

**UTE WATER CONSERVANCY DISTRICT
AND THE UTE WATER ACTIVITY ENTERPRISE
RULES AND REGULATIONS**

TABLE OF CONTENTS

INTRODUCTION	1
MISSION STATEMENT	2
BINDING NATURE	2
DEFINITIONS	3

SECTION A

OWNERSHIP AND OPERATION OF FACILITIES

(1) RESPONSIBILITIES OF THE DISTRICT	9
(2) LIABILITY	9
(3) CHLORAMINES	10

SECTION B

USE OF THE DISTRICT'S WATER SYSTEM

(1) AUTHORIZATION	11
(2) RESPONSIBILITIES OF THE CUSTOMERS	11
(3) CROSS CONNECTION	13
(4) SYSTEM EXPANSIONS AND EXTENSIONS	14
(5) CURTAILMENT PRIORITIES OF USAGE	17

SECTION C

ELIGIBILITY AND APPLICATION

(1) INCLUSION	18
---------------	----

(2)	APPLICATION FOR SERVICE	19
(3)	DENIAL OR CANCELLATION OF SERVICE	20
(4)	METER INSTALLATION	21
(5)	CHANGE IN CUSTOMER'S SERVICE	22
(6)	LAND USE CHANGE	23

SECTION D

TYPES OF SERVICE

(1)	SINGLE FAMILY RESIDENTIAL WATER SERVICE	25
(2)	MULTIPLE FAMILY (MULTI-FAMILY) RESIDENTIAL WATER SERVICE	27
(3)	COMMERCIAL WATER SERVICE	29
(4)	STOCKWATER WATER SERVICE	30
(5)	AGRICULTURAL WATER SERVICE	30
(6)	MIXED OR MULTI-USE WATER SERVICE	33
(7)	PUBLIC FIRE PROTECTION WATER SERVICE	34
(8)	PRIVATE FIRELINE WATER SERVICE	34
(9)	FILL STATION WATER SERVICE	35
(10)	SPECIAL SITUATION WATER SERVICE	35

SECTION E

SERVICE CHARGES

(1)	LIABILITY FOR PAYMENT	37
(2)	ESTABLISHING BILLING RESPONSIBILITY	37
(3)	BILLING STATEMENTS	37
(4)	LATE CHARGES	37

(5)	LOCK-OFF	38
(6)	VOLUNTARY DISCONTINUANCE OF SERVICE	39
(7)	RETURNED OR UNPAID ITEMS	39
(8)	UNAUTHORIZED WATER USE OR THEFT	40

SECTION F

SPECIAL SITUATION WATER SERVICES AND VARIANCES	41
--	----

APPENDIX A: FRUITA WATER SERVICE

APPENDIX B: REDLANDS MESA PUMP ZONE

APPENDIX C: ROSEVALE AREA RULES AND REGULATIONS

APPENDIX D: HORSE MOUNTAIN AREA RULES AND REGULATIONS

EXHIBITS

EXHIBIT I - REQUIREMENTS FOR NEW METERED SERVICE

EXHIBIT II – TAP FEES, WATER RATES AND OTHER CHARGES

UTE WATER CONSERVANCY DISTRICT
AND THE UTE WATER ACTIVITY ENTERPRISE
RULES AND REGULATIONS

INTRODUCTION

Ute Water Conservancy District is a political subdivision of the State of Colorado, organized and operating under the authority of the Colorado Water Conservancy Act, Sections 37-45-101 et. seq., C.R.S., and governed by a judicially appointed Board of Directors. The Ute Water Conservancy District has created an enterprise, known as the Ute Water Activity Enterprise, to conduct all of its water activities. Additional information about Ute Water Conservancy District is set forth on its website.

These Rules and Regulations, Appendices and Exhibits attached hereto shall be treated as comprehensive and shall supersede all previous rules and regulations as contained in the records of the District, except to the extent such previous rules and regulations are expressly incorporated herein. With the exception of regulatory health and safety issues, any service connections or other matters relating to the District's water system that were in compliance with prior rules and regulations as of the effective date of these Rules and Regulations, but are not in conformity with these Rules and Regulations, may remain as non-conforming connections or matters for as long as they continuously exist. Any change, increase, or expansion of such non-conforming connections or matters will terminate the right to continue as a non-conformity, and the non-conforming connection or other matter must be brought into compliance with these Rules and Regulations within a reasonable time, as determined by the District.

These Rules and Regulations will serve a public use, and they are both necessary and desirable to protect the health, safety and welfare of the benefiting public.

MISSION STATEMENT

The District's mission is to secure and provide the highest quality water to meet the current and future needs of its customers at the lowest reasonable cost.

BINDING NATURE

The provisions of these Rules and Regulations shall be binding on each customer, user, developer or other person who receives benefits from the District's system. Each customer, user, developer or other person, by purchasing a tap, using water from the District's system, connecting to the District's system, or otherwise receiving benefits from the District's system shall be deemed to have expressed their consent to be bound by the provisions of these Rules and Regulations, as they may be amended from time to time by the Board of Directors.

The Board of Directors may, in its sole discretion, grant a variance from any of the provisions of these Rules and Regulations in instances where the literal interpretation or strict application of these Rules and Regulations would create an unnecessary and undue hardship on the applicant for the variance or where other special circumstances exist which were not created by the applicant. The granting of a variance shall avoid conflicts with the goals, policies and guiding principles of these Rules and Regulations to the greatest extent possible, and the granting of a variance for one person or parcel of land shall not create a precedent for granting a variance to or for other persons or parcels. Variances may contain any terms and conditions that the Board of Directors determines are necessary to address the situation for which the variance is granted, which terms and conditions may include, without limitation, different or increased fees and charges for water service than those fees and charges set forth in

these Rules and Regulations. Details about specific variances granted by the Board may be set forth in Section F of these Rules and Regulations.

When these Rules and Regulations call for a decision by the District, or an approval, denial, determination, opinion or other action by the District, such decision or other action shall be made by the Manager of the District or by another employee of the District to whom the Manager or these Rules and Regulations has delegated authority for the decision or other action. If any person is not satisfied with the decision or other action taken by the Manager or other employee, that person shall be entitled to request that the Board of Directors review the decision. This request shall be made to the Manager within ten days after the decision or other action has been made or taken, and the Manager shall place the matter on the agenda for the next regular Board of Directors meeting, if the request is made at least seven days before the board meeting, or if not, for the next following regular board meeting. If a request for review by the Board of Directors is not timely made, the decision of or other action taken by the Manager or other employee shall be final.

DEFINITIONS

Unless indicated otherwise, the meaning of terms contained herein shall be as follows:

ACCESSORY DWELLING UNIT: A dwelling unit that is located on the same parcel of land as a single family residence (as defined in Section D(1) of these Rules and Regulations) and whose use is secondary to the single family residence. The accessory dwelling unit may be attached to or be a part of the single family residence or it may be freestanding. If a question arises as to whether a structure is an accessory dwelling unit, the District, in its sole discretion, will make the determination.

ACTUAL COST: All direct costs applicable to the construction, installation, placement, replacement or repair of any component, apparatus, fixture or device, or any combination thereof, which is or becomes a part of the physical facilities of the District's infrastructure, including but not limited to acquiring easements, engineering, inspection, materials, equipment and labor costs.

BACKFLOW: A flow condition induced by a differential in pressure which causes the flow of water into the distribution pipes of a potable water supply from any source other than the intended source.

BACKFLOW PREVENTION DEVICE (BFPD): A device that complies with the requirements of the regulations and policies of the Colorado Department of Public Health and Environment that will allow water to flow in only one direction.

BOARD OR BOARD OF DIRECTORS: The judicially appointed governing board of the Ute Water Conservancy District and the Ute Water Activity Enterprise.

CHLORAMINES: Disinfectants used by the District to treat the potable water that it provides to its customers and users. Chloramines are a combination of chlorine and ammonia and are used to reduce the amount of disinfection by-products called trihalomethanes.

CONTRACTOR: A licensed, bonded and adequately insured person, firm or entity who or which is approved and authorized to perform work for or provides a service to the District.

CROSS CONNECTION: A physical connection through which a supply of potable water could be contaminated or polluted. A cross connection is a connection between the potable water supply provided by the District and a supply of water of unknown quality from any other source.

CUSTOMER: The person or party responsible for receiving and/or paying billings for water service provided from the District's system under the terms and conditions of these Rules and Regulations. A customer could include the owner of the parcel served by a meter, the lessee of a parcel served by a meter, or other person who or which is responsible for either receiving billing statements for water service to a parcel or paying such billing statements.

DEVELOPER: Any person who develops real estate and/or improves, subdivides or builds thereon. A developer does not include an individual building a residence for the individual's own use.

DISTRICT: The Ute Water Conservancy District and the Ute Water Activity Enterprise.

DISTRICT'S SYSTEM OR WATER SYSTEM: All of the infrastructure owned, operated or utilized by the District to divert, collect, store, transport, transmit, treat, distribute and deliver water to its customers and users.

DISTRICT'S WEBSITE: The website maintained by the District, located at www.utewater.org.

DWELLING UNIT: One or more habitable rooms that are arranged, occupied or intended or designed to be occupied by not more than one family or group of individuals with facilities for living, cooking, sleeping, eating and sanitation. If a question arises as to whether a structure is a dwelling unit, the District, in its sole discretion, will make the determination.

FEES AND CHARGES: All water rates, fees, charges, penalties, damages, interest and all other fees and charges related to the provision or discontinuance of water service by the District to a parcel of land.

FIRE HYDRANT: A device connected to a water main and equipped with the necessary valves and outlets, to which a fire hose may be attached for discharging water at a high rate for the purpose of extinguishing fires.

GENERAL MANAGER or MANAGER: Shall mean the board-appointed Manager of the District.

INSPECTOR: The person or persons duly authorized by the District to ensure that proper construction specifications are followed.

MASTER METER FEE: A tap fee for metered domestic service where more than one dwelling unit is served by a single meter in connection with multiple family residential water service.

MAY: Is permissive.

METER: The mechanical device, installed by District authorized personnel, which records the volume of water passing from the District's distribution system to the customer's service line.

PARCEL or PARCEL OF LAND: A tract of land that has been assigned a unique parcel number by the Mesa County Assessor.

PERSON: An individual, corporation, limited liability company, estate, trust, partnership, association, joint venture, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

SERVICE CONNECTION: The physical connection to the District's water main and all of the apparatus necessary for the delivery of water from the District's water main to and including the meter.

SERVICE LINE, CUSTOMER'S: The pipe, line or conduit that transports water from the District's system to an individual house, structure or parcel. The point at which

a customer's service line begins generally depends on the type of water service provided to the customer and the location of the meter. For residential water service, the customer's service line begins at the point the service line connects to the meter yoke or nipple on the downstream side of the meter, immediately outside of the meter box. For all other types of water service, the customer's service line begins at the point the service line connects to the meter yoke or nipple on the downstream side of the meter immediately outside of the meter box, if the meter is in a public road right of way, or at the property line of the parcel served by a meter if the meter is located on the parcel and not in a public road right of way. Special circumstances may require that the customer's service line begin at a different point than the points described above, in which case the District shall determine, in its sole discretion, where the customer's service line begins.

SERVICE LINE, DISTRICT'S: The pipe, line or conduit that extends from the District's water main that serves a parcel to the point at which the customer's service line begins.

SHALL: Is mandatory.

TAP: An attachment to an existing distribution line for the purpose of providing metered potable water service for consumptive use.

TAP FEE: The fee established by the Board of Directors, based on the size of the tap and water meter, that is due and payable at the time of water service application and signing of the water service contract.

USER: Any person to whom water service is rendered under the terms and conditions of these Rules and Regulations.

WATER MAIN, WATER LINE, DISTRIBUTION LINE OR TRANSMISSION LINE:

Any water pipe, line or portion thereof owned or operated by the District.

WATER SERVICE CONTRACT: The contract form that the owner of a parcel or the owner's representative must sign before a new water tap and meter is installed to serve the parcel or an accessory dwelling unit is approved for a parcel.

WET TAP CONNECTION: A connection by District-authorized personnel to an existing pressurized water main for the purpose of extending or expanding the distribution system, without interrupting services.

WET TAP CONNECTION FEE: The fee based on the size of the distribution main being tapped and the size of water line being connected, and intended to cover the costs of labor, equipment and materials associated with the connection.

WILL: Is mandatory.

5/8" METER: A meter with a 5/8" water flow capacity with 3/4" threads to allow it to be hooked up to a 3/4" service line, commonly known as a 5/8" x 3/4" meter.

3/4" METER: A meter with a 3/4" water flow capacity with 3/4" threads to allow it to be hooked up to a 3/4" service line, commonly known as a 3/4" x 3/4" meter.

SECTION A

OWNERSHIP AND OPERATION OF FACILITIES

(1) RESPONSIBILITIES OF THE DISTRICT: The District is responsible for the collection, treatment and distribution of water for potable domestic purposes and other beneficial uses consistent with these Rules and Regulations, as well as the maintenance, repair and replacement of all water mains, valves and service facilities owned by the District. The District will repair or replace defective or faulty water meters, and will repair, replace or expand the District's system with its own maintenance personnel or with approved and authorized contractors under the supervision of District personnel.

(2) LIABILITY: The District is a political subdivision of the State of Colorado. Accordingly, the District is a "public entity" for purposes of the Colorado Governmental Immunity Act, Sections 24-10-101 et seq., C.R.S., and the liability of the District and its officers, directors, employees, servants and volunteers for actions which lie in tort or could lie in tort is governed by the Governmental Immunity Act, as it may be amended from time to time. Other statutes and laws may also afford certain privileges and immunities to the District and its officers, directors, employees, servants and volunteers. Nothing in these Rules and Regulations shall be construed to create any liabilities or to waive any of the immunities, limitations on liability, or other provisions or protections of the Governmental Immunity Act or of any other statutes or laws applicable to the District or its officers, directors, employees, servants and volunteers.

Without limiting the generality of the preceding paragraph, the District shall not be liable or responsible for, and no claim for damage may be made against the District, because of but not limited to any of the following: inadequate or excessive pressure;

interruption of service; the breaking of any service line, water main, distribution line, transmission line, or other line; failure of the water supply; shutting off or turning on water in the water mains; making connections or extensions; or, damage caused by water running or escaping from open or defective faucets or other appurtenances; burst water pipes, damage to water heaters, boilers, appliances, or other water facilities not owned by the District, which results from shutting water off, turning water on, thermal expansion, inadequate or sporadic pressures, or other causes; or for taking any necessary measures relating to the District's water system.

(3) CHLORAMINES: The District uses chloramines as part of its water treatment process for the potable water that it provides to its customers and users. The use of chloramines as a drinking water disinfectant is approved under the federal Safe Drinking Water Act. The use of chloramines is becoming more popular in the United States as an alternative for chlorine during the disinfection of drinking water and helps maintain consistent water quality throughout the District's entire distribution system. Aquarium owners and dialysis patients should be aware that the water provided by the District contains chloramines and should follow proper procedures relating to the use of that water. Additional information regarding these procedures is set forth on the District's website.

SECTION B

USE OF THE DISTRICT'S WATER SYSTEM

(1) AUTHORIZATION: The following activities relating to the District's system require prior authorization from the District.

(a) To uncover, make any connection with or opening into, use, alter or disturb any part of the District's system.

(b) To utilize a hydrant wrench or valve shut-off key on any District water line or appurtenance.

(c) To connect a water well or water from any source other than from the District to any portion of a customer's or user's domestic water system downstream from the customer's meter.

Any person who maliciously, willfully or negligently breaks, damages, destroys, uncovers, defaces or tampers with any structures, appurtenances or equipment which are part of the District's system shall be subject to payment of damages to the District and may be prosecuted to the full extent of the law. Nothing in these Rules and Regulations shall be deemed to prevent a customer or user from turning off the shut-off valve on the customer's meter for emergency or repair purposes.

(2) RESPONSIBILITIES OF THE CUSTOMERS:

(a) All customers, users, developers and others who obtain benefits from the District's system shall comply with and abide by these Rules and Regulations and all other contracts or agreements they enter into with the District.

(b) No person shall connect any equipment, irrigation system or mechanism to a customer's water system, or use any water treating chemical or substance if such

equipment, mechanism, chemical or substance could cause degradation of the District's water supply by backflow, without first installing a BFPD approved by the District.

(c) All customers shall take note that there is no waste way in the shut off at the meter or at the main, and that any water standing in the pipes when water is turned off at the meter or main will remain there unless drained. All customers having boilers, pressure pumps, or other appliances on their premises that depend on pressure or on a continual supply of water for proper functioning shall provide, at their own expense, suitable safety appliances to protect their property against a stoppage of water supply or loss of pressure. Customers will also be responsible for the protection of their plumbing system against pressure fluctuations and/or thermal expansion which can result from these devices or from BFPD's.

(d) Each customer shall be responsible for maintaining the entire length of the customer's service line from the point of beginning of the customer's service line to the structure(s) or parcel served. Leaks or breaks in the customer's service line shall be repaired by the customer in a timely manner. If District personnel discover, determine or confirm the existence of a leak, the customer will be so notified. If satisfactory progress toward repairing the leak has not been accomplished within a reasonable length of time, as determined by the District, the District may shut off the service until the leak(s) or break(s) have been repaired.

(e) Only the loss of metered water that is a direct result of underground leaks or underground breaks in the customer's service line will be considered for leak adjustments, and only after the District confirms the repair. A customer shall be entitled to no more than one leak adjustment to the customer's water bill in any consecutive twelve (12) month period and, when approved, leak adjustments will cover a period of

water loss not to exceed two monthly billing periods. The water rate for approved leak adjustments is set forth on Exhibit II.

(f) The owner of a parcel is responsible for providing to and maintaining with the District the current contact information (address and telephone number) for the owner.

(3) CROSS CONNECTION:

(a) The District will require, at customer expense, the installation of a BFPD on all new service connections or any existing service connection when, in the opinion of the District, the service connection poses a threat to the District's water supply from backflow.

(b) Pursuant to the Federal Safe Drinking Water Act and Article 11.39 of the Colorado Primary Drinking Water Regulations (Regulation No. 11 of the Colorado Department of Public Health and Environment, Water Quality Control Commission, 5 CCR 1002-11), it is the District's regulatory responsibility and policy to:

1. Identify potential hazardous service connections.
2. Require the installation of containment devices on identified health hazard service connections, with approved BFPD's.
3. Inspect and approve the installation of all BFPD's so required.
4. Require the testing and maintenance as necessary upon installation, and at least annually thereafter, of all District required BFPD's by certified cross-connection control technicians.

(c) Cross connection control and backflow prevention shall be implemented and administered in accord with all applicable federal and Colorado statutes, policies, rules and regulations, including without limitation the Colorado Cross-Connection

Control Manual published by the Colorado Department of Public Health and Environment, as that manual may be revised from time to time.

(d) The test results for a BFPD after its initial installation and the annual test results for a BFPD shall be provided by or on behalf of the customer to the District promptly after each test is completed. If a BFPD is not tested upon installation and at least annually thereafter by the customer, if the test results are not promptly provided to the District, or if the customer does not maintain the BFPD in proper working order, the District may discontinue water service to the parcel served by the BFPD until the issue is resolved to the District's satisfaction.

(4) SYSTEM EXPANSIONS AND EXTENSIONS:

Any expansion, extension or enlargement of the District's system shall conform to the District's standard construction specifications and District-approved construction drawings submitted by the developer or the developer's engineer. The point of connection to the existing system will be determined by the District or by the developer, subject to approval by the District. Physical connection will be made by District authorized personnel following receipt of wet tap connection fees and other applicable fees, if any. See Exhibit II for wet tap connection fees.

(a) Expansion of Service for New Developments: The developer of a new subdivision or other development will be responsible, at developer expense, for installing all components of the water system from the point of connection to the District's water main to and within the new subdivision or development, including District-supplied meter yokes and meter pits. The developer shall warranty the components of the water system that it installs against defective material and workmanship for a period of one year following acceptance of the components by the

District. Following completion of the installation of the water system components, the District will inspect the installation for trench compaction, pressure, disinfection and other matters. The developer shall correct any deficiencies and complete any work noted by the District's inspection. When the installation passes the District's inspection, the District will issue a letter to the developer accepting the water system components, and the one-year warranty period will commence upon the issuance of that letter. After acceptance by the District, the District will own, operate and, after the one-year warranty period expires, maintain the water system components in the same manner as all other components of the District's system.

(b) Water Main Extensions or Enlargements: When growth or development is proposed in an area within the District where the existing water system does not have sufficient capacity, in the opinion of the District, to meet the anticipated demand of the growth or development, the customer or developer will be required to install, at customer or developer expense, a water main extension or enlargement of adequate size to serve the customer or development. The extension or enlargement will be installed, whenever possible, within the north or east half of a dedicated public road right-of-way. From the point of connection to the District's water main, the extension or enlargement will run within a public road right-of-way to a point beyond any property frontage improvements or, at the discretion of the District, for the entire width of the subject property frontage. The customer or developer shall warranty the extension or enlargement that it installs against defective material and workmanship for a period of one year following substantial completion of the extension or enlargement. Following substantial completion of the installation of the extension or enlargement, the District will inspect the installation for trench compaction, pressure, disinfection and other matters.

The developer shall correct any deficiencies and complete any work noted by the District's inspection. When the District agrees that the installation has been substantially completed, it will issue a letter to the developer accepting the extension or enlargement, and the one-year warranty period will commence upon the issuance of that letter. After acceptance by the District, the District will own, operate and, after the one-year warranty period expires, maintain the extension or enlargement in the same manner as all other components of the District's system.

1. The District may enter into a water main extension agreement with the customer or developer, administered by the District, whereby subsequent attachments to and/or services from the water main extension or enlargement, within a specified period of time, would require participation in the cost of the extension or enlargement. Fees collected pursuant to the agreement will be refunded to the original customer or developer, to any previously participating user and to the District, based on the costs each of them has contributed to the extension or enlargement.

2. The District may, but is not obligated to, participate in the extension or enlargement by contributing engineering services, materials, labor or finances in an amount or to the extent determined by the District. District participation will be considered only when the District determines either:

- (i) the extension or enlargement provides needed benefits to existing customers in the immediate area, such as increased volume or increased pressure, or
- (ii) a line larger than is necessary for the customer or developer is desired by or beneficial to the District.

When the District participates in an extension or enlargement, it shall also be entitled to the cost recovery of its investment pursuant to any water main extension agreement that is entered into with respect to the extension or enlargement.

3. When an extension or enlargement is installed, the District, at its own expense, reserves the right to abandon any existing parallel or nearby water lines and reconnect pre-existing customers and distribution pipelines to the extension or enlargement.

(c) If the developer or customer fails to correct any deficiencies or complete any work noted by the District's inspection of an expansion, extension or enlargement, the District, in its discretion, may refuse to accept the water system components constructed by the developer or customer, to connect the water system components to the District's system or to issue taps, and it may take any other actions that are appropriate to address or respond to the failure of the developer or customer to correct the deficiencies or complete the work.

(5) CURTAILMENT PRIORITIES OF USAGE:

If a shortage of water supply or other reason determined by the Board of Directors, in its sole discretion, necessitates a curtailment of customer usage, the curtailment shall be accomplished in a sequence established by the Board of Directors, based on the severity and anticipated duration of the matter creating the necessity for the curtailment.

SECTION C

ELIGIBILITY AND APPLICATION

Except as otherwise allowed by law, potable water services will be furnished by the District only to properties within the boundaries of and subject to the Rules and Regulations of the District.

(1) INCLUSION:

(a) Parcels of land outside the legally described and recorded boundaries of the District which desire services from the District must petition for inclusion into the District in accordance with applicable Colorado statutes (Section 37-45-136, C.R.S.).

(b) Petitions for inclusion of individual parcels of land shall be made to the District in accordance with Section 37-45-136(2), C.R.S. Petitioners will attach to the petition a copy of the warranty deed or other documentation satisfactory to the District, evidencing ownership of the subject parcels of land to be in the parties signing the petition.

(c) The petition for inclusion of an individual parcel of land into the District pursuant to Section 37-45-136(2), C.R.S., shall be accompanied by a non-refundable deposit of \$300.00, provided, however, that the District may require a larger deposit for a petition if it anticipates higher costs with respect to the processing of the petition. This deposit shall provide for legal, advertising, court and recording costs incurred by the District in the completion of the inclusion process. Any costs or fees incurred by the District over and above the amount of said deposit shall be paid by the party seeking inclusion within ten (10) days of a written statement from the District for these additional costs or fees.

(2) APPLICATION FOR SERVICE:

(a) New Customer - New Tap: Applications for new, potable water service must be signed and filed with the District by the owner of record of the parcel of land to be served, or the owner's representative, on the form provided by the District, and accompanied by the appropriate tap fees and other fees, if any, prior to any action or connection to the District's system. See Exhibit II for meter tap fees.

(b) New Customer - Existing Tap: New customers on an existing service connection must provide all pertinent customer information to the District before water service is provided through that connection.

(c) Responsibility for Charges: The owner of the parcel of land served by a District meter is responsible for all fees and charges related to the provision of water service to that parcel. If there is more than one owner of a parcel, all of the owners are jointly and severally liable for all fees and charges related to the provision of water service to that parcel. The owner(s) of a parcel may designate an agent, property manager, or tenant as the responsible party for receipt of statements and payment of the monthly water rates for water service to the parcel. Any such designation must be submitted to the District in writing, except that a landlord or property manager may orally inform the District that the landlord's tenant will be the responsible party for receipt of statements and payment of monthly water rates. However, the parcel owner(s) will remain ultimately responsible and liable for all fees and charges associated with water service to the parcel. The District collects no deposit and assumes no responsibility for any agreements by or between landlord and tenant, between the parcel owner(s) and their agents, managers or other representatives, or between buyer and seller. A new owner of a parcel served by the District shall be responsible and liable for any fees and

charges due to the District in connection with the provision of water service to that parcel to the extent such fees and charges have not been paid by the prior owner. If a new owner does not pay such fees and charges before receiving water service from the District, the District will add the outstanding fees and charges to the owner's monthly billing statements for water service.

(3) DENIAL OR CANCELLATION OF SERVICE:

The District reserves the right to deny an application for water service, or withhold or discontinue existing water service, for any valid reason as determined by the District, including but not limited to the following:

(a) That the service applied for would create an excessive seasonal or otherwise undesirable demand on District facilities.

(b) For misrepresentation, either at the time of application to the District for water service or after water service is being provided, as to the use to be made of the water supply.

(c) That, in the judgment of the Board or District staff, service to the parcel is not reasonably feasible based upon engineering, economic or other relevant considerations.

(d) Based upon an unresolved obligation between the District and the applicant, customer or user.

(e) Inadequate documentation or failure to provide necessary easements for new water line installations serving the parcel.

(f) Failure to comply with District construction specifications.

(g) Failure to comply with backflow prevention requirements.

(h) Violation of or failure to comply with any provision of these Rules and Regulations.

(i) Non-use within six (6) months after the approval of new water service to a parcel.

(j) Failure to allow the District to review new subdivisions or other proposed developments that would be served by the District.

(k) Failure to comply with or implement District requirements for serving new subdivisions or other proposed developments.

(l) The parcel to be supplied with water service is not within the boundaries of the District or is otherwise not eligible to receive water service from the District.

(m) Use of the water provided by the District for purposes that are illegal or otherwise not allowed under applicable law.

(4) METER INSTALLATION

(a) If, through no fault of the District, the meter is not installed within six (6) months following the approval of the service to a parcel, the District will refund the tap fees for that meter to the applicant. If water service is thereafter desired to that parcel, a re-application for service will be required subject to any increases in tap fees implemented since the initial application for service.

(b) If the meter has been installed but is not providing beneficial water service within six (6) months following the approval of service, it may be removed by the District. Reinstallation of a meter to serve the parcel will require re-application for service and will be subject to any increases in tap fees implemented since the initial application for service. Payment of increased tap fees, if any, will be required before the meter is reinstalled and water service is provided.

(c) All meters larger than 6 inches require prior approval of the Board of Directors.

(d) All installed meters are owned, operated and maintained by the District and may be replaced from time to time, at the District's expense, as determined by the District.

(5) CHANGE IN CUSTOMER'S SERVICE: The District will make reasonable efforts to install the water meter in a location that is mutually agreeable to the parcel owner and the District, but the District reserves the right to determine the actual location at which the meter will be installed. No subsequent change in the meter or service will be made without the approval of the District.

(a) If, after the meter is installed, the owner of the parcel served by the meter requests its relocation for any reason, and the new location is acceptable to the District, the District will move the meter and the parcel owner will reimburse the District for the actual cost of the relocation.

(b) If, after the meter is installed, the customer's activities or property modifications result in the likelihood of damage to the meter, or render it inaccessible, the District may relocate the meter and bill the customer for the actual cost of relocation.

(c) Meters are tied to the parcel of land they are intended to serve and will not be relocated to another parcel.

(d) If the size of the tap and meter is increased, an additional charge will be made which will be the difference between the current tap fee of the two size taps. If the size of the tap or meter is decreased, there is no refund.

(6) LAND USE CHANGE: If the character of a parcel of land of any size which may or may not contain structures, but which does contain one or more District taps and meters, should change through subdivision, rezone, reclassification, development, redevelopment, or otherwise, and if either additional or fewer water taps or meters are necessary for the new uses and/or structures, the following regulations shall apply:

(a) Actual cost for relocation of existing meters will be paid by the parcel owner.

(b) Upgrading existing meters will require payment of the difference between the current tap fee of the existing meter(s) and the current tap fee of the new meter(s). If the size of a tap or meter is decreased, there is no refund.

(c) Additional meters will require applicable tap fees, at then current rates.

(d) If the new use or change in use is eligible for master metering, the current value of the existing meter(s) or master meter fee based on the number of existing units will be credited toward the master meter fee. No refunds will be made for a reduction in the number of units served by a master meter.

(e) Any unused water meters will revert to the District. No refunds of tap fees for those meters will be made.

(f) Applicable cross connection control regulations will apply.

SECTION D
TYPES OF SERVICE

All water service shall be metered by the District. The District reserves the right to critically review all proposed water uses and users as to their overall effect on the District's collection, treatment, storage and distribution systems. Unusual circumstances or special conditions may require separate written contracts with requirements in addition to those set forth in these Rules and Regulations as a prerequisite to or in conjunction with new or changed water service. New taps and meter installations will be made only by District personnel and only after the Requirements for New Metered Service (See Exhibit I) and other requirements of these Rules and Regulations are met. Meters will be installed in public road rights of way. Unless it is deemed impractical by the District, the meter will be installed immediately adjacent to the property line of the parcel to be served in a location that is not subject to vehicular traffic. See EXHIBIT I for Requirements for New Metered Service.

Each meter, tap and service connection of the District shall be tied to a single, specific parcel of land. All water provided through a meter, tap or service connection shall be used only on the parcel of land to which the meter, tap and service connection is tied. The provisions of this paragraph apply to all types of water service described in this Section D except public fire protection water service (Section D, Paragraph (7)) and fill station water service (Section D, Paragraph (9)).

The District serves high quality treated potable water to its customers. The District's policy is that this water should be provided and used to meet the potable water needs of its customers and users and should not be used for irrigation or landscape maintenance purposes. Accordingly, the District's policy is that it will not sell taps solely

for irrigation or landscape maintenance purposes. Most areas within the District's boundaries have access to untreated irrigation water for outside uses such irrigation of lawns, gardens and other landscaped areas. The District's policy is to require all new parcels, subdivisions and other developments to use untreated irrigation water, rather than treated water from the District's system, for irrigation and other outdoor uses to the extent irrigation water is available. If irrigation water is not available, the District's policy is to encourage the use of xeriscaping or other landscaping that requires little or no irrigation, rather than use of treated water from the District's system. The District will adhere to these policies in reviewing water service to new parcels, subdivisions and developments and in authorizing new taps.

The types of water service provided by the District are described below. The tap fees and water rates for water service are described in Exhibit II to these Rules and Regulations. If a question arises as to which service applies to an anticipated or actual use of a parcel of land, the District will make the determination.

(1) SINGLE FAMILY RESIDENTIAL WATER SERVICE: A single family residence shall mean a dwelling unit that forms a separate structure from any other dwelling unit and is the principal structure on the parcel of land on which it is located. A parcel of land that contains a single family residence may also contain an accessory dwelling unit if allowed by Mesa County or the municipality in which the land is located. If a question arises as to whether a structure is a single family residence, the District will make the determination.

As a single family residential service, each single family residence and each accessory dwelling unit on a parcel of land shall have a separate tap and meter. Water needs for additional structures, improvements or amenities on a single land parcel

which are not dwelling units and which are used solely for the personal pleasure, comfort and convenience of the customer may be served through the residential meter for either the single family residence or the accessory dwelling unit. Tap fees and monthly water rates for single family residential water service are set forth on Exhibit II in the section entitled Residential Water Service (Individual Meters).

(a) Prior to January 1, 2021, certain non-rental dwelling units used as a residence for farm labor employees or by economically or physically dependent relatives of the customer, and which were located on the same parcel of land as the principal residence, were not required to obtain additional taps, but were subject to additional minimum monthly water charges. This exception (referred to in this paragraph as a “tap variance”) required the submittal of a sworn affidavit (“Variance Affidavit”) to the District which was then recorded in the public records of Mesa County. Effective January 2, 2021, tap variances are no longer available to customers of the District. However, parcels of land for which a Variance Affidavit was recorded prior to this date shall be entitled to continue to operate under the tap variance until the earlier of:

- (i) The conditions upon which the tap variance was granted no longer exist, as determined in the sole discretion of the District; or
- (ii) The conveyance or other transfer, in whole or in part, of any ownership interest in the parcel of land to which the tap variance applies by any of the owners of the parcel of land to any third party. As used in this paragraph, the term “owners of the parcel of land” means the persons or entities who owned record title to the parcel of land at the time the Variance Affidavit was signed.

Upon the occurrence of one of the above conditions, the owner of the parcel will be required to either permanently disconnect and discontinue water service to all dwelling unit(s) on the parcel other than the principal residence or purchase, at prevailing rates, the additional tap(s) and meter(s) to serve the additional dwelling unit(s). Failure to comply within thirty (30) days following written notification by the District may result in termination of all water service to the parcel until one of the corrective actions identified above is completed.

(2) MULTIPLE FAMILY (MULTI-FAMILY) RESIDENTIAL WATER SERVICE:

Multi-family residential dwelling units may consist of a single structure or multiple structures containing more than one dwelling unit. Examples include, but are not necessarily limited to: duplexes, fourplexes, apartments, condominiums, townhomes and mobile home parks. Each unit may be individually metered or, all units may be served by a single master meter as described below. If each unit is individually metered, the tap fees and monthly water rates for each unit shall be the same as the tap fees and monthly water rates for single family residential water service. Residential master meter service is subject to the following provisions:

(a) Eligibility for master metering requires that the structure(s) be arranged in such a way that allows potable domestic water service from a single master meter, and that they remain under a single ownership or managerial control, such as a partnership, corporation or a homeowners or property owners association whose covenants have been recorded in the public records of Mesa County. Master metering may require separate written agreements between the owner/manager and the District. The District may require the owner/manager to provide copies of recorded covenants or other

documents relating to the management of the multi-family dwelling units as a condition of providing water service.

(b) The fee for each master meter installed will be the greater of (1) the applicable tap fee for the actual meter size installed, based on the tap fees for commercial/agricultural water service set forth on Exhibit II or, (2) 100% of the applicable single family residential tap fee for a 5/8" meter for the first dwelling unit, and 60% of the 5/8" meter tap fee for each additional dwelling unit to be served by the master meter. The entire fee for the master meter shall be paid up front, at the time the meter is purchased. No dwelling units above and beyond the units upon which the initial tap fee was based shall be served by the master meter unless an additional tap fee has been paid to the District. The additional tap fee for these new units shall be 60% of the single family residential tap fee for a 5/8" meter for each new dwelling unit to be served by the master meter, based on the current tap fee in effect for such meter.

(c) One water bill for a master meter will be sent to the owner/manager of the structure(s) served by the master meter. Water service charges for all dwelling units to be served by the master meter will commence when water begins to flow through the master meter, regardless of the number of units that are actually receiving water service. The monthly water rates for water served through a master meter will be based on the monthly water rates for single family residential water service multiplied by the number of dwelling units served or to be served by the master meter. Accordingly, the minimum monthly water rate for water served through a master meter will be the single family residential minimum rate multiplied by the number of dwelling units served or to be served by the master meter. That rate shall be payment for up to 3,000 gallons of water multiplied by the number of dwelling units served by the master meter. The

monthly water rate for each additional rate tier will be the same as the rates set forth for single family residential water service, except that the amount of water to which each tier applies shall be calculated by multiplying the gallons of water allowed for that tier by the number of dwelling units served or to be served by the master meter. An example of how these rates are calculated is set forth on Exhibit II.

(d) If, after establishing master meter services, the individual dwelling units are individually metered by the District, an additional 40% of the then current single family residential tap fee for a 5/8" meter will be required for each dwelling unit metered. Master meters in service prior to November 8, 2000, that are converted to individually metered services will require payment of 20% of the then current single family residential tap fee for a 5/8" meter for each dwelling unit metered.

(3) COMMERCIAL WATER SERVICE: Water service for commercial purposes will be provided through meters that are sized to meet anticipated water demands as provided to the District by the owner or the owner's representative. As used in these Rules and Regulations, "commercial purposes" means the uses of water by commercial, industrial, institutional or other facilities not meant to be permanent residences and which uses are not described in other subsections of this Section D. The District shall not be responsible for the adequate or inadequate capacity of a meter, the size of which has been pre-determined by the applicant, or by false, incomplete or improper information provided by the applicant. Without exception, and at customer or developer expense, all new commercial water services will be isolated from the District's water system by District approved backflow prevention devices. The BFPD will be installed on the customer's side of the meter in a location approved by the District. Tap fees and monthly water rates for commercial water service are set forth on Exhibit II.

(4) STOCKWATER WATER SERVICE: Water service may be provided to unimproved property for farm or other animals that are kept for farm or ranch purposes, personal use or pleasure.

(a) Tap fees and monthly water rates for stockwater water service for animals that are kept for farm or ranch purposes will be the same as those established for commercial water service. In order to qualify for commercial water service fees and rates, the operations conducted on the parcel that involve such animals must qualify as one of the Principal Agricultural Activity Codes defined on Schedule F, Form 1040 for federal income tax purposes. The District may from time to time require evidence satisfactory to it that the water service is being used primarily for animals that are kept for farm or ranch purposes.

(b) Tap fees and monthly water rates for stockwater water service for animals kept for personal use or pleasure will be the same as those established for single family residential water service.

(c) The District may require appropriate BFPD's or other backflow or containment protection for water provided for stockwater water service.

(5) AGRICULTURAL WATER SERVICE: Agricultural water service may be provided to parcels of land that are used primarily for agricultural purposes. To be considered as being used for agricultural purposes, the parcel of land must be used primarily for the purpose of producing agricultural crops or animals and includes, without limitation, agricultural operations such as farms, ranches, orchards and vineyards. In order to qualify for agricultural water service, the agricultural operation conducted on the parcel must qualify as one of the Principal Agricultural Activity Codes defined on Schedule F, Form 1040 for federal income tax purposes. Water from the meter

supplying water for agricultural water service may be used to supply water to or for any residences, barns and outbuildings on the parcel, stockwater and other agricultural purposes. The District may from time to time require evidence satisfactory to it that the parcel is being used primarily for agricultural purposes and it may require appropriate BFPD's or other backflow or containment protection for water provided for agricultural water service. If a question arises whether water service to a parcel is primarily for agricultural purposes, the District in its sole discretion, will make the final determination.

Water from the meter supplying water for agricultural water service may be used on a single parcel to supply water to or for barns and outbuildings, stockwater, other agricultural purposes, and any a dwelling unit, or dwelling units if served by a single agricultural master meter as described below. If more than one dwelling unit is located on the parcel, each unit shall be individually metered or, all units shall be served by a single agricultural master meter. If each unit is individually metered, the applicable tap fees and monthly water rates for each meter shall be determined based on the primary type of use as defined in this Section D. Agricultural master meter service is subject to the following provisions:

(a) Eligibility for master metering requires that the structure(s) be arranged in such a way that allows potable domestic water service from a single master meter, and that they remain under a single ownership or managerial control, such as a partnership, corporation or a homeowners or property owners association whose covenants have been recorded in the public records of Mesa County. Master metering may require separate written agreements between the owner/manager and the District. The District may require the owner/manager to provide copies of recorded covenants or other

documents relating to the management of the dwelling units as a condition of providing water service.

(b) The fee for each master meter installed will be the greater of (1) the applicable tap fee for the actual meter size installed, based on the tap fees for commercial/agricultural water service set forth on Exhibit II or, (2) 100% of the applicable agricultural tap fee for a 5/8" meter for the first dwelling unit, and 60% of the 5/8" meter tap fee for each additional dwelling unit to be served by the master meter. The entire fee for the master meter shall be paid up front, at the time the meter is purchased. No dwelling units above and beyond the units upon which the initial tap fee was based shall be served by the master meter unless an additional tap fee has been paid to the District. The additional tap fee for these new units shall be 60% of the agricultural tap fee for a 5/8" meter for each new dwelling unit to be served by the master meter, based on the current tap fee in effect for such meter.

(c) One water bill for a master meter will be sent to the owner/manager of the structure(s) served by the master meter. Water service charges for all dwelling units to be served by the master meter will commence when water begins to flow through the master meter, regardless of the number of units that are actually receiving water service.

Monthly water rates for an agricultural master meter sized 1-inch or less: water served through the master meter will be based on the monthly water rates for agricultural water service multiplied by the number of dwelling units served or to be served by the master meter. Accordingly, the minimum monthly water rate for water served through a master meter will be the agricultural minimum rate multiplied by the number of dwelling units served or to be served by the master meter. That rate shall be payment for up to 3,000

gallons of water multiplied by the number of dwelling units served by the master meter. The monthly water rate for each additional rate tier will be the same as the rates set forth for agricultural water service, except that the amount of water to which each tier applies shall be calculated by multiplying the gallons of water allowed for that tier by the number of dwelling units served or to be served by the master meter. An example of how these rates are calculated is set forth on Exhibit II.

Monthly water rates for an agricultural master meter sized 1.5-inch or greater: water served through the master meter will be based on the monthly rates for the applicable meter size for agricultural water service as set forth on Exhibit II.

In the event a parcel with agricultural water service is no longer eligible for agricultural water service or the primary use of water is determined by the District not to be for agricultural purposes, the monthly water rates shall be changed to the applicable type of service or services as defined in Section D.

(d) If, after establishing master meter services, the individual dwelling units are individually metered by the District, an additional 40% of the then current agricultural tap fee for a 5/8" meter will be required for each dwelling unit metered.

(6) MIXED OR MULTI-USE WATER SERVICE: Any owner who requests or uses District water service at a single parcel for one or more of the types of water service defined in Section D (1 – 5) above shall be required to separately meter and pay the applicable tap fees and monthly rates for each type of service. Exceptions to the requirement to separately meter and pay the applicable tap fees and monthly rates for each type of service may include:

(a) When the type of service defined in this Section D expressly permits otherwise.

(b) When the water supply is used by the occupants and customers for Residential and Commercial water services in connection with a home-based commercial business operated within a single family residence dwelling unit as defined in Section D(1) above, or a single dwelling unit within a Multi-Family residential dwelling unit as defined in Section D(2) above.

The applicable provisions for each individual type of service included in a mixed or multi-use parcel, as described in this Section D, shall still apply. If a question arises as to whether water service is mixed or multi-use, the District, in its sole discretion, will make the final determination.

(7) PUBLIC FIRE PROTECTION WATER SERVICE: Fire protection standards are set by the local governmental entity responsible for providing fire protection services. The District requires adherence to those standards for all water system expansions, extensions and enlargements. When located within or adjacent to a public road right-of-way, fire hydrants provide a general public benefit and there is no charge for water used from these fire hydrants on the District's system for the suppression of fire within the District's boundaries. Water shall not be taken from a fire hydrant for any purpose other than fighting a fire without prior written authorization from the District.

(8) PRIVATE FIRELINE WATER SERVICE: A private fireline is a line of adequate size and classification to meet the required flow and pressure for fire suppression which is installed into or on private land parcels or buildings for the fire protection of only those parcels or buildings. Private firelines include private property fire hydrants as well as building sprinkler systems. At customer or developer expense, the District's water system shall be isolated from the private fireline with a detector

check assembly (an appropriate assembly with leak detector meter) approved by the District and installed by a qualified installer retained by the customer or developer. Once installed, the assembly will be inspected by the District, and the customer or developer shall correct any deficiencies noted in the inspection before water service is provided. The monthly rates for private fireline water service are set forth on Exhibit II. Private firelines are for fire suppression only and the customer will not be charged for water actually used to suppress a fire. However, water used through a private fireline for purposes other than fire suppression shall be charged at increased rates, as set forth on Exhibit II.

(9) FILL STATION WATER SERVICE: The District maintains several fill stations at various locations within its boundaries at which water can be dispensed into trucks or other containers. Any person desiring to use water from a fill station must first establish a fill station water service account with the District. Procedures for use of the fill station and for billing for water dispensed from the fill station will be established with the customer at the time the account is established. The District may require prepayment for fill station water service, tie payment for fill station water service to another account that the customer maintains with the District or require another procedure to ensure that timely payment for fill station water service is made to the District. The rates for fill station water service are set forth on Exhibit II.

(10) SPECIAL SITUATION WATER SERVICE: Some subdivisions or other developments may present special circumstances that require additional provisions, equipment or accommodations for water service. For instance, a development located in an area of the District's system with low water pressure may require pumping, in which case the pump zone rate set forth on Exhibit II will apply for monthly water service

unless the Board of Directors determines otherwise. Developments that present such special circumstances must have approval of the Board of Directors before water service will be provided. Specific rules and regulations or other requirements for that water service will be adopted by the Board of Directors and will be included in Section F of these Rules and Regulations.

SECTION E

SERVICE CHARGES:

(1) LIABILITY FOR PAYMENT: The owners of the parcel of land to which water service is provided are jointly and severally liable for all fees and charges related to the provision of or discontinuance of water service to that parcel. Until paid, all fees and charges of the District shall constitute a lien on and against the property served. A new owner of a parcel served by the District shall be responsible for any fees and charges due to the District in connection with the provision of water service to that parcel to the extent such fees and charges have not been paid by the prior owner.

(2) ESTABLISHING BILLING RESPONSIBILITY: A one-time fee for establishing customer account records will be charged to all changes in billing responsibilities. This charge will appear on the first monthly billing statement. The amount of this fee is set forth on Exhibit II.

(3) BILLING STATEMENTS: Billing statements for metered water use will be issued on a monthly basis and are payable within ten (10) days of the date of the statement. Rates for metered water use are set forth on Exhibit II. Billing statements for any other fees and charges will be issued by the District as they become due and are payable within ten (10) days of the date of the statement.

(4) LATE CHARGES: Any unpaid balance on any billing statement that is more than forty-five (45) days old shall be subject to a late charge. The amount of the late charge is set forth on Exhibit II. Additional late charges shall continue to accrue until the entire unpaid balance and accrued late charges are paid in full; provided, however, that the total amount of late charges shall not exceed the amount allowed by Colorado statutes. Any balance not paid within two monthly billing periods is subject to

discontinuance of water service to the subject parcel of land (referred to as lock-off).

The customer will be notified through the U.S. Mail to the mailing address on record with the District that, if the delinquent amount and any other past due fees and charges are not paid by the date specified in the notice, the water service will be discontinued.

(5) LOCK-OFF: The District reserves the right to discontinue water service to a parcel of land for non-payment of fees and charges, as described above, or other violation of these Rules and Regulations. If the District determines that it is necessary to discontinue water service to a parcel of land, it will physically lock-off the water meter for the parcel. Except in emergency situations, written notice of a proposed lock-off of a water meter for a parcel for non-payment of fees and charges or other violation of these Rules and Regulations will be sent by first class mail to the billing address of record with the District, and, if different from the billing address, to the address of the owner of the property as contained in the District's records. Such written notice will be mailed at least one week prior to the date of the lock-off. In emergency situations, the District will attempt to provide such oral or written notice as is appropriate under the circumstances. If a lock-off occurs, a lock-off fee will be added to the unpaid balance of the account for that parcel. Water service will not be restored until all fees and charges (including the lock-off fee) are paid in full, or, for other violations of the Rules and Regulations, the violation is cured to the satisfaction of the District and the lock-off fee is paid in full. The amount of the lock-off fee is set forth on Exhibit II. Restoration of water service to a parcel that has been locked-off (referred to as an "unlock"), following payment of all outstanding fees and charges and curing of all violations, will occur during the District's normal business hours. If District personnel are called out for an unlock after normal business hours, on a weekend, or a holiday recognized by the District, an additional

unlock fee will be added to all previous charges. The amount of the additional unlock fee is set forth on Exhibit II.

Prior to the lock-off date designated in the written notice, the customer or owner may request a conference with the finance director of the District for the purpose of determining whether discontinuance of service is appropriate. If a conference is not timely requested, or if payment of all charges is not received or other arrangements satisfactory to the District are not made for payment or curing of other violations before 5:00 p.m. on the day before the date specified for lock-off in the notice, water service to the parcel shall be discontinued and such service shall be restored only upon compliance with the conditions set forth above. If a conference is timely requested, discontinuance of service shall be deferred until the conclusion of the conference. The determination of the finance director shall be final, subject to review by the Board of Directors as set forth in Binding Nature section on pages 2 – 3 of these Rules and Regulations.

(6) VOLUNTARY DISCONTINUANCE OF SERVICE: If, for any reason deemed valid by the District, the customer requests the temporary discontinuance of water service, the District will turn the meter off and, upon subsequent request by the customer, restore the water service. The fee for this service will be a one-time charge of one and one-half (1 ½) times the minimum monthly water rate for a 5/8" meter. No monthly rates for water service will accrue during the period that water service is discontinued.

(7) RETURNED OR UNPAID ITEMS: Any check, draft or order for payment of money upon any bank, depository, person, firm or corporation that is not paid to the District upon presentment, and any stop payment order, charge-back from online bill

payment services or other non-payment of an amount due to the District is subject to a charge in the maximum amount allowed by Colorado law together with all other costs, charges, fees, damages and other amounts allowed by Colorado law, including without limitation all amounts specified in Section 13-21-109, C.R.S.

(8) UNAUTHORIZED WATER USE OR THEFT: An unauthorized water use charge may be imposed on any person for tapping into the District's system or taking or using water from the District's system without authorization. The amount of the unauthorized water use charge is set forth on Exhibit II. Violators may also be turned over to appropriate law enforcement authorities for prosecution, pursuant to applicable Colorado statutes, and violators will be liable for all costs, expenses and damages (including without limitation attorneys' fees) suffered by the District in connection with such unauthorized water use.

SECTION F

SPECIAL SITUATION WATER SERVICES AND VARIANCES

This Section references rules and regulations relating to special situation water services provided by the District and information regarding variances granted to these Rules and Regulations granted by the Board of Directors. The rules and regulations relating to special situation water services and information regarding variances are set forth in Appendices attached to these Rules and Regulations. Additional appendices will be added as additional special situation rules and regulations are adopted and variances are granted.

Appendix A: Fruita Water Service

Appendix B: Redlands Mesa Pump Zone

Appendix C: Rosevale Area Rules and Regulations

Appendix D: Horse Mountain Area Rules and Regulations

APPENDIX A

FRUITA WATER SERVICE

On December 27, 1983, the City of Fruita and the Ute Water Conservancy District entered into a Merger Agreement pursuant to which the in-city domestic water system of Fruita was merged into the District's system. In the Merger Agreement, Fruita retained the right to order that domestic water be shut off to any Fruita resident who has a delinquent account for certain Fruita municipal services. An Addendum to the Agreement and specific Regulations for the discontinuation of domestic water service in accord with the Agreement were subsequently approved by the District in 1990.

The 1983 Merger Agreement and 1990 Addendum were superseded and replaced in their entirety when Fruita and the District entered into an Amended and Restated Agreement for Domestic Water Service on June 20th, 2023.

The Amended and Restated Agreement and its specific provisions and regulations, including the discontinuation of domestic water service in accord with the Amended and Restated Agreement, by reference hereto are made a part hereof as though set forth in their entirety. These documents are on file and may be reviewed at the District's offices.

APPENDIX B

REDLANDS MESA PUMP ZONE

Portions of the Redlands Mesa area are served by a pumping system. Parcels that receive water from that pumping system pay a pump zone rate of two times the minimum monthly water rate shown on Exhibit II and regular monthly water rates for amounts of water provided in excess of the amount for which the minimum monthly water rate is charged.

APPENDIX C

ROSEVALE AREA RULES AND REGULATIONS

The following Rules and Regulations apply to the service of domestic water to the Rosevale Area (as defined below) by the Ute Water Conservancy District.

1. Definitions. The following terms shall have the following definitions unless the context clearly requires otherwise:

A. "Rosevale Property" or "Property" shall mean an individual parcel of property with a separate Mesa County Assessor Parcel Number within the Rosevale Area, whether that parcel was in the District as of the effective date of these Rules and Regulations or is subsequently included within the District pursuant to the procedures authorized by law.

B. "Rosevale Area" shall mean the two areas described on Exhibits A and B.

C. "Dwelling Unit" shall mean one or more habitable rooms that are arranged, occupied or intended or designed to be occupied by not more than one family or group of individuals with facilities for living, cooking, sleeping and eating.

D. "Existing Single Family Residence" shall mean a Dwelling Unit that is contained in a structure separate from any other structure, which structure is located on a Rosevale Property and which structure was in existence and occupied for residential purposes on September 12, 2007.

E. "Existing Multiple Family Residence" shall mean two or more Dwelling Units that are contained in a single structure or which are connected by common walls or passageways, which Dwelling Units are located on a Rosevale Property and which Dwelling Units were in existence and occupied for residential purposes on September 12, 2007. Examples include duplexes, fourplexes, apartments, condominiums and townhomes.

F. "Owner" shall mean the record title owner of a Rosevale Property. If a Rosevale Property is owned of record by two or more persons or entities, the term "Owner" shall be deemed to include all of the persons or entities who own the Property.

G. "Infrastructure" shall mean the infrastructure necessary to provide domestic water service from the District's existing water system to the Rosevale Area. "Infrastructure" includes water mains in road rights of way or easements, fire hydrants, service lines from the water mains to the meter pits, and the meter pits with yokes and meters. "Infrastructure" shall not include any facilities past the meter, including but not limited to the service line from the meter to the Property or structure being served with water.

H. "Infrastructure Charge" shall mean the charge of \$5,000.00 per Dwelling Unit, as described in Paragraphs 3.B.ii. and 4, below.

I. "District's General Rules and Regulations" means the Ute Water Conservancy District and Ute Water Activity Enterprise Rules and Regulations adopted November 8, 2000, as previously amended and as may hereafter be amended from time to time in the future.

J. "District" shall mean the Ute Water Conservancy District.

K. "DOLA Grant" shall mean a grant that the County of Mesa, Colorado, has obtained from the Colorado Division of Local Affairs in the amount of \$600,000.00 for use in defraying some of the costs of installing the Infrastructure.

2. Installation of Infrastructure. The District will install the Infrastructure as expeditiously as possible considering the finances of the District, the availability of equipment, labor and materials, and all other relevant circumstances. The District shall pay for the cost of installing the Infrastructure, subject to recovery of some or all of that cost as provided in these Rosevale Area Rules and Regulations and subject to payment of a portion of that cost by funds from the DOLA Grant. The District will also assist the residents of the Rosevale Area in petitioning for inclusion of the Properties in the Rosevale Area into the boundaries of the District, pursuant to Section 37-45-136(3), C.R.S.

3. Fees, Rates and Charges for Water Service in Rosevale Area. The following fees, rates and charges are established for water service in the Rosevale Area:

A. A Rosevale Property must be located within the boundaries of the District in order to receive water service from the District.

B. Each Existing Single Family Residence and each Dwelling Unit of an Existing Multiple Family Residence for which application for water service from the District is made by the deadline set forth in Paragraph 4, below, shall pay the following rates and charges:

i. The regular monthly water rates as established in the District's General Rules and Regulations for water service supplied through the meter serving the Residence or Dwelling Unit.

ii. The Infrastructure Charge of \$5,000.00 per Dwelling Unit in the manner set forth in Paragraph 4, as an additional rate and charge for water service. This charge represents each Dwelling Unit's equitable share of the costs incurred by the District to install the Infrastructure.

C. Each Rosevale Property other than the Rosevale Properties described in Paragraph 3.B., above, shall pay the following fees, rates and charges:

i. All tap fees and other fees for the extension of and connection of water service to the Property as required by the District's General Rules and Regulations. Such fees shall be paid in full at the time of application for water service to the Property.

ii. The regular monthly water rates as established in the District's General Rules and Regulations for water service supplied through the meter or meters serving the Property.

iii. An additional rate and charge for water service consisting of an amount determined by the District to recover a portion of the costs incurred by the District to install the Infrastructure that are not paid by funds from the DOLA Grant nor recovered by the Infrastructure Charges made pursuant to Paragraphs 3 .B .ii. and 4. The District shall create a water main extension agreement, pursuant to the District's General Rules and Regulations, to establish the amounts to be charged to such Properties under this Paragraph 3.C.iii. This charge shall be paid in full at the time of application for water service to the Property.

iv. The Properties to which this Paragraph 3.C. shall apply include (i) each Rosevale Property that does not have an Existing Single Family Residence or an Existing Multiple Family Residence on it and (ii) each Rosevale Property that has an Existing Single Family Residence or an Existing Multiple Family Residence on it but which does not apply for water service by the deadline set forth in Paragraph 4, below.

4. Application for Water Service for Existing Residences Made On or Before November 30, 2008. The following rules apply to applications made to the District on or before November 30, 2008, for water service for Existing Single Family Residences and Existing Multiple Family Residences.

A. Existing Single Family Residences. An Existing Single Family Residence shall be entitled to the installation of a 3/4-inch residential water meter to serve domestic water from the District's domestic water system to the Existing Single Family Residence without payment of the District's normal tap fee for such meter, subject to the following terms and conditions:

i. The Property on which the Existing Single Family Residence is located must be within the boundaries of the District.

ii. The Owner of the Property on which the Single Family Residence is located must apply for water service for the Existing Single Family Residence from the District, on forms provided by the District, on or before November 30, 2008.

iii. At the time the Owner of the Property on which the Existing Single Family Residence is located signs up for water service from the District, the Owner shall elect the method of payment of the Infrastructure Charge for the Residence, in the manner provided

in Paragraph 4.C., below.

iv. If more than one Existing Single Family Residence exists on a single Rosevale Property, each Existing Single Family Residence must have its own water meter.

B. Existing Multiple Family Residences. Each Existing Multiple Family Residence shall be entitled to the installation of one or more residential water meters for the Dwelling Units in the Multiple Family Residence, to serve domestic water from the District's domestic water system to the Dwelling Units in the Multiple Family Residence, without payment of the District's normal tap fees for such meters, subject to the following terms and conditions:

i. The Property on which the Multiple Family Residence is located must be within the boundaries of the District.

ii. The Owner of the Property on which the Multiple Family Residence is located must apply for water service for all of the Dwelling Units in the Multiple Family Residence from the District, on forms provided by the District, on or before November 30, 2008.

iii. At the time the Owner of the Property on which the Multiple Family Residence is located applies for water service from the District, the Owner shall elect the method of payment of the Infrastructure Charge for each Dwelling Unit, in the manner provided in Paragraph 4.C., below.

iv. The Owner must apply for water service and pay the Infrastructure Charges for all of the Dwelling Units in the Multiple Family Residence. Each Dwelling Unit in the Multiple Family Residence shall be charged an Infrastructure Charge of \$5,000.00.

v. The District will determine the number and size of the water meters necessary to serve water to the Dwelling Units in the Multiple Family Residence.

C. Election for Payment of Infrastructure Charge. At the time an application for water service is made pursuant to Paragraph 4.A. or 4.B., above, the Owner shall elect the manner in which the Infrastructure Charge of \$5,000.00 per Dwelling Unit will be paid. The Owner shall have two options for payment of the Infrastructure Charges, as follows:

i. The Owner may elect to pay the Infrastructure Charge for each Dwelling Unit in full at the time the Owner applies for water service from the District; or

ii. The Owner may elect to have an additional charge added to the Owner's monthly water service bill from the District for each Dwelling Unit, in the manner and subject to the terms set forth in Paragraph 4.D., below.

The election shall be made on a Notice of Election and Charge form provided by the District. The Owner shall sign such form and the form shall be recorded in the records of Mesa County, Colorado, if the Owner elects to have the additional charge added to the monthly water service bill. If the Owner of a Rosevale Property has paid the Infrastructure Charge for a Dwelling Unit in full prior to the date of adoption of these Rosevale Rules and Regulations, that payment shall constitute the Owner's election without the necessity of signing a Notice of Election and Charge form.

D. Additional charge for Infrastructure Charge. If the Owner of a Rosevale Property on which one or more Dwelling Units are located elects pursuant to Paragraph 4.C.ii., above, to have the Infrastructure Charge for the Dwelling Unit(s) paid by an additional monthly charge, the following terms and conditions shall apply:

i. The additional charge shall be charged at the rate of thirty dollars (\$30.00) per month per Dwelling Unit, which amount shall be added to the monthly bill for water service for the Dwelling Unit.

ii. The first monthly additional charge will be set forth on the billing statement that is sent by the District in the month of December, 2008. The additional charge shall be added to each monthly billing statement thereafter until the entire amount of the Infrastructure Charge (\$5,000.00 per Dwelling Unit), together with interest at the rate of six percent per annum on the unpaid balance, has been paid in full. Interest shall start accruing on April 23, 2008. When the entire unpaid balance of the Infrastructure Charge together with interest has been paid in full, the additional charge shall be discontinued.

iii. The entire unpaid balance of the Infrastructure Charge and any accrued interest shall become due and payable if any Owner of the Property on which the Dwelling Unit is located transfers all or a portion of that Owner's interest to a person who was not an Owner of the Property at the time water service was applied for. If a Multiple Family Residence is located on the Property, the unpaid balances of all Infrastructure Charges for all of the Dwelling Units shall become due and payable upon such transfer.

iv. An Owner of the Property may pay the entire unpaid balance of the Infrastructure Charge (including any accrued interest) at any time. No partial prepayments may be made.

v. The District shall be entitled to exercise any and all remedies for non-payment of the additional charge that it has under applicable law or under the District's General Rules and Regulations, including but not limited to suspension or termination of water service and acceleration of the unpaid balance of the Infrastructure Charge. The additional charge shall be considered a charge for water service for purposes of the District's General Rules and Regulations. As provided in the District's General Rules and Regulations, all fees and charges of the District, including the Infrastructure Charge and interest thereon, shall constitute a lien on and against the Property until paid. The Infrastructure Charge and interest thereon shall run with and be binding upon the Property and all current and future

owners of the Property.

vi. Upon full payment of the Infrastructure Charge (including accrued interest) for a Property, the District shall execute and record a release of lien document, releasing the lien of the Infrastructure Charge and the Notice of Election and Charge against the Property. The Manager or the Finance Director of the District are authorized to sign such release of lien document on behalf of the District upon full payment of the Infrastructure Charge (including accrued interest) imposed against a Property.

5. Board to Resolve Issues. If any issues arise regarding the applicability of any of these rules and regulations to a Rosevale Property, the interpretation of any of these rules and regulations with respect to a Rosevale Property, or the extension of provisions in these rules and regulations to situations not expressly covered in them, such issues shall be resolved by the Board of Directors of the District in its discretion. The decision of the Board on any such issues shall be final.

6. Applicability of District's General Rules and Regulations. Except as otherwise modified herein, the District's General Rules and Regulations shall apply to applications for water service to Properties in, and the provision of water service to, the Rosevale Area. To the extent that any conflict exists between the provisions of these Rosevale Rules and Regulations and the District's General Rules and Regulations, the provisions of these Rosevale Rules and Regulations shall apply. These Rosevale Rules and Regulations may be amended from time to time by the Board of Directors of the District, in its discretion.

7. Effective Date. These Rosevale Rules and Regulations shall be effective upon the date of the Resolution adopting them (November 14, 2007); provided, however, that these Rosevale Rules and Regulations shall also apply to any meters sold or water service extended to Rosevale Properties between September 12, 2007, and the date these Rules and Regulations were adopted. These Rosevale Rules and Regulations have been amended effective April 9, 2008, and May 14, 2008.

EXHIBIT A

Area For Inclusion Within Ute Water Conservancy District
(Rosevale North Area)

The general description of the territory in the area sought to be included in the Ute Water Conservancy District ("District") is as follows:

Portions of land located in Sections 15 and 16, Township 1 South, Range 1 West of the Ute Meridian in Mesa County, Colorado, within the following boundaries:

- North Boundary: The north line of the S1/2 NE1/4 of said Section 16;
East Boundary: Dike Road;
South Boundary: Lake Road; and
West Boundary: The west line of the E1/2 SW1/4 NE1/4 of said Section 16;

Together with the following lands located adjacent to but outside of the above boundaries: Mesa County Assessor Parcel Number 2945-164-00-290 and those portions of Mesa County Assessor Parcel Numbers 2945-161-00-941 and 2945-152-00-011 lying east of Dike Road (collectively, the "Area for Inclusion").

The specific parcels of land that are sought to be included in the District are those parcels of land within the Area for Inclusion that are not already included within the District, which parcels are the following (described by reference to their Mesa County Assessor Parcel Numbers):

2945-164-00-290	2945-161-00-219	2945-161-00-180	2945-161-00-040
2945-164-00-270	2945-161-00-218	2945-161-00-179	2945-161-00-038
2945-164-00-269	2945-161-00-214	2945-161-00-178	2945-161-00-034
2945-161-03-008	2945-161-00-211	2945-161-00-176	2945-161-00-033
2945-161-03-007	2945-161-00-207	2945-161-00-173	2945-161-00-030
2945-161-03-005	2945-161-00-206	2945-161-00-163	2945-161-00-029
2945-161-03-001	2945-161-00-205	2945-161-00-161	2945-161-00-024
2945-161-02-002	2945-161-00-204	2945-161-00-160	2945-161-00-023
2945-161-02-001	2945-161-00-203	2945-161-00-156	2945-161-00-021
2945-161-01-003	2945-161-00-202	2945-161-00-155	2945-161-00-018
2945-161-01-002	2945-161-00-201	2945-161-00-154	2945-161-00-010
2945-161-01-001	2945-161-00-200	2945-161-00-153	2945-152-00-934
2945-161-00-941	2945-161-00-199	2945-161-00-152	2945-152-00-011
2945-161-00-933	2945-161-00-198	2945-161-00-047	2945-161-00-165
2945-161-00-931	2945-161-00-189	2945-161-00-045	2945-161-00-181
2945-161-00-221	2945-161-00-183	2945-161-00-044	2945-161-00-193
2945-161-00-220	2945-161-00-182	2945-161-00-042	

EXHIBIT A

Area For Inclusion Within Ute Water Conservancy District
(Rosevale South Area)

The general description of the territory in the area sought to be included in the Ute Water Conservancy District ("District") is as follows:

Portions of land located in Sections 15, 22, 23, and 27, Township 1 South, Range 1 West of the Ute Meridian in Mesa County, Colorado, within the following boundaries (the "Area for Inclusion"):

North Boundary: Colorado Highway 340 from the intersection of Colorado Highway 340 and Monument Road to the Colorado River;

East and South Boundaries: The Colorado River from the intersection of Colorado Highway 340 and the Colorado River to the confluence of the Colorado and Gunnison Rivers and then along the Gunnison River to approximately the west line of the NE1/4 NE1/4 of said Section 27; and

West Boundary: The Redlands Power Canal from approximately the west line of the NE1/4 NE1/4 of said Section 27 to the intersection of the Redlands Power Canal with Monument Road, and then along Monument Road to the intersection of Monument Road and Colorado Highway 340.

The specific parcels of land that are sought to be included in the District are those parcels of land within the Area for Inclusion that are not already included within the District, which parcels are the following (described by reference to their Mesa County Assessor Parcel Numbers):

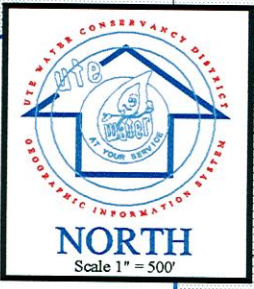
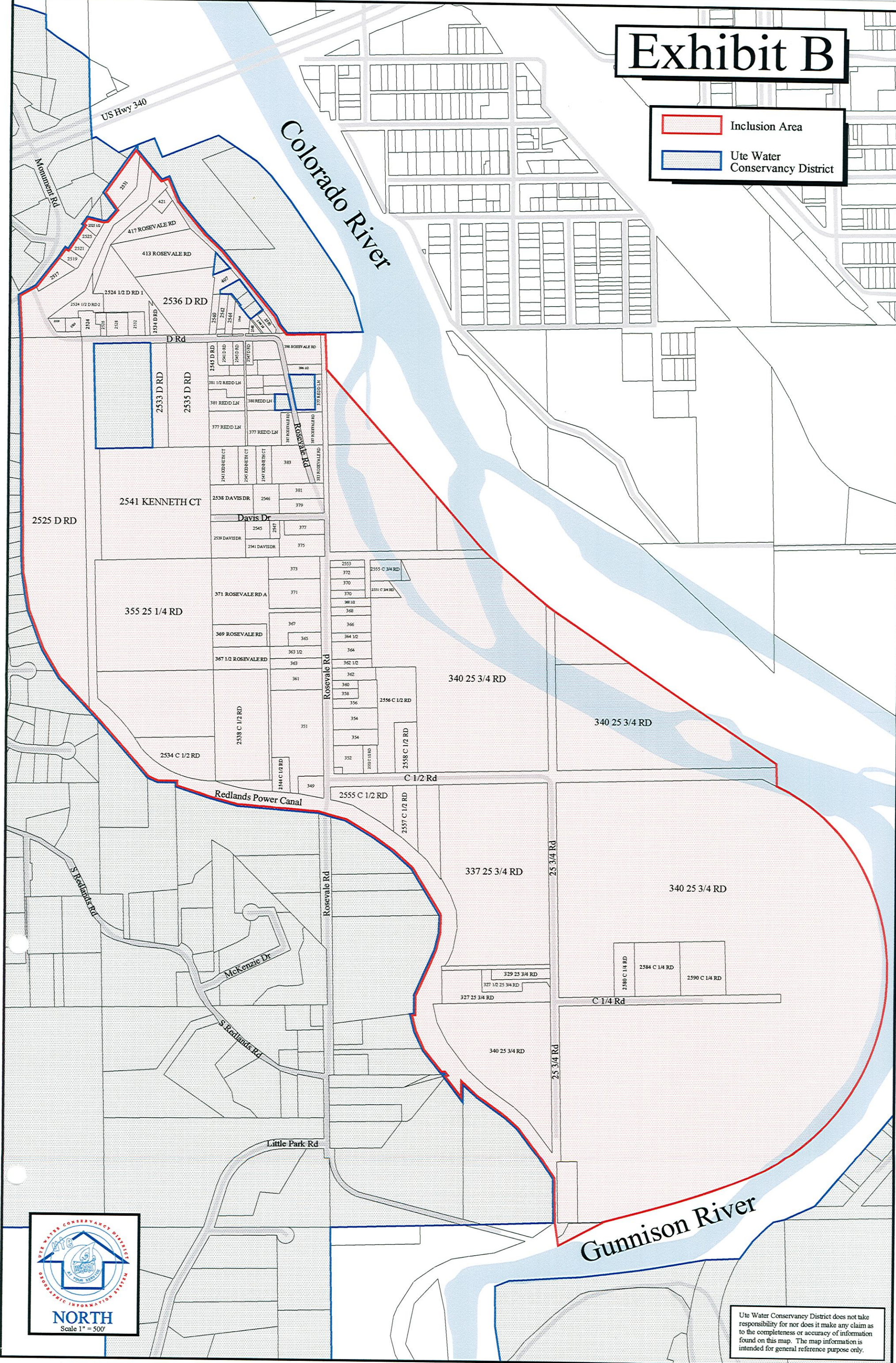
2945-153-00-023	2945-153-00-070	2945-221-00-088	2945-221-00-112
2945-153-00-025	2945-153-00-074	2945-221-00-089	2945-221-00-176
2945-153-00-030	2945-153-00-083	2945-221-00-090	2945-221-00-177
2945-153-00-031	2945-153-00-094	2945-221-00-091	2945-221-00-198
2945-153-00-032	2945-153-00-095	2945-221-00-092	2945-221-00-199
2945-153-00-033	2945-153-00-098	2945-221-00-094	2945-221-00-223
2945-153-00-034	2945-153-00-099	2945-221-00-097	2945-221-00-226
2945-153-00-035	2945-153-00-101	2945-221-00-098	2945-221-00-930
2945-153-00-036	2945-153-00-105	2945-221-00-099	2945-221-00-933
2945-153-00-037	2945-153-00-108	2945-221-00-100	2945-221-00-934
2945-153-00-040	2945-153-00-109	2945-221-00-101	2945-222-00-004
2945-153-00-046	2945-153-00-110	2945-221-00-103	2945-222-00-005
2945-153-00-048	2945-153-00-933	2945-221-00-105	2945-222-00-006
2945-153-00-059	2945-221-00-083	2945-221-00-108	2945-222-00-007
2945-153-00-066	2945-221-00-085	2945-221-00-111	2945-222-00-009

2945-222-00-010	2945-222-00-029	2945-222-02-005	2945-223-00-036
2945-222-00-011	2945-222-00-030	2945-222-02-006	2945-223-00-933
2945-222-00-012	2945-222-00-032	2945-222-02-007	2945-224-00-132
2945-222-00-013	2945-222-00-034	2945-222-02-009	2945-224-00-133
2945-222-00-014	2945-222-00-139	2945-222-02-011	2945-224-00-134
2945-222-00-016	2945-222-00-155	2945-222-02-012	2945-224-00-918
2945-222-00-017	2945-222-00-156	2945-222-02-014	2945-224-00-923
2945-222-00-018	2945-222-00-164	2945-222-02-015	2945-224-00-946
2945-222-00-019	2945-222-00-180	2945-222-02-016	2945-224-09-001
2945-222-00-020	2945-222-00-181	2945-222-02-017	2945-224-09-003
2945-222-00-021	2945-222-00-194	2945-222-02-018	2945-224-09-004
2945-222-00-023	2945-222-00-202	2945-222-02-020	2945-224-13-001
2945-222-00-025	2945-222-00-213	2945-222-02-021	2945-224-13-002
2945-222-00-026	2945-222-02-002	2945-222-02-022	2945-224-13-003
2945-222-00-027	2945-222-02-003	2945-222-02-023	2945-271-00-048
2945-222-00-028	2945-222-02-004	2945-222-02-024	

Exhibit B

 Inclusion Area

 Ute Water Conservancy District



Ute Water Conservancy District does not take responsibility for nor does it make any claim as to the completeness or accuracy of information found on this map. The map information is intended for general reference purpose only.

APPENDIX D

HORSE MOUNTAIN AREA RULES AND REGULATIONS

1. **Definitions.** The following terms shall have the following definitions unless the context clearly requires otherwise:

A. “Board” means the board of directors of the Ute Water Conservancy District.

B. “District” means the Ute Water Conservancy District.

C. “Horse Mountain Parcel” shall mean any of the parcels in the Horse Mountain Area, which parcels are the twenty-four parcels identified on Exhibit A by Mesa County Assessor parcel number.

D. “Horse Mountain Pump” shall mean the inline pump that will be installed by the District to assist in providing water service to the Horse Mountain Area.

E. “Metered Parcel” shall mean each of the twelve parcels of land in the Horse Mountain Area that are currently located either totally or partially within the boundaries of the District and that have purchased a meter from the District. These parcels are shown in blue on Exhibit A. The Metered Parcels are identified by the following Mesa County Assessor Parcel Numbers:

2941-111-00-188	2941-111-00-189	2941-111-00-178
2941-122-00-205	2941-122-00-208	2941-122-00-207
2941-122-00-196	2941-122-00-209	2941-122-00-182
2941-122-00-181	2941-122-00-180	2941-113-00-914

F. “Unmetered Parcel” shall mean each of the four parcels of land in the Horse Mountain Area that are currently located within the boundaries of the District but have not yet purchased a meter from the District. These parcels are shown in green on Exhibit A. The Unmetered Parcels are identified by the following Mesa County Assessor Parcel Numbers:

2941-122-00-195	2941-111-00-168	2941-122-00-173
2941-111-00-175		

G. “Outside of District Parcel” means each of the seven parcels of land in the Horse Mountain Area that are currently located outside of the boundaries of the District and that are not currently entitled to receive water service from the District. These parcels are shown in red on Exhibit A. The Outside of District Parcels are identified by the following Mesa County Assessor Parcel Numbers:

2941-122-00-194
2941-111-00-021
2941-111-00-177

2941-111-00-020
2941-111-00-094

2941-111-00-023
2941-111-00-024

H. "Parcel 201" shall mean the parcel of land identified on Exhibit A as Mesa County Assessor Parcel Number 2941-123-00-201. This parcel is located outside of the boundaries of the District and is not currently entitled to receive water service from the District.

2. Installation of Horse Mountain Pump. The District will install the Horse Mountain Pump as expeditiously as possible considering the finances of the District, the availability of equipment, labor and materials, and all other relevant circumstances. [Note: The Horse Mountain Pump was installed after the Horse Mountain Area Rules and Regulations were adopted.] The District shall pay for the cost of installing the Horse Mountain Pump, subject to recovery of some of that cost as provided in these Horse Mountain Area Rules and Regulations.

3. No Water Service Unless Parcel is Within District Boundaries. Pursuant to the Water Conservancy Act, C.R.S. 37-45-101 et seq., the District cannot provide domestic water service to properties located outside of its boundaries. If any of the Outside of District Parcels or Parcel 201 desire to obtain domestic water service from the District, such parcels must first be included within the District pursuant to the procedures specified in C.R.S. 37-45-136. Nothing in these Horse Mountain Area Rules and Regulations requires that the Board include or consent to the inclusion of any specific Horse Mountain Parcel within the District. The Board will consider each petition for inclusion filed with it under C.R.S. 37-45-136(2) on its own merits, after the hearing required by that statute, and decide whether the parcel should be included and the terms and conditions for such inclusion. Any Horse Mountain Parcel that is included within the District shall be subject to these Horse Mountain Area Rules and Regulations and any other terms and conditions adopted by the Board when the inclusion is approved. With respect to Parcel 201, the location of the water service on the parcel must be specified in the inclusion petition and must be approved by the Board as part of the inclusion process, in order to ensure that water service can be properly provided to the parcel.

4. Tap Fees. At the time the owner of an Unmetered Parcel, an Out of District Parcel or Parcel 201 applies for domestic water service, the owner of that Parcel shall pay to the District the regular tap fee in effect at the time of the application plus an additional fee of \$1,875.00. This additional fee is to reimburse the District for the Parcel's pro rata share of the cost incurred by the District to install the Horse Mountain Pump. This additional fee shall not be charged to any of the Metered Parcels, since meters have already been paid for and installed at these Parcels.

5. Water Rates. When water service is provided to a Horse Mountain Parcel by the District, the owner of the Parcel shall pay the District the monthly water rates established by the Board for all of the District's customers, as those rates may be

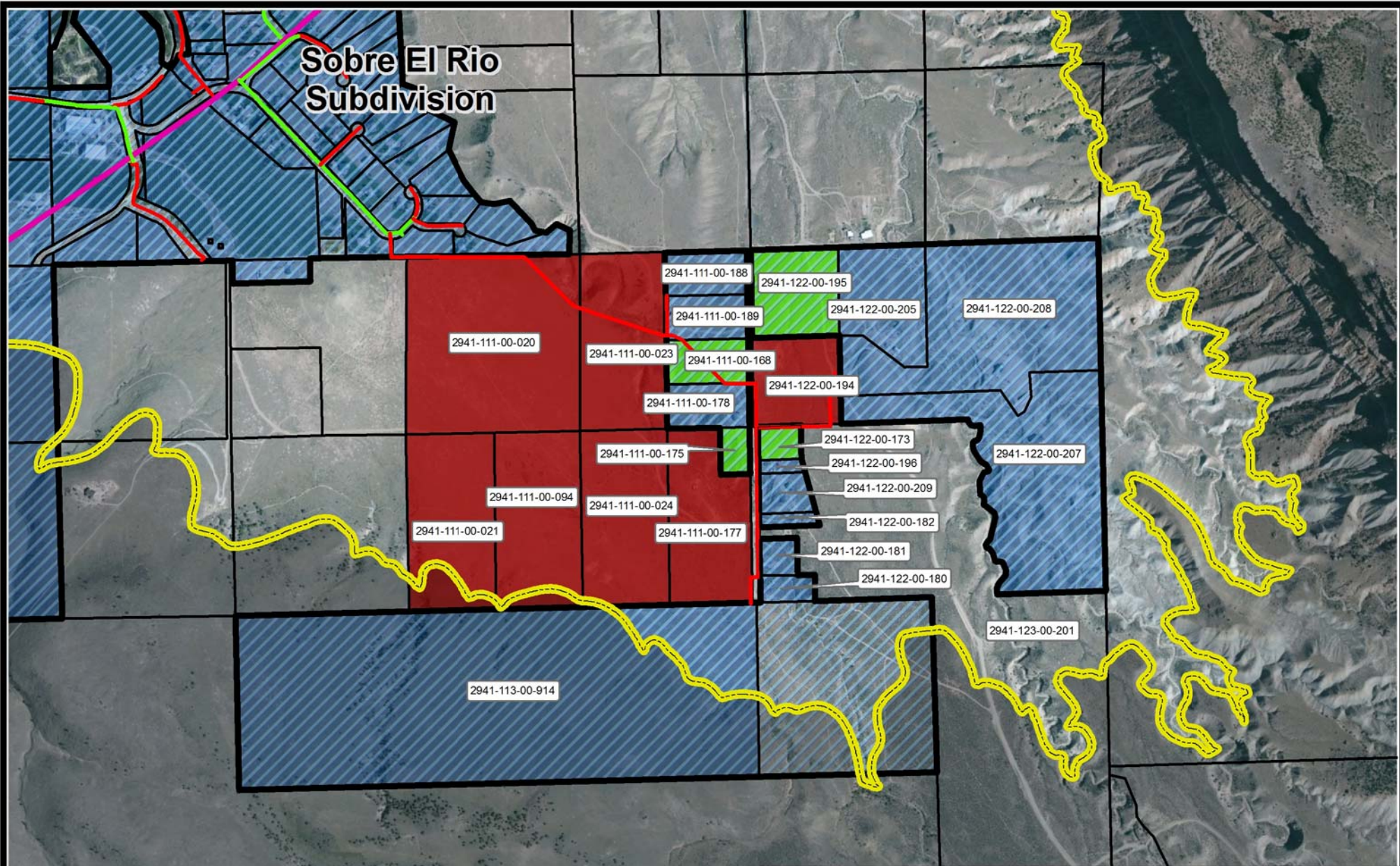
revised by the Board from time to time, except that the owner of the Parcel shall pay two times the regular minimum charge for the first three thousand gallons of water provided during each monthly billing period. The double minimum charge is made to pay for the costs of operation, maintenance, repair and future replacement of the Horse Mountain Pump. The double minimum charge will not be charged to existing customers until the Horse Mountain Pump has been installed and is operational.

6. One Tap Per Parcel. There will be a maximum of twenty-four taps issued by the District in the Horse Mountain Area, limited to one tap with one corresponding meter for each of the Horse Mountain Parcels as they are currently configured. Each Horse Mountain Parcel shall be limited to domestic water service provided through the one tap issued to that parcel, serving one single family residence. The meter for each Horse Mountain Parcel shall be a maximum size of 3/4-inch by 3/4-inch. If a Horse Mountain Parcel is subdivided in the future, the owner of the parcel shall, as part of the subdivision process, allocate the one tap and meter that is or will be associated with that parcel to one of the lots in the subdivided parcel as part of the subdivision process. If no such allocation is made during the subdivision process, the District shall be entitled to determine which lot in the subdivided parcel shall receive the tap and meter. No taps or meters shall be issued by the District to the other lots in the subdivided parcel.

7. Applicability of District's General Rules and Regulations. Except as otherwise modified herein, the District's general Rules and Regulations shall apply to applications for and the provision of water service to the Horse Mountain Parcels. To the extent that any conflict exists between the provisions of these Horse Mountain Area Rules and Regulations and the District's general Rules and Regulations, the provisions of these Horse Mountain Area Rules and Regulations shall apply. These Horse Mountain Area Rules and Regulations may be amended from time to time by the Board, in its discretion.

8. Effective Date. These Horse Mountain Area Rules and Regulations shall be effective upon the date of the Resolution adopting them (June 12, 2013).

Sobre El Rio Subdivision



BLM

EXHIBIT A

Source:
the GIS

- Hydraulic Grade Contour El. 5120 ft
- Ute Water District / BLM
- Ute Water Service
- In District - No Service
- Out of District - Potential Service



1 inch = 1,000 feet

EXHIBIT I

REQUIREMENTS FOR NEW METERED SERVICE

1. A peak demand data sheet may be required for certain service applications.
2. All metered locations must have a correct address for a legally surveyed parcel of property, issued by the Mesa County Development Department or the municipal entity having jurisdiction over the parcel.
3. All new construction must have a building permit, stating the parcel number assigned by the Mesa County Assessor.
4. Mechanical drawings and cross connection reviews may be required for any type of metered service. All non-residential water services require the completion of a Cross Connection Control Survey Form.
5. Tap fees and any assessment fees shall be paid at the time of application and the signing of a water service contract.
6. All meters must be on line within six months of the contract date. This means the assigned property will be receiving water service delivered through the meter within six months of the contract date. Any metered service not delivering water within six months of the contract date shall be subject to re-application for water service and payment of any increase in tap fees before water service will be provided. Failure of the District to notify applicant that the six month period has ended does not negate this re-application requirement.

7. Meter installations are tied to the parcel of land to which the meter was issued and will remain with the parcel when sold.

8. Fees and charges in effect on the day of application or re-application shall apply.

9. The District may require special contracts, agreements or written understandings for certain types of water service.

EXHIBIT II

FEES, RATES AND CHARGES

The following tap fees, monthly water rates, and other fees and charges have been established by the Board of Directors of Ute Water Conservancy District. All tap fees, monthly water rates, and other fees and charges are subject to change by the Board of Directors at any time.

RESIDENTIAL WATER SERVICE (Individual Meters)

<u>Meter Size</u>	<u>Tap Fee</u>	<u>Monthly Water Rate (for all meter sizes)</u>
5/8"	\$ 8,750.00	Minimum - \$28.00 - up to 3,000 gal. Tier 1 - next 6,000 gal. @ \$4.25/1,000 gal.
3/4"	\$10,800.00	Tier 2 - next 6,000 gal. @ \$4.85/1,000 gal. Tier 3 - next 6,000 gal. @ \$5.70/1,000 gal.
1"	\$13,400.00	Tier 4 - next 9,000 gal. @ \$6.55/1,000 gal. Tier 5 - over 30,000 gal. @ \$11.75/1,000 gal.

RESIDENTIAL WATER SERVICE (Master Meters)

Tap Fee: The fee for a master meter for eligible multi-family residential units will be the greater of (1) the applicable tap fee for the actual meter size installed, based on the tap fees for commercial/agricultural water service or (2) 100% of the Residential Water Service (Individual Meters) tap fee for a 5/8" meter for the first dwelling unit and 60% of the 5/8" meter tap fee for each additional dwelling unit to be served by the master meter. No dwelling units above and beyond the units upon which the initial tap fee was based shall be served by the master meter unless an additional tap fee has been paid to the District. The additional tap fee for these new units shall be 60% of the Residential Water Service (Individual Meters) 5/8" meter tap fee for each new dwelling unit to be served by the master meter, based on the tap fee then in effect for such meter.

Monthly Water Rates: The monthly water rates for water served through a master meter will be based on the monthly water rates for Residential Water Service (Individual Meters) multiplied by the number of dwelling units served or to be served by the master meter. Accordingly, the minimum monthly water rate for water served through a master meter will be the Residential Water Service (Individual Meters) minimum rate multiplied by the number of dwelling units served or to be served by the master meter. That rate shall be payment for up to 3,000 gallons of water multiplied by the number of dwelling units served by the master meter. The monthly water rate for each additional rate tier will be the same as the rates set forth for Residential Water Service (Individual Meters), except that the amount of water to which each tier applies shall be calculated by multiplying the gallons shown for the Residential Water Service (Individual Meters) tier by the number of dwelling units served or to be served by the master meter. For example, if three dwelling units are served or to be served by a master meter, the monthly water rates for the master meter would be as follows:

Example: Monthly Water Rates for a Residential Master Meter for 3 Dwelling Units

\$84.00 minimum - up to 9,000 gal
next 18,000 gal. @ \$ 4.25/1,000 gal.
next 18,000 gal. @ \$ 4.85/1,000 gal.
next 18,000 gal. @ \$ 5.70/1,000 gal.
next 27,000 gal. @ \$ 6.55/1,000 gal.
over 90,000 gal. @ \$11.75/1,000 gal.

COMMERCIAL/AGRICULTURAL WATER SERVICE

<u>Meter Size</u>	<u>Tap Fee</u>	<u>Monthly Water Rate</u>
5/8"	\$ 8,750.00	Minimum - \$28.00 - up to 3,000 gal.
3/4"	\$ 10,800.00	Tier 1 - next 6,000 gal. @ \$4.25/1,000 gal.
1"	\$ 13,400.00	Tier 2 - next 6,000 gal. @ \$4.85/1,000 gal. Tier 3 - over 15,000 gal. @ \$5.70/1,000 gal.
1-1/2"	\$ 19,550.00	Minimum - \$140.00 - up to 15,000 gal. Tier 1 - next 30,000 gal. @ \$4.25/1,000 gal. Tier 2 - next 30,000 gal. @ \$4.85/1,000 gal. Tier 3 - over 75,000 gal. @ \$5.70/1,000 gal.
2"	\$ 28,850.00	Minimum - \$224.00 - up to 24,000 gal. Tier 1 - next 48,000 gal. @ \$4.25/1,000 gal. Tier 2 - next 48,000 gal. @ \$4.85/1,000 gal. Tier 3 - over 120,000 gal. @ \$5.70/1,000 gal.
3"	\$ 52,550.00	Minimum - \$490.00 - up to 52,500 gal. Tier 1 - next 105,000 gal. @ \$4.25/1,000 gal. Tier 2 - next 105,000 gal. @ \$4.85/1,000 gal. Tier 3 - over 262,500 gal. @ \$5.70/1,000 gal.
4"	\$ 92,200.00	Minimum - \$840.00 - up to 90,000 gal. Tier 1 - next 180,000 gal. @ \$4.25/1,000 gal. Tier 2 - next 180,000 gal. @ \$4.85/1,000 gal. Tier 3 - over 450,000 gal. @ \$5.70/1,000 gal.
6"	\$229,700.00	Minimum - \$1,960.00 - up to 210,000 gal. Tier 1 - next 420,000 gal. @ \$4.25/1,000 gal. Tier 2 - next 420,000 gal. @ \$4.85/1,000 gal. Tier 3 - over 1,050,000 gal. @ \$5.70/1,000 gal.

Meters larger than 6" require approval of the Board of Directors. Tap fees and monthly water rates will be established by the Board of Directors at the time of approval.

DROUGHT/EMERGENCY RATES

Drought/Emergency Rates may be implemented by the Board of Directors when water supply conditions reach critical thresholds due to drought, the general availability of District source waters regardless of drought conditions, or failure or damage to collection, treatment, and/or distribution system infrastructure.

Unless otherwise determined by the Board of Directors, Drought/Emergency Rates will be charged for all tiered types of water service at a multiplier of 1.5 times tier 1 rates for all tier 1 usage, a multiplier of 3 times the applicable tier 2 and 3 usage, and a multiplier of 5 times the applicable tier amount for usage within each subsequent tier.

Drought/Emergency Rates for fill station, approved hydrant fill permit use, or private fireline water service will be charged 2 times the current per 1,000 gallon rate for usage between 9,000 and 30,000 gallons, and 3 times the current per 1,000 gallon rate for usage above 30,000 gallons.

STOCKWATER WATER SERVICE

Same tap fees and monthly water rates as for Residential Water Service for animals that are kept for personal use or pleasure. Same tap fees and monthly water rates as for Commercial Water Service for animals that are kept for farm or ranch purposes.

PRIVATE FIRELINE WATER SERVICE

Monthly Rates for Private Fireline Water Service:

<u>Size</u>	<u>Monthly Rate</u>
4" or less	\$ 50.00
6"	\$ 75.00
8"	\$100.00
10"	\$125.00

Private firelines are for fire suppression only and the customer will not be charged for water actually used to suppress a fire. However, water used through a private fireline for purposes other than fire suppression shall be charged at increased rates. A minimum of \$100.00 for the first 1,000 gallons used and \$7.00 per 1,000 gallons used thereafter will be charged to the customer for each instance in which water is used for purposes other than fire suppression.

FILL STATION WATER SERVICE

The rate for water from an established fill station or on an approved hydrant fill permit will be calculated monthly at the rate of one-quarter the minimum monthly water rate for residential water service per 1,000 gallons, currently \$7.00 per 1,000 gallons.

PUMP ZONE RATE

Unless otherwise determined by the Board of Directors, water provided to parcels served by a pumping system will be charged a pump zone monthly water rate of two times the minimum monthly water rate and regular monthly water rates for amounts of water provided in excess of the amount for which the minimum monthly water rate is charged.

WET TAP CONNECTION FEES

<u>Connect Size</u>	<u>Transmission or Distribution Main Size</u>							
	24"	18"	16"	14"	12"	10"	8"	6"
12"	\$10,900	\$10,300	\$10,000	\$9,600	\$9,200			
10"	\$8,500	\$8,100	\$7,900	\$7,700	\$7,000	\$6,300		
8"	\$6,500	\$6,400	\$6,300	\$6,200	\$5,100	\$4,900	\$4,700	
6"	\$4,800	\$4,600	\$4,400	\$4,200	\$4,000	\$3,600	\$3,300	\$3,100
4" or less	\$4,000	\$3,800	\$3,600	\$3,400	\$3,200	\$3,100	\$3,000	\$2,800

For wet tap connections of 4" x 4" or smaller, the charge will be \$2,600.

Charges include the apparatus and necessary related materials, equipment, and labor for installation by District personnel.

OTHER FEES AND CHARGES

Changes in billing responsibility will be charged	
one-half of the residential monthly minimum water rate	\$ 14.00
Late Charge (more than 45 days past due)	\$ 5.00
Lock off and Unlock	\$ 50.00
After-hours unlock is an additional	\$ 30.00
Returned or Unpaid Check or Other Item Charge	\$ 20.00
Unauthorized Water Use Charge	\$500.00

Underground leaks and breaks in the customer's service line will be charged \$1.00 per 1,000 gal. for approved leak adjustments

The charge for voluntary discontinuance of a customer's service will be one and one-half times the monthly minimum water rate for a 5/8" meter, currently \$42.00.