

**Lookout Mountain Water District**  
**POLICIES, RULES AND REGULATIONS**

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## **ARTICLE I – INTRODUCTION, AUTHORITY, PURPOSE AND DEFINITIONS**

### **1.1 Introduction**

The Policies, Rules and Regulations of the Lookout Mountain Water District, (the "District") were primarily adapted from the Service Plan for the District filed in Jefferson County, Colorado, in March 1988. It has been necessary to modify these policies from time to time due to changes in conditions and events within the District.

### **1.2 Authority.**

The Lookout Mountain Water District, (the "District"), is a Colorado special district, a division of the government of the State of Colorado formed pursuant to the Special District Act, Title 32, Colorado Revised Statutes, by decree of the District Court in Jefferson County, Colorado, in Civil Action 88CV0265, March, 1988. The authority of the District to adopt rules, regulations and by-laws is expressly conferred by Statute. The Board of Directors of the District expressly finds and determines that the adoption of the following policies, rules and regulations, including by-laws, is necessary for the health, welfare, security and public safety of the inhabitants of the District. It is intended that these rules, regulations and by-laws shall be liberally construed to effect the general purposes set forth herein and that each and every part thereof is separate, distinct and severable from all other parts. No omission nor additional material set forth in these rules, regulations and by-laws shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or limitation or restriction imposed or conferred upon the Board of Directors by virtue of the Statutes as existing or as may hereafter be amended. Nothing contained herein shall be so construed as to prejudice, limit or affect the right of this District to secure the full benefit and protection of any laws which are now or hereafter may be enacted by the Colorado State Legislature pertaining to local improvement and service districts.

### **1.3 Purpose of The Water System.**

It is hereby declared that the water system of the District is for the primary purpose of supplying potable water for domestic and fire protection uses. The uses of water for irrigation and watering of livestock, commercial uses and government uses are secondary to domestic and fire protection uses and may be permitted and regulated at the discretion of the Board of Directors as hereinafter provided. In the conduct of its mission, the District and its Board shall in all of their activities consider and promote any and all feasible means for the conservation and protection of water resources.

### **1.4 Definitions.**

#### **1.4.1 Persons and Agencies.**

##### **1.4.1.1 Board.**

The elected Board of Directors of the District.

##### **1.4.1.2 Administrator.**

The appointed individual(s) or firm(s) under contract with the District to administer the financial and business affairs of the District.

##### **1.4.1.3 Operator.**

The appointed individual(s) or firm(s), duly licensed by the State of Colorado Department of Health, under contract with the District to operate and maintain the District's public water system and affiliated entities necessary to provide the District's service.

##### **1.4.1.4 Engineer.**

The appointed individual(s) or firm(s), duly licensed by the State of Colorado as a professional engineer, under contract with the District to design, specify and oversee construction of District facilities. The Board shall rely on the Engineer to determine what

standards and specifications are necessary and appropriate for any modification of the Public Water System.

**1.4.1.5 Counsel.**

The appointed individual lawyer(s) or law firm(s), under contract with the District to advise and assist the Board in its legal affairs.

**1.4.1.6 Tap Owner.**

Person(s), entities or successor(s) in interest, designated in the closing documents for the District's Golden Agreement as owning a tap, or a person to whom a tap is issued by the District pursuant to the Viewpoint Agreement or other Board action.

**1.4.1.7 Golden.**

The City of Golden, Colorado, which was the District's predecessor in ownership and operation of the Beaver Brook Water System.

**1.4.1.8 Customer.**

The owner(s) of an active tap.

**1.4.1.9 Beaver Brook Water Consumers Association (BBWCA).**

The nonprofit organization comprised of former customers of Golden on the Beaver Brook Water System, which organized and petitioned to form the District.

**1.4.1.10 The District.**

The Lookout Mountain Water District.

**1.4.2 Agreements and Documents.**

**1.4.2.1 Service Plan.**

The Service Plan, of latest revision, for the Lookout Mountain Water District, originally prepared and filed by BBWCA with the Jefferson County Commissioners, December, 1987.

**1.4.2.2 Golden Agreement.**

The Amended Water Agreement between BBWCA and Golden, dated May 14, 1987, the System Purchase Option of which was executed on September 30, 1988.

**1.4.2.3 Viewpoint Agreement.**

The Second Agreement between Viewpoint Associates and BBWCA, dated December 9, 1987, the closing of which took place on July 27, 1988 and was a condition precedent to execution of the Golden Agreement.

**1.4.2.4 Mount Vernon Agreement.**

The March 15, 1984 agreement between Mount Vernon Country Club and Golden, whereby Golden issued a tap and agreed to supply water to certain designated sites.

**1.4.3 System Components.**

**1.4.3.1 Main.**

The Beaver Brook Main transmission line, which extends from the District's treatment plant at Lower Beaver Brook Dam to Lookout Mountain Reservoir.

**1.4.3.2 Lateral.**

A distribution pipe connected to the Main to which two or more service lines are connected. Unless formally conveyed to and accepted by the District from its owners, laterals are jointly owned private property governed by but not the financial responsibility of the District.

**1.4.3.3 Service Line.**

A privately owned water line connecting the Main or a lateral to a service location.

**1.4.3.4 Curb Stop.**

A valve located in a service line usually near the point where the line enters the property served.

**1.4.3.5 Corporation Stop.**

A connection and valve located at the junction of a service line with a lateral or the main, or at the junction of a lateral and the main.

**1.4.3.6 Tap.**

The right to obtain water from the District's main. Taps are personal property until either connected physically or irrevocably assigned for use on a designated parcel of land, after which they may be appurtenant to the land.

**1.4.3.7 Meter.**

A flow measuring device located in a service line at or near the premises served.

**1.4.3.8 Public Water System.**

As used herein the term public water system shall be liberally construed to include all components of the mechanical systems administered or co-administered by the District to capture, store, treat and deliver water to premises served. In addition to facilities owned by the District, i.e., its dams and reservoirs, treatment plant, the Beaver Brook Main, its treated water storage reservoir and pump station and all metering equipment throughout the system, the following components which are not owned by the District are also included in the term public water system: (a) lateral lines and appurtenant regulating equipment, (b) service lines, (c) domestic, fire suppression and irrigation plumbing, (d) the Golden Watershed, (e) the Beaver Brook watercourse, between the Upper and Lower Beaver Brook reservoirs, and (f) fire hydrants.

**1.4.3.9 Single Family Equivalent ("SFE").**

The capacity of water service, as established by the Board from time to time, deemed necessary to serve a single-family dwelling. For a multiple-unit dwelling consisting of three or fewer single family dwelling units each single-family dwelling unit within such a multi-unit dwelling shall be considered as having one SFE. A separate tap shall be required for each SFE. The number of SFE's and Taps required to serve any other multi-unit residential property shall be as determined by the Board. The number of SFE's and Taps required to serve any non-residential property shall be as set forth in these Policies, Rules and Regulations.

**1.5. VIOLATIONS AND ENFORCEMENT. (ADDED 7/11)**

**1.5.1 Prohibition, Penalties, and Charges.**

No Person shall use or attempt to use the Public Water System except in accordance with the provisions of these Policies, Rules and Regulations, as the same may be amended from time to time, unless a variance from the strict application of these Policies, Rules and Regulations has been granted in writing by the Board. Prohibitions and limitations under these Policies, Rules and Regulations, as the same may be amended from time to time, and under any law or regulation of another governmental agency with jurisdiction shall constitute prohibitions and limitations upon any Customer or other person using the Public Water System. In case of any violation resulting in water loss or diversion, the violator shall be held responsible for actual loss as calculated herein or, if no specific method of calculation is provided for herein, by such other method as the Board may adopt. (See, e.g. Section 6.1 regarding calculation of loss due to meter tampering and Section 6.2 regarding calculation of loss based on unauthorized connection. The amount of such loss, any expense incurred by the District in enforcing these Policies, Rules and Regulations, including administrative expenses and attorney's fees, and expenses incurred to correct non-compliant conditions, together with the applicable penalties set forth below, shall constitute a perpetual lien against the violator's real property within the District and may be enforced in accordance with the provisions of law.

Late payment delinquency penalty (regular charges and special project cost reimbursements)	Maximum allowed by law
Lien filing	\$100.00
Lien release	\$100.00
Unauthorized connection or disconnection penalty	\$1,000.00 per day of non-compliance

Violation of cross-connection and back-flow control regulations	\$100.00 per day of non-compliance
Meter tampering or the installation of unauthorized water consuming devices	\$50.00 per day of non-compliance
All other violations of District Policies, Rules and Regulations	\$25.00 per day of non-compliance

**1.5.2 Enforcement.**

Upon the discovery of a violation or suspected violation of these Policies, Rules and Regulations, the District shall serve a Notice of Violation upon such Customer or other person using the Public Water System stating the nature of the violation and ordering the correction of such violation. The District may authorize a specific schedule for satisfactory compliance. If such Customer fails to comply with the Notice of Violation, the District may (i) impose the penalties set forth above, (ii) terminate water service, if the property involved is also connected to the Public Water System, or (iii) commence other appropriate legal action. Unless the violation or condition is found to be dangerous to the life, health, or safety of any person, the termination of water service shall be preceded by written notice of intent to terminate services and the opportunity to be heard by the Board.

**1.5.3 Variances.**

Where, by reason of slope, distance, other exceptional topographic conditions or other extraordinary and exceptional conditions relating to the property to be served or the District's ability to serve, the strict application of these Policies, Rules and Regulations would result in peculiar and exceptional practical difficulties to, or exceptional and undue hardship upon the Owner of such property, the Board may authorize a variance from the strict application of these Rules and Regulations on such terms as it may see fit; provided however, that such relief may be granted only without detriment, financial or otherwise, to the District or the public good, and without substantially impairing the intent and purpose of these Policies, Rules and Regulations. Further, such relief shall be granted only upon written application therefor which includes a clear showing by the applicant, to the satisfaction of the Board that grounds for a variance exist. Additionally, no variance shall be granted where the special conditions and circumstances result from the actions or inactions of the applicant and thus constitute a self-imposed hardship.

**ARTICLE II - SERVICE CLASSIFICATIONS**

**2.1 Tap Status Definitions.**

**2.1.1 Assigned.**

An authorized tap that has been assigned to a particular parcel of land which is or is about to be (at the next inclusion filing with the District Court) included within the District's boundaries.

**2.1.1.1 Active.**

An assigned tap where a physical connection to a lateral or the main exists and is not shut off. All active taps shall be metered and billed for consumption subject to a minimum periodic charge, as specified in the District's schedule of rates and fees.

**2.1.1.1.2 Unconnected.**

An assigned tap where there is no physical connection to a lateral or the main, or where the physical connection has been disabled by the District. Unconnected taps shall be subject to a fee, as specified in the District's schedule of rates and fees.

**2.1.1.1.3 Shut Off.**

An assigned tap where a physical connection to a lateral or the main exists, but service has been interrupted by means of shutting off a valve in the service line, either at the

customer's request, or as a result of nonpayment of District charges. Shut off taps shall be subject to the District's minimum periodic service charge, as specified in the District's schedule of rates and fees.

**2.1.2 Unassigned.**

An authorized tap which has not been assigned to a parcel of land included within the District and shall be subject to a fee, as specified in the District's schedule of rates and fees.

**2.1.3 Unauthorized.**

Any connection to the public water system that does not meet the definitions associated with Assigned or Unassigned, above.

**2.1.4 District Not a Recorder of Tap Ownership.**

The Clerk and Recorder of Jefferson County, (not the District), is the official recorder of real property ownership within the County and the District. The Board is the final authority to determine whether a person or entity is a tap owner who is entitled to water service from the District. The Board shall make such determinations based on the best available evidence which can be produced, but shall not be obliged to make any independent investigations. Generally, a trail of bills of sale or recorded deeds shall be persuasive in ascertaining ownership of a tap. It is the District's recommendation that tap ownership and assignment be disclosed upon conveyance of real property by specific mention on the face of a recorded deed, to ensure that said transfers of ownership and assignments become matters of public record.

**2.2 Tap Types.**

A tap's type is significant with respect to regulation of permitted water uses on the premises served and rates to be charged for consumption at the tap. Taps bear the respective types designated by the District's Board as of January 1, 1991, which designations were made based on the tap's historical use through the date of designation.

**2.2.1 Residential.**

A metered tap through which water can be delivered to one single family dwelling unit through a single meter. Each single family dwelling unit shall require its own tap. A residential tap can serve separate structures appurtenant to the dwelling, including garages, barns and guest houses, provided that no such structure served by the tap shall be leased to a nonfamily member and that said structures are physically located on the same legally described parcel of land that has been included in the District.

**2.2.1.1 Residential, Clear Creek County.**

A tap through which water can be delivered to a single family dwelling on Beaver Brook Drive in Clear Creek County.

**2.2.2 Non-Residential Tap.**

A metered tap through which water can be delivered to any property or customer other than a residential property or user through a single meter. For purposes of defining such an entity, the District shall acknowledge the property's actual usage or its zoning by the county in which it is located.

**2.2.3 Tax Exempt Tap.**

A metered tap through which water can be delivered for use by any entity exempt from the payment of real property taxes in the District, including any governmental unit, other than a fire protection district.

**2.2.4 Fire Protection District Tap.**

A metered tap, other than a hydrant or fire plug, through which water can be delivered to a fire station for domestic or fire suppression purposes.

**2.2.5 Designation of Tap Size.**

Certain taps were designated upon issuance by Golden with a size greater than a standard 3/4 inch. Said taps, most of which are 1-1/2 inch, shall continue to hold their larger sized designations, which in turn authorizes continuing service through their

respectively sized meters. Most, but not all, of said taps bear District designations as Non-Residential type taps. District designation of a tap as Non-Residential provides no inherent or corresponding right to obtain service through a meter larger than the standard 3/4 inch size.

## **2.3 Changes in Tap Status or Type.**

### **2.3.1 Unassigned to Assigned.**

A tap owner may at any time assign a previously unassigned tap to a parcel of land within or outside of the District's boundaries. All tap assignments designating the area of usage made on or after August 1, 1988 shall be deemed irrevocable, (but see Section 2.3.5).

The parcel, if not already included within the District, must become properly included by means of a process specified in Colorado Statute, (currently C.R.S. Section 32-1-401).

#### **2.3.1.1 Inclusion Fee and Costs**

An inclusion fee, as specified in the schedule of rates and fees, shall be paid by the petitioning tap owner at the time the inclusion petition is submitted. The petitioner shall also reimburse the District for all out of pocket costs incurred in the process of complying with the statutory inclusion process. If for any reason District property taxes have been levied and paid on the subject parcel in the past, the specified inclusion fee shall be reduced by the amount of said taxes collected to date by the District on the property.

### **2.3.2 Unconnected to Active (Tap Permit process)**

In order for a tap to be activated, the tap owner must apply to the District for a Tap Permit and the tap permit fee, as specified in the schedule of rates and fees, shall be submitted with the application. The Tap Permit Application is signed by the tap owner affirming agreement to comply with the District's Rules and Regulations and countersigned by applicable lateral owners, if any, granting permission to tap into the lateral or laterals and countersigned by the District's Operator and Administrator, evidencing that prescribed inspections have been made and fees paid, thereby granting permission for the tap owner to connect to the Public Water System. The Tap Permit Application process shall provide a mechanism to control and document the tap owner's compliance with the District's Rules and Regulations, (especially its mechanical specifications), to ensure that written permission has been obtained from the owners of any laterals involved for the tap to be served through said lateral or laterals, and to ensure that excavating and plumbing contractors employed are acceptable to the District. It shall be the Applicant's responsibility to arrange for review and inspections by the Operator at the following key points in the permit process: (a) plans and specifications review, (b) service line excavation and connection, and (c) acceptance of service as installed. Following acceptance of the service, the tap owner will schedule the meter installation and service activation with the Operator.

#### **2.3.2.1 Tap Permit vis. Assignment and Inclusion.**

The procedures specified in paragraphs 2.3.1 and 2.3.2, above may be accomplished concurrently; however, a tap permit will not be approved by the Administrator unless the parcel to be served is already included in the District or until the tap owner's inclusion petition has been heard and accepted by the Board.

### **2.3.3 Seasonal Shut Off.**

A customer or tap owner may request temporary shut off of service, e.g., during winter months or other planned extended absence from premises served. During the shut off period the tap shall remain subject to any minimum charge as specified in the schedule of rates and fees. Turn Off and Turn On fees, as specified in the schedule of rates and fees, shall be charged to the Customer. Customer, adult occupant or agent must be present for Turn On to avoid possible damage to premises.

#### **2.3.4 Involuntary Shut Off.**

The District, after due process specified herein, may shut off service to a tap for failure of the Customer and Tap Owner to pay amounts billed by the District. Turn Off and Turn On fees, as specified in the schedule of rates and fees, shall be charged to the Customer. Customer, adult occupant or agent must be present for Turn On to avoid possible damage to premises.

#### **2.3.5 Reassignment.**

A tap assigned to a property prior to August 1, 1988 may be severed from the property to which it is assigned and reassigned to another parcel, provided that the tap shall be activated at its newly assigned location within one year of reassignment. Reassignment hereunder is allowed irrespective of the fact that the tap may have been *irrevocably* assigned to its original parcel prior to August 1, 1988. Unless already within the District, the new parcel to which the tap is assigned must be duly included in the District by petition to the Board and payment of the inclusion fee then in effect. Reassignment shall also require a petition to the Board and payment of any scheduled reassignment fee in effect plus reimbursement of any out-of-pocket costs the District incurs. Should activation of the tap at its new reassigned location not be accomplished within in one year, the District may impose an additional reassignment fee in an amount not less than the cumulative fees which would have accrued on the tap had it been activated in a timely manner.

#### **2.3.6 Change of Ownership.**

##### **2.3.6.1 Active and Shut Off Taps.**

For transfer of ownership of an active or shut off tap, the transferor of said tap shall give the Administrator advance notice in writing of the transfer, including the scheduled date of transfer, the transferor's forwarding address, the name, address, and telephone number of the escrow agent handling the transaction, and the name of the transferee. The transferor shall be charged a transfer fee as specified in the schedule of rates and fees.

##### **2.3.6.2 Unconnected Assigned and Unassigned Taps.**

For transfer of ownership of an unconnected assigned or unassigned tap, the transferor of said tap shall give the Administrator notice in writing of the transfer within thirty days of the transfer; other requirements and fees may apply.

#### **2.3.7 Conversion.**

Taps may be converted from Non-Residential to residential or from residential to Non-Residential in such ratios and upon such terms and considerations which may be determined by the Board. In all such conversions the flow limitations of these rules and regulations shall apply.

### **ARTICLE III - REGULATION AND MEASUREMENT OF CONSUMPTION.**

#### **3.1 Water Supply.**

##### **3.1.1 General.**

The District will operate, maintain and improve components of the public water system which the District owns and will oversee operation of other components of the public water system which the District does not own, with the objective of providing a reliably safe, continuous and ample supply of water to its customers.

##### **3.1.1.1 Interruption for Repairs or Improvements.**

Whenever necessary, the District may temporarily suspend delivery of water to one or more customers for the purpose of making repairs or improvements to the system. Every effort shall be made in the case of non-emergency repairs to notify affected customers well in advance of any planned interruption. Interruptions of service shall not relieve customers from charges for service actually supplied, including any minimum charge which may apply.

##### **3.1.1.2 Drought, Fire or Other Emergency.**

In case of drought, fire or other emergency, the Board, at its discretion, may impose such temporary or seasonal water use restrictions as it deems necessary and prudent in the circumstances, and in so doing may grant preference to those classes of service which it deems most essential to the public welfare. Said restrictions may include regulation of the hours and time for irrigation or other nonessential water use.

**3.1.1.3 District Not Liable for Shortages, Interruptions or Surges.**

The District shall exercise reasonable diligence and care in regulating delivery of a safe, continuous and ample supply of water to customers, and further, to avoid shortages, interruptions, wide fluctuations in pressure and to minimize the presence of suspended particulate matter in the water. However, the District shall not be liable for said shortages, interruptions, pressure variations, or particulates, or for any injury, loss, or damage occasioned thereby, if same is due to causes or contingencies beyond the control of the District, including accidents, equipment failures, or acts of God. Tap owners and customers shall hold the District harmless and indemnify the District against all claims and liability for injury to persons or damage to property when such damage or injury results from or is occasioned by the tap's service connection, unless said damage or injury is caused by the negligence or wrongful acts of a District agent or employee.

**3.1.2 Residential Taps.**

The District's Mechanical Specifications, appended to these Policies, Rules and Regulations, provide for the use of water saving toilets in all new or remodeled construction. Residents of Paradise Hills Unit 3 should be cognizant of additional water use restrictions imposed by covenant pursuant to the Viewpoint Agreement and enforceable by the District.

**3.1.3 New Non-Residential Taps.**

The District's Mechanical Specifications, appended to these Policies, Rules and Regulations, provide for the use of water saving toilets in all new or remodeled construction. Prior to the assignment or re-assignment of a new Non-Residential Tap, the property owner shall be required to submit an engineer's report projecting water usage and providing such backup information as the District's engineer may reasonably request. Based on the information provided, the District shall attribute SFE's to the property, require that a separate tap be purchased for each SFE so attributed, and designate the size of the physical connection to be made to the public water system or lateral, as the case may be (depending upon hydrant and other fire flow requirements at the site). No partial SFE shall be attributed to any customer, and after 24 months of water usage, the SFE attribution shall be reviewed by the District and adjusted based on actual usage. At that time, the District may require the purchase of additional taps or allow the customer to sell one or more of the taps initially purchased to satisfy the District's requirements. The minimum charge for each non-residential customer shall be the product of the minimum charge established for residential customers multiplied by the number of SFE's attributable to such non-residential customer and, likewise, stepped consumption charges shall be calculated on a per-SFE basis. For example, if based on its review of the property owner's engineering report, the District attributed three SFE's to the property, the property owner would be required to acquire three taps. Each billing period, the customer would be billed three times the minimum charge plus consumption charges at rates that recognize three taps (e.g., if total usage is 21,000 gallons during the period, 7,000 gallons would be attributed to each tap for purposes of determining consumption charges). After 24 months, actual usage would be reviewed by the District, and if average annual usage exceeded the three times the then-established SFE amount (180,000 gallons based on a 60,000 gallon SFE), the customer would be required to acquire at least one additional tap. If average annual usage was less than three times then-established SFE amount and not more than twice the then-established SFE amount, the customer would be entitled to sell or transfer one tap in accordance with the District's

Rules. Billing would be adjusted accordingly. After one 24-month review, the customer would be considered an "Existing Non-residential Customer."

### **3.1.4 Existing Non-Residential Taps.**

Absent a "material change," Existing Non-Residential Tap owners (previously called commercial, governmental or fire district tap owners) shall not be required to purchase additional taps or pay additional multiple minimum charges. However, upon the occurrence of a "material change," an existing Non-Residential Tap owner shall be treated like a new Non-Residential Tap owner and be required to go through the same process described in Section 3.1.2, above, (including a review after 24 months). For purposes of this provision, a "material change" shall be defined as (i) a change in building usage; (ii) building expansion; (iii) an increase in usage for any calendar year that equals or exceeds 120% of the customer's usage for the later of 2012 or the first full year after the tap in question became an Existing Non-Residential Tap, or (iv) three (3) consecutive billing periods during which the customer exceeds the SFE consumption rate then in place after written notice of excess usage has been given by the District. Notwithstanding the foregoing, however, any violation based on a "material change" or on excess usage as previously defined in these Rules, whether known or unknown by the District, shall not be deemed cured by the adoption of these amendments, and any enforcement action commenced prior to the adoption of these amendments shall continue until the customer is advised that the existing violation is resolved to the District's reasonable satisfaction. Further, for purposes of curing any violation, no customer shall be benefitted by the 120% rules previously in effect, and remedial action shall require, at a minimum, a reduction in usage to no more than 100% of average annual consumption in the three years immediately preceding the first year of excess usage.

### **3.1.5 Tax Exempt Taps.**

The District's Mechanical Specifications, appended to these Policies, Rules and Regulations, provide for the use of water saving toilets in all new or remodeled construction at tax exempt facilities, whether used for non-residential or residential or other governmental purposes.

### **3.1.6 Nonstandard Size Taps.**

Consumption through a nonstandard size tap shall be limited in any year to 120% of the average annual consumption through the tap in the immediately preceding three years. The Board may extend the allowable consumption for a nonstandard size tap by specific agreement with the tap owner in return for the contribution of water rights or other consideration to the District.

## **3.2 Metering.**

### **3.2.1 All Taps Metered.**

As a basis for billing and to monitor the yield of water delivered by the public water system, it is the District's policy that all taps, including fire protection district taps, and laterals be metered. Meters shall be supplied by and at the expense of the District, except that the customer shall bear the incremental cost of the meter for a nonstandard tap size

### **3.2.2 Reading Schedule.**

Meters shall be read on a bimonthly schedule, as close as possible to the 25th of January, March, May, July, September and November.

### **3.2.3 Inspection of Laterals and Service Lines and other Water Facilities. (Amended effective 7/11.)**

The District, through its duly authorized representatives and upon the display of proper credentials, shall have the right to enter upon the property of any tap owner or other property connected to the Public Water System at any reasonable time to verify that the provisions of these Policies, Rules and Regulations are being complied with and to inspect the condition, use and connection of any water facilities. Customers shall provide for the safe conduct of such authorized District representatives on their premises. A Customer's account will be charged for failure to maintain right of entry and safe passage

to access the meter and related devices as specified in the schedule of rates and fees. Further, refusal to permit such inspection shall be considered a violation of these Policies, Rules and Regulations and, if reasonably necessary to protect the Public Water System may be considered sufficient grounds termination of water services and, in case of emergency, for immediate emergency termination of water services without notice.

### **3.2.4 Meter Access**

The Customer is responsible for maintaining access to the meter and related devices and is responsible for costs incurred by the District to maintain access to the meter. A Customer's account will be charged for failure to maintain access to the meter and related devices as specified in the schedule of rates and fees or may be shut-off due to non-compliance.

### **3.2.5 Meter Accuracy and Suspected Malfunction.**

A Customer may request and obtain an independent bench test of a meter where the tap owner suspects that a meter is reading inaccurately. Evergreen Metropolitan District or similar shall be deemed an independent laboratory for purposes of said testing. If a meter is found to be within a plus or minus 3% average tolerance of accuracy at each of three nominal rates of flow, (2 gpm, 5 gpm, and 10 gpm for 3/4 in. meters), the meter shall be presumed reliable and the Administrator may charge the Customer a meter test fee deposit, as specified in the schedule of rates and fees. When a meter is found to be out of tolerance in the Customer's favor, the Administrator shall calculate and apply an appropriate credit adjustment to the Customer's account, based on the average indicated error. Meters discovered to be out of tolerance shall be replaced expeditiously.

#### **3.2.5.1 Audit of Remote Readout Devices.**

The Operator shall conduct a systematic program whereby readings per remote readout devices are compared to their respective meter readings.

### **3.2.6 Estimates When Necessary.**

In a case where it is impossible to access a meter due to ice or snow accumulation, meter malfunction or other condition beyond the District's control, the District may base its billing on an estimate of the tap owner's consumption for the period, computed using a method which the Administrator deems appropriate in the circumstances. If the estimated billing is rendered at the District's minimum rate and the subsequent reading indicates greater than minimum usage for the four month period, actual consumption shall be charged for the four month period and the account credited for the minimum previously charged as an estimate.

## **ARTICLE IV - BILLING AND COLLECTIONS.**

### **4.1 Billing Cycle.**

#### **4.1.1 Billing Dates.**

Billing dates shall be the 25th of January, March, May, July, September and November. The bimonthly bills shall be mailed to customers as soon as possible following the billing dates.

#### **4.1.2 Billing Address.**

Bills shall be mailed to the service address unless the customer requests otherwise.

### **4.2 Collection of Amounts Due.**

#### **4.2.1 Payment Due Date.**

Water bills shall be payable upon receipt and no later than the "due date," which is the end of the month following the month of the billing date.

##### **4.2.1.1 Current Amounts Due.**

Timeliness of payment shall be evaluated based on postmark or the date received in person by the Administrator.

#### **4.2.1.2 Delinquent Amounts Due.**

Payment of delinquent amounts due, including late fees, shall be deemed to have been made in time to avert issuance of a shutoff notice if actually received by mail or in person by the Administrator, no later than 3:00 p.m. on the 15th day of the month following the due date.

#### **4.2.2 Returned Checks or Payments**

No attempt shall be made to redeposit dishonored or returned checks or payments, including electronic payments made by Automatic Payment Service (APS). The customer's account will be charged for the amount of the check which had been previously posted to the account and for a returned payment handling fee as specified in the schedule of rates and fees. It is likely that said charges may place the account in delinquent status.

#### **4.2.3 Late Payment Fees.**

Late payment fees, as specified in the accompanying schedule of rates and fees shall be charged to delinquent accounts following the due date.

#### **4.2.4 Shutoff Process for Failure to Pay Delinquent Amounts.**

##### **4.2.4.1 Delinquency Notice.**

Customers with delinquent accounts may be notified of past due amounts sent by regular mail to the billing address between billing cycles.

##### **4.2.4.2 Shut Off Notice.**

On or after the 15th day of the month following the month of the due date, shut off notices shall be delivered in one of the following ways: 1) sent by regular mail to the billing address 2) sent by certified mail to the billing address or 3) posted on premises served by taps with delinquent accounts. Said notices shall indicate that water service will be shut off by the District if payment in good funds is not received or other arrangements for payment made with the Administrator by a specified time and date at the District's office. Fees as specified in the schedule of rates and fees will apply (Turn Off and Turn On).

##### **4.2.4.3 Shut Off.**

In cases where no response is forthcoming from a shutoff notice, the Administrator shall issue a shutoff order to the Operator and the Operator shall physically disconnect said water service. Operator may not collect payments from customers to avoid shut off. Turn off fee shall apply as specified in the schedule of rates and fees.

##### **4.2.4.4 Reconnection.**

When full payment in good funds or other arrangements acceptable to the Administrator has or have been made, the Administrator shall issue a reconnection order. Reconnections shall be attempted within 24 hours of the day following the date of the reconnection order. The customer or an adult inhabitant of the premises served must be present before the Operator will turn water back on. This latter provision is necessary to avoid water damage from faucets which may have been left open during the shutoff period. Turn on fee shall apply as specified in the schedule of rates and fees.

#### **4.2.5 Billing Errors or Omissions.**

In the event an error or omission in a billing occurs, the District shall credit an overcharge promptly and, likewise, shall have the right to collect an undercharge, irrespective of the date or duration of said billing error or omission. The Administrator is authorized to make appropriate arrangements with a tap owner for deferred payment of an undercharge.

#### **4.2.6 Lien Filing on Property for Non-payment.**

In the event that billing charges remain unpaid and/or fees continue to accrue, at the Administrator's discretion, a lien shall be filed against the property and the Tap Owner shall be subject to a fee as specified in the schedule of rates and fees.

#### **4.2.7 Responsibility of Tap Owner for Charges to Account and Tenants.**

The Tap Owner is responsible for all District charges to an account, regardless of a tenancy or lease agreement that may exist between Tap Owner and tenant(s). It is the responsibility of the Tap Owner to collect such charges from the tenant(s) and the District

will not serve as a collection agent for the Tap Owner. A Tap Owner may request that the bills be sent to a tenant at a specified billing address, however such billing arrangement does not remove responsibility for the account by the Tap Owner.

**4.2.8 Special Project Costs.**

Direct costs, particularly subcontractor and legal costs, incurred by the District on behalf of an individual or entity, such as a developer, homeowners association, or special district, for special projects that require significant effort over a period of time, must be reimbursed to the District by the individual or entity.

**ARTICLE V - LATERALS AND SERVICE LINES.**

**5.1 General.**

It shall be the responsibility of the owner or owners of a service line or privately owned lateral to protect the integrity of the public water system by maintaining said lines and their connections to the Main in good repair at all times. While the District has the responsibility of safe and efficient operation of its entire public water system and, accordingly, the authority to make inspections and enforce proper maintenance and timely repair of privately owned components, the District undertakes no financial or other liability for maintenance or repair of said components.

**5.2 Privately Owned Lateral Systems.**

**5.2.1 Annual Registration.**

The owners of each privately owned lateral system shall submit a report on an annual basis to the Administrator which shall provide the following original or updated information with regard to the line and its ownership:

- (a) Name, address and form of organization, and directors or officers.
- (b) Emergency contact names and telephone numbers.
- (c) Copy of most recent update of by-laws, rules and regulations of the lateral owners' organization, including policy on extending service to new taps.
- (d) Current financial statements of the lateral owners' organization.

**5.2.2 Line Extension, Replacement and Repairs.**

Prior to going out to bid for the accomplishment of any extension, replacement or refurbishment of a private lateral, the line's owners shall submit plans, specifications and contract documents, including a schedule for work, to the District for review by the Engineer and Counsel. No contract for said extension, replacement or refurbishment of a private lateral shall be let without the Board's assent, which shall not be granted unless and until plans, specifications and the contractor meet with the approval of the Engineer and Counsel. The Engineer and Counsel shall review plans, specifications and contract documents in a timely and expeditious manner, and shall convey their comments to the lateral owners as to what changes may be necessary to bring the documents into compliance with the District's Policies, Rules and Regulations, including Mechanical Specifications. The minimum size water main extension or replacement of a lateral shall be 8" diameter and all extensions or replacements shall be "looped," unless specific exemptions are granted by the Board of Directors of the District. A looped line is defined as a lateral line which is connected to another independent line (i.e. the District's main or a lateral line, if of adequate size). Contract specifications shall include a provision whereby the Contractor is required to cooperate with the District by accommodating and responding to inspections by the Engineer during construction.

**5.2.3 Leaks, Repairs and Maintenance.**

Lateral owners shall at all times maintain their lateral line and keep it adequately protected from damage, according to District construction and mechanical specifications. Lateral owners shall repair leaks as soon as possible. Lateral owners are responsible to promptly reimburse the District for expenditures made on their behalf, regardless of whether notice

was provided in advance or after the fact. The District may make recommendations regarding repairs and maintenance that are of mutual benefit to the lateral system and the District in writing; if the lateral owners are unable to complete the recommended items within the recommended timeline, they should provide an explanation to the District in writing.

When a leak or suspected leak in a lateral line comes to the attention of the District, the following procedures shall be followed:

(a) If the leak is deemed to be significant by the Operator, the District will arrange for repairs at the District's discretion. The District will take into account the cost of the repair with the seriousness of the damage, potential damage and potential loss of water. The District shall bill all the related costs incurred for the repair either in equal amounts to the owners' accounts for all taps served by the lateral or the total amount to the lateral organization.

(b) If a leak is confirmed or strongly suspected by the Operator, but is apparently a minor leak in the Operator's judgment, all procedures and provisions of (a) above shall apply, except that the lateral owners shall be allowed a period of 72 hours in which to investigate the suspected leak and begin repairs, before the District may step in to investigate and arrange for repairs. The District will attempt to contact a lateral representative to provide such notice.

#### **5.2.4 Acquisition or Acceptance of Laterals (Adopted November, 2008).**

This policy regarding the acceptance or acquisition of laterals is necessitated by the history of the formation of the Lookout Mountain Water District ("District") which occurred upon the District's acquisition of the Golden water system which crossed Lookout Mountain. In about 1903 the City of Golden commenced the building of a reservoir (k/n/a the Upper Beaver Brook Reservoir) which was to be the major reservoir for Golden's water supply. In order to transport the water from the Upper Beaver Brook Reservoir to the residents of Golden it was necessary to lay a pipeline across Lookout Mountain. In order to acquire the right-of-way for that pipeline, the City of Golden gave the residents of Lookout Mountain the right to tap onto the water main which traversed Lookout Mountain and to purchase water therefrom. The result was that the landowners on Lookout Mountain built their own laterals to supply various properties owned by them. In 1988 when Golden had no further use for the system, the District was formed and acquired the entire the Beaver Brook water system from Golden. The laterals from the water main remained owned by the lateral users. The City of Golden could not convey the laterals to the District because it did not own them; yet the laterals were a necessary part of the total water supply system.

Since the formation of the District the costs of maintaining and repairing the laterals has remained with the lateral owners. This result was necessary from a financial standpoint for the District to survive the high initial costs of improving reservoirs, building new treatment facilities and other infrastructure. Had the District been required to assume the costs of maintaining and repairing the laterals, the price of water delivered would have been exorbitant. Today the District is in different financial position, but still cannot assume all of the maintenance and repair costs of laterals. In some cases the laterals are 80 or more years old and the assumption of the expenses of maintaining those laterals would not benefit the entire District, but only the particular lateral owners.

Therefore, the District has adopted this policy regarding the acquisition or acceptance of the ownership of laterals and thereafter the repair and maintenance of such laterals under the following circumstances:

##### **5.2.4.1 Replacement of the Entire Lateral at Lateral Users Expense Prior to Acquisition.**

Upon request of the lateral owners the District will form sub-districts [per Colo. Statute] so lateral owners can build an entire new lateral system which complies with District standards as determined by the District's engineers. The District will take said action if

the owners of the lateral agree to pay all costs associated with replacement of the lateral. The District may further assist the sub-district, by agreeing to finance costs of constructing the new lateral or joining in such other financing as the District's Board approves in its sole discretion. The Board will require conveyance of the ownership of the newly constructed lateral to the District when completed.

#### **5.2.4.2 Acquisition of Laterals Under Other Circumstances.**

Upon the request of lateral owners the District may acquire laterals under such circumstances, conditions, and circumstances as the District in its sole discretion determines. The information required, basis for requirements and conclusions, opinions and decisions reached by the District shall be solely within the discretion of the District. The District's decision shall, however, be decided in a manner which will primarily protect the District against costs and expenses which historically have been borne solely by the owners of laterals.

#### **5.2.4.3 Emergency Acquisition of Laterals by the District.**

The District shall have the right to acquire on its own initiative by any acceptable means, including condemnation, any lateral or lateral system which represents a potential or current danger to the integrity of the District's water supply system. Such acquisition may be with financial protection to the District by requiring the deposit of funds necessary to protect the District against expenses which historically have been paid by the lateral owners or by assessment against the lateral owner's property to be paid over a period of time. If the lateral owners cannot or will not pay for the replacement of the lateral, the District shall be authorized to proceed in any manner it deems appropriate to protect the integrity of the District's water system by acquiring, replacing, repairing, or closing any such laterals and by assessing the owners of such laterals amounts which over a period of time will pay for the reconstruction, repair, updating, acquisition of ownership, and bringing such laterals to a condition acceptable to the District's Board. The District may acquire ownership of laterals improved, repaired or reconstructed pursuant to this policy.

#### **5.2.4.4 Miscellaneous Provisions.**

The following shall apply to this Section:

- a) The term "Lateral" shall be as defined in 1.3.3.2.
- b) The action of the lateral owners may be in the form of action by a legally constituted lateral owner's entity or by unanimous written consent of all of the lateral owners. The formation of a legal entity to represent the lateral owners is strongly encouraged.
- c) Inactive taps (unconnected taps) assigned to a parcel which can be served by the lateral in question shall be considered an active tap served by the lateral for the purpose of this policy. But an inactive tap (unconnected tap) which has not been assigned to a particular parcel shall be disregarded for the purpose of this policy.

### **5.3 Service Lines.**

#### **5.3.1 New Installations.**

Before beginning the installation of a new service line, the tap owner should confer with the Administrator to determine whether the type of service, capacity and pressure desired by the tap owner is available and to determine precisely the point where the District's existing public water system can be connected to the proposed new service. A tap permit must be applied for and approved before water service through a tap can be activated, (see section 2.3.2, above).

#### **5.3.2 Alteration of Existing Service.**

Before any material addition to or alteration of an existing water service installation, the tap owner shall notify the Administrator reasonably in advance thereof in order for the Engineer to determine whether the service desired can be delivered by the District. All

additions and modifications to an existing service installation shall be accomplished in accordance with the District's Mechanical Specifications then in effect.

### **5.3.3 Maintenance and Repairs.**

Tap owners shall at all times maintain their service lines and appurtenances thereto (except for the meter and remote readout) in good repair and adequately protected from frost. Service installations, including all plumbing fixtures and appliances shall be maintained in compliance with applicable building codes and City of Golden or District mechanical specifications in effect at the time of original installation.

### **5.3.4 Leaks.**

When a leak or suspected leak in a service line comes to the attention of the Operator and Administrator, as a result of an unusually high measured consumption during the billing period, physical discovery by the Operator or discovery and telephone message report to the Administrator by the customer or tap owner, the following procedures shall be followed:

(a) If the leak is confirmed and deemed to be major by the Operator, the Tap Owner shall have 24 hours from the time notice of the leak is issued by the District to effect repairs. The Administrator and Operator shall use due diligence and speed in attempting to deliver notice of the leak to the tap owner directly by telephone; however, in any case notice of the leak shall be construed to have been duly delivered by the District's mailing, certified, return receipt requested to the tap's current customer address. If the tap owner fails to effect repairs within 24 hours of the discovery of what the Operator deems a major leak, the District shall cause said repairs to be accomplished and the related costs incurred shall be billed to the tap's account. If the service line leak happens to be downstream of the District's meter, the Customer shall in any event be responsible for all water flowing through the meter before, during and after the period of leakage.

(b) If a leak is confirmed or strongly suspected by the Operator, but is apparently a minor leak in the Operator's judgment, all procedures and provisions of (a) above shall apply, except that the Tap Owner shall be allowed a period of 72 hours in which to investigate the suspected leak and effect repairs, before the District may step in to investigate and repair.

### **5.3.5 Cross-Connections Control and Backflow Prevention Devices.**

Article 12 of the Colorado Primary Drinking Water Regulations states that a public water system shall have no uncontrolled cross-connection to a pipe, fixture, or supply, any of which contain water not meeting provisions of the drinking water regulations. A cross-connection is any point in a water distribution system where chemical, biological, or radiologic contaminants can be drawn or pushed back into the potable water system. To avoid cross-connections within the District, absent special circumstances, from and after April 11, 2011, the District shall not approve or otherwise facilitate the issuance of an exempt well permit for any property located within the District's boundaries and shall not allow the physical connection of a tap to a lateral or main if the property is also served by an existing well. For purposes of this section, special circumstances shall not consist only of costs associated with the maintenance, repair, or replacement of laterals. Where a cross-connection exists or is allowed due to special circumstances, a backflow prevention device shall be installed at every point of cross-connection which prevents contaminated water from entering the potable water distribution system.

#### **5.3.5.1 Inspection and Correction.**

The District has the right to inspect the premises served (or to be served) by the District for hazardous cross-connections and will mail a notice of the need to schedule the inspection to the customer's billing address. Any hazardous cross-connection discovered to be uncontrolled will need to be corrected within ten days or the water service will be shut off. The Colorado Department of Public Health and Environment will be informed of the hazardous connection and the corrective action being taken. Inspection fee shall apply as specified in the schedule or rates and fees.

**5.3.5.2 Installation and maintenance of Backflow Prevention Devices.**

Customers are required to install and maintain backflow prevention devices on potentially hazardous connections, as stated in Article 12. Each cross-connection may require a different type of backflow prevention device, commensurate with the degree of hazard posed by the cross-connection. Article 12 requires that a certified backflow prevention technician test backflow prevention devices annually and maintain records for three years. Failure to submit backflow test results fee shall apply as specified in the schedule or rates and fees.

**5.3.5.3 Common Cross-Connections and Backflow Prevention Devices.**

The following devices can be used for backflow prevention, if approved by the Colorado Department of Health and Environment:

Type of Cross-Connection	Backflow Prevention Device
Hose bib	Vacuum breaker
Fire sprinkler system Solar system using potable water as heat source	Double check valve assembly on water only line. Approved reduced pressure principal backflow assembly on branch lines carrying chemicals
Photographic processors and developers	Reduced pressure principal backflow assembly
Hot water boilers	Reduced pressure principal backflow assembly
Water hauler tank filling station	Air gap

**ARTICLE VI - SYSTEM SECURITY.**

**6.1 Tampering or diversion**

The existence of water consuming devices installed ahead of a meter, or any tampering or interference with pipes, devices, or equipment connected to the public water system, or any damage to, alteration or obstruction of a meter (including breakage of a meter seal) which may permit or make possible the use of water without its proper registration on the meter serving a property, shall constitute prima facie evidence of diversion of water by the property or tap owner or the person benefiting from the use of diverted water.

In a case of water diversion, the District, using a reasonable method, shall compute an estimate of the volume of water diverted. To this end, the tap owner shall grant the District access to premises served for the purpose of identifying and enumerating all water consuming or delivery devices on the premises. If the District does not obtain said access, e.g., in the case of premises not legitimately served by a tap, the District's computation shall be based on any reasonable assumptions and available facts. The water diversion computation shall be for a period commencing with the date of first Certificate of Occupancy for the premises, (but not sooner than the date that the District main or lateral from which water has been diverted was in service), unless it can be proved that the diversion commenced at a later date. Based on the computation of water diverted, a bill shall be rendered to the tap or property owner reflecting applicable rates in effect from time to time during the period of diversion. In addition, all costs of investigation and discontinuance of the diversion shall be reimbursable to the District by the tap or property owner and tampering or diversion fees shall apply as specified in the schedule of rates and fees.

The foregoing procedure shall not be construed to limit in any manner the pursuit by the District of any legal remedies that it may have available under civil or criminal law in the State of Colorado.

## **6.2 Unauthorized connections**

If a connection is made to the public water system without initiating a tap permit application first, or if a person allows these Rules and Regulations governing the installation, connection and maintenance of water lines to be violated, then in either event the connection may be summarily removed by the District at the expense of the subject property's owner. If a service installation is accomplished without the requisite inspections prescribed in the District's Mechanical Specifications, the District may demand that any component of the installation, including a buried service line, be uncovered for inspection by the Operator and repaired to District specifications, if necessary. If disconnection occurs hereunder, subsequent reconnection, and if a valid tap permit can be issued, the Administrator may assess a fee according to the schedule of rates and fees and bill for estimated water use, in addition to the normal tap permit fee. Unless evidence persuasive to the Board can be produced as to the actual date at which unauthorized consumption commenced, said date shall be the later of (a) thirty days prior to the earliest Certificate of Occupancy date for the premises, or (b) the date at which the main or lateral feeding the service line was completed. A contractor which participates in the installation or repair of an unauthorized connection shall be ineligible to work on any component of the District's public water system, including individual service lines, for a period of one year from the Board's ruling thereon.

## **ARTICLE VII - AVAILABILITY OF SERVICE.**

### **7.1 General Policy.**

In view of its limited water resources and facilities, the District's policy is to supply water to only those residences and Non-Residential or government establishments (a) which were served as of September 30, 1988 by the 389 connected taps listed in Exhibit B to the Golden Agreement, or (b) which can be served by the 80 unassigned or assigned, unconnected taps listed in Exhibit C to the Golden Agreement, or (c) which can be served by the 76 taps optioned for purchase to Viewpoint Associates for use in Paradise Hills Unit 3 by the Viewpoint Agreement, or (d) which the District is contractually bound to serve under the Mount Vernon Agreement, or (e) which the Board, considering available testimony or other evidence, determines are entitled to water service based upon understandings or agreements between the parcel owner's predecessors and Golden, which understandings or agreements, due to incomplete record keeping were not disclosed in the Golden Agreement, or (f) which do not meet the above criteria but experience hardship in the form of failure of a well upon which they have relied for domestic use.

#### **7.1.1 Hardship Provision.**

For purposes of subparagraph (f), above, a hardship is a situation wherein a water well, upon which property owner has relied as a domestic water supply, becomes contaminated or depleted to the extent that it can no longer be relied upon for domestic, non-irrigation purposes. If the Board is persuaded, based on testimony of a competent engineer or other expert, that the well cannot be rehabilitated and that the owner has explored other alternative avenues of supply, finding none feasible, the Board may sell the afflicted party a tap, at a reasonable fee to be then determined by the Board. In order for service to be obtained through the tap, the owner must follow the procedures and satisfy the conditions required of any tap owner for service, i.e., petition the Board for inclusion of the property to which the tap will be assigned and pay the inclusion fee then in effect, obtain any necessary easements or permissions to tap from owners of private property or

laterals and install service line and plumbing in accordance with the District's mechanical specifications.

## **7.2 Annexation, exclusive of inclusion or acquisition**

The District's general policy on availability of service notwithstanding, a proposal for annexation of property by the District involving more than one tap to be served may be considered and processed by the Board in accordance with Statute if all of the following conditions are met:

### **7.2.1 Adequate Water Rights to Be Conveyed.**

No property will be annexed to the District unless the owner of the property (a) acquires and conveys to the District directly or from a third party at said property owner's sole expense water rights which are acceptable and adequate to serve the projected needs of the property to be annexed, in the opinion of water experts hired by the District, and (2) pays all costs, expenses and fees, including attorney's fees and expert's fees, necessary to transfer or exchange the rights by Water Court Decree which will make them fully useable by the District.

### **7.2.2 Cooperation, Security and Costs.**

The owner of the property proposed for annexation must cooperate fully in all annexation proceedings and contracts with the District and, at the request of the District, must post an adequate bond or other security to construct at the property owner's expense all mains, laterals, storage tanks and other appurtenant apparatus determined necessary by the Engineer to provide water to the annexed property.

### **7.2.3 Customary District Fees Shall Apply.**

The owner of the property proposed for annexation shall pay (a) the District's inclusion fee then in effect, for each tap to be served, provided the property is not already included within the District's boundaries, (b) the District's tap fee and tap permit fee then in effect for each tap to be served, and (c) all out of pocket costs and fees incurred by the District in complying with statutory annexation and inclusion procedures. The applicant shall be granted credit against tap fees for the out-of-pocket costs incurred by applicant related to acquisition and adjudication of water rights pursuant to paragraph 7.2.1, above.

### **7.2.4 Election May Be Required.**

For proposed annexations of residential property, the Board may at its discretion determine that the proposed annexation ought to be approved by a majority of the District's electors voting in a special election, in which case the property owner shall bear all costs of the requisite public notices, hearings and special election. For proposed annexations of Non-Residential property, a public referendum shall be required, for which the applicant shall bear all costs of the requisite public notices, hearings and the special election. A Non-Residential annexation shall require approval by a majority of the District's electors voting at the election.

## **7.3 Hydrants and Fire Suppression**

The District's policy is to supply water (whether from hydrants or reservoirs) for fire suppression at no cost to the owner when the property involved is located within the District. The District's policy is to charge for water supplied for the fire suppression on property located outside of the District or for water supplied for training purposes; but the District's Board of Directors may waive or reduce such charges when circumstances warrant. When charges are made, they can be based on reasonable estimates of the water used.

Numerous hydrants are located in the proximity of District properties, most of which are connected to privately owned laterals. Said hydrants vary widely in age, condition and capacity of the lines by which serve the hydrants. While the District has engineered and constructed its new facilities with the objective of providing excess capacity in case of

peak fire demands, the District makes no warranties or guarantee regarding the volume, flow rate or pressure of water from any hydrant connected to its water system or the laterals. The District undertakes no continuing responsibility, financial or otherwise, for maintenance of any hydrant not directly connected to its water system or for the installation of new hydrants. The responsibility for the maintenance of any hydrants connected to laterals is that of that lateral owners to which the hydrant is connected. In the case of hydrants connected directly to the water system owned by the District, such hydrants are owned by the District and shall be the responsibility of the District to maintain.

#### **7.3.1 Use of Hydrants or Other Water Supply (other than for fire).**

The District may furnish temporary water service to a contractor, Customer or others from a hydrant or other supply in accordance with the Fire Hydrant Permit and Regulations. The use of water must remain within the Clear Creek Watershed Boundaries unless approved by the Board. The Hydrant Permit and Regulations shall specify the procedures including billing rates. The unauthorized use of hydrants is prohibited. Fees shall apply as specified in the schedule or rates and fees.

#### **7.3.2 New (including replacement) Hydrants.**

It is the policy of the District to cooperate with all neighboring fire protection districts, lateral owner organizations and individual tap owners toward the installation of new and replacement of old hydrants although the District shall not undertake to share the direct costs of any fire hydrant. The entity or individual who is installing the hydrant shall cooperate with the District to install the hydrant and the District shall issue a permit for an installation and shall inspect the hydrant installation, with fees as specified in the schedule of rates and fees.

### **7.4 Excess Capacity.**

From time to time the Board may see fit to lease the District's water diversion, conveyance or storage facilities then in excess of its current needs. Any such lease must be subject to and must not interfere with the District's obligation to serve its tap owners. Any lease of system capacity shall be limited for use on land included within the District but which is not served by the District due to difficulties of terrain, cost of conveyance, or other logistical considerations. There shall be no lease of District water rights or storage rights; any lease shall only be for excess capacity, if any, and subject to availability, in District diversion, conveyance and storage capacity. Any lease shall provide as follows:

(a) That, should the District need system capacity after a lessee's water has been stored in the District system, the District can spill such water without liability to the lessee.

(b) The lessee shall indemnify and hold the Board harmless for any liability for injury or property damage related to or in any way arising out of the use of system capacity.

(c) The lessee and not the District shall be responsible for any and all lease costs and costs of operation, maintenance and repairs, administrative, accounting expenses, and other overhead attributable to the lessee's use of system capacity.

(d) The lease shall terminate in the event that the use by the lessee of system capacity permanently interferes with the District's obligation to provide water service to District tap owners.

(e) The lessee shall have the obligation and bear all costs associated with obtaining approvals from the Office of State Engineer and the Water Court for any substitute supply plan or plan of augmentation involving District facilities. Applications for such approvals must be submitted to the Board for review and approval before being submitted to the State Engineer or Water Court.

## **7.5 Water Storage and Acquisition.**

From time to time the Board may see fit to acquire additional water or storage rights. Such acquisitions shall be by purchase, lease or any other means which the Board deems appropriate, including but not limited to exchange and options. Such acquisitions may be temporary or permanent as the Board deems appropriate. The necessity for such acquisitions and the consideration to be paid therefore shall be matters in the discretion of the Board, subject to the availability of funds which may include, but is not limited to the issuance of bonds therefore.

### **8.1 Board of Directors.**

All powers, privileges and duties vested in, or imposed upon the District by law, shall be exercised and performed by and through the Board of Directors (hereinafter referred to as the "Board"), whether set forth specifically or implied in these by-laws. The Board may delegate to officers, employees or contractors of the District any administrative or ministerial powers.

### **8.2 Office.**

#### **8.2.1 Business Office.**

The principal mailing address of the District shall be at 25958 Genesee Trail Road, PMB 514, Golden, 80401.

#### **8.2.2 Establishing Other Office and Relocation.**

The Board, by resolution, may from time to time, designate, locate and relocate its executive and business office and such other offices as, in its judgment, are necessary to conduct the business of the District.

### **8.3 Meetings.**

#### **8.3.1 Regular Meetings.**

Regular meetings of the Board shall be held on the second Monday of each month at 8:30 a.m. at the Highland Rescue Team Ambulance District Station at 317 S. Lookout Mountain Road, Golden, CO 80401.

#### **8.3.2 Meeting Public.**

All meetings, including work or study sessions, of a quorum of the Board at which public business is discussed or formal action is taken, other than executive sessions, shall be open to the public.

#### **8.3.3. Notice of Meetings.**

Section 8.3.1 shall constitute formal notice of regular meetings to Board members and no other notice shall be required to be given to Board members. Notice of regular and special meetings shall be given to others by posting at least seventy-two hours prior to such meetings at the office of the Clerk and Recorder for Jefferson County and at three places within the District, such locations to be established annually. Reasonable individualized notice shall be given to all persons requesting the same as required by law.

##### **8.3.3.1 Special Notice.**

Special notice shall be included with the posting for the undertaking of final determination to: issue or refund general obligation indebtedness; consolidate the District with another special district; dissolve the District; file a plan for debt adjustment under federal bankruptcy law; enter into a private contract with a Director; or not make a scheduled bond payment.

##### **8.3.3.2 Continued Meetings.**

When a regular or special meeting is for any reason continued to another time and place, notice need not be given of the continued meeting, except as required by law. At the continued meeting, any business may be transacted which might have been transacted at the original meeting.

#### **8.3.4 24 Hour Notice and Agenda.**

In addition to the three-day notice described above, notice of public meetings shall be posted at the Lookout Mountain Fire Station No. 1 no less than twenty-four hours prior to the meeting and shall include specific agenda information when possible. If an executive session is anticipated, it may be noted on the agenda.

#### **8.3.5 Emergency Meetings.**

Notwithstanding the foregoing, the Board may act without notice when unforeseen circumstances call for immediate action to protect the public health and safety or the welfare of the District's residents. In such case, an action taken shall be effective only until the next regular or special meeting at which the Board may ratify such action.

### **8.4 Conduct of Business.**

#### **8.4.1 Quorum.**

The presence of three Directors, in person or telephonically, shall constitute a quorum. All official business of the Board shall be transacted at a regular or special meeting at which a quorum is present.

#### **8.4.2 Vote Requirements.**

Any action of the Board shall require the affirmative vote of a majority of the Directors at a meeting at which a quorum is present. Proxy voting is not permissible. Due consideration shall be given by the Board to whether action on significant issues most appropriately should be considered and voted on by the entire Board. Such issues include the inclusion or exclusion of property, setting water rates, budget adoption and certification of the mill levy, release of retainage on a construction project; creation of new taps beyond those contemplated or enumerated in the Service Plan (except in the case of obvious clerical error or inadequacy of record keeping by Golden).

#### **8.4.3 Order of Business.**

The business of all regular meetings of the Board shall be transacted according to the following agenda:

- (a) Call to order;
- (b) Scheduled hearings and guests;
- (c) Approval of the minutes of the previous meeting;
- (d) Operator's report;
- (e) Engineer's report;
- (f) Special Committee reports;
- (g) Legal Counsel's report;
- (h) Administrator's report;
- (i) Treasurer's report;
- (j) Old business
- (k) New business
- (l) Public comment;
- (m) Adjournment

### **8.5 Executive Sessions.**

Upon the affirmative vote of at least two-thirds of the quorum present taken at a regular or special meeting following the announcement of an allowed discussion purpose, the Board may go into executive or "closed" session. The following procedure shall apply to executive sessions:

**8.5.1** The Board President or acting President must announce, and the record shall reflect, one of the following allowable discussion purposes:

**8.5.1.1** Purchase, acquisition, lease, transfer or sale of any property interest;



I, \_\_\_\_\_, will faithfully support the Constitution of the United States and the State of Colorado, and the laws made pursuant thereto, and will faithfully perform the duties of office of Director of the Lookout Mountain Water District, upon which I am about to enter.

\_\_\_\_\_  
Signature

Subscribed and sworn to before me this \_\_\_\_ day of XXX 20-

\_\_\_\_.

\_\_\_\_\_  
County Clerk, District Court Clerk,  
President of the Board of Directors,  
or Notary

### **8.9.3 Vacancies.**

A Director's position shall be deemed vacant upon the occurrence of any of the events creating a vacancy set forth in the Act, including a Director's failure to attend three consecutive regular meetings of the Board without the Board having entered its approval of the absence(s) in its minutes (except that additional absences shall be excused for temporary mental or physical disability or illness) or a Director's failure to remain qualified for the office to which he/she was elected. Any vacancy occurring on the Board shall be filled by an affirmative vote of a majority of the remaining Directors as prescribed within sixty days of the occurrence of the vacancy. The appointed elector must meet the qualifications for Directors prescribed by the Act and shall serve until the next regular election.

### **8.9.4 Election of Officers.**

The Board of Directors shall elect from its membership a President, a Vice President, and a Treasurer, and the Board shall appoint a Secretary who need not be a member of the Board. The elected Officers shall be elected by a majority of the Directors voting at said election. The election of the Officers shall be conducted annually at the regular meeting of the Board held at the first regular meeting of the Board following the regular biennial public election of Directors held in May of even years. Unless re-elected, each officer, so elected, shall serve for a term of two years, which term shall expire upon the election of his or her successor. The Secretary shall serve under contract as approved by the Board until succeeded by another appointed individual.

#### **8.9.4.1 President.**

The President shall serve as the Chairman of the Board, preside at all meetings, guide and facilitate the functions of the Board, and act as the chief executive officer of the District. Except as otherwise authorized, the President shall sign all contracts, deeds, notes, debentures, warrants and other instruments on behalf of the District.

#### **8.9.4.2 Vice President.**

At the request of the President or in the absence of the President, the Vice President shall perform the functions of the President. The Vice President may also hold the office of Treasurer.

#### **8.9.4.3 Secretary.**

The Secretary shall keep the records and the seal of the District; may record minutes of meetings of the Board and votes taken at such meetings; shall compose a record of the proceedings of the Board and insure that the record of the meeting is filed in the business office; and shall perform all duties incident to that office. The Secretary shall affix the District's seal to and attest all contracts and instruments authorized to be executed by the Board.

**8.9.4.4 Treasurer.**

The Treasurer shall keep or cause to be kept strict and accurate accounts of all money received by and disbursed for and on behalf of the District in permanent records. The Treasurer shall file with the Clerk of the Court, at the expense of the District, a corporate fidelity bond in the amount required by law or such greater amount as may be determined by the Board. The Treasurer shall sign all checks unless he or she is not available for a period of five days or more, in which case, signatures of the President and another Director shall be required. Checks in the amount of \$5,000 or greater shall require a second signature from one of the Directors of the District.

**8.9.4.5 Office Vacancies.**

The vacancy of a director's position shall cause a vacancy in any office held by such director. The office shall be filled for the remainder of the departing director's unexpired term by Board election held at the first regular meeting after the vacancy is filled.

**8.9.5 Resignations.**

The resignation of a Board member shall not be effective until made in writing and delivered to the Board.

**8.9.6 Corporate Seal.**

The seal of the District shall be a circle containing the name of the District and shall be used on all documents and in such manner as seals generally are used by public and private corporations. The Secretary shall have custody of the seal and shall be responsible for its safe-keeping and care.

**8.10. Disclosure of Conflict of Interest.**

Any Director who is present at a meeting at which is discussed any matter in which one has, directly or indirectly, a private pecuniary or property interest shall disclose such interest to the Board. Unless such Director has given seventy-two hours actual advance written notice to the Colorado Secretary of State and to the Board, in accordance with all statutory requirements, such Director shall refrain from advocating for or against the matter and shall disqualify oneself from voting on such matter.

**8.11. Compensation.**

The Board may, by resolution, elect to award compensation to Directors as prescribed by statute. No Director shall receive compensation as an employee of the District except as provided in this sub-section.

**8.12. Financial Administration.**

**8.12.1 Fiscal Year.**

The fiscal year of the District shall commence on January 1 of each year and end on December 31.

**8.12.2 Budget Officer and Committee.**

At or before its regular August meeting each year, the Board shall designate a qualified person to prepare the annual budget for the next fiscal year. The Board also may establish a committee, known as the Budget Committee, composed of the designated Budget Officer, the Treasurer, and such other members as may be appointed by the Board to assist in the preparation of the annual budget of the District.

**8.12.3 Budget.**

On or before October 15 of each year, the Budget Officer shall prepare and submit to the Board a proposed budget for the ensuing fiscal year. Such proposed budget shall be accompanied by a statement which shall describe the important features of the budget plan and by a general summary wherein shall be set forth the aggregate figures of the budget in such manner as to show the balanced relations between the total proposed expenditures and

the total anticipated income or other means of financing the proposed budget for the ensuing fiscal year, as contrasted with the corresponding figures for the last completed fiscal year and the current fiscal year. It shall be supported by explanatory schedules or statements classifying the expenditures contained therein by services, subjects and funds. The anticipated income of the District shall be classified according to the nature of receipts.

**8.12.4 Notice of Budget.**

Upon receipt of such proposed budget, the Board shall cause to be published a notice that the proposed budget is open for inspection by the public at the business office; that the Board will consider the adoption of the proposed budget on a certain date; and that any interested elector may inspect the proposed budget and file or register any objections thereto at any time prior to its final adoption. Notice shall be published in substantial compliance with Section 29-1-108, C.R.S., as amended.

**8.12.5 Adoption of Budget.**

On the day set for consideration of such proposed budget, the Board shall review the proposed budget and revise, alter, increase or decrease the items as it deems necessary in view of the needs of the District and the probable income of the District. The Board shall then adopt a budget setting forth the expenditures to be made in the ensuing fiscal year. The Board shall provide for sufficient revenues to finance budget expenditures with special consideration given to the proposed ad valorem tax levy before tax is levied.

**8.12.6 Appropriating Resolution.**

After its adoption of a budget and prior to its certification of a mill levy for the ensuing fiscal year, the Board shall enact a resolution making appropriations for the ensuing fiscal year. The amounts appropriated there under shall not exceed the amounts fixed therefore in the adopted budget.

**8.12.7 No Contract to Exceed Appropriation.**

The Board shall have no authority to enter into any contract, or otherwise bind or obligate the District to any liability for payment of money for any purposes, for which provision is not made in appropriation resolution, including any legally authorized amendment thereto, in excess of the amounts of such appropriation for that fiscal year. Any contract, verbal or written, contrary to the terms of this sub-section shall be void ab initio, and no District funds shall be expended in payment of such contracts, except as provided in the following sub-section.

**8.12.8 Contingencies.**

In cases of emergency caused by a natural disaster, public enemy, or some contingency which could not reasonably have been foreseen at the time of the adoption of the budget, the Board may authorize the expenditure of funds in excess of the budget by resolution duly adopted by a two-thirds vote of the entire membership of the Board. Such resolution shall set forth in full the facts concerning the emergency and shall be included in the minutes of that meeting. If so enacted, a copy of the resolution authorizing additional expenditures shall be filed with the Division of Local Government in the Department of Local Affairs and shall be published in compliance with statute requirements.

**8.12.9 Levy and Collection of Taxes.**

On or before December 15 of each year, the Board shall certify to the Board of County Commissioners of Jefferson County and Clear Creek County the mill levy established for the ensuing fiscal year, in order that, at the time and in the manner required by law for the levying of taxes, such Commissioners shall levy such tax upon the assessed valuation of all taxable property within the District.

#### **8.12.10 Filing of Budget.**

Within 30 days of adoption of the budget, the Board shall cause a certified copy of such budget to be filed with the Division of Local Government in the Department of Local Affairs.

#### **8.12.11 Fiscal Audit.**

**8.12.11.1** Except as required by state statute, the Treasurer shall cause an audit to be made at the end of every fiscal year of all financial affairs of the District through December 31 of such fiscal year. In all events, the audit report must be submitted to the District within six months of the close of such fiscal year. Such audit shall be conducted in accordance with generally accepted auditing standards by a registered or certified public accountant, who has not maintained the books, records, and accounts of the District during the subject fiscal year.

**8.12.11.2** The auditor shall prepare, and certify as to its accuracy, an audit report, including a financial statement and short form balance sheet based on such audit, an unqualified opinion or qualified opinion with explanations, and a full disclosure of violations of state law, pursuant to statutory requirements.

**8.12.11.3** A copy of the audit report shall be maintained in the District office as a public record for a public inspection at all reasonable times.

**8.12.11.4** The Treasurer shall forward a copy of the audit report to the State Auditor or other relevant state official, pursuant to statutory requirements, within thirty days following receipt of the audit.

#### **8.12.12 Deposits and Investments.**

District funds shall be deposited only in banks or savings and loan associations that qualify as eligible public depositories and have been so designated by the State of Colorado. All investments of public money by the District shall be in investment vehicles authorized by law.

### **8.13. Indemnification of Directors and Employees.**

To the fullest extent allowed by law, the District shall defend, hold harmless and indemnify any Director, officer, agent, or employee, whether elective or appointive, against any tort or liability, claim or demand, whether groundless or otherwise, arising out of any alleged act or omission occurring during the performance of duty. The District may compromise and settle any such claim or suit and/or pay the amount of any settlement or judgment rendered thereon.

- 1) For the purposes of this Section 8.13 only, the following definitions shall apply:
  - (a) "Employee". The term "employee" means a Director, officer, member, employee or servant (hereinafter collectively referred to as "employee") of the District, whether or not compensated, elected or appointed. The term "employee" specifically excludes any person or organization contracting to perform services or acting for the District as an independent contractor.
  - (b) "Performance of Duty". The term "performance of duty" shall be interpreted as broadly as possible to include any situation in which a District employee could conceivably be deemed to be acting within the scope of one's employment. It shall specifically extend to all employees who are providing service on a voluntary basis or otherwise to any private, corporate, or governmental party other than the District, when doing so with the appropriate consent and authorization from the District. The term "performance of duty" shall not include any act or omission constituting deliberate and intentional tortious or criminal conduct, or malfeasance in office, or willful or wanton neglect of duty.
  - (c) The District reserves the right to designate the attorney appointed to defend any employee in any tort or liability action instituted pursuant to this Section 8.13.

- (d) The District agrees to indemnify any employee up to, the maximum amounts specified under the Colorado Governmental Immunity Act (Article 10 of Title 24, C.R.S. as amended) and such additional amounts as are insured by liability insurance provided by the District. The District specifically reserves any defenses which are made available to the District or its employees by said Governmental Immunity Act.
- (e) The District may maintain insurance to cover the risks enumerated in Section 8.13.
- (f) All claims to be paid pursuant to this Section 8.13 shall be paid by the District or its insurer. Any judgment or settlement of a claim against the District shall be paid in accordance with the provisions of said Governmental Immunity Act.
- (g) No defense or indemnification shall be provided by the District to any employee in any of the following circumstances.
  - (1) If the employee willingly and knowingly fails to notify the District, within a reasonable time, of any incident or occurrence which one might reasonably expect to result in a claim of tort liability against said employee or the District.
  - (2) If any employee fails to notify the District of any notice of claim or summons and complaint served upon said employee commencing a suit for damages reimbursable pursuant to this Section 8.13; such notice shall be given to the District within fifteen business days of its service upon the employee.
  - (3) If an employee fails to exercise reasonable efforts to notify the District of any claim which is informally asserted against said employee for damages reimbursable pursuant to this Section 8.13.
  - (4) If an employee refuses to cooperate with an investigation or defense of any lawsuit by the District, or its insurer, or by any private attorney employed by the District to furnish the defense to said employee, or any private investigator hired by the District to investigate such tort or liability claim.
- (h) If the District or the employee against whom a claim reimbursable hereunder is asserted has any other valid insurance, bond or indemnification plan available covering the loss or damage alleged against said employee, such insurance, bond or other plan will be first applied to the payment of any claim. In such event, the obligation of the District to indemnify and hold harmless the employee shall exist only for liability incurred in excess of such other coverage.
- (i) In the event of any payment made pursuant to this Section 8.13, the District shall be subrogated to all of the employee's rights of recovery therefore against any person or organization, and the employee shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights of subrogation. The employee shall do nothing to prejudice such rights.
- (j) No assignments of indemnification shall be permitted without the written consent of the District, signed by the President, and no such assignment shall bind the District unless such written consent is given prior to assignment. If, however, the employee shall die, the benefits of this Section 8.13 shall be available to, and apply fully to, the employee's successor, estate, or legal representative, but only while acting within the scope of one's duties as such.
- (k) Any defense and indemnification available to any employee under this Section 8.13 shall continue to be available after the termination of one's employment, office or tenure if the act or omission causing such liability occurred during the course of one's duties while an employee of the District. Such defense and indemnification shall not be available to a former employee, however, in the event that the tort or liability claim against said former employee was asserted as a counter-claim or set-off in any suit brought by the employee, except the extent that the liability of such employee may exceed the amount of one's own claim or suit.
- (l) The provisions of this Section 8.13 shall be subject to and, to the extent of any inconsistency therewith, shall be modified by said Governmental Immunity Act.

#### **8.14 Bidding and Contracting Procedures.**

Except in cases in which the District will receive aid from a government agency, a notice shall be published for bids on all construction contracts for work or material, or both, involving an expense in excess of \$60,000.00 or more of public money. The District may reject any and all bids, and if it appears that the District can perform the work or secure material for less than the lowest bid, it may proceed to do so in accordance with statute.

**8.14.1** No contract for work, materials, or services, regardless of amount, shall be entered into between the District and a Director unless a notice of bids has been published in accordance with statute.

**8.14.2** In the letting and administration of all construction contracts, the Board shall proceed in accordance with applicable law.

#### **8.15. Violence and Harassment Prohibited.**

The District prohibits violence or threats of violence on District property or at any location by District representatives, employees, or agents. The District prohibits harassment, including sexual harassment, against anyone (including any volunteer, employee, citizen, or District official) based on the individual's race, color, gender, national origin, religion, disability, age, marital status, sexual status, military service or veteran status, or based on those aspects in an individual's relatives, friends or associates. Harassment means verbal or physical conduct that insults or shows hostility or aversion toward an individual. Harassment may include:

- Epithets or slurs
- Negative stereotyping
- Threats, intimidation or hostile acts
- Demeaning or hostile jokes or pranks
- Insulting or hostile written or graphic material posted or circulated in the workplace.

##### **8.15.1 Reporting Policy.**

District representatives, employees and agents have an important responsibility in the effective implementation of the District's policies against harassment, sexual harassment and violence. Any representative, employee or agent member who believes that he or she has been the subject of harassment or sexual harassment, who has been harmed by violence or threatened with violence, or who has witnessed anyone else connected with the District experience or commit such conduct, should promptly notify a member of the District Board.

##### **8.15.2 Investigation.**

The District will promptly investigate a harassment or sexual harassment complaint or violence report, and will take corrective action where appropriate.

### **ARTICLE IX – RULES OF INTERPRETATION AND MISCELLANEOUS PROVISIONS.**

#### **9.1 Interpretation.**

Any ambiguity, conflict, omission or question of interpretation of these Rules and By-Laws shall be determined by the Board in its sole discretion, and its determination shall be final and conclusive. The Board's interpretation of these Rules and By-Laws shall not be

deemed to be a new enactment, amendment or change of any Rule or By-Law for any purpose.

**9.2 Construction.**

All words and phrases shall be construed and defined according to the common and generally accepted meaning thereof, but technical words and phrases and such others as may have acquired a particular and appropriate meaning in the law or industry shall be construed and defined according to such particular and appropriate meaning. The title of any section in these Rules and By-Laws shall not be deemed in any way to restrict, qualify, or limit the effect of the provisions set forth in the section.

**9.3 Severability.**

If any section, subsection, sentence, clause or phrase of these Rules and By-Laws is judicially determined to be invalid or unenforceable, such judgment shall not effect, impair or invalidate the remaining provisions of these Rules and By-Laws, the intention being that the various sections and provisions hereof are severable.

**9.4 No Damage for Enforcement or Failure to Enforce.**

Nothing in these Rules and By-Laws shall create any liability or right to damages against the District, its directors, officers, employees or agents, because of any enforcement of or failure to enforce any provision of these Rules and By-Laws.

**9.5 Modification of By-laws.**

These Rules and By-Laws may be altered, amended or repealed at any regular meeting or at any special meeting of the Board called for that purpose and such alterations, additions, or amendments shall be binding and of full force and effect as of the date of their adoption by the Board, unless otherwise provided.

**Appendices**

- A. Schedule of Rates and Fees
- B. Mechanical Specifications
- C. Application for Tap Permit
- D. Hydrant and Water Use Permit
- E. Hydrant Installation Permit
- F. Permanent Disconnection Procedure