water or waste which may contain more than 100 ppm by weight of animal or vegetable fat, oil or grease.
- c. Any gasoline, benzene, fuel oil or other flammable or explosive liquid, solid, or gas, oil or grease.
- d. Any garbage, waste water, grey water or sewage effluent.
- e. Any vegetation ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastic, wood, manure or any other solid or other interference with the proper and normal operation of the storm or drainage works.
- f. Any waters or wastes having ph lower than 5.5 or higher than 9.0 or having any other corrosive or toxic property capable of causing damage or hazard

to structures, equipment and personnel.

- g. Any waters or wastes containing a toxic or poisonous substance in sufficient quantity to injure or constitute a hazard to humans, animals or fish or create any hazard in the receiving waters.
- h. Any waters or wastes containing suspended solids of such character and quantity that unusual attention and expense is required to handle such materials.
- I. Any noxious substance or malodorous waste, waters, gases or substance capable of creating a public nuisance, either in the public sewer, or at the discharge point of the storm drainage system.

Grease, oil and sand interceptors shall be provided when, in the opinion of the District they are necessary for the proper handling of liquid wastes containing greases, oils, et cetera, in the excessive amounts or any flammable wastes, sand and other harmful ingredients. All interceptors shall be located as to be readily available and accessible for cleaning and inspection. Grease and oil interceptors shall be constructed of impervious materials capable of withstanding abrupt and extreme changes of temperature. They shall be water tight and, if necessary, gas tight. Where installed, all grease, oil and sand interceptors shall be maintained by the owner, at his expense, in continually efficient operation at all times.

Where necessary, the owner shall provide at his expense such preliminary treatment as may be necessary. Where preliminary treatment facilities are provided for any storm or drainage water they shall meet with the approval of the District for adequacy of design and, once built, shall be maintained continuously in satisfactory and effective operation by the owner. When required by the District the owner of any property served by a storm sewer carrying pre-treated water shall install a suitable control manhole in the sewer to facilitate observation, sampling and measurement of the discharge. Such manhole shall be accessible and safety located and constructed in accordance with plans and specifications approved by the District. The manhole shall be installed and maintained by the owner at his own expense.

- 3.1.4 Swimming Pools. No public or private swimming pool shall be connected to the storm sewer system.
- 3.1.5 Natural Outlets. It shall be unlawful to discharge into any natural outlet or drainage within the area under jurisdiction of the Board any sanitary sewage, industrial wastes or other polluted waters.

#### SECTION IV. WATER SUPPLY SYSTEM

#### 4.1 General Provisions and Use.

This section specifically addresses the public water system and facilities owned and operated by the Holland Hills Metropolitan District and includes connection to both the potable water system and the irrigation water system.

4.1.1 Ownership and Operation of the Potable Water System. The water supply system shall be owned by the District and operated consistent with these rules and regulations and shall include provisions to comply with all State laws, rules, regulations and ordinances governing the usage of potable water and they shall be enforceable within the District's boundaries and extra-territorial service area and no private systems shall be built, operated or maintained within the District or its service area without the prior express written permission of the District's Board of Directors. Such private systems shall only be permitted when the District has determined that no public water supply is or can be made available by the District.

(a) Extra-territorial Service Area. The District has established a service area beyond the corporate boundaries of the District, which service area was approved by the Board of County Commissioners during the organization of the District. Properties lying within this service area may apply for water service from the District. Such Extra-territorial use shall be granted only by, and at the discretion of, the District's Board of Directors and shall require the applicant to enter into an Extra-territorial Service Agreement. This Agreement shall specify the terms and conditions under which the District agrees to provide water service; and if no such Agreement is entered into, the District's Rules, Regulations and Ordinances, as amended, shall govern the terms and conditions by which any water service is provided.

4.1.2 Water Use and Restriction. The district shall have the authority to institute regulations and restrictions on water use during such times as water supplies are inadequate to meet normal demands for water. Such regulations and restrictions may include limitations on types of use and hours or days of use. No use of domestic potable supplies for irrigation is permitted. Irrigation water must be taken from the raw water ditch and lateral ditch system only.

4.1.3 Metered Service. All residential and commercial users, including temporary users, served by the District irrigation water system shall operate on a metered service basis. Meters meeting District specifications must be installed at property owner's expense prior to connection with the water system. Upon connection, ownership of the meter shall pass to the district. Owners who are already connected to the District's water system and are not operating on a metered basis shall convert to a metered basis within 60 days of the adoption of these rules, regulations and bylaws. Metering shall be in a curb box or other installation at the point of delivery specified by the district. The design of the meter installation and shut-off valves, both of

which shall be designed and reinstalled so as to be available to District representatives, must be approved by the District prior to installation.

- 4.1.4 Liability. No claim for damages shall be made against the District by reason of the following: Damage to any part of the private water system or other personal property resulting from shutting water off or turning it on or inadequate or sporadic pressures or damage caused by any blockage or water escaping from open or defective faucets or damage caused by burst service pipes or other facilities not owned by the District.
- 4.1.5 Tampering with Meter Prohibited. It shall be unlawful for any person to tamper with any water meter installed on any service connection on the water mains of the District or to place, install or put on or near any such meter any instrument or device which will affect to operation or the reading thereof.
- 4.1.6 Wasting of Water Prohibited. It shall be unlawful for any person having a permit to use water from the District to permit, suffer or allow water to run to waste upon his premises, buildings, houses or lots, or in any manner through neglect or by reason of faulty or imperfect plumbing or fixtures.
- 4.1.7 Construction Water/Temporary Water Use

Temporary licenses for special uses are issued by the District for limited periods of time. Special purposes for which temporary licenses are issued include:

1. Construction
2. Temporary Irrigation
3. Special situations which may require the use of raw water for a limited period of time.

Unless renewed, temporary licenses expire on the termination date specified in the license and no continuation of water service is permitted beyond that date.

- 4.1.8 Access to Water Hydrants; Unauthorized Obstruction or Operation; Penalties. Any damage caused to a District hydrant or other facility while being operated under a valid Hydrant Permit shall be the sole responsibility of the Permittee. All costs of repair or replacement shall be borne by the Permittee.

It shall be a violation for any unauthorized person to open or operate any water hydrant, draw water therefrom or obstruct the approach thereto. (See § 1.6.) Violators shall be subject to fines and all damages associated with such unauthorized use including the cost of any repairs needed to return the hydrant to acceptable condition.

#### 4.1.9 Damage to District Facilities

Any damage caused to any District facility by any person shall be the sole responsibility of the person, company, or entity causing such damage. The cost of repair or replacement shall be borne solely by the responsible party and such costs shall include, but may not be limited to, any costs associated with the repair or replacement of the damaged facilities, including all costs incurred by the District or its agents, and all repair or replacement costs associated with any damage caused by fugitive water.

#### 4.2 Charges, Fees and Billing.

4.2.1 Base Rate and Meter Rate Charge. The monthly service charge shall be composed of two parts; a base rate of \$60.00 per month per meter being served and a metered rate for all water use above 15,000 gallons per month, as metered at the point of delivery. The base rate shall apply only to all water used up to 15,000 gallons per month. In order to encourage conservation and the wise use of this resource, a step rate system shall be employed for water used in excess of 15,000 gallons per month. The step rate system shall increase the cost of water per 1,000 gallons delivered by the formula contained below; The total monthly charge per meter may be computed by the following formula:

\$60.00 plus (the number of gallons of water used above 15,000 gallons per month as metered at the point of delivery multiplied by the rate per 1000 gallons) = monthly service charge.

For water used in excess of 15,000 gallons per month but less than 25,000 gallons per month, the formula for calculating the tier one metered rate shall be \$4.60/1000 gallons; for deliveries between 25,001 and 35,000 gallons per month, the tier two rate increases to 1.25 times the tier one metered rate; for deliveries between 35,001 and 45,000 gallons per month, the tier three rate shall be 1.35 times the tier one metered rate; and the tier four rate shall be 1.5 times the tier 1 rate for all deliveries of potable water over 45,000 gallons per month.

The monthly service charge and tiered water rates may be changed at any time by the Board of the District.

(a) Temporary Use Rates. The service charge for temporary use water shall consist of the same two parts, a base rate of \$65.00 per month and \$6.00 per 1000 gallons delivered for up to 45,000 gallons per month and \$6.90/1000 gallons for all water delivered over 45,000 gallons per month.

(b) Extra-territorial Use Rates. The service charge for water delivered through an extra-territorial use contract shall be 1.4 times the fee charged for water delivered within the District or such other fee or combination of fees approved by the Board.

4.2.2 Cash Deposit. The District may require at any time from any customer or potential customer a cash deposit intended to insure payment of current bills, such deposit not to exceed an estimated 90 day's bill of each customer.

a. The District may require a cash deposit in advance from any contractor, developer, or owner to be applied to any fee which might be due or owing under Sections 4.2.1 (a), 4.2.5 and 4.2.6 herein.

4.2.3 Shut-off and Turn on Service Charge. A service charge of at least \$200.00 shall be assessed a customer for each shut off of water service, howsoever occurring. If the cost of such a shut-off or turn-on exceeds \$200.00, the customer shall be assessed all costs related thereto.

4.2.4 System Development Charge (SDC) - Water. No water utility service shall be provided to any new connection or to any addition to existing service until the appropriate System Development charge has been paid.

a. Transferability of SDC's- SDC's are not transferable from one property to another without consent of the District.

b. Refund of SDC's - SDC's may only be refunded by written authorization of the District's Board of Directors. No SDC refund shall be granted for any tap placed into use.

c. Extra-territorial Service SDC - All Extra-territorial Service Agreements (ETSA) and/or Extra-territorial water service shall require the payment of a system development charge to cover the capital cost of the potable water system and/or the raw water irrigation system. In the case of an ETSA user, this cost may be in addition to any tap fee required to be paid. The System Development Charge for the ETSA user shall be calculated in the same manner as the ad valorem tax assessments for In-District users and shall be calculated as the net present value of payments necessary to retire all debt associated with the 2001 Bond Issue. All ETSA users shall be bound by all District Rules and Regulations including the right of the District to lien a property for failure to pay any fee or cost due the District for services received by the ETSA user.

4.2.5 Connection/Tapping Fee

In addition to the system development charge, there is a fee assessed by the District for the labor and materials involved in the installation of a service tap. The District

tapping fee is on a direct cost reimbursement basis and includes the total costs involved with tapping the line, installing the corporation stop and service line to the curb stop box.

#### 4.2.6 Review, Inspection, Testing & Other Fees

The District shall require payment of appropriate fees for the provision of services or costs not directly related to the sale of water. These include plan & submittal review fees, construction inspection or observation fees, testing & materials fees, engineering, legal and professional fees, and others. All fees shall be reimbursed at actual District cost and billed in accordance with Section 4.2.7 below.

In addition, any costs required to be paid by the contractor, developer or owner, such as insurance costs, costs to repair or replace damage facilities, et cetera, may be paid by the District at the District's sole discretion, and all monies so paid by the District shall be subsequently charged to and paid by the contractor, developer, or owner.

#### 4.2.7 Billing and Payment. Statements for all fees, charges, assessments, and penalties shall be rendered monthly or quarterly at the discretion of the Board. Charges for late payments shall be added to the statements.

Bills will be mailed to the most recent property owner of record and shall be payable within 15 days from the postmark on the statement. Payments received after the fifteenth day after the invoice date will be charged a late fee of \$15 plus 1.5% per month (18% per annum) late payment charge with no exceptions. Bills not paid shall be declared "overdue" and the manager of the District may elect to disconnect the service until full payment is received. In addition to all other fees described in this section, the District shall levy a fee of \$200 or the actual cost of collection, including but not limited to, all time, expenses, attorney fees, lien costs, et cetera, in order to facilitate the prompt payment of all overdue amounts and no water service will be re-connected or re-established until all payments have been received by the District. The manager may also be instructed to place a lien upon the property and to pursue all legal remedies available to the District in order to effect full payment of all District costs including all costs of collection.

In the event the District is required to disconnect service, a notice of disconnection shall be affixed to the front door of the residence and disconnection shall occur not in less than three days following the disconnection notice. Re-connection of the water service shall require payment of all late fees plus the service charge contained in Section 4.2.3 herein.

#### 4.3 Compliance with Plan for Augmentation and Water Rights. The ability of the District to deliver water to its constituents is detailed in the Plan for Augmentation and Water Rights

application made to Division 5 Water Court in Case 99CW319. The District may be limited to diversion amounts contained in these cases during times of administrative curtailment. During such periods of time, or during periods of drought when water supplies may be limited, the District shall; a) not violate the terms and conditions of the Plan for Augmentation and its water rights; and b) reserve the right to reduce or curtail deliveries to its constituents.

- 4.4 Water Use Restrictions. If conditions exist where the District in its sole discretion determines that water supplies should be restricted in order to supply basic household uses, then notice of such action shall be published in a local newspaper of general distribution giving the reasons for such water restrictions and detailing the limited conditions of continued use. Once the notice has been published for a period of one week, the water restrictions shall be in full effect until terminated by the District. Such restrictions may include an immediate cessation of irrigation or other outside uses and/or a reduction in water usage permitted for domestic purposes.
- 4.5 Enforcement. The violation of any water use restriction or waste of water or failure to pay any water rate charge or System Development Charge shall be grounds for the suspension, disconnection or revocation of water service to any user served by the District. The owner or occupant of any residence within the District shall be responsible for complying with these rules and regulations and any water use restrictions placed by the District and shall be subject to any liens, actions, fines or penalties adopted Board, and which may be modified from time to time.

## SECTION V. LINE EXTENSION POLICY

### 5.1 General.

It shall be unlawful for any person to construct a water or sewer main or service line within the jurisdiction of the Board without first having made formal application to the Board for approval and having complied with all the regulations and rulings of the Board.

The applicant shall provide the District with definitive preliminary engineering plans and plats including topography of all proposed development projects which require installation of irrigation and storm sewer mains. The District shall review such plans, plats, and other submittals and District approval must be obtained prior to preparation of the final plans. Applicant must obtain and dedicate to the District all necessary easements without charge for all irrigation and storm sewer mains and related facilities. The applicant shall further obtain and grant to the District any additional easements necessary for installation of the irrigation and storm sewer mains and related facilities prior to the signing of a contract for the actual construction thereof. Any costs for acquisition of land or easements necessary for the District to serve the proposed project shall be paid by the applicant.

No irrigation or storm sewer lines shall be constructed within the Board's jurisdiction until final plans and specifications have been approved by the District and written authorization to proceed has been obtained from the Board. No excavation shall be started until required by the District, County or State Highway road cut permits have been obtained. No mains or service lines shall be back filled prior to being inspected by the District or placed into operation unless they have been accepted and approved in writing by the District's authorized representative.

No private mains shall be approved for installation within the District without the prior written approval of the District Board, which approval shall not be granted unless the Board shall determine that the private main can be constructed and maintained throughout its economic life to the same standards required for a District Main.

### 5.2 Procedure for Main Line Extension Construction. Upon approval of preliminary planning for a proposed project, the landowner or developer will then prepare detailed plans and contract documents for final review by the District.

To the extent of the proposed development requires changes or increases in line size, storage, valves or other existing district facilities in order to serve or provide fire flows for the development then developer shall be required to design and construct all such improvements at his own expense. Dedication to the District of facilities and improvements constructed shall be in accordance with paragraph 5.4 herein and with the Standards and Specifications of the District.

To the extent any new construction of irrigation or storm sewer facilities is required to serve the proposed development, in the sole discretion and opinion of the District, all costs associated therewith shall be borne by the developer. When required by the District, improvements which benefit a substantial portion of the District beyond the proposed development may be accepted by the District as a partial credit toward required water and sewer tap fees, or may be approved for reimbursement of a operation of the costs by the District, or may be approved for reimbursement of a portion of the costs by future users of such improvements.

- 5.3 Inspection Fees. All inspection fees required by the District, State Highway Department or other involved entity shall be paid by the owner of the Developer.
- 5.4 District Ownership. Landowners or developers who have completed main line construction shall, before these lines are accepted by the District for taps, deed these lines and appurtenance to the District free and clear of all liens and encumbrances and furnish a bond to cover all maintenance for encumbrances and furnish a bond to cover all maintenance for one year from the date of acceptance of the lines by the District. Normally, this will be a contractor bond incorporated in the construction contract documents.
- 5.5 Lines Sizes. If the District Board requires lines to be oversized so as to have flow capacities exceeding the needs of the particular area under construction, the Board will participate in the project amount to the extent of the incremental cost required by line oversize.
- 5.6 Rights-of Way. No irrigation and storm sewer facilities shall be constructed within the District which do not fall within a public right-of-way or within a District approved and accepted utility easement.
- 5.7 Utility Easements. Easements are required wherever a water or sewer main is not planned for installation in a public right-of-way. Al easements shall be prepared in accordance with the District's Standards and Specifications; and must specifically adhere to Section 2 "Water System Design".

## SECTION VI. - ROADS, STREETS AND SAFETY PROTECTION

### 6.1 General.

It shall be unlawful for any person to construct, excavate, repair, rehabilitate or replace any road within the jurisdiction of the District without first having made formal application to the District for approval and having complied with all the regulations and rulings of the District.

The applicant shall provide the District with definitive preliminary engineering plans and plats including topography of all proposed development projects which require installation of roads, streets or traffic signage and signals. The District shall review such plans, plats, and other submittals and District approval must be obtained prior to preparation of the final plans. Applicant must obtain and dedicate to the District all necessary easements without charge for all roadways and related facilities. The applicant shall further obtain and grant to the District any additional easements necessary for installation of any utilities and related facilities prior to the signing of a contract for the actual construction thereof. Any costs for acquisition of land or easements necessary for the District to serve the proposed project shall be paid by the applicant.

No roads, streets or safety improvements shall be constructed within the Board's jurisdiction until final plans and specifications have been approved by the District and written authorization to proceed has been obtained from the District. No excavation shall be started until all permits of the District or County have been obtained. No roads or streets shall be paved prior to being inspected by the District nor placed into operation unless they have been accepted and approved in writing by the District's authorized representative.

No private roads shall be approved for installation within the District without the prior written approval of the District Board, which approval shall not be granted unless the Board shall determine that the private road can be constructed and maintained throughout its economic life to the same standards required for a District road.

### 6.2 Procedure for Road Extension Construction. Upon approval of preliminary planning for a proposed project, the landowner or developer will then prepare detailed plans and contract documents for final review by the District.

To the extent of the proposed development requires changes in existing roadways or other existing district facilities in order to provide access or adequate fire protection for the development then developer shall be required to design and construct all such improvements at his own expense. Dedication to the District of facilities and improvements constructed shall be in accordance with paragraph 5.4 herein and with the Standards and Specifications of the District.

To the extent any new construction of road ways, streets or safety improvements are required to serve the proposed development, in the sole discretion and opinion of the District, all costs associated therewith shall be borne by the developer. When required by the District, improvements which benefit a substantial portion of the District beyond the proposed development may be accepted by the District as a partial credit toward required road impact fees, or may be approved for reimbursement of a portion of the costs by the District, or may be approved for reimbursement of a portion of the costs by future users of such improvements.

- 6.3 Inspection Fees. All inspection fees required by the District, County or other involved entity shall be paid by the owner of the Developer.
- 6.4 District Ownership. Landowners or developers who have completed road way construction shall, before these roads are accepted by the District for use, deed the roads and appurtenance to the District free and clear of all liens and encumbrances and furnish a bond to cover all maintenance for encumbrances and furnish a bond to cover all warranty maintenance for one year from the date of acceptance of the roads by the District, or provide an easement or right-of-way acceptable to the District for the entire width of the road, including ditches, and set-backs for signage, hydrants or other District facilities. Easement requirements are contained within the District's Standards and Specifications, all of which are incorporated herein.
- 6.5 Rights-of Way. No roads, streets or safety improvements shall be constructed within the District which do not fall within a District right-of-way or within a District approved and accepted road easement or an alignment owned by the District.
- 6.6 Utility Easements. Easements are required wherever utilities are proposed for installation in a District right-of-way. All easements shall be prepared in accordance with the District's Standards and Specifications; and must specifically adhere to Section 3 "Road Design".
- 6.7 Damage to District Roads or Signs. Any damage caused to any District road by any person shall be the sole responsibility of the person, company, or entity causing such damage. The cost of repair or replacement shall be borne solely by the responsible party and such costs shall include, but may not be limited to, any costs associated with the repair or replacement of the damaged roadway, shoulder, sub-grade, drainage, and/or traffic systems, including all costs incurred by the District or its agents, and all repair or replacement costs associated with any damage caused by fugitive water.
- 6.8 Review, Inspection, Observation, Testing & Other Fees. The District shall require payment of appropriate fees for the provision of services or costs not directly related to the sale of water. These include plan & submittal review fees, construction inspection or observation fees, testing & materials fees, engineering, legal and professional fees, and others. All fees shall be reimbursed at actual District cost and billed in accordance with Section 4.2.6 below.

In addition, any costs required to be paid by the contractor, developer or owner, such as insurance costs, costs to repair or replace damage facilities, et cetera, may be paid by the District at the District's sole discretion, and all monies so paid by the District shall be subsequently charged to and paid by the contractor, developer, or owner.

- 6.9 Road Impact Fee and Road Impact Deposit. In addition to all other fees and permits, the District shall have and exercise the right to assess road impact fees and to collect a road impact deposit to offset damage created to District roads by individual users, contractors, vendors, suppliers, et cetera. These fees and deposits shall be due and payable to the District at the time of issuance of any building permit. The District Board reserves the right to refuse to allow certain vehicles to use the roads or streets of the District unless and until such fees or deposits have been paid to the District and unless and until the proposed vehicle use can be shown to cause no damage to District roads or streets.
- 6.10 Parking and Traffic Control. As stated previously, the District's roads are not for public use except by specific easement or agreement. Parking is not permitted on any road within the District without the express permission of the District. Permits for construction parking, temporary or event parking or special needs parking may be obtained through the District for a fee. Violation of the District's parking rules may result in a fine being issued by the District. The District has established a fine schedule for parking violations that begins at \$30.00 per violation. Repeat offenders may be subject to the installation of a Denver Boot upon a vehicle and the cost to remove a boot shall be not less than \$60.00.

## SECTION VII. RAW WATER SYSTEM

- 7.1 General Provisions and Use. Raw water irrigation is supplied through the Arbaney Ditch and the Kester Ditch. A portion of the water rights, ditch rights and structure rights for these ditches is owned by the District and use of these water rights by any land owner or resident is on a leasehold basis only. These water rights are to be used for irrigation purposes only and no other use shall be permitted by the District. All landowners and tenants shall be responsible for the safe transport of irrigation water across their property and for the maintenance of any common ditch(es) crossing an individual's property.
- 7.2 Water Use and Restrictions. As stated in 7.1, water may be used for irrigation purposes only and curtailment of use may be required during periods of administrative curtailment by the State Engineer. The District will not be responsible for any damage to landscaping as a result of a failure of the raw water irrigation system or due to administrative curtailment. Watering restrictions may be placed in effect by the District during periods of low water or partial curtailment and all Owners will receive similar entitlements to withdraw water from the raw water system.
- 7.3 Connection to Raw Water Ditch System. The District shall have sole discretion in determining how an Owner may connect to the raw water irrigation system. Owners may propose a connection method, which will be reviewed and evaluated by the District Engineer prior to granting approval or disallowing any proposed connection.

The District charges a fee set by the Board of Directors for access to and use of water from these ditches. The District uses these fees to pay for the safe and reliable operation of these ditches by the ditch manager, a third party contractor. The fee for access to the ditch and use of raw water shall be \$360 per year paid in advance in quarterly installments. This fee may be increased at any time at the sole discretion of the District and is collected for the purpose of maintaining the ditch delivery system, it does not include any charge for the water diverted therefrom.

It shall be a violation for any person to open or operate any raw water gate, diversion or pump or to draw water from any portion of the system without having first paid all fees associated with the use of the raw water system. Penalties and fines for unauthorized use shall not be less than \$100 nor more than \$1000 per occurrence. The amount of the fine or penalty shall be determined by the District Manager based upon the circumstances and costs to the District. Any penalty or fine assessed shall be in addition to the cost of water taken or lost through unauthorized use.

- 7.4 Construction Water/Temporary Use Water. Temporary licenses for special uses are issued by the District for limited periods of time. Special purposes for which temporary licenses are issued include:

1. Construction
2. Temporary Irrigation
3. Special situations which may require the use of raw water for a limited period of time.

Unless renewed, temporary licenses expire on the termination date specified in the license and no continuation of water service is permitted beyond that date.

- 7.5 Damage to District Facilities. Any damage caused to any District raw water facility by any person shall be the sole responsibility of the person, company, or entity causing such damage. The cost of repair or replacement shall be borne solely by the responsible party and such costs shall include, but may not be limited to, any costs associated with the repair or replacement of the damaged facilities, including all costs incurred by the District or its agents, and all repair or replacement costs associated with any damage caused by fugitive water.
- 7.6 Wasting of Water Prohibited. It shall be unlawful for any person having a permit to use water from the District's ditch system to permit, suffer or allow water to run to waste upon his premises, buildings, houses or lots, or in any manner through neglect or by reason of faulty or imperfect plumbing or fixture or ditch.
- 7.7 Compliance with Plan for Augmentation and Water Rights. The ability of the District to deliver water to its constituents is detailed in the Plan for Augmentation and Water Rights application made to Division 5 Water Court in Case 99CW319. The District may be limited to diversion amounts contained in these cases during times of administrative curtailment. During such periods of time, or during periods of drought when water supplies may be limited, the District shall; a) not violate the terms and conditions of the Plan for Augmentation and its water rights; and b) reserve the right to reduce or curtail deliveries to its constituents.
- 7.8 Water Use Restrictions. If conditions exist where the District in its sole discretion determines that water supplies should be restricted in order to supply basic household uses, then notice of such action shall be published in a local newspaper of general distribution giving the reasons for such water restrictions and detailing the limited conditions of continued use. Once the notice has been published for a period of one week, the water restrictions shall be in full effect until terminated by the District. Such restrictions may include an immediate cessation of irrigation or other outside uses and/or a reduction in water usage permitted for domestic purposes.
- 7.9 Enforcement. The violation of any water use restriction or waste of water or failure to pay any water rate charge or System Development Charge shall be grounds for the suspension, disconnection or revocation of water service to any user served by the District. The owner or occupant of any residence within the District shall be responsible for complying with these rules and regulations and any water use restrictions placed by the District and shall be

subject to any liens, actions, fines or penalties adopted Board, and which may be modified from time to time.

- 7.10 Charges, Fees, Billing and Payment. Statements for all fees, charges, assessments, and penalties shall be rendered monthly or quarterly at the discretion of the Board. Charges for late payments shall be added to the statements. The District does not currently charge for water provided, rather it bills each property owner served by the Ditch System a periodic Ditch assessment to cover the cost of operating and maintaining the Ditch System.

Bills will be mailed to the most recent property owner of record and shall be payable within 15 days from the postmark on the statement. Payments received after the fifteenth day after the invoice date will be charged a late fee of \$15 plus 1.5% per month (18% per annum) late payment charge with no exceptions. Bills not paid shall be declared “overdue” and the manager of the District may elect to disconnect the service until full payment is received. In addition to all other fees described in this section, the District shall levy a fee of \$200 or the actual cost of collection, including but not limited to, all time, expenses, attorney fees, lien costs, et cetera, in order to facilitate the prompt payment of all overdue amounts and no water service will be re-connected or re-established until all payments have been received by the District. The manager may also be instructed to place a lien upon the property and to pursue all legal remedies available to the District in order to effect full payment of all District costs including all costs of collection.

SECTION VIII. SANITARY SEWER

This section is reserved for future use by the District

SECTION XI. PARKS AND RECREATION

This section is reserved for future use by the District.

## SECTION X. BYLAWS

### 10.1 Directors and Meetings.

- 10.1.1 Board of Directors. The property and business of the District shall be managed by a five-member Board of Directors who shall be elected and otherwise chosen pursuant to and shall exercise the powers granted by law, particularly Title 32, Article 1, Colo. Rev. Stat. §§801-835 (1973), as amended.
- 10.1.2 Recall. Any director who has been a board member for six months is subject to recall pursuant to the procedures enumerated in Colo. Rev. Stat. §32-1-096 (1973), as amended.
- 10.1.3 Meetings. The board shall meet as required at a location within the boundaries of the District in Pitkin County, Colorado or at the District Manager's office in Aspen, Colorado. Public notice of the time and place designated for regular meetings shall be posted by the secretary or manager of the District in at least three public places within the District and at the Pitkin County Court House in Aspen, Colorado, such notices to remain posted and to be changed in the event the time and place of such regular meeting is changed.
- 10.1.4 Quorum. Three members of the Board shall constitute a quorum at any meeting.
- 10.1.5 Rules of Order. So far as practical, Roberts' Rules of Order shall be followed at meetings of the Board.
- 10.1.6 Compensation. Each member of the Board may receive as compensation for services a sum to be determined in advance by resolution of the Board not in excess of \$1,200.00 per annum, payable at the rate of \$75.00 per meeting attended. No member of the Board shall be interested in any contract or transaction with the District except in his official representative capacity and no member of the Board shall receive any compensation as an employee of the District or otherwise other than as provided in this section.
- 10.1.7 Vacancy. Any vacancy on the Board shall be filled within 30 days by appointment of the remaining members or member of the Board, the appointee to act until the next biennial election when the vacancy shall be filled by election.
- 10.1.8 Election Day. The biennial election of the directors shall be held on the Tuesday succeeding the first Monday in May of every even-numbered year with ten first such election to be held in the first even-numbered year after the organization of the District and successive elections to be in every second calendar year thereafter.

## 10.2 Officers.

10.2.1 Elective Officers. The elective officers of the District shall include a president, vice president, secretary and treasurer. The Board shall elect one of its members as Chairman of the Board of Directors and President of the District and another of its members as Vice Chairman of the Board of Directors and Vice President of the District. The Secretary and Treasurer, who may be members of the Board, shall also be elected by the Board. The Secretary and Treasurer may be one person.

10.2.2 Election. The regular election of such officers shall be held biennially at the first regular meeting of the Board following the biennial election of the Directors in each such year. A special election to fill any vacancies in such offices may be held by the Directors at any regular or special meeting. Any officer elected to fill a vacancy shall serve until the next regular election of officers.

10.2.3 Officer Absence. In the event of absence or inability of any officer to act, the Board may delegate the powers or duties of such officer to any other officer, director or person whom it may select.

10.2.4 Salaries. Officers of the District may receive salaries or other compensation if so ordered and fixed by the Board. Such salaries may be fixed in advance or made retroactive. This section shall not modify or supersede the provisions and limitations of section 10.1.6 of these bylaws.

## 10.3 Seal, Clerical, Finance, and Powers.

10.3.1 Seal. The Board shall adopt a seal of the District to be used in all places and in such manner as seals generally used by public and private corporations. The Secretary shall have custody of the seal and shall be responsible for its safekeeping and use.

10.3.2 District Records. The Secretary shall keep a record of all the proceedings of the Board, minutes of all meetings, certificates, contracts, bonds given by employees and all corporate acts which shall be open to inspection during business hours by all residence or property owners in the District as well as to all other interested parties.

10.3.3 Banks. The monies of the District shall be deposited in the name of the District in such bank or banks or trust company or trust companies as the Board of Directors shall designate and as shall be authorized by law and may be drawn out only on checks signed in the name of the District by such person or persons as the Board by appropriate resolution shall direct.

10.3.4 Accounting. The Treasurer shall keep strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records. Capital accounts and operating and maintenance accounts shall be segregated according to the methods specified and defined by the appropriate WPCF and NARUC manuals or as otherwise specified by applicable laws of the State of Colorado, and budget and audit reports shall have separate schedules for the two types of accounts. Capital income shall include tap privilege fees, monthly service fees, bond sale proceeds, mill levies, other ad valorem taxes and government grants. The Board shall cause an audit or audits to be made of all financial affairs of the District at the end of each fiscal year in accordance with the “Colorado Local Government Audit Law and shall make the required publication thereof.

10.3.5 Budget. The Board of Directors shall adopt an annual budget for the ensuing fiscal year before the first day of each fiscal year and shall cause a certified copy of such budget to be filed with the appropriate State and County officials as provided by law, as provided by Part 1 of Title 29, Colorado Rev. Stat. (1973).

10.3.6 Powers. The Board shall have the following powers.

I. To sue and be sued:

- a. To enter into contracts and agreements;
- b. To borrow money and incur indebtedness;
- c. To acquire, dispose of and encumber real and personal property;
- d. To manage, control and supervise all of the business and affairs of the District;
- e. To appoint, hire and retain agents, employees, consultants and attorneys;
- f. To fix and, from time to time, increase or decrease fees, rates, penalties or charge for services, programs or facilities furnished by the special district;
- g. To assess reasonable penalties for delinquency in the payment of rates, fees, tolls or charges or for any violations of the rules and regulations of the special district together with interest on delinquencies from any date due at not more that one percent per month or fraction thereof and to shut off or discontinue water and sanitation service for such delinquencies and delinquencies in the payment of taxes or for any violation of the rules and regulations of the special district and to provide for the connection with and the disconnection from the facilities of such district;

- h. To acquire water rights and construct and operate facilities within and without the District;
- i. To fix and, from time to time, increase or decrease tap fees. The Board may pledge such revenue for the payment of any indebtedness of the special district;
- j. To levy and collect ad valorem taxes on and against all taxable property within the special district, which shall not be limited except as provided in Part 3 of Article 1 of Title 29, Colo. Rev. Stat. (1973) (i.e., there shall not be an increase of greater than seven percent over the levy of the prior year except to provide for the payment of bonds and interest thereon);
- k. To adopt, amend and enforce rules, regulations and bylaws not in conflict with the Constitution and the laws of this State for carrying on the business, objects and affairs of the Board and of the special district;
- l. To exercise any other powers that have been or may be granted to Metropolitan Districts by the State of Colorado.

10.3.7 Ad Valorem Tax. The Board of Directors shall, before December 10 of each year and in the manner required by law, certify to the Board of the County Commissioners of Pitkin County, Colorado, the rate of any ad valorem tax levy which the Board of Directors shall have fixed as the annual levy for the District.

#### 10.4 Mill Levy; Rate Changes; Prospective Connections.

10.4.1 Mill Levy. The Board shall annually determine the need for both operating and debt mill levies and shall set the mill levy rate in accordance with the need to satisfy either or both.

10.4.2 Rate Changes. Prior to the drafting of the annual budget, the Board shall O.K. with its manager to confirm any rate, fee or levy changes. Such changes shall, by resolution of the Board, be included in these rules, regulations and bylaws. The Board shall make all necessary budgetary adjustments in consideration of such fee changes.

**APPENDIX I**

**WATER SUPPLY SYSTEM**

**SYSTEM DEVELOPMENT CHARGE SCHEDULE**

The System Development Charge (Tap Fee) to connect to water supply facilities within the Holland Hills Metropolitan District is collected for all taps within the boundaries of its district. These fees are based on projected flows and apply only to In-District users. Extra-Territorial Service Agreement Users shall pay a System Development Charge in accordance with Section 4.2.4.c. of these Rules and Regulations. An illustration of fees is provided below for clarification but should not be relied upon for determining the appropriate fees to be assessed by the District.

Minimum Fee for System Capacity:	\$5,100.00
Minimum Fee for Water Rights:	To be determined by District
Minimum Fee for Irrigation Connection:	\$ 220.00

**SANITARY SEWER SYSTEM**

**SYSTEM DEVELOPMENT CHARGE SCHEDULE**

None set as of this approved set of Rules and Regulations and Bylaws.