SECTION 4

ADMINISTRATION OF TAPHOLDERS' ACCOUNTS

400 GENERAL The purpose of this section is to establish policies for the billing of customer accounts, including delinquency and shut off for non-payment, and other billing related activities.

401 BILLING All District meters shall be read and billed at least monthly.

401.1 Customers' bills for service shall be considered as received through the US Postal service or by email billing. The failure of a customer to receive a bill does not excuse the customer from paying for services rendered.

401.2 If for any reason a meter cannot be read by District personnel, the customer's bill will be estimated by the District. This estimate will be based on the best information available to the District, including usage for the same time period as the previous year usage. The customer's bill will indicate that it is estimated.

402 DUE DATES AND DELINQENCY

402.1 Payments are due no later than 25 days after the billing date.

402.2 In the event full payment is not received on or before the due date, the account will be considered delinquent and subject to a late fee per Section 1502.2, Schedule C.

403 SHUT OFF FOR NON-PAYMENT

403.1 The District will shut off the water service for non-payment for an individual customer in accordance with the following procedures:

A. Customers who have not paid their previous bill by the due date of the subsequent month's bill shall be delinquent in accordance with Section 402.2 and shall be subject to shut off if the delinquent amount, including any late fees, exceeds $100. The District will mail the delinquent customer a notice of water shut off specifying the date that said customer's water will be shut off. The shut-off date will be approximately ten days from the mailing date of the notice. The delinquent customer will also be assessed a shut off letter fee in accordance with Section 1502.2, Schedule C.

B. Delinquent customers who fail to pay at least the delinquent amount by the open of business on the specified shut off day shall have their water shut off and will also be assessed a shut off fee in accordance with Section 1502.2, Schedule C.

C. The Notice of Water Shut-Off will be sent to the service address of record and to the property owner (landlord) if the bill is in a tenant's name.

D. Customers are not permitted access to the meter pit to restore water service after such service has been shut off by the District for non-payment. Unauthorized restoration of water service could result in water theft fees starting at $1,000 per Section 1502.2, Schedule C as well as prosecution under law.

E. The exception to this process is when a customer's residence is connected to multiple residences and the water service provides service to a fire suppression system, such as a sprinkler system to that residence. When a customer under these conditions is delinquent in accordance with Part A of Section 403.1, a notice

will be mailed to the customer that the overdue account may be referred for collections, liens, or legal action. Any fees associated with collections, liens, or legal action shall be applied to the overdue account.

404 DELIVERY OF OFFICIAL NOTICES The District will use the US Postal Service for the delivery of all official notices. Notices will be sent via First Class Mail to the location where service is provided or to some other location that has been mutually agreed upon. The fact that a notice has been deposited in the US Postal Service shall be considered as formal notice.

405 CUSTOMER PAYMENTS Customers' payments will normally be made by mail, check, credit card, electronic transfer, in person, or deposited in the overnight drop box. District personnel will not accept payments outside of the District office.

406 SALE OF PROPERTY SERVED BY DISTRICT:

406.1 The District will read the meter and prepare a final billing. A final read fee will be assessed in accordance with Section 1502.2, Schedule C. During the wintertime, final bills may be estimated.

406.2 The new owner must execute a Domestic Service Agreement, and the District will charge the new owner a transfer fee in accordance with Section 1502.2, Schedule C.

407 WATER SERVICE FOR RENTAL PROPERTIES:

407.1 The legal owner of the property is ultimately responsible to the District for payment of the bills for water service. Any balance left unpaid by a tenant is the responsibility of the property owner. The legal owner of the property, and only the owner, will execute a Domestic Water Agreement form with the District for service.

407.2 If a property owner designates a property manager to act on their behalf regarding a rental property, such designation must be provided to the District in writing on a Property Owner Authorization Form.

407.3 The District will place the billing in the tenant's name if authorized to do so by the owner or property manager, in accordance with a Property Owner Authorization Form.

407.4 All bills and notices relative to water service will be mailed or emailed directly to the tenant. The tenant is responsible for making timely payments in accordance with these regulations.

407.5 A copy of the monthly bill to is sent to the owner or property manager of record via First Class mail through the US Postal Service.

407.6 If a property in a tenant's name is scheduled for shut off for non-payment, the District will mail a copy of the shut off letter to the property owner or property manager.

407.7 When a tenant is moving out, the District will prepare a final bill for the tenant in accordance with Section 406.1. A final read fee in accordance with Section 1502.2, Schedule C will apply. The District will provide a copy of the final bill to the property owner or property manager. The account will revert to the owner or property manager unless the District has received billing information for a new tenant by the final meter

read date. There is no transfer fee for an account reverting to the owner or property manager. If the account is subsequently placed in a new tenant's name, a final read fee will apply.

408 PERPETUAL PROPERTY LIEN FOR NON-PAYMENT In accordance with State Law, all fees, penalties, and charges shall constitute a perpetual lien on and against the property served and any such lien may be foreclosed in the same manner as provided by the laws of the State of Colorado for the foreclosure of mechanic's liens.

409 AUTHORITY OF THE DISTRICT MANAGER The District Manager is authorized to make exceptions to these policies and regulations when it is deemed in the best interest of the District to do so.

~ END OF SECTION 4 ~

These Rules and Regulations were revised, approved, and adopted by the Little Thompson Board of Directors on December 5, 2002.

This section was adopted by Board of Directors in its entirety on March 13, 2014.

Water Theft Fees update accepted and approved by the Little Thompson Water District Board of Directors on November 10, 2022.

These Rules and Regulations were revised, accepted, and approved by the Little Thompson Water District Board of Directors on May 21, 2026.