SECTION 15

FEES, RATES, AND WATER DEDICATION

1500 GENERAL The purpose of this section is to establish and define fee and rate schedules governing all charges levied by the District and to establish policies and procedures regarding the dedication and assignment of water to the District.

1501 TAP FEE SCHEDULE:

1501.1 The District's current tap fee schedule is attached as Schedule A.

1501.2 The tap fee for all tap sizes larger than two inches will be determined on a case-by-case basis dependent on water use requirements.

1501.3 The tap fee on Schedule A for each tap size does not include any additional charges which may be due to a third party as a result of a main line extension agreement.

1501.4 A customer whose delivery rate and/or total annual use exceeds the maximum allowed for their tap size may be required to purchase and install the appropriate size tap.

1502 RATE SCHEDULE FOR WATER DELIVERIES AND MISCELLANEOUS CHARGES:

1502.1 Schedule B reflects the current rate schedule for regular taps which are billed monthly.

1502.2 Schedule C reflects the District charges for miscellaneous services performed for customers.

1503 REQUIREMENTS FOR TAP FEE REVIEWS The District Board will conduct tap fee reviews as deemed necessary.

1504 APPLICATION FOR SPECIAL TEMPORARY RATE REDUCTION The District Board has established the rates of the District for provision of water as provided in the Rules and Regulations; however, the District may consider an application for a special one-time temporary rate reduction on the following basis. Temporary rate reductions are limited to one per calendar year.

1504.1 As provided in Section 301.4 of the Rules and Regulations, the customer is responsible for the service line from the point of connection immediately on the downstream side of the water meter pit (including that point of connection). It is the customer's sole responsibility to see to the construction, maintenance, repair, replacement, and operation of all water facilities on the customer's service line.

1504.2 If a customer suspects that a failure of their water facilities has occurred causing water to be unknowingly discharged by the customer in a significant amount above the intended and normal water usage of the customer (“leak”), the District will investigate to determine if the water use pattern indicates a leak and if the leak is downstream of the customer’s point of connection as described above. If the District discovers a failure of the customer’s water facilities, the customer shall have the sole responsibility to repair and replace any and all necessary water facilities downstream of the customer’s connection to alleviate the water discharge. The District is not responsible for identifying the location of the failure on the customer’s service line. Such repair and replacement shall be commenced and completed forthwith by the customer at the customer’s sole expense.

1504.3 The customer is solely responsible for payment for all water passing through the water meter, and the District is not responsible to see to the proper intended application of the water by the customer. If the customer has a sustained leak, then the customer may submit a written request for an alteration of the rate otherwise applicable to the water that passed through the water meter during the time of the leak from the customer’s water facilities. The customer’s request shall be reviewed by the District, and if the request complies with the requirements of this Section, then such temporary rate reduction may be granted to such customer.

1504.4 No request shall be considered by the District for a temporary rate reduction under this Section unless the written request is submitted to the District within 180 days after the date that the District determined that the unintended water usage of a customer was on the customer’s water facilities. No request of a customer for a temporary rate reduction under this Section shall be for a period of longer than three monthly billing periods (90 days). No request of a customer for a temporary rate reduction under this Section shall be considered unless the customer has fully repaired and replaced all necessary facilities of the customer to remedy the unintended water usage of the customer.

1504.5 If the District determines that such customer has fully complied with the provisions of this Section, the rate applicable to the water usage during the time of the special one-time rate reduction shall be that rate per gallon passing through the meter of the customer multiplied by the rate per gallon for the first gallon used under the rate schedule without increase for additional usage within the billing period.

1504.6 The District may interpret this Section based on the facts of each request by each customer and may adjust bills as determined by District Management in Management’s sole and absolute discretion. Any denial by management of the district of a request by a customer for a special one-time rate reduction may be appealed within 30 days of the decision of management to the board of the District. The decision of the board of the District shall be final regarding the

applicability of this Section.

1505 WATER DEDICATION POLICIES AND PROCEDURES Any individual or developer desiring new or altered service from the District will be required to dedicate raw water to the District to supply the proposed service. The minimum volume of water to be dedicated for residential and non-residential taps is defined in Schedule D which is subject to change at any time by the District's Board of Direction. The quantity of water required for new tap(s) is referred to as the raw water dedication.

1505.1 The District, subject to District review and approval, will accept the following water rights for dedication:

A. Colorado Big Thompson (C-BT)
B. Consolidated Home Supply Ditch and Reservoir Company (Home Supply)
C. Handy Ditch Company (Handy).
    1. For ditch company shares, the Developer must provide:
        I. A share trace from the ditch company for the water share(s) to be dedicated.
        II. A completed District's Historical Use Affidavit with maps to show the delivery of water from the ditch or lateral to the farm and on-farm water delivery.
        III. A Water Right Dry-Up Covenant for the proposed water right, if necessary.
        IV. Native water fees as defined in Schedule C.

1505.2 Procedure for acceptance of water sources or water rights not identified in 1505.1 may occur on a case-by-case basis subject to staff review and recommendation to the District Board of Directors as well as final Board approval is as follows:

A. Developer must provide detailed information regarding the shares or water right (i.e., decrees, diversion records, by-laws, etc.).
B. District will evaluate the submitted material and provide the Developer an estimate of costs associated with validating the information and preparing a water resource summary report which shall be produced by the District or their consultant. Should the Developer decide to proceed, the Developer will be responsible for all costs incurred for the evaluation and production of the report, which may be higher or lower than estimated.
C. District staff will use the prepared water resource summary report to make a recommendation to the District Board of Directors of water credit to be assigned to the Developer for the water resource considered for dedication to the District.
D. Upon approval by the District Board of Directors, the developer will be responsible for completing the District Historical Use Affidavit and Water Right Dry-Up Covenant (if required) and provide both completed forms for District staff to review and record. The developer shall transfer ditch shares

or water rights to the District and shall pay for all fees associated with the transfer and change of ownership.

E. Upon completion of ownership transfer to the District, the developer shall receive the Board approved water credit available to apply toward raw water dedication requirements.

1505.3 The District will issue water credit for any acceptable water source dedicated to the District in accordance with Section 1505.1 and 1505.2.

A. Water credit shall be issued by the District through a Water Credit Receipt to the person or entity that owned the C-BT unit, ditch company share or water right prior to the transfer or person or entity that paid for the cash-in-lieu option if offered.
B. The Water Credit Receipt is issued with a value assigned in volume of water in acre-feet. The water credit in each receipt is based on the type and volume of shares or units dedicated to the District or credit issued under Sections 1505.1 or 1505.2, respectively.
C. The water credit can be used to meet the raw water dedication requirement for residential or non-residential taps within the District.
D. Water credit cannot be used outside of the District.
E. All or a portion of any water credit assigned in the District with a Water Credit Receipt can be assigned or transferred to another person or entity but must be completed using the District's Water Assignment Form. A statement of authority will be required for any Water Assignment Form where one party is not an individual. Upon assignment, a new Water Credit Receipt shall be issued to the assignee and assignor and the previous Water Credit Receipt shall be invalidated.
F. The water credit must be assigned to each residential or non-residential lot prior to approval of the water infrastructure for service. The sale of an individual lot without satisfaction of the raw water dedication requirement is not allowed. Water credit assigned to a lot cannot be removed or transferred.
G. The District has no obligation to compensate the owner of a water credit.

1505.4 All water for multi-lot subdivisions or developments must be dedicated simultaneously and in advance for all lots. Partial dedication for groups of lots (phases or filings) within a subdivision or development will be considered on a case-by-case basis.

1505.5 All water for non-residential taps must be dedicated simultaneously and in advance for each tap. For all non-residential taps the amount of water required shall be based on the actual projected annual water use or the minimum water dedication found in Schedule D, whichever is greater. Non-Residential customers who exceed their estimated annual water use projection may be required to dedicate additional water or curtail water use.

1505.6 Individual lots not located within a multi-lot platted subdivision or development may qualify for cash-in-lieu of dedicating water supplies to meet the raw water dedication requirement. Occasionally development may, on a case-by-case basis, qualify for cash-in-lieu of dedicating water supplies depending on relevant agreements, District opportunities, and available water credit held by the District. Cash-in-lieu rates will be determined by the District based on the market rates of the District's water portfolio approved for dedication at that time. Cash-in-lieu rates are subject to change at any time by the District. Individual lot customers who desire to pay cash-in-lieu of dedicating water rights may contact the District to determine eligibility and additional requirements.

~ END OF SECTION 15 ~

These Rules and Regulations were revised, adopted, and approved by the Little Thompson Board of Directors. on September 5, 1996

Section 15 of the Rules and Regulations were revised and approved on: Added Section 1507 July 06, 2006.

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