

**RESOLUTION 2017-5**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
DEEP CREEK WATER AND SANITATION DISTRICT AMENDING THE  
DISTRICT'S RULES AND REGULATIONS AND SCHEDULE OF FEES  
AND CHARGES SET FORTH THEREIN, WITH SUCH AMENDMENTS TO  
TAKE EFFECT JANUARY 1, 2018**

WHEREAS, C.R.S. § 32-1-1001(1)(j)(I) authorizes and empowers the Board of Directors of the District “[t]o fix and from time to time increase or decrease fees, rates, tolls, penalties or charges for service, programs or facilities furnished by the special district”; and

WHEREAS, C.R.S. § 32-1-1001(2)(a) requires the Board of Directors of the District to provide notice to consider such action(s) at a public meeting held at least thirty (30) days following notice to the customers of the District; and

WHEREAS, such notice has been provided to customers of the District in accordance with the requirements of C.R.S. § 32-1-1001(2)(a) and a copy of the certificate of mailing is attached to this Resolution as **Exhibit 1**; and

WHEREAS, the Board of Directors of the District has completed a public hearing on the proposed amendment(s) to the District's Rules and Regulations, and has determined to adopt the amended Rules and Regulations of the District in the form attached hereto as **Exhibit 2**; and

WHEREAS, the Board of Directors of the District has further determined that the amended Rules and Regulations shall be applicable to customers and ratepayers of the District effective January 1, 2018,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE DEEP CREEK WATER AND SANITATION DISTRICT, AS FOLLOWS:

**Section 1.** The District's Rules and Regulations attached to this Resolution as **Exhibit 2** shall be effective as of January 1, 2018.

**Section 2. Effective Date.** This Resolution shall take effect upon its approval by the Board.

ADOPTED by a vote of 3 in favor and 0 against this 14<sup>th</sup> day of December, 2017.

**DEEP CREEK WATER AND SANITATION  
DISTRICT**

By: John H. Parker  
President

ATTEST:

John Parker  
Secretary

EXHIBIT 1

Certificate of Mailing

(attached)

**CERTIFICATE OF MAILING**

IT IS HEREBY CERTIFIED by the undersigned that on the 8<sup>th</sup> day of November, 2017, the attached letter incorporating that certain NOTICE OF MEETING TO CONSIDER INCREASE IN COMMERCIAL RATES AND CHARGES – DEEP CREEK WATER AND SANITATION DISTRICT, a copy of which is attached hereto as **Exhibit A**, was mailed separately to each customer on the billing rolls of the Deep Creek Water and Sanitation District in accordance with the requirements of C.R.S. § 32-1-1001(2)(a)(I).

By:   
Debbie Whitmore

*Following execution, please return to:*

Michow Cox & McAskin  
Attn: Marcus McAskin  
6530 S. Yosemite Street, Suite 200  
Greenwood Village, CO 80111  
[marcus@mcm-legal.com](mailto:marcus@mcm-legal.com)



**Exhibit A**

Deep Creek Water & Sanitation District  
c/o Michow Cox & McAskin LLP  
6530 S. Yosemite Street, Suite 200  
Greenwood Village, CO 80111

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**November 7, 2017**

**Dear property owners/customers served by Deep Creek Water & Sanitation District:**

Enclosed with this letter is a copy of a NOTICE OF MEETING TO CONSIDER INCREASE IN COMMERCIAL RATES AND CHARGES – DEEP CREEK WATER AND SANITATION DISTRICT.

The proposed changes include amending the sewer rates for commercial properties only.

Specifically, the District is proposing to change the rates for sewer service for non-residential (commercial) accounts to tie the rates to the City of Creede EQR (equivalent residential unit) Rate, as determined from time to time by the City. The City's current EQR rate for sewer is \$16.75, as established by City of Creede Resolution 2016-01 and as amended from time to time (the "City EQR Rate"). At the current time, the Board of Directors of the District is contemplating a change to the District's Base Rate for sewer on commercial properties to the then-current City EQR Rate plus \$13.25, and is also proposing to change the District's rate for each additional EQR to the then-current City EQR Rate plus \$2.00. These rates are subject to change following discussion and Board input at the December regular meeting. The new rates will be reflected in Exhibit A of the District's Rules and Regulations.

The proposed rate change will not affect residential properties.

Should you have any written comments on the proposed changes to the Rules, you may submit the same in writing before the hearing to: Deep Creek Water & Sanitation District, c/o Michow Cox & McAskin LLP, 6530 S. Yosemite Street, Suite 200, Greenwood Village, CO 80111.



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Marcus A. McAskin  
General Counsel to the District

**NOTICE OF MEETING TO CONSIDER INCREASE IN COMMERCIAL RATES AND CHARGES – DEEP CREEK WATER AND SANITATION DISTRICT**

NOTICE IS HEREBY GIVEN, pursuant to Section 32-1-1001(2)(a)(I), C.R.S., to the customers of the Deep Creek Water and Sanitation District and all other interested persons that the Board of Directors of the District shall consider amending the sewer rates for non-residential (commercial) accounts, with all changes to the Rules and Regulations to be effective on January 1, 2018. The changes to the Rules and Regulations of the District will be considered at an open public meeting of the Board of Directors to be held at 10:00 a.m. on Thursday, December 14, 2017 at the offices of Michow Cox & McAskin LLP, 6530 S. Yosemite Street, Suite 200, Greenwood Village, CO 80111.

NOTICE IS FURTHER GIVEN that any customer or other interested person may appear at said time and place for the purpose of providing input, comments or objections regarding the proposed commercial rate structure (for sewer service). In addition, any customer may submit written comments to the District by mailing written comments to the address noted above. Written comments received on or prior to the public hearing will be made part of the record of the proceeding.

Dated this 7th day of November, 2017.

EXHIBIT 2

Rules and Regulations  
Deep Creek Water and Sanitation District

(attached)

**RULES AND REGULATIONS**  
**DEEP CREEK WATER AND SANITATION DISTRICT**  
**Mineral County, Colorado**

**Adopted and effective December 4, 2008**

Amendments:

<u>No.</u>	<u>Date of Amendment</u>	<u>Section(s) amended</u>	<u>Effective date</u>
1	March 5, 2009	4.6	March 5, 2009
2	May 21, 2010	2.1, 5.2, 5.5, 6.1, 6.2, 6.3	May 21, 2010
3	December 1, 2011	Exhibit A*	January 1, 2012
	(*combined water and sewer rate increased from \$46.00 to \$49.59 per Resolution dated December 1, 2011)		
4	May 14, 2015	1.3, 1.4, 2. 2.2, 2.3, 4.1, 4.2, 4.4, 5.1, 5.2, 6.2, Exhibit A**	June 1, 2015
	(**pursuant to Resolution 2015-1)		
5	December 14, 2017	Exhibit A*	January 1, 2018

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# RULES AND REGULATIONS

## DEEP CREEK WATER AND SANITATION DISTRICT

### 1. General.

**1.1 Authority.** The Deep Creek Water and Sanitation District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado operating under the authority of the Special District Act, Section 32-1-101, *et seq.*, C.R.S. The District may hire and retain a District Manager to act upon its behalf for all regular District business. Unless specifically stated herein, the District Manager shall be empowered to enforce the District's Rules and Regulations. No employee or agent of the District shall have the right or authority to bind the District by any promise, agreement, or representation in conflict with these Rules and Regulations.

**1.2 Purpose.** The purpose of these Rules and Regulations is to ensure an orderly and uniform administration of water and sewer operations to those properties located within the boundaries of the District (the "Inside Service Area") and to those properties served by the District but located outside of the boundaries of the District (the "Outside Service Area") (together, the Inside Service Area and Outside Service Area are referred to collectively herein as the "Service Area"). The District provides water service and sanitary sewer service to Customers within its Service Area. Treatment of sanitary sewage collected by the District is performed by the City of Creede (the "City"), pursuant to and in accordance with the terms of an intergovernmental agreement between the City and the District. These Rules and Regulations do not establish contractual rights, nor are they intended to do so. These Rules and Regulations shall not be construed as creating obligations for the District beyond those required by law

**1.3 Policy.** The Board of Directors of the District (the "Board") has promulgated these Rules and Regulations to ensure that all customers within the Service Area are able to obtain water and sanitary sewer service in a fair and equitable manner. All Customers are hereby notified that the District is a party to that certain Intergovernmental Agreement Regarding Wastewater Collection and Treatment with the City (the "IGA"). The IGA requires the City to accept wastewater from the District and to treat the same at its current wastewater treatment plant (the "City WWTP"). The IGA also sets forth the responsibilities of the District and City to participate equitably in the future expansion or replacement of the City WWTP, if and to the extent that the same becomes necessary. To the extent of any conflict between these Rules and Regulations and the terms of the IGA, the IGA shall prevail.

**1.4 Applicability.** These Rules and Regulations shall apply equally to all residential and commercial customers within the Service Area (each a "Customer"), unless specifically stated otherwise. These Rules and Regulations are subject to amendment and modification by the Board without prior notice, except where notice is specifically required by law. If any clause, sentence, paragraph, section, or portion of these Rules and Regulations shall be adjudged invalid by a court of competent jurisdiction for any reason, such judgment shall not affect, impair, or invalidate the remainder of these Rules and Regulations.

**1.5 Access.** By requesting and receiving service from the District, every Customer shall be deemed to have granted a license to the District, its agents, employees, and representatives, at all reasonable times to enter upon the premises of the Customer receiving service from the District to determine compliance with these Rules and Regulations. No Customer shall obstruct easements or rights-of-way containing any part of the District's water or sanitary sewer systems in any manner that may prevent unrestricted access to and use of the easements or rights-of-way by duly authorized employees, agents, or representatives of the District.

**2. Fees and Charges of the District.** The District's current fees and charges are set forth on Exhibit A, attached hereto and incorporated herein by this reference. Notes 1 through 5 set forth in Exhibit A are fully incorporated in these Rules and Regulations. The fees, rates, tolls, charges and penalties of the District are subject to modification by the Board at any time, in compliance with Section 32-1-1001(2)(a), C.R.S. A copy of the District's then-current fee schedule shall be available for examination by the public during regular business hours.

**2.1 Tap and Connection Fees and Applications.** Each prospective Customer for District water and sewer tap connections shall, whether residential or commercial, apply for such service pursuant to Application forms provided by the District. The District's water tap fee and sewer connection fees are set forth in Exhibit A. Each Customer must pay the District's water tap fee and sewer connection fee/sewer tap fee to the District, as well as the City of Creede's sewer system development fee (SSDF) to the City, prior to connecting onto the District's water and sanitary sewer systems. Additional information regarding the City fees may be obtained from the City (phone number 719-658-2276, PO Box 457, Creede, CO 81130). All tap and connection fees must be received by the District prior to tapping into the District's systems. Prior to connecting to the District's systems, customers shall also deliver to the District a copy of the receipt from the City evidencing payment of City fees, and a copy of the City's waiver and release of liability form. Payment of District fees shall be by cash, check or money order to Deep Creek Water and Sanitation District, P.O. Box 434, Creede, CO 81130 or by hand delivery to Debbie Whitmore at 103 W. Wall Street, Creede, CO (phone number 719-658-0888).

**2.2 Water & Sewer Service Fees.** As set forth in Exhibit A, the District currently charges a combined water and sewer service fee of forty nine and 59/100 dollars (\$49.59) (the "Service Fee") per residential Customer (detached single family equivalent) on a monthly basis. The Service Fees for commercial Customers are also set forth in Exhibit A. The District shall render invoices to each Customer for the Service Fee monthly, and payment shall be due no later than 30 days after the date of such invoice. Any Service Fee not paid within 30 days of the date of the invoice shall bear interest at a rate of two percent (2%) per month. If full payment is not made within 90 days of the date of the invoice, the District may terminate water service to the property after providing the Customer with notice of the intended action and the opportunity to appear at a Board meeting to present evidence and testimony to explain the failure. If the Customer wishes to restore service to the property, it must pay a service reconnection fee, all outstanding balances due, interest, and other related costs, including but not limited to the District's attorney's fees, before the District will restore service to the Customer. Any unpaid Service Fee shall constitute a perpetual lien on the property served and may be enforced as provided by law. A lien removal fee may be charged and shall be due with all other fees prior to service restoration.



**2.3 Additional Fees and Charges applicable to Outside Service Area.** In the event unanticipated or major repairs, replacements, renovations, or other changes are required to be made to the water system and/or sanitary sewer system within the Outside Service Area (primarily consisting of the Creede Haven No. 1 subdivision), the Customers within the Outside Service Area shall be collectively responsible for said expenses. To the extent that Customers within the Outside Service Area fail to pay for needed repairs within a reasonable time following the date on which the necessity for such repairs exists, as determined by the Board, or otherwise fail to make arrangements with the District for financing the needed repairs, the District may proceed to undertake the same and the Board may proceed to establish supplemental fees and charges applicable to Customers within the Outside Service Area to pay for said repairs, pursuant to the District's authority to establish fees and charges for extraterritorial service, as set forth in Section 32-1-1001(1)(k), C.R.S and the authority set forth in Section 32-1-1001(2), C.R.S. If, in the reasonable discretion of the District, the systems within the Outside Service Area become damaged or otherwise may cause interference or other problems for the District's systems within the Service Area, the District or its agents may immediately proceed to cause necessary repairs to be made and may offset the costs of such repairs by imposing an additional fee within the Outside Service Area.

**3. Penalties and Fines.**

**3.1 Late Fees.** Any Service Fee not paid within 30 days of the date of the invoice shall accrue interest at a rate of two percent (2%) per month. Any Service Fee(s) which remains unpaid for a period of 90 days following the invoice date, including interest thereon, shall be subject to an additional penalty of one percent (1%) per month until paid.

**3.2 Service Reconnection Fee.** If water service is terminated for any reason, the District shall charge a reconnection fee which must be paid before service is restored. The Service Reconnection Fee may reflect all costs associated with the District's termination of the water service, including labor and material costs.

**3.3 Lien Removal Fee.** If the District has filed a lien with the Mineral County Clerk and Recorder's Office, it shall assess a Lien Removal Fee as a condition of lien removal. The Lien Removal Fee shall be paid along with any reconnection fee, late fees, interest, attorney's fees, and any unpaid balance before the lien will be formally removed. If the District determines that the lien has been filed in error, it shall cause the lien to be removed and shall not assess a Lien Removal Fee.

**3.4 Bad Check Fee.** A fee will be charged for any check received by the District that is returned for insufficient funds ("NSF"). As set forth in Exhibit A, the fee will be doubled for any subsequent violation.

**3.5 Ground Water Discharge to Sewer Penalty.** Penalty charges will be established and assessed against any person, company, or corporation who is determined to be discharging ground water to the District sanitary sewer.

**3.6 Unauthorized Discharge to Sanitary Sewer Penalty.** Discharge of unauthorized materials, including but not limited to: petroleum products, paint, paint cleaner, toxic, poisonous or explosive substances, is prohibited. Such discharge or any other misuse of the District sanitary sewer facilities may result in fines or special charges as deemed necessary by the District Manager. In addition, applicable provisions of Ordinance 334 regarding prohibited discharges shall apply within the Service Area.

**3.7 Unauthorized Hydrant Use Penalty.** No Customer may use or access District owned and maintained fire hydrants absent prior District permission. Unauthorized use of a fire hydrant will result in a penalty, and a charge for the suspected water used.

**3.8 Grease Trap/Interceptor Charge.** Any Customer who fails to comply with applicable grease trap or interceptor cleaning and pumping requirements shall be assessed a penalty. The penalty will be doubled the second time such failure occurs, and water service may be terminated if there is a third occurrence. In the event service is terminated, all applicable service reconnection and other penalty fees will apply.

**3.9 Special Service Fee.** If, in order to enforce compliance with these Rules and Regulations, District employees provide special services at a property which the Customer neglects or refuses to perform himself, or which are not related to the general maintenance of District facilities, then the cost of such work, including, but not limited to all materials, shall be charged to the Customer as a special service fee. Such special service fee shall constitute a perpetual lien on the property until paid.

**3.10 Unauthorized Water Use Penalty.** Any person found to be using the District's water without having an authorized connection or without paying the applicable Service Fee shall be subject to a penalty of \$200.00 per occurrence. In addition to this penalty, such party shall be required to pay any applicable re-connection fees or special service fees prior to reconnecting to the District's system.

#### **4. Watering Limitations and Administrative Procedures.**

**4.1 Watering Limitations.** Customers are restricted to watering trees and other outdoor landscaping from 6 p.m. MDT to 10:00 a.m. MDT. Outdoor watering between the hours of 10:00 a.m. MDT and 6 p.m. MDT is prohibited. Customers with odd-numbered homes may only water on odd numbered days and Customers with even-numbered homes may only water on even numbered days. Installed sprinkler systems which are already in place must be programmed to only turn on one zone at a time and each zone may run for a maximum of 30 minutes during the designated days and times. Every installed sprinkler system within the Service Area must have a backflow prevention device, approved by the District. Every sprinkler system within the Service Area must be inspected and approved by the District prior to the commencement of the outdoor irrigation season in 2009, or before May 1, 2009. The District's water rights are decreed and governed by the "Findings of Fact, Conclusions of Law and Decree" in case number 01CW3 issued by the District Court, Water Division No. 3 on October 12, 2004 (the "Decree"). Pursuant to the Decree, Customers with property within Mountain Valley Estates (Creede Haven Nos. 2 and 3) are permitted to water up to 800 square feet of outdoor irrigation. All Customers within

Mountain Valley Estates are required to water the tree on their lot provided by the Mountain Valley Property Owners Association. Any Customer within Mountain Valley Estates may irrigate more trees and/or lawn that permitted by these Rules and Regulations and the Decree: (1) if the Customer obtains additional water rights to augment such irrigation as contemplated by the Decree; (2) if the Customer submits written proof of ownership of such additional water rights to the District; and (3) if the Customer installs a water meter at his or her expense.

Additional Limitations within the Outside Service Area (Creede Haven No. 1) or Served by CH-1 System

Customers within the Outside Service Area (Creede Haven No. 1 or "CH-1") or otherwise served by the CH-1 water system are advised that the Division of Water Resources may place a "call" on the Rio Grande River that may put the well supplying water to CH-1 out of priority. If this occurs, only in-house water use is permitted. The original augmentation plan for CH-1, as approved by the Division of Water Resources, allowed 90 days of in-house use only. The augmentation plan has been modified so as to allow in-house use year round (365 days per year). Therefore all lawns are in violation of the CH-1 augmentation plan. The maximum GPM permitted by the augmentation plan is 60 gallons per minute ("GPM"). The water system in CH-1 was not designed for outside irrigation. The maximum allowed rate of pumping for the system supplying water to the Outside Service Area is 60 GPM. Outdoor irrigation may cause reduction in pressure necessary to supply water for in-house use. The District will take whatever actions are necessary to regulate irrigation within the Outside Service Area to preserve adequate pressure in the system so as to ensure water is available for in-house use. Customers within the Outside Service Area or served by the CH-1 system that have any outdoor use or irrigation shall be subject to the Supplemental Service Fee set forth in Exhibit A. The Supplemental Service Fee shall be charged only during the months of May, June, July, August, and September (the period beginning May 1 and ending on September 30) in each calendar year. Customers with odd-numbered homes may only water on odd numbered days and Customers with even-numbered homes may only water on even numbered days.

The penalties for violation of this Section 4.1 are set forth in Section 4.2 and Exhibit A.

The District reserves the right to require any Customer to install a water meter at any time. Meters, if required, shall comply with Section 5.2 of these Rules and Regulations. If the installation of a water meter is required, the volume charges set forth in Exhibit A shall apply to that Customer.

**4.2 Unauthorized Irrigation Penalty.** Any Customer who irrigates in an amount or at a time in violation of the provisions of these Rules and Regulations will be subject to a fine of one hundred dollars (\$100.00) for the first violation. Penalties for the second and subsequent violations are set forth in Exhibit A. The District Manager shall be empowered to determine the presence or absence of a violation. After three violations the District may commence procedures to suspend or terminate water service to the Customer.

**4.3 Drought Conditions.** Drought conditions are not uncommon in the Service Area. The Board, in its sole discretion, may make a determination that drought conditions exist.

4.3.1 Limitations Imposed During Drought. In the event the Board shall determine that drought conditions exist, the District may take such action as it deems necessary or advisable to ensure the efficient use and conservation of limited water supplies within the Service Area. The District may adopt supplemental regulations relative to water rationing, time of use schedules, limitation of use, and such other measures as it deems necessary or appropriate for the conservation of limited water supplies, ensuring continued water availability, and appropriate utilization of limited water resources.

4.3.2 Responsibilities of Customers During Drought. It shall be the responsibility of all Customers to carefully observe all rules, regulations, and prohibitions established by the District in the event the Board shall determine that drought conditions exist. The unavailability of water or limitation of water use at certain times shall not relieve the Customer from the payment of all fees and charges established by the District pursuant to the fee schedule attached hereto as Exhibit A.

**4.4 Incorrect Meter Reading.** The District generally does not mandate meters for residential Customers, but it may require residential Customers to install meters at a future date. In accordance with Section 5.2 below, commercial Customers shall be required to install water meters. The District shall provide the appropriate water meter at the Customer's expense. Installation of appropriately sized water meter(s) shall be under the direct supervision of the District. If a water meter malfunctions or fails to properly register water used, the Customer will be charged the average consumption of the previous two billing periods. The Customer shall notify the District immediately upon suspicion of such malfunction, and arrange with the District for the meter's repair or replacement prior to the next reading cycle. All costs associated with such repair or replacement shall be the responsibility of the Customer.

**4.5 Payment Procedures.** Payment of normal fees and charges may be made in person or by mail to the District's bookkeeper at the address set forth in Section 2.1 of these Rules and Regulations. The District may require payment in person utilizing Cashier's Check, Money Order or cash (exact change) in the case of a fine, penalty or other unusual charges.

**4.6 Payment Responsibility.** The owner of property served by the District is ultimately responsible for the payment of water and sewer service bills and any fees, charges or penalties described herein. If the owner rents or leases the property to another party, the District will normally bill the occupant for charges. The owner of the property has responsibility to notify the District of the following information in writing, as applicable: (1) the name(s) and mailing address of the tenant of the property, (2) the lease commencement date; and (3) the lease termination date. Upon receipt of such information, the District will proceed to bill the occupant / lessee for the water and sewer service fees described herein. If the owner fails to supply this information to the District, the District shall continue to bill the owner of the property for the same. The occupant's failure to pay amounts due does not relieve the property owner of responsibility for such amounts and any related penalties and fees, whether such occupant remains in the property or not. Water service may be terminated and a lien may be placed on the property until all fees, charges and penalties are paid.

**4.7 Utility Easements.** The District has and may require additional easements for the purposes of construction, replacement, improvement, repair, maintenance and operation of utility facilities, including, but not limited to pipes, manholes, fixtures, water and wastewater collection lines, and appurtenances. No building, structure, trees, shrubs, fences, landscaping other than a lawn, or other improvements shall be placed or constructed on or within said easements without prior District permission. The District shall have the right to remove all obstructions or improvements from the easements which interfere with the activities above, without liability to any Customer. The District agrees that if it is required to disturb the surface of the easement for construction, maintenance or operation of the facilities, it shall restore the surface to substantially the pre-disturbance condition.

**4.8 Suspicious Activity.** Customers are asked to report any suspicious activity in or around any District facility as soon as possible. If it appears that vandalism or other criminal activity is involved, customers should contact the Mineral County Sheriff first and then contact the District.

**4.9 Tampering.** Pursuant to Colorado statutes, tampering with water meters, curb stops, and other plumbing devices for the purpose of reducing water use recording is illegal, and will be prosecuted accordingly. Tampering includes but is not limited to interference with District workers performing their operational duties and turning on the water service without authorization to a property where it had been turned off by District personnel.

**4.10 Use of Sewer.** No toxic, explosive or dangerous materials may be discharged into a property's drain or into a District manhole. No Customer or other party may discharge any items into a property's drain or into a District manhole that would cause the District or entities with which the District contracts to violate or exceed applicable wastewater regulations. Examples of prohibited items include but are not limited to: oil, gasoline, paint, drugs or drug paraphernalia, fireworks, and grease. Anyone caught discharging prohibited items may be prosecuted, fined, and risks termination of water service. As set forth in Section 3.6, applicable provisions of Ordinance 334 regarding prohibited discharges shall apply within the Service Area.

**4.11 Residential or Commercial Access.** The District shall have the right of access to any property within the Service Area for the purpose of maintenance or to investigate suspected violations or problems. In the event the issue does not constitute an emergency, in the District Manager's sole discretion, the District shall first attempt to arrange an appointment with the property owner or occupant. The District shall make reasonable attempts to contact the owner or occupant prior to entry. If the District Manager determines that the owner or occupant is intentionally denying access to the property, the District may initiate water service termination procedures. Water service restoration will be subject to all applicable fees and penalties. District staff will present adequate identification prior to entry.

In the event the District Manager determines that a water leak or other event constitutes an emergency, and attempts to turn off the service from outside the property have failed, the District may enter the property to attempt to remedy the emergency. The District will not be responsible for any damage when reasonable precautions are taken.

**4.12 Termination of Water Service by District.** Water Service shall be subject to termination by the District upon the occurrence of:

A. Non-payment of fees and charges established by the District and set forth in the fee schedule attached hereto as Exhibit A, as the same may be amended from time to time.

B. Non-compliance with any section of these Rules and Regulations relating to matters other than the payment of fees and charges.

**4.13 Notice of Termination.** Notice of termination by the District shall be sufficient if given by any one (1) of the following:

A. Regular first-class United States mail, postage prepaid, sent to the Customer's address as shown in the District's records; or

B. Certified mail, return receipt requested, sent to the Customer's address as shown in the District's records; or

C. By hand delivery to the address at which the Customer receives service from the District.

The notice shall be deemed complete upon (i) deposit in the United States mail, if the notice is sent by mail; or (ii) delivery to a responsible adult residing at the address at which the Customer receives service, or, if none, upon posting the notice at the main entrance of such address, if the notice is personally delivered. The period for compliance shall be as set forth in the notice.

**5. Construction Procedures.** All construction of water and sewer infrastructure will be completed in accordance with the District's specifications and further instruction set forth herein.

**5.1 Water and Sewer Service Line Installation.** The District will provide specific instructions for such service lines at the time of request for tapping into said systems, and prior to installation. The builder or contractor may only deviate from such instructions with the written permission of the District. The excavator shall follow the District specifications and shall call for an inspection when connections are made, prior to any backfill. The water "stop box" will either be left exposed at ground level, or restored to that position prior to closing of the unit. Written notice will be given to the District and the operator of the District's water system at least two (2) business days in advance on the date that the Customer seeks to install a tap for water or sewer service.

**5.2 Meter Kit Installation.** All commercial properties will be metered unless specifically exempted in writing by an authorized representative of the District. The District may require meters for residential properties within the Service Area. Meter kits will be installed per District specification and inspected by District personnel prior to the commencement of service. Incorrect installation could result in water service disconnection and/or forfeiture of fees paid. The builder and/or the Customer will be responsible for purchase and installation of the appropriate meter kits for commercial properties.

**5.3 Sumps and Sump Pumps.** In many cases builders install sumps in basements to collect drainage and runoff from outside the foundation. In other cases homeowners have installed sumps in basements due to infiltration of ground water. In all cases a pump should be installed in the sump and the water should be pumped OUTSIDE the house (away from the foundation). In no case will ground water of any kind be pumped or otherwise dumped down the basement sewer drain. Failure to comply with this regulation may result in termination of water service and/or fines.

**5.4 Water Valve Stop Boxes (Curb Stops).** Upon final inspection and installation service line, the water valve "stop box" must be visible and accessible for District use. The top of the box must be 2-3" above the ground's surface.

**5.5 Oil and Grease Trap Interceptors.**

- A. Grease Interceptor Installation Criteria: Grease trap interceptors are required for all facilities used and operated regularly for the sale of prepared food, including, but not limited to, restaurants, cafes, fast food outlets, pizza outlets, delicatessens, sandwich shops, and any and all other kinds and types of food vending establishments in which any food preparation (including heating device) takes place on the premises, whether or not such facilities are located in a separate building or structure or occupy space in a building or structure that is occupied by other businesses, as well as schools, churches, boarding houses with communal kitchen facilities, nursing homes, and day care centers which have kitchens and engage in the preparation of food. In addition, meat cutting facilities and others capable of discharging significant amounts of grease into sewer mains shall be required to install grease interceptors.
- B. Grease Trap Interceptors shall be installed and maintained by affected customers at their expense.
- C. Grease Interceptor Sizing Criteria: The District may, in connection with the Town of Creede, promulgate rules, regulations and criteria for grease interceptor sizing.
- D. Inspection of Grease Interceptors: The District may establish an inspection program for grease interceptors.
- E. Grease Interceptor Pumping Schedules: All users connected to grease interceptors will be required to pump out their interceptors at intervals determined in rules, regulations and criteria promulgated by the District.
- F. Biological Treatment: biological treatment shall not be a substitute for the pumping of the grease interceptor at the frequency determined by the District.
- G. Right of Entry: Whenever it is necessary to make an inspection to enforce any provisions of this Section, or whenever the District representative believes that

there exists in any premises subject to this Section any condition or violation with regard to the use and maintenance of oil and grease interceptors, the regard to the representative may enter such premises to inspect the same provided that he or she shall first present proper credentials and request and be granted entry, or otherwise have grounds for a search warranty exception as may be authorized by law. If requested entry be refused, the District shall have recourse to every remedy provided by law to secure entry, including an issuance of an administrative warrant from the Municipal Court or from the District Court of the State of Colorado having jurisdiction.

## **6.0 Water and Sewer Infrastructure.**

**6.1 Residential Water Infrastructure – Ownership and Maintenance.** Water infrastructure including water mains and service lines up to and including the curb stop are owned and maintained by the District. The District shall not be responsible for damage to such lines and facilities caused by the customer. Service lines from the curb stop to the customer's residence shall be installed by the customer and are the maintenance responsibility of the customer at customer's expense.

## **6.2 Creede Airpark (Commercial) Water infrastructure.**

**A. Ownership and Installation.** Customers in Creede Airpark are responsible for the installation of all required service lines, curb stops and the tap connection to the water main, all of which shall be accomplished pursuant to design standards provided by the District. All commercial properties will be metered unless specifically exempted in writing by an authorized representative of the District. Such facilities shall be inspected by District representatives or agents prior to burying said lines and restoration of ground over the lines.

**B. Maintenance and Repairs.** Customers in Creede Airpark are responsible for repair and maintenance of all water infrastructure including service lines, curb stops and meters. In the event of emergency or unavailability of customers to make immediate repairs, the District may, but is under no obligation, to make necessary repairs. In the event District performs necessary repairs or maintenance, the customer shall be billed for District expenses in performing such repairs or maintenance.

**C. Water Leaks.** When a water leak occurs in the service line, District personnel will determine whether the leak is in a location maintained by the District or by the Customer. If it is at a location maintained by the District, the District will make or contract for repairs and take whatever measures are necessary to shut down the system. If the leak is at location maintained by the customer, the District will shut off service and require repairs by the customer. An inspection of repairs by District Representatives or Agents prior to burying the line is required to determine compliance with District Regulations prior to reinstating water service. The District will attempt to preserve landscaping and other property when acting to maintain its water lines, but shall not be responsible for restoring any landscaping or property as result.



The curb stop shall be used only for emergency and administrative use (e.g. turnout for failure to pay bills and user charges). Only District personnel and licensed operators specifically authorized by the district may operate the curb stop. Each customer shall install, maintain, and use a shut off valve to turn water on and off for the customer's convenience. The shut off valve shall be located downstream of the curb stop. The District's curb stop may not be used by the customer or any of their agents or representatives without the express written approval of the District. Unauthorized use of the curb stop shall constitute illegal tampering with the District's system.

**6.3 Sewer Infrastructure.** All customers, residential, commercial, or otherwise are responsible, at their expense, for the installation and maintenance of sewer service lines to link customer's facility or residence and the sewer main and for the tap into such lines. All such sewer lines and taps shall be done pursuant to design standards supplied by the District and shall be subject to inspection of installation by the district representatives or agents prior to burying the line.

District will respond to any call regarding sewer service backups. If the District determines that the backup is in the main and was not caused by a specific customer, District shall be responsible for making any repairs required. If the backup is in the customer's service line, customer will be responsible for any repairs. Sewer service line stoppage (clog) is generally the customer's responsibility. If in the course of repairing the sewer service line or removing the stoppage, damage is done to the District's system or main by the customer or on the customer's behalf by its contractor (roofer service, excavator, etc.) repairs to the District's system will be at the customer's expense.

**6.4 Liability of District.** The District will not be liable for any damage to the property to which it delivers service, injury to the Customer, or others on the property caused by interruption of water service, reduction of water supply, reduced or excessive water pressure, or quality of water delivered to the property but will, whenever reasonable, give Customers reasonable advance notice when it is known that water service is to be interrupted.

**6.5 Liability of Customer.** The Customer shall be liable for any damage to the District's water and/or sanitary sewer system which are caused by an act of the Customer, its tenants, agents, employees, contractors, licensees, or permittees. Damage to the District's systems shall include, but not be limited to, breaking of seals and locks, tampering with water meters or curb stops, water meter stops, and other water service and sanitary sewer service appurtenances. The Customer responsible for the damage or tampering shall be subject to fines and penalties as established by the Board and/or shall have water service terminated by the District.

## **7.0 Remedies.**

**7.1 Appeal.** Any Person aggrieved by a ruling or interpretation of the provisions of these Rules and Regulations may submit a written appeal to the District's Manager. The appeal shall set forth the events and circumstances leading to the appeal, the nature of the ruling or interpretation from which relief is sought, and the nature of the impact of the ruling on the appellant, together with any other reasons for the appeal. The District Manager shall take the

matter under consideration, hear testimony if deemed necessary, and issue a written decision to the appellant affirming, denying, or modifying the interpretation or ruling. If no individual is functioning as the District Manager at the time a Customer wishes to appeal a ruling or interpretation of these Rules and Regulations, Section 7.2 below shall apply.

**7.2 Appeal to Board.** If the appellant considers that its grievance has not been handled in a satisfactory manner, the appellant may apply to the Board for review of the matter within thirty (30) days from the date of the written decision of the District Manager. The Board may make an independent review of the case, obtain additional evidence, and hear additional testimony on the matter as it deems necessary or the Board may restrict its consideration to the record. Within sixty (60) days following receipt of the appeal to the Board, the Board will prepare a written decision on the matter which shall be sent to the appellant. In lieu of a hearing by the Board, the Board may appoint a hearing officer to review the appeal of a decision by the District Manager.

**8. Effective Date.** These Rules and Regulations are hereby adopted and effective this 4th day of December, 2008.

DEEP CREEK WATER AND SANITATION  
DISTRICT

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Chairman and President

ATTEST:

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Secretary

EXHIBIT A

DEEP CREEK WATER AND SANITATION DISTRICT  
FEE SCHEDULE

**Residential Service**

The Deep Creek Water and Sanitation District currently charges a combined water and sanitary sewer service fee to residential customers (the "Service Fee").

Service, Connection and Tap Fees

Service Fee\* – Residential (monthly fee, paid to District) - \$49.59

Supplemental Service Fee – Residential – all Customers served by CH-1 system that have any outdoor use or irrigation – monthly fee of \$10.00, paid to District, for service May 1 – September 30 in each calendar year

Water Tap Fee – Residential (paid to District) - \$750.00

Sewer Connection Fee (paid to District) - \$750.00

\*Note: for any residential Customer that is required to have a meter installed the Service Fee – Residential set forth above shall be for the first 8,000 gallons used (per month). The volume charge per 1,000 gallons used in excess of 8,000 gallons per month is \$4.25.

**Commercial Service**

The Deep Creek Water and Sanitation District provides water and sewer services for non-residential (commercial) accounts. Rates are based on usage and the

Service, Connection and Tap Fees

**Water**

Meter size (inches)	Monthly base rate (paid to District)*
3/4"	\$25.00
1"	\$40.00
1 1/2"	\$80.00
2"	\$160.00
Volume charge per 1,000 gallons (in excess of 8,000 gallons per month)	\$4.25

\* Monthly base rate includes first 8,000 gallons used, or fraction thereof

**Sewer**

Base rate <b>for properties with one EQR only</b> (monthly, paid to District, equal to 1.25 EQR)**	\$34.83
Base rate <b>for properties in excess of one EQR</b> (monthly, paid to District, equal to 1.00 EQR)**	\$30.51

Each additional EQR for non-residential (commercial) accounts**	\$21.26
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\*\* The number of EQRs at a specific address are calculated by the City of Creede in accordance with Unit Schedules set forth and referenced in Ordinance 334, the City’s Water, Wastewater and Drainage Utility Regulations. The City of Creede’s Water, Sewer and Drainage Fee Schedule is amended from time to time by resolution of the City’s Board of Trustees. The City’s current base rate per EQR for sewer is \$17.26, as established by Resolution No. 2018-01 dated December 5, 2017, and as amended from time to time (“City EQR Rate”). For commercial properties having one (1) EQR only, the City’s base rate is equivalent to 1.25 EQR.

The District’s Base Rate for sewer for properties having **one (1) EQR only** shall be equal to the then-current City EQR Rate for 1.25 EQRs ( $\$17.26/\text{EQR} * 1.25 = \$21.58$ ) plus \$13.25.

The District’s Base Rate for sewer for properties having **in excess of one EQR**, as determined by the City, shall be equal to the then-current City EQR Rate for 1.00 EQRs ( $\$17.26/\text{EQR} * 1.00 = \$17.26$ ) plus \$13.25. The District’s rate for each additional EQR shall be equal to the then-current City EQR Rate plus \$4.00.

**Water and Sewer Combined Tap Fee – Commercial (non-residential, paid to District):**

Water and sewer tap fees for commercial (non-residential) development are calculated on the service requirements of the specific property and expressed on a tap equivalent (TE) basis, including any associated outdoor landscape/irrigation requirements. The District’s tap fee per TE as of June 1, 2015 is as follows:

\$750.00 per TE for water service  
\$750.00 per TE for sewer service

The requirements of the property shall be defined as the maximum day demand, as calculated in the AWWA Manual of Water Supply Practices, AWWA M22, section entitled “Sizing Water Service Lines and Meters” current edition. The number of water tap equivalents will be calculated using the procedure set forth below for estimating commercial customer demand.

The following table will be used to equate the meter size and the demand to the number of tap equivalents (TE). Payment for each service to be provided shall be made to the District prior to connection by multiplying the number of TE times the District’s current tap fee.

Meter size (inches)	Tap Equivalents
3/4"	1
1"	2
1 1/2"	4
2"	8

In establishing the number of TE needed for a particular connection, fixture values and demand calculations will be determined by reference to applicable provisions of AWWA M22 publication referenced above.

Penalties and Other Charges

In addition to the fees and charges set forth above, all residential and commercial (non-residential) customers are advised that applicable SSDF (sewer system development fee) imposed by the City of Creede and other applicable fees, if any, apply. All customers are instructed to contact the City for the current SSDF. The SSDF is typically established via City resolution at the beginning of each calendar year. Prior to connecting to the District's systems, customers shall also deliver to the District a copy of the receipt from the City evidencing payment of City fees, and a copy of the City's waiver and release of liability form. The City's SSDF effective January 1, 2018 (established by Resolution No. 2018-01 dated December 5, 2017) is equal to \$2,750.00.

Interest accrues on unpaid Service Fees at rate of 2% per month. If account is 90 days or more past due, additional penalty interest at rate of an additional 1% per month shall accrue.

NSF check, first return - \$25.00

NSF, second or subsequent return - \$50.00

Prohibited plumbing or device (e.g. bypasses, unmetered water lines) - \$1,000.00

Outside watering violation, first violation - \$100.00

Outside watering violation, second violation - \$250.00

Outside watering violation, third violation - \$500.00 + water shut off

Grease Trap / interceptor violation, first violation - \$100.00

Grease Trap / interceptor violation, second violation - \$250.00

Grease Trap / interceptor violation, third violation - \$500.00 + water shut off

Special service fee (Section 3.10 of Rules and Regulations) - Billed at actual cost + 5% administrative fee

Reconnection Fee - Water \$200.00

Unauthorized water use penalty (per occurrence) - \$200.00

Process shut-off letter - \$25.00

Process lien - \$100.00

Lien removal fee - \$100.00

Minimum fee for legal agreement processing - \$200.00

Legal and engineering fees for property development service agreements, etc. Billed at actual cost + 5% administrative fee to builder / Customer

Note 1:            *Termination for Non-Payment*

The District may terminate water service to any Customer for which payment is delinquent. The water service may not be restored until all delinquent bills are paid in full, including all applicable charges set forth in this Exhibit A.

Note 2:            *Recovery of Costs*

In the event of delinquency in the payment of any fees or charges, including installation charges, the District reserves the right to assess interest on delinquencies from the due date, reasonable attorney's fees, reasonable penalties, and other costs of collection. The Board may amend, modify, or revise all such fees, charges, and/or penalties from time to time by modifying the fees and charges set forth in this Exhibit A.

Note 3:            *Customer Responsibility*

All fees and charges for service shall be initially billed to the Customer who is the owner of the property making application for water and sewer service. Upon request from the occupant of the property, the Service Fee shall be billed to such occupant, provided, however, that in the event of delinquency, such charges shall thereafter be billed to the record owner of the property and shall remain a perpetual statutory lien against the property until paid in full in accordance with applicable law. In the event the charges shall remain delinquent, the District may record written notice of the lien with the Mineral County Clerk and Recorder and may take any other action authorized by law to enforce payment of such lien.

Note 4:            *Notification of Changes*

The Customer shall be responsible to keep the District advised of the address to which all bills are to be mailed. The failure to receive a bill from the District shall not relieve a Customer of any payment obligation to the District.

Note 5:            *Disputed Bills*

Any request for investigation of a disputed bill must be made in writing to the District who shall investigate such matter as it deems appropriate. The District shall respond to the Customer within thirty (30) days following receipt of such written request. Said response may contain any information obtained by the investigation and shall contain the decision of the District.

Amendments to Rules and Regulations

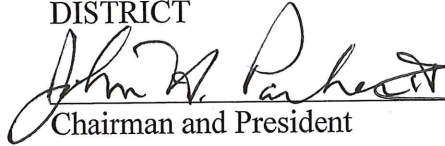
Amendment No. 1:

- A. Section 4.6 of these Rules and Regulations amended to include the following language:

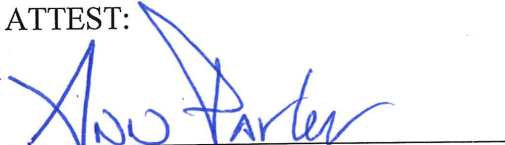
"The owner of the property has responsibility to notify the District of the following information in writing, as applicable: (1) the name(s) and mailing address of the tenant of the property, (2) the lease commencement date; and (3) the lease termination date. Upon receipt of such information, the District will proceed to bill the occupant / lessee for the water and sewer service fees described herein. If the owner fails to supply this information to the District, the District shall continue to bill the owner of the property for the same."

Effective Date of Amendment. The above amendment to the Rules and Regulations is hereby adopted and effective this 5th day of March, 2009.

DEEP CREEK WATER AND SANITATION  
DISTRICT

  
Chairman and President

ATTEST:

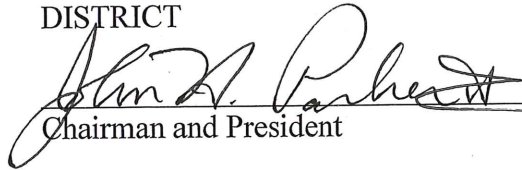
  
Secretary

Amendment No. 2:

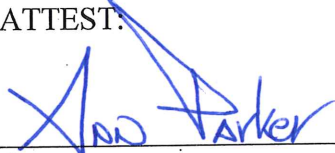
- A. Sections 2.1, 5.2, 5.5, and 6.0 (and including subsections 6.1, 6.2, and 6.3) of these Rules and Regulations amended in accordance with those certain amendments set forth in District Resolution dated May 21, 2010.

Effective Date of Amendment. The above amendment to the Rules and Regulations is hereby adopted and effective this 21st day of May, 2010.

DEEP CREEK WATER AND SANITATION  
DISTRICT

  
Chairman and President

ATTEST:

  
Secretary

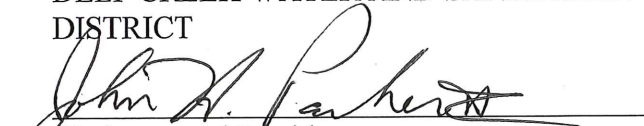


Amendment No. 3:

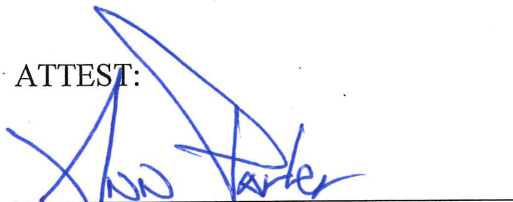
- A. Exhibit A (Fee Schedule) of these Rules and Regulations amended in accordance with that certain amendment set forth in District Resolution dated December 1, 2011.

Effective Date of Amendment. The above amendment to the Rules and Regulations is hereby adopted and effective this 1st day of January, 2012.

DEEP CREEK WATER AND SANITATION  
DISTRICT

  
Chairman and President

ATTEST:

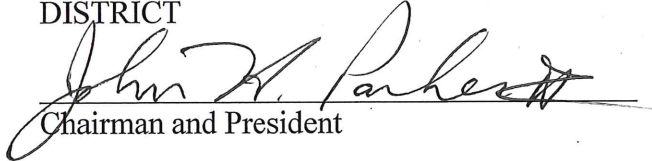
  
Secretary

Amendment No. 4:

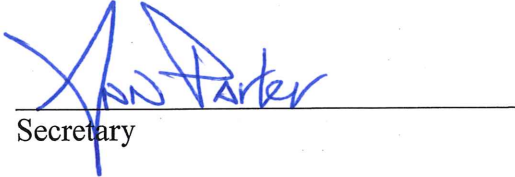
- A. Rules and Regulations and Exhibit A (Fee Schedule) amended in accordance with District Resolution 2015-1 dated May 14, 2015.

Effective Date of Amendment. The above amendment to the Rules and Regulations is hereby adopted and effective this 1st day of June, 2015.

DEEP CREEK WATER AND SANITATION  
DISTRICT

  
Chairman and President

ATTEST:


  
Secretary

Amendment No. 5:

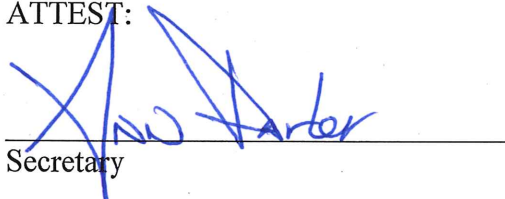
- A. Exhibit A (Fee Schedule) amended in accordance with District Resolution 2017-5 dated December 14, 2017.

Effective Date of Amendment. The above amendment to the Rules and Regulations is hereby adopted and effective this 1st day of January, 2018.

DEEP CREEK WATER AND SANITATION  
DISTRICT

  
Chairman and President

ATTEST:

  
Secretary