



**METRO WATER RECOVERY**  
formerly  
**Metro Wastewater Reclamation District**  
formerly  
**Metropolitan Denver Sewage Disposal District No. 1**

**6450 York Street**  
**Denver, Colorado 80229**  
**(303) 286-3000**

**SEWAGE TREATMENT**  
**AND**  
**DISPOSAL AGREEMENT**  
**(SERVICE CONTRACT)**

**WORKING COPY\***

Re-Published June 2008  
As Amended through January 15, 2008

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\* The Service Contract was executed on March 30, 1964, by the Metro Water Recovery Board of Directors. This republished version includes refinements and amendments approved by the Board of Directors through the years. It is intended to be a working copy and not a legal and binding copy.

**METRO WATER RECOVERY**

**SERVICE CONTRACT  
TABLE OF CONTENTS\***

	<u>Page</u>
Preambles .....	P-1
Mutual Covenants, Promises, and Agreements .....	P-5

**ARTICLE I  
SHORT TITLE, DEFINITIONS, AND INTERPRETATIONS**

Section 101. Short Title .....	I-1
Section 102. Meanings and Constructions.....	I-1
A. Definitions.....	I-1
B. Construction .....	I-8
Section 103. Successors .....	I-8
Section 104. Parties Interested Herein .....	I-8

**ARTICLE II  
ACQUISITION OF THE PROJECT AND OPERATION OF THE SYSTEM**

Section 201. Acquisition and Purpose .....	II-1
Section 202. Extension and Alterations .....	II-1
Section 203. Performing Duties .....	II-1
Section 204. Further Assurances.....	II-1
Section 205. Operation and Maintenance of System .....	II-2
Section 206. Rules, Regulations, and Other Details .....	II-2
Section 207. Payment of Lawful Governmental Charges.....	II-2
Section 208. Consulting Engineer and Project Engineer.....	II-2
A. Consulting Engineer .....	II-2
B. Project Engineer .....	II-2
C. Filing Copies.....	II-3
Section 209. Insurance and Reconstruction .....	II-3
Section 210. Alienating System .....	II-3

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\* This Table of Contents is not a part of the Sewage Treatment and Disposal Agreement, dated as of the first day of January 1964, and sometimes designated as the "Service Contract."

	<u>Page</u>
Section 211. Records, Accounts, and Audits .....	II-3
A. Income and Expenditures .....	II-4
B. Balance Sheet .....	II-4
C. Independent Accountant's Comment .....	II-4
D. Listing Insurance.....	II-4
E. Recapitulation of Funds and Accounts.....	II-4
F. Connections of Municipalities.....	II-4

### **ARTICLE III**

#### **GENERAL PROVISIONS CONCERNING SEWAGE DISPOSAL SYSTEM**

Section 301. Tributary Sewer Systems .....	III-1
Section 302. Connections to System .....	III-1
Section 303. Service Rendered by Metro Water Recovery and by Municipalities .....	III-2
Section 304. Competing System.....	III-2
A. Not Economically Feasible.....	III-2
B. Security Not Substantially Impaired .....	III-2
C. Approval Granted by Act.....	III-2
Section 305. Construction of Other Sewage Disposal Systems Prohibited .....	III-2
Section 306. Limitations upon Consent.....	III-3
Section 307. Form of Consent.....	III-3
Section 308. Special Connectors.....	III-3

### **ARTICLE IV**

#### **DELETERIOUS WASTES**

Section 401. Additional Definitions .....	IV-1
Section 402. RESERVED .....	IV-1
Section 403. RESERVED .....	IV-1
Section 404. Modification of Deleterious Wastes Requirements .....	IV-1
Section 405. Determination of Quantity, Quality, and Characteristics of Sewage .....	IV-2
Section 406. Storm Waters.....	IV-2

	<u>Page</u>
Section 407. RESERVED .....	IV-2
Section 408. RESERVED .....	IV-2
Section 409. RESERVED .....	IV-2

## ARTICLE V

### METRO WATER RECOVERY BUDGET, ANNUAL CHARGES, SERVICE CHARGES AND THEIR ESTABLISHMENT AND COLLECTION

Section 501. Annual Budget .....	V-1
A. Preparation of Preliminary Budget .....	V-1
B. Hearing on Preliminary Budget .....	V-1
C. Adoption of Annual Budget .....	V-1
D. Quasi-Annual Budget.....	V-1
E. Amendment of Annual Budget .....	V-1
Section 502. Limitations on Operation and Maintenance Expenses.....	V-2
Section 503. Levy, Collection, and Calculation of Annual Charges .....	V-2
Section 504. Filing Copies of Schedule .....	V-3
Section 505. Compliance with Service Contract and Enforcement of Annual Charges .....	V-3
Section 506. Charges Limited to Connecting Municipalities.....	V-3
Section 507. Annual Charges in Lieu of Service Charges.....	V-4
Section 508. Methods for Allocation of Annual Charges and Determination of Rates .....	V-4
Section 509. Sewer Connection Charge .....	V-4
Section 510. Definition of New Connection and Altered Connection .....	V-5
Section 511. Applications of Sections 509 and 510 .....	V-5

## ARTICLE VI

### PAYMENT BY CONNECTING MUNICIPALITIES

Section 601. Connecting Municipality's Duty to Pay Charges .....	VI-1
Section 602. Certification of Estimated Charges.....	VI-1
Section 603. Preliminaries to Payment by Connecting Municipalities .....	VI-1
Section 604. Time of Payment by Connecting Municipality.....	VI-1
Section 605. Final Adjustment of Each Charge.....	VI-1

	<u>Page</u>
Section 606. Hearing on and Notice of Final Adjustment .....	VI-2
Section 607. Time of Making Adjustments to Estimated Charges .....	VI-2
Section 608. Payments to Balance Adjustment .....	VI-2
Section 609. Limitations upon Adjustment of Charges .....	VI-2
Section 610. Enforcement .....	VI-3
Section 611. Character of Obligations .....	VI-3

## **ARTICLE VII**

### **ABANDONMENT OF SEWER SYSTEM FACILITIES**

Section 701. Abandonment Permitted .....	VII-1
Section 702. Notice of Abandonment .....	VII-1

## **ARTICLE VIII**

### **INCLUSION OF ADDITIONAL MUNICIPALITIES IN DISTRICT**

Section 801. Conditions of Inclusion .....	VIII-1
Section 802. Party to This Agreement .....	VIII-1

## **ARTICLE IX**

### **MISCELLANEOUS**

	<u>Page</u>
Section 901. Effective Date .....	IX-1
Section 902. Terms of Agreement .....	IX-1
Section 903. Securities of District .....	IX-1
Section 904. Absence of Representations .....	IX-1
Section 905. Conformance with Laws .....	IX-1
Section 906. Acts of God .....	IX-1
Section 907. Nonassignability .....	IX-2
Section 908. Amendments .....	IX-2
Section 909. Severability .....	IX-2
Section 910. Execution of Documents .....	IX-2
Section 911. Waiver .....	IX-2

Section 912.	Remedies .....	IX-2
Section 913.	Entirety .....	IX-2

**EXECUTION OF THE SERVICE CONTRACT (SIGNATURE PAGE)**

Schedule A.	List of Initial Connecting, Metering, and Sampling Points	
Schedule B.	Methods for Allocation of Annual Charges and Determination of Rates	
Schedule C.	Determination of Sewer Connection Charges	

**SEWAGE  
TREATMENT AND DISPOSAL  
AGREEMENT**

(herein sometimes referred to as the  
"Service Contract" or merely as the "Agreement")

MADE AND DATED as of the first day of January 1964, but actually executed on the 30th day of March 1964,

by and between the

**METROPOLITAN DENVER SEWAGE DISPOSAL DISTRICT NO. 1**

(herein sometimes referred to as the "District"), a public body politic and corporate, a quasi-municipal district, and a governmental and political subdivision of the State of Colorado (herein sometimes referred to as the "State"),

and the

Alameda Water and Sanitation District  
City of Arvada  
Baker Metropolitan Water and Sanitation District  
Bancroft Water and Sanitation District  
Berkeley Water and Sanitation District  
City and County of Denver  
East Lakewood Sanitation District  
Highland Park Sanitation District  
North Table Mountain Water and Sanitation District  
North Washington Street Water and Sanitation District  
Northwest Lakewood Sanitation District  
Westminster Sanitation District  
Wheat Ridge Sanitation District

(herein sometimes individually and collectively referred to as a "Municipality" and as "Municipalities," respectively), each a public body politic and corporate, a municipal or quasi-municipal corporation, and a governmental and political subdivision of the State:

WHEREAS, the District, now situated in the Counties of Adams and Jefferson and the City and County of Denver, within the State, was duly organized on the 15th day of May 1961, and its officers from time to time have been duly chosen and qualified; and

WHEREAS, the immediate interest of the District and the public interest and necessity demand the construction, installation, and other acquisition of a sewage disposal system for the District (herein sometimes referred to as the "Sewage Disposal System" or merely as the "System" and as the "Project," respectively), as authorized by Chapter 89, Article 15, Colorado Revised Statutes 1953, 1960 Permanent Cumulative Supplement, as amended by Chapter 69, Session Laws of Colorado 1962 (herein sometimes referred to as the "Act"); and

WHEREAS, the District has caused to be made plans and specifications for the acquisition of the System and extensive engineering studies concerning the schedule of rate formulae and cost of the System, including, without limiting the generality of the foregoing, an economic feasibility report appertaining to the Project; and

WHEREAS, at a special bond election of the taxpaying electors of the District held for and within the District on Tuesday, the 11th day of December 1962, between the hours of 7 a.m. and 7 p.m., there was submitted to said tax-paying electors a question authorizing the District to issue its bonds, as follows:

Shall the Metropolitan Denver Sewage Disposal District No. 1, in the Counties of Adams and Jefferson and City and County of Denver, and State of Colorado, be authorized to issue in one series or more the District's negotiable or non-negotiable, or both negotiable and non-negotiable, sewer acquisition bonds, in the aggregate principal amount of not exceeding \$32,500,000, for the purpose of defraying all or a part of the cost of the construction, installation and other acquisition of a sewage disposal system for the District, including, without limiting the generality of the foregoing, a sewage treatment plant, sewage treatment works, intercepting sewers, outfall sewers, force mains, water lines, pumping plants or stations, and appurtenances useful or convenient for the interception, transportation, treatment, purification or disposal of sewage and industrial wastes, and all necessary lands, interest in lands, easements, and water rights, and any other cost of said project, as authorized by Chapter 89, Article 15, Colorado Revised Statutes 1953, 1960 Permanent Cumulative Supplement, as amended, the bonds bearing interest at a rate or rates not exceeding six per centum (6%) per annum, pledging the full faith and credit of the District for their payment, and being payable from any tax proceeds and other revenues of the District at such time or times over not exceeding forty (40) years from their date or respective dates, and being issued and sold at or above par or below par at a price resulting in a net interest cost of not exceeding six per centum (6%) per annum, in such manner, upon such terms and conditions, with such covenants and agreements, and with such other detail as the District's Board of Directors may determine, including at its option provisions for the redemption of bonds prior to their respective maturities without or with the payment of a premium not exceeding six per centum (6%) of the principal amount thereof, and provisions for additionally securing the payment of the bonds by a specific pledge of revenues of the District?

and

WHEREAS, of the 27,855 valid votes cast upon the bond question so submitted, 25,099 votes were cast for the bonds, and 2,756 votes were cast against the bonds; and thus the bonds were authorized to be issued by a majority of 22,343 votes; and

WHEREAS, the District has the power:

- (a) To fix and from time to time to increase or to decrease rents, rates, fees, tolls, and other charges to the Municipalities for connection with or use of services of the District's System, including minimum charges and charges for availability of service (herein sometimes designated as "Service Charges");
- (b) To pledge such revenue for the payment of any securities of the District;



- (c) To levy during the first five (5) years of the District's existence and to collect general (ad valorem) taxes (herein sometimes designated as "taxes") on and against all taxable property within the District not exceeding in the aggregate for the five-year period a total of three-fourths (0.75) of one (1) mill;
- (d) To borrow money in anticipation of taxes or other revenues, or both, to issue notes to evidence the amount so borrowed, to secure their payment by a pledge of taxes and other revenues of the District, including, without limiting the generality of the foregoing, proceeds of bonds to be issued or reissued hereafter, and to issue and to pledge bonds as collateral security for the payment of the notes;

and

WHEREAS, at a meeting held on Tuesday, the 26th day of November 1963, the Board officially filed with the Secretary a resolution fixing a schedule of the methods for the determination of Service Charges and of the rates for their allocation (herein sometimes designated as the "Rate Schedule") by which the annual revenue requirements of the District shall be apportioned from time to time as Service Charges among the Municipalities; and

WHEREAS, the Board, on behalf of the District, held a public hearing after personal, mailed and published notice thereof on the Rate Schedule at a meeting in the Ground Level Auditorium, Farmers Union Building, 1575 Sherman Street, Denver, Colorado, within the District, on Tuesday, the 17th day of December 1963, commencing at the hour of 8 p.m., as to the propriety and advisability of determining such Service Charges by the Rate Schedule, at which public hearing any representative of any Municipality or any other interested person was permitted to appear and to be heard; and

WHEREAS, after said hearing at said meeting the Board adopted said Rate Schedule resolution; and

WHEREAS, plans and specifications have been substantially completed for the major intercepting sewers and outfall sewers constituting a part of the Project, commonly designated as the Clear Creek Interceptor, Bear Creek Interceptor, Sanderson Gulch Interceptor, Weir Gulch Interceptor, Lakewood Gulch Interceptor, Platte River Interceptor, Sand Creek Interceptor, and the Effluent Pipe Line from the North Denver treatment plant (herein sometimes designated as the "Interceptors"); and

WHEREAS, the District is in the process of causing the construction and other installation of the Interceptors and has let contracts therefor; and

WHEREAS, the construction and other acquisition of the Interceptors and the discharge therein of sewage by the Municipalities from their respective Sewer Systems (herein sometimes designated as the "Sewer Systems") will substantially alleviate a substantial danger to the health, safety, and welfare of the inhabitants of the State, as the Municipalities will thereby discharge in the Platte River below densely populated urban areas in metropolitan Denver rather than in creeks and rivers running through such areas and from which are taken some water for potable water supplies; and

WHEREAS, the District has:

- (1) Borrowed \$7,000,000 for the purpose of defraying the costs of financing the construction and other acquisition of the Interceptors, repaying certain loans for preliminary expenses and otherwise appertaining to the Project, defraying the costs of a plant site and rights-of-way, and defraying incidental expenses and other costs of the Project; and
- (2) Evidenced such loan by the issuance of a "Metropolitan Denver Sewage Disposal District No. 1, Colorado, Bond Anticipation Note, Series April 1, 1963," the payment of which is secured by a pledge of the full faith and credit of the District; and
- (3) Secured the payment of said note by the issuance and the pledge of a bond of the District designated as the "Metropolitan Denver Sewage Disposal District No. 1, Colorado, Sewer Acquisition Bond, Series April 1, 1963," in the principal amount and denomination of \$7,000,000, numbered R-1, as collateral security therefor, the payment of which bond is secured:
  - (a) By a pledge of the full faith and credit of the District and
  - (b) By a pledge of the net income to be derived from the operation and use of the interceptors;

and

WHEREAS, the District now proposes to fund said loan in the principal amount of \$7,000,000 by the issuance and reissuance in 1964 of bonds of the District for that purpose, as well as for other purposes appertaining to the Project, in the principal amount of not exceeding \$32,500,000, as authorized by the Act and by the above-designated bond question, at which time the above-designated Note and the Bond pledged as collateral security shall thereupon be cancelled; and

WHEREAS, the Municipalities caused the District to be organized for the acquisition, operation, and maintenance of a Sewage Disposal System for the Interception from the Municipalities, transportation, treatment, purification, and disposal of sewage and industrial wastes in an efficient and economical manner; and

WHEREAS, the District has designed and prepared plans and specifications for the sewage treatment works and the other portions of the Project and is proceeding to acquire all necessary lands, interest in lands, easements, and water rights appertaining to the Project; and

WHEREAS, the District also has the power:

- (1) To enter, without an election, into joint operating or service contracts and agreements, acquisition, improvement or disposal contracts, or other arrangements for any term not exceeding fifty (50) years with any Municipality or person concerning sewage facilities, sewers, sewer system, intercepting sewers, project or sewage disposal system, and any water and water rights appertaining thereto, whether acquired by the District, or by any public body or other person, and to accept grants and contributions from any public body or other person in connection therewith; and when determined by the Board to be in the public interest and necessary for the protection of the public health, to enter into and to

perform, without an election, contracts and agreements for any term not exceeding fifty (50) years with any Municipality or person for the provision and operation by the District of sewage facilities, sewers, Sewer System, intercepting sewers, project or sewage disposal system to abate or reduce the pollution of waters or other nuisance caused by discharges of sewage, liquid wastes, solid wastes, night soil, and industrial wastes by the Municipality or person and the payment periodically by the Municipality or person to the District of amounts at least sufficient, in the determination of the Board, to compensate the District for the cost of providing, operating, and maintaining the sewage facilities, sewers, sewer system, intercepting sewers, project or sewage disposal system serving such Municipality or person; and

- (2) To enter and perform, without an election, contracts and agreements with any Municipality or person for or concerning the planning, construction, lease, or other acquisition, operation, maintenance, improvement, equipment, disposal, and the financing of any project, including but not necessarily limited to any contract or agreement for any term not exceeding fifty (50) years; and

WHEREAS, each Municipality similarly has the power so to contract with the District; and

WHEREAS, the District cannot finance on satisfactory terms the acquisition, operation, and maintenance of the Sewage Disposal System, unless the District treats and disposes of the sewage from the Sewer System of each Municipality, except to the extent its governing body determines to utilize therefor the existing facilities of the Municipality, and unless each Connecting Municipality is legally bound to accept and to pay for such sewage treatment and disposal service by the District from the time the District's Sewage Disposal System, or any part thereof, goes into operation; and

WHEREAS, the District and the Municipalities desire to provide for financing the District's monetary and budget requirements from time to time by contract providing for annual charges (herein sometimes referred to as "Annual Charges") to be paid by each Municipality as herein provided, in lieu of Service Charges unilaterally fixed, charged, and collected by the District independent of any such contract (excluding any Service Charges appertaining only to any Interceptors), and otherwise appertaining to the District's Sewage Disposal System and to the Sewer System of each Municipality; and

WHEREAS, the District and the Municipalities have determined to enter into this agreement (herein sometimes referred to as the "Service Contract" or merely as the "Agreement") for the aforesaid purpose.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

That in consideration of the premises, of the mutual covenants and agreements herein set forth, and of the undertakings of each party to the others, and in order to secure the payment of the operation and maintenance expenses of the District, the payment of the principal of and the interest on the bonds and other obligations of the District to be hereafter issued or otherwise incurred, and the payment of any other financial obligations of the District, the parties hereto, each binding itself, its respective representatives, successors, and assigns, do mutually COVENANT, UNDERTAKE, PROMISE, AND AGREE, as follows:

## ARTICLE I

### SHORT TITLE, DEFINITIONS, AND INTERPRETATIONS

#### Section 101. Short Title.

This Agreement may be referred to as the "Service Contract" (herein sometimes designated as the "Agreement").

#### Section 102. Meanings and Constructions.

A. **Definitions.** The terms in this section defined for all purposes of this Agreement and of any agreement amendatory hereof or supplemental hereto or relating hereto, and of any instrument or document appertaining hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

- (1) **Acquire or Acquisition** means the purchase, construction, reconstruction, lease, gift, transfer, assignment, option to purchase, or grant from the Federal Government, any public body or other person, endowment, bequest, devise, installation, condemnation, other contract, or other acquirement (or any combination thereof) of facilities, other property, any project, or an interest therein, as authorized by the Act.
- (2) **Act** means the act governing the District and authorizing this Agreement, which act is commonly designated as the "Metropolitan Sewage Disposal Districts Act of Colorado," was adopted as Chapter 55, Sessions Laws of Colorado 1960, was re-enacted as Title 32, Article 4, Part 5, Colorado Revised Statutes 1973, as amended.
- (3) **Alter or Alteration** appertains to any structure or other Facility which is not completed as a part of the Project or to any enlargement or change of structure or other Facility which enlargement or change is not completed as a part of the Project, but does not include an Extension, a reconstruction, replacement, or repair of a part of the System acquired as the Project, nor does it include an enlargement or change of the sewage treatment plant acquired as part of the Project.
- (4) **Annual Budget** means the budget or the amended budget for a Fiscal Year and adopted by the District or in effect pursuant to Section 501 hereof.
- (5) **Annual Charges** means the sums paid or becoming payable to the District pursuant to this Service Contract and pursuant to any agreement supplemental thereto.
- (6) **Associated Municipality** means a Municipality, as herein defined, which is not a Connecting Municipality, as herein defined.
- (7) **Board or Board of Directors** means the Board of Directors of the District.
- (8) **Bond Question** means the question authorizing the issuance of the District's sewer acquisition bonds and submitted to the taxpaying electors of the District at a special bond election held therein on the 11th day of December 1962, the form of which question is set forth hereinabove in substantially the form so submitted.

- (9) **Bond Year** means the twelve (12) months commencing on the second day of April in any year and ending on the first day of April of the next succeeding year.
- (10) **Charge** means either an Annual Charge or a Service Charge payable to the District by a Municipality.
- (11) **Clerk** means the clerk, secretary, or other official of a Municipality who performs duties ordinarily performed by a city clerk, town clerk, or secretary of a corporation.
- (12) **Connecting Municipality** means a Municipality, as herein defined, all or any part of the Sewer System of which for the disposition of sewage therefrom is directly connected with a sewer interceptor of the District which terminates at a sewage treatment and disposal plant of the District.
- (13) **Consulting Engineer** means any registered or licensed professional engineer, or firm of such engineers, having a wide, favorable, and national reputation for skill and experience in the field of designing, preparing plans and specifications for, and supervising construction of sanitary sewer systems and facilities, and the operation and management thereof, selected, retained, and compensated by the District, but not in the regular employ or control of the District, including without limitation any successor of the present Consulting Engineer. Any Consulting Engineer may also be Project Engineer.
- (14) **Cost of the Project**, or any phrase of similar import, means, in addition to the usual connotations thereof, the cost of Acquisition and equipment of all or any part of the Sewage Disposal System for the District and of all or any property, rights, easements, privileges, agreements, and franchises deemed by the District to be necessary or useful and convenient therefor or in connection therewith, including interest or discount on bonds, costs of issuance of bonds, engineering and inspection costs and legal expenses, cost in financial, professional, and other estimates and advice, contingencies, any administrative, operating, and other expenses of the District prior to and during such Acquisition and equipment, and additionally during a period of not exceeding one year after the completion thereof, as may be estimated and determined by the Board in any resolution authorizing the issuance of any securities or other instrument appertaining thereto or in any contract with any Municipality, or otherwise, and all such other expenses as may be necessary or incident to the financing, Acquisition, equipment, and completion of the incident to the financing, Acquisition, equipment, and completion of the Sewage Disposal System or any part thereof, and the placing of the same in operation, and also such provision or reserves for working capital, operation, maintenance, or replacement expenses, or for payment or security of principal of or interest on any securities during or after such Acquisition and equipment as the District may determine, and also reimbursements to the District or to any Municipality or person of any moneys theretofore expended for the purposes of the District or to any Municipality or other public body or to the Federal Government of any moneys theretofore expended for or in connection with sanitation facilities, all of which costs are defrayed and are to be defrayed by the proceeds of bonds issued pursuant to the Bond Question.
- (15) **Debt Service** means, as of any particular date or computation and with respect to a particular Bond Year; i.e., the twelve- (12) month period beginning on the second day of April in any Fiscal Year and ending on the first day of April in the

next succeeding Fiscal Year, an amount of money equal to the aggregate of the following:

- (a) All interest payable during the Bond Year on all bonds and other securities of the District outstanding on the date of computation, and
- (b) The principal amount of all bonds and other securities of the District outstanding on the date of computation which mature during the Bond Year, and
- (c) All reasonable amounts required for deposits into any reserve account or reserve fund created, accumulated, and maintained as a continuing reserve to prevent deficiencies in the payment of the principal of and the interest on any outstanding securities of the District resulting from the failure to deposit sufficient funds to pay said principal and interest as the same accrue,

all calculated on the assumption that the bonds will after the date of computation cease to be outstanding by reason, but only by reason, of the payment of the principal thereof at maturity.

- (16) **District** means the metropolitan sewage disposal district designated as the "Metropolitan Denver Sewage Disposal District No. 1," a public body politic and corporate and a governmental subdivision of the State, also constituting a quasi-municipal district and a political subdivision of the State, established as an instrumentality exercising public and essential governmental and proprietary functions to provide for the public health, safety, and general welfare, formed under and governed by the provisions of the Act, and situated in the Counties of Adams and Jefferson and the City and County of Denver, and State of Colorado, with all the powers, privileges, immunities, rights, liabilities, disabilities, and duties provided by the Act; and the term means any municipal corporation succeeding to the rights of the District.
- (17) **District Officer** means any one of the Chairman, Chairman Pro Tem, Secretary, or Treasurer of the Board and of the District.
- (18) **Extend or Extension** means the installation of any new interceptor or other sewer main which is not part of the Project, which installation extends the System to a Municipality which hereafter is included in the District or to an area hereafter annexed to a Municipality now in the District or an area otherwise hereafter served by the District.
- (19) **Facility** means any of the works or other properties, or any interest therein, appertaining to the System, as herein defined, or to a Sewer System, as herein defined.
- (20) **Federal Government** means the United States of America or any agency, instrumentality, or corporation thereof, including without limitation the Housing and Home Finance Administrator.
- (21) **Fiscal Year** means the twelve (12) months commencing on the first day of January of any year and ending on the last day of December of the same year.

- (22) **General Fund** means the "Metropolitan Denver Sewage Disposal District No. 1, Colorado, General Fund," created in Section 801 of the 4-1-63 Note and Bond Resolution, adopted by the Board on the 19th day of March 1963.
- (23) **Gross income, gross revenues, income, or revenues from the System** means all income and revenues derived by the District from the operation of the Sewage Disposal System, or any part thereof, whether resulting from improvements, extensions, alterations, enlargements, repairs, or betterments thereto, or otherwise, and includes all revenues received by the District or by any municipal corporation succeeding to the rights of the District from the System and from the sale and use of sewer service and sewerage facilities, or any combination thereof, to the Municipalities comprising the District (including all annexations which may be made while the bonds herein authorized or any part thereof are outstanding), or from the sale and use of sewer service and sewerage facilities, or any combination thereof, by means of the System to be owned and operated by the District as the same may at any time exist to serve customers outside the present District limits as well as customers within the present District limits, but **not necessarily including** the proceeds from any general (ad valorem) taxes levied by the District, and **not necessarily including** the proceeds from any donation, grant, loan, or other moneys derived by the District not from the operation of the System, or any part thereof.
- (24) **Hereby, herein, hereinabove, hereinafter, hereinbefore, hereof, hereto, hereunder,** and any similar term refer to this Agreement and not solely to the particular portion thereof in which such word is used; **heretofore** means before the stated date of this Agreement; and **hereafter** means after the stated date of this Agreement.
- (25) **Improve or Improvement** means the extension, alteration, betterment, reconstruction, replacement, repair, or other improvement (or any combination thereof) of facilities, other property, any project, or an interest therein, as authorized by the Act.
- (26) **Income** means gross income, as herein defined.
- (27) **Independent Accountant** means any certified public accountant or any firm of such certified public accountants, duly licensed to practice and practicing as such under the laws of the State, appointed and paid by the District:
- (a) Who is, in fact, independent and not under the domination of the District, and
  - (b) Who does not have any substantial interest, direct or indirect, with the District, and
  - (c) Who is not connected with the District as an officer or employee of the District but who may be regularly retained to make annual or similar audits of the books or the records of the District.
- (28) **Interceptor** means any one of the intercepting sewers and the outfall sewers constituting a part of the Project and commonly designated as the Clear Creek Interceptor, Bear Creek Interceptor, Sanderson Gulch Interceptor, Weir Gulch Interceptor, Lakewood Gulch Interceptor, Platte River Interceptor, Sand Creek Interceptor, and the Effluent Pipe Line from the North Denver treatment plant,

any one of which being necessary or proper to intercept and to transport the outfalls from the Sewer Systems of the Municipalities.

(29) **Municipal Officer** means any one of the Mayor, City Manager, if any, City Clerk, City Treasurer, and any manager of a Municipality's Sewer System.

(30) **Municipality** means any city, city and county, incorporated town, sanitation district, water and sanitation district, or any other political subdivision or public entity heretofore or hereafter created under the laws of the State of Colorado (other than a metropolitan sewage disposal district), having specific boundaries within which it is authorized or empowered to provide sewer service for the area within its boundaries, and being a component and comprising a part of the District. A Municipality may be either an Associated Municipality, as herein defined, or a Connecting Municipality, as herein defined. Notwithstanding the temporary absence of any one or more connections to the System because the Project has not yet been completed on the effective date hereof, the Associated Municipalities in the District are:

- (a) Alameda Water and Sanitation District,
- (b) Bancroft Water and Sanitation District,
- (c) East Lakewood Sanitation District, and
- (d) Highland Park Sanitation District;

and on the effective date hereof the Connecting Municipalities in the District are:

- (e) City of Arvada,
- (f) Baker Metropolitan Water and Sanitation District,
- (g) Berkeley Water and Sanitation District,
- (h) City and County of Denver,
- (i) North Table Mountain Water and Sanitation District,
- (j) North Washington Street Water and Sanitation District,
- (k) Northwest Lakewood Sanitation District,
- (l) Westminster Sanitation District, and
- (m) Wheat Ridge Sanitation District.

The term Municipality includes any municipal corporation succeeding to the right of a Municipality.

(31) **Net income** or **net revenues** means the revenues after deducting Operation and Maintenance Expenses.

(32) **Operation and Maintenance Expenses**, or any phrase of similar import, means all reasonable and necessary current expenses of the District, paid or accrued,



of operating, maintaining, and repairing the Sewage Disposal System; and the term may include at the District's option (except as limited by law), without limiting the generality of the foregoing, engineering, auditing, legal, and other overhead expense of the District directly related to the administration, operation, and maintenance of the System, insurance and surety bond premiums, the reasonable charges of any paying agent or other depository bank appertaining to the System, or bonds, other securities or other obligations of the District, payments to pension, retirement, health, and hospitalization funds, any taxes, assessments, or other charges which may be lawfully imposed on the District or its income or operations of facilities under its control, ordinary and current rentals of equipment or other property, refunds of any revenues lawfully due to others, including but not limited to refunds to Municipalities, expenses in connection with the issuance of bonds or other obligations evidencing any loan to the District, the expenses and compensation of any trustee or other fiduciary, contractual services, professional services required by this Agreement, or otherwise, salaries, labor, and the cost of materials and supplies used for current operation, and all other administrative, general, and commercial expenses, but **excluding** any allowance for depreciation or any reserves for capital replacements, **excluding** any reserves for operation, maintenance, or repair of the System, **excluding** any allowance for the redemption of any note, bond, or other obligation evidencing a loan, or the payment of any interest thereon, **excluding** liabilities incurred by the District as the result of its negligence in the operation of the System or other ground of legal liability not based on contract, and **excluding** the costs of improvements, extensions, or alterations.

- (33) **Person** means not only a natural person, corporation, or other legal entity, but also two or more natural persons, corporations, or other legal entities acting jointly as a firm, partnership, unincorporated association, joint adventurers, or otherwise.
- (34) **Project** means the construction, installation, and other Acquisition of the Sewage Disposal System for the District, including, without limiting the generality of the foregoing, a sewage treatment plant, sewage treatment works, intercepting sewers, outfall sewers, force mains, water lines, pumping plants or stations, and appurtenances useful or convenient for the interception, transportation, treatment, purification, or disposal of sewage and industrial wastes, and all necessary lands, interest in lands, easements, and water rights, and any other cost of the Project, as authorized by the Act and by the Bond Question; and the Project may be referred to as such, or as "constructing, installing, and otherwise acquiring the System," or words of similar import.
- (35) **Project Engineer** means any registered or licensed professional engineer, or firm of such engineers, or an association thereof, having a wide and favorable repute for skill and experience in the field of designing, preparing plans and specifications for, and supervising construction of sanitary sewer systems and facilities, entitled to practice and practicing as such under the laws of the State, selected, retained and compensated by the District, but not in the regular employ or control of the District, except that with respect to construction on the System for which the construction drawings and specifications have been prepared by District employees working on force account or otherwise under the supervision of the District's Engineer, this term may include the District's Engineer, including without limitation any successor of the present association of

firms now constituting the Project Engineer. Any Project Engineer may also be Consulting Engineer.

- (36) **Rate Schedule** means the schedule of the methods for the determination of Service Charges and of the rates for their allocation.
- (37) **Redemption Price**, when used with respect to a bond, means the principal amount of such bond plus any applicable premium payable upon the redemption thereof prior to its stated maturity date in the manner contemplated in accordance with its terms.
- (38) **Revenue** means gross income, as herein defined.
- (39) **Revenue Fund** means the "Metropolitan Denver Sewage Disposal District No. 1, Colorado, System Gross Revenue Fund," created in Section 801 of the 4-1-63 Note and Bond Resolution, adopted by the Board on the 19th day of March 1963.
- (40) **Secretary** means the person chosen by the Board as Secretary of the Board and the District, which person may be (but is not necessarily) a member of the Board and may be (but is not necessarily) the same person as the Treasurer.
- (41) **Secretary of State** means the Secretary of State of the State of Colorado.
- (42) **Service Charges** means rents, rates, fees, tolls, and other charges for direct or indirect connection with or the use of services of the Sewage Disposal System, including, without limiting the generality of the foregoing, minimum charges and charges for the availability of service, which Service Charges the District is or may be authorized to fix, charge, and collect from any Municipality, independent of this or any other service contract, pursuant to Subsection (m) of Section 32-4-510 and to Section 32-4-522 of the Act.
- (43) **Service Contract** means this contract between the District and each Municipality for the collection from the Sewer System of each Municipality and for the treatment and disposal of sewage therefrom, as from time to time supplemented by contract.
- (44) **Sewage** means liquid wastes, solid wastes, night soil, industrial wastes, and any other substance, whether it be liquid, solid, in suspension, or in solution, in a Sewer System or in the Sewage Disposal System, or in both such systems.
- (45) **Sewage Disposal System or System** means the sanitary sewer and other sanitation facilities to be constructed, installed, and otherwise acquired by the District, initially as the Project, and as thereafter modified.
- (46) **Sewer System** means a system provided by a Municipality to provide sewer service to its inhabitants by the collection of sewage arising within its corporate limits and to the extent determined by its governing body without its corporate limits and by treating and by disposing of such sewage to the extent of the adequacy of existing facilities of the Municipality, as determined and approved by the regulatory agency of the State having jurisdiction.
- (47) **Special Connector** means any city, incorporated town, sanitation district, water and sanitation district, special district, or any other political subdivision or public

entity heretofore or hereafter created under the laws of the State of Colorado, including a metropolitan sewage disposal district, having specific boundaries within which it is authorized or empowered to provide sewer service for the area within its boundaries, which is not a member of the District nor an Associated Municipality or a Connecting Municipality as herein defined. Special Connectors shall not be entitled to representation on the Board of Directors.

- (48) **State** means the State of Colorado.
- (49) **System** means Sewage Disposal System.
- (50) **Taxes** means general (ad valorem) taxes as authorized to be levied against all taxable property in the District by the Act.
- (51) **Treasurer** means the person chosen by the Board as Treasurer of the Board and the District, which person may be (but is not necessarily) a member of the Board and may be (but is not necessarily) the same person as the Secretary.

B. **Construction.** This Agreement, except where the context by clear implication herein otherwise requires, shall be construed as follows:

- (1) Definitions include both singular and plural.
- (2) Pronouns include both singular and plural and cover all genders.
- (3) Articles, sections, subsections, paragraphs, and subparagraphs mentioned by number, letter or otherwise, correspond to the respective articles, sections, subsections, paragraphs, and subparagraphs of this Agreement so numbered or otherwise so designated.

### **Section 103. Successors.**

Whenever herein the District or any Municipality is named or referred to, such provision shall be deemed to include the successors of the District or the Municipality, respectively, whether so expressed or not. All of the covenants, stipulations, obligations, and agreements by or on behalf of and other provisions for the benefit of the District or any Municipality contained herein shall bind and shall inure to the benefit of such successors and shall bind and shall inure to the benefit of any officer, board, district, commission, authority, agent, or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power, or duty of the District or the Municipality, respectively, or of its successor, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements, or other provisions hereof.

### **Section 104. Parties Interested Herein.**

Nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any person or corporation, other than the District and the Municipalities, any trustee for, and any holder of any note, bonds, or other securities of the District, and the coupons thereunto appertaining, if any, any right, remedy, or claim under or by reason hereof or any covenant, condition, or stipulation hereof. All the covenants, stipulations, promises, and agreements herein contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Municipalities, any such trustee, and any holder of any such note, bonds, other securities, and the coupons thereunto appertaining, if any.

## ARTICLE II

### ACQUISITION OF THE PROJECT AND OPERATION OF THE SYSTEM

#### **Section 201. Acquisition and Purpose.**

The District will with all practicable speed continue to prepare and to complete plans for the Project and its financing; and upon completion of such financing or the making of arrangements therefor satisfactory to the District, it will with all practicable speed complete the Project and place the Sewage Disposal System in operation. The District will thereafter operate, maintain, and enlarge the system so as to receive, to treat, and to dispose of all sewage, without limitation as to flow, which may thereafter be delivered into the System by any Municipality in accordance with Article III hereof. Before undertaking construction of any substantial part of the Project, the plans and specifications for such construction will be submitted by the District to the State Board of Health of Colorado for approval as to the sufficiency of design of the District's proposed sewage treatment plant and compliance with the standards for sewage treatment plants for areas under the jurisdiction of the State Board of Health, and a permit or other approval will be obtained by the District from the State Board of Health to proceed with such construction.

#### **Section 202. Extensions and Alterations.**

The District may at any time enlarge or modify the System or renew or replace any part thereof and may construct or otherwise acquire any extension or alteration, as may be feasible and then be permitted by law.

#### **Section 203. Performing Duties.**

The District will faithfully and punctually perform all duties with respect to the System required by the Constitution and laws of the State and the resolutions of the District, including but not limited to the making and collecting of reasonable and sufficient rates and charges for services rendered or furnished by the System, and the proper segregation of the revenues of the System and their application to the respective funds provided from time to time therefor. Similarly each Municipality will so perform all duties with respect to its Sewer System required by the Constitution and laws of the State, by ordinances of the Municipality, and by resolutions of the District, as permitted by law, including but not limited to the prompt payment of Annual Charges.

#### **Section 204. Further Assurances.**

At any and all times the District and each Municipality shall each, so far as it may be authorized by law, pass, make, do, execute, acknowledge, and deliver any and every such further resolution or ordinance, respectively, acts, deeds, conveyances, assignments, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, revenues of the System or its Sewer System, respectively, and other funds pledged or assigned, or intended so to be, or which the District or Municipality (as the case may be) may heretofore or hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of any such resolution or ordinance and to comply with the Act. The District and each Municipality shall each at all times, to the extent permitted by law, defend, preserve, and protect the pledge of the revenues of the System or Sewer System, respectively, and other funds pledged heretofore and hereafter and all the rights of every holder of any note, bond, and any other security of the District against all claims and demands of all persons whomsoever.

**Section 205. Operation and Maintenance of System.**

The District shall at all times operate the System properly and in a sound and economical manner and shall maintain, preserve, and keep the same properly or cause the same to be so maintained, preserved, and kept, with the appurtenances and every part and parcel in good repair, order, and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals so that at all times the operation of the System may be properly and advantageously conducted.

**Section 206. Rules, Regulations, and Other Details.**

The District shall establish and enforce reasonable rules and regulations governing the operation, use, and services of the System. All compensation, salaries, fees, and wages paid by it in connection with the maintenance, repair, and operation of the System shall be reasonable and comparable to payments by other corporations, Municipalities, or public bodies for similar services. The District shall observe and perform all of the terms and conditions contained in the Act and shall comply with all valid acts, rules, regulations, orders, and directions of any legislative, executive, administrative, or judicial body applicable to the System or to the District.

**Section 207. Payment of Lawful Governmental Charges.**

The District shall pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or in respect of the System or upon any part thereof or upon any revenue therefrom, when the same shall become due, and shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the System and shall not create or suffer to be created any lien or charge upon the System or any part thereof or upon the revenues therefrom, except the pledge and lien created by any resolution for the payment of the principal and redemption price of and the interest on the bonds and other securities of the District. The District shall pay or shall cause to be discharged or will make adequate provision to satisfy and to discharge, within sixty (60) days after the same shall become payable, all lawful claims and demands for labor, materials, supplies, or other object which if unpaid might by law become a lien upon the System or any part thereof or the revenues therefrom; **provided, however**, that nothing in this Section 207 contained shall require the District to pay or to cause to be discharged or to make provision for any such lien or charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

**Section 208. Consulting Engineer and Project Engineer.**

- A. **Consulting Engineer.** The District shall employ the Consulting Engineer, whose duties shall be, among such other duties as may be imposed by the District by resolution, to coordinate the activities of the Project Engineer and to consult therewith on engineering problems during design and construction of the System, to inspect or to review the operation of the System, to make an inspection of the System at least once a year, and to submit annually before the end of each Fiscal Year to the District advices and recommendations as to the proper maintenance, repair, and operation of the System during the ensuing Fiscal Year, and an estimate of the amount of money necessary for such purposes.
- B. **Project Engineer.** With respect to each part of the System at any time under construction, the District shall employ a Project Engineer, whose duties shall be, among such other duties as may be imposed by the District by resolution, to design

and supervise the construction of said part of the System and to make and to sign from time to time the certificates appertaining thereto.

- C. **Filing Copies.** Copies of the reports, estimates, or certificates of the Consulting Engineer and the Project Engineer and copies of the advices, recommendations, and estimates made as hereinabove provided shall be filed with the District for inspection by any member of the Board and by any official of any Municipality.

#### **Section 209. Insurance and Reconstruction.**

The District shall at all times maintain with responsible insurers all such insurance reasonably required and obtainable within limits and at costs deemed reasonable by the District as is customarily maintained with respect to sewerage systems of like character against loss of or damage to the System, against loss of revenues, and against public and other liability to the extent at least reasonably necessary to protect the interests of the District, the Municipalities, and each holder of any bond or other security of the District and also all such insurance as is required to indemnify and to save harmless the Municipalities against all liabilities, judgments, costs, damages, expenses, and attorneys' fees for loss, damage, or injury to person or property resulting from the operation or a failure of operation of the System caused by the negligence or willful act of the District, District Officers, employees, or any other agents. Any liability incurred by the District as a result of the operation of its System shall be its sole liability, and any liability incurred by any Municipality as a result of the operation of its Sewer System shall be its sole liability, subject to any agreement to the contrary now existing or hereafter made. If any useful part of the System shall be damaged or destroyed, the District shall as expeditiously as may be possible commence and diligently prosecute the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any insurance appertaining thereto shall be payable to the District and (except for proceeds of use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and, to the extent not so applied, shall (together with proceeds of any such use and occupancy insurance) be deposited by the District as revenues of the System. In the event that the costs of such repair and replacement of the damaged property exceed the proceeds of such insurance available for payment of the same, moneys in the General Fund shall be used to the extent necessary for such purposes.

#### **Section 210. Alienating System.**

No part of the System shall be sold, leased, mortgaged, pledged, encumbered, or otherwise disposed of or otherwise alienated, until all the bonds authorized by the Bond Question and any other securities of the District have been paid in full, both principal and interest, or unless provision has been made therefor, or until the bonds or other securities have otherwise been redeemed, including but not necessarily limited to the termination of the pledge herein authorized; **provided, however**, that the District may sell, exchange, or lease at any time and from time to time any property or facilities constituting part of the System and not useful in the construction, reconstruction, or operation thereof; but any proceeds of any such sale or exchange received and not used to replace such property so sold or exchanged shall be deposited in the Revenue Fund, and any proceeds of any such lease received shall be deposited by the District as revenues of the System.

#### **Section 211. Records, Accounts, and Audits.**

The District shall keep proper books of record and account (separate from all other records and accounts), in which complete and correct entries shall be made of its transactions relating to the System or any part thereof and which, together with all other books and

papers of the District, shall at all reasonable times be subject to the inspection of at least any member of the Board and any Municipal Officer. The District shall cause its books and accounts to be audited annually by an Independent Accountant selected by the District. Each such audit, in addition to the matters hereinabove designated and to whatever matters may be thought proper by the Independent Accountant to be included therein, shall include the following:

- A. **Income and Expenditures.** A statement in detail of the income and expenditures of the System for the Fiscal Year, including but not necessarily limited to a classified statement of gross revenue received, of the net revenues, and also of the amount of any capital expenditures appertaining to the System for the Fiscal Year, and a statement of the profit or loss for the Fiscal Year.
- B. **Balance Sheet.** A balance sheet as of the end of the Fiscal Year, including the amount on hand, both cash and investments, in each of the accounts created by the various resolutions of the District and in other proceedings authorizing the issuance of outstanding bonds and other obligations payable from the revenues of the System.
- C. **Independent Accountant's Comment.** The Independent Accountant's comment regarding the District's methods of operation and accounting practice and the manner in which the District has carried out the requirements of each resolution and any other proceedings authorizing the issuance of outstanding bonds or other obligations and the Independent Accountant's recommendation for any change or improvement in the operation of the System as the Independent Accountant deems appropriate.
- D. **Listing Insurance.** A list of the Insurance policies in force at the end of the Fiscal Year, setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy.
- E. **Recapitulation of Funds and Accounts.** A recapitulation of each fund or account created by the various resolutions and by the other proceedings authorizing the issuance of outstanding bonds and other obligations payable from the revenues of the System, into each of which accounts are put moneys derived from the operation of the System or derived from the sale of the securities, such analysis to show the balance in such account at the beginning of the Fiscal Year, the deposits and withdrawals during said Fiscal Year, and the balance at the end of said Fiscal Year.
- F. **Connections of Municipalities.** The number of metered connections and of any unmetered connections appertaining to the System at the beginning and at the end of the Fiscal Year.

## **ARTICLE III**

### **GENERAL PROVISIONS CONCERNING SEWAGE DISPOSAL SYSTEM**

#### **Section 301. Tributary Sewer Systems.**

In general, connections to the System of the District shall be made only at the connection points provided herein, or as approved by the District; shall be limited (except for any service agreement appertaining to the acquisition of any site for sewage disposal facilities or sewage treatment plant) to the Sewer Systems owned, operated, or controlled by the respective Municipalities involved; and in the case of each Connecting Municipality, shall be metered. The District will make provision at each point of connection listed in Schedule A hereof for measurement of quantity and for sampling at the District's own cost and expense. Other approved connections including facilities for measurement of quantity and for sampling shall be made at the expense of the Municipality concerned. Each Municipality shall require and enforce conformity to these regulations with respect to the tributary system and its parts and, where applicable, with respect to individual contributors or groups of contributors thereto. Except for existing combined sewers, only sewage from separate sanitary systems shall be discharged into the System, subject to the provisions of Section 406 hereof. Except for existing sewer facilities, such local sanitary systems shall receive no storm water directly or indirectly from surface drains, ditches or streams, storm or combined sewers, roof, areaway, or foundation drains, or from any other means, except that the minimum practicable infiltration of groundwater in any case not to exceed 200 gallons per inch diameter per mile per twenty-four (24) hours with a maximum of 8,400 gallons per twenty-four (24) hours per mile of sewer (for all sewers constructed after the date of this Agreement exclusive of house or building sewers) will be permitted. Municipalities in which certain areas are served by combined sewers prior to the date of this Agreement shall provide all reasonable facilities and controls to minimize storm water flow from such combined sewers to the District's System. All trunk, sub-trunk, or lateral sewers and appurtenances, structures comprising local tributary systems constructed after the date of this Agreement shall be of adequate strength to resist breakage and shall be substantially watertight. Pipelines, including without limitation house and building connections, shall be of such material as to minimize initial and future infiltration, and all such pipe shall be properly bedded or cradled and constructed using tight joints of type, materials, and workmanship which will minimize initial and future infiltration.

#### **Section 302. Connections to System.**

Upon notice from the District, each Connecting Municipality will permit its Sewer Systems or the outfalls therefrom to be connected with the District's Sewage Disposal System at the point or points designated therefor in the List of Initial Connecting, Metering, and Sampling Points, attached hereto and marked "Schedule A" and by this reference made a part hereof, or at such other point or points upon which such Municipality and the District may mutually agree. Every connection listed in Schedule A shall be made by the District at its own expense and cost, and all other approved connections shall be made at the expense of the Municipality concerned. Every such connection shall constitute and shall be operated by the District as part of its Sewage Disposal System and shall include all such pumping and other facilities as may be necessary to cause all sewage delivered at said point or points of connection to be discharged into the System and be so made and be so constructed as to discharge into the System all sewage collected in its Sewer System and delivered at said point or points of connection. Each Municipality at its own expense and cost will construct, install, and operate any and all extensions of its Sewer System or the outfalls therefrom necessary to cause the same to reach to and to deliver sewage at said point or points of



connection and after the making of such connection or connections, will keep its Sewer System connected with the System and will deliver and discharge into the System all sewage originating in and collected by the Municipality, except as herein otherwise provided expressly or by necessary implication. No Municipality shall be obligated to deliver and to discharge sewage into the District's System which the District may by its written consent exempt from delivery and discharge into the District's System. No Municipality shall be obligated to deliver and to discharge into the District's System effluents from sewage treatment plants in existence and operation on the date of this Agreement which (if discharged into surface or groundwaters of the State) would not cause or constitute a violation of any laws of the State relating to said waters or of any valid regulation or requirement relating to said waters made pursuant to said laws by the State Board of Health or by any other agency of the State having jurisdiction with respect to said waters.

**Section 303. Service Rendered by District and by Municipalities.**

The District's Sewage Disposal System shall intercept, receive, transport, treat, and dispose of the sewage from the Sewer Systems of the connecting Municipalities. Each Municipality within the District shall retain full power and authority to provide sewer service to the inhabitants of the Municipality, including the acquisition, improvement, operation, and maintenance of facilities for the collection of sewage arising within the corporate limits of the Municipality, and to the extent determined by its governing body, also without its corporate limits, and including the operation and maintenance of any existing sewage treatment or disposal facilities or sewage treatment and disposal system.

**Section 304. Competing System.**

So long as any bonds or other securities of the District are outstanding, the District shall not grant any franchise or license to a competing system, nor shall it permit during said period (except as it may legally be required to do so) the acquisition or improvement by any Municipality of sewage treatment or disposal facilities which shall increase the capacity thereof; **provided, however,** that the District may consent to such acquisition or improvement and may approve the plans and specifications therefor if the Board determines each of the following:

- A. **Not Economically Feasible.** It is not economically feasible for the District to furnish the desired treatment or disposal.
- B. **Security Not Substantially Impaired.** The acquisition or improvement of such facilities or system by the Municipality or by any other Person within its boundaries shall not substantially impair the security for the payment of the obligations of the District.
- C. **Approval Granted by Act.** It is not inequitable or unreasonable for the District to grant such consent and approval, pursuant to Sections 32-4-506, 32-4-513, 32-4-514, 32-4-516, and 32-4-538 of the Act.

Any such consent, **however,** is subject to the provisions of Section 305 and Section 307 hereof.

**Section 305. Construction of Other Sewage Disposal Systems Prohibited.**

The District shall be the exclusive agency for the acquisition and operation of a sewage disposal system within and for the District, except as otherwise provided or authorized in this Agreement and in the Act; and no sewage disposal system or other facilities for the

collection, treatment, or disposal of sewage arising within the District (including any sewage treatment or disposal facilities of a Municipality) shall be acquired or improved hereafter which shall increase the capacity thereof unless the District shall give its consent thereto and shall approve the plans and specifications therefor, except for any acquisition or improvement of any sewer collection facilities or Sewer System (but not sewage treatment or disposal facilities or sewage disposal system), or any part thereof, owned by a Municipality at any point above the connection of such collection facilities or Sewer System with the Sewage Disposal System, or any part thereof, of the District, except as herein otherwise provided, including without limitation the provisions of Section 406 hereof. The District is empowered by the Act to give such consent and approval, subject, however, to the terms and provisions of any agreement with any holder of securities, including but not limited to the provisions in Section 304 hereof.

**Section 306. Limitations Upon Consent.**

Whenever under the terms of this Agreement the District is authorized to give its written consent, the District in its discretion may give or may refuse such written consent and if given, may restrict, limit, or condition such consent in such manner as it shall deem advisable. Acceptance by the District into the Sewage Disposal System from a Municipality of sewage in a volume or with characteristics exceeding or violating any limit or restriction provided for by or pursuant to this Agreement in one or more instances or under one or more circumstances shall not constitute a waiver of such limit or restriction or of any of the provisions of this Agreement and shall not in any way obligate the District thereafter to accept or to make provision for sewage delivered and discharged into the System in a volume or with characteristics exceeding or violating any such limit or restriction in any other instance or under any other circumstances.

**Section 307. Form of Consent.**

Whenever under the terms of this Agreement a Municipality is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Clerk and under its seal, of a resolution purporting to have been adopted by its governing body and purporting to give such consent. Whenever under the terms of this Agreement the District is authorized to give its written consent, such consent may be given and shall be conclusively evidenced by a copy, certified by its Secretary and under its seal, of a resolution purporting to have been adopted by the Board and purporting to give such consent.

**Section 308. Special Connectors.**

The District may enter into contracts with Special Connectors, under such terms and conditions as the District shall determine, to allow Special Connectors to make connection to the District's System for treatment of sewage as if they were connecting municipalities, notwithstanding any provisions to the contrary in the Service Contract, including without limitation Section 301 hereof.

**ARTICLE IV**  
**DELETERIOUS WASTES**

**Section 401. Additional Definitions.**

As used in this Agreement, the following terms shall mean:

- A. **Biochemical Oxygen Demand (BOD)** means the laboratory determination of the quantity of oxygen utilized in the biochemical oxidation of organic matter in a given time and at a specified temperature, being expressed in parts per million (ppm) or (mg/liter) of oxygen used in a period of five (5) days at 20°C.
- B. **Requirement** means any substantive or procedural requirement imposed on a Municipality or Industrial User.
- C. **Suspended Solids (SS)** means the laboratory determination of dry weight expressed in parts per million (ppm) or milligrams per liter (mg/L) of solids that either float on the surface or are in suspension in sewage and can be removed from sewage by filtration.
- D. **Tests for Quality** means the measurements, tests, and analyses of the characteristics of waters and wastes in accordance with the methods contained in the latest edition (at the time of any such measurement, test, or analysis) of "Standard Methods for the Examination of Water and Wastewater," a joint publication of the American Public Health Association, the American Water Works Association, and the Water Pollution Control Federation, or in accordance with any other method prescribed by the District by rules and regulations promulgated pursuant to this Article.
- E. **Total Kjeldahl Nitrogen (TKN)** means the sum, expressed in parts per million (ppm) or milligrams per liter (mg/L), of free-ammonia nitrogen and organic nitrogen compounds which are converted to ammonia under digestion conditions specified by the Kjeldahl Nitrogen Test Method.
- F. **User** means any person who contributes, causes, or permits the contribution of wastewater to a publicly owned treatment works.

**Section 402. Reserved.**

**Section 403. Reserved.**

**Section 404. Modification of Deleterious Wastes Requirements.**

The District may from time to time make any amendments of said requirements concerning deleterious wastes which may be reasonably necessary to prohibit or to regulate properly the delivery or the discharge into the System of any substances which alone or in combination with other substances delivered and discharged into the System from the same source are or may be or may reasonably be expected to be substantially injurious or deleterious to the System or to its efficient operation. Every such amendment shall take effect as to a Municipality sixty (60) days after a copy of such amendment shall have been mailed to such Municipality at its usual place of business; and for all purposes of this Agreement such amendment shall be conclusively deemed to have been made in accordance with this Article and to be authorized fully thereby at the expiration of said period of sixty (60) days unless within said period of sixty (60) days the Municipality shall have filed with the District an objection thereto stating that such amendment would contravene this

Agreement in a manner prejudicial to the Municipality and stating the manner in which such amendment would so contravene this Agreement. Any controversy or claim involving a Municipality which shall have so filed an objection to any such amendment and arising out of or relating to the making of such amendment or the breach of any requirement provided by such amendment shall be referred to the Colorado Department of Health whose decision in the matter shall be binding on all parties.

**Section 405. Determination of Quantity, Quality, and Characteristics of Sewage.**

The District will use meters for determining the quantity and will make tests and will use other means for determining the quality and other characteristics of all sewage which shall be delivered and discharged into the System by each of the Connecting Municipalities and in accordance with sound engineering practice shall determine such quantity, quality, and any other characteristics. A copy of each such determination made by the District with respect to each Fiscal Year shall be mailed to each Connecting Municipality at its usual place of business and for all purposes of this Agreement shall be conclusively deemed to have been made in accordance with this section and to be correct at the expiration of sixty (60) days after such mailing unless within said period of sixty (60) days a Municipality shall have filed with the District an objection thereto stating that such determination is incorrect and stating the changes therein which should be made in order to correct such determination. From and after the placing of the System in operation, the District will make and will keep permanent records of the quantity, quality, and other characteristics of sewage delivered and discharged into the System by each of the Connecting Municipalities. For the purpose of determining the quantity, quality, and other characteristics of any sewage which shall be or may be delivered and discharged into the System by a Municipality, or into the sewer system of a municipality by any user, the District shall have the right at all reasonable times to enter upon and to inspect the Sewer System of the Municipality or any industrial or commercial installations connected thereto or any other connections which contribute sewage or wastes to the local Sewer System and to inspect and copy records, to take normal samples under ordinary operating conditions and to make tests, measurements, and analyses of sewage or other wastes in, entering, or to be discharged into such Sewer System. The District will make and will keep a record of tests, measurements, and analyses of such sewage or other wastes entering such Sewer Systems, and there shall be forwarded to each Municipality the results of such tests, measurements, and analyses appertaining thereto.

The District may require that any user discharging to the system or to the sewer system of a Municipality provide, operate, and maintain, at the user's own expense, monitoring facilities to allow inspection, sampling, and flow measurement of any discharges as necessary to determine compliance with the provisions of this Agreement. All such facilities constructed shall be provided in accordance with the District's requirements, and in such a time frame as the District shall specify by written notification.

**Section 406. Storm Waters.**

Subject to the provisions of Section 301 hereof, no Municipality shall make or permit any new connection to or extension of its Sewer System which is so designed as to permit entrance directly or indirectly into the Sewage Disposal System of storm water drainage from ground surface, roof leaders, catch basins, or any other source.

**Section 407. Reserved.**

**Section 408. Reserved.**

**Section 409. Reserved.**

## ARTICLE V

### DISTRICT BUDGET, ANNUAL CHARGES, SERVICE CHARGES AND THEIR ESTABLISHMENT AND COLLECTION

#### Section 501. Annual Budget.

- A. **Preparation of Preliminary Budget.** Except with respect to any Fiscal Year ending prior to or in the calendar year 1964, the District shall prepare and file with at least the Consulting Engineer annually a preliminary budget, including therein Operation and Maintenance Expenses, Debt Service, and any provision for capital expenditures for the ensuing Fiscal Year. The District (in the preparation of each such preliminary budget and every Annual Budget) shall comply with any reasonable request of at least the Consulting Engineer as to the classifications in which such budget shall be prepared, particularly with respect to the divisions into which such budget shall be divided. The District (in the preparation of each such preliminary budget and each such Annual Budget) shall include Debt Service on the basis of the Bond Year commencing in the Fiscal Year for which the budget is prepared so that the Debt Service for that Bond Year will be appropriated prior to and collected in said Fiscal Year by the District. Any preliminary budget and any Annual Budget may set forth such additional material as the District may determine. Every preliminary budget and every Annual Budget shall also set forth a statement of the sources of funds to be available to defray such expenditures, including without limitation the Annual Charge to be paid by each Connecting Municipality. A copy of each preliminary budget shall be promptly filed with each Connecting Municipality.
- B. **Hearing on Preliminary Budget.** Except with respect to the Fiscal Year ending prior to or in the calendar year 1964, the District shall hold a public hearing not less than seven (7) months before the beginning of any Fiscal Year, at which any holder of any security issued by the District or any Municipality may appear in person or by agent or attorney and may present any objections he may have to the final adoption of the budget for such Fiscal Year. Notice of the time and place of such hearing shall be published at least once in a newspaper at least ten (10) days before such hearing, and the District shall at least ten (10) days before such hearing cause a copy of such notice to be mailed to at least the Consulting Engineer.
- C. **Adoption of Annual Budget.** On or before the first day of August 1964, and thereafter on or before the first day of August next preceding each Fiscal Year, the District shall finally adopt the Annual Budget for such next succeeding Fiscal Year (herein sometimes designated as the "Annual Budget"). Copies of the Annual Budget shall be promptly filed with at least the Consulting Engineer.
- D. **Quasi-Annual Budget.** If for any reason the District shall not have adopted the Annual Budget on or before the first day of August next preceding any Fiscal Year, the preliminary budget for such year (if it be approved by the Consulting Engineer) or otherwise the budget for the preceding Fiscal Year shall be deemed to be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year is adopted.
- E. **Amendment of Annual Budget.** The District may at any time adopt an amended Annual Budget for the then current Fiscal Year, but no such amended Annual Budget shall supersede any prior budget until it shall be approved by at least the Consulting Engineer as reasonable and necessary.

**Section 502. Limitations on Operation and Maintenance Expenses.**

The District shall not incur Operation and Maintenance Expenses in any year in excess of the reasonable and necessary amount thereof. The District shall not expend any amount and shall not incur any indebtedness for maintenance, repair, and operation in excess of the aggregate amount provided for Operation and Maintenance Expenses in the Annual Budget (if any) then in effect, subject to the provisions of paragraph E of Section 501 hereof. Nothing in this Section 502 hereof contained shall limit the amount which the District may expend for Operation and Maintenance Expenses in any Fiscal Year, provided any amounts expended therefor in excess of the Annual Budget (if any) shall be received by the District from some source other than the income of the System; and the District shall not make or receive any reimbursement therefor out of such income, except to the extent the Board may determine to use any moneys in any reserve fund or sinking fund available therefor.

**Section 503. Levy, Collection, and Calculation of Annual Charges.**

With respect to all sewage delivered into the System and for all direct or indirect connection with and all use and services of the System, except for any Service Charges appertaining only to any Interceptors, the District shall make, impose, and collect Annual Charges in accordance with this Service Contract, as the same may be amended or otherwise supplemented from time to time by contract. Service Charges appertaining to the Interceptors may be fixed and collected by the District whenever the Board so determines; provided, however, that no Service Charges shall be fixed after the Board has fixed any Annual Charges hereunder. Classification for charges shall be reasonable. The charges shall be uniform within classification and shall be based upon the amount and quality of sewage delivered into the System and for all direct and indirect connection with and all use and services of the System, except for minimum charges, charges for the availability of service or readiness to serve by the System, reasonable penalties for delinquencies, including interest thereon from any date due at a rate of one per centum (1%) per month (or fraction thereof), reasonable attorneys' fees, and other costs of collection. In conformity with this Service Contract and with the Act, the District, prior to the placing in operation of any part of the System and the discharge and delivery of sewage into the System, except possibly Interceptors, hereby prescribes and hereafter from time to time whenever necessary may revise by contract between the District and all Municipalities then components of the District any method for the allocation of the Annual Charges or any method of the determination of rates, as provided in Schedule B hereof. Said rates shall at all times be calculated and prescribed and from time to time revised, and such Annual Charges shall be computed, made, imposed, and collected so that the income of the System collected, except for any Cost of the Project capitalized with the proceeds of bonds or other securities of the District, except for any Service Charges appertaining only to Interceptors, and except for any other moneys available therefore (including any proceeds to the District of use and occupancy insurance), will be at least sufficient:

- A. To pay at all times all Operation and Maintenance Expenses and at the end of each Fiscal Year to maintain therefor reserve requirements;
- B. To provide in each Fiscal Year a sum equal to the Debt Service for the Bond Year commencing in such Fiscal Year computed as of the beginning of such Bond Year;
- C. To provide at all times for any deficits of the District resulting from failure to receive any Annual Charges or any sums payable to the District by any Municipality or from any other cause;
- D. To provide at all times such sums for reserves and for sinking funds as may be fixed by

this Service Contract or other contract of the District or as may be otherwise determined from time to time by the Board (subject to any existing contractual limitations);

- E. To provide moneys required by any contract of the District or otherwise for any capital expenditure, including without limitation acquisitions, improvements, extensions, and alterations, or any other purpose authorized by the Act (not hereinabove provided) and as so determined by the Board;
- F. To comply at all times in all respects with the terms and the provisions of any resolution of the Board and of the Act and to pay and to discharge all other charges or liens payable out of the income of the System when due and enforceable.

**Section 504. Filing Copies of Schedule.**

Copies of every such schedule of rates and of Annual Charges and revisions thereof shall be promptly filed with at least the Consulting Engineer.

**Section 505. Compliance with Service Contract and Enforcement of Annual Charges.**

The District shall so plan, schedule, and prosecute all construction on or about the System and after completion of the Project shall so operate and so maintain the System as to entitle the District at the earliest practicable time to make, impose, and collect Annual Charges pursuant to this Service Contract and in accordance with the Act. Annual Charges, however, shall at all times be fixed and collected so that the District can pay without default any obligation thereof for which provision has not otherwise been made. The District shall not release the obligations of any Municipality under this Service Contract, as from time to time amended or otherwise supplemented, shall take all reasonable measures permitted by this Service Contract or by the Act or otherwise by law, including but not limited to the enforcement measures stated in Section 610 hereof, to enforce prompt payment to it of all Annual Charges, and shall at all times (to the extent permitted by the Act or otherwise permitted by law) defend, enforce, preserve, and protect the rights, benefits, and privileges of the District and of any holder of any bond or other security of the District under or with respect to this Service Contract.

**Section 506. Charges Limited to Connecting Municipalities.**

Each Connecting Municipality shall be liable for the payment to the District of Charges appertaining to its Sewage Disposal System. No Associated Municipality shall be liable for the payment of any Charge of the District so long as its Sewer System or any part thereof is not directly connected with a sewer interceptor of the District which terminates at a sewage treatment and disposal plant of the District. Nothing herein contained shall be construed as preventing any Municipality from fixing and collecting by contract or otherwise rates, tolls, and other fees appertaining to its Sewer System from any Associated Municipality the Sewer System of which is connected to the Sewer System of the Municipality fixing and collecting such rates, tolls, and other fees; and nothing herein contained shall be construed as preventing the District from fixing and collecting charges from a Connecting Municipality for all sewage appertaining to its Sewer System, including without limitation sewage transported thereby but collected by the Sewer System of an Associated Municipality.

**Section 507. Annual Charges in Lieu of Service Charges.**

The Annual Charges payable by a Connecting Municipality to the District under the provisions of this Agreement (in the absence of any modification to the contrary hereafter by contract) are and shall be in lieu of Service Charges with regard to the Sewer System of such Municipality and to real property connected to the Sewer System of such Municipality.

**Section 508. Methods for Allocation of Annual Charges and Determination of Rates.**

The Annual Charges shall be allocated and rates shall be determined as provided in the method for the allocation of the Annual Charges and the method for the determination of rates, attached hereto and marked "Schedule B," and by this reference made a part hereof. The unit charges applicable with respect to sewage delivered and discharged into the System by any Connecting Municipality shall be at all times uniform as to all Connecting Municipalities for the same type, class, and amount of use or service of the System and shall give effect to quantity and quality differentials in substantially the proportions reflected by said methods and shall not be more favorable to any Connecting Municipality than the unit charges applicable with respect to sewage so delivered and discharged by any other Connecting Municipality. The District, prior to the discharge and delivery of sewage into the System, except possibly for any use of Interceptors, shall prescribe (based upon reasonable estimates of sewage quantity and quality of each Connecting Municipality and total Annual Charges of the District) an initial schedule of such unit charges according to said methods, which shall be as set forth in Schedule B; and annually after prescribing such initial schedule, the District shall similarly compute the amount of such unit charges.

**Section 509. Sewer Connection Charge.**

In addition to other annual or service charges, the District shall impose and collect Sewer Connection Charges in accordance with the Service Contract and "Schedule C" attached hereto, as the same may be amended or otherwise supplemented from time to time, for each new or altered connection to a sanitary sewer or sewer drainage system served by the District. The Sewer Connection Charge shall be assessed to Connecting Municipalities (including the charges for their Associated Municipality connectors and others) on the basis of the number of new or altered "single family residential equivalent" connections to a Sewer System which is directly or indirectly served by the District System. The number of single family residential equivalent connections on which a Sewer Connection Charge is based may include components of wastewater strength as well as flow. It shall be the responsibility of each Connecting Municipality to affirm and report the number of new or altered "single family residential equivalent" connections to the District.

Subject to the Bond Resolutions and other proceedings authorizing the issuance of existing and any future debt obligations of the District, revenues derived from Sewer Connection Charges shall be used to provide for the payment of debt service pertaining to capital projects and to otherwise finance capital projects. Based on reasonable projections of the District, Sewer Connection Charges for each new or altered "single family residential equivalent" shall be determined annually by the Board, as provided in Schedule C, to accomplish the purposes set forth above.

The number of new or altered "single family residential equivalent" connections assessed for each new or altered individual connection to the District System shall be determined in accordance with Schedule C.



The Sewer Connection Charges and the administration thereof as provided in Schedule C shall be reviewed annually and may be changed by Resolution duly enacted by action of the Board of Directors, without additional amendment to the Service Contract.

**Section 510. Definition of New Connection and Altered Connection.**

For the purposes of this Service Contract and all rules and regulations issued pursuant thereto, a "new connection" shall mean the physical attachment of a new sewer line to the sewer system serving a dwelling or building. An "altered connection" shall mean any building or premise that is reconstructed or upgraded, and either increases the number of single family living units resulting in added flows or installs a larger water service tap at the existing location. Such building or premise shall be required to pay a Sewer Connection Charge for the additional living units or increased water service tap size. A building or premise that is demolished and rebuilt shall receive a credit for the pre-existing number of single family living units if reconstructed as a residential dwelling or a credit for the previous water service tap size if reconstructed as a non-residential building at the same site.

**Section 511. Applications of Sections 509 and 510.**

Sections 509 and 510 of this Article shall not be construed to affect any rights to a sewer tap or permit which existed before January 1, 1982, nor to make a Connecting Municipality liable to the District for Sewer Connection Charges for connection to the system of the Municipality which were granted or contracted for before such date.

## ARTICLE VI

### PAYMENT BY CONNECTING MUNICIPALITIES

#### **Section 601. Connecting Municipality's Duty to Pay Charges.**

Each Connecting Municipality will pay to the District any Service Charges and the Annual Charges due therefrom to the District and relating to the System, as herein provided and pursuant to the Act.

#### **Section 602. Certification of Estimated Charges.**

On or before the first day of September 1964, and thereafter on or before the first day of September next preceding each Fiscal Year, the District shall make and deliver to each Municipality subject to the payment to the District of any Service Charge or any Annual Charges fixed thereby for such Fiscal Year the District's certificate stating the estimated amount of the Charge. Such Charges in the aggregate as so certified in any calendar year by the District to the Municipalities shall be sufficient to pay the amounts estimated to be needed by the District from Charges in the next following Fiscal Year as shown in the Annual Budget therefor. Any such certificate may adjust for the Fiscal Year in which that certificate is rendered, regardless of any other adjustment theretofore or thereafter made, the estimated Charge previously so certified to the Municipality. Each such adjustment shall be based upon revised estimates resulting from the operation and maintenance of the System by the District for a portion of the current Fiscal Year prior to the date of any such adjusted estimate.

#### **Section 603. Preliminaries to Payment by Connecting Municipalities.**

Each Connecting Municipality, after the receipt of each such certificate, shall make all budgetary and other provisions or appropriations necessary to provide for and to authorize the payment by the Connecting Municipality to the District of the Charge for the next following Fiscal Year as the Charge becomes due and payable, subject to any debit or credit resulting from any such adjusted estimate of any prior Charge and from any final adjustment of any such Charge, as hereinbefore and hereafter provided.

#### **Section 604. Time of Payment by Connecting Municipality.**

Each Connecting Municipality will pay to the District in each Fiscal Year the estimated Charge for that year in four (4) substantially equal quarterly installments, payable on or before the 15th days of March, June, September, and December in the Fiscal Year, subject to any debit or credit not theretofore made and resulting from any adjusted estimate or final adjustment of any Charge for any previous Fiscal Year.

#### **Section 605. Final Adjustment of Each Charge.**

The Charge fixed or imposed against any Municipality for each Fiscal Year shall be finally adjusted in amount, regardless of whether the original estimate thereof shall have been at any time or times adjusted prior to the time hereby fixed for the final adjustment of the amount of that Charge. The final adjustment of any Charge for any Fiscal Year shall be made on or before the last day of June next following the last day of that Fiscal Year.

**Section 606. Hearing on and Notice of Final Adjustment.**

Prior to making any final adjustment of any Charge for an Fiscal Year, as provided in Section 605 hereof, the District Board shall hold at a regular meeting no later than June next following the last day of that Fiscal Year a hearing on the proposed final adjustment. At the hearing any holder of any security issued by the District or any Municipality may appear in person or by agent or attorney and may present any objections he may have to the final adjustment of the Charge for such Fiscal Year. Nothing herein contained shall be construed as preventing the District from making the final adjustment after the hearing but at the same meeting at which the hearing was held. The District shall at least ten (10) days before such hearing cause a copy of such notice to be mailed to at least the Consulting Engineer.

**Section 607. Time of Making Adjustments to Estimated Charges.**

Notwithstanding any other provision herein, the District in its absolute discretion may adjust the estimated Charges for any Fiscal Year and may certify any debits and credits resulting therefrom to the respective Municipalities at any time or from time to time prior to the final adjustment therefor made as herein provided, whenever the Board determines that for any reason such adjustment is necessary or desirable.

**Section 608. Payments to Balance Adjustments.**

Any Municipality to which is certified by the District a supplemental Charge resulting from any final or other adjustment shall make provision for its payment in the next Annual Budget prepared by the Municipality and, in the manner provided in Section 604 hereof, shall pay the supplemental Charge in quarterly installments in the Fiscal Year for which that Annual Budget of the Municipality is prepared, as well as the estimated Charge payable therein, unless the Municipality has moneys available to pay, and determines to pay, the supplemental Charge prior thereto. Similarly, any Municipality to which is certified by the District any credit resulting from any final or other adjustment shall make provision therefor in the next Annual Budget prepared by the Municipality and shall thereby reduce the amount of the estimated Charge payable in the Fiscal Year for which that Annual Budget is prepared, unless the District has moneys available to pay, and does remit the amount of the credit to the Municipality, prior to the payment of the estimated Charge.

**Section 609. Limitations upon Adjustment of Charges.**

Whenever the District adjusts the Charges for any Fiscal Year, including but not necessarily limited to the final adjustment, the credits to Municipalities shall equal the debits to Municipalities paying Charges for that Fiscal Year, except for any supplemental Charge fixed or imposed as a reasonable penalty for any delinquency, including any interest thereon, and any reasonable attorneys' fees and any other costs of collecting any delinquency. Each such final adjustment shall be uniform within each reasonable classification and shall be based upon the actual amount and quality of sewage delivered into the System and for all actual direct or indirect connections with and all actual use and services of the System, except for any minimum charge, any charge for the availability of service or readiness to serve by the System, any reasonable penalty for any delinquency, including any interest thereon, and any reasonable attorneys' fees and any other costs of collecting any delinquency. Each adjustment not a final adjustment similarly shall be uniform within reasonable classification and shall be based upon a revised estimate of such amount of sewage, such connection, such use, and such services, subject to such exceptions.

**Section 610. Enforcement.**

If any payment or any part thereof due to the District from any Municipality shall remain unpaid following its due date, the Municipality shall be charged with and will pay to the District interest on the amount unpaid from its due date until paid at the rate of one per centum (1%) per month (or fraction thereof); and the District in its discretion may charge and collect Service Charges or Annual Charges from each Municipality sufficient to meet any default or deficiency in any payments herein agreed to be made by any Municipality. If in any such case Charges are so collected, the amount ultimately so collected by the District from any defaulting Municipality will be credited against the amount of such default or deficiency or any payments then or theretofore due to the District from each Municipality to offset such default or deficiency under the provisions of this Agreement. Every obligation assumed by or imposed upon any Municipality by this Agreement shall be enforceable by the District by appropriate action, suit, or proceeding at law or in equity; and the District may have and may pursue any and all remedies provided by law for the enforcement of such obligation, including the remedies and processes provided by the Act with respect to Annual Charges or other obligations, as provided in Section 505 hereof.

**Section 611. Character of Obligations.**

Failure on the part of the District or of any Municipality in any instance or under any circumstance to observe or to perform fully any obligation assumed by or imposed upon it by this Agreement shall not make the District liable in damages to a Municipality or relieve a Municipality from making any payment to the District or from fully performing any other obligation required of it under this Agreement; but such Municipality may have and may pursue any and all other remedies provided by law for compelling performance by the District or such other Municipality of said obligation assumed by or imposed upon the District or such other Municipality.

## ARTICLE VII

### ABANDONMENT OF SEWER SYSTEM FACILITIES

#### **Section 701. Abandonment Permitted.**

Any Municipality may in its sole discretion at any time abandon or, in the alternative, continue to operate, maintain, and repair all or any part of those sewage treatment or disposal facilities constituting at the time of the date of this Agreement a part of the Municipality's Sewer system, subject, however, to the provisions of Sections 303, 304, and 305 hereof.

#### **Section 702. Notice of Abandonment.**

Any Municipality, prior to abandoning any such sewage treatment or disposal facilities which abandonment will substantially increase the sewage received from its Sewer System by the District in its Sewage Disposal System, shall file written notice of the Municipality's intent to abandon the facilities designated on the date designated in the notice at least thirty (30) days prior to the date so designated with the Secretary of the District.

## ARTICLE VIII

### INCLUSION OF ADDITIONAL MUNICIPALITIES IN DISTRICT

#### **Section 801. Conditions of Inclusion.**

Any Municipality not a component and not comprising a part of the District on the date of this Agreement or any part of such Municipality may be included in the District as provided in Section 32-4-513 of the Act upon such terms and conditions as may be determined by the Board and upon its determination that such Municipality may feasibly be served by the facilities of the District as provided by resolution approved by a majority of the entire membership of the Board.

#### **Section 802. Party to This Agreement.**

No Municipality shall be included in the District after the date hereof unless, among any other conditions and terms so determined by the Board, the Municipality shall consent to become a party to this Service Contract, as amended, if amended, on the date of such inclusion. Any such Municipality shall execute a written instrument to that effect, filed with the Secretary of the District prior to or with the transmittal to the Division of Local Government in the Department of Local Affairs of a certified copy of the resolution of the Board including the Municipality within the District, pursuant to Section 32-4-513 of the Act. Upon the issuance of the certificate of the Division of Local Government reciting that the Municipality or the portion thereof, designated in the certificate has been duly included within the boundaries of the District, the inclusion of the Municipality or the designated territory shall be effective, and the Municipality shall simultaneously be deemed to have become a party to this Service Contract without further action by the District or by any other Municipality.

**ARTICLE IX**  
**MISCELLANEOUS**

**Section 901. Effective Date.**

This Agreement shall be in full force and effect and be legally binding upon the District and upon each of the thirteen (13) Municipalities herein designated upon its execution and delivery by the District and by each of said Municipalities. If the District or each of said thirteen (13) Municipalities shall not have executed and delivered this Agreement within ninety (90) days from the date hereof, then neither the District nor any of said Municipalities shall be bound hereby, and these presents shall in such event be null and void and of no effect.

**Section 902. Term of Agreement.**

This Agreement shall be in full force and effect and shall be binding upon the parties hereto from its effective date for a period of forty-five (45) years from the date hereof or until the first day of January next following the last outstanding bond or note issued by the District, as authorized by subsections (5) or (7), respectively, of Section 32-4-523 and of all sections supplemental thereto of the Act, whichever be later. Thereafter this Agreement shall continue as a binding contract to the extent permitted by law from year to year until a District Officer or a Municipal Officer files with the Secretary or Clerk of each of the parties hereto a notice that thirty (30) days after the last such filing or on any date designated in the notice following the expiration of such thirty (30) days' period this Agreement shall then be terminated.

**Section 903. Securities of District.**

All bonds, notes, or other obligations of the District referred to in this Agreement or to be issued by the District shall for all purposes of this Agreement be the sole obligation of the District and shall not in any way be deemed a debt or a liability of any Municipality.

**Section 904. Absence of Representations.**

No party hereto makes any representation concerning the use of property, building permits required or not required, zoning regulations of any body corporate and politic, or concerning the exemption from licenses, permits, or taxes.

**Section 905. Conformance with Laws.**

Each party hereto agrees to abide by and to conform to all applicable laws of the Federal Government, the State, and any other body corporate and politic having any jurisdiction in the premises. Nothing in this Section contained, however, shall require any party hereto to comply with any law the validity or applicability of which shall be contested in good faith and, if necessary or desirable, by appropriate legal proceedings.

**Section 906. Acts of God.**

No party hereto shall be responsible or liable in any way for Acts of God or any other act or acts or omissions beyond the control of such party which may in any way cause an interruption or a discontinuance of service appertaining to the Sewage Disposal System or to any Sewer System.

**Section 907. Nonassignability.**

No party to this Agreement may assign any interest therein to any Person without the consent of all the other parties hereto at that time, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective representatives and successors of each party hereto. Nothing herein contained, however, shall be construed as preventing the reorganization of any party hereto nor as preventing any other body corporate and politic succeeding to the rights, privileges, powers, immunities, liabilities, disabilities, and duties of a party hereto, as may be authorized by law, in the absence of any prejudicial impairment of any obligation of contract hereby imposed.

**Section 908. Amendments.**

Subject to the rights and privileges (fixed by contract, including without limitation this Service Contract, or otherwise) of the holder or holders of any bonds or other securities of the District, this Agreement may be amended from time to time by written agreement, duly authorized and signed by representatives of all the parties hereto.

**Section 909. Severability.**

If any section, subsection, paragraph, clause, phrase, or other provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, phrase, or other provision shall not affect any of the remaining provisions of this Agreement.

**Section 910. Execution of Documents.**

This Agreement shall be executed in twenty (20) counterparts, any of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, instruments, documents, and resolutions or ordinances necessary to give effect to the terms of this Agreement.

**Section 911. Waiver.**

No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

**Section 912. Remedies.**

In addition to the remedies provided by law, this Agreement shall be specifically enforceable by any party hereto.

**Section 913. Entirety.**

This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire contract between the parties concerning the disposal of sewage by the Municipalities and the acceptance of such sewage for disposal by the District, subject, however, to the provisions of the resolution adopted by the District's Board of Directors at an adjourned regular meeting held on the 26th day of November 1963, and appertaining to the financing of the construction of the Platte River II Interceptor. Nothing herein contained shall be construed as superseding or otherwise modifying any Connector's or other agreement to which any Municipality is a party but to which the District is not a party.



## **EXECUTION OF THE SERVICE CONTRACT**

Copies of the Execution Documents are on file in  
Metro Water Recovery Records Management.

# METROPOLITAN DENVER SEWAGE DISPOSAL DISTRICT NO. 1

## SCHEDULE A

(Attached to and part of Service Contract dated  
as of the first day of January, 1964.)

### LIST OF INITIAL CONNECTING, METERING, AND SAMPLING POINTS \*\*

<u>Connecting Municipality</u>		<u>Location of Points *</u>
City of Arvada	1.	Manhole No. 44 on Clear Creek Interceptor
	2.	Manhole No. 53 on Clear Creek Interceptor
Baker Metropolitan Water and Sanitation District		Manhole No. 17 on Clear Creek Interceptor
Berkeley Water and Sanitation District		Manhole No. 34 on Clear Creek Interceptor
City and County of Denver	1.	North Side Effluent Parshall Flume
	2.	Primary Inlet Structure (Sand Creek Branch) at Metro Plant
North Table Mountain Water and Sanitation District		Manhole No. 137 on Clear Creek Interceptor
North Washington Street Water and Sanitation District		Manhole No. 4 on Clear Creek Interceptor
Northwest Lakewood Sanitation District		Manhole No. 103 on Clear Creek Interceptor
Westminster Sanitation District		Manhole No. 22 on Clear Creek Interceptor
Wheat Ridge Sanitation District		Manhole No. 66 on Clear Creek Interceptor

\* (Nothing herein contained shall be construed as preventing the District and any Connecting Municipality from mutually agreeing upon the relocation of any connecting, metering, and sampling point appertaining thereto.)

\*\* Updated listings of Type 1 connections are available from the District.