

TOWN OF RICO
ORDINANCE NO. 2025-02

AN ORDINANCE OF THE TOWN OF RICO, COLORADO, REPEALING
ORDINANCE NO. 2019-06, AS AMENDED BY ORDINANCE NO. 2024-01,
AND ADOPTING NEW WATER OPERATIONS RULES AND
REGULATIONS AND PROVIDING FOR PENALTIES FOR VIOLATION
OF SAME

WHEREAS, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

WHEREAS, pursuant to C.R.S. § 29-20-101 *et seq.*, 31-15-101 *et seq.*, and 31-23-101 *et seq.*, the Town has broad authority to ensure the health, safety and welfare of the community and its residents; and

WHEREAS, the Town has the authority to adopt rules and regulations regarding municipal water services within the Town pursuant to the Charter, Article X § 10.4 and C.R.S. § 31-35-401(b); and

WHEREAS, the Charter, Article III § 3.1 provides that enactments of the Board imposing fees, fines, or penalties or fees shall be made by ordinance; and

WHEREAS, the Board adopted Ordinance No. 2019-06 together with the Water Operations Rules and Regulations (the “Water Rules”) attached thereto as Exhibit A on November 20, 2019; and

WHEREAS, the Board adopted Ordinance No. 2024-01 together with the amendments to the Water Rules attached thereto as Exhibit A on March 20, 2024; and

WHEREAS, the Board desires to repeal Ordinance Nos. 2019-06 and 2024-01, the Water Rules and any amendments thereto to comprehensively update and replace the rules and regulations applicable to water services provided by the Town as provided herein; and

WHEREAS, the Board finds and declares that it is necessary to repeal and replace the Water Rules as set forth herein and it is proper in light of the needs and desires of the Town and in the promotion of the public health, safety, and welfare of the Town’s residents.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF
THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. The Town of Rico hereby adopts the Water Operations Rules and Regulations attached as Exhibit A to this Ordinance, which is incorporated by this reference.

Section 3. Any ordinances or resolutions or parts thereof, which are in conflict with this ordinance, are hereby repealed to the extent of such conflict only.

Section 4. This Ordinance shall take effect immediately on final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY ON MARCH 16, 2025.

TOWN OF RICO, COLORADO


Patrick Fallon, Mayor

ATTEST:



Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON MAY 21, 2025.

TOWN OF RICO, COLORADO



Patrick Fallon, Mayor

ATTEST:



Anna Wolf, Town Clerk

Effective Date: May 21, 2025



Exhibit A

Water Operations Rules and Regulations

Town of Rico

Article I
General

1.1 Authority. The Town of Rico is a municipality governed by Home Rule Charter adopted May 2nd, 2000. The Town shall have and may exercise all powers, functions, rights, and privileges allowed or granted to any municipalities including home rule cities or towns by law except as limited or expressly forbidden by the Charter or the Constitution of the State of Colorado or the United States. All powers of the Town shall be exercised in a manner prescribed by the Charter, or if the manner is not prescribed then as prescribed by ordinance, or if no ordinance exists which is applicable, then as prescribed by statute or other law.

1.2 Purpose. The purpose of these Rules and Regulations is to govern the administration of water operations in the Town of Rico, Colorado.

1.3 Policy. The Board of Trustees of the Town hereby declares that these Rules and Regulations shall serve a public use and are necessary to promote the health, safety, prosperity, security, and general welfare of the inhabitants of the Town.

1.4 Scope. These Rules and Regulations shall be treated and considered as the comprehensive regulations governing the operations and administration of the Water System for the Town.

1.5 Intent of Construction. It is intended that these Rules and Regulations shall be liberally construed to affect 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 Trustees of the Town by virtue of ordinance, now existing or subsequently amended, or under any contract or agreement existing between the Town and any other entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the Town 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 Trustees pertaining to the affairs of the Town.

1.6 Waiver or Variance. At its sole discretion, the Board may waive or grant a variance from any provision of these Rules and Regulations, and any such waiver or variance must be in writing, signed by the Board. Such waiver or variance shall only be for good cause shown and shall not be deemed to create any binding precedent or amendment of the Rules and Regulations.

1.7 Amendment. It is specifically acknowledged that the Town 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 Trustees of the Town in their sole discretion.

Article II
Definitions

The meaning of the terms used herein shall be as follows:

2.1 Actual Cost. "Actual Cost" means all direct costs applicable to the Town's acts including labor, surveys, construction, preliminary and design engineering, inspection, construction observation, administrative and legal costs, plan approval fees, As-Built Drawings, and other costs necessary for the administration and enforcement of these Rules and Regulation and Water System operations

2.2 Applicant. "Applicant" means any Person who applies to the Town for a service connection, service disconnection, or other agreement relating to the Water System.

2.3 Backflow Prevention Assembly. "Backflow Prevention Assembly" means any mechanical assembly installed at a Service Line or at a plumbing fixture to prevent a backflow contamination event, provided that the mechanical assembly is appropriate for the identified contaminant at the Cross Connection and is an in-line field-testable assembly.

2.4 Backflow Prevention Method. "Backflow Prevention Method" means any method and/or non-testable device installed at a water service line or at a plumbing fixture to prevent a backflow contamination event, provided that the method or non-testable device is appropriate for the identified contaminant at the cross connection.

2.5 Board. "Board" means the "Board of Trustees" as defined under the Charter, Article II.

2.6 Charter. "Charter" means the Town of Rico Home Rule Charter.

2.7 Certified Cross-Connection Control Technician. "Certified Cross-Connection Control Technician" means a person who possesses a valid Backflow Prevention Assembly Tester certification from one of the following approved organizations: American Society of Sanitary Engineering (ASSE) or the American Backflow Prevention Association (ABPA). If a certification has expired, the certification is invalid.

2.8 Code. "Code" means the Town of Rico Land Use Code.

2.9 Contractor. "Contractor" means any Person, firm, or corporation engaged to perform work on the Water System on behalf of either a Customer or the Town.

2.10 Cross Connection. "Cross Connection" means any connection that could allow any water, fluid, or gas such that the water quality could present an unacceptable health and/or safety risk to the public, to flow from any pipe, plumbing fixture, or a customer's water system into a public water system's distribution system or any other part of the

public water system through backflow.

2.11 Customer. “Customer” means any Person, company, partnership, corporation, or similar entity authorized to connect to and use the Water System under a Permit.

2.12 Developer. “Developer” means any Person who seeks to have land served by the Water System other than a Customer

2.13 EQR. “EQR” or “Equivalent Dwelling Residential Unit” is the standard of measurement the Town uses to calculate fees and water dedication requirements based on the amount of water used by a single-family residential unit .

2.14 Line Connection Agreement. “Line Connection Agreement” means an agreement between the Town and a Customer which identifies the terms and conditions by which a Developer or Customer is permitted to connect to the Water System and receive water service therefrom.

2.15 Line Extension Agreement. “Line Extension Agreement” means an agreement between the Town and a Person that identifies the terms and conditions by which the parties agree to extend the Water System and permit the Person to connect to the Water System and receive water service therefrom. The terms and conditions of a Line Extension Agreement may be expressed within a site specific development plan including, without limitation, a subdivision improvement agreement, as determined by the Town.

2.16 Main Line. “Main Line” or “Water Main” means any Town owned line used as a conduit for water in the Water System.

2.17 Owner. “Owner” shall mean the Person or Persons, entity or entities, who hold fee simple title to a Site located within the Town, according to the real property records of Dolores County, Colorado.

2.18 Permit. “Permit” means the Town’s written permission to connect to the Water System pursuant to the Rules and Regulations and shall be revocable upon the change of use of the Site being served.

2.19 Person. “Person” means any individual, firm, partnership, corporation, or other entity of any nature, whether public or private.

2.20 Rules and Regulations. “Rules and Regulations” means the Town of Rico Water Operations Rules and Regulations including all amendments and policies as set forth in the minutes, ordinances, and resolutions.

2.21 Secondary Residential Unit. “Secondary Residential Unit” means guest houses, separate apartments attached to Single Family Residential Units, Accessory Dwelling Units, and other separate residential units associated with Single Family

Residential Units and containing their own separate kitchens

2.22 Service Line. “Service Line” means any pipe, line, or conduit less than or equal to 4 inches in diameter used to provide water service from the Water Main to a structure, whether the pipe, line or conduit is connected or not.

2.23 Single Family Residential Unit. “Single Family Residential Unit” means any single-family dwellings, individually-billed mobile homes, mobile homes on individual lots, and mobile homes established as permanent residences which have no more than one kitchen.

2.24 Site. “Site” means a legally created parcel of land. In a multi-unit building, each separately owned unit is a Site.

2.25 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.

2.26 Tap or Connection. “Tap” or “Connection” means the connection of a Service Line to the Water System, either directly to a Main Line or Stub-Out.

2.27 Tap Fee. “Tap Fee” means the payment due to the Town for the Connection of a Site to the Water System.

2.28 Town. “Town” means the Town of Rico, Colorado.

2.29 Town Manager. “Town Manager” means the Town Manager of the Town of Rico, Colorado, or their designee.

2.30 Town Engineer. “Town Engineer” means a Person that has been employed or contracted with to do engineering work for the Town.

2.31 Unauthorized Connection. “Unauthorized Connection” means any connection to the Water System without approval from the Town pursuant to these Rules and Regulations.

2.32 Violation. “Violation” means any failure to follow, uphold, or comply with the requirements of these Rules and Regulations, intentionally or unintentionally, by act of commission or omission, whether or not the Person knew of the existence of the Rule or Regulation. Unless otherwise stated, each day that a Violation exists or continues shall be considered a separate Violation, subject to the penalties which apply

2.33 Water Charges. “Water Charges” means Water System Improvement Fees, Tap Fees, service charges, surcharges, inactive tap service charge, cost recovery fees, fines for violation of these Rules and Regulations, together with late charges and interest on delinquencies, and the Town’s cost and expenses incurred to collect any amount due,

enforce or take any action permitted under these Rules and Regulations including, without limitation the Town's attorneys' fees and costs

2.34 Water System. "Water System" means all facilities, including but not limited to Water Mains, Service Lines, treatment systems, pumps, tanks, wells, valves, appurtenances, accessories, or portion thereof owned and maintained by the Town for the purpose of delivering water service to its Customers.

Article III
Ownership & Operation of Facilities

3.1 Responsibilities of the Town. Except as otherwise provided by these Rules and Regulations, the Town is responsible for the Water System, which operation and maintenance shall be carried out in accordance with these Rules and Regulations and Colorado Department of Public Health and Environment rules or requirements.

3.2 Liability of the Town. The Town shall not be liable or responsible for the following: inadequate, high, or fluctuating water flow rates or water pressure; interruption of water service; the consequences of the Town's failure or refusal to accept additional or new connections that would exceed the capacity of the Water System; damage to service lines; damage caused by water running or escaping from open or defective faucets; burst service lines or other facilities not owned by the Town; damage to water heaters, boilers, or other appliances; damage that results from misuse of any component of the Water System; and problems resulting from hard water or other water chemistry.

3.3 Ownership of Facilities.

3.3.1 Upon acceptance by the Town, all Water Mains that connect with and form an integral part of the Water System shall become the Town's property and responsibility; provided, however, the Board reserves the right to determine, in its sole discretion, whether acceptance of a Water Main is appropriate in all circumstances. Said ownership will remain valid whether the Town or other Persons construct, finance, pay for, or otherwise acquire the Water Mains. The Town shall not be liable or responsible for the consequences of its failure or refusal to accept additional or new service which would exceed the capacity of the Water System.

3.3.2 All existing and future Service Lines extending from the Water Main to the building shall be the property of the Customer. The Customer's obligation to bear the expense of installing and maintaining said Service Line shall exist whether the Service Lines are constructed, financed, paid for, or otherwise acquired by the Town or any other Person. Any damage caused by the homeowner will be the responsibility of the homeowner.

3.3.3 The Town reserves and shall at all times have a right of access to all Service Lines and other facilities necessary for the Town to carry out its lawful functions.

3.4 Water Meters and Shut-off Valves. The cost of maintaining, repairing, or

replacing any meter or valve shall be the obligation of the Owner of the Site served by the meter or valve.

3.5 Inspection Powers and Authority of Town Agents. The Town Manager, and other duly authorized employees of the Town, bearing proper credentials and identification, shall be permitted to enter all Sites served by the Water System for the purpose of inspection or any other reasonable purpose in accordance with the provisions of these Rules and Regulations. The right of entry shall include the right to install, read, or otherwise gather data from water meters on a Site in order to assist the Town in analyzing water usage by the Customer. Except in the case of an emergency affecting the health, safety, and welfare of residents of the Town, entry upon a Customer's Site shall only be made after reasonable notice and during reasonable business hours. All Customers shall be deemed to have agreed to entry onto such Site for the purposes set forth. If a Customer denies such an inspection, the Customer's Site will be disconnected from the Water System.

Article IV
Water System Use Restrictions and Connection Requirements

4.1 Use of the Water System.No Person shall uncover, make any connection with, or use, alter, or disturb the Water System without first obtaining a Permit. All installations for water service from the Town shall be made in accordance with these Rules and Regulations, and the designs, plans and specifications approved by the Town.

4.1.1 Prohibited Use. No Person shall break, damage, destroy, uncover, deface, or tamper with any portion of the Water System or any water meter. No Person shall place, dump, discharge, or deposit any contaminant or pollutant into the Water System. No Person shall make any unauthorized use of water, including use of water for purposes or on property not authorized by a Permit. Unauthorized Connections to the Water System shall be disabled.

4.1.2 Stop and Waste Valves. Stop and waste valves are prohibited below grade or underground.

4.1.3 Valve Keys and Hydrant Wrenches. It shall be unlawful for any Person other than authorized personnel to have in their possession a hydrant wrench or valve shut-off key. Town personnel shall confiscate any hydrant wrench or valve shut-off key found in the possession of any unauthorized Person. It shall be unlawful for any Person other than authorized personnel to use a fire hydrant.

4.2 Responsibilities of Customer. Each Customer shall notify the Town prior to any change in the Customer's equipment, ownership service, or use of the property served by the Water System. Service Lines shall be constructed in accordance with these Rules and Regulations. The Customer shall repair leaks or breaks in a Service Line within 72 hours after receiving notice from the Town of such condition. If satisfactory progress, in the sole discretion of the Town, toward repairing said leak or break has not been accomplished within such time period, the Town may shut off water service to the Site

until the leak or break has been satisfactorily repaired. The Town's authority to shut off a Customer's water service for such purposes shall be deemed consented to by the Customer at the time Connection to the Water System is made. Any provision herein to the contrary notwithstanding, the Town may, but is not required to, take immediate steps to repair any Service Line, leak, or break. In such event, the Town shall recover the cost of such repair from the Customer owning such Service Line.

If the Customer fails to pay any costs for which the Customer is responsible within 30 days of the Town mailing notice thereof to the Customer, the Town may take such action as is necessary to collect such costs, including the imposition and foreclosure of a lien on the Customer's Site, and the Town shall be entitled to recover all costs of collection, including reasonable attorneys' fees, late charges, and interest.

4.2.1 Uninterrupted Pressure. All Customers having boilers and/or other systems depending on pressure or water in pipes, or on a continual supply of water, shall provide, at their own expense, suitable safety devices to protect themselves and their property against a stoppage of water supply or loss of pressure. The Town is not liable or responsible for any damage resulting from a Customer's failure to comply with this Section.

4.2.2 Water Meters, Pressure Reducing Valves, and Check Valves Required. No Person shall uncover, make any Connection to, use, alter, or disturb any Water Main or portion of the Water System without first obtaining the Town's written permission. All installations and Connections shall be made in accordance with these Rules and Regulations, and all federal, state, and local requirements. Every connection to the Water System shall be inspected by a Town representative before it is covered. No Connection shall be made to the Water System without a pressure-reducing valve, water meter, and check valve having been installed to serve the Site, which Customers shall purchase from the Town. All water meters shall have devices for remote reading. Meters shall be of the type manufactured by Neptune Meters or an equivalent to coincide with our remote read-out capabilities. The readout unit shall be installed on the building at a height above the ground and snowpack in a Town approved location. All irrigation systems must have a water meter with a remote readout. Irrigation system meters shall be located downstream of the primary meter and shall be separated from the primary meter by a shut-off valve, plumbed in series, not in parallel. The Town shall approve the type of pressure-reducing valve and water meter and location of the meter prior to installation. The Town shall own all water meters whether the meters are installed, financed, paid for, repaired, or maintained by the Town or another Person.

4.3 Backflow Prevention, Cross-Connections. All new construction designated by CDPHE as a high risk connection shall be installed with a Backflow Prevention Assembly shall be installed and tested by a state-certified backflow assembly tester. Existing Water System Connections shall be subject to a survey for Cross Connections. If a Cross Connection has been identified an appropriate Backflow Prevention Assembly shall be installed at the Customer's Connection within 120 days of its discovery. The assembly shall be installed downstream of the water meter or as close to that location as deemed

practical by the Town. If the assembly or method cannot be installed within 120 days, the Town must take action to control or remove the Cross Connection, suspend service to the Cross Connection or obtain an alternative compliance schedule from the Colorado Department of Public Health and Environment.

4.3.1 Backflow Prevention Assemblies or Methods shall be tested by a Certified Cross-Connection Control Technician upon installation and tested at least annually, thereafter, at the Customer's expense. Any Backflow Prevention Assemblies or Methods that are non-testable, shall be inspected at least once annually by a Certified Cross-Connection Control Technician at the Customer's expense.

4.3.2 As necessary, Backflow Prevention Assemblies or Methods shall be repaired and retested or replaced and tested at the Customer's expense whenever the assemblies or methods are found to be defective.

4.3.3 Testing gauges shall be tested and calibrated for accuracy at least once annually.

4.4 Reading Meters. The Town shall, at the Customer's expense, have the right to read, test, remove, repair or replace any and all water meters and remotes. Each Customer shall notify the Town if their water meter is operating defectively. If any meter fails 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 Town to have been in working order. The Town 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.

4.5 Use Limitations. The Board of Trustees, in its sole discretion, may impose water use restrictions. In the event a restriction is activated, delivery of water to a Site may be reduced and the Customer. shall be notified in writing. Failure to comply with any water user restrictions may result in the imposition of a fine up to \$250.00 per day or 10 cents per gallon, whichever is greater.

4.6 Suspension of Service. The Town may physically suspend the supply of water to a Site, without any obligation to refund any payment received from the Customer, for any of the following reasons:

4.6.1 Upon non-payment of any valid fees or charges owing to the Town. In the event of non-payment, the Town shall provide notice of proposed suspension in writing to the Customer, which notice shall set forth the amount due and the procedure to dispute fees or charges. Failure to comply with any of these Rules and Regulations.

4.6.2 Any unauthorized use of water, including use of water for purposes or on property not authorized by the Permit.

4.6 Prosecution. Any Person who violates the provisions of this Article may be

charged pursuant to applicable state statute or local regulation. In addition to other penalties expressly provided in these Rules and Regulations, any Person violating this Article shall also be subject to a fine of up to \$5,000.00 per occurrence. Any Person violating any of the provisions of these Rules and Regulations shall, in addition to any and all other available remedies and penalties, become liable to the Town for any expense, loss or damage occasioned by reason of such violation, including reasonable attorneys' and engineering fees and costs. The Town may assess any such amount directly to the Site Owner.

Article V
Application for Service

5.1 Permit Required. No Connection to the Water System shall be made without a valid Permit issued by the Town. Permits are Site specific. The transfer of a Permit to an alternative Site is prohibited.

5.2 Water Saving Device Required. All new Connections are required to install water-saving devices as follows:

5.2.1 Toilets. All toilets shall have a maximum flush of 1.6 gallons.

5.2.2 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.

5.2.3 Rain Sensing Device. All irrigation systems shall have a rain-sensing device in use.

5.2.4 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.

5.3 Service Outside the Town. The Water System exclusively serves Customers within the Town. No Permit shall be issued outside of the Town, except by resolution of the Board, in its sole discretion.

5.4 Application for Water Service. Any Person that desires water service from the Town shall submit an application for a Permit using the Town approved application form together with any supporting documentation that the Town may require payment of any fees or Water Charges due at that time No Permit shall be approved prior to the acquisition of a building permit for the Site. Without limiting the generality of the foregoing, applications shall contain the following minimum information:

5.4.1 Applicant's name, address, and phone number;

5.4.2 Name, address, and phone number of owner of the property where said

Service Line Connection is to be made or laid;

5.4.3 A diagram of the water meter, remote reading device, curb stop valve, pressure-reducing valves, and Service Lines;

5.4.4 Location of the proposed Connection and Service Lines;

5.4.5 Size and type of material to be used and any other information required by these Rules and Regulations governing the particular installation proposed;

5.4.6 The Applicant's consent to entry, water use record availability and consent to water shut off pursuant to these Rules and Regulations;

5.4.7 Information about the structure(s) to be served to calculate the EQR of water service requested;

5.4.8 The Applicant's consent to abide by and be bound by these Rules and Regulations, as amended from time to time.

5.5 **Sprinkler System Applications.** If a fire sprinkler system is to be used, the application shall contain a plan of the system. All fire sprinkler systems shall meet National Fire Protection Association (NFPA) requirements and applicable state and local building and fire protection codes. If a fire suppression system is to be used, the contractor who designs and installs the system shall be certified by the Colorado Division of Fire Prevention and Control for the type of system used.

5.6 **Tapping Period.** No Connections shall be made between October 15 and April 15, unless approved in writing by the Town, in its sole discretion.

5.7 **Accuracy of Information.** All information requested on the application form must be completed. Should any information disclosed on the application be in error, or should the applicant omit any information, the Town shall have the right to: (i) re-assess the Tap Fee; (ii) disconnect the Tap in question, and (iii) revoke the Permit.

5.8 **Approval of Application.** Each application for water service is subject to the Town's approval. In order to obtain such approval, the Applicant shall submit such information that the Town may require. Upon application approval and payment of all applicable Water Charges, the Town shall issue the Applicant a Permit containing all the information contained in the application. No Tap shall be allowed until: the required Tap Fee has been paid; a Permit has been issued; and any and all other applicable Water Charges and fees have been paid. Tap Fees shall be non-refundable unless the Board expressly agrees otherwise.

5.9 **Denial of Application.** The Town may, in its sole discretion, deny an application for the failure to comply with any of these Rules and Regulations.

5.10 Temporary Permit. Temporary water service may be provided by the Town upon request at the time of application for a building permit. Any temporary connection to the Water System shall be approved in advance by the Town. No temporary permit shall be approved prior to the acquisition of a building permit for the Site.

5.11 Change in Customer Service: A Customer shall file an amended application for Water Service with the Town prior to increasing the size of a structure served by the Town or the type of service received. Examples of such changes are the construction of additions to houses or other buildings, changes in use of an existing structure, addition of water fixtures, additional Connections to Water Mains, or decreases to the level of water service, or abandonment of service.

5.11.1 If a Customer desires to increase, decrease, or abandon its level of water service, the Customer shall complete an amended application for such service pursuant to the provisions of this Section. A Customer's abandonment of EQR shall be deemed abandonment for all purposes, including Tap Fees previously paid. In the event of a proposed decrease in the EQRs, the water fixtures or other uses included in the proposed decrease must be removed or eliminated before such decrease will be approved.

5.11.2 The Town shall collect any additional Tap Fees, or Water Charges due and owing retroactive to the date of any such change.

5.11.3 Purchasers of real property in the Town are responsible for verifying that the amount and type of service for which the Town is currently charging is consistent with the type and amount of service which the seller purports to have paid for and wishes to convey.

5.11.4 At any time the Board may review actual water usage to determine if such actual usage is greater than that implied by the number of EQR units assessed to the Customer at the time the application for water service was accepted. Winter water use records may be utilized for this purpose. If the Board finds greater actual water usage, the Customer shall be assessed a greater number of EQR units to reflect actual usage.

5.11.5 In no event shall a refund, credit, or rebate of Tap Fees or Water Charges previously paid be permitted if the type or amount of service is decreased.

5.12 Transfer of EQR Credits: EQR credits purchased directly from the Town are considered appurtenant to the structure, or land for which they were obtained and are not transferrable.

5.13 Service Application for Subdivision Developers: Any Person who desires water service for a subdivision development shall submit a written request to enter into a Line Extension Agreement to the Town together with any required land use application.

5.14 Reimbursement of Costs And Fees: Any Person constructing a line extension project, or undertaking any other activity requiring preparation of plats or plans, legal and

engineering review and advice, inspections, filing or recording fees, or other out-of-pocket expenses by the Town shall be required to reimburse the Town for all such costs and fees. Such Person may be required, prior to commencement of the project or activity, to enter into one or more agreements with the Town related to the proposed development, and make such deposit as the Board deems appropriate.

Article IV
Construction of Service Lines

6.1 Inspection Required. All Connections and repairs thereto shall be performed by an authorized representative of the Town or under the supervision of the Town. All Service Lines and meters shall be inspected and tested by an authorized representative of the Town prior to Connection to the Water System and prior to any lines being buried. It is the responsibility of the Site Owner to notify the Town that a proposed Connection is ready for inspection and testing.

6.2 Separate Service Lines Required. New Service Lines shall be installed at the expense of the Site Owner. Existing Service Lines may be used in connection with new structures only when approved in writing by the Town, in its sole discretion. Separately owned units within a multi-unit building must have individual shut-offs and meters specific to each unit.

6.3 Construction and Connection. Only those contractors authorized by the Town shall construct and install Service Lines. Connections shall be completed at the Site Owner's expense. Service stub-ins for residential installations shall terminate with a curb stop at the property line unless the Town approves another location. Meter and yoke shall be located inside buildings with a remote reader on the outside wall designated by the Town. Any Person doing work on a Service Line shall comply with applicable federal, State, and local regulations. The Town maintains the authority to suspend work upon a reasonable belief that there is a violation of any federal, state, or local rule.

6.4 Water Service Line Construction. Service Lines shall comply with the following:

6.4.1 be buried a minimum of six feet below the final grade, and

6.4.2 be installed, bedded, and compacted pursuant to Town specifications. All corporation stops (tap valves) shall be of a type "compression," 300 psi maximum, ball style with lock wing. No "flair style" shall be allowed, and

6.4.3 residential Service Lines shall be ¾ inch HDPE (PEX) or equivalent approved by the Town, and

6.4.4 commercial Service Lines shall be sized according to the volume of use approved in the Permit, and

6.4.5 if made of copper pipe, be equipped with a thaw wire, and

6.4.6 be sleeved.

6.5 Road Cuts. When a road cut is required for Connection, the Owner shall rebuild the road base in accordance with specifications from the Town.

6.6 Approved for Backfilling. No Service Line shall be covered without the Town's prior written approval. Any Person that covers a Service Line without such approval shall be required, at the Owner's expense, to remove all fill, topsoil or any other covering placed over the line.

6.7 Installation

6.7.1 Location and Alignment of Service. Service Lines shall be constructed in locations approved by the Town. Unless otherwise approved by the Town, Service Lines shall be installed in a perpendicular alignment to the Main Line, and shall not be located under any paved driveway or service road without the Town's prior written approval, in its sole discretion. The Town may require an Owner, at the Owner's expense, to extend the Main Line.

6.7.2 Service Line and Control Valves. Service Lines shall be (HDPE) PEX polyethylene or copper or other Town approved material. All Service Lines shall be equipped with a control valve, accessible to the Town. All Service Lines and fittings shall be installed to withstand 200 psi.

6.7.3 Sleeves. Prior to installation of a Service Line, the Town shall approve the type of sleeve.

6.7.4 Pressure Reducing Valves. Individual pressure-reducing valves that are required on all Service Lines shall be 400 psi.

6.7.5 Excavation. All excavation work required to facilitate a Connection shall be open trench work unless the Town otherwise approves, in its sole discretion. All work, including pipe laying and backfill, shall be performed in accordance with Town approvals, these Rules and Regulations and any other applicable law. All excavation work shall be adequately guarded with barricades and lights so as to protect the public from hazards. Roads, access ways and other public or private property disturbed in the course of the work shall be restored to its previous condition and to the Town's satisfaction. All backfilled areas shall be maintained in a condition satisfactory to the Town. If the Town notifies an Owner that a backfilled area is hazardous, the Owner shall correct the hazardous condition within 72 hours.

6.7.6 Backfill Materials. All materials for utility trench backfill shall comply with Town approvals, these Rules and Regulations, and other applicable law. Subject to the following requirements, such material shall be free of frozen material, stumps, roots, brush and other organic matter and debris:

A. Upper Portion of Trench. Material placed within one foot of pavement subgrade or the finished surface in unpaved areas shall be soil free from rocks and stones larger the 2½ inches in any dimension.

B. Remainder of Trench. Soil may contain a limited number of stones smaller than 6 inches in any dimension provided they are dispersed in the surrounding material in a manner to allow specified compaction.

C. Public Highways and Streets. Materials placed within the limits of paved surfacing, gravel shoulders or shoulder slopes shall be approved by the agency having jurisdiction over highway/street maintenance.

D. Structural Fill and Backfill. Materials used for structural fill under or around structures shall consist of materials described above and free of stones with any dimension greater than one-half of the specified loose layer thickness. Material shall also be capable of being compacted to a specific density.

Article VII
Main Line Extension

7.1 Main Line Extensions: All Main Line extensions shall be made under the observation of the Town Engineer and constructed according to Town approved design, plans and specifications and requirements set forth in the Code. It shall be unlawful for any Person, and a violation of these Rules and Regulations, to construct a line extension within the Town without the Town's prior approval.

7.2 Line Extension/Connection Agreements: All Main Line extensions shall require the execution of a Line Extension Agreement in a form approved by the Town's attorney and the Board, prior to the commencement of any construction or the recordation of a final plat. Such Agreement shall set forth the respective rights and obligations of the parties regarding the provision of water service to the subject property.

7.2.1 Any Line Extension or Line Connection Agreement approved by the Town shall be executed and returned to the Town by the Applicant within 45 days of approval.

7.2.2 If the Applicant fails to execute and return the Line Extension or Line Connection Agreement within 45 days of approval, the agreement shall be void, and a new request for approval shall be required.

7.3 Location of Water Line Extensions: Water line extensions shall be installed in roads or streets which the Town, County, State Highway Department or other public agency has accepted for maintenance as public right-of-way, or in easements granted to the Town. Prior to the Town's acceptance of Water Main, all easements necessary for the installation and maintenance of such mains, shall be platted or conveyed to the Town by warranty deed, as appropriate, duly recorded in the Dolores County real estate

records.

7.4 Procedure for Water Line Extension Construction by Developer: Plans for line extensions shall be submitted to the Town for its review and approval along with an application for a line extension no later than the date of preliminary plan submittal to the Town. The plans shall be reviewed and approved for compliance with the Town's service plan and Rules and Regulations, and the Developer shall be responsible the costs associated with the Town's determination of compliance.

7.4.1 Security Improvements Guaranty: Subject to the exemption listed below, before recording a final plat, the Developer shall provide an improvement guaranty, such as a surety bond, cash or acceptable collateral, a letter of credit, or other security acceptable to the Town, guaranteeing the completion of all of the Water System improvements necessary for the development, including engineering, construction observation, inspection and legal fees which may be required. Construction costs shall include acquisition of rights-of-way or easements, valves, Water Mains, and Service Lines, and any other facilities and appurtenances. Such guaranty shall be deposited in an amount not less than the estimate of the entire cost to complete the Water System improvements, plus 10%. The Developer shall prepare cost estimates for the improvements for the Board's review and approval. If requested, Developer shall adjust such estimates to reflect actual costs and the Developer shall, upon 10 days' written notification, deposit the balance due to complete the work.

A. Any Developer constructing a Water Main extension may be exempted from posting a water improvements guaranty, if the Town, in its sole discretion, determines such Developer satisfies the following requirements:

i. The Developer provides adequate assurances and documentation establishing that it has posted security with another public entity pursuant to a Subdivision Improvements Agreement (SIA) where such SIA provides for: (a) a guarantee amount sufficient to cover the cost of all necessary water or sewer improvements; (b) the Town's written approval of water improvements prior to the public entity's release of the portion of the guarantee covering the water improvements; and (c) a provision requiring the Town to be a named beneficiary as to the value of all improvements to be dedicated to the Town.

ii. The Developer requests and receives a written waiver of the water improvements guaranty from the Town.

B. As improvements are completed, the Developer may petition the Town for a release of part or all of the collateral deposited with the Town as an improvement guaranty. Any such partial release shall be made at the Town's sole discretion upon a determination that the partial improvements are completed and have been approved by the Town in writing. At such time the Developer determines that the water improvements have been completed in accordance with the approved plans and specifications, the Developer shall deliver its written request for full release of the

security. Upon receipt of such request, the Town shall have 45 days to deliver written acceptance of the improvements and release of security to the Developer. If the Town determines that the Developer will not construct or complete any or all of the required water improvements within a reasonable period of time, the Town may liquidate and withdraw and employ from the deposit of collateral such funds as may be necessary to construct or complete the improvements necessary to provide water service to Customers within the development.

C. The Town reserves the right to terminate the water improvements guaranty exemption if a surety bond provided to another public entity is prematurely released and the Town determines the necessary water improvements are not complete.

7.4.2 Construction Inspection and Observation: The Developer shall retain, at its sole expense, a licensed professional engineer for appropriate on-site inspection to ensure that all water improvements are constructed in accordance with the approved plans and specifications. The Developer shall be responsible for payment of any construction observation fees the Town incurs including, without limitation, the costs of reasonable review of drawings and specifications, meetings, inspections, administration, and any other time reasonably required of the Town Engineer, attorney, or other authorized representative.

7.4.3 As-Built Drawings: The Developer shall submit, at its sole cost reproducible As-Built Drawings prepared and submitted according to the specifications and procedures set forth in the Code, GIS location data for the Water Main, a video inspection of the Water Main interiors and written reports of lamp tests, vacuum tests and all other tests required by the Town (collectively referred to as "Inspection Report") and a summary of the Developer's actual costs incurred for the improvement project. No Water Main extension project shall be approved, and no Water Mains shall be accepted until the Town receives and approves satisfactory As-Built Drawings and Inspection Report. The Town may deny service through any Water Main extension until the above requirements have been met and the Board accepts the Water Main extension.

A. In addition to the deposit required for line extension project costs, the Developer shall deposit with the Town the amount set forth by the Rate and Fee Schedule in Appendix A, to ensure that the As-Built Drawings and Inspection Report are submitted to and approved by the Town. The Board shall determine the amount of the As-Built Drawings deposit based on the Town Engineer's drawing preparation cost estimate for each line extension project. Said Deposit shall not be released back to the Developer until satisfactory As-Built Drawings and Inspection Report are submitted and approved by the Town Engineer.

B. If the Town does not receive satisfactory As-Built Drawings and Inspection Report within 30 days of the completion of construction, the Town shall give the Developer written notice specifying the date, time, and place of a hearing in which the Board will consider forfeiture of the Deposit, and the reasons why forfeiture may be required. The notice shall be mailed to the Developer's last known address at least 10

days before the hearing. At the hearing, the Developer shall be allowed to present testimony and other evidence. If the Board determines that the Developer's failure to submit acceptable As-Built Drawings and Inspection Report is inexcusable, the Deposit shall be forfeited as liquidated damages. Forfeiture of the Deposit shall be ordered by formal written resolution of the Board, and said Deposit shall be used to obtain acceptable As-Built Drawings and Inspection Report of the project. Additionally, the Developer shall be responsible for any expenses or costs that exceed the Deposit.

7.4.4 Warranty: A Developer's execution of a Line Extension or Connection Agreement with the Town, shall constitute the Developer's warranty of any and all facilities which are conveyed to the Town for a period of two years from the date the Town accepts the facilities. Specifically, but without limitation, Developer shall warrant that:

- A. The title conveyed shall be good and its transfer rightful;
- B. Any and all facilities conveyed shall be free from any security interest or other lien or encumbrance; and
- C. Any and all facilities so conveyed shall be free of any defects in materials or workmanship for a period of two years, as stated above.

7.4.5 Acceptance of Water Main Extensions: Upon the completion of construction, installation, and Connection of a Water Main extension, the Developer shall certify compliance with these Rules and Regulations and request that the Town accept the facilities. The Developer's engineer shall give written confirmation to the Board that such facilities have been constructed and installed in accordance with these Rules and Regulations, the approved plans and specifications, and applicable provisions of federal, state, county, and local laws. Upon satisfactory completion of the above requirements, the Town may formally accept the Water Main extension. The Town shall have no obligation to provide water service to Developer until acceptance and dedication. The Developer shall, upon the Town's acceptance, convey such lines and all appurtenances to the Town, free and clear of all liens and encumbrances, by bill of sale.

7.5 Special Structures: Special structures required to ensure proper operation of line extensions shall be constructed from designs as approved by the Town Engineer at the Developer's expense.

7.6 Main or Line Extension Construction by the Town: Notwithstanding any provision of this Article, the Town itself may, in its discretion, extend mains under such conditions as the Board deems appropriate. The Town shall oversee such line extension projects, and, in conjunction with the Town engineer and attorney, carry out all necessary planning, evaluation of bids, selection of contractors, financing, right-of-way acquisition, inspections and preparation of As-Built Drawings. Where water mains cannot be installed in a street, private drive or common area, and must be installed in easements along adjacent pieces of property, the mains will terminate at point on the line or corner of the

property being served which requires the least amount of construction by the Town. The Town reserves the right to impose a Line Extension Fee surcharge payable by Customers utilizing the Water System extensions to recover the Town's actual costs together with interest.

7.7 Extensions of Water Mains to Serve Unplatted Property within the Town:

Extension of Main Lines to serve property already in the Town, but not part of a platted subdivision, shall be financed by the Developer or Customer who constructs the extension, subject to the right of reimbursement as hereinafter provided, as otherwise provided by future agreement, or as provided in Tap Fee Purchase Agreements.

7.8 Extensions of Water Mains Outside the Town's Boundaries: No Main Lines shall be extended outside the Town limits, except with the purpose of servicing property that is within the Town (across islands, or between peninsulas). Exceptions may be granted upon the express consent of the Board under the terms of a revocable permit.

Article VIII
Water Charges, Fees and Rates

8.1 General. To adequately maintain, preserve, protect and enhance the Water System, the Town must impose and collect Tap Fees, Water System Improvement Fees, Service Charges, Surcharges, Inactive Tap Service Charges, Recovery Fees, Fines for Violation of these Rules and Regulations, together with late charges and interest on delinquencies, and the Town's cost and expenses incurred to collect any amount due, enforce or take any action permitted under these Rules and Regulations including, without limitation the Town's attorneys' fees and costs ("Water Charges"). The Town has a duty to ensure payment of Water Charges from Customers and other Persons that seek to benefit from the Water System. The Board shall establish rates and charges, which shall remain in effect until modified by Resolution of the Board. Nothing contained herein shall limit the Board from modifying rates and charges or from modifying any classification.

8.2 Type of Service: Water service shall be metered by the Town. Unless otherwise stated, rates, charges and fees for water service shall be based on EQRs of service calculated in accordance with the Rate and Fee Schedule in Appendix A. The charge per EQR shall be at the rates in the Fee Schedule, as the same may be amended from time to time.

8.3 Tap Fees: A Tap Fee shall be charged to all Customers prior to any Connection to the Water System and no Connection to the Water System shall be allowed until all required Water Charges have been paid and a Permit has been issued. Tap Fees are non-refundable. Such fees shall be assessed as provided for in the Rate and Fee Schedule at Appendix A, as the same may be amended from time to time.

8.4 Water System Improvement Fees. In order to help offset the financial impacts of new development on the residents of the Town, all new development shall pay a water system improvement fee as provided for in this section.

8.4.1 Water system improvement fees shall be due and payable to the Town upon the earlier of the Town's approval of any land use application, or any building permit application, that requires a Permit to connect to the Water System. Payment of the water system improvement fee shall be a condition of approval for any such land use or building permit application.

8.4.2 The amount of the water system improvement fee shall be set by resolution of the Board of Trustees.

8.4.3 The water system improvement fee shall be based on meter size and calculated as set forth below. One (1) EQR is the equivalent of one single family dwelling unit.

Meter Size (Inches)	EQR
0.75"	1.00
1.00"	1.67
1.50"	3.33
2.00"	5.33
3.00"	10.67
4.00"	16.67
6.00"	33.33
8.00"	53.33
10.00"	76.67

8.4.4 The Town Manager or their designee has the authority to determine the applicable water system improvement fees based on the amounts adopted by Board resolution, the intent of the fees, and the development's specific configurations or circumstances.

8.4.5 The Town Manager or their designee has the authority to adjust the timing of water system improvement fee collections based on when the meter sizes within the development are known.

8.5 Service Charge: Full service charges, calculated under the Rules and Regulations and EQR Schedule, shall commence and accrue upon the issuance of a temporary certificate of occupancy or certificate of occupancy for the structure being served, whichever first occurs. Each Customer shall be charged a minimum service charge based upon one EQR. The Customer shall be liable for payment of service charges regardless of whether the Customer actually uses the Connection for water service.

8.5.1 Monthly water service charges shall be based on the EQR value applicable to the property and the quantity of water used during that month. The rate structure is set forth in the Rate and Fee Schedule in Appendix A. In addition to the above water service rates, the Customer will be assessed a base rate as set forth in the Rate and Fee

Schedule in Appendix A.

8.5.2 Service charges which accrue on or after the date the Certificate of Occupancy is issued shall be due and payable whether or not the premises are occupied. There shall be no right to refund, rebate, or credit for such charges, except as otherwise stated in this Article.

8.6 **Surcharges:** Where any defined part of a Site's water service depends on a discrete facility or equipment that the Town owns and maintains, the Board may establish and charge such Customers a surcharge. The surcharge shall be based on the pro rata cost to each applicable Customer of the facility or equipment and its operation, maintenance, repair or replacement.

8.7 **Main Line Extension Fees:** In order to recover the Town's costs incurred extending a Main Line, the Town may charge a Main Line Extension Fee to any Person desiring to connect to the Water System utilizing the Main Line extension.

8.7.1 The Main Line Extension Fee shall be based on the size in acres of the property to be served by the extension, the zoning of the property, the existing and potential uses of the property, the potential EQR demand from the property, and any other similar, relevant factors which the Board believes should be considered in arriving at an equitable reimbursement; provided, however, the collection of Line Extension Fees shall not be construed as an obligation to provide operations, maintenance, repair, or replacement of such Service Line extensions.

8.7.2 The Line Extension Fee shall not exceed the actual cost, including engineering fees, of the extension, including interest. All Line Extension Fees shall be due and payable at the time a Tap Permit is issued or a Line Extension Agreement is executed. The Town may charge an administrative fee for collection and reimbursement of Line Extension Fees. The Town will use its best efforts to collect such fees but shall not be liable for the failure to collect such fees.

8.8 **Line Extension Cost Reimbursements:** The Town may reimburse a Developer for Line Extension Fees collected on a Water Main constructed by a Developer for a period of five years after the execution and pursuant to the terms of the Line Extension Agreement. Upon application made prior to the termination of the initial five-year period, and upon Town approval, such reimbursements may continue for a maximum of five additional years. The right to such reimbursement shall permanently cease at that time, regardless of the amount of reimbursement received. The reimbursement shall not exceed the Water Main's actual construction cost.

8.9 **Cost Recovery Provision in Line Extension Agreements:** No Line Extension Fee shall be collected or reimbursed to any Developer unless the Town and Developer have previously entered into a written Line Extension Agreement containing the following provisions:

8.9.1 The amount of each Line Extension Fee to be charged.

8.9.2 The Developer's right to reimbursement by means of the Line Extension Fees.

8.9.3 The Town's procedure for collection of the Line Extension Fees and forwarding them to the Developer, including time limitations, and the Town's right to retain an administrative fee from each Line Extension Fee collected.

8.9.4 The Town's obligation to use its best efforts to collect Line Extension Fees, and the Developer's agreement to not hold the Town liable for non-payment of the Line Extension Fees, or for any failure to collect the same.

8.10 Payment Obligation: All Customers or other Persons benefitting from the Water System are legally obligated to pay the Water Charges. It is imperative for the Water System's proper operation, maintenance and repair that all Water Charges be paid in full and on time. The Town shall deliver statements for Water Charges to Customers no more frequently than monthly but not less frequently than quarterly, or in such other intervals that the Board may establish. Statements shall be sent to the Site Owner unless the Town approves the Owner's written request for statements to be delivered to an occupant.

8.10.1 Except as specifically provided for in these Rules and Regulations, Water Charges shall be due and payable on the 25th day of the month following the month the statement is issued. Payments will be deemed late if not paid when due.

8.10.2 When a Customer receives service for two or more units that are provided water service through one water meter, only one statement shall be sent for water service for such properties.

8.10.3 Nothing herein shall constitute a waiver of the owner's liability for Water Charges, including penalties and interest, nor a waiver of the Town's statutory lien rights.

8.11 Liability for Nonpayment; Perpetual Lien: All Water Charges shall be paid by the Site Owner. The Town shall not be bound by any agreement between an Owner and occupant concerning payment of Water Charges, regardless of whether the Town has been notified of the agreement. Until paid, all Water Charges shall constitute a first and perpetual lien on or against the property served, and any such lien may be foreclosed in the manner provided by law. The Town shall have the right to collect from any Customer who is delinquent in payment of its account all legal, court and other costs and expenses necessary or incidental to the collection of said account, including reasonable attorneys' fees, filing fees and other costs, and recording fees. A fee in the amount set forth in the Rate and Fee Schedule in Appendix A shall be imposed on any payment tendered to the Town which, upon presentment to the bank for payment, is returned unpaid due to insufficient funds, an overdrawn or closed account, or for whatever reason. Such fee shall accrue each time a check is returned unpaid.

8.12 Miscellaneous Costs and Expenses: Customers shall be responsible for all costs and expenses incident to Service Line installation and Connection shall be borne by the Customer. In addition, Customers shall indemnify the Town for any loss or damage that may directly or indirectly occur as a result of Service Line installation. Town personnel shall not perform Service Line installation or Connection on Fridays, Saturdays, Sundays, or holidays unless written permission is granted by the Town Manager. The fees and charges that shall apply to Town services are listed in the Rate and Fee Schedule in Appendix A.

8.13 Late Charges, Interest and Collection Remedies. Each Water Charge, installment thereof, or other amount due to the Town that is not paid in full when due shall be subject to a late charge of five percent of the amount due, or \$15.00, whichever is greater, for each month or part thereof in which such Water Charge remains unpaid. Additionally, such delinquent amount shall bear interest from the due date at the rate of 12% per annum. If any Water Charges remain unpaid for 90 days or more from the date of the statement, the Town may terminate the Customer's service. Additionally, the Town may enforce the Customer's payment obligations by any and all other lawfully available means, including suits for collection, foreclosure of the Town's lien on the Customer's property, or certification of amounts due to the County Treasurer for collection along with taxes.

8.14 Seller's and Buyer's Responsibilities: The Town assumes no responsibility for agreements between sellers and buyers of property within the Town. The buyer shall be responsible for determining whether appropriate Water Charges have been paid by the seller. Regardless of ownership, any unpaid Water Charges shall constitute a first and perpetual lien on and against the property and such amounts may be collected pursuant to these Rules and Regulations.

8.15 Waiver. The Board of Trustees may waive any fee, or portion thereof, due hereunder after holding a public hearing thereon if the Board finds there is good cause to do so. In making its determination, the Board may take into account, but is not limited to, considerations of hardship or equity.

Article IX
Violations and Enforcement; Hearing and Appeal Procedures

9.1 Violations: It is unlawful for any Person to violate any of the provisions stated or adopted in these Rules and Regulations. Any Person violating these Rules and Regulations shall be deemed guilty of a misdemeanor, and such Person shall be deemed guilty of a separate offense for each and every day during which any Violation is committed, continued or permitted.

9.2 Fines and Revocation of Service: Unless otherwise specifically stated, any Person that is guilty of a Violation shall be fined in the amount of \$500.00 per EQR for each Violation, or up to one year of imprisonment, or both. Additionally, the Town may revoke water service for any Violation including, without limitation, non-payment of Water

Charges. Except as otherwise provided in this Article, the Customer shall be given written notice prior to revocation of water service. Any Person that commits a Violation shall be liable for reimbursement of any and all actual costs or damages the Town incurs as a result of the Violation, including, without limitation, legal and engineering fees.

9.3 Unauthorized Connections or Use: Any Connection to the Water System without first paying the appropriate fees and obtaining the appropriate permits shall constitute a Violation, and each day of such use or Connection shall constitute a continuous or repeat Violation. Any such fines shall be in addition to the Town's right to charge for all services used and shall not limit any and all other remedies which the Town may have. In such circumstances, the Town may require, or carry out immediate disconnection, and shall be entitled to collect any and all of its resulting costs and damages, including the fees set forth in the Rate and Fee Schedule in Appendix A; or the Town may authorize Connection on such terms and conditions as the Town may approve.