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Originally Adopted by the Board of Directors of the Aldasoro Ranch  
Homeowners Company on July 6, 1993

**WATER OPERATIONS  
RULES AND REGULATIONS  
FOR THE  
ALDASORO RANCH HOMEOWNERS COMPANY  
SAN MIGUEL COUNTY, TELLURIDE, COLORADO**  
Water Operations, Rules & Regulations, Number 10



**ALDASORO RANCH**  
HOMEOWNERS COMPANY



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## ARTICLE I

**GENERAL**

1.1 Authority. The Aldasoro Ranch Homeowners Company (Homeowners Company) is a non-profit corporation incorporated under the laws of the State of Colorado with those powers that are granted in the Declaration, Articles of Incorporation, Bylaws and Design Regulations.

1.2 Purpose. The purpose of these Rules and Regulations is to ensure an orderly and uniform administration of water operations in The Aldasoro Ranch P.U.D., San Miguel County, Colorado.

1.3 Policy. The Board of Directors of the Homeowners Company hereby declares that the Rules and Regulations 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 Aldasoro Ranch.

1.4 Scope. These Rules and Regulations shall be treated and considered as the comprehensive regulations governing the operations and functions of the water system for The Aldasoro Ranch.

1.5 Intent of Construction. It is intended that these Rules and Regulations shall be liberally construed to accomplish the general purposes set forth herein. No omission or additional material set forth in these Rules and Regulations shall be construed as an alteration, waiver or deviation from any grant of power, duty or responsibility, or limitation or restriction, imposed or conferred upon the Board of Directors by virtue of the Declaration, Articles of Incorporation, Bylaws and Design Regulations, now existing or subsequently amended, or under any contract or agreement existing between the Homeowners Company and any other entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the Homeowners Company to secure the full benefit and protection of any rule or regulation which is now enacted or may subsequently be enacted by the Board of Directors pertaining to the affairs of the Homeowners Company.

1.6 Amendment. It is specifically acknowledged that the Homeowners Company has the power and authority to amend these Rules and Regulations from time to time to reflect those changes determined to be necessary by the Board of Directors of the Homeowners Company in their sole discretion. Prior notice of an amendment shall not be required to be provided by the Homeowners Company.

ARTICLES II  
**DEFINITIONS**

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

2.1 Applicant. Applicant means any person who applies to the Homeowners Company for a service connection or service disconnection or other agreement relating to the water system.

2.2 Articles of Incorporation. "Articles of Incorporation" means the Articles of Incorporation of the Homeowners Company.

2.3 Authorized Plumber. "Authorized Plumber" means a person authorized by the Homeowners Company to perform services which physically affect the water system of the Homeowners Company.

2.4 Board. "Board" or "Board of Directors" means the Board of Directors of the Homeowners Company.

2.5 Bylaws. "Bylaws" means the Bylaws of the Homeowners Company.

2.6 Constructor. "Constructor" means the Owner actually paying for the construction of the lines.

2.7 Contractor. "Contractor" means any person, firm or corporation engaged by the Homeowners Company to perform work on the water system on behalf of either a customer or the Homeowners Company.

2.8 Customer "Customer" means any person, company, partnership, corporation, or similar entity authorized to connect to and use the Homeowners Company's water system under a permit issued by the Homeowners Company.

2.9 Declaration. "Declaration" means the General Declaration for The Aldasoro Ranch recorded in Book 480 at pages 817-863 as amended and supplemented.

2.10 Design Regulations. "Design Regulations" means the Design Regulations for The Aldasoro Ranch.

2.11 Design Review Board. "Design Review Board" means the Design Review Board of the Homeowners Company.

2.12 Dwelling Unit. "Dwelling Unit" means one or more habitable rooms arranged, occupied, or intended or designed to be occupied by not more than one family with facilities for living, sleeping, cooking, and eating.

2.13 Equivalent Dwelling Unit. "Equivalent Dwelling Unit" or "Single Family Equivalent Dwelling Unit" means a use which is estimated to have an impact upon the water system equal to that of the average dwelling unit.

2.14 Homeowners Company. "Homeowners Company" shall mean the Aldasoro Ranch Homeowners Company, a Colorado non-profit corporation.

2.15 Homeowners Company Engineer. "Homeowners Company Engineer" means that person or firm that has been authorized by the Homeowners Company to perform engineering services for the Homeowners Company.

2.16 Intentionally left blank.

2.17 Inspector. "Inspector" means that person under the direction of the President or Manager who shall inspect the water system and all facilities of the Homeowners Company or customers to ensure compliance with the Rules and Regulations.

2.18 Main Line. "Main Line" or "Main" means any line greater than or equal to 8 inches in diameter used as a conduit for water in the Homeowners Company's water system and owned by the Homeowners Company.

2.19 Manager. "Manager" of the Homeowners Company means the person or entity retained by the Board to administer and supervise the operations of the Homeowners Company.

2.20 Owner. Owner shall mean the person or persons, entity or entities, who own of record, according to the real property records of San Miguel County, Colorado, fee simple title to a Site located within The Aldasoro Ranch.

2.21 Permit. "Permit" means the written permission to connect to the water system of the Homeowners Company pursuant to the Rules and Regulations and shall be revocable upon the change of use of the property being served.

2.22 Person. "Person" means any individual, firm, partnership, corporation or other entity of any nature, whether public or private.

2.23 Rules and Regulations. "Rules and Regulations" means the Rules and Regulations of the Homeowners Company including all amendments and policies as set forth in the Homeowners Company minutes and resolutions.

2.24 Service Line. "Service Line" means any pipe, line or conduit less than or equal to 4 inches in diameter, as approved by the Homeowners Company, used, or to be used to provide water service from the water main to a building, whether the pipe, line or conduit is connected or not. Service lines shall be owned, maintained and repaired by the Customer(s) being served

by the Service Line. Stub-outs shall become part of the respective service line at the time of payment of the Tap Fee by the Owner.

2.25 Shall-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.

2.26 Site. Site shall mean each parcel of real property, together with all improvements thereon, within The Aldasoro Ranch the fee simple interest of which may be conveyed in its entirety to a third party without violating the subdivision regulations of San Miguel County, Colorado, as in effect from time to time. No Condominium units as that term is defined in the Condominium Ownership Act of the State of Colorado shall be allowed within The Aldasoro Ranch and, therefore, they shall not be considered a Site. Notwithstanding the foregoing, a parcel of property owned in its entirety by the Homeowners Company shall not be considered a Site. A Site may not be further subdivided or condominiumized and it may only be used for the construction of one Dwelling Unit and, subject to the limitation in paragraph 7.30 of the Declaration, if authorized by the zoning, subdivision and building codes of San Miguel County, one Accessory Housing Unit not exceeding 800 square feet may be incorporated into the main Dwelling Unit constructed on the Site; the Accessory Housing Unit must be integrated into the main Dwelling Unit and may not be constructed in a structure which is detached from the main Dwelling Unit constructed on the Site. (Per General Dec 2.16) Declarant may prohibit the construction of Accessory Housing Units if it determines it is necessary to foster, promote or preserve the health, safety and welfare of persons within The Aldasoro Ranch. Site shall not include the Open Space/Recreation Tracts owned by the Homeowners Company.

2.27 Stub-Out. "Stub-Out" means any connection to a main line which extends from the main line and which is intended to facilitate the connection of a Service Line to the water system.

Stub-outs shall become the property of the Owner at the time of paying the Tap Fee

2.28 Superintendent. "Superintendent" means that person appointed by the Homeowners Company President or Manager to supervise the operation and maintenance of the Homeowners Company water system.

2.29 Tap or Connection. "Tap" or "Connection" means the connecting of the service line to the water system, either directly to a public main line, or stub out from the main line whether or not actually connected to the structure's



water system. All taps shall (i) be made horizontally from the main line, (ii) be buried a minimum of 8 feet below the final grade, and (iii) be installed, bedded and compacted pursuant to Homeowners Company specifications All corporation stops (tap valves) shall be of a type "compression," 300psi max, ball style with lock wing. No "flare" type will be allowed.

2.30 Tap Fee and Connection Charge.

a. "Tap Fee" means the payment to the Homeowners Company of a fee for the privilege of connecting a dwelling unit to the water system.

b. "Connection Charge" means the payment to the Homeowners Company of a charge for the actual physical connection by the Homeowners Company of a particular use to the water system. The Connection charge is dependent upon the cost of making the actual connection.

c. "Inspection Charge" means the payment to the Homeowners Company a charge for the actual inspection of the physical connection to the water system.

2.31 Water Main. "Water Main" shall be synonymous with Main Line.

2.32 Water System. "Water System" includes but is not limited to water mains, lines, pumps, tanks, wells, valves, appurtenances, accessories or portion thereof owned and maintained by the Homeowners Company.

2.33 Any Other Term. Any term not herein defined shall be defined as presented in the "Glossary-Water & Sewer Control Engineering" A.P.H.A.A.W.W.A., A.S.C.E. and F.W.S.A., latest editions.

ARTICLE III

**OWNERSHIP AND OPERATION OF FACILITIES**

3.1 Responsibilities of the Homeowners Company. Except as otherwise provided by these Rules and Regulations, the Homeowners Company is responsible for the water system, which operation and maintenance shall be carried out in accordance with these Rules and Regulations. The Homeowners Company shall not be liable or responsible for inadequate treatment or interruption of service brought about by circumstances beyond its control.

3.2 Liability of Homeowners Company. It is expressly stipulated that no claim for damage shall be made against the Homeowners Company by reason of the following: breakage of service lines by

Homeowners Company personnel; interruption of water service and the conditions resulting therefore; breaking of any main, service, pipe, cock, or meter by any employee of the Homeowners Company; failure of the water supply; shutting off or turning on water mains; damage caused by water running or escaping from open or defective faucets; burst service lines or other facilities not owned by the Homeowners Company; damage to water heaters, boilers, or other appliances resulting from shutting water off or turning it on, or from inadequate or sporadic pressures; or for doing anything to the water system deemed necessary by the Board of Directors or its agents. The Homeowners Company shall have no responsibility for notification to customers of any of the foregoing conditions. The Homeowners Company hereby reserves the right to temporarily discontinue service to any Site, at any time, for any reason deemed appropriate by the Board of Directors or the President or Manager. The Homeowners Company shall have the right to revoke service to any Site for violations of these Rules and Regulations in accordance with the procedures set forth in these Rules and Regulations.

### 3.3 Ownership of Facilities.

3.3.1 Homeowners System. All existing and future mains and treatment works connected with and forming an integral part of the water system shall become and are the property of the Homeowners Company unless any contract with the owner or customer provides otherwise. Ownership of the water system will remain valid whether the mains and treatment works are constructed, financed, paid for, or otherwise acquired by the Homeowners Company, or any other persons.

3.3.2 Customers' Ownership. That portion of all existing or future services lines, including stub-outs, extending from the main line to a Site or dwelling unit that is connected to the Homeowners Company's water system is and shall remain the property of the customer. This principle shall not be changed by the fact the Homeowners Company might construct, finance, repair, maintain or otherwise affect the service line and shall not entitle the customer to make unauthorized uses of the Homeowners Company's systems once the service line has been connected to main line. All uses of the service line or any appurtenances thereto at any time after the initial connection to the Homeowners Company system shall be subject to these Rules and Regulations.

Notwithstanding the above, all water meters and shut-off valves shall become and are the property of the Homeowners Company. Said ownership shall remain valid whether the meter and/or shut-off valves are installed, financed, paid

for, repaired or maintained by an Owner or another person or whether the meters and/or valves are located on a Site. The cost of maintaining, repairing or replacing any meter or valve shall be the obligation of the Owner of the site served by meter or valve and the Homeowners Company shall have no responsibility or liability for damage to person or property that results from the use or breakage of a meter or shut-off valve.

3.4 Inspection Powers and Authority of Homeowners Company Agents. The President, Manager, Superintendent, and other duly authorized employees of the Homeowners Company, bearing proper credentials and identification, shall be permitted to enter upon all sites for the purpose of inspecting, observing, measuring, sampling, disconnecting service, testing and performing any other function authorized by the provisions of these Rules and Regulations. Failure to permit such inspections, observations, measurements, sampling and/or testing upon the request the Homeowners Company shall result in the immediate disconnection of service to the Site of the party failing to permit such activity.

3.5 Modification, Waiver and Suspension of Rules. The Board or President acting on instruction of the Board shall have the sole authority to waive, suspend or modify these Rules and Regulations, and any such waiver, suspension or modification must be in writing, signed by the Board or the President. Such waiver shall not be deemed an amendment of the Rules and Regulations. No waiver shall be deemed a continuing waiver or the basis for other waivers to either the customer or any other customer.

#### ARTICLE IV

#### **USE OF WATER SYSTEM**

##### 4.1 Unauthorized Tampering with System.

4.1.1 Written Permission Required. No person shall uncover, make any connection with or opening onto, use, alter, or disturb the water system without first obtaining a written permit from the Homeowners Company. Unauthorized uses of the water system include, but are not limited to, tapping, connecting, an unauthorized turn-on or turn-off of water service, or a tampering or in any way modifying any meter, even though the same may be located on a privately-owned Site.

4.1.2 No Tampering. No person shall tamper with any portion of the Homeowners Company's systems.

4.1.3 Prosecution. Any person who shall violate the provisions of these Rules and Regulations shall be prosecuted to the full extent of the law. Any person violating any of the provisions of these Rules and Regulations shall become liable to the Homeowners Company for any expense, loss or damage occasioned by the reason of such violation and shall be subject to the lien provisions and liquidated damages provisions set forth in the Declarations.

4.2 Responsibilities of Customer.

4.2.1 Usage/Maintenance/Repair. Each customer shall notify the Homeowners Company prior to any change in the customer's equipment, ownership service or use of the property served by the water system. Each customer shall be responsible for constructing, repairing and maintaining, and all costs thereof, the entire length of the service line serving his property. Service lines shall be constructed in accordance with these Rules and Regulations. Leaks or breaks in the service line shall be repaired within sixteen (16) hours of obtaining knowledge of a leak or from the time of notification of such condition by the Homeowners Company. The Homeowners Company shall shut off the service until the leaks or breaks have been repaired, and the cost therefore shall constitute a lien on or against the property of such customer to secure payment of such costs.

4.2.2 Cross-Connection and Backflow. Each customer is responsible for complying with the Homeowners Company's Cross-Connection and Backflow Regulations.

4.2.3 No Stop and Waste Valve are Permitted. Stop and waste water are not permitted.

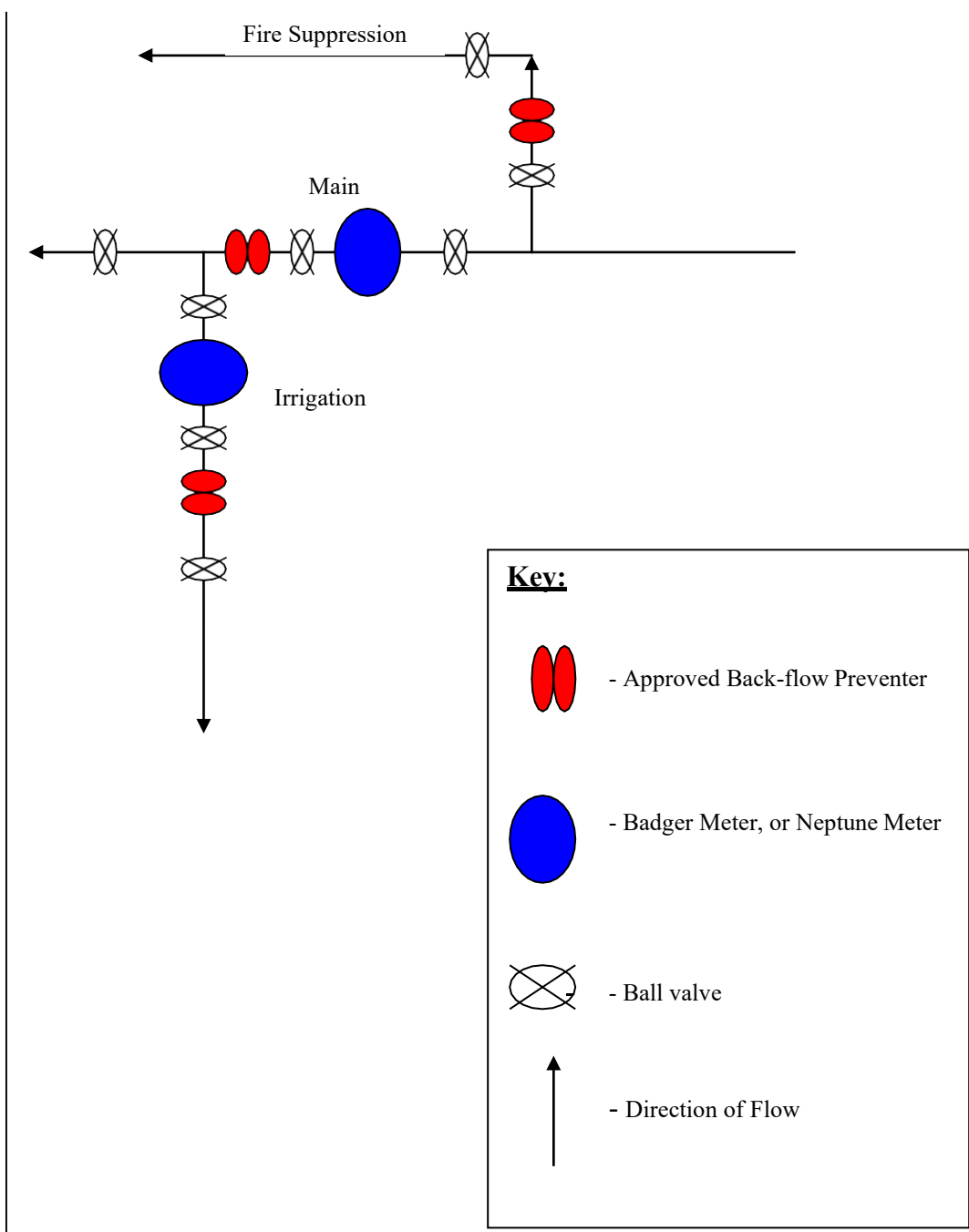
a. Uninterrupted Pressure. Each person having boilers and/or other appliances on his premises depending on pressure or water in pipes, or on a continual supply of water, shall provide, at his own expense, suitable safety devices to protect himself and his property against a stoppage of water supply or loss of pressure. The Homeowners Company expressly disclaims any liability or responsibility for any damage resulting from a customer's failure to so equip his property.

4.2.4 Valve Keys and Hydrant Wrenches. It shall be unlawful for any person other than authorized personnel to have in his possession a hydrant wrench or valve shut-off key. Any personnel of the Homeowners Company or fire department is hereby authorized to confiscate any hydrant wrench or valve shut-off key found in the possession of any unauthorized person. Use of fire hydrants is prohibited at all times to anyone except authorized personnel.

4.2.5 Water Meters, Pressure Reducing Valves and Check Valves Required. No connection shall be made to the Homeowners Company's system without a pressure reducing valve, water meter and check valve having been installed to serve the subject unit. All water meters shall have devices for remote reading. Meters shall be of the type manufactured by Badger Meters or Neptune Meters to coincide with our remote read-out capabilities Neptune Pocket ProReader RF. All irrigation systems as well as outside spikets must have a water meter with radio/remote readout in addition to house main water meter with radio/remote readout. Irrigation system meters shall be located downstream of the main meter and shall be separated from the main meter by a shut off valve, plumbed in series, not in parallel as shown in Exhibit 4.2.5a. Readouts must be labeled on exterior of house. The type of pressure reducing valve and water meter and location of the meter shall be approved by the Homeowners Company prior to installation. All water meters shall become and are the property of the Homeowners Company; ownership shall remain valid whether the meters are installed, financed, paid for, repaired, or maintained by another person. The Homeowners Company shall, at the customer's expense, have the right to read, test, remove,

repair or replace any and all water meters and remotes. It shall be the duty of each customer to notify the Homeowners Company if his water meter is operating defectively. If any meter shall fail to register in any period, the customer shall be charged the average period consumption during the two highest preceding periods as shown by the meter when deemed by the Homeowners Company to have been in working order. The Homeowners Company has the authority to require any meter to be replaced at the customer's expense at any time. Meters showing greater than 1,000,000 gallons shall be replaced.

Aldasoro Ranch HOC Water Rules and Regs Exhibit 4.2.5a Meter, Back-flow, shut-off diagram.



\* Diagram meant only as a guidance. All Plumbing and fixtures are to follow International Plumbing Codes, as well as follow in accordance with State and Local Authorities.

## ARTICLE V

**Application for Service**

5.1 Water Saving Device Required. All new connections are required to install water saving devices as follows:

5.1.1 Toilets. All toilets shall have maximum flush of 1.6 gallons.

5.1.2 Showers. All showers shall have a shower restrictor device installed, which shall have a measured flow, at 60 pounds per square inch, of not greater than 3.20 gallons per minute. The type of toilet and shower restrictor shall be specified on the permit, shall be subject to approval by the Board, and may not be modified or replaced without the approval of the Board.

5.1.3 Rain Sensing Device. All irrigation systems shall have a rain sensing device in use. The type of rain sensing device shall be specified on the permit, shall be subject to approval by the Board, and may not be modified or replaced without the approval of the Board.

5.1.4 Water Conservation. Water Conservation efforts such as xeriscaping, native landscaping, and using runoff water as a source for direct irrigation are encouraged. All efforts shall be consistent with Federal, State, and Local guidelines.

5.2 Service Outside the Homeowners Company. No service shall ever be provided to property outside of The Aldasoro Ranch, except upon the express written approval of the Homeowners Company. Charges for furnishing service outside of the the Aldasoro Ranch shall be established by contract at the discretion of the Board.

5.3 Application for Service. Applications for service must be filed with the Homeowners Company on forms provided by the Homeowners Company and accompanied by appropriate fees prior to any action to connect to the system. Only upon authorized written approval of the application and a receipt thereof may a connection to the system be made. The precise location of the water meter and the remote reading device shall be indicated on all applications for service.

5.3.1 Sprinkler System Applications. If a fire protection water sprinkler system is to be used, a plan of the system is to accompany the application and is subject to the

approval of the Homeowners Company. All fire sprinkler systems shall meet NFPA requirements and additionally shall meet the requirements of all applicable County and State building and fire protection codes.

5.3.2 Tapping Period. No taps will be permitted or made between November 1 and April 15, without specific, written approval from the Homeowners Company; the Homeowners Company may deny approval for any reasonable purpose.

5.3.3 Accuracy of Information. All information requested on the tap application form must be completed, and a diagram of the stop box location and service lines included. Should any information disclosed on the application prove at any time to be false, or should the applicant omit any information, the Homeowners Company shall have the right to

(i) reassess the tap fee originally charged at the rate current to the discovery by the Homeowners Company of the false or omitted information, and/or (ii) disconnect the service in question, and/or (iii) back-charge the Site in question for service fees that may be due and owing, and/or

(iv) charge any other or additional fee or penalty specified in these Rules and Regulations or the General Declaration. Any reassessment shall be due and payable, together with any penalties or other additional fees charged, and together with interest at the rate of 21% on the entire balance, upon and from the date of the original application.

5.4 Denial of Application. The Homeowners Company reserves the right to revoke any prior approval of an application before service has been provided, and thereafter for any violation of these Rules and Regulations.

5.5 Moved or Destroyed Buildings. When buildings are moved or destroyed, the original tap authorization shall terminate and reauthorization shall be required prior to re-tapping. Credit shall be authorized for tap fees previously paid with respect to said building. The original tap shall remain in good standing provided uninterrupted payment of the Homeowners Company's minimum service charge (as the same may be amended from time to time) is made. If payment of the minimum service charge ceases for any reason, said tap shall be in violation of these Rules and Regulations and the tap shall be terminated. Non-payment within thirty (30) days of the billing shall be considered cessation of payment of the minimum service charge.



5.6 Change in Customer's Equipment, Service or Use of Property. No change in the customer's equipment, service or use of property served shall be made without the prior notification of and approval by the Homeowners Company. Any such change which, in the opinion of the Homeowners Company, will increase the burden placed on the water system by the customer shall require a redetermination of the tap fee and monthly service-charge, and a payment by the customer of any additional tap fee and monthly service charge resulting from the redetermination. Subject to section 5.5 above, tap fees previously paid with respect to the property in question shall be credited against the redetermined tap fee so that only the unpaid portion of any redetermined tap fee shall be due; provided, however, that redetermination resulting in a conclusion that the tap fee, if assessed currently, would be in an amount less than the originally paid shall not result in a refund or credit of any kind to the customer.

5.6.1 Notice and Action. Any customer believed to have changed the equipment, service or use of their property in violation of this section shall be notified of such belief by the Homeowners Company and shall be notified of the Homeowners Company's intent to assess any additional tap, service or unauthorized connection fees, and shall be afforded ten (10) days in which to respond to the Homeowners Company's notice. Failure to respond as required herein within the ten (10) day period shall be deemed to establish the Homeowners Company's belief concerning the nature and extent of the change, and such additional tap, service and unauthorized connection fees as are deemed appropriate by the Homeowners Company shall be assessed against the property in question and shall be collected as provided under these Rules and Regulations and the Declaration. To defer the collection of said fees, and as a prerequisite to the right to hearing as provided for and described in Section 9 of these Rules and Regulations, any response by the customer must, in addition to being provided in ten (10) days, include permission to make an inspection of the property in question as the Homeowners Company's representatives deem necessary to clearly establish the nature of equipment, service and use of the property in question; any such inspection shall occur with seventy-two (72) hours of the receipt of the customer's response by the Homeowners Company. Any connection, enlargement, or change shall be deemed an unauthorized connection.

5.6.2 Requirement to Upgrade. Any customer requesting renovation through the DRB, change in equipment, service or use of their property or upon sale of property shall be required to upgrade

meters, meter readouts or radio transmitters, backflow prevention devices, and PRVs to current rules and regulations standards. Customers shall complete form WR-5 and be inspected by water system personnel before permission is granted. Upgrade to be the responsibility of the seller.

5.7 Unauthorized Connections and Fees. No person shall be allowed to connect onto the water systems or to enlarge or otherwise change equipment, service or use of property without prior payment of tap fees, approval of application for service, and adequate supervision and inspection of the tap by Homeowners Company employees. Upon the discovery of any unauthorized connection, the then current tap fee for the unauthorized connection shall become immediately due and payable and the property shall automatically be assessed an unauthorized connection fee. The unauthorized connection fee ("Penalty Fee") is an amount equal to three times the then-current tap fee that would be due for property including both the authorized and unauthorized portion of the connection. The Homeowners Company shall send written notice to the owner(s) of the property benefitted by such connection stating that an unauthorized connection has been made between the owner(s)' property and the water system. The owner(s) shall then have ten (10) days from the date of the notice to pay the Penalty fee. In the event the Penalty Fee is not paid within the ten (10) days, a notice of revocation of service shall be sent and service shall be immediately disconnected pursuant to these Rules and Regulations. Once discontinued, service may be returned to the property only upon receipt by the Homeowners Company of both the Penalty Fee and any turn-on/turn-off service charges and any other charges that may be provided for the collection of unpaid fees costs and charges of the Homeowners Company.

5.8 Revocation of Service. Service shall be revocable by the Homeowners Company upon non-payment of any valid fees or charges owing to the Homeowners Company. In the event of non-payment, the customer shall be given written notice of the revocation, which notice shall set forth the reason for the revocation and the amount due. If payment of the outstanding obligation or a request for a hearing with the accompanying deposit is not received by the Homeowners Company with ten (10) days of the date of mailing of the revocation notice, the Homeowners Company shall disconnect the service and the customer shall be assessed the cost of the disconnection. Any deposit for service held by the Homeowners Company, if any, shall be applied against the outstanding obligation.

5.9 Revocation of Tap Rights. The right to connect to the Homeowners Company's system and receive services shall be

revocable by the Homeowners Company upon non-payment of any Homeowners Company fees owing to the Homeowners Company, whether or not related to the water system, and remaining unpaid for a period of sixty (60) days, and whether or not the customer owning the right to connect has actually connected to the Homeowners Company's system. Such revocations shall be conducted in accordance with Section 5.8. If the right to connect to the Homeowners Company's system is revoked, then the customer may reacquire such tap rights only by reapplying for service in accordance with Section 5.3 above and after paying all fees due and owing the Homeowners Company and the then-current tap fees charged by the Homeowners Company under these Rules and Regulations.

5.10 Turn-ons/Turn-offs of Service. All turn-ons or turn-offs of water service through a shut-off valve on a service line that has been connected to the Homeowners Company's water system shall be performed only by Homeowners Company personnel regardless of the ownership of the shutoff valve or service line and regardless of the circumstances respecting the turn-on or turn-off. The Homeowners Company shall assess a single charge for each such turn-off and turn-on performed. The Homeowners Company will provide this service only for (i) a tap for new construction, one time prior to the occupancy of the building served, (ii) for customers requiring service to be turned off for maintenance or repair of a service line. All other requests for a turn-off or turn-on of Homeowners Company service may be granted or denied by the Homeowners Company in its sole discretion. Violation of this section and/or failure to pay shall result in the assessment against the property served of a penalty of \$1,000.00, in addition to the turn-on/turn-off fee, and in addition to the penalties provided for unauthorized tampering with the Homeowners Company's system in Section 4.1 of these Rules and Regulations.

## ARTICLE VI

### **CONSTRUCTION OF SERVICES LINES**

6.1 Compliance with Rules and Regulations. The requirements of these Rules and Regulations are applicable to the construction of all service lines.

6.2 Inspection and Tapping Charges. All taps shall be made under the supervision of the Homeowners Company, and all service lines shall be inspected by a representative of the Homeowners Company prior to tapping. All water service lines are to be tested under normal operating pressure. The owners of service lines shall call the Homeowners Company for an open ditch inspection of all service lines prior to burying.

There shall be a charge for all inspections as determined from time to time by the Board.

6.3 Separate Service Lines Required. A separate and independent service line shall be provided for every Site and shall be installed at the expense of the Site owner. Existing service lines may be used in connection with new buildings only when determined by the Homeowners Company, in its sole discretion, to meet all requirements of these Rules and Regulations. There shall be at least one water meter installed for each separate Site served. A curb stop shall be located at the property line, or such other location as directed by the Homeowners Company, on all water service lines.

6.4 Construction and Connection. Construction and connection of all service lines shall be done only by persons approved by the Homeowners Company. The applicant for the connection permit shall notify the Homeowners Company when the service line is ready for inspection and connection to the Homeowners Company's main. The connection shall be made by agents of the Owner approved by the Homeowners Company. All contractors, plumbers, and others doing work on any main, service lines, or structures shall comply with applicable Federal, County, State, Homeowners Company or local regulations on excavation, backfill, compaction, and restoration of surfacing.

6.5 Revocation of Authorization. The violation of any of these Rules and Regulations, or the Homeowners Company's installation specifications, shall constitute sufficient grounds for revocation of the authorization to do work in the Homeowners Company.

6.6 Water Service Line Construction.

6.6.1 General. All water service line construction shall be done in accordance with these specifications and all other Rules and Regulations of the Homeowners Company. The scope of these specifications shall include all water service line installations from the Homeowners Company's mains to the associated plumbing of the building or any other facility requiring water use.

6.6.2 Licenses and Permits Required. All water service installations shall be done by contractors approved by the Homeowners Company. A connection permit shall be secured from the Homeowners Company a minimum of three (3) days prior to construction, at which time the contractor shall (i) familiarize himself with the standards and specifications, (ii) select and obtain approval of the appropriate standard water service installation for the building or

facility,

(iii) submit an appropriate set of mechanical plans and  
(iv) inform the Homeowners Company's personnel of the intended schedule for construction.

6.6.3 Road Cuts. When a road cut is required for water service, the Owner shall rebuild the road base in accordance with applicable Homeowners Company specifications on excavation, back fill, compaction, restoration of servicing and paving. See the current Design Regulations for specifics.

6.6.4 Inspections. All work shall be inspected by the Homeowners Company's representative who shall have the authority to halt construction when, in his opinion, the Homeowners Company's Rules and Regulations for proper construction practices are not being adhered to. Whenever such violation occurs, the Homeowners Company's representative shall order further construction to cease until all deficiencies are corrected; the Homeowner Company shall give written notice of the deficiencies within forty- eight (48) hours of stopping the work.

6.6.5 Approved for Backfilling. No pipe or service line shall be covered without the Homeowners Company's representative's approval. Any person making an installation without such approval shall be required, at his expense, to remove all fill, topsoil or any other covering placed over the facility to be inspected.

## 6.7 Intentionally Left Blank

## 6.8 Installation

6.8.1 Remote Readout. All water service installation shall include a remote readout meter located above an improved maintained area. The readout shall be of the manufacturer type Neptune, compatible with Neptune Pocket ProReader RF and Neptune MIU radio transmitters. The readout unit shall be installed on the building at a height and location above the ground approved by the Homeowners Company. The remote distance from the meter shall be approved by the Homeowners Company.

6.8.2 Location and Alignment of Service. Water service lines shall be constructed in locations approved by the Design Review Board. The water lines shall not be located under any paved driveway or service road without Homeowners Company approval. All water service lines shall have a minimum cover of six (6) feet and must be located a minimum of 10' from any sewer service. No

service lines shall be laid parallel to, or within, three (3) feet of any bearing wall which might be thereby weakened.

6.8.3 Inspection of Meters and Remote Readouts. All meters and remote readouts shall be installed in the presence of the Homeowners Company's representative. The operational testing of the meter and readout shall be demonstrated at this time. Under supervision of the Homeowners Company's representative, the water service line is to be pressure tested at normal operating pressure from the water main and checked for leaks. A test for coliform shall be performed within 24 hours of water being turned on in a new residence or after a water system renovation in an existing home. Failure to comply shall constitute grounds for water to be shut off and subject to all applicable fees for the turn-off and turn-ons.

6.8.4 Service Line and Control Valves. The water service line shall be HDPE, larger than 2-inch ductile iron, or polyethylene. The service line shall have a control valve to which the Homeowners Company will have easy access. The curb stop shall be located on an appropriate improvements survey, a copy of which shall be forwarded to the Homeowners Company. All service lines and fittings to be installed to withstand 200 psi.

6.8.5 Pressure Reducing Valves. Individual pressure reducing valves are required on all service lines shall be 400 psi. Pressure reducing valves shall be placed in a location approved by the Homeowners Company in front of the homeowner's service equipment.

6.8.6 Excavation. All excavations required for the installation of water service shall be open trench work unless otherwise approved by the Homeowners Company. Pipe laying and backfill shall be performed in the manner described in these Rules and Regulations. All excavations for water service installation shall be adequately guarded with barricades and lights so as to protect the public from hazard. Roads, access ways and other public or private property disturbed in the course of the work shall be restored in the manner satisfactory to the Homeowners Company.

6.8.7 Tapping the Main. The Homeowners Company is the sole entity authorized to supervise or make taps on to the Homeowners Company's water mains. No later than 48

hours prior to tapping, the owner shall notify the Homeowners Company when the service is ready for inspection and connection to the main.

6.8.8 Surface Restoration. Paving and improved surfaces or other street improvements removed, damaged or destroyed during construction shall be replaced to the same elevation and alignment with the same type and dimensions as units removed and shall be equal to and consistent with the undisturbed portions of the improvements existing prior to trench excavation. Debris shall be removed from the site of work at the expense of the owner.

6.8.9 Maintenance of Backfill and Surface Warranty. All backfill and surfaces shall be maintained in a satisfactory condition and all places showing signs of settlement shall be filled and maintained during construction and for a period of two (2) years following the completion of construction. When the applicant is notified by the Homeowners Company that any backfill is hazardous, he shall correct such hazardous condition within 48 hours.

## ARTICLE VII

### **MAIN LINE EXTENSIONS**

7.1 Compliance with Rules and Regulations. The requirements of these Rules and Regulations are applicable to the construction of all main line extensions.

7.2 Main Line Extensions by the Homeowners Company. The Homeowners Company and Aldasoro LTD have the sole right to construct all main lines within The Aldasoro Ranch.

7.3 Procedure for Main Line Extension by the Homeowners Company. The Homeowners Company may construct any main line if the Board deems it in the best interest of the Homeowners Company to do so. All main line extensions which are so authorized shall be constructed by the Homeowners Company or bid and contracted for by the Board, with the contractor installing the main lines being responsible to the Board. The Homeowners Company through its engineer shall supervise all work pertaining to the completion of the subject project including periodic and final payments to the contractor, inspection, and as-constructed drawings.

7.4. Main Line Sizes. The size of the main line required to serve any area served by the Homeowners Company shall be determined by the Homeowners Company.

## ARTICLE VIII

**RATES AND CHARGES**

8.1 General. The information contained in this article applies to all rates, fees, or charges to be levied for the provision of water services. Rates, fees, and charges as herein established are in existence and effect at this time, and shall remain in effect until modified by the Board under the provisions of these Rules and Regulations. Nothing contained herein shall limit the Board from modifying rates, fees, and charges, or from modifying any classification.

8.2 Application of this Article. The rates, fees, and charges, and other information shown herein shall apply only to customers inside the Homeowners Company, and shall in no way obligate the Homeowners Company with respect to services provided outside the Homeowners Company boundaries.

8.3 Tap Fee. A tap fee shall be a charge to all customers of the Homeowners Company, which shall be assessed and paid before a building permit is issued, please see the Current Fee Schedule for the Tap Fee per dwelling unit.

8.3.1 Modification. Any tap fee may be modified in any way by the Board of Directors in their sole discretion.

8.4 Transfer of Tap Fees. No tap fee paid on behalf of one Site, or any portion thereof, may be transferred to any other Site unless:

8.4.1. Common Owner. The owner requesting the transfer is the common owner of the Site for which the tap fee has been paid and the Site to which the transfer of the tap fee, or portion thereof, is being requested.

8.4.2 Accounts Current. The owner requesting the transfer has no outstanding unpaid accounts with the Homeowners Company and has previously maintained a good credit record with the Homeowners Company.

8.4.3 No Prior Connection. The Site to which the tap fee initially applied has never been connected to the Homeowners Company's water system

8.4.4 Current Fee Equivalent Due. The owner requesting the transfer shall pay to the Homeowners Company the difference between the tap fee which would otherwise be charged on the date the transfer is being sought, and the tap fee previously paid, but in no event shall the Homeowners



Company make a credit or refund. An owner cannot transfer only a portion of the total sum previously paid as a tap fee.

8.4.5 Homeowners Company's Discretion. Nothing to the contrary withstanding, approval or denial of a request for a transfer of a tap or fees shall be in the sole discretion of the Homeowners Company.

8.5 Service Charge. Monthly service charges shall be as follows. Service charges shall begin at the time the connection is made to the system.

8.5.1 Incremental Base Service Charge. The incremental base service charge is as follows:

Allowance for Domestic Water Use	12,500 gallons
Allowance for Irrigation Water use	4,000 gallons
Total Water Use (Base)	16,500 gallons
See Current Fee Schedule for Base Rate	

Any gallons used over 16,500 gallons	
up to 20,000 gallons	\$.03 per
gallon Any gallons used over 20,000 gallons	
up to 25,000 gallons	\$.05 per
gallon Any gallons used over 25,000 gallons	\$.15 per
gallon	

Monthly service charges shall be suspended during any month(s) in which service through a newly constructed tap to a building prior to its occupancy has been turned-off in accordance with these Rules and Regulations.

8.5.5 Fire Department Exemption.

a. Current Members. All members in good standing of the Telluride Volunteer Fire Department Company who have been members for a period of not less than 1 year, shall receive no water charges for the then current monthly base rate amount for 16,500 gallons for their personal residence, served by the Homeowners Company, as long as they remain members of the Department.

b. Retired Members. All retired members of the Telluride Volunteer Fire Department with 20 or more years of service shall receive no water charges for the then current monthly base rate amount for 16,500 gallons for their personal residence, served by the Homeowners Company.

8.6 Tap Fees for Extraordinary Circumstances. In those extraordinary situations where a prospective user applies for a permit for service to a structure or use not defined in paragraph 8.5, or where, in the Board's opinion, said structure or use represents a classification not contemplated in the establishment of the previously defined tap fees, the Board shall, in its sole discretion, establish a reasonable tap fee for the structure or use.

8.7 Use Service Charges for Extraordinary Circumstances. In those extraordinary situations, including but not limited to tree escrow lots, where, in the Board's sole discretion, the service charges shown in the previous paragraphs do not represent a reasonable charge for the intended use, the Board, in its sole discretion, may adjust the rates.

8.8 Payment of Service Charges. It is the policy of the Homeowners Company to bill monthly service charges in arrears; charges for water usage in excess of the allotted usage for such minimum payments shall be billed at the close of the month. Any structure with more than one living unit off the service line, which is not separately metered, shall establish one responsible party for water bills.

8.9 Penalty for Late Payment. If at any time the customer is twenty (20) days late in payment of any charges due the Homeowners Company, the Homeowners Company shall have the right to assess an interest charge at a rate of one percent (1%) per month on the unpaid balance and \$50.00 administrative late charge. The Homeowners Company shall further have the right, in its sole discretion, to terminate service to any customer who becomes thirty (30) days or more, late in payment for services. The Homeowners Company has the right to assess to any customer who is late in payment of his account, all legal, court, foreclosure, disconnection and other costs necessary to or incidental to the collection of said account.

8.10 Lien and Foreclosure. The Homeowners Company shall have a lien on the applicable Site for any amount due under any Article of these Rules and Regulations. The lien and foreclosure provisions of paragraphs 5.11 and 5.12 of the Declaration shall apply.

8.11 Modifications to Fees and Charges. The Board of Directors of the Homeowners Company may modify any or all tap fees or service charges, specified in this Article VIII, at any time at their sole discretion.

## ARTICLE IX

**HEARING AND APPEAL PROCEDURES**

9.1 Application. The hearing and appeal procedures established by this section shall apply to all complaints concerning the interpretation, application or enforcement of the Rules and Regulations of the Homeowners Company, as they now exist or may hereafter be amended. The hearing and appeal procedures established by this section shall not apply to the following complaints:

9.1.1 Homeowners Company Contracts. Complaints which arise out of the interpretation of the terms of the Homeowners Company contracts.

9.1.2 Personnel Matters. Complaints which arise with regard to personnel matters, which complaints shall be governed exclusively by the Homeowners Company's personnel rules as the same may be amended from time to time.

9.1.3 Other. Any other complaint which does not concern the interpretation, application or enforcement of these Rules and Regulations of the Homeowners Company.

9.2 Initial Complaint-Informal Resolution. Complaints concerning the interpretation, application or enforcement of these Rules and Regulations must be presented in writing to the Homeowners Company President, or such representative as he may designate. Upon receipt of a complaint, the Homeowners Company President or his representative, after a full and complete review of the allegation contained in the complaint, shall take such action and/or make such determination as may be warranted and shall notify the complainant of the action or determination by mail within thirty (30) days after receipt of the complaint.

9.3 Formal Hearing. In the event the decision of the Homeowners Company President or his representative is deemed unsatisfactory to the complainant, a written request for Formal Hearing may be submitted to the Homeowners Company Board within fifteen (15) days from the date written notice of the decision mailed. Upon receipt of the request, if it is timely and if any and all other prerequisites prescribed by these Rules and Regulations have been met, the Homeowners Company Board shall conduct a Hearing at the Board's convenience but in any event not later than sixty (60) days after the submission of the request for Formal Hearing. The Formal Hearing shall be conducted in accordance with and subject to all pertinent provisions of these Rules and Regulations.

9.4 Conduct of Hearing. At the hearing, the Homeowners Company President shall preside. The complainant and representatives of the Homeowners Company shall be permitted to appear in person and the complainant may be represented by any person of his choice or by legal counsel. The complainant or his representative and the Homeowners Company representative shall have the right to present evidence and arguments; the right to confront and cross examine any person; and the right to oppose any testimony or statement that may be relied upon in support of or in opposition to the matter complained of. The Homeowners Company Board may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs. The hearing may be electronically recorded. Any physical exhibits or other evidence offered, received and considered during the Formal Hearing shall be retained and preserved in the same manner as any electronic record of the hearing.

9.5 Alter/Amend/Defer or Cancel Interpretation. The Homeowners Company Board shall determine whether clear and convincing grounds exist to alter, amend, defer or cancel the interpretation, application and/or enforcement of the Rules and regulations that are the subject of the appeal. The decision shall be based upon evidence presented at the hearing. The burden of showing that the required grounds exist to alter, amend, defer or cancel the action shall be upon the complainant.

9.6 Finding. Subsequent to the Formal Hearing, the Homeowners Company Board shall make written findings and an order disposing of the matter and shall mail a copy thereof to the complainant not later than forty-five (45) days after the date of the Formal Hearing. The decision of the Board shall be final and not subject to appeal.

9.7 No Hearing Required. If the Homeowners Company determines that a user is in violation of any of the provisions of these regulations then it may act in any way consistent with these regulations and no hearing shall be required to proceed or authorize such actions.

## ARTICLE X

### **CHECK VALVE, BACKFLOW PREVENTERS, AND BACKFLOW PREVENTION**

10.1 Check Valve. "Check Valve" shall mean a self-closing device which is designed to permit the flow of fluids in one direction and to close if there is a reversal of flow.

10.2 Backflow Prevention Device. The Aldasoro Homeowners Company requires an approved, testable, Reduced Pressure Backflow Assembly (RPBA) be installed on all new construction and remodels. This requirement may be reduced to an approved, testable, Double Check Valve Assembly (DCVA) at the discretion of the Homeowners Company representative. The supplier must ensure that all irrigation lines tapped off the water main and fire suppression systems shall be protected by approved backflow devices and inspected annually.

10.3 Approved Air Gap. Approved Air Gap shall mean a physical separation between the free-flowing end of a potable water supply pipeline and the overflow rim of an open or non-pressurized receiving vessel. To be an air gap approved by the department, the separation must be at least:

- Twice the diameter of the supply piping measured vertically from the overflow rim of the receiving vessel, and in no case be less than one inch, when unaffected by vertical surfaces (sidewalls); and:
- Three times the diameter of the supply piping, if the horizontal distance between the supply pipe and a vertical surface (sidewall) is less than or equal to three times the diameter of the supply pipe, or if the horizontal distance between the supply pipe and intersecting vertical surfaces (sidewalls) is less than or equal to four times the diameter of the supply pipe and in no case less than one and one-half inches.

10.4 Installation. All backflow preventers shall be installed as per the manufacture's recommendations and in a manner to prevent freezing. RPBAs shall be fitted with a leak shroud and drained to an approved air gap.

10.5 Testing. All testable backflow preventers shall be tested upon installation, after maintenance or moving of the preventer, and yearly by a certified Backflow Assembly Tester. A copy of these tests shall be submitted to the Homeowners Company. The requirement for testing backflow devices is the responsibility of the property owner, including related expenses. All such backflow test reports shall be submitted to the Aldasoro Ranch Homeowners Company no later than July 15<sup>th</sup> each year.

10.6 Unapproved Auxiliary Water Supply. At no time shall an unapproved water supply be piped directly into the Homeowners Company water system or into a homeowner's home.

10.7 Enforcement for non-compliance. If owner does not supply the Aldasoro Ranch Homeowners Company with a copy of the annual backflow testing report by July 15<sup>th</sup>, they will be sent notice of non-compliance and have 120 days to provide an inspection report. If no report is received after 120 days, the water service will be isolated from the main water system at the "curb-stop" service valve feeding the property until such time a "passing" testing report is received.

## ARTICLE XI

### **LIMITATION ON USE**

11.1 Limitation. The Board of Directors of the Homeowners Company, in its sole discretion, may require an Owner or Owners to limit the number of gallons of water usage. The limitation on usage shall extend for such period of time as determined by the Board of Directors. The affected Owner or Owners shall be notified either in person, by telephone or in writing at the address shown in the existing records of the Homeowners Company. Failure to comply with any usage limitation shall result in a fine determined by the Board of Directors in its sole discretion; the fine shall not exceed the equivalent of \$250.00 per day or 10 cents per gallon, whichever is greater.

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**EXHIBIT WR-1****WATER TAP OR USE APPLICATION AND PERMIT**

1. GENERAL. The property owner and all persons acting on behalf of the property owner are responsible for knowledge of all provisions of the rules and regulations of the Aldasoro Ranch Homeowners Company.
2. SERVICE CHARGE is the minimum fee plus excess usage charge and begins as of the date of connection. No provision for reimbursement of service charges exists.
3. CONNECTION OR USE FEES are payable prior to the connection of a new structure to the system, and prior to any changes in number of dwelling units.
4. ANY CHANGE IN USE, conversion of additional units or connection of new structure made without payment of a connection or use fee will be considered an "unauthorized tap". The occurrence of an unauthorized tap requires the assessment of a charge equal to two times the tap fee, as well as payment of the appropriate tap fee. Other action may also be taken against the property owner.
5. PROPERTY OWNER will be held responsible in the event of non-payment of all fees and charges due to the Homeowners Company.
6. INDIVIDUAL PRESSURE REDUCING VALVES must be installed on all service lines and ahead of the meter.
7. WATER SAVING DEVICES are required consisting of shower restrictors, rain sensing device, and maximum flush toilets.
8. WATER METERS are required on all buildings. All meters must be bronze bodied, either Badger, or Neptune, and each have a 3-wire remote readout. Remote readouts shall be located adjacent to the electric meter in a location approved by the Homeowners Company. All meter installations must be in freeze proof areas. All irrigation systems must have a water meter with remote readout in addition to house main water meter with remote readout. Readouts must be labeled on exterior of house, and be accessible at all times of year, including high snow years
9. INSPECTION OF SERVICE LINES is required. Locations of service lines and stop boxes must be filed with the Homeowners Company.
10. WATER SERVICE LINES shall be (i) 4-inch ductile or (ii) type K copper up to 2" O.D. or (iii) Polyethylene electrical conductivity maintained; size to be approved by the Homeowners Company. Water service line is to be separated a minimum of 10 feet horizontal distance to any sewer lines.
11. CONSTRUCTION FOR ANY TAP shall not be made after November 1 of any year, or before April 15, without specific written approval of the Homeowners Company; no trench shall remain open more than 24 hours; digging permits are the responsibility of the applicant.

12. USE OF FIRE HYDRANTS is prohibited at all times to anyone except authorized personnel of the Homeowners Company.
13. ABILITY-TO-SERVE LETTERS are effective only one year from the date of issue.
14. INSPECTION OF WATER TAPS must be made by Homeowners Company maintenance personnel. This includes the curb stop valve, water meter and service line to each building. Service lines not inspected will have to be uncovered to achieve the inspection at owner's expense.
15. ALL SERVICE STUBOUTS CONNECTIONS must be inspected by the Homeowners Company prior to back fill.
16. OWNERSHIP OF SERVICE LINES is that portion of all existing or future service lines, including previously existing stub-outs if applicable, extending from the main line to each building or unit shall become and is the property and responsibility of the Owner.
17. ALL IRRIGATION WATER LINES shall tap off the service line to the house downstream of the water meter, the PRV and the back-flow preventer.
18. BACKFLOW PREVENTION DEVICES must be installed in each house to alleviate hazardous cross connection: i.e. to prevent any domestic water from back-flowing into and contaminating the main system. These must be approved, testable, Reduced Pressure Backflow Assembly type unless otherwise approved by Homeowners Company representative. The back-flow device must be tested and a written test report submitted to the Homeowner's Company office prior to the issuance of a Certificate of Compliance.
19. COLIFORM TESTING is required within 24 hours of turning on water at the curb stop.



Exhibit WR-1 (continued)

Tap # \_\_\_\_\_ Date \_\_\_\_\_

THE ALDASORO RANCH HOMEOWNERS COMPANY WATER TAP OR USE APPLICATION  
AND PERMIT PROPERTY APPLICANT/OWNER

PROPERTY

Legal Description \_\_\_\_\_ Name \_\_\_\_\_  
\_\_\_\_\_ Address \_\_\_\_\_  
Address \_\_\_\_\_  
Remarks \_\_\_\_\_ Phone \_\_\_\_\_  
Use \_\_\_\_\_

Tap Size \_\_\_\_\_ Number of Water Meters \_\_\_\_\_  
TAP FEE \$ \_\_\_\_\_

Building Permit # \_\_\_\_\_ Date Connection to be made \_\_\_\_\_  
Date Occupancy Expected \_\_\_\_\_  
Estimated Monthly Service Charge \_\_\_\_\_

OTHER CHARGES \_\_\_\_\_

TOTAL \$ \_\_\_\_\_

Check # \_\_\_\_\_

Applicant states that he is familiar with the current Rules and Regulations of the Homeowners Company and has read and understands their terms and conditions and agrees to comply with them and any amendments to them; that he shall not vary the use without written approval from the Homeowners Company; and that this constitutes an agreement that is binding upon the applicant and his heirs, successors and assigns. Owner is responsible in the event of non-payment of all fees and charges due to the Homeowners Company.

By: \_\_\_\_\_ Date \_\_\_\_\_  
(Applicant)  
cc: Applicant, Building Dept

Approved by Homeowners Company:

By: \_\_\_\_\_ Date \_\_\_\_\_

EXHIBIT WR-2

Tap # \_\_\_\_\_ Acct# \_\_\_\_\_

THE ALDASORO RANCH HOMEOWNERS COMPANY  
WATER SERVICE INSPECTION/CONNECTION CHECKLIST

PROPERTY: Legal Desc: Lot # \_\_\_\_\_ Blk \_\_\_\_\_  
Inspection/Connection Date \_\_\_\_\_  
Number of Units \_\_\_\_\_ Address: \_\_\_\_\_

Tap Size \_\_\_\_\_

Water: \_\_\_\_\_ Owner or Builder: \_\_\_\_\_

Sewer: \_\_\_\_\_

Insp/Conn by \_\_\_\_\_

TAP LOCATION: Approved by \_\_\_\_\_  
Insp/Conn Charge \_\_\_\_\_

Received by \_\_\_\_\_ Date received \_\_\_\_\_

Invoice # \_\_\_\_\_

WATER SERVICE

\_\_\_\_\_ 1. Open ditch water service line inspection made and  
found satisfactory. Date approved: \_\_\_\_\_  
Approved by: \_\_\_\_\_

\_\_\_\_\_ 2. Tap onto main line made by Homeowners Company  
personnel Date approved: \_\_\_\_\_  
Approved by: \_\_\_\_\_

\_\_\_\_\_ 3. Corporation (curb) stop valve(s) inspected and  
found adequate. Location is diagrammed on reverse of  
this form.

Date approved: \_\_\_\_\_

Approved by: \_\_\_\_\_

IF ANY STATEMENT IS NOT CHECKED, EXPLAIN WHY:

\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT WR-3**

THE ALDASORO RANCH HOMEOWNERS  
COMPANY METER INSTALLATION  
INSPECTION CHECKLIST

Account # \_\_\_\_\_ Tap # \_\_\_\_\_

Name: \_\_\_\_\_ Address: \_\_\_\_\_

MAIN METER INSTALLATION BACKFLOW PREVENTER 1 2 3

Make \_\_\_\_\_ Make \_\_\_\_\_

Date Installed \_\_\_\_\_ Type \_\_\_\_\_

Serial #(s) \_\_\_\_\_ Meter Size(s) \_\_\_\_\_

Serial #(s) \_\_\_\_\_ Size(s) \_\_\_\_\_

Hazard \_\_\_\_\_

Location: Meter(s) \_\_\_\_\_

Remote(s) \_\_\_\_\_ Backflow

Preventer(s) \_\_\_\_\_

PRV

Make \_\_\_\_\_ Size \_\_\_\_\_ Serial # \_\_\_\_\_ Location \_\_\_\_\_

IRRIGATION METER

Make \_\_\_\_\_ Installed \_\_\_\_\_

Serial #(s) \_\_\_\_\_ Meter Size(s) \_\_\_\_\_

SHOWER RESTRICTOR

Type \_\_\_\_\_

RAIN SENSING DEVICE

Type \_\_\_\_\_ Location \_\_\_\_\_

TOILET RESTRICTOR

FIRE PROTECTION PLAN

Type \_\_\_\_\_

Submitted and approved \_\_\_\_\_

Reading at Inspections Main Meter \_\_\_\_\_ Irrigation Meter \_\_\_\_\_ Date

Inspected \_\_\_\_\_

Inspected by \_\_\_\_\_

Reviewed and Approved By \_\_\_\_\_

Date Approved \_\_\_\_\_

**EXHIBIT WR-4**

THE ALDASORO RANCH HOMEOWNERS  
COMPANY CUSTOMER FILE CHECKLIST

ACCOUNT NUMBER:

New \_\_\_\_\_ Old \_\_\_\_\_

NAME: \_\_\_\_\_ LEGAL \_\_\_\_\_

DESCRIPTION: LOT# \_\_\_\_\_ FILING \_\_\_\_\_ ADDRESS \_\_\_\_\_

\_\_\_\_\_

ITEMS INCLUDED IN FILE:

Water

\_\_\_\_\_ Tap application

\_\_\_\_\_ Inspection Report

\_\_\_\_\_ Copy of Check

\_\_\_\_\_ Meter Installation Inspection Check list

\_\_\_\_\_ Coliform test on file

ACTION REQUIRED: DATE

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Inspector

Date

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## EXHIBIT WR-5

THE ALDASORO RANCH HOMEOWNERS  
COMPANY CHANGE OF OWNERSHIP

1. GENERAL. The property owner and all persons acting on behalf of the property owner are responsible for knowledge of all provisions of the rules and regulations of the Aldasoro Ranch Homeowners Company.
2. SERVICE CHARGE is the minimum fee plus excess usage charge and begins as of the date of connection. No provision for reimbursement of service charges exists.
3. CONNECTION OR USE FEES are payable prior to the connection of a new structure to the system, and prior to any changes in number of dwelling units.
4. ANY CHANGE IN USE, conversion of additional units or connection of new structure made without payment of a connection or use fee will be considered an "unauthorized tap". The occurrence of an unauthorized tap requires the assessment of a charge equal to two times the tap fee, as well as payment of the appropriate tap fee. Other action may also be taken against the property owner.
5. PROPERTY OWNER will be held responsible in the event of non-payment of all fees and charges due to the Homeowners Company.
6. INDIVIDUAL PRESSURE REDUCING VALVES must be installed on all service lines and ahead of the meter.
7. WATER SAVING DEVICES are required consisting of shower restrictors, rain sensing device, and maximum flush toilets.
8. WATER METERS and radio transmitters are required on all buildings. All meters must be approved by the Homeowners Company. Remote readouts or radio transmitters shall be located adjacent to the electric meter in a location approved by the Homeowners Company. All meter installations must be in freeze proof areas. All irrigation systems must have a water meter with remote readout or radio transmitter in addition to house main water meter with radio transmitter. Locations of all devices shall be approved by the Homeowners Company.
9. USE OF FIRE HYDRANTS is prohibited at all times to anyone except authorized personnel of the Homeowners Company.
10. OWNERSHIP OF SERVICE LINES is that portion of all existing or future service lines, including previously existing stub-outs if applicable, extending from the main line to each building or unit shall become and is the property and responsibility of the Owner.

EXHIBIT WR-5

CHANGE OF OWNERSHIP (continued)

Tap # \_\_\_\_\_

Date \_\_\_\_\_

11. ALL IRRIGATION WATER LINES shall tap off the service line to the house downstream of the water meter, the PRV and the back-flow preventer.

12. BACKFLOW PREVENTION DEVICES must be installed in each house to alleviate hazardous cross connection: i.e. to prevent any domestic water from back-flowing into and contaminating the main system. These must be Colorado approved, testable, Reduced Pressure Backflow Assembly type unless otherwise approved by Homeowners Company representative. The back-flow device must be tested, and a written test report submitted to the Homeowners Company office prior to the issuance of a Certificate of Compliance.

PROPERTY

Legal Description \_\_\_\_\_

Name \_\_\_\_\_ Address \_\_\_\_\_

Remarks \_\_\_\_\_ Phone \_\_\_\_\_

\_\_\_\_\_ EXHIBIT WR-3 COMPLETED

\_\_\_\_\_ ALL REQUIRED PLUMBING UPDATES COMPLETED-See Attached List of Repairs (if any) to be completed by Seller.

Applicant states that he is familiar with the current Rules and Regulations of the Homeowners Company which can be found on the Aldasoro Ranch Website [aldasororanch.net](http://aldasororanch.net) and has read and understands their terms and conditions and agrees to comply with them and any amendments to them; that he shall not vary the use without written approval from the Homeowners Company; and that this constitutes an agreement that is binding upon the applicant and his heirs, successors and assigns. Owner is responsible in the event of non-payment of all fees and charges due to the Homeowners Company.

By: \_\_\_\_\_ Date \_\_\_\_\_

New Owner to be signed at Closing

WR-5 Schedule of Repairs to be done by Seller prior to the transfer of the Property.

Lot \_\_\_\_\_

5.6.2 Requirement to Upgrade. Any customer requesting renovation through the DRB, change in equipment, service or use of their property or upon sale of property shall be required to upgrade meters, meter readouts or radio transmitters, backflow prevention devices, and PRVs to current rules and regulations standards.

Customers shall complete form WR-5 and be inspected by water system personnel before permission is granted.

Upgrade to be the responsibility of the seller.

Upgrades to be done (if any):

By: \_\_\_\_\_ Date \_\_\_\_\_  
Seller

Approved by Homeowners Company:

By: \_\_\_\_\_ Date \_\_\_\_\_