

Mount
Werner
Water



RULES AND REGULATIONS

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Mount Werner Water and Sanitation District

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MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 1 – GENERAL

1.1 AUTHORITY

The Mount Werner Water and Sanitation District is a subdivision of the State of Colorado and a body corporate with those powers of a quasi-municipal corporation that are specifically granted for carrying out the objectives and purposes of the district. The District is also an “enterprise” as defined under the 1994 Taxpayer Bill of Rights (TABOR).

The administration of these Rules and Regulations, Engineering Standard Specifications (Appendix A) including interpretation, enforcement, revision, waiver and variance is the responsibility of the Manager or his/her designee.

1.2 PURPOSE

The purpose of this consolidated body of Rules and Regulations is to ensure an orderly and uniform administration of water and sewer operations in the Mount Werner Water and Sanitation District, Steamboat Springs, Colorado.

1.3 POLICY

The Board of Directors of the District 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 District.

1.4 SCOPE

These Rules and Regulations dated January, 2001 shall be treated and considered as new and comprehensive regulations governing the operations and functions of the District, and shall supersede all prior rules and regulations of the District.

1.5 INTENT AND INTERPRETATION OF RULES AND REGULATIONS

It is intended that these Rules and Regulations shall be liberally construed to effect the general purposes set forth herein, and that each and every part thereof is separate and distinct from all other parts. 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 statutes now existing or subsequently amended, or under any contract or agreement existing between the District and any other governmental entity. Nothing contained herein shall be so construed as to prejudice or affect the right of the District to secure the full benefit and protection of any law which is now enacted or may subsequently be enacted by the Colorado General Assembly pertaining to the governmental or proprietary affairs of the District.

Any dispute as to the interpretation of these Rules and Regulations, or with respect to their application in any given case, shall be submitted to the Board of Directors of the District and their decisions shall be final.

1.6 AMENDMENT

It is specifically acknowledged that the District shall retain the power to amend these Rules and Regulations, with respect to the District, to reflect those changes determined to be necessary by

the Board of Directors of the District. Prior notice of these amendments shall not be required to be provided by the District exercising its amendment powers pursuant to this section.

The Manager shall have the authority to amend the Engineering Standard Specifications contained herein without Board approval. Prior notice of amendments to the Engineering Standard Specifications shall not be required.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 2 – DEFINITIONS

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

Applicant – Any person who applies to the District for a service connection or service disconnection, main line extension or other such service agreement or who attempts to have real property included within, or excluded from the District, as the case may be.

Application for Service – The form filled out by the customer at the time the customer is requesting service. The Plant Investment Fee is due at the time the Application for Service is completed.

Backflow – The flow of water or other liquids, mixtures, gases, or substances into the distributing pipes of potable water supply, from any source other than its intended source.

Backflow Prevention – Prevention of the flow of any foreign liquids, gases, or substances into the distributing pipelines of a potable supply of water.

Backflow Prevention Device – A device suitable for the proposed use and as approved and accepted by the Colorado Department of Health.

Bill, Water and/or Sewer – Quarterly statement mailed to the customer stating the base and volume charges for water and sewer.

Board – “Board” and “Board of Directors” mean the elected Board of Directors of the Mount Werner Water. See Appendix B for the current list of Directors.

Building – Building shall mean a separate enclosed structure or improvement intended to be used at any time for human occupancy, permanently or temporarily situated on land, and containing any water and/or wastewater disposal fixtures connected or previously connected to District facilities. A mobile home or camper shall be deemed to be a building if it is connected or was previously connected to District facilities.

Connection Fee – The cost for the actual physical connection by the District of a particular use to the water or sewer system. The connection fee is dependent upon the cost of making the actual connection and is in addition to the plant investment fee.

Contamination – An impairment of the quality of the water by sewage or industrial fluids to a degree which creates a natural hazard to the public health through poisoning or through the spread of disease.

Contractor – Any person, firm, or corporation authorized by the District to perform work and to furnish materials within the District.

Customer – Any person or entity authorized to connect to and use the District’s water or sewer services.

Developer – A person or entity, or more than one person or entity having a common development purpose, which is the owner of a Development Parcel and which constructs or has constructed and installs Water Mains and/or Sewer Mains as extensions of District facilities pursuant to the procedures described in Paragraph 7.4. Subsidiaries, affiliates and related parties shall be deemed to be a single developer.

Development Parcel – The entirety of contiguous land owned by a Developer, whether or not previously platted, and planned or to be planned for development as residential, commercial, industrial, or recreational lands under a common scheme or plan. All lands included within one or more subdivision plats or replats recorded at or about the same time, and all lands included within a common or joint application for planning approval from the City of Steamboat Springs, shall be deemed to be a single Development Parcel.

District – District means Mount Werner Water and Sanitation District

District Engineer – A person or firm that has been authorized by the District to perform engineering services for the District. The District Manager or his/her designee may also act in capacity as District Engineer.

District Manager – Chief executive, operating, and financial officer, appointed by the Board of Directors to administer and supervise the affairs of the District and its employees. The District Manager also acts as Secretary and Treasurer to the Board.

Duplex – A single building containing two (2) separate single-family dwelling units.

Dwelling Unit – A residential use in one (1) or more rooms with a single kitchen and at least one (1) bathroom, designed and occupied or intended for occupancy as separate quarters with independent access, for the exclusive use of a single family for living, sleeping, kitchen and sanitary purposes. Examples: detached residences, condominiums, townhouses, apartments, duplexes, triplexes, mobile homes, caretaker units, mother-in-law quarters.

Facilities – Facilities shall mean the District's office, water mains, sewer mains, wells and infiltration galleries, surface water diversion and collection facilities, fire hydrants, valves, water storage tanks, water filtration or treatment plants, booster pumps, manholes, sewage lift stations, and all other land and appurtenances owned by the District and necessary or desirable for, or used in, the operation of the District's water distribution and sewage disposal systems and administration thereof.

Fire Hydrants – Point of access for water supply for the fire department for the purpose of fighting fires.

Inspector – Inspector means that person who, under the direction of the Superintendent or District Manager, shall inspect all water and sewer connections, excavations, installations of and repairs to the water or sewer system and facilities of the District to ensure compliance with the Rules and Regulations.

Kitchen Unit – An area contained within a dwelling unit used exclusively for the preparation of food and that includes a cooking device, sink and refrigerator, but not including commercial kitchen.

Main Extensions – Extensions to the Distribution System that are within the District or total service area.

Main Line – Any water main or sewer interceptor used as a conduit serving more than one customer, and as further described in section 3.3 herein.

Meter Reader – The individual responsible for reading the water meter of individual customers.

Minimum Service Charge – The base charge for water and sewer as described in Appendix C.

Mount Werner Water and Sanitation District – The territorial limits of Mount Werner Water and Sanitation District, inside which Mount Werner Water has complete control of the distribution system, including ownership, construction, operation, and maintenance of all facilities, reading of meters, and billing of customers.

Multi-Family Residential – Shall mean any structure or building providing two or more dwelling units, i.e., two or more kitchens and bathrooms.

Non-potable Water – Water that is not safe for human consumption or that is of questionable potability.

Permit – The completed and accepted application of the District to connect or to enlarge the use for water or sewer systems of the District pursuant to the Rules and Regulations of the District.

Person – Person means any entity of any nature, whether public or private.

Plant Investment Fees – The payment to the District of a fee for the authorization to connect to the water or sewer system. The Plant Investment Fee may also be known as a “tap fee”. The Plant Investment Fee is dependent upon the impact of a use or expanded use upon the physical plant – treatment plant capacity, storage tanks, transmission mains, raw water supply facilities, and the like – which are provided by the District to serve development of the District. Connection to the water or sewer system is not allowed until the plant investment fee has been paid. Plant investment fees are set by the Board and are subject to change upon Board approval without notice. See Appendix G for the Plant Investment Fee form.

Potable Water – Water from any source which has been investigated by the health agency having jurisdiction, and which has been approved for human consumption.

Pretreatment Facilities – Structures, devices, or equipment for the purpose of treating or removing from the sewer system any wastes which would be harmful to the District’s sewer mains or to the wastewater treatment works.

Rules and Regulations – “Rules and Regulations” means the Rules and Regulations of the District, including all amendments and policies as contained herein and as set forth in the District minutes and resolutions which are incorporated herein by this reference.

Sanitary Sewage – Water contaminated by biodegradable wastes. A sewer into which storm water, surface water and groundwater are not intentionally admitted.

Service Elevation - The District’s service elevation in a given area is defined as the highest elevation at which static water pressure, under the conditions of the existing water distribution system and a serving storage tank at full level, will be 45 psi at the first floor level of the proposed building. At 0.433 psi per foot of elevation, this service elevation is approximately 104 feet below the overflow elevation of the serving storage tank.

Service Line – A water or sewer line conveying water from Mount Werner Water’s distribution facilities to the building or property. A water service line includes all pipe, fittings, and appurtenances. A sewer service lines includes the sewer tap saddle, clean outs, and any manholes on the service line. All service lines are owned by the individual customer.

Sewer System – Any sewer main line, sewer collection line, appurtenances, accessories or portion thereof owned and maintained by the District.

Shall or 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.

Stub-out – Any connection to a main line which extends from the main line and which is intended to facilitate connection to the water or sewer system. Such connection shall include fittings necessary to extend the Service Line to the property line.

Superintendent – Superintendent means that person appointed by the District Manager to operate and maintain the filtration plants and the distribution and/or collection systems of the District.

Tap and Connection – Tap and connection means the connections of the service line to the water or sewer system, either directly to a main line or stub-out from the main line.

Temporary Construction Service – The District may allow and permit temporary water and sanitary sewer services to an approved project during the period of construction provided that the new main lines have passed biological testing and pressure testing. Temporary construction service must be approved in writing by Mount Werner Water. Temporary construction service ends on a date as determined by Mount Werner Water and specified when the application for service is completed.

Water Meter – A radio read water quantity measuring device installed for each individual service line for each building. The meter is purchased at the time of the application for service and must be installed prior to the end of the temporary construction service period. The meter is the property of Mount Werner Water.

Water System – Any water main line, appurtenances, accessories or portion thereof owned and maintained by the District.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 3 – OWNERSHIP AND OPERATIONS OF FACILITIES

3.1 RESPONSIBILITIES OF THE DISTRICT

Except as otherwise provided by these Rules and Regulations, the District is responsible for the operation and maintenance of the designated public water and sewer systems within the District boundaries, which shall be carried out in a sound and economical manner, in compliance with these regulations. The District will make every effort to maintain service but will not be liable or responsible for interruption of service brought about by circumstances beyond its control.

3.2 LIABILITY OF THE DISTRICT

It is expressly stipulated that no claim for damage shall be made against the District by reason of the following: Blockage in the system causing the backup of sewage effluent, damage caused by smoking of lines to determine drainage connections to District lines; breakage of main lines; interruption of water or sewer service and the conditions resulting therefrom; breaking of any service or collection line, pipe, or meter; failure of the water supply; shutting off or turning on water; making connections or extension; damage caused by water running or escaping from open or defective faucets; burst service lines or other facilities whether owned or not by the District; damage to water heaters, boilers, or other appliances resulting from shutting water off, or for turning it on, or from inadequate or high sporadic pressures; or from doing anything to the facilities of the District deemed necessary by the Board of Directors, Manager or its agents.

The District shall have no responsibility for notification to customers of any of the foregoing conditions. The District reserves the right to temporarily discontinue service to any property, at any time, for any reason deemed necessary or appropriate by the Board of Directors or the Manager or by reason of equipment failure. The District shall have the right to revoke service to any property for violations of these Rules and Regulations.

3.3 OWNERSHIP OF FACILITIES

All existing and future mainlines and treatment works connected with and forming an integral part of the water or sewer system shall become and are the property of the District. All fire hydrants are District Facilities, unless such fire hydrant is declared in writing by the District Manager not to be a District Facility. Any water line 6" or larger in diameter shall be deemed to be a Water Main, unless such line: (1) provides water service to a single building or property only; or (ii) is declared in writing by the District Manager to be a service line. Any sewer line 6" or larger in diameter shall be deemed to be a sewer main, unless such line; (I) provides sewage collection service only to a single building or property or (ii) is declared in writing by the District Manager to be a service line. Any other water line or sewer line may become a water main or sewer main if declared to be such in writing by the District Manager.

That portion of all existing and future service lines including the corporation valve, curb valve, curb box, clean outs, tapping saddles, extending from the main line to each unit or building for each customer that is connected with and forms an integral part of the District's water or sewer system, shall become and is the property of the customer. This principle shall not be changed by the fact that the District might construct, finance, pay for, repair, maintain or otherwise affect the customer's service line. The construction of any service line shall be done in compliance with the Engineering Standard Specifications (Appendix A). The customer's ownership of the service line shall not entitle the customer to make unauthorized uses of the District's systems once the service line has been connected to a District main line. All uses of the service line or

appurtenance thereto at any time after the initial connection to the District System shall be subject to these Rules and Regulations.

Notwithstanding the above, all water meters shall become and are the property of the District. Said ownership shall remain valid whether the meters and/or shut-off valves are installed, financed, paid for, repaired or maintained by another person or whether the meters and/or shut-off valves are located on a privately owned and maintained service line or within a private residence. Maintenance, repair, and replacement of water meters is the responsibility of the property owner.

3.4 INSPECTION AUTHORITY OF DISTRICT AGENTS

The Manager, Superintendent, or other duly authorized employees or agents of the District, bearing proper identification, shall be permitted to enter upon all properties for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of these Rules and Regulations. Failure to permit such inspections, observations, measurements, samplings and/or testings upon the request, in writing, by the Manager may result in the disconnection of service to the property of the party failing to permit such activity.

3.5 MODIFICATION, WAIVER AND SUSPENSION

The Manager shall have the sole authority to waive or suspend these Rules and Regulations, and any such waiver or suspension must be in writing, signed by the Manager. The Board is to be notified of all such waivers. Such waiver or suspension shall not be deemed an amendment of the Rules and Regulations. No waiver or suspension will be deemed a continuing waiver or suspension. The Board shall have the sole authority to modify these Rules and Regulations.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 4 – USE OF SEWER AND WATER SYSTEMS

4.1 UNAUTHORIZED TAMPERING WITH SYSTEMS

- 4.1.1 No unauthorized person shall uncover, use, alter, or disturb any facilities without first obtaining written authorization from the District. Unauthorized use of or tampering with the District's facilities include, but are not limited to, an unauthorized turn-on or turn-off of water or sewer service, burying valve boxes, and modifying any water meter, and discharging prohibited sewage even though the same may be performed on a privately owned and maintained service line.
- 4.1.2 No person shall maliciously, willfully, or negligently break, damage, destroy, cover, uncover, deface or tamper with any portion of the District's facilities.
- 4.1.3 Any person who shall violate the provisions of this section shall be prosecuted to the full extent of local, Colorado and Federal law.
- 4.1.4 Any person violating any of the provisions of these Rules and Regulations shall become liable to the District for payment of any expense, loss or damage occasioned by reason of such violation including punitive damages. In the event such payment is not received within thirty (30) days of billing by the District, violators shall also be assessed liquidated damages of \$1,000. Such damages and liquidated damages shall constitute a perpetual lien upon the violators property, as allowed by Section 32-1-1001, C.R.S., as amended, or a perpetual lien upon the property concerning which the violator was providing the services at the time of the violation in question, whichever the District Manager deems appropriate.

4.2 USE OF SEWER SYSTEM

- 4.2.1 The customer shall notify the District prior to any expansion to the facilities or use of the property served by the District and upon any change of ownership of the property. Each customer shall be responsible for the total cost of constructing and maintaining the entire length of the Service Line serving his property and/or any related service facilities, including but not limited to, lift stations and clean outs. Service Lines shall be constructed in accordance with the Mount Werner Water Standard Specifications (Appendix A). Leaks or breaks in the Service Line shall be repaired by the property owner within seventy-two (72) hours of obtaining knowledge of a leak or from the time of notification of such condition by the District. If satisfactory progress toward repairing said leak has not been completed within the same time period, or the District determines that environmental or property damage is being caused, the Manager shall shut-off the service line until the leaks or breaks have been repaired. In addition, the District shall have the right to effect the repair, and the cost therefore shall constitute a lien on and against the property of such customer, securing payment of such cost, as provided by C.R.S., 32-1-1001
- 4.2.2 No person shall discharge, or cause to be discharged, any storm water, surface water, ground water, roof runoff, subsurface drainage, or industrial process waters to any sanitary sewer. Industrial process waters are to be treated and made non-hazardous prior to introducing to the sanitary sewer system.

- 4.2.3 The District shall make periodic inspections of grease pretreatment facilities to insure compliance with these Rules and Regulations
- 4.2.4 In the event sewage from a building cannot gravity feed into the main sewer system the owner will be responsible for the installation and maintenance of a suitable lift pump and force main. Such installation shall be in accordance with District rules and under District supervision.
- 4.2.5 This subsection of the Rules and Regulations shall provide the basic policies of the District for classification of wastes and for control of discharge of wastes into the sewer system.
1. It shall be the policy of the District to classify wastes into three main categories, termed "Normal Sewage", "Special Sewage" and "Prohibited Sewage", which are generally defined herein. The classification of wastes shall be the responsibility of the Manager and shall follow recommended procedures of the State Board of Health, and, subject to approval of the Board, shall be final and binding.
 2. Normal Sewage shall mean sewage which can be treated at the Steamboat Regional Wastewater Treatment Plant without pretreatment and within normal operating procedures, and which, when analyzed, shows by weight a daily average of not more than 250 parts per million of suspended solids (SS) and not more than 250 parts per million of five (5) day Biochemical Oxygen Demand (BOD).
 3. Special Sewage shall mean any sewage which does not conform to the definition for Normal Sewage, but which can be treated by the Steamboat Regional Wastewater Treatment Plant after pretreatment by the user or by utilization of special operating procedures at the Wastewater Treatment Plant. "Industrial Pretreatment Regulations" adopted by the District identifies various types of special sewage and treatment criteria required prior to discharge into the District's collection system. A list of various types of special sewage is included in Appendix D, attached hereto and subject to amendment without notice.
 4. Prohibited Sewage shall mean any sewage which may reasonably be anticipated to have a deleterious effect upon the sewer system, or any persons or property, and therefore, in the opinion of the District, cannot be serviced by the District. Prohibited sewage shall include water injected into the sewer system by means of a drainage collection system. Said drainage water is detrimental to the sewer system since it interferes with the District's volume capacity and with the biological process necessary to proper treatment. A list of various types of prohibited sewage is included in Appendix D, attached hereto, but such list is representative only and not deemed to be inclusive of all prohibited sewage. Appendix D may be amended at any time without prior notice.
 5. The District Manager shall be responsible for all sampling, testing, analyses and classifying of sewage at the customer's expense. Testing and analyses shall be determined in accordance with "Standard Methods for the Examination of Water and Wastewater", latest edition, or by methods approved by the United States Environmental Protection Agency for NPDES permit reporting and the Colorado State Health Department. Results of tests will be made available to the customer at the District's office.
- 4.2.6 No customer shall discharge, or cause to be discharged, to the sewer system, any special or prohibited sewage or any harmful waters or wastes whether liquid, solid, or gas, capable of causing obstruction to the flow in sewers, damage or hazard to

structures, equipment and personnel of the sewer system, or other interference with the proper operation of the sewer system.

- 4.2.7 The admission into the sewer system of any Special Sewage shall be subject to the review and approval of the District Manager, which may prescribe limits on the strength and character of such sewage. Where necessary, in the opinion of the District Manager, the owner shall provide, at his expense, such pretreatment facilities as may be necessary to treat such Special Sewage prior to discharge to the sewer main. Such facilities shall be maintained continuously in satisfactory and effective operation by the customer, at his own expense. Grease, oil and sand trap equipment shall be of a design recommended by the Colorado State Board of Health and shall be provided when, in the opinion of the District Manager, upon the advice of the Superintendent, are necessary for the proper handling of Special Sewage or liquid wastes containing grease in excessive amounts, or any flammable wastes, sand or other harmful ingredients; except that such traps shall not be required for private living quarters or dwelling units. Where installed, they shall be maintained by the customer, at his expense, in continuously effective operation at all times. Plans, specifications, and any other pertinent information relating to proposed pretreatment facilities shall be submitted for the approval of the District, and no construction of such facilities shall be commenced until such approval is obtained in writing from the District.
- 4.2.8 When required by the District, the customer of any building served by a service line carrying Special Sewage shall install and maintain, at his expense, a suitable control manhole in the service line to facilitate observation, sampling and measurement of wastes. The manhole shall be installed by the customer and maintained at his expense. All measurements, tests, and analyses of the characteristics of waters and wastes shall be determined in accordance with "Standard Methods for the Examination of Water and Sewage", latest edition, or by methods approved by the United States Environmental Protection Agency of NPDES permit and the Colorado State Health Department and shall be determined at the control manhole, or upon suitable samples taken at said control manhole. In the event that no special manhole has been required, the control manhole shall be considered to be the nearest downstream manhole in the sewer interceptor to the point at which the service line is connected.
- 4.2.9 An adequately sized grease trap in compliance with the Uniform Plumbing Code will be required for all buildings where its sewage has an adverse grease impact on the District's system or the grease is causing the BOD to exceed 250 parts per million. The size of the grease trap will be determined by a licensed plumber and installed by the customer at their expense. If at a later time it has been determined by the District that the sewage still has excessive grease, the customer will be required to install a larger grease trap within 90 days of being notified. A manhole on the sewer service for monitoring sewage may be required for any restaurant, bakery or other facility.

Grease traps shall be maintained on a regularly scheduled basis to insure proper operation. No chemicals will be allowed to be used for dissolving grease.

4.3 USE OF WATER SYSTEM

- 4.3.1 The customer shall notify the District prior to any expansion or addition to the service or use of the building served by the District and upon any change of ownership of said building. Any change may result in a re-determination of the Plant Investment Fees or service charges. Each customer shall be responsible for all costs associated with the construction and maintenance of the entire length of the service line serving its building. Service lines shall be constructed in accordance with these Rules and Regulations and the District's Standard Specifications. Leaks or breaks in the service line shall be repaired within seventy-two (72) hours of obtaining knowledge of a leak or from time of

notification of such condition by the District. If satisfactory progress toward repairing said leak has not been completed within the same time period, the Manager shall shut-off the service until the leaks or breaks have been repaired; in addition, the District shall have the right to effect the repair, and the costs therefore shall constitute a lien on and against the property of such customer, to secure payment of such cost, as provided for by C.R.S., 32-1-1001.

- 4.3.2 Each customer is required to maintain year round access to their curb valve or have measured ties to its location.
- 4.3.3 No stop and waste valve is permitted in conjunction with a customer's service line. It is the responsibility of the customer to bury the service line with 7 feet of cover to prevent it from freezing.
- 4.3.4 The District will normally deliver water at a pressure of between 25 and 145 psi but in the event the District cannot maintain a delivery pressure of 25 psi, the customer will be responsible for the installation of a booster pump, and an approved double check valve for backflow prevention.
- 4.3.5 Each customer having boilers and/or other appliances in his building that depend on pressure or water in the pipes, or on a continual supply of water, shall provide, at his own expense, suitable safety devices to protect persons and property against a stoppage of water supply or loss of pressure. These devices shall also have appropriate expansion tanks and check valves. The District expressly disclaims any liability or responsibility for any damage resulting from a customer's failure to provide such appropriate protection.
- 4.3.6 Fire Hydrant Use
 - 4.3.6.1 Authorized Use: The only use for which water may be taken from fire protection facilities, without prior approval of Mount Werner Water, is for extinguishing fires. Any police officer, personnel of the District or of a fire department is hereby authorized to confiscate any hydrant wrench or valve shut-off key found to be used without District authorization.
 - 4.3.6.2 Bulk water may be purchased through a metered fire hydrant located at the Mount Werner Water Maintenance Shop. The water used will be billed at a rate as set forth in Appendix C "Schedule of Fees and Charges".
- 4.3.7 No connection shall be made to the District's water facilities without a water meter having been installed to serve the dwelling unit or building. The location of the meter and its shut-off valve must be readily accessible in a dry and warm location on a year round basis. The Manager, Superintendent, or other duly authorized employees or agents of the District, bearing proper identification, shall be permitted to enter upon all properties for the purpose of inspection, observation, measurement, sampling, and testing, in accordance with the provisions of these Rules and Regulations. Any damages done to the meter as a result of freezing and labor of District personnel in repair will be paid for by the owner with a minimum service fee of \$25.00. All water meters shall have approved radio read devices for remote reading. The type of water meter and location of the meter shall be subject to the approval by the District. All water meters shall become and are the property of the District. Said ownership shall remain valid whether the meters are installed, financed, paid for, repaired, or maintained by another person. The District shall have the right to test, remove, repair or replace any and all water meters. It shall be the duty of each customer to notify the District office if his water meter is operating defectively. If any meter is suspected to be defective, the District shall diligently pursue repair or replacement of said meter. During the interim period prior to repair as so long as the meter is not operating accurately, the customer shall be charged twice the

minimum rate during the winter (October through April) and 3 times the minimum rate during the summer (May through September), or an amount consistent with historic use, whichever the District deems appropriate.

- 4.3.8 A shut-off and a pressure reducing valve ("PRV") shall be installed in all service lines immediately before the water meter, insuring that the water meter and the building plumbing system are protected from fluctuating water main delivery pressures. The pressure setting on the PRV shall not exceed 60 psi.
- 4.3.9 Minimum clearances must be maintained around fire hydrants located on the customer's property to facilitate their use. It shall be the responsibility of the customer to maintain a serviceable clearance on either side of fire hydrants located on the customer's property.
- 4.3.10 The customer shall take precautionary measures to protect all pipes and water using devices located on the customer's property from freezing. This shall not be done by letting faucets or devices drip or flow water continuously.

MOUNT WERNER WATER AND SANITATION DISTRICT
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ARTICLE 5 – APPLICATION FOR SERVICE

5.1 SERVICE OUTSIDE THE DISTRICT

No service shall ever be provided to property outside the District except upon the express written consent of the Board. Charges and additional conditions for furnishing service outside of the District shall be at the discretion of the Board, but no service shall be furnished to property outside the District unless the charge equals at least 1½ times the in-District rate. In every case where the District furnishes service to property outside the District, the District reserves the right to discontinue the service when, in the judgement of the Board, it is in the best interest of the District to do so.

5.2 INCLUSION POLICY¹

If the owner of an out-of-district property desires to be included in the Mount Werner Water District, the owner may petition to be included per the Mount Werner Water Inclusion Policy, which is attached in Appendix E.

5.2.1 General Guidelines

5.2.1.1 Compliance with Law. All inclusion proceedings shall comply with the provisions of Colorado Law, including C.R.S. §§32-1-401 *et seq.* (the “Inclusion Code”), and these Rules and Regulations.

5.2.1.2 Petition; Processing Fee. All inclusion proceedings shall be initiated by a petition for inclusion (see Appendix E) in accordance with the Inclusion Code and these Rules and Regulations, and shall be accompanied by payment of a nonrefundable processing fee in an amount set by the Board of Directors of the District (the “Board”) to reimburse the Board for its attorney’s fees and costs incurred in proceeding with the inclusion (the “Processing Fee”). Until changed by motion of the Board, such Processing Fee shall be \$1,500.00, but the Board may waive all or any part of such Processing Fee with respect to any particular petition for inclusion.

5.2.1.3 Contents of Petition. All inclusion petitions shall be accompanied by each of the following, unless otherwise waived by the Board or the Manager of the District:

5.2.1.3.1 A surveyed legal description of the lands proposed for inclusion (hereinafter called the “Included Land”), together with 3 prints of a survey map, certified to by a registered Colorado land surveyor, showing the Included Land, the acreage thereof, and the boundary lines of the District in relation to the Included Land.

5.2.1.3.2 A topographic map of the Included Land.

5.2.1.3.3 A map showing generally the proposed development on the Included Land, including location of principal water and sewer main lines and other municipal water and sewer features, and showing

¹ The Mount Werner Water and Sanitation District Inclusion Policy as approved and adopted by Board Resolution dated September 13, 1993 has herein been codified in the July 2001 revision to the Rules and Regulations.

the interconnections with existing District facilities and the locations of all existing easements and proposed easements for location of new water and sewer main lines and facilities, all prepared by a registered Professional Engineer and approved by the District's engineer.

- 5.2.1.3.4 A narrative description by the petitioner of the proposed development or use of the Included Land, including a description of the density or residential, commercial, resort, industrial, and other uses, the proposed number of dwelling units and proposed square footage of commercial and industrial buildings, expected consumptive use of municipal water within the development, the expected volume of sewage effluent from such development, at maximum buildout, and a capacity analysis of existing District main lines which the Included Land will impact.
- 5.2.1.3.5 A copy of the deeds and title insurance policies or attorney's title opinions for the Included Land, updated to a recent date prior to the petition, or a recent title insurer's ownership and encumbrance report ("O&E Report"), evidencing the ownership and encumbrances on the Included Land. The Board or Manager may waive necessity of an update to title insurance or an O&E Report if, in the petition for inclusion, the land owner certifies that no easements or rights of way will be required to be dedicated to the District of City for the completion of new water and sewer main lines and facilities to and within the Included Land by completion of development thereof.
- 5.2.1.3.6 If the petitioner is an entity, the names and addresses of all principals of such entity, and if any such principal is also an entity, the names and addresses of the individuals who are principals of such principal.
- 5.2.1.3.7 A description of all water rights owned by the petitioner and appurtenant to or used on the Included Land.
- 5.2.1.3.8 If the petitioner intends to request deferral of payment of any Inclusion Fee pursuant to subsection 5.2.1.8, a current financial statement of the land owner and such other credit information as may be reasonably requested by the Board or the Manager to evidence an ability to pay a deferred Inclusion Fee.
- 5.2.1.4 No Service Until Final Decree. Water and sewer service shall not be interconnected to or supplied by the District to Included Land until a final decree has been entered by the District Court for Routt County including such Included Land within the District.
- 5.2.1.5 Water Rights; Water Rights Fee. In connection with the approval of any application for inclusion of Included Land within the District, the Board may, in its sole discretion, require the applicant to grant and convey to the District all of the direct flow and/or storage and/or well water rights of such applicant which have historically been used on or are appurtenant to the Included Land, without consideration or upon such terms and conditions as the Board shall deem just. If the applicant owns no water rights, or if the Included Land has not historically used any water rights, or if in the judgment of the Board in its

sole discretion the applicant's water rights are not sufficient in quantity, availability, quality, and/or priority of decree to replace the water which may be expected to be provided by the District to the Included Land at complete development, then the Board may condition the inclusion of the Included Land upon the applicant either (i) obtaining water rights identified by and satisfactory to the Board in its sole discretion and granting and conveying such water rights, unencumbered, to the District, without consideration or upon such terms and conditions as the Board shall deem just, or (ii) paying to the District a fee in lieu of conveyance of water rights, such fee to be determined by the Board on any reasonable basis ("Water Rights Fee"). Such Water Rights Fee may be based upon the fair market value of a sufficient and reasonable quantity of water rights of adequate priority which would, after being adjudicated for year-around municipal use at a usable point of diversion within the District's system, be sufficient if owned by the District to supply the maximum density of development on the Included Land with year-around municipal water for consumptive use.

- 5.2.1.6 Compliance with Rules and Regulations. It shall be a condition of every order and decree of inclusion of Included Land into the District that all water and sewer main lines and service lines to and within such Included Land from existing facilities of the District shall be constructed and completed in accordance with the District's Rules and Regulations by the land owner or developer without cost or expense to the District. In that connection, such landowner shall agree to reimburse the District for all cost and expense of the District incurred to its engineers, surveyors, and attorneys, in connection with the construction and completion of such water and sewer liens and appurtenances.
- 5.2.1.7 Annexation into City. All land included within the District must be annexed into the City of Steamboat Springs (the "City"). Therefore, it shall be a condition of every inclusion order of the District that, prior to entry of the decree of inclusion by the District Court for Routt County, the Included Land has been lawfully annexed into and within the City. However, the foregoing requirement may be waived by the Board if the City Council of the City adopts a resolution consenting to the inclusion of the Included Land within the District without annexation into the City.
- 5.2.1.8 Inclusion Fee. The District finds and concludes that every Included Land parcel or tract has benefited by the existence and growth of the District and the financial strength of the District, without bearing the tax burden which has been borne by lands now within the District, and that inclusion of any Included Land into the District may impose additional costs upon the District for treatment and storage facilities, enlargement of existing main lines and/or other facilities, and/or acquisition or enlargement of raw water storage facilities. Therefore, of this Section 5.2, the Board may, in its sole discretion, require as a condition of inclusion of any Included Land that the land owner pay, or (in the discretion of the Board) execute and provide an unconditional written promise to pay on a deferred basis, to the District an inclusion fee as may be set by the Board in its discretion (the "Inclusion Fee"). Such Inclusion Fee is separate and distinct from any water and sewer plant investment fees which are payable for all improvements connecting to the water or sewer systems of the District pursuant to these Rules and Regulations. Such Inclusion Fee may be computed by the Board, taking into account any or all of the following factors:

- a. The cumulative amount, together with a reasonable annual interest factor, which would have been paid by the respective owners of such Included Land as real property taxes to the District on the Land only (excluding buildings and improvements) has such land been included within the District from and including 1966 to the current year;
- b. Anticipated additional expenses of the District for treatment and storage capacity, main line enlargements or replacements, and other infrastructure costs, on lands outside of the Included Land and which may be necessitated by the anticipated development of the Included Land;
- c. The number of dwelling units and the square footage of commercial and industrial structures proposed for development within the Included Land at completion of build-out;
- d. Whether the Included Land is an Enclave or adjoins the existing boundaries of the District;
- e. Whether any structures or buildings presently exist on the Included Land, and the uses of such Land and the structures and buildings thereon; and
- f. Any other factor which is relevant and reasonable under the circumstances.

If the Board agrees to permit the land owner to pay such Inclusion Fee on a deferred basis, the Board may require that a reasonable rate of interest be paid on the deferred Fee, and the land owner shall provide suitable security acceptable to the Board to secure such payment and any interest, which may be a cash bond; a first-lien security interest in a time certificate of deposit or an irrevocable letter of credit from a Steamboat Springs bank; a bond in the amount of the unpaid Inclusion Fee, with corporate surety having at least a bAA Best's rating; a first-lien insured mortgage on acceptable real property having an appraised value not less than twice the amount of the unpaid Inclusion Fee; or such other security as may be acceptable to the Board. The payment of the Inclusion Fee, or the provision of the written promise to pay together with acceptable security, shall be made to the District prior to entry of the District Court final decree with includes the Included Land into the District. In its sole discretion, the Board may accept land or other property interests or other valuable consideration in lieu of cash payment of all or part of the Inclusion Fee.

The District recognizes that each particular Included Land tract or parcel is unique, and that the weighing of the factors for setting the appropriate amount of the Inclusion Fee will vary over time, dependent upon the circumstances of the District and its facilities and long-range plans. Therefore, the District recognizes that the Inclusion Fee determined for an Included Land tract or parcel may vary considerably from the Inclusion Fee determined for another Included Land tract or parcel.

- 5.2.2 Enclaves. The Board strongly encourages the inclusion of lands into the District which are surrounded or virtually surrounded by existing District boundaries or by the District's boundaries and (i) Fish Creek or (ii) U.S. Highway 40 or (iii) U.S. Forest Service Lands (herein called "Enclaves").
- 5.2.3 Adjoining Land. The Board shall not include into the District any land which borders and adjoins the District boundaries unless the Board shall find, in its sole discretion, that (i) the potential benefit to the District of inclusion of such Included Land outweighs any potential detriment arising from such inclusion, and (ii) the inclusion of such Included Land within the District and the development thereof will have a benefit on existing customers and property owners within the District. If the Board shall make such finding,

the Board may include in any inclusion Resolution and final Court decree terms, conditions, covenants and agreements which shall be binding upon the land owner, enforceable by the District, and run with the Included Land.

- 5.2.4 Non-contiguous Land. The Board shall not consider a petition for inclusion into the District of Land which is not contiguous to the boundaries of the District unless the Board shall first make a finding in accordance with the first sentence of Section 5.2.3 above and the City Council of the City adopts a resolution expressing the consent of the City to inclusion of such land within the District, notwithstanding that such land is not annexed into the City. In such event, the Board shall proceed with inclusion of such non-contiguous land as if such land adjoined the District under Section 5.2.3 above.

5.3 APPLICATION FOR SERVICE

Application for service must be filed with the District on forms provided by the District and accompanied by appropriate fees prior to any action to connect to the system or obtain any building permits. See Appendix F for an Application for Service Form. Only upon authorized written approval of the application and a receipt therefore along with a copy of the building permit may a connection to the system be made. The location of the water and sewer service lines shall be indicated on all applications for service.

If a fire protection water sprinkler system is to be used, a plan for the system is to accompany the Application for Service and is subject to the approval of the District. All fire sprinkler systems shall meet current requirements of all applicable City, County, and State building and fire protection codes. If a water sprinkler system for lawn irrigation is to be used, it must be metered through the meter in the building and have an approved backflow prevention device.

No taps will be permitted or made between November 1st and April 30th, without prior specific, written approval of the District Manager.

All information requested on the Application for Service form must be completed, and a diagram of the curb stop valve box location included. A site plan or improvement plan shall accompany the Application for Service showing the location of the building relative to property lines. Should any information disclosed on the Application prove at any time to be false, or should the Applicant omit any information, the District shall have the right to reassess the Plant Investment Fee originally charged at the rate current to the discovery by the District of the false or omitted information, and/or disconnect the service in question, and/or back charge the property in question for service fees that may be due and owing, and/or charge any other or additional fee or penalty specified in these Rules and Regulations, as amended. Any reassessment shall be due and payable, together with any penalties or additional fees charged, and together with interest at the maximum legal rate on the entire balance, upon and from the date of the original Application.

5.4 SERVICE ELEVATION

The District's service elevation in a given area is defined as the highest elevation at which static water pressure, under the conditions of the existing water distribution system and a serving storage tank at full level, will be 45 psi at the first floor level of the proposed building. At 0.433 psi per foot of elevation, this service elevation is approximately 104 feet below the overflow elevation of the serving storage tank. The applicant may need to install an inside water pressure tank to provide adequate pressure to fixtures in the building.

At its discretion and with the approval of the Board of Director, the District may permit a property owner to install a water service line above the service elevation with private water booster pump, private water storage tank, and required backflow preventer provided that such a system is sufficient to meet the owner's domestic water supply needs for water fixtures included in the

building permit application and current Fire District fire suppression requirements as certified by a professional engineer registered in Colorado.

The owner will sign an agreement which acknowledges to the District and the Steamboat Springs Fire District that

- 1) the installed water system will meet the owner's domestic water supply needs and current Fire District fire suppression requirements;
- 2) the owner takes full responsibility for the installation, repair, and maintenance of his water service line, water booster pump, water storage tank, and water pressure tank;
- 3) the owners absolves the District of all responsibility for the owner's water system and for meeting future water needs as a result of an expansion of the building or the addition of new buildings or a change in the Fire Code."

The engineering design certification by a professional engineer registered in Colorado will be attached as an exhibit. Such agreement will be executed and recorded with the Routt County Clerk's Office prior to approval of building permit application by the District."

5.5 DENIAL OF APPLICATION

The District reserves the exclusive right to deny application for service when, in the opinion of the District Manager, the service applied for would create an excessive seasonal, or other, demand on the facilities. Denial may also be based upon the elevation of the proposed water service above the District's service elevation, an unresolved obligation between the District and the applicant, inadequate documentation of easements for main lines serving the property, or any other reason as determined by the District. The applicant may appeal such denial to the Board.

5.6 DENIAL OF APPLICATION

The District 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.

5.7 MOVED OR DESTROYED BUILDINGS

When buildings are moved or destroyed, the original tap authorization shall remain with the property. The customer is responsible for providing all prior plant investment fee calculations and building plans when applying for a new request for service. Credits are valid for 10 years.

5.8 NON-COMPLETED BUILDINGS

In the event of an uncompleted project, if the developer restores the site to its original condition or cover and landscape the site to the satisfaction of the District, the District may refund the Plant Investment Fee (see Plant Investment Fee form in Appendix G), less amounts disbursed to the City Expansion Fund and less other disbursements to provide main line service to the areas in question. Any re-application for tap fees in the same location would be subject to the existing rules and rate schedules at that time. Credit would be given for non-paid portions of Plant Investment Fees, but only towards a project at the same site.

5.9 CHANGE IN CUSTOMERS EQUIPMENT OR SERVICE

No expansion to or addition to the customer's service or use of property served shall be made without the prior notification of and approval by the District. Any such change, which, in the opinion of the District, will increase the burden placed on the District's facilities by the customer, shall require a re-determination of the Plant Investment Fee and monthly service charge, and a payment by the customer of any additional Plant Investment Fee and monthly service charge resulting from the re-determination. Subject to 5.5 above, Plant Investment Fees previously paid with respect to the property in question shall be credited against the re-determined Plant

Investment Fee so that only the unpaid portion of any re-determined Plant Investment Fee shall be due; provided, however, that re-determinations resulting in a conclusion that the Plant Investment Fee, if assessed currently, would be an amount less than that originally paid shall not result in a refund of credit of any kind to the customer. The customer is responsible for providing all prior plant investment fee calculations and building plans when requesting credit toward new fees. Credits are valid for 10 years.

5.9.1 Any violation of this section shall result in the assessment of an unauthorized connection fee, as provided by Section 5.8 of these Rules and Regulations, and the District shall take those steps authorized by these Rules and Regulations and Colorado law regarding the collection of said fees.

5.9.2 Any customer believed to have changed equipment, service, or use of his property, in violation of this section, shall be notified of such belief by the District, and shall be afforded twenty (20) days from the date upon which the notice is mailed in which to respond to the District's notice. Any response by the customer must include permission to make such inspection of the property in question as the District Manager or his representatives deem necessary to establish clearly the nature of equipment, service and use of the property in question. Failure to respond may result in District discontinuing service to the property.

Inspection shall be made of the property in question. Following inspection, the Manager or his representatives shall make a determination as to the change in the customer's equipment, service or use of the property in question, and shall re-determine any additional Plant Investment Fees and service charges due.

5.10 UNAUTHORIZED CONNECTIONS AND FEES

No person shall be allowed to connect to the sewer or water systems or to enlarge or otherwise change equipment, service or use of property without prior payment of Plant Investment Fees, approval of an Application for Service, inspection of the work by District Personnel, and compliance with the Rules and Regulations of the District.

Any such connection, enlargement, or change without payment, approval, supervision and inspection shall be deemed an unauthorized connection. Upon the discovery of any unauthorized connection(s), the then current Plant Investment Fee shall become immediately due and payable, and the property shall automatically be assessed an additional unauthorized connection fee equal to the then current Plant Investment Fee per equivalent dwelling unit, as liquidated damages toward the District's costs associated with such unauthorized connections. In addition, all back services charges shall become immediately due and payable and will be charged interest at 1% per month from the date of the unauthorized connection.

The District shall send written notice to the owner(s) of the property benefited by such connections stating that an unauthorized connection has been made between the owner's property and the District facilities. The owner(s) shall then have twenty (20) days from the date the notice is mailed to pay the then current Plant Investment Fee and back service charges.

5.11 REVOCATION OF SERVICE

Service shall be revocable by the District upon non-payment of any fees or charges owing to the District. In the event of non-payment, the customer shall be given no less than ten (10) days advance notice in writing of the revocation of service, which notice shall set forth:

1. The reason for the revocation;
2. That the customer has the right to contact the District, and the manner in which the District may be contacted for the purpose of resolving the obligations; and,

3. If payment of the outstanding obligation or a request for a meeting is not received by the District within ten (10) days of the date of mailing of the revocation notice, the Manager shall disconnect the service and the customer shall be assessed the cost of the disconnection.

5.12 REVOCATION OF TAP RIGHTS

The right to connect to the District's facilities and receive services under Section 5.2 above shall be revocable by the District upon non-payment of any District fees owing to the District and remaining unpaid for a period of thirty (30) days, and whether or not the customer owning the right to connect has actually connected to the District's system. Such revocations shall be conducted in accordance with Section 5.9, above. If the right to connect to the District's system is revoked, the customer may reacquire such tap rights only by reapplying for service in accordance with Section 5.2, above, and after paying all fees due and owed the District and the then current Plant Investment Fees charged by the District under these Rules and Regulations.

5.13 TURN-ONS/TURN-OFFS SERVICE

All turn-ons and turn-offs of water service through a shut-off valve on a service line that has been duly authorized to be connected to the District's water system shall be performed only by District personnel regardless of the ownership of the shut-off valve or service line and regardless of the circumstances respecting the turn-on or turn-off. The District may assess a reasonable turn-off/turn-on charge as set by the District for any such turn-off and turn-on performed for customers requiring maintenance to their service line, or in-house plumbing.

5.14 FILTERED WATER QUALITY

In compliance with EPA and Colorado Department of Public Health regulations, water is supplied at a turbidity of less than 0.3 Nephelometric Turbidity Unit (NTU). The minimum chlorine free residual is greater than 0.2 mg/l and the fluoride level is maintained at 1.1 mg/l. pH is typically neutral between 7.2 and 7.8 but varies with the time of year or raw water characteristics. While every effort is made to provide high quality water, emergencies and other circumstances may arise when the water is cloudy. Owners are required to have drain valves on all hot water heaters and similar plumbing fixtures so that the lines can be flushed periodically.

MOUNT WERNER WATER AND SANITATION DISTRICT
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ARTICLE 6 – CONSTRUCTION OF SERVICE LINES

6.1 COMPLIANCE WITH RULES AND REGULATIONS

The requirements of the Rules and Regulations are applicable to the construction of all service lines.

6.2 INSPECTION AND TAPPING

If water service taps have not been provided in a subdivision for single family and multi-family lots, taps shall be made by the District or their authorized representative. Likewise, if sewer service taps have not been provided in a subdivision for single family and multi-family lots, taps shall be made by the District or their authorized representative.

The owner will be responsible for all trenching and exposing the main. Taps are to be scheduled at least 24 hours in advance. All water and sewer service lines are to be tested per the District's Standard Specifications. The applicant for sewer or water line service shall notify the District Office when the service is ready for inspection and connection to the sewer main. The connection shall be made by qualified personnel. All service lines shall be inspected by the District's representative, who shall have the authority to halt construction when, in his or her opinion, the District's Rules and Regulations for proper construction practices are being violated. Whenever any such violations occur, the District representative shall, in writing, order further construction to cease until all deficiencies are corrected. No service lines shall be covered without the District representative's approval. Anyone making any installation without such approval shall be required to remove all soil or any other covering over the service line to allow its inspection.

6.3 SERVICE LINES

Separate and independent service lines shall be provided to each building type as defined below. Service lines shall be installed at the expense of the property owner/customer.

Building Type	Number of Service Lines	Number of Water Meters	Billing
Single Family Residence (with or without caretaker unit)	One	One	To owner
Multi-family Residential with individual responsibility for payment of water and sewer service charges.	One service line per unit. A single service line from the main may be split into individual service lines outside the structure.	One meter per unit.	To individual owners
Multi-family Residential with single legal homeowners association responsible for payment of water and sewer service charges for structure.	One service line to each structure.	One meter for each structure	To Homeowners Association
Commercial	One	One	To owner
Multi-Use Commercial with individual responsibility for payment of water and sewer service charges.	One service line per unit. A single service line from the main may be split into individual service lines outside the structure.	One meter per unit.	To individual owners
Multi-Use Commercial with single legal property owners association responsible for payment of water and sewer service charges for structure.	One service line to each structure	One meter for each structure	To Property Owners Association

If an applicant petitions to convert a multi-family residential or multi-use commercial structures constructed with one service line per structure to a multi-family or multi-use commercial with individual owner responsibility of water and sewer service charges, individual service lines with individual curb stops will be required to be installed.

Existing service lines may be used in connection with new buildings only when found, on examination by the Superintendent, to meet all requirements of these Rules and Regulations. A curb stop shall be located at the property line on all service lines for single family residential and commercial structures and within the common areas for multi-family residential and multi-use commercial structures. Mount Werner Water must have legal and physical access to the curb stop.

6.4 CONSTRUCTION AND CONNECTION

All plant investment fees shall be paid prior to the start of construction.

All construction of service lines shall be in compliance with the District's Standard Specifications (Appendix A). The applicant for the connection shall notify the District when the service line is ready for inspection and connection to the District's main. All contractors, plumbers, and others doing work on any main, service lines, or structures in the District shall comply with County, State Highway Department, or local regulations on excavation, backfill, compaction, and restoration of surfacing.

6.4.1 SEWER SERVICE - The connection of the sewer service line to the main interceptor shall be made as follows: If the service tap is four-inch (4") or six-inch (6") in size, the District shall, at the owner's expense, install a saddle onto the sewer interceptor. Where the sewer tap is eight inches (8") or greater, the owner/customer will make the connection into the existing manhole or install a new manhole, at the owner's/customer's expense. All connections shall be above the spring line of the existing pipe.

6.4.2 WATER SERVICE – Alignment of the water service line shall be located so as to take the shortest, most direct route, preferably perpendicular to the main to the building. All water service lines shall have a minimum cover of seven feet (7'). No water service line shall be laid parallel to any bearing wall closer than 5 feet. The water service shall be laid at a uniform grade in a straight alignment.

Under observation of District personnel or an authorized representative, the water service line is to be pressure tested at normal operating pressure from the main to the building before backfill begins. The water service line shall be constructed using soft Type K copper for water services two inches (2") and smaller. The service line shall have a curb stop control valve located prior to any other fittings at the property line, or as otherwise approved by the District with year-round access by the District. All fittings shall be per Mount Werner Water standard specifications. The service line shall be one continuous line with no joints, if at all possible. Couplings are allowed if distance exceeds the length of one hundred feet (100'). All water service lines shall have an inside shut-off valve immediately after the service line enters the building in a readily accessible frost-free area.

6.4.3 All water service lines shall have a water meter installed before water service is started. Water meters are to be installed in a horizontal position in an area that does not freeze and is accessible year round. All water meters and radio transmitters shall be inspected by the District's representatives and sealed. The operational testing of the meter and transmitter shall be demonstrated at the time of inspection.

6.4.4 Water meter replacement responsibilities:

Condition	Responsibility
1. Meter is malfunctioning due to manufacturers defect (material, parts, or labor)	Mount Werner Water
2. Meter is damaged due to improper installation, abuse, freezing, lack of PRV, etc.	The owner
3. Meter needs replacement due to end-of-life	The owner
4. Meter is being upgraded.	Mount Werner Water

6.5 REVOCATION OF WORK AUTHORIZATION

In any case where, in the opinion of the Manager, substandard or inferior quality workmanship is displayed by a contractor or water or sewer system worker, the District may, after notice to that contractor, refuse to approve any work of such contractor on water or sewer facilities of the District.

6.6 VALVE BOX, MANHOLE AND FIRE HYDRANT GRADES

If road or easement grades are altered during or after a construction contract has been approved and/or completed, the cost of altering the fire hydrant, manhole or valve box height will be that of the party requesting the grade change and then only with prior approval from the District. This policy shall also apply to paving projects.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 7 – MAIN LINE EXTENSIONS

7.1 COMPLIANCE RULES

Main line extensions, alterations, relocations, and abandonments shall comply with the requirements of these Rules and Regulations and with the District's Standard Specifications for Water and Wastewater Facilities (refer to Appendix A), and the District's Engineering Specifications (including the Standard Specifications and Standard Detail Sheet), all of which are herein called "Standard Specifications." For purposes of this Article 7, developers or existing or prospective customers who propose to extend, alter, relocate, or abandon any water and/or sewer main line is called a "Developer." Any water or sewer line which is to be constructed within the Developer's property to serve improvements within Developer's property, but which , in the opinion of the District Manager, may in the future be connected to lines serving present or future improvements on adjacent or nearby property, shall be deemed to be main lines.

7.2 MAIN LINE EXTENSIONS BY THE DEVELOPER/CUSTOMER

Developers who desire water or sewer service which necessitates the installation of new water and/or sewer main lines must provide to the District Manager for approval the plans and specifications for such main lines, both on and off of the development property, prior to commencement of construction. Such plans and specifications must comply with the District's Standard Specifications. The Developer must sign and record with the Routt County Clerk and Recorder a "Request for Water and Sewer Services and Waiver and Acknowledgment" form prior to approval of the construction plans and specifications (refer to Appendix H). The cost of the design and construction of such main line extensions shall be paid by the Developer. The Developer must also reimburse the District for its cost and expense in reviewing such plans and specifications. The Developer must also provide to the District permanent and unencumbered easements 20 feet wide for all such water and sewer main line extensions, in form satisfactory to the District Manager, either by separate dedication to the District on subdivision plats or by separate conveyance and dedication to the District (refer to Appendix I for standard District easement forms, which may be altered by the District where appropriate or necessary). Such easements must be provided and recorded before water or sewer service is provided to the Developer's property through such main line extensions. The Developer will provide an as-built survey of the main line extensions and the District may require, at the Developer's cost, title evidence of the unencumbered status of a proposed easement dedication not located within a public road right-of-way. If determined by the Board of Directors, in its sole discretion, the District may also require that the Developer provide to the District an engineer's estimate of the cost of construction of the main line extensions, and that the Developer enter into a Public Improvements Completion Agreement with the District (Appendix J), in form satisfactory to the District, agreeing to complete such main line extensions at the Developer's sole cost, and provide to the District security for the Developer's obligation by appropriate performance bond or bank letter of credit in an amount equal to 125% of the engineer's cost estimate.

7.3 LOCATIONS OF MAIN LINE EXTENSIONS

All District facilities shall be installed and operated within public road rights-of-way or within easements, rights-of-way or lands conveyed or dedicated in perpetuity to the District and including reasonable rights of access to such facilities. Where required, facilities that must cross land not being subdivided, or where such land is under the Applicant's control for the granting of public rights-of-way, each Applicant who desires service will, in consultation with and with the

approval of the District, plat and grant to the District appropriate rights-of-way and easements which will be constructed for such facilities.

7.4 PROCEDURE FOR MAIN LINE EXTENSION

The procedure for extension of water and wastewater mains is detailed in the Mount Werner Water Standard Specification for Water and Wastewater Facilities.

7.5 NEWLY CREATED LOTS, SUBDIVISIONS, AND RE-SUBDIVISIONS

The Developer shall construct in accordance with the District's Standard Specifications both water and sewer service stub-outs to the lot line of each subdivided lot in a new subdivision or re-subdivision of property, as part of the construction of main line extensions, alterations, or replacements on the subdivided land, the cost of which shall be paid for by the Developer. The as-built survey of the main line extensions shall show the surveyed locations of such stub-outs.

7.6 ALTERATION, RELOCATION, AND ABANDONMENT OF MAIN LINES

Developers who desire water or sewer service which necessitates the alteration, relocation, or abandonment of existing District water and/or sewer main lines must provide to the District Manager for approval the plans and specifications for such alteration, relocation and abandonment, both on and off of the development property, prior to commencement of construction. Such plans and specifications must comply with the District's Standard Specifications. The Developer must sign and record with the Routt County Clerk and Recorder a "Request for Water and Sewer Services and Waiver and Acknowledgment" form prior to approval of the construction plans and specifications (refer to Appendix H). The cost of the design and construction of such alteration, relocation, and abandonment of water and/or sewer main lines shall be paid by the Developer. The Developer must also reimburse the District for its cost and expense in reviewing such plans and specifications. The Developer must also provide to the District permanent and unencumbered easements 20 feet wide for all such relocated water and sewer main lines, in form satisfactory to the District Manager, either by separate dedication to the District on subdivision plats or by separate conveyance and dedication to the District (refer to Appendix I for standard District easement form, which may be altered by the District where appropriate or necessary). Such easements must be provided and recorded before water or sewer service is provided to the Developer's property through such altered or relocated main lines, or at an earlier time specified by the District Manager in his discretion. Abandoned main lines shall be either removed or filled with concrete as may be specified by the District Manager. The Developer will provide an as-built survey of the relocated main lines, and the District may require, at the Developer's cost, title evidence of the unencumbered status of a proposed easement dedication not located within a public road right-of-way. If any part of the altered, relocated, or abandoned main lines has actively been used for carriage of District water or constituent sewage effluent, then the Developer shall also provide to the District an engineer's estimate of the cost of construction of the alteration, relocation, and abandonment of water and sewer main lines, and that the Developer shall enter into a Public Improvements Completion Agreement with the District (Appendix J), in form satisfactory to the District, agreeing to complete such alteration, relocation, and abandonment at the Developer's sole cost, and provide to the District security for the Developer's obligation by appropriate performance bond or bank letter of credit in an amount equal to 125% of the engineer's cost estimate.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 8 – RATES AND CHARGES

8.1 GENERAL

The information contained in this Article is pertinent to all charges of whatever nature to be levied for the provision of sewer and/or water services. Said rates and charges as herein established and included as Appendix “C”, 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, and under the applicable statutes of the State of Colorado. Nothing contained herein shall limit the Board from modifying any classification, rate or service charge.

8.2 APPLICATION THIS ARTICLE

The rates, charges, and other information shown herein shall apply only to customers inside the District boundaries. Out-of-District rates are to be at least 1½ times the in-District rates.

8.3 CLASSIFICATION OF CUSTOMERS

For the purpose of levying fair, reasonable, uniform, and equitable charges, the following classifications and related definitions are provided.

- 8.3.1 “Unit” shall mean a separately defined space constituting or within a building structure, entirely owned and not subdivided, and used as an integrated whole. A “Unit” may be the entire building structure where the entire building is not subdivided and is used as an integrated whole, for example as a single-family residence or a stand-alone single commercial enterprise building.
- 8.3.2 “Residential Unit” shall mean a Unit with at least one kitchen and at least one bathroom, designed and occupied or intended for occupancy as separate quarters with independent access, for the exclusive use of a single family for living, sleeping, kitchen and sanitary purposes. A “kitchen” shall mean a designated area of the Residential Unit that includes sink facilities, a standard-type stove, and a standard-type full refrigerator. A Residential Unit shall include a single-family home, a mobile home, each Unit in a duplex or triplex, each Unit in a clustered unit building, such as a multi-family complex building, apartment building, or condominium building, and each townhome in a townhome building. An accessory living space in a residential structure, sometimes known as an “accessory unit” or “caretaker unit”, meeting the definition of a residential unit, is deemed to be a separate Residential Unit. The status of a Residential Unit is not affected by the rental of such Residential Unit for residential occupancy purposes on a short term or long term basis.
- 8.3.5 “Commercial Unit” shall mean a Unit containing water and/or sewer service facilities, which is not a Residential Unit, the water service for which is supplied by a single flow meter either to such Unit or to the Building containing such Unit. A Commercial Unit shall include, but is not limited to, a restaurant, bar, athletic facility, gas station, dry cleaners, retail store, real estate office, car wash, bank, beauty salon, professional office, public restroom, and hotel or motel or lodge rooms. For a building containing two or more Commercial Units and no Residential Units, such as (for example) a shopping center building, an office building, or a commercial condominium building, where the entire building is served with one water meter, then such entire building shall be deemed to be a single Commercial Customer for purposes of Appendix C.

8.3.4 "Commercial/Residential Combined Building" shall mean a separate building which contains one or more Commercial Units and one or more Residential Units, where the entire building is served with one water meter. For a Commercial/Residential Combined Building, the portion of such Building not constituting Residential Units shall be known as "Commercial Unit Space," the percentage of floor space in the Building occupied by all Residential Units shall be known as the "Residential Unit Space Percentage," and the "Commercial Unit Space Percentage" in such Building shall be 100% less the Residential Unit Space percentage. All Commercial Units in such Commercial Unit Space shall be deemed to be a single Commercial Customer for purposes of Appendix C. The periodic flow of water through the single meter of such Building shall be divided for billing purposes between the Commercial Unit Space and the balance of the Building occupied by Residential Units, based upon the applicable Residential Unit Space Percentage and Commercial Unit Space Percentage for such Building. The owner or owners of the Commercial Unit Space shall pay fees and charges as provided in the Commercial Customers section of Appendix C for the Commercial Unit Space Percentage of such Building's metered flow, and the owners, collectively, of the Residential Units in the Building shall pay for the metered flow allocated to the Residential Unit Space Percentage as provided in the Residential Customers section of Appendix C.

8.3.5 An "Irrigation Meter" shall mean a water service tap for irrigation of landscaping, parks, open space, greenbelt, and similar such areas, where such service is not made available to any structure from such tap, and for which a separate totalizing flow meter has been installed.

8.4 PLANT INVESTMENT FEE

A Plant Investment Fee shall be charged to all customers of the District for new and expanded uses. It shall be assessed as provided for in the schedule of fees and charges attached hereto as Appendix "G". The calculation of the plant investment fee shall include those fixtures "roughed-in".

8.5 SERVICE CHARGE

Service charges shall be as reflected in the Schedule of Fees and Charges, attached hereto as Appendix "C". Service charges will begin when the allotted temporary construction service time has expired or when the building is occupied, whichever is sooner.

8.6 AMENDED FEES

In those situations where a prospective user applies for service to a structure or use not defined in the Plant Investment Fee Schedule; or where, in the Manager's opinion, said structure represents a classification not contemplated in the establishment of the previously defined Plant Investment Fee, the Manager shall, in his or her sole discretion, establish a fair, reasonable, and equitable Plant Investment Fee for said structure. If the applicant believes the established fee to be unreasonable, the applicant may appeal such decision to the Board for consideration.

8.7 AMENDED SERVICE CHARGES

In those situations where, in the Manager's sole discretion, the service charges shown in the previous articles do not represent a fair, reasonable, and equitable charge for the intended use, the Manager, in his or her sole discretion, may adjust said rates. If the applicant believes the adjusted service charge to be unreasonable, the applicant may appeal such decision to the Board for consideration.

8.8 PAYMENT OF SERVICE CHARGES

It is the policy of the District that the owner or owners of any property or premises served by the District's water and/or sewer system shall be held liable for any and all charges imposed for such property.

The customer shall pay to the District within thirty (30) days after the billing date the full amount of that statement. Where the customer believes said statement is in error, the customer must file, in writing, a notice to the District of the presumed error, and request a clarification from the Manager. Upon review by the Manager, and re-submittal and/or revision of the statement, payment shall be due no later than ten (10) days from the billing date of the re-submitted statement.

8.9 ATTORNEYS FEES

In the event that attorney's fees are incurred by the District as a result of the violation by any customer, or by any person claiming by, under or through any customer, of any provision of these Rules and Regulations, or if the District shall incur any attorneys fees or costs of suit in the collection of any rate, toll charge, fee, assessment, sum, or interest charged or assessed to or against a customer but not paid within 30 days after the same due date, then the customer shall be liable to the District for the amounts due, and shall fully reimburse the District for all such attorney's fees and costs and expenses of suit incurred by the District in connection therewith.

8.10 INTEREST

If any rate, toll, charge, fee, assessment, or other sum charged or billed by the District under these Rules and Regulations is not paid within 30 days after the same is due as provided herein, then such rate, toll, charge, fee, assessment, or other sum may bear interest after the due date at the rate of one percent (1%) per month until paid in full.

8.11 COLLECTION

The District shall have all remedies at law and in equity or provided by Colorado law for the collection of any rate, toll, charge, fee, assessment, sum, or interest charged or assessed to or against a customer, including (but not limiting the plenary nature of these remedies) the power and authority to sue a customer in any court having jurisdiction, to foreclose the lien described in Section 8.12 below, and to discontinue and terminate water service and/or sewer service to the buildings of the customer.

8.12 LIEN AND FORECLOSURE

All unpaid assessments, fees, tolls, charges, expenses, reimbursements, costs, interest and other sums of any kind assessed, bill or charged under the terms of these Rules and Regulations, and reasonable attorney's fees and costs of suit incurred in connection with enforcement of these Rules and Regulations or in connection with collection of any such sums or charges (whether or not suit is brought), shall constitute a lien on the real property and buildings of the owner, person or customer so assessed, billed or charged and if favor of the District, and such lien shall be prior to all other liens and encumbrances on or encumbering such real property and buildings, except for the statutory lien for real property taxes and special assessments. The District's lien shall attach from and after the date of billing for such assessments, fees, tolls, charges, expenses, reimbursements, costs, interest and other sums and may be foreclosed by the District in like manner as a mechanic's lien under Colorado law after the recording of a statement of such lien describing and encumbering the real property and buildings of the delinquent customer, executed by the President or Manager of the District on behalf of the Board, and setting forth in such statement the amount of the unpaid sums, the name of the owner of the real property and buildings subject to such lien, a legal description of the real property so encumbered by such lien, and a statement that such lien extends to reasonable attorney's fees and costs of suit incurred in

enforcing the same. In any such foreclosure, the owner of the real property subject to the lien shall be required to pay the costs and expenses of such proceedings, including reasonable attorney's fees and cost of suit.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 9 – CROSS-CONNECTION CONTROLS

9.1 CROSS-CONNECTION CONTROL

Any backflow into the Mount Werner Water system is prohibited. All devices which have an effect on cross-connection control shall be approved by Mount Werner Water. Backflow prevention devices are required on all facilities where required by the Colorado Department of Public Health and Environment, i.e.: irrigation systems, hot water heating system, pools/spas/hot tubs (Reference the CDOPHE Cross-Connection Control manual for further information). All “wet type” fire protection systems must utilize a “reduced pressure” type back flow prevention device. All devices shall be inspected and certified as working properly every year by a certified inspector at the customer’s expense. All inspection reports are required to be sent to the District.

9.2 BACKFLOW PREVENTION DEVICES

No water service connection will be installed or maintained by Mount Werner Water unless the water supply is protected as required by these Rules and Regulations. Water service to any premise will be discontinued by Mount Werner Water if a backflow prevention device that is required is not installed, tested and maintained, or if it is found that a backflow prevention device has been removed, bypassed, or if an unprotected cross-connection exists on the premises. Service will not be restored until such conditions or defects are corrected.

The customer’s system will be open for inspection at all times to authorized representatives of Mount Werner Water to determine whether cross-connections or other structural or sanitary hazards exist. When such a condition becomes known, Mount Werner Water will give notice in writing to the customer to install an approved backflow prevention device(s) at specific location(s) on his/her premises. If within 30 days after the giving of such notice, the customer has failed to install the backflow prevention device, Mount Werner Water will immediately discontinue water service to the premises by providing for a physical break in the service line until the customer has corrected the condition(s) in conformance with this Rules and Regulations. If, from any inspection, it is determined that a condition may create a danger to the health and well being of a water consumer, then, without further notice, Mount Werner Water will deny or immediately discontinue service to the premises by providing for the physical break in the service line until the customer has corrected the condition in conformance to Mount Werner Water requirements.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

ARTICLE 10 – WATER CONSERVATION

10.1. BENEFICIAL USE

Water shall be used only for beneficial purposes and shall not be wasted. Water waste is defined as the expenditure or application of water from the Mount Werner Water system that results in water:

- 10.1.1. Flowing into any gutter, street, sidewalk, storm drain or other property in a steady stream or flow during the course of a period of twenty or more continuous minutes, and/or;
- 10.1.2. Collecting in pools in any depressed area in a public street, sidewalk, or right-of-way, to depth of two inches or more.

10.2 CASUAL USE

The District discourages the casual use of the community's potable water supply; particularly, the District discourages the use of potable water in fountains and water features for aesthetic or landscaping purposes. The District expressly prohibits the use of potable water in water features and fountains that 1) eject a fine spray or mist into the air; or 2) consume potable water volumes greater than 20 gallons per day or 3) have a surface area greater than 200 square feet. Such water features as allowed, which have a potable water make-up system, will include a reduced pressure principle backflow prevention assembly to prevent contamination of the potable water distribution system. Swimming pools, wading pools, and hot tubs are exempt from this prohibition; however, the District encourages the use of surface covers to reduce evaporative losses.

10.3 WATER USE RESTRICTIONS

If conditions of supply and/or quality so limit the water supply of the water system that unrestricted water use may endanger the adequacy of that supply or quality, Mount Werner Water may by resolution adopt emergency water use restrictions as appropriate. Mount Werner Water may also adopt such additional regulations and restrictions as are reasonably calculated under all conditions to conserve and protect its supply and to insure a regular flow of water through the system. Emergency water use regulations and restrictions shall remain in force and effect until Mount Werner Water determines that the conditions requiring their imposition no longer exist.

10.3.1 The property owner shall be responsible for complying with Mount Werner Water's regulations and/or restrictions. Those who violate these regulations and /or restrictions will be subject to the actions and/or penalties in force at the time of the violation. Penalties may include:

- 10.3.1.1 In the event of a first violation, the owner will be advised in writing of said violation and informed that a monetary charge will be added to the water bill for subsequent violations.
- 10.3.1.1 In the event of a second violation at the same premises, the owner will be advised in writing of said violation and a minimum \$25 charge will be added to the water bill for said premises.

10.3.1.1 In the event of any subsequent violation at the same premises, the owner will be advised in writing of said violations and a minimum \$50 charge will be added to the water bill for said premises.

10.3.1.1 Continuing waste of water or willful violation of Mount Werner Water regulations and/or restrictions is cause for temporary suspension of service or revocation of service.

10.3.2 Enforcement: The violation of any water use regulation or restriction or waste of water shall be considered grounds for the suspension or revocation of service.

10.3.1.1 The Manager or the Manager's designated representative has the authority to interpret, apply and enforce Mount Werner Water's rules and regulations for water conservation.

10.4 Water Saving Devices

10.4.1 All new connections are required to have water saving devices as follows:

10.4.1.1 All toilets shall have a maximum flush of 3.5 gallons.

All showers shall have a restrictive device installed, which shall have a measured flow, at 60 pounds per square inch, with flow not greater than 3.20 gallons per minute.

MOUNT WERNER WATER AND SANITATION DISTRICT
RULES AND REGULATIONS

**ARTICLE 11 – WELLHEAD PROTECTION PLAN FOR DISTRICT WELLS
SITUATED ON LOT 1, WILLOW GREEN SUBDIVISION EXEMPTION²**

11.1 DEFINITIONS

- 11.1.1 “WPDR” means the Wellhead Protection Delineation Report prepared by McLaughlin Water Engineers for the District for the purpose of protecting the quality of the water produced on the District Well Field from hazardous materials, such Report being more particularly identified as the Report of Findings of WPDRA Investigation Job No. 500471, prepared by John M. Kaufman and E. Thomas Cavanaugh of McLaughlin Water Engineers, including Memorandum, to Mt. Werner Water District dated December 9, 2002.
- 11.1.2 “District Well Field” means the shallow tributary infiltration gallery east of the Yampa River, including collection and pumping facilities, raw water delivery line, water treatment plant, and finished water trunk line, all located within Lot 1, Willow Green Subdivision Exemption, according to the plat thereof filed at File No. 12,955, Routt County Real Property Records.
- 11.1.3 “Zones” mean the three separate delineated geographical zones of contribution of aquifer ground water to the 2 infiltration galleries of the District in the District Well Field, over time, as shown in the WPDR, each such zone showing the area in or near the District Well Field in which contamination of hazardous materials to the ground surface will, by permeation and groundwater flow over time, be potentially intercepted by any of the infiltration gallery wells of the District located within the District Well Field, within a specified time period after placement of such hazardous materials. The Zones are divided into a two-year zone, a five-year zone, and a ten-year zone, as shown in the WPDR. The three separate Zones are hereinafter called the “Two-Year Zone”, the “Five-Year Zone”, and the “Ten-Year Zone”, and all such Zones are collectively called the “Zones” or a “Zone”. The location of the Zones was computed by mathematical model, and such location may change in the future in the event of more precise modeling or further data or in the event of a change in the flow of underground water in the vicinity of the District Well Field, and the District hereby reserves the right to relocate and change the location of the Zones in the future.
- 11.1.4 “Property” means all real property, including all improvements on real property.
- 11.1.5 “Hazardous Materials” means any material listed as a Hazardous Material under CERCLA or RCRA or by the Colorado Department of Public Health and Environment.
- 11.1.6 “CERCLA” means the federal Comprehensive Environmental Response Compensation & Liability Act.
- 11.1.7 “RCRA” means the federal Resource Conservation & Recovery Act.

² The Mount Werner Water and Sanitation District Wellhead Protection Plan as approved and adopted by Board Resolution dated June 3, 2003 has herein been codified in the June 2003 revision to the Rules and Regulations.

- 11.1.8 "Wellhead Protection Plan Mitigation Agreement" means an agreement between the District and the owner or developer of Property within the District in any Zone, by which such owner or developer agrees inter alia to the applicability and enforceability of this Section 11 of the Rules and Regulations of the District to the owner or developer and all of his, her or its successive owners of any part of the Property of such owner or developer made subject to such Agreement, and by which such owner or developer also agrees to such other and further specific mitigation provisions as may be reasonably imposed by the District and deemed acceptable to such owner or developer and as reasonably required by the District, together with appropriate enforcement and default provisions, all for the purpose of protecting the District Well Field against contamination from hazardous materials with such Property.
- 11.1.9 "Person" shall mean any natural individual as well as any legal entity, including any corporation, partnership, trust, foundation, limited liability company, limited liability partnership, limited partnership, limited liability limited partnership, or other entity lawfully created under the laws of Colorado or any other jurisdiction.
- 11.1.10 "Farm animals" shall mean cows, horses, goats, llamas, sheep, pigs, and chickens, or any animal raised or bred for commercial purposes.

11.2 GENERAL RESTRICTIONS ALL ZONES

A map showing the current location of the Zones is annexed to this Resolution and is incorporated herein by this reference, subject to the reserved right of the District to amend such map and the Zones in the future as a result of new or revised information or data or as a result of determination of change in flow of underground water in the vicinity of the District Well Field. The following restrictions, limitations, and prohibitions shall apply to all Property within any Zone, and to all persons within any Zone:

- 11.2.1 No chemical pesticides, herbicides, fertilizers, or hazardous materials shall be stored, used, or located on such Property.
- 11.2.2 No farm animals shall be kept or allowed to remain on such Property.
- 11.2.3 No changing of oil on any vehicle shall be performed or allowed on such Property.
- 11.2.4 No salt or magnesium chloride (de-icer salt) shall be used or applied to de-ice any road, drive, parking area, sidewalk, or any other natural or artificial ground cover within such Property.
- 11.2.5 Development and construction of improvements within Property located within that part of any Zone located west of U.S. Highway 40, shall be so designed and constructed that all drainage including snow storage areas will drain to the east and away from the District Well Field. Such development and improvements on a Property shall not displace the carrying capacity of the floodway and floodplain on the Property so as to increase the flood hazard in the District Well Field property. The owner/developer of the Property shall, at the request of the District, provide at such owner/developer's cost a hydrologic or water engineering report evidencing that there will be no increase in the flood hazard to the District Well Field property.
- 11.2.6 Whenever practicable and unless otherwise agreed by the Manager of the District, installations of landscaping shall be limited to native plants, thereby reducing the need for pesticides, herbicides, and fertilizers.
- 11.2.7 During construction of any improvements within any Zone, best management practices ("BMP") adopted by the City of Steamboat Springs shall be applicable.

- 11.2.8 Owners which require or adopt Protective Covenants for development on Property shall first submit such proposed Protective Covenants to the Manager of the District prior to final platting of the Property and recording of such Protective Covenants, for review and approval of such Manager, such review to be limited to consistency of such Protective Covenants with these Rules and Regulations and any Wellhead Protection Plan Mitigation Agreement.
- 11.2.9 In case of accidental spill, application, or release of any hazardous materials, the Manager of the District, the Office of the City Manager or the Director of Public Works, and the Routt County Environmental Health Department shall each be notified in person, by telephone, or by fax, within two (2) hours from the time of such spill.
- 11.2.10 The Owner of Property proposed for development shall review the development plans for such Property with the Manager and, if requested by the Manager, the Board of Directors of the District, and shall enter into a Wellhead Protection Plan Mitigation Agreement with the District before recording the final plat of the Property or conveying any property interest in the Property pursuant to such development.
- 11.2.11 No oil or gas well shall be drilled or constructed within the District in any Zone. No asphalt plant or concrete batch plant shall be constructed or operated in any Zone.
- 11.2.12 Any Underground Storage Tank or above-ground storage tank for oil or gasoline products located or relocated within the Property shall meet all current Colorado Department of Labor and Employment, Oil and Public Safety requirements for spill and overflow protection and in-tank release detection, and shall include double-walled piping and tanks and drip boxes at each dispenser location, and the use of Total Containment pump and tank fill compartments, all designed and located in a manner reasonably acceptable to the Manager of the District.
- 11.2.13 No septic systems shall be constructed, allowed, or operated in any Zone.

11.3 ADDITIONAL RESTRICTIONS IN THE 2-YEAR ZONE

- 11.3.1 All garages constructed or reconstructed within the 2-year Zone shall include in such construction installation of a garage floor drain which shall be connected with the central sanitary sewer system of the District and with an appropriately-sized and designed sand trap.
- 11.3.2 Trash collection facilities and dumpsters shall be located and designed to eliminate contamination from over-full containers and hazardous materials intentionally or inadvertently reaching the soil around the container and dumpster. Therefore, such facilities and dumpsters shall be located at all times on an impervious surface, and if required by the Manager of the District, such surface shall include installation of a floor drain which shall be connected with the central sanitary sewer system of the District.
- 11.3.3 A wetland area on the Property as identified by wetland maps of the U.S. Army Corps of Engineers shall be preserved and not disturbed.

11.4 VIOLATIONS; NOTIFICATION TO VIOLATORS; OPPORTUNITY FOR CURE

If any person shall violate or threaten to violate the provisions of this Section 11, then the Manager or any other supervisory employee of the District may notify such person of the nature of such violation or threatened violation. Such notification may be verbally or in writing, and any such writing may be delivered personally, by mail, by fax, or by electronic e-mail to such person. In the event any person receives notification of violation of this Section 11 in such manner, then such person shall immediately cease and desist continuation of such violation, and shall

commence immediately to remedy, cure, and remove the violation. Such remedy, cure, and removal of the violation shall be accomplished within a reasonable period of time consistent with the nature of the violation and as approved by the Manager of the District, but in no event later than sixty (60) days after notice of violation, unless an extended period of time is granted by the Board of Directors of the District. In the event any person receives notification of a threatened violation of this Section 11 in the above manner, then such person shall avoid such violation.

11.5 ENFORCEMENT

In the event of a violation of this Section 11 which has not been ceased after notification from the District, or which has not been remedied, cured, and removed in the manner provided in Section 11.4 above, or in the event of a threatened violation of this Section 11 which may result in imminent harm to the District Well Field and the water produced therefrom, then in addition to all other rights and remedies which the District may have under law or in equity, the District shall have the following rights and remedies:

- 11.5.1 The District may obtain in any court having jurisdiction temporary restraining orders and preliminary and permanent injunctive relief against any violator or person threatening violation.
- 11.5.2 The District may recover actual damages caused to the District by reason of such violation from the violator and from any person who has knowingly aided or abetted such violator in such violation. Recovery against more than one person shall be joint and several.
- 11.5.3 The District may undertake to clean up, terminate, and remediate the consequences of such violation, by using its own employees or independent contractors, and may recover all the cost thereof from the violator and from any person who has knowingly aided or abetted such violator in such violation. Recovery against more than one person shall be joint and several..
- 11.5.4 The District may recommend that the City of Steamboat Springs prosecute the violator and any person who has knowingly aided or abetted such violator for any applicable violation of the Steamboat Springs Municipal Code provisions arising from such violation.
- 11.5.5 The District may recover all of its costs, including the costs of experts and consultants, and all of its reasonable attorney's fees, including fees incurred in discovery, in connection with investigating, reporting, and notifying with respect to any violation, and with respect to any enforcement procedure under this Section 11.
- 11.5.6 The District Board of Directors, by resolution, after written notice and opportunity to be heard in public hearing and to present evidence and cross-examine witnesses, may assess and levy a fine of not less than \$50 nor more than \$5,000 against a violator and any person who knowingly has aided or abetted such violator in such violation. Such fine may be collected by the District by any lawful means, including (but not limited to) suit in County or District Court, termination of water and/or sewer service, or assignment to the City of Steamboat Springs for collection.
- 11.5.7 The District may terminate central water service to the Property of any violator and of any person who has knowingly aided or abetted such violator in the violation. Such termination may continue until such violation has been removed, cured, and remedied to the reasonable satisfaction of the District Manager.

11.6 MISCELLANEOUS

- 11.6.1 This Section 11 shall not apply to any real property situated outside of both the boundary of the District and the boundary of all Zones, unless the owner of such Property has agreed to be bound by this Section 11, as may hereafter be amended, pursuant to a Wellhead Protection Plan Mitigation Agreement, in which case Section 11 shall be fully and wholly applicable the same as if the Property of such owner was located both within the District and within the 2-year Zone.
- 11.6.2 The provisions of this Section 11 are supplemental to, and not superceding, any applicable provisions of the Steamboat Springs Municipal Code or any other applicable State or Federal law or regulation.
- 11.6.3 The provisions of this Section 11 may be amended at any time by the Board of Directors of the District at a public meeting called for such purpose. The District may amend the map of the Zones at any time as provided above in Section 11.2.

APPENDIX A

MOUNT WERNER WATER STANDARD SPECIFICATIONS FOR WATER AND WASTEWATER FACILITIES

District Engineering Specifications may be downloaded at:

<http://www.mwwater.com>

select "Downloads" and "Engineering Specifications"

APPENDIX B

MOUNT WERNER WATER BOARD OF DIRECTORS

BOARD OF DIRECTORS MOUNT WERNER WATER	
Name	Term Limit
Jon Halverson – President	2010
Nancy Mayer – Vice President	2012
Kathy Connell	2012
Stephen Gale	2012
Jim Randall	2010

APPENDIX C

**MOUNT WERNER WATER AND SANITATION DISTRICT
SCHEDULE OF FEES AND CHARGES**

Effective 1 January 2007

RESIDENTIAL CUSTOMERS

Quarterly charge/unit	Volume	Base
Water Service ¹	Tier I : 0 to 95 cubic meters = \$0.23 / m ³	\$21.84
	Tier II : 96-420 cubic meters = \$0.40 / m ³	
	Tier III : over 420 cubic meters = \$0.81 / m ³	
Residential Irrigation Meter ²	(see note 2)	none
Wastewater Service ³	(\$8.82 collection + \$21.18 treatment = \$30.00)	\$30.00

COMMERCIAL CUSTOMERS

Quarterly charge/unit	Volume	Base
Water Service ¹	Over 0 m ³ = \$0.32 / m ³	\$21.84
Commercial Irrigation Meter	Over 0 m ³ = \$0.40 / m ³	None
Wastewater Service ³	1st and 4th quarters – \$0.67 per m ³ of actual water use (\$0.20/ m ³ collection + \$0.47/ m ³ treatment = \$0.67/ m ³)	None
	2nd and 3rd quarters – \$0.67 per m ³ of average winter consumption (average of 1st and 4th quarter water use) (\$0.20/ m ³ collection + \$0.47/ m ³ treatment = \$0.67/ m ³)	

NOTES:

- Customers combining both residential and commercial units will be billed the water volume charges proportionately based upon square footage allocated to residential and commercial uses.
- Residential irrigation meter flow for one single family dwelling shall be combined with the house meter flow and the Tier rates applied. Residential irrigation meter flow for all other residential units including irrigation meters for common areas appurtenant to a multiple housing common community development shall be charged at the Tier II rate.
- Customers combining residential and commercial units will be billed the greater of the two methods for wastewater charges: by unit or by volume of water used.
- All wastewater treatment charges collected by the District are passed through to the City of Steamboat Springs.
- 1 cubic meter (1 m³) equals 264.17 gallons

**OTHER FEES AND CHARGES
Effective 1 January 2007**

Bulk water fee: \$1.75 per 1000 gallons

Labor Rates:

- Regular work hours (8 am to 5 pm, Monday through Friday): \$36.42/hour
- All other hours: \$54.63/hour with a minimum 2 hour charge

Superintendent Rates:

- Regular work hours (8 am to 5 pm, Monday through Friday): \$46.50/hour
- All other hours: \$69.75/hour with a minimum 2 hour charge

APPENDIX D

PROHIBITED AND SPECIAL SEWAGE

I. WATERS OR WASTES WHICH MAY BE PROHIBITED AT THE DISCRETION OF THE DISTRICT

No person shall discharge or cause to be discharged any of the following described waters or wastes to any sewer:

- Storm/flood water;
- Roof drainage water;
- Any gasoline, benzene, naphtha, fuel or oil or other flammable or explosive liquid, solid or gas;
- Any waters or wastes containing toxic or poisonous solids, liquids or gases in sufficient quantity, either singly or by interaction with other wastes, to injure or interfere with any sewage treatment process, to constitute a hazard to humans or animals, to create a public nuisance or to create a hazard in the receiving waters of the sewage treatment plant, including but not limited to cyanides in excess of two (2) milligrams per liter as CN in the wastes as discharged to the sewer;
- Any waters or wastes having a pH lower than 5.5 or having any other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the sewage works;
- Solid or viscous substances in quantities or of such size capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewage works, such as but not limited to ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, unground garbage, whole blood, paunch manure, hair and fleshings, entrails and paper dishes, cups, milk containers, etc., either whole or ground by garbage grinders.
- Heavy metal sludges
- Paints
- Pesticides
- Solvents/thinners
- Diesel
- Grease dissolving chemicals
- Ground water
- Metals
- Petroleum products
- Mine ground water
- Oil or grease (petroleum)

II. SUBSTANCES WHICH MAY BE PROHIBITED AT THE DISCRETION OF THE DISTRICT

No person shall discharge or cause to be discharged the following described substances, materials, waters or wastes to any sewer if it appears likely in the opinion of the Manager of Mount Werner Water that such wastes can harm either the sewers, sewage treatment process or equipment, can have an adverse effect on the receiving stream, or can otherwise endanger life, limb or public property or constitute a nuisance. In forming his opinion as to the acceptability of these wastes, the Manager will give consideration to such factors as the quantities of subject wastes in relation to flows and velocities in the sewers, materials of construction of the sewers, nature of the sewage treatment process, capacity of the sewage treatment plant, degree of treatability of wastes in the sewage treatment plant and other pertinent factors. The substances prohibited are:

- Any liquid or vapor having a temperature higher than one hundred fifty (150) degrees Fahrenheit (65 degrees Celsius);
- Any water or waste containing fats, wax, grease or oils, whether emulsified or not, in excess of one hundred (100) milligrams per liter, or containing substances which may solidify or become viscous at temperatures between thirty-two (32) and one-hundred fifty (150) degrees Fahrenheit (65 degrees Celsius);
- Any garbage that has not been properly shredded. The installation and operation of any garbage grinder equipped with a motor of $\frac{3}{4}$ horsepower (0.76 horsepower metric) or greater shall be subject to the review and approval of the Manager;
- Any waters or wastes containing strong acid iron pickling wastes, or concentrated plating solutions whether neutralized or not;
- Any waters or wastes containing elements or compounds in excess of concentrations as listed in current federal or state drinking water standards; or wastes exerting an excessive chlorine requirement, to such degree that any such material received in the composite sewage at the sewage treatment works exceeds the limits established by the Manager for such materials;
- Any waters or wastes containing phenols or other taste- or odor-producing substances, in such concentrations exceeding limits which may be established by the Manager as necessary, after treatment of the composite sewage, to meet the requirements of the state, federal or other public agencies of jurisdiction for such discharge to the receiving waters;
- Any radioactive wastes or isotopes of such half-life or concentration as may exceed limits established by the Manager in compliance with applicable state or federal regulations;
- Any waters or wastes having a pH in excess of 9.0;
- Materials which exert or cause:
 - Unusual concentrations of inert suspended solids, such as but not limited to fuller's earth, lime slurries and lime residues, or of dissolved solids, such as but not limited to sodium chloride and sodium sulfate;
 - Excessive discoloration, such as but not limited to dye wastes and vegetable tanning solutions;
 - Unusual BOD, chemical oxygen demand or chlorine requirements in such quantities as to constitute a significant load on the sewage treatment works;
 - Unusual volume of flow or concentration of wastes constituting slugs;
- Waters and wastes containing substances which are not amenable to treatment or reduction by the sewage treatment processes employed, or are amenable to treatment only to such degree that the sewage treatment plant effluent cannot meet the requirements of other agencies having jurisdiction over discharge to the receiving waters.

III. SPECIAL SEWAGE

The following is a list of Special Sewage which may be discharged into the Sewer System after appropriate pre-treatment by the customer pursuant to the Rules and Regulations including section 4.2.5.

- Water from a motor vehicle wash including oil & sand removal
- Water from garage floor drains without oil & sand removal
- Grease from food outlets
- Sand or grit

APPENDIX E

PETITION FOR INCLUSION OF LAND
MOUNT WERNER WATER AND SANITATION DISTRICT
A COLORADO SPECIAL DISTRICT

I. Description of Property to be Included into Mount Werner Water and Sanitation District: The following described property located in the County of Routt, State of Colorado (hereinafter called the "Property"):

As described on Exhibit "B" attached hereto.

The Property _____ is _____ is not an Enclave.

II. Names and addresses of all fee owners of Property:

The undersigned are all of the fee owners of the Property and consent and agree to the inclusion of the Property within the boundaries of the Mount Werner Water and Sanitation District (the "District"), and requests and prays that such Property be included in the boundaries of said District. The undersigned certify that no easements or rights of way will be required to be dedicated to the District or City for the completion of new water and sewer trunklines and facilities to and within the Property by completion of development thereof.

The undersigned encloses with this Petition the items required in paragraphs 1 through 8 of Exhibit "A" attached hereto, except to the extent waived by the Manager of said District, together with payment of the Processing Fee of \$ _____, payable to said District.

The undersigned acknowledges that there shall be no withdrawal from this Petition after publication of notice by the Board of Directors of the said District, without the consent of such Board, provided that the undersigned may withdraw promptly after Resolution of Inclusion by the Board if the terms and conditions of inclusion are unacceptable to the undersigned.

The undersigned further acknowledges that the inclusion of the Property within the boundaries of the District shall be upon such terms and conditions as the District shall require, including payment of an Inclusion Fee as set by the Board of the District.

The undersigned _____ request _____ do not request deferral of payment of any Inclusion Fee set by the Board.

Owners of Property:

Date: _____

Signature

Date: _____

Signature

EXHIBIT "A"

ITEMS TO BE INCLUDED WITH PETITION, UNLESS WAIVED

All inclusion petitions shall be accompanied by each of the following, unless otherwise waived by the Board or Manager:

1. A surveyed legal description of the Property, together with 3 prints of a survey map, certified to by a registered Colorado land surveyor, showing the Property, the acreage thereof, and the boundary lines of the District in relation to the Property.
2. A topographic map of the Property.
3. A map showing generally the proposed development on the Property, including location of principal water and sewer trunklines and other municipal water and sewer features, and showing the interconnections with existing District facilities and the locations of all existing easements and proposed easements for location of new water and sewer trunklines and facilities, all prepared by a registered Professional Engineer and approved by the District's engineer.
4. A narrative description by the petitioner of the proposed development or use of the Property, including a description of the density of residential, commercial, resort, industrial, and other uses, the expected consumptive use of municipal water within the development, and the expected volume of sewage effluent from such development, at maximum buildout.
5. A copy of the deeds and title insurance policies or attorney's title opinions for the Property, updated to a recent date prior to the petition, or a recent title insurer's ownership and encumbrance report ("O&E Report"), evidencing the ownership and encumbrances on the Property. The Manager or Board may waive necessity of an update to title insurance or an O&E Report if, in the petition for the inclusion, the land owner certifies that no easements or rights of way will be required to be dedicated to the District or City for the completion of new water and sewer trunklines and facilities to and within the Property by completion of development thereof.
6. If the petitioner is an entity, the names and addresses of all principals of such entity, and if any such principal is also an entity, the names and addresses of the individuals who are principals of such principal.
7. A description of all water rights owned by the petitioner and appurtenant to or used on the Property.
8. If the petitioner intends to request deferral of payment of any Inclusion Fee, a current financial statement of the land owner and such other credit information as may be reasonably requested by the Board or the Manager to evidence an ability to pay a deferred inclusion fee.

EXHIBIT "B"

DESCRIPTION OF PROPERTY TO BE INCLUDED WITHIN DISTRICT

APPENDIX F

APPLICATION FOR SERVICE FORM

PIF No. _____

**Mount Werner Water
Application for Water and Sewer Service Form**

3310 Clear Water Trail • P.O. Box 880339

Steamboat Springs, CO 80488-0339

Ph. (970) 879-2424 • Fax (970) 879-8169

Owner's Name _____ Phone _____

Mailing Address _____

Project Street Address _____

Subdivision _____ Lot _____ Block _____ Filing _____

Type of Building of Use:

- Single Family Residence
- Single Family Residence w/Caretaker Unit
- Condominium
- Duplex
- Townhouse
- Commercial
- Other

Building Permit No. _____

Number of Kitchen Units _____

Calculated Plant Investment Fees \$ _____ Date Paid _____

Temporary Construction Service End and
Beginning of Service Charge Billing Date: _____

(1) Please call 24 hours in advance for tapping services.

(2) Customer must schedule service line inspections, to include air pressure and water testing, prior to backfill

APPLICANT AGREES TO ABIDE BY ALL RULES AND REGULATIONS OF THE DISTRICT IN EFFECT AS OF THIS DATE AND AS AMENDED FROM TIME-TO-TIME

Signed by owner or representative _____ Date _____

Application approved by _____ Date _____

Mount Werner Water Plant Investment Fee Calculation Form - 2010

FORM NUMBER: 10PIF0
 DATE: _____
 NAME OF APPLICANT: _____
 MAILING ADDRESS: _____
 PHONE: _____
 PROPERTY ADDRESS: _____
 LOCATOR KEY: _____
 DESCRIBE USE: _____
 BUILDING PERMIT NO: _____

FIXTURES	QUANTITY		FIXTURE UNIT POINTS		WATER	WASTE WATER COLLECTION	WASTE WATER TREATMENT
SQUARE FOOTAGE (living area)		x	0.008	=	0.00	0.00	0.00
TOILETS & URINALS PRIVATE		x	8.100	=	0.00	0.00	0.00
TOILETS & URINALS PUBLIC		x	16.200	=	0.00	0.00	0.00
BIDET		x	5.000	=	0.00	0.00	0.00
SINKS - PRIVATE (bath,utility,laundry)		x	2.500	=	0.00	0.00	0.00
SINKS - PUBLIC		x	5.000	=	0.00	0.00	0.00
SINKS - COMMERCIAL		x	15.000	=	0.00	0.00	0.00
TUB AND/OR SHOWER - PRIVATE		x	14.300	=	0.00	0.00	0.00
TUB AND/OR SHOWER - PUBLIC		x	28.600	=	0.00	0.00	0.00
WASHING MACHINE - PRIVATE		x	10.000	=	0.00	0.00	0.00
WASHING MACHINE - PUBLIC		x	22.000	=	0.00	0.00	0.00
WASHING MACHINE - COMMERCIAL		x	60.000	=	0.00	0.00	0.00
KITCHEN - PRIVATE(includes 1 sink)		x	7.200	=	0.00	0.00	0.00
DISHWASHER - PRIVATE		x	8.700	=	0.00	0.00	0.00
DISHWASHER - COMMERCIAL		x	100.000	=	0.00	0.00	0.00
WET BAR		x	2.500	=	0.00	0.00	0.00
FLOOR DRAINS		x	7.500	=	XXXXXX	0.00	0.00
WATER SPIGOT		x	3.600	=	0.00	XXXXXX	XXXXXX
YARD HYDRANT		x	8.100	=	0.00	XXXXXX	XXXXXX
DRINKING FOUNTAIN		x	1.500	=	0.00	0.00	0.00
ICE MACHINE/WATER COOLERS		x	1.500	=	0.00	0.00	0.00
FOUNTAINS		x	2.500	=	0.00	0.00	0.00
WHIRLPOOLS/HOT TUBS		x	5.000	=	0.00	0.00	0.00
SWIMMING POOL (gallons)		x	0.003	=	0.00	0.00	0.00
CARWASH BAYS		x	150.000	=	0.00	0.00	0.00
WASTEWATER DUMP		x	500.000	=	XXXXXX	0.00	0.00
DRIVE UP RESTAURANT(no.of bays)		x	15.000	=	0.00	0.00	0.00
RESTAURANT (no.of seats)		x	2.500	=	0.00	0.00	0.00
BAR (no. of seats)		x	1.800	=	0.00	0.00	0.00
CONVENTION CENTER(no.of seats)		x	1.000	=	0.00	0.00	0.00
IRRIGATION (sq.ft. irrigated area)		x	0.010	=	0.00	XXXXXX	XXXXXX
TOTAL POINTS					0.00	0.00	0.00
					X	X	X
Fee per point					\$34.47	\$15.84	\$26.34
Fees					\$0.00	\$0.00	\$0.00

TOTAL PLANT INVESTMENT FEE DUE \$0.00

3/4" WATER METER	_____	x	\$211.96 =	\$	-
1" WATER METER	_____	x	\$374.67 =	\$	-
1 1/2" DISC WATER METER	_____	x	\$385.35 =	\$	-
2" COMPOUND WATER METER	_____	x	\$1,874.25 =	\$	-
2" Turbo Water Meter - pref for Irrigation	_____	x	\$1,079.57 =	\$	-
3" COMPOUND WATER METER	_____	x	\$2,094.75 =	\$	-
4" COMPOUND WATER METER	_____	x	\$2,634.56 =	\$	-
TOTAL DUE					\$0.00

APPENDIX H

MOUNT WERNER WATER AND SANITATION DISTRICT REQUEST FOR WATER AND SEWER SERVICES AND WAIVER AND ACKNOWLEDGMENT

The undersigned hereby requests central water and sanitary sewer collection services from the MOUNT WERNER WATER AND SANITATION DISTRICT (the "District") to the proposed building improvements (the "Improvements") on the real property described as follows (the "Property"):

The undersigned acknowledges that additional water and/or sewage collection main lines (the "New Main Lines") will be required to be installed and constructed from existing District main lines to and into the Property, that service lines (the "Interior Service Lines") will be constructed from the Improvements to the New Main Lines or existing District Main Lines, and that:

- a. Such New Main Lines and Interior Service Lines must be constructed by or under the direction of the undersigned and at the cost of the undersigned pursuant to District regulations and the engineering plans and specifications (the "Plans") to be prepared by a Colorado Professional Engineer and submitted to and approved by the District manager prior to initiation of construction.
- b. Interior Service Lines from the Improvements to the New Main Lines or existing District Main Lines cannot be physically interconnected to such New Main Lines or existing District Main Lines except by District employees or qualified contractor when authorized, in writing, by the District.
- c. Physical interconnection of Interior Service Lines to the New Main Lines or existing District Main Lines, and provision of District water and sanitary sewer collection services to the Improvements, is not permitted and cannot be allowed by the District until such New Main Lines are inspected by and preliminarily accepted by the District; EXCEPT pursuant to Temporary Construction Service as permitted under paragraph (d) below. Preliminary acceptance by the District is not effective unless made in writing signed by the District Manager.
- d. Upon written request from the undersigned to the District, the District may allow and permit temporary water and sanitary sewer services to the Improvements during the period of construction of the Improvements (herein called "Temporary Construction Service"), provided that the New Main Lines have passed biological testing and pressure testing per the District specifications, and the Interior Service Lines have passed pressure testing per the District specifications, and notwithstanding that the District has not granted preliminary acceptance of the New Main Lines. However, such Temporary Construction Service shall automatically terminate without necessity of any notice whatsoever upon the earliest to occur of (i) issuance of a certificate of occupancy or partial certificate of occupancy upon substantial completion of all or part of the Improvements, (ii) non-construction human occupancy of the Improvements for commercial or residential purposes, (iii) written preliminary acceptance of the New Main Lines by the District, or (iv) violation of District regulations by such service which is not timely cured after notice from the District, or (v) the passage of 6 months from the commencement of such Temporary Service. If such Temporary Construction Service shall so terminate, then the District reserves the right without necessity of any notice to the undersigned or its contractor or the owner or any occupant of the Improvements or Property to physically terminate and sever water and sanitary sewer services of the District to the Improvements until the New Main Lines are completed in compliance with District regulations and the approved Plans and are granted preliminary acceptance by the District Manager. The District shall have a license to enter upon the Property and the Improvements to accomplish such physical termination.

- e. Inspection of the New Main Lines for preliminary acceptance by the District shall not occur between November 1 and April 30.
- f. All costs associated with water system hydraulic modeling and fire flow calculations, related to the proposed development, to demonstrate that proposed water system changes will meet fire code and water industry standards shall be born by the undersigned. Invoicing shall be paid within 30 days.
- g. The District maintains a GIS database with information on system mains and appurtenances constructed from as-built surveys provided by developers as a requirement of Final Acceptance. The District also maintains an as-built archive on service lines as and when provided by developers. The undersigned acknowledges that the District may not have records of all mains, appurtenances, and service lines that have been installed in the District and that actual field conditions may differ from District records.
- h. Upon request, the District provides on-site water and sewer main location services. The undersigned understands that location devices use geomagnetic sensing technology and acknowledges that water and sewer location marks in the field are approximate and may be skewed by the depth of the pipe and by the presence of other utilities.

The undersigned has requested that the District approve the application of the undersigned for a building permit to construct the Improvements on the Property, even though the New Main Lines have not been (i) constructed, or (ii) physically interconnected to District Main Lines, or (iii) physically interconnected to the Improvements by the Interior Service Lines, or (iv) preliminarily accepted by the District Manager. The District is willing to approve such application for a building permit, conditioned upon the execution and continued effectiveness of this instrument with respect to water and/or sanitary sewer collection services of the District to the Improvements.

The undersigned therefore acknowledges that the approval by the District of the undersigned's application for a building permit for the Improvements shall **NOT** constitute or be deemed a waiver or modification of any policy or regulation of the District, and specifically that such approval will **NOT** entitle the undersigned or the owner or any occupant of the Property: (i) to require that the District continue the physical interconnection of Interior Service Lines to the New Main Lines or existing District Main Lines beyond termination of Temporary Construction Service in the absence of preliminary acceptance of the New Main Lines by the District Manager, or (ii) to obtain or require the District to supply municipal water to the improvements on the Property or take sewage effluent from the Property during any period in which the regulations of the District applicable to service to the Improvements are being violated with respect to the Improvements or the occupancy thereof. The undersigned further acknowledges that until the New Main Lines on the Property have been interconnected by District personnel to the Interior Service Lines and have been preliminarily accepted by the District Manager, the District may not only refuse to provide water or sewer service to the Property and the Improvements but may also shut-off or disconnect any such service, except during the period that the District permits Temporary Construction Service.

The undersigned hereby instructs the engineers and architects of the undersigned to disclose promptly to the District Manager any construction of the New Main Lines or Interior Service Lines which does not comply with District regulations and the approved Plans, and any aspect of construction of the Improvements which violates District regulations.

NO ENTITLEMENT TO WATER OR SEWAGE COLLECTION SERVICES OF THE DISTRICT IS EXPRESSED OR IMPLIED AS A RESULT OF THE APPROVAL BY THE DISTRICT OF THE APPLICATION OF THE UNDERSIGNED FOR A BUILDING PERMIT FOR IMPROVEMENTS ON THE PROPERTY, AND ANY CLAIM OF THE UNDERSIGNED FOR ANY SUCH ENTITLEMENT IS HEREBY WAIVED. THIS INSTRUMENT MUST BE RECORDED IN THE ROUTT COUNTY REAL PROPERTY RECORDS.

EXECUTED AND ACKNOWLEDGED this _____ day of _____, 200 _____

Signature

Telephone

Fax

Address

APPENDIX I (Sewer)

GRANT OF EASEMENT
(Sewer Mains)

This Easement (“Easement”) is made effective as of the day of _____, 200__, by and between _____ (“Grantor”) whose address is _____ and the Mount Werner Water and Sanitation District (the “District”) whose address is PO Box 880339, Steamboat Springs, CO 80488.

RECITALS

- A. Grantor is the owner of certain real property described as Exhibit A (the “Servient Estate”).
- B. In connection with development on the property, Grantor has agreed to grant a 20-foot wide utility easement to the District upon completion of utility work by a third party, The Steamboat Springs Redevelopment Authority.
- C. Grantor desires to grant an easement to the District over and across the Servient Estate.

AGREEMENT

1. GRANT OF EASEMENT. Grantor does hereby grant and convey unto the District, its successors and assigns, forever, a perpetual 20-foot wide easement for purposes of installation, construction, maintenance, repair and reconstruction of sewer trunk lines, manholes, and related appurtenances (the “Facilities”), and for ingress and egress of persons, vehicles, and equipment to accomplish such purposes, on, under, over and across the Property in Steamboat Springs, Colorado, more particularly described as follows:

[legal description of the 20-foot corridor through the Property measuring 10 feet distant from each side of the centerline of the sewer main AS-BUILT]

Such easement as herein granted is referred to as the “Easement.”

This Easement shall be owned in gross by the Mount Werner Water and Sanitation District and its successors and assigns and shall burden the above-referenced Servient Estate and run with said Servient Estate.

If it shall be necessary to disturb the surface of the Servient Estate to reconstruct, repair, operate or maintain such Facilities subsequent to Final Acceptance by the District of the Facilities thereof, the District shall perform such restoration work at its cost to return the disturbed surface of the Servient Estate to approximately its sub-grade condition at the time of completion of initial construction of the sewer trunk line by the Steamboat Springs Redevelopment Authority in the Easement. If Grantor installs improvements or additional landscaping within the Easement in the course of development or subsequent to completion of initial construction of the sewer trunk line by the Steamboat Springs Redevelopment Authority, such installations are at the sole risk of Grantor, and the District is not required to restore, or pay for the restoration of, such installations if the District disturbs the same in connection with reconstruction, repair, operation, or maintenance of such Facilities.

2. FUTURE VACATION OR RELEASE OF EASEMENT. The District may at any time vacate and release the Easement, or any part thereof. The Easement, or part thereof, shall be deemed to have been so vacated and released, and thus made of no further force and effect, if the District (i) executes and records in the real property records of Routt County, Colorado, a quit claim deed conveying unto the then fee owner of the real property which is burdened by the Easement, or which is burdened by the part of the Easement which is to be so vacated and released, all of its right, title and interest in and to the Easement, or part thereof, or (ii) executes and records in the real property records of Routt County, Colorado, a document stating that the Easement, or that part thereof which is to be vacated and released, is so vacated and released.

3. RELOCATION. The District understands that the Grantor, or its successors or assigns, may, from time to time in the future, require that the herein described easement, or some part thereof, be relocated in order to accommodate the development of the real property which is burdened by such easement, or by some part thereof. The District, for itself and for its successors and assigns, agrees that it shall, if requested to do so by the Grantor, or by the Grantor's successors or assigns, permit the Grantor, or its successors or assigns, to relocate said easement, or part thereof, provided (i) that the proposed relocation does not degrade the operational efficiencies of the Facilities to be relocated, or degrade the access to the Facilities by the District for maintenance, repair, or reconstruction, and (ii) that the Grantor or its successors or assigns, pays the cost of said relocation (the costs of the relocation being the actual cost of relocation or that part of the relocation costs assessed by the District under its then existing policies and procedures, whichever of said amounts is the lesser) and, (iii) that the Grantor, or its successors or assigns, grants unto the District a replacement easement (which replacement easement shall be a perpetual and unencumbered easement in substantially the same form and content as this document) for the herein easement, or part thereof, so relocated. At such time as the herein described Easement, or part thereof, is relocated pursuant hereto, the District, or its successors or assigns, shall vacate and release the herein described Easement, or part thereof, which has been replaced by the herein provided for relocated easement.

4. COUNTERPARTS. This Easement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original, but all of which shall together constitute one and the same document.

5. NUMBER AND GENDER. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular and the use of any gender shall include all genders.

6. CAPTIONS. The captions in this Easement Agreement are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of this Easement Agreement or the intent of this Easement Agreement.

7. CHOICE OF LAW. This Easement Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado without regard to its conflict of laws principles.

8. BINDING. The covenants and agreement herein set forth shall be binding upon and inure to the benefit of the Grantor and the District, their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this document on the respective dates set forth below.
GRANTOR:

Date: _____, 200__ _____

STATE OF _____)

) ss.

COUNTY OF _____)

THE FOREGOING GRANT OF EASEMENT was executed and acknowledged before me this
____ day of _____, 200__,
by _____.

Witness my hand and official seal.

My commission expires:

Notary Public

THE FOREGOING GRANT OF EASEMENT is hereby accepted by the Mount Werner Water and Sanitation District, provided that the District shall not undertake to maintain or repair any of the Facilities now or hereafter constructed within the Easement except pursuant to any subsequent written agreement of the District or resolution of its Board of Directors.

MOUNT WERNER WATER AND SANITATION DISTRICT, a Colorado special district

By: _____
General Manager

STATE OF COLORADO)

) ss.

COUNTY OF ROUTT)

The foregoing Acceptance of Grant of Easement was acknowledged before me this ____ day of _____, 200____, by _____, General Manager of the Mount Werner Water and Sanitation District, a Colorado special district.

Witness my hand and official seal.

My Commission expires: _____

Notary Public

APPENDIX I (Water)

GRANT OF EASEMENT
(Water Mains)

This Easement (“Easement”) is made effective as of the day of _____, 200__, by and between _____ (“Grantor”) whose address is _____ and the Mount Werner Water and Sanitation District (the “District”) whose address is PO Box 880339, Steamboat Springs, CO 80488.

RECITALS

- A. Grantor is the owner of certain real property described as Exhibit A (the “Servient Estate”).
- B. In connection with development on the property, Grantor has agreed to grant a 20-foot wide utility easement to the District upon completion of utility work by a third party, The Steamboat Springs Redevelopment Authority.
- C. Grantor desires to grant an easement to the District over and across the Servient Estate.

AGREEMENT

1. GRANT OF EASEMENT. Grantor does hereby grant and convey unto the District, its successors and assigns, forever, a perpetual 20-foot wide easement for purposes of installation, construction, maintenance, repair and reconstruction of and water trunk lines, manholes, and related appurtenances (the “Facilities”), and for ingress and egress of persons, vehicles, and equipment to accomplish such purposes, on, under, over and across the Property in Steamboat Springs, Colorado, more particularly described as follows:

[legal description of the 20-foot corridor through the Property measuring 10 feet distant from each side of the centerline of the sewer main AS-BUILT]

Such easement as herein granted is referred to as the “Easement.”

This Easement shall be owned in gross by the Mount Werner Water and Sanitation District and its successors and assigns and shall burden the above-referenced Servient Estate and run with said Servient Estate.

If it shall be necessary to disturb the surface of the Servient Estate to reconstruct, repair, operate or maintain such Facilities subsequent to Final Acceptance by the District of the Facilities thereof, the District shall perform such restoration work at its cost to return the disturbed surface of the Servient Estate to approximately its sub-grade condition at the time of completion of initial construction of the sewer trunk line by the Steamboat Springs Redevelopment Authority in the Easement. If Grantor installs improvements or additional landscaping within the Easement in the course of development or subsequent to completion of initial construction of the sewer trunk line by the Steamboat Springs Redevelopment Authority, such installations are at the sole risk of Grantor, and the District is not required to restore, or pay for the restoration of, such installations if the District disturbs the same in connection with reconstruction, repair, operation, or maintenance of such Facilities.

2. FUTURE VACATION OR RELEASE OF EASEMENT. The District may at any time vacate and release the Easement, or any part thereof. The Easement, or part thereof, shall be deemed to have been so vacated and released, and thus made of no further force and effect, if the District (i) executes and records in the real property records of Routt County, Colorado, a quit claim deed conveying unto the then fee owner of the real property which is burdened by the Easement, or which is burdened by the part of the Easement which is to be so vacated and released, all of its right, title and interest in and to the Easement, or part thereof, or (ii) executes and records in the real property records of Routt County, Colorado, a document stating that the Easement, or that part thereof which is to be vacated and released, is so vacated and released.

3. RELOCATION. The District understands that the Grantor, or its successors or assigns, may, from time to time in the future, require that the herein described easement, or some part thereof, be relocated in order to accommodate the development of the real property which is burdened by such easement, or by some part thereof. The District, for itself and for its successors and assigns, agrees that it shall, if requested to do so by the Grantor, or by the Grantor's successors or assigns, permit the Grantor, or its successors or assigns, to relocate said easement, or part thereof, provided (i) that the proposed relocation does not degrade the operational efficiencies of the Facilities to be relocated, or degrade the access to the Facilities by the District for maintenance, repair, or reconstruction, and (ii) that the Grantor or its successors or assigns, pays the cost of said relocation (the costs of the relocation being the actual cost of relocation or that part of the relocation costs assessed by the District under its then existing policies and procedures, whichever of said amounts is the lesser) and, (iii) that the Grantor, or its successors or assigns, grants unto the District a replacement easement (which replacement easement shall be a perpetual and unencumbered easement in substantially the same form and content as this document) for the herein easement, or part thereof, so relocated. At such time as the herein described Easement, or part thereof, is relocated pursuant hereto, the District, or its successors or assigns, shall vacate and release the herein described Easement, or part thereof, which has been replaced by the herein provided for relocated easement.

4. COUNTERPARTS. This Easement may be executed in any number of counterparts, each of which, when so executed and delivered, shall constitute an original, but all of which shall together constitute one and the same document.

5. NUMBER AND GENDER. Unless the context provides or requires to the contrary, the use of the singular herein shall include the plural, the use of the plural shall include the singular and the use of any gender shall include all genders.

6. CAPTIONS. The captions in this Easement Agreement are inserted only as a matter of convenience and for reference, and are in no way to be construed to define, limit or otherwise describe the scope of this Easement Agreement or the intent of this Easement Agreement.

7. CHOICE OF LAW. This Easement Agreement shall be construed and interpreted in accordance with the laws of the State of Colorado without regard to its conflict of laws principles.

8. BINDING. The covenants and agreement herein set forth shall be binding upon and inure to the benefit of the Grantor and the District, their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this document on the respective dates set forth below.
GRANTOR:

Date: _____, 200__ _____

STATE OF _____)

) ss.

COUNTY OF _____)

THE FOREGOING GRANT OF EASEMENT was executed and acknowledged before me this
 _____ day _____ of _____, 200__,
 by _____.

Witness my hand and official seal.

My commission expires:

 Notary Public

THE FOREGOING GRANT OF EASEMENT is hereby accepted by the Mount Werner Water and Sanitation District, provided that the District shall not undertake to maintain or repair any of the Facilities now or hereafter constructed within the Easement except pursuant to any subsequent written agreement of the District or resolution of its Board of Directors.

MOUNT WERNER WATER AND SANITATION DISTRICT, a Colorado special district

By: _____
General Manager

STATE OF COLORADO)

) ss.

COUNTY OF ROUTT)

The foregoing Acceptance of Grant of Easement was acknowledged before me this ____ day of _____, 200____, by _____, General Manager of the Mount Werner Water and Sanitation District, a Colorado special district.

Witness my hand and official seal.

My Commission expires: _____

Notary Public

APPENDIX J

PUBLIC IMPROVEMENTS COMPLETION AGREEMENT FOR

THIS PUBLIC IMPROVEMENTS COMPLETION AGREEMENT is entered into this ____ day of _____, 20__, by and between _____ whose address is _____ (hereinafter referred to as "Developer") and the MOUNT WERNER WATER & SANITATION DISTRICT, a water and sanitation district created under the laws of the State of Colorado (hereinafter referred to as "District").

WHEREAS, Developer is the owner of the real property more particularly described on Exhibit "A" attached hereto and by this reference made a part hereof, located within the boundary of the District (the "Property"); and

WHEREAS, Developer has requested that the District serve the Property with municipal water and sewer services; and

WHEREAS, the District has conditionally agreed to provide such water and sewer service to the Property provided that the Developer (i) construct certain water and/or sewer main lines to and into the Property as described generally on Exhibit "B" hereto, and (ii) comply with the conditions listed in any separate commitment letter from the District to the Developer (such main lines construction and the conditions set forth in a separate commitment letter, if any, are together referred to as the "Services Commitment"); and

WHEREAS, Article 7 of the Rules and Regulations of the District provide that the Board of Directors of the District may require that the Developer execute and enter into a Public Improvements Completion Agreement between the District and Developer whereby Developer agrees to construct the water and/or sewer main lines to and within the Property as specified on Exhibit "B" hereto, and provide to the District security for the full and faithful performance of such Agreement; and

WHEREAS, the District and Developer have entered into this Public Improvements Completion Agreement (the "Agreement") in consideration of the promises contained herein for the benefit of the public;

NOW, THEREFORE, in consideration of the recitals set forth above and the terms and provisions of this Agreement, the Developer and District agree, and Developer declares the Property, and all portions of it, is, and shall be, held, transferred, sold, and conveyed subject to the provisions of this Agreement, as follows:

1. Construction of Improvement. Developer agrees to enter into a contract with such person, firm, or corporation as is chosen by Developer, subject to approval by the District, to construct the required improvements described in Exhibit "B" which is attached to and incorporated in this Agreement, to District standards and specifications ("Required Improvements"). Before any contracts are let for any of the construction, the District shall have the right to inspect and approve or disapprove such contracts. The water and sewer main line improvements shall be deemed to be trunk or main line improvements of the District after completion and final acceptance thereof by the District. Developer shall be separately responsible for construction and maintenance of any water and sewer service lines from within the Property and from the Property boundary to such main lines, except that any service line which the District Manager determines will likely become a District main line in the future may be described on and incorporated within the Exhibit "B" requirements.

2. Regulations and Specifications. The Required Improvements shall be designed and constructed in accordance with the District's design standards and specifications and District Rules and Regulations in effect as of the date of this Agreement, other applicable state or federal regulations, if any, and the Services Commitment, all of which are hereby incorporated herein by reference and made a part of this Agreement. The final plans and specifications, in conformance with the preceding sentence, for the Required Improvements shall be submitted to the

District Manager for review and approval (the "Plans and Specifications"). All Plans and Specifications shall be submitted to, reviewed, and approved by the District Manager prior to commencement of construction of the Required Improvements. The District may require the Developer to reimburse the District for the District's cost and expense for any independent engineering review of the Plans and Specifications of Developer. The Plans and Specifications will be retained in the offices of the District.

3. Infrastructure Installation/Construction: The water and sewer service main line improvements to be constructed by Developer shall be designed, surveyed and staked by a professional engineering firm and surveyor. The Developer shall provide a professional engineer registered in the State of Colorado on site to observe and document the physical installation and construction and at the same time supervise the contractor (the "Engineer of Record"). Engineering notes and documentation related to the performance of the work shall be submitted for review by the District Manager prior to preliminary acceptance by the District. To ensure that inspections will be adequate, the Developer shall submit to the District at least 7 days prior to commencement of construction a proposal setting forth the name, address, and contact information of the Engineer of Record and a scope of services for which such Engineer of Record is responsible. The District Manager may require modification of such proposal in such Manager's discretion.

4. Completion Date. The Required Improvements shall be completed and preliminarily accepted by the District no later than _____, 20____ (the "Completion Deadline"), unless the District, in its sole discretion grants in writing an extension of this completion date to Developer. A written extension agreement shall be signed by the District Manager and Developer. No less than thirty (30) days prior to the above scheduled completion date, or any extension thereof, Developer shall notify the District Manager in writing of the upcoming completion deadline and include a progress report which shall include a statement of whether Developer expects to complete the Required Improvements by the completion date. Developer's failure to provide this notice shall be grounds for the District to withdraw from the Commitment Guarantee in accordance with paragraph 12 below.

5. Estimated Cost. The cost of constructing the improvements is estimated to be \$_____ as detailed in Exhibit B. This estimated construction cost includes the estimated present construction cost ("Initial Construction Cost"), plus a 25% contingency factor. If change orders are required during the course of construction which increases the Initial Construction Cost or any subsequently agreed adjustment thereof by more than ten percent (10%), as a result of increased costs of material or labor or mutually agreed changes to the Plans and Specifications, then Developer shall obtain at its cost and deliver to the District a replacement Commitment Guarantee in the amount of 125% of the increased amount. The Developer shall notify the District Manager in writing of any such change and supply the District with such replacement promptly after becoming aware of such change.

6. Commitment Guarantee. Developer's performance under this Agreement is guaranteed by an irrevocable Letter of Credit issued by _____ (the "Letter of Credit" or "Commitment Guarantee"). The issuer of the Letter of Credit must be a national or Colorado banking institution regulated by the OCC and doing business in Routt County, Colorado. The maturity date of the Letter of Credit is no sooner than thirty (30) days after the Completion Deadline. The Letter of Credit will be retained by the District until released or used as provided in this Agreement. The District may irrevocably waive the right to withdraw a percentage of such Letter of Credit upon satisfactory completion of the Required Improvements in the manner set forth in Paragraph 14 below. Should the Required Improvements not be completed and preliminarily accepted by the District at least 30 days prior to the expiration of the Letter of Credit, then the Developer shall be deemed to be in default of this Agreement and the District may withdraw from the Letter of Credit up to the full amount thereof in order to complete all Required Improvements, unless prior to such deadline the Developer has obtained and delivered to the District an extension of said Letter of Credit issued by the original issuer thereof or a replacement Letter of Credit issued by a qualified bank acceptable to the District Manager. Developer shall pay all costs of extending or replacing Letters of Credit. Should the District reasonably determine at any time that the Commitment Guarantee on deposit is insufficient to complete construction of the Required Improvements, the District may require Developer to replace the Letter of Credit with a higher amount Letter of Credit or deposit additional funds with the District, such increase to be in the amount which the District reasonably believes necessary to complete the Required Improvements by the Completion Deadline.

7. Easements for Main Lines. Before commencing the construction of any of the Required Improvements, Developer shall acquire, at its own expense, good and sufficient title to all lands, easements, and facilities traversed by any Required Improvements in which the District is to have any ownership interest or maintenance responsibility pursuant to the Services Commitment. All main lines constructed as part of the Required Improvements shall be located within public rights-of-way or within perpetual and unencumbered easements dedicated on plats or by separate instruments from the Developer to the District, using such form as is approved by the District's attorney or District Manager. If requested by the District Manager, Developer shall at its cost provide a title insurance commitment and policy to the District to assure the District of good title to any or all of such easements. All easements shall be conveyed or dedicated to the District on or before the date of request by the Developer to the District for preliminary acceptance by the District of such Required Improvements. As a condition to and before final acceptance by the District, the Developer shall convey by bill of sale to the District the installed main lines and appurtenances.

8. Release of Liability. Except for improvements constructed by the District, Developer shall indemnify and save harmless the District, its employees, agents and Board of Directors, from any and all suits, actions, or claims of every nature and description caused by, arising from, or on account of the construction of the Required Improvements, and pay any and all judgments rendered against the District, its employees, agents and Board of Directors on account of any such suit, action, or claim, together with all reasonable expenses and attorney's fees incurred by any of them in defending such suit, action or claim.

9. Insurance. Developer shall assure that all contractors and other employees engaged in the construction of the Required Improvements will maintain workmen's compensation insurance. Before proceeding with any construction of the Required Improvements, Developer shall provide the District Manager with written evidence of Public Liability Insurance with single incident and aggregate limits not less than One Million Dollars (\$1,000,000.00) for bodily injury, death, and property damage, in form acceptable to the District Manager, naming the District as an additional insured, and protecting the District against any and all claims for damages or injury to persons or property resulting from construction and installation of any Required Improvements. The policy will provide that the District shall be notified at least thirty (30) days in advance of any reduction in coverage, termination or cancellation of the policies, and if any policy is terminated or cancelled, the Developer shall immediately obtain at its cost and provide to the District a replacement policy. Such notice shall be sent certified mail. Developer also warrants that any contractors engaged by or for Developer to construct the Required Improvements shall maintain Public Liability Insurance coverage in limits not less than those mentioned above.

10. Warranty. Developer hereby warrants that all Required Improvements will be installed in a good and workmanlike manner and in accordance with the provisions of Section 1 and 2 hereof and the design and specification standards and rules and regulations of the District now in effect.

11. Completion Procedures and Inspection. Upon completion of the Required Improvements, Developer shall notify the District Manager in writing of such fact and request preliminary inspection of the completed Required Improvements. Such request must be accompanied by (i) all necessary easements for District main lines in accordance with Paragraph 7 above, and (ii) as-built engineering and centerline survey drawings for all main lines and appurtenances, and for service lines up to the location of local water curb stops and sewer clean outs. The District or its Consulting Engineer shall inspect said completed Improvements, and the District Manager shall notify Developer in writing of non-acceptance or preliminary acceptance of the completed Required Improvements; provided, however, that the District and its Consulting Engineer are not required to make inspections during periods when climatic conditions make thorough inspection unfeasible or between November 1 and the following April 30. If the Required Improvements are not acceptable, the reasons for non-acceptance shall be stated in writing, and corrective measures shall be developed by the District with the consent of Developer within 15 days and at Developer's sole expense, including a deadline for completion of such corrective measures, and if such deadline is after 30 days before the expiration of the Commitment Guarantee, Developer shall promptly obtain either an extension of the Letter of Credit or a replacement Letter of Credit having an expiration date at least 30 days later than the deadline for completion of such corrective measures.

12. Default; Withdrawal From Commitment Guarantee. If:
- (a) Construction of the Required Improvements is not completed in accordance with the District's Rules and Regulations or the Plans and Specifications provided to and approved by the District Manager pursuant to Paragraph 2 above by (i) the Completion Deadline, and such Deadline has not been extended by mutual written agreement of the District and Developer, or (ii) at least 30 days prior to the then-existing Commitment Guarantee; or
 - (b) The Developer fails to deliver to the District the report required under Paragraph 4 above by the deadline for such report; or
 - (c) The Developer fails to obtain and deliver to the District a replacement Commitment Guarantee in accordance with Paragraph 5 above; or
 - (d) The Developer fails to agree in writing to the corrective measures required by the District after requesting preliminary acceptance of the Required Improvements, within 15 days pursuant to Paragraph 11 above; or
 - (e) The Developer fails to complete such corrective measures within the deadline established for such measures, or fails to deliver to the District an extension of the Commitment Guarantee or a replacement Letter of Credit, pursuant to Paragraph 11 above; or
 - (f) The Required Improvements have not been completed and preliminarily accepted by the District at least 30 days prior to the expiration of the Letter of Credit, unless prior to such deadline the Developer has obtained and delivered to the District an extension of said Letter of Credit issued by the original issuer thereof or a replacement Letter of Credit issued by a qualified bank acceptable to the District Manager; or
 - (g) The Developer has not delivered to the District the required Easements pursuant to Paragraph 7 above at least 30 days prior to the expiration of the Letter of Credit or any extension or approved replacement thereof; or
 - (h) The Developer otherwise fails to perform any obligation under this Agreement and does not cure such failure within 7 days of written demand for such cure from the District, or the Developer is declared by the District to be in default of this Agreement by any other provision in this Agreement;

then in any such case the District Manager or President may declare a default in this Agreement with respect to the Required Improvements upon written notification to Developer and the issuer of the Commitment Guarantee, and, without the necessity of public hearing or other notice or any other act, immediately withdraw from the Commitment Guarantee such funds (up to the full face amount of such Guarantee) as may be necessary, in the opinion of the District Manager or President, to construct or complete said Required Improvements in accordance with the agreed Plans and Specifications and obtain the easements required to be obtained under Paragraph 7 above.

13. Preliminary Acceptance. The period between preliminary acceptance and final acceptance shall be one year for all Required Improvements or until final acceptance is given by written resolution duly and properly adopted and passed by the Board of Directors of the District, whichever occurs later. All periods of preliminary acceptance shall run from the date of written notification of preliminary acceptance by the District to the Developer. During the period of preliminary acceptance, the Developer shall, at its own expense, make all needed repairs, corrections, or replacements due to defective materials or workmanship and be responsible for all maintenance of the Required Improvements. In the event of default of any of these obligations by Developer, the District, without notice to Developer, may perform such obligations at the sole expense of Developer and may withdraw from the remaining Commitment Guarantee funds to pay for such expenses.

14. Partial Waiver by District of Portion of Commitment Guarantee, and Reduction of Commitment Guarantee, Upon Preliminary Acceptance of Required Improvements. Upon preliminary acceptance by the District of all Required Improvements, the District will include in the written notification of such preliminary acceptance an irrevocable waiver by the District of the right to withdraw eighty-five percent (85%) of the then face amount of the Commitment Guarantee, and thereby the required continuing amount of such Commitment Guarantee until final acceptance of the Required Improvements shall be fifteen percent (15%) of the face amount of the Commitment Guarantee as of the date of preliminary acceptance. Such 15% retention shall be for the purpose of insuring the completion by Developer of necessary repairs, corrections, and replacements of the Required Improvements prior to final acceptance due to deficiencies in workmanship and/or material. After preliminary acceptance, the Developer may replace the Letter of Credit constituting the Commitment Guarantee with a substitute Letter of Credit in the amount of 15% of the replaced Letter of Credit.

15. Final Acceptance and Maintenance for Public Improvements. Following the period of preliminary acceptance for the Required Improvements, the District Manager or its Consulting Engineer shall inspect said Required Improvements for final acceptance upon written request by the Developer. Inspection shall only occur in the months of May through October. The District Manager shall notify Developer in writing of non-acceptance or final acceptance. If the Required Improvements or any part thereof are not acceptable, the reasons for non-acceptance shall be stated in writing and corrective measures shall be developed by the District, with the assistance of Developer, and at Developer's sole expense, including a deadline for completion of such corrective measures, and Developer shall promptly obtain either an extension of the reduced Letter of Credit or a replacement Letter of Credit having an expiration date at least 30 days later than the deadline for completion of such corrective measures.

If all of the Required Improvements are found to be acceptable, the District, following a Resolution of Acceptance of improvements by the District Board of Directors, shall release and redeliver the entire remaining Commitment Guarantee to the Developer, and shall, as of the date of such Resolution, assume full ownership and maintenance responsibility for the main lines and related appurtenances (but not service lines) in the Required Improvements as would normally accrue to the District according to the District's Rules and Regulations.

16. Recording Agreement. The District shall record this Agreement with the Clerk and Recorder of Routt County, Colorado.

17. Enforcement. If the District determines that there is a violation of Colorado law or City of Steamboat Springs ordinances, or District Rules and Regulations or design and specifications standards, and/or the terms and provisions of this Agreement, the District Manager may at any time issue a cease and desist order to the Developer. Thereafter, Developer acknowledges irreparable harm and injury to the District for purposes of an application by the District to the Routt County District Court for a restraining order or preliminary injunction to halt such violation. If at any time the District Board of Directors, after notice to Developer and opportunity to be heard, determines at a public meeting that the Commitment Guarantee is insufficient to guarantee completion of the Required Improvements in accordance with this Agreement, then the District may require Developer to obtain and deliver to the District additional collateral satisfactory to the District to guarantee completion of the Required Improvements, and may declare a default in this Agreement under Paragraph 12 above and take all actions permitted under such Paragraph 12.

If the Developer is in default under this Paragraph 17 or under Paragraph 12 above, then in addition to all remedies elsewhere provided in this Agreement, the District has the right to pursue any remedy provided by law and in equity, and, if the District obtains any such remedy, the District shall also recover judgment for its reasonable attorney's fees and costs against Developer. As an alternative to the remedies provided in the preceding sentence or in Paragraph 12 above, in the event of the default by Developer under this Agreement, the District has and reserves the right and authority, in its sole discretion, prior to preliminary acceptance, to withdraw its approval of the Plans and Specifications and any service commitment of the District, and may refuse to provide water and sewer services of the District to the Property and improvements thereon until the default is fully cured.

18. Miscellaneous. This Agreement runs with the Property, and is binding on and inures to the benefit of the heirs, representatives, transferees, successors and assigns of the parties. The paragraph headings are descriptive only and neither amplify nor limit the substantive material. The failure to enforce or the waiver of any

EXHIBIT "A"
TO THE
PUBLIC IMPROVEMENTS COMPLETION AGREEMENT

[Description of Property Owned by Developer]

APPENDIX K

WELLHEAD PROTECTION DELINEATION MAP

This map is available by contacting the General Manager at (970) 879-2424