



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

STANDARD
SPECIAL CONNECTORS
AGREEMENT

WORKING COPY*

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Reflects all Amendments through January 15, 2008

* The Standard Special Connectors Agreement was approved April 19, 1983, by Metro Water Recovery Board of Directors. This republished version includes additional sections (800 series) and other refinements which were added during the process of adopting actual contracts and subsequent amendments approved by the Board. This version is intended to be a current working copy and not a legal and binding copy. It does not change the individual Agreements.

METRO WATER RECOVERY

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SPECIAL CONNECTORS
SEWAGE TREATMENT AND DISPOSAL
AGREEMENT

(herein sometimes referred to as the Special Connector Agreement)

MADE AND DATED as of the _____ day of _____, 19__

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

(herein referred to as a "Special Connector," 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 situate in the Counties of Adams, Arapahoe, Jefferson, and the City and County of Denver, within the State, was duly organized on the 15th day of May 1961, under what is now Title 32, Article 4, Part 5 of the Colorado Revised Statutes 1973, as from time to time amended, and its officers from time to time have been duly chosen and qualified; and

WHEREAS, on the first day of January 1964, the District entered into a Sewage Treatment and Disposal Agreement with certain municipalities to provide sewage treatment and disposal which agreement is still in full force and effect; 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 Special Connector 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 borrow money in anticipation of revenues, to issue notes to evidence the amount so borrowed, to secure their payment by a pledge of 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, the District was organized for the acquisition, operation, and maintenance of a Sewage Disposal System for the interception from Municipalities, transportation, treatment, purification and disposal of sewage and industrial wastes in an efficient and economical manner; and

WHEREAS, the District has sewage treatment works, interceptor sewers and appurtenances thereto; 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, the Special Connector 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 the Special Connector and unless the Special Connector is legally bound to accept and to pay for such sewage treatment and disposal service by the District; and

WHEREAS, the District and the Special Connector 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 the Special Connector as herein provided, in lieu of Service Charges unilaterally

** The 50-year limitation was eliminated by statutory amendment through House Bill 93-1054.

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 the Special Connector; and

WHEREAS, the District and the Special Connector have determined to enter into this 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 heretofore or 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 "Special Connectors Agreement" (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 reenacted 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 Agreement and pursuant to any agreement supplemental thereto.
- (6) **Board or Board of Directors** means the Board of Directors of the District.
- (7) **Bond Question** means the question authorizing the issuance of the District's sewer acquisition bonds and submitted to the electors of the District at any special bond election.
- (8) **Bond Year** means the twelve (12) months commencing the second day of April in any year and ending on the first day of April of the next succeeding year.
- (9) **Charge** means either an Annual Charge or a Service Charge payable to the District by a Special Connector.
- (10) **Clerk** means the clerk, secretary, or other official of a Special Connector who performs duties ordinarily performed by a city clerk, town clerk, or secretary of a corporation.
- (11) **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.
- (12) **Debt Service** means, as of any particular date or computation and with respect to a particular Bond Year; i.e., the twelve (12) months 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.

- (13) **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, Arapahoe, 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.
- (14) **District Officer** means any one of the Chairman, Chairman Pro Tem, Secretary, or Treasurer of the Board, and of the District.
- (15) **Extend** or **Extension** means the installation of any new interceptor or other sewer main, which installation extends the System to a Municipality which hereafter is served by the District.
- (16) **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.
- (17) **Federal Government** means the United States of America or any agency, instrumentality, or corporation thereof.
- (18) **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.
- (19) **General Fund** means the Metropolitan Denver Sewage Disposal District No. 1, Colorado, General Fund, created in Section 501 of the 5-1-82 Bond Resolution, adopted by the Board.
- (20) **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.
- (21) Hereby, herein, hereinabove, hereinafter, hereinbefore, hereof, hereto, hereunder, and any similar term refer to this Agreement and not solely to the particular portion hereof 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.

- (22) **Improve or Improvement** means the extension, alteration, betterment, reconstruction, replacement, repair, or other improvements (or any combination thereof) of facilities, other property, any project, or an interest therein, as authorized by the Act.
- (23) **Income** means gross income, as herein defined.
- (24) **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.
- (25) **Interceptor** means any one of the intercepting sewers and the outfall sewers being necessary or proper to intercept and to transport the outfalls from the Sewer Systems of the Special Connector.
- (26) **Municipal Officer** means any one of the following: Mayor, City Manager, if any, City Clerk, City Treasurer, Chairman, and any manager of a Special Connector's Sewer System.
- (27) **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 which at the time of entering into of this Agreement are a component part of the District and entitled to representation on the Board.
- (28) **Net income or net revenues** means the revenues after deducting Operation and Maintenance Expenses.
- (29) **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 expenses 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 or Special Connectors, 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.

- (30) **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.
- (31) **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.
- (32) **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.
- (33) **Rate Schedule** means the schedule of the methods for the determination of Service Charges and of the rates for their allocation.
- (34) **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.

- (35) **Revenue** means gross income, as herein defined.
- (36) **Revenue Fund** means the Metropolitan Denver Sewage Disposal District No. 1, Colorado, System Gross Revenue Fund, created in Section 501 of the 9-1-77 Bond Resolution, adopted by the Board.
- (37) **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.
- (38) **Secretary of State** means the Secretary of State of the State of Colorado.
- (39) **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 or person independent of this or any other contract, pursuant to subsection (m) of Section 32-4-510 and to Section 32-4-522 of the Act.
- (40) **Service Contract** means that contract between the District and certain Municipalities dated the first day of January 1964, but actually executed on the 30th day of March 1964, denominated as the Sewage Treatment and Disposal Agreement as it has been from time to time amended.
- (41) **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.
- (42) **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.
- (43) **Sewer System** means a system provided by a Municipality or a Special Connector 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 or Special Connector, as determined and approved by the regulatory agency of the State having jurisdiction.
- (44) **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. Special Connectors shall not be entitled to representation on the Board of Directors.

- (45) **State** means the State of Colorado.
 - (46) **System** means Sewage Disposal System.
 - (47) **Taxes** means general (ad valorem) taxes as authorized to be levied against all taxable property in the District by the Act.
 - (48) **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 Special Connector is named or is referred to, such provision shall be deemed to include the successors of the District or the Special Connector, 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 Special Connector contained herein 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 Special Connector, 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 Associate and Connecting Municipalities as defined in the Service Contract and the Special Connector, 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 aforesaid Municipalities, the Special Connector, any such trustee, and any holder of any such note, bonds, other securities, and the coupons thereunto appertaining, if any.

ARTICLE II

OPERATION OF THE SYSTEM

Section 201. **Acquisition and Purpose.**

The District will operate, maintain, and enlarge the System so as to receive, to treat, and to dispose of sewage, which may thereafter be delivered into the System by any Special Connector in accordance with this Agreement.

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 the Special Connector will so perform all duties with respect to its Sewer System required by the Constitution and laws of the State, by ordinances or resolutions of the Special Connector, and by resolutions of the District, as permitted by law, including but not limited to the prompt payment of Annual Charges.

Section 204. **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 205. **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 206. **Payment of Lawful Governmental Charges.**

The District shall pay all 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 206 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 207. 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 and the Special Connector and also all such insurance as is required to indemnify and to save harmless the Special Connector 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 the Special Connector 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 or the Operation and Maintenance Reserve Fund, or both such accounts, as the District may determine, shall be used to the extent necessary for such purposes.

Section 208. Alienating System.

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.

Section 209. 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.

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 to the Sewer Systems owned, operated, or controlled by the Special Connector; and shall be metered or otherwise measured at the discretion of the District. The District may make provision at each point of connection listed in Exhibit A hereof for measurement of quantity and for sampling. Connections including facilities for measurement of quantity and for sampling, whenever required by the District, shall be made at the expense of the Special Connector. The Special Connector 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. Only sewage from separate sanitary systems shall be discharged into the System, subject to the provisions of Section 406 thereof. Local sanitary systems shall receive no stormwater 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) will be permitted. All trunk, sub-trunk, or lateral sewers and appurtenant 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 infiltration.

Section 302. Connections to System.

Upon written approval of the District, the Special Connector 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 in "Exhibit A" attached hereto and by this reference made a part hereof, or at such other point or points upon which the Special Connector and the District may mutually agree. Every connection listed in Exhibit A shall be made by the Special Connector at its own expense and cost, and all other approved connections shall be made at the expense of the Special Connector. Every such connection shall constitute and shall be operated by the District as part of its Sewage Disposal System and shall include such 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. The Special Connector 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 Special Connector except as herein otherwise provided expressly or by necessary implication.

Section 303. **Service Rendered by the District and by the Special Connector.**

The District's Sewage Disposal System shall intercept, receive, transport, treat, and dispose of the sewage from the Sewer System of the Special Connector. The Special Connector shall retain full power and authority to provide sewer service to the inhabitants of the Special Connector including the acquisition, improvement, operation, and maintenance of facilities for the collection of sewage arising within the corporate limits or boundaries of the Special Connector. The Special Connector may only provide sewer service outside its corporate limits or boundaries to the extent it has the prior approval of the District. Prior to annexation or enlarging of its boundaries by the Special Connector, the Special Connector shall obtain the approval of the District for such annexation or enlargement. The District, through its Board, may disapprove such annexation or enlargement if it determines that the Special Connector cannot feasibly be served through the District's facilities.

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 so to do) the Acquisition or Improvement by the Special Connector 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 Special Connector 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 for the area served by 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 area served by the District (including any sewage treatment or disposal facilities of a Special Connector) 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 the Special Connector 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 the Special Connector, 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 Special Connector 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.

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.** The District shall prepare annually a preliminary budget, including therein, but not limited to, Operation and Maintenance Expenses, Debt Service, provision for required and reasonable reserves, and any provision for capital expenditures for the ensuing Fiscal Year. 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 Municipality and Special Connector.
- B. **Hearing on Preliminary Budget.** 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 and a copy of the preliminary budget to be mailed to the Special Connector.

- C. **Adoption of Annual Budget.** 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.
- 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 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.

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 Agreement, 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 and one-half per centum (1-1/2%) per month (or fraction thereof), reasonable attorneys' fees, and other costs of collection. In conformity with the Service Contract and with the Act, the District may revise the method for the allocation of the Annual Charges or the method of the determination of rates, as provided in Exhibit 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 therefor (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 Special Connector or from any other cause;
- D. To provide at all times such sums for reserves and for sinking funds as may be fixed by the 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; and
- 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. Compliance with Service Contract and Enforcement of Annual Charges.

Annual Charges 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 the Special Connector under this Agreement or other Agreements as from time to time amended or otherwise supplemented, shall take all reasonable measures permitted by this Agreement 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. The District 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 Special Connectors Agreement.

Section 505. Annual Charges in Lieu of Service Charges.

The Annual Charges payable by the Special Connector 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 Special Connector and to real property connected to the Sewer System of the Special Connector.

Section 506. **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 Exhibit 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 Municipalities or Special Connectors shall be at all times uniform as to all Municipalities and Special Connectors 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 Municipality or Special Connector than the unit charges applicable with respect to sewage so delivered and discharged by any other Municipality or Special Connector.

Section 507. **Sewer Connection Charges.**

In addition to other annual or service charges, the District shall impose and collect Sewer Connection Charges in accordance with the Service Contract and Exhibit C attached hereto, as the same may be amended or otherwise supplemented from time to time by the Board, 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 the Special Connector (including the charges for their 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 the Special Connector to affirm and report the number of new or altered single family residential equivalent connections to the District. The Sewer Connection Charge for each new or altered single family residential equivalent shall be determined annually as provided in Exhibit C.

Subject to the 9-1-77, the 11-1-82, and the 5-1-82 Bond Resolutions and the proceedings authorizing the issuance of obligations of the District which may hereafter be issued, Sewer Connection Charges will be assigned to the payment of annual principal and interest (debt service) on obligations of the District, as authorized by the voters of the District in the 1981 Bond Election, and obligations hereafter issued to finance other capital projects and to otherwise finance capital projects as may from time to time be determined by the Board of Directors.

To the extent that receipts from Sewer Connection Charges exceed those required for such annual debt service, Sewer Connection Charges may be used, subject to such resolutions and other proceedings, to fund debt service bond reserves or to fund future capital construction projects.

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 Exhibit C.

The Sewer Connection Charges and the administration thereof as provided in "Exhibit C" shall be reviewed annually and may be changed by Resolution duly enacted by action of the Board of Directors, without additional amendment to this Special Connectors Agreement.

Section 508. Definition of New Connection and Altered Connection.

For the purposes of this Agreement and all Rules and Regulations related thereto issued by the District, 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 509. Applications of Sections 507 and 508.

Sections 507 and 508 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 Special Connector liable to the District for Sewer Connection Charges for connection to the Sewer System of the Special Connector which were paid for or collected before such date.

ARTICLE VI

PAYMENT BY SPECIAL CONNECTORS

Section 601. Special Connector's Duty to Pay Charges.

The Special Connector 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 next preceding each Fiscal Year, the District shall make and deliver to the Special Connector subject to the payment to the District of any Service Charge or any Annual Charge 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 and Special Connectors 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 Special Connector. 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 Special Connectors.

Each Special Connector, 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 Special Connector 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 Special Connector.

Each Special Connector 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 the Special Connector 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 any 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 or Special Connector 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 the Special Connector.

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 Special Connector 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 Special Connector 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 Special Connector 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 Special Connector is prepared, as well as the estimated Charge payable therein, unless the Special Connector has moneys available to pay, and determines to pay, the supplemental Charge prior thereto. Similarly any Special Connector 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 Special Connector 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 Special Connector 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 and Special Connectors shall equal the debits to Municipalities and Special Connectors 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, 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 use, and such services, subject to such exceptions.

Section 610. Enforcement.

If any payment or any part thereof due to the District from the Special Connector shall remain unpaid following its due date, the Special Connector 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 and one-half per centum (1-1/2%) per month (or fraction thereof); and the District in its discretion may charge and collect Service Charges or Annual Charges from each Municipality or Special Connector sufficient to meet any default or deficiency in any payments herein agreed to be made by any Municipality or Special Connector. If in any such case Charges are so collected, the amount ultimately so collected by the District from any defaulting Municipality or Special Connector will be credited against the amount of such default or deficiency or any payments then or theretofore due to the District from each Municipality or Special Connector to offset such default or deficiency under the provisions of this Agreement. Every obligation assumed by or imposed upon any Special Connector 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 504 hereof and specifically such enforcement as provided in Section 510(m) of the Act.

Section 611. Character of Obligations.

Failure on the part of the District or of any Municipality or Special Connector 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 Special Connector or relieve a Municipality or Special Connector from making any payment to the District or from fully performing any other obligation required of it under this Agreement; but such Municipality or Special Connector may have and may pursue any and all other remedies provided by law for compelling performance by the District or such other Municipality or Special Connector of said obligation assumed by or imposed upon the District or such other Municipality or Special Connector.

ARTICLE VII
MISCELLANEOUS

Section 701. Term of Agreement.

This Agreement shall be in full force and effect and shall be binding upon the parties heretofrom its effective date for a period of forty-five (45) years from the date of the Service Contract 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 files with the Secretary or Clerk of the party 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 702. 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 the Special Connector.

Section 703. 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 704. 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 705. 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 706. Nonassignability.

No party to this Agreement may assign any interest therein to any Person without the consent of the other party 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 707. **Amendments.**

Subject to the rights and privileges 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 the parties hereto.

If, at any time, the Service Contract is amended by the parties thereto, such an amendment, if applicable, shall apply as an amendment to this Agreement. It being the intent that if the Service Contract is amended in any way which conflicts with this Agreement, the amendment to the Service Contract shall control and be considered as an amendment to this Agreement.

Section 708. **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 709. **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 710. **Remedies.**

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

Section 711. **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 Special Connector and the acceptance of such sewage for disposal by the District.

Section 712. **Membership in the District.**

Nothing in this Agreement shall be interpreted so as to give or entitle the Special Connector to the status of a Connecting or Associate Member as defined in the Service Contract. The Special Connector acknowledges that it is not entitled to nor will it have representation on the Board of Directors of the District.

ARTICLE VIII

SPECIAL PROVISIONS

Section 801. **Service Area of Special Connector.**

Upon execution of this Agreement, the Special Connector shall furnish to the District, in a form agreeable to the District, a legal description and a map of the area served by the

Special Connector. Annually thereafter, the Special Connector shall update such legal description and a map.

Section 802. **Exclusion of Territory.**

Should the governing body of the Special Connector determine that the Special Connector or any portion of the service area thereof be excluded from service by the District, any request for such exclusion shall be in accordance with the Act and in particular Section 32-4-515, C.R.S. 1973, as amended.

Section 803. **User Charge System.**

The Special Connector shall have a User Charge System based upon actual use of the Sewer System of the Special Connector as required by Title 42, Part 35 of the Code of Federal Regulations currently in effect and as from time to time amended, and in particular Section 35.929 thereof, or an ad valorem tax which meets the requirements of Section 35.929-1 of said Title.

(To be added)

(SIGNATURE PAGE)

A form for Cities.

A form for Water and Sanitation District and Sanitation Districts.

ARTICLE VIII

PARAGRAPH SELECTIONS *

Section 804. Payment of Estimated Annual Charges.

For calendar year 1984, the District's total estimated Annual Charges to the Special Connector, _____, shall be \$_____, payable as provided in Section 604 and subject to final adjustment as provided in Sections 605 through 609. The Special Connector hereby waives notice of public hearing on the District's 1984 budget as provided in Section 501 (B).

Section 805. Sewer Connection Charges.

For new or altered sewer connections made after January 1, 1984, the Metro District will credit the Special Connector \$500 per single family residential equivalent unit for each connection for which Denver has been paid its Sewer Availability Fee by an applicant for a sewer connection. For each unit for which this credit is applied, the Special Connector shall pay to the Metro District the additional amount due to the District, if any, based on the sewer connection charge in effect at the time of the physical connection to the sewer system served by the Metro District.

Section 806. Limitation on Service by the District.

The District shall provide sewage transmission and treatment service only for those areas of the Special Connector, _____, shown on the attached map and referred to in Exhibit A. Since the sewage treatment facilities of the Special Connector do not serve these areas, the portion of Section 303 pertaining to service by the Special Connector outside its corporate boundaries and to enlargement of the Special Connection, Section 304 and Section 305 do not apply to this Agreement.

Section 807. Transfer of Metering/Sampling Facility.

Upon execution of this Agreement, Special Connector shall transfer, to the District in a form satisfactory to the District, the ownership of the manhole and metering/sampling facility located _____

_____ for the purpose of the District metering and sampling of the Special Connector's sewage. Special Connector shall grant the District all necessary easements and rights-of-way for access to and operation of the facility. Special Connector shall provide electrical power for the District's metering and sampling equipment.

Section 808. Lift Station and Force Main.

The Special Connector's lift station located _____ shall be owned, operated and maintained by the Special Connector at the Special Connector's expense and in a manner to prevent flooding of the metering/sampling facility.

* These paragraphs were used in preparing final Agreements with each Special Connector based on specific circumstances. Not all sections were used in each Agreement and some Agreements contained other provisions. Please see copies of individual Special Connector Agreements in Records Management.

Section 809. **Payment for Metering and Sampling Installation.**

Special Connector agrees to pay District in 1984 within 30 days of billing for the District's actual costs for labor and materials for installing equipment at the above-mentioned metering and sampling facility.

Section 810. **Metering and Sampling Facility.**

The Special Connector agrees to construct a metering and sampling facility

_____. The facility shall comply with the District's standards and specifications. All costs, including but not limited to, site acquisition and preparation, design and engineering, construction, and equipment, shall be borne by the Special Connector. The station shall be operational not later than July 1, 1984. Upon completion, the Special Connector shall transfer ownership of the facility and all necessary easements and rights-of-way to the District in a form satisfactory to the District. Thereafter, the District shall operate and maintain the facility.

Section 811. **Approval of Service Outside the Corporate Boundaries of the Special Connector.**

In accordance with Sections 303 and 801 of this Agreement, the Special Connector has attached to this Agreement and incorporated herein by reference a map and legal description of the Special Connector's Service Area. The District hereby commits to provide services under this Agreement to the Special Connector for such Service Area, notwithstanding the fact that portions of the Service Area are without the corporate boundaries of the Special Connector.

Section 812. **Modification of Metering Facility.**

The Special Connector shall modify the above-mentioned metering facility to comply with the standards of the District for a metering and sampling facility. The modification shall be completed on or before July 1, 1984, and the cost shall be borne by the Special Connector.

Section 813. **Service Area.**

This agreement covers District service to that portion of the City _____ shown on the attached map.

METRO WATER RECOVERY

EXHIBIT A

LIST OF INITIAL CONNECTING, METERING, AND SAMPLING POINTS

Special Connector	*Location of Points	**Method of Measurement	***Customer Equivalent Connections
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The original agreements have an individualized Exhibit A. Exhibit A for each Connector is on file in Metro Water Recovery's Central Records.

* Nothing herein contained shall be construed as preventing the District and any Special Connector from mutually agreeing upon the relocation of any connecting, metering, and sampling point appertaining thereto.

** The District may, at its discretion, change the method of measurement.

*** The ratio of operations and maintenance costs for a connection to that for maximum measurement (continuous metering and sampling) for a connection.