Water System Policies

For

Redhill Forest Property Owners, Mutual Water & Cattle Association

The real property included within the boundaries of the Redhill Forest Subdivision consists of:

Filings 1, 2, 3, 4 & 5, Park County, Colorado

Redhill Forest Water Policies

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<u>ARTICLE I - GENERAL</u>

- **1.1 AUTHORITY.** The Declaration, Articles of Incorporation and Bylaws of the Association and Colorado law.
- **1.2 PURPOSE.** It is necessary for the health safety and welfare of the residents and owners of property located within the Redhill Forest Subdivision to regulate the distribution of water. The purpose of this consolidated body of Water Policies is to ensure an orderly and uniform administration of water operations in the Redhill Forest Subdivision.
- 1.3 POLICY. The Board of Managers of the Association hereby declares that the Water Policies hereinafter set forth will serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the Redhill Forest Subdivision. The promotion of water conservation shall be a legitimate objective and policy for the Board's consideration in the enactment and enforcement of these Water Policies and any future amendments.
- **1.4 SCOPE.** These Water Policies shall be treated and considered as new and comprehensive regulations governing the operations and functions of the Redhill Forest Water system, and shall supersede all prior Water Policies of the Association. In the event any of the terms or provisions hereof shall conflict with the provisions of Colorado Law, the terms of said statutes shall govern but other water policies shall remain in full force.
- 1.5 <u>INTENT OF WATER POLICIES</u>. It is intended that these Water Policies shall be liberally construed to effect the general purposes set forth herein, and that each and every part hereof is separate and distinct from all other parts. Nothing contained herein shall be construed to prejudice or affect the rights of the Association pursuant to any law, which is now enacted or may subsequently be enacted by the Colorado General Assembly.
- **1.6 AMENDMENT.** The Association shall retain the power to amend these Water Policies, by resolution of the Board, upon the consent of the majority of the Board at any regular or special meetings of the Board. Prior notice of these amendments shall be required to be provided to property owners pursuant to Redhill Forest Property Owners, Mutual Water & Cattle Association Procedures for Adoption of Policies.
- 1.7 <u>USAGE AND TITLES</u>. All words and phrases shall be construed and understood according to their common and approved usage. The title of any heading in these Water Policies shall not be deemed in any way to restrict,

qualify, or limit the effect of the provisions set forth in the section or subsection set forth under such heading.

1.8 CONTRACTUAL AGREEMENT/ATTORNEY'S FEES.

Notwithstanding any provisions of these Water Policies to the contrary, all property owners serviced by the Association are responsible for knowledge of all provisions of these Water Policies and hereby agree to be bound by these Water Policies as a matter of contract and for which there is good and valuable consideration. In the event the Association shall commence proceedings to collect any payments of whatever nature due and payable to the Association, or to otherwise enforce these Water Policies, the delinquent or defaulting party shall be responsible and hereby agrees to the payment of any and all costs and expenses incurred in connection with said proceedings, including, but not limited to, reasonable attorney's fees.

ARTICLE II - DEFINITIONS

Unless the context specifically indicates otherwise, the meaning of the terms used herein shall be as follows:

- **2.1 APPLICANT.** "Applicant" shall mean any person or property owner who applies to the Association for a water service connection.
- **2.2 ASSOCIATION ENGINEER**. "Association Engineer" shall mean that person or firm which has been authorized by the Association to perform professional engineering services for the Association.
- **2.3 BOARD.** "Board" and "Board of Managers" shall mean the duly elected or appointed Board of Managers of the Redhill Forest Property Owners, Mutual Water and Cattle Association "Redhill Forest POMWACA".
- **2.4 BACKFLOW.** Backflow means the undesirable reversal of flow of water or mixtures of water and other liquids, gases or other substances into the public water systems distribution system from any source or sources other than its intended source.
- **2.5** CROSS CONNECTION. Cross Connection means any connection that could allow any water, fluid, or gas such that the water quality could present an unacceptable health and/or safety risk to the public, to flow from any pipe, plumbing fixture, or a customer's water system into a public water system's distribution system or any other part of the public water system through backflow.
- **2.6 ASSOCIATION.** Shall mean Redhill Forest POMWACA, Board of Managers and Water Committee.

- **2.6.1 WATER COMMITTEE.** "Water Committee" shall mean the members appointed by the Board to manage the daily expenditures and management of the water system and recommend long range plans to the Board.
- **2.7 LATE FEES.** "Late fees" shall mean late fee penalties and interest shall be charged for payments not made on or before the twenty-first (21st) day of each month.
- **2.8** <u>WATER OPERATOR</u>. "Water Operator" shall mean any duly certified, licensed person engaged by the Association to operate and maintain the water system. The Water Operator shall inspect all water connections, excavations, and installations and repairs to the water systems and facilities of the Association to ensure compliance with the Water Policies.
- **2.9 PERMIT.** "Permit" shall mean the written permission to connect to the water systems of the Association pursuant to the Water Policies of the Association.
- **2.10 PERSON**. "Person" shall mean any entity of any nature, whether public or private.
- **2.11 PROPERTY OWNER.** "Property Owner" shall mean the owner of the real property as recorded in Park County.
- **2.12 PROPERTY SHUT-OFF VALVE.** "Property Shut-Off Valve" shall mean the entirety of the curb valve and curb box located on the service line used to control the flow of water from the main line into a service line for a customer's property. Property shut-off valve shall be owned and operated by the Association.
- **2.13 SERVICE LINE.** "Service Line" shall mean any privately owned and maintained pipe, line, or conduit used, or to be used, to provide water service from a Water Main to a residential unit or RV Pad, whether the pipe, line, or conduit is connected or not. Property Owners shall install a shut-off valve where the service line enters the residence unit or RV Pad.
- **2.14 SHALL OR MAY.** Whenever "shall" is used herein, it shall be construed as a mandatory direction. Whenever "may" is used herein, it shall be construed as a permissible but not mandatory direction.
 - 2.15 TAP OR CONNECTION. "Tap" or "Connection" shall mean the

connecting of the service line to the water system, either directly to a main line or stub out from the main line, which service line extends beyond the easement line or property line into the residence intended to be served, whether or not actually connected to the structure's water system.

- **2.16 TAP FEE.** "Tap Fee" shall mean the payment to the Association of a fee for the privilege of connecting a customer to the water system.
- **2.17** <u>UTILITY SERVICE AVAILABILITY FEE.</u> "USAF" Established by the developers, this fee is to pay for the initial installation of the water and electrical infrastructure. The fee must be paid prior to connection to the water system and should not be confused with the tap fee.
- **2.18 WATER MAIN.** "Water Main" shall mean any pipe, piping, or system of piping used as a conduit for water in the Association's water system and owned by the Association.
- **2.19 WATER POLICIES.** "Water Policies" shall mean the Water Policies of the Association,
- **2.20 WATER SYSTEM.** "Water System" shall mean any Water Main line, appurtenances, accessories, or portion thereof owned and maintained by the Association. It shall not include the service line upon a customer's property, or any facilities connected to the customer's service line.

ARTICLE III - OWNERSHIP AND OPERATION OF FACILITIES

- **3.1** RESPONSIBILITIES OF ASSOCIATION. Except as otherwise provided by these Water Policies, the Association is responsible for the operation, maintenance, and repair of the water system, which operation, maintenance, and repair shall be carried out in a sound manner.
- 3.2 <u>LIABILITY OF ASSOCIATION</u>. In no event shall the Association be liable or responsible for inadequate treatment, interruption and resumption of service, or loss of pressure brought about by circumstances beyond its reasonable control. Likewise, the Association shall have no liability for interruption and resumption of water service or loss of pressure, and any injury or damage resulting therefrom as a result of repairs and maintenance by the Association or performance of its other obligations and responsibilities hereunder, or as a result of acts or omissions by other parties. The Association shall have no liability or responsibility for any aspects of the service lines or other facilities not owned by the Association or for any damage caused by running or escaping of water from open or defective faucets or lines of the customer. In addition, the Association shall have no responsibility for

notification to customers of any of the foregoing conditions.

- **3.3 GENERAL AUTHORITY.** The Association shall have all rights and authority granted to a corporate body under Colorado law to carry out its responsibilities and obligations hereunder.
- **3.3.1 INTERRUPTION OF SERVICE.** The Association shall have the right to temporarily discontinue service to any property, at any time, when deemed necessary or appropriate by the Association to perform maintenance or repairs or to perform its other obligations and responsibilities. When possible, customers affected by a water outage will be notified in advance so they can fill receptacles to sustain the outage.
- **3.3.2 REVOCATION OF SERVICE.** The Association shall have the right to revoke service to any property for violations of these Water Policies in accordance with the procedures set forth herein.
- **3.4** OWNERSHIP OF WATER SYSTEM. All existing and future main lines and treatment works connected with and forming a part of the water system shall be and are the property of the Association.
- 3.5 <u>SERVICE LINES</u>. Each Property Owner owns and is responsible for the proper construction, maintenance, repair, and replacement of the entire water service line serving their property from the main and shall also be responsible for all related service facilities on or within their property. The Property Owner shall construct service lines at his or her expense in accordance with the Water Policies.
- **3.6** OWNERSHIP OF WATER METERS. Notwithstanding the above, all water meters and Property Shut-Off Valves shall be and are the property of the Association.
- AGENTS. The Water Operator engaged by the Association, bearing proper credentials and identification, shall be permitted to enter upon all properties at all reasonable times for the purpose of inspection, observation, measurement, sampling, testing, and other matters necessary or appropriate for the Association to perform its obligations and responsibilities. Failure to permit such inspections, observations, measurements, sampling, and/or testing upon request may result in a finding of violation of these Water Policies and disconnection of service to the property of the owner/occupant failing to permit such activity.
 - 3.8 **VARIANCES FROM RULES**. The Board shall have the authority

to grant variances from these Water Policies in its sole discretion, upon an adequate showing of undue hardship not experienced by others and not caused by the applicant. Any such variance shall be in writing, signed by the Board, and shall not be deemed a waiver or an amendment of the Water Policies.

- **3.9 DAMAGE TO SYSTEM.** No person shall maliciously, willfully, or negligently break, damage, destroy, cover, uncover, deface, or tamper with any Association property. The Association shall charge for all damage incurred.
- **3.9.1 DUTY TO REPORT.** Any person who (1) destroys, damages, or alters any Association facility; (2) causes or permits any foreign materials to enter the Association system; (3) causes any obstruction in the flow of water in any Association facility; (4) causes or permits any water to escape from the Association system in such a way that water is wasted or leaked; or (5) discovers, observes, or has reasonable cause to believe that any of the foregoing has occurred, shall immediately report the same to the Association.
- **3.9.2 LIABILITY FOR DAMAGE.** Any person who in any manner damages, injures, or impairs any of the water system or any other work, structure, improvement, equipment, or property owned by the Association shall be liable to the Association for any costs, damages, and expenses incurred by the Association as a result thereof, which shall include, without limitation, repair or replacement of property damaged and reasonable attorney's fees in enforcement of payment.

ARTICLE IV - USE OF WATER SYSTEMS

- **4.1 UNAUTHORIZED USE.** No person shall uncover, use, alter, disturb, make any connection with or opening onto the water system without written permission from the Association. Unauthorized unmetered use of water or tampering with the water system includes, but is not limited to, unauthorized turn-on or turn-off of water service, burying valve boxes, modifying any water meter, wasting water, and resale or distribution of water from the Association to any other premises.
- **4.1.1 VIOLATIONS.** In the event of unauthorized tampering the Water Committee may, in its discretion, order the user disconnected from the water system until such time as, in the sole discretion of the Water Committee, such user is in substantial compliance with the scope and intent of these Water Policies, and may take any such additional action as is authorized by these Water Policies and Colorado law. Any person violating any of the provisions of these Water Policies shall become liable to the Association for payment of fines up to

\$1,000 per occurrence, plus any expense, loss, or damage incurred by the Association by reason of such violation.

- **4.2 COMPLIANCE.** All property owners shall comply with all Association Water Policies, and County ordinances and State of Colorado laws regarding the use of water and the installation, maintenance, and repair of their service line and related service facilities upon their residences. In addition, all property owners shall comply with all terms and conditions of the well permits, water rights, decrees, and augmentation plans obtained by the Association and related to the supply of water to the customers, including, without limitation, use of water for in-house purposes only at their residences.
- **4.2.1 REPAIRS OF LEAKS**. It is the responsibility of the property owner to bury the service line with sufficient cover to prevent it from freezing, leaks or breaks in the service line shall be turned off immediately and repaired by the property owner. The Association shall have the right to affect the repair, and the costs thereof shall constitute a lien on and against the property. The property owner shall be responsible for paying for any water lost due to leaks or breaks in the service line and associated costs related to finding said leak. See fee schedule for charges of operator time. Such water shall be paid for at the rate set forth in the current rate schedule.
- 4.2.2 <u>WATER METERS REQUIRED</u>. All Property Owners shall have a water meter installed in their service line. All water used must be metered. The use of unmetered water will result in a \$1,000 tampering penalty. No connection shall be made to the Association's system without a water meter and remote reader supplied by the Association having been properly installed to serve the subject unit. The installation and location of the meter and remote reader shall be subject to the approval and inspection of the Association before water is turned on. The water meter shall be installed in a location where it has adequate protection from freezing. The Property Owner shall not move or tamper with the remote reader.
- 4.2.3 <u>DEFECTIVE METERS</u>. It shall be the duty of each Property Owner to notify the Association management company if his water meter is not registering or may be operating defectively. In addition, the Association may inspect any meter, which it suspects may be defective. In addition, any water meter shall be removed and tested upon complaint of the Property Owner, with payment to the Association of its current fee pursuant to its schedule of rates and charges. If the meter is found to be accurate within 3 percent, the meter shall be reinstalled and the fee retained by the Association. If the meter is found not to be accurate within 3 percent, then the meter shall be repaired and reinstalled and the fee returned to the Property Owner. As the Property Owner has this remedy to correct any defective meter, there shall be no refund of previous

water charges.

- **4.2.4 PRESSURE REDUCING VALVE.** A pressure reducing valve should be installed by the Property Owner in their service line to protect the residence's plumbing system from any fluctuating Water Main delivery pressures. It is recommended that the owner seek the advice of the water operator on the advisability of installing a pressure reducing valve. Most areas in Redhill Forest requires a pressure reducing valve.
- **4.2.5 BACKFLOW PREVENTION DEVICE.** A backflow prevention device provided by the Association shall be installed in the service.

For new homes and water taps, all building plans must be submitted to the Association and approved by the Architectural Control Committee prior to the installation of water service. Building plans must show:

a. Water service line location

ii Right of entry

A properly credentialed representative of the Association shall have the right of entry to survey any and all buildings and premises for the presence of cross connections for possible contamination risk to and for determining compliance with this section. This right of entry shall be a condition of water service in order to protect the health, safety and welfare of customers throughout the Associations distribution system.

<u>iii Compliance</u>

For any identified uncontrolled cross-connections, the Association shall complete one of the following actions within 72 hours of its discovery:

- a. Control the cross-connection.
- b. Remove the cross-connection.
- c. Suspend service to the lot with a cross-connection.

Iv The Association shall give notice in writing to any owner whose plumbing system has been found to present a risk to the Association water distribution system through a cross connection. The notice and order shall state that the owner must install a reduced pressure backflow prevention assembly or eliminate the cross connection to the owner's premises to contain the water service. The notice and order will give a date by which the owner must comply with the order.

ARTICLE V - SERVICE

- **5.1 CONNECTION REQUIRED.** All improvements requiring water service shall use the water system for their sole source of water. The drilling or use of any private water wells or cisterns within Redhill Forest is specifically prohibited.
- **5.2 PROVISION OF SERVICE**. Service will be furnished, subject to these Water Policies and subject to charges by the Association, to all property included within Redhill Forest. The Association shall have no duty to provide any service outside its legal boundaries.
- 5.3 APPLICATION FOR SERVICE. Prior to any action to connect to the system, written application for service must be filed with the Association thirty (30) days previous to the desired hook-up date, on forms provided by the Association. A connection to the system may be made only following authorized written approval of the application, and the payment of appropriate fees, and shall be subject to the connection procedures set forth herein. The applicant shall furnish accurate and truthful information in response to the application. Tap fees shall be as set forth in the Association's current rate schedule.
- **5.4** ADDITIONAL TAP INFORMATION REQUIRED. All information requested on the tap application form must be completed. An approved ACC Application shall accompany the tap permit application for new construction. In the case of an RV pad the Lot Plat shall show the location of the water line and yard hydrant.
- 5.5 <u>DENIAL OF APPLICATION</u>. The Association reserves the right to deny application for service when, in the sole opinion of the Water Committee, (1) the service applied for would create an excessive demand on the water facilities, (2) unresolved obligations exist between the Association and the applicant, (3) the applicant has violated these Water Policies, or (4) for any other reason as reasonably determined by the Water Committee.
- **5.6 UNAUTHORIZED CONNECTIONS.** No person shall be allowed to connect to the water system without payment of tap fees, approval of application for service, and compliance with these Water Policies. Any such use shall be deemed an unauthorized connection.
- **5.6.1 FEES AND PENALTIES.** Upon the discovery of any unauthorized connection, the Association may elect to discontinue service immediately and assess tampering penalties, liquidated damages set forth hereunder, or the Association may approve service subject to these Water Policies. In the event

the Association elects to approve service, it shall send written notice to the owner of the property benefited by such connection, stating that an unauthorized connection has been made between the owner's property and the Association facilities, and that the current tap fee shall become immediately due and payable, and the property shall automatically be assessed an additional unauthorized connection fee equal to the then-current tap fee per equivalent dwelling unit, as liquidated damages toward the Association's costs associated with such unauthorized connection. The Property Owner shall then have twenty (20) days from the date the notice is mailed to pay the then-current tap fee and liquidated damages. The amount due shall become a lien on the property until paid in full, and the Association may take those legal steps authorized by these Water Policies and Colorado law regarding the collection of said fees.

- **5.6.2 PAID TAP FEES.** The Redhill Forest Property Owners Mutual Water and Cattle Association Water Committee shall honor all previously paid tap fees. If set before 18 months (548 days). The Association declares that such agreement is personal only to the owner and/or person who applied for, paid the tap fees and shall not be applicable to any successor owners.
- 5.7 TERMINATION OF SERVICE. In the event of termination of service for nonpayment of any valid water bill fees or charges owed to the Association, or for any other violation of these Water Policies, the Property Owner shall be assessed an availability of service charge or minimum monthly fee. No service disconnected for nonpayment shall be reinstated until all delinquent water bills have been paid in full, including, but not limited to, interest, late fees, attorney's fees, and miscellaneous fees directly associated with termination of service.
- 5.8 REVOCATION OF TAP RIGHTS. Prior to actual connection to the water system and receiving services hereunder shall be revocable by the Association upon nonpayment of any Association fees, or for any other violation of these Water Policies. If the right to connect to the Association's system is revoked, the Property Owner may reacquire such tap rights only by reapplying for service in accordance herewith, and after paying all fees due and owing the Association and the existing tap fees charged by the Association under these Water Policies.
- 5.9 <u>INITIATION OF SERVICE</u>. The Property Owner shall schedule a mutually agreeable time for tapping of the main, inspection of the water service line installation, and water turn on with the Operator providing at least two business day's prior notice. The actual connection to the main line shall be performed or inspected by the Water Operator as part of the tap fee paid by the Property Owner. All connections shall be made under the supervision of the

Operator and at the sole expense of the applicant. In no event shall the Association Operator provide water service prior to the inspection and approval of the water service line installation. The property shut-off valve and curb box shall be provided by the Association as a part of the tap fee and installed to Association specifications at the owner's expense. No connection shall be covered until inspected and approved by the Operator. The applicant/owner shall be solely responsible to adequately prepare for any initiation of service. If a contractor and/or owner fails to excavate and execute the tap at the scheduled time and date, or fails to properly initiate the service, they shall pay to the Association an hourly charge per the Association fee schedule for the additional trips made and time spent by the Operator. The Association shall bear no responsibility for any damage or injuries resulting from such initiation of service.

5.9.1 CONTROL OF SHUT-OFF VALVE. Once connected to the Association's water system, only Association personnel shall perform all "turnons" and "turn-offs" of water service through a property shut-off valve on a service line. The Association may assess "turn-on"/"turn-off" charges per the Association's fee schedule, except when initial service is provided.

ARTICLE VI - CONSTRUCTION OF SERVICE LINES

- **6.1 COMPLIANCE WITH WATER POLICIES.** The requirements of these Water Policies are applicable to the construction of all service lines and shall be complied with by all property owners.
- **6.2 SEPARATE SERVICE LINES REQUIRED.** Every residence shall have no less than one separate and independent service line installed at the expense of the property owner.
- owners in accordance with this Water Policy. Service lines not exceeding a length of 300 feet shall be a minimum size of three-fourths inch (3/4") ID pipe, type K soft copper, and shall be installed at a minimum depth of nine feet (9') below ground level. If the service line is over 300 feet, the entire service line will be one-inch (1") ID pipe, type K soft copper. The service line will be insulated with piping insulation. One foot of Bedding material free of rock will be installed over and above the water service line. Two inch (2") sheet urethane insulation two feet (2') wide will be placed above the Bedding material over the service line for the length of the service line. Native material from the service line ditch excavation can be used as backfill from above the urethane insulation to the surface. Property shut off valve shall be used as supplied by the Association as part of the tap fee. The shut-off valve shall be installed immediately inside the owner's property line in an easily accessible location protected from freezing.

The curb box shall be installed one foot (1') above ground level. All contractors, plumbers, and others doing work on or related to any Water Main, service line, or structure in Redhill Forest shall be licensed and comply with applicable County and State codes, regulations, and statutes. All permits, fees, and licenses shall be paid for by the contractor, plumber, or others doing work in Redhill Forest prior to the start of construction.

- 6.3.1 EXCAVATIONS. The contractor shall be required to contact the Water Operator prior to beginning any excavation work in order to (1) determine the approximate location of the main line, and (2) obtain Water Tap to excavate the Water Main. All excavations for service installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Streets and other public or private property disturbed in the course of the work shall be excavated, backfilled, compacted, and otherwise restored by the contractor, at the expense of the owner or contractor, in a manner satisfactory to the Association and in compliance with requirements of the Association. All inspection fees required by any governmental agency, including the Association, shall be paid by the plumber, contractor, or others doing work in Redhill Forest.
- **6.3.2 PROPERTY OWNER'S LIABILITY FOR CONTRACTORS.** The Property Owner shall be fully responsible for any and all damages caused by their contractors and all subcontractors, or other noncompliance with these Water Policies.
- **6.3.3 INSURANCE**. All contractors performing work on or related to the water system shall be licensed by Park County in their field and provide proof of insurance to the Association Management Company prior to the performance of any work.
- 6.3.4 SERVICE LINE INSPECTION. All service lines shall be inspected and approved by the Operator prior to back-filling the ditch. The Property Owner or his contractor shall contact the Association to schedule an open ditch inspection of all service lines not less than two business days prior to the date the inspection is required. Following satisfactory inspection, the connection shall be made to the main line. If any service line is backfilled without the Operator's inspection and approval of the line, the Operator may require the Property Owner at his or her own expense to re-excavate the line so that the appropriate inspection and approval may be made. In such event, the Property Owner shall pay to the Association an hourly charge per the Association's rate and charge schedule for the additional trips made and time spent by the Operator.

ARTICLE VII - RATES AND CHARGES

7.1 GENERAL. All charges of whatever nature to be levied for the provision of water service shall be governed by these Water Policies. The

Board shall yearly review the rates, charges, and fees to be charged by the Association. The new rates charges, and fees shall be effective on January 1st of each year. These rates, fees and charges shall remain in effect until modified by the Board under the provisions of these Water Policies, and under any applicable statutes of the State of Colorado. Nothing contained herein shall limit the Board from modifying rates, changes, and fees, or from modifying any classification used for establishing such rates and charges. The water meter billing rates shall be set to cover the cost of operation and maintenance of the water system. The cost of the water system infrastructure shall be shared by all lot owners thru assessments.

- **7.1.1 WATER RATES COMMITTEE.** The Water Committee is charged with reviewing the existing Association water rates, fees, charges and future Association needs and recommending changes to the water rates, fees and charges to the Association Board.
- **7.2 WATER CHARGE.** Water charges shall be as reflected in the schedule of fees and charges, copies of which are maintained on the Association website. Water charges shall begin with physical connection to the Water Main and will continue even if service is shut off.
- 7.3 <u>TAP FEE</u>. A tap fee shall be charged to all Property Owners connecting to the water system. The tap fee shall be set by the Board. The tap fee is separate from the Utility Service Availability Fee (USAF), which is defined in the Declarations. It shall be assessed and paid before the permit for service is issued. Tap fees shall be assessed as provided for in the schedule of fees and charges maintained by the Association. Tap fees will be prepaid, and tap permits issued, anytime after the Property Owner obtains a building permit for the residence or approval of an RV pad.
- 7.4 TRANSFER OF TAP FEES. No tap fee paid on behalf of one property may be transferred to any other person or property without the approval of the Board of Managers. Any approval of a request for a transfer of a tap shall be in the sole discretion of the Board.
- **7.5 BILLING.** All monthly water charges shall be billed in arrears, following reading of meters. The Association shall read water meters on a basis established by the Board. The Association will provide Billings for water usage to each user. In all events, the Property Owner shall be finally liable and personally responsible for payment of all bills. Billing will commence upon the physical connection of the tap to the water main, irrespective of when the Property Owner starts using water.
 - **7.5.1 PAYMENT**. Bills for water used shall be sent monthly or quarterly

as determined by the Board on the first of the month with payment due upon receipt and becomes delinquent after the 20th day of that month for the previous billing period service. A late fee shall be assessed on payments not received on or before the twenty-first (21st) day of each month. The Property Owner is personally responsible for paying all water bills and providing the Association with his or her correct billing address. Payment by personal check or ACH is authorized. A returned check fee, as determined by the Board, shall be assessed against the account of any customer whose check is returned for whatever reason including insufficient funds. The Association, in its discretion, may require payment by certified funds.

- **7.6 WRITTEN NOTICE.** If a Property Owner believes a billing statement is in error, they must provide written notice to the Association of the alleged error. If the owner and Management Company do not resolve the billing error successfully, the matter shall be handled as an agenda item at the next Regular meeting of the Water Committee.
- **7.6.1 <u>DETERMINATION</u>**. The determination by the Water Committee regarding the resubmittal or revision of the statement shall be final. Following review by the Water Committee, the Association will resubmit and/or revise the disputed statement. Payment shall be due no later than ten (10) days from the billing date of the resubmitted statement.
- **7.7 PENALTY.** If the Property Owner becomes delinquent in payment of any charges due the Association, the Association shall assess an interest charge of eight percent (8%) per annum on the unpaid balance, plus a late fee as determined by the Board in its schedule of rates, fees, and charges.
- 7.7.1 TERMINATION OF SERVICE. The Association shall have the right, in its sole discretion, to terminate service to any Property Owner who is more than thirty (30) days delinquent in payment for any services, and after ten (10) days' notice of discontinuance has been provided to the Property Owner by regular U.S. mail at his or her last known address, and a seventy-two (72) hour notice of termination for nonpayment has been posted at the property served. If the water is shut off from any property, and the owner-occupant turns the water back on or causes the water to be turned on without permission, the Association may cause the service lines to such premises to be disconnected from the main line, and appropriate legal action may be instituted for such wrongful conduct in violation of the Water Policies.
- **7.7.2** COSTS ASSESSED. If a Property Owner becomes delinquent in his or her account, they shall be responsible for all costs and expenses incurred in the collection of said account, including costs of collection and reasonable

attorney's fees.

- **7.7.3 RENEWAL OF SERVICE.** After termination of service for nonpayment, the Property Owner's service shall be renewed only upon payment in full of all charges, fees, interest, penalties, costs, and expenses due the Association in certified funds or cash. The Association shall have up to forty-eight (48) hours after payment is received by the Association to reinstitute service.
- **7.7.4 PERPETUAL LIEN.** All fees, rates, tolls, penalties, or charges shall constitute a lien on and against the property served, and any such lien may be foreclosed in the same manner as provided by the laws of this State for the foreclosure of mechanics liens.
- 7.8 FORECLOSURE AND ATTORNEY'S FEES. The Association may file a notice of lien to evidence its claim and may initiate proceedings to foreclose its lien for all fees, rates, penalties, and charges due the Association. In such event, the party being foreclosed upon shall pay any and all costs and expenses incurred in connection with said foreclosure proceedings, including but not limited to reasonable attorney's fees and any expert witness fees. In no event shall payment made by the Property Owner prior to the foreclosure sale be required to be accepted without full payment of all attorney's fees and any and all other costs and expenses relating to the foreclosure.

Article VIII - DISPUTE RESOLUTION

8.1 DISPUTE RESOLUTION BY THE WATER COMMITTEE. Any dispute regarding the interpretation, construction, application, or enforcement of these Water Policies shall be heard by the Water Committee upon request of the complaining party. The Water Committee decision will be final.

ADOPTION OF REVISED WATER POLICIES

This Water Policy of Redhill Forest Property Owners Mutual Water and Cattle Association was adopted by the Board of Managers by proper resolution of the Board on the <u>20th</u> day <u>February</u>, 2024.

Jerry Stands (Feb 24, 2024 13:40 MST)

Jerry Shands - Secretary of Board of Managers

Water Policy-Cross Connection 2.20.2024

Final Audit Report 2024-02-24

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