

**INTERGOVERNMENTAL AGREEMENT
BY AND BETWEEN
GRAND COUNTY
AND
TABERNASH MEADOWS WATER AND SANITATION DISTRICT
FOR
CONSTRUCTION AND OPERATION OF A WASTEWATER TREATMENT FACILITY
AND WASTEWATER COLLECTION SYSTEM**

This Intergovernmental Agreement (the "Agreement") is entered into effective this 14th day of June, 2000 by and between Grand County, a county of the state of Colorado, (the "County") and Tabernash Meadows Water and Sanitation District, a quasi-municipal corporation and political subdivision of the state of Colorado (the "District"), both singularly referenced as (the "Party") and collectively referenced as (the "Parties").

RECITALS

WHEREAS, the District was formed within the County under the provisions of Title 32 of the Colorado Revised Statutes to provide water and wastewater services to citizens within its boundaries, including wastewater collection and treatment; and

WHEREAS, the County is empowered to provide wastewater services to areas within the County; and

WHEREAS, a portion of the Tabernash community located within the County and immediately adjacent to the District, as described in Exhibit A attached hereto, is in need of uniform wastewater collection treatment services for 101 single family taps, with wastewater influent and BOD organic materials not to exceed 33,300 gallons per day of wastewater influent and 69.6 pounds per day of BOD organic materials (the "Community"); and

WHEREAS, the County and District have determined that the health, safety and welfare of the Community and the District are best served by cooperation in regard to the construction and operation of a wastewater treatment facility with sufficient capacity to serve the District and the Community, and further cooperation regarding the construction and operation of the wastewater collection system necessary to serve the Community.

WHEREAS, the Community may eventually need more than the initial 101 single family taps described herein.

NOW THEREFORE, in consideration of the promises and covenants contained herein, and for other good and valuable consideration, the Parties agree as follows:

COVENANTS AND AGREEMENTS

1. **Construction of Wastewater Treatment Facility.** The Parties agree to contract jointly for the construction of a wastewater treatment facility with the capacity, as determined by the discharge permit granted to the facility by the state of Colorado, to treat 100,000 gallons per day ("gpd") of wastewater influent and 209 pounds per day of BOD organic capacity together with an 18-inch interceptor line serving both the Community and the District (the "Facility") on the following terms and conditions:

- 1.1 **Costs Related to Facility, Facility Construction, and Collection System.** The total of the costs associated with the Facility and Collection System, including construction, land purchase, engineering and inspection fees, developer expenses and organizational costs, legal and accounting costs and a construction contingency are \$ 3,925,904.⁰⁰ (the "Project Costs"). The Project Costs are comprised of the specific costs set forth in Exhibit B.

The County agrees to pay one-third or \$ 1,524,324.⁰⁰ of the Project Costs and the District agrees to pay two-thirds or \$ 2,401,580.⁰⁰ of the Project Costs. If the Project Costs exceed \$ 3,925,904.⁰⁰, the District shall pay two-thirds and the County one-third of any such excess. Provided, however, that any increase in cost must be approved by appropriate change order, resolution, and appropriation, if necessary, by both Parties.

- 1.2 **County Funding.** The County expects to fund its share of the Project Costs (and the Collection System addressed below) using the proceeds realized through the following loans and grants (the "Loans/Grants"):
- a. a \$300,000 grant to be awarded to the District on behalf of the Community, to be applied as a credit to the Community's portion of the overall Facility costs, by the Water Quality Control Division of the Colorado Department of Public Health and Environment ("CDPHE"); and
 - b. a \$250,000 grant to be awarded to the County on behalf of the Community by the Energy Impact Assistance Program of the State of Colorado, Department of Local Affairs ("DOLA"); and
 - c. a \$50,000 loan to be made to the County on behalf of the Community, with a term of 20 years and an interest rate of 5%, by DOLA; and
 - d. a \$400,000 grant to be awarded to the County on behalf of the Community by the Rural Development Program of the United States Department of Agriculture's Rural Utilities Service ("RUS"); and

- e. a (not to exceed) \$572,300 loan to be made to the County on behalf of the Community with a term of 40 years and an interest rate of 4.15% by RUS.

The County shall be obligated to enter into a contract for construction of the Facility with the District only in the event the County is able to close on the Loans/Grants by June 13, 2000. The term "close" as used in this paragraph and paragraph 1.3 shall mean receipt of Loan/Grant proceeds by the County or the District or receipt by the County or the District of a final commitment from the relevant governmental agency to loan or grant such agency's portion of the Loan/Grant proceeds to the County or the District.

- 1.3 District Funding. The District must issue general obligation and revenue bonds to fund its share of the Project Costs. Therefore, the District shall be obligated to enter into a contract for construction of the Facility with the County only in the event the District is able to close on financing, satisfactory to the District, enabling the District to fund its share Facility's construction costs (the "District Funding").
- 1.4 Contract to be Publicly Bid. Once the District and County obtain the District Funding and the County Funding, the District and County shall enter into joint contracts for the Facility's construction shall be signed according to the bids received.
- 1.5 County Assignment of 404 Permit. The County has obtained from the United States Army Corps of Engineers (the "Corps") the wetlands Section 404 Permit (the "404 Permit") needed for the Facility's construction. Within ten (10) days of the date this Agreement is executed, the County shall, if required by the Corps, assign a 66.7% interest in the 404 Permit to the District.

2. Ownership of Wastewater Treatment Facility.

- 2.1 Property. The real estate, personal property and fixtures now existing or hereafter created or purchased for use in connection with the maintenance and operation of the Waste Water Facility shall be owned 33.3% by the County and 66.7% by the District, regardless of any expansions of the Facility's treatment capacity. Attached to this Agreement as Exhibit C is the special warranty deed by which the County conveyed to the District a 66.7% interest in the property upon which the Facility is to be constructed.
- 2.2 Treatment Capacity. The term capacity as used herein is hereby defined as the ability of the entire Facility, or any component thereof, to convey flow or other treatment constituents as may be limited by the Facility's discharge permit, as such permit is reissued from time to time. The Facility has the initial design capacity to treat 100,000 gallons per day, on a monthly average basis, of wastewater influent

and 209 pounds per day, on a monthly average basis, of BOD organic matter and other treatment constituents as may be limited in the Facility's discharge permit. This initial design capacity is owned by the District and the County according to the following percentages and shares:

- a. The District owns 66.7%, or 66,700 gpd, on a monthly average basis, of the total wastewater influent treatment design capacity, and 66.7% or 139.4 pounds per day, on a monthly average basis, of the total existing BOD design capacity;
- b. The County owns 33.3%, or 33,300 gpd, on a monthly average basis, of the total wastewater influent treatment design capacity, and 33.3% or 69.6 pounds per day, on a monthly average basis, of the total existing BOD design capacity.

In the event that the State of Colorado modifies the treatment parameters of the Facility's discharge permit, the Parties shall endeavor to comply with the modified discharge permit while maintaining the influent flow and BOD levels in gallons per day and pounds per day as set forth in this section. If a modification by the State of Colorado of the treatment parameters in the Facility's discharge permit, through other than an expansion, increases the influent flow or BOD levels set forth in this section, the Parties shall share in such increase according to the percentages set forth in this section, as they may be amended from time to time.

2.3 Changes in Ownership of Treatment Capacity. In the event that total wastewater influent capacity, total BOD organic treatment capacity or the total of any other treatment constituent capacity contained in the Facility's discharge permit are increased through an expansion of the Facility in accordance with paragraph 4, then a contemporaneous written addendum to this Agreement, in the form attached hereto as Exhibit D ("Change in Capacity Acknowledgment"), shall be executed by the Parties which will set forth the new total wastewater influent capacity, BOD organic treatment capacity or other treatment constituent capacity contained in the Facility's discharge permit, and the new percentages and shares of ownership of such capacity for the District and County.

2.4 Capacity owned by County on Community's behalf. The County shall be responsible for allocating its share of capacity in the Facility to the Community through the issuance of 101 single family taps. The term "single family tap" as used in this Agreement shall mean a sewer tap for use at a single-family dwelling. The treatment capacity represented by a single family tap may be converted to multifamily taps or commercial taps according to the following ratios:

tap category	eqr ratio
a) one Single-Family Tap	1.0
b) one Multi-Family Tap	.75
c) one Commercial Tap	*

* to be determined on a case by case basis according to the number of fixture units present in the structure for which the Commercial Tap is requested, which fixture units shall be used to determine the EQR for the relevant Commercial Tap structure according to the fixture unit chart attached hereto as Exhibit E.

The County shall not issue taps, regardless of whether the tap form is single family, multifamily or commercial, requiring, in total, capacity in the Facility beyond 33,300 gallons per day and 69.6 pounds per day of BOD. The County shall report each tap sold the Community residents to the District within ten (10) days of the tap's issuance, and shall provide with such report sufficient information to allow the District to bill the tap recipient as provided in this Agreement.

2.5 Capacity owned by District. The District shall be responsible for allocating its share of capacity in the Facility through the issuance of 239 single family taps. The term "single family tap" as used in this Agreement shall mean a sewer tap for use at a single-family dwelling. The treatment capacity represented by a single family tap may be converted to multifamily taps or commercial taps according to the ratios set forth in paragraph 2.4.

The District shall not issue taps, regardless of whether the tap form is single family, multifamily or commercial, requiring, in total, capacity in the Facility beyond 66,700 gallons per day and 139.4 pounds per day of BOD.

2.6 Ownership of Collection System. The County shall own the Collection System. Neither the County nor the District shall make any agreement not permitted pursuant to the terms hereof which would limit the ability of the wastewater facility to treat effluent of the Collection System.

3. Operation of Wastewater Treatment Facility and Community Collection System.

3.1 Commencing on Dec. 1, 2000, or such other date mutually acceptable in writing to the County and District ("Effective Date"), the District will provide all management, operation, and maintenance of the Facility and Collection System, including management of Facility and Collection System construction and commissioning, so that effluent

discharged complies with the requirements and conditions specified in the Facility's Colorado Discharge Permit System Permit ("Permit") within the design capacity of the Facility as described in Exhibit A to this Agreement.

- 3.2 All costs of all management, operation, and maintenance services shall be the sole responsibility of the District, subject to the provisions of paragraph 6.
- 3.3 The District will be responsible for all management, operations, and maintenance of the Facility and Collection System including Facility and Collection System administration, planning, budgeting, billing, record keeping, process control and compliance monitoring, including laboratory analysis and completion of Discharge Monitoring Reports and all other reports required by the Permit. The District agrees to conduct such management, operations, maintenance, and compliance monitoring in accordance with Permit requirements and accepted wastewater utility practices. The District shall operate the Facility and Collection System in an efficient and economical manner.
- 3.4 The County shall be entitled to establish rate, fees and charges for the Collection System in accordance with the documents authorizing the Enterprise Bonds. The District agrees to collect, safeguard, and account for all revenues necessary for County to meet and retire the Enterprise Bonds, and to convey to County, as collected, all such revenues on a quarterly basis prior to the District's payment of any other debts, fees, costs, bills, or expenditures.
- 3.5 The District shall provide all maintenance to the Collection System and to sampling and monitoring equipment installed in or at the Collection System. Such maintenance shall be in conformance with any operation and maintenance manual or other equipment and process documentation developed for the Facility or the Collection System as part of their design and construction. The District further agrees to enter into and coordinate and manage any contract services necessary to operate and/or maintain the Facility or Collection System and to assure compliance with the Permit.
- 3.6 The District shall retain properly certified wastewater operators and adequately trained maintenance and laboratory personnel as necessary to properly operate and maintain the Facility and Collection System in compliance with the Permit.

- 3.7 The District shall be the permittee for all matters related to the Permit, and in all correspondence and interface with State and Federal regulatory agencies in matters related to the operation of the Facility and administration of the Permit. The District shall collect, validate, provide, and certify the discharge monitoring data and other operations and maintenance information and maintain files of such data and information as required by the Permit, or as may be directed by State or Federal regulatory agencies, and the District shall name and provide the Designated Responsible Individual with respect to Permit matters, and shall sign and transmit all Permit or regulatory agency required reports. The District shall advise the County of all correspondence and contact with State of federal agencies in matters related to the Permit, and shall provide the County with a copy of all required reports and submittals to State and Federal agencies at the time such reports and submittals are made.
- 3.8 The District shall enter into and supervise all contracts (sludge hauling and disposal, equipment calibration, laboratory services, process chemical supply, professional services) pertaining to the operations and maintenance of the Facility. Such contracts and the financial transaction pertaining thereto shall be negotiated and administered directly by the District with notice to the County. The County shall have the right to provide input to the district in such contracts and financial transactions to the extent that such contracts and financial transactions bear upon County.
- 3.9 Subject to the limitations of this Section, the District shall operate the Facility in compliance with the Permit and with State and Federal regulatory requirements. The District will pay all fines imposed for process upsets and violations of Permit limitations. In no event shall County be responsible for the payment of State or Federal fines imposed as a result of actions, process upsets, or violations of the Permit.
- 3.10 The County shall not be liable for any claim, damage, cost, or expense (including attorney fees) caused by malfunction or failure of the Facility or any component thereof or other liability or loss directly and solely caused by the negligent acts, errors, or omissions of the District.
- 3.11 The District shall provide and maintain at all times during the term of this Agreement the following minimum insurance coverages:

(a) If the District has employees, Statutory Workers' Compensation Insurance in compliance with the laws of the state of Colorado which has jurisdiction over any District employees engaged in the performance of services hereunder;

(b) general liability coverage with a \$1,000,000 combined single limit for each occurrence for bodily injury and property damage with the County named as additional insured; and

(c) if the District has employees comprehensive automobile liability insurance which shall include \$500,000 combined single limit coverage for bodily injury and property damage. Coverage shall apply to all owned, leased and rented vehicles with County named as additional insured.

The District will furnish County with Certificates of Insurance as evidence that policies providing the required coverages and limits are in full force and effect. Such policies shall provide that no less than thirty (30) days' notice of cancellation, termination, or alteration shall be sent directly to the County and the District.

3.12 Each Party will assist the other in complying with all requirements of the Loans/Grants received by the Parties in connection with the construction of the Facility and Collection System. Each Party will cooperate in the year end audit required by RUS Bulletin "RUS 1780-12" (Water or Waste System Grant Agreement United State Department of Agriculture Rural Utilities Service). Nothing contained herein shall require one Party to repay the Party's debt obligations.

3.13 To the extent allowed by law the District shall indemnify and hold County, its employees, and agents harmless under this Agreement for all claims, damages, costs, or expenses caused by malfunction or failure of the Facility or any components thereof or other liability or loss including injury, death, or damages to any person or property related in any way to the performance of this Agreement to the extent such claims, damages, costs, expenses, liability, or loss are cause by the negligent acts, errors, omissions of the District. This provision shall survive the termination of this Agreement. This paragraph 3.13 does not inure to the benefit of any third party and nothing in this Agreement shall limit either Party's governmental immunity.

3.14 Policies and Procedures. The County and the District shall adopt policies and procedures in relation only to those items which affect the joint use, maintenance and operation of the Facility. The adoption of such policies and procedures shall not in any way limit the District's

power to adopt rules and regulations under title 32 of the Colorado Revised Statutes.

4. Expansion of Wastewater Treatment Facility.

4.1 Tap Purchase or Expansion by County. The County is limited in treatment capacity to that set forth in paragraph 2 as the amount necessary to serve the Community. In the event, in the opinion of the County, more taps are needed to serve the Community, the County may purchase additional taps from the District at the then-current District tap price or the County may participate in a facility expansions in order to provide additional taps to the Community. In no event shall the County participate in an expansion to serve any property located outside the Community.

4.2 Facility Expansions. If the County desires to accomplish an expansion of the Facility pursuant to the terms of 4.1, or if the District desires to accomplish an expansion for any reason, the following procedure shall be followed:

- a. The Board of the County or District will give notice by mail to the Board of the other Party of the necessity or desirability of increasing the Facility's capacity, which notice shall set forth what such Party requires as additional capacity beyond the capacity set forth in paragraph 2.2, as it may be amended from time to time.
- b. The Party receiving the notice shall within thirty (30) days review the notice and advise the Board of the initiating Party whether the receiving Party also desires an increase in the Facility's capacity (in the County's case only for that purpose set forth in paragraph 4.1). If both Parties participate in a given expansion, then as soon as possible thereafter, but in no event longer than twenty (20) days, the County and District shall meet to determine the expansion capacity required by each, and at such meeting shall authorize the preparation, as soon as reasonably possible, of an engineer's report to show the exact amount of the expansion capacity needed by both Parties. The cost of the engineer's report shall be shared pro-rata, based on the percent of expansion capacity purchased by each Party. The meeting contemplated by this paragraph shall only be required for joint expansions. If a Party wishes to expand when the other does not, such expanding Party shall proceed with an expansion according to the provisions of paragraph 4.2(e).
- c. If both Parties have determined to participate in an expansion, the County and District shall establish a date, time, and location for a second joint

meeting to be held not later than ten (10) days of the receipt of the engineer's report. At such meeting, both Parties shall determine the exact increase of the Facility capacity required to meet each Party's expansion capacity needs, and each Party shall have thirty (30) days thereafter to provide:

Satisfactory evidence of such Party's ability to finance the proposed expansion in the form of:

- (i) A certification by the Party's treasurer or accountant of the availability and allocation of the funds, or
- (ii) A certified copy of the resolution authorizing the necessary general obligation or other bonds and a certified copy of any related debt question, if necessary, passed by the electorate and a firm commitment from a reputable underwriter to purchase the bonds or act as broker in the sale of the same. In the event an election is necessary to approve the issuance of any bonds, the Party needing the election shall hold that election as soon as possible consistent with applicable law.
- (iii) In the event a Party determines to provide its financing out of current funds, it shall provide a statement from its auditor that, in his opinion, there will be funds available for the Party to use at such times as it must draw upon them.

When financing for a joint expansion has been arranged for by both Parties, the County and District shall, in the manner provided for the construction of the joint Facility set forth in paragraph 1 of this Agreement, or such other manner as may be agreed by the Parties, proceed with contracts for the expansion increased plant capacity, provided, however, that prior approval of the contracts by a Party not participating in the plant expansion shall not be required.

- d. In the event either Party seeking to participate in a joint expansion is not able to arrange the financing of the expansion capacity, then the other Party shall have the option of increasing the Facility's capacity on its own, at its own expense, and shall retain the entire increase in capacity obtained thereby.
- e. In the event a Party chooses not to participate in the proposed expansion,

the other Party shall retain an absolute right to go forward with its proposed expansion entirely at its own expense, and shall retain the entire increase in capacity achieved thereby.

- f. In the event a proposed expansion is eligible for an EPA grant or other state or federal financial assistance, County and District shall both be designated the "lead agency" and shall have the authority to make the application for funding as lead agency, to enter into contracts, as lead agency, and to take appropriate action in all other circumstances which require a designated lead agency.
- g. The engineer hired to design and oversee an expansion in which both Parties are participating shall be chosen by mutual approval of the Parties, and shall contract with both.

5. Community Wastewater Collection System. The Community needs a wastewater collection system in order to receive treatment from the Facility, as further described in Exhibit F (the "Collection System"). The Collection System will be constructed, operated and maintained as follows:

- 5.1 Funding and Construction. The County shall contract for the construction, and pay all costs associated with, of the Collection System using a portion of the money the County receives via the Loans/Grants set forth in paragraph 1.2 of this Agreement. The County shall coordinate with the District during construction as necessary to ensure all applicable District, State and local requirements are met such that the District shall accept the responsibility for maintaining the Collection System.
- 5.2 Ownership/Maintenance. Once the Collection System is complete, it shall be owned by the County but shall be maintained by the District as though it were part of the District's system, subject to the terms of paragraphs 6 and 8.1 of this Agreement.

6. Community Payment for Wastewater Collection and Treatment Service.

- 6.1 Tap Fees to repay Loans/Grants. The County shall establish and impose those Community properties receiving the 101 single family taps contemplated by this Agreement, tap fees sufficient to repay the loans given to the County as part of the Loans/Grants. The County's tap fees shall be based upon a single family tap with an EQR of 1. The County may determine to collect the tap fees imposed pursuant to this paragraph in increments through service

fee billings and may request that the District collect the tap fees so imposed as a surcharge (the "Tap Fee Surcharge") upon the service fees charged by the District pursuant to paragraph 6.2. In this event, the County shall provide the District with all information and assistance required by the District to collect the Tap Fee Surcharges; including but not limited to their amount.

The District will collect the Tap Fee Surcharges subject to the County's performance of the obligations set forth in paragraph 6.3. The Tap Fee Surcharges will be collected by the District on a monthly schedule, and will be paid to the County quarterly by the 15th day of the month following the relevant calendar quarter. The County shall use the Tap Fee Surcharge payments only for the repayment of the loans set forth in paragraph 1.2 or for maintenance, repair, replacement or after expenses of the Collection System.

- 6.2 Service Fee Billings and Surcharges. Each month, the District shall bill all Community residents/citizens receiving wastewater treatment from the Facility and Collection System for their pro-rata share based on the County's pro-rata ownership of treatment capacity of the costs and expenses associated with the Facility and Collection System's operation at a rate to be determined by the District, plus the following surcharges: (a) the Tap Fee Surcharge and (b) a surcharge to recover the District's costs incurred in collecting the Tap Fee Surcharge for the County. Costs and expenses shall be those costs and expenses incurred by the District in the operation of the Facility and Collection System for labor, regulatory/permit fees, analytical/laboratory expenses, travel/training for operators, plant maintenance/operations of equipment and materials, utilities (gas, electric, water, telephone), sludge hauling and disposal, vehicle maintenance/fuel, tool purchase, landscape maintenance, building/structure maintenance (includes plant piping), professional services contracts/expenses applicable to waste service, process chemicals, pipeline cleaning (labor and equipment) or contract, repair labor and materials, service line connecting/construction inspection, pump station power, pump station maintenance and repairs, vehicle/portable pump and generator maintenance and fuels.
- 6.3 County Collection Assistance. In exchange for, and as a condition precedent to, the District's commitments in paragraphs 6.1 and 6.2, the Parties agree that upon the neglect, failure, or refusal of any user in the community to pay the fees described herein, the District will so advise the County, and the County will proceed without unreasonable

delay as set forth in C.R.S. § 30-20-420.

- 6.4 The Parties shall, on an annual basis, jointly select an auditor for the Facility and Community Collector System. Each Party shall receive a copy of the audit.
- 6.5 The Parties shall have an annual joint budget meeting to set the Community Tap Fees and/or service fees consistent with paragraph 6.2.
7. **Recapture.** The Parties agree that certain expenses are being incurred in the construction of the Facility and Community Collector System, and have been incurred in the formation of the District and other activities related to serving both the District and the Community, to fund items which will provide benefit to future as well as existing users of the Facility (the "Recapture Items"). The Parties further agree that efforts should be made to recapture the costs associated with such items and to redistribute them to the District and the County.

Within six (6) months of the date the Facility is completed, the Parties shall determine which portions of the Facility qualify as Recapture Items. Thereafter, the Parties shall determine an appropriate charge, based upon the expected development in the District at such time as the District is fully built-out (the "Recapture Charge"), and the District shall impose the Recapture Charge upon any properties including into the District's boundaries after the date of this Agreement as a portion of any inclusion fee charged by the District. Nothing in this paragraph 7 shall in any way limit the District's ability to charge inclusion fees unrelated to the Recapture Items or its ability to charge any other rates, fees, tolls or charges under the law of the state of Colorado.

One third of any Recapture Charges so imposed shall be paid to the County to be used on the Community's behalf and two-thirds shall be retained by the District.

8. **Enterprises.** The Parties anticipate establishing "Enterprises," as defined in and pursuant to the Colorado Constitution, Article X, Section 20, in furtherance of the operation of the Facility and the Collection System. All or part of any obligation or right assigned or held by either Party to this Agreement may be done or undertaken as an Enterprise with the same effect as if undertaken by such Party and all rights of each Party to this Agreement may be assigned in whole or in part to an Enterprise.
9. **Agreement Subordinate to Statute.** Nothing in this Agreement shall be construed as controlling over the duties, obligations or limitations imposed upon the District or the County by the Statutes of the State of Colorado now in force or enacted in the future.
10. **Individual Liabilities.** Nothing in this Agreement shall be construed to create any

liability for the District or the County for the material content of the Community's and District's wastewater respectively. The County and the Community shall be responsible for the material content of the wastewater generated in the Community, and the District shall be responsible for the material content of the wastewater generated in the District. When the Community causes the Facility, or the operation thereof, to violate applicable statutes, rules or regulations of federal, state or local governmental entities, the Community and the County, and not the District, shall be responsible for any fines imposed as a result of the violation. When the District causes the Facility, or the operation thereof, to violate applicable statutes, rules or regulations of federal, state or local governmental entities, the District and not the Community or the County, shall be responsible for any fines imposed as a result of the violation.

11. **Reuse Wastewater.** This Agreement does not affect the District's ownership rights, if any, or its dominion and control, if any, over Reuse Wastewater. For the purposes of this Agreement, the term "Reuse Wastewater" shall mean all wastewater effluent attributable to the District, as measured by the District's influent. The District shall retain any right, title and interest which it may own in and to its Reuse Wastewater.
12. **District Service Area.** This Agreement shall not be construed as any limitation upon the District's ability to provide wastewater treatment or service to any other property within or without the District's boundaries. The District reserves to itself the prerogative of including real property which can be served by it. Further, the District may increase its service area within its boundaries and may expand or modify its boundaries at its sole discretion.
13. **Termination.** This Agreement shall continue in full force and effect until terminated by any one of the following events:
 - (a) Unanimous consent of the Parties to terminate this Agreement;
 - (b) Dissolution or termination of this Agreement by Court order;
 - (c) Consolidation of parties to this Agreement;
 - (d) Government executive or legislative action which supersedes this Agreement, or makes other provisions for the use and dispositions of the Facility.
14. **Choice of Laws and Venue.** This Agreement shall be construed and applied in accordance with the laws of the State of Colorado. Venue for any litigation relating to the terms and conditions of this Amended Agreement shall be in the District Court of Grand County, State of Colorado.

15. **Entirety.** Except as expressly provided herein, this Agreement constitutes the entire contract between the parties concerning the subject matter herein, and all prior negotiations, representations, agreements, contracts, or understandings pertaining hereto are deemed merged into and superseded by this Agreement.
16. **Amendment/Modification.** This Agreement may be amended or modified only in writing, signed by both Parties.
17. **Counterparts.** This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes constitute one Agreement, binding on the parties.
18. **Binding Effect.** This Agreement shall be binding upon the successors and assigns of the parties.
19. **Miscellaneous Covenants.**
 - 19.1 Upon the abandonment of any portion of the Facility of by the District or County, the abandoning Party shall retain all rights guaranteed by the laws of the State of Colorado and shall remain liable under the applicable laws of the State of Colorado, unless otherwise agreed by the Parties.
 - 19.2 Assignability of this contract and any of the rights and liabilities hereunder shall be made only after written consent of a majority of the members of the Board of each Party.
 - 19.3 All bonds, notes, or other obligations of County and District either referred to in this Agreement or to be issued by either Party shall, for all purposes of this Agreement, be the sole obligation of the issuing Party and shall not in any way be deemed a debt or liability of the other Party to this Agreement.
 - 19.4 This Agreement shall not be construed to be in violation of the laws of the United States or the State of Colorado, and the provisions of this Agreement shall not be construed in any manner that will adversely affect or diminish the bonding capacity of either District or County with reference to any bonds they are authorized by law to issue.
 - 19.5 This Agreement shall be construed and applied in accordance with the laws of the State of Colorado. Venue for any litigation relating to the terms of this Agreement shall be in the District Court of Grand County, state of Colorado.
 - 19.6 In the event that any provision of this Agreement is held to be of no effect in a Court of competent jurisdiction, such finding, order or judgment shall not affect any other of the covenants of this Agreement.

GRAND COUNTY

James L. Newberry
 By: James L. Newberry
 Its: Acting Chairman

STATE OF COLORADO)
) ss.
 COUNTY OF GRAND)

The foregoing instrument was acknowledged to before me this 14th day of June, 2000, by James L. Newberry, acting Chairman.

~~Lurline~~ Underbrink Curran
 1115 Park Avenue
 Kremmling, CO 80459

My Commission expires: _____
 My Commission Expires Oct. 28, 2003

Witness my Hand and Official Seal.

Lurline Underbrink Curran
 Notary Public



TABERNASH MEADOWS WATER
 AND SANITATION DISTRICT

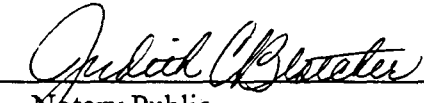
By: Robert J. Gebhart
 Its: President

ATTEST:

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

The foregoing instrument was acknowledged before me this 14th day of June 2000, by Robert J. Yaklich, President of the Tabernash Meadows Water and Sanitation District.

Witness my hand and official seal.



Notary Public

My Commission expires: 8/18/2001

EXHIBIT A

Property

Attached map also labeled Exhibit A - Community boundaries shown in green.

TMWSD_ALTERNATE2

TMW&SD
ALT2
LOTF_E3
TMWSD

TMWSD
ALTERNATE2
Grand County, Colorado



1 inch = 750 feet



LEGEND

- Text: Pts
- City
- County
- Townships
- Sections
- Text: Streets
- Highways
- Tract Edges
- Parcel map 1451
- Parcel map 1452
- Parcel map 1587
- Parcel map 1589
- Section Original
- Plotted Lots
- Vulgamott Additions
- Lot LOT 1
- Lot LOT 2
- Lot LOT 3
- Lot LOT 4
- Lot LOT 5
- Lot LOT 6
- Lot LOT 7
- Lot LOT 8
- Lot LOT 9
- Lot LOT 10
- Lot LOT 11
- Lot LOT 12
- Lot LOT 13
- Lot LOT 14
- Lot LOT 15
- Lot LOT 16
- Lot LOT 17
- Lot LOT 18
- Lot LOT 19
- Lot LOT 20
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- Lot LOT 98
- Lot LOT 99
- Lot LOT 100

Grand County G.I.S.
GRAND COUNTY GOVERNMENT
COURTHOUSE, 308 Myers Ave., P.O. Box 8254
Hot Sulphur Springs, CO 80451
Phone (970) 725-3347 Fax (970) 725-3303

COUNTY MAP

Mapped, edited, and published by the Grand
County Geographic Information System
(GCOIS) Dept. Compiled from U.S. West
Landbase Data digitized from the Grand
County Assessor Parcel Base Maps.

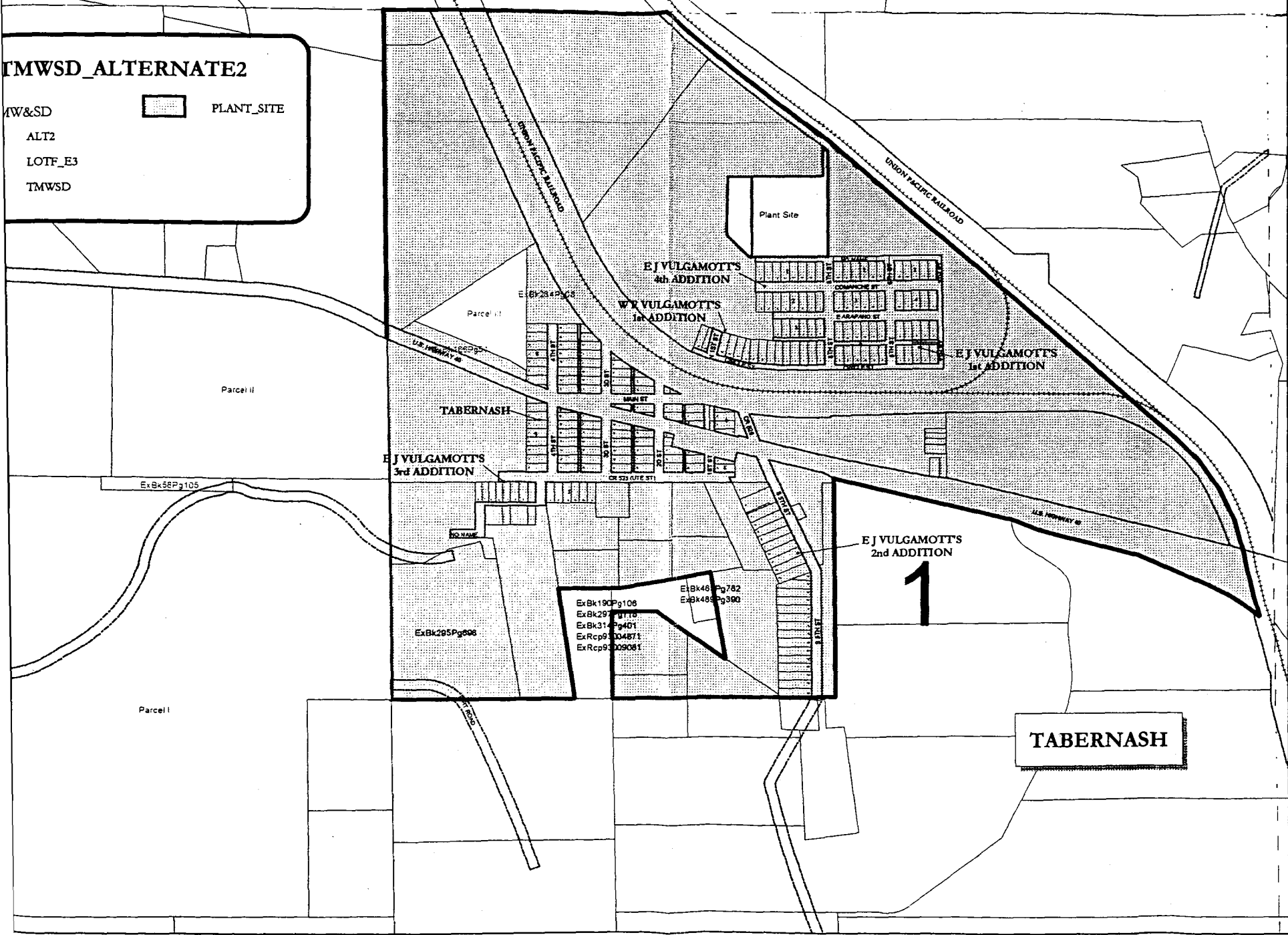
Map Edited 1997

PROJECTION:
Colorado State Plane Coordinate System
North Zone 3451
1983 North American Datum (NAD83)

DISCLAIMER:
This map is for illustrative purposes only, and
is not suitable for parcel specific decisions
making. UNDER NO CIRCUMSTANCES SHALL GCOIS
DATA BE USED FOR FINAL DESIGN PURPOSES. More
site-specific studies may be required to make
decisions and draw accurate conclusions.

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The GIS database and data in this product are subject
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TABERNASH

EXHIBIT B
 TABERNASH MEADOWS WATER & SANITATION DISTRICT
 SUMMARIZED COSTS

	Cost per Low Bid	Allocated to:	
		Tabernash Community	Tabernash Meadows
Duckles Construction, Inc.			
Wastewater Facility:			
Construction	1,357,756	452,585	905,171
Effluent Railroad Bore	90,213	30,071	60,142
Sitework, Topsoil & Reveg.	29,600	9,867	19,733
Electric - Power/3 Phase	<u>44,000</u>	14,667	29,333
	1,521,569		
Duckles Construction, Inc.			
Community Sewer:			
Collector Lines & Lift Station	619,500	619,500	
Interceptor Lines	<u>225,929</u>	75,310	150,619
	845,429		
Downey Excavating			
Meadows Water & Sewer			
Water Distribution Lines & Hydrants	684,376		684,376
Sewer Collection System & Lift Station	<u>787,932</u>		787,932
	<u>1,472,308</u>		
Subtotal - Bids	<u>3,839,306</u>	1,202,000	2,637,306
Other Costs:			
Land - Purchased by Grand County		6,871	13,742
Engineering & Inspection Fees		126,160	254,840
Developer Expenses & Org. Costs		30,000	60,000
Legal & Accounting		94,000	188,000
Water Wells, Trmt, Storage, etc.			536,100
Contingency		<u>15,293</u>	<u>320,000</u>
Subtotal - Hard & Soft Costs		1,474,324	4,009,988
Financing Costs		<u>50,000</u>	<u>400,000</u>
Total Costs		1,524,324	<u>4,409,988</u>
Community Funding Sources:			
Grants			
County		55,000	
State - Energy Impact		250,000	
State - Public Health		300,000	
Federal - Rural Develop.		<u>400,000</u>	
Total Grants		<u>1,005,000</u>	
Remaining Amount to be Funded by Loans		<u>519,324</u>	
Loans			
State - Energy Impact		50,000	
Federal - Rural Develop.		<u>572,300</u>	
Total Loans		622,300	
EQRs in the Community		<u>101</u>	
Community Tap Fee per EQR to be Financed through Loans		<u>5,142</u>	
Estimated Monthly Payment per Community Home:			
Tap Fee - Loan Repayment		31.67	
Sewer Service Charge (1)		<u>20.83</u>	
Estimated Monthly Payment per Community Home		<u>52.50</u>	

(1): May be higher depending on actual operational costs and number of homes.

Note: Each Connection to the system will be responsible for their service lines which may range in cost from \$500 to \$1,000. Financing may be available.

Exhibit "C"

SPECIAL WARRANTY DEED

THIS DEED, Made this 14th day of June 192000 between the Board of County Commissioners of the County of Grand, State of Colorado

of the County of Grand, State of Colorado, grantor(s) and Tabernash Meadows Water and Sanitation District, A political Subdivision and a Quasi-Municipal Corporation of the State of Colorado an undivided 2/3 interest and the Board of County Commissioners of the County of Grand an undivided 1/3 interest, as tenants in common

whose legal address is Tabernash Meadows Water and Sanitation District c/o Icenogle, Norton & Seter, P.C. 5690 DTC Boulevard, Suite 300 Greenwood Village, CO 80111 The Board of County Commissioners of the County of Grand P.O. Box 264 Hot Sulphur Springs, CO 80451

of the County of Arapahoe & Grand State of Colorado, grantee(s):

WITNESSETH, That the grantor(s), for and in consideration of the sum of Ten and no/100 dollars and other good and valuable considerations the receipt and sufficiency of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell, convey, and confirm, unto the grantee(s) its heirs and assigns forever, all the real property, together with improvements, if any, situate, lying and being in the County of Grand, State of Colorado, described as follows:

See Exhibit A attached hereto which is incorporated by reference as if set forth in full herein.

Provided, however, that the real property described herein, is solely restricted to use by or on behalf of Tabernash Meadows Water and Sanitation District and Grand County for sanitary sewer purposes, and related activities, and in the event of a breach of this restriction, said property shall forthwith revert to the grantor, its successors and assigns, following written resolution by the grantor to such effect. This restriction shall be effective from the date of this deed and run with the real property described herein for a period of ninety-nine (99) years from the date of this deed.

also known by street and number as: assessor's schedule or parcel number:

TOGETHER with all and singular the hereditaments and appurtenances thereto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and all the estate, right, title, interest, claim and demand whatsoever of the grantor(s), either in law or equity, of, in and to the above bargained premises, with the hereditaments and appurtenances;

TO HAVE AND TO HOLD the said premises above bargained and described with the appurtenances, unto the grantee(s), its heirs and assigns forever. The grantor(s), for itself, its heirs and personal representatives or successors, do covenant and agree that it shall and will WARRANT AND FOREVER DEFEND the above-bargained premises in the quiet and peaceable possession of the grantee(s), its heirs and assigns, against all and every person or persons claiming the whole or any part thereof, by, through or under the grantor(s).

IN WITNESS WHEREOF, the grantor(s) has executed this deed on the date set forth above.

James L. Newberry (handwritten signature)

James L. Newberry Acting Chairman of the Board of County Commissioners of the County of Grand, State of Colorado

STATE OF COLORADO

County of Grand

The foregoing instrument was acknowledged before me this 14th day of June 192000

by James L. Newberry, Acting Chairman

EXHIBIT DCHANGE IN CAPACITY ACKNOWLEDGMENT

This Change in Capacity Acknowledgment is an Exhibit to the Intergovernmental Agreement By and Between Grand County and Tabernash Meadows Water and Sanitation District for Construction and Operation of a Wastewater Treatment Facility and Wastewater Collection System ("IGA") entered into between Tabernash Meadows Water and Sanitation District ("District") and Grand County, Colorado ("County"), dated _____, 2000.

Pursuant to the provisions of Section 2.3 of the IGA, the Parties hereby amend the provisions of section 2.2 of the IGA to provide as follows:

2.2 Present Ownership of Treatment Capacity. As of the date of execution of this Change in Capacity Acknowledgment, the Facility has the existing capacity to treat _____ million gallons per day ("gpd"), monthly average basis, of wastewater influent, and _____ pounds per day, monthly average basis, of BOD organic capacity. This existing treatment capacity of _____ million gpd, monthly average basis, of influent treatment capacity, and _____ pounds per day, monthly average basis, of BOD organic treatment capacity, is owned by the Parties according to the following percentages and shares:

a. The District owns _____%, or _____ gpd, monthly average basis, of the total existing wastewater influent treatment capacity, and _____%, or _____ pounds per day, monthly average basis, of the total existing BOD treatment capacity;

b. The County owns _____%, or _____ gpd, monthly average basis, of the total existing wastewater influent treatment capacity, and _____%, or _____ pounds per day, monthly average basis, of the total existing BOD treatment capacity;

All other treatment parameters or constituent capacities, which are contained in the Facility's discharge permit are owned by the Parties according to the percentages of influent capacity set forth in subsections (a) and (b) of this Section 2.2.

Except as modified above, the IGA remains in full force and effect.

Equivalent Single Family Unit Assessment Schedule

EQR Assessment

<u>Detached Home/Townhome</u> (up to 3 bedrooms/ 2 bathrooms/1 kitchen)	1.00
Additional Bedroom (per bedroom)	0.20
Additional Bathroom (per bathroom)	0.20
Additional Kitchen (per kitchen)	0.50
Hot Tub	0.20

<u>Multi-Unit Structure</u> (apartment, condominium, hotel, motel – per unit)	
Accommodation –	0.34
Studio –	0.50
One Bedroom/One Bathroom –	0.68
Two Bedrooms/Two Bathrooms/One Kitchen	1.00
–Additional Bedroom (per bedroom)	0.32
–Additional Bathroom (per bathroom)	0.32

Additional Assessment Factors

Bar – per 600 square feet of customer service area	2.00 (min)
Restaurant – per 500 square feet of customer service area	2.00 (min)
Retail – per 500 square feet of customer service area	0.50 (min)
Office – per 500 square feet	0.50 (min)
Laundry and Cleaning (per machine - maximum capacity per 12-hour period)	1.00
	0.24
Public-Use Hot Tub – per tub	0.50
Amenities (i.e. swimming pools) and Common Elements (i.e. drinking fountains, public restrooms, lounge areas) not addressed herein will be considered on a case-by-case basis.	

Notes:

- 1) The 1.00 EQR is based on usage of 300 gallons of water per day. If usage is beyond reasonable and customary, the District reserves the right to re-evaluate the assessment.
- 2) The minimum EQR assessment per account will be .5 tap.
- 3) Other types of assessment will be determined by the Board based on projected use.
- 4) Combinations of above are additive.
- 5) Monthly service fees to be paid year round, and start first of the month after tap fees are due.

EXHIBIT FDescription of Community Collection System:

A sanitary sewer system consisting of approximately 4,807 lineal feet of eighteen inch PVC sewer line, 388 lineal feet of force main, 6,072 lineal feet of eight inch sewer line, one (1) double railroad bore crossing, two (2) highway 40 bore crossings, one (1) sewer lift station, and all associated appurtenances for installation in the community of Tabernash, Colorado. A complete description of the Community Collection System may be found in the contract for its construction, contained in that particular contract entitled "Project Manual for Tabernash Meadows Water and Sanitation District Tabernash Community Sanitary Sewer," dated December 1999.